

Chapter-IV

Compliance Audit Observations

4.1 Excess expenditure of ₹ 16.82 crore on land procurement

For establishment of Green Field Helipad in adjoining areas of Bodoland Territorial Council Secretariat of village Kathalguri No. 1 and Dobgaon Pt-II, the Asstt. Settlement Officer (ASO), Kokrajhar Revenue Circle submitted (13 May 2017) land acquisition¹¹ proposal to the Principal Secretary, BTC. The valuation of the private land calculated (May 2017) by the ASO was ₹ 14 crore @ ₹ nine lakh per Bigha.

However, a 'Committee for Establishment of Greenfield Helipad' (Committee) headed by Executive Member (EM), BTC set up to examine the establishment of the Green Field Helipad rejected (09 June 2017) the aforesaid proposal on the ground that the land value of ₹ nine lakh per Bigha was found to be on a higher side and it was decided to constitute a five-member Sub-Committee headed by the Secretary, Revenue Department, BTC to finalise the value of the land. The action taken by the Sub-Committee or report submitted by them was not found on record for Audit examination.

Scrutiny of records of Land Revenue and Disaster Management (LR & DM) Department of BTC revealed that the Committee in its meeting held on 29 June 2017 directed the LR & DM Department and Circle Officer of Kokrajhar Revenue Circle to submit a fresh proposal based on the new rates, which would be notified by the LR & DM. However, no such notification of new rates was found on records for Audit examination.

Based on the direction of the Committee the Circle Officer, Kokrajhar Revenue Circle submitted (06 September 2017) a revised proposal for the same 155 Bigha-3 Katha of private land for ₹ 21.94 crore @ ₹ 14.10 lakh per Bigha which was higher by ₹ 5.10 lakh per bigha as compared to the initial rate of ₹ nine lakh per bigha proposed in May 2017 *i.e.*, four months ago. The proposal was approved by the EM, BTC, Chairman of the Committee in December 2017 and notification for land acquisition under Section 6(1) of the Assam Land Acquisition Act, 1964 was accordingly issued. Thereafter, payment of ₹ 46.51 crore was made (January 2019) to the land owners being the value of land including *Solatum* and Compensation.

Audit observed that the Committee under the same Chairperson, which had rejected (June 2017) the earlier proposal submitted in May 2017 on the ground of higher rate (₹ nine lakh per bigha) approved the higher rate for the same land @ ₹ 14.10 lakh per bigha (*i.e.*, ₹ 5.10 lakh higher than the rate proposed in June 2017) just after a period of five months (December 2017). No reason was found on record for acceptance of the higher rates by the Committee under the same Chairperson. This has resulted in excess expenditure of ₹ 16.82 crore as shown in **Table-4.1**.

¹¹ measuring 155 Bigha-3 Katha-0 Lecha (private land) and 3 Bigha-04 Katha-07 Lecha (Government land)

Table-4.1: Extra expenditure on procurement of land

(in ₹)

Sl. No.	Particulars	Area of the Land	Amount as per 1 st proposal submitted by the ASO (@ ₹ 9 lakh per bigha)	Amount as per 2 nd proposal submitted by the ASO (@ ₹ 14.10 lakh per bigha)	Extra expenditure (5-4)
1	2	3	4	5	6
1	Private Land	155B-03K-0L	14,00,40,000	21,93,96,000	7,93,56,000
2	Government Land	03B-04K-07 L	0	0	0
2	<i>Solatium</i> as provided under sub-structure (1) of section 30 @ 100% of total market value	155B-03K-0L	14,00,40,000	21,93,96,000	7,93,56,000
3	Addl. Compensation @12% per annum on the total market value at Sl No.1 as provided under sub-section (3) of section 30 @100% on the date of preliminary notification to date of award or pending over possession of which is earlier		1,68,04,800	2,63,27,520	95,22,720
	Total		29,68,84,800	46,51,19,520	16,82,34,720

Thus, the BTC incurred extra expenditure of ₹ 16.82 crore on land acquisition for Green Field Helipad in BTC area by rejecting the lower rate/value of land in May 2017 and accepting the higher rate just after five months in December 2017. The matter needs investigation to fix responsibility for allowing payment of higher value of land to private landowners causing financial loss to BTC.

The Council did not furnish any reply.

4.2 Unfruitful expenditure of ₹ 8.75 crore towards construction of Agro Processing Park at Lalpool

With the objective to capitalise on the already existing abundant horticultural and agricultural products in the region and provide assistance to small scale agro based units to improve their competitiveness in global markets and increasing exports of value added agricultural products¹², Secretary, BTC accorded administrative approval (March 2011) of ₹ 9.07 crore for “Setting-up of Integrated Agro-Processing Park at Lalpool” on Public Private Partnership model in Udalguri District under Government of India ₹ 250 crore Additional BTC Package. The Director-cum-CHD, PWD, BTC accorded the technical sanction in February 2012. The formal work order was issued (May 2012) by the Executive Engineer (EE) Agriculture, Kokrajhar to the lowest bidder at a tendered value of ₹ 8.75 crore with the stipulation to complete the work by

¹² BTC proposed (October 2010) to develop the Integrated-Agro Processing Park at Lalpool in a public private partnership mechanism, wherein the assets would be created and owned by BTC and the operation and management would be done by a private party or local NGO. The assets would be given on long-term lease to private party/NGO who will be responsible for production, operation and maintenance including sourcing raw material.

12 months from the date of issue of work order *i.e.*, by May 2013. The work commenced on 02 May 2012 and was completed on 28 June 2017 with a delay of more than four years. The contractor was already paid an amount of ₹ 8.23 crore till the date of audit (May 2023) and the remaining amount is yet to be paid.

The EE, Agriculture, Kokrajhar leased out (August 2018) the Plant to the highest bidder @ ₹ 60,000 per year for an initial period of one year to be renewed for another three years at enhanced rate @ 10 *per cent* of the monthly rate. However, the plant has been lying idle since the lessee surrendered the Food Processing Plant in June 2021 after clearing all outstanding dues up to 2021-22 stating that it was beyond his capacity to run the plant.

Meanwhile, two local firms (Sarkar Industries, Lalpool and ADOFSS Producer Company Limited, Udalguri) repeatedly¹³ expressed interest to take over the plant on lease since June 2019. The EE, Agriculture, Kokrajhar, however, had not taken action till date (May 2023) for about four years.



¹³ Sarkar Industries on August 2021 and April 2023; ADOFSS Producer Co. Ltd June 2019 and July 2020



Thus, the EE, Agriculture, Kokrajhar leased out the Agro-plant to a lessee without ensuring that the plant is run and the intended benefits accrue to the local populace, as the plant was not made functional by the lessee for more than four years.

In reply, the EE, Agriculture, Kokrajhar stated (May 2023) that for leasing out the project the process of discussion is going on at the Council level.

The fact remains that due to delay in making the project operational the expenditure of ₹ 8.75 crore remained unfruitful for more than four years.

4.3 Doubtful execution of work valued ₹ 58.07 lakh

A work 'Construction of RCC box cell bridge over River Jongrong at Manas Tiger Project' was administratively approved (08 October 2015) by the Secretary, BTC, Kokrajhar at a cost of ₹ 3.22 crore. The work was technically sanctioned (29 September 2015) by the Additional Chief Engineer, PWD, BTC, Kokrajhar.

The work order was issued (October 2015) by Additional Principal Chief Conservator of Forest-cum-CHD, Forest, BTC to the lowest tenderer¹⁴ at a cost of ₹ 3.22 crore with a stipulation to complete the work in accordance with plan & estimate.

The work was stated to have been completed in November 2015 and ₹ 3.22 crore was paid to the contractor as per details given **Table-4.2**:

Table-4.2: Details of payment

Sanction order and date	Amount sanctioned (₹)	Deductions made (VAT, Labour Cess, FR etc.) in ₹	Net amount paid to contractor in ₹
BTC/Forest-19/2012/167 dated 13/01/2016	1,00,00,000	6,50,000	93,50,000
BTC/Forest-19/2012/180 dated 29/09/2016	1,00,00,000	6,50,000	93,50,000
BTC/Forest-19/2012/189 dated 02/06/2017	1,22,00,000	6,94,392	1,15,05,608
Total	3,22,00,000	19,94,392	3,02,05,608

¹⁴ Nani Borgowari

A joint physical verification was conducted (18 March 2021) by Audit along with the In-charge of Bansbari Range, Manas Tiger Project and a Junior Engineer, PWD, Salbari (R&B) Sub-Division, Baksa. It was found that work constituting only 44 *per cent* (₹ 1.42 crore) of the total cost of ₹ 3.22 crore was measurable. The joint verification revealed substantial shortfall in execution of the measurable work as compared to the approved estimates.

Consequently, at the instance of audit, the Salbari (R&B) Sub-division, PWD, Baksa district prepared a statement of Bill of Quantity showing less execution of work valued at ₹ 58.07 lakh upon the measurable value of work of ₹ 1.42 crore out of the total cost of work of ₹ 3.22 crore, and the details of which are given in **Appendix IX**. Further, Audit could not rule out less/non execution of items of work on the balance work valued ₹ 1.77 crore (56 *per cent*) which were not measurable during the joint physical verification.

Thus, payment of ₹ 58.07 lakh was made towards the works, where actual execution was doubtful. Necessary action to recover the amount from the contractor should be initiated by the Additional Principal Chief Conservator of Forest-cum-CHD, Forest, BTC under intimation to Audit.

The Council did not furnish any reply.

4.4 Excess expenditure of ₹ 1.23 crore towards procurement of Hybrid Maize seeds

Rashtriya Krishi Vikash Yojana (RKVY) is a Centrally Sponsored Scheme aimed to increase production and productivity of Agricultural crops, increasing farm income with the aim of minimum four *per cent* annual growth in Agriculture through use of High Yielding Variety & Hybrid Variety seeds, fertilizers and improved agricultural practices.

Government of Assam, under Rashtriya Krishi Vikas Yojan, released (March 2017) Central share of ₹ 230.76 lakh and State share of ₹ 25.64 lakh to BTC. Accordingly, the Deputy Secretary, BTC, Kokrajhar directed (April 2017) the Director of Agriculture, BTC (DAO) to submit proposal under the programme. The DAO submitted proposal (April 2017) for procurement and distribution of Hybrid Maize to beneficiaries for the purpose of enhancement of Maize (Hybrid) production.

Based on the Administrative Approval for ₹ 256.40 lakh of the Deputy Secretary, Department of Agriculture, BTC, the DAO issued (June 2017) supply orders to a local supplier for supply of 1,375 quintal of two varieties of hybrid maize seeds (PAC-740 and HQPM-1) without indicating the variety wise quantity required. Further, the rate of both the above varieties accepted was for ₹ 18,020 per quintal (₹ 17,000 *plus* six *per cent* VAT) based on old rate for the variety PAC-740 procured during 2016-17 without inviting any tender or ascertaining the prevailing market rate or from the existing Government sources.

Audit noticed that the rate of HQPM-1 and PAC-740 variety fixed by Assam Seeds Corporation Limited (ASCL) (March 2017) was ₹ 9,068.59 and ₹ 17,928.21 per quintal respectively, whereas BTC accepted @ ₹ 18,020 per quintal.

The supplier supplied 1,375 quintals of HQPM-1 variety (PAC-740 variety was not supplied) to various District and Sub-Divisional Agriculture Officers and payment of ₹ 247.77 lakh was made to the suppliers in September 2017.

Thus, because of not inviting tender, nor ascertaining the Government rate from Assam Seeds Corporation Limited (ASCL)- the nodal agency for determining the government rate, the Director of Agriculture, BTC had incurred avoidable extra expenditure of ₹ 1.23 crore¹⁵ on procurement of HQPM-1 variety from a private local supplier.

The Council did not furnish any reply.

4.5 Conclusion

The audit of accounts of BTC for 2017-18 disclosed that:

- BTC incurred extra expenditure on land acquisition due to rejecting the lower rate/ value of land and accepting the higher rate causing loss to BTC.
- Leasing out the Agro plant to a lessee by the EE, Agriculture, Kokrajhar without ensuring his capability to run the plant has caused the plant to be idle for more than four years and the expenditure was unfruitful.
- Additional Principal Chief Conservator of Forest-cum-CHD, Forest, BTC made payment to the contractor for items of work which was not actually executed.
- Not inviting tender or ascertaining the rate from the existing Government agency for determining the rate before procurement, BTC had to incur an avoidable extra expenditure.

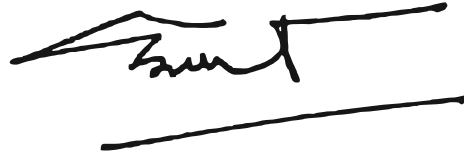
4.6 Recommendations

- Council needs to investigate and fix responsibility for allowing payment of higher value of land to private landowners causing financial loss to BTC.
- Council should initiate steps to urgently operationalise Integrated Agro-Processing Park and ensure achievement of the intended objectives of the project.

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Name of Hybrid Maize variety	Quantity procured (in Quintal)	Rate per quintal including VAT@6% (₹ as per Bill)	ASCL rate Including transportation cost and margin (₹ Per Quintal)	Difference in rate (₹ Per Quintal)	Excess paid over ASCL rate
1	2	3	4	5	6(2x5)
HQPM-1	1,375	18,020/-	9,068.59	8951.41	1,23,08,188.75

- *Council may issue strict instructions to clearly prescribe the role and responsibilities of the Purchase Committee, and the Executives to avoid excess expenditures and over payment, irregular expenditure, etc.*



Guwahati
The 28 December 2023

(JOHN K. SELLATE)
Principal Accountant General (Audit), Assam

Countersigned



New Delhi
The 09 January 2024

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India