



**Report of the
Comptroller and Auditor General of India
on
Social, Economic, General
Revenue and Economic (PSUs) Sectors
For The Year Ended March 2012**



**Government of Arunachal Pradesh
Report No. 1 of 2013**

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

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

For the year ended 31 March 2012

GOVERNMENT OF ARUNACHAL PRADESH

TABLE OF CONTENTS

	<i>Paragraph(s)</i>	<i>Page(s)</i>
Preface		v
Executive Summary		vii
CHAPTER I – SOCIAL SECTOR		
Introduction	1.1	1
Health and Family Welfare Department		
Integrated Audit of Health and Family Welfare Department	1.2	3
Sports and Youth Affairs Department		
Extra expenditure due to adoption of wrong schedule of rates.	1.3	32
Undue benefit to Contractors	1.4	33
Social Welfare, Women and Child Development Department		
Doubtful expenditure on distribution of SNP items	1.5	34
Education Department		
Loss due to injudicious procurement of text books	1.6	36
CHAPTER II – ECONOMIC SECTOR		
Introduction	2.1	37
Rural Development Department		
Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)	2.2	39
Tourism Department		
Unfruitful expenditure on construction of ,multi-purpose hall and mini resort at Zemithang	2.3	78
Agriculture Department		
Excess expenditure on procurement of crop seeds	2.4	81
Rural Works Department		
Extra expenditure due to allowing higher grade/rate for soil excavation	2.5	83
Non-realisation of Departmental Charges	2.6	84
CHAPTER III – SOCIAL SECTOR		
Introduction	3.1	87
Secretariat General Services Department		
Admission of fraudulent medical claims due to failure in exercising due diligence.	3.2	49
Land Management Department		
Wasteful expenditure on defective cadastral survey work	3.3	90

	<i>Paragraph(s)</i>	<i>Page(s)</i>
Home (Police) Department and Director, Tirap and Changlang Affairs		
Loss/theft of cash due to negligence	3.4	92
CHAPTER IV – ECONOMIC SECTOR (PUBLIC SECTOR UNDERTAKINGS)		
Overview of State Public Sector Undertakings	4.1	95
Department of Power		
Performance Audit on Power Transmission activities	4.2	105
Unfruitful expenditure	4.3	137
Department of Hydro Power Development		
Loss of interest on mobilization advance	4.4	139
CHAPTER V – REVENUE SECTOR		
General	5.1	141
Taxation Department		
Concealment of Purchase	5.2.1	150
Loss of Revenue due to non – deduction of tax at source	5.2.2	151
Non-registration of a dealer	5.2.3	152
Concealment of sale of cement	5.2.4	152
Non-levy of penalty due to non-submission of reports of audit of accounts	5.2.5	153
Loss of revenue due to non-initiation of system of physical verification of Declaration Forms	5.2.6	154
Loss of revenue due to import of taxable goods by one unregistered dealer	5.2.7	155
Evasion of tax by fraudulent means	5.2.8	155
Evasion of tax by Government Department	5.2.9	156
Loss of revenue due to non – accountal and improper custody of Declaration Forms	5.2.10	157
Loss of revenue due to non-registration of Government Department as dealer	5.2.11	158
Non-levy of penalty	5.2.12	159
Non-realisation of Entry Tax	5.2.13	159
State Excise Department		
Non-realisation of Establishment Charges	5.2.14	160
Non-realisation of Renewal Fees and Penalty	5.2.15	160
Evasion of tax	5.2.16	161
Unchecked misuse of Declaration Forms by fraudulent dealer	5.2.17	162

	<i>Paragraph(s)</i>	<i>Page(s)</i>
Non-realisation of tax due to evasion by unregistered dealers and non-deduction of tax at source by Government Departments	5.2.18	163
Non-realisation of Security Deposit	5.2.19	163
Loss of revenue	5.2.20	164
Non-realisation of Import Fee	5.2.21	165
Short/non-realisation of initial Licence Fee and Security Deposit	5.2.22	165
Land Management Department		
Non-realisation of Land Revenue	5.2.23	166

APPENDICES

		<i>Page(s)</i>
Appendix – 2.2.1	Details of Sample Districts, Blocks and GPs selected for test-check	169
Appendix – 2.2.2	Statement showing training imparted by SIRD to stake holders	170
Appendix – 2.2.3	Statement showing delays in release of fund	174
Appendix – 2.2.4	Statement showing year-wise physical and financial target and achievement attained in execution of component-wise works/ activities under the Scheme in the State and six test-checked districts	178
Appendix – 3.1	Statement showing total amount of medical claim admitted vis-a-vis actual payment due and excess amount claimed and admitted.	180
Appendix – 4.1	Statement showing particulars of up-to-date paid-up capital, loans outstanding and Manpower as on 31 March 2012 in respect of Government companies.	182
Appendix – 4.2	Summarised financial results of Government companies for the latest year for which accounts were finalised	184
Appendix 4.3	Statement showing equity, loans, grants and subsidy received/receivable, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March 2012	186
Appendix – 4.4	Statement showing investment made by the State Government in State government companies by way of equity, loans, grants and others during the period which the accounts have not been finalized.	187
Appendix – 4.5	Details of 1.32/220/400 KV transmission lines proposed to be constructed during 2007-12.	188
Appendix – 4.6	Statement showing voltage-wise capacity additions planned, actual additions and shortfall from 2007-08 to 2011-12.	189
Appendix – 4.7	Details of LOAs issued in connection with construction of 132 KV Transmission line from Aalo to Pasighat i/c 2 x 5 MVA at Pasighat and By Extension at Aslo.	190