

Overview

OVERVIEW

The Report of the Comptroller and Auditor General of India on Public Sector Undertakings and Revenue Sector for the year ended 31 March 2019 (Government of Assam) is brought out in four Chapters.

CHAPTER-I on Public Sector Undertakings (PSUs) contains three Sections as under:

Section-1 provides general information on the State Public Sector Undertakings including the Accounting framework, Government's investment in PSUs, *etc.*

Section-2 provides an overview of functioning of power sector PSUs.

Section -3 provides an overview of the functioning of PSUs (other than power sector).

CHAPTER-II on Compliance Audit Paragraphs on PSUs

Section-4 contains one Compliance Audit Paragraph emerging from the compliance audit of PSUs under Power Sector.

Section-5 contains five Compliance Audit Paragraphs emerging from the compliance audit of PSUs (other than power sector).

CHAPTER-III on Revenue Sector

Section-1 provides general information on trends of Revenue Receipts, Analysis of Arrears of Revenue, Pendency of Refund Cases and response of the Government/departments towards audit *etc.*

CHAPTER IV on Compliance Audit Paragraphs on Revenue Sector

Chapter IV contains 18 Compliance Audit Paragraphs relating to Taxation, State Excise, Transport and Forest & Environment departments involving ₹ 50.06 crore.

Section 2 contains seven Compliance Audit Paragraphs emerging from the compliance audit of Finance (Taxation) Department.

Section 3 contains five Compliance Audit Paragraphs emerging from the compliance audit of State Excise Department.

Section 4 contains three Compliance Audit Paragraphs emerging from the compliance audit of Transport Department.

Section 5 contains three Compliance Audit Paragraphs emerging from the compliance audit of Environment and Forest Department.

The major findings of the Audit Report are as follows:

Chapter-I: Public Sector Undertakings

Section-1: Functioning of Public Sector Undertakings

As on 31 March 2019, there were 50 PSUs (including 16 non-working PSUs) and one State Electricity Regulatory Commission under the audit jurisdiction of the Pr. Accountant General (Audit) Assam who represents the Comptroller and Auditor General of India (CAG) in the State. These 50 PSUs included three power sector PSUs (all working Government companies) and 47 other than power sector PSUs (including three working Statutory Corporations). In the five year period from 2014-15 to 2018-19, the Government of Assam's (GoA) investment in the power sector PSUs, increased by 38.01 *per cent* from ₹ 2,691.86 crore (2014-15) to ₹ 3,715.12 crore (2018-19).

(Paragraph 1.1.1, 1.1.8 and 1.1.9)

As on March 31, 2019, 19 PSUs had loan liability of ₹ 3,594.29 crore towards the GoA. These PSUs repaid Loan of ₹ 27.14 crore to GoA during the period, 2014-19 and only one PSU repaid the loan within the prescribed period of 10 years. Despite being loan defaulters, 10 PSUs which had defaulted in repayment of Government's loan, received further loans aggregating ₹ 2,033.33 crore during the five year period.

(Paragraph 1.1.10)

Recommendation

The chances of recovery of GoA loans outstanding against loss making/defunct PSUs were remote and hence, the State Government needs to critically review these loans for appropriate decision. The State Government may also enforce recovery of loans outstanding against the power PSUs.

Section-2: Functioning of Power Sector Public Sector Undertakings

The GoA's investment (22 *per cent* in equity capital and 78 *per cent* in long-term loans) in three power sector PSUs as on 31 March 2019 was to the extent of ₹ 3,715.12 crore (77.38 *per cent*) of total investment (₹ 4,800.88 crore) comprising of investment of ₹ 807.24 crore in equity (100 *per cent*) and ₹ 2,907.88 crore in long term loans (72.81 *per cent*).

(Paragraph 1.2.3)

As per the information furnished by the PSUs, during 2018-19 the State Government has provided budgetary support of ₹ 1,410.57 crore to three power sector PSUs in the form of long-term loans (₹ 131.05 crore) and grants/subsidy (₹ 1,279.52 crore).

(Paragraph 1.2.5)

As per the information available as on 30 September 2019, all three-power sector PSUs had finalised their accounts upto the financial year 2018-19 and as such, none of these PSUs had any arrear of accounts.

(Paragraph 1.2.6)

As per the latest finalised accounts of PSUs as on 30 September 2019, the turnover of three PSUs stood at ₹ 6,907.65 crore, and they had during the year 2018-19, earned

aggregate profits of ₹ 189.45 crore. Though the working results of power sector PSUs during last two years (2017-18 and 2018-19) turned positive, the profits earned were insufficient to wipe out their accumulated losses. The accumulated losses (₹ 3,188.43 crore) of two out of three PSUs had completely eroded their paid-up capital (₹ 262.70 crore) as per their latest finalised accounts.

(Paragraphs 1.2.1, 1.2.8 and 1.2.9)

Earnings before Interest and Tax (EBIT) of the three power sector PSUs turned positive (₹ 650.11 crore) during 2017-18 mainly due to the profits of ₹ 374.60 crore earned by two PSUs. Consequently, the Return on Capital Employed (RoCE) during 2017-18 turned positive from (-) 106.08 *per cent* (2016-17) to (+) 114.34 *per cent*. During 2018-19, RoCE of PSUs declined to (+) 33.21 *per cent* mainly due to increase of ₹ 860.60 crore in the Capital Employed and decrease of ₹ 175.46 crore in the EBIT compared to the previous year (2017-18).

(Paragraph 1.2.10)

Section-3: Functioning of Public Sector Undertakings (other than power sector)

The PSUs (other than power sector) of GoA, comprised 31 working PSUs (28 Government Companies and three Statutory Corporations) and 16 non-working PSUs (all companies). The GoA's investment in these 47 PSUs as on 31 March 2019 was to the extent of ₹ 1,356.22 crore (69.11 *per cent*) of total investment (₹ 1,962.32 crore) comprising of investment of ₹ 669.81 crore in equity (57 *per cent*) and ₹ 686.41 crore in long term loans (87 *per cent*).

(Paragraphs 1.3.1 and 1.3.2)

As per the information furnished by the PSUs, during 2018-19 the State Government has provided budgetary support of ₹ 379.29 crore to 16 PSUs in the form of equity capital (₹ 73.29 crore), long-term loans (₹ 122.02 crore) and grants/subsidy (₹ 183.98 crore). This included the budgetary support of ₹ 321.13 crore (84.67 *per cent*) provided to four PSUs *i.e.* Assam Tea Corporation Ltd, Assam State Transport Corporation, Assam Tourism Development Corporation Limited and Assam Petro-Chemicals Limited.

(Paragraph 1.3.4)

As per the information available as on 30 September 2019, 27 working PSUs had arrears of total accounts ranging from one to 26 years. Further, the GoA extended financial support of ₹ 355.59 crore to seven PSUs, who had not submitted their accounts for last five or more years.

(Paragraph 1.3.5)

As per the latest finalised accounts of PSUs as on 30 September 2019, the turnover of 31 working PSUs during 2018-19 stood at ₹ 877.99 crore. During 2018-19, out of 31 working PSUs, 16 PSUs had earned profits of ₹ 108.66 crore while 15 PSUs had incurred losses of ₹ 126.79 crore as per their latest finalised accounts. During, 2018-19, the net worth of PSUs had appreciated by ₹ 348.27 crore, from ₹ 50.40 crore (2017-18) to ₹ 398.67 crore (2018-19) mainly due to increase of ₹ 324.63 crore (GoA: ₹ 59.59 crore; Others: ₹ 265.04 crore) in the paid-up capital of Assam Petro-Chemicals

Limited. However, the accumulated losses (₹ 1,481.39 crore) of 12 working PSUs had completely eroded their paid-up capital (₹ 231.18 crore) as per their latest finalised accounts.

(Paragraphs 1.3.1, 1.3.9 and 1.3.12)

During 2018-19, the RoCE of PSUs declined from 29.25 per cent (2017-18) to 3.04 per cent (2018-19) mainly due to the decrease in the EBIT from ₹ 103.69 crore (2017-18) to ₹ 22.10 crore (2018-19) and simultaneous increase in Capital Employed from ₹ 354.53 crore (2017-18) to ₹ 727.13 crore (2018-19).

(Paragraph 1.3.13)

Recommendations

- *The State Government may set up a special cell to oversee the clearance of arrears and set the targets for individual PSUs, which may be monitored by the cell;*
- *The Administrative Departments may ensure that existing vacancies in the accounts department of PSUs are filled up timely with persons having domain expertise and experience and get arrear of accounts cleared;*
- *Until the accounts are made as current as possible, Government may consider not giving further financial assistance to such companies.*

Chapter II : Compliance Audit Paragraphs relating to PSUs

Compliance Audit paragraphs included under this Chapter highlight deficiencies in the management of PSUs.

Section-4: Compliance Audit Paragraphs relating to Power Sector PSUs

Compliance Audit paragraphs included in this Section highlight deficiencies in the management of Power sector PSUs. Details of the important audit observations have been given below in brief:

Assam Power Distribution Company Limited

Non-recovery of fixed demand charges from Consumer

The Company and the Power Department unreasonably delayed regularising the declared excess load of the Consumer and extended undue benefits by not recovering Fixed Demand Charges amounting to ₹ 0.50 crore.

Recommendation

The Company needs to raise the demand for fixed demand charges and recover the same from the Consumer. Further, the Company needs to act urgently on cases of excess load consumption of consumers, either to penalise them or regularise the load as per extant procedures, in their own financial /revenue interests.

(Paragraph 2.4.1)

Section-5: Compliance Audit Paragraphs relating to PSUs (other than power sector)

Compliance Audit paragraphs included in this Section highlight deficiencies in the management of PSUs (other than Power sector). Some of the important audit observations have been given below in brief:

Functioning of the PSUs for welfare of people belonging to SC/ST/OBC Communities in Assam

A Thematic audit was conducted for the period 2014-19 of Schemes executed by the following PSUs for the welfare of SC/ST/OBC communities of the State:

(i) Assam State Development Corporation for Scheduled Castes Limited (ASDCSCL);

(ii) Assam Plain Tribes Development Corporation Limited (APTDCL); and

(iii) Assam State Development Corporation for Other Backward Classes Limited (ASDCOBCL)

The PSUs were formed with the main objective of enhancing economic development and to promote business and trade of the targeted communities (SC/ST/OBC) by providing them necessary financial (through grants/subsidy, loans, *etc.*) and other assistance. However, due to lack of adequate internal financial resources and poor recovery performance against the loans granted, the activities of the PSUs were restricted by the State Government. The PSUs implemented only some Development Schemes and Family Oriented Income Generating Schemes (FOIGS) through financial assistance from the GoA/GoI. The PSUs functioned as extension of Government departments during the period covered in audit, without any commercial viability and autonomy, which was not in line with the original mandate of their formation.

The PSUs received grants of ₹ 105.72 crore during 2014-19 against which they incurred expenditure of ₹ 75.09 crore on salaries and establishment cost. For every one-rupee worth of benefits delivered to the targeted beneficiary, the PSUs had to incur an expenditure of two rupees (ASDCOBCL and ASDCSCL) and three rupees (APTDCL) on salary of their employees. With such high establishment costs, these PSUs in their current shape and with the limited range of activities being performed by them are extremely high-cost scheme implementing partners for the GoA. Further, the Administrative Departments themselves were in the business of implementing similar Schemes for the target beneficiaries duplicating efforts of each other.

During 2014-19, ASDCSCL and APTDCL distributed the scheme benefits to 12,146 and 1913 beneficiaries respectively while ASDCOBCL distributed scheme benefits to 481 beneficiaries during the said period of five years covered under audit. APTDCL and ASDCSCL did not take up any scheme activity during 2014-15 and 2015-16 respectively while ASDCOBCL did not take up any scheme activity during the period from 2014-17.

The schemes implemented during the period by ASDCSCL to distribute rice transplanters and mini rice mills were taken up without adequate survey and without

imparting necessary training to operate the equipment and ensuring availability of appropriate infrastructure with the beneficiaries. Although 65 rice transplanters were bought for ₹ 1.29 crore for distribution amongst SC beneficiaries, 35 remained idle as the required training and demonstration was not imparted to the beneficiaries by ASDCSCL resulting in wasteful expenditure of ₹ 69.47 lakh. Similarly, 45 (41 *per cent*) out of 110 mini rice mills procured by ASDCSCL for the beneficiaries remained undistributed due to lack of three phase electricity connection in the rural areas, leading to idle investment of ₹ 85.05 lakh.

There was no evidence/study post implementation of the Schemes to evaluate economic upliftment, if any, of the beneficiaries to whom the schemes were targeted. Overall, in absence of any positive role foreseen by the State Government for these PSUs, the schemes implemented did not have any novelty and instead, the PSUs implemented redundant schemes at very high cost.

Recommendations

GoA may consider:

- *revival of the three PSUs (Assam State Development Corporation for Scheduled Castes Limited; Assam Plain Tribes Development Corporation Limited and Assam State Development Corporation for Other Backward Classes Limited), with focus on promoting the financial upliftment of the targeted communities (SC/ST/OBC) by providing them with necessary financial and other assistance in line with the original mandate of the PSUs;*
- *avoiding duplication in implementing the Schemes with similar objectives being implemented by parent department(s);*
- *reviewing/downsizing the staff requirement of PSUs and bringing their establishment cost to acceptable levels and also merger of the PSUs to one or two with defined verticals of business within the PSUs to achieve economies of scale like few other States (Kerala, Karnataka, West Bengal) where a combination of such PSUs are functioning as common entities.*
- *strengthening the PSUs with senior management officials and full Board of Directors to provide focussed direction to the day to day activities of these PSUs.*

(Paragraph 2.5.1)

Assam Seeds Corporation Limited

Extra procurement cost of certified seeds

The Company accepted unreasonably higher bids than the base price set by the Price Finalisation Committee for certified seeds resulting in increased procurement cost by ₹ 0.38 crore, causing an extra burden on the State Government, for seeds distributed free of cost to beneficiaries.

Recommendation

The Company may review its procurement process and study market prices to ensure economical procurement of seeds and other items for farmers. The State Government may review this case for suitable administrative action for the extra financial cost.

(Paragraph 2.5.2)

Assam Gas Company Limited**Loss of Interest Income**

Failure of the Company to review its investment options with due diligence in Short Term Deposits of banks resulted in loss of interest income of ₹ 1.82 crore.

Recommendation

The Company needs to strengthen its internal control system for investments to prevent recurrence of such lapses in the future.

(Paragraph 2.5.3)

Assam Police Housing Corporation Limited**Imprudent investment of Scheme funds**

Imprudent decision of the Company to invest Government funds in private sector credit risk Funds without the concurrence of the Government, led to loss of ₹ 52.52 lakh.

Recommendation

GoA may bring out detailed guidelines on investment of surplus funds by State Public Sector Enterprises as brought out by Department of Public Enterprises, GoI. They may fix responsibility for the loss caused by the imprudent financial decision of the Company to invest in private Funds.

(Paragraph 2.5.4)

Assam Minorities Development & Finance Corporation Limited**Defunct Company**

The Company did not take up any scheme for the socio-economic upliftment of the minorities during 2014-19 and remained defunct since 2013. Moreover, the Assam Minorities Development Board was operational in the State since April 1985 and was the implementing agency for Schemes for Minorities. The Company's existence was therefore redundant and the GoA had not taken any decision on its continuance.

Recommendation

Since the Company was defunct since 2013 and its existence was not serving any purpose, the GoA may review its continuance and take appropriate action.

(Paragraph 2.5.5)

Chapter-III: Revenue Sector

Section-1: General

During the year 2018-19, revenue raised by the State Government (₹ 24,146.14 crore) was 38 *per cent* of the total revenue receipts (₹63,479.16 crore) as against 32 *per cent* during the previous year. The balance 62 *per cent* of receipts during 2018-19 comprised of State's share of net proceeds of divisible taxes and duties amounting to ₹25,215.85 crore and Grants-in-Aid from Government of India amounting to ₹14,117.17 crore.

(Paragraph 3.1.1)

Goods and Services Tax (GST) was implemented with effect from 1 July 2017 in Assam. During 2018-19, tax receipts under SGST increased from ₹ 4,077.67 crore in 2017-18 to ₹ 8,393.04 crore in 2018-19 (by 106 *per cent*).

As per the GST Act, every taxpayer with turnover of above ₹ 20 lakh (enhanced to ₹ 40 lakh *w.e.f* 1 April 2019) has to be registered under GST. The total registrations under GST in Assam as on March 2019 were 2.06 lakh, of which normal taxpayers accounted for 76.49 *per cent*, corporation taxpayers 22.26 *per cent* and others (including TDS, TCS, ISD and casual) 1.25 *per cent*.

As on August 2019, out of 2,358 cases involving refund claim of ₹50.72 crore, 827 cases (35 *per cent*) of ₹ 35.36 crore were processed/refunded. However, the remaining 1,531 applications (65 *per cent*) involving refund claim of ₹14.96 crore were not processed till August 2019. Further, audit also noticed that in none of the above cases, the refund was given within the stipulated time, *i.e.* 60 days from the date of the receipt of the application as per Section 54 (7) of AGST Act, 2017.

{Paragraph 3.1.1(A)}

During the year 2018-19, 17 Audit Committee Meetings were held in which 2,716 paras were discussed and 1,673 paras (62 *per cent*) were settled on the basis of replies furnished by the Environment and Forest, Finance (Taxation) and Excise Department.

(Paragraph 3.1.6.2)

Test check of records of 112 offices of Finance (Taxation), State Excise, Transport, Environment and Forests and other departmental offices conducted during 2018-19 detected under-assessment/short levy/loss of revenue aggregating ₹ 325.71 crore in 745 cases. During the year, the departments concerned accepted under-assessment and other deficiencies amounting to ₹ 19.66 crore involving 45 cases pointed out in audit.

(Paragraph 3.1.9.1)

Chapter-IV: Compliance Audit Paragraphs on Revenue Sector

Section-2: Finance (Taxation) Department

Assessing Officers (AOs) failed to detect invalid/obsolete 'C' forms submitted by 20 dealers resulting in short levy of tax of ₹ 4.64 crore on which interest was also leviable.

Recommendation

The Government may instruct the Department to mandatorily cross verify invalid 'C' Forms declared by the Government of Manipur and Government of Nagaland while allowing concessional rate of tax to dealers. The Department may also consider insertion of a mandatory column in the Assessment Order format certifying that AO has also checked the list of invalid 'C' forms issued by other States.

(Paragraph 4.2.4)

Non-reversal of excess Input Tax Credit (ITC) on inter-State sales and stock transfer out of the intra-State purchase, due to failure of the Assessing Officer to analyse item-wise business of the dealer during assessment, resulted in short realisation of tax of ₹ 15.25 lakh.

Recommendation

The Department may advise Assessing Officers to carry out all mandatory checks before allowing benefit of ITC claims and ensure compliance to the statutory provision in force.

(Paragraph 4.2.5)

The Deputy Commissioner of Taxes (DCT), Nagaon Zone undervalued the opening stock while completing assessment despite available information, which resulted in underassessment of turnover of ₹ 28.98 lakh leading to short levy of tax of ₹ 8.69 lakh.

Recommendation

As the cases pointed out by Audit are based on the test-check in one-unit office, the Department may internally examine similar issues in all offices in the State and take time bound action to effect recovery before the cases become time barred.

(Paragraph 4.2.6)

Arbitrary and irregular grant of exemption by the Agricultural Income Tax Officer (AITO), on levy of interest for short/non-payment of advance tax by assessee resulted in non-levy of interest of ₹ 1.97 crore.

Recommendation

The Government may instruct the Department to recover the dues in above case and suitable action may be initiated against the officials.

(Paragraph 4.2.7)

The Agricultural Income Tax Officer (AITO) failed to cross check composite income disclosed by the assessee in return under Assam Agricultural Income Tax (AAIT) Act

with return submitted to Income Tax Department, which resulted in short levy of tax of ₹ 9.32 lakh.

Recommendation

The Department may issue instructions to assessing authorities to invariably cross-check the particulars of State Agricultural Income Tax return with the Income Tax returns filed by the dealers, before finalising assessment under Assam Agricultural Income Tax Act.

(Paragraph 4.2.8)

While computing total agricultural income, the Agricultural Income Tax Officer (AITO) failed to take into account the deductions disallowed by the Central Income Tax authority resulting in short levy of tax amounting to ₹ 6.04 lakh.

Recommendation

Audit noticed allowance of inadmissible deduction resulting in short disclosure of turnover under AAIT Act, 1939 in two cases. The Department may internally verify similar issues in other cases and advise its offices to cross-verify the Income Tax Returns of the assessee for income/deduction claimed, before finalising the assessment.

(Paragraphs 4.2.9)

Assessing Authority (AA) did not detect the actual import value of cement for self-consumption which resulted in short levy of entry tax of ₹ 8.70 lakh.

Recommendation

As the cases pointed out by Audit are based on the test-check in one-unit office, the Department may internally examine similar omissions in all assessment offices in the State.

(Paragraphs 4.2.10)

Section-3: State Excise Department

The Department suspended/cancelled two Wholesale Warehouse licenses (erstwhile Bonded Warehouse) but did not initiate action to recover the dues as land revenue, as per provision of the Assam Excise Act, 2000, resulting in unrealised revenue of ₹ 4.56 crore.

Recommendation

Audit noticed loss of revenue due to suspension/ cancellation of licences without realising dues from the licensee in two cases. The Department may internally examine similar cases of wholesale warehouses in other units and recover pending dues as per provision of the Assam Excise Act.

(Paragraph 4.3.3)

The Commissioner of Excise failed to instruct the SE/DSE to realise ad-valorem levy against damaged stock allowed for destruction, resulting in non-realisation of revenue of ₹ 2.50 crore.

Recommendation

The Department may internally examine all such cases and demand notices may be issued to those licensees concerned for payment of the Excise Duty.

(Paragraph 4.3.4)

Failure of the Superintendents/ Deputy Superintendent of Excise to enforce provisions of the Assam Excise Rules, 2016 and the Commissioner of Excise, Assam's instruction resulted in non-realisation of annual license renewal fee of ₹ 23 lakh.

Recommendation

The Department may strengthen its monitoring mechanism and ensure realisation of annual license fee in time as per the provision of the Assam Excise Rules. The supervising higher authorities may put in place a review mechanism including submission of documents to ensure that such case are reported to them.

(Paragraph 4.3.5)

Superintendents of Excise failed to realise establishment charges of ₹ 1.01 crore from licensees.

Recommendation

The Department should put in place a mechanism to realise the establishment charges of the officials posted in all units concerned on monthly basis and ensure recovery of the establishment charges prior to issuance/renewal of licences.

(Paragraph 4.3.6)

Superintendents/ Deputy Superintendents of Excise failed to realise enhanced security deposit as per provisions of the Assam Excise Rules, 2016 amounting to ₹ 14.99 crore from 794 licensees.

Recommendation

The Department may issue instructions to ensure that excise officers recover enhanced Security Deposits at the time of realizing the annual licence fee from dealers.

(Paragraph 4.3.7)

Section-4: Transport Department

The District Transport Officers (DTOs) failed to detect tax defaulters of commercial vehicles despite implementation of 'VAHAN' software. This resulted in non-realisation of motor vehicle taxes of ₹ 4.03 crore from 6,062 vehicle owners.

Recommendation

The DTOs should regularly monitor the dues of commercial transport vehicles owners with assistance of 'VAHAN' Software. They should ensure that demand notices are issued on real-time basis to the tax defaulters.

(Paragraph 4.4.3)

The DTOs had not verified fitness expiry of vehicles despite facility of generating Fitness Expiry Report, being available in 'VAHAN' software. This resulted in non-recovery of testing fee and renewal fee amounting to ₹ 61.86 lakh from 10,133 transport vehicles potentially plying without valid fitness certificate.

Recommendation

The Transport Department may consider coordinating with Traffic Police and share the Fitness Expiry Reports to trace out the unfit vehicles plying on road. Further, the Department may internally examine similar issues in respect of other DTOs. The Department may also take up this issue with MoRTH for effecting specific control in the VAHAN software, which would not permit vehicle owners to pay tax unless they have renewed their fitness certificate.

(Paragraph 4.4.4)

Absence of a mechanism for periodic review of Agents Licences resulted in non-realisation of renewal licence fee of ₹ 41.30 lakh due from 68 Agents of Transport Carriers.

Recommendation

The Department should carefully examine all such cases of functioning of the agent licence holder and take corrective measures without any further delay.

(Paragraph 4.4.5)

Section-5: Forest & Environment Department

Divisional Forest Officers granted Mineral Concessions (September - December 2015, August 2016 and May 2017) to other than the highest bidders without any recorded reasons, resulting in loss of forest revenue of ₹ 12.84 crore.

Recommendation

As the cases pointed out by Audit are based on the test-check, the Department may initiate action to examine similar cases across the State. They may issue instructions to DFOs to strictly follow the bidding process results and deviations if any, are recovered with approvals of higher authorities.

(Paragraph 4.5.3)

Failure of the DFOs to observe provisions of the AMMC Rules, 2013 resulted in short realisation of Forest Royalty amounting to ₹ 31.96 lakh from 31 permit holders.

Recommendation

The Department may examine similar issues in other Forest Divisions and initiate corrective measures in the interest of State Revenue. Besides, the Department/Government may also consider to notify rates of royalty on sand gravel for uniform application across the State.

(Paragraph 4.5.4)

Failure of the DFOs to realise enhanced rate of Contract money from 14 Mineral Concession holders after completion of each block of three years as per provisions of the Assam Minor Mineral Concession Rules, 2013, resulted in short realisation of revenue of ₹ 11.72 lakh in March 2019 on account of 'kist money'. There would be potential loss of revenue to the tune of ₹ 96.09 lakh till the end of contract period (between August 2022 and March 2023), if revision action is not taken.

Recommendation:

The Government may explore possibilities of recovering the differential of annual contract money from the contractors in the interest of the State Revenue and also ensure to levy the enhanced kist money in all such cases, in advance, with the quarterly instalments of contract money.

The Department may strengthen its monitoring mechanism to ensure that the agreements with successful bidders, are finalised in accordance with the AMMC Rules, so as to prevent leakage of any revenue.

(Paragraph 4.5.5)

