

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

**on**

**(SOCIAL, ECONOMIC, GENERAL  
REVENUE AND ECONOMIC (PSUs) SECTORS)**

**FOR THE YEAR ENDED MARCH 2016**



**GOVERNMENT OF ARUNACHAL PRADESH  
(REPORT No. 2 OF 2017)**

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## 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.
2. This Report contains significant results of performance audit and compliance audit of the Departments of the Government of Arunachal Pradesh under Social, Economic, General, Revenue and Economic (PSUs) Sectors including Health Department, Education Department, Director of Sports & Youth Affairs, District Rural Development Agency, Water Resources Department, Public Works Department, General Administration, District Administration Department, State Transport Department, Taxation Department, Land Management Department, State Excise Department, Arunachal Pradesh Mineral Development & Trading Corporation Limited (APMDTCL).
3. The cases mentioned in the Report are those which came to notice in the course of test audit during the year 2015-16, as well as those which came to notice in earlier years, but could not be dealt with in the previous Reports. Matters relating to the period subsequent to 2015-16 have also been included, wherever necessary.
4. The audits have been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.





# **EXECUTIVE SUMMARY**



## EXECUTIVE SUMMARY

This Audit Report has been prepared in six Chapters. Chapters I to V deal with Social, Economic (other than Public Sector Undertakings), General, Revenue, Economic (Public Sector Undertakings) Sectors and Chapter VI deals with Follow up of Audit observations.

This Report contains three Performance audits and twenty compliance audit paragraphs. According to the existing arrangements, copies of the draft compliance audit and draft performance audits were sent to the concerned Secretaries/Principal Secretaries to the State Government with a request to furnish replies within six weeks. A demi-official letter was also sent to the Chief Secretary to the State Government on the issues raised in the draft audit paragraphs, draft performance audits *etc.*, for inclusion of the views/comments of the Government in the Audit Report. Replies of the Government/department wherever received have been incorporated in the report.

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

### Chapter-I: Social Sector

#### Performance Audit

#### Health Department

#### 1.2 National Rural Health Mission

The National Rural Health Mission (NRHM) was launched throughout the country in April 2005 with the aim to establish a fully functional decentralized healthcare delivery system, and to increase access to quality health service for all. The NRHM has three main components, namely, (i) Reproductive and Child Health (RCH), (ii) Strengthening of Health Systems and (iii) National Disease Control Programme. Performance Audit undertaken on NRHM in the State covered activities/programmes under the component of RCH. Some of the significant audit findings are highlighted below.

#### Highlights

- *The availability of functional health centres as per population norms was in excess of the requirement in Community Health Centre and Primary Health Centre, but there was shortage of 38 Sub-Centres. However, there was shortfall of functional Primary Health Centres and Sub Centres to the extent of 26 (18 per cent) and 302 (51 per cent) respectively vis-à-vis the number of such centres actually approved by the State Government.*
- *The shortfall of health care professionals in the sampled District Hospitals was up to 157 (35 per cent). While the shortage in 6 Community Health Centres was 133(57 per cent), 11 Primary Health Centres had shortfall of 33 (33 per cent) against the requirement as per Indian Public Health Standard norm.*

- *As of March 2016, out of 685 Accredited Social Health Activists (ASHAs) in the four sampled districts, only 262 (38 per cent) ASHAs were trained. Moreover, ASHA kits were not provided to 55 per cent of ASHAs in position.*
- *Achievement of institutional delivery was 40 per cent of registered pregnant women during 2011-16.*
- *Antenatal mandatory check-ups were availed by 37 per cent of pregnant women registered. The postnatal care at the health centres was availed by only 42 per cent of institutional deliveries in the four sampled districts.*
- *There was low coverage of full immunization of children in the health centres between 11 per cent and 58 per cent. The achievement of administration of Vitamin A solution was also only between 8 and 26 per cent of the targeted children.*
- *The coverage under Janani Suraksha Yojana (JSY) for institutional and home deliveries was 60 per cent and 56 per cent respectively during 2011-2016. There was shortfall in payment of incentive to the extent of ₹ 165.89 lakh for institutional deliveries and ₹7.09 lakh for home deliveries.*

*(Paragraph 1.2)*

## **Education Department**

### **1.3 Implementation of the Right of Children to Free and Compulsory Education (RTE) Act, 2009**

The Right of Children to Free and Compulsory Education (RTE) Act, 2009 provides for free and compulsory elementary education to all children in the 6-14 age group. The key objective of the Act was universalization of elementary education by ensuring compulsory admission and completion of elementary education by every eligible child. The programme also provides for creating infrastructure, adequate classrooms, playground, library and learning equipment, kitchen shed for mid-day meal, etc. The Government also laid emphasis on ensuring favourable pupil teacher ratio, availability of qualified teachers in different stream and providing of uniform and text books to students enrolled in primary schools and upper primary schools. *Sarva Shiksha Abhiyann (SSA)* was the main vehicle for implementing the provisions of the RTE Act. Some major audit findings are highlighted below:

#### **Highlights:**

- *School mapping and household survey for identification of children eligible for elementary education has not been carried out since April 2010. As on March 2016, out of school children were 57,032 (18 per cent).*
- *232 primary school buildings and 130 upper primary school buildings constructed during 2014-16 were yet to be handed over to school authorities.*

- *As of March 2016, there was 42 per cent shortfall in Science & Mathematics teachers.*
- *Despite excess procurement of text books by Director Elementary Education during 2010-11 to 2012-13, there was shortfall in receipt of text book in test checked schools in the sampled districts.*
- *Work books worth ₹123.02 lakh was not received from State Project Director, Sarva Shiksha Abhiyan by the test checked schools in each of four sampled districts.*
- *There was shortfall in supply of uniform in the test checked schools of the sampled districts to the extent of ₹30.98 lakh.*
- *2760 number of boys' uniform (₹ 11.04 lakh) and 13700 number of girls' uniform (₹54.80 lakh) were not delivered by the Suppliers.*
- *Text books worth ₹ 10.88 lakh was not delivered to State Project Director, Sarva Siksha Abhiyan by the Supplier.*

*(Paragraph 1.3)*

## Compliance Audit Paragraphs

### Health Department

#### Bio-Medical Waste Management

Government of India framed the 'Bio-Medical Waste (BMW) (Management and Handling) Rules, 1998' under the provisions of Environment (Protection) Act, 1986 which prescribed the procedures for treatment and disposal of bio-medical waste generated by institutions such as hospital, nursing home, clinic, dispensary etc. It was decided to do an audit regarding compliance of the BMW management at the Health Department and the Arunachal Pradesh State Pollution Control Board (APSPCB). Some of the important audit findings are as follows:

#### Highlights

- *Arunachal Pradesh State Pollution Control Board did not have state level data on Health Care Establishments which required compliance of rules and regulations of Bio-Medical Waste.*
- *Only 12 out of 437 Health Care Establishments are functioning with authorisations issued by Arunachal Pradesh State Pollution Control Board. Authorisations were issued by Arunachal Pradesh State Pollution Control Board even when the Health Care Establishments did not possess the necessary capacity to handle Bio-Medical Waste in accordance with the Rules.*

- *Treatment plants installed in 10 Government hospitals at a total cost of ₹ 635.46 lakh remained non-functional due to lack of trained manpower, technical defects, lack of funds for maintenance and power shortage, etc.*
- *Twelve hospitals inspected by Audit did not observe the standards prescribed in the Rules for disposal of bio-medical waste.*

*(Paragraph 1.4)*

Director of Sports & Youth Affairs, Itanagar made payment of ₹ 100.33 lakh for *Viewers' Gallery* without execution of the work and paid ₹118.98 lakh for items not included in the approved detailed estimate/measurement book without obtaining the approval of the competent authority.

*(Paragraph 1.5)*

In absence of documentary evidence to support the receipt of material and its utilisation for the Mahatma Gandhi National Rural Employment Guaranteed Act (MGNREGA) works, the expenditure of ₹ 74.81 lakh incurred by the Block Development Officer, Khimiyang (District Rural Development Agency), Changlang, in violation of MGNREGA guidelines and prescribed procedures, was doubtful.

*(Paragraph 1.6)*

## **Chapter-II: Economic Sector**

### **Compliance Audit Paragraphs**

An expenditure of ₹ 92.78 lakh incurred by Executive Engineer, Water Resources Division, Deomali, on construction of Water Harvesting Reservoirs remained unfruitful due to improper selection of site as it failed to meet the intended objectives of providing irrigation for agricultural activity. Besides, ₹ 22.60 lakh was paid to the contractor without execution of work (Recharge Pits and Fencing)

*(Paragraph 2.2)*

Due to hiring of Bulldozer at a rate higher than the approved rate, Executive Engineer, Public Works Department, Daporijo Division made an excess payment of ₹ 58.32 lakh.

*(Paragraph 2.3)*

Expenditure of ₹ 147.95 lakh incurred on construction of 15 cross drainages and three slab culvert was doubtful. Besides, an expenditure of ₹ 99.41 lakh was incurred on formation cutting and slip clearance without sanction of the competent authority.

*(Paragraph 2.4)*

Construction of RCC Bridge over River Singking remained incomplete for more than seven years, due to diversion of ₹ 154.63 lakh, rendering the expenditure of ₹ 2.45 crore incurred so far on its construction unfruitful.

*(Paragraph 2.5)*

## Chapter-III: General Sector

### Compliance Audit Paragraphs

#### General Administration

Expenditure of ₹ 90.00 lakh stated to have been incurred on construction of five suspension bridges under Daporijo and Giba CD Block, Upper Subansiri District was doubtful.

(Paragraph 3.2)

#### District Administration Department

Deputy Commissioner, Capital Complex, Itanagar kept a part of revenue realised from various citizen centric services outside Government account and incurred expenditure of ₹ 57.71 lakh out of this money for payment of wages, office stationery, phone bills, medical bills etc. which was in violation of the rules.

(Paragraph 3.3)

## Chapter-IV: Revenue Sector

### Trend of Revenue receipts

During the year 2015-16, Revenue raised by State Government (₹ 927.19 crore) was 8.79 per cent of the total Revenue receipts. The balance 91.21 per cent of receipts during 2015-16 was from Government of India.

The Tax Revenue raised by the State Government during 2015-16 (₹ 535.07 crore) increased by 6 per cent as compared to the previous year (₹ 462.16 crore). The Non-Tax Revenue during 2015-16 (₹ 392.12 crore) also increased by 13 per cent as compared to the previous year (₹ 457.64 crore).

(Paragraph 4.1.1)

### Compliance Audit Paragraphs

#### Transport Department

### Collection of revenue from outsourced activities

Department of Transport (DoT), Government of Arunachal Pradesh is governed by the Central Motor Vehicles Act, 1988, the Central Motor Vehicles Rules, 1989 and the Arunachal Pradesh Motor Vehicle Taxation Act, 1984. As per the Supreme Court verdict and orders of the Ministry of Road Transport and Highways (MoRTH), affixtures of High Security Registration Plates (HSRP) under the provision of Rule 50 of the Central Motor Vehicles Rules, 1989 has to be ensured on all newly registered vehicles as well as old vehicles in phased manner within two years from the date of implementation. Further, as per Rule 115(7) of Motor Vehicles Rules, 1989 every motor vehicle shall



carry a valid Pollution under Control certificate after the expiry of one year from the date on which the motor vehicle was first registered. The Pollution under Control certificate is to be issued by an agency authorized for this purpose by the State Government. Some of the important audit findings are highlighted below:

### **Highlights**

- *Out of these 3,08,400 number of vehicles in the State only 36,374 vehicles (11.79 per cent) were installed with High Security Registration Plates and the balance 2,72,026 vehicles (88.21 per cent) were plying without High Security Registration Plates as on 31 March 2016. This deprived the State Government of revenue to the tune of ₹ 1.77 crore which could accrue from installation of High Security Registration Plates on 2.72 lakh vehicles.*
- *As many as 2,71,008 vehicles (one year old) were plying without Pollution under Control certificate on 31 March 2016 mainly due to weak enforcement of Rule 115(7) of the Central Motor Vehicle Rules, 1989 by District Transport Officers. This has also led to low revenue collection by Automobile Emission Testing Stations and consequently the State was deprived potential minimum revenue earnings during 2015-16 alone to the extent of ₹ 226.12 lakh against 2,71,008 vehicles plying without Pollution under Control certificate.*

*(Paragraph 4.2)*

- *Road Tax of ₹ 89.19 lakh due from the owners of 120 vehicles and leviable penalty of ₹ 23.30 lakh were not collected despite default for more than one year to seven years.*

*(Paragraph 4.3)*

### **Taxation Department**

Loss of revenue of ₹ 5.72 crore due to application of incorrect tax rate at the time of Tax Deduction at Source from contractors' bills.

*(Paragraph 4.4)*

A dealer concealed sales turnover of ₹ 17.20 crore and evaded tax of ₹ 68.81 lakh on which interest of ₹ 16.38 lakh and penalty not exceeding ₹ 68.81 lakh were also leviable.

*(Paragraph 4.5)*

A manufacturing unit was allowed exemption of tax without production of the required certificate from competent authority resulting in loss of revenue of ₹ 1.61 crore.

*(Paragraph 4.6)*

Failure of the Superintendent of Tax (ST) to assess the self-assessed returns submitted by the dealer led to evasion of tax of ₹ 41.47 lakh on which interest ₹ 23.16 lakh and penalty of not exceeding ₹ 41.47 lakh was also leviable.

*(Paragraph 4.7)*

The Executive Engineer made payment to a dealer/supplier of Value Added Tax (VAT) component of ₹ 1.36 crore on fake documents of payment of Entry Tax produced by the dealer.

(Paragraph 4.8)

Superintendent of Tax, Bhalukpong short-realised entry tax of ₹ 1.42 crore from a dealer on total taxable goods imported of ₹ 17.42 crore.

(Paragraph 4.9)

### Land Management Department

Failure of the Department to assess and recover lease rent led to non-realisation of revenue of ₹ 30.53 lakh from State Bank of India, Roing along with interest of ₹ 32.39 lakh.

(Paragraph 4.10)

### State Excise Department

Establishment charges of ₹ 6.41 lakh in respect of Excise officials posted in different Bonded Warehouses were not realised.

(Paragraph 4.11)

## Chapter-V: Economic Sector (SPSUs)

In Arunachal Pradesh, there were seven State Public Sector Undertakings (SPSUs) (all Government Companies including two non-working Companies). Audit of Government Companies is governed by respective provisions of Section 139 and 143 of the Companies Act 2013. The accounts of State Government Companies are audited by Statutory Auditors appointed by the Comptroller and Auditor General (CAG) of India. These accounts are also subject to Supplementary Audit by the Comptroller and Auditor General of India.

### Investment in SPSUs

As on 31 March 2016, the investment (capital and long-term loans) in seven SPSUs was ₹ 32.14 crore. The investment had increased by 3.44 *per cent* from ₹ 31.07 crore in 2010-11 to ₹ 32.14 crore in 2015-16. The thrust of investment was mainly in the Power and Finance sectors, which had 38.73 *per cent* and 38.15 *per cent* of the total investment respectively.

### Performance of SPSUs

The working SPSUs showed negative working results during the two years from 2011-12 to 2012-13 ranging between (-) 5.59 crore and (-) 5.92 crore and improved overall profits during 2013-14 to 2015-16. During the year 2015-16, out of five working SPSUs, three SPSUs earned aggregate net profit of ₹ 8.14 crore and two SPSUs incurred losses of ₹ 1.46 crore. The contributors of profit were Arunachal Pradesh Forest Corporation

Limited (₹ 3.54 crore), Arunachal Police Housing and Welfare Corporation Limited (₹ 3.87 crore) and Hydro Power Development Corporation of Arunachal Pradesh Limited (₹ 0.73 crore). The heavy losses were incurred by Arunachal Pradesh Industrial Development and Financial Corporation Limited (₹ 1.18 crore) and Arunachal Pradesh Mineral Development and Trading Corporation Limited (₹ 0.28 crore). The working SPSUs had earned aggregate profit of ₹ 6.68 crore during 2015-16 as compared to aggregate profit of ₹ 6.64 crore during 2014-15.

*(Paragraph 5.1)*

## **Performance Audit**

### **State Transport Department**

#### **Arunachal Pradesh State Transport Services**

Arunachal Pradesh State Transport Services (APSTS) is mandated to provide adequate, viable, economical and well-coordinated bus services to common masses of Arunachal Pradesh. APSTS functions under the administrative control of the Transport Department, Government of Arunachal Pradesh. The Performance Audit was conducted to assess the working of APSTS for the period from 2011-12 to 2015-16. Some of the major audit findings are highlighted below:

#### **Highlights**

- *In five selected stations, 729 villages out of 1414 villages were outside the public transport system. Despite wide gap in transport services, Arunachal Pradesh State Transport Services operated only 94 routes out of 119 connected routes and thus 25 routes were not operated as on March 2016.*
- *Against a target for procurement of 120 buses in the 12<sup>th</sup> Five Year Plan, APSTS had procured only 50 buses by December 2016.*
- *Against budget estimate of ₹ 527.83 crore, only ₹ 445.52 crore was allocated by the State Government, of which Arunachal Pradesh State Transport Services spent only ₹ 408.79 crore during the five year period resulting in shortfall of operational expenditure.*
- *Out of 134 purchase orders for spare parts, 129 purchase orders valued ₹ 8.43 crore were issued and expenditure incurred without obtaining sanction of the competent authority.*
- *There was doubtful expenditure of ₹ 1.08 crore on purchase of spare parts from firms registered under the Value Added Tax authorities for doing business related to other than sale of spare parts.*
- *There was excess consumption of fuel of 29.18 lakh litres costing ₹ 15.04 crore by various stations during the period 2011-12 to 2015-16.*

- *137 engine overhauling cases valued at ₹ 2.77 crore and 1438 cases of repair works valued at ₹ 24.61 crore of five selected stations were outsourced to private firms despite having a Central Workshop. Thus, the objective of having own Central Workshop for ensuring economy in repair and maintenance remained unachieved.*

*(Paragraph 5.2)*

#### **Compliance Audit Paragraphs**

Failure of Arunachal Pradesh Mineral Development & Trading Corporation Limited (APMDTCL) to revise the coal price in accordance with rates revised by Coal India Limited, in time, resulted in loss of revenue amounting to ₹ 19.88 crore. Besides, an amount of ₹ 11.69 crore which was outstanding against the extraction contractor on account of revision of prices of coal had not been recovered till February 2017.

*(Paragraph 5.3)*



**CHAPTER – I**  
**SOCIAL SECTOR**



## CHAPTER-I: SOCIAL SECTOR

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

During 2015-16, total budget allocation of the State Government in major Departments under Social Sector was ₹ 3863.57 crore, against which the actual expenditure was ₹ 2911.93 crore. Details of Department-wise budget allocation and expenditure are given in the following table.

**Table- 1.1.1**

(₹incrore)

SL. No.	Department	Total Budget Allocation	Expenditure
1	Education	1667.31	1277.36
2	Sports & Youth Affairs	98.44	54.47
3	Library	9.62	10.21
4	Social Welfare	161.96	160.56
5	Relief & Rehabilitation	78.30	68.11
6	Food & Civil Supplies	41.40	38.47
7	Labour	24.38	6.86
8	Social & Cultural Affairs	2.51	2.50
9	Health & Family Welfare	734.75	515.12
10	Public Health Engineering	555.49	438.70
11	Urban Development	256.91	161.24
12	Housing	69.27	62.77
13	Panchayat Raj	163.23	115.56
<b>Total</b>		<b>3863.57</b>	<b>2911.93</b>

(Source: Appropriation Accounts 2015-16)

### 1.1.1 Planning and Conduct of Audit

The 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 15 units involving expenditure of the State Government amounting to ₹ 670.23 crore was conducted under the Social Sector.

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 on the table of the legislature.



Major observations noticed in Audit pertaining to the Social Sector during 2015-16 are discussed in subsequent paragraphs of this Chapter. This Chapter contains *two* Performance Audit Reports on (i) 'National Rural Health Mission' and (ii) 'Implementation of Right of children to free and compulsory education (RTE) Act 2009' and three Compliance Audit Paragraphs.

## **Performance Audit**

### **Health & Family Welfare Department**

#### **1.2 National Rural Health Mission**

The National Rural Health Mission (NRHM) was launched throughout the country in April 2005 with the aim to establish a fully functional decentralized healthcare delivery system, and to increase access to quality health service for all. The NRHM has three main components, namely, (i) Reproductive and Child Health (RCH), (ii) Strengthening of Health Systems and (iii) National Disease Control Programme. Performance Audit was undertaken on NRHM in the State covering activities/programmes under the component RCH. Some of the significant audit findings are highlighted below:

#### **Highlights**

- *The availability of functional health centres as per population norms was in excess of the requirement in Community Health Centre and Primary Health Centre, but there was shortage of 38 Sub-Centres. However, there was shortfall of functional Primary Health Centres and Sub Centres to the extent of 26 (18 per cent) and 302 (51 per cent) respectively vis-à-vis number of such centres actually approved by the State Government.*

*(Paragraph 1.2.8)*

- *The shortfall of health care professionals in the sampled District Hospitals was upto 157 (35 per cent). While the shortage in 6 CHCs was 133 (57 per cent), 11 PHCs had shortfall of 33 (33 per cent) against the requirement as per Indian Public Health Standards norm.*

*(Paragraph 1.2.9.1 (i), (ii) and (iii))*

- *As of March 2016, out of 685 Accredited Social Health Activists (ASHAs) in the four sampled districts, only 262 (38 per cent) ASHAs were trained. Moreover, ASHA kits were not provided to 55 per cent of ASHAs in position.*

*(Paragraph 1.2.10.1 and 1.2.10.2)*

- *Achievement of institutional delivery was 40 per cent of registered pregnant women during 2011-16.*

*(Paragraph 1.2.11.1)*

- *Antenatal mandatory check-ups were availed by 37 per cent of pregnant women registered. The postnatal care at the health centres was availed by only 42 per cent of institutional deliveries in the four sampled districts.*

*(Paragraph 1.2.11.3 and 1.2.11.5)*

- *There was low coverage of full immunisation of children in the health centres between 11 per cent and 58 per cent. The achievement of administration of Vitamin A solution was also only between 8 and 26 per cent of the targeted children.*

*(Paragraph 1.2.12 and 1.2.12.1)*

- *The coverage under Janani Suraksha Yojana (JSY) for institutional and home deliveries was 60 per cent and 56 per cent respectively during 2011-2016. There was shortfall in payment of incentive to the extent of ₹ 165.89 lakh for institutional deliveries and ₹ 7.09 lakh for home deliveries.*

*(Paragraph 1.2.13)*

### **1.2.1 Introduction**

The NRHM was launched throughout the country in April 2005 with an aim to provide accessible, affordable and quality healthcare to the rural population especially to poor and vulnerable sections. The main components of the programme include (i) Reproductive, Maternal Health, New Born and Child Health, Immunisation, etc. for reduction of maternal and infant mortality (ii) Strengthening of Health Systems<sup>1</sup> and (iii) National Disease Control Programmes<sup>2</sup>. Major emphasis was laid on strengthening service delivery in health centres by equipping them with adequate physical infrastructure, health care personnel and by ensuring availability of medical equipment and drugs. A Performance Audit was undertaken on Reproductive and Child Health (RCH) interventions to assess as to what extent the health care services have been delivered as per requirement by examining the availability of physical infrastructure, healthcare professionals and various support services.

In order to achieve the overall NRHM's objectives, Government of India (GoI) in its Millennium Development Goals during the 12<sup>th</sup> Five Year Plan (2012-17) put an increased emphasis on delivery of essential RCH interventions<sup>3</sup> to reduce Infant Mortality Rate (IMR), Maternal Mortality Rate (MMR) and Total Fertility Rate (TFR).

### **1.2.2 Organizational structure.**

At the State level, NRHM functions under the overall guidance of the State Health Mission (SHM) headed by the Chief Minister. The programme activities are implemented through the State Health Society (SHS), headed by the Mission Director. The Commissioner, Health and Family Welfare, Government of Arunachal Pradesh (GoAP) is the overall administrative head of NRHM.

At the district level, the programme is implemented by the District Health Society (DHS) headed by the Deputy Commissioner of the district with District Medical Officer as

<sup>1</sup> Mobile Medical Units, Infrastructure, Human Resource, Drugs and Logistics, etc.

<sup>2</sup> National Vector Borne Disease Control Programme, Revised National TB Control Programme, National Blindness Control Programme, National Iodine Deficiency Disorders Control Programme, etc.

<sup>3</sup> Outcome indicators: Infant Mortality Rate (IMR)-25/1000 live births, Maternal Mortality Rate (MMR)-100/100000 live births and Total Fertility Rate (TFR)-2.1.

Member Secretary (NRHM) and implemented by District Programme Management Units (DPMUs) headed by District Programme Managers.

### **1.2.3 Audit Objectives**

The audit objectives were to examine and assess:

- adequacy and effectiveness of financial management and utilization of financial resources.
- adequacy of physical infrastructure and support services for providing health care services.
- availability of adequate health care professional at health care centres.
- to what extent various components of Reproductive and Child Health programme were implemented.
- adequacy and effectiveness of monitoring mechanism.

### **1.2.4 Audit Criteria**

The Audit findings were benchmarked against the following audit criteria:

- NRHM Framework for Implementation (2005-12 & 2012-17).
- NRHM Operational Guidelines for Financial Management.
- Indian Public Health Standards (IPHS) - Guidelines (2007) for Sub-Centres, Primary Health Centres, Community Health Centres and District Hospital.
- Indian Public Health Standards (IPHS) - Guidelines (Revised 2012) for Sub-Centres, Primary Health Centres, Community Health Centres and District Hospital.

### **1.2.5 Scope of Audit and Methodology**

The Performance Audit on “**National Rural Health Mission**” covering the period from 2011-12 to 2015-16 was carried out (April 2016 to August 2016) through examination of the records of the SHS, Director of Health Services, Director of Family Welfare and DHS of four sampled districts *viz.*, *Lohit, East Siang, Lower Subansiri and East Kameng* selected by using Simple Random Sampling Without Replacement (SRSWOR) method. A test check of records was conducted in 52 health centres (1 District and 3 General Hospitals), 6 Community Health Centres (CHCs), 11 Primary Health Centres (PHCs) and 31 Sub-Centres (SCs) in the four sampled districts. Joint inspection was also conducted by audit along with state government officials of various health centres.

The Performance Audit commenced with an Entry Conference held on 18 April 2016 with the Mission Director (NRHM) and other programme implementing Officers, where the audit methodology, objectives, criteria, scope, etc., of the Performance Audit were explained in detail.

An Exit Conference was held with the State Government on 29 November 2016 to discuss the audit findings contained in the Audit Report. The report was finalized incorporating the replies of the Department wherever received.

## 1.2.6 Acknowledgement

Indian Audit & Accounts Department acknowledges the assistance extended by Department of Health & Family Welfare, State Health Mission (NRHM), District Health Mission (NRHM) and Health Centres of the sampled districts in facilitating this audit.

### Audit findings

The results of the Performance Audit are discussed in the succeeding paragraphs.

## 1.2.7 Fund Management

Government of India (GoI) provided 90 per cent and the State Share was 10 per cent of the total programme funds in the State.

### 1.2.7.1 Fund flow and expenditure

In Arunachal Pradesh, the total funds released by GoI and the State for implementation of various programmes under NRHM during the period 2011-12 to 2015-16 was ₹ 630.80 crore, out of which ₹ 477.00 crore (76 per cent) was allocated for implementation of RCH interventions. Up to the year 2013-14, GoI released funds directly to the State Health Society (SHS) but from the year 2014-15 funds were released by GoI to the State Government, which in turn released it to the SHS.

Status of release of funds and expenditure on RCH during the period from 2011-12 to 2015-16 was as follows:

**Table -1.2.1: Funds release and expenditure during 2011-16**

(₹ in crore)

Year	Opening balance	Fund released		Interest earned	Total fund available	Total Expenditure	Closing balance (unspent)	% of expenditure
		Centre	State					
2011-12	37.87	49.65	15.00	1.55	104.07	79.42	24.65	76
2012-13	24.65	59.93	10.00	2.22	96.8	69.13	27.67	71
2013-14	27.67	55.69	10.50	1.96	95.82	80.56	15.26	84
2014-15	15.26	115.83	15.24	1.23	147.56	77.37	70.19	52
2015-16	70.19	134.07	11.09	0.98	216.33	104.39	111.94	48
<b>Total</b>		<b>415.17</b>	<b>61.83</b>	<b>7.94</b>		<b>410.87</b>		<b>79</b>

Source: State Health Society (SHS). (The expenditure figures for 2015-16 are provisional).

Audit observed that during the period 2011-2016,

- Out of the available funds of ₹ 522.81 crore (OB+Fund released+Interest), the SHS could utilize only ₹ 410.87 crore. Year wise utilization of funds ranged from 48 per cent to 84 per cent of the total funds available each year. However, utilization of funds during the last two years of 2014-15 and 2015-16 was only 48 per cent to 52 per cent of the available funds due to delay in release of funds by the State Government.
- There was delay ranging from 44 to 390 days in releasing of fund (₹ 121 crore) from the State Government to SHS during 2014-15.
- During 2015-16, out of ₹ 134.07 crore released by GoI, the State Government released only ₹ 88.35 crore (66 per cent) to SHS with delays ranging from 56 to

138 days. The balance amount was lying with the State till the date of audit (August 2016).

As a result of inadequate utilisation of fund, the planned activities for the year could not be completed as per target and spilled over to the subsequent years. The SHS had to approach GoI for revalidation of funds as the funds could not be spent during the respective years. Further, GoI adjusted unspent balances from further releases.

*While accepting the audit contention, the Department stated (December 2016) that fund release from State Government through treasury on an average takes 120 days, which consequently results in unspent balance at the year end and added that necessary steps would be taken for timely release of funds.*

#### **1.2.7.2 Outstanding Utilization Certificates**

Rule 212 (1) of General Financial Rules (GFR) and Operational guidelines of NRHM stipulate that SHS should submit Utilization Certificates (UCs) against the funds received within 12 months of the closure of the financial year. GoI was also required to release subsequent grants-in-aid only after the SHS submitted UCs upto 75 per cent of funds received.

It was noticed in audit that there were delays in submission of UCs, which ranged from 12 to 48 months. There was a need for streamlining of fund management at all levels to ensure monitoring of flow of fund and expenditure of various programme activities.

#### **1.2.7.3 Award of works without tendering**

Rule 129(vi), Rule 132(iv), (v), (vi), Rule 150 and 151 of GFR stipulate that no work shall commence without inviting tenders and formal execution of agreement with the contractors/suppliers. For works costing ₹ 5.00 lakh and above, and for procurement of goods above ₹ 25.00 lakh, open tenders should be invited; and for work costing less than ₹ 5 lakh and for goods costing above ₹ 1.00 lakh to ₹ 25.00 lakh, limited tender should be called.

A test check of records in four sampled districts for the period 2011-2016 revealed that the DHSs awarded 77 civil works (each costing ₹ 2.50 lakh to ₹ 250.00 lakh) for ₹ 12.28 crore to various local contractors without inviting tenders at a lump sum cost. District wise details are given in the following table:

**Table 1.2.2**

Sl. No.	Name of the District	No. of works	Value of the works (₹ in lakh)
1.	Lohit	18	491.28
2.	Lower Subansiri	16	202.40
3.	East Siang	14	175.80
4.	East Kameng	29	358.68
<b>Total</b>		<b>77</b>	<b>1228.16</b>

*Source: Information furnished by DHSs.*

Audit observed that in none of the works, formal agreements were executed with the local contractors to safeguard the interest of the Government. As tender procedure was

not followed, competitive pricing and transparency was not ensured in the award of these works by the DHSs.

### 1.2.8 Health Care Infrastructure

The NRHM aimed at reducing the gap in the existing health infrastructure by establishing new health centres and improvement and strengthening of existing centres. It also sought to upgrade and strengthen support services and facilities at all levels of health centres.

According to the NRHM guidelines, health centres are to be set up based on population norms<sup>4</sup>. The population of the State as per 2011 Census was 13,83,727 and based on the norm, the State was required to have 461 SCs, 69 PHCs and 17 CHCs. Considering rural villages being sparsely populated in the State and to reduce the distances of health centres from one habitation to another for the rural public, the State Government had approved 588 SCs, 143 PHCs and 63 CHCs as of March 2016. The position of health centres as on March 2016 in the State vis-à-vis the norms was as under:

**Table 1.2.3**

Level	Requirement as per population	Actually Approved	Functional	Excess(+)/ Shortfall (-)	Excess(+)/ Shortfall (-)
				w.r.t population norms	w.r.t approved
CHC	17	63	63	(+) 46	Nil
PHC	69	143	117	(+) 48	(-) 26
SC	461	588	286	(-) 175	(-) 302

It can be seen that availability of functional health centres as per population norm was in excess of the requirement in CHCs and PHCs but there was shortage of 38 per cent in SCs as on March 2016. However, there was shortfall of PHCs and SCs by 18 per cent and 51 per cent respectively vis-à-vis actually approved by the State Government. While the State Government could not even meet the norms of 461 SCs, excess of 127 SCs were approved.

The position of availability of functional health centres in the four sampled districts as on March 2016 was as under:

**Table 1.2.4**

Health Centre	Sub Centre				Primary Health Centre				Community Health Centre			
	ES	L	EK	LS	ES	L	EK	LS	ES	L	EK	LS
Approved	40	27	51	36	15	8	11	8	5	3	4	2
Functional	33	8	23	23	5	3	4	4	5	0	3	2
Shortfall	(-)7	(-)19	(-)28	(-)13	(-)10	(-) 5	(-) 7	(-) 4	Nil	(-) 3	(-) 1	Nil
Percentage of shortfall	18	70	55	36	67	63	64	50	0	100	25	0

ES- East Siang, L- Lohit, EK- East Kameng, LS- Lower Subansiri

<sup>4</sup> A village with a population of 5000 (3000 in hilly and tribal areas) should have one SC, 30,000 population (20,000 in hilly and tribal areas) one PHC and 150,000 population (80,000 in hilly and tribal areas) a CHC.

As can be seen from the above table, there were shortfall in functional SCs (ranging between 18 and 70 *per cent*) and PHCs (ranging between 50 and 67 *per cent*) in all the four sample districts. As regards functional CHC, there was not even single functional CHC in Lohit district.

The shortfall of SCs being the most peripheral health centre which link the primary and community health centre, indicated that the health services were not adequately available to the rural population. Moreover, the actual shortage of PHCs as per State assessment was 18 *per cent* of the requirement. Thus, the objective of creating decentralized health care facilities remained to be achieved in the state.

### **1.2.8.1 Establishment of new health centres**

Target and achievement of construction of new health centres during the five year period 2011-16 was as follows:

**Table 1.2.5**

Year	Sub Centre				Primary Health Centre			
	Approved	Target	Achievement	Functional	Approved	Target	Achievement	Functional
2011-12	464	15	15	286	118	Nil	-	97
2012-13	472	66	66	286	127	Nil	-	97
2013-14	544	Nil	-	286	138	3	3	117
2014-15	588	31	31	286	143	Nil	-	117
2015-16	588	17	17	286	143	1	1	117
		129	129			4	4	

*Source: Information furnished by SHS*

The above table reveals that;

- During the period 2011-16 the State Government approved to increase the number of SCs by 124. However, the State Government set a target to construct 129 new SCs, which has been shown as achieved.
- Though all 129 SCs were stated to have been constructed, the number of functional SCs remained 286 throughout the period, which indicates that none of the newly constructed SCs were made functional.
- Similarly, at the PHC level, the State Government approved to increase the number of PHCs from 118 to 143. However, actual target set for construction of new PHCs was only four, which has been shown as achieved. However, the number of functional PHCs witnessed an increase from 97 to 117 during the period.

There was nothing on record to clarify reasons for

- setting target higher than approved increase in number of SCs;
- increase in number of functional PHCs by 20 whereas only four newly PHCs were constructed.

In view of the discrepancies in number of functional SCs and PHCs, the integrity of the data provided by the State Government and also uploaded on Health Management

Information System which forms the basis of planning does not appear to be reliable. The State Government needs to identify the reasons for these discrepancies and take corrective action.

Thus, the State Government was not only unable to address the gap in existing SC and PHC but also failed to make the newly constructed SCs functional.

*In response, the Department while accepting the audit observations stated (December 2016) that necessary corrective action would be taken to reduce the gap.*

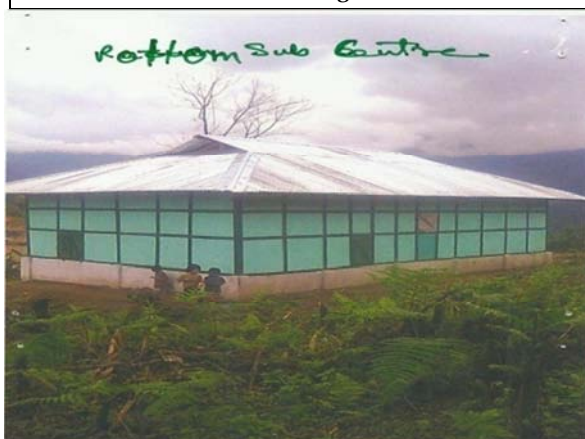
During joint physical verification, it was noticed that eight<sup>5</sup> SCs constructed (at a total cost of ₹ 103.16 lakh) by the DHSs, in Lower Subansiri and East Kameng districts between March 2013 to November 2015 were not operationalised as of July 2016 even after a lapse of 8 to 41 months of their construction. The photographs of some of such facilities which are yet to be operationalised are given below.



**Unoccupied Sub Centre building at Khodaso, East Kameng**



**Unoccupied Sub Centre building at Alangtopte, East Kameng**



**Unoccupied Sub Centre building at Rottom, Lower Subansiri**



**Unoccupied Sub Centre building at Radhpu, Lower Subansiri**

The reasons for non-operationalisation of the newly constructed five SCs (₹ 68.08 lakh) in Lower Subansiri district was stated to be due to non-deployment of manpower and

<sup>5</sup> Lower subansiri: Seya, Radhpu, Bas camp, Rottom & Repari Sub Centres (Completed at a total cost of ₹ 68.08 lakh between March 2013 and October 2015); East Kameng: Khodaso, Alangtopte & Guntung Sub centres (Completed at a total cost of ₹ 35.08 lakh between August 2013 and November 2013).



lack of equipment/furniture. In East Kameng district, three SCs (₹ 35.08 lakh) were not operationalised due to non-provision of water and electrical connection, and lack of equipment/furniture.

#### **1.2.8.2 Availability of basic amenities**

As per the guidelines of the NRHM, basic amenities are to be provided in different health centres. Joint physical verification (**Appendix-1.2.1**) revealed the following:

- Out of 31 SCs test checked, seven SCs were not having functional toilets; 24 SCs were not having separate toilet for male and female; 13 SCs were not having regular water supply; 29 SCs did not have water storage facilities; 14 SCs did not have electric power supply and 13 SCs were not provided with weighing machine.
- Out of 11 PHCs test checked, four PHCs were not having regular water supply; six PHCs did not have water storage facilities; two PHCs did not have electric power supply; four PHCs were not having separate toilets for male and female; and eight PHCs were not having power back up/generator.
- Out of six CHCs test checked, four CHCs did not have water storage facility as well as power back up/generator.
- Out of four DHs test checked, one DH did not have power back up/generator.

Thus, non-availability of essential amenities in the above test checked health centres would have adversely affected the quality of health care services provided in these centres.

#### **1.2.8.3 Provision of medical facilities/equipment**

The joint physical verification (**Appendix-1.2.2**) revealed the following shortfall in availability of medical facilities and equipment:

- Out of 31 SCs test checked, 19 SCs were not provided with examination table, 30 SCs were not having new born corner and 26 SCs did not have labour rooms.
- Out of 11 PHCs test checked, two PHCs were not providing in-patient services; 11 PHCs did not have Vasectomy and Tubectomy facilities; two PHCs did not have examination table; and five PHCs did not have new born corners.
- Out of 6 CHCs test checked, none of the CHCs were having operation theatre and blood storage facilities; five CHCs did not have x-ray services, and one CHC was not providing diagnostic services.
- Out of four DHs test checked, two DHs did not have X-ray services and blood storage facility.

Thus, non-availability of the basic medical facilities/equipment would have an adverse effect on providing emergency medical care.

*In response, the Department agreed that gaps existed in infrastructure which would require budgetary support and necessary steps would be taken in this direction.*

#### 1.2.8.4 Availability of Cold chain equipment

Under immunisation programme of RCH, the NRHM guidelines envisaged providing equipment for cold chain to ensure vaccines are preserved at the required range of temperature in health centres (PHCs, CHCs and DHs).

Audit observed that cold chain equipment were provided to 78 out of 117 PHCs, 50 out of 63 CHCs and 15 out of 16 DHs in the State as of March 2016. The availability of cold chain equipment in test checked healthcare centres in the sampled districts (Details in **Appendix 1.2.3**), as noticed in joint physical verification during field visits, was as under:

- Walk-in-coolers and walk-in-freezers were not provided in any of the health centres of the four sampled districts.
- In East Kameng district, two PHCs did not have ice lined freezer, deep freezer and refrigerator and one CHC (Pakke Kasang) did not have deep freezer.

#### 1.2.8.5 Mobile Medical Units

As per GoI norm, a Mobile Medical Unit (MMU) was to be provided under NRHM in every district to enable outreach services particularly in hilly and difficult areas of the State and 20 health camps were to be conducted by each district in a month. A MMU consists of three vehicles, one for carrying medical and para-medical personnel, second for carrying basic laboratory facilities and the third for carrying diagnostic equipment. Each unit was to be provided with dedicated manpower (one doctor, one nurse, one radiologist, one lab attendant, one pharmacist and a helper and driver) and diagnostic equipment such as X-Ray, ultrasound, ECG machine and generator. Besides, the suggested list of life-saving drugs and for common ailments along with a cold storage device for storage of heat sensitive drugs and vaccines were to be provided.

Audit observed that:

- As on March 2016, except of Longding district, 16 district had one MMU for each district.
- Diagnostic vehicle, in which USG, X-ray machine and ECG machine, laboratory equipment, etc. were to be housed, was not provided to East Kameng district.
- Diagnostic vehicle was lying idle in Lohit district for about four years and for more than six months in East Siang.
- No dedicated manpower including Doctors, Staff Nurses/ANMs, laboratory technicians were attached in the MMUs in the sampled districts.

In the sample districts, during the period 2011-2016, against the target of 1200 camps in each district only 34 (2.83 *per cent*), 21 (1.75 *per cent*), 235 (19.58 *per cent*) and 14 (1.17 *per cent*) camps were conducted in Lohit, Lower Subansiri, East Siang and East Kameng districts respectively and a total of 8,450 beneficiaries were treated.

Thus, the MMUs were not put to optimal use.

## 1.2.9 Human resource management

The objective of NRHM was to make the health centres provide round the clock medical services and maximize access of health care services to all section of the society especially to the rural areas. It also envisaged to make human resource available in all facilities at par with IPHS norms.

Audit, however, observed that the Department of Health Services did not have any centralized database on the sanctioned strength and deployment of health care professional in various health centres in the State.

### 1.2.9.1 Availability of Manpower

Audit examined availability of manpower based on IPHS norms in the test checked Health Care Centres in the four sampled districts. The position of availability of manpower against requirement as of March 2016 has been discussed in the subsequent paragraphs.

#### (i) District Hospitals

As per IPHS norms, District Hospital (DH)/General Hospital (GH) which are First Referral Units (FRUs) should have 29 Medical Specialists, 45 Nurses, 31 Para Medical staff and 6 Support staff for Blood Bank. The position of availability of manpower in four sampled districts as of March 2016 was as follows:

**Table 1.2.6**

Category of post/ (Number of posts)	Position of manpower (+ Excess / (-) Shortage)			
	GH, Tezu, Lohit	GH Pasighat, East Siang	GH Ziro, Lower Subansiri	DH Seppa, East Kameng
Medical Officers (29)	(-) 17	(+) 20	(-) 6	(-) 20
Staff Nurses (45)	(-) 9	(-) 7	(-) 15	(-) 16
Para Medical Staff (31)	(-) 7	(-) 6	(-) 14	(-) 20
Blood Bank (6)	(-) 6	(-) 3	(-) 5	(-) 6

Source: Data collected from health centres.

It can be seen from the above that

- There was uneven deployment of Medical Officers across districts while General Hospital Pasighat, East Siang district had 20 Medical Officers in excess of the norms, there was shortage of Medical Officers in General Hospitals at Lohit and Lower Subansiri and District Hospital East Kameng, which ranged between 6 and 20 Medical Officers.
- In all four districts, there was shortage of Staff Nurses and Paramedical Staff. Substantial shortage of 16 and 20 Staff Nurses and Paramedical staff respectively was noticed in District Hospital, Seppa, East Kameng district followed by General Hospital Ziro, Lower Subansiri district with a shortage of 14 to 15 Paramedical staff and Staff Nurses.

- The shortfall in supporting staff in Blood Bank was to the extent of 83 per cent.

Further, Audit observed that specialists as shown in the following table, required as per IPHS norms were not available in the sample district hospital as on March 2016.

**Table 1.2.7: List of Specialist not available at District Hospital**

Sl No.	District Hospital	Specialist not available
1	Pasighat (East Siang)	Radiologist
2	Tezu (Lohit)	Medicine, Orthopaedics, Radiology, Pathology, Ear Nose and Throat (ENT) and Psychiatry
3	Ziro (Lower Subansiri)	Medicine, ENT and Psychiatry.
4	Seppa (East Kameng)	Medicine, Surgery, Obstetrics and Gynaecology, Anaesthesia, Ophthalmology Orthopaedics, Radiology, Pathology, Psychiatry.

It was also noticed that there was excess deployment of four and one Dental Surgeon in DHs at Pasighat (East Siang) and Ziro (Lower Subansiri) while there were no dental surgeons in three sample CHCs (at Ruskin, Yazali and Old Ziro).

Despite being First Referral Units (FRUs), the District/General Hospitals in the four sampled districts had substantial shortfall in availability of different category of specialist which must have posed serious constraints on the delivery of health services.

#### **(ii) Community Health Centres**

As per IPHS norms, CHCs are required to have 12 Medical Specialists, 10 Nurses, 17 Paramedical staff. Position of manpower in 6 selected CHCs of the four sampled districts as of March 2016 was as under:

**Table 1.2.8**

Category of the post/ (Number of posts)	Position of manpower (+) Excess/ (-) Shortage)					
	East Siang		East Kameng		Lower Subansiri	
	Ruksin CHC	Mebo CHC	Seijosa CHC	PakkeKasang CHC	Yazali CHC	Old Ziro CHC
Medical Officers (12)	(-) 3	(-) 6	(-) 7	(-) 9	(-) 10	(-) 8
Staff Nurses (10)	(+) 3	(-) 3	(-) 4	(-) 8	(-) 6	(-) 3
Paramedical Staff (17)	(-) 7	(-) 14	(-) 9	(-) 15	(-) 11	(-) 10

*Source: Data collected from health centres.*

It can be seen from the above table that there was shortfall of manpower in various category of health care professionals and supporting staff in the six CHCs.

Further, Audit observed that specialists as shown in the following table, required as per IPHS norms were not available in the sampled CHCs as on March 2016.

**Table 1.2.9: List of Specialist not available at CHCs**

Sl. No.	Name of the CHC	Specialist not available
1	Mebo, CHC	General Surgeon, Physician, Obstetrician and Gynaecologist, Anaesthetist.
2	Ruksin, CHC.	Paediatrician, Dental Surgeon
3	Yazali CHC	General Surgeon, Physician, Obstetrician and Gynaecologist, Paediatrician, Anaesthetist, Dental Surgeon.
4	Old Ziro, CHC	General Surgeon, Physician, Obstetrician and Gynaecologist, Paediatrician, Anaesthetist, Dental Surgeon.
5	Seijosa, CHC	General Surgeon, Physician, Obstetrician and Gynaecologist, Paediatrician, Anaesthetist.
6	Pakke Kesang, CHC	General Surgeon, Physician, Obstetrician and Gynaecologist, Paediatrician, Anaesthetist.

It was also noticed that there was excess deployment of General Surgeon (one), Physician (one) and Anaesthetist (one) in Ruksin CHC. Also, there was excess deployment of General Duty Medical Officers in Mebo CHC (one) and Old Ziro CHC (two).

Shortage of Medical Officers in CHCs against IPHS norms would have affected health services in these test checked CHCs. Besides, the objective of developing the CHCs as the First Referral Unit (FRU) have not been achieved to that extent and the required health care professionals need to be in position to deliver to the expected health services.

### (iii) Primary Health Centres

As per IPHS norms, PHCs should have one Medical Officer (MBBS), three Staff Nurses and five Paramedical staff. The actual deployment of manpower position in 11 PHCs test checked in four sampled districts was as indicated in the following table:

**Table 1.2.10**

Posts	Position of manpower (+) Excess / (-) Shortage)										
	East Kameng		Lower Subansiri		Lohit			East Siang			
	Veo	Rilloh	Deed Neelam	Yachuli	Wakro	Sunpura	Lailiang	Sille	Bilat	Borguli	Namsing
Medical Officers (one)	(-) 1	0	(+) 1	0	0	0	0	0	0	(-) 1	0
Staff Nurse (three)	(-) 2	(-) 1	(-) 2	(+) 1	(-) 3	(-) 1	(-) 3	(-) 3	0	(-) 2	(-) 1
Paramedical Staff (five)	(-) 3	(-) 5	(+) 3	(-) 1	(+) 5	(-) 1	(+) 7	(+) 5	(+) 1	(-) 1	(-) 2

Source: Data collected from health centres

As can be seen from the table

- No Medical Officer was posted in Veo PHC (East Kameng district) and Borguli PHC (East Siang district) where as one Medical Officer was in excess in Deed Neelam PHC (Lower Subansiri district).

- Shortage of Staff Nurse was across all PHCs test checked except PHC Yachuli (Lower Subansiri district).
- There was no proper distribution of Paramedical Staff, while on the one hand some PHCs (Deed Neelam PHC, Wakro PHC, Lailiang PHC and Sille PHC) had excess staff ranging between three and seven, on the other hand in Rilloh PHC no paramedical staff was posted and in Veo PHC there was shortage of three staff.

#### **(iv) Sub Centres**

As per IPHS norms, a Sub Centre should have one ANM/Female Health Worker, one Male Health Worker along with one Sweeper. Analysis of the actual deployment *vis-à-vis* requirement of manpower in 31 test checked SCs of four sampled districts as on March 2016 revealed that:

- In all 31 SCs test checked, ANM/Female Health Workers were in position but with an overall excess of 12 personnel<sup>6</sup> who should be redeployed in other SCs where there were shortages.
- While 21 out of 31 SCs did not have Male Health Workers, four SCs (Hari, Bulla, Hong and Manypolyang) under Lower Subansiri and one SC (Danglat) under Lohit district had seven excess Male Health Workers.
- In East Siang district, no Male Health Workers were posted in 9 out of 10 SCs and in East Kameng district, 3 out of 5 SCs did not have Male Health Workers.
- There was substantial shortfall in the category of Safai Karamchari in all 31 SCs ranging from 5 to 8 personnel under each sampled district.

Efficiency of health care centres suffered due to deficiency in manpower and non-availability of basic infrastructure and equipment as brought out in the earlier paragraphs. As a result, these health care centres were not able to deliver the expected services. Staff at all levels need rational redeployment from excess to where there are shortages.

*In reply, the Department accepted the audit observations and stated that wherever manpower gaps are, efforts are being made to fill the gaps.*

#### **1.2.10 Availability of Accredited Social Health Activist (ASHA)**

The NRHM aimed at promoting access to improved healthcare at household level through a trained female community health worker called Accredited Social Health Activist (ASHA) in every village, in the ratio of one per 1,000 populations and one per habitation in tribal, hilly and desert areas. ASHA was expected to act as an interface between the community and the public health system, who would be an honorary volunteer, receiving performance based compensation for promoting universal immunisation, referral and escort services for RCH and other health delivery programmes. ASHA plays an important role in promoting right health practices and facilitate effective utilization of health services among the rural people. In order to

<sup>6</sup> Lower Subansiri: eight; East Siang: two; Lohit and East Kameng: one each.

enhance their skills and knowledge in motivating pregnant women for institutional deliveries, Antenatal Care, Postnatal Care, Care of new-born baby, Immunisation, prevention and control of non-communicable disease, etc., ASHAs were to undergo a series of training programmes.

Audit observed that:

- As on March 2016, against the requirement of 4015 ASHAs, there were 3826 ASHAs in position in the State.
- In the four sampled districts, there were 685 ASHAs in position against the requirement of 756 as on March 2016. While there was no shortage in Lohit and East Siang districts, in Lower Subansiri district shortage was 5 *per cent* and in East Kameng district shortage was more pronounced (20 *per cent*).
- In the four sampled districts, out of 685 ASHAs in position, only 262 ASHAs were imparted training, which indicated that a large number of ASHAs were not adequately trained to discharge their assigned roles.

#### **1.2.10.1 Providing of ASHA kits**

ASHAs are to be provided with a drug kit containing a set of 24 items of drugs/equipments and products to enable her to provide basic level care. The drug kits mainly contain drugs for minor ailments to be replenished every month.

Analysis of provision of ASHA kits in the four sample district revealed that out of 685 ASHAs to be supplied with kits as on March 2016, only 311 ASHAs were provided the kits. Thus, 55 *per cent* of ASHAs were not provided with kits.

Audit further noticed that even in those cases where kits were provided, only 10 items instead of 24 prescribed items were included in the kits. Essential items which were not provided were Paracetamol syrup, Zinc tablets, Spirit, Soap, Nischay kit, Rapid diagnostic kit, slides for malaria and lancets, sanitary napkins, etc. This fact also emerged in the survey of ASHAs conducted by audit in four sample districts as highlighted in Paragraph 1.2.14.1.

Thus, the purpose of appointing ASHAs without imparting training to enhance their skills and not providing necessary kits frustrated the objective of providing basic health services at household level through ASHAs.

#### **1.2.11 Reproductive and Child Health**

Reproductive and Child Health programme under NRHM aimed at reducing maternal and infant mortality. Accordingly, the programme emphasised institutional deliveries to provide reliable access to Antenatal Care, Skilled Birth Attendants, Delivery Care, Postnatal Care and emergency obstetric care, etc. In order to give impetus to institutional deliveries, a '*Janani Suraksha Yojana (JSY)*' scheme provided financial package to all pregnant women registered for institutional deliveries.

Under this scheme registered pregnant women are tracked and followed up by ASHAs from the stage of Antenatal Care, Delivery and Post-delivery care. Micro Birth Plans

(MBP) and Mother and Child Health (MCH) card are also to be maintained at the health centres for effective monitoring of the antenatal and post-delivery care.

### 1.2.11.1 Status of Institutional deliveries

The details of pregnant women registered and actual institutional delivery during the five year period from 2011-12 to 2015-16 were as given in the following table:

**Table 1.2.11**

Year	Number of pregnant women registered	Number of pregnant women who opted institutional delivery	Shortfall	Percentage shortfall	Domiciliary deliveries
2011-12	26,290	11,330	14,960	60	532
2012-13	30,809	12,203	18,606	60	751
2013-14	34,633	12,968	21,665	63	695
2014-15	35,542	13,283	22,259	63	1053
2015-16	29,631	13,578	16,053	54	1207
<b>Total</b>	<b>156,905</b>	<b>63,362</b>	<b>93,543</b>	<b>60</b>	<b>4238</b>

Source: Data furnished by SHS.

As per the information provided by SHS, it can be seen that during the period 2011-2016, out of 156,905 pregnant women registered, only 63,362 (40 per cent) opted for institutional delivery in the State Government managed healthcare centres and 4238 (3 per cent) had domiciliary delivery. No information in respect of the remaining pregnant women registered were available on records, which indicated that the tracking system of the mother and the child from the antenatal care to postnatal care was inadequate. MBP and MCH card were not maintained in any of the PHCs and SCs test checked. As a consequence, all the registered pregnant women could not be tracked and followed up for check-ups, institutional delivery and postnatal care as is evident from the low achievement in the institutional deliveries, postnatal care as brought out in subsequent paragraphs.

### 1.2.11.2 Target and achievement

Year wise target fixed by SHS and achievement on institutional deliveries during 2011-2016 was as given below:

**Table 1.2.12: Target and achievement**

Year	Target	Achievement	Percentage
2011-12	27,475	11,330	41
2012-13	28,187	12,203	43
2013-14	28,918	12,968	45
2014-15	29,670	13,283	45
2015-16	24,730	13,578	55
<b>Total</b>	<b>138,980</b>	<b>63,362</b>	<b>46</b>

Source: Data furnished by SHS.

It can be seen that the achievement of target was showing an increasing trend, however, the achievement against the target during the five year period was only between



41 per cent and 55 per cent. This is indicative of low performance of the health centres in providing maternal and child care services.

Year wise achievement of target in institutional deliveries in four sampled districts during 2011-2016 was as detailed in **Appendix 1.2.4**.

Analysis of achievement revealed that though the achievement of institutional delivery against target fixed was 88 per cent, this needs to be seen against the low target fixed by DHS of all the four sampled districts as compared to actual number of registered pregnant women. It can be seen that only 19,240 (45 per cent) out of 42,701 pregnant women registered during 2011-16 opted for institutional deliveries in the health centres in the sampled districts.

Lack of specialist doctors at health centres, as evident from the finding in paragraph 1.2.9.1 may be a reason for registered pregnant women not coming for delivery to health centres.

### **1.2.11.3 Antenatal Care**

Under RCH, to enhance safe motherhood, pregnant women are to be registered in the health centre within 12 weeks of pregnancy and have to be provided with services of four antenatal check-ups, 100 days Iron Folic Acid (IFA) tablets, two doses of Tetanus Toxoid (TT), correct diet and vitamin supplements. Moreover, early detection of complications during pregnancy through the prescribed antenatal check-ups is an important intervention for preventing maternal mortality and morbidity.

The position of Antenatal Care service delivery in the State during 2011-16 was as given in the following table (Centralised data for first and second visits of registered pregnant women was not available):

**Table- 1.2.13**

Year	Number of pregnant women registered						
	Received check-ups				Given Tetanus Toxoid (TT) immunisation		Given 100 IFA tablets
	At the stage of registration	First Visit (20-24 weeks)	Second Visit (28-32 weeks)	Third Visit (34-36 weeks)	First round	Second round	
2011-12	26,290	NA	NA	9,851	15,306	11,492	7,641
2012-13	30,809	NA	NA	9,995	18,019	12,802	13,647
2013-14	34,633	NA	NA	11,985	21,456	14,518	14,295
2014-15	35,542	NA	NA	13,517	21,379	14,977	21,692
2015-16	29,631	NA	NA	12,771	18,260	14,149	18,866
<b>Total</b>	<b>156,905</b>	-	-	<b>58,119</b>	<b>94,420</b>	<b>67,938</b>	<b>76,141</b>

*Source: Data furnished by SHSNA-Data not available in HMIS Portal.*

The Audit observations are as under:

- Out of 1,56,905 pregnant women registered during 2011-16, only 58,119 (37 per cent) came for third visit (34-36<sup>th</sup> week) check-ups. The shortfall in attendance of the registered pregnant women during third visit ranged between 57 per cent and 68 per cent during the period 2011-16.

- Similarly, the shortfall in immunisation of first dosage of TT was between 38 per cent and 42 per cent; the shortfall in second dosage was even higher at 52 per cent to 58 per cent of the total registered pregnant women.
- In administration of IFA tablets, the shortfall was 38 per cent to 71 per cent of registered pregnant women during the period 2011-16.

The above position indicated that the antenatal care for maintaining maternal and child health was not availed by 63 per cent of registered pregnant women and the tracking system for follow up of mother and child was ineffective.

The shortfall in administration of IFA tablets had to be viewed in light of the fact that for IFA syrup/tablets worth ₹ 379.08 lakh were not procured as planned in Programme Implementation Plan (PIP) even though an amount of ₹ 920.10 lakh earmarked for medicines was not utilized during 2014-15 and 2015-16 which constituted 74 per cent and 80 per cent of the allocation during those years.

A total of 42,701 pregnant women were registered in the sample district during the five year period 2011-16 as detailed in the following table:

**Table - 1.2.14**

Name of the district	Number of pregnant women (in per cent)							
	Registered	Received check-ups				Given Tetanus Toxoid (TT) immunisation		Given 100 IFA tablets
		At the stage of registration	First Visit (20-24 weeks)	Second Visit (28-32 weeks)	Third Visit (34-36 weeks)	First round	Second round	
Lohit	20,709	0 (0.00)	6,636 (32.04)	0 (0.00)	8,446 (40.78)	20,519* (99.08)		7,454 (35.99)
Lower Subansiri	5,424	1,523 (28.08)	0 (0.00)	0 (0.00)	1,320 (24.34)	2,700 (49.78)	1,667 (30.73)	1,454 (26.81)
East Kameng	6,759	2,731 (40.41)	2,731 (40.41)	2,409 (35.64)	2,409 (35.64)	3,617 (53.51)	2,376 (35.15)	4,244 (62.79)
East Siang	9,809	4,490 (45.77)	4,490 (45.77)	0 (0.00)	4,305 (43.89)	10,422* (106.25)		5,354 (54.58)
<b>Total</b>	<b>42,701</b>	<b>8,744</b> (20.48)	<b>13,857</b> (32.45)	<b>2,409</b> (5.64)	<b>16,480</b> (38.59)			<b>18,506</b> (43.34)

Source: Data furnished by DHSs.  
available.

\* Collective figure for 1<sup>st</sup> & 2<sup>nd</sup> TT as bifurcation was not available.

The above table reveals that the position of antenatal care provided to pregnant women in the sampled districts was not encouraging. The required check-ups and administration of immunisation and IFA tablets were availed by only 39 per cent of the registered pregnant women. This indicated weakness in the tracking of expectant mothers for antenatal care.

Moreover, as the nearest functional SCs/PHCs in sampled districts were located at a distance of more than 10 to 15 km, this may have acted as deterrents for regular check-ups at the health centres. There is a need for strengthening of tracking and follow up system through MCH card to improve the position of maternal care.

#### **1.2.11.4 Deficiency in delivery care**

RCH emphasised providing of antenatal care, essential obstetric drugs, neonatal resuscitation, and equipment for new-borns in the health centres.

Audit, however, observed that equipment for neonatal care and neonatal resuscitation were not available in all the 31 SCs<sup>7</sup> test checked. Similarly, in six out of 11 PHCs, (Wakro, Tezu-Sunpura, Veo, Namsing, Borguli and Rilloh PHCs), and in two out of six CHCs (Pakke Kasang and Old Ziro CHCs) these above facilities were not available.

Further, caesarean section with specialists in obstetrics and gynaecology was not available in five CHCs (Mebo, Pakke Kasang, Seijosa, Old Ziro and Yazali CHC) out of the six CHCs test checked.

Thus, in majority of the health centres test checked, adequate delivery care facilities were not available. Unless all the obstetrics care facilities along with adequate manpower are available, the position of institutional deliveries in these health centres would remain low and the objective of providing intended maternal and child care in these centres would remain unachieved.

#### **1.2.11.5 Postnatal Care**

Postnatal care includes monitoring the weight of the child, physical examination of the mother, advice on breast feeding, etc.

The position of postnatal care in the four sampled districts during the period 2011-2016 was as detailed in **Appendix 1.2.5**. Analysis of postnatal care services in the four sampled districts revealed that:

- Out of 19,240 institutional deliveries, only 8102 (42 *per cent*) women availed postnatal care.
- The number of women who availed postnatal care in the health facilities was highest in East Siang district at 54 *per cent* of total institutional deliveries, followed by 42 *per cent* in East Kameng district.
- Whereas, in Lohit and Lower Subansiri districts only 30 *per cent* and 41 *per cent* of the women who had institutional deliveries availed postnatal care.

Audit also noticed that 66 cases were treated with postnatal complications, and 14,337 cases were registered as Reproductive Tract Infection in Lohit district.

Thus, the extent of postnatal care provided by the health centres in the sampled districts was only 42 *per cent* as compared to the total number of institutional deliveries. This also indicated that the tracking system of mothers after child birth in the health centres was weak. There is a need for strengthening of the tracking system through MCH card and MBP to improve the services of maternal and child care from antenatal to postnatal care.

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<sup>7</sup> **Lohit**- Changliang, Danglat, Tafragram, Paya, Medo.

**Lower Subansiri**- Hari, Bulla, Siiro, Hong, Monypolyang, Joram, Miya, Depo, Kushkut, New Pania, Dem.

**East Kameng**- Pakro, Palin, Gumtung, Golaso, Niti Darlong (Lower Seijosa).

**East Siang**- Remi, Ngorlung, Niglok, Mikong, Debing, Mirem, Ayeng, Motum, Bodak, Siluk.

## 1.2.12 Child health care services

In order to maintain healthy childhood, RCH programme emphasised complete immunisation of all children from 0 to one year age group followed by secondary immunisation and Vitamin A solution through five doses for vaccine preventable infants and child diseases.

### 1.2.12.1 Full Immunisation Programme

The target fixed and achievement made under full immunisation programme in the State during the period 2011-16 were as under:

**Table 1.2.15**

Year	Target (Number of children)	Actual achievement			
		Upto one year (%)	Above one and a half year (%)	Above five years (%)	Above 10 years (%)
2011-12	25,657	13,750 (54)	6,290 (25)	2,056 (08)	4,462 (17)
2012-13	27,342	16,514 (60)	7,670 (28)	2,810 (10)	4,945 (18)
2013-14	28,016	17,759 (63)	8,056 (29)	3,637 (13)	5,781 (21)
2014-15	28,712	15,656 (55)	8,654 (30)	3,239 (11)	4,524 (16)
2015-16	29,432	17,049 (58)	10,003 (34)	3,871 (13)	4,687 (16)
<b>Total</b>	<b>139,159</b>	<b>80,728 (58)</b>	<b>40,673 (29)</b>	<b>15,613 (11)</b>	<b>24399 (18)</b>

Source: Data furnished by SHS

Audit analysis revealed the following position during the period 2011-16:

- The achievement against the target of immunisation<sup>8</sup> of children between 0 to 1 year age group was only between 54 *per cent* and 63 *per cent*.
- Immunisation of children above one and a half year age was lower at 25 *per cent* to 34 *per cent* of the target.
- Secondary immunisation was even lower ranging between 8 and 13 *per cent* in respect of children above five year.
- For children above 10 year, immunisation was between 16 *per cent* and 21 *per cent*.

Shortfall in immunisation coverage has to be seen against the prevalence of vaccine preventable infant and child diseases such as Neonatal tetanus (11 cases), Diphtheria (60 cases), Tetanus (135 cases), Whooping Cough (69 cases) and Acute Respiratory Infection (22,296 cases) in the State during the period 2011-16.

Target and achievement for immunisation in the four sampled districts during 2011-16 was as indicated in **Appendix 1.2.6**. Analysis of immunisation efforts in four sampled districts revealed that:

- In East Siang, no targets were fixed for immunisation during five year period and in East Kameng, target was not fixed for the first three years of 2011-14.

<sup>8</sup> Bacillus of Calmette and Guerin (BCG), Measles, Diphtheria Pertusis Tetanus (DPT) and Oral Polio Vaccine (OPV), Diphtheria Tetanus (DT) for children above five year and Tetanus Toxoid (TT) for children above 10 years.

- Immunisation of children upto the age of one year in Lohit and Lower Subansiri was only to the extent of 46 *per cent* and 63 *per cent* respectively.
- Immunisation of children above one and a half year in Lohit and Lower Subansiri went down to 37 *per cent* and 46 *per cent* respectively while in East Siang and East Kameng, it was 53 *per cent* and 40 *per cent* respectively.
- Immunisation of children of age five years and above; and above 10 years was even less when compared to earlier stages.

Audit observed shortfall in immunisation which may be due to lack of awareness among the beneficiaries and less frequency of holding of immunisation sessions. Government needs to identify reasons for this shortfall and ensure complete immunisation.

#### **1.2.12.2 Administration of Vitamin A solution**

Administration of Vitamin A solution was for all children less than three years of age. The first dose of Vitamin A was to be administered at nine months of age along with measles vaccine and the second dose along with Diphtheria Pertusis Tetanus(DPT)/Oral Polio Vaccine (OPV). The subsequent three doses were to be administered at six monthly intervals.

Target and achievements of State during the period 2011-2016 was as follows:

**Table 1.2.16**

Year	Nos. of children targeted	Actual achievement		
		First dose (%)	Second dose (%)	Third to fifth dose (%)
2011-12	25,657	3,725 (15)	2,075 (08)	1,264 (05)
2012-13	27,342	11,816 (43)	6,827 (25)	3,068 (11)
2013-14	28,016	2,126 (08)	1,554 (06)	509 (02)
2014-15	28,712	7,699 (27)	4,759 (17)	2,635 (09)
2015-16	29,432	10,944 (37)	8,113 (28)	3,161 (11)
<b>Total</b>	<b>139,159</b>	<b>36,310 (26)</b>	<b>23,328 (17)</b>	<b>10,637 (08)</b>

*Source: Data furnished by SHS*

It can be seen that first dose of Vitamin A solution was administered to children only to the extent of eight *per cent* to 43 *per cent* of the total targeted children during the five year period. While the achievement of second doses was just between six *per cent* to 28 *per cent*, the third to fifth doses was only between two *per cent* to 11 *per cent* of the children targeted during the five year period.

The target and achievement of administration of Vitamin A solution in the sampled districts during the period 2011-2016 was as detailed in **Appendix 1.2.7**. Analysis of this data revealed that:

- Against the target fixed, the achievement of first dose in Lower Subansiri and Lohit was 36 *per cent* and 24 *per cent* respectively during the five year period. In these two districts, there was no turn out for the second dose. Whereas, for third to fifth doses, the achievement was only upto 18 *per cent* and 14 *per cent* in Lower Subansiri and Lohit district respectively.

- In East Siang and East Kameng districts, no target was fixed by the DHSs. However, turn out for second dose was 47 per cent and 64 per cent in East Siang and East Kameng respectively when compared to the first dose. The number of children who took third to fifth doses reduced substantially to 13 per cent and 29 per cent of number of children who took the first dose in East Siang and East Kameng respectively. One of the reason for shortfall in administration of Vitamin A solution may be due to lack of awareness among the beneficiaries. Government needs to examine the reasons for the same.

Thus, from the above analysis it can be seen that post-delivery child health care services and full immunisation programme provided by the health care centres were far from satisfactory.

Child health care in the State was not effective as immunisation was achieved only upto 58 per cent of the targeted children and Vitamin A solution was administered to only 26 per cent of the children targeted during the entire five year period 2011-12 to 2015-16. There is a need for strengthening the post-delivery child care services and full immunisation programme by making the mother and child tracking system more efficient. Government needs to identify reasons for shortfall in immunisation as well as administration of Vitamin A solution and take remedial action by conducting awareness campaign and increasing the frequency of immunisation session.

*In response, the Department accepted the audit observations and agreed that there is a need for extra effort to ensure linkage of mother and child health for institutional delivery, antenatal and postnatal care and full immunisation.*

### 1.2.13 Coverage of Janani Suraksha Yojana scheme

To encourage institutional delivery, 'Janani Suraksha Yojana (JSY)' was launched in April 2005 to provide all pregnant women and ASHAs cash assistance for bringing pregnant women to the health centres. Cash assistance was fixed at ₹ 700/- and ₹ 500/- for institutional and home delivery respectively in Arunachal Pradesh. Cash assistance to ASHA was fixed at ₹ 600/- for institutional and ₹ 400/- for home delivery respectively.

The status of JSY covered in the State during 2011-2016 was as follows:

**Table 1.2.17**

(₹ in lakh)

Year	Number of pregnant women holding JSY card <sup>9</sup>	Number of institutional deliveries by beneficiaries holding JSY card	Number of women covered	Amount paid	Number of Home deliveries	Number of women covered	Amount paid
2011-12	17,707	11,630	NA	NA	505	NA	NA
2012-13	17,382	11,529	10,343	72.40	671	301	1.50
2013-14	24,191	11,057	12,383	86.68	605	392	1.96
2014-15	21,327	12,428	3,934	27.54	478	173	0.87
2015-16	29,631	13,227	9,512	66.58	972	947	4.73
<b>Total</b>	<b>110,238</b>	<b>59,871</b>	<b>36,172</b>	<b>253.20</b>	<b>3231</b>	<b>1813</b>	<b>9.06</b>

Source: Data furnished by SHS NA-Data not available

<sup>9</sup> All registered pregnant women need not possess JSY card and hence the difference. Only pregnant women holding JSY card are entitled for incentive under the scheme.

It can be seen that out of 110,238 pregnant women holding JSY Card, 59,871 (54 per cent) women had institutional deliveries. Of which, only 36,172 (60 per cent) were paid the cash assistance totalling to ₹ 253.20 lakh. Thus, cash assistance worth ₹ 165.89 lakh was not paid to 23,699 beneficiaries during 2012-2016. Similarly, against 3231 home deliveries, only 1813 (56 per cent) were paid an amount of ₹ 9.06 lakh, resulting in non-payment of incentive to 1418 (44 per cent) home delivery cases amounting to ₹ 7.09 lakh. Consequently, 25,117 (40 per cent) out of the total 63,102 (59,871 Institutional delivery + 3,231 Home delivery) eligible beneficiaries who had deliveries were deprived of the incentive under JSY scheme during the period 2012-2016.

As regards payment of incentives to ASHAs, during 2012-16, in only 24,403 out of 27,578 cases an amount totalling to ₹ 146.42 lakh were paid wherein the beneficiaries were assisted by ASHAs leaving out 3175 (12 per cent) cases involving incentives of ₹ 19.05 lakh without recorded reasons.

The status of coverage of JSY scheme in the four sampled districts during the period 2011-2016 was as follows:

**Table 1.2.18**

(₹ in lakh)

Name of the district	Number of pregnant women holding JSY card	Number of institutional deliveries by beneficiaries holding JSY card	Number covered	Amount paid	Number of Home deliveries	Number covered	Amount paid
Lower Subansiri	5424	2544	1385	9.70	128	31	0.16
Lohit	6136	6949	5374	37.60	394	394	1.97
East Siang	9812	7240	4128	28.90	276	135	0.68
East Kameng	6759	2507	1845	12.92	305	305	1.52
<b>Total</b>	<b>28,131</b>	<b>19,240</b>	<b>12,732</b>	<b>89.12</b>	<b>1103</b>	<b>865</b>	<b>4.33</b>

Source: Data furnished by DHSs.

It can be seen that:

- Though 19,240 (68 per cent) out of 28,131 pregnant women having JSY Card had institutional deliveries, only 12,732 (66 per cent) of them were paid the cash incentive totalling to ₹ 89.12 lakh. Thus, there was non-payment of incentive totalling to ₹ 45.56 lakh to 6508 eligible beneficiaries.
- Similarly, against 1103 home deliveries, only 865 beneficiaries holding JSY Card were paid incentive totalling to ₹ 4.33 lakh while 238 eligible beneficiaries were deprived ₹ 1.19 lakh.
- Besides, out of 10,825 cases assisted by ASHAs<sup>10</sup> eligible for incentive, only in 9,418 (87 per cent) cases incentive totalling ₹ 56.51 lakh were paid. ASHAs involved in 1407 eligible cases (12 per cent) were deprived of the incentive.

Thus, due to non-payment of incentive meant for the purpose of maternal care through the provision of cash incentive was not fully achieved and resulted in denial of benefits to the intended beneficiaries.

<sup>10</sup> Lohit-4347 cases, Lower subansiri-1316 cases, East siang-4163 cases and East Kameng-1009 cases.

### 1.2.14 Impact assessment

Infant Mortality Rate (IMR)<sup>11</sup> measures the health condition in infancy and reflects the health condition of the mother, the environment in which the infant is born, and in which his/her infancy is spent.

In 2005 when NRHM was first launched in the country, Arunachal Pradesh had an IMR of 77 per 1000 live births. The trend of IMR in the State during 2011-15 was as follows:

**Table 1.2.19**

Year	IMR	
	Target as per XII Plan Document	Achievement
2011-12	19	32
2012-13	19	33
2013-14	19	32
2014-15	19	30
2015-16	19	Not yet declared

Source: Data furnished by SHS and SRS 2014 data.

From the above, it can be seen that IMR of the State has reduced from 77 per 1000 live births in 2005 to 30 per 1000 during 2014-15, which was lower than the all India average of 40 per 1000 live births as per Sample Registration System 2014<sup>12</sup>. However, the State could not achieve the target of 19 per 1000 fixed for Arunachal Pradesh in the 12<sup>th</sup> Five Year Plan. The reasons for non-achievement of target have not been analysed by the State Government.

#### 1.2.14.1 ASHA Survey

Audit conducted a survey of 119 ASHAs who were in the age group of 21 to 60 years in the sampled districts in order to assess to what extent the intended services on mother and child health as envisaged in the guidelines were delivered effectively. The survey was carried out through a pre-designed format covering various health related activities/services of ASHAs and the findings are as under:

- 81 (68 per cent) of ASHAs surveyed have been trained to conduct normal delivery in case of emergency. However, while 60 per cent (71) did not have thermometer, up to 94 per cent (112) and 62 per cent (74) did not have Pregnancy and Disposable Delivery kits respectively. Further, up to 99 per cent (118) of them did not possess Blood Pressure Monitor, and 49 per cent (58) of the ASHAs were not in possession of the Weighing Scale.
- Regarding provision of Drug, 66 per cent (78) of the ASHAs did not have Paracetamol tablets in their kits and 81 per cent (96) and 78 per cent (93) of them did not possess Iron pills and de-worming pills.

<sup>11</sup> The figure for MMR and TFR are not available as the denominator is too low i.e. pregnant women are less than 100000 population.

<sup>12</sup> The Sample Registration System (SRS) is the most regular source of demographic statistics in India. It is based on a system of dual recording of births and deaths in fairly representative sample units spread all over the country.



- As regards maintenance of prescribed records, 47 per cent (56) of 119 ASHAs surveyed did not maintain register of *Janani Suraksha Yojana* Scheme, 15 per cent (18) did not maintain register for antenatal/intra-natal/postnatal and under age five children immunisation records. While 32 per cent (38) ASHAs did not maintain register for under age five for growth monitoring, 30 per cent (36) informed that the above five age child immunisation register was not maintained.
- 63 per cent (75) of ASHAs received their incentives with a delay ranging from one to three months.

Thus, it can be seen from above that though ASHAs were in place to provide a link between the community at the household levels and the health care system, full complements of drugs/equipment as laid down in the guidelines were not provided to them which would impinge upon their effectiveness in discharging health services to the rural community. Moreover, the linkage between ASHAs and the maternal and child care from antenatal to child immunisation post-delivery was weak as vital records were not maintained by substantial number of ASHAs.

### **1.2.15 Monitoring and Evaluation**

The NRHM envisaged accountability framework through a three pronged mechanism of internal monitoring, community based monitoring and external evaluation.

#### **1.2.15.1 State level**

At the State level, NRHM functions under the overall guidance of State Health Mission (SHM) with the Chief Minister as Chairperson and State Health Society (SHS)<sup>13</sup> who were to meet periodically and review the progress of implementation of NRHM. The meeting of the SHM was required to be held at least once every six months to monitor and evaluate the implementation of the programmes.

Audit, however, observed that SHM met only twice (2014 and 2015) and Governing Body of SHS never met during the last five years (2011-2016). Though the Executive Committee (EC) met at regular intervals but deliberated only on administrative and financial matters and not on monitoring of activities of health facilities.

#### **1.2.15.2 District level**

At the district level, NRHM functions under the District Health Mission (DHM) chaired by the Minister in charge of the District and District Health Society (DHS)<sup>14</sup>.

Audit observed that in four sampled districts, though the DHM and DHS were constituted in September 2005, no meetings of DHM and Governing Bodies/Executive

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<sup>13</sup> State Health Society (SHS): Governing Body (GB) chaired by the Chief Secretary, Executive Committee (EC) chaired by the Commissioner/Secretary (Health & Family Welfare); and State Project Management Unit (SPMU) headed by the Mission Director.

<sup>14</sup> District Health Society (DHS): Governing Body (GB) headed by the Deputy Commissioner, Executive Committee headed by the District Medical Officer; and District Programme Management Unit (DPMU) headed by the District RCH Officer.

Committees of the DHS were convened during the five year period from 2011-12 to 2015-16.

### **1.2.15.3 Gram Panchayat**

Panchayati Raj Institutions (PRIs) were to be involved in planning and implementation of the programme.

Audit observed that PRIs was not involved in planning, implementation and monitoring of NRHM activities at the district level. In most cases, Deputy Commissioner functioned as de-facto Chairperson of DHM instead of Chairperson of Gram Panchayats.

### **1.2.15.4 Evaluation by Evaluation Team**

Evaluation of the implementation of NRHM in Arunachal Pradesh was conducted by the Seventh Common Review Mission from the Ministry of Health and Family Welfare, GoI in November 2013. The Action Taken Report on the observations/recommendations in this regard was submitted by the State Health Mission to GoI after a delay of nearly 16 months in February 2015.

### **1.2.15.5 Social audit of health facilities**

Community monitoring or social audit was an integral part of NRHM wherein community members are to assess, review and suggest recommendation in the implementation of health programmes.

Audit observed that no steps have been initiated to put in place an institutional mechanism for social audit of the activities of the health centres.

Thus, the existing institutional mechanism for monitoring of NRHM activities remained largely inactive. Inadequate monitoring of the programme would allow deficiencies in delivery of health services to rural population to remain unattended.

### **1.2.16 Conclusion**

The availability of functional health centres as per population norm was in excess of the requirement in CHCs and PHCs but there was shortage of 38 *per cent* in SCs as on March 2016. However, there was shortfall of PHCs and SCs by 18 *per cent* and 51 *per cent* respectively vis-à-vis actually approved by the State Government. Moreover, newly constructed Sub Centres were not utilized for a period of 8 to 41 months after completion till the date of audit (August 2016). Basic amenities such as separate toilets for male/female, water supply and electricity, etc. were not available in test checked health centres. There were overall deficiency in manpower at all level of health care centres. Moreover, there was need to rationalize the existing manpower as there were excess in some health care centres while there was shortage in other.

The utilization of funds was between 48 *per cent* and 84 *per cent* of the total available funds. Funds from the State Government to SHS were released with a delay of 44 to 390 days. The works were awarded without inviting tender and also no agreements were entered into with the Contractor to safeguard the interest of the State.

During 2011-16, only 40 *per cent* of the total pregnant women registered had institutional delivery in the State Government run health care centres. Antenatal care services was weak as only 37 *per cent* of registered pregnant women availed mandatory three check-ups during pregnancies, immunisation of TT and administration of IFA tablets. Moreover, postnatal care was attended by only 42 *per cent* of the women who had institutional deliveries.

Child care services provided at the health centres for immunisation was not encouraging as the coverage of immunisation from 0 to 1 year till attaining the age of 10 years and above was only between 11 *per cent* to 58 *per cent*. Administration of Vitamin A solution for children upto 3 years of age in different doses was availed by 8 *per cent* to 26 *per cent* of the children targeted.

Monitoring of programme activities was weak as State Health Mission met only twice (2014 and 2015) against the requirement of 10 meetings during 2011-16. State Health Society never met during this period. The District Health Missions and District Health Societies of four sampled districts did not conduct any meetings during the entire review period. Social audit of the Mission's activities by the community was not conducted.

### **1.2.17 Recommendations**

The State Government may

- streamline fund flow to ensure timely release of funds to the SHS so that the implementation of the NRHM is not adversely affected.
- ensure that all completed Sub Centre and Primary Health Centre are made functional.
- augment and rationalize deployment of health care professionals to ensure round the clock availability of health services in various health centres.
- strengthen Antenatal and Postnatal services provided at the health centre by ensuring mother and child tracking system in health centres.
- strengthen monitoring and evaluation mechanism of the NRHM activities at all levels.

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**Education Department**
**1.3 Implementation of the Right of Children to Free and Compulsory Education (RTE) Act, 2009.**

The Right of Children to Free and Compulsory Education (RTE) Act, 2009 provides for free and compulsory elementary education to all children in the age group of 6-14 years, by ensuring compulsory admission and completion of elementary education by every eligible child. The programme also provides for creating infrastructure, adequate classrooms, playground, library and learning equipment, kitchen shed for mid-day meal, etc. The Government also laid emphasis on ensuring favourable pupil teacher ratio, availability of qualified teachers in different stream and providing of uniforms and text books to students enrolled in primary schools and upper primary schools. *Sarva Shiksha Abhiyaan* (SSA) was the main vehicle for implementing the provision of the RTE Act. Some major audit findings are highlighted below:

**Highlights:**

- *School mapping and household survey for identification of children eligible for elementary education has not been carried out since April 2010. As on March 2016, out of school children were 57,032 (18 per cent).*

*(Para 1.3.7.1 & 1.3.7.3)*

- *232 primary school buildings and 130 upper primary school buildings constructed during 2014-16 were yet to be handed over to school authorities.*

*(Para 1.3.8.1 & 1.3.8.2)*

- *As of March 2016, there was 42 per cent shortfall in Science & Mathematics teachers.*

*(Para 1.3.9.1)*

- *Despite excess procurement of text book by Director Elementary Education during 2010-11 to 2012-13, there was shortfall in receipt of text book in test checked schools in the sampled districts.*

*(Para 1.3.10.1)*

- *Work books worth ₹123.02 lakh was not received from State Project Director, Sarva Shiksha Abhiyan by the test checked schools in each of four sampled districts.*

*(Para 1.3.10.3)*

- *There was shortfall in supply of uniform in the test checked schools of the sampled districts to the extent of ₹30.98 lakh.*

*(Para 1.3.11)*

- *2760 number of boys' uniform (₹ 11.04 lakh) and 13700 number of girls' uniform (₹54.80 lakh) were not delivered by the Suppliers.*

*(Para 1.3.12.3)*

- *Text books worth ₹ 10.88 lakh was not delivered to State Project Director, Sarva Siksha Abhiyaan by the Supplier.*

*(Para 1.3.12.3)*

### **1.3.1 Introduction**

The Right of Children to Free and Compulsory Education (RTE) Act, 2009, operative with effect from 1<sup>st</sup> April 2010, provides that all children in the age group of 6 to 14 years have a right to free and compulsory elementary education (Class I to VIII) in a neighbourhood school. Free education is defined as ‘removal of any financial barrier by the state that prevents a child from completing eight years of schooling.’ ‘Compulsory education’ means obligation of the appropriate government to provide free elementary education. The key objective of the Act was to be achieved by taking such steps required for:

- ensuring compulsory admission, attendance and completion of elementary education of every eligible child;
- ensuring availability of neighbourhood school where it has not been established within 3 years i.e, 31<sup>st</sup> March 2013;
- ensuring that no child of weaker section and disadvantaged group are discriminated against and prevented from pursuing and completing elementary education on any ground;
- providing infrastructure including school building, teaching staff and learning equipment; and
- providing training facility for teachers.

*Sarva Shiksha Abhiyaan (SSA)* was the main vehicle for implementing the provision of the RTE Act. For the purpose of implementation of RTE Act, 2009, the Government of Arunachal Pradesh framed its State RTE Rules, 2010 to regulate the activities of the State and local authorities to provide free elementary education in the State.

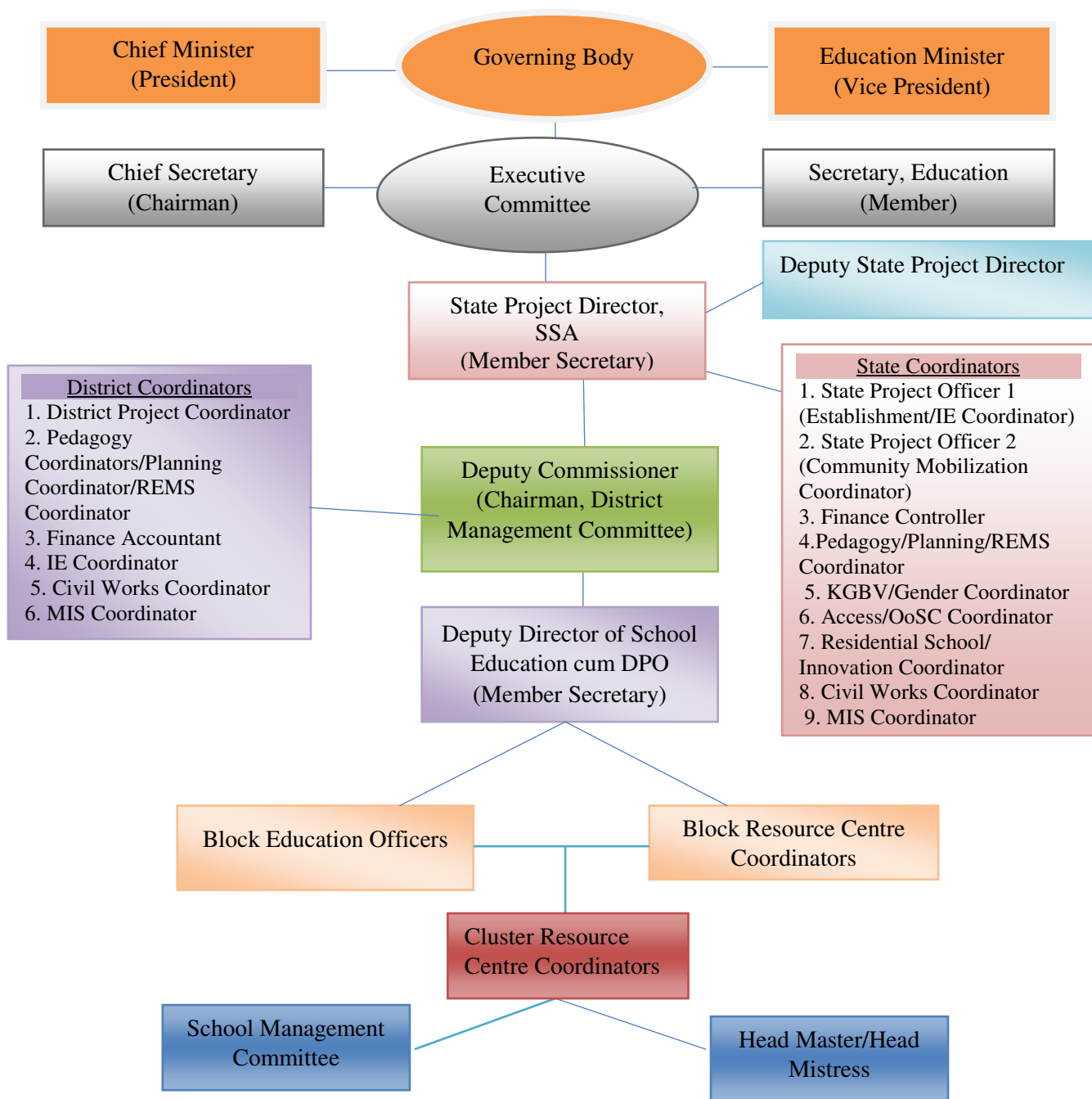
### **1.3.2 Organizational Set-up**

RTE Act is implemented by Arunachal Pradesh State Implementing Society, SSA, Rajya Mission, Itanagar. The Executive committee under the Governing body is empowered to carry out day to day functions of the scheme. The Chief Secretary as chairman of the Executive Committee is assisted by the Secretary (Education).

At the District level, the scheme is implemented through District Management Committee (DMC) where Deputy Commissioner (DC) is the Chairman and Deputy Director of School Education (DDSE) cum District Project Officer (DPO) is the Member-Secretary. The DPO in each district is assisted by a District Project Coordinator, District coordinators, Block Education Officers, Block Resource Centre Coordinators, Cluster Resource Centre coordinators, School Management Committees, Head Master/Mistress.

Organisational set up for implementation of RTE Act is given in the chart below:

**Chart-1.3.1**  
**Organisational set-up for implementation of RTE Act**



### 1.3.3 Audit Objectives

The Performance Audit was conducted to ascertain whether:

- the objective of RTE Act for making elementary education a fundamental right for all children between ages of 6-14 years has been achieved;
- the funds allocated were being utilized in an economic and efficient manner; and
- an effective monitoring mechanism was in place.

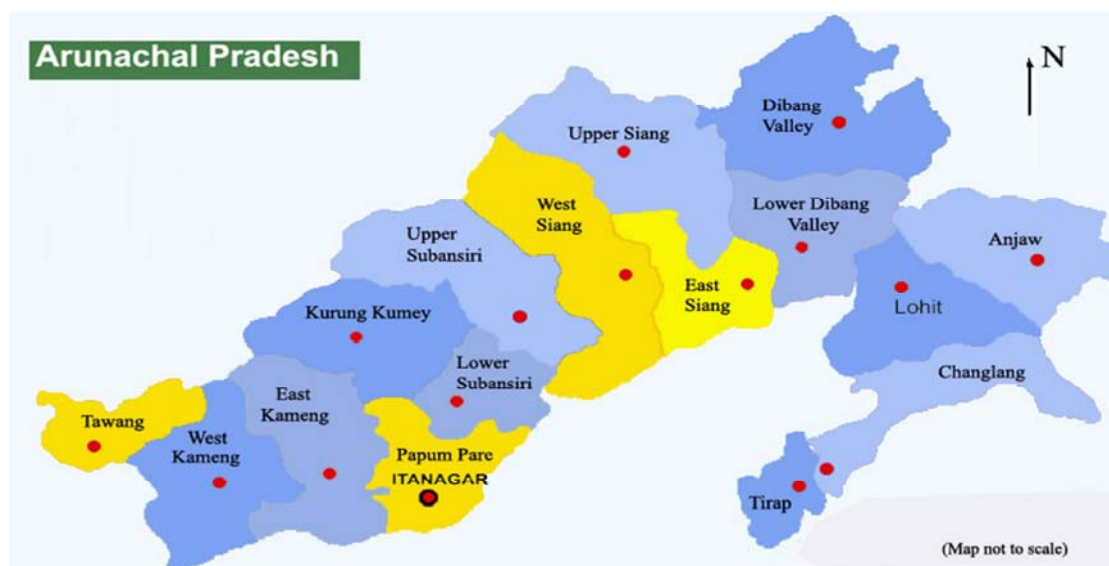
### 1.3.4 Audit Criteria

Audit findings are benchmarked against the criteria contained in the following sources:

- Right to Free and Compulsory Education Act, 2009.
- Rules laid down for Right to Free and Compulsory Education Act, 2009.
- Scheme guidelines based on Right to Free and Compulsory Education Act, 2009.
- Norms framed by respective states for expenditure under RTE Act.
- Various orders, notifications, circulars, instructions issued by Ministry of Human Resource Development (MHRD)/State Government.
- Annual Work Plan and Budget prepared by MHRD/various states.
- District Information System for Education.

### 1.3.5 Audit Scope & Methodology

The Performance Audit covered the period of 2010-11 to 2015-16. Four districts viz. East Siang, West Siang, Papumpare and Tawang Districts were selected for detailed examination. Physical verification was conducted in 30 schools each selected through Simple Random Sampling without Replacement (SRSWOR) method in the four districts as shown in the map below:



Selected Districts

Audit covered implementation of the Act at the following levels:

State Level	State Project Director, SSA, Rajya Mission, Itanagar; Directorate of Elementary Education, Itanagar; and State Council of Educational Research and Training Centre, Chimpu.
District	District Project Officer cum DDSE office of East Siang, West Siang, Papumpare and Tawang Districts.
Local Level	30 schools/SMCs each from the four Districts.

The Performance Audit commenced with an Entry Conference held with the Commissioner of Education on 26 April 2016 where the objectives and scope of audit were discussed. Audit examined the records of SPD, SSA and Directorate of Elementary Education and records of DPOs.

Audit findings were discussed with the Commissioner of Education and the State Project Director (SPD), SSA in the Exit Conference held on 23 December 2016. Replies and views of the Department have been incorporated in the report wherever found appropriate.

### **1.3.6 Acknowledgement**

Indian Audit and Accounts Department places on record its acknowledgment of the State Government for their assistance in facilitating this audit.

### **Audit findings**

Audit findings are discussed in subsequent paragraphs.

### **1.3.7 Planning**

#### **1.3.7.1 School mapping and identification of eligible children not conducted**

In order to achieve the objectives of RTE Act, the State Government is required to undertake school mapping for establishing new neighbourhood schools with specific reference to difficult areas, small hamlets and high density population area, and identify all children, including children belonging to weaker and disadvantaged sections within a period of one year from April 2010, and every year thereafter.

Audit noticed that the State Government has not carried out any school mapping as required for establishing new neighbourhood schools since the Act came in effect in April 2010. Survey for identification of children between the age group of 6 and 14 years in the State was also not carried out as required under the Act.

Norms adopted by the State Government for establishing new schools were:

- for primary schools, 1 km radius of habitation and with a population of 150 and above and minimum enrolment of 20 children (age between 6 and 11 years); and
- for upper primary schools, 3 km radius of habitation with 250 population and above, and minimum 20 passed out primary school children and two feeder schools.



During 2010-16, 722 new primary schools and 301 upper primary schools were proposed by the SPD, SSA under the RTE Rules.

It was noticed in audit that 6 habitations<sup>15</sup> having eligible children for primary schools and 2 habitations<sup>16</sup> with eligible children for upper primary schools have not been covered for providing new schools under the RTE as on March 2016. Also, in the absence of survey and school mapping, the State could not identify eligible children for providing elementary education residing in small hamlets, difficult terrain and high density population neighbourhood which would grant them special relaxation from the prescribed norms for new schools/residential accommodations.

*While accepting the audit observations, the Department stated (December 2016) that school mapping and household survey are under process and will be completed by March 2017.*

### **1.3.7.2 Target and achievement of enrolment**

With a view to providing compulsory education to every child (age 6-14 years), the State Government and local authorities were to ensure compulsory admission, attendance and completion of elementary education by identifying and enrolling eligible children in the neighbourhood schools.

In order to assess the achievement of the above objective, maintenance of database of all children eligible for enrolment (6-14 years) was a prerequisite. Since, the State Government had not conducted household survey to identify all eligible children for compulsory elementary education, audit could not assess the extent to which the objectives of the Act were achieved. However, Audit assessed the position based on the projection<sup>17</sup> made by the SPD, SSA, Rajya Mission, Itanagar of children who attained the age of enrolment (6 to 14 years) with that of actual enrolment as per Unified District Information on School Education (UDISE)<sup>18</sup>.

**Table-1.3.1**

Year	Nos. of Children with age of enrolment (6-14 years)			Nos. of student enrolled (per cent)		Shortfall in enrolment (per cent)		
	PS	UPS	Total	PS	UPS	PS	UPS	Total
2010-11	247,218	102,005	349,223	203,253 (82.22)	79,562 (78.00)	43,965 (17.78)	22,443 (22.00)	66,408 (19.02)
2011-12	250,785	95,250	346,035	209,403 (83.50)	76,387 (80.20)	41,382 (16.50)	18,863 (19.80)	60,245 (17.41)
2012-13	236,478	100,291	336,769	200,033 (84.59)	87,756 (87.50)	36,445 (15.41)	12,535 (12.50)	48,980 (14.54)
2013-14	196,493	102,080	298,573	190,159 (96.78)	77,515 (75.94)	6,334 (3.22)	24,565 (24.06)	30,899 (10.35)
2014-15	211,555	100,948	312,503	203,826	83,104	7,729	17,844	25,573

<sup>15</sup> (1) Kra-Dadi District: (i) Gillo Tabing, (ii) Kikum (Serek), (iii) Paka, (iv) Kamrung-I (v) Sojam.

(2) Kurung Kumey District: (i) Medical Colony, Lower Nyapin.

<sup>16</sup> (i) Dokio Pop and (ii) Chalho of Kra- Dadi District.

<sup>17</sup> Based on Census 2011 and population growth rate of children in Arunachal Pradesh.

<sup>18</sup> U-DISE is a database of information about schools in India.

Year	Nos. of Children with age of enrolment (6-14 years)			Nos. of student enrolled (per cent)		Shortfall in enrolment (per cent)		
	PS	UPS	Total	PS	UPS	PS	UPS	Total
				(96.35)	(82.32)	(3.65)	(17.68)	(8.18)
2015-16	209,458	102,797	312,255	201,814 (96.35)	84,432 (82.13)	7,644 (3.65)	18,365 (17.87)	26,009 (8.33)

(Source: Departmental Records and U-DISE)

Analysis of Table 1.3.1 revealed that:

- Shortfall in enrolment declined from 19.02 per cent in 2010-11 to 8.33 per cent in 2015-16. At the end of March 2016, the number of children not enrolled stood at 26,009 (primary: 7,644 and upper primary: 18,365) after six years of implementation of RTE Act, which was still substantial.
- In primary class, the percentage of enrolment rose from 82.22 per cent in 2010-11 to 96.35 per cent in 2015-16 and the shortfall in enrolment considerably decreased to 3.65 per cent in 2015-16.
- In upper primary class, the percentage of enrolment rose from 78 per cent in 2010-11 to 87.50 per cent in 2012-13, but declined during subsequent years and stood at 82.13 per cent in 2015-16.

This indicated that the local authorities did not ensure admission and attendance of every eligible child and also failed to motivate the parents of those children who were responsible to admit his or her child to an elementary education in the neighbourhood school.

The reason for shortfall in achievement of compulsory admission of all eligible children has not been analysed by the State Government.

### 1.3.7.3 Dropout rate and out of school children

The primary objective of the RTE Act was to ensure attendance and completion of elementary education by every child (age 6 to 14 years). For this purpose, local authorities are required to ensure attendance and completion of elementary education within their jurisdiction.

The number of students who dropped out of primary and upper primary classes during 2010-16 is shown below:

**Table-1.3.2**

Year/Class	Number of student enrolled		Number of Dropout student		Dropout percentage	
	PS	UPS	PS	UPS	PS	UPS
2010-11	203,253	79,562	38,913	5,005	19.15	6.29
2011-12	209,403	76,387	35,769	3,150	17.08	4.12
2012-13	200,033	87,756	46,422	4,628	23.21	5.27
2013-14	190,159	77,515	35,770	7,363	18.81	9.50
2014-15	203,826	83,104	24,996	5,594	12.26	6.73
2015-16	201,814	84,432	24,234	6,789	12.01	8.04
<b>Average</b>	<b>201,415</b>	<b>81,459</b>	<b>34,351</b>	<b>5,421</b>	<b>17.09</b>	<b>6.66</b>

(Source: Departmental Records and U-DISE)

As can be seen from the above table:

- Against average enrolment of 282,874 children (Primary: 201,415 and Upper Primary: 81,459) during the six year period (2010-16), on an average 39,772 students dropped out of the elementary schools which constituted 14 *per cent* of average enrolment.
- The dropout rate was higher in primary schools ranging between 12.01 and 23.21 *per cent* as compared to 4.12 and 9.50 *per cent* in upper primary schools.

As on March 2016, out of school children was 57,032 (26,009 not enrolled and 31,023 dropped out) which constituted 18 *per cent* of 312,255 eligible children during 2015-16.

Thus, there is a need to take remedial action to ensure that all out of school children are admitted in schools to accomplish the objective of compulsory elementary education as envisaged in the Act.

#### **1.3.7.4 Seats not reserved for weaker section**

As per the RTE Act, unaided schools shall admit in Class I, to the extent of 25 *per cent* of the strength of that class, children belonging to weaker section and disadvantaged group in the neighbourhood and provide free and compulsory elementary education till completion and expenditure so incurred would be reimbursed. RTE Rules framed by the State Government also provided for such admission.

However, it was noticed that provision of 25 *per cent* reservation for children belonging to weaker section had not been enforced upon unaided schools in the State. As per the information provided by SPD, SSA, as on March 2016 there were 398 private unaided schools in the State with intake capacity of 16,320 students in Class I. Thus, had the State enforced the provision of 25 *per cent* admission for children belonging to weaker and disadvantaged groups in Class I, 4080 would have availed free education in private unaided schools.

#### **1.3.7.5 Age appropriate admission**

Every child above six years of age were to be admitted in a class appropriate to his or her age according to the RTE Act.

Scrutiny of records revealed that out of 14,14,429 students enrolled during the audit there were instances of admission to a class not appropriate to his or her age as detailed in **Appendix 1.3.1**. Summarised position was as follows:

- 2,04,876 (14 *per cent*) students were admitted to higher classes than the prescribed appropriate age of the students.
- 46,118 children admitted in Class I were four to five years old instead of the prescribed six years.
- 2,72,386 students (19 *per cent*) were admitted in lower classes as compared to their appropriate age. 35,773 overaged students in Class I aged 7 to 12 years as against prescribed 6 years of age. 29,877 students were above 12 years but admitted in Class II to VI.

- 20,409 students from Class III to VIII were above 14 years of age who should have completed their elementary education.

Thus, it is clear that the provision of admitting students at appropriate age was not complied with by the State Government.

### 1.3.7.6 Retention in the same class

No child admitted in a school was to be held back in any class or expelled from school till the completion of elementary education according to the RTE Act (Section 16). The position as existed in the State during the period covered under performance audit was as under:

- Retention in the same class ranged between 1430 and 4365 students during the five year period 2011-2016, which constituted 0.50 *per cent* to 1.53 *per cent* against the total enrolment from Classes I to VIII.
- Retained children in the same class were higher in the primary classes as compared to the upper primary classes. At the end of March 2016, 1430 children were retained in the same class at different levels.

Thus, the provision of non-retention of students in the same class was not complied with.

### 1.3.8 Establishment of new schools

According to the provision of the Act, the State Government was to establish schools for providing compulsory elementary education where such schools have not been established within a period of three years from the commencement of the Act.

The position of new schools (Primary and Upper Primary School) proposed and actually constructed in the State during the five year period 2010-16 was as under:

**Table-1.3.3**

Year	Planned		Constructed		Handed over	
	PS	UPS	PS	UPS	PS	UPS
2010-11	194	54	194	54	194	54
2011-12	124	42	121	42	121	42
2012-13	123	49	123	49	123	49
2013-14	49	26	49	26	49	26
2014-15	214	106	214	106	0	0
2015-16	18	24	18	24	0	0
<b>Total</b>	<b>722</b>	<b>301</b>	<b>719</b>	<b>301</b>	<b>487</b>	<b>171</b>

Source: Departmental records.

It can be seen from above that construction of 722 new primary schools were planned during the period 2010-16. Of 441 new schools planned for construction by March 2013, 438 schools were actually constructed, balance 3 new schools were yet to be constructed till March 2016. 281 schools planned for construction during 2013-16 were also actually constructed. However, 214 schools constructed in 2014-15 and 18 schools constructed in 2015-16 were yet to be handed over as on March 2016 to the school

authorities because of non-payment of liabilities by the implementing units. As a result, 232 schools could not be made operational though planned for establishment.

Similarly, construction of 301 new upper primary schools were planned during the period 2010-16, (145 by March 2013 and balance 156 schools during 2013-16) and all of them were actually constructed within the stipulated time schedule. However, 106 schools constructed in 2014-15 and 24 schools constructed in 2015-16 were yet to be handed over as on March 2016 to the school authorities on account of non-payment of liabilities by the implementing units. As a result, 130 schools could not be made operational though planned for establishment.

### **1.3.8.1 Primary /Upper Primary schools**

The position of new schools (Primary and Upper Primary School) in sample districts during the five year period 2010-16 was as under:

**Table-1.3.4**

Name of Districts	Year	Planned		Constructed		Handed over	
		PS	UPS	PS	UPS	PS	UPS
East Siang	2010-16	18	18	18	18	18	18
West Siang	2010-16	49	22	49	22	27	13
Papumpare	2010-16	83	22	83	22	59	13
Tawang	2010-16	7	3	7	3*	7	-
<b>Total</b>		<b>157</b>	<b>65</b>	<b>157</b>	<b>65</b>	<b>111</b>	<b>44</b>

Source: Departmental records.

\* No new construction only three PS upgraded to UPS.

Analysis of establishment of new primary and upper primary schools in the sample district revealed the following:

- **East Siang District:** 18 new primary schools planned were constructed. However, during joint inspection it was noticed that in two new schools (3<sup>rd</sup> Mile Primary School and Tulap Primary School), child friendly elements, fire extinguisher, garden, drinking water facility, electricity supply and ramps with handrails were not provided which were included in approved estimate and expenditure also incurred.

In case of upper primary school, 18 new schools were planned and constructed, and handed over.

- **West Siang District:** 49 new primary schools were planned and constructed. However, 22 new schools constructed during 2014-15 were yet to be handed over to the school authorities as of March 2016 even after one and a half year of completion.

Nine new schools constructed during 2014-15 were yet to be handed over to the school authorities as of March 2016 because of non-payment of liabilities.

- **Papumpare District:** 83 new primary schools planned were actually constructed. However, 24 new schools constructed during 2014-15 were yet to be handed over to the school authorities as of March 2016 even after one and half year of

completion. It was also noticed in Audit that in three new schools (DNGC Primary School, Nunpu Residential Middle School and Primary School, Kimin Town) constructed during 2012-13 to 2014-15, child friendly elements, fire extinguisher, garden and ramps with handrails, which were included in approved estimate and expenditure incurred, were not provided.

24 new schools constructed during 2014-15 were yet to be handed over to the school authorities as of March 2016 on account of non-payment of liabilities.

- **Tawang District:** 7 new primary schools planned were constructed and handed over within the stipulated period of three years by March 2013 as per specification.

In case of upper primary schools, no new construction had been taken up. However, three primary schools were upgraded to upper primary schools during 2012-13 to 2014-15.

Thus, new schools required for implementation of RTE was not fully achieved even upto March 2016.

Audit also noticed that detailed estimates and measurement books were not maintained by the DPOs in three<sup>19</sup> of the sampled districts. Thus, in the absence of estimate and design and authentic measurement book as prepared by qualified Engineers, the quality of work and the quantity of materials used for construction of the schools could not be verified in Audit.

### 1.3.8.2 Availability of infrastructure

In order to achieve the objective of RTE Act, appropriate Government was obligated to provide infrastructure such as school building, teaching staff, etc. The provision of the act stated that no school shall be established or recognized unless it fulfils the norms and standards specified which were: (i) at least one class room for every teacher and an office-cum-store-cum-head teacher's room; (ii) barrier-free access; (iii) separate toilets for boys and girls; (iv) safe and adequate drinking water facility; (v) kitchen for mid-day meal; (vi) play ground; (vii) boundary wall; and (viii) library.

As of 31 March 2016 there were 3335 schools in the State. The position of schools having required facilities and shortfall in the State as of March 2016 was as under:

**Table-1.3.5**

Facilities	Number of Schools		
	With facilities	Without facilities	Per cent without facilities
At least one class room for every teacher	3329	6	0.36
Boys Toilets	3184	151	4.53
Girls Toilets	3279	56	1.68
Safe and adequate drinking water facility	1762	1573	47.17
Toilets for CWSN*	225	3110	93.25

<sup>19</sup> East Siang, Papumpare and Tawang.

Facilities	Number of Schools		
	With facilities	Without facilities	Per cent without facilities
Ramps	812	2523	75.65
Handrails	516	2819	84.53
Play Ground/Play fields	1156	2179	65.34
With Boundary walls	1639	1696	50.85
Library with books	666	2669	80.03
Kitchen Sheds	2004	1331	40.00

(Source: U-DISE) \*CWSN - Children With Special Need

It can be seen from the above table that almost all the schools providing elementary education in the State had at least one class room for every teacher. However, certain basic facilities were not available in all schools such as safe drinking water facilities (47.17 per cent); kitchen sheds (40 per cent); and library with books (80.03 per cent). Non-availability of facilities for children with special need was noticeable.

Thus, the infrastructure facilities as per the prescribed norm of the RTE Act had not been provided.

### 1.3.9 Availability of qualified teachers

Teachers who at the commencement of the RTE Act, did not possess minimum qualification as laid down by the academic authority, shall acquire such minimum qualification within a period of five years. The minimum qualification prescribed by the State Government for teachers was Senior Secondary (SS) and professional was Diploma (D.El.Ed) (for primary classes) or Bachelor (B.El.Ed) (for upper primary classes). This was also mandatory for teachers who were already employed and for appointment of new teachers in the State. Year-wise position of qualified teachers during the six year period was as under:

**Table-1.3.6**

Year	Number of teachers				
	Total	With Senior Secondary	Per cent	with D.El.Ed/ B.El.Ed	Per cent
2010-11	12,876	NA	NA	3651	28.36
2011-12	12,876	12,209	94.82	3095	24.04
2012-13	13,057	12,360	94.66	3276	25.09
2013-14	13,147	12,762	97.07	3366	25.60
2014-15	13,284	12,912	97.20	3503	26.37
2015-16	13,282	12,990	97.80	6311	47.52

(Source: Departmental Records)

It can be seen from above that the teachers with Senior Secondary was showing an increasing trend during the period covered in the performance audit. In case of professional qualification, teachers with the prescribed diploma/bachelor degree was less than 30 per cent during the period 2010-15 but the position improved during 2015-16 as the teachers with prescribed diploma/bachelor degree rose to 47.52 per cent.

At the end of the six year of implementation of the RTE Act, there were 292 teachers without Senior Secondary and about 52 *per cent* of teachers did not possess minimum professional qualifications prescribed by the State Government.

*While accepting the audit observations, the Department (December 2016) stated that professional qualification would be ensured for all elementary teachers as per National Council for Teacher Education (NCTE) norms by the end of 2016-17.*

### 1.3.9.1 Availability of Mathematics and Science teachers

Any school established before commencement of this Act shall take steps to fulfil norms and standards within a period of three years from the date of such commencement (April 2010). According to the norm, each upper primary school (VI to VIII) should have one teacher for Science and Mathematics. The position of availability of Science and Mathematics teachers during the period 2011-16 was as below:

**Table-1.3.7**

Year	Number of Upper primary schools	Number of Science & Mathematics teachers	Shortfall (in <i>per cent</i> )
2011-12	998	916	82(08%)
2012-13	1025	839	186 (18%)
2013-14	1093	762	331 (30%)
2014-15	1155	841	314 (27%)
2015-16	1237	722	515 (42%)

*(Source: U-DISE) (Data for 2010-11 was not available)*

As can be seen from the above table, shortfall in number of Science and Mathematics teachers increased from 82 in 2011-12 to 515 in 2015-16. This was due to an increase in the number of Upper primary schools from 998 in 2010-11 to 1237 in 2015-16 and decrease in number of Science and Mathematics teachers from 916 in 2010-11 to 722 in 2015-16.

Thus, it is evident that the requirement of at least one teacher for Science and Mathematics, as per RTE norms was not adhered to which would have adversely impacted the quality of education imparted.

*While accepting the audit observations, the Department stated (December 2016) that the State has initiated to recruit mathematics and science teachers to ensure availability of subject teachers as per the RTE Act.*

### 1.3.9.2 Pupil Teacher Ratio

According to the RTE Act, the State Government was to ensure the Pupil-Teacher Ratio (PTR) as per the norms specified in the Schedule within six months from the commencement of the Act. As per the norms, primary schools should maintain PTR in the ratio of 30:1 and in upper primary schools 35:1. In any case, the PTR should not be more than 40 students for primary classes.

The availability of teachers and number of students in primary schools and upper primary schools during the six year period 2010-16 was as under:



**Table-1.3.8**

Year	Primary Schools			Upper Primary Schools		
	Nos. of students	Nos. of teachers	PTR	Nos. of students	Nos. of teachers	PTR
2010-11	2,08,091	8,107	26	74,388	4,709	16
2011-12	1,82,016	8,131	22	69,489	4,796	14
2012-13	1,72,055	8,423	20	75,209	4,343	17
2013-14	1,58,127	8,526	19	74,683	4,405	17
2014-15	1,56,368	8,651	18	74,234	4,039	18
2015-16	1,50,921	8,549	18	73,346	3,868	19
<b>Total</b>	<b>10,72,459</b>	<b>50,295</b>	<b>21</b>	<b>4,47,437</b>	<b>26,316</b>	<b>17</b>

(Source: Departmental Records)

As it can be seen from above that in primary schools, the PTR was between 18:1 and 26:1 during the six years period 2010-16. In upper primary schools, for every teacher there were 14 to 19 students per class. Thus, the PTR in the State was well within the norms prescribed by the RTE Act.

Though PTR in the State was within norms prescribed by the RTE Act, during test check of 120 schools in the sampled districts it was noticed that 25 schools were having less teachers than required under norm while in the remaining schools there were deployment of excess teachers. This was indicative of the fact that posting of teachers was not rational and the position may be the same in other districts of the State.

Moreover, from the U-DISE data it could be seen that there were significant number of schools with single teacher in the State. Percentage of single teacher schools varied between 24 per cent and 32.56 per cent during the period covered under performance audit.

*While accepting the audit observations, the Department stated (December 2016) that order has been issued from the Secretary Education to review the posting of teachers for rationalization in the districts.*

### **1.3.10 Provision for free text/work books**

As per RTE Rules, a child attending a school of the State Government is entitled to free text books. For the purpose of providing free text books, the framework for implementation of the RTE Act prescribed ₹ 150 per child at primary level and ₹ 250 per child at upper primary level. Within the ceiling of prescribed unit cost per child per year at primary and upper primary levels, States can support work books, work sheets and other essential teaching learning materials which together constitute textual materials for the subject, class or grade. Further, States that have been providing text books to children under State sector schemes and budgets since 2007-08 will continue to fund text books being provided from the State Plans.

Directorate of Elementary Education (DEE), Government of Arunachal Pradesh (GoAP) procured and distributed free text books to government schools under the State Plan, and SPD, SSA, Rajya Mission provided work books to both government run schools and government aided schools. Text books and work books were centrally purchased at the

State level both by DEE, GoAP and SPD, SSA and supplied to DPOs who in turn distributed them to SMCs under their jurisdiction.

### 1.3.10.1 Provision for free text books by DEE

Position of funds and expenditure on procurement of text books by DEE during the six years period was as under:

**Table-1.3.9**

Year	Number of students	Number of text books required	Number of text books purchased	Shortfall/ Excess	Amount Allotted (₹ in lakh)	Expenditure (₹ in lakh)
2010-11	2,82,478	14,60,681	16,83,145	(+) 2,22,464 (15 %)	503.96	500.14
2011-12	2,51,505	14,34,720	20,33,226	(+) 5,98,506 (42 %)	683.35	680.07
2012-13	2,47,264	14,65,809	15,85,144	(+) 1,03,018 (7 %)	778.24	775.05
2013-14	2,32,809	15,12,229	12,71,990	(-) 2,23,922 (15 %)	771.3	757.13
2014-15*	2,30,603	13,89,963	9,47,280	(-) 4,42,683 (3 %)	71.07	51.27
2015-16	2,24,266	13,62,358	6,13,500	(-) 7,48,858 (55 %)	292.09	292.09
<b>Total</b>		<b>58,73,439</b>	<b>71,87,005</b>	<b>(-) 65109</b>	<b>3100.01</b>	<b>3055.7</b>

(Source: Departmental Records). \*In 2014-15, text books were procured by SPD, SSA.

During 2010-11 to 2012-13, there was excess procurement of text books ranging from 1.03 lakh to 2.22 lakh but during subsequent years there were shortfall in purchase of text books.

The shortfall in procurement and distribution of text books during three year period from 2013-14 to 2015-16 was stated to be due to fund constraints. This would have adversely affected the quality of education imparted to the students in these years.

In the test checked 120 schools it was noticed that:

- **East Siang District:** While 7 to 18 schools were short-supplied 35,363 (25 per cent) text books, 2 to 4 schools received 4,976 (4 per cent) text books in excess of requirement. Further, 7 to 16 schools could not produce receipt of 62,714 (45 per cent) text books.
- **West Siang District:** Only 2 to 4 schools received text books as per requirement. While 7 to 20 schools were short-supplied 37,712 (36 per cent) text books, 1 to 4 schools received excess of 1459 text books. Further, 2 to 11 schools could not produce receipt of 26,468 (25 per cent) text books.
- **Papumpare District:** While 2 to 12 schools were short-supplied 39,265 (26 per cent) text books, 2 to 3 schools received 1435 text books in excess of requirement. Further, 8 to 16 schools could not produce receipt of 93,560 (62 per cent) text books.

- **Tawang District:** While 6 to 17 schools were short-supplied 25,915 (40 per cent) text books, 1 to 5 schools received excess of 2342 (4 per cent) text books. Further, 2 to 14 schools could not produce receipt of 15051 (23 per cent) text books.

Thus, it is evident that text books were not distributed by DPOs as per actual requirement of schools.

### 1.3.10.2 Provision of free work books by SPD, SSA

Position of funds and expenditure on procurement of work/text books during the six years (During 2010-11 & 2014-15 expenditure was on procurement of text books only) was as under:

Table-1.3.10

(₹ in lakh)

Year	AWP & B*		Expenditure	Number of students enrolled	Expected expenditure as per norm	Excess
	Number of students	Approved * Amount				
2010-11	3,40,027	611.59	620.50	2,93,597	518.99	(+) 101.51
2011-12	2,93,577	518.96	518.96	2,66,609	475.63	(+) 43.34
2012-13	2,66,609	475.63	475.63	2,61,690	473.20	(+) 2.43
2013-14	2,61,653	473.13	473.13	2,47,342	450.71	(+) 22.42
2014-15	2,47,322	450.68	450.68	2,45,047	447.25	(+) 3.43
2015-16	2,45,032	447.21	447.21	2,39,430	438.20	(+) 9.01
<b>Total</b>		<b>2977.21</b>	<b>2986.12</b>		<b>2803.98</b>	<b>(+) 182.13</b>

(Source: Departmental records) Note: \* Approved amount = Nos. of Students x ₹ 150 for PS & ₹ 250 for UPS.

\*Annual Works Plan and Budget

It can be observed from the above table that during the six years period from 2010-2016, SPD, SSA spent ₹ 29.86 crore as per approved Annual Works Plan and Budget (AWP&B). However, the actual number of the students enrolled in these years was less than the number of students projected in AWP&B. Due to procurement of work books without considering the actual number of students, an avoidable extra expenditure of ₹ 1.82 crore was incurred.

### 1.3.10.3 Procurement of work books.

Further, despite procurement of excess work books, it was noticed that no work books were received in any of the test checked schools. Thus, 39,065 students in primary schools and 25,764 students in upper primary schools who were studying in these schools were deprived of work books. Monetary value of work books not received in the test checked schools was ₹ 123.02 lakh. The position may not be entirely different in other districts of the State.

Thus, the matter regarding excess procurement of work books and its non-supply to schools needs to be examined by the Government and necessary steps taken to ensure prompt and adequate supply of work books.

Accepting the fact, the Department stated (December 2016) that supply orders were issued as per the approved outlay. Further added that SPD, SSA viewed non-receipt of work books in test checked schools seriously and would pursue the matter and the finding thereof will be intimated to audit.

#### **1.3.10.4 Purchase of text books**

In scrutiny of records it was noticed in Audit that in 2010-11, SPD, SSA procured 11,61,162 text books (July 2010) at a cost of ₹ 620.50 lakh from M/s Shanti Enterprises, Naharlagun for distribution to 2,93,597<sup>20</sup> students enrolled during the year.

Audit, however, observed that Directorate of Elementary Education had already procured 16,83,145 text books i.e. more than the requirement of 14,60,681 in February 2010 at a cost of ₹ 500.14 lakh. Further, scrutiny in Audit revealed that the text books were received by the DPOs of four sampled districts from the DEE only. Thus, expenditure on text books worth ₹ 620.50 lakh incurred by SPD, SSA in July 2010 was doubtful.

*In reply, the Department stated (December 2016) that the text books procured by DEE was for the year 2009-10 while SPD, SSA procured text books for the year 2010-11.*

The reply is not acceptable as procurement of text books by DEE at the end of the academic session (in February 2010) when the session was to end in March 2010 meant that the students were deprived of the required text books during the relevant academic session. No evidence of distribution of text books from SPD, SSA during 2010-11 was noticed in Audit in the sampled districts. The system of assessment, procurement and distribution of text books needs to be streamlined to ensure that the students get the text books on time, there is no delay/shortage of books and procurement and supply is as per requirement.

#### **1.3.11 Provision of school uniforms**

As per RTE Rules (2010) a child attending a school of the State Government shall be entitled to free uniform. According to the prescribed norm, all girls and SC/ST/BPL children are entitled to two sets of uniform at the rate of ₹ 400 per child. As per guidelines, procurement of uniform was to be decentralized to the school management committee (SMC).

It was noticed in audit that:

- SPD, SSA in violation of the guidelines did not transfer the approved funds for procurement of school uniforms to the districts, but resorted to centralized procurement during 2010-11. During 2011-12, no fund for uniform was provided by GoI though proposed by SPD, SSA in its AWP&B due to non-release of State's share. Funds for uniforms were released to DPOs from 2012-13 onwards.
- However, during 2012-13 procurement of uniforms worth ₹ 89.14 lakh and ₹ 103.21 lakh was done by DPOs in East Siang and West Siang respectively without transferring to SMCs. Only from 2013-14, funds were transferred to SMC in East Siang district.

<sup>20</sup>

Government run schools – 2 82,478 and Government aided schools - 11,119

- In Tawang, funds for uniforms were transferred and spent by SMC between 2012-13 and 2015-16.
- While in West Siang, funds were retained and spent by BRCC, in Papumpare, DPOs procured the uniform during 2012-13 to 2014-15.

Status of procurement and distribution of uniforms at the DPO and SMC level during the period 2010-16 based on scrutiny of records of DPOs and the findings in 120 test checked schools in four sample districts were as follows:

**(i) *East Siang District***

An expenditure of ₹ 389.23 lakh was incurred in East Siang District during 2010-11 to 2015-16 for purchase of 97,307 uniforms against requirement of 85,709 uniforms based on enrolment of students which resulted in excess purchase of 11,598 uniforms (₹ 46.39 lakh).

Despite purchase of uniforms in excess of requirement, during test check of schools short supply of uniform ranging between 195 and 245 uniforms in 3 to 10 schools was noticed. No documentary evidence for supply of uniforms to 7734 students was available for verification. Besides, 19 to 397 uniforms were supplied in excess of requirement in 1 to 10 schools. Only 1 to 2 schools received uniforms as per requirement during 2013-14 to 2015-16.

**(ii) *West Siang District***

An expenditure of ₹ 423.62 lakh was incurred during 2010-11 to 2015-16 for purchase of 1,05,904 uniforms against the actual requirement of 1,38,303 uniforms indicating a shortfall by 32,399 uniforms.

In test check of schools, short supply of uniform ranging between 504 and 1051 uniforms involving nine to 12 schools and an excess supply of 29 to 84 uniforms in two to four schools were noticed. Moreover, the above test checked schools could not provide documentary evidence for supply of uniforms for 3053 students enrolled in two to 11 schools during the five year period. Only three to 12 schools received uniforms as per requirement.

**(iii) *Papumpare District***

₹ 657.31 lakh incurred in the district for purchase of 1,64,328 uniforms against requirement of 1,45,833 uniforms as per enrolment of students resulted in excess purchase of 18495 uniforms (₹ 73.98 lakh) during the five year period 2011-12 to 2015-16.

During test check of schools, short supply of uniform ranging between 69 to 649 uniforms in two to eight schools and excess supply of 70 to 107 uniforms in two to three schools during two years of 2014-15 and 2015-16 were noticed. No documentary evidence for supply of uniforms to 9553 students was available for verification. Only one to six schools received uniforms as per requirement.

**(iv) Tawang District**

In Tawang District, an expenditure of ₹ 105.61 lakh was incurred for purchase of 26,402 uniforms against requirement of 22,838 uniforms resulting in excess purchase of 3610 uniforms (₹ 14.44 lakh).

Thus, in the test checked schools there was short supply of uniform ranging between 45 to 322 uniforms in four to 12 schools. Documentary evidence for supply of uniforms to 1440 students was also not available for verification. Besides, 17 to 142 uniforms were supplied in excess of requirement in three to six schools. Only two to seven out of 22 schools received uniforms as per requirement during 2012-13 to 2015-16.

Total shortfall in supply of uniforms in the test checked schools works out to 7745 uniforms costing ₹ 30.98 lakh. Further, shortfall in supply of uniform has to be seen in light of the fact that uniforms were purchased based on the higher enrolment figures projected in the State.

There is a need for streamlining the process of procurement and distribution of free uniforms.

*In reply, the Department stated (December 2016) that the shortfall in receipt, and lack of documentary evidence in the sampled districts was due to ignorance of procedure for maintenance of records by the teachers. In actual, there were cases of excess supply of uniforms.*

The reply of the Department is not acceptable as there were clear cases of short supply of uniforms in the four sampled districts. Evidence of receipt of uniforms in respect of 21,780 students were not available since actual distribution could not be verified in audit.

**1.3.12 Financial Management**

For implementation of the provision of the RTE Act, both the Central and State Governments are to provide funds in the ratio of 90:10. GoI released fund on the basis of AWP&B submitted by the State Government in two instalments in April/ May and September each year depending upon the progress of expenditure of earlier releases.

**1.3.12.1 Fund Flow and Expenditure**

Status of releases of funds and expenditure during the period 2010-16 was as follows:

**Table-1.3.11***(₹ in Crore)*

Year	Open- ing Balance	Fund Received		Other / Misc. receipt	Total fund available	Total expend- iture	Closing Balan- ce	Percentage of expenditu- re
		Central share	State share					
2010-11	11.01	204.02	1.35	3.16	219.54	212.92	6.62	96.98
2011-12	6.62	238.80	25.00	2.10	272.52	260.36	12.16	95.54
2012-13	12.16	437.65	68.66	2.88	521.35	472.62	48.73	90.65
2013-14	48.73	192.62	43.01	16.50	300.86	291.29	9.57	96.82
2014-15	9.57	269.22	34.35	4.55	317.69	306.57	11.12	96.50
2015-16	11.12	181.79	33.11	71.26	297.28	284.25	13.03	95.62
<b>Total</b>		<b>1524.10</b>	<b>205.48</b>	<b>100.45</b>		<b>1828.01</b>		

*(Source: Departmental Records)*

Audit observed that during the period 2010-16 out of the total available fund of ₹ 1841.04 crore (opening balance + funds received from Centre and State Government + other/misc. receipts), ₹ 1828.01 crore (99.29 per cent) was utilized. Utilization of available fund ranged from 90.65 per cent to 96.98 per cent of the total fund available in that particular year. However, there were delays in release of funds to the lower formations as indicated in the following table:

**Table-1.3.12**

(₹ in Crore)

Year	State to SPD		SPD to DPO		DPO to BRC/SMC		Total Delay at BRC/ SMC
	Delay (months)	Amount	Delay (months)	Amount	Delay (months)	Amount	
<i>1</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>
2010-11	-	-	1 to 6	56.65	2 to 3	0.23	5 to 17
2011-12	-	-	1 to 7	63.82	5 to 8	0.13	6 to 15
2012-13	-	-	1 to 5	169.88	4 to 6	0.18	7 to 16
2013-14	-	-	1 to 10	153.44	1 to 9	0.22	7 to 29
2014-15	1 to 2	176.71	1	23.44	1 to 8	1.78	4 to 16
2015-16	1 to 3	171.69	1 to 5	134.93	1 to 12	0.21	8 to 18

(Source: Departmental records) Note: (i) From 2010-11 to 2013-14, GoI released funds directly to SPD, SSA; (ii) Since 2014-15, Central share was released to State Government which in turn was released to SPD, SSA.

Thus, delay in release of funds at various levels would have impacted on timely completion of planned activities.

#### **1.3.12.2 Retention of cash in hand**

As per Manual on Financial Management and Procurement, the contents of the cash chest/cash box should be verified by the Head of Office/ DDO or the senior most official in-charge at least once in a month and the account compared with the cash book balance and the result of verification should be recorded in the cash book each time.

Audit observed that in DPO Upper Subansiri, DPO West Siang and DPO East Siang cash verifications were not carried out as required under the Rules. In Upper Subansiri and West Siang accounts for 2015-16 had also not been prepared.

#### **1.3.12.3 Violation of financial rules**

- As per Para 115.4 of Manual on Financial Management and Procurement of SSA, for procurement of goods worth more than ₹ 20 lakhs, invitation of bids shall be published in newspapers and at least in one national English daily.

Scrutiny of records revealed that SPD, SSA placed in March 2011 two supply orders for supply of boys' uniform on M/s Vardhman Garments, New Delhi for ₹ 501.11 lakh and for supply of girls' uniform on M/s Vandana Enterprises, New Delhi for ₹ 614.61 lakh. It was noticed in audit that the above two firms were selected without advertised tender in violation of the guidelines. As a result, competitive bidding was not ensured by SPD, SSA in the selection of suppliers.

- As per Financial Rules of SSA, advance payment to contractors is to be made in respect of construction works only and not for supply of goods and services.

Scrutiny of records of SPD, SSA revealed that in March 2011, an amount of ₹ 157.14 lakh (31 per cent of supply order value of ₹ 501.11 lakh) was released to M/s Vardhman Garments, New Delhi as advance payment, in violation of the extant Rules. Further, it was noticed that balance amount of ₹ 343.97 lakh was released (August 2011) without supply of 2760 number of boys' uniform worth ₹ 11.04 lakh.

Similarly, ₹ 614.61 lakh (the total value of supply order) was released as advance to M/s Vandana Enterprises, New Delhi, in violation of the extant Rules. Despite full payment (₹ 614.61 lakh) in advance, 13,700 number of girls' uniform worth ₹ 54.80 lakh were not delivered to SPD, SSA. The follow-up action either to get delivery of the balance uniform from the suppliers or get refund for uniforms not supplied were also not on record.

*In reply, the Department stated (December 2016) that advance payment were made to suppliers as mobilization advance for early supply of uniforms after obtaining bank guarantee of required amount. In the case of short supply, efforts are being made to trace the missing challan and the same will be produced to audit.*

The reply of the Department is not acceptable as there was no provision under financial rules of SSA for payment of advance in supply contract. Moreover, bank guarantee obtained was only 7.5 per cent of the supply order value which was not able to fully cover the interest of the Government and in the instant case bank guarantee obtained was not revoked despite short supply. The State Government needs to investigate and fix responsibility for violation of extant rules leading to non-supply of uniforms for which full payment had been made in advance and depriving the children of free uniform though expenditure has been incurred.

- Audit scrutiny of records in SPD, SSA revealed that during 2010-11 to 2015-16, the supply orders for work/text books were placed on four wholesale suppliers and payment released in advance in violation of the extant Rules as per details given below:

**Table-1.3.13**

(₹ in lakh)

Year	Name of the firms	Cost of Books	Advance amount	% of advance against total cost
2010-11	M/s Shanti Enterprises, Naharlagun	620.50	620.50	100
2011-12	M/s Shanti Enterprises, Naharlagun	518.99	518.99	100
2012-13	M/s K.T. Traders, Naharlagun	475.63	350	73.59
2013-14	M/s Shanti Enterprises, Naharlagun	473.20	473.20	100
2014-15	M/s T.Y. Traders, Itanagar	45.62	45.62	100
<b>Total</b>			<b>2008.31</b>	

(Source: Departmental records)

It was further noticed that despite full payment of ₹ 473.20 lakh as advance to M/s Shanti Enterprises, Naharlagun in 2013-14, 12,299 text books worth ₹ 10.88 lakh were not delivered. No follow-up action either to get delivery of the balance text books from the suppliers or to get refund of proportional value of material not supplied was on record.



*In reply, the Department stated (December 2016) that NCERT do not supply books without advance payment. As such advance payment were made to wholesale suppliers for NCERT publications. Efforts are being made to trace the missing challan and the same will be produced to audit.*

The reply of the Department is not tenable as financial rules of SSA, did not provide for advance payment for supply of goods and services. The Department was exposed to financial risk while depriving the student of work books and text books.

### **1.3.13 Monitoring mechanism**

The RTE Act provides that the State Advisory Council (SAC) shall advise the State Government on implementation of the provisions of the Act in an effective manner. The State Advisory Council shall consist of a Chairperson and fourteen other members and Minister in-charge of the Ministry/Department of School Education in the State Government who shall also be the ex-officio Chairperson of the Council. Besides, fifty percent of such members shall be from amongst women.

#### **1.3.13.1 Constitution of State Advisory Council**

Audit observed that SAC was constituted on 23 August 2012 after two years of the RTE Act which came into effect in the State in April 2010. There were only four women members in the SAC against the requirement of eight members. Audit further observed that though the first term of two year was over by 22 August 2014, no notification for re-constitution of SAC have been issued by State Government till March 2016.

As per the RTE Act, SAC was to meet regularly at such times as the Chairperson thinks fit but three months shall not intervene between its last and the next meeting.

Audit, however, observed that SAC had not held a single meeting during the last six year from 2010-11 to 2015-16. Thus, overall direction and monitoring of the scheme at the State level as envisaged in the Act was not followed.

#### **1.3.13.2 Steering cum Monitoring Committee at District and Block level**

Block Resource Centres (BRCs) and Cluster Resource Centres (CRCs) were to be established in each block of every district under SSA to conduct in-service teacher training and to provide academic support to teachers and schools on a regular basis as well as to help in community mobilization activities.

As per RTE norms, Block Resource Centre (BRC) and Cluster Resource Centre (CRC) shall inspect schools in their jurisdiction once in every two months.

It was noticed in audit that inspection of 30 test checked schools were carried out as required in Tawang District. In 90 test checked schools in the remaining three sample districts, inspections were carried out by BRC and CRC only once in a year instead of once every two months.

#### **1.3.13.3 Monitoring by SCPCR**

The Act provides that the State Commission for Protection of Child Rights (SCPCR) in addition to duties assigned under Commission for Protection of Child Right Act, 2005 shall also perform the following functions:

- Examine and review the safeguards for rights provided by or under Act and recommend measures for their effective implementation and;
- Inquire into complaints relating to child right to free and compulsory education.

For this purpose, the SCPCR was required to set up a child helpline, accessible by SMS, telephone and letter to register complaint regarding violation of child rights.

Audit observed that though SCPCR was constituted in November 2013 consisting of one chairperson and six other members and some these nominated members were also members of Arunachal Pradesh State Commission for Women (APSCW).

The present SCPCR has not set up child helpline, accessible by SMS, telephone and letter to register complaint regarding violation of child rights as required under the Act.

### **1.3.14 Conclusion**

The objective of providing free and compulsory education to every eligible children has not been achieved even after six years of RTE implementation. School mapping and household survey for identification of children eligible for elementary education has not been carried out.

At the end of March 2016, out of school children stood at 57,032 after six years of implementation of the Act. 232 primary schools and 130 upper primary schools though constructed had not been made operational. The required infrastructure/facilities as prescribed in the RTE Act were not provided in all the schools. Still sizable number of teachers do not possess the minimum qualifications prescribed by the State Government.

There were anomalies in procurement and distribution of school uniforms and text books. There were instances of lapses/short comings in financial management. The monitoring mechanism was not effective.

### **1.3.15 Recommendations**

The State Government may:

- conduct household survey and school mapping for identification of eligible children in the State to ensure providing compulsory education to the eligible children.
- ensure timely release of fund to the implementing society and various implementing units for smooth implementation of the scheme.
- streamline the procurement of text books and uniforms to ensure proper procurement, accounting of receipts and distribution to targeted schools/students.
- Strengthen the monitoring mechanism and ensure necessary periodical inspection by BRC and CRC.

## Compliance Audit Paragraphs

### Health Department

#### 1.4 Bio-Medical Waste Management

Government of India framed the 'Bio-Medical Waste (BMW) (Management and Handling) Rules, 1998' under the provisions of Environment (Protection) Act, 1986 which prescribed the procedures for treatment and disposal of bio-medical waste generated by institutions such as hospital, nursing home, clinic, dispensary etc. It was decided to do an audit regarding compliance of the BMW management at the Health Department and the Arunachal Pradesh State Pollution Control Board (APSPCB). Some of the important audit findings are as follows:

#### Highlights

- *Arunachal Pradesh State Pollution Control Board did not have state level data on Health Care Establishments which required compliance of rules and regulations of BMW.*

*(Paragraph 1.4.6)*

- *Only 12 out of 437 Health Care Establishments are functioning with authorisations issued by Arunachal Pradesh State Pollution Control Board. Authorisations were issued by Arunachal Pradesh State Pollution Control Board even when the Health Care Establishments did not possess the necessary capacity to handle BMW in accordance with the Rules.*

*(Paragraph 1.4.7 and 1.4.8)*

- *Treatment plants installed in 10 Government hospitals at a total cost of ₹635.46 lakh remained non-functional due to lack of trained manpower, technical defects, lack of funds for maintenance and power shortage, etc.*

*(Paragraph 1.4.9)*

- *Twelve hospitals inspected by Audit did not observe the standards prescribed in the Rules for disposal of bio-medical waste.*

*(Paragraph 1.4.13)*

#### 1.4.1 Introduction

BMW is generated during diagnosis, treatment or immunisation of human beings or animals or in research activities pertaining thereto. BMW consists of human anatomical waste, animal waste, discarded drugs, waste sharps, such as, needles, syringes, scalpels, blades, glass, etc., soiled wastes such as items contaminated with blood, and body fluids including cotton dressings, plaster casts, linens, beddings, etc., solid waste such as tube, catheters, intravenous sets etc. Improper disposal of BMW would lead to adverse effect to human health and the environment.

Institutions such as hospital, nursing home, clinic, dispensary, veterinary institution, animal house, pathological laboratory, blood bank, etc., are the BMW generating

establishments. GoI framed the Bio-Medical Waste (Management and Handling) Rules, 1998 (BMW Rules) under the provisions of Environment (Protection) Act, 1986, wherein the procedure for treatment and disposal of BMW was prescribed. The Rules require the BMW generating institutions to ensure compliance of the provisions of the Rules in disposal of the BMW generated by them. The compliance audit of the Health Department and APSPCB was selected by Audit in order to see whether the Health Care Establishments (HCEs) especially the Government hospitals in the State were complying with the provisions of the Rules in management of BMW.

### 1.4.2 Organisational Set Up

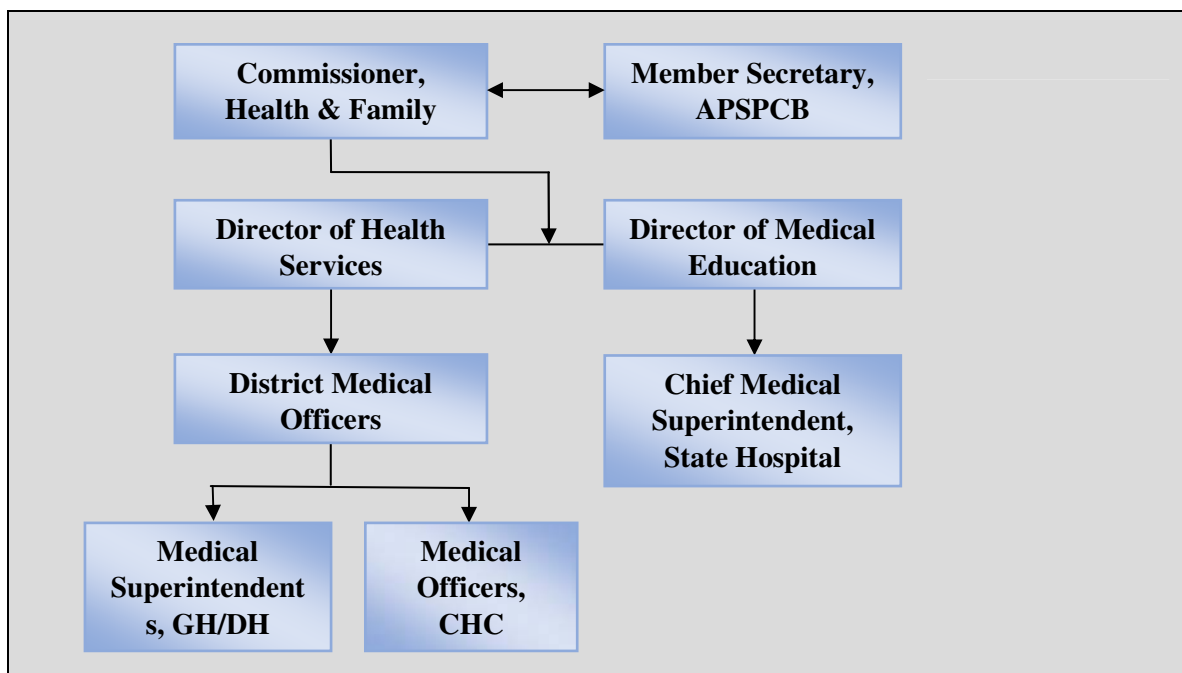
For management of bio-medical waste, both Health Department and APSPCB are responsible for implementation, enforcement and monitoring in all HCEs (both Government and private hospitals).

The Commissioner, Health & Family Welfare is in overall charge of the Health Department. He is assisted by Directors and District Medical Officers in the administration and monitoring of the functioning of the Department. The Chief Medical Superintendents, Medical Superintendents and Medical Officers look after the management and activities of various government hospitals in the State.

Arunachal Pradesh State Pollution Control Board is the designated authority for monitoring and enforcement of BMW Rules in the State. The APSPCB discharges all its functions and activities from its head office located in the capital region and does not have any regional or district level offices.

Chart-1.4.1

#### Organisational Chart



#### **1.4.3.1 Audit Objective**

The compliance audit focused on whether Health Care Establishments in the State especially Government hospitals were complying with the provisions of the BMW (Management & Handling) Rules in management of BMW.

#### **1.4.3.2 Audit Criteria**

Audit findings were benchmarked against the criteria contained in following sources:

- BMW (Management & Handling) Rules, 1998;
- CPCB Guidelines on Design and Construction of BMW Incinerator and Installation of Common Bio-medical Waste Treatment Facility; and
- The Clinical Establishments (Registration and Regulation) Act, 2010.

#### **1.4.4 Audit scope and methodology**

The audit was conducted by test-check of records of APSPCB, Commissioner of Health & Family Welfare, Director of Health Services, Director of Medical Education and Mission Director of NRHM for the period from 2011-12 to 2015-16. Joint verification of 12 hospitals<sup>21</sup> was conducted along with representatives of APSPCB.

An entry conference was held (April 2016) with the Member Secretary, APSPCB and Joint Secretary, Health & Family Welfare Department to discuss the audit objectives and methodology. An exit conference was held on 6 October 2016 wherein audit observations were discussed and the comments and replies of the APSPCB and that of the Government had been suitably incorporated in the report.

#### **Audit Findings**

Audit findings are discussed in the following paragraphs.

#### **1.4.5 Notification of BMW Rules by APSPCB**

The Bio-Medical Waste (Management and Handling) Rules framed by GoI as per the provisions of the Environment (Protection) Act 1986 came into effect on 20 July 1998. As per Rule 7, the State Pollution Control Board was the designated authority for enforcement of the provisions of these Rules. APSPCB was the designated authority in Arunachal Pradesh.

#### **1.4.6 Identification of BMW generating HCEs**

For effective implementation of the Rules, the APSPCB would require to identify all HCEs functioning in the State by way of survey and maintaining records for inspection and monitoring.

Audit, however, observed that the APSPCB had not conducted any survey of HCEs in the State so as to ascertain and monitor the mode of treatment of BMW generated by them to prevent adverse effect on human health and environment. Moreover, the

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<sup>21</sup> Nine Government Hospitals (viz., Tomo Riba State Hospital, Naharlagun; General Hospital, Ziro; General Hospital, Bomdila; General Hospital, Tezu; General Hospital, Khonsa; General Hospital Pasighat; General Hospital Aalo; District Hospital Daporijo) and District Hospital, Doimukh and three private hospitals (viz., RK Mission Hospital Itanagar; Heema Hospital Itanagar; and Niba Hospital Naharlagun).

APSPCB did not have state level data of HCEs for purpose of proper implementation of the Rules.

Audit noticed that APSPCB had not prepared a state level list of Health Care Establishments (HCEs) functioning in the State, though the Rules were notified in 1998. As per information available with Director of Health Services, 437 HCEs<sup>22</sup> were registered with the Health Department under 'The Clinical Establishments (Registration and Regulation) Act, 2010'. There was nothing on record to indicate that the list of 437 HCE available with the Health Department was utilised by APSPCB to ensure that these were compliant to BMW Rules and Regulations.

In reply, the APSPCB stated (May2016) that steps are being taken to identify all the BMW generating institutions.

#### **1.4.7 Issue of authorisation**

Rule 8 (1) of BMW Rules provides that every HCE treating 1000 or more patients every month is required to obtain authorisation from the prescribed authority for generating, collecting, receiving, storing, transporting, treating, disposing and/or handling BMW.

Audit observed that only 12 HCEs<sup>23</sup> (5 Government hospitals and 7 private hospitals) were functioning with authorisations of APSPCB, out of which the validity of authorisation of Tomo Riba State Hospital, Naharlagun had expired in July 2014 but had not been renewed.

Further, it was observed that the APSPCB as well as the Health Department had no information relating to the number of patients treated by each HCE in a month. Also, as identification of HCEs generating bio-medical waste had not been carried out, APSPCB had no information as to how many HCEs were actually required to apply for authorisations as per the Rules.

Thus, majority of the HCEs in the State were functioning without obtaining the required authorisations from the APSPCB.

#### **1.4.8 Authorisation without compliance to prescribed standards**

As per Rule 7 (4) of BMW Rules, the prescribed authority shall on receipt of application for authorisation make such enquiry as it deems fit and if it is satisfied that the applicant possesses the necessary capacity to handle bio-medical waste in accordance with these rules, grant or renew an authorisation as the case may be.

Audit noticed that the APSPCB conducted inspections of five HCEs<sup>24</sup> out of these 12 HCEs functioning with authorisation to verify the availability of BMW management facilities. From the inspection reports of the Board, it was noticed that three<sup>25</sup> out of the

<sup>22</sup> Government – 193 and Private – 244

<sup>23</sup> Tomo Riba State Hospital, Naharlagun; District Hospital, Pasighat; District Hospital, Aalo; District Hospital, Tawang; District Hospital, Yingkiong; RK Mission Hospital, Itanagar; Heema Hospital, Itanagar; Niba Hospital, Naharlagun; Emmanuel BTM Hospital, Naharlagun; Arun Dristi, Itanagar; Assa Diagnostic & Nursing Home, Pasighat; and T.L. Health Care, Basar.

<sup>24</sup> RK Mission Hospital, Itanagar; Heema Hospital, Itanagar; Niba Hospital, Naharlagun; Emmanuel BTM Hospital, Naharlagun; and Assa Diagnostic & Nursing Home, Pasighat.

<sup>25</sup> Heema Hospital, Itanagar; Niba Hospital, Naharlagun; and Emmanuel BTM Hospital, Naharlagun.

five HCEs inspected did not follow the prescribed procedures for management of BMW. But follow-up action taken on these HCEs was not on record.

Accepting the fact the Department stated (October 2016) that the three HCEs inspected were not following bio-medical waste management procedure due to lack of training, which would be addressed in due course of time.

Further, six<sup>26</sup> out of the 12 HCEs which were functioning with authorisations issued by the APSPCB were jointly inspected by audit for ascertaining the availability of BMW treatment plants such as incinerator, autoclave, shredder and Effluent Treatment Plant (ETP). The position of availability of BMW treatment plants in HCEs jointly inspected was as under:

**Table - 1.4.1**

Sl. No.	Name of HCE	Name of plant			
		Incinerator	Autoclave	Shredder	ETP
1	State Hospital, Naharlagun	✗	✗	✗	✗
2	RK Mission Hospital, Itanagar	✓	✗	✗	✗
3	Heema Hospital, Itanagar	✗	✗	✗	✗
4	Niba Hospital, Naharlagun	✗	✗	✗	✗
5	General Hospital, Pasighat	✓	✗	✓	✗
6	General Hospital, Aalo	✗	✗	✗	✗

✓ - Available; ✗ - Not available

- Out of the six HCEs, only two hospitals, namely, General Hospital, Pasighat and RK Mission Hospital, Itanagar had incinerators, but the incinerator at General Hospital, Pasighat was lying idle since September 2009. During a joint physical inspection of RK Mission Hospital conducted with an officer of APSPCB, it was noticed that the temperature at the primary chamber of incinerator was displayed as 99° C against requirement of 800 ± 50° C and the temperature at the secondary chamber was displayed as 750° C against the requirement of 1050 ± 50° C as contained in Schedule V of the Rules. This indicated that the bio-medical wastes were not treated as per prescribed standards, and which could have an adverse effect on human health and environment.

The Department stated (October 2016) that RK Mission Hospital had been instructed to follow the schedule V of the Rules and ensure operation guidelines.

- Only General Hospital, Pasighat had a shredder, however, it was non-functional since September 2009.
- None of the six HCEs had Autoclave for bio-medical waste disposal and ETP for treatment of liquid waste.

The Department stated (October 2016) that the proposal for ETP is under consideration of State Government.

<sup>26</sup> Tomo Riba State Hospital, Naharlagun; RK Mission Hospital, Itanagar; Heema Hospital, Itanagar; Niba Hospital, Naharlagun; General Hospital, Pasighat; and General Hospital, Aalo.

Thus, it is evident that authorisations were issued by the Board even when the HCEs did not possess the necessary capacity to handle BMW in accordance with the Rules.

#### 1.4.9 Installation of BMW treatment plants

As per Rule 5 of BMW Rules, every occupier shall set up between December 1999 and December 2002 requisite bio-medical waste treatment facilities like incinerator, autoclave and microwave system for the treatment of waste. Under the Rule, bio-medical waste shall be treated and disposed off in accordance with the provisions of Schedule I and in compliance with standards prescribed in Schedule V.

Status of treatment plant in eight government hospitals as observed during joint inspection was as indicated below:

<p><b>State Hospital, Naharlagun:</b> BMW treatment plant installed (June 2004) at the cost of ₹ 70.88 lakh under Central assistance was subsequently dismantled in June 2012 to accommodate construction of 300 bedded hospital at the site. No replacement had been provided since then.</p>	
<p><b>General Hospital, Pasighat:</b> The plant installed (June 2004) costing ₹ 70.88 lakh under Central Assistance was lying idle since September 2009 due to technical defects. Subsequently, another plant costing ₹ 68.50 lakh funded (December 2013) under NRHM remained incomplete even after two years of its sanction.</p>	
	<p><b>General Hospital, Aalo:</b> The plant installed at the cost of ₹ 22.89 lakh (2009) under NRHM was not functional since its installation due to unsatisfactory installation and lack of trained operator. The plant was dismantled. A new plant costing ₹ 50.00 lakh taken up under NRHM (2015-16) remained incomplete.</p>
<p><i>Dismantled part of incinerator at General Hospital, Aalo</i></p>	



**General Hospital, Ziro:** The plant costing ₹ 22.89 lakh installed in 2009 was lying in damaged condition since May 2015. Even another plant costing ₹ 70.49 lakh installed (July 2013) was not operational due to technical defects since June 2014.



*Broken part of chimney of an incinerator at General Hospital, Ziro*



*Idle plant at General Hospital, Bomdila*

**General Hospital, Bomdila:** The treatment plant installed (November 2013) at ₹ 70.49 lakh could not be made operational due to absence of formal training as well as lack of fund to operate the plant since its installation.

**General Hospital, Tezu:** The plant installed (June 2014) at the cost of ₹ 70.49 lakh was not put to use since installation reportedly due to absence of separate power source.



*Non-functional plant was installed in this shed at General Hospital, Tezu.*



*The roof of incinerator room of General Hospital, Khonsa blown away by storm.*

**General Hospital, Khonsa:** The plant installed (June 2014) at the cost of ₹ 70.49 lakh was not functional due to shortage of power supply.

**District Hospital, Daporijo:** The plant costing ₹ 25.00 lakh installed in 2011 under NRHM was not operational since installation due to lack of trained manpower.



*Condition of a shed of treatment plant lying idle at District Hospital, Daporijo.*

Further, scrutiny of records of Director of Health Services and Mission Director NRHM revealed that:

- The plant installed in **District Hospitals at Tawang and Changlang** at a cost of ₹ 70.49 lakh each in June 2012 and March 2015 respectively, were non-functional due to lack of trained manpower.
- During 2015-16, the plants at **District Hospital, Seppa; District Hospital, Anini; District Hospital, Roing and District Hospital, Palin** were sanctioned at the cost of ₹ 50.00 lakh each under NRHM. The installation work of treatment plants was stipulated to be completed by March 2016. However, Mission Director of NRHM could not produce any physical progress report of the work, though ₹ 92.00 lakh was released as mobilization advance to the supplier in February 2016.

Thus, treatment plants installed at 10 Government hospitals at the cost of ₹ 6.35 crore were not being utilized for treating bio-medical waste generated by the hospitals mainly due to lack of trained manpower, technical defects, lack of funds for maintenance and power shortage, etc. In the absence of functional treatment plants, the bio-medical waste generated by these hospitals were not treated as required and were being disposed off without treatment as per the standards prescribed in the Rules.

The Department accepted (October 2016) the audit observation and stated that the non-functional plants in the districts would be made functional very soon.

#### **1.4.10 Reporting of BMW generated and treated**

Rule 10 provides that every establishment generating BMW shall submit an annual report to the prescribed authority by 31 January every year, to include information about the categories and quantities of bio-medical wastes handled during the preceding year. The prescribed authority shall send this information in a compiled form to the CPCB by 31 March every year.

Audit observed that as against 437 HCEs registered in the state, the APSPCB could obtain reports from only one to 11 HCEs during the last three years. Out of 12 HCEs jointly inspected in audit, it was observed that none of these HCEs maintained records of daily generation and treatment of bio-medical waste. The annual reports submitted by APSPCB to CPCB thus were incomplete and the figures reflected in these reports were not based on any verifiable records maintained by the HCEs.

### 1.4.11 Segregation and disposal of BMW

Rule 6 (2) of BMW Rules provides that bio-medical waste shall be segregated into containers/bags at the point of generation prior to its storage, transportation, treatment and disposal as per the type of waste as shown below:

**Table - 1.4.2**

Colour code	Type of waste	Type of treatment
Yellow	(i) Human anatomical waste (ii) Animal waste (iii) Microbiology & biotechnology waste and (iv) soiled waste such as cotton, dressing etc.	Incineration/deep burial
Red	(i) Microbiology & biotechnology waste (ii) soiled waste such as cotton, dressing etc. and (iii) solid waste such as catheters, intravenous sets etc.	Autoclaving/Microwaving/Chemical treatment
Blue/White translucent	(i) Waste sharps and (ii) solid waste such as catheters, intravenous sets etc.	Shredding after Autoclaving/Microwaving/Chemical treatment
Black	(i) Discarded medicines and cytotoxic drugs (ii) Incineration ash and (iii) chemical waste	Disposal in secured landfill

The containers/bags shall be labelled as bio-hazards and carry/display cytotoxic hazard symbols.

During joint inspections of the 12 test-checked HCEs, following lapses/short comings were noticed:

- The HCEs did not store the bio-medical wastes in the coloured containers/bags as per their types.
- Bio-medical wastes were stored with the general waste in the same container/bag.
- Most of the HCEs did not have containers with the prescribed labels of bio-hazard and cytotoxic hazard symbols.

Thus, none of the above 12 HCEs inspected through joint verification adhered to procedure prescribed under the Rules for segregation of bio-medical waste at point of generation.

### 1.4.12 Disposal of bio-medical waste

According to Rule 6 (1) of BMW Rules, bio-medical waste shall not be mixed with other wastes. Rule 6 (6) also provides that the municipal body shall collect and transport non bio-medical waste as well as treated bio-medical waste for disposal at municipal dump site.

Schedule V of the BMW Rules prescribes operating and emission standards for incinerator, which should achieve certain combustion efficiency, temperature and emission limits for proper treatment of waste. As per Schedule V, a pit or trench should be dug about 2 metre deep. It should be half filled with waste and then covered with lime before filling the rest of the pit with soil. It must be ensured that animals do not have any access to burial sites. Covers of galvanized iron/wire meshes may be used. The deep burial site should be relatively impermeable. The pits should be distant from habitation, and sited so as to ensure that no contamination occurs of any surface water or ground

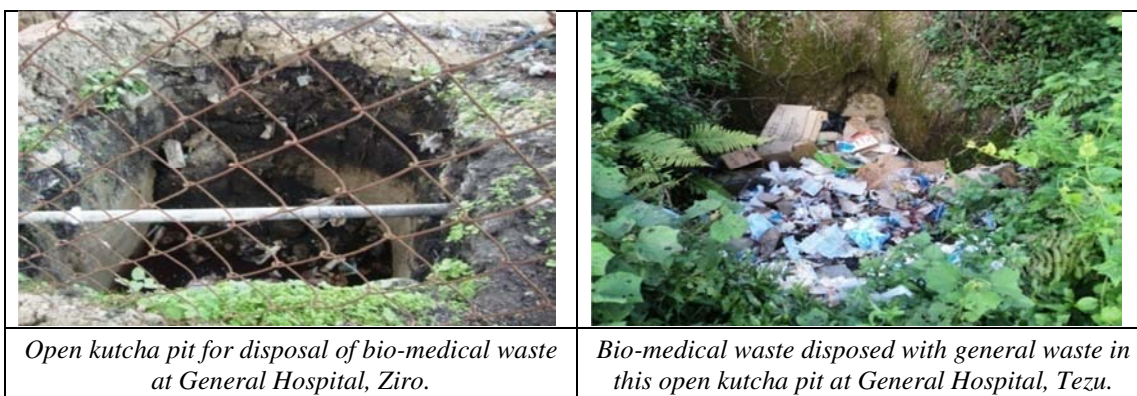
water. The location of the deep burial site will be authorized by the prescribed authority, which is APSPCB.

A joint inspection of 12 test checked hospitals was conducted with the representatives of APSPCB and the concerned hospital authorities revealed number of deviations from the prescribed procedure for disposal of BMW as indicated described below:

- *Untreated bio-medical waste was disposed with solid waste at State Hospital, Naharlagun, General Hospital, Pasighat and RK Mission Hospital, Itanagar (Private).*
- *Bio-medical waste was disposed by burning in open space in hospital premises at General Hospital, Tezu, General Hospital, Khonsa, General Hospital, Ziro, General Hospital, Bomdila, General Hospital, Aalo, District Hospital, Doimukh and District Hospital, Daporijo.*
- *Bio-medical waste was disposed by burning in local made chullah in hospital premises at Heema Hospital, Itanagar (Private) and Niba Hospital, Naharlagun (Private).*
- *Bio-medical waste was disposed in kutcha pit in hospital premises without authorization from APSPCB in General Hospital, Tezu, General Hospital, Khonsa, General Hospital, Ziro, General Hospital, Bomdila and District Hospital, Doimukh.*
- *Bio-medical waste was disposed in RCC pit in hospital premises without authorization from APSPCB in General Hospital, Pasighat and Niba Hospital, Naharlagun (Private).*

The disposal mode adopted by the HCEs can be seen from the photographs below:

	
<p><i>Municipal dump site at Chimpu, Itanagar, where the untreated bio-medical wastes were disposed by HCEs</i></p>	<p><i>Untreated bio-medical wastes at General Hospital Pasighat before being collected by Pasighat Municipal.</i></p>
	
<p><i>Bio-medical waste being burnt in locally made chullah at Heema Hospital, Itanagar.</i></p>	<p><i>Bio-medical waste were burnt in open space at General Hospital, Aalo.</i></p>



Thus, it is evident from the above that all the 12 hospitals inspected disposed of BMW without treatment either by dumping at municipal dump site with other waste or by burning in open space or local made chullah inside the hospital premises. The human anatomical wastes were disposed in deep burial pit mostly in open kutchha pit without authorisation from the APSPCB. Thus, audit observed that the standards prescribed in the Rules for disposal of BMW were not complied with by HCEs.

The Department accepted (October 2016) the audit observation and stated that the bio-medical wastes were disposed as per convenience due to non-operationalization of the treatment plants.

#### **1.4.13 Penalty provisions not invoked on defaulting HCEs**

Section 15 of the Environment (Protection) Act, 1986 provides that whoever fails to comply with or contravenes any of the provisions of this Act, or the rules made or orders or directions issued there under, shall be punishable with imprisonment or fine or both.

Despite the fact that majority of the HCEs did not comply with the standards and requirements for handling and disposal of bio-medical waste, the prescribed authority did not impose any penalty on the HCEs for ensuring compliance with the Rule during the audit period.

#### **1.4.14 Monitoring mechanism**

##### **(i) Advisory Committee**

Rule 9 (1) of BMW Rules provides that the Government of every State shall constitute an advisory committee, who shall advise the Government of the State and the prescribed authority about matters related to the implementation of these rules.

The first Advisory Committee was constituted in March 1999 but not a single meeting was held during 14 years of its tenure. A second Advisory Committee was constituted in December 2013, which met only once in June 2015 after a gap period of more than one year since its constitution.

The Committee discussed issue of authorisations to HCEs, setting up of Common Bio-Medical Waste Treatment Facilities by HCEs and timely submission of annual reports by all the HCEs. Audit, however, noticed that no follow-up action on the decisions taken by the Committee was carried out even after a lapse of one year.

**(ii) State Level Committee and District Task Force**

In December 2010, the State Government constituted a State Level Committee and a District Level Task Force to monitor the compliance of the BMW Rules in the State. The State Level Committee was headed by the Principal Secretary (E&F). The Deputy Commissioners were the chairpersons and the District Medical Officers were members of the District Level Task Force. These were required to monitor and send their reports to the APSPCB to take necessary action against the defaulting HCEs.

Audit, however, observed that the State Level Committee and the District Level Task Force had not sent their reports even after five years of their formation.

The Department stated (October 2016) that monitoring and supervision by the state monitoring committee and district task force would be carried out on periodical basis.

**1.4.15 Conclusion**

Though APSPCB is the prescribed authority for enforcement of BMW Rules, it did not have state level list of HCEs even after lapses of 17 years of notification of the Rules. As of March 2016, only 12 out of 437 HCEs registered under ‘The Clinical Establishments (Registration and Regulation) Act, 2010 were functioning with authorisations issued by APSPCB. The Health Department did not have long term action plan for providing BMW treatment plants to Government hospitals and for maintenance of the existing non-functional plants. The annual reports submitted by APSPCB to CPCB were incomplete and the figures reflected in these reports were not based on any verifiable records maintained by the HCEs. Segregation of waste was not carried out as per the prescribed guidelines in any of the 12 HCEs inspected by Audit. Further, the standards prescribed in the Rules for disposal of BMW were not complied with by these HCEs. Monitoring mechanism was also not effective due to lack of proactive action by Advisory Committee, State Level Committee and District Task Force.

**1.4.16 Recommendation**

It is recommended that the State Government may

- adopt a system/mechanism for enlisting all the HCEs functioning in the state for issue of authorisation and effective monitoring of their functioning.
- prepare a detailed plan for establishment of BMW treatment plants in Government HCEs and also take necessary steps to operationalise the existing idle plants by providing budgetary provision.
- ensure that all the HCEs in the State dispose BMW in compliance with the prescribed standards to prevent adverse effect on human health and environment and obtain necessary authorisation from APSPCB.

## Sport & Youth Affairs

### 1.5 Payment for work not done

**Director of Sports & Youth Affairs, Itanagar made payment of ₹ 100.33 lakh for Viewers' Gallery without execution of the work and paid ₹ 118.98 lakh for items not included in the approved detailed estimate/MB without obtaining the approval of the competent authority.**

According to Rule 129(1) (vi) of GFR 2005, no works shall be commenced or liability incurred until tenders are invited and processed in accordance with rules. Rule 132 (iii) of GFR provides that no work shall be undertaken before issue of administrative approval and expenditure sanction by the competent authority on the basis of estimates framed. As per para 2.3.4 and 2.5.2 of CPWD Manual, material deviations over original sanctioned scheme that significantly alter the scope of work from the original sanction should not be made without the approval of the authority that accorded administrative approval of the work.

North Eastern Council (NEC) accorded administrative approval of ₹ 450.00 lakh for "Construction of Football Stadium" at Changlang in September 2010. The project was funded in the ratio 90:10 between NEC and the GoAP to be implemented by the Director of Sports & Youth Affairs (S&YA). Subsequently, administrative and expenditure sanction of the State Government was accorded in March 2011. The construction was to be completed by October 2013. The detailed estimated cost of ₹ 416.66 lakh was technically approved by the Chief Executive Officer, Arunachal Pradesh Rural Road Development Agency (ARRDA), Itanagar.

Scrutiny of records (November 2015) of the Director of Sports & Youth Affairs, Itanagar revealed that:

- The work was awarded to M/s Roshan Construction Company without inviting tenders and an agreement was entered into (November 2010).
- The work commenced in November 2010, four months before the administrative approval was accorded (March 2011) by the State Government.
- In December 2012, after the Contractor had stopped the work for many months ₹ 100.33 lakh was paid for Viewers' Gallery, which was had not been constructed.

As there was no progress of work, the contract was terminated in July 2014. The entire work of Viewers' Gallery (290 metre) at a cost of ₹ 140.28 lakh was re-awarded in January 2015 to five contractors on work order and total payment of ₹ 91.44 lakh had been made till August 2015.

- Further, ₹ 118.98 lakh was paid to M/s Roshan Construction Company against 16 items of work (**Appendix-1.5.1**) which were not included in the approved detailed estimate nor found recorded in the Measurement Book.

Thus, payment of ₹ 100.33 lakh and ₹ 118.98 lakh made to the Contractor for *Viewers' Gallery* without actual execution of work and 16 items of work not recorded in MB appeared to be fraudulent.

In reply (July 2016), the Department stated bill for Viewers' Gallery was drawn in advance before execution of work against M/s Roshan Construction Company to avoid cost escalation and obtaining re-budgeting and kept in Deposit at Call Receipt (DCR). After the agreement was terminated, the work was taken up by engaging many contractors and payment was made from the amount drawn against the company.

The reply of the Department is not acceptable as audit observed that payment totalling to ₹ 306.42 lakh, which inter-alia included payments towards Viewers' Gallery and 16 items not included in the approved estimate nor found recorded in measurement book, was made to M/s Roshan Construction Company on 13 different instances as per Cash Book entries between March 2011 and December 2012 (**Appendix-1.5.2**).

The matter needs investigation and appropriate action taken to recover any loss of Government money.

### **District Rural Development Agency, Changlang**

#### **1.6 Suspected embezzlement of funds under MGNREGA scheme**

**In absence of documentary evidence to support the receipt material and its utilisation for the MGNREGA works, the expenditure of ₹ 74.81 lakh incurred by the Block Development Officer, Khimiyang (DRDA), Changlang, in violation of MGNREGA guidelines and prescribed procedures, was doubtful.**

As per para 7.4.2 of the MGNREGA guidelines, centralized procurement of tools and implements for MGNREGA works shall be avoided. If the workers are unable to manage their own tools, these may be arranged by Panchayats/SHGs, etc., and the cost of procurement shall be booked under material expenditure. Further para 10.3.10 (iv) of the guidelines stipulates that Programme officer (PO) at block level shall maintain stock register containing details of all the receipts & issues of the stock items under MGNREGA Scheme. The inward and outward movement of materials for a given period should be recorded to ensure an effective inventory control.

Scrutiny of records (September 2015) of the Block Development Officer (BDO), Khimiyang of District Rural Development Agency (DRDA), Changlang revealed that BDO, Khimiyang<sup>27</sup> between February 2010 and March 2012 made five payments totalling ₹ 74.81 lakh by cheques in favour of M/s Liani Enterprises, Changlang from Bank Account<sup>28</sup> of MGNREGA against supply orders for materials such as cement, aggregate<sup>29</sup>, jumper<sup>30</sup>, sausage wire, sand, spade, shovels, etc., for MGNREGA works as per details given in **Appendix-1.6.1**.

Scrutiny of records in audit revealed following irregularities/lapses:

<sup>27</sup> Shri T. Techhi.

<sup>28</sup> No. 11864779999 at SBI, Changlang.

<sup>29</sup> Aggregate, is a broad category of coarse particulate material used in construction, including sand, gravel and crushed stone.

<sup>30</sup> A long drilling tool used by masons and quarry workers, consisting of an iron bar with a chisel-edged tip at one or both ends, operated by striking it against the rock.



- The records relating to sanction, execution of work and labour payments in respective works for which material was stated to have been used was not produced to audit.
- There was no documentary evidence to support that materials worth ₹ 74.81 lakh were actually procured and used on the MGNREGA works, as no entry was made in the stock register regarding its receipt and issue as per extant guidelines.

Thus, the possibility of fraudulent payment and misappropriation of government fund cannot be ruled out. Moreover, the records show that BDO who issued the supply orders, issued the cheques and made payment signed a certificate of receipt of materials which indicated complete absence of segregation of duties necessary to ensure internal checks.

The matter needs investigation and appropriate action taken to recover any loss of Government money. The matter was reported to the Department/Government (July 2016); reply is still awaited (February 2017).

**CHAPTER– II**  
**ECONOMIC SECTOR**



## CHAPTER - II: ECONOMIC SECTOR

### 2.1 Introduction

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

During 2015-16, total budget allocation of the State Government under the Economic Sector (other than Public Sector Undertakings) was ₹ 4081.53 crore, against which the actual expenditure was ₹ 3297.08 crore. Details of Department-wise budget allocation and expenditure are given in the following table.

**Table- 2.1.1**

(₹ in crore)

SL.No.	Department	Total Budget Allocation	Expenditure
1	Industries	79.91	49.26
2	Textile & Handicrafts	35.30	33.76
3	Tourism	71.78	35.81
4	Rural Development	377.89	231.33
5	Co-operation	23.84	23.39
6	Agriculture	181.62	144.46
7	Horticulture	168.27	56.74
8	Animal Husbandry	154.16	99.94
9	Fisheries	28.37	62.70
10	Research	18.22	12.22
11	Science & Technology	8.11	6.04
12	Public Works	483.89	473.19
13	North Eastern Areas	103.75	76.57
14	Environment & Forests	313.62	225.70
15	Transport	122.65	103.18
16	Power	693.74	597.03
17	Water Resources	530.82	296.78
18	Geology & Mining	15.79	14.70
19	Rural Works	669.80	754.28
<b>Total</b>		<b>4081.53</b>	<b>3297.08</b>

(Source: Appropriation Accounts 2015-16)

#### 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.

Audits were conducted in 49 units involving expenditure of the State Government amounting to ₹ 1,748.03 crore under the Economic Sector.

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 on the table of legislature.

Major findings detected in Audit during 2015-16 pertaining to the Economic Sector (other than Public Sector Undertakings), are discussed in subsequent paragraphs of this Chapter. The chapter of Audit Report contains *four Compliance Audit Paragraphs*.

## Compliance Audit Paragraph

### Water Resources Department

#### 2.2 Unfruitful expenditure.

**An expenditure of ₹ 92.78 lakh incurred by Executive Engineer, Water Resources Division, Deomali, on construction of Water Harvesting Reservoirs remained unfruitful due to improper selection of site as it failed to meet the intended objectives of providing irrigation for agricultural activity. Besides, ₹ 22.60 lakh was paid to the contractor without execution of work (Recharge Pits and Fencing).**

Government of Arunachal Pradesh accorded (January 2015) administrative approval and expenditure sanction for ₹ 199.00 lakh for “*Construction of Rain Water Harvesting Structure to improve Water Sources in different villages under Deomali Sub-Division*” under Special Plan Assistance (SPA) Scheme 2013-14. The objective of the scheme was to improve water availability during the lean period for drinking as well as for irrigation purpose by constructing water harvesting structures in four villages, namely, Notun Kheti village, New Lamlo village, Sipini village and Turet village. The Superintending Engineer, Water Resource Circle, Namsai accorded (January 2015) technical sanction for ₹ 194.00 lakh. Executive Engineer (EE), WRD, Deomali awarded the work on 23 February 2015 to a local contractor (M/s ATWA Enterprises) after tender at a cost of ₹ 186.27 lakh.

The scope of work included construction of three structures as indicated in the following table:

**Table 2.2.1**

(₹ in lakh)

Sl. No.	Item of work	Rate	Total Amount
(i)	Installation of 12 of Roof top water harvesting (three each in four villages)	5.86	70.32
(ii)	Recharge Pits and Fencing chain link for 12 Roof top water harvesting	1.93	23.17
(iii)	Construction of three Rain Water Harvesting Reservoir one in each three village (Notun Kheti village, New Lamlo village and Sipini village)		92.78
<b>Total</b>			<b>186.27</b>

The work commenced on 25 February 2015 and was reported as completed within 20 days (16 March 2015). ₹ 185.70 lakh was paid to the contractor for execution of work.

Audit during joint physical verification with departmental official (December 2015) at four locations in two villages, (Notun Kheti Village and New Lamlo Village), noticed that Roof top Water Harvesting Tanks constructed were without the Recharge Pits and Fencing.



Tanks without Recharge Pits and Fencing at New Lamlo Village



Tanks without Recharge Pits and Fencing at Notun Khheti Village

Thus, the contractor was paid ₹ 11.58 lakh for this item of work though the work had not been executed and this resulted in undue benefit to the contractor. Similar non execution of work (valued at ₹ 11.02 lakh) in other two villages where the same contractor had carried out the construction cannot be ruled out.

Besides, an amount of ₹ 92.78 lakh was paid for construction of one rain water harvesting reservoir in each of the three villages (Notun Kheti Village, New Lamlo Village and Sipini village). During joint physical verification (December 2015) in two out of three villages, it was observed that these structure were not providing water supply/irrigation facility and no agricultural activities were found in and around the areas.



Earthen Reservoirs at New Lamlo Village

Earthen Reservoir at Notun Kheti Village

Thus, the entire expenditure of ₹ 92.78 lakh incurred on construction of Water Harvesting Reservoirs meant for irrigation purpose failed to achieve the intended objective due to absence of agricultural activity at the sites.

In reply (August 2016) the Department stated that the 12 recharge pit with fencing were constructed. However, since these recharge pits are not like other civil structures, projecting above ground surface the audit team might not have noticed during their visit. Also, the villagers removed the fencing due to difficulty in tapping water from the tank, but the fencing materials were kept secured in respective villages and schools. Further, while accepting audit observations, the Department stated that at the time of visit during joint inspection, there was no developed agricultural field near earthen water reservoir but development of agricultural plot would be taken up during the current financial year 2016-17.

The reply is not acceptable as there was no evidence of digging of soil or any other sign for construction of recharge pit and fencing around the water tanks. The departmental officer had also not able to locate these pits. Moreover, the purpose of construction of water reservoirs was to provide better irrigation in lean period. In the surrounding topography where these earthen reservoirs were constructed there was no agricultural land. The Department should have conducted proper survey and explored the feasibility of development of agricultural land before taking up the work of construction of water reservoirs.

## **Public Works Department**

### **2.3 Excess payment on hiring charges of Bulldozer.**

**Due to hiring of Bulldozer at a rate higher than the approved rate, Executive Engineer, Daporijo Division, PWD made an excess payment of ₹ 58.32 lakh.**

As per the Arunachal Pradesh Schedule of Rate (APSoR) 2012 for Roads and Bridges works under PWD of Arunachal Pradesh, Chief Engineer (CE), PWD Central Zone B notified (2012) the rate for the hiring of Bulldozer D-80 A-12 at ₹ 3615/- per hour.

Scrutiny of records (November 2015) of the Executive Engineer (EE), Daporijo, PWD Division revealed that during the period between April 2014 and November 2014 Bulldozer D-80 A-12 was hired by the Division from a private firm at a rate of ₹ 4521/- per hour as fixed by the Superintending Engineer, Basar Circle (September 2014) instead of the notified rate of ₹ 3615/- per hour as per APSoR 2012.

Audit observed that the EE, Daporijo, PWD Division hired the Bulldozer for a total of 6,437 hour during April 2014 to November 2014 and incurred an expenditure of ₹ 295.50 lakh instead of ₹ 237.18 lakh which would have been incurred had the approved rate of ₹ 3615/- per hour been followed. This resulted in excess payment of ₹ 58.32 lakh while hiring the machinery as per details given below:

Table 2.3.1

(₹ in lakh)

Hire Period	Total hours utilized	Rate allowed (in ₹)	Total Payment	Rate as per APSOR 2012 (in ₹)	Total payment as per approved rate	Extra Expenditure
01/04/14 to 09/11/14	6437	4521	295.50	3615	237.18	58.32

In reply, the Department stated (August 2016) that rates were adopted as per analysis of rates after taking quotations from various local agencies for the interior roads works which was subsequently approved by the Superintending Engineer, Basar Circle.

The reply of the Department is not acceptable as rates adopted for hiring of Bulldozer D-80 A-12 by the EE, Daporijo, PWD Division was not in accordance with the rate notified as per APSOR 2012 which was applicable for all the divisions under the zone.

Thus, the failure of the Division to follow the notified rates resulted in excess payment of ₹ 58.32 lakh.

## 2.4 Doubtful Expenditure

**Expenditure of ₹ 147.95 lakh incurred on construction of 15 cross drainages and three slab culvert was doubtful. Besides, an expenditure of ₹ 99.41 lakh was incurred on formation cutting and slip clearance without sanction of the competent authority.**

Ministry of Development of North Eastern Region (DoNER) sanctioned (December 2010) work of “Construction of road from Janam to Okhaosum-19.00 km” under Non Lapsable Central Pool Resource (NLCPR) at an estimated cost of ₹ 10.86 crore. The work was to be completed by December 2013. The work was technically sanctioned by Chief Engineer (East Zone) in September 2011 and ₹ 10.36 crore was released for the work.

Scrutiny of records (January 2016) of the Executive Engineer, Longding Division revealed that the work commenced in December 2010 even before the technical sanction. As per the Progress Report (March 2015), the work was shown as completed in February 2015 in all respects after incurring an expenditure of ₹ 10.36 crore.

Audit of records indicated the following:

- The estimates provided ‘formation cutting’<sup>1</sup> of 19.00 km at an estimated cost of ₹ 412.67 lakh. However, as per measurement book formation cutting of only 14.00 km at different chainages at the cost of ₹ 341.45 lakh was executed by two contractors<sup>2</sup> (through 89 work orders). Formation cutting of remaining 5.00 km at the different chainages estimated to cost ₹ 1.09 crore (on proportionate basis)<sup>3</sup> was not executed.

Further, as per estimates, expenditure on formation cutting of 14 Km should have been ₹ 304.07 lakh, but actually the Department had incurred ₹ 341.45 lakh on its execution. Thus, there was excess expenditure of ₹ 37.38 lakh in deviation of the approved estimate.

<sup>1</sup> Cutting of soil/rock from a hill or mountain to make way for construction of road.

<sup>2</sup> M/s Lovely Enterprises and Shri Golem Pansa.

<sup>3</sup> ₹ 4.13 crore/19.00 km x 5.00 km = ₹ 1.09 crore.



- Expenditure of ₹ 62.03 lakh was incurred towards 'slip clearance' which was in deviation of approved estimate.
- Construction of 74 cross drainages<sup>4</sup> were awarded to M/s P.S.K Enterprises, Kanubari at a tender value of ₹ 529.53 lakh in February 2012. The work was shown as completed in March 2015 and ₹ 529.46 lakh was paid to the contractor. However, the measurement book showed that out of 74 cross drainages, 15 cross drainages (cost of ₹ 1.28 crore) were located at chainages where no formation cutting was executed.

Thus, expenditure of ₹ 1.28 crore stated to have been incurred on construction of 15 cross drainage works was doubtful as construction of cross drainage before formation cutting was not feasible.

- An expenditure of ₹ 19.23 lakh was incurred on construction of three slab culverts<sup>5</sup> at three chainages<sup>6</sup> on work order through three local contractors, between December 2010 and February 2011, even before the formation cutting in those chainages was done (December 2011).

Thus, the expenditure of ₹ 19.23 lakh stated to have been incurred on construction of three slab culverts was doubtful as construction of slab culverts could not be carried out before formation cutting.

Thus, an expenditure of ₹ 99.41 lakh (₹ 37.38 lakh on formation cutting and ₹ 62.03 lakh for slip clearance) was incurred without sanction of the competent authority. Further, expenditure of ₹ 147.95 lakh (₹ 128.72 lakh for 15 cross drainages and ₹ 19.23 lakh for three slab culverts) was doubtful. In view of the observation made from divisional records it is unlikely that the construction of the road from Janam to Okhaosum was complete as claimed in the progress report.

The matter was reported to the Department/Government (July 2016); reply is still awaited (February 2017).

## **2.5 Unfruitful expenditure**

**Construction of RCC Bridge over River Singking remained incomplete for more than seven years, due to diversion of ₹ 154.63 lakh, rendering the expenditure of ₹ 2.45 crore incurred so far on its construction unfruitful.**

Rule 26 (ii) of GFR requires that a controlling officer may ensure that funds placed at his disposal should be spent for the purpose it was provided. As per Para 2.3.4 of CPWD Manual, material deviations that significantly alter the scope of work from the original sanction should not be made without the approval of the authority that accorded administrative approval to the work.

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<sup>4</sup> Cross drainage is a structure generally that allows water to flow under a road from one side to the other side.

<sup>5</sup> A culvert is a structure that allows water to flow under a road, from one side to the other side.

<sup>6</sup> Chainages 17010, 17800 & 3505.

Project ‘Construction of 10 Bridges of Dambuk Paglam Road’ was funded by Department of Road Transport and Highways, GoI at a cost of ₹ 1447.11 lakh which aimed at providing connectivity between Dambuk and Paglam for availing medical facilities and essential service with towns in Assam. ‘Construction of RCC Bridge (2x40 metre) over river Singking’ on Dambuk-Paglam Road was part of this project. After incurring an expenditure of ₹ 1447.11 lakh as on June 2014, nine bridges had been completed except one bridge over Singking river, which remained incomplete.

Scrutiny of records (August 2015) of Executive Engineer (EE), PWD, Roing revealed that the work of ‘Construction of RCC Bridge (2x40 metre) over river Singking’ was awarded (November 2008) to M/s M. M Projects, Itanagar at a cost of ₹ 399.98 lakh with stipulation to complete the work by June 2010. The work commenced in December 2008 and construction of well foundation and sub-structure was completed. No further work was carried out since June 2014 and ₹ 154.63 lakh sanctioned for the bridge was diverted for the construction of two other bridges. An expenditure of ₹ 245.35 lakh was incurred on execution of well foundation and sub-structure remained unfruitful and blocked due to diversion of ₹ 154.63 lakh.

In reply (June 2016), the Department stated to complete the bridge by constructing superstructure (Steel Girder composite bridge) and embankment of approach road, a proposal of ₹ 4.10 crore was made during 2014-15 under Rural Infrastructure Development Fund-XX (RIDF-XX) with the approval of the State Government, but the amount was yet to be sanctioned. As the work remained incomplete connectivity from Dambuk to Paglam as envisaged in the project also remained unachieved (June 2016) and expenditure incurred of ₹ 245.35 lakh was unfruitful.



**CHAPTER– III**  
**GENERAL SECTOR**



## CHAPTER-III: GENERAL SECTOR

### 3.1 Introduction

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

During 2015-16, total budget allocation of the State Government in the major departments under General Sector was ₹ 1,865.29 crore against which actual expenditure was ₹ 1,391.47 crore. Details of Department wise budget allocation and expenditure are given in the following table.

**Table: 3.1.1**

(₹ in crore)

SL. No.	Department	Total Budget Allocation	Expenditure
1	Governor	12.25	10.79
2	Legislative	27.39	26.15
3	General Administration	885.58	535.10
4	Home	744.07	674.72
5	Legal Metrology	8.27	7.71
6	Election	19.82	18.25
7	Fire Services	32.20	30.88
8	Land Management	47.97	17.72
9	Administration of Justice	25.86	16.03
10	Stationery and Profiting	13.42	13.30
11	Protocol	2.63	2.56
12	Parliamentary Affairs	5.27	5.14
13	Information and Public Relation	26.85	20.99
14	State Public Service Commission	5.56	5.55
15	Administrative Training Institute	5.38	3.55
16	State Information Commission	1.90	2.20
17	State Lotteries	0.87	0.83
<b>Total</b>		<b>1865.29</b>	<b>1391.47</b>

(Source: Appropriation Accounts 2015-16)

#### 3.1.1 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 were conducted in 24 units involving expenditure of the State Government amounting to ₹ 411.38 crore under the General Sector.

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 on the table of the legislature.

Major observations detected in Audit during 2015-16 pertaining to the General Sector are discussed in subsequent paragraphs of this Chapter. This chapter of Audit Report contains two Compliance Audit Paragraphs.

## Compliance Audit Paragraph

### General Administration

#### 3.2 Doubtful Expenditure

#### **Expenditure of ₹ 90.00 lakh stated to have been incurred on construction of five suspension bridges was doubtful.**

According to Rule 26 (iv) of General Financial Rules (GFR), 2005, Controlling officer in respect of funds placed at his disposal are to ensure that adequate control mechanism is functioning in his department for prevention, detection of errors and irregularities in the financial proceedings of his subordinate offices and to guard against waste and loss of public money.

Further, Rule 132 (vii) of GFR stipulates final payment for work shall be made only on the certificates of the officer-in-charge of execution of the work. As per Section 9.1(3) of CPWD works Manual, before the bill of a contractor is passed and paid the entries in the Measurement Book relating to the description and quantities of work should be scrutinized.

Rural Development Department, GoAP accorded administrative approval and expenditure sanction under Special Plan Assistance (SPA) for “*Construction of Five Suspension bridges<sup>1</sup>*” over three rivers, namely, Sippi, Dunli and Menga under Daporijo and Giba CD Blocks, Upper Subansiri District in December 2012 at a total cost of ₹ 90.00 lakh (₹ 18 lakh for each bridge). As per the sanction, tendering was mandatory for ensuring transparency and competitive bidding and the work was to be executed by the Project Director, DRDA, Daporijo. The sanction also stipulated that the Deputy Commissioner (DC), Daporijo, Upper Subansiri District was to monitor the progress of work at regular interval and also draw the amount from Treasury on receipt of bills from Project Director, DRDA, Daporijo for payment.

Scrutiny of records (October/November 2015) of Deputy Commissioner (DC), Upper Subansiri District revealed that Project Director, DRDA, Daporijo issued Notice Inviting Tender (NIT) in January 2013 for the construction of five suspension bridges at different locations with a stipulation to complete the execution of work in three months. The work was awarded to lowest bidder, M/s Reempu Construction, Naharlagun in February 2016. PD, DRDA submitted (March 2013) bills for payment for ₹ 90.00 lakh in favour of M/s Reempu Construction, Naharlagun for construction of five suspension bridges,

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<sup>1</sup>

- i. Suspension bridge over Sippi river at Bicho-Leru (Mosi to Lamdik).
- ii. Suspension bridge over Sippi river (Loker to Dadi).
- iii. Suspension bridge on Sippi river at Taw Rijo.
- iv. Suspension bridge over Dunli river at (Ruji to Hiju).
- v. Suspension bridge over Menga river (Piya to Markia).

certifying that the work had been completed as per specification. ₹ 90 lakh was drawn by DC Daporijo and paid in cash to PD, DRDA, Daporijo on 11 March 2013.

Scrutiny of the bills revealed that work commenced on 18 February 2013 and was recorded as completed on 01 March 2013 within 12 days from the date of commencement whereas three months' time was allowed in NIT. The measurement book in support of execution of work was not produced to Audit. Execution of work in such a short time cast an element of doubt whether the work was actually executed on ground by the contractor. Further; there was nothing on record to support the fact that DC, Daporijo has monitored the progress of the work.

Along with the reply (August 2016), the Department produced documents such as estimates, work orders, measurement books, bills, etc. Measurement books produced indicated only name of bridges, however, site specific details of each bridge with the quantity of work done and the date on which the measurement was taken, etc. was not indicated in the measurement book. The copy of bills furnished by the department along with the reply was different from the one that was produced during field audit. The copy of the bill produced along with the reply in August 2016 did not bear Voucher No, Bill No, and signature of the Finance Accounts Officer whereas the original bill produced to audit in November 2015 did contain these details.

The matter needs investigation to verify whether the work was actually done and to establish veracity of records. The Government also needs to ensure that existing rules are followed.

## District Administration Department

### 3.3 Unauthorised Expenditure

**Deputy Commissioner, Capital Complex, Itanagar kept a part of revenue realised from various citizen centric services outside Government account and incurred expenditure of ₹ 57.71 lakh out of this money for payment of wages, office stationery, phone bills, medical bills etc. which was in violation of the rules.**

Under Rule 6 (1) of Central Government Account (Receipts and Payments) Rules 1983, all revenues received by or tendered to Government officers on account of revenues or receipts or dues of the Government shall, without undue delay, be paid in full into the accredited bank for inclusion in Government Account. Moneys received as aforesaid shall not be utilized to meet departmental expenditure unless authorized under sub-rule (2), nor otherwise kept apart from the accounts of the Government. Further, as per Rule 13 of Central Government Account (Receipts and Payments) Rules 1983, all monetary transactions should be entered in the cash book as soon as they occur and attested by the Head of the Office in token of check.

Scrutiny of records (February 2016) of the Deputy Commissioner (DC), Capital Complex, Itanagar revealed that during the period from July 2010 to January 2016, ₹ 119.76 lakh was collected as revenue from inner line permit fee, issue of domicile certificate, ST certificate, etc. by the DC. Out of these amount, ₹ 35.44 lakh was deposited in Government account, balance ₹ 84.32 lakh and the interest of ₹ 3.23 lakh



earned thereon was kept in the Bank Account<sup>2</sup> in Arunachal Pradesh State Co-op. Apex Bank Ltd. operated by ADC cum Member Secretary of Capital Complex e-Governance Society which was outside the Consolidated Fund of the State.

Further, scrutiny revealed that between August 2010 and January 2016, a total amount of ₹ 57.71 lakh was withdrawn from the Bank Account on 145 occasions. As of January 2016 a balance of ₹ 29.35 lakh was in the bank account. The deposits and withdrawals made from this bank account were not routed through the cash book maintained for Government Account. The expenditure incurred from the bank account were for different items such as payment of wage, office stationary, phone bills, repairs, reimbursement of medical bills, etc. Thus, the revenue collected by the Deputy Commissioner, was kept outside the Government Accounts and expenditure incurred was in violation of the extant Rules.

In reply, (August 2016) the Department stated that revenue collected on account of domicile certificate, ST certificate, ILP, etc., were deposited in two parts i.e. government account and society fund for smooth functioning of the e-governance society. Any kind of purchase of stationeries, office equipment, computer items, etc. was made as per Government codal provisions.

The reply of the Department is not acceptable as depositing government revenue into Bank Account maintained outside Consolidated Fund of the State and subsequent expenditure incurred there from (₹ 57.71 lakh) is not only violation of the extant rules but had also escaped the financial control of the Legislature. The Department should forthwith stop such irregular practice and instead of diverting the government revenue may provide grants for smooth functioning of e-governance society with the approval of the legislature or take any other steps as per rule. The balance of ₹ 29.35 lakh should be deposited into Government Accounts in compliance to the extant rules without any further delay.

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<sup>2</sup> No. 688101072451

**CHAPTER– IV**  
**REVENUE SECTOR**



## CHAPTER-IV: REVENUE SECTOR

### 4.1 Introduction

#### 4.1.1 Trend of Revenue Receipts

Tax and Non-tax revenue raised by Government of Arunachal Pradesh during 2015-16, the State share of net proceeds of divisible Union taxes and duties assigned to the State, Grants-in-aid received from Government of India (GoI) during the year and corresponding figures for the preceding four years are shown in table below:

**Table – 4.1.1: Trend of Revenue receipts**

(₹ in crore)

Sl. No.	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue raised by the State Government						
1.	• Tax revenue	317.65	316.50	434.51	462.16	535.07
	• Non-tax revenue	360.71	284.22	405.06	457.64	392.12
<b>Total</b>		<b>678.36</b>	<b>600.72</b>	<b>839.57</b>	<b>919.80</b>	<b>927.19</b>
Receipts from the Government of India						
2.	• Share of net proceeds of divisible Union taxes and duties	838.97	957.93	1045.85	1109.98	7075.58
	• Grants-in-aid	3981.73	4202.87	3935.01	7106.27	2550.33
<b>Total</b>		<b>4820.70</b>	<b>5160.80</b>	<b>4980.86</b>	<b>8216.25</b>	<b>9625.91</b>
3.	Total revenue receipts of the State Government (1 +2)	5499.06	5761.52	5820.43	9136.05	10553.10
4.	<b>Percentage of 1 to3</b>	<b>12.34</b>	<b>10.43</b>	<b>14.42</b>	<b>10.06</b>	<b>8.79</b>

The above Table shows that during 2015-16, Revenue raised by State Government (₹ 927.19 crore) was 8.79 per cent of the total Revenue receipts. The balance 91.21 per cent of receipts during 2015-16 was from GoI.

Details of Tax revenue raised against Budget Estimate (BE) during 2011-16 are given in the following table:

**Table- 4.1.2: Details of Tax revenue raised**

(₹ in crore)

Head of Revenue	2011-12		2012-13		2013-14		2014-15		2015-16		Percentage Increase (+)/ Decrease (-) in 2014-15 over 2013-14	
	BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual
Land Revenue	6.05	3.85	6.66	4.70	5.16	11.39	6.21	5.99	5.64	8.89	(-)9.18	(+)48.41
Stamp Duty	2.27	2.24	2.50	3.05	2.73	4.18	4.03	3.83	5.28	5.63	(+)31.02	(+)46.99
State Excise	28.78	37.63	32.00	49.11	56.70	55.50	68.74	59.87	66.70	86.33	(-)2.97	(+)44.20
Taxes on Sales, Trade, etc	173.46	216.36	226.55	161.62	321.80	223.60	338.03	195.24	178.10	190.22	(-)47.31	(-)2.57
Motor vehicle Tax	17.00	12.41	18.00	13.38	15.64	17.09	17.99	17.78	18.14	16.30	(+)0.83	(-)8.32
Taxes on goods and passengers	0.00	45.16	0.00	84.64	0.00	122.75	111.94	179.45	233.78	224.70	(+)108.84	(+)25.22
<b>Total</b>	<b>227.56</b>	<b>317.65</b>	<b>285.71</b>	<b>316.50</b>	<b>402.03</b>	<b>434.51</b>	<b>546.94</b>	<b>462.16</b>	<b>507.64</b>	<b>535.07</b>	(-)7.19	(+)15.78

The Departments despite being requested (November 2016) did not furnish the reasons for variations in receipts from BE and actual revenue of the previous year (February 2017).

Details of Non-tax revenue raised against Budget estimate during 2011-12 to 2015-16 are shown in the following table:

**Table-4.1.3: Details of Non-tax revenue raised**

*(₹ in crore)*

Head of Revenue	2011-12		2012-13		2013-14		2014-15		2015-16		Percentage increase(+)/ Decrease (-) in 2014-15 over 2013-14	
	BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual
Power	95.00	145.04	200.67	113.07	110.03	145.41	289.48	182.63	184.17	117.04	(-)36.38	(-)35.91
Interest Receipts	50.00	48.71	55.00	40.32	58.93	24.66	67.77	13.12	31.61	39.11	(-)53.36	(+)198.09
Forestry & Wild Life	15.40	36.76	15.40	7.49	28.98	11.89	55.90	9.28	8.29	13.76	(-)85.17	(+)48.28
Public works	7.34	9.00	4.00	16.17	11.90	29.83	21.39	19.98	23.52	7.35	(+)9.96	(-)63.21
Miscellaneous General Services	2.00	0.10	15.00	0.02	0.12	0.01	0.03	0.01	0.04	54.39	(+)33.33	(+)54.38
Other Administrative Service	6.44	6.69	7.08	7.58	8.09	8.57	10.02	8.29	10.65	9.52	(+)6.29	(+)14.84
Police	2.75	2.82	3.60	2.32	3.41	3.09	3.06	1.29	1.30	9.34	(-)57.52	(+)624.03
Medical & Public Health	0.51	0.43	0.51	0.49	0.50	0.71	0.67	0.71	0.81	0.61	(+)20.90	(-)14.08
Co-operation	1.32	0.77	1.45	0.24	0.93	0.48	0.31	0.57	0.67	0.58	(+)116.13	(+)1.75
Other Non-Tax Receipts	109.61	35.44	118.46	42.27	93.89	180.41	581.16	221.76	460.75	140.42	(-)20.72	(-)36.68
<b>Total</b>	<b>290.37</b>	<b>360.71</b>	<b>421.17</b>	<b>284.22</b>	<b>316.78</b>	<b>405.06</b>	<b>1029.79</b>	<b>457.64</b>	<b>721.81</b>	<b>392.12</b>	<b>(-)29.91</b>	<b>(-)14.32</b>

The Departments despite being requested (November 2016) did not furnish the reasons for variations in receipts from that of the BE and actuals of previous year (February 2017).

#### **4.1.2 Analysis of revenue arrears**

The information on total amount of arrears of revenue as well as amount outstanding for more than five years as on 31 March 2016 was not furnished by the Department/ Government (February 2017).

#### **4.1.3 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, as furnished by the Taxation Department in respect of Sales Tax, Motor Spirit Tax, Luxury Tax and tax on Works Contracts had not been furnished despite request made to the concerned Departments (February 2017).

**4.1.4 Evasion of tax detected by the Department**

No information in respect of evasion of tax detected was furnished by the Tax and Excise Department (February 2017).

**4.1.5 Pendency of Refund Cases**

The number of refund cases pending at the beginning of the year (2015-16), claims received during the year, refunds allowed during the year and cases pending at the close of the year (2015-16), have not been furnished by the Taxation Department (February 2017).

**4.1.6 Response of the Government/Departments towards Audit**

The 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 2016 disclosed that 1093 paragraphs involving ₹ 4602.22 crore relating to 324 IRs remained outstanding at the end of June 2016 along with corresponding figures for the preceding two years. The details are shown in the table below:

**Table- 4.1.4: Details of pending Inspection Reports**

	June 2014	June 2015	June 2016
Number of IRs pending settlement	229	299	324
Number of outstanding Audit Observations	629	974	1093
Total amount involved (₹ in crore)	<b>357.29</b>	<b>4180.79</b>	<b>4602.22</b>

Department-wise details of the IRs and audit observations outstanding as on 30 June 2016 and amounts involved are shown in the table below:

**Table- 4.1.5: Department-wise details of IRs***(₹ in crore)*

Sl.No.	Department	Nature of receipts	No of outstanding		Money value involved
			IRs	Audit Observations	
1	Sales Tax	Taxes on Sales, Trade etc	87	376	136.91
2	Excise	State Excise	53	161	4.92
3	Revenue	Land Revenue	33	138	3886.34
4	Transport	Taxes on Motor Vehicles	41	116	16.95
5	State Lottery	Lottery	6	17	6.36
6	Geology & Mining	Non-ferrous Mining &	15	31	32.40

Sl.No.	Department	Nature of receipts	No of outstanding		Money
		Metallurgical Industries			
7	Environment & Forest & Wildlife	Forestry & Wild Life	89	254	518.34
<b>Total</b>			<b>324</b>	<b>1093</b>	<b>4602.22</b>

Audit did not receive first replies within one month from the date of issue of IRs from 13 Heads of Offices for 13 IRs issued during 2015-16. This 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.*

#### **4.1.7 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 was held during 2015-16. As can be seen from Para 4.1.6 there is large pendency of IRs. In view of this, the Government may ensure holding of Audit Committee meetings to expedite clearance and settlement of outstanding audit observations.

#### **4.1.8 Response of Departments to Draft Audit Paragraphs**

Draft Audit Paragraphs proposed for inclusion in the Report of the Comptroller & Auditor General of India are forwarded by the 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.

Ten paragraphs proposed to be included in the Audit Report of the Comptroller and Auditor General of India for the year ended 31 March 2016 were sent to the Principal Secretaries/Secretaries of respective Departments between June and July 2016. The Principal Secretaries/Secretaries of the Government did not furnish replies to nine of the paragraphs (February 2017).

#### **4.1.9 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 Committee. In spite of these provisions, the explanatory notes on audit paragraphs of the Reports were being delayed inordinately. Eighty five paragraphs and two performance audit on the Revenue Sector included in the Reports of the Comptroller and Auditor General of India of the Government of Arunachal Pradesh for the years ended 31 March 2010, 2011, 2012, 2013 and 2014 were placed before the State Legislature between 24 March 2011 and 21 July 2015. However, Audit Reports for the

year ended March 2015 is yet to be placed in the State Legislature. The action taken explanatory notes from the concerned Departments on these paragraphs were received late with average delay of 24 months in respect of each of these Audit Reports. Action taken explanatory notes in respect of 13 paragraphs from various departments had not been received for the Audit Report year ended 31 March 2014 (February 2017).

The PAC discussed 32 selected paragraphs pertaining to the Audit Reports for the years from 2001-02 to 2012-13 and its recommendations on 2 paragraphs were incorporated in their 60<sup>th</sup> Report (27 September 2012). Out of 32 paragraphs, 18 paragraphs were settled by the PAC. Action Taken Notes (ATNs) have not been received in respect of 14 recommendations of the PAC related to the Audit report for the year 2001-02 to 2012-13 from the Tax & Excise and Geology & Mining Departments as mentioned in the following table:

**Table 4.1.6**

Year	Name of the Department	No. of Recommendation
2001-02	Tax & Excise	1
2002-03	Geology & Mining	1
2003-04	Tax & Excise	1
2004-05	Tax & Excise	1
2006-07	Geology & Mining	3
2007-08	Geology & Mining	2
2008-09	Geology & Mining	1
2009-10	Geology & Mining	1
2012-13	Geology & Mining	3
<b>Total</b>		<b>14</b>

#### **4.1.10 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 4.1.10.1 and 4.1.10.2 discuss the performance of the Environment, Forest & Wildlife Department under revenue head '0406 Forest' and cases detected during the course of local audit during the last 10 years and also cases included in Audit Reports for the years 2006-07 to 2015-16.

##### **4.1.10.1 Position of Inspection Reports**

The summarized position of the Inspection Reports under revenue head-'0406 Forest' issued during the last 10 years, Paragraphs included in the Reports and their status as on 31 March 2016 are shown in the following table:



**Table- 4.1.7: Position of Inspection Reports**

(₹ in lakh)

Sl.No	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
1.	2006-07	79	179	170.76	8	30	248.88	3	12	2.85	84	197	416.79
2.	2007-08	84	197	416.79	11	63	3411.71	12	44	37.36	83	216	3791.14
3.	2008-09	83	216	3791.14	0	0	0	6	17	153.53	77	210	3637.81
4.	2009-10	77	210	3637.81	8	33	2163.09	0	3	00	85	240	5800.9
5.	2010-11	85	240	5800.90	4	22	263.30	2	2	0.15	87	260	6064.05
6.	2011-12	87	261	6064.05	1	4	0	0	5	5.15	88	260	6058.9
7.	2012-13	88	260	6058.90	0	0	0	04	16	59.75	84	244	5999.15
8.	2013-14	84	244	5999.15	02	0	0	03	16	30.14	83	228	5969.01
9.	2014-15	83	228	5969.01	1	1	416.08	0	1	24.01	84	228	6361.08
10.	2015-16	84	228	6361.08	5	25	1243.64	0	1	40.07	89	252	7564.65

The Government arranges Audit Committee meetings between the Department and Accountant General's office to settle the old paragraphs.

#### 4.1.10.2 Recovery of Accepted Cases

The position of 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 – 4.1.8**

SL. No.	Year	No. of Paragraphs included	Money value of the paragraphs (₹ in crore)	No. of paragraphs accepted having Money value	Money value of accepted paragraphs (₹ in crore)	Amount recovered during the year (₹ in crore)	Cumulative position of recovery of accepted cases of 31 March 2015 (₹ in crore)
1	2005-06	23	23.17	Nil	Nil	Nil	Nil
2	2006-07	24	31.98	6	15.44	Nil	Nil
3	2007-08	21	110.58	3	0.28	0.01	0.01
4	2008-09	21	31.87	1	0.04	Nil	0.01
5	2009-10	20	49.65	3	0.17	0.05	0.06
6	2010-11	19	12.26	Nil	4.80	0.14	0.20
7	2011-12	23	5.51	Nil	0.92	Nil	0.20
8	2012-13	11	27.46	Nil	Nil	Nil	0.20
9	2013-14	12	3.74	Nil	Nil	Nil	0.20
10	2014-15	9	6190.22	Nil	Nil	Nil	0.20
<b>Total</b>		<b>183</b>	<b>6486.44</b>	<b>13</b>	<b>21.65</b>	<b>0.20</b>	<b>0.20</b>

From the above table it can be seen that the progress of recoveries, even in accepted cases, was very slow throughout 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, Tax & Excise 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.*

#### **4.1.11 Audit Planning**

Unit offices under various Departments 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 Finances, Reports of the Finance Commission (State and Central), recommendations of the Taxation Reforms Committee, statistical analysis of the revenue earnings, factors of the tax administration, audit coverage and its impact during past five years etc.

During 2015-16, there were 131 auditable units, of which 14 were planned and 24 were actually audited, which is 18.32 *per cent* of the total auditable units. Besides the Compliance Audit mentioned above, audit of Transport Department was also conducted to examine the efficiency and effectiveness of Collection of Revenue from outsourced activities.

#### **4.1.12 Results of Audit**

##### **Position of Local Audits conducted during the year**

Test check of records of 24 units of Sales Tax/Value Added Tax, Forest Receipts and Motor Vehicles Tax Offices conducted during 2015-16 showed under assessment/short levy/loss of revenue aggregating ₹ 73.19 crore in 160 cases. During the course of the year, Departments concerned accepted under-assessment and other deficiencies of ₹ 1.75 crore involved in 20 cases, which were pointed out in audit during 2015-16. Departments collected ₹ 0.12 crore in three cases during 2015-16, pertaining to audit findings of the previous year.

#### **4.1.13 Coverage of this Report**

This Report contains ten paragraphs including one paragraph on result of Collection of Revenue from outsourced activities in Transport Department. The replies furnished by the Department/Government in respect of one paragraph have been incorporated in the report. However no reply has been received in respect of the remaining nine paragraphs (February 2017).

## COMPLIANCE AUDIT PARAGRAPHS

### TRANSPORT DEPARTMENT

#### 4.2 Collection of Revenue from outsourced activities in Transport Department

##### 4.2.1 Introduction

Department of Transport (DoT), Government of Arunachal Pradesh is governed by the Central Motor Vehicles (CMV) Act, 1988, the Central Motor Vehicles (CMV) Rules, 1989 and the Arunachal Pradesh Motor Vehicle Taxation Act, 1984. As per the Supreme Court verdict and orders of the Ministry of Road Transport and Highways (MoRTH), affixtures of High Security Registration Plates (HSRP) under the provision of Rule 50 of the Central Motor Vehicles Rules, 1989 has to be ensured on all newly registered vehicles as well as old vehicles in phased manner within two years from the date of implementation. Further, as per Rule 115 (7) of the Central Motor Vehicles Rules, 1989 every motor vehicle shall carry a valid Pollution under Control (PUC) certificate after the expiry of one year from the date on which the motor vehicle was first registered. The PUC certificate is to be issued by an agency authorized for this purpose by the State Government.

The State Government outsourced the activities of affixing of HSRP and issuing of PUC certificate to two private firms as per the following details:

**Table - 4.2.1**

Name of the outsourced activity	Name of the outsourced agency	Date of outsourcing
HSRP	M/s Shimnit Utsch India Pvt Ltd, Mumbai	March 2012
PUC	M/s North East Environment Engineers & Consultants, Naharlagun	November 2009

The Department of Transport is headed by Commissioner and assisted by Joint Secretary, Transport, one Director of Transport (who is also the ex-officio Secretary, State Transport Authority) and one Joint Director of Transport. There are also 12 District Transport Officers (2 DTOs in the Directorate and 10 DTOs in Districts). Due to shortage of DTOs, the Extra Assistant Commissioners (EACs) and Circle Officers are functioning as DTOs in 12 out of 22 Districts of the State.

As HSRP and PUC Schemes are important for the State both from the aspect of vehicular security and revenue collection and control of automobile pollution. It was decided to conduct an audit to examine the efficacy and effectiveness of the two outsourced activities and revenue generated there from. Audit test-checked the records of the Director, Department of Transport, Naharlagun and seven District Transport Officers<sup>1</sup> (DTOs) selected on the basis of availability of HSRP Centres, and records relating to the two firms doing this work covering a period from 2013-14 to 2015-16. The audit findings are given in the succeeding paragraphs.

<sup>1</sup> (i) DTO, Capital; (ii) DTO, Yupia; (iii) DTO, Pasighat; (iv) DTO, Aalo; (v) DTO, Ziro; (vi) DTO, Tezu; (vii) DTO, Bomdila.

## Audit Findings

### 4.2.2 High Security Registration Plates (HSRP) Scheme

#### 4.2.2.1 Tendering Process

The Director of Transport, Government of Arunachal Pradesh, Naharlagun issued Notice Inviting Tender (NIT) on 24 August, 2011 for selecting a firm for implementation of High Security Registration Plates (HSRP) Scheme in the State. Two firms namely, (i) M/s Shimnit Utsch India Pvt. Ltd, Mumbai and (ii) M/s Real Mazon India Ltd, New Delhi submitted their bids. A tender board consisting of six members constituted (September 2011) for evaluation of bids met in October 2011 and found that M/s Real Mazon India Ltd, New Delhi was not technically qualified as it did not have the prescribed minimum one year of experience on HSRP. The bid of M/s Shimnit Utsch India Pvt. Ltd, Mumbai was also rejected on the ground that rates were quoted differently for the same items in two different forms. The board recommended for fresh tender and a fresh NIT was floated on 25 October 2011. Again the same two firms participated in the bid. The firm M/s Shimnit Utsch India Pvt. Ltd, Mumbai qualified both in technical and financial bids and was selected after price negotiation.

The rates offered by the firm and adopted by the Government was as follows:

**Table - 4.2.2**

Type of vehicle	Basic price (₹)	Fixing charges (₹)	Total sale price of HSRP(₹)
2 wheeler	528.00	132.00	660.00
3 wheeler	638.40	159.60	798.00
4 wheeler	1254.40	313.60	1568.00

As per terms of the agreement the contractor, M/s Shimnit Utsch India Pvt. Ltd. was to pay a sum equivalent to 5 *per cent* of the amount collected on sale of HSRP from vehicles owners, within 30 days of close of the preceding month.

#### 4.2.2.2 Physical achievement against target

Department of Transport issued a notification (2 March 2012) stating that all new vehicles that are registered after issue of this order shall be required to affix HSRP and all existing vehicles would have to convert to HSRP within two years from March 2012. All commercial vehicles were to replace existing number plates with new HSRP at the time of paying of taxes/renewal of permits. Any vehicle owner not complying with the order would be treated to have violated provisions of Section 39 of the Central Motor Vehicles (CMV) Act, 1988 and their vehicles shall be deemed to be plying without registration under Section 53, 54 and liable to be prosecuted and pay penalty of minimum ₹ 2,000 and maximum ₹ 5,000 under Section 192 of the said Act.

Audit observed that the vehicle population of the State was 1,51,279 as on 31 March 2012 which went up to 3,08,400 vehicles by 31 March 2016 indicating an increase of 103.86 *per cent* over a period of four years. However, out of these 3,08,400 number of

vehicles only 36,374 vehicles (11.79 per cent) were installed with HSRP and the balance 2,72,026 vehicles (88.21 per cent) were plying without HSRP as on 31 March 2016 in violation of the above notification. This also deprived the State Government of revenue to the tune of ₹ 1.77 crore which could accrue from installation of HSRP on ₹ 2.72 lakh vehicles as per details given below:

**Table - 4.2.3**

Type of vehicle	Registered vehicles (as on 31.3.2016)	Vehicles with HSRP installed (till 31.3.2016)	Non-HSRP installed Vehicles (as on 31.3.2016)	Rate of HSRP (₹)	Amount not collected (₹ in lakh)
2 wheeler	96,890	18,439	78,451	660	517.78
3 wheeler	3,032	342	2,690	798	21.47
4 wheeler	2,08,478	17,593	1,90,885	1,568	2,993.07
<b>Total</b>	<b>3,08,400</b>	<b>36,374</b>	<b>2,72,026</b>		<b>3,532.32</b>
<b>Govt. revenue due @ 5%</b>					<b>176.62</b>

Audit further observed that out of a total 1,35,034 vehicles registered in seven selected DTOs<sup>2</sup>, only 32,734 vehicle owners had installed HSRP (24.24 per cent) and the balance 1,02,300 vehicles (75.76 per cent) were plying without HSRP as detailed in **Appendix-4.2.1**.

Out of seven test-checked DTOs, only DTO, Aalo conducted 4 inspections in 2014-15 to check compliance to HSRP requirements. However, the other six DTOs did not conduct a single inspection of vehicles. The reason for non-inspection of vehicles by these DTOs was stated to be due to lack of enforcement wing in their offices to carry out periodical checking of vehicles.

While accepting the audit observation, the Department stated (October 2016) that a proposal for creation of enforcement wing has been submitted to the State Government for approval. However, the fact remains that the Department failed to implement HSRP in the entire State and could only implement partially in 14 districts out of 22 Districts in the State. Further, the State Government failed to formulate any action plan indicating monthly/quarterly target for coverage, milestones and time-frame for monitoring and reporting of progress by the firm.

#### **4.2.2.3 High rate of HSRP and extra burden on vehicle owners**

As per the Agreement signed between the Government and the firm (1 March 2012), the rates of HSRP were fixed at ₹ 1,568/- for four wheelers, ₹ 798/- for three wheelers and ₹ 660/- for two wheelers.

Audit observed that the above rates were accepted by the State Government from a single bidder without ensuring competitive rates. In order to assess the reasonability of the rates adopted as per the contract, Audit made a comparison of rates in different States of the North East Region (NER) as given in the following table:

<sup>2</sup> DTOs: Aalo; Bomdila; Capital; Pasighat; Tezu; Yupia; Ziro.

Table - 4.2.4

(in ₹)

Sl No	Name of the State	Name of firms	Rate of affixing HSRP	
			four wheelers	two wheelers
1	Arunachal Pradesh	M/s Shimnit Utsch India Pvt. Ltd	1,568	660
2	Assam	M/s Agros Impex (I) Pvt. Ltd.	413	161
3	Manipur	M/s Shimnit Utsch India Pvt. Ltd	735	597
4	Mizoram	M/s Shimnit Utsch India Pvt. Ltd	945	669
5	Nagaland	M/s Shimnit Utsch India Pvt. Ltd	1,298	599
6	Tripura	M/s Ackruti Safeguard Systems Pvt. Ltd.	668	385

Audit noticed that the rate offered by M/s Shimnit Utsch India Pvt. Ltd. to Government of Arunachal Pradesh was more than prevailing rates in other NER States. The same firm offered the lowest rate to Manipur i.e. ₹ 735/- for four wheelers, and ₹ 597/- for two wheelers whereas the rate offered to Arunachal Pradesh was ₹ 1,568/- for four wheelers and ₹ 660/- for two wheelers, which was higher by ₹ 833/- and ₹ 63/- respectively. Thus, in comparison with the rates of Manipur, Mizoram and Nagaland, high rates of HSRP in Arunachal Pradesh added extra burden on the vehicle owners (Two wheeler and Four wheeler) at the end of March 2016 and thus, extended financial benefit to M/s Shimnit Utsch India Pvt Ltd.

Audit also observed that Government of Arunachal Pradesh took up the matter with the firm (June 2014) to review the existing rate stating that they were higher than many States and to offer a lower rate considering the economic condition of the people of the State. In response, the firm offered reduced rates in September 2014 as shown in the following table:

Table - 4.2.5

Type	Current Rate (₹)	Reduced rate (₹)	Difference (₹)
Two Wheelers	660	600	60
Three Wheelers	798	690	108
Four Wheelers	1568	1400	168

If the reduced rate offered by the firm had been implemented by the State Government, there would have been reduction in burden on the 16,454 vehicle owners which have installed HSRP between September 2014 and March 2016.

However, the reduced rate as offered by the firm was not implemented till date (February 2017). The State Government intimated (October 2016) that the reduced rate offered by the firm would be implemented soon.

#### 4.2.2.4 Shortfall in deposit of Government revenue

As per data furnished by M/s Shimnit Utsch India Pvt. Ltd. 36,374 vehicles (18,439 two wheelers, 342 three wheelers and 17,593 four wheelers) have installed HSRP during the period from October 2012 to March 2016. Consequently, the firm earned ₹ 400.29 lakh from the sale of HSRP. Out of ₹ 400.29 lakh, the accrued revenue to the State

Government was ₹ 20.01 lakh (@ 5 per cent on ₹ 400.29 lakh as royalty) as given in the following table:

**Table - 4.2.6**

Type of vehicle	Rate of HSRP (₹)	Nos. of HSRP installed vehicle (as on 31.3.2016)	Amount collected (₹ in lakh)
2 wheeler	660	18439	121.70
3 wheeler	798	342	2.73
4 wheeler	1568	17593	275.86
<b>Total</b>		<b>36374</b>	<b>400.29</b>
<b>Govt. revenue @ 5%</b>			<b>20.01</b>

Against ₹ 20.01 lakh, documentary evidence of revenue deposit of only ₹ 12.23 lakh could be produced to Audit. Thus, audit could not ascertain deposit of the balance ₹ 7.78 lakh by the firm.

The Department in its reply stated (October 2016) that the total amount deposited by the firm for the period October 2012 to March 2016 was ₹ 16.36 lakh and documentary evidence of deposit was available for ₹ 11.77 lakh only and the firm has been directed to furnish details of ₹ 4.59 lakh.

The reply of the Department is not acceptable as the revenue due to the State Government on the basis of the number of vehicle to which HSRP issued worked out to ₹ 20.01 lakh and not ₹ 16.36 lakh as communicated by the Department. Thus, the Department had failed to collect the balance amount of revenue due i.e. ₹ 7.78 lakh from the firm.

#### **4.2.2.5 Deposit of VAT deducted by the firm not verified in audit**

As on 31 March 2016, the firm had collected VAT of ₹ 43.22 lakh from the owners of these vehicles on affixing HSRP as shown in the following table:

**Table - 4.2.7**

Type of vehicle	Nos of vehicles installed HSRP (till 31.3.2016)	Rate (excluding fixing charge) (₹)	Total Sale Price excluding fixing charges (₹ in lakh)	VAT collected @ 13.5 per cent (₹ in lakh)
2 wheeler	18439	528.00	97.36	13.14
3 wheeler	342	638.40	2.18	0.29
4 wheeler	17593	1254.40	220.69	29.79
<b>Total</b>	<b>36374</b>		<b>320.23</b>	<b>43.22</b>

However, on cross-verification with Superintendent of Tax (ST), Zone-I, Naharlagun, it was revealed that though the firm was registered (February 2012) with the ST under the provisions of the APGT Act, 2005, no tax returns were filed by the firm since February 2012 to till date of Audit (August 2016). As such, audit could not ascertain whether the VAT of ₹ 43.22 lakh charged from the vehicles owners for HSRP was actually deposited by the firm into the Government account.

Audit also observed that the firm charged VAT @ 13.5 per cent from the vehicle owners although there is no such rate in the APGT Act. However, as HSRP is not listed in any of the schedules of the Act, VAT @ 12.5 per cent was applicable on HSRP. Due to charging of VAT @ 13.5 per cent by the firm, an additional total burden of ₹ 3.20 lakh (1 per cent of ₹ 320.23 lakh) was put on the vehicle owners.

In reply, the Department stated (October 2016) that it has issued directions to the firm to comply with the VAT law and deposit the amount as pointed out by audit to Government Account. However, no further reply has been received (February 2017).

#### **4.2.2.6 Non-compliance to contract agreement by the firm**

As per Clause 18.3 of the Agreement, M/s Shimnit Utsch India Pvt. Ltd. is required to submit details of HSRP installed and amount collected and royalty payable to the State Government in prescribed format before the 7<sup>th</sup> of each succeeding month to the Director of Transport.

Audit, however, noticed that the firm never submitted the monthly statement in prescribed format since October 2012 till August 2016 in violation of the contract agreement. The Department also failed to ensure submission of monthly statement by the firm. Had the firm submitted the monthly statement as per the contract condition, the Department of Transport would have come to know the actual number of vehicles affixed with HSRP and the total amount collected by the firm and the royalty due to the State Government. In the absence of such monthly statements in the Department of Transport, Audit had to solely rely on the figures as provided by the firm, which was stated to be 36,374 vehicles affixed HSRP as on 31 March 2016, and the consequential earnings of the firm was ₹ 400.29 lakh.

Consequently, audit could not cross-verify the authenticity of the figure furnished by the firm with that of the monthly statement containing amount collected from vehicles affixed with HSRP as the requirement was not complied by the firm. Due to non-submission of monthly statement of fees/amount collected from vehicles actual amount of revenue due to Government and the number of vehicles actually affixed with HSRP cannot be authenticated in Audit.

The Department stated (October 2016) that the firm has been instructed for regular submission of revenue statement by 7<sup>th</sup> of each calendar month.

#### **4.2.3 Automobile Emission Testing (AET) to issue PUC certificates**

As per Rule 115 (7) of the Central Motor Vehicles Rules, 1989 every motor vehicle shall carry a valid Pollution under Control (PUC) certificate to be issued by an agency authorized for this purpose by the State Government, after the expiry of one year from the date on which the motor vehicle was first registered. The validity of the certificate shall be for six months and the certificate shall always be carried in the vehicle and produced on demand by the enforcement officers.

“Automobile Emission Testing (AET)” for the whole State was outsourced under the provision of Section 115 (7) of the Central Motor Vehicle Rules, 1989 to M/s North East Environment Engineers & Consultants (NEEEEC), Naharlagun (9 November 2009) on



payment of licence fee of ₹ 5,000 and renewal fee of ₹ 5,000 annually to the State Government. The revenue sharing between the firm and the State Government is as follows:

**Table - 4.2.8**

(in ₹)

Sl. No.	Class of vehicle	Testing fee	Govt. surcharge	Total
1	All 2 wheelers	80	20	100
2	3 wheelers (petrol)	100	25	125
3	3 wheelers (diesel)	125	25	150
4	Motor Car (petrol/diesel) upto 5 seater	150	50	200
5	Maxi Cab (petrol/diesel) from 5 seater to 11 seater	150	50	200
6	All diesel vehicles (except above)	200	50	250

Audit observed that the State Government assigned M/s NEEEC for carrying out auto emission testing for the whole State without call of tender. No formal agreement specifying terms and conditions for setting up testing stations was signed between the two parties. Out of 22 Districts in the State the firm had set up only four Automobile Emission Testing Stations (AETS)<sup>3</sup> in four Districts during the period from November 2011 to March 2016.

#### **4.2.3.1 Low issue of PUC certificates**

Audit observed that out of seven sampled DTOs, five DTOs<sup>4</sup> were covered by AETS and no AETS were installed in the other two sampled DTOs<sup>5</sup> during audit coverage period.

Audit further observed that as per the records furnished by the firm a total 1,895 PUC certificates were issued in the State with effect from November 2009 till 31 March 2016 against the 1,10,799 vehicles registered in the five DTOs where AETS were already installed. The surcharge to the extent of ₹ 80,670 was deposited by the firm to Government account. The number of registered vehicles in seven sampled DTOs was 1,35,034 as on 31 March 2016. The details are shown in **Appendix-4.2.2**.

Thus, even after more than six years from the date of outsourced activity to issue PUC, only four AETS in four Districts out of 22 Districts in the State were covered.

The above position indicates poor compliance to mandatory requirements of PUC certificates as per Rule 115 (7) of the CMV Rules, 1989.

#### **4.2.3.2 Potential loss of revenue from issue of PUC**

As per information furnished to Audit by the Department of Transport, 2,72,903 vehicles (73,463 two wheelers, 2,218 three wheelers and 1,97,222 four wheelers) were more than one year old (being registered on or before 31 March 2015) which required to obtain PUC certificates as per following table:

<sup>3</sup> (i) Papumpare Dist; (ii) West Siang Dist; (iii) Lower Subansiri Dist; (iv) West Kameng Dist.

<sup>4</sup> Aalo; Bomdila; Capital; Yupia; Ziro.

<sup>5</sup> Pasighat; Tezu.

Table - 4.2.9

Type of vehicle	Nos. of one year old vehicle (31.3.2016)	Nos. of vehicle with PUC (31-3-2016)	Vehicle without PUC (31-3-2016)	Rate of Surcharge on PUC	No. of six monthly period during 2015-16	Potential loss to Govt. during 2015-16 (₹ in lakhs)
2 wheeler	73463	465	72998	20	2	29.20
3 wheeler	2218	37	2181	25	2	1.09
4 wheeler	197222	1393	195829	50	2	195.83
<b>Total</b>	<b>272903</b>	<b>1895</b>	<b>271008</b>			<b>226.12</b>

It can be seen from the above table that as many as 2,71,008 vehicles (one year old) were plying without PUC certificate on 31 March 2016 mainly due to weak enforcement of Rule 115 (7) of the CMV Rules, 1989 by DTOs. This has also led to low revenue collection by AETS and consequently the State was deprived of the potential minimum revenue earnings during 2015-16 alone to the extent of ₹ 226.12 lakh against 2,71,008 vehicles plying without PUC certificate.

#### 4.2.3.3 Lack of enforcement against defaulters

Section 190 (2) of the Central Motor Vehicle (CMV) Act 1988 states that any person who drives or causes or allows to be driven, in any public place a motor vehicle, which violates the standard prescribed in relation to road safety, control of noise and air-pollution, shall be punishable for the first offence with a fine of one thousand rupees and for any second or subsequent offence with a fine of two thousand rupees.

In the selected seven DTOs<sup>6</sup>, there were 1,35,034 registered vehicles as on 31 March 2016. Against these registered vehicles, only 1,895 (1.40 *per cent*) were issued PUC certificate and the balance 1,33,139 vehicles (98.60 *per cent*) were plying without PUC certificate as already stated in Para 4.2.3.1.

Audit, however, observed that there was no mechanism to detect vehicles without PUC certificates adopted by the DTOs and no penalty was imposed on the defaulters during the period of Audit.

Thus, plying of majority of vehicles without PUC can be attributed to absence of enforcement by the DTOs which would have consequential effect on vehicular pollution in the State.

The Department replied (October 2016) that it is running with acute shortage of staff and the State Government has to strengthen the Department to overcome the enforcement problems.

#### 4.2.4 Monitoring

Audit observed that the Transport Department did not have any mechanism in place to monitor the vehicles which have not affixed HSRP. None of the seven selected DTOs maintained any records of vehicles which were issued authorization letters for installation of HSRP.

<sup>6</sup> i) Aalo, ii) Bomdila, iii) Capital, iv) Pasighat, v) Tezu, vi) Yupia, vii) Ziro.

Further, in none of the five DTOs covered by the four AETS verified, the firm did not maintained the register to watch collection of government surcharge while issuing PUC certificate and submit monthly report to the Director of Transport as provided in the authorisation letter of November 2009.

Due to the lack of monitoring by the DTOs the implementation of both the HSRP and PUC schemes in the State was very poor.

#### **4.2.5 Conclusion**

The contract for HSRP was awarded to a private agency in March 2012. The rates accepted by the State Government were much higher as compared to the rates offered by the same firm to other North Eastern States. The State Government has not implemented the reduced rate offered by the firm in September 2014. Out of 22 District in the State only 14 Districts have been covered even after lapse of four years from the date of implementation of the scheme. In case of Automobile Emission Testing, even after a lapse of more than six years since its implementation, only 4 AETS were installed in 4 districts out of 22 Districts and 1,895 PUC certificates were issued out of 2,27,900 vehicles more than one year-old in the State indicating poor compliance to mandatory requirements. Due to poor implementation of the AETS the State Government suffered potential revenue loss.

#### **4.2.6 Recommendations**

The State Government may

- review the rates for HSRP to ensure competitive rates in comparison to the rates prevailing in other North Eastern States.
- implement the HSRP in the entire State in a time-bound manner to cover all new and existing vehicles.
- ensure all vehicles are running with Pollution Under Control Certificate as per the rule and cover the entire state under the Automobile Emission Testing to curb vehicular pollution.
- strengthen the enforcement mechanism on issue of HSRP and PUC to ensure compliance to the extant rules.

#### **4.3 Non-realization of Motor Vehicle Tax**

**Road Tax of ₹ 89.19 lakh due from the owners of 120 vehicles and leviable penalty of ₹ 23.30 lakh were not collected despite default for more than one year to seven years.**

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 any vehicle is exempted from payment of tax by Taxation Officer by depositing registration certificate thereof on the ground that the vehicles would not be used in any public place for a particular period. 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 on vehicles like Dumper, Excavator, Camper Van, Fork Lift etc. 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.

Test check of records (February 2016) of the District Transport Officer (DTO), Capital Complex, Naharlagun, Papumpare District revealed that owners of 120 vehicles such as Excavator, Elevator and Backhoe Loader did not pay any road tax amounting to ₹ 89.19 lakh between 2009-10 to 2015-16 pertaining to the period ranging from one year to seven years. Further, the vehicle owners did not surrender registration certificates and obtain tax exemption from the Taxation Officer as required under the Act.

Thus, road tax of ₹ 89.19 lakh along with a penalty of ₹ 22.30 lakh for the default in payment of the tax was neither levied nor collected by the DTO, Naharlagun.

The case was reported to the Department/Government in July 2016; but reply has not been received (February 2017).

## Taxation Department

### 4.4 Loss of revenue due to short deduction of tax on work contracts

#### Loss of revenue of ₹ 5.72 crore due to application of incorrect tax rate at the time of Tax Deduction at Source from contractors' bills.

Under Section 5 (2) of the Arunachal Pradesh Goods Tax (APGT) Act, 2005, a dealer executing works contract shall be liable to pay VAT on the taxable turnover arrived at after deduction of charges incurred towards labour, services, etc. If such charges are not ascertainable, a deduction of 25 *per cent* is allowed on the total turnover. Further, Section 47A of the Act *ibid* provides for deduction of VAT at source by the Government/Departments while making payment to works contractors at a rate of 12.5 *per cent* and at a rate of 4 *per cent* on the total value of works in respect of registered dealer who opted for 'Simplified Accounting Method for Works Contracts'. Under this method, the registered dealer has to apply to the Superintendent of Taxes (ST) under whom he is registered in form FF-14 that he is opting for the simplified method along with copies of his contract document. Besides, if the Drawing and Disbursing Officer (DDO) fails to deduct tax at source (TDS), he is also liable to pay penalty not exceeding twice the amount of tax.

(i) Cross-verification of records of the Superintendent of Tax (ST), Khonsa with those of the Executive Engineer (EE), Khonsa Highway Division, Khonsa (November 2015), revealed that a contractor (M/s JKM Infra Project Ltd, TIN-12080198124), executed civil works valued at ₹ 19.03 crore during 2014-15. The taxable turnover was ₹ 14.27 crore after allowing deduction of 25 *per cent* towards labour and service charges. While making payment to the contractor, the EE, however, deducted (December 2014 & February 2015) VAT of only ₹ 76.12 lakh at four *per cent* against required amount of

₹ 1.78 crore at the applicable rate of 12.5 *per cent* on the taxable turnover resulting in short-deduction of ₹ 1.02 crore.

(ii) Scrutiny of records (January 2016) of the Executive Engineer (EE), Rural Works Division, Roing revealed that 11 (eleven) unregistered contractors executed works contracts valuing ₹ 32.74 crore during July 2008 to November 2015, out of which taxable turnover was ₹ 24.55 crore (after deducting 25 *per cent* labour and service charges). However, while making payment to the contractor, the EE deducted VAT of ₹ 32.29 lakh (at the rate of 4 *per cent*) instead of ₹ 3.07 crore at the applicable rate of 12.5 *per cent* resulting in short-deduction of ₹ 2.75 crore. Further, the ST, Roing also failed to detect and register these 11 unregistered dealers.

(iii) Scrutiny of records of the Superintendent of Tax (ST), Lohit District, Tezu (August 2015) revealed that a registered works contractor (M/s Navayuga Dibang Infra Projects Pvt. Ltd.), had a turnover of ₹ 36.12 crore during the period 2012-13 against a civil works contract executed under Superintending Engineer (SE), Ministry of Road Transport & Highways (MORT&H), Itanagar. Audit, however, observed that though the contractor had not opted for '*simplified accounting method for works contract*', the Superintending Engineer (SE) deducted VAT of ₹ 1.44 crore @ four *per cent*, instead of ₹ 3.39 crore at the applicable rate of 12.5 *per cent* of VAT on the taxable turnover of ₹ 27.09 crore resulting in short-deduction of ₹ 1.95 crore. Moreover, the Assessing Officer (AO) did not detect the short deduction during the assessment of his return (August, 2015).

Thus, failure of the three DDOs to deduct TDS at the applicable rate led to short-deduction of tax of ₹ 5.72 crore. The DDOs were also liable to pay a penalty of ₹ 11.44 crore under Section 47A (10) of the Act.

The cases were reported to the Department/Government in May 2016; but reply has not been received (February 2017).

#### **4.5 Concealment of turnover**

**A dealer concealed sales turnover of ₹ 17.20 crore and evaded tax of ₹ 68.81 lakh on which interest of ₹ 16.38 lakh and penalty not exceeding ₹ 68.81 lakh were also leviable.**

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. Further, Section 44 (2) of the said Act, provides payment of interest varying between 12 and 24 *per cent* per annum for the entire period of default in payment of tax.

Scrutiny of records of Superintendent of Tax (ST), Aalo (August 2015), revealed that during the period from July 2011 to March 2014, a registered dealer (M/s D.B. Enterprises) disclosed a nil turnover in his eleven returns filed during the

period. The Assessing officer (AO) assessed and accepted the returns furnished by the dealer. However, cross-verification of audited accounts furnished by ST, Aalo of the said dealer certified by Chartered Accountants (M/s P. Gaggar & Associates, Guwahati), revealed that during period from July 2011 to March 2014, the dealer's turnover was ₹ 17.20 crore.

As a result, evasion of tax amount of ₹ 68.81 lakh (even taking @ 4 per cent being the lowest rate of VAT) remained undetected by the AO.

Thus, minimum tax of ₹ 68.81 lakh remained unpaid. In addition the dealer is also liable to pay interest of ₹ 16.38 lakh (@ 12 per cent per annum calculated upto July 2015) and penalty of ₹ 68.81 lakh.

The case was reported to the Department/Government in May 2016; but reply has not been received (February 2017).

#### 4.6 Irregular exemption of tax

**A manufacturing unit was allowed exemption of tax without production of the required certificate from competent authority resulting in loss of revenue of ₹ 1.61 crore.**

Para 7 of the Arunachal Pradesh State Industrial Policy, 2008 provides for 99 per cent VAT/Entry Tax exemption to Eligible Industries Units (EIU) on import of actual raw materials, machineries and equipment into Arunachal Pradesh as well as on sale of finished goods in the State. As per para 5(1) and 6(1) of AP Industrial Tax Incentives Order, 2010, an eligible unit in order to avail exemption of the above tax requires to obtain Eligibility Certificate from Department of Industries and on that basis obtain Entitlement Certificate from Commissioner of Tax.

As per para 10 *ibid*, during pendency of application for Eligibility Certificate, exemption of tax can be granted for a period of six months only subject to the production of a certificate from the authority competent to issue such Eligibility Certificate to the effect that the application of the unit for the Eligibility Certificate is under consideration. If the unit cannot obtain the Eligibility Certificate within such period of three months for reasons not attributed to it, exemption of tax can be allowed for a further period not exceeding six months subject to the production of a fresh certificate from such competent authority.

Scrutiny of records of the Superintendent of Taxes (ST), Aalo (August 2015) revealed that M/s Rising Valley Industry, manufacturing Hydrated Lime, Slaked Lime had declared purchase (taxable at 4 per cent) and sales (taxable at 12.5 per cent) turnover of ₹ 7.04 crore and ₹ 10.68 crore during 2012-13 and 2013-14 respectively with tax liability of ₹ 1.62 crore<sup>7</sup>. The ST accepted the return filed by M/s Rising Valley Industry and allowed payment of only ₹ 0.46 lakh (August 2013) against a VAT liability of ₹ 1.62 crore without the required Eligibility and Entitlement certificates as per the rules. Even

<sup>7</sup> Input Tax: ₹ 0.28 crore + Output Tax: ₹ 1.34 crore.

with submission of the required certificates and the corresponding exemption, the payable tax of 1 *per cent* would be ₹ 1.62 lakh. Moreover, the tax exemption was allowed by the ST merely on the basis of the assurance given by the contractor that he has applied for the EC (July 2013).

Thus, allowing tax exemption without production of the required certificate was in violation of the para 10 of AP Industrial Tax Incentives Order, 2010. Even subsequently, though no fresh certificate from the Director of Industries was produced by the contractor, the ST has not recovered the tax liability of ₹ 1.61 crore<sup>8</sup>.

Thus, failure of ST to assess the return of the contractor at the applicable rate in violation of the extant rule resulted in loss of revenue to the tune of ₹1.61 crore.

The case was reported to the Department/Government in May 2016; but reply has not been received (February 2017).

#### **4.7 Evasion of tax**

**Failure of the Superintendent of Tax (ST) to assess the self-assessed returns submitted by the dealer led to evasion of tax of ₹ 41.47 lakh on which interest ₹ 23.16 lakh and penalty of not exceeding ₹ 41.47 lakh was also leviable.**

Under Section 34 (1) (b), and Section 87(10) of the APGT Act, 2005 if any person has furnished incomplete or incorrect returns, the Commissioner may assess or re-assess the tax due for a tax period, and the dealer 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. Further, Section 44 (2) of the Act stipulates payment of interest ranging between 12 to 24 *per cent* per annum for the period of default in payment of due tax.

As per 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 Central Sales Tax (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.

Scrutiny of records of the Superintendent of Tax (ST), Tirap District, Khonsa (November 2015), revealed that a dealer (M/s Ang Tea & Agro Products Pvt. Ltd) registered under both VAT and CST engaged in sale of tea which is taxable @ 12.50 *per cent* under the Act. The dealer disclosed a total turnover of ₹ 3.32 crore (Inter-State sale of ₹ 3.29 crore and local sale ₹ 2.97 lakh) in his 14 nos of self-assessed returns for the tax period 2009-10 to 2012-13 indicating the amount of Inter-State sale with nil tax liability without producing any proof of VAT payment for local sales or 'C Form' required for the Inter-State trade. In the absence of C Form for the Inter-State sale, the entire turnover of the dealer was to be treated as local sale and he was liable to pay VAT of ₹ 41.47 lakh (12.5 *per cent* on ₹ 3.32 crore). Further, the dealer neither has filed return nor paid any tax from March 2013 till the date of audit (November 2015).

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<sup>8</sup> ₹ 1.62 crore - ₹ 0.046 lakh = ₹ 1.61 crore.

Thus, failure of the ST to assess the self-assessed returns submitted by the dealer led to evasion of tax of ₹ 41.47 lakh. The dealer was also liable to pay a minimum interest of ₹ 23.16 lakh (@ 12 per cent per annum calculated up to March 2016) for non-payment of tax and penalty of ₹ 41.47 lakh for evasion of the tax.

The case was reported to the Department/Government in July 2016; but reply has not been received (February 2017).

#### 4.8 Loss of Revenue

**The Executive Engineer made payment to a dealer/supplier of VAT component of ₹ 1.36 crore on fake documents of payment of Entry Tax produced by the dealer.**

As per the Arunachal Pradesh Entry Tax (APET) Act, 2010 Para 3 (1), entry tax shall be levied and collected on the entry of specified goods into local area for consumption, use of sale therein, at the rates respectively specified against each item in the schedule. The entry tax shall be leviable on the import value of the specified goods and shall be paid by every importer of such goods @ 12.5 per cent for goods not specified in the schedule. Further, as per Para 3 (2), where an importer of specified goods liable to pay tax under APET Act, being a dealer in the specified goods, becomes liable to pay tax under the Arunachal Pradesh Goods Tax (APGT) Act, 2005 by virtue of sale of such specified goods, then the liability under the APGT Act shall be reduced to the extent of tax paid under APET Act. The Government of Arunachal Pradesh in its notification of April 2007, instructed all purchasing Government Departments to deduct VAT at source. In Arunachal Pradesh 'electrical goods' are taxable @ 12.5 per cent under Section 4 (1) (d) of APGT Act, 2005.

Scrutiny of records of the Executive Engineer (EE), Naharlagun Electrical Division, Department of Power revealed that the EE made payment (February 2009 to November 2014) of ₹ 23.94 crore<sup>9</sup> to a supplier (M/s Reniya Enterprises, Itanagar) for supply-cum-erection works under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) scheme in Papumpare District, which included ₹ 1.49 crore towards VAT @ 12.5 per cent on supply of electrical goods.

On further examination, Audit observed that VAT of ₹ 1.36 crore was released by EE to the firm on the basis of seven (7) money receipts submitted to show payment of entry tax purportedly issued by the Superintendent of Tax, Border Facilitation Counter, Banderdewa. The EE released the VAT component on the plea that either entry tax or VAT was payable by the firm as per the APET Act, 2010.

However, on cross verification of records (January 2015) with the Superintendent Tax, it was observed that out of 7 money receipts valued ₹ 1.62 crore submitted by the firm to

<sup>9</sup> Gross amount ₹ 23.94 crore (Sagalee package ₹ 13.85 crore-Supply ₹ 7.88 crore, erection – ₹ 3.13 crore and VAT ₹ 0.86 crore, duties freight and insurance ₹ 3.70 crore) and Doimukh package ₹ 10.09 crore (supply ₹ 5.84 crore, Erection ₹ 2.03 crore, VAT ₹ 0.63 crore and freight and insurance ₹ 2.22 crore).

Out of total VAT ₹ 1.49 crore, ₹ 1.36 crore paid to firm and balance ₹ 0.13 crore is withheld.



support the claim of his payment of entry tax, 5 money receipts<sup>10</sup> valued ₹ 1.59 crore was found to be fake and only two money receipts<sup>11</sup> valued ₹ 0.03 crore was found genuine by the Superintendent of Tax (February 2015). Even after confirmation of the money receipts being fake on the basis of audit query (January 2015), the Superintendent of Tax failed to make recovery of ₹ 1.36 crore from M/s Reniya Enterprises, Itanagar. Subsequently, Audit again reported (May 2016) the case to Superintendent of Tax, and requested to intimate the status of recovery of ₹ 1.36 crore from the supplier (M/s Reniya Enterprises, Itanagar).

Thus, the ST failed to recover the amount of ₹ 1.36 crore from M/s Reniya Enterprises, Itanagar shown as entry tax paid on fake money receipts despite knowing that the EE, Naharlagun Electrical Division did not deduct ultimately the VAT component in violation of the APGT Act resulting in loss of revenue of ₹ 1.36 crore to the State Exchequer.

The case was reported to the Department/Government in July 2016; but reply has not been received (February 2017).

#### **4.9 Short-realization of Entry Tax**

**Superintendent of Tax, Bhalukpong short-realised entry tax of ₹ 1.42 crore from a dealer on total taxable goods imported ₹ 17.42 crore.**

Section 3 (1) of the Arunachal Pradesh Entry Tax Act, 2010 provides that subject to the other provisions of the Act, an entry tax will be levied and collected on the entry of specified goods into any local area for consumption, use or sale therein, at the rates respectively specified against each item in the schedule.

Section 5(a)(iv) of the Arunachal Pradesh Goods Tax (APGT) Act, 2005 stipulates that the tax due on the entry of goods shall be paid when the goods are imported into the State. Further, Section 44 (2) of the APGT Act stipulates that in case of default in payment of due tax interest between 12 to 24 *per cent* per annum computed on daily basis for the period of default on the amount of tax due is leviable.

Scrutiny of records (February 2016) of the Superintendent of Taxes (ST), Border Facilitation Counter (BFC), Bhalukpong, revealed that a dealer (M/s Platinum Alloys Pvt. Ltd., Tippi), registered under both VAT and CST, imported goods valued at ₹ 17.42 crore (₹ 8.75 crore taxable at 4 *per cent* and ₹ 8.67 crore taxable at 12.5 *per cent*) from outside the State between March 2007 and June 2011. The Officer-in-charge of the BFC, however, allowed the goods to enter the State by collecting only partial entry tax in violation of the extant rules.

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<sup>10</sup> 1) 846602 dtd 06.12.2008 - ₹ 6.51 lakh, 2) 846603 dtd 11.06.2009 - ₹ 99.69 lakh, 3) 448605 dtd 24.05.2009 - ₹ 14.77 lakh, 4) 448605 dtd 13.07.2009 - ₹ 23.04 lakh, 5) 356631 dtd 28.06.2009 - ₹ 15.18 lakh.

<sup>11</sup> 1) 556700 dtd 17.07.2009 - ₹ 1.68 lakh, 2) 546269 dtd 30.08.2009 - ₹ 0.86 lakh.

Audit noticed that the dealer paid entry tax of only ₹ 1.01 lakh against his total tax liability of ₹ 1.43 crore.<sup>12</sup> As a result, entry tax of ₹ 1.42 crore (₹ 1.43 crore - ₹ 0.01 crore) along with interest of ₹ 0.77 crore (@ 12 per cent P.A. up to December 2015) was remaining unrealized. The ST, has not initiated any action to recover the tax due from the firm (February 2016).

Thus, failure of the ST, Bhalukpong to collect the entry tax due as prescribed under the Rules at the time of import of goods, resulted in short-realisation of revenue of ₹ 1.42 crore on which interest of ₹ 0.77 crore was also leviable.

The case was reported to the Department/Government in July 2016; but reply has not been received (February 2017).

### Land Management Department

#### 4.10 Non-realisation of Lease Rent

**Failure of the Department to assess and recover lease rent led to non-realisation of revenue of ₹ 30.53 lakh from SBI, Roing along with interest of ₹ 32.39 lakh.**

Rule 6 (iii) of the Arunachal Pradesh Allotment of Government Land Rules, 1988 stipulate that the allottee or lessee shall pay lease rent annually at the rates fixed by the Government from time to time. As per terms and condition in allotment orders of government vide clause A (ix), an interest of 10 and 15 per cent per annum will be charged on unpaid amount of lease rent from private and commercial allotment respectively.

The Government of Arunachal Pradesh, in its notification dated 21 July 1986 fixed the annual lease rent for business, hotels, industries etc. located in Districts at ₹ 0.50 per Sq. metre which was further revised to ₹ 2.00 per Sq. metre in 1994 and to ₹ 3.00 per Sq. metre from December 2005. Further, the Government of Arunachal Pradesh, vide Notification dated 10 February 2010, revised the rates of annual lease rent for all central Government undertakings @ ₹ 10 per Sq. metre.

Scrutiny of records of the Director, Land Management, Itanagar (January 2016) revealed that a land measuring 32,738 Sq. metre located at Roing, Lower Dibang Valley District was allotted to State Bank of India (SBI) in March 1988 (21,691 Sq. mt.) and in May 2001 (11,047 Sq. metre) by the Government of Arunachal Pradesh. SBI being a Public Sector commercial organisation, is liable to pay annual lease rent at the applicable rates fixed by the Government from time to time.

Audit, however, noticed that till December 2013, the lease rent payable by SBI was neither assessed by the Land Management Department nor demand notice issued to SBI for payment of lease rent in violations of the extant Rules. The department only in January 2014, issued a demand notice to SBI, Roing of arrear lease rent of ₹ 4.42 lakh for four years period from 2010 to 2013, for 11,047 Sq. metre only out of 32,738 Sq.

<sup>12</sup> 4% on ₹ 8.75 crore = ₹ 0.35 crore  
12.5% on ₹ 8.67 crore = ₹ 1.08 crore  
Total = ₹ 1.43 crore

metre occupied area. No payment was, however, made by SBI (January 2016) and no further action was taken by the Department to recover the same.

Thus, failure of the department to make assessment of lease rent in time and to raise demand to effect resulted in non-realisation of lease rent of ₹ 30.53 lakhs for the period from 1989 to 2015 (**Appendix-4.10.1**). Besides, interest of ₹ 32.39 lakh (@ 15 per cent per annum calculated upto December 2015) leviable on the unpaid lease rent remained unrealized as on date of Audit (June 2016).

The case was reported to the Department/Government in July 2016; but reply has not been received (February 2017).

## State Excise Department

### 4.11 Non-realisation of Establishment Charges

**Establishment charges of ₹ 6.41 lakh in respect of Excise officials posted in different Bonded Warehouses were not realised.**

Rule 74 of the Arunachal Pradesh Excise Rules, 1994 lays down that the Collector shall employ such officers and establishment, as the Excise Commissioner may direct, to the charge of a private warehouse. The licensee of the warehouse shall pay to the Government in advance, cost of establishment in cash equivalent as the Excise commissioner may fix. The cost of the establishment shall include pay and allowances as well as leave salary and pension contributions.

Test check of the register of Establishment Cost of the Superintendent of Excise, Changlang (July 2015) revealed that two Excise officials were posted in six different private warehouses at Bordumsa and Jairampur in different spell during the period April 2014 to June 2015. Establishment Charges for these two officials (Basic Pay + Dearness Allowance + SCA) for the period from April 2014 to June 2015 worked out to ₹ 8.18 lakh. Audit, however, observed that an amount of only ₹ 1.77 lakh was reimbursed (July 2014 to May 2015) leaving a balance of ₹ 6.41 lakhs<sup>13</sup> as outstanding Establishment Charges till July 2015. The Department neither worked out the Establishment Charges nor raised any demand for payment to the Licensees of warehouses.

Thus, due to failure on the part of the Superintendent of Excise, Changlang to raise the demand of Establishment Charges led to non-realisation of ₹ 6.41 lakh.

The case was reported to the Department/Government in July 2016; but reply has not been received (February 2017).

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<sup>13</sup> Outstanding Establishment Charges from six private warehouses:

M/s Mokhom	M/s Supreme Beer	M/s Royal	M/s South Bank	M/s Hornbill Beer	M/s Far East Beer
₹ 0.37 lakh.	₹ 1.14 lakh.	₹ 1.19 lakh.	₹ 1.19 lakh.	₹ 1.39 lakh.	₹ 1.13 lakh.

**CHAPTER– V**  
**ECONOMIC SECTOR**  
**(STATE PUBLIC SECTOR UNDERTAKINGS)**



## CHAPTER-V: ECONOMIC (SPSUs) SECTOR

### 5.1 Overview of State Public Sector Undertakings

#### 5.1.1 Introduction

The State Public Sector Undertakings (SPSUs) consist of State Government Companies and Statutory Corporations. The SPSUs are established to carry out activities of commercial nature keeping in view the welfare of people and the SPSUs occupy an important place in the State economy. As on 31 March 2016, there were seven SPSUs (all Government Companies, including two non-working companies) in Arunachal Pradesh. None of these companies were listed on stock exchanges. The details of the SPSUs in Arunachal Pradesh as on 31 March 2016 are given below:

**Table 5.1.1: Total number of SPSUs as on 31 March 2016**

Type of SPSUs	Working SPSUs	Non-working SPSUs <sup>1</sup>	Total
Government Companies <sup>2</sup>	5	2	7

The working SPSUs earned an aggregate profit of ₹ 6.68 crore as per their latest finalised accounts as of September 2016. They employed 225 employees as at the end of March 2016.

As on 31 March 2016, there were two non-working SPSUs existing for last twenty years (since 1995-96) with investment of ₹ 0.43 crore. The investments in non-working SPSUs do not contribute to the economic growth of the State.

#### 5.1.2 Accountability framework

The audit of the 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. However, the audit of a company in respect of financial years that commenced earlier than 1 April 2014 continued to be governed by the Companies Act, 1956.

According to Section 2 (45) of the Companies Act, 2013, a Government Company is one in which not less than 51 *per cent* of the paid-up capital is held by the Central and/or State Government (s) and includes a subsidiary of a Government Company. The process of audit of Government companies is governed by respective provisions of Section 139 and 143 of the Act.

#### 5.1.3 Statutory Audit

The financial statements of a Government Company (as defined in Section 2 (45) of the Companies Act, 2013) are audited by the Statutory Auditors, who are appointed by the Comptroller and Auditor General of India (C&AG) as per the provisions of Section 139 (5) or (7) of the Act. These financial statements are subject to supplementary audit to be

<sup>1</sup> Non-working SPSUs are those which have ceased to carry on their operations.

<sup>2</sup> Government companies include *Other Companies* referred to in Section 139(5) and 139(7) of the Companies Act 2013.

conducted by C&AG within sixty days from the date of receipt of the audit report under the provisions of Section 143 (6) of the Act.

As per the provisions of Section 143 (7) of the Act, the C&AG, in case of any company (Government Company or *Other Company*) covered under sub-section (5) or sub-section (7) of Section 139 of the Act, if considers necessary, by an order, cause test audit to be conducted of the accounts of such Company (Government Company or *Other Company*) and the provisions of Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 shall apply to the report of such test Audit.

#### **5.1.4 Role of the Government and Legislature**

The State Government exercises control over the affairs of these SPSUs through its administrative departments. The Chief Executive and Directors to the Board are appointed by the Government. The State Legislature also monitors the accounting and utilisation of Government investment in the SPSUs. For this, the Annual Reports together with the Statutory Auditors' Reports and comments of the C&AG, in respect of State Government Companies are to be placed before the Legislature under Section 394 of the Act. The Audit Reports of C&AG are submitted to the Government under Section 19A of the C&AG's (Duties, Powers and Conditions of Service) Act, 1971.

#### **5.1.5 Stake of Government of Arunachal Pradesh**

The State Government's financial stake in these SPSUs is of mainly three types:

- **Share Capital and Loans-** In addition to the Share Capital Contribution, State Government also provides financial assistance by way of loans to the SPSUs from time to time.
- **Special Financial Support-** State Government provides budgetary support by way of grants and subsidies to the SPSUs as and when required.
- **Guarantees-** State Government also guarantees the repayment of loans with interest availed by the SPSUs from Financial Institutions.

#### **5.1.6 Investment in State PSUs**

As on 31 March 2016, the investment<sup>3</sup> (capital and long-term loans) in seven SPSUs was ₹ 32.14 crore as per details given below:

**Table 5.1.2: Total investment in SPSUs**

(₹ in crore)

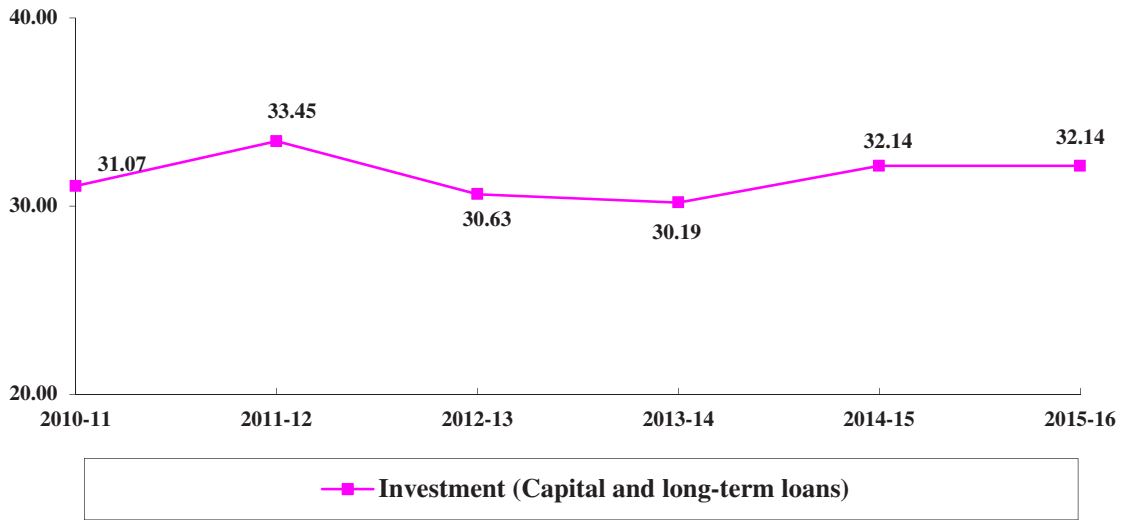
Type of SPSUs	Government Companies		
	Capital	Long Term Loans	Grand Total
Working SPSUs	23.60	8.11	31.71
Non-working SPSUs	0.43	-	0.43
<b>Total</b>	<b>24.03</b>	<b>8.11</b>	<b>32.14</b>

Out of the total investment of ₹ 32.14 crore in SPSUs as on 31 March 2016, 98.66 per cent was in working SPSUs and the remaining 1.34 per cent was in non-working SPSUs. Total investment consisted of 74.77 per cent towards capital and 25.23 per cent in

<sup>3</sup> Includes investment of Central Government and others.

long-term loans. The investment during the period from 2010-11 to 2015-16 ranged between ₹ 30.19 (2013-14) and ₹ 33.45 crore (2011-12) as shown in the following graph:

**Chart 5.1.1: Total investment in SPSUs**



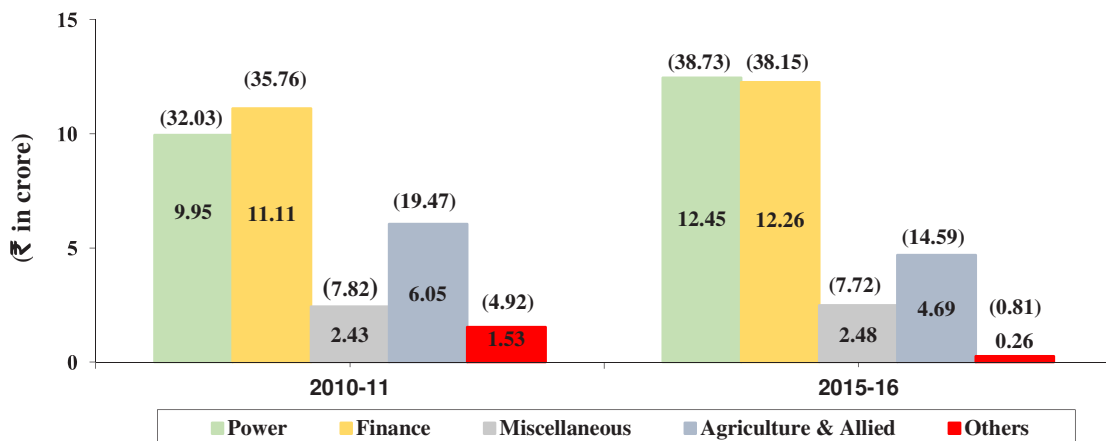
The sector-wise summary of investments in the State PSUs as on 31 March 2016 is as given below:

**Table 5.1.3: Sector-wise investment in SPSUs**

Name of Sector	Government Companies			Investment (₹ in crore)
	Working	Non-Working	Total	
Power	1	-	1	12.45
Manufacturing	-	1	1	0.24
Finance	1	-	1	12.26
Miscellaneous	1	-	1	2.48
Infrastructure	1	-	1	0.02
Agriculture & Allied	1	1	2	4.69
<b>Total</b>	<b>5</b>	<b>2</b>	<b>7</b>	<b>32.14</b>

The investment in important sectors and percentage thereof at the end of 31 March 2011 and 31 March 2016 are indicated below in the bar chart.

**Chart 5.1.2: Sector-wise investment in SPSUs**



(Figures in brackets show the percentage of total investment)



It can be observed from the chart above that the thrust of investment was mainly in the Power and Finance sectors, which had 38.73 per cent and 38.15 per cent of the total investment respectively. Among all sectors, the Power sector had the highest investment of ₹ 12.45 crore. The investment in Power sector represented the equity contribution made by the State Government to SPSU, namely, Hydro Power Development Corporation of Arunachal Pradesh Limited.

Further, investment in the Finance sector increased from 35.76 per cent in 2010-11 to 38.15 per cent in 2015-16. The increase in investment was due to the equity contribution of ₹ 2 crore made by the Ministry of Tribal Affairs, Government of India in June 2013 to Arunachal Pradesh Industrial Development and Financial Corporation Limited.

### 5.1.7 Special support and returns during the year

The State Government provides financial support to SPSUs in various forms through annual budget. Summarised details for three years ended 2015-16 of budgetary outgo towards equity, loans, grants/subsidies, loans written off and interest waived in respect of State PSUs are given below:

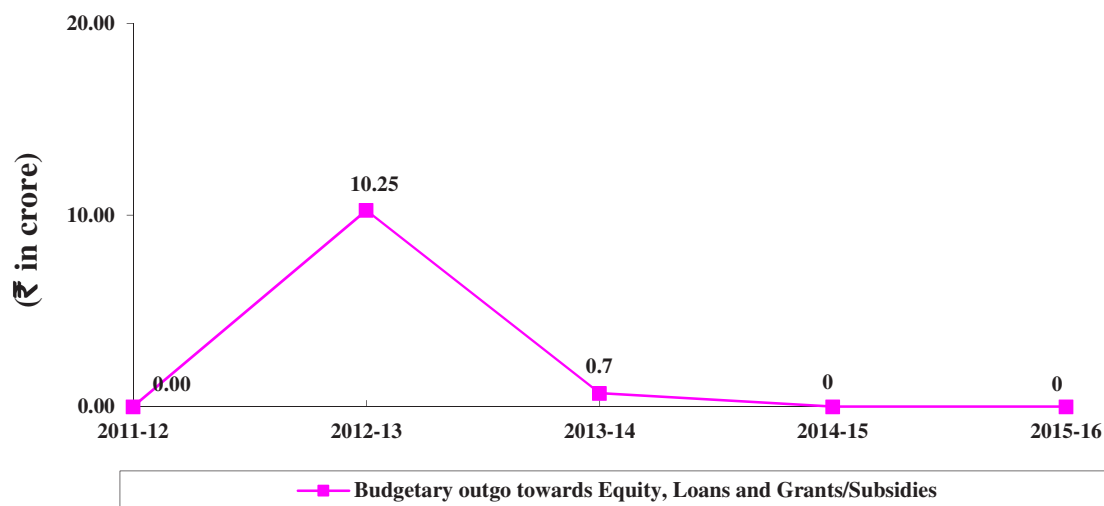
**Table 5.1.4: Details regarding budgetary support to SPSUs**

(₹ in crore)

Sl. No.	Particulars	2013-14		2014-15		2015-16	
		No. of SPSUs	Amount	No. of SPSUs	Amount	No. of SPSUs	Amount
1.	Equity Capital outgo from budget	-	-	-	-	-	-
2.	Loans given from budget	-	-	-	-	-	-
3.	Grants/Subsidy from budget	1	0.70	-	-	-	-
<b>4.</b>	<b>Total Outgo (1+2+3)</b>	<b>-</b>	<b>0.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
5.	Waiver of loans and interest	-	-	-	-	-	-
6.	Guarantees issued	-	-	-	-	-	-
7.	Guarantee Commitment	1	2.00	1	2.00	1	2.00

The details regarding budgetary outgo towards equity, loans and grants/subsidies for past five years are given in a graph below:

**Chart 5.1.3: Budgetary outgo towards Equity, Loans and Grants/Subsidies**



Analysis of the budgetary outgo during the period of five years from 2011-12 to 2015-16 indicates that while as the budgetary outgo was highest in 2012-13 at ₹ 10.25 crore, the budgetary outgo during 2013-14 was only ₹ 0.70 crore. During 2011-12, 2014-15 and 2015-16, there was no budgetary outgo. Out of a total guarantee commitment of ₹ 2 crore extended by the State Government to one SPSU (viz. Arunachal Pradesh Industrial Development and Financial Corporation Limited) in 1999, an amount of ₹ 0.97 crore was still outstanding as on 31 March 2016. No guarantee commission was payable to the State Government by any SPSUs. There was no case of conversion of Government loan into equity, moratorium in repayment of loan and waiver of interest during the period.

### 5.1.8 Reconciliation with Finance Accounts

The figures in respect of equity, loans and guarantees outstanding as per records of State PSUs should agree with that of the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the concerned SPSU and the Finance Department should carry out reconciliation of differences. The position in this regard as at 31 March 2016 is stated below:

**Table 5.1.5: Equity, loans, guarantees outstanding as per finance accounts vis-a-vis records of SPSUs**

(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of SPSUs	Difference
Equity	9.00	19.58	10.58
Loans	Nil	7.84	7.84

Audit observed that the differences occurred in respect of position of outstanding in respect of equity and loans as per the record(s) of the Finance Account of the State and the figures depicted in the accounts of the SPSUs. The differences had not been reconciled over a period of more than ten years. The Accountant General has taken up the matter from time to time with the Secretary, Finance Department, Government of Arunachal Pradesh, Administrative Departments of respective SPSUs and the concerned SPSUs for reconciliation of the differences. However, no significant progress in this direction was noticed. The Government and the SPSUs should take concrete steps to reconcile the differences in a time-bound manner.

### 5.1.9 Arrears in finalisation of accounts

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

The table below provides the details of progress made by working SPSUs in finalisation of accounts as of 30 September 2016.

**Table 5.1.6: Position relating to finalisation of accounts of working SPSUs**

Sl. No.	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
1.	Number of Working SPSUs/other companies	5	5	5	5	5
2.	Number of accounts finalised during the year	6	5	4	5	1
3.	Number of accounts in arrears	28	28	29	29	33
4.	Number of Working SPSUs with arrears in accounts	5	5	5	5	5
5.	Extent of arrears (numbers in years)	1 to 15	1 to 15	1 to 15	1 to 15	1 to 16

It can be observed that the number of accounts in arrears has not seen any significant improvement during 2011-12 to 2015-16. The number of accounts finalised during the year has decreased from 6 (2011-12) to 1 (2015-16). Arunachal Pradesh Mineral Development and Trading Corporation Limited has the highest arrears in accounts of 16 years (since 2000-01).

The Administrative Departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by these SPSUs within the stipulated period. As part of regular monitoring of the progress made in this regard, audit has taken up (April 2016) the issue with the Chief Secretary, Government of Arunachal Pradesh, with the request to convene a meeting with the Administrative Heads of the SPSUs concerned and prepare a time bound action plan to clear backlog of accounts.

The State Government had invested ₹ 13.35 crore in four SPSUs {equity: ₹ 0.35 crore (one SPSU), loans: ₹ 2.87 crore (three SPSUs) and grants ₹ 10.13 crore (two SPSUs)} during the earlier years for which accounts have not been finalised as detailed in **Appendix-5.1.1**. In the absence of finalisation of accounts and their subsequent audit, it could not be ascertained whether the investments and expenditure incurred have been properly accounted for and the purpose for which the amount was invested was achieved or not.

In addition to above, as on 30 September 2016, there were arrears in finalisation of accounts by the two non-working SPSUs. None of the non-working SPSUs was in the process of liquidation though accounts were in arrears for seven years (2009-10 to 2015-16). During the year 2009-10, assets of the two non-working SPSUs, viz, Parasuram Cement Limited and Arunachal Horticultural Processing Industries Limited were transferred to Arunachal Pradesh Infrastructural Development Company Limited-a Joint Venture Company with Arunachal Pradesh Industrial Development and Financial Corporation Limited.

#### **5.1.10 Impact of non-finalisation of accounts**

As pointed out in the para above, the delay in finalisation of accounts may also result in risk of fraud and leakage of public money apart from violation of the provisions of the relevant Statutes. In view of arrears of accounts, the actual contribution of SPSUs to the State GDP for the year 2015-16 could not be ascertained and their contribution to State exchequer was also not reported to the State Legislature.

It is recommended that the Government may setup a system to oversee the clearance of arrears in accounts and set the targets for individual companies and to monitor it.

#### 5.1.11 Performance of SPSUs as per their latest finalized accounts

The financial position and working results of working Government companies are detailed in **Appendix-5.1.2**. A ratio of SPSU-turnover to State GDP shows the extent of SPSU-activities in the State economy. Table below provides the details of working SPSUs turnover and State GDP for a period of five years ending 2015-16.

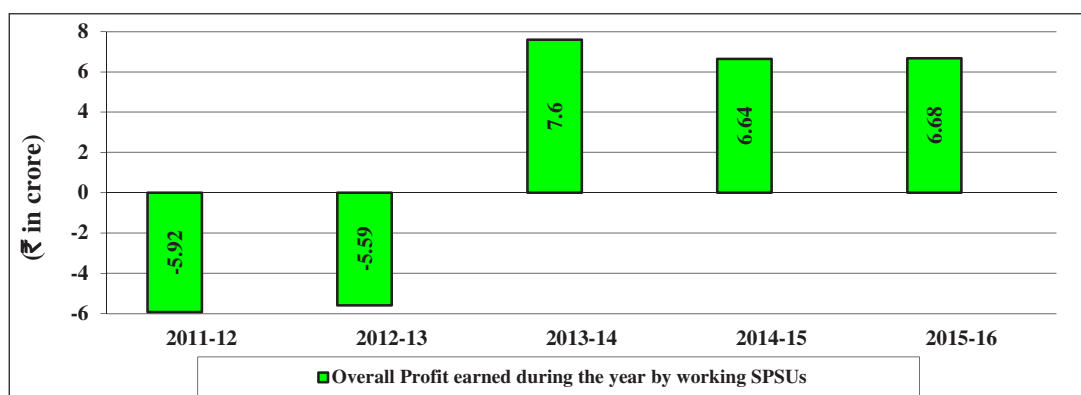
**Table 5.1.7: Details of working SPSUs turnover vis-a-vis State GDP**

Particulars	( <b>₹ in crore</b> )				
	2011-12	2012-13	2013-14	2014-15	2015-16
Turnover <sup>4</sup>	5.82	7.57	6.31	6.66	6.28
State GDP	11135.53	11942.81	13491.03	15917.37	19473
Percentage of turnover to State GDP	0.05	0.06	0.05	0.04	0.03

It can be seen that during the period of five years, the percentage of turnover to State GDP had reduced from 0.05 in 2011-12 to 0.03 in 2015-16.

Overall profit (losses) earned (incurred) by State working SPSUs during 2011-12 to 2015-16 are given below in a bar chart.

**Chart 5.1.4: Profit/Loss<sup>5</sup> of working SPSUs**



It can be observed that the working SPSUs showed negative working results during the two years from 2011-12 to 2012-13 ranging between (-) 5.59 crore and (-) 5.92 crore and improved overall profits during 2013-14 to 2015-16. During the year 2015-16, out of five working SPSUs, three SPSUs earned aggregate net profit of ₹ 8.14 crore and two SPSUs incurred losses of ₹ 1.46 crore. The contributors of profit were Arunachal Pradesh Forest Corporation Limited (₹ 3.54 crore), Arunachal Police Housing and Welfare Corporation Limited (₹ 3.87 crore) and Hydro Power Development Corporation of Arunachal Pradesh Limited (₹ 0.73 crore). The heavy losses were incurred by Arunachal Pradesh Industrial Development and Financial Corporation Limited (₹ 1.18 crore) and

<sup>4</sup> Turnover as per the latest provisional accounts as of 30 September of the respective years.

<sup>5</sup> As per latest finalised accounts as on September 2016.

Arunachal Pradesh Mineral Development and Trading Corporation Limited (₹ 0.28 crore). The working SPSUs had earned aggregate profit of ₹ 6.68 crore during 2015-16 as compared to aggregate profit of ₹ 6.64 crore during 2014-15.

The State Government has not formulated (November 2016) any dividend policy to make it mandatory for SPSUs to pay a minimum return on the paid-up share capital contributed by the State Government. None of the three working SPSUs which earned an aggregate profit of ₹ 8.14 crore had declared any dividend during the year.

#### 5.1.12 Winding-up of non-working SPSUs

Two non-working SPSUs had ceased operation since 1995. The numbers of non-working SPSUs at the end of each year during past five years are given below:

Table 5.1.8: Non-working SPSUs

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
No. of non-working companies	2	2	2	2	2

The State Government has not started any process of winding up or initiated any turnaround strategy.

#### 5.1.13 Comments on accounts

During the year 2015-16, one working company forwarded its audited accounts to the Accountant General. Further, no company was selected for supplementary audit. The details of aggregate money value of comments of Statutory Auditors and the C&AG are given below:

Table 5.1.9: Impact of audit comments on working Companies

(₹ in crore)

Sl. No.	Particulars	2013-14		2014-15		2015-16	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	-	-	-	-	-	-
2.	Increase in profit	1	0.48	1	20.37	-	-
3.	Decrease in loss	-	-	-	-	-	-
4.	Increase in loss	-	-	1	3.89	1	3.98
5.	Non-disclosure of material facts	1	0.23	1	4.10	1	2.10

During the year, the Statutory Auditor had given unqualified certificate and C&AG issued Non-review certificate respectively to one SPSU (viz. Arunachal Pradesh Industrial Development and Financial Corporation Limited).

#### 5.1.14 Response of the Government to Audit

For the Report of the Comptroller and Auditor General of India for the year ended 31 March 2016, one compliance audit paragraph involving Department of Geology and Mining and one performance audit involving Department of Transport were issued to the Commissioner (Mines) and Commissioner (Transport), the replies have been received and suitably incorporated in the Performance Audit Report.

### 5.1.15 Follow up action on Audit Reports

The Report of the Comptroller and Auditor General (C&AG) of India represents the culmination of the process of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the executive. The Finance Department, Government of Arunachal Pradesh issued (June 1996) instructions to all Administrative Departments to submit replies/explanatory notes to paragraphs/reviews included in the Audit Reports of the C&AG of India within a period of three months of their presentation to the Legislature, in the prescribed format without waiting for any comments/queries from the CoPU.

**Table No.5.1.10: Explanatory notes pending (as on 30 September 2016)**

Year of the Audit Report	Date of placement of Audit Report in the State Legislature	Total Performance audits (PAs)/Compliance Audit Paragraphs in the Audit Report		Number of PAs/ Compliance Audit Paragraphs for which explanatory notes were not received	
		PAs	Paragraphs	PAs	Paragraphs
2008-09	03.09.2010	1	7	1	2
2009-10	24.03.2011	1	4	1	2
2010-11	27.09.2012	-	4	-	4
2011-12	23.09.2013	1	2	1	2
2012-13	26.09.2014	1	1	1	1
2013-14	21.07.2015	-	3	-	3
2014-15	Yet to be placed	-	-	-	-
<b>Total</b>		<b>4</b>	<b>21</b>	<b>4</b>	<b>14</b>

From the above, it can be seen that out of 25 compliance audit paragraphs/performance audits, explanatory notes in respect of 18 compliance audit paragraphs/performance audits, in respect of four departments and five SPSUs, which were commented upon, were awaited (November 2016).

### 5.1.16 Discussion of Audit Reports by CoPU

The status as on 30 September 2016 of Performance Audits and Paragraphs that appeared in Audit Reports (SPSUs) and discussed by the Committee on Public Undertakings (CoPU) was as follows:

**Table No.5.1.11: Reviews/Paras appeared in Audit Reports vis-a-vis discussed as on 30 September 2016**

Period of Audit Report	Number of reviews/ paragraphs			
	Appeared in Audit Report		Paras discussed	
	PAs	Paragraphs	PAs	Paragraphs
2008-09	1	7	-	2
2009-10	1	4	-	-
2010-11	-	4	-	-
2011-12	1	2	-	-
2012-13	1	1	-	-
2013-14	-	3	-	-
2014-15	-	-	-	-
<b>Total</b>	<b>4</b>	<b>21</b>	<b>-</b>	<b>2</b>

It can be seen from the table that out of 25 paragraphs and performance audits, for the period from 2008-09 to 2014-15, 23 paragraphs and performance audits in respect of four Departments and five SPSUs were yet to be discussed by the Committee on Public Undertakings.

#### **5.1.17 Compliance to Reports of Committee on Public Undertakings (CoPU)**

The Government may take steps to ensure: (a) sending of replies to IRs/explanatory Notes/Audit paragraphs/performance audits and ATNs on the recommendations of CoPU as per the prescribed time schedule; (b) recovery of loss/outstanding advances/overpayments within the prescribed period.

#### **5.1.18 Coverage of this chapter**

This chapter contains one compliance audit paragraph and one performance audit report having a financial effect of ₹ 84.81 crore.

### **Performance Audit**

#### **State Transport Department**

##### **Arunachal Pradesh State Transport Services**

#### **5.2 Introduction**

Arunachal Pradesh State Transport Services (APSTS) is mandated to provide adequate, viable, economical and well-coordinated bus services to common masses of Arunachal Pradesh. APSTS functions under the administrative control of the Transport Department, Government of Arunachal Pradesh. A Performance Audit was conducted to assess the working of APSTS for the period from 2011-12 to 2015-16. Some of the major audit findings are highlighted below:

#### **Highlights**

- *In five selected stations, 729 villages out of 1414 villages were outside the public transport system. Despite wide gap in transport services, APSTS operated only 94 routes out of 119 connected routes and thus 25 routes were not operated as on March 2016.*  
(Paragraph 5.2.7.2)
- *Against a target for procurement of 120 buses in the 12<sup>th</sup> Five Year Plan, APSTS had procured only 50 buses by December 2016.*  
(Paragraph 5.2.7.3)
- *Against budget estimate of ₹527.83 crore, only ₹445.52 crore was allocated by the State Government, of which APSTS spent only ₹408.79 crore during the five year period resulting in shortfall of operational expenditure.*  
(Paragraph 5.2.8.1)

- *Out of 134 purchase orders for spare parts, 129 purchase orders valued ₹8.43 crore were issued and expenditure incurred without obtaining sanction of the competent authority.*

*(Paragraph 5.2.8.3.1)*

- *There was doubtful expenditure of ₹1.08 crore on purchase of spare parts from firms who were registered under the Value Added Tax authorities for doing business related to other than sale of spare parts.*

*(Paragraph 5.2.8.3.1)*

- *There was excess consumption of fuel of 29.18 lakh litres costing ₹15.04 crore by various stations during the period 2011-12 to 2015-16.*

*(Paragraph 5.2.9.5)*

- *137 engine overhauling cases valued at ₹2.77 crore and 1438 cases of repair works valued at ₹ 24.61 crore of five selected stations were outsourced to private firms despite having its own Central Workshop (CWS). Thus, the objective of having own CWS for ensuring economy in repair and maintenance remained unachieved.*

*(Paragraph 5.2.9.7.1)*

### **5.2.1 Introduction**

Arunachal Pradesh State Transport Services (APSTS) was established in March 1975 to provide adequate, viable, economical and well-coordinated bus services to the common people of Arunachal Pradesh.

APSTS functions under the administrative control of the Transport Department, Government of Arunachal Pradesh (GoAP) and is headed by a General Manager who is also the Chief Executive Officer for looking after the day-to-day affairs of the Department with the assistance of one Additional General Manager, one Deputy General Manager (Vigilance), one Executive Engineer (Automobile), one Finance and Accounts Officer and 15 Senior Station Superintendents/Station Superintendents.

As on 31 March 2016, APSTS had 15 Depots and one Central Workshop, with a fleet strength of 213<sup>6</sup> buses. The fleet of APSTS carried an average of 3,860 passengers per day during the last five years from 2011-12 to 2015-16. During 2015-16, the total revenue of APSTS was ₹ 13.62 crore out of which ₹ 13.37 crore was operating revenue, which was equal to 0.07 per cent of the State Gross Domestic Product (₹ 19,473 crore) for 2015-16. APSTS had 809 employees on its rolls as on 31 March 2016.

A performance audit on the working of APSTS was included in the Report of the Comptroller and Auditor General of India for the year 2008-09. The Committee on Public Undertakings (CoPU) was yet (December 2016) to discuss the Performance Audit Report on the working of APSTS.

<sup>6</sup> Including buses operated under *JnNURM*.



### **5.2.2 Scope and Methodology of Audit**

This Performance Audit was conducted during the period from April 2016 to August 2016 to assess the performance of APSTS for the period from 2011-12 to 2015-16. The audit examination involved scrutiny of records at the Head Office of APSTS, Central Workshop and five<sup>7</sup> selected depots/stations, out of the existing 15 depots by adopting Probability Proportional to Size Sampling Method.

The methodology adopted during the course of audit entailed discussing and explaining the audit objectives to the management during an 'Entry Conference' held on 19 April 2016. Apart from scrutiny of records, Audit held interaction with the personnel of APSTS, analysed data and issued audit queries. An exit conference was held on 05 December 2016 to discuss the audit findings. Replies and views of the management has been incorporated wherever found appropriate.

### **5.2.3 Audit Objectives**

The main audit objectives were to examine and assess whether:

- Planning for providing public transport by APSTS was carried out to meet the growing demand of the public.
- Budgetary allocations were adequate to meet operational requirements of APSTS and expenditure was incurred in conformity with the prescribed rules and instructions.
- APSTS was running its operation in an economic, efficient and effective manner to achieve its objective.
- Monitoring by APSTS management was effective and adequate.

### **5.2.4 Audit Criteria**

Audit findings were benchmarked against the following criteria:

- All India averages for performance parameters.
- Performance indicators of State Transport Utilities (STUs) in neighbouring States.
- Motor Vehicles Act, 1988 and Motor Vehicles Rules, 1989.
- Physical and financial targets/norms fixed by APSTS/ Government.
- General Financial Rules (GFR) and
- Instructions of Government of India/State Government and other procedures and policy laid down by APSTS.

### **5.2.5 Financial Position and Working Results**

The financial position and working results of APSTS for the five years up to 2015-16 are given in **Appendix-5.2.1**. The Annual Proforma accounts for the year ending 2015-16

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<sup>7</sup> Namsai, Pasighat, Itanagar, Bomdila and Aalo.

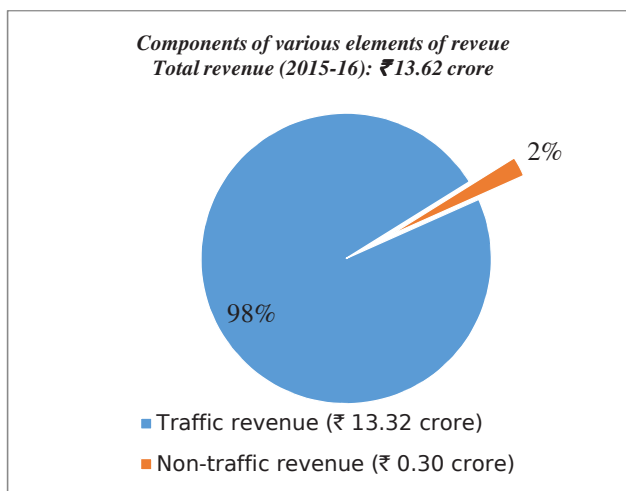
has not been finalised by APSTS (December 2016). It was seen that during the five years, APSTS had continuously incurred losses ranging between ₹ 45.18 crore (2011-12) and ₹ 77.82 crore (2015-16). The operating costs of APSTS ranged between 188 *per cent* (2014-15) and 326 *per cent* (2015-16) of the operating revenue. As of March 2016, APSTS had accumulated losses of ₹ 643.89 crore.

### ***Elements of cost and revenue***

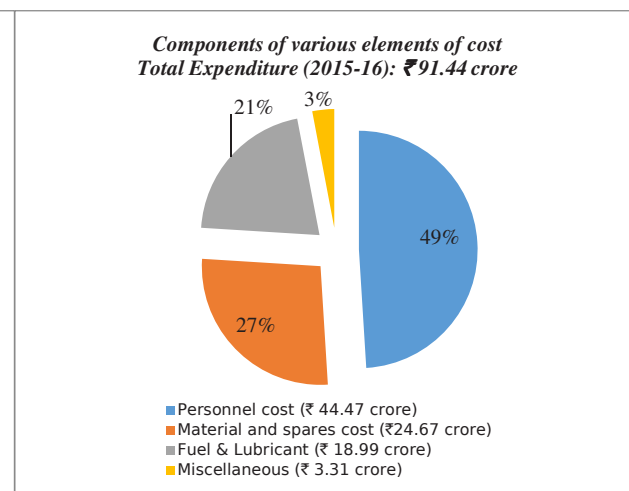
As can be seen from the **Appendix 5.2.1**, Passenger revenue was the major element of revenue during 2011-12 to 2015-16, which ranged between 95 *per cent* (2012-13) and 99 *per cent* (2014-15) of the total revenue of APSTS. On the other hand, personnel cost of APSTS was the major cost element, which ranged between 42 *per cent* (2013-14) and 52 *per cent* (2014-15) of the total costs during the five years under reference. Other major costs include material and spare cost and fuel and lubricant cost as can be seen in the chart 5.2.1 below. APSTS failed to achieve break-even point, in any of the years reported upon, as the expenditure incurred was more than the revenue earned.

Major elements of revenue and costs of APSTS for 2015-16 have been depicted below in **Chart 5.2.1** and **Chart 5.2.2**.

**Chart 5.2.1**



**Chart 5.2.2**



### **5.2.6 Acknowledgement**

The IA&AD place on record our acknowledgement of the Arunachal Pradesh State Transport Services and the State Government for their assistance in facilitating this audit.

### **Audit findings**

Audit findings are discussed in following paragraphs.

### **5.2.7 Planning**

#### **5.2.7.1 State Transport Policy**

Transport plays an important role in the economic development of the State. With growth in the economy and rising living standards of the public, the demand for reliable transport network for goods and passengers increases. This calls for a well planned

transport network which can facilitate movement of goods and passengers between villages, towns and cities within the State and outside.

Audit, however, observed that the Department had not formulated any State Transport Policy. It was noticed that apart from routine exercise of Annual Operation Plan (AOP) for administrative and operational expenditure, no perspective plan for systematic growth and improvement of public transport system in the State has been formulated by the Department. However, the Department made some proposals to the Government in the framework for preparation of 12<sup>th</sup> Five Year Plan proposing 22 new routes, replacement of 98 over-aged buses over the period of five years.

In the absence of the State Transport Policy and long-term perspective plan, APSTS had not been able to move towards a definite growth path keeping in pace with the growing demand for public transport especially in the rural areas of the State. It was observed that in the five selected stations, 729 villages out of 1414 villages were left outside the public transport system. Moreover, APSTS operated only 94 routes in the State out of 119 connected routes and thus 25 routes were not operated. None of the proposed 22 routes had been operationalised. The fleet of APSTS had also reduced from 232 (2011-12) to 213 (2015-16).

Thus, APSTS has not been able to move towards a definite growth path for keeping pace with the growing demand for public transport.

#### **5.2.7.2 Shortfall in coverage of rural villages by APSTS**

Arunachal Pradesh is a hilly area and consists of far-flung and economically remote areas which could contribute to the growth of the State if adequate and reliable transport services exist in the State. Thus, the operation of public transport by APSTS in far flung and remote areas is vital, as the private players do not operate in commercially un-viable far-flung areas of the State.

Scrutiny of the records revealed that APSTS is yet to connect and cover pliable, rural inhabited and economic routes. The coverage of APSTS in five districts under the selected Stations viz. Namsai, Pasighat, Itanagar, Bomdila and Aalo as on March 2016 is given below:

**Table 5.2.1**

Sl. No.	Station	Name of District	Total no. of buses	No. of on road buses (%)	No. of off-road buses	Total connected Villages	No. of Routes	No. of covered villages	No. of uncovered villages	Shortfall in coverage (%)
1	2	3	4	5	6(4-5)	7	8	9	10(7-9)	11
1	Namsai	Namsai	15	12 (15)	3	140	9	60	80	57
2	Pasighat	East Siang	19	15 (18)	4	109	9	56	53	49
3	Itanagar	Papum Pare	49	37 (45)	12	488	21	429	59	12
4	Bomdila	West Kameng	18	6 (7)	12	263	6	17	246	94
5	Aalo	Siang/West Siang	24	12 (15)	12	414	13	123	291	70
<b>Total</b>			<b>125</b>	<b>82</b>	<b>43</b>	<b>1414</b>	<b>58</b>	<b>685</b>	<b>729</b>	<b>52</b>

(Source: Departmental records)

From the above table it can be seen that there was a shortage in coverage of rural villages ranging between 12 per cent and 94 per cent in the five districts of the State which was attributable to the non-rationalisation of the bus routes. The coverage of villages and the availability of buses in all the five selected stations varied widely between 7 per cent and 45 per cent which indicated that rationalisation of bus routes for equitable coverage of the villages was not attempted. In five stations (Roing, Tezu, Seppa, Bomdila and Yingkiong), the APSTS had given bus connectivity in the district headquarters only but no intra-district connectivity had been provided.

Moreover, deployment of buses in Itanagar-Pasighat and Tezu-Tinsukia routes was in the ratio<sup>8</sup> of 1:5 in both the routes as on March 2016, but deployment of buses at Bomdila-Itanagar and Tawang-Tezpur route despite being popular tourist circuit was only 1:1 to 1:2 respectively. It may be pertinent to mention here that APSTS had made frequent changes of bus routes without the approval of the Government (as communicated by Secretary to Government in 2013) causing inconvenience to the public.

*In reply, the Department stated (December 2016) that the coverage of villages was done depending on fleet strength, proper road connectivity and funds constraint. Further, the routes were operated depending on the public demand.*

The fact remains that a large number of villages remained unconnected due to substantial number of off-road buses (34.40 per cent) and lack of rationalisation of bus routes for better coverage. Moreover, out of 120 new buses approved for acquisition under the 12<sup>th</sup> Five Year Plan (2012-17), only 50 buses were procured at the end of December 2016.

### 5.2.7.3 Shortfall in procurement of new buses

APSTS proposed acquisition of 120 buses at a cost of ₹ 31crore during the 12<sup>th</sup> Five Year Plan (2012-17) entailing replacement of 98 over-aged<sup>9</sup> buses and operation of 22 new routes.

The position of target and achievement in against the above target (till December 2016) is given below:

**Table 5.2.2**

(₹ in crore)

Year (12 <sup>th</sup> FYP)	Target for purchase of buses (No.)	No. of buses for new routes	No of buses for replacement	Buses sanctioned (No.)	Buses procured (No.)	Sanctioned amount (in ₹)	Expenditure incurred (in ₹)	Buses not replaced (No.)
2012-13	25	5	20	6	6	1.99	1.99	14
2013-14	25	7	18	9	9	1.29	1.29	9
2014-15	20	3	17	7	7	1.38	1.38	10
2015-16	20	5	15	28	-	8.24	-	15
2016-17	30	2	28	-	28	-	8.24	0
<b>Total</b>	<b>120</b>	<b>22</b>	<b>98</b>	<b>50</b>	<b>50</b>	<b>12.90</b>	<b>12.90</b>	<b>48</b>

(Source: Departmental records)

<sup>8</sup> Nos. of routes to Nos. of buses.

<sup>9</sup> As per norms adopted by APSTS, buses which had crossed 7 years of operation or covered 1 lakh km whichever is earlier are considered as over-aged buses.

Audit observed that against the procurement target of 120 buses by the end of 2016-17, APSTS had procured only 50 buses<sup>10</sup> (₹ 12.90 crore) resulting in shortfall of 70 buses as on December 2016. Though the yearly target for procurement was between 20 and 25 buses during the last five years, APSTS had sanctioned procurement of only six to nine buses during 2012-13 to 2014-15. Though the annual sanction for procurement during 2015-16 was 28 buses, APSTS had not sanctioned procurement of any bus during 2016-17. This indicated shortfall in implementation of the Five Year Plans. On account of this shortfall, the proposed 22 new routes envisaged in the Five Year Plans could not be operationalised.

It was also observed that out of ₹ 31 crore allocated in the 12<sup>th</sup> Five Year Plan, only ₹ 12.90 crore was spent till December 2016 and the balance amount of ₹ 18.10 crore had not been allotted to APSTS by the Government. Thus, due to shortfall in procurement, the objective of 22 new routes and the socio-economic benefits attached with operationalisation of these routes remained unachieved.

*In reply, the Department stated (December 2016) that the buses were procured based on allocation of funds made by the Government and ₹ 8.24 crore was spent on procurement of 28 buses as such there is no shortfall in expenditure against the sanctioned amount.*

The reply is not acceptable as against the target of procurement of 120 buses till end of 2016-17, only 50 buses were procured till December 2016. The annual target for procurement had been kept low and therefore there was a shortfall in achievement of operationalisation of 22 new routes.

#### **5.2.7.4 PTMS not implemented**

A scheme for strengthening the Public Transport System launched by GoI envisaged provision of financial assistance for use of latest technology for strengthening the public transport system in the country. Accordingly, “Public Transport Management System<sup>11</sup> (PTMS)” with a total estimated cost of ₹ 1.67 crore (including operational cost of ₹ 0.61 crore for the first three years) was proposed (December 2011) by APSTS.

GoI agreed (March 2012) to fund the project to a maximum of ₹ 83 lakh or 50 per cent of the actual capital cost of the project whichever is lower, subject to firming of the actual project cost (by execution of tender) by August 2013.

Audit, however, observed that even after a lapse of more than four years since April 2012, APSTS had not taken any action for firming up the project cost e.g, tendering of the project/services (December 2016). Thus, the scheme had lapsed due to not firming up of the project cost by tendering within the stipulated time.

*In reply, the Department stated (December 2016) that the State matching share was not allocated timely and hence the scheme lapsed.*

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<sup>10</sup> 2012-13: 6 Non- AC Semi-deluxe buses (35 seater); 2013-14: 6 Non-AC Economy buses (34 seater) + 3 Non-AC Economy buses (28 seater); 2014-15: 7 Non-AC Ultra buses (42 seater).

<sup>11</sup> PTMS envisaged strengthening of public transport system by installing vehicle tracking system, real time passenger information system, centralised fare collection and central control station, Geographical Positioning System (GPS), electronic display systems, etc.

Though, the State Government had received GoI share of ₹ 41.50 lakh well within the stipulated period for the project, APSTS, however, did not take action for firming of actual cost by initiating tendering process for project as per the requirement of GoI's sanction order.

Thus, due to failure of APSTS to take appropriate action under the proposed scheme, the benefits envisaged in the project for the strengthening transport system in the State could not be availed.

## 5.2.8 Financial Management

### 5.2.8.1 Shortfall in budgetary allocation

The position of Budget Estimate, Allocation of fund and Actual expenditure incurred during the period 2011-12 to 2015-16 is given below:

**Table 5.2.3**

(₹ in crore)

Year	Budget Estimate			Budget allocation			Actual Expenditure			Difference	
	R	C	T	R	C	T	R	C	T		
	1	2	3(1+2)	4	5	6(4+5)	7	8	9(7+8)	10(3-6)	11(6-9)
2011-12	69.12	7.20	76.32	61.67	17.15	78.82	60.61	17.09	77.7	(-)2.5	1.12
2012-13	94.48	7.72	102.2	65.55	8.65	74.2	64.3	7.77	72.07	28.00	2.13
2013-14	100.19	10.67	110.86	74.99	10.68	85.67	75.08	8.75	83.83	25.19	1.84
2014-15	120.32	14.36	134.68	75.24	8.95	84.19	68.75	3.26	72.01	50.49	12.18
2015-16	87.27	16.5	103.77	110.66	11.98	122.64	91.45	11.73	103.18	(-)18.87	19.46
	<b>471.38</b>	<b>56.45</b>	<b>527.83</b>	<b>388.11</b>	<b>57.41</b>	<b>445.52</b>	<b>360.19</b>	<b>48.6</b>	<b>408.79</b>		

R=Revenue; C=Capital; T=Total

From the above, it can be seen that during the last five years, shortfall of actual expenditure against budget allocation ranged between ₹ 1.12 crore (2011-12) and ₹ 19.46 crore (2015-16). During 2011-12, the capital budget allocation was in excess of the estimates by ₹ 9.95 crore resulting in overall excess allocation of ₹ 2.5 crore over the estimate. Similarly, during 2015-16 also the revenue allocations were more than the estimates by ₹ 23.39 crore resulting in overall excess allocations of ₹ 18.87 crore during 2015-16. In the years 2012-13 to 2014-15, the total allocations were less than the budget estimates by an amount ranging between ₹ 25.19 crore and ₹ 50.49 crore. As regards actual expenditure, it is seen that total actual expenditure was less than the allocations in all the five years.

While audit pointed out the shortfall in coverage of rural villages, procurement of new buses, implementation of PTMS, procurement of spare parts, optimal utilisation of fleet, etc. APSTS attributed the above deficiencies to shortage of funds. However, the above analysis shows a different picture. It was not due to shortage of funds as APSTS could not spend the full allocation given in the budget in all the five years. This indicated the need for strengthening administrative machinery of APSTS to improve its performance.

### 5.2.8.2 Deficiency in budgetary process and expenditure control

The Budget Estimates (Revenue) of ₹ 471.38 crore during the period from 2011-12 to 2015-16 consist of Non-Plan Revenue expenditure of ₹ 319.49 crore under Salary and

Establishment head and ₹ 151.89 crore under Spares and Repair and Maintenance expenditure head. Audit analysed budget estimates for spare parts and repair and maintenance amounting to ₹ 151.89 crore during 2011-12 to 2015-16 as it constituted significant portion of revenue estimates.

The details of budget estimates, allocation and expenditure on spare parts, repair and maintenance during the five years from 2011-12 to 2015-16 are given below:

**Table 5.2.4**

*(₹ in crore)*

Year	Opening Balance Liability	Credit Purchase on spare parts/ Repair & maintenance	Total	Budget Estimate (BE)	Shortfall (% of total requirement)	Allotment	Shortfall (% of BE)	Total Expenditure	Saving (-) / Excess (+)	Closing liability
1	2	3	4(2+3)	5	6(4-5)	7	8(5-7)	9	10(7-9)	11(4-9)
2011-12	20.41	16.94	37.35	12.42	(-)24.93 (67)	10.78	(-) 1.64 (13)	10.74	(-)0.04	26.61
2012-13	26.61	7.16	33.77	37.44	(+)3.67(11)	15.00	(-) 22.44 (60)	14.99	(-)0.01	18.78
2013-14	18.78	40.08	58.86	41.83	(-)17.03 (29)	15.00	(-) 26.83 (64)	14.98	(-)0.02	43.88
2014-15	43.88	18.18	62.06	44.48	(-)17.58 (28)	10.20	(-) 34.28 (77)	10.08	(-)0.12	51.98
2015-16	51.98	16.27	68.25	15.72	(-)52.53(77)	24.00	(+) 8.28 (53)	14.32	(+)9.68	53.93
<b>Total</b>	<b>161.66</b>	<b>98.63</b>	<b>260.29</b>	<b>151.89</b>	<b>108.40(42)</b>	<b>75.76</b>	<b>(-) 76.91 (51)</b>	<b>65.11</b>	<b>(+)9.49</b>	

*(Source: Departmental records)*

It was observed that the expenditure on spares, repair and maintenance constituted 11 per cent to 53 per cent of the total expenditure<sup>12</sup> (operating and non-operating) during the respective years. Following deficiencies in budgetary exercise and expenditure control in the procurement of spare parts and expenditure on repair and maintenance were noticed:

- APSTS made a budgetary provision of only ₹ 151.89 crore, whereas actual expenditure (through credit purchases) amounted to ₹ 260.29 crore which indicated shortfall in budgetary estimates i.e shortfall of ₹ 108.40 crore (42 per cent) during the period 2011-12 to 2015-16. Thus, budget estimates were not made on realistic basis and indicated poor budgetary exercise which failed to take into account actual requirements persistently over the years.
- While there was heavy shortfall in budgeted requirement, the actual allotment of funds was only to the extent of 51 per cent of the budget estimate in all the five years. The shortfall ranged between 13 per cent and 77 per cent during the four year period from 2011-12 to 2014-15 except in 2015-16 where there was excess allotment to the extent of 53 per cent.
- Despite shortfall in allotment of funds, no additional allotment was sought for as supplementary demand(s) to liquidate the outstanding liabilities during the entire five year period. Instead, APSTS resorted to credit purchase in excess of the

<sup>12</sup> Total expenditure:  
2011-12 – ₹ 60.61 crore (28 per cent); 2012-13- ₹ 64.31 crore (11.1 per cent); 2013-14- ₹ 75.08 crore (53 per cent); 2014-15- ₹ 68.75 crore (26.4 per cent) and 2015-16- ₹ 91.44 crore (18 per cent).

allotment ranging between ₹ 6.16 crore (2011-12) and ₹ 25.08 crore (2013-14), thus incurring expenditure amounting to ₹ 53.93 crore without the approval of the competent authority as on 31 March 2016.

*While accepting the audit observations, the Department stated (December 2016) that as most of the buses (68 per cent) were over-aged, there was a need for frequent repairs which were undertaken locally. The allotment was always short of budget estimates and was also not released timely for which credit transactions were resorted to and the allotted fund was used to pay off the liabilities.*

The reply of the Department is not acceptable as the budget estimates should have taken into account the age of the buses and need for expenditure to keep the fleet in running condition. The fact remains that the entire accumulated liabilities were not considered in the budgetary estimates of APSTS and incurring expenditure without budgetary allocation was violation of extant rule.

Thus, there is a need to streamline the budgetary process and expenditure control in APSTS to ensure that relevant financial rules and regulations are observed.

### **5.2.8.3 Procurement of spare parts at General Manager Office**

#### **5.2.8.3.1 Irregular and doubtful expenditure**

As per Rule 146 of the GFR, purchase of goods costing above ₹ 15,000 and up to ₹ 1 lakh on each occasion may be made on the recommendation of a duly constituted Local Purchase Committee. Rule 150 and 151 of the GFR state that Advertised Tender Enquiry should be adopted for procurement of goods of estimated value ₹ 25 lakh and above, and a Limited Tender Enquiry may be adopted for estimated value of goods for ₹ 1 lakh and above and up to ₹ 25 lakh.

Further, Rule 148 of GFR states that demand for goods should not be divided into small quantities to make piecemeal purchases to avoid the necessity of obtaining the sanction of higher authority required with reference to the estimated value of the total demand. The General Manager (GM), APSTS was authorised to spend up to ₹ 25,000 under the delegation<sup>13</sup> of financial powers and for any expenditure above the said delegation, prior concurrence of the Finance Department, GoAP was required.

Audit noticed that during the five year period from 2011-12 to 2015-16, expenditure incurred on procurement of spare parts for Central Workshop, Karsingsa amounted to ₹ 3351.74 lakh. This constituted 8 per cent to 42 per cent of the total variable expenditure<sup>14</sup> in each year.

<sup>13</sup> Vide OM No. FIN/E-13/86 dated 22<sup>nd</sup> October 2009.

<sup>14</sup> Total Expenditure on spare parts/ Total Variable cost (₹ in lakh).

2011-12- ₹ (1395.35/ 3355) = 42 per cent

2012-13- ₹ (747.49/3752) = 20 per cent

2013-14- ₹ (444.08/3916) = 11 per cent

2014-15- ₹ (381.32/3311) = 12 per cent

2015-16 – ₹ (383.50/4697) = 8 per cent



A test check of expenditure incurred on spare parts of ₹ 843.81 lakh (involving 134 purchase orders as given in **Appendix 5.2.2**) out of total ₹ 3351.74 lakh for five year period 2011-12 to 2015-16 was conducted in audit and the following observations emerged:

- In respect of five purchase orders valued ₹ 0.69 lakh, the expenditure was incurred within the delegated financial powers of the General Manager. In respect of the remaining 129<sup>15</sup> purchase orders, the expenditure valued above ₹ 25,000 to ₹ 49 lakh in each case was incurred without calling for tenders and ensuring economy in accordance with Rules 146 of the GFR. The purchase orders issued were also beyond delegated powers of GM and without obtaining concurrence of the Finance Department. Further, the purchase orders were also split into 4829 bills to keep them within the delegated financial power of the GM to evade appropriate financial concurrence of the Finance Department. Since the expenditure in each purchase order was above the delegated financial power of the GM, incurring expenditure between ₹ 25, 000 and ₹ 49 lakh through the above 129 purchase orders without obtaining the sanction of the competent authority was in violation of GFR and Delegation of Financial Power. Details of four high value (above ₹ 25 lakh) supply orders are indicated below:

**Table 5.2.5**

(₹ in lakh)

Sl. No.	Item/Supply Order No.	Date	Agency	Amount (₹)	No of bills in which the S.O was split
1	STD/CS-4/12-13/343/344	05.03.2013	M/s Rumin Enterprise	49.95	285
2	STD/CWS-68/2013/20	08.11.2013	M/s Dewan House	35.38	205
3	STD (MV)18/08-09	07.06.2011	M/s Dewan House	46.55	220
4	NA	NA	Apollo Tyres Center.	25.01	185
<b>Total</b>				<b>156.88</b>	<b>895</b>

- It was verified by audit that three agencies were dealing with items other than spare parts. As per VAT registration of these firms, their areas of business were garments and furniture and not spare parts. An amount of ₹ 108.14 lakh was paid to such firms for purchase of spare parts from these firms -(i) M/s Daisy Garments (4 purchase orders valued ₹ 20.24 lakh for supply of gear box, clutch plate, etc., in March 2013); (ii) M/s Home Decora (13 purchase orders valued ₹ 65.41 lakh for supply of gear box, rear and front brake, etc., during March 2013 to January 2015); and (iii) M/s Dewan House (1 purchase order valued ₹ 22.49 lakh for supply of batteries in March 2013). Hence, purchase made by payment to these three firms appeared doubtful.

Thus, it is evident that procurement of the spare parts was irregular and doubtful and done without observing financial rules and procedures to ensure economy in the purchases.

<sup>15</sup> 21 purchase orders valued between ₹ 15, 000 to ₹ 1 lakh amounting to ₹ 12.27 lakh were finalised and issued without constituting Local Purchase Committee. Similarly, 104 purchase orders valued between ₹ 1 lakh to ₹ 25 lakh for an amount of ₹ 673.97 lakh was issued without adopting Limited Tender Enquiry. Even in respect of 4 purchase orders valued as high as ₹ 25 lakh to ₹ 49 lakh amounting ₹ 156.88 lakh were issued without Advertised Tender Enquiry.

*While accepting the audit observation, the Department stated (December 2016) that spare parts were purchased without tendering process, formation of Local Purchase Committee, approval of competent authority and beyond the sanctioning power due to non-provision of sufficient fund.*

The reply is not acceptable as financial rules have to be followed always. Moreover, procurement of spare parts were done without following financial rules and regulations even for all the expenditure for which budgetary allocation were available. Thus, there is an urgent need for complying with financial rules and procedures to ensure financial propriety and economy. Moreover, Department may further investigate the cases where APSTS had made payments to firms which did not carry business related to sale of spare parts as was clear from the VAT registration of the above mentioned three firms.

#### **5.2.8.3.2 Violation of delegated financial power by Station Superintendents**

The audit scrutiny of records of selected Station Superintendents also revealed that 289 work orders, valued at a total of ₹ 224.37 lakh (*Appendix 5.2.3*) were issued in the five stations without following proper procedures and delegation of authority, like issue of tenders and evaluation by local purchase committee and without ensuring economy and financial propriety. These work orders were also split into several bills to avoid the necessity of obtaining sanction of Competent Authority viz, Finance Department, GoAP, in violation of the delegated financial power.

#### **5.2.8.3.3 Avoidable expenditure**

APSTS is a member of Association of State Road Transport Undertaking (ASRTU) which is an apex coordinating body under Ministry of Road Transport and Highways (MoRTH), Government of India. ASRTU finalises rates of various items of spare parts with the manufacturers on behalf of its members. Accordingly, APSTS was entitled to avail rate contracts for procurement of spare parts.

A test check of records in the General Manager office revealed that out of the expenditure of ₹ 843.31 lakh incurred for procurement of spare parts during the last five years from 2011-12 to 2015-16, ASRTU rate contract was applicable for 172 items. These 172 items were procured after incurring an expenditure of ₹ 89.41 lakh against ASRTU approved rate contract of ₹ 29.85 lakh only (at three times the cost) resulting in excess expenditure of ₹ 59.56 lakh.

*While accepting the audit observation, the Department stated (December 2016) that funds were not received from the Government to plan for procurement of spare parts through ASRTU rate contracts. Further, procurement through ASRTU rate contracts requires advance payment.*

The reply is not acceptable as 172 items of spare parts were procured at higher rate than the approved ASRTU rate contract resulting in excess expenditure of ₹ 59.56 lakh.

#### **5.2.8.4 Non-achievement of revenue target**

Target and achievements for revenue for the selected five stations were as follows:

Table 5.2.6

(₹ in crore)

Sl. No	Station	2011-12		2012-13		2013-14		2014-15		2015-16	
		T	A	T	A	T	A	T	A	T	A
1	Namsai	1.11	1.44 (130%)	1.41	1.53 (109%)	2.08	1.77 (85%)	2.26	2.03 (90%)	1.60	1.73 (108%)
2	Pasighat	1.28	1.49 (116%)	1.53	1.52 (99%)	2.04	1.69 (83%)	2.07	1.52 (73%)	1.79	1.28 (72%)
3	Itanagar	3.72	3.90 (105%)	3.35	3.47 (103%)	4.56	3.91 (86%)	5.07	3.86 (76%)	4.43	3.33 (75%)
4	Bomdila	1.23	0.81 (66%)	1.04	0.62 (60%)	1.16	0.86 (74%)	1.25	0.73 (58%)	1.47	0.55 (37%)
5	Aalo	1.48	1.76 (119%)	1.59	2.00 (126%)	1.94	1.84 (95%)	2.12	1.86 (88%)	2.21	1.48 (67%)
<b>Total</b>		<b>8.82</b>	<b>9.4</b>	<b>8.92</b>	<b>9.14</b>	<b>11.78</b>	<b>10.07</b>	<b>12.77</b>	<b>10</b>	<b>11.50</b>	<b>8.37</b>

(Source: Departmental records) Note: T- Target, A- Achievement

A test check of records in the above five stations revealed that the percentage achievement in revenue collection was decreasing in all the stations except Namsai station. Bomdila showed the lowest revenue collection (37 per cent to 58 per cent) during the last two years (2014-16) followed by Pasighat station (72 per cent to 73 per cent) and Itanagar station (75 per cent to 76 per cent).

The reasons for non-achievement of targets was non-revision of fares, decreasing trend of operation of on-road buses (from 153 buses in 2011-12 to 140 buses in 2015-16), decrease in size of fleet (231 in 2011-12 and 213 buses in 2015-16), no addition to the fleet, non-operationalisation of new routes, etc.

The Department replied that funds were not allocated by the Government in time and running of buses was affected due to non-receipt of funds.

The reply of the Department is not correct as allocation of funds had actually steadily increased from ₹ 61.67 crore in 2011-12 to ₹ 110.66 crore in 2015-16. Moreover, the Department had not been able spend all the allocated funds as is detailed in **paragraph 5.2.8.1.**

#### **5.2.8.5 Delay in remittance of daily revenue collections**

Central Treasury Rules, Vol-I, Section 7 (1) states that all the moneys received by or tendered to Government Officers on account of the revenue of the Central Government/State Government shall without undue delay be paid in full into a Treasury and shall be included in the Accounts of the Central Government/State Government.

Audit observed that in the absence of any standing orders to the Station Superintendents regarding the periodicity of deposits of revenue collections, the Station Superintendents of Itanagar, Bomdila and Aalo remitted revenue collections into the Treasury/ Government Account after a delay which ranged between 11 days and 135 days despite availability of treasury within their jurisdiction.

The Department replied that the funds are retained for incurring miscellaneous expenditure like repairs of emergency nature.

The reply of the Department is not acceptable as incurring of expenditure out of Government revenue was neither in accordance with principles of budgetary control nor

was in conformity with financial rules and the expenditure was also incurred without legislative sanction.

### 5.2.8.6 Non-recovery of hire charges and postal mail carrying charges

APSTS had not recovered a substantial amount of postal mail carrying charges and hire charges<sup>16</sup> amounting to ₹ 287.72 lakh from the Department of Post and other parties. The position of outstanding hire and postal mail carrying charges in five test selected stations during the period 2011-12 to 2015-16 was as given in following table:

**Table 5.2.7**

(₹ in lakh)

Hire charges and Postal mail carrying charges							
Station	Opening balance	2011-12	2012-13	2013-14	2014-15	2015-16	Closing balance
Namsai	3.57	8.60	4.77	5.90	3.93	3.13	<b>29.90</b>
Pasighat	-	-	0.65	-	-	0.06	<b>0.71</b>
Itanagar	41.21	11.08	2.34	19.67	13.57	16.73	<b>104.60</b>
Bomdila	2.76	-	0.62	0.17	0.85	-	<b>4.40</b>
Aalo	-	-	-	-	0.53	2.10	<b>2.63</b>
<b>Total</b>	<b>47.54</b>	<b>19.68</b>	<b>8.38</b>	<b>25.74</b>	<b>18.88</b>	<b>22.02</b>	<b>142.24</b>

(Source: Departmental records)

The Department needs to take effective steps for recovery of the outstanding charges and consider allowing hiring of buses only after obtaining security deposit/ advance payment, etc, to avoid outstanding hiring charges in future.

### 5.2.8.7 Outstanding Revenue from Indian Railways

APSTS has been operating Passenger Reservation System (PRS) counters at four locations in the State for sale of railway tickets at a commission of two *per cent* on the total amount of net sale proceeds of tickets. APSTS is required to submit monthly bills to the Railways within the 15<sup>th</sup> of the next month to claim the commission.

The outstanding revenue from Indian Railways on account of PRS during the period from 2011-12 to 2015-16 was as under:

**Table 5.2.8**

(₹ in lakh)

Sl. No.	Station	Opening balance	2011-12	2012-13	2013-14	2014-15	2015-16	Total Dues	Dues received	Outstanding amount at the end of the year
1	Itanagar	1.23	3.30	4.09	4.47	5.04	5.67	23.80	11.73	<b>12.07</b>
2	Pasighat	1.62	0.88	0.40	0.94	1.08	0.45	5.37	2.08	<b>3.29</b>
3	Bomdila	2.76	0.35	0.42	0.49	0.75	0.56	5.33	1.39	<b>3.94</b>
4	Ziro	-	-	-	-	0.57	0.44	1.01	-	<b>1.01</b>
<b>Total</b>		<b>5.61</b>	<b>4.53</b>	<b>4.91</b>	<b>5.90</b>	<b>7.44</b>	<b>7.12</b>	<b>35.51</b>	<b>15.20</b>	<b>20.31</b>

(Source: Departmental records)

Audit observed that out of ₹ 35.51 lakh due from four PRS, APSTS had received only ₹ 15.20 lakh and the balance amount of ₹ 20.31 lakh was outstanding from the Indian

<sup>16</sup> APSTS provides services to the Department of Post for carrying postal mail bags and also provides its buses on hire to Government Departments/Private Parties/Individuals.

Railways at the end of March 2016. The APSTS needs to pursue the outstanding with the railways to recover the outstanding revenue.



**5.2.8.8 Non-identification of vacant land for commercial use**

Operation of traffic forms the main revenue component of APSTS. However, APSTS can mitigate the decline in revenue earnings to some extent from non-traffic revenue sources also. The APSTS has a huge piece of vacant land measuring 2370.34 sq. mtr at Tinsukia Station which could have been used for generating some revenues as well.

During the period under review from 2011-12 to 2015-16, APSTS had not assessed the possibility of using the surplus and vacant areas in each station for non-traffic revenue sources as pointed out in the Performance Audit Report of APSTS for the period 2004-05 to 2008-09 (featuring in Audit Report of 2009).

APSTS proposed ₹ 5 crore in the Annual Operating Plan (2014-15) for development of state of the art public infrastructure at Naharlagun and Tinsukia but no further development on this proposal was noticed in Audit. The vacant area at Tinsukia thus remained unutilised for more than 15 years since it was acquired (2001).

The photographs of surplus unused vacant land in two stations are shown below.

	
<p><b>Photograph showing unutilised vacant land at Tinsukia Sub-station</b></p>	<p><b>Photograph showing vacant area at Naharlagun station</b></p>

Thus, APSTS needs to take steps for assessment of vacant land for utilising the same for earning revenues for the State.

*The Department replied that sufficient funds were not available for development of the vacant land. This year (2016-17) an amount of ₹ 50 lakh was kept in State Annual Development Agency (SADA) for consultancy purposes for thorough study of vacant land.*

The progress in the matter will be awaited in audit.

**5.2.8.9 Fare policy and revision of fares**

**5.2.8.9.1 Non-revision of fares**

The fare structure should be reviewed in a timely manner after taking into consideration the increase in price of HSD, spare parts etc so as to arrest the adverse financial burden on the State Transport Undertakings and also for growth and development of the transport system in the State. It was seen that the fares were revised by APSTS during July 2006 and January 2011. The Department had submitted (November 2014) a

proposal for revision of the fares to the Secretary (Transport), GoAP from ₹ 1.25 per km/seat to ₹ 1.75 per km/seat considering the price hike of 61 *per cent* to 64 *per cent* on the price of High Speed Diesel (HSD), spare parts, etc., but no fare revision has been effected by the Government even after a lapse of five years from the date of last revision. The financial impact due to non-revision of fare by the Government for one year period of 2015-16 was ₹ 6 crore<sup>17</sup>. The non-revision of the fares had resulted in dwindling revenues of APSTS which hampered the growth and development of transport services in the State.

Thus, there is a need for periodical review of fares to ensure optimum operations of the transport services offered by APSTS.

### 5.2.8.9.2 Concessional policy

APSTS provides transport services to the common masses and offers special services such as concessional fares to the office goers and students, free travel for blind/physically challenged, freedom fighters, etc.

During the last five years, out of five test checked stations, APSTS had implemented concessional fares in capital complex area in Itanagar Station for office employees and students. In other four stations, the concessional fares for physically challenged people, senior citizens, freedom fighters and national award winning persons, etc. had not been implemented; thereby defeating the social objectives of APSTS.

## 5.2.9 Operational inefficiencies

### 5.2.9.1 Cost of operations

A year-wise detail of operation cost *vis-à-vis* the revenue earned by APSTS during the five year period from 2011-12 to 2015-16 was as given in following table:

**Table 5.2.9**

Sl. No.	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
1	Operating Revenue (₹ in lakh)	1377	1388	1497	1600	1289
2	Operating Cost (₹ in lakh)	2853	3403	4259	2996	2958
3	<b>Operating loss (₹ in lakh) [(2) – (1)]</b>	<b>1476</b>	<b>2015</b>	<b>2762</b>	<b>1396</b>	<b>1669</b>
4	Total effective Kms operated (in lakh)	73.25	72.34	75.19	77.13	70.26
5	Operating revenue per Km (₹) [(1) ÷ (4)]	18.80	19.19	19.91	20.74	18.35
6	Operating Cost per Km (₹) [(2) ÷ (4)]	38.95	47.04	56.64	38.84	42.10
7	Employee Cost (₹ in lakh)	2105	2082	2108	2844	2708
8	<b>Operating cost as a percentage of operating revenue [(2) ÷ (1) X 100]</b>	<b>207</b>	<b>245</b>	<b>285</b>	<b>187</b>	<b>229</b>
9	<b>Employee cost as a percentage of operating cost [(7) ÷ (2) X 100]</b>	<b>74</b>	<b>61</b>	<b>49</b>	<b>95</b>	<b>127</b>

(Source: Operational and financial data of APSTS (excluding JnNURM buses)

<sup>17</sup> Passenger revenue loss during 2015-16= (Passenger revenue earned /Passenger fare per seat) x increase in passenger fare= ₹ 15.03 crore/₹ 1.25 x ₹ 0.50= ₹ 6 crore.

From the table above, it can be seen that the operating cost of APSTS for five years ranged between 187 per cent (2014-15) and 285 per cent (2013-14) of the operating revenue for the respective corresponding years. The average cost of employees<sup>18</sup> worked out to ₹ 23.69 crore during the period of review. The high staff cost with low earnings over the years has rendered APSTS to run in a loss ranging between ₹ 13.96 crore and ₹ 27.62 crore during the period 2011-12 to 2015-16. High employee cost alone constituted 49 per cent (2013-14) to 127 per cent (2015-16) of the total operating cost during 2011-12 to 2015-16. Consequently, the operating revenue was not able to meet even the employee cost in all the years. In fact the employee cost had sharply increased in the last two years (2014-16). The operating losses due to high cost of operation had accumulated to ₹ 9.31 crore during the five year period.

### **5.2.9.2 Fleet strength and utilisation**

Year-wise position of fleet<sup>19</sup> strength and its utilisation during the five years from 2011-12 to 2015-16 was as given in following table:

**Table 5.2.10**

Sl. No.	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
1	Total number of buses at the end of the year	210	204	197	203	192
2	Total number of buses on road	153	148	143	147	140
3	Fleet utilisation (in per cent) [(2) ÷ (1) X 100]	72.86	72.55	72.59	72.41	72.92
4	Total effective kilometres operated (in lakh)	<b>73.25</b>	<b>72.34</b>	<b>75.19</b>	<b>77.13</b>	<b>70.26</b>
5	Total number of passengers travelled (in lakh)	14.83	14.09	13.91	14.97	12.66
6	Average number of Passengers travelled per bus per day { (5) ÷ [(1) x 365]}	19.35	18.92	19.35	20.21	18.06
7	Average KMs operated by per bus per day (viz., vehicle productivity) {(4) ÷ [(1) X 365]}	96	97	105	104	100

(Source: Operational data of APSTS (excluding JnNURM buses))

The fleet strength of APSTS had decreased from 210 in 2011-12 to 192 buses in 2015-16. During the same period, the number of on- road buses had also reduced from 153 in 2011-12 to 140 during the year 2015-16 which resulted in corresponding fall in kilometre operated to 70.26 lakh from 73.25 lakh and consequently fall in revenues of APSTS.

Thus, there is scope for further improvement in fleet utilisation and availability of on-road buses considering the demand for new routes and the high number of unconnected villages by better route planning.

### **5.2.9.3 Capacity Utilisation and Occupancy Ratio**

The Occupancy Ratio (Load Factor) represents the percentage of passengers carried to seating capacity per bus. Scheduling of commercial operations is decided after proper study of routes under operation, trends relating to number of passengers travelled, fleet availability, operations of private players on the route, etc. Further, periodical review and

<sup>18</sup> APSTS had 809 employees on its rolls as on 31 March 2016.

<sup>19</sup> The fleet does not include JnNURM buses: 21 in 2011-12; 21 in 2012-13, 21 in 2013-14; 21 in 2014-15; 21 in 2015-16.

revision of scheduling based on the requirement are equally important to improve the Occupancy Ratio.

APSTS had not conducted any study to improve rationalisation of routes to maximise its performance. Moreover, APSTS had neither maintained route-wise nor bus-wise details of the occupancy ratio which would facilitate management to rationalize its services to improve its performance.

*The Department accepted (December 2016) the need to analyse the reasons for low occupancy ratio. Moreover, the routes are set on social reasons and not on economical parameters.*

#### 5.2.9.4 Manpower cost

Employee cost (operating) mainly consisting of salaries and allowances of drivers and conductors ranged between 32.37 *per cent* (2012-13) and 41.37 *per cent* (2014-15) of the total expenditure of APSTS during the last five years. Position of drivers and conductors during the five year period from 2011-12 to 2015-16 was as given in following table:

**Table No. 5.2.11**

Details	2011-12	2012-13	2013-14	2014-15	2015-16
Nos. of Buses	231	225	218	224	213
Drivers and Conductors required as per norm <sup>1</sup>	489	477	469	464	442
Nos of Drivers and Conductors in position	454	454	454	454	454
Shortage (-)/Excess (+)	(-) 35	(-)23	(-)15	(-)10	+12
Employee cost (of drivers/conductors) (₹ in lakh)	21.05	20.82	28.76	28.44	36.93
Total expenditure (₹ in lakh)	60.61	64.31	75.08	68.75	91.44
Employee cost to total expenditure ( <i>Per cent</i> )	<b>34.73</b>	<b>32.37</b>	<b>38.30</b>	<b>41.37</b>	<b>40.39</b>

(Source; Departmental Records)

It can be seen from above that during 2011-12 to 2014-15 there was a shortfall in deployment of drivers and conductors, however in 2015-16, 12 drivers were in excess of the norm.

A review of the deployment of drivers and conductors in different stations revealed that out of 15 stations, there was a shortage ranging between 24 and 38 drivers in 8 to 10 stations whereas in 4 to 6 stations there was excess deployment of 9 to 14 drivers. Similarly, in respect of conductors, there was a shortage ranging between 10 and 17 conductors in 4 to 9 stations whereas in 3 to 9 stations there was an excess deployment of 11 to 16 conductors. The above uneven deployment of drivers and conductors did not indicate optimum utilisation of available manpower in APSTS.

Thus, there is a need for rationalisation of redeployment of drivers/conductors to mitigate shortages in some of the stations.

#### 5.2.9.5 Excess Expenditure on fuel consumption

Fuel cost is one of the major components of cost of operation in transport services. The fuel cost in APSTS ranged between 43 *per cent* (2015-16) and 63 *per cent* (2014-15) of



the operating cost<sup>20</sup> of APSTS. The position of fuel consumption against the above average consumption during the five year period from 2011-12 to 2015-16 was as given in following table:

**Table 5.2.12**

Sl. No.	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	Total
1	Kilometre covered (in lakh)	76.46	75.17	79.39	80.79	73.31	385.12
2	Actual (KMPL)	2.47	2.30	2.58	2.48	2.56	
3	Target consumption (litre in lakh) (Kilometer covered/ Average consumption of fuel <sup>21</sup> )	25.07	24.65	26.03	26.49	24.04	126.28
4	Actual Consumption (litre in lakh) (1/2)	30.96	32.69	30.74	32.50	28.57	155.46
5	Excess consumption( litre in lakh) (4-3)	5.89	8.04	4.71	6.01	4.53	29.18
6	Cost per litre(in ₹ )	45	45	52	60	60	
7	Expenditure as per average consumption of fuel (₹ in lakh)	1128.15	1109.25	1353.56	1589.40	1442.40	6622.76
8	Expenditure on actual consumption of fuel (₹ in lakh) (4x6)	1393.20	1471.05	1598.48	1950.00	1714.20	8126.93
9	Excess expenditure on fuel consumption (₹ in lakh) (5x6)	265.05	361.80	244.92	360.60	271.80	1504.17
10	Excess expenditure ( in per cent)	23	33	18	23	19	23

(Source: Departmental records)

It can be seen from the table above that the actual fuel consumption far exceeded the average consumption by 4.53 lakh litres to 8.04 lakh litres during the last five years. The financial implication due to such excess consumption of fuel over the average consumption ranged between ₹ 244.92 lakh (2013-14) and ₹ 361.80 lakh (2012-13). The total expenditure due to excess fuel consumption over the average consumption for the five years was ₹ 1504.17 lakh.

Thus, there is a need to identify cases of abnormally high consumption of fuel and take corrective measures for optimising variable cost and improving financial position of APSTS.

<sup>20</sup> Operating Cost:

2011-12 – ₹ 3029 lakh (61 per cent); 2012-13- ₹ 3520 lakh (56 per cent); 2013-14- ₹ 3622 lakh (57 per cent);

2014-15- ₹ 3139 lakh (63 per cent) and 2015-16- ₹ 4365 lakh (43 per cent).

<sup>21</sup> Average consumption of fuel considered by APSTS for regulating the consumption of fuel and operational efficiency of the fleet of the buses had been fixed at ₹ 3.05 KMPL (2011-12).

### 5.2.9.6 Weak inventory management

The position of idle spare parts in five selected stations as on March 2016 was as given in following table:

**Table 5.2.13**

(₹ in lakh)

Station	Total no. of spare parts	Amount (₹)	Nos. of idle spare parts (%)	Period and no. of stock lying idle in store				Amount (₹)
				2 years	3 years	4 years	5 years	
Namsai	223	30.06	31(14%)	14	7	5	5	3.70
Pasighat	134	19.19	27(21%)	17	7	-	3	4.14
Itanagar	94	16.48	-	-	-	-	-	-
Bomdila	268	34.39	89(33%)	-	53	1	35	8.22
Aalo	307	50.57	61(20%)	-	27	13	21	4.94
<b>Total</b>	<b>1024</b>	<b>150.69</b>	<b>208 (20%)</b>	<b>31</b>	<b>94</b>	<b>19</b>	<b>64</b>	<b>21.00</b>

(Source: Departmental records)

It can be seen above that as on 31 March 2016, five selected stations had a total of 1024 numbers of spare parts valued ₹ 150.69 lakh. Out of these, 208 numbers of spare parts (20 per cent of total number of spare parts) valued ₹ 21.00 lakh were lying idle/unused in four stations for a period ranging between two and five years. The number of idle spare parts valuing ₹ 8.22 lakh was the highest in Bomdila station (89 spare parts).

Thus, there is a need for an integrated inventory management system in APSTS covering all the stations for monitoring the stock of spare parts held by each station to ensure judicious distribution and efficient utilisation. This would also facilitate a more scientific assessment of requirement and efficient distribution of spare parts among various stations.

### 5.2.9.7 Functioning of Central Workshop, Karsingsa

The Central Workshop (CWS) at Karsingsa was set up with the objective to undertake repairs of major complaints, body repairs and aggregates, store and dispatch spare parts, resole tyres and to look after all technical related matters besides ensuring economy in repairs and maintenance. The Central Workshop consists of technical staff 33 members to attend to vehicle complaints and resole production.

As per the GoAP direction (July 2004), the major and minor complaint repair cases should be executed within one month from the date of the registration of complaint.

Audit observations are discussed in the following paragraphs.

#### 5.2.9.7.1 Status of repair and maintenance

The position of repairs of buses in CWS during the five years from 2011-12 to 2015-16 is given in the following table:

**Table 5.2.14**

Year	Nos. of repair cases in CWS	Nos. of outsourced repair works in CWS	Expenditure (₹ in Crore)	% of outsourced by CWS	No. of repair works of stations	Total outsourced works by the stations	Exp. (₹ in Crore)	% of outsourced work
2011-12	440	52	1.50	12	350	261	2.73	75
2012-13	414	12	0.32	3	426	255	3.95	60
2013-14	409	36	0.45	9	424	252	5.38	59
2014-15	210	29	0.39	14	360	282	3.89	78
2015-16	73	8	0.11	11	417	388	8.66	93
<b>Total</b>	<b>1546</b>	<b>137</b>	<b>2.77</b>	<b>9</b>	<b>1976</b>	<b>1438</b>	<b>24.61</b>	<b>73</b>

(Source: Departmental records)

From the above it is clear that:

- CWS, Karsingsa outsourced 137 engine overhauling works involving an expenditure of ₹ 2.77 crore to private firms due to lack of infrastructure such as Fuel Injection Pump (FIP) unit for calibration of engine, lathe machine, etc.
- In five selected stations, 1438 works (73 per cent) were outsourced to the private firms involving an expenditure of ₹ 24.61 crore<sup>22</sup>.
- The repair works done through private firms showed an increasing trend in five selected stations during the five years.

APSTS had not devised any guidelines or procedure to be followed on outsourcing of the repair works to private firms. Thus, the purpose of setting up of CWS, Karsingsa with a technical staff of 33 to achieve economy in repair works remained unachieved in view of the increase in outsourcing of work to private firms.

#### 5.2.9.7.2 Shortfall in resoling of tyres

The Tyre Retreading Plant (TRP) of APSTS has been set-up with a capacity to resole 2400 tyres *per annum* by utilising existing manpower of 12 employees (8 nos. of tyres per day).

The capacity utilisation of the TRP during the period 2011-12 to 2015-16 is given in the following table:

**Table 5.2.15**

Year	Opening Balance	No. of tyres received for resoling	Total no of resoling required	No. of tyres resoled	Shortfall	Average tyre resoled per day
2011-12	-	1434	1434	1283	151	4
2012-13	151	1513	1664	1188	476	3
2013-14	476	1407	1883	785	1098	2
2014-15	1098	890	1988	641	1347	2
2015-16	1347	166	1513	297	1216	1
<b>Total</b>		<b>5410</b>	<b>8482</b>	<b>4194</b>	<b>4288</b>	

(Source: Departmental records)

<sup>22</sup> Itanagar Pasighat Aalo Namsai Bomdila Expenditure (₹ in crore)

2011-12	112	7	71	9	62	2.73
2012-13	164	3	6	11	71	3.95
2013-14	132	4	15	14	87	5.38
2014-15	178	11	25	16	52	3.89
2015-16	240	5	31	14	98	<u>8.66</u>
						<u>24.61</u>

It can be seen from the table above that TRP did not operate to its full capacity of resolving the tyres in any of the five years from 2011-12 to 2015-16. Against the capacity of eight resoloes per day, the TRP had been able to resoloe an average of only one to four tyres per day.

Thus, TRP, Karsingsa remained underutilised in the audit period which had also contributed to off road buses.

*The Department replied that timely funds were not received for purchase of materials and steps are being taken to improve the working of CWS.*

### 5.2.9.8 Non-availability of safety equipment

Safety equipment such as first aid kits, fire extinguishers and speed governors<sup>23</sup> are required to be provided in vehicles as preventive measures to ensure safety of passengers.

Audit observed that in 128 buses of the selected stations first aid boxes was found only in 6 buses (3 each in Namsai and Pasighat), fire extinguishers were provided only in six buses, whereas, speed governor were provided only in one bus.

Thus, safety requirement for buses were not complied with in almost all the buses in the selected five stations.

## 5.2.9 Monitoring and Evaluation

### 5.2.9.1 Inadequate inspection/line checking of buses

As a part of monitoring of its operations, the Senior Station Superintendents/Station Superintendents (SSs) and Assistant Station Superintendent (ASSs) were to conduct surprise checks of APSTS buses twice and thrice in a week so as to arrest revenue pilferage. State Government further instructed (October 2013) that each Station Superintendent was to undertake checking/inspection of buses at least thrice a week.

The number of inspection/checking of buses conducted by the SS of five stations (2011-12 to 2015-16) was negligible as shown in the following table:

**Table 5.2.16**

Station	No. of Routes	No. of Inspection as per norms <sup>24</sup>	No. of inspection carried out	Shortfall in inspection
Namsai	9	12960	8	12952
Pasighat	9	12960	36	12924
Itanagar	21	30240	280	29960
Bomdila	6	8640	34	8606
Aalo	13	18720	0	18720
<b>Total</b>	<b>58</b>	<b>83520</b>	<b>358</b>	<b>83162</b>

(Source: Departmental records)

<sup>23</sup> A speed governor is a device that sets and limits top speed of the vehicle.

<sup>24</sup> Weekly Checking as per norms = 3 times, i.e, in a month= 3 x 4 weeks= 12 times.

For 1 month= 12 x no. of routes x 2(onward and return journey) = No. of checkings in a month for all routes (onward and return journey).

It can be seen that as against the required number of 83,520 inspections, only 358 inspections were conducted. Thus, the Department had conducted only negligible inspections against the requirement.

During inspections a penalty<sup>25</sup> of ₹ 6.03 lakh (Itanagar Station- ₹ 5.85 lakh and Pasighat Station- ₹ 0.18 lakh) had been imposed during the period 2011-12 to 2015-16 on the erring conductors which had not been recovered so far.

This indicated a weak enforcement mechanism within APSTS.

*In reply, the Department stated (December 2016) that necessary inspections are undertaken by officers/inspecting officers. The issue of non recovery of imposed penalty would be taken care of.*

The reply is not acceptable as the inspections carried were abysmally low at 358 (0.4 per cent) during the five years period which was in contravention of the Government orders. Further, the details regarding recovery of penalty are still awaited.

#### **5.2.9.2 Monitoring and Evaluation by management**

APSTS did not have any manual for operations, accounts, administration, internal control and monitoring. Thus APSTS did not have an effective monitoring and evaluation mechanism in place as was also evident from the following instances pointed out in this Performance Audit Report; (i) purchases beyond delegation and splitting of purchase orders to avoid sanction of competent authority (*Paragraph No. 5.2.8.3.1*); (ii) APSTS did not spend full amount of allocated funds and purchased spare parts on credit (*Paragraph No. 5.2.8.1 & 5.2.8.2*); (iii) repair works were outsourced to private parties without referring to Central Workshop (*Paragraph No. 5.2.9.7.1*); (iv) daily remittances of revenue were delayed upto period of 135 days (*Paragraph No. 5.2.8.5*); (v) fuel consumption was in excess of the average requirement (*Paragraph No. 5.2.9.5*) and (vi) spare parts were lying idle for period ranging between two and five years (*Paragraph No. 5.2.9.6*).

Further, it was also observed that APSTS had not fixed target and norms for various operational parameters such as fleet utilisation, vehicle productivity, load factor, cost per kilometre, etc. No norms were fixed for average consumption of fuel, operational life of tyres/ engines and resoling of tyre per day according to its capacity.

#### **5.2.10 Conclusion**

APSTS has not formulated State Transport Policy for systematic growth of public transport system in the State to take care of growing demand for public transport in rural and urban areas of the State. 729 villages out of 1414 villages in five selected stations were left outside the public transport system.

Delegation of financial powers was not adhered to and purchase orders were split into several bills to avoid obtaining concurrence of Finance Department of GoAP. APSTS

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<sup>25</sup> Penalty for carrying passengers without ticket or partial payment of actual bus fare ₹ 50 @ ₹ 200, carrying passengers without ticket/partial payment of actual bus fare from ₹ 51 to ₹ 200 @ ₹ 600 and for carrying passengers without ticket/partial payment of actual bus fare from ₹ 201 to ₹ 500 @ ₹ 1000 and for conductor tampering of ticket/amount to be treated as misappropriation case.

resorted to credit purchases in excess of allotment of funds ranging between ₹ 6.16 crore and ₹ 25.08 crore and incurred heavy liabilities without approval of competent authority.

APSTS did not revise fares at regular periods to enable sustained growth in public transport systems in the State. Substantial repair works were outsourced to private firms in five selected stations and CWS involving an average expenditure of ₹ 5.48 crore per year.

### 5.2.11 Recommendations

The recommendations are that the Department may:

- formulate a State Transport Policy to increase coverage of the state public transport system in a time bound manner.
- streamline the budgetary processes of APSTS so that realistic budget estimates are prepared.
- strengthen financial and expenditure control in the APSTS with a view to ensuring the adherence to rules on tendering and payment procedures.
- initiate steps for utilisation of its surplus land, and
- devise a system by which fares are revised periodically to enable APSTS optimize its operations with sustained growth of public transport system in the State.

### Arunachal Pradesh Mineral Development & Trading Corporation Limited (APMDTCL)

### 5.3 Loss of Revenue

**Failure of the Company to revise the coal price in accordance with rates revised by Coal India Limited, in time, resulted in loss of revenue amounting to ₹ 19.88 crore. Besides, an amount of ₹ 11.69 crore which was outstanding against the extraction contractor on account of revision of prices of coal had not been recovered till February 2017.**

Arunachal Pradesh Mineral Development and Trading Corporation Limited (Company), entered (April 2007) into an agreement with M/s National Mining Company Limited (herein after called the extraction contractor), Tinsukia, for extraction and sale of coal in Namchik-Namphuk coal mines for a period of five years i.e up to 3/4/2012 (extended upto 4/7/2012). As per agreement, the extraction contractor was entitled to such price for extraction and sale of the coal as would be fixed by the Company on the basis of sales prices notified by Coal India Limited (CIL) from time to time.

Scrutiny of records of the Company (December 2015) revealed that CIL revised (31/1/2012) the sale price of coal from existing rates of ₹ 1050 and ₹ 950 Per MT for Grade B<sup>26</sup> and Grade C<sup>27</sup> to ₹ 2800 and ₹ 1960 per MT respectively with effect from 1/1/2012. However, the Company revised the above rates retrospectively (from 1/1/2012) vide Notification No. MDTC/FR/188/2012/416-17 on 11 January 2013 i.e. after a delay of more than 11 months.

<sup>26</sup> Useful Heat Value exceeding 5600 but not exceeding 6200 is Grade B coal.

<sup>27</sup> Useful Heat Value exceeding 4940 but not exceeding 5600 is Grade C coal.

The Company accordingly requested (January 2013 and July 2014), the extraction contractor to recover from the buyers the differential sales value, on account of retrospective revision of sales price, of the coal amounting to ₹ 31.57 crore (**Appendix-5.3.1**) against the sale of 1,55,677 MT of coal during the period from 1/1/2012 to 19/5/2012. (₹ 19.88 crore against the sale of 1,01,036 MT of coal during the period 1/1/2012 to 31/3/2012 and ₹ 11.69 crore for sale of 54,640 MT of coal during the period from 4/4/2012 to 19/5/2012).

In response (February 2015), the extraction contractor stated that notification for revising the sale price was issued one year after the sales were made and it was not practicable to recover the differential sale value from numerous buyers. However, the extraction contractor agreed to pay the revised sale price with effect from 4 April 2012 pertaining to the extended three months having a differential sale value of ₹ 11.69 crore in respect of coal sold (54640 MT) during the period from 4/4/2012 to 19/5/2012. The extraction contractor also requested the Company to forgo the revised differential sales value of ₹ 19.88 crore pertaining to sale price with effect from 1/1/2012 to 3/4/2012. A five member committee constituted to reconcile the accounts with the extraction contractor recommended (February 2015) to accept the plea of the extraction contractors to forego the revised sales value of ₹ 19.88 crore for sales pertaining to 1/1/2012 to 31/3/2012 and recover only differential sale value of ₹ 11.69 crore for coal sold during the period from 4/4/2012 to 19/5/2012.

In this connection following observations are made:

- The Company delayed the issue of revised price notification inordinately by 11 months resulting in non-recovery ₹ 31.57 crore out of which the Company had accepted to forego ₹ 19.88 crore as the same could not be recovered from the buyers by extraction contractors. Thus, the Company had foregone a revenue of ₹ 19.88 crore due to its failure to issue notification for revision in coal prices in line with CIL rates in time.
- Although the extraction contractor had accepted payment of the balance amount of ₹ 11.69 crore representing the differential amount of sale of coal during the period from 4/4/2012 to 19/5/2012, the same had not been recovered from the extraction contractor so far. The Company had proposed (February 2015) that out of this, an amount of ₹ 8.90 crore<sup>28</sup> payable to the extraction contractor would be adjusted and only ₹ 2.79 crore would be actually recoverable from the extraction contractor. However, recovery/adjustment of the same was not intimated to audit.

In response, the Company accepted the Audit observation and stated that utmost effort was put to recover the revenue loss of ₹ 22.67 crore (₹ 19.88 crore + ₹ 2.79 crore) from the extraction contractor even at Government level (August 2016).

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<sup>28</sup> Represents Company's liabilities to NMCL on account of advance deposited by various parties through NMCL but coal not lifted (₹ 3.63 crore), extraction charges on unsold coal stock (₹ 4.45 crore) and security deposit (₹ 0.60 crore) less bills pending against NMCL towards cost of explosive consumed (₹ 0.22 crore).

The GoAP also stated that the committee's recommendation to forgo the differential sales value had been submitted before the competent authority for a decision and the issue would be settled on receipt of the decision (September 2016).

The fact, however, remains that due to failure in issuing notification of revised sale price of coal in line with CIL rate notification in time, the Company has suffered revenue loss on account of differential sale value of ₹ 19.88 crore, and also failed to recover the agreed amount of ₹ 11.69 crore till February 2017.





**CHAPTER – VI**  
**FOLLOW-UP OF AUDIT**  
**OBSERVATIONS**



## CHAPTER-VI: FOLLOW UP OF AUDIT OBSERVATIONS

### 6.1 Follow-up action on Audit Reports

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

As per decision taken in the national level conference on “Legislature Audit Interface” held in July 2010, State PAC/CoPU had 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 2016).

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 2014-15, it was noticed that the concerned Administrative Departments did not comply with the time frame. As of March 2016, *suo moto* Explanatory Notes on 157 Paragraphs of the Audit Reports were outstanding from various Departments (**Appendix-6.1.1**).

The Administrative Departments were also required to take suitable action on the 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 68<sup>th</sup> Report. Review of 16 Reports of the PAC containing recommendations on 90 Paragraphs in respect of 25 Departments included in Audit Reports and presented to the Legislature between September 1994 and September 2015 revealed that no Departments sent any ATNs to the Assembly Secretariat as of March 2016. 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-6.1.2**).

### 6.2 Audit Committee Meeting

No Audit Committee Meeting was held during 2015-16.

### 6.3 Response to Audit Observations

**3,774 Paragraphs pertaining to 702 Inspection Reports, involving ₹ 1633.80 crore were outstanding as of March 2016 and first replies to the 231 Inspection Reports have not been received.**

Principal Accountant General (PAG) 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 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 2016, 3,774 Paragraphs relating to 702 IRs pertaining to 337 offices of 57 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 164 offices for 231 IRs issued between 1991-92 to 2015-16. A review of outstanding IRs in three Departments indicated serious irregularities which were pending settlement as given below:

(₹ in lakh)


Sl. No	Nature of irregularities	Animal Husbandry & Veterinary		Rural Works Department		Water Resources Department	
		No. of Para	Amount	No. of Para	Amount	No. of Para	Amount
1	Unfruitful Expenditure	1	25.00	4	725.89	1	359.41
2	Avoidable Expenditure	1	6.48	3	267.57		
3	Violation of Prescribed Government norms	1					
4	Execution of work without inviting tender	1		2	242.67	2	117.81
5	Short realization of VAT/Security deposit	1	1.71	20	1575.18	4	21.91
6	Idle investment	2	57.00	1	239.93		
7	Doubtful Expenditure	1	13.00	7	332.21	2	89.70
8	Non accountal of closing balance	1	16.91				
9	Excess Expenditure			8	1239.81	4	1453.46
10	Undue favour to contractor			7	354.35	1	160.17
11	Diversion of Government money			1	138.97	2	130.45
12	Execution of work without provision in original estimate			1	1.17	1	40.00
13	Irregular/Inadmissible expenditure			9	1463.35	1	18.09
14	Short/Less utilization of materials			1	2.75	1	
15	Delay in completion of work			1			
16	Unauthorized Expenditure			3	12.95		
17	Diversion from Technical sanction			8	235.75		
18	Expenditure exceeding prescribed Limits			12	633.18		
19	Short/ non execution of items work			2	28.20		
20	Wanting Records			2	77.90		
21	Irregular grants of Mobilization advance			1	12.06		
22	Non imposition of liquidated damage			3	544.74		
23	Observation on CSS			4	867.52		

Sl. No	Nature of irregularities	Animal Husbandry & Veterinary		Rural Works Department		Water Resources Department	
		No. of Para	Amount	No. of Para	Amount	No. of Para	Amount
24	Improper issue of materials/excess procurement			3	21.09		
25	Irregular issue of work order			1	246.14		
26	Other minor irregularities	8		32	180.97	4	
<b>Total</b>		<b>17</b>	<b>120.10</b>	<b>136</b>	<b>9444.35</b>	<b>23</b>	<b>2391.00</b>

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


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

**Itanagar**  
**Dated: the**

  
**(John K. Sellate)**  
**Principal Accountant General**  
**Arunachal Pradesh**

**Countersigned**

**New Delhi**  
**Dated: the**

  
**(Shashi Kant Sharma)**  
**Comptroller and Auditor General of India**



# **APPENDICES**





**Appendix-1.2.1***(Reference: Paragraph 1.2.8.2)***Statement showing position of availability of basic amenities**

✓ Available; ✗ – Not available

	Weighing Machine	Functional toilet	Separate toilet For male and female	Water Supply	Storage of Water	Electricity	Power back up
<b>District Hospital</b>							
Lohit	✓	✓	✓	✓	✓	✓	✓
East Siang	✓	✓	✓	✓	✓	✓	✓
Lower Subansiri	✓	✓	✓	✓	✓	✓	✗
East Kameng	✓	✓	✓	✓	✓	✓	✓
<b>Community Health Centre</b>							
Mebo	✓	✓	✓	✓	✓	✓	✓
Ruksin	✓	✓	✓	✓	✓	✓	✓
Old Ziro	✓	✓	✓	✓	✗	✓	✗
Yazali	✓	✓	✓	✓	✗	✓	✗
Seijosa	✓	✓	✓	✓	✗	✓	✗
Pakke Kessang	✓	✓	✓	✓	✗	✓	✗
<b>Primary Health Centre</b>							
Wakro	✓	✓	✓	✓	✗	✓	✓
Loiliannng	✓	✓	✓	✗	✗	✓	✗
Tezu-sunpura	✓	✓	✓	✓	✗	✓	✓
Yechuli	✓	✓	✗	✓	✓	✓	✓
Deed- Neelam	✓	✓	✗	✓	✗	✓	✗
PHC, Riloh	✓	✓	✓	✗	✗	✗	✗
Veo	✓	✓	✗	✗	✗	✗	✗
Sille	✓	✓	✓	✓	✓	✓	✗
Billat	✓	✓	✓	✓	✓	✓	✗
Namsing	✓	✓	✗	✓	✓	✓	✗
Borguli	✓	✓	✓	✓	✓	✓	✗
<b>Sub Centre</b>							
Hari	✗	✓	✓	✓	✗	✓	✗
Bulla	✓	✓	✗	✓	✗	✓	✗
Siuro	✓	✗	✗	✓	✗	✗	✗
Hong	✓	✓	✗	✗	✗	✗	✗

	Weighing Machine	Functional toilet	Separate toilet For male and female	Water Supply	Storage of Water	Electricity	Power back up
Monypolyang	✓	✓	x	x	x	x	x
Joram	x	✓	x	x	x	✓	x
Miya	x	✓	x	✓	x	✓	x
Depo	✓	✓	x	✓	x	x	x
Kushkut	x	x	x	x	x	x	x
New Pania	x	✓	x	✓	x	✓	x
Dem	x	✓	x	✓	x	✓	x
Palin	x	✓	x	x	x	x	x
Gumtung	x	✓	x	x	x	x	x
Golaso	x	✓	x	✓	x	✓	x
Pakro	x	x	x	x	x	x	x
Niti Darlong	x	x	x	x	x	✓	x
Ngorlung	x	x	x	✓	x	✓	x
Mikong	✓	x	x	x	x	x	x
Debing	✓	✓	✓	✓	x	x	x
Mirem	✓	✓	x	✓	x	✓	x
Ayeng	x	x	x	x	x	x	x
Motum	✓	✓	x	x	x	x	x
Remi	✓	✓	x	x	x	x	x
Niglok	✓	✓	x	✓	x	✓	x
Bodak	✓	✓	x	✓	x	x	x
Siluk	✓	✓	x	✓	x	x	x
Danglat	✓	✓	x	✓	✓	✓	x
Tafragam	✓	✓	x	✓	x	✓	x
Changliang	✓	✓	✓	✓	x	✓	x
Medo	✓	✓	x	✓	✓	✓	x
Paya	✓	✓	x	x	x	✓	x

**Appendix-1.2.2**  
(Reference: Paragraph 1.2.8.3)

**Statement of medical facilities and equipment not provided in test checked health centres as on July 2016.**

✓ Available; ✗ – Not available

**District Hospitals**

	Examination table	New born corner in labour room	Operation theatre	Labour room	X-ray services	Blood Storage facility	Laboratory facility	Diagnostic services	Facility for vasectomy and Tubectomy	In-patient services
Lohit	✓	✓	✓	✓	✗	✗	✓	✓	✓	✓
Lower Subansiri	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
East Siang	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
East Kameng	✓	✓	✓	✓	✗	✗	✓	✓	✓	✓

**Community Health Centres**

	Examination table	New born corner in labour room	Operation theatre	Labour room	X-ray services	Blood Storage facility	Laboratory facility	Diagnostic services	Facility for vasectomy and Tubectomy	In-patient services
Yezali	✓	✓	✗	✓	✗	✗	✓	✓	✓	✓
Mebo	✓	✓	✗	✓	✗	✗	✓	✓	✓	✓
Ruksin	✓	✓	✗	✓	✗	✗	✓	✓	✓	✓
Seijosa	✓	✓	✗	✓	✗	✗	✗	✓	✓	✓
Pakke Kessang	✓	✓	✗	✓	✗	✗	✗	✗	✓	✓
Old Ziro	✓	✓	✗	✓	✗	✗	✓	✓	✓	✓

**Public Health Centres**

	Examination table	New born corner in labour room	Labour room	X-ray services	Facility for vasectomy and Tubectomy	In-patient services
Wakro	✓	✗	✓	✗	✗	✓
Loiliyang	✓	✗	✓	✗	✗	✓
Yealiang	✓	✓	✓	✗	✗	✓
Yechuli	✓	✓	✓	✗	✗	✗
Deed- Neelam	✓	✓	✓	✗	✗	✗
Rilloh	✗	✓	✓	✗	✗	✗
Veo	✗	✗	✓	✗	✗	✓
Sille	✓	✓	✓	✗	✗	✓
Billat	✓	✓	✓	✗	✗	✓
Namsing	✓	✗	✓	✗	✗	✓
Borguli	✓	✗	✓	✗	✗	✓

**Sub Centres**

	<b>Examination table</b>	<b>New born corner in labour room</b>	<b>Labour room</b>
Bulla	x	x	x
Siiro	✓	x	✓
Hong	x	x	x
Monypolyang	x	x	x
Joram	✓	x	x
Miya	x	x	x
Depo	✓	x	x
Kushkut	x	x	x
New Pania	✓	x	✓
Dem	x	x	x
Palin	x	x	x
Gumtung	x	x	x
Golaso	x	x	x
Pakro	x	x	x
Niti Dirlong	x	x	✓
Ngorlung	x	x	x
Mikong	x	x	x
Debing	✓	x	x
Mirem	x	x	x
Ayeng	✓	x	x
Motum	x	x	x
Remi	✓	x	x
Niglok	✓	x	x
Bodak	x	x	x
Siluk	x	x	x
Danglat	✓	x	✓
Tafragam	✓	x	x
Changliang	✓	x	x
Medo	✓	✓	
Hari	x	x	x
Paya	x	x	x

**Appendix-1.2.3**  
(Reference: Paragraph-1.2.8.4)

**Statement showing district wise details of availability of cold chain**

✓ Available; ✗ – Not available

Name of the district	Name of health centre	Name of the Cold chain Equipment				
		Walk-in-Coolers	Ice Lined Freezers	Refrigerators	Walk-in-freezers	Deep Freezers
Lohit	DH, Tezu	✗	✓	✓	✗	✓
	PHC, Wakro	✗	✓	✓	✗	✓
	PHC, Tezu- Sunpura	✗	✓	✓	✗	✓
	PHC, Loiliang	✗	✓	✓	✗	✓
East Siang	DH, Pasighat	✗	✓	✓	✗	✓
	CHC, Ruksin	✗	✓	✓	✗	✓
	CHC, Mebo	✗	✓	✓	✗	✓
	PHC, Borguli	✗	✓	✓	✗	✓
	PHC, Namsing	✗	✓	✓	✗	✓
	PHC, Sille	✗	✓	✓	✗	✓
	PHC, Bilat	✗	✓	✓	✗	✓
East Kameng	DH, Seppa	✗	✓	✓	✗	✓
	CHC, Pakke Kessang	✗	✓	✓	✗	✗
	CHC, Seijosa	✗	✓	✓	✗	✓
	PHC, Rilloh	✗	✗	✗	✗	✗
	PHC, Veo	✗	✗	✗	✗	✗
Lower Subansiri	DH, Ziro	✗	✓	✓	✗	✓
	CHC, Old Ziro	✗	✓	✓	✗	✓
	CHC, Yazali	✗	✓	✓	✗	✓
	PHC, Deed-Neelam	✗	✓	✓	✗	✓
	PHC, Yachuli	✗	✓	✓	✗	✓

**Appendix-1.2.4**  
(Reference: Paragraph 1.2.11.2)

**Statement showing target and achievement of institutional deliveries in sample districts**

Name of the districts	Year	Total No. of pregnant women registered	Target of Institutional Deliveries	Achievement	Percentage
East Kameng	2011-12	668	NF	369	-
	2012-13	993	NF	431	-
	2013-14	1,372	796	488	61
	2014-15	1,546	790	567	72
	2015-16	2,0180	734	652	89
	<b>Sub Total</b>	<b>6,759</b>	<b>2,320</b>	<b>2,507</b>	<b>74*</b>
East Siang	2011-12	1,614	1,500	1,022	68
	2012-13	1,811	1,860	1,401	75
	2013-14	2,401	1,774	1,595	90
	2014-15	2,135	1,864	1,591	85
	2015-16	1,848	1,936	1,631	84
	<b>Sub Total</b>	<b>9,809</b>	<b>8,934</b>	<b>7,240</b>	<b>81</b>
Lower Subansiri	2011-12	649	953	476	50
	2012-13	592	953	547	57
	2013-14	1,113	953	509	53
	2014-15	1,857	953	516	54
	2015-16	1,213	953	496	52
	<b>Sub Total</b>	<b>5,424</b>	<b>4,765</b>	<b>2,544</b>	<b>53</b>
Lohit	2011-12	4,331	1,220	1,355	111
	2012-13	4,986	1,086	1,306	120
	2013-14	4,110	1,410	1,339	95
	2014-15	3,827	1,275	1,406	110
	2015-16	3,455	883	1,543	175
	<b>Sub Total</b>	<b>20,709</b>	<b>5,874</b>	<b>6,949</b>	<b>118</b>
<b>Total</b>		<b>42,701</b>	<b>21,893</b>	<b>19,240</b>	<b>88</b>

**Appendix-1.2.5**  
(Reference: Paragraph 1.2.11.5)

**Statement showing position of post-natal care (PNC)**

Name of the District	Year	Total No. of institutional deliveries	Number of women availing PNC
East Siang	2011-12	1,022	966
	2012-13	1,401	826
	2013-14	1,595	700
	2014-15	1,591	739
	2015-16	1,631	682
	<b>Sub Total</b>	<b>7,240</b>	<b>3,913</b>
East Kameng	2011-12	369	195
	2012-13	431	325
	2013-14	488	228
	2014-15	567	174
	2015-16	652	136
	<b>Sub Total</b>	<b>2,507</b>	<b>1,058</b>
Lohit	2011-12	1,355	352
	2012-13	1,306	200
	2013-14	1,339	223
	2014-15	1,406	356
	2015-16	1,543	960
	<b>Sub Total</b>	<b>6,949</b>	<b>2,091</b>
Lower Subansiri	2011-12	476	201
	2012-13	547	190
	2013-14	509	169
	2014-15	516	200
	2015-16	496	280
	<b>Sub Total</b>	<b>2,544</b>	<b>1,040</b>
<b>Grand Total</b>		<b>19,240</b>	<b>8,102</b>



**Appendix-1.2.6**  
(Reference: Paragraph 1.2.12)

**Statement showing position of immunisation in sample districts**

Name of the districts	Year	No. of children Targeted	Actual achievement			
			Upto one year (%)	Above one and half year (%)	Above five years (%)	Above 10 years (%)
East Siang	2011-12	NF	947	217	99	436
	2012-13	NF	1,219	450	154	419
	2013-14	NF	1,356	738	75	439
	2014-15	NF	1,372	960	52	299
	2015-16	NF	1,441	968	64	202
	<b>Sub Total</b>	<b>-</b>	<b>6,335</b>	<b>3,333 (53)</b>	<b>444 (7)</b>	<b>1,795 (28)</b>
East Kameng	2011-12	NF	292	72	6	5
	2012-13	NF	522	212	31	202
	2013-14	NF	558	268	86	119
	2014-15	1,529	560	155	52	110
	2015-16	1,826	949	455	25	114
	<b>Sub Total</b>	<b>3,355</b>	<b>2,881</b>	<b>1,162(40)</b>	<b>200(7)</b>	<b>550(19)</b>
Lohit	2011-12	3,376	3,044(90)	2,009(60)	203(6)	500(15)
	2012-13	3,470	2,265(65)	996(29)	526(15)	782(23)
	2013-14	3,582	2,257(63)	1,397(39)	821(23)	779(22)
	2014-15	3,514	1,653(47)	898(26)	489(14)	521(15)
	2015-16	3,560	1,733(49)	1,105(31)	383(11)	282(8)
	<b>Sub Total</b>	<b>17,502</b>	<b>10,952(63)</b>	<b>6,405(37)</b>	<b>2,422(14)</b>	<b>2,864(16)</b>
Lower Subansiri	2011-12	1,336	524(39)	524(39)	104(8)	180(13)
	2012-13	1,336	618(46)	618(46)	99(7)	112(8)
	2013-14	1,336	573(43)	573(43)	97(7)	147(11)
	2014-15	1,336	579(43)	579(43)	129(10)	69(5)
	2015-16	1,336	812(61)	812(61)	250(19)	202(15)
	<b>Sub Total</b>	<b>6,680</b>	<b>3,106(46)</b>	<b>3,106(46)</b>	<b>679(10)</b>	<b>710(11)</b>
<b>Grand Total</b>		<b>27,537</b>	<b>2,3274</b>	<b>14,006</b>	<b>3,745</b>	<b>5,919</b>

**Appendix-1.2.7**  
(Reference: Paragraph 1.2.12.1)

**Statement showing position of administration of Vitamin A solution in sample districts**

Name of the district	Year	No. of children targeted for administration of Vitamin A	Actual achievement		
			1 <sup>st</sup> dose (%)	2 <sup>nd</sup> dose (%)	3 <sup>rd</sup> to 5 <sup>th</sup> dose (%)
East Siang	2011-12	NF	2	0	3
	2012-13	NF	567	419	99
	2013-14	NF	138	104	29
	2014-15	NF	389	173	57
	2015-16	NF	626	105	40
	<b>Sub Total</b>	<b>-</b>	<b>1,722</b>	<b>801(47)</b>	<b>228 (13)</b>
East Kameng	2011-12	NF	170	140	120
	2012-13	NF	252	192	71
	2013-14	NF	177	113	41
	2014-15	NF	255	230	105
	2015-16	NF	733	340	125
	<b>Sub Total</b>	<b>-</b>	<b>1,587</b>	<b>1,015 (64)</b>	<b>462 (29)</b>
Lower Subansri	2011-12	1,405	600 (43)	0	203 (14)
	2012-13	1,405	665 (47)	0	162 (12)
	2013-14	1,405	19 (1)	0	10 (0.7)
	2014-15	1,405	445 (32)	0	95 (7)
	2015-16	1,405	776 (55)	0	792 (56)
	<b>Sub Total</b>	<b>7,025</b>	<b>2,505 (36)</b>	<b>Nil</b>	<b>1,262 (18)</b>
Lohit	2011-12	3,377	324 (10)	0	175 (5)
	2012-13	3,443	1,934 (56)	0	1,187 (34)
	2013-14	4,551	529 (12)	0	345 (8)
	2014-15	3,484	740 (21)	0	335 (10)
	2015-16	3,529	969 (27)	0	476 (13)
	<b>Sub Total</b>	<b>18,384</b>	<b>4,496 (24)</b>	<b>Nil</b>	<b>2,518 (14)</b>
<b>Total</b>		<b>25,409</b>	<b>10,310</b>	<b>1,816</b>	<b>4,470</b>

*NF Not fixed*

**Appendix-1.3.1**  
(Reference: Paragraph 1.3.7.5)  
**Statement showing admission norms not followed**

**(i) Class wise under-age students**

Year	Class	I	II	III	IV	V	VI	VII	VIII	Total
	Appropriate Age	6	7	8	9	10	11	12	13	
	Age range found	4 to 5	5 to 6	7	8	9	10	11	12	
2011-12	No. of students	11,857	7,516	4,324	3,800	3,761	3,461	2,904	3,143	40,766
2012-13	No. of students	10,456	8,059	5,501	4,503	4,415	4,237	4,005	4,116	45,292
2013-14	No. of students	12,904	7,536	4,903	3,922	3,406	3,644	3,660	3,331	43,306
2014-15	No. of students	6,131	6,178	4,657	4,033	3,853	3,770	4,086	4,533	37,241
2015-16	No. of students	4,770	7,181	4,512	4,348	4,226	3,798	4,348	5,088	38,271
<b>Total</b>		<b>46,118</b>	<b>36,470</b>	<b>23,897</b>	<b>20,606</b>	<b>19,661</b>	<b>18,910</b>	<b>19,003</b>	<b>20,211</b>	<b>2,04,876</b>
<i>Average</i>		<i>9,224</i>	<i>7,294</i>	<i>4,779</i>	<i>4,121</i>	<i>3,932</i>	<i>3,782</i>	<i>3,801</i>	<i>4,042</i>	<i>40,975</i>

**(ii) Class wise over age students**

Year	Class	I	II	III	IV	V	VI	VII	VIII	Total
	Appropriate Age	6	7	8	9	10	11	12	13	
	Age range found	7 - 12	8 - 13	9 - 14	10 - 14	11 - 14	12 - 14	13 - 14	14	
2011-12	No. of students	8,600	7,545	8,078	7,487	7,221	6,768	5,394	3,231	54,324
2012-13	No. of students	6,357	6,392	7,311	7,545	7,105	8,576	7,471	4,679	55,436
2013-14	No. of students	6,909	6,438	8,275	8,538	8,020	9,198	7,902	4,977	60,257
2014-15	No. of students	6,186	5,380	5,635	6,516	6,538	8,459	7,091	4,984	50,789
2015-16	No. of students	7,721	5,769	6,474	6,602	6,374	8,127	6,461	4,052	51,580
<b>Total</b>		<b>35,773</b>	<b>31,524</b>	<b>35,773</b>	<b>36,688</b>	<b>35,258</b>	<b>41,128</b>	<b>34,319</b>	<b>21,923</b>	<b>2,72,386</b>
<i>Average</i>		<i>7,155</i>	<i>6,305</i>	<i>7,155</i>	<i>7,338</i>	<i>7,052</i>	<i>8,226</i>	<i>6,864</i>	<i>4,385</i>	<i>54,477</i>

## (iii) Students above 14 years admitted in different classes

Year	Number of students of age above 14 years								Total
	Class I	Class II	Class III	Class IV	Class V	Class VI	Class VII	Class VIII	
2011-12	0	0	9	40	144	254	948	2311	3706
2012-13	0	0	9	31	150	365	1036	2932	4523
2013-14	0	0	18	34	115	709	1464	3457	5797
2014-15	0	0	3	10	39	173	678	2213	3116
2015-16	0	0	12	16	55	182	685	2317	3267
<b>Total</b>	<b>0</b>	<b>0</b>	<b>51</b>	<b>131</b>	<b>503</b>	<b>1683</b>	<b>4811</b>	<b>13230</b>	<b>20409</b>

(Source: U-DISE)

**Appendix-1.5.1**  
(Reference: Paragraph 1.5)

**The detailed statement of 16 items of work not included in the approved detailed estimates**

Sl. No.	Items of works	Amount (₹ in lakh)
1	Providing and laying in foundation 1:5:10 <b>(Item no. 04)</b>	7.50
2	Providing and laying cement concrete 1:3:6 excluding the cost of centring and shuttering in <b>(Item no. 05)</b>	3.85
3	Random rubble masonry <b>(Item no. 06)</b>	18.54
4	Pre-cast terrazzo tiles 20 mm thick with marble chips of sizes up to 6mm in skirting and risers of steps not exceeding 30 cm in height <b>(Item no. 07)</b>	25.79
5	Providing and laying in foundation and plinth cc 1:5:10 (cement: course sand:10 graded stone aggregate 40 mm nominal size) <b>(Item no. 9)</b>	4.64
6	RR masonry with hard stone in foundation and plinth in cement mortar 1:6 etc. <b>(Item no. 10)</b>	41.08
7	Dry RR masonry with hard stone <b>(Item no. 11)</b>	0.74
8	stone filling behind the wall <b>(Item no. 12)</b>	0.64
9	Re-enforcement of RCC work including bending, binding and placing in position complete <b>(Item no. 12)</b>	1.58
10	38 mm thick best available local wood, class-bi <b>(Item no. 19)</b>	0.03
11	Earth in excavation in foundation trenches not exceeding 1.50 m width or 10 sdm on plan or drains not exceeding 1.50 <b>(Item no. 58)</b>	0.04
12	Dry stone pitching 22.0 cm thick including supplying of stones and preparing surface complete <b>(Item no. 59)</b>	0.38
13	Providing and laying in foundation and plinth cement concrete 1:5:10 (cement: coarse sand: graded stone aggregate 40mm nominal size) <b>(Item no. 60)</b>	0.28
14	Providing and laying cement concrete 1:2:4 etc. <b>(Item no. 61)</b>	0.67
15	Providing and laying chequered tiles 25cm*25cm size etc. <b>(Item no.62)</b>	3.13
16	Reinforced cement concrete in suspended floors, roof, landings & balconies etc. <b>(Item no. 81)</b>	10.09
<b>Total</b>		<b>118.98</b>

**Appendix-1.5.2**  
(Reference: Paragraph 1.5)

**Statement showing payment of ₹ 306.41 lakh to M/s Roshan Construction Company through 13 drawals as per Cash Book entries between March 2011 and December 2012**

Sl. No.	Month & Bill No.	Name of contractor	Amount (in ₹)	Remarks
1.	March 2011	M/s Roshan Construction Company	5,20,000.00	Deduction of VAT
2.	March 2011	M/s Roshan Construction Company	16,90,000.00	
3.	-do-	M/s Roshan Construction Company	50,00,000.00	
4.	-do-	M/s Roshan Construction Company	9950.00	Deduction of Labour Cess
5.		M/s Roshan Construction Company	1,24,800.00	Deduction of Labour Cess
6.	August 2011	M/s Roshan Construction Company	26,00,000.00	
7.	October 2011	M/s Roshan Construction Company	25,00,000.00	
8.	December 2011	M/s Roshan Construction Company	5,65,132.00	
9.	December 2012	M/s Roshan Construction Company	71,90,000.00	
10.	December 2012	M/s Roshan Construction Company	17,32,840.00	
11.	December 2012	M/s Roshan Construction Company	7,05,000.00	Deduction of VAT
12.	December 2012	M/s Roshan Construction Company	3,35,160.00	Deduction of Income Tax
13.	December 2012	M/s Roshan Construction Company	1,76,000.00	Deduction of Labour Cess
14.	December 2012	M/s Roshan Construction Company	75,00,000.00	
		<b>Total</b>	<b>306,41,882.00</b>	

**Appendix-1.6.1**  
(Reference: Paragraph 1.5)

**Statement showing details of payments made against supply order for materials for MGNREGA works**

Sl No.	Supply order No and date	Amount paid (₹ in lakh)	Bill /Challan No. & date	Cheque No. & date	Date of Money Receipt
1	No.CD/KMG/NREGA/SUP/2008-09 dt.05/02/2010	6.05	Nil	451925 23/02/2010	23.02.2010
2	No.CD/KMG/NREGA/SUP/2011-12 dt 05/08/2011	6.67	Nil	451937 11/08/2011	11.08.2011
3	No.CD/KMG/NREGA/SUP/2010-11/861 dt. 21/01/2011	26.81	Bill without no. & date Challan No.2 & date 03.02.11	451933 10/02/2011	10.02.2011
4	No.CD/KMG/NREGA/SUP/2011-12 dt. 05/09/2011	11.78	Challan No. 07 & date 07.09.11 Bill No. Nil & date 12.09.11	451936 12/09/2011	12.09.2011
5	No.CD/KMG/NREGA/SUP/2011-12/1348 dt. 12/01/201	23.50	Challan No. 08 & date 24.03.12 Bill No. 10 & date 26.03.12	451939 26/03/2012	26.03.2012
<b>Total</b>		<b>74.81</b>			

**Appendix-4.2.1***(Reference: Paragraph 4.2.2.2)***Statement showing position of total vehicle population and vehicles with HSRP in seven selected DTOs as on 31 March 2016**

SI No	Name of DTO	Nos. of Registered vehicles (31.03.2016)	Nos. of vehicles with 2HSRP ( 31.03.2016)	Nos. of vehicles without HSRP
1	Aalo	15,223	1,921	13,302
2	Bomdila	8,290	1,575	6,715
3	Capital	71,904	16,259	55,645
4	Pasighat	11,472	6,755	4,717
5	Tezu	12,763	1,003	11,760
6	Yupia	7,284	3,059	4,225
7	Ziro	8,098	2,162	5,936
<b>Total</b>		<b>135,034</b>	<b>32,734</b>	<b>102,300</b>

**Appendix-4.2.2***(Reference: Paragraph 4.2.3.1)***Statement showing position of PUC certificate issued and number of vehicles in seven sampled DTOs**

SI No	Name of DTO	Registered vehicles (as on 31.03.2016)	Location of AETS	No. of PUC issued (as on 31.03.2016)	No of Vehicles without PUC (as on 31.03.2016)	Surcharge collected by the Govt. from AETS
1	Capital	71904	Naharlagun	1724	77,464	₹ 73,760
2	Yupia	7284		(2.18 %)	(97.82 %)	
3	Aalo	15223	Aalo	138	15,085	₹ 5,350
				(0.91 %)	(99.09 %)	
4	Ziro	8098	Ziro	0	8,098	NIL
				(0.00 %)	(100.00 %)	
5	Bomdila	8290	Bomdila	33	8,257	₹ 1,560
				(0.40 %)	(99.60 %)	
	<b>Subtotal:</b>	<b>110799</b>	-	<b>1895</b> <b>(1.71 %)</b>	<b>1,08,904</b> <b>(98.29 %)</b>	<b>₹80,670</b>
6	Tezu	12763	-	-	12,763	-
					(100.00 %)	
7	Pasighat	11472	-	-	11,472	-
					(100.00 %)	
<b>Total</b>		<b>135034</b>	-	<b>1895 (1.40 %)</b>	<b>1,33,139</b> <b>(98.60 %)</b>	<b>₹80,670</b>



**Appendix-4.10.1**  
(Reference: Paragraph 4.10)

**Statement showing non-realisation of lease rent from SBI, Roing for the period from 1989 to 2015**

Land Area In Square Meter	Rate	Year	Annual Lease Rent	No. of Years	Amount	Cumulative interest @ 15% from 1988 to 2015
21691	0.50 P	1988	10,846	0	0	0
		1989	10,846	27	292,842	43,926.30
		1990	10,846	26	281,996	42,299.40
		1991	10,846	25	271,150	40,672.50
		1992	10,846	24	260,304	39,045.60
		1993	10,846	23	249,458	37,418.70
	2	1994	43,382	22	954,404	1,43,160.60
		1995	43,382	21	911,022	1,36,653.30
		1996	43,382	20	867,640	1,30,146.00
		1997	43,382	19	824,258	1,23,638.70
		1998	43,382	18	780,876	1,17,131.40
		1999	43,382	17	737,494	1,10,624.10
		2000	43,382	16	694,112	1,04,116.80
21691+11047=32738		2001	65,476	15	982,140	1,47,321.00
		2002	65,476	14	916,664	1,37,499.60
		2003	65,476	13	851,188	1,27,678.20
		2004	65,476	12	785,712	1,17,856.80
		2005	65,476	11	720,236	1,08,035.40
	3	2006	98,214	10	982,140	1,47,321.00
		2007	98,214	9	883,926	1,32,588.90
		2008	98,214	8	785,712	1,17,856.80
		2009	98,214	7	687,498	1,03,124.70
	10	2010	3,27,380	6	1964,280	2,94,642.00
		2011	3,27,380	5	1636,900	2,45,535.00
		2012	3,27,380	4	1309,520	1,96,428.00
		2013	3,27,380	3	982,140	1,47,321.00
		2014	3,27,380	2	654,760	98,214.00
		2015	3,27,380	1	327,380	49,107.00
<b>TOTAL</b>			<b>30,53,266</b>		<b>2,15,95,752</b>	<b>32,39,363.00</b>

**Appendix-5.1.1**  
(Reference: Paragraph 5.1.9)

**Statement showing investments made by the State Government in PSUs whose accounts are in arrears**

(Figures in columns (4) & (6) to (8) are ₹ in crore)

Sl. No.	Name of the Public Sector Undertaking	Year up to which accounts finalised	Paid-up capital	Period of accounts pending finalisation	Investment made by State Government during the year of which accounts are in arrears		
					Equity	Loans	Grants
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>A. Working Government Companies</b>							
<i>MISCELLANEOUS</i>							
1.	Arunachal Pradesh Mineral Development and Trading Corporation Limited	1999-00	2.13	2000-01	0.20	--	--
				2002-03	0.05	--	--
				2004-05	--	0.15	--
				2005-06	0.05	--	--
				2006-07	0.05	--	1.13
				2012-13	--	--	7.46
				2013-14	--	--	0.70
<i>AGRICULTURE AND ALLIED</i>							
2.	Arunachal Pradesh Forest Corporation Limited	2005-06	4.50	2006-07	--	--	--
				2007-08	--	--	0.84
<b>Total of A</b>			<b>6.63</b>		<b>0.35</b>	<b>0.15</b>	<b>10.13</b>
<b>B. Non-Working Government Companies</b>							
<i>MANUFACTURE</i>							
3.	Parasuram Cement Limited	2008-09	0.24	2009-10	--	1.36	--
<i>AGRICULTURE AND ALLIED</i>							
4.	Arunachal Horticultural Processing Industries Limited	2008-09	0.19	2009-10	--	1.36	--
<b>Total of B</b>			<b>0.43</b>		<b>--</b>	<b>2.72</b>	<b>--</b>
<b>Grand Total (A+B)</b>			<b>7.06</b>		<b>0.35</b>	<b>2.87</b>	<b>10.13</b>

**Appendix-5.1.2**

(Reference: Paragraph 5.1.11)

**Summarised financial position and working results of Government companies as per their latest finalised financial statements/accounts**

(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 <sup>1</sup>	Net profit (+)/ loss (-)	Net impact of Audit comments	Capital employed <sup>2</sup>	Return on capital employed <sup>3</sup>	Percentage of return on capital employed	Manpower
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>A. WORKING GOVERNMENT COMPANIES</b>													
<b>FINANCE</b>													
1.	Arunachal Pradesh Industrial Development and Financial Corporation Limited	2014-15	2016-17	4.15	8.11	(-) 20.27	6.28	(-) 1.18	-	11.35	(-) 1.18	-	30
<b>Total of the Sector</b>				<b>4.15</b>	<b>8.11</b>	<b>(-) 20.27</b>	<b>6.28</b>	<b>(-) 1.18</b>	<b>-</b>	<b>11.35</b>	<b>(-) 1.18</b>	<b>-</b>	<b>30</b>
<b>MISCELLANEOUS</b>													
2.	Arunachal Pradesh Mineral Development and Trading Corporation Limited	1999-00	2014-15	2.13	-	(-) 1.81	-	(-) 0.28	-	2.14	(-) 0.28	-	65
<b>Total of the Sector</b>				<b>2.13</b>	<b>-</b>	<b>(-) 1.81</b>	<b>-</b>	<b>(-) 0.28</b>	<b>-</b>	<b>2.14</b>	<b>(-) 0.28</b>	<b>-</b>	<b>65</b>
<b>AGRICULTURE AND ALLIED</b>													
3.	Arunachal Pradesh Forest Corporation Limited	2005-06	2014-15	4.50	-	(-) 4.58	-	3.54	-	11.66	4.30	36.88	68
<b>Total of the Sector</b>				<b>4.50</b>	<b>-</b>	<b>(-) 4.58</b>	<b>-</b>	<b>3.54</b>	<b>-</b>	<b>11.66</b>	<b>4.30</b>	<b>36.88</b>	<b>68</b>
<b>INFRASTRUCTURE</b>													
4.	Arunachal Police Housing and Welfare Corporation Limited	2013-14	2014-15	0.02	-	16.72	-	3.87	-	16.75	3.87	23.10	24
<b>Total of the Sector</b>				<b>0.02</b>	<b>-</b>	<b>16.72</b>	<b>-</b>	<b>3.87</b>	<b>-</b>	<b>16.75</b>	<b>3.87</b>	<b>23.10</b>	<b>24</b>
<b>POWER</b>													
5.	Hydro Power Development Corporation of Arunachal Pradesh Limited	2011-12	2014-15	5.00	-	1.07	-	0.73	-	13.52	0.73	5.40	38
<b>Total of the Sector</b>				<b>5.00</b>	<b>-</b>	<b>1.07</b>	<b>-</b>	<b>0.73</b>	<b>-</b>	<b>13.52</b>	<b>0.73</b>	<b>5.40</b>	<b>38</b>
<b>Total of A</b>				<b>15.80</b>	<b>8.11</b>	<b>(-) 8.87</b>	<b>6.28</b>	<b>6.68</b>	<b>-</b>	<b>55.42</b>	<b>7.44</b>	<b>13.42</b>	<b>225</b>

<sup>1</sup> Figures as per provisional accounts for the year ended 31 March 2016.

<sup>2</sup> Capital employed represents Shareholders fund and long term borrowings.

<sup>3</sup> For calculating return on capital employed, interest on borrowed fund is added to net profit/ subtracted from the loss as disclosed in the Profit and Loss Account.

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 <sup>1</sup>	Net profit (+)/ loss (-)	Net impact of Audit comments	Capital employed <sup>2</sup>	Return on capital employed <sup>3</sup>	Percentage of return on capital employed	Manpower
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
<b>B. NON-WORKING GOVERNMENT COMPANIES</b>													
<i>MANUFACTURE</i>													
6.	Parasuram Cement Limited	2008-09	2013-14	0.24	-	(-) 2.66	-	-	-	3.39	-	-	-
<b>Total of the Sector</b>				<b>0.24</b>	-	<b>(-) 2.66</b>	-	-	-	<b>3.39</b>	-	-	-
<i>AGRICULTURE AND ALLIED</i>													
7.	Arunachal Horticultural Processing Industries Limited	2008-09	2013-14	0.19	-	(-) 0.96	-	-	-	0.33	-	-	-
<b>Total of the Sector</b>				<b>0.19</b>	-	<b>(-) 0.96</b>	-	-	-	<b>0.33</b>	-	-	-
<b>Total of B</b>				<b>0.43</b>	-	<b>(-) 3.62</b>	-	-	-	<b>3.72</b>	-	-	-
<b>Grand Total (A+B)</b>				<b>16.23</b>	<b>8.11</b>	<b>(-) 12.49</b>	<b>6.28</b>	<b>6.68</b>	-	<b>59.14</b>	<b>7.44</b>	<b>12.58</b>	<b>225</b>

**Appendix-5.2.1**  
(Reference: Paragraph 5.2.5)  
**Working Results of APSTS for the years from 2011-12 to 2015-16<sup>4</sup>**

(₹ in crore)

Sl. No.	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
1	Passenger revenue	14.78	14.52	15.47	16.54	13.32
2	Operating Revenue other than passenger revenue	0.07	0.06	0.11	0.19	0.05
3	<b>Total Operating Revenue (1+2)</b>	<b>14.85</b>	<b>14.58</b>	<b>15.58</b>	<b>16.73</b>	<b>13.37</b>
4	Non-operating Revenue	0.58	0.75	0.32	0.04	0.25
5	<b>Total Revenue (3+4)</b>	<b>15.43</b>	<b>15.33</b>	<b>15.9</b>	<b>16.77</b>	<b>13.62</b>
6	Operating Expenditure	30.29	35.2	36.22	31.39	43.65
7	Non-operating Expenditure	30.32	29.11	38.86	37.36	47.79
8	<b>Total Expenditure (6+7)</b>	<b>60.61</b>	<b>64.31</b>	<b>75.08</b>	<b>68.75</b>	<b>91.44</b>
9	Operating Loss (6-3)	15.44	20.62	20.64	14.66	30.28
10	Loss for the year (8-5)	45.18	48.98	59.18	51.98	77.82
11	Accumulated Loss	405.93	454.91	514.09	566.07	643.89
12	Depreciation	3.55	3.32	3.64	3.44	-
13	<b>Fixed Costs</b>					
14	Employee Costs (Operating)	21.05	20.82	28.76	28.44	36.93
15	Employee Costs (Non-Operating)	6.01	5.97	7.16	7.2	7.54
16	<b>Total Fixed Costs (14+15)</b>	<b>27.06</b>	<b>26.79</b>	<b>35.92</b>	<b>35.64</b>	<b>44.47</b>
17	<b>Variable Cost</b>					
18	Fuel & Lubricants	18.34	19.59	20.59	19.88	18.99
19	Tyres, Tubes & Flaps	1.12	1.53	2	1.5	2
20	Spares and batteries	9.62	13.46	12.98	8.58	22.67
21	Other variable costs	4.47	2.94	3.59	3.15	3.31
22	<b>Total Variable Costs (18+19+20+21)</b>	<b>33.55</b>	<b>37.52</b>	<b>39.16</b>	<b>33.11</b>	<b>46.97</b>
23	Effective KMs operated(in lakh)	77.97	75.54	78.72	81.32	74.2
24	Earning per KM (₹) (5÷23)	19.78	20.17	20.13	20.7	18.41
25	Fixed Cost per KM (₹) (16÷23)	34.70	35.46	45.63	43.82	59.93
26	Variable Cost per KM (₹) (22÷23)	43.02	49.66	49.74	40.71	63.30
27	Cost per KM (₹) (8÷23)	77.73	85.13	95.37	84.54	123.23
28	Net Loss per KM (24-27)	57.95	64.96	75.23	63.84	104.82
29	Passenger revenue per KM (1 ÷23)	18.98	19.22	19.65	20.33	17.95
30	Percentage of personnel cost to total operating cost (14 ÷6)100)	69.49	59.14	79.40	90.60	84.60

<sup>4</sup> Appendix has been prepared based on the actual expenditure incurred during the period 2011-12 to 2015-16 provided by APSTS.

**Appendix-5.2.2**

(Reference: Paragraph 5.2.8.3.1)

**Statement showing procurement of spare parts at General Manager Office**

(₹ in lakh)

Range of expenditure (₹)	Items	No. of Purchase order	No. of bills	Amount	Period of payment
Up to 15,000	Clutch master cylinder assembly	4	4	0.46	October 2015 to February 2016
15,000 - 1 lakh	Air governor assembly, Clutch pressure plate, clutch sleeve cylinder assembly., Clutch housing, Power steering oil	22	70	12.50	December 2012 to March 2016
1 lakh – 25 lakh	Brake drum, Clutch plate/pressure plate, Prop shaft UJ cross, Spring leaf, Battery, tyre, etc.	104	3865	673.97	March 2013 to March 2016
25 lakh - 49 lakh	Tyre, Gear box, Drag link (power), brake drum, etc.	4	895	156.88	July 2011 to September 2013
<b>Total</b>		<b>134</b>	<b>4834</b>	<b>843.81</b>	

**Appendix-5.2.3**

(Reference: Paragraph 5.2.8.3.2)

**Summarized position of violation of delegated financial power by Station Superintendent**

(₹ in lakh)

Station	Total Liability	Amount test checked	No. of Work Order	Work Order value	Range of work value	No. of Bills
Namsai	189.07	63.65	40	63.65	0.37 - 13.20	512
Pasighat	268.92	64.61	51	37.54	0.29 - 2.02	344
Itanagar	445.67	110.35	129	69.63	0.17 - 2.63	573
Bomdila	57.53	57.53	12	10.36	0.27 - 2.08	82
Aalo	158.78	40.86	57	40.86	0.28 – 4.63	373
<b>Total</b>	<b>1119.95</b>	<b>339.32</b>	<b>289</b>	<b>224.37</b>	<b>0.17-13.20</b>	<b>1884</b>

**Appendix-5.3.1**  
(Reference: Paragraph 5.3)

**Differential sale value receivable from NMCL amounting to ₹19.88 crore against the sale of coal of 1,01,036 MT made during the period from 01.01.2012 to 31.03.2012**

Sale of coal made during 01.01.2012 to 31.03.2012												
Month	Grade	Quantity (MT)	Sale price (₹ per MT)	Sale value (₹ in crore)	Royalty (₹ in crore)	Central Excise duty (₹ in crore)	Entry cess @ ₹ 50/ per ton (₹ in crore)	Stowing Excise Duty @ ₹ 10 per ton (₹ in crore)	CST @ 4 per cent (₹ in crore)	Total value (₹ in crore)	Differential value receivable (₹ in crore)	
(1)	(2)	(3)	(4)	(5)=(3)X(4)								
Jan-12	New Rate	29.760.09	B	2800	8.33	1.55	0.08	0.15	0.03	0.33	10.48	6.49
	Old rate			1050	3.12	0.54	0.03	0.15	0.03	0.12	3.99	
	New Rate	6.589.31	C	1960	1.29	0.02	0.01	0.03	0.01	0.01	1.64	0.84
	Old rate			950	0.63	0.01	0.001	0.03	0.01	0.02	0.79	
Feb-12	New Rate	25.934.5	B	2800	7.26	1.35	0.07	0.13	0.02	0.29	9.14	5.65
	Old rate			1050	2.72	0.47	0.03	0.13	0.02	0.11	3.49	
	New Rate	8.735.93	C	1960	1.71	0.32	0.001	0.04	0.01	0.06	2.17	1.13
	Old rate			950	0.83	0.12	0.001	0.04	0.01	0.03	1.04	
Mar-12	New Rate	21.533.09	B	2800	6.03	1.12	0.06	0.11	0.02	0.24	7.58	4.68
	Old rate			1050	2.26	0.39	0.02	0.11	0.02	0.09	2.9	
	New Rate	8.483.77	C	1960	1.55	0.31	0.02	0.04	0.01	0.06	1.99	1.09
	Old rate			950	0.81	0.12	0.01	0.04	0.01	0.03	1.01	
		<b>1.01.036</b>		<b>Total Differential value to be recovered</b>							<b>19.88</b>	

Sale of coal from 04.04.2012 to 19.05 2012									
Grade	Quantity (MT)	Revised sale price (₹ per MT)	Basic sale value (₹ in Crore)	Revised Royalty (₹ in crore)	Central Excise @ 1.03 per cent (₹ in crore)	Energy Cess @ ₹ 50/ per MT (₹ in crore)	Stowing Excise duty @ ₹ 10 per MT	C.S.T. 4 % (₹ in crore)	Total value of coal (₹ in crore)
B	52.327.27	2800	14.65	2.73	0.15	0.26	0.05	0.58	18.43
C	2.313.54	1960	0.45	0.08	0.01	0.01	0.002	0.02	0.57
<b>Total</b>	<b>54.641</b>		<b>15.1</b>	<b>2.81</b>	<b>0.16</b>	<b>0.27</b>	<b>0.05</b>	<b>0.6</b>	<b>19</b>
Less: value of coal deposited as per previous rate			5.71	0.99	0.06	0.27	0.05	0.23	7.31
Balance sale value to be recovered as per revised rate			<b>9.39</b>	<b>1.82</b>	<b>0.1</b>	<b>nil</b>	<b>nil</b>	<b>0.37</b>	<b>11.69</b>

**Total coal sold** = 1.01.036 + 54.640.81 = 1.55.676.81 MT

**Total differential sale value** = ₹ 19.88 + ₹ 11.69 = ₹ 31.57 Crore



**Appendix-6.1.1**  
(Reference: Paragraph 6.1)

**Statement showing details of suo motu Explanatory Notes on Paragraphs of Audit Report pending as of March 2015**

Year of Audit Report	Date of placement in the State Legislature	Paragraph number for which suo motu explanatory notes are awaited	Department
2008-09	03.09.2010	1.1	Horticulture
		1.2	Planning
		1.3	Water Resources
		2.1	Industries
		2.5, 2.9, 3.1	Animal Husbandry & Veterinary
		2.3, 2.4	Agriculture
		2.6	Rural Works
		2.7, 2.8	Social Welfare, Women & Child Development.
		2.10	Public Works
		2.11	Urban Development and Housing
		4.3	State Excise
		5.7	Geology and Mining
		4.7, 4.8	Land Management
		4.9, 4.10	State Lottery
		4.11, 4.12, 4.13, 4.14, 4.15, 4.16, 4.17, 4.18, 4.19	Taxation
		4.20, 4.21, 4.22, 5.2	Transport
		5.4, 5.5	Power
		5.6	Supply and Transport.
5.8	Forest.		
2009-10	24.03.2011	2.12	Rural Development
		2.4, 2.5, 2.9, 2.10, 2.14	Public Works
		2.8	Urban Development & Housing
		2.11, 2.13	Water Resources.
		3.1	Public Eng.& Water Supply
		4.2, 4.4, 4.5	State Excise
		4.7	Geology & Mining
		4.10, 4.11	State Lottery
		4.12, 4.13, 4.14, 4.15, 4.16, 4.17, 4.18, 4.19, 4.20	Taxation
		5.2	Hydro Power Development
		5.3, 5.4, 5.5	Power
		5.6	Supply & Transport
2010-11	27.09.2012	1.1	Education
		1.2	Urban Development & Housing
		2.2	Education
		2.5	Rural Works
		2.8	Science & Technology.
		2.10	Health & Family Welfare
		2.11	Education

Year of Audit Report	Date of placement in the State Legislature	Paragraph number for which <i>suo moto</i> explanatory notes are awaited	Department
		4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.6, 4.2.8, 4.2.9, 4.2.10, 4.2.11, 4.2.12	Taxation
		4.2.13, 4.2.14	Transport
		4.2.16, 4.2.17, 4.2.18	State Excise
		4.2.19	Land Management
		5.2, 5.3, 5.4	Power
		5.5	Finance
2011-12	23.09.2013	1.2	Health & Family Welfare
		1.3, 1.4	Sports & Youth Welfare
		1.5	Social Welfare, Women & Child Development
		1.6	Education
		2.3	Tourism
		2.4	Agriculture
		3.2	Secretariat General Administration
		3.3, 5.2.23	Land Management
		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
2012-13	26.09.2014	1.5	Education
		2.2	Public Works
		2.3	Science and Technology
		2.8	Horticulture
		2.9	Agriculture
		3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9	Taxation
		4.2, 4.3	Hydro Power Department
2013-14	21.7.2015	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		
<b>Total</b>		<b>157</b>	

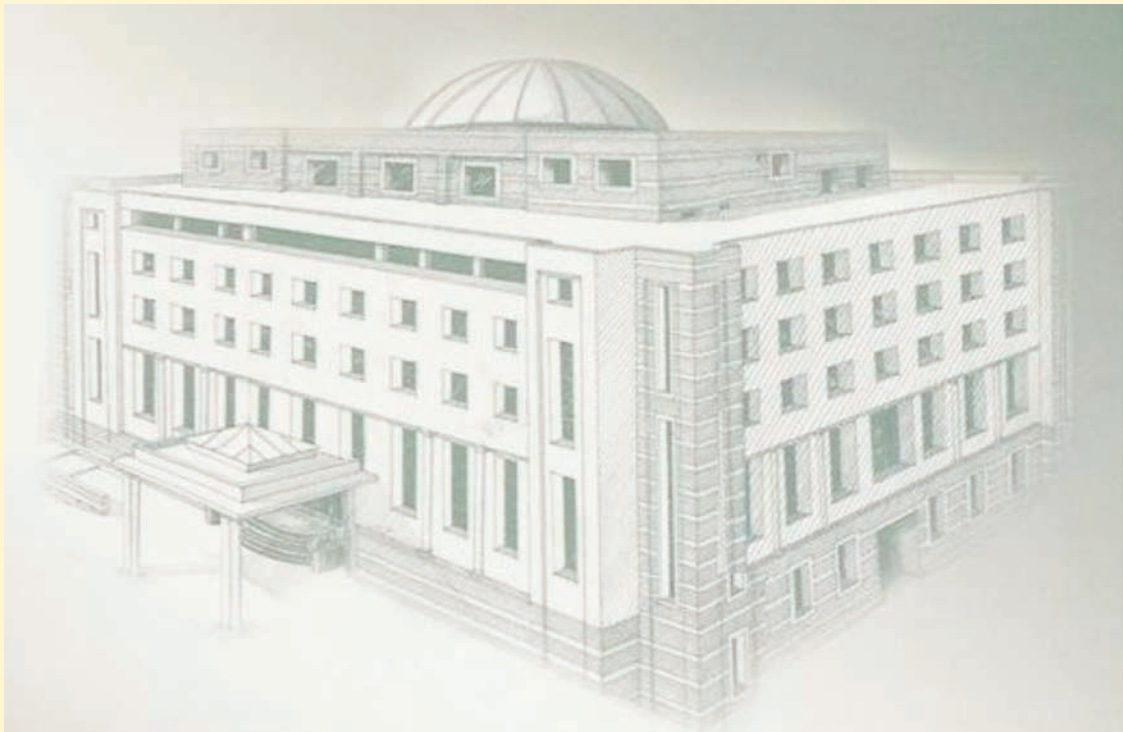
**Appendix-6.1.2**  
(Reference: Paragraph 6.1)

**Status of outstanding Action Taken Notes (ATNs) on the recommendations of the Public Accounts Committee**

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 <sup>th</sup> , 36 <sup>th</sup> , 37 <sup>th</sup> , 40 <sup>th</sup> , 42 <sup>nd</sup> , 44 <sup>th</sup> and 49 <sup>th</sup> Report	8 <sup>th</sup> September 1994, 27 <sup>th</sup> September 1996, 10 <sup>th</sup> November 1998, 24 <sup>th</sup> March 2000, 21 <sup>st</sup> September 2001, 3 <sup>rd</sup> March 2003
1987-88	3.1, 3.4, 3.5, 3.6, 3.7, 3.9 and 5.1	7	27 <sup>th</sup> , 36 <sup>th</sup> , 37 <sup>th</sup> , 40 <sup>th</sup> and 42 <sup>th</sup> Report	8 <sup>th</sup> September 1994, 27 <sup>th</sup> September 1996, 10 <sup>th</sup> November 1998 and 24 <sup>th</sup> 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 <sup>th</sup> , 38 <sup>th</sup> , 40 <sup>th</sup> , 42 <sup>nd</sup> and 45 <sup>th</sup>	27 <sup>th</sup> September 1996, 10 <sup>th</sup> November 1998, 24 <sup>th</sup> March 2000 and 3 <sup>rd</sup> March 2003
1989-90	5.2	1	44 <sup>th</sup> Report	21 <sup>st</sup> September 2001
1990-91	3.4, 3.8, 3.9, 7.3 and 7.5	5	39 <sup>th</sup> , 44 <sup>th</sup> , 45 <sup>th</sup> and 48 <sup>th</sup>	6 <sup>th</sup> March 1997, 21 <sup>st</sup> September 2001, 19 <sup>th</sup> March 2002 and 3 <sup>rd</sup> March 2003
1991-92	3.1 and 5(b), 3.4	3	39 <sup>th</sup> , 44 <sup>th</sup> , 45 <sup>th</sup> and 48 <sup>th</sup> 57 <sup>th</sup>	6 <sup>th</sup> March 1997, 21 <sup>st</sup> September 2001, 19 <sup>th</sup> March 2002 3 <sup>rd</sup> March 2003 and 27 <sup>th</sup> September 2012
1992-93	3.3, 3.4, 4.3, 4.4 and 5.1	5	39 <sup>th</sup> and 44 <sup>th</sup> Report	6 <sup>th</sup> March 1997 and 21 <sup>st</sup> September 2001
1993-94	4.6, 4.7 and 7.2	3	48 <sup>th</sup> Report	19 <sup>th</sup> March 2002
1994-95	3.3, 3.4, 3.5, 3.6, 4.3 and 4.10	6	45 <sup>th</sup> and 46 <sup>th</sup> Report	19 <sup>th</sup> March 2002 and 3 <sup>rd</sup> March 2003
1995-96	3.2 to 3.6 and 3.11, 4.4, 3.7	8	46 <sup>th</sup> Report, 57 <sup>th</sup> Report 60 <sup>th</sup> Report	19 <sup>th</sup> March 2002 and 27 <sup>th</sup> September 2012
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 <sup>th</sup> Report, 57 <sup>th</sup> Report 60 <sup>th</sup> Report	19 <sup>th</sup> March 2002 and 27 <sup>th</sup> 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		
1997-98	4.6, 5.1 and 5.4	3	48 <sup>th</sup> 51 <sup>st</sup> Report	19 <sup>th</sup> March 2002 and 21 <sup>st</sup> March 2006
1998-99	3.6,3.4.8,4..3	3	51 <sup>st</sup> Report, 57 <sup>th</sup> Report	21 <sup>st</sup> March 2006 and 27 <sup>th</sup> September 2012
1999-00	3.9,	1	57 <sup>th</sup> Report	27 <sup>th</sup> September 2012
2000-01	6.11	1	60 <sup>th</sup> Report	27 <sup>th</sup> 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 <sup>th</sup> Report 60 <sup>th</sup> Report	27 <sup>th</sup> September 2012
2005-06	3.2.16.1	1	66 <sup>th</sup> Report	7 <sup>th</sup> July 2015
2006-07	6.3, 6.4.1 & 6.4.2	3	66 <sup>th</sup> Report	7 <sup>th</sup> July 2015
2009-10	2.10	1	66 <sup>th</sup> Report	7 <sup>th</sup> July 2015
<b>Total</b>		<b>94</b>	<b>16</b>	

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