

**Report of the
Comptroller and Auditor General of India
on
Social, Economic, General and Revenue Sectors
for the year ended March 2019**



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

Government of Arunachal Pradesh
Report No. 1 of 2021

**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

ON

**SOCIAL, ECONOMIC, GENERAL AND
REVENUE SECTORS**

FOR THE YEAR ENDED MARCH 2019

GOVERNMENT OF ARUNACHAL PRADESH
REPORT NO. 1 OF 2021

TABLE OF CONTENTS

	<i>Paragraphs</i>	<i>Pages</i>
Preface		v
Overview		vii
CHAPTER-I:INTRODUCTION		
About the Report	1.1	1
Profile of the Office of the Principal Accountant General, Arunachal Pradesh	1.2	1
Planning and conduct of Audit	1.3	2
Significant Audit Observations	1.4	3
CHAPTER-II: SOCIAL SECTOR		
Introduction	2.1	5
Compliance Audit Paragraphs		
Sports & Youth Affair Department		
Development of Sports Infrastructure in Arunachal Pradesh	2.2	6
Food & Civil Supplies Department		
Excess Payment	2.3	23
Public Health Engineering & Water Supplies		
Unverifiable Expenditure	2.4	24
Erroneous Expenditure	2.5	27
CHAPTER-III: ECONOMIC SECTOR		
Introduction	3.1	29
Compliance Audit Paragraphs		
Public Works Department		
Unfruitful Expenditure	3.2	31
Infructuous expenditure on Bridge	3.3	33
Excess expenditure and diversion of funds	3.4	35
Excess Expenditure	3.5	38
Avoidable expenditure	3.6	40
Hydro Power Development Department		
Infructuous Expenditure	3.7	41
Power Department		
Wasteful expenditure on idle Equipment	3.8	43
Rural Development Department and Public Works Department		
Fraudulent Expenditure and fabrication of records	3.9	45
Public Works Department		
Irregularities in execution of works	3.10	49

CHAPTER-IV: GENERAL SECTOR		
Introduction	4.1	51
Compliance Audit Paragraph		
Planning Department		
Member of Legislative Assembly Area Development Scheme	4.2	53
CHAPTER-V: REVENUE SECTOR		
Introduction	5.1	71
Compliance Audit Paragraphs		
Tax and Excise Department		
Non realisation of tax	5.4.1	80
Non realisation of tax	5.4.2	81
Non levy of revenue from Wholesale Vends	5.5	82
Non-levy of Penalty	5.6	83
Non-realisation of Renewal Fee and Penalty	5.7	84
Transport Department		
Non-realisation of Road Tax /Motor Vehicle Tax and Penalty	5.8	85
Non-renewal of Fitness Certificates	5.9	86
Short recovery of Composite Tax - ₹ 13.71 lakh	5.10	88
CHAPTER-VI: ECONOMIC (SPSUs) SECTOR		
Overview of State Public Sector Undertakings	6.1	89
CHAPTER-VII: FOLLOW-UP OF AUDIT OBSERVATIONS		
Follow up Action on Audit Reports	7.1	99
Audit Committee Meeting	7.2	99
Response to Audit Observations	7.3	100

APPENDIX

Appendix	Subject	Page (s)
2.1	District-wise position of Sports Infrastructure Schemes/Projects taken up during the Year 2014-15 to 2018-19	103
2.2	Details of 19 delayed Projects funded under MDoNER and NEC	104
2.3	Statement showing status of 21 Projects in the selected five sample Districts	106
4.1	List of Schemes/Works executed in Lower Subansiri District without recommendation of the concerned MLAs	108
4.2	List of Schemes/Works not executed as per the recommendations of the concerned MLAs	108
4.3	Details of procurement of CGI Sheets and distribution to beneficiaries	109
4.4	Statement showing payment of excess rate in procurement of CGI Sheets in three sampled districts	110
4.5	List of non-permissible Schemes/Works	111
4.6	Statement showing non-maintenance and upkeep of Assets created under the Scheme	112
5.1	Statement showing non-payment of Tax by two Dealers	113
5.2	Statement showing non-payment of due Tax and Penalty by a Dealer	116
5.3	Showing details of unauthorised lifting of IMFL by two wholesale vends	117
5.4	Statement showing non-levy of Penalty for non-filing of Tax Return	119
5.5	Statement showing short-realisation of Composite Fee due to issue of Temporary Permits to owners of 146 Commercial Vehicles	130
6.1	Summarised Financial Position and Working Results of PSUs (all Government Companies) as per their latest finalized Financial Statements/Accounts as on 30 September 2019	140
6.2	Statement showing Rate of Real Return on Government Investment	142
7.1	Statement showing details of Explanatory Notes on Paragraphs of Audit Report pending as of March 2020	143
7.2	Status of outstanding Action Taken Notes (ATNs) on the recommendations of the Public Accounts Committee (PAC) as of March 2020	146
7.3	Details of outcomes of Public Accounts Committee meeting (PAC) held in September and January 2020	148
7.4	Statement showing details of Outstanding Paras to be discussed in PAC/CoPU as of March 2020	149

PREFACE

1. *This Report of the Comptroller and Auditor General of India has been prepared for submission to the Governor of Arunachal Pradesh under Article 151 of the Constitution of India for being laid on the floor of the State legislature.*
2. *This Report contains significant results of compliance audit of the Departments of the Government of Arunachal Pradesh under Social, Economic, General, Revenue Sectors including Sports and Youth Affairs Department, Public Health Engineering & Water Supply Departments, Public Works Departments, Power Department, Hydro Power Development Department, Planning Department, Taxation Department and Transport Department.*
3. *The cases mentioned in the Report are those which came to notice in the course of test audit during the year 2018-19, 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 2018-19 have also been included, wherever necessary. The Report has been finalized after considering the response of the Government Departments, wherever received.*
4. *Audits has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.*

OVERVIEW

OVERVIEW

Chapter-I

Introduction

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from Compliance Audits and test Audit of transactions of various Departments of the Government of Arunachal Pradesh, pertaining to Social, Economic, General and Revenue Sectors. The primary purpose of this Report is to bring to the notice of the State Legislature the significant results of audit.

During 2018-19, out of 784 Units, 199 were planned for Audit after conduct of risk assessment and keeping in view available manpower, out of which 153 Units were actually audited. This Report *inter alia* contains 22 Compliance Audit Paragraphs which include 02 Compliance Audits of '*Development of Sports Infrastructure*' and '*Member of Legislative Assembly Local Area Development Fund*'.

A synopsis of important findings contained in this Report is presented in this Executive Summary.

Chapter-II: Social Sector

Sports and Youth Affairs Department

Development of Sports Infrastructure

The State Sports Policy 2017 envisaged creation of 1 (one) Football Ground, 1 (one) Athletic Field and 1 (one) Indoor hall in each of the 99 blocks of the State. However, no phase wise targets or annual milestones were fixed to monitor the creation of the intended sports infrastructure. Besides, the Department is yet to create a centralised database and an Asset Register to facilitate an overall picture on the requirements in this field.

The decision to build the sports infrastructure was based on proposals of public/elected representatives and availability of funds, rather than realistic assessment on the actual requirement of facilities, availability of coaches and in coordination with sports federations, local bodies etc. There was also no cognisance taken on the potential for excellence of sports persons in the State in the fields where they had won laurels at international and national levels, while planning the projects. The location of the projects was also skewed in the State as seven districts did not have any infrastructure projects. In districts where these were created, many of them remained incomplete, unutilised and in decrepit state.

Due to ban on creation of new posts in the State, the Department's proposal for creation of 208 posts of coaches in 2016-17 was not sanctioned. The number of coaches and instructors are not commensurate with the physical infrastructure projects

completed/ongoing in the State, which is one of the prime reasons for many facilities lying neglected.

(Paragraph 2.2.6.1 and 2.2.6.2)

During 2014-19, the expenditure under Capital Section (₹ 153.85 crore) was only 58 *per cent* of the capital budget (₹ 264.35 crore) of the department. Inability of the Department to consistently spend the capital provision adversely affected the creation of sports infrastructure in the State. Similarly, the Department could use only 23 *per cent* of the maintenance budget which had a detrimental effect on effective upkeep and maintenance of the projects created.

(Paragraph 2.2.7.1)

During the period 2014-19, the Department could utilise only 60 *per cent* (₹ 201.18 crore) of the funds released by GoI (₹ 346.35 crore). Under Khelo India Scheme, the utilisation of funds was only eight *per cent*, due to receipt of GoI funds at the fag end of the year.

(Paragraph 2.2.7.2)

There were huge delays ranging from six to 41 months in release of funds received from GoI (MDoNER) resulting in time and cost inefficiencies in completion of sports projects.

(Paragraph 2.2.7.3)

A total of 80 sports infrastructure projects were taken up at an estimated cost of ₹ 480.05 crore in the State during 2014-19, 42 projects had been completed at a cost of ₹ 90.28 crore and 26 projects were still ongoing. Works related to nine projects costing ₹ 97.53 crore have not started due to delay in release of funds and finalization of tenders. Three projects sanctioned under SPA were stopped due to discontinuation of the scheme.

(Paragraph 2.2.7.4)

Out of 21 projects taken up in the test checked districts with an outlay of ₹ 243.13 crore, 15 projects costing ₹ 59.59 crore were belatedly completed and six projects with expenditure of ₹ 183.54 crore during 2014-19 were delayed owing to delay in release of funds by the State Government, resulting in non-availability of intended sports facilities on time. The Dorjee Khandu Badminton Academy at Itanagar remained incomplete despite availability of funds of ₹ ten crore with the Dy. Director, Urban Development and Housing Division, Itanagar.

(Paragraph 2.2.7.6)

In violation of the codal provisions of the General Financial Rules, five projects (estimated cost ₹144.00 lakh) were executed by awarding works to local contractors without inviting tenders.

(Paragraph 2.2.7.7)

Eight completed projects were not formally handed over (June 2020) to sports authorities resulting in non-utilisation of these projects for the intended purposes for which they were created.

(Paragraph 2.2.7.8)

The work 'C/o Mini Stadium at Yachuli' (Lower Subansiri District) sanctioned (September 2011) by NEC was completed after a delay of three years. Audit observed that the ground was unusable with uneven surface and thick vegetation growth. Further, the gallery, VIP rostrum and toilet facility were in a dilapidated condition resulting in wasteful expenditure of ₹ 2.43 crore.

(Paragraph 2.2.7.9)

The work 'C/o Outdoor Stadium at Pasighat' was completed in November 2018 at a cost of ₹ 40.90 crore but was not handed over to the Sports Department for reasons not on record. Due to defective DPR there was water logging problem and as a consequence the venue was not utilised and one sports event (25th National Senior Women's Football Championship 2019) had to shifted from the stadium and held elsewhere.

(Paragraph 2.2.7.10)

High Altitude Sports Complex at Tawang was not completed even after a delay of more than six years. It was being used as classroom/office of a Government college without any authorization for such use, while the site development works still remain incomplete.

(Paragraph 2.2.7.11)

Physical verification of the assets created showed that four projects (two in Chimpu-Papumpare District and two in Lumla-Tawang District) projects costing ₹ 3.39 crore, constructed during the period 2013-18 were in dilapidated condition, without any sign of maintenance or management by the Department.

(Paragraph 2.2.8)

Recommendations

- ***The Department may formulate long and short term action plan for holistic development of sports infrastructure with prioritization on sports where the State players have high chances of achieving laurels at national and international level. Besides, sports infrastructure facilities created in every district as envisaged under the State's Sports Policy.***
- ***Phase wise targets should be set for efficient monitoring of the completion of the projects, along with creation of a centralised database and Asset Register.***
- ***Additional coaches may be appointed expeditiously for optimal utilisation of completed infrastructure projects.***
- ***The Department should utilize budget under both capital and Revenue sections efficiently and on time. The funds may be released to the implementing agencies promptly so that projects are not held up for want of funds.***

- *A dedicated monitoring cell may be established by the Department of Sports to ensure completion of all ongoing and stalled projects on time, by coordinating with the concerned executing agencies and also ensure timely taking of completed projects.*
- *The completed projects which are lying unused must be utilized so that the intended benefits accrue to the users. This may require allocation of funds for maintenance and repair and appointment of coaches/instructors, if required.*
- *Sports infrastructure created may be used for the intended purposes without any diversions.*
- *The Department may revamp their monitoring mechanism for utilisation of funds, completion of projects and utilisation of infrastructure created.*

Food & Civil Supplies Department

There was unauthorised and excess payment of ₹ 93.60 lakh on account of Hill Transport subsidy payments to a carriage Contractor in Kurung Kumley District.

(Paragraph 2.3)

Recommendation

The excess payment may be recovered immediately and Department may take appropriate action on those responsible for the excess expenditure. Further, internal controls may be strengthened in the department to ensure that all payments are correctly released to agencies.

Public Health Engineering & Water Supply Division

The Executive Engineer (EE), Public Health Engineering & Water Supply (PHE & WS), Khonsa Division did not seek technical sanction for a major work of 'Providing water supply for Boduria and adjoining village in Tirap District' as per delegation of powers in the Department and nor did he invite tenders in violation of manual provisions. The completed work included unverifiable expenditure of ₹ 75.70 lakh on purported excavation work and avoidable expenditure of ₹ 62.23 lakh due to non-utilization of existing water pipe line. Besides, the objective of the project to augment existing water supply remained unfulfilled since the entire work was executed with the existing water head sources.

(Paragraph 2.4)

Recommendation

The Department may fix responsibility in this case for technical sanction not obtained and tenders not invited for a major work. Besides, strict monitoring of the actual execution of works require to be ensured, especially in respect of major projects. The Department may issue instructions to Executive Engineers to not only check

measurement books but also physically verify works before releasing payments to executing agencies.

The Executive Engineer (EE), Public Health Engineering & Water Supply (PHE & WS) Division, Bomdila showed erroneous expenditure of ₹ 53.79 lakh on procurement and purported use of GI fittings for a water supply scheme in and around Thrizino ADC HQRs in West Kameng District.

(Paragraph 2.5)

Recommendation

The State Government may investigate this case further and take appropriate action to fix responsibility on the Chief Engineer and Executive Engineer of the Division. Since the modus operandi was through the Departmental portion of the work by inflating the cost estimates, the Department needs to review the internal controls and checks for Departmentally executed works.

Chapter-III: Economic Sector

Compliance Audit Paragraphs

Public Works Department

The proposed road of 107 km to connect Tamen and Dollungmukh remained incomplete and non-functional on the completed stretch, due to failure of the Department to seek forest clearance and a faulty DPR prepared without survey and investigation work. This resulted in unfruitful expenditure of ₹ 125.20 crore, besides non-fulfillment of the connectivity objectives.

(Paragraph 3.2)

Recommendation

The Department may ensure that DPRs are reviewed diligently and all requisite clearances obtained before award of work. It may also earmark resources to complete the balance portion of the work so that the objectives of the project are fulfilled without further delay. Besides, responsibility be fixed on the Departmental Officers for the abnormal expenditure on excavation of excess quantity of earth work and lack of coordination with the Forest Department.

Despite incurring an expenditure of ₹ 8.50 crore on the project of construction of a Steel Girder bridge over River Pachin, the expenditure was rendered infructuous with the project objectives not being achieved. The EE of the Division Naharlagun made an irregular payment of ₹ 1.73 crore for works not executed conferring undue financial benefit to the contractor.

(Paragraph 3.3)

Recommendation

The Department needs to fix responsibility for payment without actual execution of works and ensure appropriate diligence especially for those projects financed from borrowed funds. The Department may complete the Bridge work considering its alternate uses too and the expenditure already incurred so far.

Executive Engineer, PWD, Tawang Division incurred excess expenditure of ₹ 85.00 lakh due to adoption of higher rates than the approved analysed rates in the technical sanction. Besides, funds of ₹ 74 lakh meant for Improvement of Tawang Township Road were diverted to other projects, affecting the length of the project.

(Paragraph 3.4)

Recommendation

The deviations if any, in rates as per sanctioned estimates should be done with proper approvals, to avoid any misuse of authority. The government may also consider a quality monitoring cell empowered to conduct independent evaluation of the quality and other parameters during execution of the projects above a certain cost threshold.

Due to adoption of incorrect rates, EE, PWD, Bomdila incurred excess expenditure of ₹ 2.74 crore.

(Paragraph 3.5)

Recommendation

The internal controls in the Department needs to be strengthened for proper analysis of estimates and accord of approvals from the competent authorities. The Department may also consider to establish a Technical Examination Wing for better technical controls to secure economy in expenditure as well as financial controls.

The EE, PWD, Chayangtajo incurred avoidable excess expenditure of ₹ 94.00 lakh on formation cutting on a stretch of already existing PMGSY road.

(Paragraph 3.6)

Recommendation

The matter may be further investigated by the Department and the system of preparation of estimates may be strengthened to take into account the actual ground conditions, to avoid duplicity in works and expenditure.

Hydro Power Development Department

Abandoning of Micro Hydel Scheme (MHS) at Vijaynagar in Changlang district, on account of low water discharge and defective installation of Penstock Pipes resulted in infructuous expenditure of ₹ 4.08 crore. Besides, the objective of providing electricity to Vijaynagar area could not be achieved for a long time.

(Paragraph 3.7)

Recommendation

The Department may consider utilizing the idle equipments in other areas having conducive water discharge. They may ensure that independent verification of crucial technical matters is done at project formation stage to obviate such instances of infructuous expenditure in future. Responsibility may be fixed for poor project planning and non-shifting of the idle equipments even after the report of the Chief Engineer in April 2014.

Power Department

The EE, Bomdila Electrical Division procured transformer and connected equipment without proper assessment of requirement leading to wasteful expenditure on idle equipment costing ₹ 71.62 lakh.

(Paragraph 3.8)

Recommendation

The equipment lying idle may be immediately shifted/utilized in other needy Divisions.

Rural Development Department and Public Works Department

The State Planning Department sanctioned the work of Keba Dere-Community Hall at Liromoba Town under the same scheme to two different executing agencies resulting in fraudulent expenditure of ₹ 28.07 lakh.

(Paragraph 3.9)

Recommendation

The case may be further investigated by the Government and appropriate action be taken against the officers responsible for such duplication and fraudulent expenditure and fabrication of records.

Public Works Department

The EE PWD, Jamin Division committed various irregularities in utilization of funds in violation of codal provisions and established procedures resulting in un verifiable expenditure of ₹ 3.50 crore.

(Paragraph 3.10)

Recommendation

The glaring inconsistencies in execution of works in violation of established codal provisions and procedures may be investigated and responsibility fixed on executive and supervising authorities. Besides, the Department may ensure that pending liabilities are recorded in the Divisions and reported to higher authorities. They may make all efforts to clear the contractors bills on time in the interest of sound financial

management and obviate such diversion of funds and irregularities of payments being shown against old unverifiable works.

Chapter-IV: General Sector

Compliance Audit Paragraph

Planning Department

Member of Legislative Assembly Local Area Development (MLALAD) Scheme

The MLALAD Scheme guidelines envisaged taking up of developmental works based on locally felt needs leading to creation of durable assets. The works under the scheme were to be completed within one financial year. However, audit observed that there is no prescribed timeframe for receiving recommendations of works from respective MLAs, scrutinizing the recommendations by the DCs, finalising the annual plans, preparation of estimates and approval, sanction of works and release of funds by the State Nodal Authority to the District Nodal Authority and by the later to the Implementing Agencies. The absence of time lines impacted the completion of the projects within the same financial year. The Scheme had an expenditure of ₹ 554.65 crore during the period 2014-19, covered by the audit.

An expenditure of ₹ 1.44 crore was incurred on non-permissible 25 schemes/works like repair and maintenance of existing assets, procurement of laptops *etc.* not leading to creation of durable assets in contravention of the Scheme Guidelines. Though estimates were prepared for execution of original works, expenditure was actually incurred on repair and maintenance.

(Paragraph 4.4.4)

In the test checked 372 works, the estimates of the works were not based on realistic assessment but were prepared by restricting the cost of each estimate to ₹ 10.00 lakh, which was within the financial power of the Deputy Commissioner.

(Paragraph 4.3.4)

The execution of 77 schemes/works (21 *per cent*) out of 372 scheme/works costing ₹ 5.79 crore had commenced prior to accord of Administrative Approval and Expenditure Sanction for the works in violation of codal provisions of the General Financial Rules. Further, 55 out of the 77 works were initiated even before recommendations of the concerned MLAs in violation of the extant Rules/Guidelines.

(Paragraph 4.4.1)

Five works in Lower Subansiri district were executed without recommendation of MLAs concerned whereas four works taken up were not as per recommendation of the MLAs.

(Paragraph 4.4.2)

There was excess payment of ₹ 52.77 lakh to the suppliers due to application of higher rates in procurement of CGI sheets. There were no records to verify whether the CGI sheets were distributed to the eligible beneficiaries nor any assurance on selection of eligible beneficiaries in three districts of Papumpare, Lower Subansiri and Lower Dibang Valley.

(Paragraph 4.4.3)

Funds under the scheme are to be used for creation of durable assets, the ownership of which should remain with the government, to be available for public use at large. It was observed that works valuing ₹ 47.50 lakh were executed for private individuals in violation of scheme guidelines.

(Paragraph 4.4.6)

During joint site inspections, the condition of nine schemes/works out of 168 physically verified schemes/works at a total cost of ₹ 48.50 lakh were found to be in dilapidated state, either due to lack of maintenance or poor execution of works.

(Paragraph 4.4.7)

During joint verification with department authorities, audit observed several irregularities in execution as against the original proposals and in some cases, the works executed were not found at the sites.

(Paragraph 4.4.8)

Monitoring of the Scheme Works by the DC and implementing agencies was deficient. There was also no monitoring mechanism for upkeep and utilisation of the assets created under the Scheme.

(Paragraph 4.6)

Recommendations

- ***The Department may amend the guidelines to make them specific for setting time lines for receipt of proposals, release of funds to implementing authorities, finalization of Annual Plan of works under the Scheme and submission of UCs by implementing agencies.***
- ***The estimates may be prepared based on actual requirements and site conditions rather than accommodating the financial proposals within the delegation of powers of the DC to ensure durable community assets are created which can be used by the public for longer periods of time.***
- ***Works should only be taken up after recommendation of MLAs and after appropriate AA & ES is given.***
- ***The Department may amend the guidelines to cover distribution of laptops for needy beneficiaries, with approval of the State Government.***

- *It may be ensured that only durable community assets of capital nature are developed under the Scheme and expenditure is incurred only on permissible works.*
- *The State Planning Department may issue instructions for proper handing over of assets created under the Scheme, to local authorities. They may also put in place a monitoring mechanism to ensure that the assets created are gainfully utilised.*
- *For effective monitoring of the works taken up under the Scheme, physical monitoring through field inspection should be carried out by the Deputy Commissioners. Officers of District at the sub-divisional and block level must also closely monitor implementation of the works through visit of work sites.*

Chapter-V: Revenue Sector

During 2018-19, revenue raised by the State Government (₹ 1676.91 crore) was 10 per cent of the total revenue receipts. The balance 90 per cent of receipts during 2018-19 was from the Government of India.

Revenue receipts grew by ₹ 2421.36 crore (18 per cent) over the previous year. The increase was contributed by Tax revenue by ₹ 252.47 crore (31 per cent), non-tax revenue by ₹ 242.69 crore (66 per cent), share of net proceeds of divisible Union taxes and duties by ₹ 1197.35 crore (13 per cent) and Grant-in-aid by ₹ 728.85 crore (22 per cent).

The increase of Tax revenue by ₹ 252.47 crore (31 per cent) in 2018-19 as compared to previous year was mainly on account of increase in collection of State Goods and Services Tax (SGST) by ₹ 377.27 crore (169 per cent increase over 2017-18), increase in Land Revenue by ₹ 1.26 crore and in State Excise by ₹ 14.12 crore which was, however, offset by decrease in Taxes on Goods and Passengers by ₹ 123.56 crore.

During 2018-19, there was increase in collection of Non-tax revenue by ₹ 242.69 crore (66 per cent) over the previous year. The increase was mainly on account of increase in receipts under Power by ₹ 153.68 crore; Interest Receipts by ₹ 41.03 crore and Medical & Public Health by ₹ 24.64 crore.

The total registrations under GST in Arunachal Pradesh were 19211 dealers as of March 2019, of which normal taxpayers including casual taxpayers accounted for 49.10 per cent, tax deductors at source 43.85 per cent and others (TCS, ISD and corporation taxpayers) 7.05 per cent.

(Paragraph 5.1.1 and 5.1.2.1)

Compliance Audit Paragraphs**Tax and Excise Department**

Failure of the Superintendent of Tax (ST), Namsai to detect tax liability from two registered dealers led to non-realisation loss of VAT of ₹ 6.45 crore for which interest and penalty are also leviable.

(Paragraph 5.4.1)

Recommendation

Due diligence may be exercised by the Superintendent of Tax while assessing the self-assessed returns submitted by the dealers to avoid evasion of tax.

Failure of the Superintendent of Tax (ST), Roing to detect irregular claim of exemption under Section 6 of APGT Act by a registered tea merchant led to non-realisation of tax of ₹ 37.71 lakh.

(Paragraph 5.4.2)

Recommendation

The Department may review all such cases and realise the due revenue.

Failure of the Excise Officer of the Bonded Warehouse, Changlang to detect unauthorised lifting of IMFL by two Wholesale Vends resulted in non-realisation of excise duty of ₹ 63.84 lakh.

(Paragraph 5.5)

Recommendation

The Department may further strengthen the internal controls by ensuring that the Excise Officers in Bonded Warehouses cross verify the permits issued by the respective Superintendents and authorize lifting strictly in accordance with those permits. It may also consider appropriate MIS Reports to be submitted by the Excise Officers of Bonded Warehouse to the Superintendent on the lifting of liquor cases against the permits issued. The department may conduct an enquiry for excess lifting and fix the responsibility of the officials for the lapse.

Failure of the Superintendents of Tax (ST), Zone-II, Itanagar and Roing to levy and realise penalty from 74 registered dealers for non-submission of returns resulted in non-realisation of revenue of ₹19.00 lakh.

(Paragraph 5.6)

Recommendation

The Department may introduce monthly MIS reports on submission of returns by the dealers and review the status of filing by dealers on a periodic basis.

Failure of the Superintendents of Excise to take action against 44 retail licensees led to non-realisation of renewal fees of ₹ 21.20 lakh.

(Paragraph 5.7)

Recommendation

The Superintendents of Excise may take timely action to review the license renewal registers and related documents to detect the defaulters and issue notices to the retailers to renew their licenses. They should suspend or cancel the licenses of defaulting retail license holders.

Transport Department

Road Tax of ₹ 2.62 crore due from 676 owners of commercial vehicles and penalty of ₹ 65.62 lakh for default in payment of Tax remained unrealized.

(Paragraph 5.8)

Recommendation

The Department needs to issue show cause notices to the vehicle owners and collect road tax along with penalty from these defaulting vehicle owners.

Failure of District Transport Officers (DTOs) to ensure renewal of fitness certificate of 21,366 commercial vehicles resulted in non-realisation of fitness test fee of ₹ 1.95 crore, renewal fee of ₹ 1.09 crore.

(Paragraph 5.9)

Recommendation

The Department should ensure that licenses of unfit commercial vehicles are cancelled/suspended with immediate effect in interest of pollution control and prevention of road accidents.

Irregular issue of temporary road permits to owners of 146 commercial trucks resulted in short recovery of ₹ 13.71 lakh.

(Paragraph 5.10)

Recommendation

The Department/Government may amend extant notification by incorporating Composite tax and Permit fee chargeable for five years on trucks plying in the State, in the interest of revenue.

Chapter-VI: Economic Sector (PSUs)

As of 31 March 2019, there were seven PSUs (all Government Companies) in Arunachal Pradesh. None of these Companies are listed on the Stock Exchange. During the year 2018-19, the audit of one PSU was entrusted to the office of the Principal Accountant General, Arunachal Pradesh.

(Paragraph 6.1.1)

Chapter VII Follow up of Audit Observations

Two Public Accounts Committee (PAC) meetings were held in September 2019 and January 2020 after a gap of over one year. The Committee selected total 86 Paras in respect of 15 Departments pertaining to the period from 2008-09 to 2016-17 for discussion and dropped 81 Paras.

(Paragraph 7.1)

No Audit Committee Meetings were held for discussion and settlement of Outstanding Inspection Reports during 2018-19.

(Paragraph 7.2)

As of March 2019, 5246 Paragraphs relating to 956 Inspection Reports (IRs) pertaining to 440 offices of 61 Departments remained outstanding. Even initial replies, which were required to be received from the Heads of Offices within one month from the date of issue were not received from 313 offices for 455 IRs issued between 1985-86 to 2018-19.

(Paragraph 7.3)

CHAPTER – I

INTRODUCTION

CHAPTER I: INTRODUCTION

1.1 About this Report

This Report of the Comptroller and Auditor General of India (C&AG) has been prepared in seven Chapters. Chapters II to VI deal with Social, Economic (other than Public Sector Undertakings), General, Revenue, Economic (Public Sector Undertakings) Sectors and Chapter VII deals with Follow up of Audit observations. Chapter I explains about the Audit Office, the audit planning done and audit methodology used in audit.

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from the test audit of transactions of various departments of the Government of Arunachal Pradesh pertaining to Social, Economic (other than Public Sector Undertakings), General, Revenue, Economic (Public Sector Undertakings) Sectors.

The primary purpose of this Report is to bring to the notice of the State Legislature, significant results of audit. Auditing standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The findings of audit are expected to enable the Executive to take corrective action, to frame appropriate policies as well as to issue directives that will lead to improved financial management and contribute to better governance.

This chapter in addition to explaining the planning and coverage of audit, provides a synopsis of significant instances of non-compliance with applicable laws, rules, regulations, various orders and instructions issued by competent authorities.

1.2 Profile of the Office of the Principal Accountant General, Arunachal Pradesh

In March 1984, the Indian Audit & Accounts Department was bifurcated into the Audit Wing and the Accounts & Entitlements (A&E) Wing, and four Accountants General Offices, all with Headquarters at Shillong, were created – (i) Principal Accountant General (Audit) Assam, Meghalaya, Arunachal Pradesh & Mizoram; and (ii) Accountant General (A&E), Assam, Meghalaya, Arunachal Pradesh & Mizoram. In course of time, the office of the Principal Accountant General, Arunachal Pradesh was shifted from Shillong to Itanagar in April 2006. Since then, the Principal Accountant General Arunachal Pradesh is looking after both the Audit and the Accounts & Entitlement functions in the State.

Under the directions of C&AG, the Office of the Principal Accountant General, Arunachal Pradesh conducts audit of government departments, Public Sector Undertakings, Autonomous Bodies and other Institutions¹ under Social, Economic, Revenue and General Sectors, which are spread all over the State. The Accountant General (Audit) is assisted by one Deputy Accountant General.

¹ Government funded Non-Governmental Organisations like RK Mission, Pui Welfare Society etc.

The authority of audit is derived from Article 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (C & AG's (DPC) Act). Under Section 13 of the C & AG's (DPC) Act, the Office of the Accountant General (Audit) has been entrusted with the audit of all expenditure incurred from the Consolidated Fund of Government of Arunachal Pradesh. This office conducts audit of revenue receipts of Government of Arunachal Pradesh under Section 16 of the C & AG's (DPC) Act. This office conducts supplementary audit of the Balance Sheet of all State Government companies under Section 143(6)(a) of the Companies Act, 2013. This office is responsible for audit of accounts of autonomous bodies and authorities falling under Section 14, 15, 19(2), 19(3) and 20(1) of C & AG's (DPC) Act. The C&AG prescribes the principles and methodologies for various audits in the Auditing Standards and the Regulations on Audit and Accounts, 2007.

1.3 Planning and Conduct of Audit

Audit process commences with the assessment of risk of the departments based on their financial profile, criticality/complexity of activities, priority accorded for the activity by the Government, level of delegated financial powers, assessment of internal controls, concerns of stakeholders, previous audit findings, etc. Based on this risk assessment, the frequency and extent of audit are decided and an Annual Audit Plan is formulated to plan and conduct audit during the next year.

After completion of each field audit, Inspection Report (IR) containing audit findings is issued to the Head of the audit unit and a copy to the Head of the Department with a request to furnish replies within one month of the receipt of IR. Wherever replies are received, audit findings are either settled or further action for compliance is advised. Significant audit observations pointed out in these IRs, which require attention at the highest level in the Government, are identified and processed for inclusion in the Audit Reports which are submitted to the Governor of Arunachal Pradesh under Article 151 of the Constitution of India for causing them to be laid on the Table of the State Legislature.

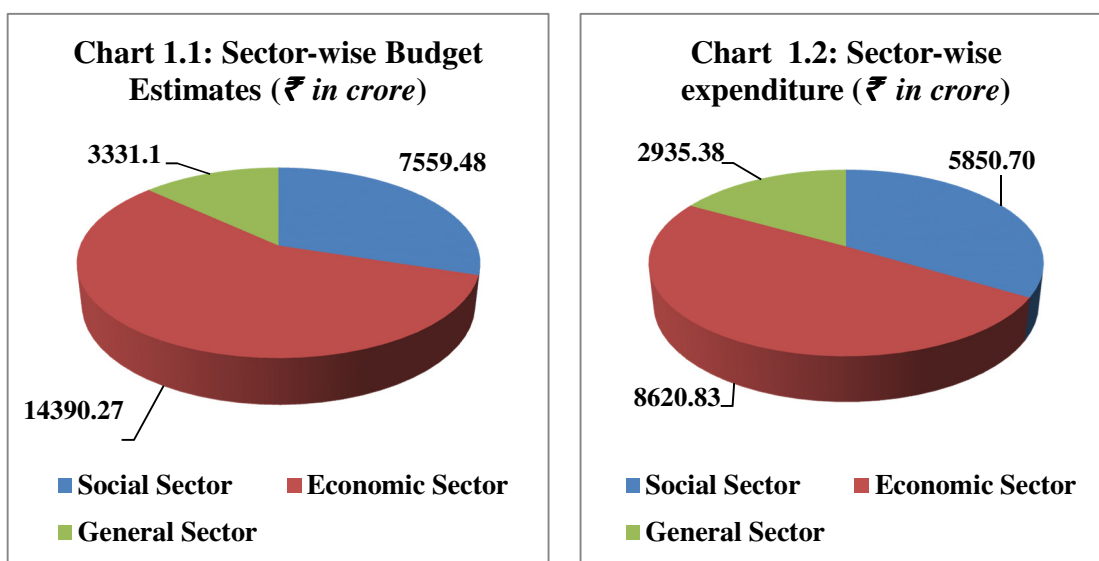
Audit Plan was prepared in such a way that it fits into the long term and short term goals of audit in consonance with the overall "Vision and Mission" of the Indian Audit & Accounts Department. It has been prepared after carrying out risk assessment and keeping in view the available manpower. Elements of the Audit Quality Management Framework (AQMF) viz. materiality, inputs from Voucher Level Computerization (VLC), financial profile of the units, data from various e-governance initiatives taken by government, flagship programme undertaken by auditees, press criticism/ electronic media coverage, expected audit impact and continuous improvement based on past experience, etc. were taken into account to the extent possible while framing out the plan. A sector wise analysis of the government spending, investment policy of the government in infrastructure development, industrialization and socio-economic activities along with the possible audit impact were taken into account in prioritising and shortlisting auditee units for preparing the Annual Audit Plan.

Considering the availability of manpower resources, focus has been given on areas of

high risk than to thinly spreading out the audit resources throughout the Government activities. This is expected to have better socio-economic impact and add value to the governance. Out of 784 units, 199 units was planned for audit during 2018-19, of which 153 units were actually audited during 2018-19.

1.4 Significant Audit Observations

During 2018-19, the State Government incurred an expenditure of ₹ 17406.91 crore against the Budget provision of ₹ 25280.85 crore under Social, Economic and General Sectors with an overall saving of ₹ 7873.94 crore (31.10 per cent) against the budget estimates. Sector wise budget estimates and expenditure is depicted in **Chart Nos. 1.1** and **1.2** below.



Source: *Appropriation Accounts 2018-19*

From above it can be seen that the savings in Social Sector was ₹ 1708.78 crore (23 per cent), Economic Sector; ₹ 5769.44 crore (40 per cent) and General Sector; ₹ 395.72 crore (11.9 per cent) respectively. Department wise details of expenditure against budget allocation and savings is given in detail in the introductory part of the Chapters on various Sectors.

This Report *inter alia* contains 22 compliance audit paragraphs which include two long compliance audit paragraphs titled “Development of Sports Infrastructure” and “Member of Legislative Assembly Local Area Fund” and major findings of audit from test check of the transactions of 153 units² involving an expenditure of ₹ 14312.97 crore³ under Social, Economic, General and Revenue Sectors. Significant audit findings are discussed in the respective succeeding chapters.

² Social Sector: 32 units, Economic Sector: 82 units, General Sector: 17 units and Revenue Sector: 22 units.

³ ₹ 3016.19 crore under Social Sector; ₹ 6431.01 crore under Economic Sector and ₹ 4865.77 crore under General Sector.

CHAPTER – II

SOCIAL SECTOR

CHAPTER-II: SOCIAL SECTOR

2.1 Introduction

This Chapter of the Audit Report for the year ended 31 March 2019 deals with audit findings on State Government Departments under the Social Sector.

During 2018-19, total budget allocation of the State Government in Departments under Social Sector was ₹ 7559.48 crore, against which the actual expenditure was ₹ 5850.70 crore. Department-wise details of budget allocation, expenditure and percentage of expenditure to total budgetary allocation is given below.

Table 2.1.1: Budget allocation and expenditure under Social Sector

(₹ in crore)

Sl. No.	Department	Total Budget Allocation (BA)	Expenditure				Percentage of Expenditure to Total BA
			Salary	Maintenance	Other	Total	
1	Education	02255.39	896.62	29.70	942.60	1868.92	82.86
2	Public Health Engineering	1204.82	92.16	475.88	580.97	1149.01	95.37
3	Health & Family Welfare	1776.74	499.85	6.46	611.31	1117.62	62.90
4	Urban Development	772.93	22.04	130.98	438.05	591.07	76.47
5	Social Welfare	558.88	137.19	0.43	334.74	472.36	84.52
6	Panchayati Raj	191.66	11.02	2.70	172.73	186.45	97.28
7	Relief & Rehabilitation	239.13	7.30	0.00	172.16	179.46	75.05
8	Food & Civil Supplies	249.03	35.96	0.47	36.53	72.96	29.30
9	Housing	78.99	16.44	18.50	33.83	68.77	87.06
10	Sports & Youth Affairs	105.82	2.98	0.10	61.42	64.50	60.95
11	Social & Cultural Affairs	81.08	7.12	0.00	34.36	41.48	51.16
12	Tawang and West Kameng	19.47	0.64	0.00	15.64	16.28	83.62
13	Library	14.60	8.05	0.12	4.12	12.29	84.18
14	Labour	9.19	5.84	0.25	1.98	8.07	87.81
15	Political	1.75	0.00	0.00	1.46	1.46	83.43
Total		7559.48	1743.21	665.59	3441.90	5850.70	77.40

(Source: Appropriation Accounts 2018-19)

From the above it can be seen that:

- In the Social Sector, the expenditure incurred by the Departments ranged between 29 to 97 per cent of the allocation made and 30 per cent of expenditure was on Salaries.
- The Capital expenditure in the sector was ₹ 1227.31 crore, which is 21 per cent of the total expenditure.

2.1.1 Planning and Conduct of Audit

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

Audit of 32 units of seven departments under the Social Sector involving ₹ 3,016.19 crore (including expenditure of earlier years) was conducted during 2018-19.

After completion of audit of each unit, Inspection Reports (IRs) containing audit findings are issued to the Heads of Departments, who are requested to furnish replies within six weeks of receipt of IRs. Whenever replies were received, audit findings were either settled or further action for compliance was advised. Important audit observations arising out of Inspection Reports are processed for inclusion in the Audit Report, which is submitted to the Governor of the State under Article 151 of the Constitution of India for laying before the State Legislature.

Major observations noticed in Audit, pertaining to the Social Sector during 2018-19 are discussed in subsequent paragraphs of this Chapter.

Compliance Audit Paragraphs

Sports and Youth Affairs Department

Development of Sports Infrastructure in Arunachal Pradesh

2.2 Introduction

The National Sports Policy 2001 was formulated with the objective of raising the standard of sports in the country. The preamble of the policy states that activities relating to sports and physical education are essential components of human resource development, helping to promote good health, comradeship and a spirit of friendly competition, which, in turn, has positive impact on the overall development of personality of the youth. Excellence in sports enhances the sense of achievement, national pride and patriotism. The National Sports Policy 2001 also envisaged upgradation and development of sports infrastructure as it is basic to the development and broad-basing of sports. The State Government has to play a major role in the development of sports with Government of India (GOI) supporting its effort.

2.2.1 Scope of Audit and Coverage

The Compliance Audit covered the activities of the Directorate of Sports and implementing agencies in connection with the creation, maintenance and proper use of sports infrastructure in the State for the period 2014-15 to 2018-19. During the period, there were 80 projects on which total expenditure was of ₹ 217.79 crore incurred covering 18 districts¹ out of 25 districts in the State. Out of these, 51 projects were funded by Government of India under various schemes. Out of the 18 districts, we selected five² districts using Probability Proportional to Size Without Replacement (PPSWOR) method with size measure being the expenditure incurred on sports infrastructure in the districts.

¹ Papumpare, Changlang, Siang, East Siang, West Siang, Upper Siang, Lower Subansiri, Upper Subansiri, Kurung Kumey, East Kameng, West Kameng, Kra Daadi, Lower Dibang, Longding, Namsai, Lohit, Tirap & Tawang

² East Siang, Lohit, Lower Subansiri, Papumpare and Tawang.

In the five districts so selected, 39 projects were implemented, at a total sanctioned cost of ₹ 243.13 crore. Out of the projects implemented in selected sampled districts, 21 projects (26 *per cent* of total projects in the State) were selected through Stratified Random Sampling (SRS) method.

Further, of the two sports academies in the State, audit sample covered one Sports Academy *viz.*, Sangay Lhaden Sports Academy at Chimpu, Papumpare district.

2.2.2 Audit Methodology

The Compliance Audit commenced with an 'Entry Conference' held on 16 September 2019 with the Secretary, Sports & Youth Affairs Department, and the officials of the Sports Department wherein audit objectives, audit scope, audit methodology and audit criteria were discussed.

The audit evidence was collected through questionnaires and audit memos/queries issued to the Directorate of Sports; and examination of records, analysis of the data collected, discussion with the concerned authorities at various levels and joint site-inspection of some sports infrastructure facilities. The draft compliance audit report was issued to the Department on 29 May 2020. Audit findings were discussed with the Secretary (Sports & Youth Affairs) and representatives of the Directorate of Sports at an 'exit conference' held on 8 June 2020 and their views/replies have been suitably incorporated in this compliance audit report.

2.2.3 Audit Objectives

The Compliance Audit was conducted to examine whether:

- the sports infrastructure created was based on identified needs and properly planned for;
- the funds provided were adequate, released in time and utilized efficiently and economically for the envisaged purpose;
- the existing sports facilities were maintained properly and utilised optimally.

2.2.4 Audit Criteria

The audit findings were benchmarked against the following criteria:

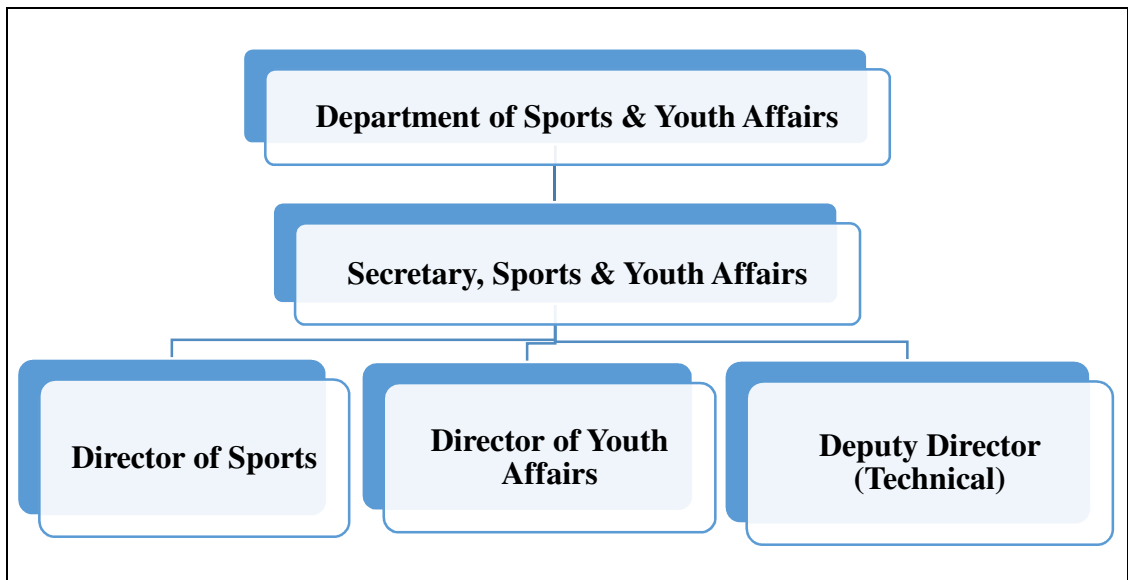
- National Sports Policy 2001;
- State Sports Policy 2017;
- General Financial Rules and Receipt and Payment Rules;
- Central Public Works Department (CPWD) Manual;
- State Schedule of Rates (SOR) and Analysis of Rates;
- Technical Specifications issued by Ministry of Youth Affairs & Sports, GOI under Urban Sports Infrastructure Scheme (now renamed Khelo India);
- Instructions/Orders/Notifications/Office Memorandums issued by GoI and GoAP; and
- Guidelines of schemes/projects.

2.2.5 Organisational Structure

The Sport Authority of Arunachal Pradesh is the Apex body headed by the Chief Minister of the State, and is responsible for promotion of sports and youth activities in the state. The Authority assists the government in policy formulation and release of funds to implementing agencies for creation of sport infrastructure, coaching & training and procurement of sports items as per demand and requirement of the state in consultation with the Directorate of Sports & Youth Affairs.

At the Government level, the Secretary to Government of Arunachal Pradesh (GoAP) is the administrative head of the Sports and Youth Affairs Department. The Director of Sports assists the administrative head for overall implementation and supervision of sports infrastructure schemes. The Directorate of Sports (DS) through its Engineering wing headed by Deputy Director (Technical) along with other implementing agencies³ is mainly responsible for implementation of sports infrastructure schemes in the State. The organisational structure is shown below:

Chart – 2.1



2.2.6 Audit Findings

2.2.6.1 Policy and Planning

As per National Sports Policy, 2001, the Central Government, in conjunction with the State Government, the Olympic Association and National Sports Federation would concertedly pursue the twin objectives of 'Broad-basing' of Sports and 'Achieving Excellence in Sports at National and International levels'. The Broad-basing of Sports was primarily the responsibility of the State Governments. The Union Government was to actively supplement the efforts in this direction and tapping the latent talent,

³ Public Works Department, Urban Development & Housing, Water Resources Department & Rural Works Department.

including in the rural and tribal area. The policy also envisaged that in addition to the Government, sustained involvement of other agencies⁴ should be enlisted in creation, utilization and proper maintenance of sports infrastructure.

Though the Department of Sports and Youth Affairs was established in 1995 with the aim of promoting games and sports, including physical education and youth affairs related activities, the State Sports Policy was formulated only in September 2017. This Policy envisaged creation of 1 (one) Football Ground, 1 (one) Athletic Field and 1 (one) Indoor hall in each of the 99 blocks of the State. The basic pre-requisite need of infrastructure like Indoor Hall, Gymnasium, Outdoor stadium, Sports Hostel, Playground, swimming pool, sports school *etc.*, from the state level down to Panchayat level and necessary technical back up for development of sports and youth activities will be fulfilled in all the districts, sub-divisions and Block Headquarters of the State by the year 2030.

Audit, observed that the Department did not fix any phase-wise targets or yearly milestones to achieve the above objective. The Department neither maintained any centralized data on creation of such projects nor an Asset Register of the Infrastructure created in 99 blocks of the State which is also highlighted in para 2.2.8.4 of this compliance audit report.

2.2.6.2 Non-prioritisation of Projects and shortage of Sports Coaches

The medals tally of sportswoman/men who participated in various international and national events during the last 5 years is a pointer towards the potential for excellence in specific sports in the State.

It is observed that out of 35 medals won by State participants at various International tournaments during the last 5 years, 89 *per cent* of the medals (31) were won by the participants in Karate, Wushu and Weightlifting while 74 *per cent* of the medals in the national events during the same period were won in Karate, Taekwondo, Wushu and Weightlifting. In terms of participation in national games, the representation of sportsperson in these sports disciplines was more than other disciplines. However, it is noticed that the decision to create sports infrastructure projects did not reflect the need to create infrastructure in these fields. The Department took up infrastructure projects without assessing the potential for excellence in various sports disciplines, assessment of requirements and availability of coaches etc. Further, the Directorate of Sports created sports infrastructure based on proposals of public/elected representatives subject to availability of funds, without involvement of any other sports agencies (such as Sports Clubs, Sports Federations, local bodies etc.) for creation, utilization and maintenance in contravention of the National Sports Policy.

District wise position of sports infrastructure projects taken up during 2014-19 are as detailed in **Appendix-2.1**. Audit observed that the location of these projects was skewed wherein some districts like Papumpare had 20 *per cent* of the projects while in 7

⁴ Panchayati Raj Institutions, Local Bodies, Educational Institutions, Sports Federations/Associations, Clubs and Industrial Undertakings.

districts (4⁵ new districts and 3 old districts) of the State, no sports infrastructure projects were taken up during the last five years nor were sports coaches engaged. In districts where the infrastructure was created, majority of it were lying incomplete, unutilized or are in dilapidated condition.

The State Sports Policy, which was formulated in September 2017, envisaged that with the unfolding of the international standard of sports through the television and other media, the realization that right technical knowledge is required for a sports person from the beginning of his career has become an imperative. Such requirement demands availability of competent coaches in all discipline of sports. Endeavour will therefore, be made with the aid of a joint venture of the State Government, Sports Authority of Arunachal Pradesh and State Olympic Association to appoint coaches and make them available to the sports clubs and sports associations for arranging coaching camps.

The Department submitted a proposal for creation of 208 posts of coaches in 2016-17 but the proposal is yet to be sanctioned (November 2020) due to ban on creation of new posts in the State. As per information furnished by the Directorate of Sports, 26 coaches and physical training instructors have been appointed. These included 19 regular and seven contractual coaches, against a sanctioned strength of 20 regular and 7 contractual coaches. Moreover, there are 12 SAI (Sports Authority of India) coaches in the State who are deployed at Itanagar (8) and Naharlagun (4). It is observed that the number of coaches and instructors are not commensurate with the physical infrastructure projects completed/ongoing in the State, which is one of the prime reasons for many facilities lying neglected, as brought out in para 2.2.9 of this compliance audit.

The government/department may expedite clearance of the proposal for creation of additional posts of coaches so that the intended purpose of utilisation of the Sports infrastructure is fulfilled.

In its reply (June 2020) the Department stated that it is constructing dedicated halls for Karate, Wushu, Weightlifting at Sangay Ladhen Sports Academy, Chimpu (Itanagar). The Department also stated that it has already submitted proposal for appointment of coaches to the State Government which was under consideration. The reply does not address the issues of non-involvement of sports bodies in creation of sports infrastructure.

2.2.7 Financial Management

2.2.7.1 Budget provision and actual expenditure

Position of budget provision and actual expenditure under Revenue and Capital section for the period 2014-19 is as given in the table below:

⁵ Shi-Yomi, Lepa-Rada and Pakke-Kessang districts created during 2018 and Kamle district created during 2017.

Table 2.2.1: Budget Provision and Actual Expenditure of the Department during 2014-19*(₹ in crore)*

Year	Budget Provision					Actual Expenditure					Savings (-)/Excess (+) (Percentage) w.r.t Budget Provision	
	Revenue			Capital	Total	Revenue			Capital	Total	Revenue	Capital
	Salary	Maintenance	Others			Salary	Maintenance	Others				
2014-15	5.48	54.00	25.73	48.57	133.78	5.44	0.00	21.19	50.10	76.73	(-)58.59 (68.75)	(+)1.53 (3.15)
2015-16	6.44	0.02	16.68	81.49	104.63	6.43	0.02	15.17	38.48	60.09	(-)1.53 (6.61)	(-)43.01 (52.78)
2016-17	14.00	6.95	53.14	26.97	101.06	9.40	6.95	37.08	24.41	77.84	(-)20.66 (27.89)	(-)2.56 (9.49)
2017-18	13.44	8.95	65.77	45.40	133.56	12.68	8.89	38.44	14.29	74.30	(-)28.15 (31.93)	(-)31.11 (68.52)
2018-19	10.71	0.25	40.02	61.92	112.89	9.97	0.25	33.83	26.57	70.63	(-)6.92 (13.58)	(-)35.35 (57.09)
Total	50.07	70.17	201.34	264.35	585.93	43.92	16.11	145.71	153.85	359.58	(-)115.85 (36.03)	(-)110.50 (41.80)

(Source: Detailed Appropriation Accounts)

- i) It is observed that though the Department had projected a requirement of ₹ 798.91 crore under Capital Section for the last 5 years, budget provision of only ₹ 264.35 crore was made (33 per cent of requirement). The actual expenditure under Capital Section (₹ 153.85 crore) was only 58 per cent of the capital budget of the department during the last 5 years. Inability of the department to consistently spend the capital provision adversely affected the creation of sports infrastructure assets in the State.
- ii) Against a budget provision of ₹ 70.17 crore, the Department could spend only 23 per cent of the provision (₹ 16.11 crore). This adversely affected effective maintenance of the sports infrastructure assets in the State, as brought out in para 2.2.9 of this compliance audit.
- iii) It was also observed that out of ₹ 145.71 crore incurred as other expenditure consisting of grants in aid, office expenses, etc, as much as ₹ 106.50 crore was booked as other charges for which the detailed object head classification was not recorded. Further, audit could not establish any link between budget allocation for the years 2017-19 with respect to the requirements envisaged in State Sports Policy.

The Department in its reply (June 2020) stated that the funds are released by the State Government at the end of the financial year and the same could not be utilized by the Department within a short span of time. The reply does not explain the inefficiencies in budget management in the Department and deficiencies in project management including late release of funds to the implementing agencies and short release of State share.

During the period 2014-19, the average saving under Revenue and Capital heads were 36.03 per cent and 41.80 per cent respectively. The Government should release the

funds in a phased manner from the beginning of the financial year so that the works could be executed as per schedule and benefits accrue to the State.

2.2.7.2 Fund management for sports infrastructure funded by GoI

For creation of sports infrastructure, funds are provided by the State Government as well as Central Government under various schemes viz., Special Plan Assistance (SPA), Non-Lapsable Central Pool of Resources (NLCPR), North Eastern Council (NEC), Urban Sports Infrastructure Scheme (USIS) and Khelo India. Details of sports infrastructure taken up under GoI schemes during 2014-19 are given in the table below:

Table 2.2.2: Fund release and expenditure against 80 Sports Infrastructure Projects implemented during 2014-19

(₹ in crore)

Scheme	No. of Projects	Total cost of the Projects	Total Fund Released	Total Expenditure Incurred	Shortfall in Release	Shortfall in Expenditure	
Funded by GoAP							
SADA*	22	39.95	13.87	13.82	26.08	0.05	
SIDF**	6	3.25	3.25	2.69	-	0.56	
MPLAD	1	0.10	0.10	0.10	-	-	
Sub-Total	29	43.30	17.22	16.61	26.08	0.61	
Funded by GoI							
SPA	9	208.51	127.44	120.34	81.07	7.1	
DoNER	NLCPR	3	28.93	19.68	19.68	9.30	-
	NEC	19	47.81	47.73	40.06	0.08	7.67
USIS	2	9.50	9.50	9.50	-	-	
Khelo India	18	142.00	142.00	11.60	-	130.40	
Sub-Total	51	436.75	346.35	201.18	90.45	145.17	
Total	80	480.05	363.57	217.79	116.53	145.78	

* State Annual Development Agenda (SADA) & ** State Infrastructure Development fund.

It is observed that the Department could utilise only 58 per cent of the funds released by Government of India (GoI) during the period. The most notable under-utilisation was under Khelo India Scheme of GoI in which the Department utilised only 8 per cent of the funds released. The under utilisation of funds under Khelo India was due to release of funds by the GOI at the fag end of the year. The Department also did not release funds in time to the implementing agencies. In 21 projects, utilisation certificates of ₹ 16.94 crore (out of ₹ 156.01 crore) were not submitted by the Department.

The Department in its reply (June 2020) stated that Utilisation Certificate for the projects executed by the Engineering wing of the Sports Department are submitted timely. Regarding non submission of Utilisation Certificate for the projects executed by other agencies, it stated that the matter was being taken up with them. No specific reply was given for under utilisation of GoI funds.

2.2.7.3 Delays in release of funds to implementing agencies

Ministry of Development of North Eastern Region (MDoNER), GoI while sanctioning and releasing funds for the three NLCPR infrastructure projects reiterated that funds released must be transmitted to the Implementing Agency/Project Authority by the State within 15 days from the date of release of funds from GOI. The Summarized positions are tabulated below:

Table 2.2.3: Delay in release of funds against 19 projects funded by MDoNER & NEC

Sl. No.	Number of Projects	Status of Completion	Period of delay in release of Funds	Time Overrun (as on 31.12.2019)
1	3 MDoNER projects i. C/o Sports Complex at Jenning; ii.C/o Multi Sports Complex at Namsai iii.C/o High Altitude Sports complex at Tawang	03 projects on going	09 to 39 months	36 to 81 months
2	16 NEC projects in 11 Districts	11 projects completed	02 to 20 months	06 to 41 months
		05 projects on going	02 to 10 months	06 to 22 months

As could be seen from Table-2.2.3 above, three MDoNER funded projects (total estimated cost ₹ 28.93 crore) were running behind schedule by 36 to 81 months. Similarly, 11 NEC funded projects (total estimated cost ₹ 39.49 crore) were completed with delays ranging from six to 41 months and there was a time overrun of six to 22 months in five ongoing projects (total estimated cost ₹ 15.19 crore).

Thus, the State Government did not release funds in time to the implementing agencies which was the main reason for delays in completion of the projects.

The Department in its reply (June 2020) stated that the delay was due to cumbersome process of obtaining budgetary support and concurrence of the Finance Department. It further stated that that necessary instructions have been given to the implementing agencies for early completion of the 26 on-going projects. The Department also stated that work on nine projects that have not started during the audit period have already started and that GoAP has released partial fund for the three projects under SPA that have stopped. Further works on the three projects have already resumed and that GoAP has given assurance to provide the remaining fund for completion of the projects. The Department's reply does not answer delays in release of funds to the implementing agencies.

2.2.7.4 Infrastructure Development and Management

As per para 10 of the National Sports Policy 2001, availability of adequate sports facilities throughout the State was a basic requirement for developing and broad-basing of sports. Further, para 1.6 of the State Sport Policy 2017, states that it is essential to create and maintain sports infrastructure and to ensure their proper utilization to achieve excellence in sports at National and International levels.

During the period covered by audit (2014-15 to 2018-19), a total of 80 sports infrastructure projects were taken up at an estimated cost of ₹ 480.05 crore in the State. The details of the projects are tabulated below.

Table 2.2.4: Status of Infrastructure and Development projects as on 31 March 19

Type of Infrastructure	Number of works				
	Taken up	Completed	Ongoing	Not Started	Stopped
Outdoor Stadium	13	5	4	1	3
Mini Stadium	4	4	-	-	-
Sports Complex	3	-	3	-	-
Multipurpose Indoor Hall	19	-	13	6	-
Indoor Hall	10	8	2	-	-
Football Stadium	4	2	2	-	-
Football playground	6	5	1	-	-
Artificial Football Turf	1	1	-	-	-
Artificial Hockey Turf	1	1	-	-	-
Playground	11	10	1	-	-
Archery Arena	2	2	-	-	-
Volleyball Court	1	1	-	-	-
Audience Gallery	3	3	-	-	-
Badminton Academy	1	-	-	1	-
Synthetic Athletic track	1	-	-	1	-
Total	80	42	26	9	3

As on 31 March 2019, 42 projects had been completed at a cost of ₹ 90.28 crore and 26 projects were still ongoing. Works related to nine projects costing ₹ 97.53 crore have not started due to delay in release of fund and finalization of tender. Besides, three (3) projects⁶ sanctioned under Special Plan Assistance (SPA) during 2014-15 at a total estimated cost ₹ 96.12 crore had stopped due to discontinuation of SPA schemes and inability of the Department to mobilize the balance fund of ₹ 81.07 crore from other sources.

Audit noticed (October 2019-January 2020) that the DS did not maintain an Asset Register wherein details of infrastructure created and maintained by the department are recorded. In absence of Asset Register detailing the actual sports infrastructure created in all districts, audit could not ascertain whether adequate sports facilities were

⁶ Outdoor Stadium at Tezu, Outdoor Stadium at Chimpu & Outdoor Stadium at Aalo

available throughout the State in order to achieve the objectives envisaged in the above mentioned policies.

Regarding non-maintenance of Asset register, the Department stated (June 2020) that process has already been initiated for maintenance of the same.

2.2.7.5 Creation of sports infrastructure

During 2014-19, the DS executed 39 sports infrastructure projects (32 new projects and 7 ongoing projects) in the five districts covered under this audit. Audit test checked the records of 21 of these projects sanctioned at an estimated cost of ₹ 243.13 crore (detailed in *Appendix-2.3*). Audit also conducted joint physical verification of all the 21 selected projects. Details of projects in the five selected districts are given below.

Table 2.2.5: Details of Sports Infrastructure test checked in the selected Districts

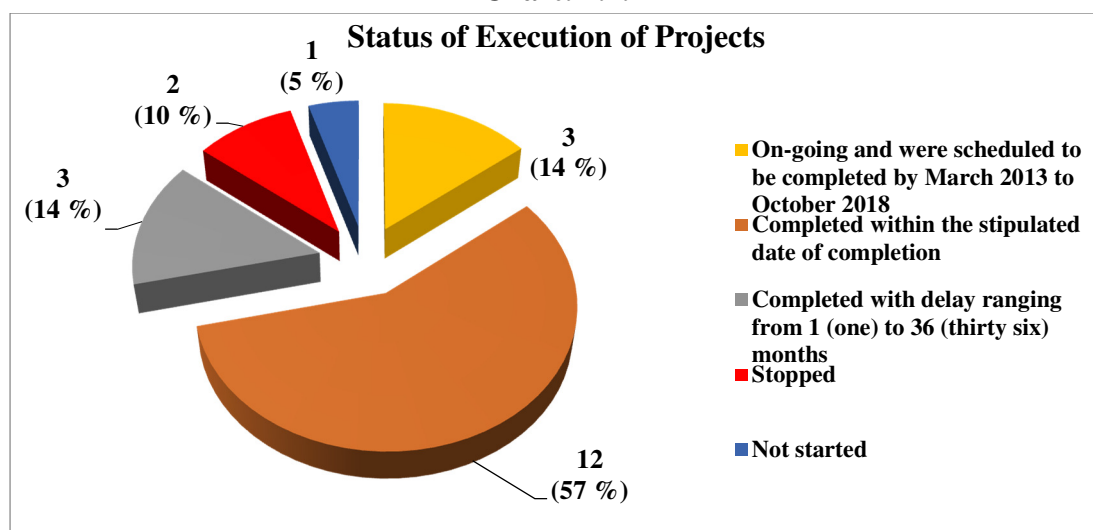
Sl. No.	Name of the selected District	No. of Sports Infrastructure Projects taken up by the Department during the audit period	Total cost of the Project (₹ in crore)	No. of Sports Infrastructure Projects selected for audit check	Total cost of the Project for test checked projects (₹ in crore)
1	East Siang	4	58.04	2	42.86
2	Lohit	5	38.24	3	28.04
3	Lower Subansiri	8	28.83	4	8.08
4	Papumpare	16	163.68	8	148.00
5	Tawang	6	32.01	4	18.10
Total		39	320.80	21	243.13

The deficiencies in execution of the projects are detailed in the succeeding paragraphs.

2.2.7.6 Delay in completion of projects

Completion of projects in a timely manner is necessary to deliver the intended benefits. It was seen in audit that out of 21 projects, 11 projects (cost ₹ 162.91 crore) were funded by GOI, while 10 projects (cost ₹ 80.22 crore) were funded by the State Government. The present status of execution of the projects is depicted in the Pie-chart given below:

Chart: 2.2.1



Thus, out of 21 projects taken up in the test checked districts with an outlay of ₹ 243.13 crore, only 15 projects costing ₹ 59.59 crore were completed whereas six projects were ongoing with expenditure incurred of ₹ 183.54 crore. Due to delay in completion of projects owing to delay in release of funds by the State Government and non-release of balance share of funds, the intended facilities could not be made available for sports related activities in time. The Department on its part had not taken with Finance Department, GoAP for timely release of State's share.

It was seen that for construction of Dorjee Khandu Badminton Academy at Itanagar, against estimated cost of ₹ 35.61 crore, though funds were available and ₹ 10.00 crore were given to Executive Engineer, UD & Housing, Itanagar, the work remained incomplete. Audit observed that the entire sanctioned fund of ₹ 10.00 crore was drawn (March 2019) on self-cheque by the Dy. Director, Urban Development and Housing, Itanagar Division and retained in the form of Bankers Cheque. No expenditure was incurred on the project till audit (December 2019).

The reply of the Department was not received (November 2020).

2.2.7.7 Award of works without tendering

Rule 136(1) (vi), of General Financial Rules, 2017 (GFR) stipulate that no work shall be commenced without inviting tenders and formal execution of agreement with the contractors/suppliers. For works costing ₹ 5.00 lakh and above, open tenders should be invited; and for work costing less than ₹ 5.00 lakh limited tender should be called.

Audit observed that out of 21 projects selected for test check, five projects (total estimated cost ₹ 144.00 lakh) were executed by awarding the projects to various local contractors without inviting tenders with the approval of the Deputy Director (Tech) of Sports Department (2 works, Sr. no. 2 and 3) and 3 Executive Engineers of PWD (1) and RWD (2). The reasons for non-inviting of tender were not on record. Details of the projects are given in the table below:

Table 2.2.6: Details of award of Projects without inviting tender

(₹ in lakh)			
Sl. No.	Name of Project	Executing Agency	Estimated cost/Sanctioned cost of works executed without tenders
1	C/o Badminton auditorium at MLA cottage	PWD	50.00
2	Renovation of Badminton Hall at Ziro	DS	8.00
3	C/o Football field at Togo	DS	20.00
4	Extension of room at KalikhoPul memorial hall at Tezu	RWD	46.00
5	C/o Rostrum & Playfield development at Sunpura	RWD	20.00
Total			144.00

Awarding of works without inviting tenders is violation of the Codal provisions of the GFR. Since the tender procedure was not followed, competitive pricing and transparency was not ensured in award of these works.

The Department in its reply (June 2020) stated that two projects (Sl. No. 2 & 3 of the above table) were executed by the Sports Department on work-order basis without calling for tender due to urgency of conducting tournament. The reply is not acceptable as rules provide that in such circumstances, short tender system has to be followed. No reply was given for the other three projects, executed by other agencies.

2.2.7.8 Non-handing over of completed sports projects

Out of 21 test checked projects in the sampled districts, 15 projects were completed at a cost of ₹ 59.59 crore during August 2016 to March 2019. Audit observed that eight (8) of the completed projects executed by other implementing agencies⁷ were not formally handed over to the Sports Authority/Department by the agencies. There was also no evidence of handing them over to the concerned authorities of the balance seven completed projects executed by the Engineering wing of the Sports Department.

The Department in its reply (June 2020) stated that projects executed by the Engineering wing of the Sports Department are utilized by the Department itself and directly controlled by the Director of Sports. Regarding non-handing over of the eight projects executed by other works department, it was stated that necessary correspondence has been initiated for taking over the projects through the concerned District Sports Officer of the district so that the projects are utilized for the intended purpose.

Audit further examined in detail four projects out of 15 completed projects, namely, 'Construction of Mini Stadium at Yachuli' 'Construction of Outdoor Stadium at Pasighat', 'Construction of High Altitude Sports complex at Tawang', and 'Construction of Outdoor Stadium at Yupia' and observations are as under:

2.2.7.9 Construction of Mini Stadium at Yachuli – Wasteful expenditure

Construction of 'Mini Stadium at Yachuli' (Lower Subansiri District) at an estimated cost of ₹ 2.43 crore was sanctioned (September 2011) by NEC, GOI and was to be completed by September 2014. Scrutiny of records revealed that the project, executed by the Rural Works Department, Ziro Division, was completed in June 2017 after a delay of 3 years from the scheduled date of completion. During site inspection (December 2019), audit observed that the facility was located far from habitation and the



The stadium was lying unutilized in a dilapidated condition and without any maintenance

same is lying unutilized. Audit also observed that the ground was unusable with uneven surface and thick vegetation growth and that the gallery, VIP rostrum and toilet facility were in a dilapidated condition. Audit further observed that the project is not formally handed over to the sports department, reason for which were not available on record.

⁷ PWD-4 Projects, RWD -3 Projects and UD&H-1 Projects.

Thus selection of the site far from habitation without proper assessment of the demand alongwith the unusable condition of the ground surface and non maintenance of the facilities i.e gallery, VIP rostrum etc. coupled with non handing over the project to the Sports Department resulted in wasteful expenditure of ₹ 2.43 crore on the construction of the mini stadium at Yachuli.

The reply of the Department was not received (November 2020).

2.2.7.10 Construction of Outdoor Stadium at Pasighat- Project not handed over to Department

Construction of '**Outdoor Stadium at Pasighat**' (East Siang district) at an estimated cost of ₹ 40.90 crore was sanctioned (March 2014) by GoAP with stipulated date of completion in March 2017. Scrutiny of records (December 2019) revealed that the executing agency (Urban Development & Housing, Pasighat Division) invited tender for the work in September 2014 after a delay of six months from the date of sanction. The work was then awarded (March 2015) to the successful bidder (M/s Engineering Projects India Ltd., Assam). However, due to inordinate delay in submission of Bank Guarantee and execution of Agreement, the tender acceptance to the firm was cancelled in July 2015. The work was re-tendered in October 2015 and awarded (January 2016) to M/s Kakum Enterprises, Itanagar after a delay of 22 months from the date of sanction. The work was completed in November 2018 at a cost of ₹ 40.90 crore. However, the project has not yet been handed over to the Sports Department even after a lapse of more than 16 months from the date of completion of the project. Reasons for not handing over of the project were not on record.

Further, Sports Authority of India's (SAI) handbook on Field of Play and specification for Sports Infrastructure stipulates that the primary characteristics of a good playing field should include proper underground and surface drainage to allow play during rain and to get rid of surface water during extremely wet conditions. There should be no patches of water logging and/or ponding. However, in the DPR no provision was made for underground drainage. During site inspection (January 2020), audit observed that there were patches of water logging in the playfield. Audit further observed that due to water logging problem, the venue for the 25th National Senior Women's Football Championship 2019 was shifted from the stadium.

The Department in reply (June 2020) stated that necessary correspondence has been initiated for taking over the project through the concerned District Sports officer of the district so that the project is utilized for the intended purpose.

It is recommended that the specifications for such critical infrastructure should be strictly based on the SAI hand book, and the DPRs should be thoroughly got vetted by technical experts in sports infrastructure before executing the work.

2.2.7.11 High Altitude Sports Complex at Tawang- Conversion of facility for Government College.

GoI accorded (October 2010) administrative approval for construction of High Altitude Sports complex at Tawang under NLCPR at an estimated cost of ₹ 13.07 crore. The

work was scheduled to be completed by March 2013. The project was partially completed (November 2019) with a total expenditure of ₹ 11.43 crore. As the balance Central Share of ₹ 1.64 crore was not released, the project remained incomplete due to non-completion of site development works like wire fencing, electrical installation (internal & external, street lighting etc.). During site inspection (December 2019), audit observed that the main building, including the VIP gallery of the stadium, completed in March 2017 at a cost of ₹ 5.20 crore, were being utilised by the Dorjee Khandu Government College as class rooms/office.



Main building of the Stadium being used as college

Records relating to authorization to convert the stadium into Government college were not available. During exit conference the Department stated that reply from the Executing Agency i.e. PWD, Tawang division has not been received.

The reply of the Department was not received (November 2020).

The Department may use the facility for the intended purpose and provide the balance funds from its own resources for expeditious completion of the remaining site development works.

2.2.7.12 Construction of Outdoor Stadium at Yupia

GoAP sanctioned (March 2014) construction of ‘**Outdoor Stadium at Yupia**’ Papumpare district an estimated cost of ₹ 59.49 crore with stipulated date of completion of April 2018. Scrutiny of records (December 2019) revealed that tender for the work was called in December 2014 *i.e.* after a delay of more than nine months from the date of sanction, and awarded (April 2015) to a firm at tendered cost of ₹ 49.44 crore. The work was completed except in respect of the Deck parking, after a delay of 32 months incurring a expenditure of ₹ 59.49 crore on the project.

The reply of the Department was not received (January 2021).


2.2.8 Non maintenance of sports infrastructure

Audit Team carried out a joint physical inspection of the sports facilities in the sampled districts, along with the officials of the Sports and Youth Affairs Department, to assess

the nature of their maintenance. The results of the joint inspection are detailed in the table below:

Table: Joint Physical Inspection of sports facilities

	<p>Name: Swimming pool at Chimpu Cost: ₹ 0.90 crore Executing Agency: Engineering Wing, Directorate of Sports Year of Completion: 2013-14 Status: (i) The facility was lying unutilised. (ii) The swimming pool was found dry with no external connection for water supply. (iii) The Changing room was not in a usable condition.</p>
	<p>Name: VIP gallery with player's Lounge, change room & toilet block' at hockey field Chimpu Cost: ₹ 0.49 crore Executing Agency: Engineering Wing, Directorate of Sports Year of Completion: 2017-18 Status: (i) The building structure was in a dilapidated condition as doors and windows of the changing room were broken (ii) Player's lounge & toilet were found unusable and animal excreta were found all over the floor and in the building premises</p>
	<p>Name: Archery Stadium at Lumla Cost: ₹ 1.00 crore Executing Agency: PWD, Lumla Division Year of Completion: 2016-17 Status: (i) The facility was not formally handed over to the sports authority. (ii) District Sports Officer, archery trainer/ coach were not posted in the district. (iii) There was no evidence of the stadium being utilized and maintained properly because the range and the gallery were filled with earth. (iv) The Rostrum and attached toilet were in a dilapidated condition.</p>

	<p>Name: Construction of audience gallery & rostrum at sports complex Lumla</p> <p>Cost: ₹ 1.00 crore</p> <p>Executing Agency: PWD, Lumla Division</p> <p>Year of Completion: 2016-17</p> <p>Status: (i) The facility was not formally handed over to the sports authority. (ii) No coaches were posted for the sports complex. (iii) All electrical works were damaged. (iv) There was leakage of stagnant rain water from the roof.</p>
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The Department in its reply (June 2020) stated that the swimming pool at Sangay Lhaden Sports Academy was made fully functional but due to non-posting of coaches and due to trespassing by nearby residents the water was drained out to avoid fatalities. Further, due to non-operation of the pool for a long period, few of the components /structures require maintenance for which necessary proposal has been submitted to Government of Arunachal Pradesh.

Regarding ‘VIP gallery with player’s Lounge, change room & toilet block’ at hockey field Chimpu, the Department stated that necessary maintenance has already been done. Further, hockey coach has been posted by Sports Authority of India and the astro-hockey field is now utilised.

The non-maintenance of the created sports facilities not only denied full utilisation of the projects by the aspiring Sports person, it also rendered the expenditure on their creation as wasteful. It is noted that despite availability of resources under maintenance head, the department could utilise only 23 *per cent* of the budget provision.

The assets lying unutilised due to non-maintenance should be accorded high priority, handed over to the Sports Department immediately and the latter should earmark necessary resources, infrastructure including appointment of Coaches and District Sports Officers to make these functional. Besides, the Department may also fix responsibility for such apathy in ensuring utilisation and maintenance of the infrastructure created.

2.2.9 Conclusion

The planning for prioritisation of sports infrastructure projects was not systematic and did not take into account the potential for excellence of sportspersons in the State. The Sports Policy 2017 to create physical sports infrastructure in each of the 99 blocks of the State was partially achieved. Projects were taken up without consultation with stakeholders like sports bodies/associations. There was consistent shortfall in expenditure as compared to budget provision under maintenance and capital heads. The Department spent funds of ₹ 359.58 crore during the period 2014-19. The Department underutilised GoI grants and persistently delayed release of funds to implementing agencies which

affected the timely completion of projects. There were delays on part of the Department also in tendering and non-monitoring of timely completion of the works taken up.

Maintenance of assets created remained an area of concern, since they were not taken over in time and were found in dilapidated condition. Infrastructure created was diverted for other purpose. The completed projects remained unutilised and in some cases like Outdoor stadium at Pasighat, the completed projects were not even handed over to the Sports Department. There were other deficiencies in project execution such as award without tender, parking of funds etc. One of the main reasons for unused Sports Infrastructure was non-appointment of adequate Sports coaches by the Department. Thus the Department needed to take appropriate steps to both create and utilise sports infrastructure in the State.

2.2.10 Recommendations

- The Department may formulate long and short term action plan for holistic development of sports infrastructure with prioritization on sports where the State players have high chances of achieving laurels at national and international level. Besides, sports infrastructure facilities created in every district as envisaged under the State's Sports Policy.
- Phase wise targets should be set for efficient monitoring of the completion of the projects, along with creation of a centralised database and Asset Register.
- Additional coaches may be appointed expeditiously for optimal utilisation of completed infrastructure projects.
- The Department should utilize budget under both capital and Revenue sections efficiently and on time. The funds may be released to the implementing agencies promptly so that projects are not held up due to want of funds.
- A dedicated monitoring cell may be established by the Department of Sports to ensure completion of all ongoing and stalled projects on time, by coordinating with the concerned executing agencies and also ensure timely taking of completed projects.
- The completed projects which are lying unused must be utilized so that the intended benefits accrue to the users. This may require allocation of funds for maintenance and repair and appointment of coaches/instructors, if required.
- Sports infrastructure created may be used for the intended purposes without any diversions.
- The Department may revamp their monitoring mechanism for utilisation of funds, completion and utilisation of infrastructure created.

Food & Civil Supplies Department

2.3 Excess payment

Unauthorised and excess payment of ₹ 93.60 lakh on account of Hill Transport subsidy payments to carriage contractor

The Hill Transport Subsidy (HTS) Scheme was meant for States/UTs, which are predominantly hilly with little or no Railways and poor road communication. In such States/Union Territories (UTs), the Food Corporation of India (FCI) was required to open Godowns at Principal Distribution Centres (PDCs) wherever possible, or reimburse the State Governments/UTs the cost of transportation of food grains on actual basis for lifting them from FCI Base Depots to designated PDCs.

The Government accorded (March 2014) administrative approval and expenditure sanction for ₹ 9.80 crore towards payment of HTS claims in respect of M/s Sanghi Gai Multi-purpose Co-operative Society, Ltd. (Carriage Contractor), for transportation of PDS rice in 05 Circles of Kurung Kumey District from September 2012 to May 2013. The amount was paid to the Agency on 29th March 2014. The payment was released, based on recommendations of the Screening Committee constituted in October 2013 to verify the correctness of HTS claims of Carriage Contractors. The payment of ₹ 9.80 crore made to the Contractor also included payment of ₹ 1.04 crore towards carriage.

During Audit (November 2018) while comparing HTS claims submitted by Carriage Contractors with the proceedings of the Screening Committee and actual payments made, it was seen the claim payable for transporting 97.80 quintals as per the Contractor's claim was only ₹ 10.40 lakh⁸. However, the Department, while tabulating claims for scrutiny by the Screening Committee, erroneously mentioned the amount as ₹ 1.04 crore instead of ₹ 10.40 lakh and certified the claims as admissible, based on which payment was made. The DDO also did not independently verify the claims to ensure their correctness with reference to the original claims submitted by the Carriage Contractor. This resulted in excess and unauthorized payment of ₹ 93.60 lakh. The amount of ₹ 1.04 crore made to the Contractor was included in the total payment of ₹ 9.80 crore made to the Contractor.

In reply (December 2019), the Department admitted that there was a typographical error in the total claimed and admissible amount figures and accordingly the claim was erroneously passed for payment. The Department further stated that the discrepancy was detected during the process of billing to the Treasury, which was corrected and the alleged excess payment of ₹ 93.60 lakh did not occur and correct Bill amount of ₹ 10.40 lakh was only paid to the Contractor.

The claim of the Department is not only factually incorrect but also misleading. The Directorate of Food & Civil Supplies Cash Book entry in Page No: 7 (March 2014)

⁸ The Carriage Contractor was to be paid ₹ 125/- per quintal per km for headload and ₹ 2.80 per quintal per km for vehicular transportation.

clearly mentioned payment of ₹ 9.80 crore against HTS to the Contractor *vide* Bank Draft bearing No: 976383 dated 29th March 2014. This amount was an inflated figure caused by error in computation by including payment of ₹ 1.04 crore instead of ₹ 10.40 lakh, resulting in excess payment of ₹ 93.60 lakh to the Contractor.

Recommendations: *The excess payment may be recovered immediately and Department may take appropriate action on those responsible for the excess expenditure. Further, internal controls may be strengthened in the department to ensure that all payments are correctly released to agencies.*

Public Health Engineering & Water Supplies

2.4 Unverifiable expenditure

The Executive Engineer (EE), Public Health Engineering & Water Supply (PHE & WS), Khonsa Division did not seek technical sanction for a major work of ‘Providing water supply for Boduria and adjoining village in Tirap District’ as per delegation of powers in the Department and nor did he invite tenders in violation of manual provisions. The completed work included unverifiable expenditure of ₹ 75.70 lakh on purported excavation work and avoidable expenditure of ₹ 62.23 lakh due to non-utilization of existing water pipe line. Besides, the objective of the project to augment existing water supply remained unfulfilled since the entire work was executed with the existing water head sources.

Government of Arunachal Pradesh sanctioned (28 March 2015) the project ‘*Providing of Water Supply for Boduria and adjoining village, Tirap District*’ under NABARD funded RIDF scheme sanctioned for ₹ 5.00 crore (₹ 4.5 crore NABARD loan and ₹ 50.00 lakh as state share). As per the requirement for the work as provided in the estimate, the existing water supply cannot meet the ever increasing water supply demand due to increase in population, problem of incrustation in old pipes as well as drying up of present water source⁹. Therefore, as per approved estimate, the head-work of the project was to be executed at ‘**Binting nallah**’ (new source) for the new water supply line to augment existing water system. The new water supply system was proposed to accommodate the demand for next 30 years¹⁰. The work was stipulated to be completed in March 2018.

Scrutiny (September 2018) of records of the Executive Engineer (EE), Public Health Engineering & Water Supply (PHE&WS), Khonsa Division revealed the following:

As per delegation of financial powers provided in Section 2.5.1 of CPWD Works Manual 2014, the financial power delegated to the Superintending Engineer (SE) for according technical sanction (TS) is from ₹ 60.00 lakh to ₹ 4.00 crore and to the Chief Engineer (CE) from ₹ 4.00 crore to ₹ 15.00 crore. However, the EE did not seek TS for the work either from the SE or CE. The work was commenced in December 2015

⁹ Batjo nallah

¹⁰ Assuming 3% annual population increase

without TS and completed at a cost of ₹ 5.00 crore in March 2020, by issuing 93 work orders to 28 local contractors/suppliers without calling for tenders.

As regards work execution it was seen that the estimate had a provision for porter track/trace cutting for laying of 100 mm dia GI pipes by excavating 37,122.14 cum of earth work costing ₹ 69.90 lakh from the head work to old Bunting village (7.80 Km). Audit noted that excavation of 31040.67¹¹ cum was shown to have been done during the period from January 2016 to March 2018, by incurring an expenditure of ₹ 75.70 lakh for laying of 100 mm dia GI pipes. The division procured 9000 rmt of 100 mm dia GI pipes costing ₹ 77.31 lakh of which 7351 rmt pipes costing ₹ 62.23 lakh¹² were shown as laid between chainage 0 to 6.67 Km during the period from January 2018 to March 2018 and expenditure incurred was ₹ 5.99 lakh for laying such pipes.

However, audit observed that the measurement books did not indicate the method of excavation *i.e.*, whether the excavation was done manually or mechanically. Neither the Muster Roll for engagement of labour nor the details of the machinery deployed for excavation were on record. As per section 7.10.2 (1) of CPWD Manual 2014, the EE should test check 10% of the measurements recorded by his subordinates at least every alternative bill for works at his headquarter, and at least every third bill for works outside his headquarter. However, these provisions were not complied.

In the absence of documentary evidence for executing of work as per the estimate, the audit party conducted joint inspection with the departmental officers. During joint inspection (September 2018) of the work site, it was noticed that although the scheme was to augment water supply as the existing two water supply lines were unable to meet demand for water of the growing population of the area, the headwork was constructed at 'Batjo nallah' (existing source) instead of the proposed new source at 'Binting nallah'. Neither the reasons for such major deviation in changing the source was on record nor was the approval of the Competent Authority for such deviation obtained. Moreover, the purported construction of the porter track/trace cutting for laying of pipes (6.67 Km) remained unverifiable due to the fact that (i) since the head work was not constructed at the proposed source, the track/trace cutting for laying of 100 mm dia GI pipes from the head work to Old Bunting village by incurring an expenditure of ₹ 75.70 lakh on excavation was not required; and (ii) Even where the laying of new pipe lines was required, the pipes were seen to be laid on the existing line/route which was exposed on the surface, rather than embedded below the ground. Physical verification between chainage 4.30 to 6.18 km also showed that the pipes were laid on the surface without any evidence of trace cutting or formation cutting as shown in the photograph below:

¹¹ 21125.87 cum excavated during January 2016 to July 2016 (₹ 44.60 lakh) and 9914.80 cum excavated during January 2018 to March 2018 (₹ 31.10 lakh).

¹² 7351 rmt x ₹ 846.65



At Ch: 4300 mtr



At Ch: 5940 mtr

Moreover, audit observed that the Division laid new pipes (100 mm dia) costing ₹ 62.23 lakh between the Chainages (0 to 6.67 Km) from 'Batjo nallah' (existing source) up to a place called New Petrol pump and joined this new pipe line with the existing 80 mm pipe line at New Petrol pump instead of utilizing the existing 100 mm dia pipeline, which was in good condition. Utilization of the existing pipes from Bajto Nallah for 6.67 km would have avoided expenditure of ₹ 62.23 lakh.

Thus, not only the expenditure of ₹ 75.70 lakh on excavation of earth was unverifiable but also there was an avoidable expenditure of ₹ 62.23 lakh on existing pipeline not utilised. The entire expenditure remained unfruitful as neither the present nor future needs could be attended as there was no change in the existing source of the water supply scheme or the pipeline. Besides, the objective of augmenting water supply from new source to Boduria and adjoining village, Tirap District remained unfulfilled.

In reply (March 2019), the Division stated that during 2016, excavation of earth work was done for laying 100 mm dia GI pipes on the ground but since the pipes delivery was delayed by almost 24 months, the trace was ruined due to the heavy rain, minor landslides/soil erosion etc.

The reply is not acceptable as the claim of excavation of earth work in 2016 is not corroborated by any documentary evidence on record and site verification. Beside the department records showed that the 100 mm dia pipes were received during the period from May 2016 to September 2017 and not after 24 months as stated. Besides, excavation was purportedly shown to have been done in 2018 as well and the pipes were received and shown to have been laid between January-March 2018. Physical verification has confirmed that the pipes were laid on the ground surface and not embedded below the surface, that too besides the existing pipeline. The contention that the existing pipeline is being used for providing water supply to other places is not corroborated by any record and it was lying unused during physical verification.

Recommendation: The Department may fix responsibility in this case for technical sanction not obtained and tenders not invited for a major work. Besides, strict monitoring of the actual execution of works require to be ensured, especially in respect of major projects. The Department may issue instructions to Executive Engineers to not only check measurement books but also physically verify works before releasing payments to executing agencies.

2.5 Erroneous Expenditure

The Executive Engineer (EE), Public Health Engineering & Water Supply (PHE & WS) Division, Bomdila showed erroneous expenditure of ₹ 53.79 lakh on procurement and purported use of GI fittings for a water supply scheme in and around Thrizino ADC HQRs in West Kameng District.

Government of Arunachal Pradesh sanctioned (February 2015) '*Improvement & Augmentation of Water Supply for in and around Thrizino ADC headquarter, West Kameng District*' for ₹ 5.00 crore under Rural Infrastructure Development Fund (RIDF). The Chief Engineer accorded technical sanction for the work for an amount of ₹ 4.85 crore. The construction portions¹³ of the work were awarded (February 2017) through tender in two Packages¹⁴ after inviting NIT in January 2017. The balance portions¹⁵ of the work were executed departmentally by issuing 94 works orders amounting to ₹ 2.59 crore besides procurement of GI pipes amounting to ₹ 68.53 lakh. **The work was completed within the scheduled date of completion i.e. March 2018.**

Test check of the records of the PHE & WS Division, Bomdila (November 2018) revealed the following:

In the estimate, there was provision for procurement of different sizes of GI pipes (15 mm to 80 mm) for ₹ 1.33 crore and ₹ 46.78 lakhs for GI fittings. Audit noticed that there was an arithmetical error in computing the value of the estimate. In the estimate for package I, against the item of 15 mm dia GI pipe for a quantity of 600 Rmt, at a rate of ₹ 87.87 per Rmt, the value was shown as ₹ 58.25 lakh, while the actual value should have been ₹ 0.53 lakh only. Similarly, in package II also, against the item of 15 mm dia GI pipe for a quantity of 600 Rmt, at a rate of ₹ 87.87 per Rmt, the value was shown as ₹ 8.13 lakh, while the actual value should have been ₹ 0.53 lakh only. Thus, due to arithmetical errors, the estimates got inflated by ₹ 65.32 lakh¹⁶. The actual value of GI pipes in the estimate should have been only ₹ 67.44 lakh (₹ 132.76 lakh - ₹ 65.32 lakh). The estimate was approved by the Chief Engineer with the erroneous figures and the Department procured the GI pipes and fittings for the work for ₹ 1.69 crore (Pipes- ₹ 68.53 lakh, Fittings- ₹ 1.01 crore) without reference to the actual quantities required for the work, based on the erroneous values provided in the estimate. It was seen that the division procured GI fittings amounting to ₹ 1.01 crore against the actual requirement of fittings amounting to ₹ 46.78 lakh.

The division did not maintain Material-at Site Accounts where the receipts and issue of GI pipes and fittings were to be recorded and there was no record in the MBs for utilization of GI pipes and fittings. Since the work required GI fittings valued ₹ 46.78 lakh, there was excess procurement and purported utilisation of GI fittings for ₹ 53.79 lakh (₹ 100.57 lakh - ₹ 46.78 lakh).

¹³ C/o Sedimentation Tank, Slow Sand Filtration Tank, Headwork and Storage Tank, etc.

¹⁴ I & II to two firms for ₹ 80.56 lakh (Package-I) and for ₹ 41.73 lakh (Package-II).

¹⁵ Procurement of GI fittings, Jungle clearance, Formation Cutting, Laying and fitting of GI Pipes, C/o Anchor Block

¹⁶ {(58.25-0.53) + (8.13-0.53)}

The Department in its reply (January 2020) accepted that due to wrong data entry in the computer in Microsoft Excel by omission at the time of Technical Sanction estimate preparation. The wrong addition in the cost of GI pipes was discovered only at a later stage when the work was already awarded to the contractor. This additional cost of pipes was used in the procurement of additional GI fittings as it was felt necessary for maintenance of few existing pipelines and for future maintenance of the project as pipeline passes through hilly terrain. It was further stated that due to hostile and unfavourable site conditions, alignment of the pipeline was changed many times during the middle of the work and after completing many kilometres of pipe laying.

The reply of the Department seems to be an afterthought on the procurement and purported use of disproportionate quantity of GI fittings. This unusual consumption is not supported by any valid reason and record. Even the argument that the error came to notice after award of work to contractor is not relevant as the procurement of GI pipes and fittings was done departmentally and continued from December 2016 to March 2018 while the contract for construction portion was awarded in February 2017. Further, as per MAS accounts furnished by the Division later (February 2020), the entire quantity of G.I pipes and G.I fittings procured were shown to have been utilized against this work only and neither any quantity was utilized for maintenance of any other existing pipelines nor found to be kept for future maintenance of pipes. Moreover, on cross verification of MAS Accounts with that of MBs and Vouchers in respect of G.I fittings, audit observed that name of the suppliers also did not match indicating that the MAS account furnished later was fabricated. No evidence was also furnished to support that there were any changes in alignment during execution. Thus the portion of the work claimed to have been done departmentally (both procurement and fitting) was not executed at all and the Departmental officials will have to pay the Government ₹ 53.79 lakh.

Recommendation: The State Government may investigate this case further and take appropriate action to fix responsibility on the Chief Engineer and Executive Engineer of the Division. Since the modus operandi was through the Departmental portion of the work by inflating the cost estimates, the Department needs to review the internal controls and checks for Departmentally executed works.

CHAPTER– III

ECONOMIC SECTOR

CHAPTER - III: ECONOMIC SECTOR

3.1 Introduction

This Chapter of the Audit Report for the year ended 31 March 2019 deals with the audit findings of State Government Departments under the Economic Sector.

During 2018-19, total budget allocation of the State Government under the Economic Sector (other than Public Sector Undertakings) was ₹ 14390.27 crore, against which the actual expenditure was ₹ 8620.83 crore. Details of Department-wise budget allocation and expenditure and percentage of expenditure to total budgetary allocation are given in the table below.

Table 3.1.1: Budget allocation and expenditure under Economic Sector

(₹ in crore)

Sl.No.	Department	Total Budget Allocation (BA)	Expenditure				Percentage of Expenditure to Total BA
			Salary	Maintenance	Others	Total	
1	Rural Works	2246.57	54.05	112.31	1794.03	1960.39	87.26
2	Roads and Bridges	2595.1	151.98	693.62	896.91	1742.51	67.15
3	Power	1377.03	260.56	43.57	1007.35	1311.48	95.24
4	Secretariat Economic Services	3732.3	8.05	0.72	667.74	676.51	18.13
5	Public Works	993.27	208.29	51.8	371.9	631.99	63.63
6	Rural Development	543.85	75.08	0.05	390.35	465.48	85.59
7	Water Resources	559.39	73.43	41.13	254.14	368.7	65.91
8	Environment & Forests	300.67	126.73	16.8	131.38	274.91	91.43
9	Agriculture	518.04	124.41	0.00	75.51	199.92	38.59
10	Tourism	176.51	8.31	0.08	135.65	144.04	81.6
11	Animal Husbandry	197.36	90.25	1.68	35.21	127.14	64.42
12	Transport	125.33	56.28	32.34	27.39	116.01	92.56
13	North Eastern Areas	151.11	0.00	0.00	101.86	101.86	67.41
14	Horticulture	151.56	42.21	11.45	41.38	95.04	62.71
15	Civil Aviation	93.38	2.53	1.41	66.16	70.1	75.07
16	Textile & Handicrafts	66.5	29.71	0.1	23.95	53.76	80.84
17	Industries	178.42	16.83	0.57	34.12	51.52	28.88
18	Information Technology	128.96	5.48	0.00	41.18	46.66	36.18
19	Co-operation	55.35	11.64	0.01	27.28	38.93	70.33
20	Tirap, Changlang and Longding	67.04	0.44	0.00	32.3	32.74	48.84
21	Fisheries	32.14	18.49	0.00	12.6	31.09	96.73
22	Science & Technology	24.12	0.00	0.00	23.99	23.99	99.46
23	Statistics	29.97	15.85	0.00	4.12	19.97	66.63
24	Geology & Mining	20.04	11.33	0.00	6.02	17.35	86.58
25	Research	22.2	9.59	0.12	5.41	15.12	68.11
26	Trade and Commerce	4.06	1.76	0.00	1.86	3.62	89.16
Total		14390.27	1403.28	1007.76	6209.79	8620.83	59.91

(Source: Appropriation Accounts 2018-19)

From the above it is revealed that;

- Only 60 *per cent* of the total budgetary allocation in 2018-19 under the Economic Sector was utilized during the year, the most notable being 33 *per cent* savings (₹ 852.59 crore) under Roads & Bridges.
- In the Economic Sector, expenditure incurred by the Departments ranged between 18 to 99 *per cent* of the allocation made.
- Industries and Secretariat Economics Services Department could utilize only 18 *per cent* and 29 *per cent* of their respective budgetary allocation during the year.
- Capital Expenditure in the sector was ₹ 3438.09 crore which was 40 *per cent* of the total expenditure.

3.1.1 Planning and Conduct of Audit

Audit process starts with the assessment of risks faced by various Departments of the State Government and their subordinate offices based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers and assessment of overall internal controls.

Audit of 82 units of ten Departments under the Economic Sector involving ₹ 6431.01 crore (including expenditure of earlier years) under the Economic Sector was conducted during 2018-19.

Major findings detected in Audit during 2018-19 pertaining to the Economic Sector (other than Public Sector Undertakings), are discussed in subsequent paragraphs of this Chapter. This chapter of the Audit Report contains ten Compliance Audit Paragraphs.

Compliance Audit Paragraphs

Public Works Department

3.2 Unfruitful Expenditure

The proposed road of 107 km to connect Tamen and Dollungmukh remained incomplete and nonfunctional on the completed stretch, due to failure of the Department to seek forest clearance and a faulty DPR prepared without survey and investigation work. This resulted in unfruitful expenditure of ₹ 125.20 crore, besides non-fulfillment of the connectivity objectives.

North Eastern Council (NEC) is a *statutory, advisory body* established in 1972 through the North Eastern Council Act, 1971 and is the nodal agency for the economic and social development of the North Eastern Region. The Council operates under the administrative control of the Union Ministry of Development of the North Eastern Region (DONER). NEC accorded Administrative Approval (AA) on 16th December 2010 for construction of Tamen-Dollungmukh Road at an estimated cost of ₹ 139.62 crore. The road project was to connect the states of Arunachal Pradesh and Assam. Chief Engineer (CE) PWD, accorded Technical Sanction (TS) (29th March 2011).

The objective of the Project was to connect Tamen and Dollungmukh (T&D) Villages by constructing a 107 km road, consequently providing access to Schools, Health Facilities, Markets, PDS, improve access to Ziro District Headquarter and NH 52 in Assam, for approximately 10,000 inhabitants and provide road connectivity to a mega Hydro Power Project (2000 MW) being constructed by NHPC on Subansiri River in Dollungmukh.

Audit scrutiny of records (September 2019) of the Executive Engineer, PWD, Ziro Division, revealed that the Department awarded survey and investigation work, including preparation of Detailed Project Report (DPR) to a Firm¹ in October 2008. The work was awarded to a Contractor² at a negotiated rate of ₹ 145.44 crore, with stipulated completion of work by March 2014. The Department could complete 70.784 Km of road length incurring an expenditure of ₹ 125.20 crore (June 2019). There was no further physical and financial progress after June 2019.

The following deficiencies were observed in the implementation of the Project:

(A) Deficiencies in DPR and Technical Sanction

In the DPR prepared by the consultant, it was stated that entire area between T&D villages are under forest. However we saw that the DPR also had an undated certificate from DFO, Hapoli Division certifying that the major portion of the proposed road to be executed by PWD, Ziro Division does not fall under Forest plantation/Reserve forest/Wildlife sanctuary and they gave a NOC for construction of the road subject to obtaining environment clearance as per Forest Conservation Act, 1980 whenever required. The credentials of this undated certificate is dubious as there are two Reserved forests and

¹ M/s Kadorgajon Engineering Consultant, Chennai

² M/s Tamchi Kusak

Wildlife sanctuaries notified in 1976 and 1995 respectively under Hapoli Forest Division and the one Reserve forest under Banderdewa Forest Division notified in 1978. The estimate prepared by the PW Division also stated that the alignment of the road shall pass through un-reserved forest area, therefore environment clearance is not required.

However, it is observed that the proposed road passed through Reserved Forest and Wildlife Sanctuary³, attracting provisions of Forest Conservation Act, 1980. As a consequence, shortly after the work commenced, DFO, Banderdewa Forest Division, wrote (28th November 2011) to the Executive Engineer, Ziro Division, to stop work in the notified Reserve Forest area and to submit a diversion proposal. It was observed in audit that neither was the work stopped nor diversion proposal submitted to the Forest Department for the requisite land. Further, the DFO, Hapoli Forest Division (21st May 2019), without referring to his earlier purported certificate included in the DPR, reminded that the road passes through a reserved forest and a wildlife sanctuary and directed that the work be halted pending wildlife and forest clearance.

(B) Deficiency in execution of formation cutting

According to Contract Agreement with the Contractor, there was a provision of ₹ 72.59 crore out of the total agreement cost of ₹ 145.44 crore, for formation cutting (FC) of 106.200 km road length. As per 13th and last RA Bill (March 2019), a total expenditure of ₹ 105.40 crore was already incurred on formation cutting, whereas only 70.784 km road length was covered. Audit further observed that the quantity of one component - *'Excavation of earth work in ordinary rock by mechanical means'* - under FC to be excavated as per DPR, was only 1087727.03 cum for the entire length of 106.20 km. However it was shown that a total of 2978561.07 cum (174 per cent above Tender Agreement quantity) of the component was already excavated, when only 70.784 km length of road could be completed by the Division. An excess quantity of 1890834.04 cum was excavated, entailing excess expenditure of ₹ 48.69⁴crore. For this huge variation, relevant Clauses under the Contract for change in quantity, variation and payment of variations were not found invoked. Neither was the approval of higher authorities sought on this huge deviation in quantity.

Due to huge variation in FC quantity, involving excess expenditure of ₹ 48.69 crore, 90 per cent of sanctioned cost was incurred for only 30 per cent of the work (₹125.20 crore was incurred against sanction cost of ₹ 139.62 crore). As the Project could not be completed within the sanctioned cost, the Department sought additional funds from NEC, who directed (August 2016) the Division to submit Revised Estimate/DPR and Forest Clearance. Audit noticed that even after a lapse of more than three years, the Division failed to submit a Revised Estimate and necessary Forest Clearance. As a result, the Project was dropped by NEC on *'as is where is basis'* (December 2018), by directing the State

³ Panir Reserve Forest under Banderdewa Forest Division, notified in 1978; Tale Reserve Forest, Hapoli Forest Division, notified in 1976; Tale Wildlife Sanctuary, notified in 1995.

⁴ 1890834.04 cum x ₹257.49 [Original rate offered by Contractor for work ₹309 per cum minus rebate of 16.67%].

Government to execute the balance portion of the work from its own resources. The State Government had not provided any funds as of October 2019.

Thus, failure to seek timely forest clearance when it was known that the road would be passing through forest area and inability to submit revised DPR on time resulted in the Department losing the balance funds from NEC. The work remained incomplete to the extent of 36 Kms despite incurring 90 per cent of the sanctioned cost (₹ 125.20 crore) as of June 2019. The completed road stretch of 71 Kms (approx.) was also non-functional.

The matter was reported to State Government (January 2020); reply is awaited (November 2020).

Recommendation: *The Department may ensure that DPRs are reviewed diligently and all requisite clearances obtained before award of work. It may also earmark resources to complete the balance portion of the work so that the objectives of the project are fulfilled without further delay. Besides, responsibility be fixed on the Departmental Officers for the abnormal expenditure on excavation of excess quantity of earth work and lack of coordination with the Forest Department.*

3.3 Infertuous expenditure on Bridge

Despite incurring an expenditure of ₹ 8.50 crore on the project of construction of a Steel Girder bridge over River Pachin, the project objectives were not achieved. The EE of the Division Naharlagun made an irregular payment of ₹ 1.73 crore for works not executed conferring undue financial benefit to the contractor.

The State Government proposed to construct a Referral Hospital in Tigdoring Village, Papumpare District, and the foundation stone was laid by the then Dy. Prime Minister in November 2003. The State Government issued administrative approval (September 2015) for ‘**Construction of Steel Girder Bridge with RCC decking over River Pachin between Popu Village II to Referral Hospital**’ at a cost of ₹ 14.46 crore financed from NABARD loan. The Chief Engineer, Western Zone, PWD accorded Technical Sanction in (November 2015) at a cost of ₹ 13.62 crore.



(Laying of foundation stone for the Referral Hospital in November 2003)

It was noted that though the Foundation Stone of the Hospital was laid in (November 2003), there was no development in the proposed site till January 2020. In fact, it was mentioned in the Detailed Estimate for the above work itself that the land acquired for the purpose of building the Hospital was encroached. It was seen in audit that

the decision to construct the Bridge was taken without any co-ordination with the Health Department to understand whether the Hospital would actually come up at the proposed site. The Finance Department also approved the Scheme under Rural Infrastructure Development Fund (RIDF) without exercising due diligence.

The execution of work for the bridge commenced in February 2017 and the due date of completion was February 2019. As of January 2020, the work was still ongoing with an expenditure of ₹ 8.50 crore. Since the work was taken up with a Loan from NABARD, GoAP also paid Interest of ₹ 1.04 crore against the total borrowed funds of ₹ 8.66 crore till December 2019.

Scrutiny of records relating to works execution, revealed that the Division (PWD Naharlagun), invited Tenders (June 2016) against the work ‘**Steel Girder Bridge with RCC Decking over River Pachin**’. Against the provision of ₹ 11.16 crore in the Bill of Quantity (BoQ) for construction of the Bridge component, ₹ 7.63 crore was paid to the Contractor in March 2018, based on measurements recorded in the MB on 10 February 2018 for the items of work as detailed in the table below:

Table 3.3.1: Details of amount paid to Contractor

(₹ in lakh)

Sl. No.	Sub-Items	BOQ Amount	RA Bill Amount
1.	Pile Foundation for Abutment	41.74	41.74
2.	Pile foundation for Pier	31.94	31.94
3.	Sub-structure for Abutment	55.97	55.97
4.	Sub-structure for Pier	11.72	11.72
SUB-TOTAL		141.37	141.37
5.	Superstructure	975.29	622.60
TOTAL		1116.66	763.97

Audit observed that out of ₹ 6.23 crore paid for construction of superstructure, ₹ 1.73 crore was paid to the Contractor for assembling and erection of 386.64 MT of fabricated steel. Thus, assembling and erection of 386.64 MT (72.63 per cent) was shown to have been executed against the provision of 532.37 MT.

However, on joint physical verification of the site by the audit (July 2018), it was observed



Bridge over Pachin River as on July 2018

that no superstructure was found erected, though ₹ 1.73 crore was paid for the purpose. The Sub-structure, without erection of Superstructure, is shown in the picture.

Audit also noticed that even material required for the Bridge (except for some steel bars and a small portion of pre-fabricated steel plates) was not available at the site during Joint Inspection. Clause 7.10.2 of CPWD Manual stipulates that the Executive Engineer should test check 10% of measurements recorded by his subordinates. The Executive Engineer had not conducted any such check of the measurements recorded.



Bridge over Pachin river as on Dec 2019

Audit again physically verified (December 2019), the bridge site and noticed that the super structure was not erected even after 21 months of making payment to the Contractor, resulting in infructuous expenditure.

Audit further observed during site inspection (January 2020) that construction of the Referral Hospital was still not taken up and the site has been encroached. Even the Foundation Stone laid in 2003 could not be located. The Director of Health Services (January 2020) also confirmed that construction of the Referral Hospital could not be taken up so far. Hence, despite incurring expenditure of ₹ 8.50 crore on the Project and payment of ₹ 1.04 crore as Interest, the purpose for which the Project was executed was not achieved. Further, the Division made an irregular payment of ₹ 1.73 crore without actual execution of any work, conferring undue financial benefit to the Contractor.

In reply (February 2019), the EE stated that the material was not stored at site earlier due to shortage of space and was stored 7 kms away from the work site. It was also stated that the fabricated steel components were now available at the work site.

The matter was reported to State Government (January 2020); reply is awaited (November 2020).

Recommendation: The Department needs to fix responsibility for payment without actual execution of works and ensure appropriate diligence especially for those projects financed from borrowed funds. The Department may complete the Bridge work considering its alternate uses too and the expenditure already incurred so far.

3.4 Excess Expenditure and diversion of funds

Executive Engineer, PWD, Tawang Division incurred excess expenditure of ₹ 85.00 lakh due to adoption of higher rates than the approved analysed rates in the technical sanction. Besides, funds of ₹ 74 lakh meant for Improvement of Tawang Township Road were diverted to other projects, affecting the length of the project

Para 2.1 (2) of CPWD Works Manual (as adopted by Government of Arunachal Pradesh), inter alia provides that no work should be normally commenced or liability thereon incurred until (i) the detailed estimate is properly prepared, and technically sanctioned and ii) tenders are invited. Further, para 1.5 read with para 4.1 of CPWD manual 2019 stipulates that only emergency/urgent works which cannot brook delay can be executed without call of tenders, and reasons for dispensing with the procedure for call of tenders should be recorded by the Engineer in Chief. Further, under Rule 26 (ii) of General Financial Rules 2005, the controlling officer in respect of funds placed at his disposal is to ensure that the expenditure is incurred for the purpose for which funds have been provided.

Ministry of Road Transport and Highway, GoI accorded (April 2011) administrative approval and expenditure sanction of ₹ 9.32 crore for ***‘Improvement of Tawang Township’*** under Central Road Fund (CRF). The scope of work included Formation Cutting, Pavement, Cross drainage, Extension of existing culverts, Road side drain and protection work. The Chief Engineer PWD (Western Zone) accorded Technical Sanction (TS) of ₹ 9.05 crore in January 2013 for the work. In the TS, rate analysis (adjusting the rates by adding suitable percentage to base rates to compensate the escalation/inflation) was carried out on the basis of Arunachal Pradesh Schedule of Rate 2010 (APSoR 2010, R&B).

Scrutiny of records (December 2018) of the Executive Engineer (EE), PWD, Tawang Division revealed that even before the issue of the technical sanction, execution of the work commenced in February 2012. The Division executed the work by issuing 258 work orders during the period from January 2014 to February 2016 in favor of 25 agencies without call of tender by the Executive Engineer, Tawang Division. The work was neither an emergency nor the reasons for dispensing with the call of tenders by the Division were on record.

Audit further observed that different rates were adopted by the Department for same items of work during the same period of execution and the EE while issuing the work orders adopted higher rates than those provided in the TS in the following items as detailed below:

Table: 3.4.1- Item-wise comparison of Analyzed Rates in the Technical Sanction vis-a-vis the Executed Rates

(Amount in ₹)

Items	Unit	APSR 2010 Rates	Analyzed rates in TS (Percentage higher than APSOR 2010)	Rates awarded to contractors (Percentage higher than TS Rates)	Difference in rates	Percentage	Quantity executed	Excess Expenditure
1	2	3	4	5	6 (5-4)	6/4*100	7	8(6x7)
Bituminous concert	Sqm	9398.05	16405.10 (75 %)	20266.00 (24%)	3860.90	24	199.74	771176.17
Bituminous Macadam	Sqm	6816.50	12984.90 (90 %)	14898.00 (15%)	1913.10	15	352.97	675266.91
Premix carpet 2 cm thick	Sqm	-	303.40	355.00 (17%)	51.60	17	30466.07	1572049.21
Seal coat	Sqm	49.20	107.70 (119%)	129.20 (20%)	21.50	17	30466.07	655020.51
Grading I	Cum	1311.45	2294.20 (75 %)	2733.00 (19%)	438.80	19	1350.58	592634.50
Grading II	Cum	1342.30	2402.00 (79 %)	2804.85 (17%)	402.85	17	927.14	373498.35
Grading III	Cum	1374.55	2530.80 (84 %)	2967.70 (17%)	436.90	17	1747.81	763618.19
PCC 1:3:6 normal mix	Cum	3812.60	7543.00 (98 %)	8308.40 (10%)	765.40	10	650.27	497716.66
PCC Grade M15	Cum	5055.20	9133.40 (81 %)	10021.80 (8 %)	888.40	10	470.13	417663.49
Stone Masonry work 1:6	Cum	3146.00	5916.20 (88 %)	7267.70 (23%)	1351.50	23	1482.28	2003301.42
HYSD Bars	MT	57155.95	72507.30 (27 %)	92976.50 (28%)	20469.20	28	8.70	178082.04
Total								8500027.44

From the above table, it is seen that the rates adopted in execution of the work were much higher than the rates in the TS, although rates in the TS were already adjusted after considering all prevailing factors. The Department did not make available any records to

audit justifying adoption of higher rates than the approved rates for execution of the work. The required approval of the Chief Engineer for deviating from the rules and adopting higher rate was not available.

Thus, failure of the EE to comply with the rules and also adopting higher rates resulted in excess expenditure of ₹ 85.00 lakh and possible benefit to the executing agencies.

Further, in violation of rules, expenditure details of the work revealed that ₹ 74.03 lakh were diverted from this work for repair works of other nine roads⁵ which were not included in this sanctioned project, through Transfer Entry Orders (TEOs)

In reply (December 2019) the Department stated that the rates on which the work was being executed become unworkable during the course of execution due to increase in cost of labour and material every year and hence, the rates were revised higher than the rates in TS and approved with justification by the Superintending Engineer (SE). Further, the Department admitted that an expenditure of ₹ 74.03 lakh was incurred from the project fund in the interest of public services for repairs and maintenance of other roads including the stretch of roads under this project.

The reply of the Department is not tenable, since, the rates in TS were already adjusted considering the increased cost of material labour, etc and there was no undue delay in commencement of the work (2012), since approvals communicated to the contractors. The diversion of the project fund to other works affected the length of sanctioned road project. Besides the SE not being the competent authority to approve the revised rates, the rate increase should have been got approved from the CE.

Recommendation: The deviations if any, in rates as per sanctioned estimates should be done with proper approvals, to avoid any misuse of authority. The government may also consider a quality monitoring cell empowered to conduct independent evaluation of the quality and other parameters during execution of the projects above a certain cost threshold.

Sl.No.	Name of other roads/projects
1	Repair and maintenance of various roads & bridges under Tawang Div during 2012-13
2	Improvement of Tawang Township road network in AP (NLCPR)
3	M/o various roads and bridges
4	Road from Gyangodong to Tseating (1.5 Km)
5	Development of road network under Tawang Block
6	Repair and maintenance of various roads & bridges under Tawang Div during 2014-15
7	Repair and maintenance of existing assets under Tawang Div
8	Repair and maintenance of various roads & bridges under Tawang Div during 2015-16
9	C/o High Altitude sports complex at Tawang Division

3.5 Excess Expenditure

Due to adoption of incorrect rates, EE, PWD, Bomdila incurred excess expenditure of ₹ 2.74 crore

According to Rule 21 of General Financial Rules, 2017, every officer incurring or authorizing expenditure from public moneys should be guided by high standards of financial propriety besides enforcing financial order and strict economy by observing all relevant financial rules and regulations. Further, Rule 136 (1) of GFR 2017 and para 2.1 (2) of CPWD Works Manual (as adopted by Government of Arunachal Pradesh), provides that no work should be normally commenced or liability thereon incurred until i) administrative approval & expenditure sanction have been obtained from the competent authority, ii) detailed estimate properly prepared, iii) technically sanctioned iv) tenders invited and v) work orders issued.

The Chief Engineer, PWD, Western Zone, Itanagar allotted (27 February 2017) an amount of ₹ 5.00 crore for the work Maintenance of Roads and Bridges under Bomdila Division. No administrative approval and expenditure sanction for the work was obtained from Competent Authority (Secretary/Commissioner, PWD).

Audit scrutiny (August 2018) of records of Executive Engineer (EE), PWD, Bomdila Division revealed that the EE accorded a total of 16 Technical Sanctions (TS) on 28 February 2017 and 02 March 2017 against the above work. Reasons for issuing such number of technical sanctions for the same item of work were not on record. It was observed that four⁶ out of 16 Technical Sanctions issued by EE were beyond the delegated financial powers. The work of removing mixed earth or rock slips at ₹ 194.40 per Cum, disposal of slips by mechanical transport including loading, unloading and roadside drain clearance at ₹ 33.35 per Cum/Km and roadside drain clearance at ₹ 33 per Mtr. were to be executed at different locations of nine roads. The entire amount of ₹ 5.00 crore was incurred in March 2017.

Further scrutiny revealed the following observations in execution of the work:

For the item of work '*slip clearance*' at nine roads the department adopted the manual rate in the estimate (i.e. ₹ 194.40 per Cum) based on the Arunachal Pradesh Schedule of Rates (APSoR) 2014 (*Building Works and Services*)⁷ while the actual execution was carried out through mechanical means for which the prescribed rate is only ₹ 80 per Cum.

⁶ 1. Amount: ₹ 69.64 lakh (TS order no. BD/W-79/2016-17/1129 dated 22.02.2017).
2. Amount: ₹ 48.65 lakh (TS order no. BD/W-79/2016-17/1183 dated 28.02.17)
3. Amount: ₹ 64.56 lakh (TS order no. BD/W-79/2016-17/1207 dated 02.03.17)
4. Amount: ₹ 80.38 lakh (TS order no. BD/W-79/2016-17/1184 dated 28.02.17)

⁷ APSoR 2014 (Building Works and Services), Item No. 11- 'Removing mixed earth or rock slips including clearing the site within a lead of 50 m and upto 1.50 m lift'.

Under APSoR 2014 (Roads and Bridges)⁸. Thus, the estimate was inflated to the tune of ₹ 2.02 crore⁹.

Further, the work 'slip clearance' with a total volume of 177266.51 Cum at five roads were shown to have been executed departmentally by hiring bulldozers D-80 for 1717 days at the rate of ₹ 20,358 per day and had incurred an expenditure of ₹ 3.49 crore. By analyzing the output of the hired machinery i.e. bulldozer-80 as per the rate of APSoR 2014 (R & B), for execution of 177266.51 Cum of slip clearance work, the required number of days for engaging Bull Dozer D-80 should have been 370¹⁰ days and accordingly the expenditure should have been ₹ 75.32 lakhs (i.e. 370 days x ₹ 20,358 per day). Thus, the Division executed the work in 1717 days instead of 370 days, resulting in excess expenditure of ₹ 2.74 crore (i.e. ₹ 3.49 crore - ₹ 75.32 lakh).

On being pointed out by audit, the Department accepted the fact and stated (January 2020) that due to urgency of work more than one Bull Dozers were deployed on site resulting in 1717 number of days. As regards adoption of higher rate, the Department replied that item 11 of 2014 APSoR (BWS) does not indicate that it is applicable only where there are occurrences of earth or rock slips over the excavated formation or trenches. They further stated that actually this rate can also be adopted in the places where landslides are cleared by *manual means* and debris is disposed within a lead of 50 mtrs.

The reply of the Department is factually incorrect since the Department engaged Bull Dozers for 1717 number of days for landslide clearance confirming that the work was executed by mechanical means for which there are separate rates in the APSoR. Besides, the adopted rates in the estimate were for building works and services and not for maintenance of roads. Further, deploying more than required machinery should reduce the number of days and there was no justification for hiring the machines for 1717 days.

Thus, the estimate was inflated by ₹ 2.02 crore due to adoption of higher manual rate for the item of work 'slip clearance' executed by mechanical means. There was further excess expenditure of ₹ 2.74 crore in hiring the machines for more than required days.

Recommendation: The internal controls in the Department needs to be strengthened for proper analysis of estimates and accord of approvals from the competent authorities. The Department may also consider to establish a Technical Examination Wing for better technical controls to secure economy in expenditure as well as financial controls.

⁸ APSoR 2014 (Roads and Bridges) which is for Maintenance of Roads i.e. Item No. 10.12 (i) 'Clearance of landslides in soil and ordinary rock by a bull-dozer D 80 A-12, 180 HP and disposal of the same on the valley side'.

⁹ 209413.81 cum x [₹ 194.00 - ₹ 98 per Cum (Cost Index @ 7.5 per cent per annum x 3 years)]

¹⁰ As per analysis of Item No. 10.12(ii) in APSR 2014 (R&B), output for Bull Dozer D-80 for landslide clearance in soil, ordinary rock and blasted hard rock is 60 Cum per hour. Thus, for 177266.51 Cum, the required time is 2954.44 hours (i.e. 177266.51/60) or 369.31 days ≈ 370 days @ 8 working hours per day).

3.6 Avoidable expenditure

The EE, PWD, Chayangtajo incurred avoidable excess expenditure of ₹ 94.00 lakh on formation cutting on a stretch of already existing PMGSY road

State Government approved construction of road from Chayangtajo to Sangchu-Solung in August 2013 under PWD, Chayangtajo at a cost of ₹ 7.62 crore to connect Sangchu-Sollung village from Additional Deputy Commissioner Headquarter Chayangtajo. The project was to be funded by a loan from NABARD. The Chief Engineer, Western Zone, PWD accorded Technical Sanction for ₹ 7.54 crores (November 2013) for the project and the work commenced (December 2013) **for completion by December 2016. However, the work was shown physically completed by March 2015 itself at a cost of ₹ 7.62 crore**, while payments were made between February 2014 to March 2018.

Scrutiny of records (July 2018) revealed that the work was executed by issuing work orders to the local contractor without calling tenders as required under the provisions of GFR and CPWD manual (as adopted by Government of Arunachal Pradesh). Out of the total expenditure of ₹ 7.62 crore, an amount of ₹ 2.49 crore was found incurred during February 2014 to October 2015 on execution of Formation Cutting (FC) work for 4.68 KM (from 0.000 KM to 4.684 KM). The original estimate included Formation Cutting (FC) for 6 Km (0.00 to 6.00 KM) at a cost of ₹ 2.63 crore. During the execution, the Executive Engineer (February 2015) stated that “the formation cutting took off from the end point of Chayangtajo to Yangfo (PMGSY road) which is 2.5 KM length and has continuity towards Sangchu Solung” and proposed to rechristen the road as Chayangtajo to Yangfo to Sangchu Solung which resulted in reduction of road length mentioned in the original estimate by 2.5 KM. **The EE further proposed (February 2015) that the savings from the reduction of the road length be used for providing soling and three layers of WBM. The EE accordingly proposed (February 2015) a revised estimate for ₹ 7.54 crore which included FC for 3.5 KM at a cost of ₹ 1.55 crore.** This proposal was endorsed by the Superintending Engineer in March 2015 by which time the work was stated to be physically completed. Since the payments for FC work was made till October 2015, the payment shown to have been made for FC work of additional 1.18 Km (4.68 Km-3.50 Km) amounting to ₹ 94.00 lakh should have been withheld or adjusted on other items of work.

Audit observed that construction of road from Chayangtajo to Yangfo road was sanctioned under PMGSY in July 2005 and execution of the work was completed in June 2009 itself. This indicated that the original estimate of PWD was not prepared based on survey and actual site conditions. As the road for 2.5 KM was already formed under PMGSY there was no requirement for formation cutting in that stretch. The DPR was incorrect and the payment made for purported extra length thus was avoidable.

The Department in its reply (February 2019) stated that an extra length of 1.18 KM length was unavoidable to reach the targeted village and the Department could not foresee the actual required length during estimate preparation.

The reply is not acceptable as the PMGSY road of length of 2.5 KM was already existing and confirmed by the EE, who himself had proposed in the revised estimates (March 2017) FC for 3.5 Km only.

Recommendation: *The matter may be further investigated by the Department and the system of preparation of estimates may be strengthened to take into account the actual ground conditions, to avoid duplicity in works and expenditure.*

Hydro Power Development Department

3.7 Infructuous Expenditure

Abandoning of Micro Hydel Scheme (MHS) at Vijaynagar in Changlang district, on account of low water discharge and defective installation of Penstock Pipes resulted in infructuous expenditure of ₹ 4.08 crore. Besides, the objective of providing electricity to Vijaynagar area could not be achieved for a long time.

Vijaynagar in Changlang district is a strategically important area with international borders in the eastern part of the State. The citizens in general and defence personnel in particular were facing difficulties due to lack of electricity. To meet the power demand in the Vijaynagar township and villages like Dawodi, Gairi, Gaon Daragaon, etc. a Micro Hydel Scheme was envisaged to improve living conditions of tribal population scattered in eight villages and providing much needed power supply to defense check posts.

The Government of Arunachal Pradesh (Hydro Power Development Department) sanctioned (December 2002) ₹ 4.08 crore for construction of Vijaynagar Micro Hydel Scheme (MHS) with capacity of 2X50 KW on Ngonalo nallah near Vijaynagar village of Changlang District to meet power demands in Vijaynagar and adjoining villages (with a population of nearly 3000) which did not have power supply. The estimate for construction of the project (₹ 4.08 crore) comprised, Civil Works¹¹ (₹ 1.53 crore), installation and commissioning of Electro-Mechanical (E&M) equipment (₹ 0.59 crore), freight charges for material (₹ 1.72 crore) and other incidental costs (₹ 0.24 crore). As per the approved Detailed Project Report (November 2002), the lean period discharge of the nallah was observed to be not less than 0.750 cumec, and the design discharge was 0.44 cumecs. The DPR was prepared by considering only one year discharge data of the nallah. The work commenced in August 2009, and project was scheduled to be completed by January 2010. The Civil and E&M works were completed in October 2010.

Scrutiny of records (January 2018) revealed that the civil portion of works including air freight, head load and other incidental costs were executed at a cost of ₹ 3.58 crore by two divisions¹² of which works of ₹ 3.15 crore were got executed without call of open tender through various contractors by issuing 95 work orders in violation of the GFR rules. The

¹¹ Construction of diversion weir and intake well, power channel, penstock pipe, power house etc.

¹² Bordumsa Civil Division for ₹ 3.15 crore and Hayuliang division for ₹ 43.00 lakh.

Electro & Mech. work was executed by Tezu (E&M) Division through tender incurring an expenditure of ₹ 0.52 crore.

Audit scrutiny revealed that during the period from 2010-2013, the Department rectified the damages which occurred near the joints of Penstock Pipe line, construction of saddle block near Power house and also, modified Spillway Channel and completed all the Civil and Mechanical works.

Scrutiny further revealed that MHS could not be commissioned due to insufficient water discharge at the source, for continuous running of both the machines and due to heavy leakages on account of defective laying of pipes. Further attempts made after rectifying the defective work to commission the MHS during January 2013 and May 2014 also did not fructify due to low discharge which was observed as 0.13 cumec as against 0.75 cumec mentioned in the DPR.

The Chief Engineer (April 2014) stated that with the available discharge, the project can be operated only during monsoon season, which would not serve the intended purpose and proposed to shift the equipment (2x50 KW turbines) to other stream where there is a perennial discharge. **The Chief Engineer reiterated (May 2015) that the MHS already constructed was economically and technically not viable.** However, no action was taken to shift the equipment till date (January 2020).



Power House lying idle

Thus, failure of the division to ensure correctness of required discharge at the time of taking up the MHS in the Nallah (mentioned in the Detailed Project Report) by considering at least three years discharge data to ascertain the minimum required discharge, resulted in wrong selection of site for the MHS. The entire expenditure of ₹ 4.10 crores was rendered infructuous. ***Besides, the objective of providing reliable power supply to the remote villages near Vijayanagar could not be achieved for over a decade.*** Now, Vijaynagar and adjoining villages would be provided power supply only after completion of SPV Power Plant with aggregate capacity of 150 KWP in Vijaynagar Circle, Changlang to be executed by Arunachal Pradesh Energy Development Agency (APEDA) as per Agreement of July 2018.

In reply (September 2018 and February 2020), the division admitted the abandoning of the MHS by stating that there was proposal for shifting the usable items to other projects as no stream was found near by the existing hydel station for the same design discharge and rated head. It was, further stated that low discharge of 0.13 cumec as against 0.75 cumec mentioned in the DPR was due to deforestation and climate change and the low discharge of 0.13 cumec was taken during lean season & the discharge during monsoon period might be sufficient to run the machine for a period of six months.

The reply of the Department is not acceptable as deforestation happens over a period of time. Besides, the lack of sufficient discharge was reported long back in 2010 itself. The fact remains that Department did not operate the system even during the monsoon season and the project was eventually abandoned, resulting in infructuous expenditure on civil works and electrical equipment besides depriving the remote villages the benefits of electricity supply for a very long period of time.

Recommendation: The Department may consider utilizing the idle equipment in other areas having conducive water discharge. They may ensure that independent verification of crucial technical matters is done at project formation stage to obviate such instances of infructuous expenditure in future.

Responsibility may be fixed for poor project planning and non-shifting of the idle equipments even after the report of the Chief Engineer in April 2014.

Power Department

3.8 Wasteful expenditure on idle Equipment




The EE, Bomdila Electrical Division procured transformer and connected equipment without proper assessment of requirement leading to wasteful expenditure on idle equipment costing ₹ 71.62 lakh

The North Eastern Council (NEC), Government of India accorded (20th December 2013) Administrative approval for project “*System Improvement in and around Nafra township, i/c Sub-Station at Nafra, Arunachal Pradesh*” costing ₹ 8.99 crore. The project cost was to be shared between GoI and GoAP in the ratio of 90:10 (*i.e.* ₹ 8.09 crore and ₹ 0.90 crore). Due to rapid growth of power demands and upcoming many new hydro projects and industries, the need of power for different areas had risen and hence system improvement in the existing 1 x 0.80 MVA, 33/11 KV Sub-Station at Nafra constructed way back in 2009 was needed and accordingly *Extension & Improvement of the Sub-Station* was provided in the DPR. The scope of work under the Sub-Head included inter-alia, supply and installation of 5 MVA, 33/11 KV transformer with estimated cost of ₹ 58.62 lakh. The work was shown to have been completed (December 2016) in all respects by incurring the total sanctioned cost. However, the inspection by the funding agency in January 2017 revealed that many items were not executed by that time.

Scrutiny of records (September 2019) of the Executive Engineer, Bomdila Electrical Division revealed that for upgradation of Nafra Sub-Station, one 5 MVA, 33/11 KV

transformer was procured (March 2014) by the Department at a cost of ₹ 49.88 lakh. It was also observed that the Department procured one outdoor type Vacuum Circuit Breaker (VCB) of 36 KV and one 33 KV remote metering and relay panel for a total cost of ₹ 21.74 lakh during February 2015 which were not provided for in the DPR. These equipment were stated to be required for utilization of the 5 MVA transformer. However, the transformer and the related equipment were not installed at Nafra Sub-Station as proposed, stating that the 5 MVA transformer is not needed at Nafra Sub-Station according to availability of load (February 2017). Thus, by not installing the 5 KVA transformer the objective of meeting the future higher load of power could not be achieved.

During joint physical verification (September 2019), it was found that the equipment procured under the scheme were kept idle at Bomdila Sub-Station as shown in the photographs below:

	
<p>5 MVA, 33/11 KV transformer kept idle at Bomdila Sub Station.</p>	
	<p>33KV remote metering and relay panel kept idle</p>
<p>Outdoor type 36 KV Vacuum Circuit Breaker (VCB) kept idle</p>	

In reply (January 2020), the Executive Engineer stated that the DPR was made keeping in mind the commissioning of 2 MW Khajalong Micro Hydel and other MHS nearby Nafra region. However, due to non-commissioning of Khajalong MHS, the Executive Engineer has taken a decision to install the equipment in Bomdila sub-station, as stand by unit of the already existing 1x5 MVA sub-station. It was further stated that the Vacuum Circuit Breaker (VCB) of 36 KV and one 33 KV remote metering and relay panel which are safety equipments were required for electrical system to work in optimum conditions. Thus, these equipments were procured from the project fund though it was not included in the DPR.

The reply is not tenable as the equipment was specifically procured for the project as per the provisions in the DPR and not for using as a standby equipment for other sub-station. Further, the station at Bomdila already has two existing operational 5 MVA transformers and the equipment shifted to the place was not connected and kept idle.

Thus, equipment procured at a cost of ₹ 71.62 lakh were not utilized and remained idle since February 2015, while the objective of providing power requirement to different areas in Nafra by upgradation of the existing Sub-Station, remained unfulfilled.

Recommendation: The equipment lying idle may be immediately shifted/utilized in other needy Divisions.

Rural Development Department and Public Works Department

3.9 Fraudulent expenditure and fabrication of records

The State Planning Department sanctioned the work of Keba Dere - Community Hall at Liromoba Town under the same scheme to two different executing agencies resulting in fraudulent expenditure of ₹ 28.07 lakh

Projects/schemes under State Infrastructure Development Fund (SIDF) in the state are approved by the Cabinet Committee on Infrastructure (CCI)/ State Development Council (SDC) after the proposals are submitted by the State Planning Department. As per the scheme guidelines, the projects should be routed through the Department concerned along with Non-Duplicity Certificate and in case any duplicity or overlapping of projects is observed, the same shall be brought to the notice of Planning Department for necessary order. It also envisaged that the Planning/ Finance Department would ensure monitorable targets (physical and financial) against each project before release of allocated funds to the line departments, setting up a strong monitoring mechanism to check progress of implementation and utilisation of funds at regular intervals including monitoring by the concerned DC/ADC and reports of District Level Review & Monitoring Committee shall be submitted to the PPM division of Planning Department at regular interval. The guidelines also mandate documentation of the work in the form of digital still photography and videography wherever possible, in the initial period of execution and after completion of the project for monitoring purpose.

Para 4.2 of CPWD Works Manual mentions that the preparation of detailed estimates, drawings and designs should be taken up only after obtaining assurance from the Department sponsoring the proposal that the site is available without any encumbrance.

The State Planning Department, Government of Arunachal Pradesh sanctioned two works of ₹ 40.00 lakh for (Construction of welcome gate at Liromoba for ₹ 20 lakh and 'Keba Dere' for GB¹³ at Liromoba for ₹ 20 lakh) to Public Works Department (PWD) vide orders dated 13 December 2016 under SIDF. 'Keba Dere' is the local name for a community hall

¹³ Gaon Burah: Village authorities constituted under Rule 5 of Assam Frontier (Administration of Justice) Regulation, 1945 to try both civil and criminal cases within their jurisdiction according to customary laws and social practices

to be used as a local Court. It was also observed that on 03 March 2017, Government of Arunachal Pradesh, State Planning Department sanctioned ₹ 30.00 lakh for construction of 'Community Hall at Liromoba town' (same work of construction of 'Keba Dere', sanctioned to PWD earlier) to Rural Development Department (RE for 2016-17) under SIDF. Both the sanctions were issued by the same officer¹⁴ in the State Plan Division of the Planning Department within a span of less than 3 months to two different executing departments for construction of the same asset ('Keba Dere' – community hall) under the same scheme. It was seen that the sanction to the Rural Development Department was issued at a time when the same asset had already been constructed by the PWD, which only showed the callousness on part of the sanctioning authority.

Scrutiny of records in the office of Executive Engineer, PWD Yomcha Division, West Siang District, in March 2019 and January 2020 revealed that based on proposals of the the Divisions (22 December 2016) the work 'Construction of welcome gate at Liromoba and Keba Dere for GB at Liromoba was sanctioned (03 March 2017) by the Department for ₹ 40 lakh. The length and breadth of the building as provided in the estimate of the work was 9.60 metres and 6 metres respectively.

The work was awarded to a firm, 'M/s JJJJ Enterprises' on 17 July 2017 through tendering process. As per the measurement book maintained by the Division, the work commenced on 19 July 2017 and was completed on 13 September 2017. An expenditure of ₹ 37.80 lakh¹⁵ was shown to have been incurred out of which ₹ 19.13 lakh was for construction of 'Keba Dere' at Liromoba.



Inauguration stone of Gaon Bura Dere

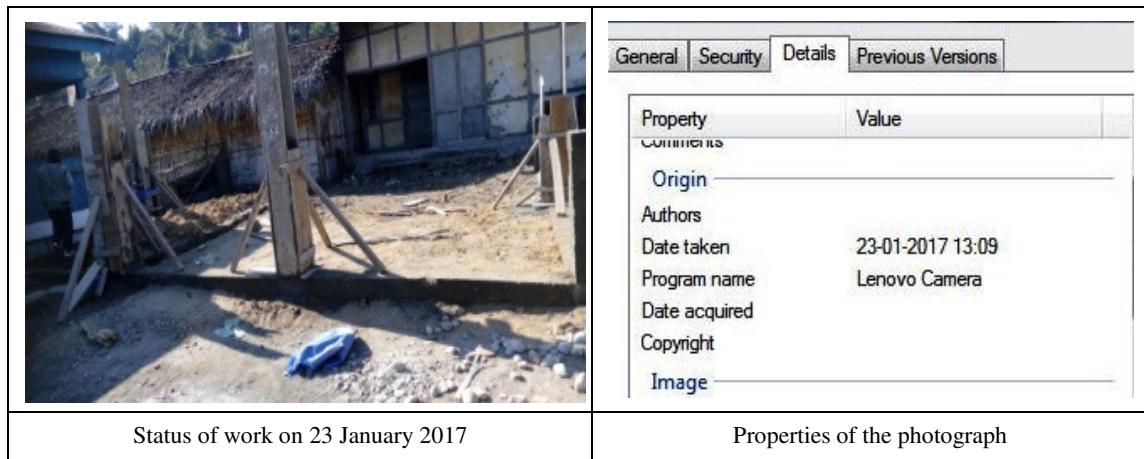
Scrutiny of the digital photographs and video in the custody of the PW Division revealed that the work was already in progress in January/ February 2017 as can be seen below:

As per the statement of the Executive Engineer, PWD Yomcha (06 February 2020), the work was already completed in March 2017 by the time AA&ES was accorded. He further stated that before AA&ES was accorded, there was a pressure from GB of Liromoba for commencement of the work as they wanted to use the building as Keba Dere (Court) and thus, the division commenced the work in January 2017 by engaging a local contractor.

When confronted with the divisional records which show work commencement in July 2017, the Executive Engineer replied that the Division recorded the date of inviting tender and execution of work after March 2017 in order to avoid treating the execution of work prior to accord of AA&ES, as irregular. He also accepted that the work was actually executed by 'Shri Gidik Romin' and since he was not a registered contractor and could not

¹⁴ Director (State Plan)

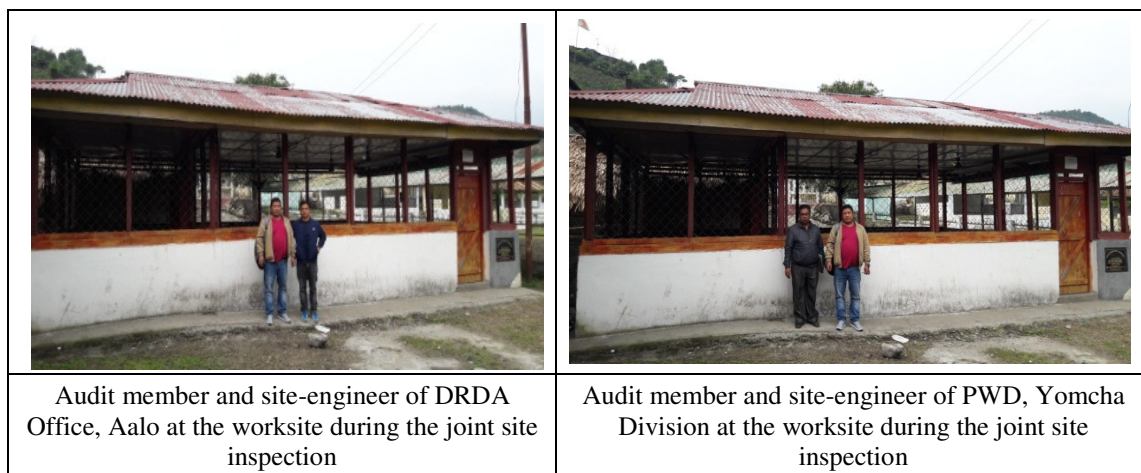
¹⁵ Vide cheque no 0160741 dated 7 September 2017 and 0160772 dated 2 November 2017 for construction of both the Welcome gate (₹18.67 lakh) and Keba Dera (₹ 19.13 lakh).



participate in the tender, he used the name of a registered contractor namely, 'M/s JJJJ Enterprise'.

Expenditure sanction of ₹ 30.00 lakh was given by the Rural Development Department to Project Director, DRDA, Aalo, West Siang District for Construction of Community Hall at Liromoba Town (same Kaba Dere, constructed by PWD in March 2017) on 22 March 2017 under SIDF, while fund was allocated to the DC West Siang vide Rural Development Department order dated 27 March 2017. While framing the estimate or making the proposal for the scheme, the executing agency did not prepare the requisite non-duplicity certificate and whether site was actually available and free from encumbrances. As per estimate of the work, the length and breadth of the building was 17 metres and 8 metres respectively with plinth area of 136 Sq. m. Short notice inviting tender was issued on 23 March 2017, tender was accepted on 28 March 2017 and notice to proceed with the work was given to the contractor Er. Bili Potom on 29 March 2017. In the financial and physical report submitted by the Project Director (PD), DRDA, the date of completion is shown as 31 March 2017. Another completion report signed by three village elders and countersigned by the Extra Assistant Commissioner (EAC), Liromoba Circle is dated 27 February 2017. An amount of ₹ 28.07 lakh was shown to have been paid to the purported contractor for this work (31/07/2017) by cash as per acquittance roll. Thus, as per the report submitted by the PD, DRDA the work was completed within 02 days. These records were being manufactured for an asset which was already constructed by that time by PWD.

Cross-examination of records, photographs and joint site verification revealed that both the departments claimed the same work at the same location as executed by them. Further, audit along with officers of the two executing departments conducted joint site inspection on 12 March 2019. During the joint site inspection, both the departments showed the same building as executed by them as can be seen from the photographs below:



During the joint site verification, it was observed that the length and breadth of the building was 9.82 metres and 6.19 metres respectively, which is closer to the estimates of PWD and way beyond DRDA estimates. Further scrutiny of records revealed that the main purported contractors of the two Departments sub-let the contracts for construction of ‘Keba Dere’ to the same person, ‘Shri Gidik Romin’. The alleged contractor (Er. Bili Potom) of the work executed under DRDA was shown to have sub-let the contract to ‘Shri Gidik Romin’ on 01 April 2017, while ‘M/s JJJJ Enterprises’ who was the purported contractor of the work executed under PWD, entrusted the work to ‘Shri Gidik Romin’ on 17 July 2017. It is clear that expenditure was booked on the construction of the same asset ‘Keba Dere’ or ‘Community Hall’ by both PWD and Rural Development Department.

Further, Scheme Guidelines provide that during the execution phase of project, the status of the works is to be documented in the form of digital still photography, and wherever possible video-graphic also, in the initial period of execution and also after completion of the project for monitoring purpose. It was observed that DRDA did not have any still/video evidence of the work being actually executed, apart from a printed photograph dated 18 May 2017 in which the PD, DRDA and the purported contractor are shown in front of the completed building, while the purported date of completion as per MB of DRDA is 30 May 2017.

It was also observed that there was no monitoring of execution of the schemes either at State level or by District Administration, as required under the implementation guidelines of SIDF.

No replies/comments were received from the Departments/Government despite communicating the matter to the Secretary (Planning) on 9 March 2020 and 18 December 2020; Secretary (Rural Development) and the Commissioner (PWD) on 5 March 2020 and 18 December 2020. The matter has also been brought to the notice of the Chief Secretary (29 December 2020) for necessary action. However, no reply from the government has been received.

Recommendation: The case may be further investigated by the Government and appropriate action be taken against the officers responsible for such duplication and fraudulent expenditure and fabrication of records.

3.10 Irregularities in execution of works

The EE PWD, Jamin Division committed various irregularities in utilization of funds in violation of codal provisions and established procedures resulting in un-verifiable expenditure of ₹ 3.50 crore.

According to Rule 136 of General Financial Rules 2017, no works shall be commenced or liability incurred in connection with it until administrative approval has been obtained from the appropriate authority, tenders have been invited and work orders have been issued.

Government of Arunachal Pradesh provided funds of ₹ 3.50 crore to the Executive Engineer PWD Jamin Division (March 23, 2017) for a work '**Restoration of Flood Damages on Various Roads under Jamin Division**'. No Technical Sanction and Administrative Approval was accorded for this work. The entire fund was shown as spent in March 2017 itself, even before allotment of the funds by the Government. The Estimates were prepared by the Division in August 2017 for restoration of road damages caused by floods during the period May 2017 to July 2017, due to heavy rains. However, as per the Measurement Books (MBs), fund was shown as spent on works, which were actually executed by the Division much earlier, during the period June 2008 to December 2009.

The fund was shown as spent, by issue of 132 work orders, valued at ₹ 3.50 crore, without call of tender. While 124 out of 132 work orders, valued at ₹ 3.23 crores had been issued in September 2016, prior to preparation of Estimates and allotment of funds, eight work orders, valuing ₹ 23.71 lakh were issued in September 2017, after the allotted funds were spent in March 2017.

Examination of the nature of works enumerated in the work orders and those shown as executed as per the MBs revealed discrepancies as shown below, in some of the cases;

- (i) Six work orders valued at ₹ 22.32 lakh were issued for execution of a component '*Widening*'. However, as per record entry in the MBs, two different items, i.e., (i) *Restoration of Rain Cuts* and (ii) *Maintenance of Suspension Bridge* were shown as executed and expenditure of ₹ 22.32 lakh was also incurred on execution of these two items.
- (ii) Similarly, another six work orders valued at ₹ 21.99 lakh were issued for execution of '*Restoration of Rain Cut*'. However, in the MBs and vouchers, '*Widening*' was shown to be executed and ₹ 7.38 lakh was shown as incurred on the item.
- (iii) The Division incurred an expenditure of ₹ 29.53 lakh on execution of widening related to '*Construction of Road from Dhahill Top on Tamen Tali Road to Gangte via Lapte*'. However, cross-check of MBs revealed that the measurement was made for another work '*Construction of Dari Chambang Road 40.00 Km*' in 2008-09.

The expenditure being shown on works, which were actually executed many years back was irregular and unverifiable in absence of any pending liability register in the Division. Further, as required under PWD Manual provisions, there were no estimates found for the

works executed and work orders had been issued prior to sanctions and allotment of funds to the Division. The supervisory authorities of the Division had not ensured that the funds were spent for the allotted work. The record keeping of the division was not only deficient but manipulative, since the works in the Estimates were not matching with the MBs.

The Executive Engineer in reply (March 2020) admitted that the LoC of ₹ 3.50 crore was utilized for clearance of pending liabilities created during 2008-09 for five works. It was further stated that work orders were approved as and when funds were placed with them. The reply is factually incorrect as the LOC was allotted in February 2017 against the Estimates prepared for restoration of flood damages and not for clearance of pending liabilities of 2008-09. No reply was given for the glaring discrepancies in records maintained by the Division.

Thus, the expenditure of ₹ 3.50 crore shown by the Division is not only irregular but not verifiable in absence of compliance to codal provisions and established procedures laid down for functioning of the Department and its Divisions. It was highly unlikely that contractors would have waited for more than seven years in anticipation of payments for works, if they had been genuinely executed. The SE of the Division was equally responsible for non-monitoring of the utilization of the fund for the specific works for which it was sanctioned.

Recommendation: The glaring inconsistencies in Departmental documents, absence of Administrative Approval and Technical Sanction and award of work without tenders may be investigated and responsibility fixed. Besides, the Department may ensure that pending liabilities are recorded in the Divisions and reported to higher authorities. They may make all efforts to clear the contractors' bills on time in the interest of sound financial management and obviate such diversion of funds and irregularities of payments being shown against old unverifiable works.

CHAPTER– IV

GENERAL SECTOR

CHAPTER - IV: GENERAL SECTOR

4.1 Introduction

This Chapter of the Audit Report for the year ended 31 March 2019 deals with the findings of Audit of the State Government Departments/Units under General Sector.

During 2018-19, total budget allocation of the State Government in the Departments under General Sector was ₹ 3331.10 crore against which actual expenditure was ₹ 2935.38 crore. Details of Department-wise budget allocation, expenditure and percentage of expenditure to total budgetary allocation is given below.

Table 4.1.1: Budget allocation and expenditure under General Sector

Sl. No.	Department	Total Budget Allocation (BA)	Expenditure				Percentage of Expenditure with respect to Total BA
			Salary	Maintenance	Other	Total	
1	Treasury and Accounts	919.51	15.14	0.53	908.66	924.33	100.52
2	Home	1038.43	680.28	19.45	213.17	912.90	87.91
3	General Administration	596.11	87.34	22.15	357.48	466.97	78.34
4	Land Management	255.35	17.35	0.15	236.73	254.23	99.56
5	Legislative	75.55	17.58	0.14	58.10	75.82	100.36
6	Election	80.60	14.39	1.00	43.87	59.26	73.52
7	Information and Public Relation	73.59	15.93	0.00	29.80	45.73	62.14
8	Fire Services	35.30	15.14	0.53	18.57	34.24	97.00
9	State Tax and Excise	46.19	18.00	0.00	13.95	31.95	69.17
10	Administration of Justice	32.82	0.00	0.00	24.97	24.97	76.08
11	Motor Garages	21.20	0.00	0.00	17.78	17.78	83.87
12	Council of Ministers	17.44	3.49	0.00	13.90	17.39	99.71
13	Directorate of Prison	59.84	9.20	0.29	3.25	12.74	21.29
14	Legal Metrology	11.84	7.45	0.00	2.94	10.39	87.75
15	Stationery and Printing	10.11	7.65	0.10	2.32	10.07	99.60
16	State Public Service Commission	14.27	4.62	0.04	4.51	9.17	64.26
17	Governor	8.12	5.10	0.00	1.75	6.85	84.36
18	Gauhati High Court, Itanagar Permanent Bench	5.37	4.31	0.00	0.96	5.27	98.14
19	Administrative Training Institute	15.50	1.31	0.22	3.05	4.58	29.55
20	Parliamentary Affairs	3.97	1.97	0.00	1.06	3.03	76.32
21	State Information Commission	4.92	1.65	0.10	1.07	2.82	57.32
22	Protocol	2.51	1.78	0.03	0.55	2.36	94.02
23	Gazetteer	1.14	0.86	0.05	0.23	1.14	100.00
24	State Lotteries	0.87	0.23	0.00	0.61	0.84	96.55
25	Other General, Social and Community Services	0.55	0.00	0.00	0.55	0.55	100.00
Total		3331.10	930.77	44.78	1959.83	2935.38	88.12

(Source: Appropriation Accounts 2018-19).

From the above it is seen that;

- In General Sector, the expenditure incurred by the Departments ranged between 21 to 101 *per cent*.
- All the Departments except Legislative Department, Treasury and Accounts, Land Management, Council of Ministers and Gazetteer had incurred expenditure less than the budget allocation.
- 32 *per cent* expenditure incurred was on Salaries.
- The Capital Expenditure in this sector was ₹ 1062.03 crore which was 36 *per cent* of the total expenditure incurred.

4.1.1 Planning and Conduct of Audit

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

Audits was conducted in 19 units of six Departments involving expenditure of ₹ 4865.77 crore (including expenditure of earlier years) under the General Sector during 2018-19.

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

Major observations detected in Audit during 2018-19 related to the General Sector are discussed in the subsequent paragraphs of this Chapter. This chapter of the Audit Report contains one Compliance Audit Paragraph.

Compliance Audit Paragraph

Planning Department

Compliance Audit of Member of Legislative Assembly Local Area Development Scheme

4.2 Introduction

The Government of Arunachal Pradesh (GoAP) introduced Member of Legislative Assembly Local Area Development (MLALAD) Scheme in 2000-01 with the objective of implementing developmental works across all the Assembly constituencies of the State. In terms of the scheme, initially, an amount of ₹ 1.25 crore was sanctioned to each of the MLAs to ensure execution of developmental works in his/her constituency. Over the years, the amount sanctioned to each MLA was increased to ₹ 2.50 crore (as of April 2018). Planning & Investment Department of the State is designated as the nodal authority for implementation of the scheme and the State Government laid down the following guidelines in August 2014 in this regard. Some of the significant guidelines are mentioned below;

- Every MLA is to recommend to the Deputy Commissioner (DC) concerned, a list of works to be undertaken in his/her constituency with the funds sanctioned by the Government;
- The works are to be developmental in nature and cater to the locally felt needs;
- The works are also to be such that can be completed within one financial year and lead to creation of durable assets;
- The DC is also supposed to get the concerned work executed through a Government agency as per the choice of the concerned MLA.
- The DC is to verify the admissibility of the recommended works based on the list of works identified by the State Government for the purpose and provide administrative approval, expenditure sanction and technical sanction to the works;

4.2.1 Indicative List of permissible works to be taken up under the Scheme

The indicative list of permissible works that can be taken up under the scheme guidelines has been given below:

- i) Buildings for Government schools, hostels, libraries
- ii) Housing roofing material, cement
- iii) Drinking water supply
- iv) Roads and bridges
- v) Public irrigation channels and public drainage schemes
- vi) Public libraries and reading rooms
- vii) Public health care buildings
- viii) Footpaths, pathways and foot bridges
- ix) Public toilets and bathrooms

- x) Bus sheds/stops for public transport passengers
- xi) Purchase of school furniture for Government schools
- xii) Community Halls etc.
- xiii) Training to unemployed youths for imparting skills for taking up self-employment activities and enhancing their employability for other jobs.
- xiv) State matching share for taking-up of distinct and independent components of Centrally Sponsored Schemes.

4.2.2 Audit Objectives

The main objectives of the audit were to assess whether:

- The Department had adequately planned with respect to formulating timeframe for release of funds, finalization of works/schemes, etc., for successful implementation of the Scheme;
- Works were taken up and executed as per extant codal provision;
- Proper upkeep and maintenance of the assets created under the Scheme were ensured; and
- Mechanism for monitoring and evaluation of implementation of the Scheme was in existence.

4.2.3 Audit Sample

Compliance Audit of the implementation of the MLALAD scheme in the State was carried out for the five-year period, 2014-2019. Audit was carried out during August 2019 to November 2019. Five districts¹ consisting of eleven Assembly Constituencies (ACs) out of 60 ACs were selected by using Probability Proportion to Size With Replacement (PPSWR) method, with size measure as the total amount released for implementing the scheme during the five-year period. Further, 372 schemes/works amounting to ₹ 33.76 crore out of 2295 schemes/works amounting to ₹ 101 crore were selected for detailed scrutiny. Joint physical verification of 168 works valued at ₹ 10.99 crore out of the 372 test-checked schemes/works was also carried out with the departmental officials.

4.2.4 Audit Methodology

Compliance Audit (CA) commenced with entry meeting held on 10 July 2019 wherein audit objectives and criteria of the CA were discussed. This was followed by issue of requisition for records, issue of questionnaires, examination of records and verification of schemes/works on infrastructure.

An exit meeting was held on 13 March 2020 to discuss the audit observations and the recommendations of the CA. The views expressed by the Department have been incorporated in the report, whenever received.

¹ Papumpare; Lower Subansiri; Lohit; East Siang; and Lower Dibang Valley

Audit Findings

Significant audit findings are discussed in the succeeding paragraphs.

4.3 Release of Funds and sanction of Works

4.3.1 Budget allocation and release of Funds

The quantum of funds sanctioned by the State Government for MLALAD scheme and expenditure thereon during the five-year period 2014-19 is given below:

Table 4.3.1: Year wise Sanction and Expenditure

(₹ in crore)

Year	Funds Sanctioned	Revenue Expenditure	Capital Expenditure	Total Expenditure
2014-15	75.00	74.65	-	74.65
2015-16	90.00	90.00	-	90.00
2016-17	120.00	120.00	-	120.00
2017-18	120.00	-	120.00	120.00
2018-19	150.00	-	150.00	150.00
TOTAL	555.00	284.65	270.00	554.65

(Source: Department records)

Budget and expenditure figures is not distinctly discernible from Appropriation Accounts as the budget provision for MLALAD scheme has been clubbed with the scheme of Untied Funds in the Detailed Demand for Grants under the same Sub Head.

According to Rule 30(2) of Government Accounting Rules 1990, expenditure of capital nature shall be distinguished from revenue expenditure both in the Budget Estimates and in Government Accounts. Further, Para 2.2 of Scheme Guidelines provides that the type of work executed under the MLALAD Scheme should be such that it should lead to creation of durable assets and funds provided under the scheme should not be used for incurring revenue expenditure.

Audit observed that during the five year period (2014-19), the classification of the Scheme was not properly done in the Budget Estimates as well as Government Accounts. In the first three years (2014-15 to 2016-17), the provision for the scheme was made in the Revenue section of the budget and accordingly expenditure of the Scheme was also booked under Revenue Head (3451), whereas during the period 2017-18 to 2018-19, the expenditure was charged under Capital Head (4070) and under the Object Head '53-Major Works'.

4.3.2 Absence of timelines for Scheme implementation

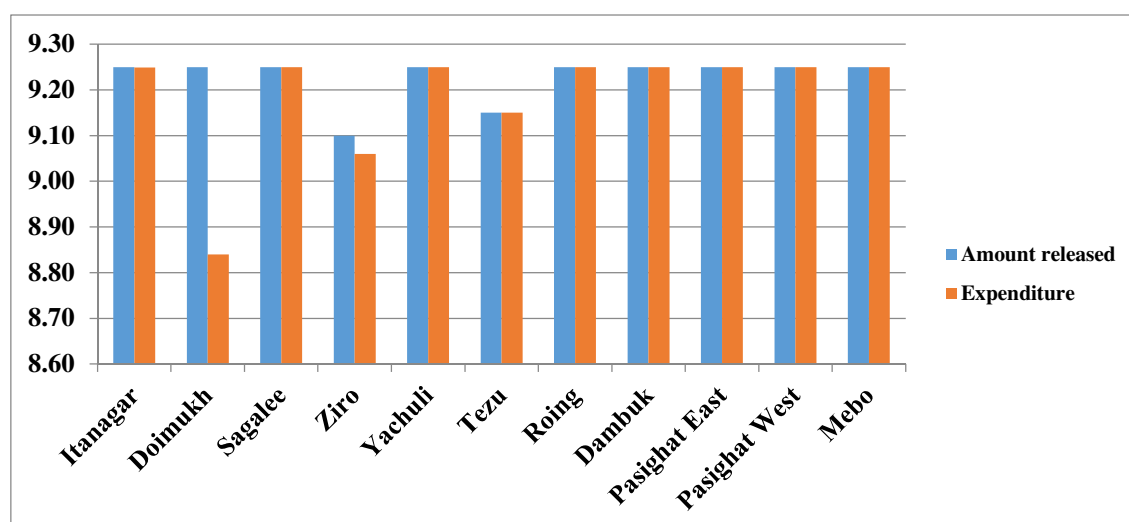
Para 5.1 of Scheme Guidelines stipulates that the schemes taken up for a particular year must be completed in the same financial year in which they are sanctioned. However, the Scheme Guidelines are silent on timelines for each step as well as other aspects of Scheme implementation. There is no prescribed timeframe for receiving recommendations of works from respective MLAs, scrutinizing the recommendations by the DCs, finalizing the annual plans, preparation of estimates and approval & sanction of works. The Guidelines also do not contain any provision regarding timeframe for release of fund by the State Nodal Authority to the District Nodal Authority (DNA) and by the latter to the

Implementing Agencies. There is also no prescribed timeline for submission of progress reports of works and Utilization Certificates (UCs) by the Implementing Agencies to the DC or by him/her to the State Nodal Authority. Further, the Government has not laid down any condition or penalties in case of delay in finalization of annual plans, execution of works, submission of UCs, etc.

Audit observed that during 2014-19, no fixed timelines for release of funds to the DNAs was followed by the State Planning Department. It is observed that the Planning Department released its instalments mostly at the end of the quarters of the respective financial year. Funds relating to last quarter were released during the month of February in three of out five years, which had an adverse effect on the completion of projects within the same financial year.

Test-check of records in 11 ACs in five districts revealed that there was short utilization of funds released during the year 2018-19 in case of two ACs² within two districts as shown below.

(₹ in crore)



The Reply from the Government has not been received (November 2020).

Recommendation: The Department may amend the guidelines to make them specific for setting time lines for receipt of proposals, release of funds to implementing authorities, finalization of Annual Plan of works under the Scheme and submission of UCs by implementing agencies.

4.3.3 Delay in approval of works and release of funds by DNAs

The DC who is designated as the DNA accords sanctions for works on receipt of recommendations of the respective MLAs. Though Scheme Guidelines do not provide any timeframe for finalization of works by the DNAs, audit observed that in 852 (37 per cent) out of 2295 schemes/works, (in the sampled districts encompassing 11 ACs covered by audit) the DNAs took more than one month (30 days) for sanction of schemes/works and release of funds from the date of recommendations of the schemes/works by respective

² Doimukh AC and Ziro-Hapoli AC.

MLAs. The time taken in approval of the schemes/works and release of funds differed from one district to another as shown below:

Table 4.3.2: Delay in approval of works beyond 30 days

Sl. No.	Name of AC	Total no. of schemes executed during 2014-19	No. of schemes approved beyond a period of 30 days	Percentage (%)
1	Itanagar	442	196	44.34
2	Doimukh	168	59	35.11
3	Sagalee	384	118	30.73
4	Ziro-Hapoli	105	36	34.28
5	Yachuli	77	30	38.96
6	Tezu-Sunpura	106	27	25.47
7	Pasighat East	240	95	39.58
8	Pasighat West	241	182	75.51
9	Mebo	109	41	37.61
10	Roing	229	27	11.79
11	Dambuk	194	41	21.13
	Total	2295	852	37.12

Thus, due to the absence of prescribed timeframe, DNAs took their own time to approve the scheme works with delays ranging from 27 to 196 days beyond period of 30 days from date of recommendation received from the public representatives.

During the Exit Conference held on 13 March 2020, the Secretary, Planning Department assured that the Department would issue instructions to the District Nodal Authorities for finalization of schemes/works and release of funds within a prescribed specific time frame.

4.3.4 Estimates of scheme/works not based on realistic assessment

Audit observed that the respective MLAs of the sampled ACs, while recommending works to the executing agencies, also prescribed the amounts for the works to be executed. The executing agencies prepared estimates of the works according to the amounts sanctioned by the MLAs concerned. Moreover, the estimates were prepared by restricting the cost of each estimate to ₹ 10.00 lakh, which was the financial power of the Deputy Commissioner. If the cost of the recommended works were above ₹ 10.00 lakh, two or more estimates were prepared in order to keep the cost within the financial power of the Deputy Commissioner.

As stated above, the respective MLAs prescribed the estimated cost ceiling within which the works were to be executed. Accordingly, the executing agencies framed the estimates for all the test-checked works, exactly as per the prescribed amounts. Thus, it is evident that there was no realistic assessment while framing the estimates of all the 372 test-checked works.

The Reply from the Government has not been received (November 2020).

4.4 Deficiencies in scheme implementation

4.4.1 Execution of schemes prior to accord of Administrative Approval & Expenditure Sanction and written recommendation of concerned MLAs

Para 3.1 of Scheme Guidelines provides that the Deputy Commissioner will get works executed through Government Agencies by following the established procedures including those relating to grant of Administrative Approval and Expenditure Sanction (AA&ES). Rule 129 of General Financial Rules 2005 stipulates that no works shall commence or liability be incurred in connection with it until administrative approval has been accorded in each case and sanction to incur expenditure has been obtained from the competent authority.

Audit observed that in the five sampled districts, execution of 77 schemes/works (21 per cent) costing ₹ 5.79 crore out of 372 scheme/works test-checked in audit, commenced prior to accord of AA & ES for the works. The 77 schemes/works, executed through different executing agencies, commenced 01 to 265 days prior to sanction of the works by the DNAs. Further, 55 out of the 77 schemes/works were initiated even before written recommendations of the works were received from the MLAs concerned. This indicated that the executing agencies had commenced the works even before examining the feasibility of works and receiving sanctions for the works in violation of extant Rules/Guidelines.

During Exit Conference, the Department stated that instructions would be issued to ensure that recommendation of MLA is invariably obtained in writing before commencement of works.

4.4.2 Execution of works not as per recommendations of the MLAs concerned

Scheme Guidelines provide that if the Deputy Commissioner is unable to sanction the works recommended by the MLAs, he should send a comprehensive report with reason to the MLA concerned.

Audit observed that the DNA³ of Lower Subansiri district sanctioned ₹ 85.61 lakh for execution of five works (**Appendix-4.1**) without the recommendation of the concerned MLAs. Further, during joint site inspections, it was noticed that another four works sanctioned at a total cost of ₹ 15.00 lakh in three districts were not executed as per recommendations of MLAs concerned. The works found at site were completely different from what was shown on record as, indicated in **Appendix-4.2**. There were no recorded reasons for replacing the works which had been recommended by the respective MLAs.

³ Deputy Commissioner, Ziro for Ziro-Hapoli AC and Additional Deputy Commissioner for Yachuli AC.

	
<p>Construction of a room in progress instead of executing a children park in Lohit district</p>	<p>In place of kitchen, a toilet was found constructed at site in Papumpare district</p>

The Reply from the Government has not been received (November 2020).

4.4.3 Irregularities in procurement and distribution of CGI sheets

Scheme Guidelines provide that housing materials like CGI sheets procured under the Scheme should be provided to Below Poverty Line (BPL) families. Further, the Government of Arunachal Pradesh, Department of Rural Development approved rates for CGI sheet of 0.63 mm and 0.50 mm thickness at a cost of ₹ 70104.60 and ₹ 73171.64 respectively. The rates were inclusive of 4 % VAT and 12 % Entry Tax. However, since the Entry Tax or VAT is to be deducted only once at the rate applicable for the concerned goods as clarified by Department of Tax, the basic rate for the CGI sheet of 0.63 mm and 0.50 mm thickness was derived at ₹ 60435.83 and ₹ 63079.00 respectively.

Audit observed that 1770.93 MT of CGI sheets in five sampled districts were procured for distribution to BPL families during the period 2014 to 2019 at a cost of ₹ 12.78 crore (**Appendix-4.3**). It was seen that in two⁴ out of the five sampled districts, the procurement of CGI sheets was done at either approved rates or lower, however in the remaining three districts, i.e., Papumpare, Lower Subansiri and Lower Dibang Valley districts, the executing departments paid higher rates for procurement of 282.22 MT of 0.50 mm thickness and 328.91 MT of 0.63 mm thickness of CGI sheets. The procurement in these three districts was made without working out the base price, resulting in payment of higher rates to the suppliers. Due to application of higher rates, there was an excess payment of ₹ 52.77 lakh (**Appendix-4.4**) to the suppliers.

Further test-check revealed that a quantity of 1499.85 MT was shown distributed to 2628 beneficiaries. However, the DNAs or the executing agencies did not have any records on how the beneficiaries were selected. There was also no record/information regarding the economic status of the beneficiaries. In absence of these records, audit could not ascertain as to whether the housing materials were issued to BPL families as per the provisions of the Scheme Guidelines.

The Reply from the Government has not been received (November 2020).

⁴ Lohit and East Siang districts.

4.4.4 Expenditure on non-permissible schemes/works.

According to Scheme Guidelines, the type of work executed under the MLALAD Scheme should be such that it should lead to creation of durable assets and funds provided under the scheme should not be used for incurring revenue expenditure or for repairs and maintenance of existing assets.

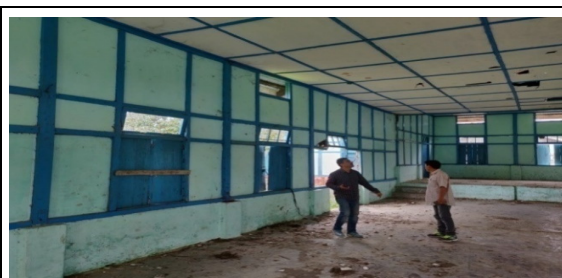
Audit observed that in four out of the five sampled districts, 25 works (**Appendix-4.5**) sanctioned at ₹ 1.44 crore, which were not permissible under the Scheme Guidelines, were implemented during the period covered by audit. Out of 25 works, six works worth ₹ 32.21 lakh were related to repair and maintenance of existing assets and one scheme/work, namely, 'Procurement & Distribution of Laptops for Qualified Candidates of Competitive Examinations' was sanctioned at a cost of ₹ 42.50 lakh in Ziro-Hapoli AC of Lower Subansiri district for procurement of 170 nos. of laptops for distribution to qualified candidates of competitive examination. However, the existing Scheme guidelines do not provide for extending such individual oriented benefits. Moreover, the basis for selection of beneficiaries, list of beneficiaries and stock book/distribution records related to receipt and issue of the items were not available. Thus, audit could not verify the authenticity of procurement and distribution of the materials.

ii) It was seen that out of the total expenditure of ₹ 1.44 crore, ₹ 69.00 lakh was shown as incurred on execution of 18 works, such as, *Construction of Community Hall, Road, Toilet, Dumping of Sand Gravels, etc.* However, during joint site inspections, audit found that all the 18 works were taken up for repair and maintenance of the existing assets.

iii) Nine numbers of 'Construction of Rural Link Roads' were executed in Roing AC of Lower Dibang Valley district at a total cost of ₹ 27.50 lakh. During joint site inspections, audit noticed that the works were shown as executed on existing roads by spreading river granular materials on the roads and thus were not construction works. Similarly, two numbers of 'Construction of Community Hall' executed at a total cost of ₹ 15.00 lakh in Pasighat West AC of East Siang district were actually repair and maintenance of ceilings, floors, etc. of the existing community halls.



Rural Link Road constructed near Yatri Niwas, Roing executed at ₹ 3.00 lakh in 2018-19 was actually laying of granular materials on the existing road



Community Hall at Ruksin HQ for which an amount of ₹ 5.00 lakh was incurred on repair and maintenance in 2016-17

Thus, expenditure on 25 schemes/works worth ₹ 1.44 crore was incurred on repairs and maintenance of existing assets and distribution of laptops not as per the provisions of the Scheme Guidelines.

The Reply from the Government has not been received (November 2020).

Recommendation: The Department may amend the guidelines to cover distribution of laptops for needy beneficiaries with approval of the State Government.

4.4.5 Execution of schemes to individuals without public benefit

The DNA, Lower Subansiri district sanctioned ₹ 14.52 lakh under the Scheme for implementation of three skill development schemes in Ziro-Hapoli AC as shown below:

Table 4.4.1: Details of Skill Development Scheme implemented for particular individual or groups

Sl. No.	Name of training programme	Amount (in lakh)	Year
1	Vocational Training Course on Video & Photo Editing	6.00	2016-17
2	Skill Development Programme for Unemployed Youth	5.00	2018-19
3	Social Awareness on Drug & HIV under Skill Development Programme	3.52	2018-19
	Total	14.52	

‘Vocational Training Course on Video & Photo Editing’ was approved as per request of an individual for establishing a media training institute. Similarly, ‘Skill Development Programme for Unemployed Youth’ was approved as per request made by ‘Apatani Youth Association’, who also prepared the estimate and implemented the programme. The other programme, i.e., ‘Social Awareness on Drug & HIV under Skill Development Programme’ sanctioned at ₹ 3.52 lakh was actually a production of film on HIV. Records show that an individual made a request to the local MLA for financial assistance for making a movie.

Audit observed that in all the three cases, DNA did not follow the laid down procedures like getting approval of Skill Development Council, constitution of a Board for selection of trainees, etc. There was no training programme and involvement of trainees in all the three cases. Thus, the funds of ₹ 14.52 lakh sanctioned were for extending financial assistance to particular individuals/groups without demonstrating any public usage benefit of the ventures. Such programmes do not strictly meet the requirements of Scheme guidelines.

The Reply from the Government has not been received (November 2020).



4.4.6 Creation of assets in private land

As per Scheme Guidelines, MLALAD Fund should be used for creation of durable assets, the ownership of which would vest with Government and which shall always be available for public use at large. However, it was noticed during site inspections that the following eight schemes/works implemented at a total cost of ₹ 47.50 lakh were executed for private individuals in contravention of the scheme guidelines:

Table 4.4.2: Details of schemes/works executed for private individuals

Sl. No.	Name of work	Amount (₹ in lakh)	Year	Name of Assembly Constituency
1	Retaining Wall at Chimpu, Itanagar	4.00	2014-15	Itanagar
2	Retaining Wall at Hilltop, Ziro	3.00	2015-16	Ziro-Hapoli
3	RCC Retaining Wall at Nirjuli Near Dairy Farm Nallah	10.00	2015-16	Itanagar
4	Retaining Wall Near Good Shepherd School (a private school) at Papu Nallah, Naharlagun inside private land	10.00	2015-16	Itanagar
5	Land Protection Wall at Model Village, Naharlagun for benefit of an individual	5.00	2016-17	Itanagar
6	Land Development Work at Telluliang	10.00	2017-18	Tezu-Sunpura
7	Ring Well at Jarkong Village for private individuals	1.50	2018-19	Pasighat
8	Ring Well at Mepo Basti (New Danglat) for private individuals	4.00	2018-19	Tezu-Sunpura
	Total	47.50		

All the assets were created for the benefit of private individuals and not for the community. Land development work and ring wells were found executed inside private premises and the retaining walls were constructed for protection of private properties.

	
Retaining Wall Near Good Shepherd School at Papu Nallah, Naharlagun' executed at ₹ 10.00 lakh was found to be constructed inside private land	One of the two Ring Wells constructed at a total cost of ₹ 4.00 lakh for private individuals at Mepo Basti in Tezu AC of Lohit district

The matter was brought to the notice of the Government/Department (March and August 2020), the reply has not been received (November 2020).





4.4.7 Non-maintenance and upkeep of assets created under the Scheme


According to Scheme Guidelines, the Deputy Commissioners should ensure that provision for maintenance and upkeep of the works to be taken up under this scheme is forthcoming from the concerned local body or the relevant agency. It is observed that no separate provision was envisaged for maintenance of assets created, during the planning phase or while preparing estimates.

During joint site inspections, the condition of nine schemes/works out of 168 physically verified schemes/works at a total cost of ₹ 48.50 lakh (**Appendix-4.6**) was found to be in

dilapidated condition, either due to lack of maintenance or poor execution of works. A few cases have been discussed below:

Table: Non-maintenance of assets under MLALAD Schemes

	<p>Name: Construction of Embankment on Mani Nallah at Mani Village Cost: ₹ 5 lakh Name of AC: Pasighat East Executing Agency: WRD Pasighat Division Year of Completion: 2016-17 Status: The structure was found to be in a deplorable condition as considerable portion of the structure had already been damaged</p>
	<p>Name: Community Hall at Ayo Nani in Ziro Cost: ₹ 10 lakh Name of AC: Ziro Executing Agency: RWD Ziro Year of Completion: 2017-18 Status: i) During joint site inspection, it was observed that the structure is abandoned and in disrepair</p>
	<p>Name: Construction of Passenger Waiting Shed at Hari village Cost: ₹ 5 lakh Name of AC: Ziro Executing Agency: PWD, Ziro Division Year of Completion: 2015-16 Status: The shed was stocked with wooden materials and other objects and was not used as a bus waiting shed</p>
	<p>Name: Construction of Shed at APMC Pasighat Market Cost: ₹ 2.50 lakh Name of AC: Pasighat East Executing Agency: WRD Pasighat Division Year of Completion: 2015-16 Status: the asset was found abandoned</p>

	<p>Name: Construction of Landi Lapang (Community Platform) at Hari Village Cost: ₹ 5 lakh Name of AC: Ziro Executing Agency: PWD Ziro Division Year of Completion: 2014-15 Status: i) Audit observed that the assets created were not in usable condition</p>
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From the above photographs, it could be seen that the District Nodal Authority had not ensured proper handing over of the assets created to local authorities for proper upkeep and usage of the assets resulting in wasteful expenditure of ₹ 27.50 lakh.



The Reply from the Government has not been received (November 2020).



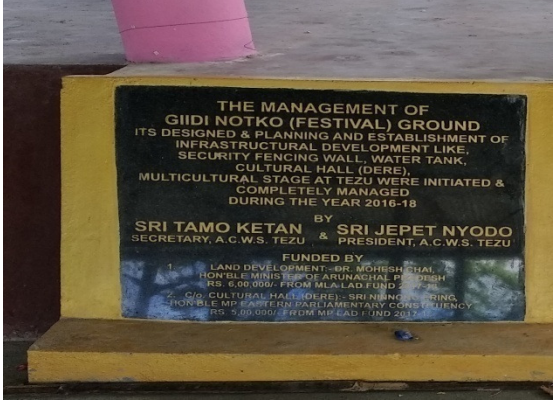
Recommendation: The State Planning Department may issue instructions for proper handing over of assets created under the Scheme, to local authorities. They may also put in place a monitoring mechanism to ensure that the assets created are gainfully utilised.


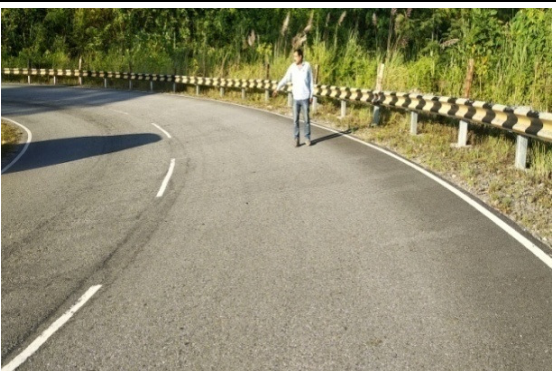
4.4.8 Irregularities observed as a result of physical verification

Audit observed several other instances of irregularities/discrepancies in execution of schemes/works during joint site verification as highlighted below:

Table: Results of Joint Physical Inspection of MLALAD Schemes

	<p>Name: Construction of Embankment on Mani Nallah at Mani Village Cost: ₹ 10 lakh Name of AC: Doimukh Executing Agency: BDO Doimukh Year of Completion: 2014-15 Status: The work involved execution of earthen embankment for a total length of 30.00 Mtrs. However, RCC retaining wall found instead of embankment.</p>
	<p>Name: Boulder Caging at Ezengo Near PHE Water Tank Cost: ₹ 3 lakh Name of AC: Roing Executing Agency: DRDA Roing Year of Completion: 2014-15 Status: TS estimate provided for construction of boulder apron with sausage wire for a total length of 3Mtr. However, CC retaining wall was found instead of gabion structure.</p>

	<p>Name: Construction of Community Hall at Sika Tode Village Cost: ₹ 19 lakh Name of AC: Pasighat West Executing Agency: PWD, Pasighat Division Year of Completion: 2015-16 Status: As per record, the wall of the building was constructed with cement concrete (CC) and brick. However, wooden wall was found at site instead of CC and brick wall.</p>
	<p>Name: Construction of RCC Bridge at Abotani Colony, Itanagar Cost: ₹ 3.50 lakh Name of AC: Itanagar Executing Agency: BDO Borum Year of Completion: 2017-18 Status: The bridge at site is not possible to be constructed within the sanctioned amount.</p>
	<p>Name: Land Development Work at Civil Supply Colony, Tezu Cost: ₹ 10 lakh Name of AC: Tezu Executing Agency: BDO Tezu Year of Completion: 2017-18 Status: Records showed an expenditure of ₹ 10 lakh on the work. However, as per the inauguration plaque, ₹ 6 lakh was contributed from MLALAD fund instead of ₹ 10 lakh.</p>

	<p>Name: Flood Control Work at Sille River Cost: ₹ 10 lakh Name of AC: Pasighat West Executing Agency: WRD Pasighat Division Year of Completion: 2016-17 Status: i) the work involved construction of boulder bund wall for a total length of 97.70 Mtrs ii) Work executed was not found at site iii) The site engineer stated that the work was executed on river beds and the same had been washed away during flood.</p>
	<p>Name: Construction of Bus Shed/Stop for Public Transport Passengers at Roing-Hunli Road Cost: ₹ 7 lakh Name of AC: Roing Executing Agency: DRDA Roing Year of Completion: 2015-16 Status: i) Work executed was not found at site ii) The site engineer stated that the shed had been dismantled for road widening work.</p>

From above it could be seen that the Department did not monitor the works taken up under the scheme to ensure execution of works as per the approved specifications resulting in irregularities /discrepancies in execution of works.

The Reply from the Government has not been received (November 2020).

Recommendation: For effective monitoring of the works taken up under the Scheme, physical monitoring through field inspection should be carried out by the Deputy Commissioners. Officers of District at the sub-divisional and block level must also closely monitor implementation of the works through visit of work sites.

4.5 Capacity Building for Unemployed Youth

In order to provide necessary training to the unemployed youth of the State for imparting skills for taking up self-employment activities as well as for enhancing their employability for other jobs, the State Government decided that minimum 10 *per cent* of fund allocated under MLALAD Scheme should be utilized for capacity building and training of unemployed youth in the State. The training programmes for capacity building are required to be approved by the Skill Development Council of the State. Trainees will be selected by a Board under the Chairmanship of the Deputy Commissioner constituted by him for the purpose.

Scrutiny of records revealed that capacity building programmes were taken up only in two districts⁵ out of the five sampled districts. Audit observed that an amount of ₹ 60.00 lakh was incurred on implementation of five different capacity building schemes/programmes in the two districts as shown below:

Table:4.4.3- Details of training programmes for capacity building under the scheme

Sl. No.	Name of training programme	Amount (in lakh)	Year	District	Implementing Agency	No. of persons trained
1	Maintenance of Solar Light System	2.50	2015-16	Lower Dibang Valley	DRDA, Roing	13
2	House Wiring & Electrician	2.50	2015-16	Lower Dibang Valley	DRDA, Roing	12
3	Organic Farming on Agriculture-Horticulture Crops	10.00	2015-16	Lower Dibang Valley	KVK, Balek	72
4	Coaching Programme for Successful Candidates of APPSCCE	25.00	2018-19	Lower Dibang Valley	NE TRUST, Itanagar	93
5	Training on Computer Course	20.00	2016-17	Lower Subansiri	Hembyu Miihyung Welfare Society, Ziro	102
	Total	60.00				292

Records show that only one programme, i.e., 'Training on Computer Course' implemented in Ziro-Hapoli AC got approved by the Skill Development & Entrepreneurship as required under the Scheme Guidelines. Further, a total number of 292 students were shown to have been trained on different skill development programmes as mentioned above. Audit, however, observed that the trainees for all the skill development programmes were not selected by a Board required to be constituted under the chairmanship of the Deputy Commissioner. In absence of a Selection Board, Audit could not ascertain the basis on which the trainees were selected. Thus, the capacity building programmes were implemented without following the laid down procedures.

Further, there were no records available with the Department to show that the unemployed youth have actually benefited from the program or enhanced their skills for other jobs. There was no evidence that these youths were employed gainfully after the required training.

The Reply from the Government has not been received (November 2020).

4.6 Monitoring and Evaluation

The Planning Department has the nodal and overall responsibility for Scheme implementation and for issue of general instructions/guidelines about the implementation

⁵ (i) Lower Subansiri district – ₹ 34.52 lakh and (ii) Lower Dibang Valley district – ₹ 105.52 lakh.

of the Scheme. Physical monitoring through field inspection should be carried out by the Deputy Commissioners. Similarly, it should be the responsibility of the senior officers of Implementing Agencies to regularly visit the works. Further, officers at the Sub-Divisional and Block Level must also monitor implementation of the works through visit to work sites.

- **Reports and Returns:** The districts did not submit quarterly progress reports of works executed under the Scheme to the Planning & Investment Department. UCs were also not available with the Department. As per information furnished by Planning Department, the selection and implementation of schemes was the sole responsibility of the DNAs.
- **Monitoring by Planning Department:** The Planning Department did not carry out monitoring of any work executed under the Scheme. The Project Co-Ordination Branch of the Department stated that monitoring of schemes was dealt by the Monitoring Branch of Planning Department. However, the Monitoring Branch stated that MLALAD Scheme was not under the purview of this Branch.
- **Monitoring through field visits by DCs and other district officers:** Audit observed that only DNA of Roing AC in Lower Dibang Valley district maintained records related to monitoring of works through field visits. The DNA ensured that the works executed under the Scheme were physically inspected by some Administrative Officers before releasing payments to the contractors. The DNAs of the other test-checked districts did not have records on monitoring of works executed under the Scheme.

Further, there was no mechanism for monitoring on upkeep and utilization of assets created under the Scheme.

- **Geo-tagging of works:** Geo-tagging is the process of ascertaining the geographical location of an image. It is being employed as a tool in the delivery of various Government welfare schemes. It helps in monitoring of schemes as well as bringing in more transparency in implementation of the schemes. Audit observed that neither provision for geo-tagging was incorporated in the Scheme Guidelines nor was it employed in execution any of the test-checked schemes/works.

During Exit Conference, the Secretary stated that since 2018-19, the Department had introduced a system of geo-tagging of all schemes including MLALADS implemented through Planning Department as a mechanism of monitoring.

4.7 Conclusion

The MLALAD scheme in the State has scope for further improvements in its implementation. In absence of any timelines in the guidelines for release of funds and recommendation of works from MLAs, the works could not be completed within the same financial year. There were persistent delays in release of funds to the DNAs, late receipt of proposals, tardiness in preparation of estimates and grant of approvals by the DNAs. Work, Estimates framed were not based on a realistic assessment of the requirement of the project, but were keeping them within the financial power of the DNAs. During the period

2014-15 to 2018-19, covered by the audit, the total funds sanctioned under MLALAD was ₹ 555 crore and expenditure incurred was ₹ 554.65 crore, for schemes executed in sixty assembly constituencies of the State. It was seen that some of the works taken up were not as per recommendation of MLA's, whereas 55 Schemes were taken up before recommendations of the MLAs. Works costing ₹ 5.79 crore were taken up without administrative approval and expenditure sanction.

Scheme guidelines provided distribution of CGI sheets to BPL families. However, there was no record to justify whether only the eligible beneficiaries were selected for distribution. Besides, there was an excess expenditure of ₹ 52.77 lakh on procurement of CGI sheets. It is also observed that works which were not permissible under the extant guidelines, such as mostly works on repair and maintenance of existing assets were taken up. Moreover, certain proposals which benefitted private individuals were also taken up under the scheme and assets were also created in private land for benefit of individuals.

Audit observed that some completed works were in a decrepit state, mostly due to want of adequate upkeep. This was mainly because no separate provision was envisaged either in the planning stage or in the estimates for timely maintenance of the assets. During joint verification, it was found that either the works were not found at the location or some other works were executed which were not as per sanctioned estimates. Further, capacity development programmes intended to train unemployed youth were conducted without the trainees being selected by the selection Board under the DNA.

Monitoring of the works under the scheme has been deficient. There were no records to assure that DNAs or implementing agencies had conducted periodic visits to the site for inspecting the works, except in one DNA. Geotagging of the works was also not done before 2018-19.

Recommendations

- i) The Department may amend the guidelines to make them specific for setting time lines for receipt of proposals, release of funds to implementing authorities, finalization of Annual Plan of works under the Scheme and submission of UCs by implementing agencies.
- ii) The estimates may be prepared based on actual requirements and site conditions rather than accommodating the financial proposals within the delegation of powers of the DC to ensure durable community assets which can be used by the public for longer periods of time.
- iii) Works should only be taken up after recommendation of MLAs and after appropriate AA & ES is given.
- iv) The Department may amend the guidelines to cover distribution of laptops for needy beneficiaries with approval of the State Government.
- v) It may be ensured that only durable community assets of capital nature are developed under the Scheme and expenditure is incurred only on permissible works.

- vi) The State Planning Department may issue instructions for proper handing over of assets created under the Scheme, to local authorities. They may also put in place a monitoring mechanism to ensure that the assets created are gainfully utilised.
- vii) For effective monitoring of the works taken up under the Scheme, physical monitoring through field inspection should be carried out by the Deputy Commissioners. Officers of District at the sub-divisional and block level must also closely monitor implementation of the works through visit of work sites.

CHAPTER– V

REVENUE SECTOR

CHAPTER - V: REVENUE SECTOR

5.1 Introduction

5.1.1 Trend of Revenue Receipts

Tax and non-tax revenue raised by the Government of Arunachal Pradesh during 2018-19, the State share of net proceeds of divisible Union taxes and duties assigned to the State, Grants-in-aid received from the Government of India during the year and corresponding figures for the preceding four years are shown in table below:

Table 5.1.1: Trend of Revenue Receipts

(₹ in crore)

Sl. No.	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue raised by the State Government						
1.	Tax revenue	462.16	535.07	708.75	815.57	1068.04
	Non-tax revenue	457.64	392.12	544.82	366.18	608.87
Total		919.80	927.19	1253.57	1181.75	1676.91
Revenue Receipts from the Government of India						
2.	Share of net proceeds of divisible Union taxes and duties	1109.98	7075.58	8388.30	9238.79	10436.14
	Grants-in-aid	7106.27	2550.33	2137.70	3354.06	4082.91
Total		8216.25	9625.91	10526.00	12592.85	14519.05
3.	Total revenue receipts of the State Government (1 +2)	9136.05	10553.10	11779.57	13774.60	16195.96
4.	Percentage (1 w.r.t 3)	10.06	8.79	10.64	8.58	10.35

(Source: Finance Accounts of respective years)

The above Table shows that during 2018-19, revenue raised by the State Government (₹ 1676.91 crore) was 10 per cent of the total revenue receipts. The balance 90 per cent of receipts during 2018-19 was from the Government of India.

Revenue receipts grew by ₹ 2421.36 crore (18 per cent) over the previous year. The increase was contributed by Tax revenue by ₹ 252.47 crore (31 per cent), non-tax revenue by ₹ 242.69 crore (66 per cent), share of net proceeds of divisible Union taxes and duties by ₹ 1197.35 crore (13 per cent) and Grant-in-aid by ₹ 728.85 crore (22 per cent).

Details of Tax Revenue raised against Budget Estimate (BE) during 2014-15 to 2018-19 are given in the following table:

Table 5.1.2: Details of Tax Revenue

(₹ in crore)

Head of Revenue	2014-15		2015-16		2016-17		2017-18		2018-19			Percentage Increase (+)/ Decrease (-) in 2018-19 over 2017-18
	BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	
Goods and Services Tax	-	-	-	-	-	-	0	223.73	382.08	601		(+)169
Land Revenue	6.21	5.99	5.64	8.89	8.92	6.44	10.75	13.32	7.79	14.58	(-)27.53	(+)9
Stamp Duty	4.03	3.83	5.28	5.63	8.04	5.08	8.84	10.42	6.14	9.16	(-)30.54	(-)12
State Excise	68.74	59.87	66.7	86.33	130.63	109.05	150	122.61	130.96	136.73	(-)12.69	(+)12
Taxes on Sales, Trade, etc	338.03	195.24	178.1	190.22	236.92	282.54	250	285.13	374.73	268.74	(+)49.89	(-)6
Motor vehicle Tax	17.99	17.78	18.14	19.3	22.82	24.47	23.35	31.4	29.59	32.43	(+)26.72	(+)3
Taxes on goods and passengers	111.94	179.45	233.78	224.7	263.31	281.17	300	128.96	0	5.4	(-)100	(-)96
Total	546.94	462.16	507.64	535.07	670.64	708.95	734.94	815.57	931.29	1068.04	26.72	(+)30.96

(Source: Finance Accounts, Budget, Government of Arunachal Pradesh)

The increase of Tax revenue by ₹ 252.47 crore (31 per cent) in 2018-19 as compared to previous year was mainly on account of increase in collection of State Goods and Services Tax (SGST) by ₹ 377.27 crore (169 per cent increase over 2017-18), increase in Land Revenue by ₹ 1.26 crore and in State Excise by ₹ 14.12 crore which was, however, offset by decrease in Taxes on Goods and Passengers by ₹ 123.56 crore. Details of Non-Tax Revenue raised from 2014-15 to 2018-19 is shown in the following table:

Table 5.1.3: Details of Non-Tax Revenue

(₹ in crore)

Head of Revenue	2014-15		2015-16		2016-17		2017-18		2018-19		Percentage Increase (+)/ Decrease (-) in 2018-19 over 2017-18	
	BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual
Power	289.48	182.63	184.17	117.04	226.66	259.61	250.00	133.41	340.50	287.08	(+)36.20	(+)115
Interest Receipts	67.77	13.12	31.61	39.11	36.98	56.39	47.32	46.98	92.26	88.01	(+)94.97	(+)87
Forestry & Wild Life	55.90	9.28	8.29	13.76	10.97	13.86	16.65	13.44	33.15	14.72	(+)99.10	(+)9
Public works	21.39	19.98	23.52	7.35	10.21	8.95	9.50	4.95	13.50	11.02	(+)42.11	(+)123
Miscellaneous General Services	0.03	0.01	0.04	54.39	30.48	21.67	65.81	12.75	94.63	12.49	(+)43.79	(-)2

Other Administrative Service	10.02	8.29	10.65	9.52	11.09	11.24	12.19	15.63	18.75	25.48	(+)53.81	(+)63
Police	3.06	1.29	1.30	9.34	18.32	64.36	10.00	5.12	16.10	3.62	(+)61.00	(-)29
Medical & Public Health	0.67	0.71	0.81	0.61	0.77	0.80	0.84	0.78	1.02	25.42	(+)21.43	(+)3164
Co-operation	0.31	0.57	0.67	0.58	1.12	0.40	1.23	1.21	1.49	0.83	(+)21.14	(-)32
Other Non-Tax Receipts	200.3	221.76	231.3	140.42	182.3	107.54	122.75	131.91	188.60	140.20	(+)53.65	(+)6
Total	648.93	457.64	492.36	392.12	528.90	544.82	536.29	366.18	800.00	608.87	(+)49.17	(+)66

(Source: Budget Document and Finance Accounts of respective years)

During 2018-19, there was increase in collection of Non-tax revenue by ₹ 242.69 crore (66 per cent) over the previous year. The increase was mainly on account of increase in receipts under Power by ₹ 153.68 crore; Interest Receipts by ₹ 41.03 crore and Medical & Public Health by ₹ 24.64 crore.

5.1.2 Administration of Goods and Service Tax

Goods and Services Tax (GST) in the State was implemented with effect from 1st July 2017 on supply of goods or services or both. GST is concurrently administered by the Union (CGST) and the States (SGST) on supply within the State while Integrated Goods and Services Tax (IGST) is levied on inter-state supply of goods or services or both.

The Central Goods and Services Tax Act, 2017, the Arunachal Pradesh Goods and Services Tax Act, 2017 and the Integrated Goods and Services Tax Act, 2017 and allied Rules of all the three Acts are applicable in the State of Arunachal Pradesh.

Goods and Services Tax Network (GSTN), a Non-Government Company set up by the Government of India provides for both front-end and back-end services to Arunachal Pradesh being a Model-II State. Front-end services provided to taxpayers for registration, return filing, payment of tax and back-end services include approval of registration, taxpayer detail viewer, refund processing, MIS report, etc.

Implementation of GST necessitated smooth transitional provisions which enables migration of all existing businesses to the new regime. The transitional provisions have been specifically incorporated in all the three GST Acts/Rules.

5.1.2.1 Registration under GST

As per GST Act, every taxpayer with turnover of above ₹ 20 lakh (enhanced to ₹ 40 lakh with effect from 1st April 2019 in respect of dealer dealing with sale of goods only) has to be registered under GST. During transition period, the Department had to deal with migration of existing dealers as well as approval of new registration. The due date for migration of existing dealers was February 2019.

The category wise registrations under GST have been given in table below (as on March 2019):

Table 5.1.4: Registered Taxpayers under GST

Types of Taxpayers	Number of dealers		Total	Percentage of Total
	State	Central		
Normal Taxpayers (including Casual)	2692	6740	9432	49.10
Corporation Taxpayers	0	1285	1285	6.69
Tax Deductors at Source (TDS)	594	7832	8426	43.85
Tax Collectors at Source (TCS)	35	30	65	0.34
Input Service Distributors (ISD)	1	2	3	0.02
Total Registrants	3322	15889	19211	100

(Source: As furnished by the Department)

The total registrations under GST in Arunachal Pradesh were 19211 dealers as of March 2019, of which normal taxpayers including casual taxpayers accounted for 49.10 per cent, tax deductors at source 43.85 per cent and others (TCS, ISD and corporation taxpayers) 7.05 per cent.

5.1.2.2 Division of dealers between Centre and State Government

As per recommendation of GST Council¹, administrative control of over 90 per cent of the dealers with turnover less than ₹ 1.50 crore shall vest with the state tax administration and 10 per cent with the Central Tax administration. In respect of dealers with turnover ₹ 1.50 crore and above, the administrative control shall be divided in the ratio 50 per cent each for the Central and State tax administration. The division of taxpayers as notified in Arunachal Pradesh upto March 2019 are shown below.

Table 5.1.5: Division of dealers between Centre and State Government

Jurisdiction	Number of dealers		Total
	Turnover above ₹ 1.5 crore	Turnover below ₹ 1.5 crore	
Centre	363	5437	5800
State	2642	7935	10577
Total	3005	13372	16377

(Source: As furnished by the Department)

5.1.2.3 Filing of Returns under GST

As per Arunachal Pradesh Goods and Service Tax Rules² 2017, regular taxpayers were required to file monthly returns in GSTR-1, GSTR-2 and GSTR-3 whereas composition taxpayers were required to file quarterly returns in GSTR-4. However, the provisions of the rules could not be implemented due to issues relating to information technology infrastructure. Accordingly, filing of GSTR-2 and GSTR-3 were postponed and regular taxpayers are required to file GSTR-1 and GSTR-3B and composition dealers were to file GSTR-4 quarterly.

The trends of filing of GSTR-1 and GSTR-3B for the period from April 2018 to March 2019 in Arunachal Pradesh have been depicted in Table:

¹ As on March 2019, there was no registration under Non-Resident Taxable Person (NRTP) and Online Information Database Access and Retrieval services (OIDAR).

² Notification dated: 19th July 2017

Table 5.1.6: Filing pattern of GSTR-1 and GSTR-3B (Upto 31.03.2019)

Month	GSTR-1	GSTR-3B
April,2018	2185	6247
May,2018	2211	6354
June,2018	4819	6413
July,2018	2201	6489
Aug,2018	2168	6503
Sept,2018	4645	6517
Oct,2018	2091	6445
Nov,2018	1993	6164
Dec,2018	4005	6053
Jan,2019	1714	5741
Feb,2019	1420	5209
March,2019	1654	3685

(Source: As furnished by the Department)

5.1.3 Analysis of arrears of revenue

The information on total amount of arrears of revenue as well as amount outstanding for more than five years as on 31 March 2019 was not furnished by the Department/State Government (April 2020) though called for (November 2020).

5.1.4 Arrears in Assessments

Details of cases pending at the beginning of the year, cases due for assessment, cases disposed of during the year and number of cases pending finalization at the end of the year were not furnished by Tax and Excise Department though called for (November 2020).

5.1.5 Evasion of tax detected by the Department

No information in respect of evasion of tax detected was furnished by the Tax and Excise Department (November 2020) through Collector.

5.1.6 Pendency of Refund Cases

The number of refund cases pending at the beginning of the year (2018-19), claims received during the year, refunds allowed during the year and cases pending at the close of the year (2018-19) have not been furnished by the Taxation Department (November 2020).

5.1.7 Response of the Government/Departments towards Audit

The Principal Accountant General, Arunachal Pradesh, conducts periodical inspection of Government Departments to test-check transactions and verify maintenance of important accounts and other records, as prescribed in the rules and procedures. These inspections are followed up with Inspection Reports (IRs) incorporating irregularities detected during inspections and not settled on the spot, which are issued to Heads of Offices inspected, with copies to the next higher authorities for taking prompt corrective action. Heads of Offices are required to promptly comply with observations contained in the IRs, rectify commissions/omissions and report compliance through initial replies to the Accountant General, Arunachal Pradesh within one month from the date of issue of IRs. Serious

financial irregularities are reported to the Heads of Departments and the Government.

Inspection reports issued upto December 2019 disclosed that for Revenue Receipts 1445 paragraphs involving ₹ 7234.86 crore relating to 397 IRs remained outstanding at the end of December 2019 alongwith corresponding figures for the preceding two years. The details are shown in the table below:

Table 5.1.7: Details of pending Inspection Reports

	December 2017	December 2018	December 2019
Number of IR pending	360	382	397
Number of outstanding Audit Observations	1284	1371	1445
Total amount involved (₹ in crore)	6320.63	7194.30	7234.86

Department-wise details of the IRs and audit observations outstanding as on 31 December 2019 and amounts involved are shown in the table below:

Table 5.1.8: Department-wise details of IRs and Audit Observations

(₹ in crore)

Sl. No.	Department	Nature of receipts	No of outstanding		Money value involved
			IRs	Audit Observations	
1.	Tax & Excise	Taxes on Sales, Trade etc.	175	707	1038.42
		State Excise			
2.	Land Management	Land Revenue	36	163	5655.63
3.	Transport	Taxes on Motor Vehicle	56	207	25.77
4.	State Lottery	Lottery	5	18	189.64
5.	Geology & Mining	Non-ferrous Mining & Metallurgical Industries	22	57	160.35
6.	Environment & Forest & Wild Life	Forestry & Wild Life	103	293	165.05
Total			397	1445	7234.86

Audit did not even receive first replies within one month from the date of issue of IRs from 15 Heads of Offices for 18 IRs issued during 2018-19. The large pendency of IRs due to non-receipt of replies indicated that Heads of Offices and Departments did not initiate action to rectify defects, omissions and irregularities pointed out in the IRs.

The Government may consider to have an effective system for prompt and appropriate response to audit observations.

5.1.8 Departmental Audit Committee Meetings

The Government set up Audit Committees to monitor and expedite the progress of settlement of the IRs and Paragraphs in the IRs. However, no Departmental Audit Committee meeting for Revenue Sector was held during 2018-19. As can be seen from Para 5.1.7 there is large pendency of IRs. In view of this, the Government may ensure

holding of regular Audit Committee meetings to expedite clearance and settlement of outstanding audit observations.

5.1.9 Response of Departments to Draft Audit Paragraphs

The Draft Audit Paragraphs proposed for inclusion in the Report of the Comptroller & Auditor General of India are forwarded by the Principal Accountant General, Arunachal Pradesh to the Principal Secretaries/Secretaries of concerned Departments, drawing their attention to audit findings and requesting them to send responses within six weeks. The fact of non-receipt of replies from Departments/ Government is invariably indicated at the end of such Paragraphs included in the Audit Report.

5.1.10 Follow-up on Audit Reports

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 Comptroller and Auditor General of India in the Legislative Assembly, the Departments shall initiate action on the audit paragraphs and the action taken explanatory notes thereon should be submitted by the Government within three months of tabling the Report, for consideration of the PAC. In spite of these provisions, the explanatory notes on audit paragraphs of the Reports were being delayed inordinately. Ninety four paragraphs (including two performance audit) included in the Reports of the Comptroller and Auditor General of India on the Revenue Sector of the Government of Arunachal Pradesh for the years 2008-2009 to 2017-18 were placed before the State Legislative Assembly between 21 July 2015 and 23 January 2020. The action taken explanatory notes from the concerned departments on these paragraphs were not furnished within the specified time. As of March 2019, action taken explanatory notes in respect of four paragraphs from various departments had not been received for the Audit Report year ended 31 March 2018 (November 2020).

The PAC discussed 56 selected paragraphs under Revenue sector (January 2020) from three departments pertaining to the Audit Reports for the years from 2008-2009 to 2017-18. Out of 56 paragraphs, 19 paragraphs were settled by the PAC and the remaining 37 paragraphs were recommended for further examination.

5.1.11 Analysis of mechanism for dealing with issues raised by Audit

To analyse the system of addressing issues highlighted in Inspection Reports/Audit Reports by the Department/ Government, action taken on Paragraphs and Performance Audits included in the Audit Reports of the last 10 years for one department is evaluated and included in this Audit Report.

The succeeding paragraphs 5.1.11.1 and 5.1.11.2 discuss the performance of the State Excise Department and Sales Tax under revenue head 0039 (State Excise) and 0040 (Sales Tax) respectively and cases detected during the course of local audit during the year 2008-09 to 2018-19.

5.1.11.1 Position of Inspection Reports

The summarized position of the Inspection Reports issued during the last 10 years (2009-10 to 2018-19) to various offices under the administration control of the Tax & Excise Department as on 31 March 2019 is shown in **the table** below:

Table 5.1.9: Position of Inspection Reports

(₹ in lakh)

Year	Opening Balance			Addition during the year			Clearance during the year			Closing balance during the year		
	IRs	Para	Money value	IRs	Para	Money value	IRs	Paras	Money value	IRs	Para	Money value
2009-10	41	108	768.21	-	-	-	-	6	84.91	41	102	683.30
2010-11	41	102	683.30	2	8	71.89	1	3	3.63	42	107	751.56
2011-12	42	107	751.56	1	5	15.56	4	2	1.31	39	110	765.81
2012-13	39	110	765.81	-	-	-	-	5	15.58	39	105	750.23
2013-14	39	105	750.23	-	-	-	-	-	-	39	105	750.23
2014-15	39	105	750.23	-	-	-	1	5	15.56	38	100	734.67
2015-16	38	100	734.67	3	16	164.88	-	-	-	41	116	899.55
2016-17	41	116	899.55	8	58	264.33	-	9	178.65	49	165	820.35
2017-18	49	165	820.35	1	11	3.60	-	-	-	50	176	823.95
2018-19	50	176	823.95	-	-	-	-	11	105.24	50	165	718.71

The Government did not arrange *Audit* Committee Meetings between the Department and the Accountant General's office to settle the old paragraphs. It is evident from the above table, against 41 outstanding IRs with 108 paragraphs at the beginning of 2009-10, the number of outstanding IRs remained at 50 IRs with 165 paragraphs at the end of 2018-19.

5.1.11.2 Recovery of Accepted Cases

The position of Compliance Audit Paragraphs included in Audit Reports of the last 10 years, those accepted by the department and amounts recovered are mentioned in the following table:

Table: 5.1.10- Status of recovery from accepted Paragraphs in Audit Reports during the period from 2008-09 to 2017-18

Sl. No.	Year	No. of Paragraphs included	Money value of the Paragraphs (₹ in crore)	Amount recovered during the year	Cumulative position of recovery of accepted cases of 31 March 2018
1	2008-09	12	2.69	Nil	Nil
2	2009-10	15	3.42	Nil	Nil
3	2010-11	15	7.56	Nil	Nil
4	2011-12	22	5.71	Nil	Nil
5	2012-13	07	2.31	Nil	Nil
6	2013-14	12	6.94	Nil	Nil
7	2014-15	06	1.43	Nil	Nil
8	2015-16	07	12.78	Nil	Nil
9	2016-17	05	2.25	Nil	Nil
10	2017-18	05	5.69	Nil	Nil
Total		106	50.78	Nil	Nil

From the above table it can be seen that the progress of recoveries, even in accepted cases, was very slow throughout during the last 10 years. Recoveries of accepted cases were to be pursued as arrears recoverable from concerned parties. No mechanism for pursuance of accepted cases was put in place by the Department/Government. Further, arrear cases, including accepted audit observations, were not available with the office of the Commissioner, Excise & Taxation Department. In the absence of a suitable mechanism, the department could not monitor recoveries of accepted cases.

The Department may take immediate action to pursue and monitor prompt recovery of dues involved in accepted cases.

5.2 Audit Planning and Result of Audit

The Unit offices under various Department are categorized into high, medium and low risk units, according to their revenue position, past trends of audit observations and other parameters. An Annual Audit Plan is prepared on the basis of risk analysis, which includes critical issues in Government Revenues and Tax Administration, i.e. Budget Speech, White paper on State Finance, Reports of the Finance Commission (State and Central), recommendation of the Taxation Reforms Committee, Statistical analysis of the revenue earnings, factors of the tax administration, audit coverage etc.

During 2018-19, out of 137 auditable units, 22 units³ (16 per cent) of Tax & Excise and Forest Receipts Offices were audited. Out of these, nine units were Tax offices, with 4218 VAT assesses, of which 1055 (25 per cent) VAT assesses were test checked in audit during the period. Audit scrutiny revealed under assessment/short levy/loss of revenue aggregating ₹ 71.86 crore in 54 cases, which were accepted by the Department concerned. However, only ₹ 39.00 lakh was recovered during 2018-19.

5.3 Coverage of this Report

This Chapter contains seven audit paragraphs involving financial effect of ₹ 72.61 crore. Out of seven paragraphs, only two departments have furnished reply and replies for the remaining five paragraphs were yet to be received from the concerned departments as of November 2020. Further, out of total audit objections of ₹ 25.50 crore (₹ 13.66 crore of tax revenue and penalty of ₹ 11.84) included in the Audit Report during the year 2018-19, Department/Government made recovery of tax revenue of ₹ 83.21 lakh and penalty of ₹ 8.11 lakh in respect of objections included in the Audit Report. Thus, the total recoveries made at the instance of audit in respect of paras included in this report during the year aggregated to ₹ 91.32 lakh.

³ 22 units under annual audit plan 2018-19 and 2 units were under annual audit plan 2019-20.

Compliance Audit Paragraphs

Tax and Excise Department

5.4 Non realisation of Tax

5.4.1 Failure of the Superintendent of Tax (ST), Namsai to detect tax liability from two registered dealers led to non-realization of VAT of ₹ 6.45 crore for which interest and penalty are also leviable.

As per Section 4 (d) of the Arunachal Pradesh Goods Tax (APGT) Act, 2005, Tea is taxable at the rate of 12.5 *per cent*. Section 6 of the Act states that certain sales are exempt from VAT namely: (1) the sale or import of goods listed in the first schedule, (2) the dealers or class of dealers as may be notified and specified from time to time in the Fifth Schedule and (3) where a dealer sells goods that it has used since the time of purchase exclusively for purposes other than making sales of goods, and has not claimed tax credit in respect of those goods. Further, under Section 7(1)(a) of the Act *ibid* no VAT will be imposed on sale of goods in the course of inter-State trade or commerce under the purview of CST Act, 1956 on utilizing 'C' Form by a purchasing dealer. Otherwise, the sale will be treated as local sale and the applicable rate of VAT will be levied under the APGT Act.

Under Section 34(1)(b), and Section 87 (10) of the Arunachal Pradesh Goods Tax Act, 2005 (APGT), if any dealer has furnished incomplete or incorrect returns, the Commissioner may assess or re-assess the amount of tax due for a tax period and he will be liable, in addition to tax evaded, to pay penalty of a sum of ₹ one lakh or the amount of tax evaded whichever is greater. Also, Section 44 (2) of the Act stipulates payment of simple interest ranging between 12 to 24 *per cent per annum* calculated on daily basis for the period of default in payment of due tax.

Scrutiny (February 2019) of records of the Superintendent of Tax (ST), Namsai revealed that two dealers (i) M/s Guna Tea Industries, VAT TIN: 12110058158 and (ii) M/s Kungfra Tea Industries, VAT TIN: 12110143135) registered under both VAT and CST engaged in sale of tea which is taxable @ 12.50 *per cent* under the Act. The dealers disclosed a total turnover of ₹ 28.13 crore and ₹ 23.44 crore respectively in 27 nos each of monthly self-assessed VAT returns (FF-01) for the period from April 2015 to June 2017 (last tax period before GST) indicating nil tax liability. Audit observed that neither the two dealers declared any exempt sale U/s 6 of APGT Act nor produced any proof of Declaration in 'C Form' required for the Inter-State Trade U/s 7(1)(a) of the CST Act for claiming exemption. The columns in the form (FF01) under exempt sales (u/s 6) was mentioned as zero while the columns under Central Sales Turnover and zero rated sales (export, interstate sales against Declaration forms) was left blank. As such they were required to pay tax of ₹ 6.45 crore (₹ 3.52 crore + ₹ 2.93 crore) on their turnover under the Act. The Assessing Officer (AO) assessed the returns of Kungfra Tea Industries for the year 2016-17 and 2017-18 (upto June 2017) together on 11/9/2017, wherein the amount of tax, interest and penalty payable was assessed as Nil. Similarly, in case of Guna Tea

Industries, the AO assessed the returns for three years (2015-16, 2016-17 and 2017-18 till June 2018) together, on 28 August 2017 wherein the amount of tax, interest and penalty payable was also assessed as NIL. It is evident that the AO did not exercise due diligence during assessment and overlooked the obvious discrepancies furnished in the returns by the two dealers and allowed incorrect exemption, in infraction of the Act. This led to non realisation of VAT of ₹ 6.45 crore.

Thus, failure of the ST to assess the self-assessed returns submitted by the dealers led to evasion of tax of ₹ 6.45 crore. The dealer was also liable to pay a minimum interest of ₹ 2.02 crore (₹ 1.09 crore + ₹ 0.93 crore) (@ 12 per cent per annum calculated up to January 2019) for non-payment of tax as detailed in **Appendix -5.1**. Further, penalty of ₹ 6.45 crore is also leviable U/s 87(10) of the Act for evasion of the tax.

The case was reported to the Department/Government in July 2018 and reminders were issued in January 2019 and August 2020; reply is still awaited (December 2020).

Recommendation: Due diligence may be exercised by the Superintendent of Tax while assessing the self-assessed returns submitted by the dealers to avoid evasion of tax.

5.4.2 Failure of the Superintendent of Tax (ST), Roing to detect irregular claim of exemption under Section 6 of APGT Act by a registered tea merchant led to non-realization of tax of ₹ 37.71 lakh.

‘C’ Form is issued by VAT department to the registered dealer who makes interstate purchases of goods mentioned in his registration certificate. The purchasing dealer furnishes this form to selling dealer in course of interstate purchase to get exemption/reduction in sales tax rate. It is defined under section 8(1) of CST Act 1956. ‘F’ Form is used to transfer/deliver goods from one State to another without recognizing it as a sale. As per section 6(A) of CST Act, F Form is mandatory to prove transaction as stock transfer.

As per Section 6 of Arunachal Pradesh Goods Tax (APGT) Act 2005, sale or import of goods shall be exempt from tax subject to the conditions and exceptions set out therein. Further, under Section 7(1)(a) of the Act *ibid* no VAT will be imposed on sale of goods in the course of inter-State trade or commerce on utilizing ‘C’ Form by a purchasing dealer. Otherwise, the sale will be treated as local sale and the applicable rate of VAT will be levied under the APGT Act. As per Section 4 (d) of the Arunachal Pradesh Goods Tax (APGT) Act, 2005, Tea is taxable at the rate of 12.5 per cent.

Scrutiny (October 2018) of records of the Superintendent of Tax (ST), Roing revealed that a dealer, M/s Dibang Valley Tea Co. Pvt. Ltd. a manufacturer of Tea (TIN: 12140071170), declared total turnover of ₹ 3.43 crore in seven (07) quarterly self-assessed VAT returns for the period October 2015 to June 2017 (last tax period before GST). Out of the total turnover of ₹ 3.43 crore, the dealer declared ₹ 3.02 crore as exempt sales U/s 6 and ₹ 0.41 crore to be inter-State Sale against declaration form ‘C’ U/s 7(1)(a) of APGT Act and his tax liability for the entire period was shown as Nil. However, Audit observed that exemption claimed of ₹ 3.02 crore (₹ 3.43 crore - ₹ 0.41 crore) was irregular since tea is not under First schedule and not an exempted good and is taxable at 12.5 per cent. The dealer

therefore was liable to pay tax of ₹ 37.71 lakh (@ 12.5 per cent on his turnover of ₹ 3.02 crore).

Thus, failure of the Assessing Officer to assess and detect the incorrect self-assessed returns furnished by the dealer led to evasion of tax of ₹ 37.71 lakh. The dealer was also liable to pay a minimum interest of 8.44 lakh (@ 12 per cent per annum calculated up to April 2018) for non-payment of due tax and penalty of ₹ 37.71 lakh under Section 87(10) of the Act (detailed in **Appendix-5.2**).

In reply (May 2020), the Department stated that movement of goods from one state to another state by reason of transfer of goods to Agent/Broker for sale in the Tea Auction Centre does not constitute turnover to the consignor. However, we have erroneously included the goods sent to the Brokers of Tea Auction Centre in the turnover and claimed the same as exempt, leading to the confusion.

The reply of the Department is not acceptable because the dealer did not fulfill any of the criteria specified for seeking exemption under Section 6 of APGT Act. The dealer also did not submit the related documents like Form F in respect of stock/branch transfer and invoice to prove the transfer of goods to the Agent/Broker for sale in Tea Auction Centre under the CST Act 1956. Neither were 'C' forms furnished for the claim of exemption. Moreover, as per the APGT Act, total turnover/gross sales means Gross Turnover, which is inclusive of branch transfers etc and hence the sales claimed exempted were taxable @ 12.5 percent.

Recommendation: The Department may review all such cases and realise the due revenue.

5.5 Non levy of revenue from Wholesale Vends

Failure of the Excise Officer of the Bonded Warehouse, Changlang to detect unauthorized lifting of IMFL by two Wholesale Vends resulted in non-realisation of excise duty of ₹ 63.84 lakh.

As per Section 12 of the Arunachal Pradesh Excise Act, 1993 no intoxicant shall be removed from any distillery, brewery, warehouse or other place of storage licensed, established, authorized or continued under this Act, unless the excise duty payable has been paid or a bond has been executed for the payment thereof. Further, Section 34 (h) also states that if any person, in contravention of this Act, or of any rule, notification or order made, issued or given, or license, permit or pass granted under this Act removes any intoxicant from any distillery, brewery, warehouse or other place of storage licensed, established, authorized or continued under this Act, he shall be liable to imprisonment for a term which may extend to two years or to fine which may extend to five thousand rupees, or to both. The Government of Arunachal Pradesh, Taxation and Excise Department fixed the rates of Excise Duty of IMFL at ₹ 302.40, ₹ 600, ₹ 135 and ₹ 180 per case for Premium Brand, Classic Premium Brand, General Brand and wine respectively w.e.f. 20th November 2015 vide Notification No. EX-433/2013-14.

Cross-verification (June 2019) of Excise permit issue files of the Superintendent of Excise, Changlang District with the records of two Wholesale Vends namely M/s Elite Beverages, Miao and M/s Changlang Beverages, Changlang and a Bonded Warehouse M/s

Superior Distributors, Bordumsa revealed that 11 No. of permits⁴ were issued to the wholesalers M/s Elite Beverages, Miao and M/s Changlang Beverages, Changlang during 2017-18 and 2018-19 respectively against deposit of excise duty of ₹ 52.99 lakh (17,522 cases X ₹ 302.40/-) for lifting 17,522 cases of premium brands from the Bonded Warehouse. It was however, noticed that the Wholesalers utilized these 11 permits to lift 38,734 cases of IMFL which was 21,212 cases in excess of the permitted limit for which excise duty of ₹ 63.84 lakh was to be paid. The Excise Officer in charge of the Bonded Warehouse authorized the lifting by issuing 74 Excise Transit Pass (Form – X). Thus, the Wholesale Vends avoided the excise duty of ₹ 63.84 lakh on the 21,212 cases of excess IMFL as detailed in **Appendix-5.3**.

Failure of the Excise Officer in charge of the Bonded warehouse to detect the unauthorized excess lifting resulted in non levy of revenue to the tune of ₹ 63.84 lakh, from the two Wholesale Vends. Further, penalty of ₹ 3.70 lakh⁵ is also leviable from the Wholesalers for unauthorized lifting of IMFL under Section 34 (h) of the Act.

The Commissioner (Tax &Excise) replied (12 August 2020) that consequent to audit observation, the entire amount (₹ 67.54 lakh, excise duty of ₹ 63.84 lakh and penalty of ₹ 3.70 lakh) pointed out was recovered.

Recommendation: The Department may further strengthen the internal controls by ensuring that the Excise Officers in Bonded Warehouses cross verify the permits issued by the respective Superintendents and authorize lifting strictly in accordance with those permits. It may also consider appropriate MIS Reports to be submitted by the Excise Officers of Bonded Warehouse to the Superintendent on the lifting of liquor cases against the permits issued. The department may conduct an enquiry for excess lifting and fix the responsibility of the officials for the lapse.

5.6 Non-levy of penalty

Failure of the Superintendents of Tax (ST), Zone-II, Itanagar and Roing to levy and realise penalty from 74 registered dealers for non-submission of returns resulted in non-realization of revenue of ₹ 19.00 lakh

Rule 36 (1) & (2) of the Arunachal Pradesh Goods Tax (APGT) Rules, 2005, stipulates that every dealer liable to pay tax shall furnish a return in form FF-01 for each tax period within 28 days from the end of the tax period. Further, Rule 34 of the APGT Rules stipulates that tax period of a dealer whose turnover in a particular year is over rupees one crore shall be one month, and shall, at the option of the dealer, be either one month or a quarter if the turnover is or below rupees one crore. Also, under Section 87(9)(a) of the Act if a dealer fails to furnish any return by the due date, he is liable to pay penalty of ₹ 100 per day of default subject to a maximum of ₹ 10,000.

⁴ M/s Elite Beverages, Miao= Six no. of permits; and
M/s Changlang Beverages, Changlang=Five no. of permits.

⁵ ₹ 5,000/- X 74 times.

Scrutiny of records of two Superintendents of Tax (ST), i) Zone-II, Itanagar and ii) Lower Dibang Valley District, Roing in May 2018 and October 2018 respectively revealed that 74⁶ registered dealers whose annual turnover was below rupees one crore, did not submit their returns for quarterly tax periods between April 2014 and June 2017. For non-submission of returns, the dealers were liable to pay penalty of ₹ 19.00 lakh (₹ 10.50 lakh + ₹ 8.50 lakh). However, no action was initiated by the Assessing Officer to issue notice to the dealers for non-submission of returns and realisation of the penalty till March 2019, even after being pointed out by Audit.

Thus, failure of the Assessing Officer to issue Demand Notice to the defaulters and lack of enforcement to ensure compliance resulted in non-levy and realization of the penalty of ₹ 19.00 lakh as detailed in **Appendix -5.4**.

The case was reported to the Department/Government in July 2018, January 2019 and August 2020. However, reply has not been received (November 2020).

Recommendation: The Department may introduce monthly MIS reports on submission of returns by the dealers and review the status of filing by dealers on a periodic basis.

5.7 Non-realisation of Renewal Fee and Penalty

Failure of the Superintendents of Excise to take action against 44 retail licensees led to non-realisation of Renewal Fees of ₹ 21.20 lakh.

Under Section 29 (1) (b) of the Arunachal Pradesh Excise Act, 1993 and Rules 56 framed there under, a license holder of IMFL retail shop is required to submit his retail shop license along with the prescribed annual license fee to the Superintendent of Excise of the concerned District before the date of expiry of the license for getting it renewed in time by the Competent Authority. In the event of non-payment of license fee the Competent Authority may cancel or suspend the license. The Government vide notification No. Ex-229/94 dated 13-12-94 fixed the renewal fee of retail license at ₹ 40,000 *per annum* which was revised to ₹ 50,000 *per annum w.e.f.* 01-05-2018. Further, if a retail vendor fails to get the license renewed within the stipulated validity of license, he shall be liable to pay, in addition to the renewal fee, a penalty of ₹ 50 per day for the period of default.

Scrutiny (May 2018) of the Superintendents of Excise (SsE): i) Zone-I, Itanagar and ii) Zone-II, Naharlagun revealed that validity of license of 44 retail licensees⁷ had expired for periods ranging from one to two years during the period from November 2015 to May 2018. The licensees, however, did not get their licenses renewed, but continued with their business.

Audit also observed that the SsE did not take any action to review the license renewal registers and related documents to detect the defaulters and issue notices to the retailers to renew their licenses nor were the licenses suspended or cancelled resulting in non-realisation of renewal fees of ₹ 21.30 lakh and penalty of ₹ 4.81 lakh.

⁶ ST, Zone-II, Itanagar=42; ST, Roing=32.

⁷ i) SE, Zone-I, Naharlagun: 11 licenses.

ii) SE, Zone-II, Itanagar: 33 licenses.

The office of the Commissioner Tax and Excise replied (May 2020) that as pointed out in audit, the amount of annual renewal fees of ₹ 19.37 lakh and penalty of ₹ 4.41 lakh from 41 retail licensees has been recovered. However, the Department is yet to recover the annual renewal fees of ₹ 1.93 lakh and penalty of ₹ 0.40 lakh three licences⁸.

Recommendation: *The Superintendents of Excise may take timely action to review the license renewal registers and related documents to detect the defaulters and issue notices to the retailers to renew their licenses. They should suspend or cancel the licenses of defaulting retail license holders.*

Transport Department

5.8 Non-realisation of Road Tax /Motor Vehicle Tax and penalty

Road tax of ₹ 2.62 crore due from 676 owners of commercial vehicles and penalty of ₹ 65.62 lakh for default in payment of tax remained unrealized

Under Section 4 and Section 15 of the Arunachal Pradesh Motor Vehicle Taxation Act, 1984, road tax at the prescribed rate shall be paid by all motor vehicles owners used or kept for use in the State unless an owner of such vehicle is exempted from tax on the basis of his application to the effect that the vehicle would not be used in any public place and the Registration Certificate is surrendered. Section 13 *ibid* further provides that in the event of failure to pay the tax due, the Taxation Officer shall, in addition to the tax due, recover a sum not exceeding one fourth of the annual tax by way of penalty. The rate of annual road tax for Excavator (commercial) was fixed at the rate of one *per cent* of the cost of the chassis/vehicle according to Schedule-IX of the Arunachal Pradesh Motor Vehicles Taxation (Amendment) Act, 2006. Further, as per Schedule – II of the Arunachal Pradesh Motor Vehicles Taxation (Amendment) Act, 2006, the rate of annual road tax for vehicles with passenger carrying capacity of 7 to 12 persons used for commercial purpose was fixed at ₹ 5000.00 annually or ₹ 1500.00 quarterly and for vehicles with passenger carrying capacity of 13 to 30 persons was fixed at ₹ 7000.00 annually or ₹ 2000.00 quarterly as the case may be.

Scrutiny (June 2019) of the VAHAN 4.0 vehicle registration database of the District Transport Officer (DTO), Capital Complex, Naharlagun revealed that:

- (i) Owners of 340 commercial excavators did not pay any road tax amounting to ₹ 2.14 crore between 2010-11 to 2019-20 for periods ranging from one year to nine years. Further, the vehicle owners neither surrendered registration certificates nor obtain tax exemption from the Taxation Officer /DTO, as required under the Act.

However, the DTO, Capital Complex, Naharlagun did not issue any show cause notice to any of the vehicle owners in the last nine years to levy and collect road tax of ₹ 2.14 crore along with a penalty of ₹ 53.62 lakh, for the default in payment of the tax, resulting in non-realization of revenue of ₹ 267.62 lakh.

⁸ 1. M/s Sango Wine Shop; 2.M/s Doimukh Wine Shop; and 3. M/s Aku Wine Shop.

- (ii) Owners of 336 light commercial passenger vehicles (with passenger carrying capacity of 7 to 12 persons and 13 to 30 persons) had not paid road tax amounting to ₹ 48.01 lakh but were plying for different periods ranging between one year to six years from June 2014 to June 2019. Audit observed that none of the 336 vehicle owners had obtained any tax exemption from the concerned DTO nor surrendered their registration certificates. Therefore, penalty of ₹ 12.00 lakh was also leviable for default in payment of the aforesaid tax from the vehicle owners. However, the DTO neither issued any demand notice nor initiated any action against the defaulters to realize the road tax of ₹ 48.01 lakh and penalty of ₹ 12.00 lakh, resulting in non-realisation of revenue of ₹ 60.01 lakh.

Thus, failure of the DTO, Capital Complex, Naharlagun to collect the road tax due from 676⁹ owners of commercial vehicles as prescribed under the Rules, resulted in non-realisation of revenue of ₹ 2.62 crore¹⁰ and penalty of ₹ 65.62¹¹ lakh.

The case was reported to the Department/Government in August 2019; reply is still awaited (November 2020).

Recommendation: The Department needs to issue show cause notices to the vehicle owners and collect road tax along with penalty from these defaulting vehicle owners.

5.9 Non-renewal of Fitness Certificates

Failure of District Transport Officers (DTOs) to ensure renewal of fitness certificate of 21,366 commercial vehicles resulted in non-realisation of fitness test fee of ₹ 1.95 crore, renewal fee of ₹ 1.09 crore.

As per Section 56 (1) of the Motor Vehicles Act, 1988 and Rule 62 of Central Motor Vehicle (CMV) Rules, 1989 made there under, a transport vehicle shall not be deemed to be validly registered unless it carries a certificate of fitness. A fitness certificate granted in respect of a newly registered transport vehicle is valid for two years and thereafter is required to be renewed every year. Payment of the prescribed testing fee of ₹ 200.00, ₹ 300.00 and ₹ 400.00 for light, medium and heavy vehicle respectively is required to be made under Rule 81 of the CMV Rule, 1989. Further, as per Ministry of Road Transport and Highway's notification No. G.S.R. 1183(E) dated 29 December 2016 the prescribed fitness test fee is ₹200.00 for Motorcycle, ₹ 400.00 for Light Motor Vehicle and ₹ 600.00 for Medium and Heavy Motor Vehicle and renewal fee was ₹ 200.00 for all categories of Motor vehicles. Further, plying a vehicle without valid registration is punishable under Section 192 of MVT Act, 1988 with a fine not less than ₹ 2,000.00 for the first offence.

Scrutiny (January 2020) of the VAHAN vehicle registration database of the State of Arunachal Pradesh revealed that out of 1,64,029 nos. of vehicles in the database, 21,366 commercial vehicles of various classes were plying without valid fitness certificates after they expired during the period 01 January 2010 to 31 December 2019. Audit observed that

⁹ 336 owners of commercial passenger vehicles and 340 owners of commercial vehicles.

¹⁰ ₹ 48.01 lakh + ₹ 214.00 lakh.

¹¹ ₹ 12.00 lakh + ₹ 53.62 lakh.

owners of these vehicles failed to renew their certificates of fitness before expiry of the validity period ranging from one year to 11 years. However, despite non-renewal of the fitness certificates for prolonged periods, the registering authorities (DTOs) of the State failed to ensure that these 21,366 commercial vehicles get their fitness test done and renew their fitness certificate by issuing notices to the vehicle owners for renewal of the same. As such, the DTOs failed to realise inspection fee of ₹ 1.95 crore and renewal fee ₹ 1.09 crore from these defaulting vehicles. Audit further observed that these 21,366 commercial vehicles continued to ply without valid fitness certificates though their certificates of registration become invalid automatically when the effective certificate of fitness issued by the prescribed authorities expired, for which a penalty of ₹ 4.27 crore was also leviable on the defaulters U/s 192 of the CMV Act as details below:

Table 5.1.11: Details of non-realisation of fitness test fee and renewal fee and penalty thereof

(₹ in lakh)

Sl. No.	Period during which fitness certificate validity expired	No of defaulting vehicles	Unrealized Testing Fee	Unrealized Renewal Fee	Penalty U/s 192
1	01 January 2010 to 28 December 2016	9363	114.68	63.85	187.26
2	29 December 2016 to 31 December 2019	12003	80.11	44.98	240.06
Total		21366	194.79	108.83	427.32

Further, audit observed that though Section 56 (4) of the Act empowers the issuing authorities to cancel any such certificate if the vehicle fails to comply with the requirements of this Act, no such action was found to be taken by the issuing authorities against the defaulters till date. The Department should ensure that those license holders of the unfit commercial vehicles must be cancelled/suspended with immediate effect without further delay. These vehicles without valid fitness certificates pose a grave risk of road accidents in the difficult terrain of the state, besides running the risk of air and noise pollution.

Failure of the DTOs in Transport Department of the State to renew fitness certificates and non-levy of the consequent penalty, resulted in non-realisation of revenue of ₹ 7.31 crore¹².

The case was reported to the Department/Government in January 2020; reply is still awaited (November 2020).

Recommendation: Since vehicles without valid fitness certificates pose a grave risk of road accidents in the difficult terrain of the State, besides running the risk of air and noise pollution, the Department should ensure that licenses of unfit commercial vehicles are cancelled/suspended with immediate effect.

¹² ₹ 194.79 lakh (Inspection fee) + ₹ 108.83 lakh (Renewal fee) and: ₹ 427.32 lakh (penalty).

5.10 Short recovery of Composite Tax

Irregular issue of temporary road permits to owners of 146 commercial trucks resulted in short recovery of ₹ 13.71 lakh

Under the provisions of Rule 87 of the Motor Vehicles Act, 1988, the State Transport Authority (STA) may grant Temporary Permits, to be effective for a limited period, which shall not, in any case, exceed four months, to authorize the use of a transport vehicle *temporarily for specific purposes*. It further provides that the STA may, in the case of goods carriages, under the circumstances of a *special nature and for reasons to be recorded in writing*, grant a permit for a period exceeding four months, but not exceeding one year. As per provision of Section 96(2)(vii) of the Act *ibid*, the Transport Department, Government of Arunachal Pradesh (GoAP) in its Notification dated 13 July 2000 fixed the rate of Composite tax for truck at ₹ 5,000 and ₹ 2,000 per annum for Regular road permits and Temporary road permits respectively. Further, permit fee of ₹ 300 is also leviable in both type of permits.

Scrutiny (June 2019) of records of the State Transport Authority (STA), Naharlagun, revealed that Temporary road permits were granted to owners of 146 commercial vehicles for a period of one year each at a time, on different dates between January 2015 and April 2019 without any recorded reason for exceeding the prescribed validity period of four months. The vehicle owners paid a Composite tax of ₹ 2,000 and a permit fee of ₹ 300 per vehicle per annum amounting to ₹ 10.51 lakh during the period, for temporary road permit. Audit also observed that the STA issued the Temporary road permits to the vehicle owners repeatedly for a period of one year at a time, up to five consecutive years instead of issuing regular road permits by charging a Composite tax of ₹ 5,000. If regular road permits had been issued to the owners of the 146 trucks, the STA could have realised revenue of ₹ 24.22 lakh instead of the actual collection of ₹ 10.51 lakh.

The Department accepted the audit observation in its reply (September 2019) and stated that the rate of Composite tax for trucks at the rate of ₹ 5,000 and permit fee of ₹ 300/- is applicable for National Truck Permit. However, the government Notification dated 13 July 2000 did not include the composite tax and permit fees of trucks plying within home State. Hence, the State Transport Authority is charging ₹ 2000 as Composite tax under Temporary Road Permit and ₹ 300 (as permit fees) while issuing permit for trucks plying within the State. It further stated that it will initiate action for setting up of STA review meeting for rectification.

The absence of clear category in the notification *ibid* for imposition of Composite tax on trucks plying within the State, led to short recovery of ₹ 13.71 lakh (**Appendix -5.5**).

Recommendation: *The Department/Government may amend the extant notification by incorporating Composite tax and Permit fee chargeable for five years on trucks plying in the State, in the interest of revenue.*

CHAPTER– VI

ECONOMIC SECTOR

(STATE PUBLIC SECTOR UNDERTAKINGS)

CHAPTER-VI ECONOMIC SECTOR (PUBLIC SECTOR

6.1 Functioning of Public Sector Undertakings

6.1.1 Introduction

As of 31 March 2019, there were seven Public Sector Undertakings (PSUs) (all Government Companies) in Arunachal Pradesh as detailed below:

Table 6.1.1: Total number of PSUs as on 31 March 2019

Type of PSUs	Working PSUs	Non-working PSUs	Total
Government Companies ¹	6	1	7

None of these Companies were listed on the stock exchange which means that the shares of the PSU cannot be traded in the stock exchange. During the year 2018-19, one PSU² was added to the audit jurisdiction of Principal Accountant General, Arunachal Pradesh. No existing PSU was closed down during the year.

6.1.2 Investment in PSUs

6.1.2.1 State Government's investment in PSUs

The State's investment in its PSUs was by way of share capital/loans and special financial support by way of grants/subsidies as and when required.

As on 31 March 2019, the investment of the State Government (capital and long-term loans) in 7 PSUs was ₹ 27.87 crore³ as per details given in **Table 6.1.2** below:

Table 6.1.2: Details of State's investment in PSUs

(₹ in crore)

Year	Equity Capital	Long term Loans	Total
2018-19	19.49	8.38	27.87
2014-15	19.49	8.38	27.87

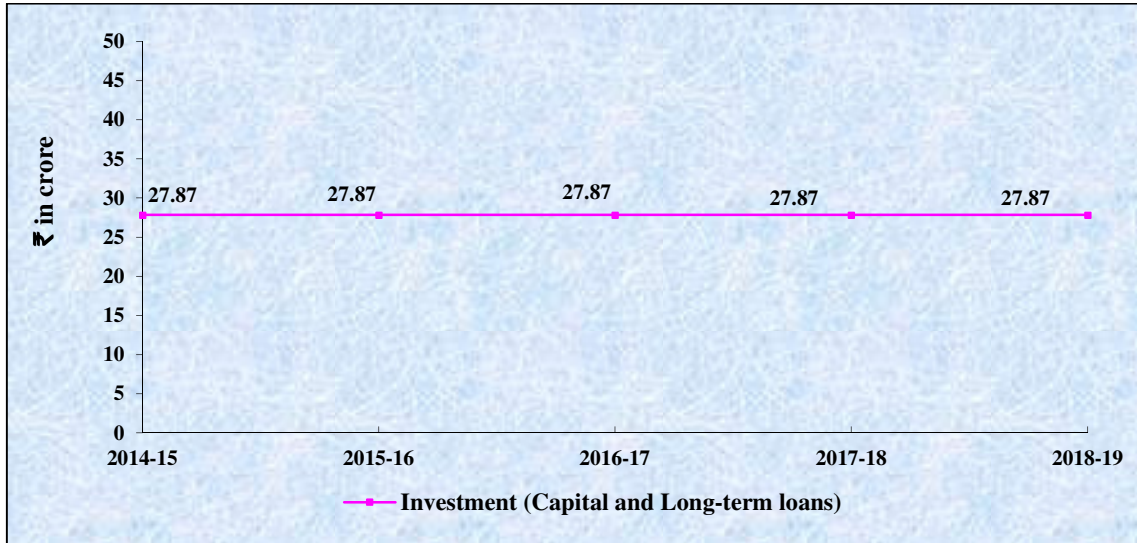
The State Government investment as on 31 March 2019 consisted of 69.93 per cent towards capital and 30.07 per cent in long-term loans, which remained constant during last five years. A graphical presentation of State Government's investment in PSUs during last five years (2014-15 to 2018-19) has been given in **Chart 6.1.1** below:

¹ Government Companies include other companies referred to in Section 139(5) and 139(7) of the Companies Act 2013.

² Arunachal Pradesh Donyi Polo Hotel Corporation Limited, incorporated on 10 August 1987, was previously audited by the Director General of Commercial Audit & Ex-Officio Member, Audit Board-I, Kolkata.

³ Investment figures are provisional and as per the information provided by the PSUs as none of the 7 PSUs has finalised accounts for 2018-19 as of September 2019.

Chart 6.1.1: State's total investment in PSUs



As can be noticed from the **Chart** above, the State Government's investment in PSUs remained constant at ₹ 27.87 crore during last five years.

During the year 2018-19, out of six working PSUs, two PSUs incurred losses (₹ 1.62 crore) and four PSUs earned profits (₹ 8.18 crore) as per their latest finalised accounts. None of the four profit making PSUs had declared any dividend. There was no recorded information about the existence of any specific policy of the State Government regarding payment of minimum dividend by the PSUs.

The return on State Government's investment (historical value) in PSUs during 2018-19 worked out to 16.20 *per cent*. The losses of two working PSUs (accumulated losses of ₹ 25.00 crore) had completely eroded the State's investment in their paid up capital (₹ 8.65 crore), as per their latest finalised accounts.

6.1.2.2 Total Sector-wise investment in PSUs

Total investment of State Government and Other Stakeholders (Central Government, Holding companies, Banks, Financial Institutions, etc.) in PSUs under various important sectors at the end of 31 March 2015 and 31 March 2019 has been given in **Table 6.1.3** below:

Table 6.1.3: Sector-wise investment in PSUs as on 31 March 2019
(₹ in crore)

Name of Sector	Government Companies	
	2014-15	2018-19
Finance	12.65	12.70
Power	12.45	12.45
Agriculture & Allied	4.50	4.50
Service	0.99	0.99
Manufacturing	0.24	0.24
Infrastructure	0.02	0.02
Miscellaneous	2.63	2.63
Total	33.48	33.53

(Source: Information received from PSUs).

It can be noticed from the **Table** above, the combined investment of State Government and Other Stakeholders remained constant in all the sectors during last five years excepting a marginal increase of ₹ 0.05 crore in Finance sector. During last five years, the thrust of investment was in Finance and Power sectors, which constituted around 38 *per cent* (Finance sector) and 37 *per cent* (Power sector) of total investment during 2014-15 and 2018-19.

6.1.3 Reconciliation with Finance Accounts

The figures in respect of equity, loans and guarantees outstanding as per the records of PSUs should agree with the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the Finance Department and the PSUs concerned should carry out reconciliation of differences. The position in this regard as of 31 March 2019 is given in **Table 6.1.4** below:

Table 6.1.4: Variation between Finance Accounts and records of PSUs
(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	9.00	19.49	10.49
Loans	36.25 ⁴	8.38	27.87
Guarantee	2.00	2.00 ⁵	-

Source: As per the Finance Accounts and information furnished by PSUs.

As can be seen from the **Table 6.1.4** above, there were significant differences in the figure of 'equity' (₹ 10.49 crore) and 'loans' (₹ 27.87 crore), which have not been reconciled for more than ten years.

Though the Principal Secretary, Finance Department, Government of Arunachal Pradesh as well as the Management of the PSUs concerned were appraised regularly about the differences impressing upon the need for early reconciliation, no significant progress was noticed in this regard.

The Government and the PSUs concerned may take concrete steps to reconcile the differences in a time-bound manner. The Government should correct the system of financing the PSUs and the accounts be updated.

6.1.4 Special support and guarantees to PSUs during the year

State Government provides financial support to PSUs in various forms through annual budgetary allocations. The details of budgetary outgo towards equity, loans and grants/subsidies in respect PSUs for three ended 2018-19 are given in **Table 6.1.5** below:

⁴ Represents Loan provided to 'public sector and other undertakings' in four sectors namely, Agriculture & Allied (₹ 20.00 crore); Power (₹ 10.00 crore); Non-ferrous Mining (₹ 0.15 crore) and Industrial Financing (₹ 6.10 crore). PSU-wise details of loans not available in the State Finance Accounts, 2018-19.

⁵ pertained to Arunachal Pradesh Industrial Development and Financial Corporation Limited

Table 6.1.5: Details of budgetary support to PSUs

(₹ in crore)

Sl. No.	Particulars	2016-17		2017-18		2018-19	
		No.	Amount	No.	Amount	No.	Amount
1.	Equity Capital Outgo from budget	-	-	-	-	-	-
2.	Loans given from the budget	-	-	-	-	-	-
3.	Grants/Subsidy* from budget	1	1.24	2	5.55	3	9.88
	Total Outgo	1	1.24	2	5.55	3	9.88
4.	Guarantees issued during the year	-	-	-	-	-	-
5.	Guarantee Commitment (Cumulative)	1	2.00	1	2.00	1	2.00

*Represents revenue grants/subsidy; no capital grant/subsidy was provided during the three years.

During last three years under reference, the State Government had not provided any equity capital or loans from the State budget to PSUs. Two PSUs⁶ had received grants continuously for last two years. In addition, one PSU (Hydro Power Development Corporation of Arunachal Pradesh Limited) also received grant of ₹ 5.37 crore during 2018-19. Further, no guarantee was issued to any of the PSUs during last three years (2016-2019). The guarantee commitment of State Government remained constant at ₹ 2.00 crore during the last three years, which pertained Arunachal Pradesh Industrial Development and Financial Corporation Limited. The PSU had not paid any guarantee commission to the State Government.

6.1.5 Accountability framework

The audit of financial statements of a company in respect of financial years commencing on or after 1 April 2014 is governed by the provisions of the Companies Act, 2013 (Act) and audit of the financial statements in respect of financial years in respect of financial years that commenced earlier than 1 April 2014 continued to be governed by the Companies Act, 1956. The new Act has brought about increased regulatory framework, wider management responsibility and higher professional accountability.

6.1.5.1 Statutory Audit/ Supplementary Audit

Statutory Auditors appointed by the Comptroller and Auditor General of India (CAG) audit the financial statements of a Government Company. In addition, CAG conducts the supplementary audit of these financial statements under the provisions of Section 143(6) of the Act.

6.1.5.2 Role of Government and Legislature

The State Government exercises control over the affairs of these PSUs through its administrative departments. The Government appoints the Chief Executives and Directors on the Board of these PSUs.

⁶ Arunachal Pradesh Industrial Development and Financial Corporation Limited (2017-18: ₹ 2.50 crore; 2018-19: ₹ 2.00 crore) and Arunachal Pradesh Forest Corporation Limited (2017-18: ₹ 3.05 crore; 2018-19: ₹ 2.51 crore)

The State Legislature also monitors the accounting and utilization of Government investment in the PSUs. For this purpose, the Annual Reports of the State Government Companies together with the Statutory Auditors' Report and comments of the CAG thereon are required to be placed before the Legislature under Section 394 of the Act. The Audit Reports of CAG are submitted to the State Government under Section 19A of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

6.1.6 Arrears in finalization of Accounts

The financial statements of the companies are required to be finalised within six months after the end of the financial year *i.e.* by September end in accordance with the provisions of Section 96(1) of the Act. Failure to do so may attract penal provisions under Section 99 of the Act.

Timely finalisation of accounts is important for the State Government to assess the financial health of the PSUs and to avoid financial misappropriation and mismanagement. Persistent delay in finalisation of accounts is fraught with the risk of fraud and leakage of public money going undetected apart from violation of the provision of the Companies Act, 2013.

Table 6.1.6 below provides the details of progress made by working PSUs in finalisation of accounts as of 30 September 2019.

Table 6.1.6: Position relating to finalisation of accounts of working PSUs

Sl. No.	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
1	Number of Working PSUs	5	5	5	5	6
2	Number of accounts finalised during the year	5	1	3	2	2
3	Number of accounts in arrears	29	33	35	38	42
4	Number of Working PSUs with arrears in accounts	5	5	5	5	6
5	Extent of arrears (numbers in years)	1 to 15	1 to 16	1 to 17	1 to 18	1 to 19

As can be observed from the above Table, the number of accounts in arrears has shown an increasing trend during the five-year period 2014-15 to 2018-19. Out of the total 42 accounts in arrears as on 30 September 2019, 32 Accounts (76 per cent) pertained to two PSUs *viz.*, Arunachal Pradesh Mineral Development and Trading Corporation Limited (19 Accounts) and Arunachal Pradesh Forest Corporation Limited (13 Accounts). The earliest Accounts in arrears was since 2000-01, which related to Arunachal Pradesh Mineral Development and Trading Corporation Limited.

The Principal Accountant General Arunachal Pradesh (PAG) has been regularly pursuing this issue with the Chief Secretary, Government of Arunachal Pradesh and the Administrative Departments concerned for liquidating the arrears in accounts of PSUs. However, the State Government and the PSUs concerned could not address the issue to clear pendency of accounts of the PSUs in a time bound manner.

6.1.7 Investment by State Government in PSUs whose accounts are in arrears

The State Government invested ₹ 0.55 crore in two PSUs {equity: ₹ 0.40 crore (two PSUs) and long term loans: ₹ 0.15 crore (one PSUs) during the years for which the accounts of these PSUs had not been finalised as detailed in **Table 6.1.7**.

Table 6.1.7: Investment by State Government in PSUs having accounts in arrears

(₹ in crore)

Sl. No.	Name of PSU	Accounts finalised upto	Accounts pending finalisation	Investment by State Government during the period of accounts in arrears	
				Equity	Loans
1	Arunachal Pradesh Industrial Development and Financial Corporation Limited	2017-18	2018-19	0.05	-
2	Arunachal Pradesh Mineral Development and Trading Corporation Limited	1999-00	2000-01 to 2018-19	0.35	0.15
	Total:			0.40	0.15

In the absence of accounts and their subsequent audit, it cannot be verified if the investments made and the expenditure incurred have been properly accounted for and the purpose for which the amount was invested was achieved or not.

The Government may consider setting up a special cell under the Finance Department to oversee the expeditious clearance of arrears of accounts of PSUs. Where there is lack of staff expertise, Government may consider outsourcing the work relating to preparation of accounts and take punitive action against company heads responsible for arrears of accounts. Until the accounts are made as current as possible Government may consider not giving further financial assistance to such companies.

6.1.8 Performance of PSUs as per their latest finalised accounts

The financial position and working results of working Government Companies are detailed in **Appendix 6.1. Table 6.1.8** below provides the comparative details of working PSUs turnover and State GDP for a period of five years ending 2018-19.

Table 6.1.8: Details of working PSUs turnover vis-a-vis State GDP

(₹ in crore)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Turnover ⁷	20.29	20.48	23.29	24.86	28.96
State GDP ⁸	17959.41	18509.16	19626.82	22231.30	24489.36
Percentage of Turnover to State GDP	0.11	0.11	0.12	0.11	0.12

⁷ Turnover of working PSUs as per the latest finalised accounts as on 30 September of respective years.

⁸ Source: State Finance Audit Report

From the above **Table**, it can be seen that contribution of PSUs to the State GDP has increased marginally by one *per cent* from 0.11 *per cent* (2014-15) to 0.12 *per cent* (2018-19) during the period.

The PSUs turnover have registered an overall growth of ₹ 8.67 crore (42.73 *per cent*) during the last five years from ₹ 20.29 crore (2014-15) to ₹ 28.96 crore (2018-19). There was an increase of ₹ 3.36 crore in the turnover of one company⁹ from ₹ 6.88 crore (2014-15) to ₹ 10.24 crore (2018-19).

6.1.8.1 Key parameters

Some other key parameters of PSUs performance as per their latest finalised accounts as on 30 September of the respective year are given in **Table 6.1.9** below:

Table 6.1.9: Key Parameters of PSUs

Particulars	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Debt	31.16	31.12	31.29	31.33	31.50
Turnover ¹⁰	20.29	20.48	23.29	24.86	28.96
Debt/ Turnover Ratio (DTR)	1.53:1	1.52:1	1.34:1	1.26:1	1.08:1
Interest Payments	18.09	18.09	17.85	18.95	19.12
Accumulated losses	(-)11.31	(-)12.49	(-)6.14	(-)1.40	(+)4.94

Debt-Turnover Ratio

Debt-to-turnover ratio (DTR) demonstrates a good balance between debt and income. Conversely, a high DTR can signal of having too much of debt against the income of PSUs from core activities. Thus, the PSUs having lower DTR are more likely to successfully manage their debt servicing and repayments.

PSU Debt

During the period of five years, the PSUs debt had increased marginally by ₹ 0.34 crore (1.09 *per cent*) from ₹ 31.16 crore (2014-15) to ₹ 31.50 crore (2018-19). This had confined the interest payments to almost same level during last five years.

However, as can be seen from **Table 6.1.9** above, there was overall improvement in the DTR in last five years from 1.53:1 (2014-15) to 1.08:1 (2018-19) mainly due to overall growth in PSU-turnover (42.73 *per cent*) during last five years from ₹ 20.29 crore (2014-15) to ₹ 28.96 crore (2018-19).

6.1.8.2 Erosion of capital due to losses

The paid-up capital and accumulated profits of six working PSUs as per their latest finalised accounts as on 30 September 2019 were ₹ 17.03 crore and ₹ 4.94 crore respectively (**Appendix 6.1**).

⁹ Arunachal Pradesh Industrial Development and Financial Corporation Limited.

¹⁰ Turnover of working PSUs as per the latest finalised accounts as on 30 September of the respective year.

The Return on Equity¹¹ (RoE) in respect of 4 out of 6 working PSUs was 7.41 *per cent* as per their latest finalised accounts. The accumulated losses (₹ 25.00 crore) of remaining two¹² working PSUs had completely eroded their capital (₹ 8.65 crore) as per their latest finalised accounts. RoE of these two PSUs was not workable due to complete erosion of their equity capital. The details of erosion of paid-up capital of the two PSUs is detailed in **Table 6.1.10** below:

Table 6.1.10: PSUs with primary erosion of paid-up capital

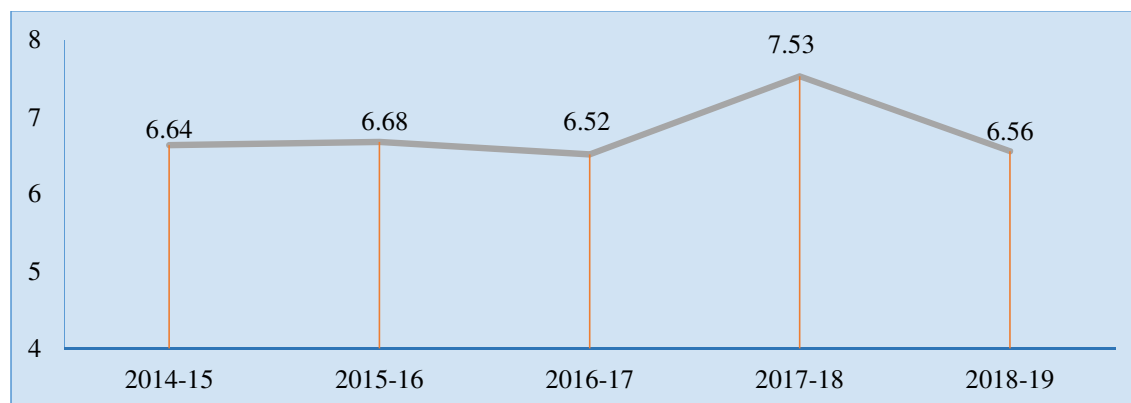
(₹ in crore)

Name of PSU	Latest finalised accounts	Paid-up capital	Accumulated losses
Arunachal Pradesh Industrial Development and Financial Corporation Limited	2017-18	4.15	20.42
Arunachal Pradesh Forest Corporation Limited	2005-06	4.50	4.58

The Accumulated losses by these PSUs had eroded public wealth, which is a cause of serious concern.

The overall position of the profits earned by working PSUs during 2014-15 to 2018-19 as per their latest finalised accounts is depicted in **Chart 6.1.1** below:

Chart: 6.1.2- Profit of working PSUs



(Source: Compiled based on latest finalised accounts of PSUs).

During 2018-19, there was a decline of around 13 *per cent* (₹ 0.97 crore) in the overall profits of the working PSUs compared to the previous year (2017-18), due to reduction (₹ 2.10 crore) in the profit of one PSU (Arunachal Police Housing and Welfare Corporation Limited) from ₹ 6.31 crore (2017-18) to ₹ 4.21 crore (2018-19).

During the year 2018-19, out of six working PSUs, four PSUs¹³ earned an aggregate net profit of ₹ 8.18 crore, while the remaining two PSUs¹⁴ incurred a loss of ₹ 1.62 crore. The

¹¹ ROE = (Net Profit after taxes *minus* preference dividend) ÷ Shareholders' Fund/Equity; Where, Shareholders' Fund/Equity=Paid up Share Capital *plus* Free Reserves and Surplus *minus* Accumulated Loss *minus* Deferred Revenue Expenditure.

¹² Sl. No. 1 and 3 of **Appendix 6.1**.

¹³ Including negligible profit (₹12,371) of one PSU at Sl. No. A1 of **Appendix 6.1**.

¹⁴ Serial no. A2 and A6 of **Appendix 6.1**.

details of major contributors to profits and losses of working PSUs are given in **Table 6.1.11** below:

Table 6.1.11: Major contributors to profits and losses of working PSUs

(₹ in crore)

Name of PSU	Latest finalised accounts	Profit (+)/ loss (-)
Arunachal Police Housing and Welfare Corporation Limited	2016-17	(+) 4.21
Arunachal Pradesh Forest Corporation Limited	2005-06	(+) 3.54
Arunachal Pradesh Donyi Polo Hotel Corporation Limited	2017-18	(-) 1.34

The State Government has not formulated (February 2020) any dividend policy to make it mandatory for PSUs to pay a minimum return on the paid-up equity share capital contributed by the State Government. None of the four working PSUs, which earned profit during 2018-19, had declared any dividend.

6.1.9 Return on Investment on the basis of Present Value of Investment

The Rate of Real Return (RORR) measures the profitability and efficiency of an entity with which equity and similar non-interest bearing capital have been deployed, after adjusting them for their time value. To determine the RORR, the investment of State Government in the form of equity, interest free loans and revenue grants/subsidies in the PSUs for operational and management expenses *less* disinvestments (if any), has been considered and indexed to their Present Value (PV) and summated. The RORR is then calculated by dividing the 'profit after tax' (PAT) earned by PSUs by the sum of the PV of the investment.

During 2018-19, out of six working PSUs, four PSUs earned profit (₹ 8.18 crore¹⁵), while the remaining two PSUs incurred loss (₹ 1.62 crore) as per their latest finalised accounts (**Appendix-6.1**). Based on the historical value of investment, the Return for 2018-19 on State Government investment worked out to 16.20 *per cent* as against the RORR of 5.27 *per cent* on the investment at present value as shown in **Appendix-6.2**. This difference in percentage of return was on account of the adjustment made in the investment amount for the time value of money.

6.1.10 Impact of Audit Comments on Annual Accounts of PSUs

During October 2018 to September 2019, two working companies had forwarded two audited accounts to the Principal Accountant General (PAG), Arunachal Pradesh. The accounts of both the companies were selected for supplementary audit. The audit reports of statutory auditors appointed by CAG and the supplementary audit of CAG indicate that the quality of maintenance of accounts needed to be improved substantially. The details of aggregate money value of the comments of statutory auditors and CAG are given in **Table 5.1.12** below:

¹⁵ As per latest finalised accounts of working PSUs as on 30 September 2019 and included negligible profit (₹12,371/-) of PSU at serial number A1 of **Appendix 5.1**.

Table 5.1.12: Impact of audit comments on working Companies

(₹ in crore)

Sl. No.	Particulars	2016-17		2017-18		2018-19	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	1	13.87	-	-	1	4.66
2.	Increase in loss	1	96.27	-	-	-	-
3.	Non-disclosure of material facts	1	1183.21	-	-	-	-
4.	Errors of classification	-	-	-	-	-	-

Source: As per latest finalised annual accounts of PSUs.

During the year, the statutory auditors had given qualified certificates for both the companies which commonly includes non-compliance to Accounting Standards, improper maintenance of records and accounting errors. In addition, CAG had also issued qualified certificates on accounts of two companies selected for supplementary audit. No adverse certificates or disclaimers were issued by the CAG or statutory auditors on any of the accounts during the year.

6.1.10.1 Gist of some of the important comments of CAG in respect of accounts of the PSU are as under:

Arunachal Pradesh Industrial Development and Financial Corporation Limited (2017-18)

Non-provisioning against Investments doubtful of recovery

The Company had not provided for the investment of ₹ 4.40 crore (equity: ₹ 0.42 crore and loans: ₹ 3.98 crore) made in its two subsidiaries, which have already eroded their net worth and ceased their operations. This has resulted in overstatement of Assets and 'profit for the year' by ₹ 4.40 crore each.

Non-provisioning against doubtful debts and receivables

The Company had not made provisions against sundry debtors and other receivables (₹ 0.27 crore), which were pending recovery for a long period and chances of recovery of these receivables was remote. This has resulted in overstatement of 'current assets' and 'profit for the year' by ₹ 0.27 crore each.

Arunachal Police Housing and Welfare Corporation Limited (2016-17)

Non-accounting of Contingency/Corporation charges receivable on completed projects

The Company had not accounted the 'Receivables' of ₹ 0.34 crore towards contingency charges (₹ 0.08 crore) and corporation charges (₹ 26 crore) against four projects completed during 2016-17. This resulted in understatement of 'current assets' and 'profit for the year' to that extent.

CHAPTER – VII

FOLLOW-UP OF AUDIT OBSERVATIONS

CHAPTER-VII: FOLLOW UP OF AUDIT OBSERVATIONS

7.1 Follow-up action on Audit Reports

As per instructions issued by the Finance Department (June 1996), concerned Administrative Departments are required to prepare an *suo motu* Explanatory Note on Paragraphs/Reviews included in the Audit Reports indicating the action taken or proposed to be taken and submit the 'Action Taken Notes' to the Assembly Secretariat with a copy to Accountant General and Secretary, Finance Department, within three months from the date of receipt of the Report.

Further, as regard submission of *suo motu* Explanatory Notes on paragraphs included in the Reports of the Comptroller and Auditor General of India from 2008-09 to 2017-18, it was noticed that the concerned Administrative Departments did not comply with the time frame. As of April 2020, *suo motu* Explanatory Notes on 193 Paragraphs of the Audit Reports were outstanding from various Departments (*Appendix-7.1*).

As per decision taken in the national level conference on "Legislature Audit Interface" held in July, 2010, State PAC/COPU has transferred 144 Paras pertaining to the period from 1994-95 to 2007-08 to the State Government for their follow-up. But no Action Taken Report on these have been received from the concerned Departments (March 2020).

The Administrative Departments were also required to take suitable action on recommendations made in the PAC/CoPU Reports presented to the State Legislature. The PAC specified the time-frame for submission of Action Taken Notes (ATNs) as one month up to the 68th Report. Review of 16 Reports of the PAC containing recommendations on 94 Paragraphs in respect of 25 Departments included in Audit Reports and presented to the Legislature between September 1994 and September 2015, revealed that no Department had sent any ATN to the Assembly Secretariat as of March 2019. Thus, status of the recommendations contained in the said Reports of the PAC, and whether these were being acted upon by the Administrative Departments, could not be ascertained in audit (*Appendix-7.2*).

Two Public Accounts Committee (PAC) meetings were held in September 2019 and January 2020 after a gap of over 12 months. The PAC met earlier in October 2018. The Committee selected total 86 paras in respect of 15 Departments pertaining to the period from 2008-09 to 2016-17 for discussion in the meetings. The concerned Departments furnished their replies against the paras to the Principal Accountant General Office and the same were examined and vetted by this office. The detailed para-wise comments of the Principal Accountant General against the replies furnished by the Departments was forwarded to the State Legislative Assembly. (Details in *Appendix-7.3 & 7.4*).

7.2 Audit Committee Meeting

No Audit Committee Meetings were held for discussion and settlement of Outstanding Inspection Reports during 2018-19.

The Government may consider constituting a committee headed by the Chief Secretary to monitor the response of Departments to audit observations in a time bound manner and for clearance of old outstanding IRs.

7.3 Response to Audit Observations

5,246 Paragraphs pertaining to 956 Inspection Reports, involving ₹ 4,391.29 crore were outstanding as of March 2019 and even first replies to the 455 Inspection Reports were not received.

Principal Accountant General conducts periodical inspection of Government Departments to test-check transactions and to verify maintenance of important accounting and other records as per prescribed rules and procedures. When important irregularities detected during inspections are not settled on the spot, they are included in Inspection Reports (IRs) that are issued to concerned Heads of Offices, with a copy to the next higher authority and the Government. Government instructions provide for prompt response to IRs by the executive to ensure timely remedial action in compliance to prescribed rules and procedures and to fix responsibility for serious lapses pointed out in IRs. Serious irregularities are also brought to the notice of concerned Heads of Departments by the Office of the Principal Accountant General. A half-yearly report of pending IRs is sent to the Commissioner/Secretary of the Department to facilitate monitoring of the audit observations in the pending IRs.

As of March 2019, 5246 Paragraphs relating to 956 IRs pertaining to 440 offices of 61 Departments remained outstanding. Even initial replies, which were required to be received from the Heads of Offices within one month from the date of issue were not received from 313 offices for 455 IRs issued between 1985-86 to 2018-19. A review of outstanding IRs in three Departments indicated serious irregularities which were pending settlement as given below:

Table: 7.3.1- Details of review of outstanding IRs in three Departments

(₹ in lakh)


Sl. No.	Nature of irregularities	Health & Family Welfare		Rural Works Department		Public Health Engineering & Water Supply	
		No. of Paragraphs	Amount	No. of Paragraphs	Amount	No. of Paragraphs	Amount
1	Unfruitful Expenditure/Wasteful Expenditure	1	409.77	4	7717.98	1	22.88
2	Avoidable Expenditure	4	104.60	1	52.57	1	62.38
3	Outstanding/Short Realisation of VAT/Security Deposit etc.	0	0.00	0	0.00	0	0.00
4	Idle Investment	1	9.21	1	115.48	3	57.79
5	Doubtful Expenditure	2	46.92	0	0.00	13	859.08
6	Excess Expenditure	2	8.41	4	543.70	26	742.43

Sl. No.	Nature of irregularities	Health & Family Welfare		Rural Works Department		Public Health Engineering & Water Supply	
		No. of Paragraphs	Amount	No. of Paragraphs	Amount	No. of Paragraphs	Amount
7	Undue favour to contractor	1	46.93	4	315.18	2	11.21
8	Irregular/Inadmissible expenditure	2	1019.60	10	768.01	9	302.71
9	Unauthorized Expenditure	2	71.45	4	152.16	4	291.41
10	Wanting Records/Without Verification	0	0.00	0	0.00	0	0.00
11	Non-Deduction of Government Revenue	5	594.42	0	0.00	5	95.40
	Total	20	2311.31	28	9665.08	64	2445.29

Commissioners/Secretaries of concerned Departments were informed the position through half-yearly reports. It is recommended that the Government may look into this matter and ensure that:


- replies to IRs/Audit Paragraphs are sent as per prescribed time schedule; and
- losses/outstanding advances/overpayments pointed out in audit are recovered in a time bound manner.

Itanagar
Dated: 15 May 2021


(Cherring Angrup Bodh)
Principal Accountant General,
Arunachal Pradesh

Countersigned

New Delhi
Dated: 19 May 2021


(Girish Chandra Murmu)
Comptroller and Auditor General of India

APPENDICES

Appendix-2.1

(Reference: Paragraph 2.2.6.2)

District-wise position of Sports Infrastructure Schemes/Projects taken up during the Year 2014-15 to 2018-19

Sl. No	Name of the Infrastructure	District-Wise Position ¹																		Total
		CH	EK	ES	KD	KK	LH	LD	LDV	LB	NA	PA	Si	TA	US	UB	WK	WS	TI	
1	Outdoor Stadium	-	1	1	-	1	1	1	-	2	-	3	-	1	-	1	-	1	-	13
2	Mini Stadium	-	-	-	1	-	1	-	-	1	-	-	-	-	-	1	-	-	-	4
3	Indoor Hall	-	-	-	-	-	1	-	1	2	-	2	-	-	-	1	-	1	-	8
4	Multipurpose Indoor Hall	-	1	2	2	1	1	-	1	2	1	2	-	-	-	3	1	1	1	19
5	Indoor Stadium	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	1	-	2
6	Football Stadium	1	-	1	-	-	-	-	-	-	-	1	-	1	-	-	-	-	-	4
7	Football playground	-	-	-	-	-	-	-	-	1	-	-	1	-	-	-	1	3	-	6
8	Artificial Football Turf	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	1
9	Artificial Hockey Turf	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	1
10	Sports Complex	-	-	-	-	-	-	-	-	-	1	-	-	1	1	-	-	-	-	3
11	Playground	-	-	-	-	1	1	-	-	-	-	2	-	-	-	3	-	4	-	11
12	Archery Arena	-	-	-	-	-	-	-	-	-	-	1	-	1	-	-	-	-	-	2
13	Volleyball Court	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1
14	Audience Gallery	-	-	-	-	-	-	-	-	-	-	1	-	1	-	-	-	1	-	3
15	Badminton Academy	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	1
16	Synthetic Athletic track	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	1
Total		1	2	4	3	3	5	1	2	8	2	16	1	6	1	9	2	13	1	80
Percentage		1	3	5	4	4	6	1	3	10	3	20	1	8	1	11	3	16	1	100

*No schemes were taken up during 2014-15 to 2018-19 in the remaining 7 districts (SY: Shi-Yomi, LS: Lower Siang, LR: Lepa-Rada, UDV: Upper Dibang Valley, AJ: Anjaw, Ka: Kamleand PK: Pakke-Kessang).

¹ CH: Changlang, EK: East Kameng, ES: East Siang, KD: KraDaadi, KK: KurungKumey, LH: Lohit, LD: Longding LDV: Lower Dibang valley, LB: Lower Subansiri, Na: Namsai, PA: Papumpare, Si: Siang, TA: Tawang, US: Upper Siang, UB: Upper Subansiri, WK: West Kameng WS: West Siang and TI: Tirap.

Appendix-2.2

(Reference: Paragraph 2.2.7.3)

Details of 19 projects funded under MDoNER and NEC which were delay in completion of work due to delay in release of fund by the State Government

Sl. No.	Name of the project	Sanctioned cost (₹ in crore)	Amount released by Government (₹ in crore)	Date of release by GOI	Date of release by State Govt.	Delay released in by State Govt.	Stipulated period of completion	Status of Project
Projects under MDoNER (NLCPR)								
1	C/o Sports Complex at Jengging	12.73	4.58 (1 st inst.)	25.02.2014	27.12.2014	9 months	25.02.2016	In progress
2	C/o Multi Sports Complex at Namsai	3.13	1.13 (1 st inst.) 1.08 (2 nd inst.)	29.12.2014	08.03.2018	39 months	31.12.2016	In progress
3	C/o High Altitude Sports complex at Tawang	13.07	4.61 (1 st inst.) 3.49 (2 nd inst.) 2.02 (3 rd inst.) Final inst. not released by GOI	11.10.2010	15.07.2011	9 months	11.03.2013	In progress
Projects under North East Council (NEC) funding								
1	C/o Outdoor Stadium at Jang in Tawang	5.92	1.07 (1 st inst.)	28.06.2017	Fund not released by the State Government		28.06.2020	Not started
2	C/o Football Stadium at Nari	1.95	0.78 (1 st inst.) 0.78 (2 nd inst.) 0.35 (3 rd inst.)	09.02.2011	17.10.2012	20 months	09.02.2014	Completed on 25.07.2017 with delay of 41 months
3	C/o Football Stadium at Sakiang under Papumpare district	2.82	0.97 (1 st inst.) 1.00 (2 nd inst.) 0.57 (3 rd inst.)	31.03.2016	23.08.2016	5 months	31.03.2019	In progress
4	C/o Indoor Stadium cum auditorium at Government HS school Basar	2.99	0.93 (1 st inst.) 1.23 (2 nd inst.) Final inst. not released by GOI	14.06.2016	18.08.2016	2 months	14.06.2019	In progress
5	C/o Indoor Stadium at Toru under Papumpare district	2.78	1.11 (1 st inst.) 0.90 (2 nd inst.) 0.49 (3 rd inst.)	16.09.2011	21.03.2012	6 months	16.09.2014	Completed on 16.09.2017 with delay of 36 months
6	C/o Mini Sports stadium at Chambang under KraDaadi district	4.95	1.50 (1 st inst.) 1.80 (2 nd inst.) 1.15 (3 rd inst.)	16.09.2011	09.01.2012	4 months	16.09.2014	Completed on 30.09.2016 with delay of 24 months
7	C/o Outdoor Stadium and boundary wall at Govt. Higher Secondary School at Kanubari under Longding district	2.43	0.74 (1 st inst.) 1.00 (2 nd inst.)	09.02.2015	23.12.2015	10 months	09.02.2018	In progress

Sl. No.	Name of the project	Sanctioned cost (₹ in crore)	Amount released by Government (₹ in crore)	Date of release by GOI	Date of release by State Govt.	Delay released in by State Govt.	Stipulated period of completion	Status of Project
8	C/o Mini Outdoor stadium at Tezu, Lohit district	2.21	0.80 (1 st inst.) 0.80 (2 nd inst.) 0.21 (3 rd inst.) 0.19 (4 th inst.)	12.12.2014	12.03.2015	3 months	12.12.2017	Completed on 02.05.2019 with delay of 17 months
9	C/o Outdoor Stadium at Sagalee under Papumpare district	3.59	1.29 (1 st inst.) 1.30 (2 nd inst.) 0.64 (3 rd inst.)	17.12.2014	12.03.2015	3 months	17.12.2017	Completed on 23.03.2019 with delay of 15 months
10	C/o Football Stadium at Lumla under Tawang district	3.03	0.70 (1 st inst.) 1.50 (2 nd inst.) 0.52 (3 rd inst.)	22.03.2016	30.09.2016	6 months	22.03.2019	In progress
11	C/o Outdoor Stadium at Chayangtajo under East Kameng district	3.92	1.41 (1 st inst.) 1.42 (2 nd inst.)	15.05.2015	14.01.2016	8 months	15.05.2018	In progress
12	C/o Indoor Stadium at Raga under Lower Subansiri District	5.0	1.80 (1 st inst.) 1.80 (2 nd inst.) 0.90 (3 rd inst.)	21.11.2012	15.01.2013	2 months	21.11.2015	Completed on 25.07.2017 with delay of 20 months
13	C/o Mini Sports Stadium at Yachuli and Yazali under Lower Subansiri District	4.85	1.50 (1 st inst.) 1.28 (2 nd inst.) 1.59 (3 rd inst.)	16.09.2011	28.03.2012	6 months	16.09.2014	Completed on 06.06.2017 with delay of 33 months
14	C/o Mini Outdoor Stadium at Rijo ground under Upper Subansiri district	3.58	1.29 (1 st inst.) 1.29 (2 nd inst.) 0.64 (3 rd inst.)	17.12.2014	23.03.2015	3 months	17.12.2017	Completed on 25.12.2018 with a delay of 12 months
15	C/o Football Stadium at Jairampur	4.94	1.80 (1 st inst.) 1.76 (2 nd inst.) 0.80 (3 rd inst.) 0.09 (4 th inst.)	25.04.2012	11.11.2013	19 months	25.04.2015	Completed on 01.04.2018 with a delay of 35 months
16	C/o Indoor Stadium at Hunli under Lower Dibang Valley district	3.54	1.27 (1 st inst.) 0.67 (2 nd inst.) 1.25 (3 rd inst.)	15.05.2015	04.11.2015	6 months	15.05.2018	Completed on 15.11.2018 with a delay of 6 months
17	C/o Multipurpose Indoor hall at Langrh, Nyobi Circle	2.59	1.00 (1 st inst.)	23.01.2018	15.06.2018	5 months	23.01.2021	In progress
18	Improvement of General Ground at Taliha	2.10	0.80 (1 st inst.) 0.71 (2 nd inst.)	05.09.2011	25.03.2012	6 months	05.09.2014	Completed on 17.03.2017 with delay of 30 months
19	C/o Multi Sports Indoor hall at Dumporijo ADC HQ under Upper Subansiridistrict	3.59	0.34 (1 st inst.)	06.10.2017	18.01.2018	3 months	06.01.2021	In progress

Appendix-2.3

(Reference: Paragraph 2.2.7.5)

Statement showing status of 21 projects in the selected five sample Districts.

Sl. No.	Name of Project	Year of sanction	Source of fund	Estimated cost (₹ in crore)	Total fund released	Expenditure incurred (₹ in crore)	Status of Scheme	Executing Agency
1	C/o Football Stadium at Lumla under Tawang district	2015-16	NEC	3.03	2.94	2.94	On-going	PWD
2	C/o Archery Stadium at Lumla	2015-16	SIDF	1.00	1.00	1.00	Completed	PWD
3	C/o Audience gallery at existing Sports complex at Lumla	2015-16	SIDF	1.00	1.00	1.00	Completed	PWD
4	C/o High altitude sports complex at Tawang	2009-10	NLCPR	13.07	11.43	11.43	On-going	PWD
5	C/o Badminton auditorium at MLA cottage	2014-15	SADA	0.50	0.50	0.50	Completed	PWD
6	C/o Outdoor stadium at Yupia	2013-14	SPA	59.49	59.49	52.55	On-going	UD&H
7	Artificial Hockey Turf at SLSA, Chimpu	2012-13	USIS (Khelo India)	5.00	5.00	5.00	Completed	Director, Sports
8	C/o Indoor Stadium at Toru under Papumpare district	2011-12	NEC	2.78	2.68	2.68	Completed	PWD
9	DorjeeKhandu Badminton Academy	2018-19	SADA	35.61	10.00	0.00	Not started	UD&H
10	C/o Outdoor Stadium at Chimpu under Papumpare district	2014-15	SPA	44.36	9.95	9.95	Stopped	Director, Sports
11	Vinyl flooring for Indoor Hall at SLSA complex Chimpu	2015-16	SADA	0.11	0.11	0.11	Completed	Director, Sports
12	C/o Rostrum at Poma General ground, under Sangdu Pota circle, Papumpare district	2016-17	SADA	0.15	0.15	0.15	Completed	Director, Sports
13	C/o Mini Sports Stadium at Yachuli and Yazali under Lower Subansiri District	2011-12	NEC	4.85	4.85	4.85	Completed	RWD

Sl. No.	Name of Project	Year of sanction	Source of fund	Estimated cost (₹ in crore)	Total fund released	Expenditure incurred (₹ in crore)	Status of Scheme	Executing Agency
14	Renovation of Badminton hall at Ziro under Lower Subansiri district	2018-19	SADA	0.08	0.08	0.08	Completed	Director, Sports
15	C/o Football field at Togo village	2016-17	SADA	0.20	0.20	0.20	Completed	Director, Sports
16	C/o Multipurpose sports stadium at Pistana Lower Subansiri	2014-15	SPA	1.00	0.99	0.99	Completed	Director, Sports
17	C/o Football Stadium at Nari	2010-11	NEC	1.95	1.95	1.95	Completed	Director, Sports
18	C/o Outdoor stadium at Pasighat	2013-14	SPA	40.91	40.90	40.90	Completed	UD&H
19	C/o Outdoor stadium at Tezu	2014-15	SPA	27.38	2.61	2.61	Stopped	Director, Sports
20	Extension of room at KalikhoPul Memorial hall at Tezu	2018-19	SADA	0.46	0.14	0.14	Completed	RWD
21	C/o Rostrum & Playfield Development at Sunpura, Lohit district	2018-19	SADA	0.20	0.04	0.04	Completed	RWD
Total				243.13	156.01	139.07		

Appendix 4.1

(Reference: Paragraph 4.4.2)

List of schemes/works executed in Lower Subansiri District without recommendation of the concerned MLAs

Sl. No.	Name of Scheme	Cost of work (₹ in lakh)	Year	Name of Assembly Constituency
1	Retaining Wall at Siigya under Sibe Village	8.61	2014-15	Ziro-Hapoli
2	Rural Link Road at Dadoo	5.00	2014-15	Yachuli
3	Repair and Maintenance of Various MIC (Phase I to XI)	57.00	2017-18	Yachuli
4	Land Development cum Approach Road to Jubilee Multipurpose Hall at Dem Village	10.00	2017-18	Yachuli
5	Creation of Kiwi Garden	5.00	2018-19	Ziro-Hapoli
	Total	85.61		

Appendix – 4.2

(Reference: Paragraph 4.4.2)

List of schemes/works not executed as per the recommendations of the concerned MLAs

Sl. No.	Recommended Works	Amount (₹ in lakh)	Nature of works found at site	Name of District	Name of AC	Year	Name of Executing Agency
1	Construction of Kitchen at Sangdupota IB	5.00	Toilets	Papumpare	Doimukh	2016-17	PWD, Doimukh Division
2	Extension of Community Hall (Dere) of Tekang Village	2.00	Generator and a shed	East Siang	Pasighat East	2017-18	WRD, Pasighat Division
3	Children Park at APP School, Tezu	3.00	Classroom	Lohit	Tezu-Sunpura	2018-19	DRDA, Tezu
4	Infrastructure Improvement (Boundary Wall) of School near Petrol Depot, Tezu	5.00	Classroom	Lohit	Tezu-Sunpura	2018-19	DRDA, Tezu
	Total	15.00					

Appendix-4.3
(Reference: Paragraph 4.4.3)

Details of procurement of CGI sheets and distribution to beneficiaries in five samples districts

Sl. No.	District	Specification	Qty (in MT) procured	Amount (in ₹)	Implementing Agency	Year	Total qty (in MT) distributed	No. of beneficiaries	Qty (in MT) issued to each beneficiary
1	Papumpare	0.50 mm	14.03	10,00,000.00	BDO Doimukh	2014-15	NA	NA	NA
		0.50 mm	27.00	20,00,000.00	BDO Doimukh	2015-16	NA	31	NA
		0.50 mm	27.34	20,00,000.00	BDO Doimukh	2016-17	NA	61	NA
		0.50 mm	33.63	30,00,000.00	BDO Doimukh	2017-18	NA	54	NA
		0.50 mm	57.17	50,00,000.00	BDO Doimukh	2018-19	NA	18	NA
	Sub-total		159.17	1,30,00,000.00				164.00	
2	Lower Subansiri	0.63 mm	100.70	71,92,081.00	DPO Ziro	2014-15	NA	94	NA
		0.63 mm	144.40	1,03,00,000.00	DPO Ziro	2015-16	NA	155	NA
		0.63 mm	83.80	60,00,000.00	DPO Ziro	2016-17	NA	130	NA
		0.63 mm	35.00	25,00,000.00	DPO Ziro	2017-18	NA	NA	NA
		0.63 mm	30.80	22,00,000.00	DPO Ziro	2018-19	NA	62	NA
	Sub-total		394.70	2,81,92,081.00				441.00	
3	Lohit	0.50 mm	88.75	60,00,000.00	BDO Tezu	2014-15	88.7544	180	0.49308
		0.50 mm	103.55	70,00,000.00	BDO Tezu	2015-16	103.5468	210	0.49308
		0.50 mm	147.92	1,00,00,000.00	BDO Tezu	2016-17	147.924	300	0.49308
		0.50 mm	149.18	1,00,00,000.00	BDO Tezu	2017-18	149.184	300	0.49728
		0.50 mm	163.54	1,25,00,000.00	BDO Tezu	2018-19	163.7779	338	0.48455
	Sub-total		652.95	4,55,00,000.00		653.19	1,328.00		
4	East Siang	0.50 mm	16.211	10,00,000.00	BDO Pasighat	2014-15	16.212	21	0.772
		0.50 mm	127.24	75,00,000.00	WRD, Pasighat	2015-16	NA	NA	NA
		0.40 mm	137.47	1,00,00,000.00	DRDA Pasighat	2016-17	NA	214	NA
		0.40 mm	123.23	1,00,00,000.00	DRDA Pasighat	2017-18	NA	377	NA
		0.40 mm	36.902	31,50,000.00	DRDA Pasighat	2018-19	NA	NA	NA
	Sub-total		441.05	3,16,50,000.00		16.21	612.00		
5	Lower Dibang Valley	0.50 mm	10.08	7,67,000.00	DRDA Roing	2014-15	10.08	16	0.63
		0.50 mm	33.40	25,00,000.00	DRDA Roing	2015-16	NA	35	NA
		0.50 mm	57.90	43,00,000.00	DRDA Roing	2016-17	NA	NA	NA
		0.50 mm	11.41	10,00,000.00	DRDA Roing	2017-18	NA	14	NA
		0.50 mm	10.27	9,00,000.00	DRDA Roing	2018-19	10.26	18	0.57
	Sub-total		123.06	94,67,000.00		20.34	83.00		
	Total		1,770.93	12,78,09,081.00		689.74	2,628.00		

Appendix – 4.4
(Reference: Paragraph 4.4.3)

Statement showing payment of excess rate in procurement of CGI Sheets in three sampled districts

Sl. No.	Item	District	Year	Qty	Basic Rate	Add 4 % applicable VAT	Add 18 % applicable GST (9 % CGST + 9 % SGST)	Rate to be paid	Rate paid by Department	Different in rate	Difference in Amount
1	CGI sheet 0.50 mm thickness	Papumpare	2014-15	14.03	63079.00	2523.16	0.00	65602.16	71280.00	5677.84	79660.10
			2015-16	13.51	63079.00	2523.16	0.00	65602.16	74021.53	8419.36	113745.62
			2015-16	13.49	63079.00	2523.16	0.00	65602.16	74131.15	8528.99	115056.08
			2016-17	27.34	63079.00	2523.16	0.00	65602.16	73171.64	7569.48	206949.58
			2017-18	33.63	63079.00	0.00	11354.22	74433.22	89228.73	14795.51	497573.00
			2018-19	34.74	63079.00	0.00	11354.22	74433.22	86344.52	11911.30	413798.56
		2018-19	22.42	63079.00	0.00	11354.22	74433.22	89228.73	14795.51	331715.33	
		Lowe Dibang Valley	2014-15	10.08	63079.00	2523.16	0.00	65602.16	73171.64	7569.48	76300.36
			2015-16	33.40	63079.00	2523.16	0.00	65602.16	73171.64	7569.48	252820.63
			2016-17	57.90	63079.00	2523.16	0.00	65602.16	73171.64	7569.48	438272.89
2017-18	11.41		63079.00	0.00	11354.22	74433.22	86342.54	11909.32	135887.72		
2018-19	10.27		63079.00	0.00	11354.22	74433.22	86342.54	11909.32	122300.38		
		Sub-total		282.22							2784080.26
2	CGI sheet 0.63 mm thickness	Lower Subansiri	2014-15	36.97	60435.83	2417.43	0.00	62853.26	73032.19	10178.93	376314.92
			2014-15	63.74	60435.83	2417.43	0.00	62853.26	70104.40	7251.14	462187.46
			2015-16	144.40	60435.83	2417.43	0.00	62853.26	70104.40	7251.14	1047064.15
			2016-17	83.80	60435.83	2417.43	0.00	62853.26	70104.40	7251.14	607645.26
		Sub-total		328.91							2493211.80
		Total		611.13							5277292.06

Appendix – 4.5
(Reference: Paragraph 4.4.4)
List of non-permissible schemes/works

Sl. No.	Name of work	Amount (₹ in lakh)	Name of District	Name of AC	Year
1	Construction of Community Hall at Ruksin HQ	5.00	East Siang	Pasighat West	2016-17
2	Construction of Community Hall at Rani Village	10.00	East Siang	Pasighat West	2017-18
3	Dumping of Sand Gravels at 4th Mile, Pasighat	3.00	East Siang	Pasighat East	2017-18
4	Dumping of Sand Gravels at Airfield Area, Pasighat	3.00	East Siang	Pasighat East	2017-18
5	Construction of Toilet at Government Higher Secondary School, Ruksin	2.50	East Siang	Pasighat West	2018-19
6	Dumping of Sand Gravels at Airfield, Pasighat	3.00	East Siang	Pasighat East	2018-19
7	Dumping of Sand Gravels at Tabi, Pasighat	3.00	East Siang	Pasighat East	2018-19
8	Renovation & Maintenance of Boys' Hostel Building at Government Higher Secondary School, Tezu	10.00	Lohit	Tezu-Sunpura	2014-15
9	Renovation & Maintenance of Government Middle School at Bhekuliang	10.00	Lohit	Tezu-Sunpura	2014-15
10	Repair & Maintenance of Community Hall at Changliang Village	5.00	Lohit	Tezu-Sunpura	2014-15
11	Repair & Maintenance of Community Hall at Danglat Village	4.00	Lohit	Tezu-Sunpura	2014-15
12	Repair & Maintenance of Government Upper Primary School, Danglat	2.71	Lohit	Tezu-Sunpura	2014-15
13	Construction of Inter Village Link Road at Ezengo, Roing	4.00	Lower Dibang Valley	Roing	2015-16
14	Construction of Rural Link Road at Ezengo, Roing	1.00	Lower Dibang Valley	Roing	2016-17
15	Construction of Rural Link Road at Agriculture Field, Abali	1.50	Lower Dibang Valley	Roing	2016-17
16	Road clearance between Kebali and Chidu village	0.50	Lower Dibang Valley	Roing	2017-18
17	Development Work of Solid Waste Management Plant & Clearance of Choked Drainage at Roing	8.00	Lower Dibang Valley	Roing	2017-18
18	Construction of Rural Link Road at Ezengo, Roing	3.00	Lower Dibang Valley	Roing	2017-18
19	Construction of Rural Link Road at Abali, Roing	3.00	Lower Dibang Valley	Roing	2017-18
20	Construction of Rural Link Road at Ezengo Village, Roing	3.00	Lower Dibang Valley	Roing	2018-19
21	Construction of Rural Link Road Near Helipad, Roing	2.00	Lower Dibang Valley	Roing	2018-19
22	Construction of Rural Link Road Near Yatri Niwas, Roing	2.00	Lower Dibang Valley	Roing	2018-19
23	Construction of Rural Link Road at Agriculture Field, Abali	8.00	Lower Dibang Valley	Roing	2018-19
24	Construction of Rural Link Road at Bishmaknagar	4.00	Lower Dibang Valley	Roing	2018-19
25	Procurement & Distribution of Laptops for Qualified Candidates of Competitive Examinations	42.50	Lower Subansiri	Ziro	2018-19
	Total	143.71			

Appendix – 4.6
(Reference: Paragraph 4.4.7)

Statement showing non-maintenance and upkeep of assets created under the Scheme

Sl. No.	Name of work	Amount (₹ in lakh)	Name of District	Name of AC	Year	Name of Executing Agency
1	Boulder Bund at Poglek River to protect Sibut Village	5.00	East Siang	Pasighat East	2016-17	WRD, Pasighat
2	Community Hall at Ayo Nani in Ziro	10.00	Lower Subansiri	Ziro-Hapoli	2017-18	BDO, Ziro-I
3	Construction of Passenger Waiting Shed at Hari village	5.00	Lower Subansiri	Ziro-Hapoli	2014-15	PWD, Ziro Division
4	Police Outpost including Watch Tower at Gandhi Market, Tezu	8.00	Lohit	Tezu-Sunpura	2014-15	RWD, Tezu Division
5	Construction of Shed at APMC Pasighat Market	2.50	East Siang	Pasighat East	2015-16	WRD, Pasighat Division
6	Construction of Landi Lapang (Community Platform) at Hari Village	5.00	Lower Subansiri	Ziro-Hapoli	2014-15	PWD, Ziro Division
7	Construction of TaniyangLapang (Community Platform) at Bamin Village	3.50	Lower Subansiri	Ziro-Hapoli	2015-16	BDO, Ziro-I CD Block
8	DulleyDilangLapang (Community Platform) at Siibe Village	3.50	Lower Subansiri	Ziro-Hapoli	2015-16	BDO, Ziro-I CD Block
9	Construction of Tasso Ayo Lapang (Community Platform) at Hari Village	6.00	Lower Subansiri	Ziro-Hapoli	2018-19	BDO, Hari-Hong CD Block
	Total	48.50				

Appendix-5.1
(Reference: Paragraph 5.4.1)
Statement showing non-Payment of Tax by two dealer

Name of the dealer	Year	Tax Period	Due date for payment of tax	Total Turnover (in ₹)	Exempt Sales (U/s 6) (in ₹)	CST Turnover (in ₹)	Inter-State sales against Declaration Forms (in ₹)	Taxable turnover (in ₹)	Tax due (in ₹)	Delay in payment of tax in days (till 31/01/2019)	Interest @12% pa calculated on daily basis U/s 44(2) till 31/01/2019 (in ₹)	Total Dues (in ₹)	
M/s Guna Tea Industries	2015-16	Apr-15	28-05-2015	13716690	0	0	0	13716690	1714586	1344	757612	2472198	
		May-15	28-06-2015	10268740	0	0	0	10268740	1283593	1313	554090	1837682	
		Jun-15	28-07-2015	11127980	0	0	0	11127980	1390998	1283	586734	1977732	
		Jul-15	28-08-2015	11667087	0	0	0	11667087	1458386	1252	600296	2058681	
		Aug-15	28-09-2015	10773701	0	0	0	10773701	1346713	1221	540604	1887316	
		Sep-15	28-10-2015	11604570	0	0	0	11604570	1450571	1191	567988	2018559	
		Oct-15	28-11-2015	12323000	0	0	0	12323000	1540375	1160	587453	2127828	
		Nov-15	28-12-2015	6396700	0	0	0	6396700	799588	1130	297052	1096640	
		Dec-15	28-01-2016	7254650	0	0	0	7254650	906831	1099	327652	1234483	
		Jan-16	28-02-2016	6246130	0	0	0	6246130	780766	1068	274145	1054911	
	Feb-16	28-03-2016	422500	0	0	0	422500	52813	1039	18040	70853		
	Mar-16	28-04-2016	7535260	0	0	0	7535260	941908	1008	312146	1254053		
	Total				109337008	0	0	0	109337008	13667126		5423811	19090937
	2016-17	Apr-16	28-05-2016	12868070	0	0	0	12868070	1608509	978	517191	2125699	
		May-16	28-06-2016	12849480	0	0	0	12849480	1606185	947	500074	2106259	
		Jun-16	28-07-2016	12856795	0	0	0	12856795	1607099	917	484507	2091607	
		Jul-16	28-08-2016	14403865	0	0	0	14403865	1800483	886	524459	2324942	
		Aug-16	28-09-2016	11579940	0	0	0	11579940	1447493	855	406884	1854377	
		Sep-16	28-10-2016	18254250	0	0	0	18254250	2281781	825	618894	2900675	
		Oct-16	28-11-2016	18097650	0	0	0	18097650	2262206	794	590529	2852735	
		Nov-16	28-12-2016	11843550	0	0	0	11843550	1480444	764	371855	1852299	
		Dec-16	28-01-2017	9210158	0	0	0	9210158	1151270	733	277440	1428710	
Jan-17		28-02-2017	4938900	0	0	0	4938900	617363	702	142484	759846		
Feb-17		28-03-2017	4865330	0	0	0	4865330	608166	674	134763	742929		
Mar-17	28-04-2017	9097459	0	0	0	9097459	1137182	643	240397	1377580			
Total				140865447	0	0	0	140865447	17608181		4809477	22417658	

Audit Report for the year ended 31 March 2019

Name of the dealer	Year	Tax Period	Due date for payment of tax	Total Turnover (in ₹)	Exempt Sales (U/s 6) (in ₹)	CST Turnover (in ₹)	Inter-State sales against Declaration Forms (in ₹)	Taxable turnover (in ₹)	Tax due (in ₹)	Delay in payment of tax in days (till 31/01/2019)	Interest @ 12% pa calculated on daily basis U/s 44(2) till 31/01/2019 (in ₹)	Total Dues (in ₹)	
	2017-18	Apr-17	28-05-2017	9414975	0	0	0	9414975	1176872	613	237180	1414052	
		May-17	28-06-2017	10987020	0	0	0	10987020	1373378	582	262785	1636163	
		Jun-17	28-07-2017	10686500	0	0	0	10686500	1335813	552	242423	1578235	
		Total			31088495	0	0	0	31088495	3886062		742388	4628450
		Grand Total			281290950	0	0	0	281290950	35161369	0	10975676	46137045
		Rounded off			28.13 crore	0	0	0	28.13 crore	3.52 crore	0	1.09 crore	4.61 crore
M/s Kungfra Tea Industries	2015-16	Apr-15	28-05-2015	8583600	0	0	0	8583600	1072950	1344	474097	1547047	
		May-15	28-06-2015	10913070	0	0	0	10913070	1364134	1313	588857	1952991	
		Jun-15	28-07-2015	12117380	0	0	0	12117380	1514673	1283	638901	2153574	
		Jul-15	28-08-2015	14170385	0	0	0	14170385	1771298	1252	729095	2500394	
		Aug-15	28-09-2015	11707014	0	0	0	11707014	1463377	1221	587436	2050812	
		Sep-15	28-10-2015	11239125	0	0	0	11239125	1404891	1191	550101	1954992	
		Oct-15	28-11-2015	8023250	0	0	0	8023250	1002906	1160	382478	1385384	
		Nov-15	28-12-2015	12114790	0	0	0	12114790	1514349	1130	562591	2076940	
		Dec-15	28-01-2016	10318600	0	0	0	10318600	1289825	1099	466033	1755858	
		Jan-16	28-02-2016	1704440	0	0	0	1704440	213055	1068	74809	287864	
		Feb-16	28-03-2016	577500	0	0	0	577500	72188	1039	24658	96846	
	Mar-16	28-04-2016	451500	0	0	0	451500	56438	1008	18703	75141		
		Total			101920654	0	0	0	101920654	12740082		5097760	17837842
		2016-17	Apr-16	28-05-2016	3894390	0	0	0	3894390	486799	978	156522	643321
	May-16		28-06-2016	8525570	0	0	0	8525570	1065696	947	331796	1397493	
	Jun-16		28-07-2016	9617230	0	0	0	9617230	1202154	917	362425	1564578	
	Jul-16		28-08-2016	18220350	0	0	0	18220350	2277544	886	663420	2940964	
	Aug-16		28-09-2016	11164944	0	0	0	11164944	1395618	855	392302	1787920	
	Sep-16		28-10-2016	10736400	0	0	0	10736400	1342050	825	364008	1706058	
	Oct-16		28-11-2016	16430600	0	0	0	16430600	2053825	794	536133	2589958	
Nov-16	28-12-2016		9653950	0	0	0	9653950	1206744	764	303108	1509851		
Dec-16	28-01-2017		5004698	0	0	0	5004698	625587	733	150758	776345		
Jan-17	28-02-2017	2738184	0	0	0	2738184	342273	702	78995	421268			
Feb-17	28-03-2017	4014200	0	0	0	4014200	501775	674	111188	612963			

Name of the dealer	Year	Tax Period	Due date for payment of tax	Total Turnover (in ₹)	Exempt Sales (U/s 6) (in ₹)	CST Turnover (in ₹)	Inter-State sales against Declaration Forms (in ₹)	Taxable turnover (in ₹)	Tax due (in ₹)	Delay in payment of tax in days (till 31/01/2019)	Interest @12% pa calculated on daily basis U/s 44(2) till 31/01/2019 (in ₹)	Total Dues (in ₹)
		Mar-17	28-04-2017	2100690	0	0	0	2100690	262586	643	55510	318096
		Total		102101206	0	0	0	102101206	12762651		3506165	16268816
	2017-18	Apr-17	28-05-2017	8345470	0	0	0	8345470	1043184	613	210237	1253421
		May-17	28-06-2017	9994690	0	0	0	9994690	1249336	582	239051	1488387
		Jun-17	28-07-2017	12016531	0	0	0	12016531	1502066	552	272594	1774661
		Total		30356691	0	0	0	30356691	3794586		721883	4516469
	Grand Total			234378551	0	0	0	234378551	29297319	0	9325808	38623127
	Rounded off			23.44 crore	0	0	0	23.44 crore	2.93 crore	0	0.93 crore	3.86 crore

Appendix-5.2

(Reference: Paragraph 5.4.2)

Statement showing non-payment of due tax and penalty by a dealer

Tax Period	Due date for payment of VAT	Total Turnover (in ₹)	Exempt sales (U/S 6) (in ₹)	CST Turnover (Inter-State sales against Declaration Form-C U/S 7) (in ₹)	VAT Payable (in ₹)	Delay in payment of Tax till 30/09/2018(in days)	Interest ² @ 12% pa calculated on daily basis U/s 44(2) till 30/04/2018 (in ₹)	Total Dues (in ₹)
1	2	3	4	5	6	7	8	9
Oct-Dec 2015	28-01-16	4900050	2988339.80	1911710.00	373542.48	976	119861.08	493403.56
Jan-Mar 2016	28-04-16	3020684	2387183.50	633500.00	298397.94	885	86821.54	385219.47
Apr-June 2016	28-07-16	4855484	4545664.00	309820.00	568208.00	794	148325.64	716533.64
July-Sept 2016	28-10-16	6689404	6689403.60	0.00	836175.45	702	192984.71	1029160.16
Oct-Dec 2016	28-01-17	6221595	5135871.00	1085724.00	641983.88	610	128748.55	770732.42
Jan-Mar 2017	28-04-17	5207652	5046157.20	161495.00	630769.65	520	107835.69	738605.34
Apr-June 2017	28-07-17	3377517	3377516.60	0.00	422189.58	429	59546.08	481735.66
TOTAL		34272386.00	30170135.70	4102249.00	3771266.96		8,44,123.28	4615390.25
Rounded Off		3.43 crore	3.02 crore	0.41 crore	0.38 crore		0.08 crore	0.46 crore

² Interest=Payable VAT*No.of days/365 days

Appendix-5.3
(Reference: Paragraph 5.5)

Showing details of unauthorized lifting of IMFL by two wholesale Vends

Sl. No.	Permit No.	Name of Wholesale Vend	Class of IMFL	Quantity as per permit (in Cases)	Quantity actually lifted as per Excise Form-X (in Cases)	Excess quantity lifted (in Cases)	Rate of Excise duty per case (in ₹)	Short payment of duty (in ₹)	No. of transit pass issued (Form – X)	Details of transit pass issued
1	CHG/EX/WSV-155/17-18	M/s Elite Beverages, Miao	Premium Brand	1488	1648	160	302.40	48384.00	5	BSA/2017-18/561-565(E), P/154^c-165
			Classic Premium Brand	0	1	1	600.00	600.00		
			Wine	0	6	6	180.00	1080.00		
2	CHG/EX/WSV-147/17-18		Premium Brand	1322	3617	2295	302.40	694008.00	8	BSA/2017-18/539,547,551,553,,554,555,556 & 558 (E), P/136^c-153
			Classic Premium Brand	0	1	1	600.00	600.00		
3	CHG/EX/WSV-145/17-18		Premium Brand	992	1282	290	302.40	87696.00	2	BSA/2017-18/519&533(E), P/186-189
4	CHG/EX/WSV-135/17-18		Premium Brand	992	2464	1472	302.40	445132.80	5	BSA/2017-18/486,488 & 496(E),510(E),518(E) P/124^c-135
5	CHG/EX/WSV-114/17-18		Premium Brand	3306	16312	13006	302.40	3933014.40	32	BSA/2017-18/382,386,395-400,405,407,408,416,419,421,427,443,455,458,459,462,464,466-470,472,473,480 &485(E),439(E),406(E), P/60^c-123
			Classic Premium Brand	0	18	18	600.00	10800.00		
			Wine	0	32	32	180.00	5760.00		
6	CHG/EX/WSV-105/17-18	Premium Brand	3472	4271	799	302.40	241617.60	7	BSA/2017-18/303,306,328,332,335,345 &362(E), P/37^c-53	
		Classic Premium Brand	0	7	7	600.00	4200.00			
		Wine	0	20	20	180.00	3600.00			
		General Brand	0	200	200	135.00	27000.00			

Sl. No.	Permit No.	Name of Wholesale Vend	Class of IMFL	Quantity as per permit (in Cases)	Quantity actually lifted as per Excise Form-X (in Cases)	Excess quantity lifted (in Cases)	Rate of Excise duty per case (in ₹)	Short payment of duty (in ₹)	No. of transit pass issued (Form – X)	Details of transit pass issued
7	CHG/EX/WSV-084/18-19	M/s Changlang Beverages, Changlang	Premium Brand	992	1195	203	302.40	61387.20	2	BSA/2018-19/309E &306E, P/31 ^c -36
			Classic Premium Brand	0	11	11	600.00	6600.00		
			Wine	0	10	10	180.00	1800.00		
8	CHG/EX/WSV-071/18-19		Premium Brand	1322	2210	888	302.40	268531.20	3	BSA/2018-19/274 (E),278 (E), 279(E), P/23 ^c -30
9	CHG/EX/WSV-059/18-19		Premium Brand	1322	1464	142	302.40	42940.80	3	BSA/2018-19/224(E),231(E) 237(E), P/15 ^c -22
			Wine	0	10	10	180.00	1800.00		
10	CHG/EX/WSV-044/18-19		Premium Brand	1322	1945	623	302.40	188395.20	4	BSA/2018-19/175E,176E,189E &203E, P/176-185
			Classic Premium Brand	0	13	13	600.00	7800.00		
			Wine	0	10	10	180.00	1800.00		
11	CHG/EX/WSV-021/18-19		Premium Brand	992	1972	980	302.40	296352.00	3	BSA/2018-19/77(E),114(E),148(E), P/7 ^c -14
		Classic Premium Brand	0	2	2	600.00	1200.00			
		Wine	0	13	13	180.00	2340.00			
Total	Premium Brand		17522	38380	20858	302.40	6307459.20			
	Classic Premium Brand		0	53	53	600.00	31800.00			
	Wine		0	101	101	180.00	18180.00			
	General Brand		0	200	200	135.00	27000.00			
Total		17522	38734	21212		6384439.20	74			
Rounded Off		17522	38734	21212		63.84 lakh				

Appendix-5.4
(Reference: Paragraph 5.6)

Statement showing non-levy of penalty for non-filing of tax return

Superintendent of Tax, Zone-II, Itanagar							
SL. NO.	NAME OF THE FIRM	TIN	PERIOD	DUE DATE	NO. OF DAYS LATE (TILL 30/09/2018)	LATE FEE (in ₹)	YEAR
1	M/S Genesis	12170044170	Q4	28/4/17	MORE THAN 100 DAYS	10000	2016-17
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	20000	
2	M/S IT Solution	12170047103	Q1	28/07/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
3	M/S Bhai Bhai Store	12170003148	Q1	28/07/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
4	M/S Jankari Store	12170004158	Q1	28/07/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
5	M/S MM Enterprises	12170021134	Q4	28/4/17	MORE THAN 100 DAYS	10000	2016-17
			Q1	28/07/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	20000	
6	M/S Laxmi Electricals	12170024164	Q1	28/07/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
7	M/S Shree Ji Textiles	12170018104	Q1	28/07/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
8	M/S L.K. Engineering	12170286165	Q1	28/07/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
9	M/S Mangha Arms Corporation	12170288185	Q 1	28/07/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
10	M/S Engico Traders	12170203111	Q 1	28/07/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
11	M/S Vishal Trading Co.	12170127127	Q 1	28/07/17	MORE THAN 100 DAYS	10000	2017-18

Superintendent of Tax, Zone-II, Itanagar							
SL. NO.	NAME OF THE FIRM	TIN	PERIOD	DUE DATE	NO. OF DAYS LATE (TILL 30/09/2018)	LATE FEE (in ₹)	YEAR
					TOTAL	10000	
12	M/S Geetanjali	12170086105	Q 1	28/07/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
13	M/S Rajdhani Steel	12170333150	Q3	28/1/17	MORE THAN 100 DAYS	10000	2016--17
			Q4	28/4/17	MORE THAN 100 DAYS	10000	
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	30000	
14	M/S New Kamakhya Hardware	12170330120	Q 1	28/07/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
15	M/S OP Kandoi CO Pvt, Ltd.	12170326177	Q4	28/4/17	MORE THAN 100 DAYS	10000	2016-17
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	20000	
16	M/S J.G. Enterprises	12170324157	Q 1	28/07/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
17	M/S B.B. Enterprises	12170313144	Q 1	28/07/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
18	M/S Quippo Telecom Infrastructure Limited	12170353156	Q3	28/1/17	MORE THAN 100 DAYS	10000	2016--17
			Q4	28/4/17	MORE THAN 100 DAYS	10000	
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	30000	
19	M/S Deed Infosys	12170349116	Q 1	28/07/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
20	M/S Shara Drug House	12170341133	Q 1	28/07/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
21	M/S Sri Steel	12170332140	Q1	28/7/14	MORE THAN 100 DAYS	10000	2014-15
			Q2	28/10/14	MORE THAN 100 DAYS	10000	

Superintendent of Tax, Zone-II, Itanagar								
SL. NO.	NAME OF THE FIRM	TIN	PERIOD	DUE DATE	NO. OF DAYS LATE (TILL 30/09/2018)	LATE FEE (in ₹)	YEAR	
			Q3	28/1/15	MORE THAN 100 DAYS	10000	2015-16	
			Q4	28/4/15	MORE THAN 100 DAYS	10000		
			Q1	28/7/15	MORE THAN 100 DAYS	10000		
			Q2	28/10/15	MORE THAN 100 DAYS	10000		
			Q3	28/1/16	MORE THAN 100 DAYS	10000		
			Q4	28/4/16	MORE THAN 100 DAYS	10000		
			2016-17	Q1	28/7/16	MORE THAN 100 DAYS	10000	
				Q2	28/10/16	MORE THAN 100 DAYS	10000	
				Q3	28/1/17	MORE THAN 100 DAYS	10000	
				Q4	28/4/17	MORE THAN 100 DAYS	10000	
			2017-18	Q1	28/7/17	MORE THAN 100 DAYS	10000	
								TOTAL
22	M/S Kenge Construction Co	12170379125	Q 1	28/07/17	MORE THAN 100 DAYS	10000	2017-18	
					TOTAL	10000		
23	Athena Demwe Power Limited	12170361139	Q 1	28/07/17	MORE THAN 100 DAYS	10000	2017-18	
					TOTAL	10000		
24	M/S Shyam Pharmaceutical	12170268179	Q3	28/1/17	MORE THAN 100 DAYS	10000	2016-17	
			Q4	28/4/17	MORE THAN 100 DAYS	10000		
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18	
								TOTAL
25	M/S Deepak Traders	12170112171	Q 1	28/07/17	MORE THAN 100 DAYS	10000	2017-18	
								TOTAL
26	M/S YakumEngterprises	12170174112	Q4	28/4/17	MORE THAN 100 DAYS	10000	2016-17	
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18	
								TOTAL
27	M/S Maa Medical Hall	12170254136	Q3	28/1/17	MORE THAN 100 DAYS	10000	2016-17	
			Q4	28/4/17	MORE THAN 100 DAYS	10000		

Superintendent of Tax, Zone-II, Itanagar							
SL. NO.	NAME OF THE FIRM	TIN	PERIOD	DUE DATE	NO. OF DAYS LATE (TILL 30/09/2018)	LATE FEE (in ₹)	YEAR
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	30000	
28	M/S B.T. Workshop	12170405191	Q 1	28/07/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
29	M/S North East Enterprises	12170393168	Q 1	28/07/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
30	M/S S.N. Enterprises	12170389128	Q4	28/4/17	MORE THAN 100 DAYS	10000	2016-17
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	20000	
31	M/S Kabak Hardware Centre	12170387108	M 9	28/1/17	MORE THAN 100 DAYS	10000	2016-17
			M10	28/2/17	MORE THAN 100 DAYS	10000	
			M 11	28/3/17	MORE THAN 100 DAYS	10000	
			M 12	28/4/17	MORE THAN 100 DAYS	10000	
			M 1	28/5/17	MORE THAN 100 DAYS	10000	2017-18
			M 2	28/6/17	MORE THAN 100 DAYS	10000	
			M 3	28/7/17	MORE THAN 100 DAYS	10000	
					TOTAL	70000	
32	M/S GTL Infrastgtructure	12170613137	Q1	28/7/16	MORE THAN 100 DAYS	10000	2016-17
			Q2	28/10/16	MORE THAN 100 DAYS	10000	
			Q3	28/1/17	MORE THAN 100 DAYS	10000	
			Q4	28/4/17	MORE THAN 100 DAYS	10000	
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	50000	
33	HEEMA MULTI SPECIALITY	12170225137	Q3	28/1/17	MORE THAN 100 DAYS	10000	2016-17
			Q4	28/4/17	MORE THAN 100 DAYS	10000	
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	30000	

Superintendent of Tax, Zone-II, Itanagar							
SL. NO.	NAME OF THE FIRM	TIN	PERIOD	DUE DATE	NO. OF DAYS LATE (TILL 30/09/2018)	LATE FEE (in ₹)	YEAR
34	M/s Lod Drug House	12170437123	Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
35	B B ENTERPRISES	12170313144	Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
36	LIFE CARE	12170061146	M 1	28/5/17	MORE THAN 100 DAYS	10000	2017-18
			M 2	28/6/17	MORE THAN 100 DAYS	10000	
			M 3	28/7/17	MORE THAN 100 DAYS	10000	
					TOTAL	30000	
37	ATC TELECOM INFRASTRUCTURE	12170298188	Q3	28/1/17	MORE THAN 100 DAYS	10000	2016-17
			Q4	28/4/17	MORE THAN 100 DAYS	10000	
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	30000	
38	VIJAY NIRMAN COMPANY PRIVATE	12170890191	M 1	28/5/17	MORE THAN 100 DAYS	10000	2017-18
			M 2	28/6/17	MORE THAN 100 DAYS	10000	
			M 3	28/7/17	MORE THAN 100 DAYS	10000	
					TOTAL	30000	
39	M/s S.R.K. Construction Pvt. Ltd	12170611117	M 9	28/1/17	MORE THAN 100 DAYS	10000	2016-17
			M 10	28/2/17	MORE THAN 100 DAYS	10000	
			M 11	28/3/17	MORE THAN 100 DAYS	10000	
			M 12	28/4/17	MORE THAN 100 DAYS	10000	
			M 1	28/5/17	MORE THAN 100 DAYS	10000	2017-18
			M 2	28/6/17	MORE THAN 100 DAYS	10000	
			M 3	28/7/17	MORE THAN 100 DAYS	10000	
					TOTAL	70000	
40	M/s ShivamTranscon Private Limited	12171336189	M 7	28/11/16	MORE THAN 100 DAYS	10000	2016-17
			M 8	28/12/16	MORE THAN 100 DAYS	10000	

Superintendent of Tax, Zone-II, Itanagar							
SL. NO.	NAME OF THE FIRM	TIN	PERIOD	DUE DATE	NO. OF DAYS LATE (TILL 30/09/2018)	LATE FEE (in ₹)	YEAR
			M 9	28/1/17	MORE THAN 100 DAYS	10000	2017-18
			M 10	28/2/17	MORE THAN 100 DAYS	10000	
			M 11	28/3/17	MORE THAN 100 DAYS	10000	
			M 12	28/4/17	MORE THAN 100 DAYS	10000	
			M 1	28/5/17	MORE THAN 100 DAYS	10000	
			M 2	28/6/17	MORE THAN 100 DAYS	10000	
			M 3	28/7/17	MORE THAN 100 DAYS	10000	
					TOTAL		
41	M/s Buru Enterprises	12170186135	Q 1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
42	M/s Huma Enterprises and Consultants Pvt. Ltd.	12170212104	Q 3	28/1/16	MORE THAN 100 DAYS	10000	2015-16
			Q 4	28/4/16	MORE THAN 100 DAYS	10000	
			Q1	28/7/16	MORE THAN 100 DAYS	10000	2016-17
			Q2	28/10/16	MORE THAN 100 DAYS	10000	
			Q3	28/1/17	MORE THAN 100 DAYS	10000	
			Q4	28/4/17	MORE THAN 100 DAYS	10000	
			Q 1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL		70000
Total (A)						1050000	

Superintendent of Tax, Roing							
SL. NO.	NAME OF THE FIRM	TIN	PERIOD	DUE DATE	NO. OF DAYS LATE (TILL 30/09/2018)	LATE FEE (in ₹)	YEAR
1	M/s Roing Auto Agency	12140004179	Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
2	M/s Sanjavini Drugs	12140138161	Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	

Superintendent of Tax, Roing							
SL. NO.	NAME OF THE FIRM	TIN	PERIOD	DUE DATE	NO. OF DAYS LATE (TILL 30/09/2018)	LATE FEE (in ₹)	YEAR
3	M/s Pulu Pharmacy	12140044191	Q3	28/1/17	MORE THAN 100 DAYS	10000	2016-17
			Q4	28/4/17	MORE THAN 100 DAYS	10000	
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	30000	
4	M/s MM Drugs	12140136141	Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
5	M/s Canteen	12140153117	Q4	28/4/17	MORE THAN 100 DAYS	10000	2016-17
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	20000	
6	M/s CM Motors	12140130178	Q3	28/1/17	MORE THAN 100 DAYS	10000	2016-17
			Q4	28/4/17	MORE THAN 100 DAYS	10000	
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	30000	
7	M/s BhamotiLinggi Stores	12140143114	Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
8	M/s Bio Friend Plus	12140080162	Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
9	M/s Ovid Mepo	12140066121	Q4	28/4/17	MORE THAN 100 DAYS	10000	2016-17
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	20000	
10	M/s KB Enterprises	12140118155	Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
11	M/s Risha Drugs	12140160187	Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
12	M/s Builders Association	12140056117	Q4	28/4/17	MORE THAN 100 DAYS	10000	2016-17
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18

Superintendent of Tax, Roing							
SL. NO.	NAME OF THE FIRM	TIN	PERIOD	DUE DATE	NO. OF DAYS LATE (TILL 30/09/2018)	LATE FEE (in ₹)	YEAR
					TOTAL	20000	
13	M/s K L Enterprises	12140069150	Q3	28/1/14	MORE THAN 100 DAYS	10000	2013-14
			Q4	28/4/14	MORE THAN 100 DAYS	10000	
			Q1	28/7/14	MORE THAN 100 DAYS	10000	2014-15
			Q2	28/10/14	MORE THAN 100 DAYS	10000	
			Q3	28/1/15	MORE THAN 100 DAYS	10000	
			Q4	28/4/15	MORE THAN 100 DAYS	10000	
			Q1	28/7/15	MORE THAN 100 DAYS	10000	2015-16
			Q2	28/10/15	MORE THAN 100 DAYS	10000	
			Q3	28/1/16	MORE THAN 100 DAYS	10000	
			Q4	28/4/16	MORE THAN 100 DAYS	10000	
			Q1	28/7/16	MORE THAN 100 DAYS	10000	2016-17
			Q2	28/10/16	MORE THAN 100 DAYS	10000	
			Q3	28/1/17	MORE THAN 100 DAYS	10000	
			Q4	28/4/17	MORE THAN 100 DAYS	10000	
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
14	M/s KoojeJanggo Enterprises	12140052174	Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
						TOTAL	10000
15	M/s Bruwu Watch & Electronics	12140133111	Q2	28/10/16	MORE THAN 100 DAYS	10000	2016-17
			Q3	28/1/17	MORE THAN 100 DAYS	10000	
			Q4	28/4/17	MORE THAN 100 DAYS	10000	
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
						TOTAL	40000
16	M/s Rukmini Traders	12140015192	Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
						TOTAL	10000

Superintendent of Tax, Roing							
SL. NO.	NAME OF THE FIRM	TIN	PERIOD	DUE DATE	NO. OF DAYS LATE (TILL 30/09/2018)	LATE FEE (in ₹)	YEAR
17	M/s RR Projects	12140111182	Q4	28/4/17	MORE THAN 100 DAYS	10000	2016-17
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	20000	
18	M/s Agarwal Hardware	12140159177	Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
19	M/s Lohit Tea Pvt. Ltd.	12140047124	M1	28/5/17	MORE THAN 100 DAYS	10000	2017-18
			M2	28/6/17	MORE THAN 100 DAYS	10000	
			M3	28/7/17	MORE THAN 100 DAYS	10000	
					TOTAL	30000	
20	M/s Tayeng Auto Mobiles	12140081173	Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
21	M/s Minghki Enterprises	12140109162	Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
22	M/s TP Traders	12140024185	Q4	28/4/17	MORE THAN 100 DAYS	10000	2016-17
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	20000	
23	M/s DambukIndaneGraminVetarak	12140184136	Q1	28/7/16	MORE THAN 100 DAYS	10000	2016-17
			Q2	28/10/16	MORE THAN 100 DAYS	10000	
			Q3	28/1/17	MORE THAN 100 DAYS	10000	
			Q4	28/4/17	MORE THAN 100 DAYS	10000	
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	50000	
24	M/s MR Agency	12140099159	Q1	28/7/16	MORE THAN 100 DAYS	10000	2016-17
			Q2	28/10/16	MORE THAN 100 DAYS	10000	
			Q3	28/1/17	MORE THAN 100 DAYS	10000	
			Q4	28/4/17	MORE THAN 100 DAYS	10000	

Superintendent of Tax, Roing							
SL. NO.	NAME OF THE FIRM	TIN	PERIOD	DUE DATE	NO. OF DAYS LATE (TILL 30/09/2018)	LATE FEE (in ₹)	YEAR
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	50000	
25	M/s L Mech agency	12140142104	Q2	28/10/16	MORE THAN 100 DAYS	10000	2016-17
			Q3	28/1/17	MORE THAN 100 DAYS	10000	
			Q4	28/4/17	MORE THAN 100 DAYS	10000	
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	40000	
26	M/s Ushi Enterprises	12140157157	Q1	28/7/16	MORE THAN 100 DAYS	10000	2016-17
			Q2	28/10/16	MORE THAN 100 DAYS	10000	
			Q3	28/1/17	MORE THAN 100 DAYS	10000	
			Q4	28/4/17	MORE THAN 100 DAYS	10000	
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	50000	
27	M/s Mihi Enterprises	12140177163	Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	10000	
28	M/s Bruwu Electronics	12140153117	Q4	28/4/17	MORE THAN 100 DAYS	10000	2016-17
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	20000	
29	M/s BruwuJewellers	12140145134	Q2	28/10/16	MORE THAN 100 DAYS	10000	2016-17
			Q3	28/1/17	MORE THAN 100 DAYS	10000	
			Q4	28/4/17	MORE THAN 100 DAYS	10000	
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	40000	
30	M/s Bruwu Styles	12140146144	Q4	28/4/17	MORE THAN 100 DAYS	10000	2016-17
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL	20000	

Superintendent of Tax, Roing							
SL. NO.	NAME OF THE FIRM	TIN	PERIOD	DUE DATE	NO. OF DAYS LATE (TILL 30/09/2018)	LATE FEE (in ₹)	YEAR
31	M/s Bruwu Gift Centre	12140148164	Q2	28/10/16	MORE THAN 100 DAYS	10000	2016-17
			Q3	28/1/17	MORE THAN 100 DAYS	10000	
			Q4	28/4/17	MORE THAN 100 DAYS	10000	
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL		40000
32	M/s Linggi Lego Restaurant	12140132101	Q3	28/1/17	MORE THAN 100 DAYS	10000	2016-17
			Q4	28/4/17	MORE THAN 100 DAYS	10000	
			Q1	28/7/17	MORE THAN 100 DAYS	10000	2017-18
					TOTAL		30000
Total (B)						850000	
Grand Total (A + B)						1900000	

Appendix-5.5
(Reference: Paragraph 5.10)

Statement Showing short-realisation of composite fee due to issue of temporary permits to owners of 146 Commercial vehicles

(In ₹)

Sl. No.	Vehicle No	Name of owner	Type of vehicle	Permit No	Period of permit		No of years	Composite Fee payable for truck @ ₹ 5000 p.a.	Permit Fee payable @ ₹ 300 p.a.	Total Amount Payable	Amount Realised @ ₹ 2300 p.a.	Short-realisation
					From	To						
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i) = (h) X ₹ 5000	(j) = (h) X ₹ 300	(k) = (i)+(j)	(l) = (h) X ₹ 2300	(m) = (k)-(l)
1	AR-01/F-1138	Sri Takam Dui, Naharlagun	Truck	P/Tem/AP/515/01/2015	05/01/2015	03/01/2017	2	10000	600	10600	4600	6000
2	AR-01/G-1833	Sri Takap Sorang, Itanagar	Pick-uptruck	P/Tem/AP/516/01/2015	05/01/2015	03/01/2017	2	10000	600	10600	4600	6000
3	AR-01/G-2814	Sri Laster Kena, Naharlagun	Truck	P/Tem/AP/519/01/2015	05/01/2015	02/01/2018	3	15000	900	15900	6900	9000
4	AR-01/F-5533	Smt. MilloSobita, Ziro	Pick-uptruck	P/Tem/AP/523/01/2015	05/01/2015	03/01/2017	2	10000	600	10600	4600	6000
5	AR-02/3223	Mr. Thaneswar Daimari, Barpeta, Assam	Pick-uptruck	P/Tem/AP/531/01/2015	15/01/2015	12/01/2018	3	15000	900	15900	6900	9000
6	AR-01/G-1937	Mr. TokoTado	T/Mobile	P/Tem/AP/533/01/2015	15/01/2015	13/01/2017	2	10000	600	10600	4600	6000
7	AS-12/AC-1986	Sri Sanjay Kr. Jaiswal, Tawang	Truck	P/Tem/AP/534/01/2015	15/01/2015	13/01/2017	2	10000	600	10600	4600	6000
8	AS-07/C-7896	Md. Abdul Rahim, Lakhimpur, Assam	Pick-uptruck	P/Tem/AP/536/01/2015	15/01/2015	12/01/2018	3	15000	900	15900	6900	9000
9	AS-07/C-7781	Mr. Ramavatar Mahato, Dhemaji	Truck	P/Tem/AP/537/01/2015	15/01/2015	13/01/2017	2	10000	600	10600	4600	6000
10	AS-01/J-7961	M/s Arunachal Road Service, Naharlagun	Truck	P/Tem/AP/538/01/15	15/01/2015	13/01/2017	2	10000	600	10600	4600	6000
11	AS-01/DD-4081	M/s Arunachal Road Service, Naharlagun	Truck	P/Tem/AP/539/1/15	15/01/2015	12/01/2019	4	20000	1200	21200	9200	12000
12	AS-01/CC-3931	M/s Arunachal Road Service, Naharlagun	Truck	P/Tem/AP/541/1/2015	15/01/2015	13/01/2017	2	10000	600	10600	4600	6000

Sl. No.	Vehicle No	Name of owner	Type of vehicle	Permit No	Period of permit		No of years	Composite Fee payable for truck @ ₹ 5000 p.a.	Permit Fee payable @ ₹ 300 p.a.	Total Amount Payable	Amount Realised @ ₹ 2300 p.a.	Short-realisation
					From	To						
13	AS-01/DD-4491	M/s Arunachal Road Service, Naharlagun	Truck	P/Tem/AP/542/01/2015	15/01/2015	12/01/2019	4	20000	1200	21200	9200	12000
14	AS-01/DD-4761	M/s Arunachal Road Service, Naharlagun	Truck	P/Tem/AP/543/01/2015	15/01/2015	13/01/2017	2	10000	600	10600	4600	6000
15	AR-01/F-3614	Mr. Langkung Marik, Itanagar	Truck	P/Tem/AP/544/01/2015	15/01/2015	13/01/2017	2	10000	600	10600	4600	6000
16	AS-07/C-7347	MD. Hazarat Ali, Lakhimpur, Assam	Pick-up truck	P/Tem/AP/549/1/2015	28/01/2015	25/01/2018	3	15000	900	15900	6900	9000
17	AR-01/G-1720	M/s AK & B Associates, Naharlagun	Tipper	P/Tem/AP/556/01/15	28/01/2015	21/02/2019	4	20000	1200	21200	9200	12000
18	AR-01/G-1967	Mr. Likha Tania, Kimin	Tipper	P/Tem/AP/557/01/2015	28/01/2015	09/04/2019	4	20000	1200	21200	9200	12000
19	AR-01/G-1961	Sri Hibu Ape, Kimin	Pick-up truck	P/Tem/AP/566/2/2015	03/02/2015	01/02/2017	2	10000	600	10600	4600	6000
20	AR-01/G-1963	Sri Nabam Taya, Sagalee	Pick-up truck	P/Tem/AP/567/2/2015	03/02/2015	29/05/2018	3	15000	900	15900	6900	9000
+21	AS-07/C-7437	Sri Napoleon Buragohain, North Lakhimpur, Assa	Tipper	P/Tem/AP/571/2/2015	03/02/2015	01/02/2017	2	10000	600	10600	4600	6000
22	AR-02/3342	Sri Nabam Tullon, Nirjuli	Oil Tanker	P/Tem/AP/572/2/2015	03/02/2015	31/01/2019	4	20000	1200	21200	9200	12000
23	AR-02/3323	Sri Nabam Tullon, Nirjuli	Oil Tanker	P/Tem/AP/573/2/2015	03/02/2015	31/01/2019	4	20000	1200	21200	9200	12000
24	AR-01/H-2662	Mrs. Gumngam Doke, Likabali	Pick-up truck	P/Tem/AP/575/2/15	04/02/2015	02/02/2017	2	10000	600	10600	4600	6000
25	AR-01/H-2660	Mr. Likha Sera, Nirjuli	Tipper	P/Tem/AP/577/2/2015	04/02/2015	02/02/2019	4	20000	1200	21200	9200	12000
26	AR-01/F-0564	Sri Hari Shankar Ray, Papum pare	Truck	P/Tem/AP/585/02/2015	09/02/2015	06/02/2015	3	15000	900	15900	6900	9000
27	AR-01/G-2067	M/s. Lamba Enterprises, Sagalee	Tipper	P/Tem/AP/590/2/2015	16/02/2015	15/02/2016	1	5000	300	5300	2300	3000

Sl. No.	Vehicle No	Name of owner	Type of vehicle	Permit No	Period of permit		No of years	Composite Fee payable for truck @ ₹ 5000 p.a.	Permit Fee payable @ ₹ 300 p.a.	Total Amount Payable	Amount Realised @ ₹ 2300 p.a.	Short-realisation
					From	To						
28	AR-01/B-0973	Sri Neelam Taller, Itanagar	T/Mobile	P/Tem/AP/591/2/15	19/07/2015	18/07/2017	2	10000	600	10600	4600	6000
29	AS-07/C-8131	Sri Shambhu Sharan Pandey, Banderdewa, Assam	Truck	P/Tem/AP/592/2/2015	16/02/2015	13/02/2018	3	15000	900	15900	6900	9000
30	AS-07/C-7905	Jamir Sheikh, Naharlagun	Pick-uptruck	P/Tem/AP/593/2/2015	16/02/2015	28/12/2017	2	10000	600	10600	4600	6000
31	AS-12/AC-2421	Sri Ram Kr. Mahato, Banderdewa, Papumpare	Truck	P/Tem/AP/595/2/2015	16/02/2015	14/02/2017	2	10000	600	10600	4600	6000
32	AS-07/C-8141	Sri ShambhuSharan Pandey, Banderdewa, Assam	Tipper	P/Tem/AP/596/2/2015	16/02/2015	12/05/2019	4	20000	1200	21200	9200	12000
33	AS-06/AC-1751	M/s. Bholanath Carrier, Dibrugarh	Oil Tanker	P/Tem/AP/597/2/2015	16/02/2015	13/02/2018	3	15000	900	15900	6900	9000
34	AS-06/AC-0891	M/s. Bholanath Carrier, Dibrugarh	Oil Tanker	P/Tem/AP/598/2/2015	16/02/2015	14/02/2017	2	10000	600	10600	4600	6000
35	AS-01/EC-1761	Indra Singh Dhayal, Guwahati, Assam	Truck	P/Tem/AP/601/2/2015	16/02/2015	13/02/2018	3	15000	900	15900	6900	9000
36	AR-01/H-2685	Sri Yomluk Tamum, Tirbin	Pick-up truck	P/Tem/AP/603/2/2015	16/02/2015	13/02/2018	3	15000	900	15900	6900	9000
37	AR-01/H-2675	Sri TabaMiju, Naharlagun	Pick-uptruck	P/Tem/AP/604/2/2015	16/02/2015	26/06/2019	4	20000	1200	21200	9200	12000
38	AR-01/G-2066	Sri Taba Sera, Doimukh	Tipper	P/Tem/AP/605/2/2015	16/02/2015	14/02/2020	4	20000	1200	21200	9200	12000
39	AR-01/G-2063	Sri Taba Sera, Doimukh	Pick-up truck	P/Tem/AP/606/2/2015	16/02/2015	14/02/2020	4	20000	1200	21200	9200	12000
40	AR-01/H-2714	Sri Gopal Thapa, Silapathar, Assam	Pick-uptruck	P/Tem/AP/612/2/2015	16/02/2015	11/02/2020	5	25000	1500	26500	11500	15000
41	AR-02/3107	NCC Ltd., NitiVihar, Itanagar	Truck	P/Tem/AP/621/2/2015	24/02/2015	21/02/2018	3	15000	900	15900	6900	9000

Sl. No.	Vehicle No	Name of owner	Type of vehicle	Permit No	Period of permit		No of years	Composite Fee payable for truck @ ₹ 5000 p.a.	Permit Fee payable @ ₹ 300 p.a.	Total Amount Payable	Amount Realised @ ₹ 2300 p.a.	Short-realisation
					From	To						
42	AR-02/3171	NCC Ltd., NitiVihar, Itanagar	W/Tanker	P/Tem/AP/622/2/2015	24/02/2015	21/02/2018	3	15000	900	15900	6900	9000
43	AR-02/3168	NCC Ltd., NitiVihar, Itanagar	Tipper	P/Tem/AP/623/2/2015	24/02/2015	21/02/2018	3	15000	900	15900	6900	9000
44	AR-02/3169	NCC Ltd., NitiVihar, Itanagar	Mixer Transit	P/Tem/AP/624/2/2015	24/02/2015	21/02/2018	3	15000	900	15900	6900	9000
45	AR-02/3106	NCC Ltd., NitiVihar, Itanagar	Tipper	P/Tem/AP/625/2/15	24/02/2015	21/02/2018	3	15000	900	15900	6900	9000
46	AS-07/C-3567	Sri Rahul Roy, Lakhimpur, Assam	Truck	P/Tem/AP/629/2/2015	27/02/2015	25/02/2017	2	10000	600	10600	4600	6000
47	AS-07/C-5017	Sri Panchulal Rai, Lakhimpur, Assam	Truck	P/Tem/AP/632/2/2015	27/02/2015	25/02/2017	2	10000	600	10600	4600	6000
48	AR-02/3445	Md. Nausad Ali, Naharlagun	Pick-up truck	P/Tem/AP/633/2/2015	27/02/2015	24/02/2020	5	25000	1500	26500	11500	15000
49	AR-01/F-2125	M/s. Nabam Tullon, Nirjuli	Tipper	P/Tem/AP/634/2/2015	27/02/2015	23/02/2019	4	20000	1200	21200	9200	12000
50	AR-01/H-2501	Sri Tayo Tallon, Naharlagun	Truck	P/Tem/AP/607/2/2015	16/02/2015	13/02/2020	5	25000	1500	26500	11500	15000
51	AR-01/H-2511	Sri Tayo Tallon, Naharlagun	Dumper	P/Tem/AP/608/2/2015	16/02/2015	13/02/2020	5	25000	1500	26500	11500	15000
52	AR-01/H-2491	Sri Tayo Tallon, Naharlagun	Dumper	P/Tem/AP/609/2/2015	16/02/2015	13/02/2020	5	25000	1500	26500	11500	15000
53	AR-01/H-2481	Sri Tayo Tallon, Naharlagun	Dumper	P/Tem/AP/610/2/2015	16/02/2015	13/02/2020	5	25000	1500	26500	11500	15000
54	AR-01/H-2521	Sri Tayo Tallon, Naharlagun	Dumper	P/Tem/AP/611/2/2015	16/02/2015	13/02/2020	5	25000	1500	26500	11500	15000
55	AR-01/H-1568	Sri Mon Bahadur Chetry, Jonai, Assam	Pick-uptruck	P/Tem/AP/642/3/2015	12/03/2015	08/03/2019	4	20000	1200	21200	9200	12000
56	AR-06/6801	Sri Indra Bahadur Chetry, Naharlagun	T/Mobile	P/Tem/AP/643/3/2015	12/03/2015	07/03/2020	5	25000	1500	26500	11500	15000

Sl. No.	Vehicle No	Name of owner	Type of vehicle	Permit No	Period of permit		No of years	Composite Fee payable for truck @ ₹ 5000 p.a.	Permit Fee payable @ ₹ 300 p.a.	Total Amount Payable	Amount Realised @ ₹ 2300 p.a.	Short-realisation
					From	To						
57	AS-01/P-4579	Sri Jagmal Singh, Naharlagun	Truck	P/Tem/AP/885/8/2015	02/09/2015	29/08/2018	3	15000	900	15900	6900	9000
58	AR-01/E-2477	Sri Lichi Yamen, Papumpare	Truck	P/Tem/AP/889/9/2015	02/09/2015	31/08/2017	2	10000	600	10600	4600	6000
59	AR-01/F-4997	Mrs. TanaYahi, Sagali	Truck	P/Tem/AP/900/9/2015	15/09/2015	12/09/2018	3	15000	900	15900	6900	9000
60	AR-01/H-5393	Sri Nabam Kame, Sagalee	Pick-uptruck	P/Tem/AP/901/9/2015	14/12/2015	13/12/2018	3	15000	900	15900	6900	9000
61	AR-01/H-4169	Sri Pisa Medum, Naharlagun	Truck	P/Tem/AP/903/9/2015	24/11/2015	22/11/2017	2	10000	600	10600	4600	6000
62	AR-01/H-4855	SmtAnirapoma, Itanagar	Pick-up truck	P/Tem/AP/904/9/2015	14/09/2015	11/09/2018	3	15000	900	15900	6900	9000
63	AR-01/E-6154	Sri NyaiRagi, Barapani	Tipper	P/Tem/AP/905/9/2015	05/11/2015	03/11/2017	2	10000	600	10600	4600	6000
64	AR-01/G-2579	SmtLarngam Kamduk, Chandan Nagar	T/Xenon	P/Tem/AP/906/9/2015	14/09/2015	12/09/2017	2	10000	600	10600	4600	6000
65	AS-07/C-78750	Sri Abdul Molin, Lakhimpur	Pick-up truck	P/Tem/AP/914/9/2015	16/09/2015	13/09/2018	3	15000	900	15900	6900	9000
66	AS-23/BC-4377	Sri Rajesh Kumar, Tinsukia	Truck	P/Tem/AP/915/9/2015	16/09/2015	14/09/2017	2	10000	600	10600	4600	6000
67	AS-23/AC-2321	Sri Rana Majumdar, Duliajan	Oil Tanker	P/Tem/A.P/916/9/2015	16/09/2015	14/09/2017	2	10000	600	10600	4600	6000
68	AR-02/3983	SmtKabak Mete, Itanagar	Pick-up truck	P/Tem/A.P/919/9/2015	21/09/2015	18/09/2018	3	15000	900	15900	6900	9000
69	AR-01/H-5096	Sri Rojum Tayeng, Mebo	Tipper	P/Tem/A.P/923/9/2015	21/09/2015	19/09/2016	2	10000	600	10600	4600	6000
70	AR-01/H-5246	Sri KarkaGadi, Itanagar	Pick-up truck	P/Tem/A.P/924/9/2015	18/11/2015	16/11/2017	2	10000	600	10600	4600	6000
71	AR-01/H-6264	SmtYating Byaling, Naharlagun	Truck	P/Tem/A.P/925/9/2015	21/09/2015	18/09/2018	3	15000	900	15900	6900	9000
72	AR-01/H-1922	M/s Potin Organic Tea,	Pick-up truck	P/Tem/A.P/759/05/2015	08/05/2015	05/05/2018	3	15000	900	15900	6900	9000
73	AR-01/G-2302	Sri Tagin Taluk, Seijosa	Pick-up truck	P/Tem/A.P/761/05/2015	08/05/2015	06/07/2017	2	10000	600	10600	4600	6000

Sl. No.	Vehicle No	Name of owner	Type of vehicle	Permit No	Period of permit		No of years	Composite Fee payable for truck @ ₹ 5000 p.a.	Permit Fee payable @ ₹ 300 p.a.	Total Amount Payable	Amount Realised @ ₹ 2300 p.a.	Short-realisation
					From	To						
74	AS-12/E-4979	Md. Mohammad Mustakin, Rangapara	Truck	P/Tem/A.P/771/05/2015	12/05/2015	09/05/2018	3	15000	900	15900	6900	9000
75	AS-12/E-3338	Shri Dinesh Jaishwal, Rangapara	Truck	P/Tem/A.P/772/05/2015	12/05/2015	08/05/2019	4	20000	1200	21200	9200	12000
76	AS-12/E-4978	Smt. Lanmi Devi, Rangapara	Truck	P/Tem/A.P/773/05/2015	12/05/2015	09/05/2019	4	20000	1200	21200	9200	12000
77	AR-01/G-2328	Sri TabaTarin, Naharlagun	Pick-up truck	P/Tem/A.P/776/05/2015	12/05/2015	09/05/2018	3	15000	900	15900	6900	9000
78	AS-22/C-3349	Sri Mukund Yadav, Mechuka	Truck	P/Tem/A.P/782/05/2015	12/05/2015	08/05/2019	4	20000	1200	21200	9200	12000
79	AS-07/C-4361	Sri deepak Kr. Gupta, Lakhimpur	Truck	P/Tem/A.P/783/05/2015	12/05/2015	08/05/2019	4	20000	1200	21200	9200	12000
80	AR-09/B-0557	Sri Tangor Tapak, Pasighat	Truck	P/Tem/A.P/791/05/2015	19/05/2015	15/05/2019	4	20000	1200	21200	9200	12000
81	AR-01/H-3911	Sri Nabam Tullon, Nirjuli	Transit Mixer	P/Tem/A.P/795/05/2015	19/05/2015	15/05/2019	4	20000	1200	21200	9200	12000
82	AR-01/H-3910	Sri Nabam Tullon, Nirjuli	Transit Mixer	P/Tem/A.P/798/05/2015	19/05/2015	16/05/2018	3	15000	900	15900	6900	9000
83	AR-01/H-3912	Sri Nabam Tullon, Nirjuli	Transit Mixer	P/Tem/A.P/799/05/2015	19/05/2015	16/05/2018	3	15000	900	15900	6900	9000
84	AR-01/H-3913	Sri NabamTullon, Nirjuli	Transit Mixer	P/Tem/A.P/800/05/2015	19/05/2015	16/05/2018	3	15000	900	15900	6900	9000
85	AS-01/BC-1468	Sri Kalu Sonar, Guwahati	Truck	P/Tem/A.P/801/05/2015	19/05/2015	17/05/2017	2	10000	600	10600	4600	6000
86	AS-07/C-7961	Sri Rap Narayan Bhagat, Lakhimpur	Oil Tanker	P/Tem/A.P/802/05/2015	19/05/2015	16/05/2018	3	15000	900	15900	6900	9000
87	AS-01/EC-4744	Sri Ram Kripal Singh, Guwahati	Oil Tanker	P/Tem/A.P/820/05/2015	28/05/2015	30/03/2018	3	15000	900	15900	6900	9000
88	AS-01/EC-4749	Sri Vidya Sagar, Duliajan	Oil Tanker	P/Tem/A.P/821/05/2015	28/05/2015	30/03/2018	3	15000	900	15900	6900	9000
89	AS-01/EC-4748	Sri Bholanath Chetri, Ghy	Oil Tanker	P/Tem/A.P/822/05/2015	28/05/2015	30/03/2018	3	15000	900	15900	6900	9000
90	AS-01/EC-4746	Sri Bholanath Chetri, Ghy	Oil Tanker	P/Tem/A.P/823/05/2015	28/05/2015	30/03/2018	3	15000	900	15900	6900	9000

Sl. No.	Vehicle No	Name of owner	Type of vehicle	Permit No	Period of permit		No of years	Composite Fee payable for truck @ ₹ 5000 p.a.	Permit Fee payable @ ₹ 300 p.a.	Total Amount Payable	Amount Realised @ ₹ 2300 p.a.	Short-realisation
					From	To						
91	AS-01/EC-4745	Sri Amardeep Singh, Guwahati	Oil Tanker	P/Tem/A.P/824/05/2015	28/05/2015	30/03/2018	3	15000	900	15900	6900	9000
92	AS-07/C-8636	Sri Jagat Deori, Lakhimpur	Pick-up truck	P/Tem/A.P/825/05/2015	28/05/2015	16/11/2017	2	10000	600	10600	4600	6000
93	AR-01/G-2376	Sri Chipu Tei, Doimukh	Pick-up truck	P/Tem/A.P/811/05/2015	01/06/2015	31/05/2017	2	10000	600	10600	4600	6000
94	AR-01/H-4006	Sri Nabam Tame, Sagalee	Pick-up truck	P/Tem/A.P/812/05/2015	01/06/2015	28/05/2019	4	20000	1200	21200	9200	12000
95	AR-01/H-3186	Sri Taso Saram, Itanagar	Bolero Camper	P/Tem/A.P/708/04/2015	16/04/2015	15/04/2017	2	10000	600	10600	4600	6000
96	AR-02/3613	Sri L. K. Reddy, Hyderabad	Tipper	P/Tem/A.P/718/04/2015	21/04/2015	19/04/2019	4	20000	1200	21200	9200	12000
97	AR-02/3615	Sushee Infra Pvt. Ltd.	Tipper	P/Tem/A.P/720/04/2015	21/04/2015	19/04/2020	5	25000	1500	26500	11500	15000
98	AR-02/3614	Sushee Infra Pvt. Ltd.	Tipper	P/Tem/A.P/719/04/2015	21/04/2015	19/04/2019	4	20000	1200	21200	9200	12000
99	AR-02/3616	Sushee Infra Pvt. Ltd.	Tipper	P/Tem/A.P/721/04/2015	21/04/2015	19/04/2019	4	20000	1200	21200	9200	12000
100	AR-02/3617	Sushee Infra Pvt. Ltd.	Tipper	P/Tem/A.P/722/04/2015	21/04/2015	19/04/2019	4	20000	1200	21200	9200	12000
101	AR-02/3619	Sushee Infra Pvt. Ltd.	Tipper	P/Tem/A.P/724/04/2015	21/04/2015	19/04/2019	4	20000	1200	21200	9200	12000
102	AR-02/3621	Sushee Infra Pvt. Ltd.	Tipper	P/Tem/A.P/726/04/2015	21/04/2015	19/04/2019	4	20000	1200	21200	9200	12000
103	AR-02/3622	Sushee Infra Pvt. Ltd.	Tipper	P/Tem/A.P/727/04/2015	21/04/2015	19/04/2019	4	20000	1200	21200	9200	12000
104	AR-02/3623	Sushee Infra Pvt. Ltd.	Tipper	P/Tem/A.P/728/04/2015	21/04/2015	19/04/2019	4	20000	1200	21200	9200	12000
105	AR-02/3624	Sushee Infra Pvt. Ltd.	Tipper	P/Tem/A.P/729/04/2015	21/04/2015	19/04/2019	4	20000	1200	21200	9200	12000
106	AR-02/3625	Sushee Infra Pvt. Ltd.	Tipper	P/Tem/A.P/730/04/2015	21/04/2015	19/04/2019	4	20000	1200	21200	9200	12000
107	AR-02/3626	Sushee Infra Pvt. Ltd.	Tipper	P/Tem/A.P/731/04/2015	21/04/2015	19/04/2019	4	20000	1200	21200	9200	12000
108	AR-02/3627	Sushee Infra Pvt. Ltd.	Tipper	P/Tem/A.P/732/04/2015	21/04/2015	19/04/2019	4	20000	1200	21200	9200	12000
109	AR-02/3628	Sushee Infra Pvt. Ltd.	Tipper	P/Tem/A.P/733/04/2015	21/04/2015	19/04/2019	4	20000	1200	21200	9200	12000

Sl. No.	Vehicle No	Name of owner	Type of vehicle	Permit No	Period of permit		No of years	Composite Fee payable for truck @ ₹ 5000 p.a.	Permit Fee payable @ ₹ 300 p.a.	Total Amount Payable	Amount Realised @ ₹ 2300 p.a.	Short-realisation
					From	To						
110	AR-02/3629	Sushee Infra Pvt. Ltd.	Tipper	P/Tem/A.P/734/04/2015	21/04/2015	19/04/2019	4	20000	1200	21200	9200	12000
111	AR-02/3631	Sushee Infra Pvt. Ltd.	Tipper	P/Tem/A.P/736/04/2015	21/04/2015	19/04/2019	4	20000	1200	21200	9200	12000
112	AR-02/3632	Sushee Infra Pvt. Ltd.	Tipper	P/Tem/A.P/737/04/2015	21/04/2015	19/04/2019	4	20000	1200	21200	9200	12000
113	AS-12/F-3851	Sri Ponchal Mahto, Tezpur	Tipper	P/Tem/A.P/774/04/2015	12/05/2015	10/05/2017	2	10000	600	10600	4600	6000
114	AS-09/C-7772	Sri Dharmendra Sahni, Tuzpur	Truck	P/Tem/A.P/775/05/2015	12/05/2015	09/05/2018	3	15000	900	15900	6900	9000
115	AS-01/H-3087	Md. Atiranjjan Das, Tripura	Pick-up truck	P/Tem/A.P/785/05/2015	12/05/2015	10/05/2017	2	10000	600	10600	4600	6000
116	AS-01/G-1807	Miss Neelam Meka, Hapoli	Pick-up truck	P/Tem/A.P/738/05/2015	24/05/2015	21/04/2018	3	15000	900	15900	6900	9000
117	AR-01/G-1140	Sri Nabam Tullon, Nirjuli	Pick-up truck	P/Tem/A.P/773/03/2014	02/03/2015	01/03/2018	3	15000	900	15900	6900	9000
118	AR-01/G-1153	Shri Nabam Tullon, Nirjuli	Pick-up truck	P/Tem/A.P/669/03/2014	01/03/2015	01/03/2018	3	15000	900	15900	6900	9000
119	AR-01/G-1152	Shri Nabam Tullon, Nirjuli	Pick-up truck	P/Tem/A.P/666/03/2014	02/03/2015	01/03/2018	3	15000	900	15900	6900	9000
120	AR-01/G-1151	Shri Nabam Tullon, Nirjuli	Pick-up truck	P/Tem/A.P/674/03/2014	02/03/2015	01/03/2018	3	15000	900	15900	6900	9000
121	AR-01/G-1150	Shri Nabam Tullon, Nirjuli	Pick-up truck	P/Tem/A.P/671/03/2014	02/03/2015	01/03/2018	3	15000	900	15900	6900	9000
122	AR-01/G-1155	Shri Nabam Tullon, Nirjuli	Pick-up truck	P/Tem/A.P/668/03/2014	02/03/2015	01/03/2018	3	15000	900	15900	6900	9000
123	AR-01/G-1154	Shri Nabam Tullon, Nirjuli	Pick-up truck	P/Tem/A.P/667/03/2014	02/03/2015	01/03/2018	3	15000	900	15900	6900	9000
124	AR-01/G-1139	Shri Nabam Tullon, Nirjuli	Pick-up truck	P/Tem/A.P/675/03/2014	02/03/2015	01/03/2018	3	15000	900	15900	6900	9000
125	AR-01/G-1148	Shri Nabam Tullon, Nirjuli	Pick-up truck	P/Tem/A.P/670/03/2014	02/03/2015	01/03/2018	3	15000	900	15900	6900	9000
126	AR-01/G-1149	Shri Nabam Tullon, Nirjuli	Pick-up truck	P/Tem/A.P/672/03/2014	02/03/2015	01/03/2018	3	15000	900	15900	6900	9000
127	AS-01/EC-7251	Ms Dammal Sogani, Guwahati	Pick-up truck	P/Tem/A.P/742/04/2015	27/04/2015	24/04/2019	4	20000	1200	21200	9200	12000
128	AR-01/F-2319	Sri Kipa Kaya, Naharlagun	Truck	P/Tem/A.P/749/05/2015	05/05/2015	02/05/2019	4	20000	1200	21200	9200	12000

Sl. No.	Vehicle No	Name of owner	Type of vehicle	Permit No	Period of permit		No of years	Composite Fee payable for truck @ ₹ 5000 p.a.	Permit Fee payable @ ₹ 300 p.a.	Total Amount Payable	Amount Realised @ ₹ 2300 p.a.	Short-realisation
					From	To						
129	AR-01/H-4277	Mrs. Dopu Riram	Pick-up truck	P/Tem/AP/839/06/2015	25/06/2015	24/06/2017	2	10000	600	10600	4600	6000
130	AR-01/H-5295	Sri Moki Ninu, West Siang	Pick-up truck	P/Tem/AP/934/9/2015	21/09/2015	19/09/2017	2	10000	600	10600	4600	6000
131	AR-02-3935	M/s Nabam Tullon, Papumpare	Tipper	P/Tem/AP/936/9/2015	25/09/2015	23/09/2017	2	10000	600	10600	4600	6000
132	AR-01/G-3976	M/s Nabam Tullon, Papumpare	Tipper	P/Tem/AP/937/9/2015	25/09/2015	23/09/2017	2	10000	600	10600	4600	6000
133	AR-02-3975	M/s Nabam Tullon, Papumpare	Tipper	P/Tem/AP/938/9/2015	25/09/2015	23/09/2017	2	10000	600	10600	4600	6000
134	AR-02-3974	M/s Nabam Tullon, Papumpare	Tipper	P/Tem/AP/939/9/2015	25/09/2015	23/09/2017	2	10000	600	10600	4600	6000
135	AR-01/G-2090	Sri Biki Maad, Naharlagun	Truck	P/Tem/AP/644/3/2015	12/03/2015	08/03/2019	4	20000	1200	21200	9200	12000
136	AR-01/G-2162	Md. Altaf Hussain, Papumpare	Super Ace	P/Tem/AP/650/3/2015	16/03/2015	14/03/2017	2	10000	600	10600	4600	6000
137	AR-01/D-5146	Sri Sanjay Sharma, Naharlagun	Pick-up truck	P/Tem/AP/652/3/2015	15/03/2016	12/03/2019	3	15000	900	15900	6900	9000
138	AS-07/C-8128	Sri Anil Kr Sah, Naharlagun	Pick-up truck	P/Tem/AP/656/3/2015	16/03/2015	25/10/2019	4	20000	1200	21200	9200	12000
139	AS-01/H-1292	Sri P N Kunakose	Pick-up truck	P/Tem/AP/660/3/2015	19/03/2015	16/03/2020	5	25000	1500	26500	11500	15000
140	AS-01/H-1290	Sri P N Kunakose	Pick-up truck	P/Tem/AP/661/3/2015	19/03/2015	16/03/2020	5	25000	1500	26500	11500	15000
141	AR-01/G-2084	Sri Dibang Tatak, Papumpare	Tipper	P/Tem/AP/671/3/2015	20/03/2015	16/03/2019	4	20000	1200	21200	9200	12000
142	AR-01/H-3051	M/s N K Enterprises, Papumpare	Pick-up	P/Tem/AP/669/3/2015	20/03/2015	17/03/2018	3	15000	900	15900	6900	9000
143	AR-02-1438	M/s Talin Enterprises, Paumpare	Truck	P/Tem/AP/667/9/2015	20/03/2015	18/12/2018	3	15000	900	15900	6900	9000
144	AR-02-1440	M/s Talin Enterprises, Paumpare	Truck	P/Tem/AP/666/9/2015	20/03/2015	17/03/2018	3	15000	900	15900	6900	9000

Sl. No.	Vehicle No	Name of owner	Type of vehicle	Permit No	Period of permit		No of years	Composite Fee payable for truck @ ₹ 5000 p.a.	Permit Fee payable @ ₹ 300 p.a.	Total Amount Payable	Amount Realised @ ₹ 2300 p.a.	Short-realisation
					From	To						
145	AR-01/H-1676	Sri Ligo Angu, Likabali	Pick-up truck	P/Tem/AP/665/3/2015	20/03/2015	16/03/2018	2	10000	600	10600	4600	6000
146	AR-09/E-0147	Sri Kangkyum Lego, Roing	Truck	P/Tem/AP/664/3/2015	20/03/2015	17/03/2018	3	15000	900	15900	6900	9000
Total								2285000	137100	2422100	1051100	1371000

Appendix-6.1

(Reference: Paragraph 6.1.8, 6.1.8.2 and 6.1.9)

Summarised financial position and working results of State PSUs as per their latest finalised accounts as on 30 September 2019

(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 (-)	Capital employed ³	Return on capital employed ⁴	Percentage of return on capital employed	Manpower
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
A. WORKING GOVERNMENT COMPANIES												
FINANCE												
1.	Arunachal Pradesh Industrial Development and Financial Corporation Limited	2017-18	2019-20	4.15	25.24	(-) 20.42	10.24	Nil ⁵	8.97	-	-	26
Total of the Sector				4.15	25.24	(-) 20.42	10.24	-	8.97	-	-	26
MISCELLANEOUS												
2.	Arunachal Pradesh Mineral Development and Trading Corporation Limited	1999-00	2014-15	2.13	-	(-) 1.81	-	(-) 0.28	0.32	(-) 0.28	(-) 87.50	50
Total of the Sector				2.13	-	(-) 1.81	-	(-) 0.28	0.32	(-) 0.28	(-) 87.50	50
AGRICULTURE AND ALLIED												
3.	Arunachal Pradesh Forest Corporation Limited	2005-06	2014-15	4.50	4.80	(-) 4.58	8.97	3.54	4.72	4.30	91.10	62
Total of the Sector				4.50	4.80	(-) 4.58	8.97	3.54	4.72	4.30	91.10	62

³ **Capital employed** represents Shareholders' Funds *plus* Long Term Borrowings, where,

Shareholders' Fund = Paid up share capital *plus* Free Reserves and Surplus *minus* Accumulated losses *minus* Deferred Revenue Expenditure.

⁴ For calculating return on capital employed, interest on borrowed fund is added back to net profit/ loss as disclosed in the Profit and Loss Account.

⁵ The company (Arunachal Pradesh Industrial Development and Financial Corporation Limited) earned negligible profit of ₹ 12,371/- only, hence, the figures kept as 'Nil'.

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 (-)	Capital employed ³	Return on capital employed ⁴	Percentage of return on capital employed	Manpower
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
INFRASTRUCTURE												
4.	Arunachal Police Housing and Welfare Corporation Limited	2016-17	2018-19	0.02	-	33.00	6.08	4.21	33.02	4.21	12.75	32
Total of the Sector				0.02	-	33.00	6.08	4.21	33.02	4.21	12.75	32
POWER												
5.	Hydro Power Development Corporation of Arunachal Pradesh Limited	2012-13	2017-18	5.00	-	1.50	1.21	0.43	6.50	0.43	6.62	60
Total of the Sector				5.00	-	1.50	1.21	0.43	6.50	0.43	6.62	60
SERVICE												
6.	Arunachal Pradesh Donyi Polo Hotel Corporation Limited	2017-18	2018-19	0.99	-	(-) 0.09	2.46	(-) 1.34	0.90	(-) 1.34	(-) 148.89	18
Total of the Sector				0.99	-	(-) 0.09	2.46	(-) 1.34	0.90	(-) 1.34	(-) 148.89	18
Total of A				16.79	30.04	7.60	28.96	6.56	54.43	7.32	13.45	248
B. NON- WORKING GOVERNEMENT COMPANIES												
MANUFACTURING												
7.	Parasuram Cement Limited	2008-09	2013-14	0.24	1.46	(-) 2.66	-	-	(-) 0.96	-	-	-
Total of the Sector				0.24	1.46	(-) 2.66	-	-	(-) 0.96	-	-	-
Total of B				0.24	1.46	(-) 2.66	-	-	(-) 0.96	-	-	-
Grand Total (A+B)				17.03	31.50	4.94	28.96	6.56	53.47	7.32	13.69	248

Appendix-6.2

(Reference: Paragraph 6.1.9)

Statement showing Rate of Real Return on Government Investment

(Figures under columns B to I and K to M are ₹ in crore)

Financial Year	Present value of total investment at the beginning of the year	Equity infused by the State Government during the year	Net interest free loan given by the State Government during the year	Interest free loan converted into equity during the year	Grants/subsidies given by the State Government for operational and administrative expenditure	Disinvestment by the State Government during the year at face value	Total investment during the year	Total investment at the end of the year	Average rate of interest (per cent)	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings/profit after tax (PAT*) for the year
A	B	C	D	E	F	G	H (C+D+E+F-G)	I (B+H)	J	K {I x (1+J/100)}	L (I x J/100)	M
Upto 1999-2000	8.42	0.18	0.39	-	0.35	-	0.92	9.34	12.45	10.50	1.16	7.35
2000-01	10.50	0.37	-	-	-	-	0.37	10.87	12.23	12.20	1.33	4.42
2001-02	12.20	0.17	-	-	-	-	0.17	12.37	11.52	13.80	1.43	2.66
2002-03	13.80	0.05	-	-	-	-	0.05	13.85	10.94	15.36	1.51	-0.39
2003-04	15.36	-	-	-	-	-	-	15.36	9.50	16.82	1.46	-0.39
2004-05	16.82	0.05	0.15	-	-	-	0.20	17.02	9.30	18.61	1.58	-6.40
2005-06	18.61	0.12	-	-	1.45	-	1.57	20.18	9.13	22.02	1.84	-5.03
2006-07	22.02	0.10	-	-	1.53	-	1.63	23.65	8.99	25.77	2.13	-4.04
2007-08	25.77	0.03	-	-	0.73	-	0.76	26.53	8.82	28.87	2.34	-4.93
2008-09	28.87	5.00	-	-	-	-	5.00	33.87	8.67	36.81	2.94	2.80
2009-10	36.81	2.50	-	-	-	-	2.50	39.31	8.50	42.65	3.34	-2.56
2010-11	42.65	-	-	-	-	-	-	42.65	8.29	46.19	3.54	-3.82
2011-12	46.19	2.50	-	-	-	-	2.50	48.69	8.09	52.63	3.94	-6.04
2012-13	52.63	-	-	-	7.46	-	7.46	60.09	7.83	64.79	4.70	-5.59
2013-14	64.79	-	-	-	0.70	-	0.70	65.49	8.09	70.79	5.30	7.60
2014-15	70.79	-	-	-	-	-	-	70.79	8.02	76.47	5.68	6.64
2015-16	76.47	-	-	-	-	-	-	76.47	8.35	82.85	6.38	6.68
2016-17	82.85	-	-	-	1.24	-	1.24	84.09	8.52	91.26	7.16	6.52
2017-18	91.26	-	-	-	5.55	-	5.55	96.81	8.30	104.84	8.03	7.53
2018-19	104.84	-	-	-	9.88	-	9.88	114.72	8.54	124.52	9.80	6.56
TOTAL		11.07	0.54		28.89		40.50					

*PAT represents 'profit after tax' of PSUs as per their latest finalised accounts as on 30 September of respective year.

Year	Total earnings (PAT*)	Total Investment by the State Government as per total of column H above (₹ in crore)	Return on State Government Investment based on historical value (per cent)	Present value of State Government investment at the end of 2018-19 as per column K above (₹ in crore)	Rate of Real return on State Government investment considering the present value of investments (per cent)
	A	B	C (A/B)x100	D	E(A/D)x100
2018-19	6.56	40.50	16.20	124.52	5.27

Appendix-7.1
(Para reference 7.1)

Statement showing details of Explanatory Notes on Paragraphs of Audit Report pending as of March 2020

Year of Audit Report	Date of placement before the State Legislature	Paragraph number for which <i>suo moto</i> explanatory notes are awaited	Department
2008-09	03 September 2010	1.1	Horticulture
		1.2	Planning
		2.1	Industries
		2.3, 2.4	Agriculture
		4.3	State Excise
		5.7	Geology and Mining
		4.7, 4.8	Land Management
		4.9, 4.10	State Lottery
		4.20, 4.21, 4.22, 5.2	Transport
		5.4, 5.5	Power
2009-10	24 March 2011	5.8	Forest.
		2.12	Rural Development
		2.4, 2.5, 2.9, 2.14	Public Works
		3.1	Public Eng.& Water Supply
		4.2, 4.4, 4.5	State Excise
		4.7	Geology & Mining
		4.10, 4.11	State Lottery
		5.2	Hydro Power Development
2010-11	27 September 2012	5.3, 5.4	Power
		1.1	Education
		2.5	Rural Works
		2.8	Science & Technology.
		2.10	Health & Family Welfare
		2.11	Education
		4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.6, 4.2.8, 4.2.9	Taxation
		4.2.13, 4.2.14	Transport
		4.2.16, 4.2.17, 4.2.18	State Excise
		4.2.19	Land Management
2011-12	23 September 2013	5.2, 5.3, 5.4	Power
		5.5	Finance
		1.2	Health & Family Welfare
		1.5	Social Welfare, Women & Child Development
		1.6	Education
		2.3	Tourism
		3.2	Secretariat General Administration
		3.3, 5.2.23	Land Management
2012-13	26 September 2014	4.2, 4.3	Power
		4.2.14, 4.2.15, 4.2.16, 4.2.17, 4.2.18, 4.2.19, 4.2.20, 4.2.21, 4.2.22	State Excise
		1.5	Education
		2.2	Public Works
		2.3	Science and Technology
		2.8	Horticulture
		3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9	Taxation
4.2, 4.3	Hydro Power Department		

Year of Audit Report	Date of placement before the State Legislature	Paragraph number for which <i>suo moto</i> explanatory notes are awaited	Department
2013-14	21 July 2015	1.3	Public Health Engineering & Water Supply
		1.4	Education
		1.5	Rural Development
		2.3, 2.4, 2.5, 2.6, 2.7	Public Works
		2.8, 2.9	Water Resources
		2.10	Horticulture
		3.2	Geology and Mining
		3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, 3.10	Taxation
		3.11, 3.12, 3.13, 3.14	State Excise
		4.2,4.3	Hydro Power Development
4.4	Power		
2014-15	10 March 2017	1.2	Industry Department
		1.3	Urban Development and Housing
		2.2	Tourism
		2.3,2.4,2.5	Rural works
		2.6,2.7,2.8,2.9,2.10,2.11	Public works
		2.12	Water Resources
		3.2	APPSC
		4.2,4.3,4.4,4.5,4.6	Taxation
		4.7,4.8	Transport
		4.9,4.10	State Excise
5.2	Power		
5.3	APID & FCL		
2015-16	14 October 2017	1.2, 1.4	Health
		1.3	Education
		1.6	Rural Development
		2.2	Water Resources
		2.3, 2.4, 2.5	Public Works
		3.2	General Administration
		3.3	District Administration
		4.2, 4.3	Transport
		4.4, 4.5, 4.6, 4.7, 4.8, 4.9	Taxation
		4.11	State Excise
5.2	State Transport		
5.3	APMDTCL		
2016-17	21 February 2019	1.2, 1.4	Public Health Engineering and Water Supply
		2.3	Public Works Department
		2.2, 2.4	Water Resources Department
		2.5	Hydro Power Development
		2.6	Agriculture
		3.2, 3.4	Planning
		4.2,4.3,4.4,4.5,4.6	Tax and Excise
		4.7,4.8,4.9	Transport
		5.2	Home
5.3	Arunachal Pradesh Forest Corporation		
2017-18	07 January 2020	2.1	Urban Development & Housing Department
		2.2, 2.3	PWD
		2.4	Horticulture Department
		2.5, 2.6	Power Department
		2.7	Agriculture Department

Audit Report for the year ended 31 March 2018

Year of Audit Report	Date of placement before the State Legislature	Paragraph number for which <i>suo moto</i> explanatory notes are awaited	Department
		2.8, 2.9	Planning Department
		2.10.1	Revenue Receipt
		2.10.2, 2.10.3, 2.10.4	Taxation Department
		2.10.5	State Excise Department
Total		193	

Appendix-7.2
(Para reference 7.1)

Status of outstanding Action Taken Notes (ATNs) on the recommendations of the Public Accounts Committee (PAC) as of March 2020

Year of Report	Particulars of paragraph on which recommendation were made by the PAC but ATNs are awaited		PAC Report in which recommendations were made	Date of presentation of the Report of the PAC to the State Legislature
	Paragraph Number	Total Paragraphs		
1986-87	3.1, 3.2, 3.3, 3.7, 3.8, 3.9, 3.10, 3.11, 4.3, 5.2, 7.2 and 7.3	12	27 th , 36 th , 37 th , 40 th , 42 nd , 44 th and 49 th Report	8 th September 1994, 27 th September 1996, 10 th November 1998, 24 th March 2000, 21 st September 2001, 3 rd March 2003
1987-88	3.1, 3.4, 3.5, 3.6, 3.7, 3.9 and 5.1	7	27 th , 36 th , 37 th , 40 th and 42 th Report	8 th September 1994, 27 th September 1996, 10 th November 1998 and 24 th March 2000
1988-89	3.1,3.3,3.4,3.10,3.11,3.14, 4.5,4.8,5.5 and 5.6	10	37 th , 38 th , 40 th , 42 nd and 45 th	27 th September 1996, 10 th November 1998, 24 th March 2000 and 3 rd March 2003
1989-90	5.2	1	44 th Report	21 st September 2001
1990-91	3.4, 3.8, 3.9, 7.3 and 7.5	5	39 th , 44 th , 45 th and 48 th	6 th March 1997, 21 st September 2001, 19 th March 2002 and 3 rd March 2003
1991-92	3.1 and 5(b), 3.4	3	39 th , 44 th , 45 th and 48 th 57 th	6 th March 1997, 21 st September 2001, 19 th March 2002 3 rd March 2003 and 27 th September 2012
1992-93	3.3, 3.4, 4.3, 4.4 and 5.1	5	39 th and 44 th Report	6 th March 1997 and 21 st September 2001
1993-94	4.6, 4.7 and 7.2	3	48 th Report	19 th March 2002
1994-95	3.3, 3.4, 3.5, 3.6, 4.3 and 4.10	6	45 th and 46 th Report	19 th March 2002 and 3 rd March 2003
1995-96	3.2 to 3.6 and 3.11, 4.4, 3.7	8	46 th Report, 57 th Report 60 th Report	19 th March 2002 and 27 th September 2012

Year of Report	Particulars of paragraph on which recommendation were made by the PAC but ATNs are awaited		PAC Report in which recommendations were made	Date of presentation of the Report of the PAC to the State Legislature
	Paragraph Number	Total Paragraphs		
1996-97	3.13, 4.10 to 4.14 and 4.16, 3.1.8 4.3.6 (ii), 4.3.6 (iii), 4.3.7, 6.9	12	48 th Report, 57 th Report 60 th Report	19 th March 2002 and 27 th September 2012
1997-98	4.6, 5.1 and 5.4	3	48 th 51 st Report	19 th March 2002 and 21 st March 2006
1998-99	3.6,3.4.8,4..3	3	51 st Report, 57 th Report	21 st March 2006 and 27 th September 2012
1999-00	3.9,	1	57 th Report	27 th September 2012
2000-01	6.11	1	60 th Report	27 th September 2012
2001-02	3.4 3.1.13, 3.1.14, 3.1.15, 3.1.16, 3.1.17 & 3.1.38 to 3.1.40	9	57 th Report 60 th Report	27 th September 2012
2005-06	3.2.16.1	1	66 th Report	7 th July 2015
2006-07	6.3, 6.4.1 & 6.4.2	3	66 th Report	7 th July 2015
2009-10	2.10	1	66 th Report	7 th July 2015
Total		94	16	

Appendix-7.3
(Para reference 7.1)

Details of outcomes of Public Accounts Committee meeting (PAC) held in September and January 2020

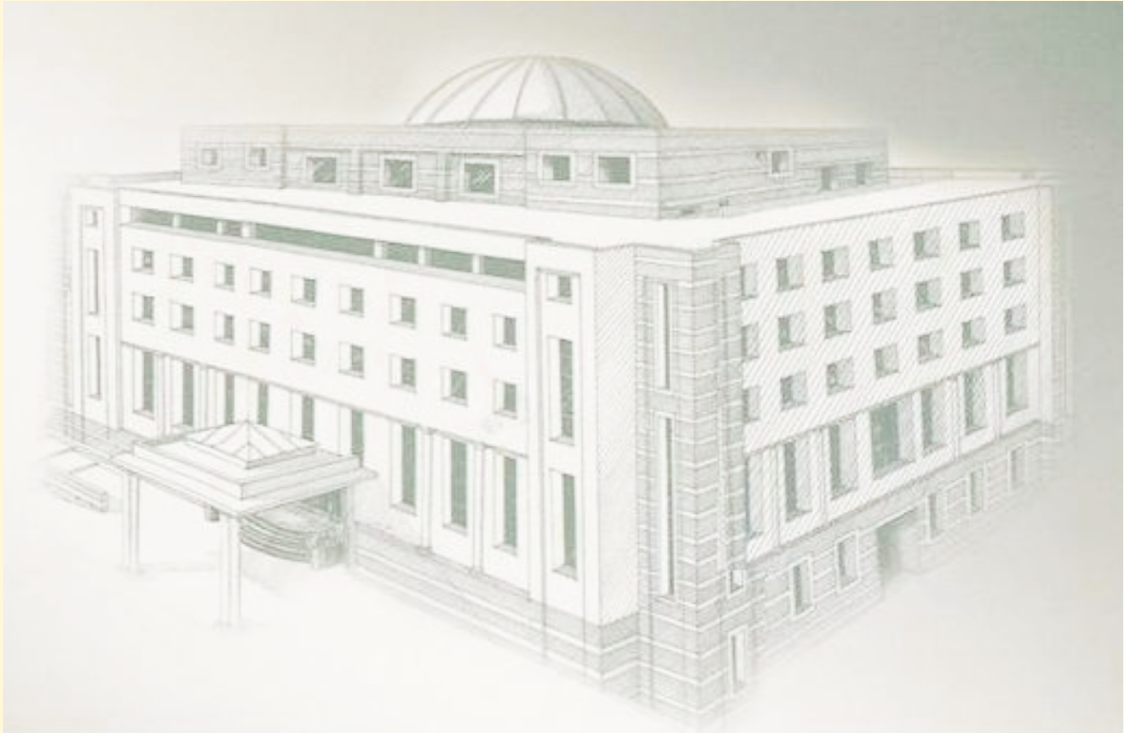
Sl. No.	Date on PAC held	Department	Year of Audit Reports	No. of Para discussed	Dropped	Deferred
1	23 September 2019	Water Resources Department	2008-09 to 2009-10	3	3	0
		Public Works Department	2008-09 to 2010-11 & 2012-13	13	11	2
2	24 September 2019	Food & Civil Supply and Transport	2008-09 to 2012-13	3	1	2
		Power Department	2009-10	1	1	0
		Geology & Mining	2008-09, 2009-10 & 2012-13	4	3	1
		Rural Works Department	2010-11 & 2011-12	9	9	0
		Animal Husbandry and Veterinary	2008-09	1	1	0
		Rural Development	2011-12 & 2012-13	2	2	0
3	22 January 2020	District Administration	2015-16 & 2016-17	2	2	0
		Land Management	2015-16	1	1	0
		Women & Child Development	2016-17	9	9	0
		Agriculture	2011-12 & 2012-13	2	2	0
		Tax & Excise	2008-09 to 2010-11	22	22	0
4	23 January 2020	Urban Development	2009-10 to 2010-11	13	13	0
		Sports & Youth Affairs	2015-16	1	1	0
Total				86	81	5

Appendix-7.4
(Para reference 7.1)

**Statement showing details of outstanding paras to be discussed in PAC/CoPU as of
March 2020**

Years of Audit Report	No. of DP	No. of PA/TA	Total No. of paras	No. DP Dropped	No. of PA/TA Dropped	Total No. of paras dropped	Paras deferred	Outstanding Paras
2008-09	37	4	41	18	2	20	1	21
2009-10	38	4	42	21	2	23	5	19
2010-11	34	3	37	8	3	11	2	26
2011-12	35	3	38	5	0	5	1	33
2012-13	23	3	26	9	1	10	2	16
2013-14	24	3	27	0	0	0	0	27
2014-15	22	3	25	0	0	0	0	25
2015-16	20	3	23	2	0	2	0	21
2016-17	21	1	22	2	1	3	0	19
2017-18	14	0	14	0	0	0	0	14
Total	268	27	295	65	9	74	11	221

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