

CHAPTER – I GENERAL

1.1 Trends of Revenue Receipts

1.1.1 The Tax and Non-Tax Revenue raised by Government of Assam (GoA) during the year 2023-24, State's share of net proceeds of divisible Union taxes and duties assigned to State, Grants-in-Aid received from the Government of India (GoI) during the year and the corresponding figures for the preceding years from 2019-20 are given in **Table 1.1**.

Table 1.1: Trends of Revenue Receipts

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
(₹ in crore)						
1.	Revenue raised by the State Government					
	Tax Revenue	16,528.69	17,133.61	19,533.10	24,502.02	28,178.12
	Non-tax Revenue	5,539.34	2,899.61	3,579.75	5,761.31	5,902.90
	Total	22,068.03	20,033.22	23,112.85	30,263.33	34,081.02
	Percentage of increase/decrease over previous year	-8.61	-9.22	15.37	30.94	12.61
2.	Receipts from Government of India					
	Share of net proceeds of divisible Union taxes and duties	21,721.44	18,629.32	28,150.55	29,694.26	35,330.57
	Grants-in-Aid	20,705.61	26,239.65	28,551.79	29,784.71	22,122.90
	Total	42,427.05	44,868.97	56,702.34	59,478.97	57,453.47
3.	Total receipts of the State Government (1 and 2)	64,495.08	64,902.19	79,815.19	89,742.30	91,534.49
4.	Percentage of 1 to 3	34	31	29	34	37

Source: Finance Accounts of Government of Assam.

The above table indicates that during 2023-24, the revenue raised by the State Government (₹ 34081.02 crore) was 37 per cent of the Revenue Receipts as against 34 per cent during the previous year. The remaining 63 per cent of the receipts during 2023-24, came from the share of net proceeds of divisible Union taxes & duties and Grants-in-Aid from the GoI.

Overall Revenue Receipts of the State grew by ₹ 1,792.19 crore (two per cent) over the previous year. During 2023-24, Tax Revenue and Non-Tax Revenue increased by ₹ 3,676.10 crore (15 per cent) and ₹ 141.59 crore (2.46 per cent) respectively over the previous year. Further, the share of net proceeds of divisible Union taxes and duties increased by ₹ 5,636.31 crore (18.98 per cent) over the previous year, which was offset by decrease in Grants-in-Aid by ₹ 7,661.81 crore (25.72 per cent).

1.1.2 Tax Revenue

The details of Tax Revenue raised during the period 2019-20 to 2023-24 are given in **Table 1.2**.

Table 1.2: Details of Tax Revenue raised

(₹ in crore)

Sl. No.	Head of Revenue	2019-20	2020-21	2021-22	2022-23	2023-24		Percentage of increase (+)/ decrease (-) with respect to	
		Actuals	Actuals	Actuals	Actuals	Budget Estimates (BEs)	Actuals	BEs (2023-24)	Actuals (2022-23)
1.	State Goods and Services Tax	8,755.30	8,549.02	10,579.56	12,564.45	15,668.00	14,653.64	(-) 6.47	16.63
2.	Taxes on Sales, Trade etc.	4,480.96	5,070.97	4,866.68	6,748.61	7,743.24	7,462.99	(-) 3.62	10.59
3.	State Excise	1,650.03	2,039.94	1,939.07	2,525.57	3,000.00	3038.67	1.29	20.32
4.	Stamps and Registration Fees	292.65	280.75	439.46	851.51	821.04	694.78	(-) 15.38	(-) 18.41
5.	Taxes and Duties on Electricity	194.56	197.59	337.91	87.81	399.27	80.31	(-) 79.89	(-) 8.54
6.	Taxes on Vehicles	815.82	723.98	978.21	1,348.41	1,445.04	1689.80	16.94	25.32
7.	Taxes on Goods and Passengers	47.47	3.64	2.30	2.64	5.50	0.09	(-) 98.36	(-) 96.59
8.	Other Taxes on Income and Expenditure	189.92	188.79	206.80	212.81	231.01	223.67	(-) 3.18	5.10
9.	Other Taxes and Duties on Commodities and Services	0.95	0.12	(-) 1.29	0.04	0.008	0.05	525	25
10.	Land Revenue	94.16	116.81	185.02	158.50	681.56	333.63	(-) 51.05	110.49
11.	Taxes on Agricultural Income	6.87	(-) 38.00	(-) 0.62	1.67	7.00	0.49	(-) 93.00	(-) 70.66
Total		16,528.69	17,133.61	19,533.10	24,502.02	30,001.67	28,178.12	(-) 6.08	15

Source: Annual Financial Statement and Finance Accounts of Government of Assam

The increase of ₹ 3,676.10 crore (15 per cent) in the Tax Revenue in 2023-24 as compared to the previous year, was mainly on account of increase in Taxes on State Goods and Services by ₹ 2,089.19 crore (16.63 per cent), ₹ 714.38 crore (10.59 per cent) increase in Taxes on Sales, Trade, etc., ₹ 513.10 crore (20.32 per cent) increase in State Excise and ₹ 341.39 crore (25.32 per cent) increase in Taxes on vehicles.

The reasons for major variations in respect of Tax Revenue during 2023-24 over 2022-23 as reported by the concerned department(s) were as follows:

Excise Department: Revenue increased in 2023-24, mainly due to increase in collection under country spirits and Foreign Liquor Spirits and other miscellaneous receipt, etc.

State Goods and Services Tax (SGST): Revenue increased mainly due to increase in input tax credit cross utilisation of SGST and IGST, apportionment of IGST- transfer-in of tax component and collection of revenue under tax, interest and penalties.

Taxes on Sales, Trade etc.: Revenue increased mainly due to increase in collection of receipts under Value Added Tax (VAT).

Taxes on Vehicles: Revenue increased in mainly due to increase in collection of receipts under Indian Motor Vehicles Act.

Land Revenue: Revenue increased mainly due to increase in collection of taxes and cesses on land and other miscellaneous receipts.

Stamps and Registration Fees: Revenue decreased mainly due to decrease in collection of receipt under sales of stamps, fees for registering documents and other miscellaneous receipts, *etc.*

1.1.2.1 Implementation of Goods and Services Tax

Goods and Services Tax (GST) was implemented with effect from 01 July 2017 on supply of goods or services or both. GST is concurrently administered by the Union (CGST) and the States (SGST) on supply within the State while Integrated Goods and Services Tax (IGST) is levied on inter-state supply of goods or services or both.

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

Goods and Services Tax Network (GSTN), a non-Government Company set up by Government of India, provides both front-end and back-end services to Assam being a Model-II¹ State. Front-end services include approval of registration, taxpayer detail viewer, refund processing, MIS reports, *etc.*

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

1.1.2.2 Registration under GST

As per the GST Act, every taxpayer with turnover of above ₹ 40 lakh (enhanced to ₹ 40 lakh with effect from 01 April 2019 in respect of dealer dealing with sale of goods only) has to be registered under GST. During transition period, the Department had to deal with migration of existing dealers as well as approval of new registrations. The due date for migration of existing dealers was February 2019.

The category wise registrations under GST (as on March 2024) have been given in **Table 1.3.**

Table 1.3: Registered taxpayers under GST in Assam

Types of taxpayers	Number of dealers	Percentage of total
Normal Taxpayers	1,89,516	82.84
Composition Taxpayers	34,799	15.21
Tax Deductors at Source (TDS)	4,023	1.76
Tax Collectors at Source (TCS)	365	0.16
Input Service Distributors (ISD)	61	0.027
Casual Taxpayers	6	0.003
Total Registrants	2,28,770	100

¹ The States under Model-II depend on GSTN to manage back-end services such as tax settlement, assessment, refund processing, *etc.*

The total registrations under GST in Assam were 2.29 lakh as of March 2024, of which, normal taxpayers accounted for 82.84 per cent, composition taxpayers 15.21 per cent and others (including TDS, TCS, ISD and Casual) 1.95 per cent.

1.1.2.3 Division of Dealers between Central and State Government

As per the recommendations² of GST Council, administrative control of over 90 per cent of the dealer with turnover less than ₹ 1.50 crore shall vest with the State Tax Administration and the remaining 10 per cent with the Central Tax Administration. In respect of dealers with turnover of ₹ 1.50 crore and above, the administrative control shall be divided in the ratio of 50 per cent each for the Central and State Tax Administration. However, allocation of taxpayers is done through a computer-based system at the State level, using stratified random sampling, which may also consider geographical location and the type of taxpayers. This division helps streamlining the administration of GST and ensures that taxpayers have a single point of contact for their tax-related matters. The division of taxpayers as notified in Assam as of March 2024³ are shown in **Table 1.4**.

Table 1.4: Division of dealer between Centre and State Government

Jurisdiction	Number of dealers		Total
	Turnover above ₹ 1.5 crore	Turnover below ₹ 1.5 crore	
Centre	11,660	86,417	98,077
State	19,697	1,06,541	1,26,238
Total	31,357	1,92,958	2,24,315

As per Assam Goods and Services Tax Rules⁴, 2017 (AGST Rules, 2017), regular taxpayers were required to file monthly returns⁵ in GSTR-1, GSTR-2 and GSTR-3, whereas composition taxpayers were required to file quarterly returns in GSTR-4. However, the provisions of the rules could not be implemented due to issues relating to Information Technology infrastructure. Accordingly, filing of GSTR-2 and GSTR-3 were postponed and regular taxpayers are required to file GSTR-1 and GSTR-3B and composition dealers were to file GSTR-4 quarterly.

The trend of filing of GSTR-1 and GSTR-3B for the period 2023-24 (position as on April 2024) in Assam has been depicted in **Table 1.5**.

Table 1.5: Filing pattern of GSTR-1 and GSTR-3B

Month	2023-24	
	GSTR-1	GSTR-3B
April	1,19,219	1,19,122
May	1,20,868	1,20,773
June	1,21,986	1,21,759
July	1,19,844	1,19,809
August	1,20,811	1,20,653
September	1,21,452	1,21,077

² Circular dated 20 September 2017.

³ Information furnished by the Finance (Taxation) Department, GoA.

⁴ Rule 59, 60 and 61.

⁵ GSTR-1: containing outward supply, GSTR 2: Auto populated from GSTR-1 showing inward supply of the dealer and GSTR-3: Summarised details of outward and inward supplies of a dealer during the month along with amount of GST liability.

Month	2023-24	
	GSTR-1	GSTR-3B
October	1,19,380	1,19,172
November	1,19,385	1,18,998
December	1,19,013	1,18,368
January	1,15,419	1,14,551
February	1,10,303	1,07,636
March	1,77,448	1,76,030

1.1.3 Non-Tax Revenue

Details of Non-Tax Revenue raised during the period from 2019-20 to 2023-24 are given in **Table 1.6**.

Table 1.6: Details of Non-Tax Revenue raised

Sl. No.	Head of Revenue	₹ in crore)							
		2019-20	2020-21	2021-22	2022-23	2023-24		Percentage of increase (+)/ decrease (-) with respect to	
		Actuals	Actuals	Actuals	Actuals	BEs	Actuals	BEs (2023-24)	Actuals (2022-23)
1.	Petroleum	3,805.34	1,468.55	2,505.30	4,087.06	4,204.66	3,840.48	-8.66	-6.03
2.	Interest Receipts	666.86	235.87	120.86	323.68	159.84	828.11	418.09	155.84
3.	Dairy Development	0.08	0.29	0.08	0.02	0.11	0.04	-63.64	100
4.	Forestry and Wild Life	416.06	352.89	393.14	451.39	1,010.00	564.67	-44.09	25.10
5.	Non-ferrous Mining and Metallurgical Industries	7.49	6.06	8.55	6.55	872.71	13.90	-98.41	112.21
6.	Miscellaneous General Services	-0.18	10.64	3.35	39.82	4.44	24.65	455.18	-38.10
7.	Medium Irrigation	0.67	0.55	2.25	0.17	2.98	0.09	-96.97	-47.06
8.	Medical and Public Health	21.37	10.78	14.15	23.74	18.71	94.82	406.79	299.41
9.	Co-operation	2.09	0.70	0.58	0.73	0.77	9.44	1125.97	1193.15
10.	Public Works	1.70	1.34	2.59	2.04	3.42	2.04	-40.35	0
11.	Police	85.42	78.01	90.77	121.08	120.04	107.03	-10.84	-11.60
12.	Other Administrative Services	103.17	95.72	113.84	121.41	150.55	113.97	-24.30	-6.13
13.	Coal and Lignite	38.85	16.04	4.58	25.49	39.80	17.63	-55.70	-30.84
14.	Roads and Bridges	39.59	19.96	17.68	11.92	23.39	7.27	-68.92	-39.01
15.	Others	350.83	602.21	302.03	546.21	399.41	278.76	-30.21	-48.96
	Total	5,539.34	2,899.61	3,579.75	5,761.31	7,010.83	5,902.90	-15.80	2.46

Source: Annual Financial Statement and Finance Accounts.

The increase of ₹ 141.59 crore (2.46 per cent) in Non-Tax Revenue in 2023-24 as compared to the previous year, was mainly on account of increase in revenue in Interest Receipts by ₹ 504.43 crore, Forestry and Wildlife by ₹113.28 crore and Medical and Public Health by ₹ 71.08 crore, which was offset by decrease in revenue in Petroleum (Mines and Minerals Department) by ₹ 246.58 crore and decrease in revenue under the head 'Others' by ₹ 267.45 crore.

The reasons for major variations in respect of Non-Tax Revenue during 2023-24 over those of 2022-23 were explained below:

Interest Receipts: The increase in revenue was mainly due to increase in collection under interest from Public Sector and Other Undertakings and other miscellaneous receipts.

Forestry and Wildlife: The increase in revenue was mainly due to increase in collection of receipts from Environmental Forestry and Other miscellaneous receipts.

Medical and Public Health: The increase in revenue was mainly due to increase in collection under Other miscellaneous receipts.

1.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2024 in respect of the Finance (Taxation), Excise, Mines and Minerals and Transport Departments amounted to ₹4,876.02 crore of which ₹ 3,132.81 crore was outstanding for more than five years, as detailed in Table 1.7.

Table 1.7: Arrears of revenue

Sl. No.	Heads of Revenue	Name of Department	Amount outstanding as on 31 March 2024		Replies of the Departments
			Total amount	For more than five years	
1.	0022-Taxes on Agricultural Income	Finance (Taxation)	69.79	51.07	Following are the reasons for the pending arrears: i. Some amounts become arrears when the amounts are not paid by the dealers after assessment. The Assessing Officers issue notices to the defaulters for payment of arrears and tries their best to realise the amount. Such arrears are paid by the concerned dealers with interest. Current arrears are also included in the above amount. ii. For the amount which cannot be realised by the Assessing Officers in spite of all efforts, arrear certificates are issued by the assessing officers to the <i>Bakijai</i> officers for realisation of the amount and these amounts remain as arrear with the Superintendent of Taxes (Recovery) till recovery of the said arrear amount. iii. Pendency cases involving arrears of revenue in High Court/ Supreme Court/ Board of Revenue and with Appellate/ Revision authority. iv. Un-traceable of dealers at the time of realisation of dues, etc.
2.	0028-Professional Tax		2.50	0.48	
3.	0029-Land Revenue (Assam Taxes on Specified Lands)		2,950.16	1,889.25	
4.	0040-Tax on Sales, Trade, etc.		1,308.34	909.44	
5.	0042-Taxes on Goods and Passengers		73.55	54.29	
6.	0043-Taxes and Duties on Electricity		23.17	21.84	
7.	0045-Other Taxes and Duties on Commodities and Services		5.04	4.94	
8.	0039-State Excise	Excise Department	63.13	63.13	Due to non-payment of levies by the Wholesale Warehouses in due time.

Sl. No.	Heads of Revenue	Name of Department	Amount outstanding as on 31 March 2024		Replies of the Departments
			Total amount	For more than five years	
9.	0853-Non-ferrous Mining and Metallurgical Industries	Mines and Minerals	0.08	0.08	Non-payment of royalty on limestone by NECEM Cement Ltd. for 2005-06, 2006-07 and 2011-12 (₹ 8,15,789)
10.	0041-Taxes on vehicles	Transport Department	380.26	138.29	Shortage of Enforcement Personnel/staff and inadequate infrastructure in respect of enforcement drive due to Covid-19 pandemic.
Total			4,876.02	3,132.81	

Source: Information as provided by the respective Departments.

Clearance of arrears of such magnitude requires focused efforts by the Departments concerned and a push for coordination with other functionaries such as banks, police Department and quasi-judicial/ judicial bodies involved in the process of recovery.

1.3 Arrears in Assessment

The details of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed of during the year and number of cases pending for finalisation at the end of the year as furnished by the Finance (Taxation) Department in respect of various taxation Acts, are given in **Table 1.8**.

Table 1.8: Arrears in assessments

Nomenclature of the Act	Arrears of assessment due as on 31 March 2023	New cases due for assessments during 2023-24	Total assessment due	Cases disposed during 2023-24	Balance at the end of the year 2023-24	Percentage of disposal (col. 5 to 4)
1	2	3	4 (2+3)	5	6 (4-5)	7
GST	1,117	4,047	5,164	2,999	2,165	58.08
Sales Tax (VAT/ CST Acts)	6,801	916	7,717	2,592	5,125	33.59
Entry Tax Act	1,781	0	1,781	382	1,399	21.45
Profession Traders, Callings and Employment Taxation Act	14,606	5,895	20,501	6,503	13,998	31.72
Taxation (on Specified Lands) Acts	3,598	61	3,659	782	2,877	21.37
Agricultural Income Tax Act	2,494	151	2,645	522	2,123	19.74
Amusement and Betting Taxation Act and Luxury (Hotel & Lodging Houses) Act	419	0	419	0	419	0
Electricity Duty Act	1,618	244	1,862	216	1,646	11.60
Total	32,434	11,314	43,748	13,996	29,752	31.99

Source: Information as provided by the Finance (Taxation) Department.

Table 1.8 indicates that the assessments pending at the end of the year decreased over the previous year as higher number of cases were disposed during the last year (10,653 cases). Pendency in assessment may result in non/ short realisation of Government revenues and further accumulation in arrears of revenue.

1.4 Evasion of tax detected by the Department

The details of cases of tax evasion detected by the Finance (Taxation) Department and State Excise Department, cases finalised and the demands for additional tax raised as reported by the Departments are given in **Table 1.9**.

Table 1.9: Evasion of Tax

Head of revenue	Year	Cases pending at the beginning of the year	Cases detected during the year	Total	Number of cases in which assessment/ investigation completed and additional demand with penalty, etc. raised		Number of cases pending for finalisation at the end of the year
					Number of cases	Amount of demand (₹ in crore)	
GST	2023-24	23	618	641	618	53.62	23
State Excise	2023-24	4	0	4	4	43.94	0
Total		27	618	645	622	97.56	23

Source: Information as provided by the Finance (Taxation) Department and State Excise Department.

Thus, the Departments detected 618 cases of evasion of taxes and raised additional demand of ₹ 97.56 crore during the year. The cases pending at the end of 2023-24 stood at 23 against the opening balance of 27.

1.5 Pendency of refund cases

The number of refund cases pending at the beginning of the year, claims received during the year, refunds allowed during the year and the cases pending at the close of year 2023-24 as reported by the Finance (Taxation) Department is given in **Table 1.10**.

Table 1.10: Details of pendency of refund cases at the close of the year 2023-24

Sl. No.	Particulars	(₹ in crore)			
		Sales Tax/VAT		SGST	
		No. of Cases	Amount	No. of Cases	Amount
1.	Claims outstanding at the beginning of the year	36	24.53	221	400.27
2.	Claims received during the year	44	15.23	851	207.43
3.	Refunds made during the year	12	3.84	573	134.72
4.	Refunds rejected/withheld during the year	4	3.64	295	447.18
5.	Balance outstanding at the end of the year	64	32.28	204	25.80

Source: Information as provided by the Finance (Taxation) Department.

In Finance (Taxation) Department, 64 refund cases involving ₹ 32.28 crore pertaining to VAT and 204 refund cases involving ₹ 25.80 crore pertaining to the SGST were pending at the end of March 2024. The reasons for pendency of outstanding cases was not stated by the Department.

The Department may consider early settlement of refund cases for the benefit of claimants.

1.6 Response of Government/Departments towards audit

The Accountant General (Audit), Assam (AG) conducts periodical inspection of the Government Departments to test check the transaction and verify the maintenance of important accounts and other records as prescribed in the rules and procedures. These

inspections are followed up with the inspection reports (IRs) incorporating irregularities detected during the inspection and not settled on the spot, which are issued to the heads of the offices inspected with copies to the next higher authorities for taking prompt corrective action. The head of the offices / Government is required to promptly comply with the observations contained in the IRs, rectify the defects and omissions and report compliance through initial reply to the AG within one month from the date of issue of the IRs. Serious financial irregularities are reported to the heads of the Department and the Government.

Inspection Reports issued up to December 2023 disclosed that 6,531 paragraphs involving ₹ 2,829.50 crore relating to 1,417 IRs remained outstanding at the end of June 2024 as shown in **Table 1.11** along with the corresponding figures for the preceding two years.

Table 1.11: Details of pending IRs

	June 2022	June 2023	June 2024
Number of IRs pending for settlement	1,273	1,345	1,417
Number of outstanding audit paragraphs	6,460	6,177	6,531
Amount of revenue involved (₹ in crore)	2,301.49	2,242.19	2,829.50

1.6.1 Department wise pendency of IRs

The Department-wise details of the IRs and paragraphs outstanding as on 30 June 2024 and the amounts involved are given in **Table 1.12**.

Table 1.12: Department-wise details of outstanding IRs

Sl. No.	Name of the Department	Nature of receipts	No. of outstanding		Money value involved
			IRs	Audit paragraphs	
1.	Finance (Taxation)	Taxes on sales, trade <i>etc.</i>	308	1,508	952.16
		Agricultural Income Tax			
		Other Taxes			
2.	Excise	State Excise	152	763	1,099.20
3.	Transport	Taxes on Motor Vehicles	235	1,097	514.62
4.	Revenue and Disaster Management (Registration)	Stamps and Registration fees	264	932	13.97
5.	Mines and Minerals	Non-ferrous mining and metallurgical industries	13	52	151.45
6.	Environment and Forests	Forestry and Wildlife	445	2,179	98.10
Total			1,417	6,531	2,829.50

Audit did not receive even the first replies from the heads of offices within one month from the date of issue of the IRs in respect of 61 IRs (out of 62) issued during 2023-24. Further, the large pendency of IRs/paragraphs was due to non-receipt of replies which indicates that the heads of auditee units did not take cognisance of the audit findings pointed out by the AG through IRs.

1.6.2 Departmental Audit Committee Meetings

The Government set up audit committee to monitor and expedite the progress of the settlement of the IRs and paragraphs. The details of the Audit Committee Meetings (ACMs) held during 2023-24 and the paragraphs settled as a consequence thereof are given in **Table 1.13**.

Table 1.13: Details of Departmental Audit Committee Meetings

Head of revenue	Number of meetings held	Number of paras settled	Amount (₹ in crore)
Finance (Taxation) Department	02	192	86.75
Total	02	192	86.75

During the year, two ACMs were held in which 249 paras were discussed and 192 paras (77.11 per cent) were settled on the basis of replies furnished by the Finance (Taxation) Department.

1.6.3 Response of the Departments to the draft audit paragraphs

The Accountant General (Audit), Assam forwards draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India (C&AG) to the Principal Secretaries/ Secretaries of the Departments concerned, drawing their attention to audit findings and requesting them to send their response. In case of non-receipt of the replies from the Government/Department, the same is indicated at the end of such paragraphs included in the Audit Report of the C&AG.

The AG, Assam forwarded 12 Compliance Audit Paragraphs, Performance Audits (PA) on (i) 'Regulation and Control over Manufacturing and Sale of Alcoholic Products', (ii) 'Functioning of District Transport Offices' and a long paragraph on 'Compliance issues pertaining to taxpayers supplying Works Contract Services/ Construction Services under GST', which were proposed to be included in the Report of the C&AG on State Revenues of Government of Assam for the period ended March 2024, to the Secretaries of the Department concerned between August 2024 and March 2025. The replies furnished by the Department/ Directorates have been appropriately incorporated in the respective paragraphs.

1.6.4 Follow up on the Audit Reports

The notifications of Public Accounts Committee (PAC) in August 2001, September 2014 and October 2018 laid down that after presentation of the Report of the C&AG in the Legislative Assembly, the Administrative departments were required to submit *suo-moto* Action Taken Notes (ATN) on paragraphs, within three months to the PAC with a copy to the AG (Audit) without waiting for the PAC's discussion. However, *suo-moto* replies/ explanatory notes on audit paragraphs of the Reports were being delayed inordinately. In the Reports of the C&AG on the Revenue Sector of Government of Assam for the years ended 31 March 2018 to 31 March 2022, placed before the State Legislative Assembly between July 2019 and August 2024, 59 Compliance Audit Paragraphs and two PAs on various topics were included. The AG (Audit) did not receive any *suo-moto* explanatory notes on audit paragraphs.

As of April 2025, PAC discussed 511 out of 1,040 paragraphs, reviews and PAs (including stand-alone Audit Reports) pertaining to the years 1988-89 to 2021-22, leaving a balance of 529 audit paragraphs yet to be discussed.

1.7 Analysis of the mechanism for dealing with the issues raised by Audit

To analyse the system of addressing the issues highlighted in the IRs/ Audit Reports by the Departments/ Government, action taken on the paragraphs and PAs included in the Audit Reports of the last five years for one Department is evaluated in detail and included in this Audit Report.

The following paragraphs discuss the performance of Revenue and Disaster Management Department in respect of the cases detected in the course of local audit during the last five years and also the cases included in the Audit Reports for years 2019-20 to 2022-23.

1.7.1 Position of Inspection Reports

The summarised position of IRs issued during the last five years, paragraphs included in those IRs and their status as on 31 March 2024 in respect of Revenue and Disaster Management Department is tabulated in **Table 1.14**.

Table 1.14: Position of Inspection Reports in respect of Revenue and Disaster Management Department

(₹ in crore)

Year	Opening Balance			Addition during the year			Clearance during the year			Closing Balance		
	IRs	Paras	Money Value	IRs	Paras	Money Value	IRs	Paras	Money Value	IRs	Paras	Money Value
2019-20	175	525	17.33	31	250	2.66	0	6	0	206	769	19.99
2020-21	206	769	19.99	15	77	1.20	0	9	0.13	221	837	21.06
2021-22	221	837	21.06	15	79	0.26	9	37	1.51	227	879	19.81
2022-23	227	879	19.81	23	70	0.75	1	68	9.37	249	881	11.19
2023-24	249	881	11.19	15	51	2.66	0	0	0	264	932	13.85
Total				99	527	7.53	10	120	11.01			

It is evident from the table above that during the last five years, 527 paragraphs were added and 120 paragraphs were settled during 2019-20 to 2023-24. Thus, 932 paragraphs remained outstanding for settlement at the end of 31 March 2024 due to non-receipt of satisfactory replies from the Department.

1.7.2 Recoveries in respect of accepted audit cases

The position of paragraphs included in the Audit Report of the last three years, those accepted by Revenue and Disaster Management Department and the amount recovered there-against is given in **Table 1.15**.

Table 1.15: Position of recovery of accepted cases

(₹ in crore)

Year of Audit Report	Number of paragraphs included	Money value of the paragraphs	Number of paragraphs accepted	Money value accepted	Amount recovered	Cumulative position of recovery of accepted cases as on 31 March 2024
2019-20	1	0.19	1	0.19	-	-
2020-22	2	1.12	2	1.12	-	-
2022-23	2	2.38	2	2.38	-	-

Thus, though the Department accepted the audit observation, these were deficiencies in corrective actions like recovery.

1.7.3 Action taken on the recommendation accepted by the Government/ Departments

The PAs /SSCAs conducted by the AG are forwarded to the Departments concerned with a request to furnish their replies. These paragraphs are further discussed during exit conference and the Department's views received during the exit conference and at any other points of time are included while finalising the PAs/ SSCAs for the Audit Reports. Besides, Audit also makes recommendations against some specific issues brought out in the paragraphs wherever felt appropriate.

During 2019-20, SSCAs on "Processing of Refund claims under GST in Assam" and "Transitional Credits under GST" were carried out wherein five recommendations were made to the Finance (Taxation) Department. The Department reported that action was taken in respect of the recommendations featured in the SSCAs (details are given in *Appendix-I*).

1.8 Audit Planning

For the purposes of audit, the offices under various Departments are categorised as 'high', 'medium' and 'low' risk units according to their quantum of revenue collection, past nature and trends of audit observations and other parameters. The annual audit plan of the AG is prepared on the basis of risk analysis which inter-alia includes critical issues in government revenue 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 revenue earnings during the past five years, factors in tax administration and audit coverage and its impact during past five years.

During 2023-24, against a total of 382 auditable units, 119 units were planned and 99 units were audited. The details are given in *Appendix-II*.

1.9 Results of Audit

1.9.1 Position of audit conducted during the year

Audit test checked records of 99 offices of Finance (Taxation), State Excise, Transport, Environment and Forests and other department offices during 2023-24 and pointed out deficiencies in 548 cases. During the year, the Department concern accepted under assessment and other deficiencies amounting to ₹ 184.71 crore involved in 97 cases. The Department has also collected ₹ 2.78 crore in 40 cases during the year.

1.9.2 Coverage of this Report

This Report contains two Performance Audits (PA) on (i) "Regulation and Control over Manufacturing and Sale of Alcoholic Products" and (ii) "Functioning of District Transport Offices" and four paragraphs including one long paragraph on 'Compliance issues pertaining to taxpayers supplying Works Contract Services/ Construction

Services under GST' having a total financial involvement of ₹ 147.60 crore, of which the Departments concerned accepted audit observations in 19 cases (including PAs) involving revenue of ₹ 129.41 crore and recovered revenue of ₹ 0.34 crore.