

**Report of the
Comptroller and Auditor General of India
on
Public Sector Undertakings and
Revenue Sector
for the year ended 31 March 2019**



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

Government of Assam
(Report No. 2 of 2021)

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Comptroller and Auditor General of India
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GOVERNMENT OF ASSAM
(Report No. 2 of 2021)

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Preface

This Report of the Comptroller and Auditor General of India (C&AG) for the year ended 31 March 2019 has been prepared for submission to the Governor of Assam under Article 151 of the Constitution of India.

This Report deals with the results of audit of Government Companies and Statutory Corporations for the year ended 31 March 2019. This Report also contains significant findings of audit of Receipts and Expenditure of major Revenue earning departments under Revenue Sector conducted under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The accounts of Government Companies are audited by the C&AG under the provisions of the Section 143 of the Companies Act, 2013. The accounts certified by the Statutory Auditors (Chartered Accountants) appointed by the C&AG under the Companies Act, are subject to supplementary audit by officers of the C&AG and the C&AG gives their comments or supplements the reports of the Statutory Auditors. In addition, the Government Companies are also subject to test audit by the C&AG. The audit of Statutory Corporations is governed by their respective legislations.

The instances mentioned in this Report are those, which came to notice in the course of test audit during the period April 2018 to March 2019 as well as those which came to notice in the earlier years, but could not be reported in the previous Audit Reports. Matters relating to the period subsequent to March 2019 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the C&AG.

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 transplinters 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)

CHAPTER I
Public Sector Undertakings

CHAPTER-I: PUBLIC SECTOR UNDERTAKINGS

Section I: Functioning of Public Sector Undertakings

General

1.1.1 The Public Sector Undertakings (PSUs) consists of State Government Companies and Statutory Corporations under Government of Assam (GoA). The PSUs were established to carry out activities of commercial nature, to assist in welfare of the people and contribute to the State economy. As on 31 March 2019, there were 50 PSUs and one State Electricity Regulatory Commission under the audit jurisdiction of the Comptroller and Auditor General of India (C&AG). These PSUs include 47 Government Companies and three Statutory Corporations (including 10 Subsidiaries¹ of different State Government Companies). Out of the 50 PSUs, there were 34 working PSUs and 16 non-working PSUs² (all Government Companies). None of these Government Companies was listed in the stock exchange.

1.1.2 The financial performance of the PSUs on the basis of latest finalised accounts as on 30 September 2019 is covered in this report. The nature of PSUs and the position of accounts are indicated in *Table 1.1.1*.

Table 1.1.1: Nature of PSUs and position of accounts

Sl. No.	Nature of PSUs	Total number	PSUs whose accounts were received during the reporting period ³	PSUs whose accounts are up to date as on September 2019	PSUs whose accounts are in arrears as on September 2019	Total number of accounts in arrears
1	Working Government Companies ⁴	31	12	6	25	175
2	Statutory Corporations	3	2	1	2	7
3	Total Working PSUs	34	14	7	27	182
4	Non-working PSUs	16	5	2	14	184
5	Regulatory Commission	1	1	0	1	1
Total		51	20	9	42	367

Source: Records of PSUs with audit.

Out of the 50 PSUs and one Regulatory Commission (Assam Electricity Regulatory Commission⁵), nine PSUs (including two non-working) had finalised their latest accounts (2018-19) as on 30 September 2019. The remaining 41 PSUs (including 14 non-working companies) and the Regulatory Commission had arrears of accounts

¹ PSUs at Sl. No. B25, B26, B31, D7, D9, D11, D12, D13, D15 and D16 of *Appendix 3*.

² Non-working PSUs are those which have ceased to carry out their operations.

³ From October 2018 to September 2019

⁴ Government Companies include 'other Companies' referred to in Section 139(5) and 139(7) of the Companies Act, 2013

⁵ Assam Electricity Regulatory Commission (Commission) is a statutory body established under Section 82 of the Electricity Act, 2003 (Act) and accounts of the Commission audited by C&AG in terms of section 104 (2) of the Act.

ranging between 1 and 36 years. The PSUs had employed 40,098 employees as at the end of 31 March 2019. The 34 working PSUs registered a turnover of ₹ 7,785.64 crore. This turnover was equal to 2.47 per cent of Gross State Domestic Product (GSDP) of ₹ 3,15,372 crore⁶ for 2018-19 at current prices. As per their latest finalised accounts as on 30 September 2019, the working PSUs earned aggregate profit of ₹ 171.32 crore, as compared to the aggregate profit of ₹ 371.71 crore earned as per their latest finalised accounts as on 30 September 2018.

Accountability Framework

1.1.3 The audit of the financial statements of Government Companies in respect of financial years commencing on or after 1 April 2014 is governed by the provisions of Sections 139 and 143 of the Companies Act, 2013. The audit of a Company in respect of the financial years prior to 1 April 2014, continues to be governed by the Companies Act, 1956. According to Section 2(45) of the Companies Act, 2013, a Government Company means any company in which not less than 51 per cent of the paid-up capital is held singly or jointly by the Central Government and/or any State Government(s) and also includes subsidiary of a Government Company. The new Act has brought about increased Regulatory Framework, wider Management responsibility and higher Professional Accountability.

Statutory Audit/Supplementary Audit

1.1.4 Statutory Auditors appointed by the Comptroller and Auditor General of India (C&AG) audit the financial statements of a Government Company. In addition, C&AG conducts the Supplementary Audit of these financial statements under the provisions of Section 143 (6) of the Act.

Audit of Statutory Corporations is governed by their respective Legislations. Out of three Statutory Corporations, the C&AG is the sole auditor for Assam State Transport Corporation. As regards Assam State Warehousing Corporation and Assam Financial Corporation, audit is conducted by Chartered Accountant(s) and C&AG is the supplementary auditor. Besides, C&AG is also the sole auditor for the Regulatory Commission. The audit arrangements of Statutory corporations and Regulatory Commission are as shown in **Table 1.1.2**.

Table 1.1.2: Details of Statutory Corporations and Regulatory Authority

Sl. No.	Name of the Corporation/Regulatory Authority	Authority for audit by C&AG	Audit arrangement
1	Assam State Transport Corporation	Section 33(2) of the Road Transport Corporations Act, 1950	Sole audit by C&AG under Section 19(2) of the DPC Act, 1971
2	Assam Financial Corporation	Section 37(6) of the State Financial Corporations Act, 1951	Audit conducted by Chartered Accountants and supplementary

⁶ State GDP (Quick estimate) as per information furnished by Directorate of Economic and Statistics, Government of Assam.

Sl. No.	Name of the Corporation/Regulatory Authority	Authority for audit by C&AG	Audit arrangement
			audit by C&AG under Section 19(2) of the DPC Act, 1971
3	Assam State Warehousing Corporation	Section 31(8) of the State Warehousing Corporations Act, 1962	Audit conducted by Chartered Accountants and supplementary audit by C&AG under Section 19(2) of the DPC Act, 1971
4	Assam Electricity Regulatory Commission	Section 104(2) of the Electricity Act, 2003	Sole audit by C&AG under Section 19(2) of the DPC Act, 1971

Need for timely finalisation and submission of Annual Accounts

1.1.5 According to Section 394 and 395 of the Companies Act, 2013, the annual report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting (AGM). As soon as may be after such preparation, the report shall be laid before the House or both the Houses of State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the C&AG. Almost similar provisions exist in the respective Acts regulating the Statutory Corporations. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the Companies and Statutory Corporations from the Consolidated Fund of the State.

Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited financial statements for the financial year have to be placed in the said AGM for consideration of the members. Section 129(7) of the Companies Act, 2013 provides for imprisonment or levy of fine on the persons including Directors of the Company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

Role of Government and Legislature on State PSUs

1.1.6 The State Government exercises control over the affairs of these PSUs through its administrative departments. The Government appoints the Chief Executive and Directors on the Board of these PSUs.

The State Legislature also monitors the accounting and utilisation of Government investment in the PSUs. For this purpose, the Annual Reports of State Government Companies together with the Statutory Auditors' reports and comments of the C&AG thereon are required to be placed before the Legislature under Section 394 of the Companies Act, 2013. Similarly, the Annual Reports of Statutory Corporations along with the Separate Audit Reports of C&AG are required to be placed before the Legislature as per the stipulations made under their respective governing Acts. The

Audit Reports of C&AG are submitted to the State Government under Section 19A of the C&AG's DPC Act, 1971.

State's Investment in Public Sector Undertakings

1.1.7 The GoA has significant financial stake in the PSUs. This stake 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 PSUs from time to time.
- **Special Financial Support** - State Government provides budgetary support by way of grants and subsidies to the PSUs as and when required.
- **Guarantees** - State Government also guarantees the repayment of loans with interest availed by the PSUs from financial institutions.

1.1.8 The sector wise summary of GoA's cumulative investments in the PSUs by way of equity contribution and long term loans (all interest bearing) provided by GoA to these PSUs as on 31 March 2019 is given in **Table 1.1.3**.

Table 1.1.3: Sector-wise investment of GoA in PSUs

Name of Sector	Government Companies		Statutory Corporations	Total	Investment ⁷ (₹ in crore)		
	Working	Non-Working	Working		Equity	Long-term loans ⁸	Total
Power	3	0	0	3	807.24	2,907.88	3,715.12
Agriculture & Allied	6	2	0	8	68.30	437.85	506.15
Finance	5	0	1	6	40.55	50.04	90.59
Infrastructure	7	2	0	9	177.81	130.65	308.46
Manufacturing	5	12	0	17	197.22	63.62	260.84
Service	1	0	2	3	165.86	4.25	170.11
Miscellaneous ⁹	4	0	0	4	20.07	0.00	20.07
Total	31	16	3	50	1,477.05	3,594.29	5,071.34

Source: Information furnished by the PSUs

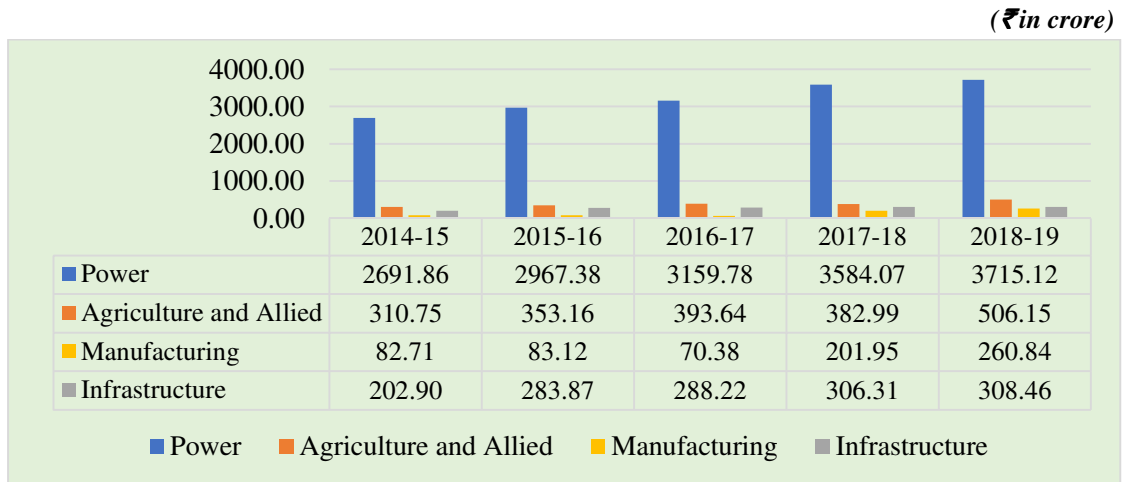
1.1.9 The comparative figures of GoA's investment (equity and long term loans) in four major sectors at the end of 31 March 2015 and 31 March 2019 are indicated in **Chart 1.1.1**.

⁷ Investment figures are provisional and as provided by the PSUs except for nine PSUs (Sl. No. A1, A2, A3, B22, B30, B31, C1, D4 and D6 of **Appendix 3**), which have finalized their accounts for 2018-19.

⁸ Long-term loans are all interest bearing loans.

⁹ Miscellaneous sector includes Assam Gas Company Ltd., DNP Ltd., Assam Government Marketing Corporation Ltd. and Assam State Textbook Production and Publication Corporation Ltd.

Chart 1.1.1: Sector-wise investment in PSUs



As can be noticed from *Chart 1.1.1*, the thrust of GoA investment during the last five years was in the power sector PSUs. The investment in power sector PSUs increased by 38.01 per cent from ₹ 2,691.86 crore (2014-15) to ₹ 3,715.12 crore (2018-19).

Loans given by State Government to PSUs.

1.1.10 Further, it can be noticed from *Table 1.1.3* that the long-term loan received by PSUs from GoA and outstanding as of 2018-19 stood at ₹ 3,594.29 crore. Major portion of these loans amounting to ₹ 2,907.88 crore (80.90 per cent) pertained to Power sector PSUs while remaining loans of ₹ 686.41 crore (19.10 per cent) related to the PSUs in other five sectors¹⁰. Sector wise and age wise figures of GoA loans outstanding as of 2018-19 are given in *Table 1.1.4*.

Table 1.1.4: Statement showing sector wise long term loan outstanding

(₹ in crore)

Sector	Loan pertains to					Repayments during last five years
	Upto 5 years	6 to 10 years	11 to 20 years	More than 20 years	Total	
Power	1,936.64	749.50	221.74	--	2,907.88	--
Agriculture & Allied	256.67	54.25	107.33	19.60	437.85	0.41
Infrastructure	76.20	17.66	14.40	22.39	130.65	--
Manufacturing	23.18	14.58	11.57	14.29	63.62	13.33
Finance	10.00	40.00	--	0.04	50.04	13.40
Services	--	4.25	--	--	4.25	--
Total	2,302.69	880.24	355.04	56.32	3,594.29	27.14

Source: Information furnished by the PSUs

It can be seen from *Table 1.1.4* that the State Government provided major portion of GoA loans amounting to ₹ 2,302.69 crore (64.07 per cent) during last five years (2014-19) to the PSUs, of which, Power sector was the major recipient of loans of ₹ 1,936.64 crore (84.10 per cent) followed by Agriculture and allied sector, which received 11.15 per cent of GoA loans.

¹⁰ excluding Miscellaneous Sector where no loans were outstanding.

Analysis of PSU loans further revealed that GoA loans under Power Sector pending for more than five years (₹ 971.24 crore) included ₹ 415.51 crore (43 per cent) transferred to power sector PSUs during the unbundling of the erstwhile Assam State Electricity Board. Further, more than 95 per cent (₹ 418.21 crore) of GoA loans of ₹ 437.85 crore outstanding under Agriculture & Allied Sector, pertained to one loss making PSU (Assam Tea Corporation Limited), which was dependent on the GoA for meeting its administrative expenses. Similarly, one-third portion (₹ 43.75 crore) of GoA loans under the Infrastructure Sector (₹ 130.65 crore) belongs to two loss making PSUs while the entire GoA loans (₹ 63.62 crore) under the Manufacturing Sector related to three closed/defunct PSUs.

Since the chances of recovery of GoA loans outstanding against loss making/defunct PSUs were remote, 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.

As per notification issued (March 2006) by GoA and reiterated from time to time, no State Government loan was to be granted to PSUs for a period exceeding 10 years, except with an extension sought from Finance Department, GoA and the recovery was to be affected in annual equal instalment of principal and interest. Audit observed that during 2014-2019, only three PSUs¹¹ (all non-power sector PSUs) out of 19 PSUs repaid loan instalments to GoA amounting to ₹ 27.14 crore. Further, only one PSU¹² (Finance Sector) repaid the loan within the maximum prescribed period of 10 years. Out of remaining 16 PSUs which did not repay the loan instalments, 10 PSUs¹³ continued to receive loans during 2014-15 to 2018-19 from Government despite non-compliance of the directions of the Finance Department, GoA. During the period of five years (2014-19), these 10 PSUs received total loan amounting to ₹ 2,033.33 crore which was equivalent to 88.30 per cent of total loan disbursed during this period.

Keeping in view the high level of investment in power sector, we are presenting the results of audit of three power sector PSUs and Assam Electricity Regulatory Commission under Section-2 (Functioning of Power Sector PSUs) and Section-4 (Compliance Audit Paragraphs relating to Power Sector PSUs) of this Report and that of the remaining 47 PSUs (other than power sector) under Section-3 (Functioning of PSUs-other than power sector) and Section-5 (Compliance Audit Observations relating to PSUs-other than power sector) of the Report.

¹¹ Sl. No. B7 (₹ 0.41 crore), B23 (₹ 13.33 crore) and C1 (₹ 13.40 crore) of **Appendix 2**.

¹² Sl. No. C1 of **Appendix 2**, loan of ₹ 14 crore taken in 2009-10 repaid by 2016-17.

¹³ Sl. No. A1, A2, A3, B8, B15, B16, B17, B18, B26 and D5 of **Appendix 3**.

Section 2: Functioning of Power Sector Public Sector Undertakings

Introduction

Contribution to the State's economy

1.2.1 The power sector PSUs play an important role in the economy of the State. Apart from providing critical infrastructure required for development of the State's economy, the sector also adds significantly to the Gross State Domestic Product (GSDP). A ratio of PSUs-turnover to GSDP shows the extent of PSUs-activities in the State economy. **Table 1.2.1** provides the details of turnover of three Power Sector PSUs (all Companies) against the GSDP for the five years ending 2018-19.

Table 1.2.1: Details of power sector PSUs turnover vis-à-vis GSDP

Particulars	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Turnover¹⁴	3,671.56	4,332.42	4,900.03	5,899.50	6,907.65
Gross State Domestic Product	1,95,723	2,27,959	2,54,478	2,88,494 ¹⁵	3,15,372 ¹⁶
Percentage of Turnover to State GDP	1.88	1.90	1.93	2.04	2.19

Source: Accounts received from PSUs and information provided by the Directorate of Economic & Statistics, GoA. Figures of GSDP relating to 2017-18 are Provisional estimates and that for 2018-19 are Quick estimates.

As can be seen from **Table 1.2.1**, the turnover of the three PSUs had increased consistently during five years from ₹ 3,671.56 crore (2014-15) to ₹ 6,907.65 crore (2018-19) and registered an overall increase of 88 *per cent* in their turnover during the said period. This was mainly due to increase of ₹ 2,561.98 crore (96 *per cent*) in turnover of State Power Distribution utility¹⁷ from ₹ 2,661.99 crore¹⁸ (2014-15) to ₹ 5,223.97 crore (2018-19) on account of several factors like increase in consumer base, periodic tariff revision, improved billing efficiency¹⁹ *etc.* The increase in PSUs turnover (88 *per cent*) was encouraging as compared to the growth rate (61 *per cent*) of GSDP during the said period (2014-19). This had correspondingly increased the contribution of PSUs turnover to GSDP from 1.88 *per cent* (2014-15) to 2.19 *per cent* (2018-19).

Formation of power sector PSUs

1.2.2 The Electricity Act, 2003 enacted by the Government of India (GoI) provides a framework conducive to development of the power sector, promote transparency and competition and protects the interest of the consumers. As part of power sector reforms, the erstwhile Assam State Electricity Board (ASEB) was unbundled (October 2003) by

¹⁴ Turnover as per the latest finalised accounts as on 30 September of the respective year.

¹⁵ Provisional estimates of GSDP

¹⁶ Quick estimates of GSDP

¹⁷ Assam Power Distribution Company Ltd.

¹⁸ As per latest finalised accounts (2013-14) of Assam Power Distribution Company Ltd. for the Report year 2014-15.

¹⁹ Billing efficiency of Assam Power Distribution Company increased from 77 *per cent* (2017-18) to 79 *per cent* (2018-19) of energy supplied.

Government of Assam (GoA) into five successor PSUs²⁰ for Power Generation (Assam Power Generation Corporation Limited), Transmission (Assam Electricity Grid Corporation Limited) and Distribution (Lower Assam Electricity Distribution Company Limited, Central Assam Electricity Distribution Company Limited and Upper Assam Electricity Distribution Company Limited) activities. Subsequently, the three Distribution PSUs were merged into one Company (with effect from 1 April 2009) which was renamed as Assam Power Distribution Company Limited. The power sector PSUs are regulated by Assam Electricity Regulatory Commission (AERC) set up *vide* Electricity Act, 2003 with regard to purchase, sale and supply of power in the State. AERC also fixed the tariff for generation, transmission and distribution of electricity in the State.

Investment in power sector PSUs

1.2.3 The total investment in power sector PSUs as on 31 March 2019, as per information provided by the PSUs was ₹ 4,800.88 crore (*Appendix 2*) as per the details provided in *Table 1.2.2*.

Table 1.2.2: Details of total investment in PSUs as on 31 March 2019

(₹ in crore)

Particulars	GoA	Others	Total
Equity	807.24	-	807.24
Long-term loans	2,907.88	1,085.76	3,993.64
Total investment	3,715.12	1,085.76	4,800.88

(‘Others’ include Central Government, holding companies, Banks and other financial institutions, etc.)

As can be noticed from *Table 1.2.2*, the GoA’s investment in power sector PSUs as on 31 March 2019 was to the extent of 77.38 *per cent* (₹ 3,715.12 crore) 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*). Further, the GoA’s investment consisted of 22 *per cent* towards equity capital and 78 *per cent* in long-term loans.

Reconciliation with Finance Accounts of GoA

1.2.4 The figures in respect of equity and long-term loans extended by the GoA and remaining outstanding as per the records furnished by the PSUs should agree with the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the PSUs concerned and the Finance Department are required to carry out reconciliation of differences in figures. The position in this regard as on 31 March 2019 is summarised in *Table 1.2.3*.

Table 1.2.3: Equity and loans outstanding as per the State Finance Accounts *vis-à-vis* records of power sector PSUs

(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
1	2	3	4
Equity	1,398.75	807.24	591.51
Loans	4,486.40	2,907.88	1,578.52

Source: Information furnished by the PSUs and Finance Accounts

²⁰ Though the three PSUs were formally incorporated on 23 October 2003, these PSUs started functioning from 2005-06, when they prepared their first Annual Accounts.

It can be noticed that there were significant unreconciled differences in the figures of equity and loans as per two sets of records. In the State Finance Accounts, 2018-19, the entire equity figure shown under column 2 of the **Table 1.2.3** has been booked in the name of the erstwhile Assam State Electricity Board (ASEB). Similarly, out of total loans of ₹ 4,486.40 crore outstanding against power sector, merely ₹ 129.45 crore has been booked in the name of three power sector PSUs as their current year borrowings in the State Finance Accounts, 2018-19. The erstwhile ASEB was restructured and its substantive activities relating to generation, transmission and distribution of electricity transferred to separate power sector companies²¹ formed for the purpose in terms of the Transfer schemes²² notified (December 2004/August 2005) by GoA. The GoA dissolved (March 2013) the ASEB and it ceased to exist with effect from 31 March 2013.

Recommendation:

As the un-reconciled differences of outstanding investments are significant, the GoA and the PSUs concerned need to take concrete steps to reconcile the differences in a time-bound manner. Further, considering the significant difference in the Loan figures, the State Government may correct the outstanding GoA Loan figures appearing in the State Finance Accounts and take appropriate action for recovery of these long pending dues from three power PSUs.

Budgetary outgo of GoA

1.2.5 The GoA provided financial support to the three PSUs in various forms through the annual budget. The details of year-wise budgetary outgo towards equity, loans and grants in respect of three PSUs for the five years ending March 2019 are given in **Table 1.2.4**.

Table 1.2.4: Year-wise budgetary support by GoA to power sector PSUs

(₹ in crore)

Sl. No.	Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1	Equity outgo from budget	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
2	Loans given from budget ²³	3	913.38	3	275.52	3	192.40	3	424.29	3	131.05
3	Grants ²⁴ /Subsidy from budget	1	332.79	2	437.19	3	929.37	2	2,276.98	3	1,279.52
	Total Outgo²⁵	3	1246.17	3	712.71	3	1,121.77	3	2,701.27	3	1,410.57

Source: Information furnished by the PSUs

²¹ Initially five companies were formed for taking up the activities relating to generation (one company), transmission (one company) and distribution (three companies). Subsequently, three distribution companies merged into one company. At present, there are three power sector companies in the State namely, Assam Electricity Grid Corporation Ltd. (transmission utility); Assam Power Generation Corporation Ltd. (generation utility) and Assam Power Distribution Company Ltd. (distribution utility).

²² Assam Electricity Reforms First Transfer Scheme, 2004 notified on 10 December 2004 and Transfer Scheme (Final) notified on dated 16 August 2005.

²³ These are interest bearing loans.

²⁴ This includes both Capital and Revenue grants.

²⁵ Actual number of PSUs which received equity, loans, grants/subsidies from the GoA.

As can be noticed from **Table 1.2.4**, the year-wise budgetary outgo to three PSUs during 2014-19 in the form of equity, loans, grants, *etc.* was lowest (₹ 712.71 crore) during 2015-16. The budgetary outgo was significantly higher at ₹ 2,701.27 crore during 2017-18 but it again reduced to ₹ 1,410.57 crore during 2018-19.

The grants/subsidy released by GoA during 2018-19 (₹ 1,279.52 crore) included ₹ 1,173.16 crore (91.68 *per cent*) provided to Assam Power Distribution Company Limited for repayment of power purchase liabilities (₹ 630.30 crore), creation of infrastructure (₹ 280.85 crore) and targeted subsidies for consumers on account of tariff (₹ 262.01 crore).

Further, as per the State Finance Accounts, 2018-19, the GoA had guaranteed the repayment of loans of two power sector PSUs (Assam Power Distribution Company Limited and Assam Power Generation Corporation Limited) from the financial institutions to the extent of ₹ 372.84 crore. Against the guarantee committed, the loan outstanding (principal portion) at the end of 31 March 2019, was ₹ 22.94 crore against one PSU (Assam Power Generation Corporation Limited).

Submission of Accounts

Submission of Accounts by power sector PSUs

1.2.6 The financial statements of the PSUs for every financial year are required to be finalised within six months from the end of the relevant financial year *i.e.* by 30 September in accordance with the provisions of Section 96(1), read with Section 129(2) of the Companies Act 2013 (Act). Failure to do so may attract penal provisions under Section 99 of the Act. As per the Act, the PSU and every officer of the PSU who is at default shall be punishable with fine which may extend up to ₹ 1 lakh and in the case of a continuing default, with a further fine which may extend up to ₹ 5,000 for every day during which such default continues. All three power sector PSUs had finalised their accounts upto the financial year 2018-19. As such, none of these PSUs had any arrear of accounts as on 30 September 2019 as detailed in **Table 1.2.5**.

Table 1.2.5: Position relating to finalisation of accounts of power sector PSUs

Sl. No.	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
1	Number of PSUs	3	3	3	3	3
2	Number of accounts finalised during the year	4	3	2	4	5
3	Number of previous year accounts finalised during current year	3	2	2	3	2
4	Total number of accounts in arrears	2	2	3	2	0
5	Number of PSUs with arrears in accounts	2	2	3	2	0
6	Extent of arrears	One year	One year	One year	One year	Nil

Source: Compiled based on accounts of PSUs received during October 2018 to September 2019.

Submission of Accounts by Assam Electricity Regulatory Commission

1.2.7 The audit of Accounts of Assam Electricity Regulatory Commission (AERC) has been carried out under Section 104(2) of the Electricity Act 2003. Section 104(2)

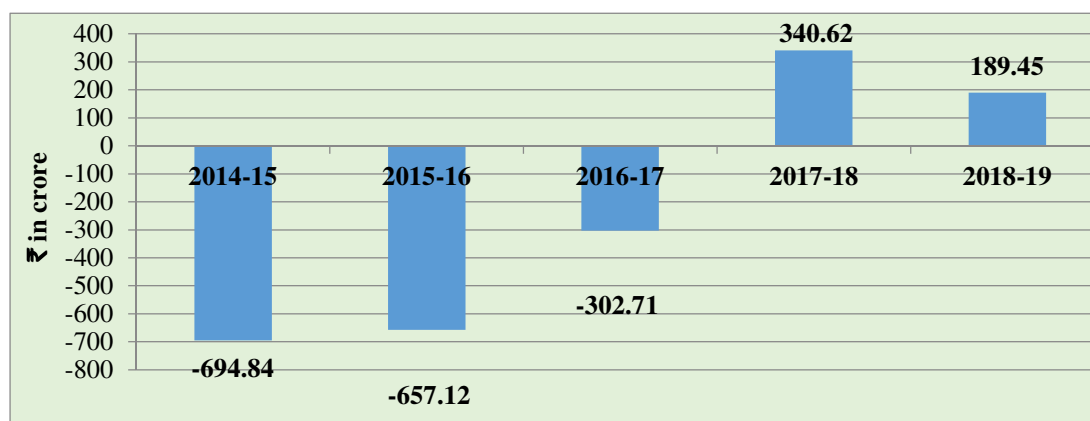
of the Act provides that Accounts of the State Commission shall be audited by the Comptroller and Auditor General of India at such intervals as may be specified by him. Section 104(4) of the above act also provides that the accounts of the State Commission, as certified by the Comptroller and Auditor General of India or any other person appointed by him in this behalf, together with the audit report thereon shall be forwarded annually to the GoA and that GoA shall cause the same to be laid, as soon as may be after it is received, before the State Legislature.

During October 2018 to September 2019, the AERC had forwarded 16 accounts to the PAG. All of the 16 accounts were audited and the Separate Audit Report of C&AG highlighted significant observation on the financial statements. As on September 2019, the AERC had only one arrear of accounts (*i.e.* 2018-19) pending for finalisation and audit.

Operational Performance of PSUs

1.2.8 The overall position of profit/losses²⁶ earned/incurred by the three PSUs during 2014-15 to 2018-19 is depicted in *Chart 1.2.1*.

Chart 1.2.1: Profit/Losses earned/incurred by power sector PSUs



Source: Compiled based on latest finalised accounts of the PSUs as on 30 September 2019.

As may be noticed from *Chart 1.2.1*, during first three years 2014-17, the PSUs had incurred overall operational losses ranging from ₹ 302.71 crore (2016-17) to ₹ 694.84 crore (2014-15). During the year 2018-19, the three PSUs earned overall profit of ₹ 189.45 crore²⁷ as per their latest finalised accounts as on 30 September 2019 as compared to aggregate profit of ₹ 340.62 crore earned during 2017-18 (*Appendix 3*). The aggregate profit earned by the three PSUs during the two years 2017-19, was mainly because of the net profit of ₹ 357.39 crore (2017-18) and ₹ 145.94 crore (2018-19) registered by the power transmission PSU (Assam Electricity Grid Corporation Limited). The positive operational results of this PSU was because Assam Electricity Regulatory Commission (AERC) allowed prior period revenue gaps of ₹ 319.93 crore (2017-18) and ₹ 173.38 crore (2018-19) for recovery as a tariff component, during the truing up process of the provisional tariff. Accordingly, the said

²⁶ Figures are as per the latest finalised accounts during the respective years.

²⁷ This includes net profits of Assam Power Generation Corporation Ltd.: ₹ 22.50 crore, Assam Electricity Grid Corporation Ltd.: ₹ 145.94 crore and Assam Power Distribution Company Ltd.: ₹ 21.01 crore.

revenue gaps after their recovery as a tariff component have been recognised as operational revenue in the accounts of the PSU leading to the profit (₹ 357.39 crore and ₹ 145.94 crore) registered by the PSU during the two years 2017-19 respectively.

Erosion of Net worth (Shareholders' Fund)

1.2.9 Net Worth or Shareholders' Fund means the sum total of the 'paid-up capital' and 'free reserves and surplus' *minus* accumulated losses and deferred revenue expenditure. Essentially, it is a measure of what an entity is worth to the owners. A negative Net Worth indicates that the entire investment by the owners has been wiped out by accumulated losses and deferred revenue expenditure.

Return on Equity²⁸ (RoE) is a measure of financial performance to assess how effectively the Management had been using the Shareholders' Fund to create profits. RoE is expressed in terms of 'profit after tax' (PAT) earned by a company as a percentage of the Shareholders' Fund and as such, RoE is workable only if the Shareholders' Fund is positive.

The summarised details of the Net Worth of three power sector PSUs during last five years from 2014-15 to 2018-19 as per their latest finalised accounts has been given in **Table 1.2.6**.

Table 1.2.6: Net Worth of power sector PSUs during 2014-15 to 2018-19

(₹ in crore)

Year	Paid-up capital at end of the year	Accumulated loss (-) at the end of the year	Free reserve & surplus	Net worth/ Shareholders' Fund	Net Income/ Total Earnings for the year ²⁹	RoE (per cent)
	i	ii	iii	iv=(i +ii+iii)	v	vi=(v/iv)
2014-15	718.56	-2,822.99	0.00	-2,104.43	-694.84	Not workable
2015-16	718.56	-3,400.76	0.00	-2,682.20	-657.12	Not workable
2016-17	718.56	-3,684.40	0.00	-2,965.84	-302.71	Not workable
2017-18	718.56	-3,743.00	0.00	-3,024.44	340.62	Not workable
2018-19	718.56	-3,301.58	18.54	-2,564.48	189.45	Not workable

Source: Annual accounts of PSUs received during the period October 2018 to September 2019

As can be noticed from the **Table 1.2.6**, the Net worth of power sector PSUs was negative throughout the period of five years (2014-19) due to high accumulated losses of these PSUs. 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 the accumulated losses of these PSUs. Analysis of investment and accumulated losses of three PSUs further revealed that the accumulated losses (₹ 3,188.43 crore) of two³⁰ out of three PSUs had completely eroded their paid-up capital (₹ 262.70 crore). It can be seen that the Shareholders' fund for all the five years was negative and hence, RoE was not workable. Further, the accumulation of huge losses by these PSUs had eroded public wealth, which is a matter of serious concern.

²⁸ Return on Equity = Net Profit after taxes less preference dividend ÷ Shareholders' Fund/Equity; Where, Shareholders' Fund/Equity represents 'Paid-up Equity Share Capital *plus* Free Reserves and Surplus *minus* Accumulated Loss *minus* Deferred Revenue Expenditure

²⁹ PAT as per the latest finalised accounts of the PSUs as on 30 September of the respective year.

³⁰ Sl. No. A2 and A3 of **Appendix 3**.

Return on Capital Employed

1.2.10 Return on Capital Employed (RoCE) is a profitability metric that measures the long-term profitability and efficiency of a company in effective utilisation of the total available capital (*viz.* Shareholders' funds and long-term borrowings). RoCE is an important decision metric for long-term lenders. The significance of RoCE becomes obvious when it is applied in contrast with Return on Equity (RoE), which measures the efficiency of a company to create profits for its Shareholder (owners) by effectively utilizing its assets. RoCE is calculated by dividing a company's 'Earnings before Interest and Tax' (EBIT) by the Capital Employed³¹. The details of RoCE of the three PSUs during the period from 2014-15 to 2018-19 as per their latest finalised accounts as on 30 September of the respective year are given in **Table 1.2.7**.

Table 1.2.7: Return on Capital Employed

Year	EBIT (₹ in crore)	Capital Employed (₹ in crore)	RoCE (per cent)
2014-15	-560.37	-61.84	Not workable
2015-16	-467.48	138.19	(-) 338.29
2016-17	-101.14	95.34	(-) 106.08
2017-18	650.11	568.56	(+) 114.34
2018-19	474.65	1,429.16	(+) 33.21

Source: Compiled based on latest finalised accounts of the PSUs as on 30 September 2019.

As could be noticed from the **Table 1.2.7**, the RoCE of three PSUs was not workable for the year 2014-15 as the Capital Employed of power sector PSUs was completely wiped off by the accumulated losses of these PSUs as at the end of the year. Further, analysis revealed that:

(i) EBIT of the PSUs turned positive (₹ 650.11 crore) during 2017-18 mainly due to the profits of ₹ 374.60 crore earned by two PSUs³². Consequently, the RoCE during 2017-18 turned positive from (-) 106.08 *per cent* (2016-17) to (+) 114.34 *per cent*.

(ii) RoCE of PSUs declined to (+) 33.21 *per cent* during 2018-19 mainly due to increase of ₹ 860.60 crore in the Capital Employed and decrease of ₹ 175.46 crore in the EBIT during 2018-19 compared to the previous year (2017-18).

(iii) Capital Employed of PSUs increased during 2018-19 mainly due to the additional loans of ₹ 400.64 crore (GoA: ₹ 131.05 crore and Others: ₹ 269.59 crore) borrowed by power sector PSUs and reduction of ₹ 441.42 crore in the accumulated losses of these PSUs from ₹ 3,743.00 crore (2017-18) to ₹ 3,301.58 crore (2018-19).

Dividend Payout

1.2.11 As per Public Enterprise Policy, 2019, the PSUs having no accumulated loss and having operating profit shall pay a minimum dividend to its shareholders out of the profit earned after payment of payable tax by the PSU during the preceding Financial year provided such provision is laid down in Articles of Association/Articles of

³¹ Capital employed represents 'paid-up capital' *plus* 'free reserves and surplus' *plus* long-term loans (including 'Current portion of long term debts') *minus* accumulated losses/deferred revenue expenditure.

³² Assam Electricity Grid Corporation Ltd. (₹ 357.39 crore) and Assam Power Generation Corporation Ltd. (₹ 17.21 crore)

Incorporation of the PSU. During the period of five years (2014-19), the three PSUs³³ earned profit of ₹ 564.98 crore, which was not sufficient to wipe out their accumulated losses, aggregating ₹ 3,301.58 crore as on 31 March 2019. None of the three PSUs paid any dividend during 2014-19.

Return on GoA's Investment on the basis of Present Value of Investment

1.2.12 The Rate of Real Return (RoRR) measures the profitability and efficiency with which equity and similar non-interest bearing capital have been employed, after adjusting them for the time value. To determine the Rate of Real Return on Government Investment (RoRR), the investment of State Government³⁴ in the form of equity, interest free loans and grants/subsidies given by the State Government for operational and management expenses *less* disinvestments (if any) has been considered, and indexed to their Present Value (PV) and summated. The RoRR is then calculated by dividing the PAT by the sum of the PV of the Government investment.

GoA infused funds in three power sector PSUs in the form of equity, loans (all interest bearing) and revenue grants/subsidies but did not provide any interest free loans. During 2018-19, three PSUs in power sector earned aggregate profit of ₹ 189.45 crore (**Appendix 3**) On the basis of historical value of investment, the return on GoA investment during 2018-19 was 4.34 *per cent*. On the other hand, when the present value of investment is considered, the Rate of Real Return (RoRR) on GoA investment during 2018-19 was 2.91 *per cent* as shown in **Appendix 4A**. This difference in the percentage of return on GoA investment was on account of adjustments made in the investment amount for time value of money.

Analysis of Long term loans of PSUs

1.2.13 The long-term loans of the PSUs having leverage during 2014-15 to 2018-19 were analysed with a view to assess the ability of the PSUs to service their debts owed to GoA, banks and other financial institutions (FIs). This was assessed through the Interest Coverage Ratio and Debt Turnover Ratio.

Interest Coverage Ratio

1.2.14 Interest Coverage Ratio is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's EBIT by interest expenses of the same period. The lower the ratio, the lesser the ability of the company to pay interest on debt. An interest coverage ratio of below one indicates that the company is not generating sufficient revenues to meet its expenses on interest. The details of interest coverage ratio in those PSUs which had interest burden during the period from 2014-15 to 2018-19 are given in **Table 1.2.8**.

³³ One PSU (Sl. No. A1 of **Appendix 3**) earned profit of ₹ 0.93 crore (2016-17); two PSUs earned profit of ₹ 17.21 crore and ₹ 357.39 crore (Sl. No. A1 and A2 of **Appendix 3**) during 2017-18; and all the three PSUs (Sl. No. A1, A2 & A3 of **Appendix 3**) earned overall profit of ₹ 189.45 crore (2018-19).

³⁴ As per the records of PSUs.

Table 1.2.8: Interest coverage ratio

Year	Interest (₹ in crore)	EBIT (₹ in crore)	No. of PSUs having liability of loans from GoA, Banks and FIs	No. of PSUs having interest coverage ratio of more than 1	No. of PSUs having interest coverage ratio below 1
2014-15	134.02	-560.37	3	-	3
2015-16	189.40	-467.48	3	1	2
2016-17	201.35	-101.14	3	1	2
2017-18	210.02	650.11	3	2	1
2018-19	251.56	474.65	3	3	0

Source: Annual accounts of PSUs received during the period October 2018 to September 2019

It can be observed from **Table 1.2.8** that the number of PSUs with Interest Coverage Ratio of 'more than one' increased from one PSU (2015-16) to three PSUs (2018-19) during last four years, which was a positive indication. Audit analysis further revealed increase of 87.70 per cent in the interest burden of the PSUs during 2014-19 from ₹ 134.02 crore (2014-15) to ₹ 251.56 crore (2018-19), was attributable to gradual increase in the long-term debts of the PSUs from ₹ 2,042.59 crore (2014-15) to ₹ 3,993.64 crore (2018-19) as per their latest finalised accounts. The increase in the interest burden has correspondingly increased pressure on the profitability of three PSUs.

Debt-Turnover Ratio

1.2.15 A low Debt-to-Turnover ratio (DTR) demonstrates a good balance between debt and income. Conversely, a high DTR can signal of having too much of debts corresponding to the income earned by the power sector PSUs from core activities. Thus, the PSUs having lower DTR are more likely to comfortably manage their debt servicing and repayments. Summary of the Debt and Turnover of the three PSUs during the five years ending 2018-19 as per their finalised accounts *vis-à-vis* the Debt-Turnover Ratio for the respective years has been given in **Table 1.2.9**.

Table 1.2.9: Debt Turnover ratio relating to the power sector PSUs

Particulars	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
PSU Debts (long term)	2,042.59	2,820.39	3,061.18	3,593.00	3,993.64
Turnover	3,671.56	4,332.42	4,900.03	5,899.50	6,907.65
Debt-Turnover Ratio	0.56:1	0.65:1	0.62:1	0.61:1	0.58:1

Source: information received by the PSUs

As can be seen from **Table 1.2.9**, the DTR was highest in five years during 2015-16 at 0.65:1 but improved thereafter to 0.58:1 in 2018-19, which indicated the better position of power sector PSUs to service their long-term debts as compared to previous years. The improvement in DTR was mainly due to appreciation of 59.44 per cent in the PSU-turnover after 2015-16, which was encouraging, in comparison to the increase of 41.60 per cent in the PSUs debts during the said period.

Impact of Audit Comments on Annual Accounts of power sector PSUs

1.2.16 During October 2018 to September 2019, three PSUs forwarded their five accounts to the PAG. All five accounts of these PSUs were selected for supplementary

audit. The comments in the Audit Reports of Statutory Auditors appointed by C&AG and the supplementary audit of C&AG highlighted significant observations on the financial statements. As a result of these audit observations, operational results (net profit or net loss) of the PSUs as depicted in their financial statements were found to be understated or overstated. Further, the said observations also highlighted non-disclosure of material facts and errors of classification. The said observations of Statutory Auditors and C&AG indicated that the quality of maintenance of accounts needs to be improved. The details of aggregate money value of comments of Statutory Auditors and C&AG for last three years from 2016-17 to 2018-19 are given in **Table 1.2.10**.

Table 1.2.10: Impact of audit comments on the accounts of the working PSUs

(₹ in crore)

Sl. No.	Particulars	2016-17		2017-18		2018-19	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1	Decrease in profit	0	0.00	1	16.59	4	308.48
2	Increase in loss	2	112.79	2	72.76	0	0.00
3	Non-disclosure of material facts	0	0.00	1	7.43	0	0.00
4	Errors of classification	0	0.00	2	100.51	1	3.62

Source: Statutory Auditors' Report and comments of C&AG

During the year, the Statutory Auditors had given qualified opinion in three accounts and disclaimer in two accounts finalised by the PSUs. The compliance of PSUs with the Accounting Standards (AS) remained poor, as there were 31 instances of non-compliance to AS in 3 accounts during the year. This indicated that the financial statements of the PSUs needed to be improved to ensure compliance to the AS.

1.2.16.1 Gist of some of the important comments of the Statutory Auditors and C&AG in respect of the accounts of three PSUs are as under:

Assam Power Generation Corporation Limited (2018-19)

1. Incorrect accounting of advance paid for supply of spares

The Company had paid advance of ₹ 5.01 crore against supply of spares (cost: ₹ 16.69 crore) for major overhauling of its hydroelectric project. During the year, the Supplier made partial delivery of the 'spares' (cost: ₹ 7.30 crore) and Company passed bills for payment (₹ 5.11 crore) after adjusting the proportionate advance of ₹ 2.19 crore. The overhauling work was not started during 2018-19. The Company instead of accounting the 'advance payment' (₹ 5.01 crore) as 'current assets' booked it as 'repair and maintenance expenses' in profit and loss account and also omitted to account the cost of the spares received (₹ 7.30 crore) and proportionate advance (₹ 2.19 crore) adjusted there against.

This has resulted in understatement of Current Assets by ₹ 10.12 crore (₹ 7.30 crore being value of spares (inventories) plus ₹ 2.82 crore being unadjusted advance) with corresponding understatement of Profit for the year by ₹ 5.01 crore and Current Liabilities by ₹ 5.11 crore respectively.

Assam Electricity Grid Corporation Limited (2018-19)

2. Overcharging of depreciation

As per Company's 'significant accounting policies', the Company provides depreciation on fixed assets as per the Regulations of Assam Electricity Regulatory Commission (AERC). Contrary to this, however, the Company while calculating depreciation on the assets existed as on 1 April 2018 provided depreciation on full value of asset without considering the salvage value of 10 *per cent* as prescribed under the Regulations of AERC. This has resulted in overcharging of depreciation by ₹ 4.59 crore with corresponding understatement of 'non-current assets' and 'profit for the year' to the same extent.

3. Short booking of transmission charges

The Company has not accounted the transmission charges bills amounting to ₹ 24.93 crore raised by PGCIL for the year 2018-19, which were received by the Company before finalisation of accounts for 2018-19. This has resulted in understatement of 'current liabilities' and overstatement of the 'profit for the year' to the same extent.

Assam Power Distribution Company Limited (2018-19)

4. Interest on State Government Loan short provided

The Company calculated the penal interest payable on the 'Loan from State Government' without considering the opening balance of 'interest overdue' on State Government Loans. This resulted in understatement of 'current liabilities-penal interest expenditure' and overstatement of 'profit for the year' by ₹ 22.82 crore each.

5. Other Current liabilities

'Liability for amount of GoA advances towards targeted subsidy on account of Tariff' (₹ 443.32 crore) shown under 'Other current liabilities' as on 31 March 2019 should have been reduced to the extent of ₹ 14.62 crore, being the 'Grants receivable from State Government' booked under 'Other current assets'.

Assistance under Ujwal DISCOM Assurance Yojana (UDAY)

1.2.17 The Ministry of Power (MoP), Government of India launched (20 November 2015) Ujwal DISCOM Assurance Yojana (UDAY Scheme) for operational and financial turnaround of State owned Power Distribution Companies (DISCOMs). As per the provisions of UDAY Scheme, the participating States were required to undertake following measures for operational and financial turnaround of DISCOMs:

Scheme for improving operational efficiency

1.2.17.1 The participating States were required to undertake various targeted activities for improving the operational efficiencies like compulsory metering of the feeder and distribution transformer (DT), consumer indexing and GIS mapping of losses, upgrading or changing transformers and meters, smart metering of all consumers

consuming above 200 units per month, Demand Side Management (DSM) through energy efficient equipment, quarterly revision of tariff, checking of power theft, ensure increased power supply in areas where the Aggregate Technical & Commercial (AT&C) losses have been reduced, *etc.*

The timeline prescribed for these targeted activities was also required to be followed to ensure achievement of the intended benefits *viz.* ability to track losses at feeder and DT level, identification of loss making areas, reduce technical losses and minimise outages, reduce power theft and enhance public participation for reducing the theft, reduce peak load and energy consumption *etc.* The outcome of operational improvements was to be measured through the prescribed indicators *viz.* reduction of AT&C loss to 15 *per cent* by 2019-20 as per loss reduction trajectory finalised by the MoP and States, reduction in gap (between average cost of supply and average revenue realised) to zero by 2019-20.

Achievement of Operational parameters

1.2.17.2 The details of the targets fixed under UDAY Scheme regarding different operational parameters vis-a-vis achievements of APDCL there against as on 31 March 2020 has been given in **Table 1.2.11**.

Table 1.2.11: Parameter wise achievements of APDCL as on 31 March 2020 against the operational targets fixed under UDAY Scheme

Sl. No.	Parameter of UDAY Scheme	Target under UDAY Scheme as per MoU ³⁵	Progress under UDAY Scheme	Achievement (in <i>per cent</i>)
1	Feeder metering (in Nos.)	1,600	1,443	90.19
2	Distribution Transformer Metering (in Nos.)	4,700	2,765	58.83
3	Feeder Segregation (in Nos.)	878	197	22.44
4	Rural Feeder Audit (in Nos.)	1,051	1,402	100
5	Electricity to unconnected household (in lakh Nos.)	21.74	26.66	100
6	Smart metering (in Nos.)	1,81,000	14,008	7.74
7	Distribution of LED UJALA (in lakh Nos.)	11.50	112.71	100
8	AT&C Losses (in <i>per cent</i>)	15	22.07	Negative
9	ACS-ARR ³⁶ Gap (₹ per unit)	(-) 0.05 ³⁷	0.48 ³⁸	Negative
10	Net Income including subsidy ³⁹ (₹ in crore)	(-)273.54	(+)21.01	Achieved

Source: Information furnished by APDCL

As it could be seen from **Table 1.2.11**, as on 31 March 2020, the level of the Aggregate Technical & Commercial losses (AT&C losses) of APDCL stood at 22.07 *per cent* as compared to the targeted reduction in these losses to 15 *per cent* by 2019-20. The deficiency (7.07 *per cent*) in achievement of targeted level of AT&C loss was mainly due to shortfall of 20 *per cent* in billing and collection efficiency (79 *per cent* in 2018-19

³⁵ Memorandum of Understanding (MoU) entered into (4 January 2017) between Government of India, Government of Assam and Assam Power Distribution Company Ltd.

³⁶ ACS represents 'Average Cost of Supply' while ARR means 'Average Revenue Requirement'.

³⁷ A negative ACS-ARR gap reflects profitability of DISCOMS, meaning thereby that they are earning a profit as they realise higher revenue than the procurement cost.

³⁸ Provisional figures upto second quarter of the year 2019-20.

³⁹ Target and achievement against this component have been adopted for 2018-19 pending finalization of annual accounts of APDCL for 2019-20.

against the targeted 99 *per cent* under UDAY). The reasons for shortfall in billing and collection efficiency were intensification of rural electrification, increase in the numbers of LT consumers after implementation of SAUBHAGYA Scheme⁴⁰, *etc.*, which had negative correlation with billing and collection efficiency. Further, there was a gap (loss) of ₹ 0.48 per unit between the Average Cost of Supply and Average Revenue Realised as against the targeted gap (profitability) of ₹ 0.05 per unit by 2019-20. APDCL has also performed poorly in areas of Smart metering and feeder segregation, whereas the performance had been better in terms Distribution Transformer metering, feeder metering, providing electricity to unconnected households and distribution of LEDs. As regards Rural Feeder Audit, APDCL stated that Geographical Information System process was going on after which the Rural Feeder Audit would be taken up.

Implementation of financial turnaround

1.2.17.3 A Memorandum of Understanding (MoU) was entered into (4 January 2017) between GoI, GoA and APDCL under the UDAY Scheme. As per the MoU, GoA was committed to provide necessary funding to APDCL in the form of equity and grants to the extent of 75 *per cent* (₹ 1,132.53 crore) of its outstanding debts (loans of GoA) of ₹ 1,510.04 crore as on 30 September 2015. GoA could also issue bonds, if necessary, for raising funds to meet the commitment made under the MoU.

To honour the above commitments, GoA had issued (November 2019) financial sanction amounting to ₹ 554 crore for waiver of the unpaid interest against the above loan. Subsequently, GoA had also issued (February 2020) sanction order towards conversion of loan (₹ 1,132.53 crore) to grant (₹ 849.40 crore) and equity (₹ 283.13 crore) by way of book adjustment.

Further, as per the MoU, GoA was to provide Operational Funding Requirement (OFR) support to APDCL till it achieves the financial turnaround. The OFR support committed by GoA also included necessary funding to discharge outstanding power purchase liabilities (₹ 1,207.35 crore) of APDCL as on 31 March 2015. Against this commitment, APDCL had received ₹ 1,501.26 crore during 2016-19 in the form of grants (₹ 510.38 crore towards strengthening and upgradation, installation of smart meters, GIS mapping, distribution of LED, *etc.* and ₹ 990.88 crore against the unpaid power purchase dues).

With the above financial assistance from GoA, APDCL could reduce its power purchase liability from ₹ 1,207.35 crore (2014-15) to ₹ 386.27 crore (2018-19). As a result, the delayed payment surcharge paid by APDCL for delay in payment of power purchase bills has been considerably reduced from ₹ 106.07 crore (2014-15) to ₹ 36.07 crore (2018-19). The financial assistance also helped in financial turnaround of APDCL as it earned an operational profit of ₹ 21.01 crore during 2018-19 as compared to operational loss of ₹ 527.93 crore during 2014-15.

⁴⁰ Saubhagya scheme launched (September 2017) by GoI aimed to provide free electricity connections to all households (both Above Poverty Line and poor families) in rural areas and poor families in urban areas.

Disinvestment, Restructuring and Privatisation

1.2.18 During the year 2018-19, no disinvestment, restructuring or privatization was done by the GoA in the power sector.

Follow up action on Audit Reports

Explanatory notes not received

1.2.19 The C&AG's Audit Reports represent culmination of the process of scrutiny starting with initial inspection of accounts and records maintained by various PSUs. It was, therefore, necessary that the Audit Reports elicit appropriate and timely response from the Executive. Finance (Audit & Fund) Department, GoA issued (May 1994) instructions on preparing the 'explanatory notes' in respect of 'performance audits' and 'audit paragraphs' by the administrative departments concerned.

As per the said instructions, the administrative departments concerned were required to prepare the 'explanatory notes' on the paragraphs and performance audits included in the Audit Reports immediately on receipt of the said Audit Reports. The administrative departments were required to indicate the action taken or proposed to be taken in the 'explanatory notes'. The 'explanatory notes' shall also include the status of recovery of any amount due to Government as pointed out in the performance audits/audit paragraphs included in the Audit Reports. The administrative departments were also required to submit the said explanatory notes to the Assam Legislative Assembly with a copy to the Principal Accountant General (Audit), Assam (PAG) within 20 days from the date of receipt of the Audit Reports. The Power Department, however, had not submitted any 'explanatory notes' to the State Legislature in respect of 28 Audit Reports (1990-91 to 2017-18) containing 19 performance audits and 136 paragraphs.

Discussion on Audit Reports by COPU

1.2.20 As on 31 March 2020, total 28 Audit Reports containing 19 performance audits and 136 audit paragraphs relating to power sector PSUs were placed in the State Legislature. As on 31 March 2020, 13 performance audits and 95 audit paragraphs pertaining to 19 Audit Reports were discussed by the Committee on Public Undertakings (COPU). However, remaining six performance audits and 41 audit paragraphs pertaining to 11 Audit Reports on PSUs were pending for discussion and necessary action by COPU.

Against the 19 Audit Reports discussed by the COPU, 6 Reports of COPU relating to 3 performance audits and 38 audit paragraphs which pertain to 6 Audit Reports were presented to the State Legislature as on 31 March 2019. These Reports of COPU contained 61 recommendations⁴¹ (17 on performance audits and 44 on audit paragraphs) in respect of 3 performance audits and 36 audit paragraphs, which appeared in the Audit Reports of the C&AG of India for the years 1994-95 to 2005-06. Action Taken Notes (ATN) on none of the 61 recommendations had been received (April 2020) from the GoA as indicated in **Table 1.2.12**.

⁴¹ The COPU has not recommended anything on 2 audit paragraphs.

Table 1.2.12: Compliance to COPU Reports

Year of the COPU Report	Total number of COPU Reports	Total no. of recommendations in COPU Report	No. of recommendations where ATNs were pending
2002-03	1	9	9
2003-04	1	8	8
2008-09	2	34	34
2010-11	1	6	6
2011-12	1	4	4
Total	6	61	61

Source: Records of PSUs available with Audit.

Recommendation: State Government should review and revamp the mechanism of responding to audit observations. It may ensure that explanatory notes to audit paragraphs/performance audits and ATNs on the recommendations of COPU are provided as per the prescribed time schedule and the loss/outstanding advances/overpayments flagged in audit recovered within the prescribed period to enable accountability for public finances.

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

Introduction

Contribution to State's economy

1.3.1 The PSUs (other than power sector) comprised 31 working PSUs (28 Government Companies and 3 Statutory Corporations) and 16 non-working PSUs (all companies). The working PSUs registered a turnover of ₹ 877.99 crore as per their latest finalised accounts as on 30 September 2019. This turnover was equal to 0.28 per cent of Gross State Domestic Product (GSDP) of ₹ 3,15,372 crore⁴² for 2018-19. During the year 2018-19, the working PSUs incurred an overall loss of ₹ 18.13 crore as per their latest finalised accounts as on 30 September 2019 as compared to the overall profit of ₹ 32.16 crore earned during 2017-18. A ratio of PSU-turnover to GSDP shows the extent of PSUs-activities in the State economy. **Table 1.3.1** provides the details of PSUs turnover against the GSDP for a period of five years ending 2018-19.

Table 1.3.1: Details of working PSUs turnover vis-a-vis State GDP

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Turnover⁴³	709.02	730.70	707.81	738.30	877.99
GSDP	1,95,723	2,27,959	2,54,478	2,88,494	3,15,372
Percentage of Turnover to GSDP	0.36	0.32	0.28	0.26	0.28

(₹ in crore)

Source: Latest finalised Accounts of PSUs and information provided by the Directorate of Economic & Statistics, GoA. Figures of GSDP relating to 2017-18 are Provisional estimates and that for 2018-19 are Quick estimates.

As can be observed from **Table 1.3.1**, the turnover of the working PSUs showed an increasing trend during five years excepting during 2016-17 when it decreased by 3 per cent (₹ 22.89 crore). The working PSUs, however, had registered an overall increase of 23.83 per cent in their turnover during 2014-19. This increase was, however, not commensurate with the growth rate (61.13 per cent) of the GSDP during the same period. As a result, contribution of working PSUs turnover to the GSDP had declined from 0.36 per cent (2014-15) to 0.28 per cent (2018-19) during the period 2014-19.

Investment in PSUs (other than power sector)

1.3.2 The total investment in the PSUs as on 31 March 2019, as per the information provided by the PSUs was ₹ 1,962.32 crore (**Appendix 2**) as per the details provided in **Table 1.3.2**.

⁴² GSDP (Quick estimate) as per information furnished by Directorate of Economic and Statistics, GoA

⁴³ Turnover as per the latest finalised accounts as on 30 September of the respective year.

Table 1.3.2: Details of total investment in PSUs as on 31 March 2019*(₹ in crore)*

Particulars	GoA	Others	Total
Equity	669.81	502.52	1,172.33
Long-term loans	686.41	103.58	789.99
Total investment	1,356.22	606.10	1,962.32

(*Others' include Central Government, holding companies, Banks and other financial institutions, etc.)

As can be noticed from **Table 1.3.2**, the GoA's investment in PSUs (other than power sector) as on 31 March 2019 was to the extent of 69.11 *per cent* (₹ 1,356.22 crore) 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*). Further, the GoA's investment consisted of 49.39 *per cent* towards equity capital and 50.61 *per cent* in long-term loans.

Reconciliation with Finance Accounts of GoA

1.3.3 The figures in respect of equity and loans extended by the GoA and remaining outstanding as per the records furnished by the PSUs should agree with the figures appearing in the Finance Accounts of the State. In case, the figures do not agree, the PSUs concerned and the Finance Department are required to carry out reconciliation of differences in figures. The position in this regard as on 31 March 2019 is summarised in **Table 1.3.3**.

Table 1.3.3: Equity and loans outstanding as per the State Finance Accounts vis-à-vis records of PSUs (other than power sector)

(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts ⁴⁴	Amount as per records of PSUs	Difference
Equity	930.07	669.81	260.26
Loans	738.07	686.41	51.66

Source: Information furnished by the PSUs and Finance Accounts

It can be noticed that there were significant unreconciled differences in the figures of equity and loans as per two sets of records. The difference in equity figures was mainly because of non-existence of equity details of nine⁴⁵ out of 37 PSUs in the State Finance Accounts where GoA had infused funds in the form of equity. Analysis of differences in loan figures was, however, difficult as the Finance Accounts did not provide the PSU-wise details of the loans provided by the GoA. As the unreconciled differences of outstanding investments remained significant, the GoA and the PSUs concerned need to take concrete steps to reconcile the differences in a time-bound manner.

Budgetary outgo of GoA (other than power sector)

1.3.4 The GoA provides financial support to PSUs in various forms through the annual budget. The details of year-wise budgetary outgo towards equity, loans and grants in respect of PSUs for five years ended 2018-19 are given in **Table 1.3.4**.

⁴⁴ Figures compiled from Statements 7, 18 and 19 of State Finance Accounts, 2018-19.

⁴⁵ PSUs at Sl. No. B6, B9, B12, B20, B21, B24, D2, D3 and D5 of **Appendix 2**.

Table 1.3.4: Year-wise budgetary support by GoA to PSUs

(₹ in crore)

Sl. No.	Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1	Equity outgo from budget	0	0.00	0	0.00	0	0.00	2	111.20	4	73.29 ⁴⁶
2	Loans given from budget (all interest bearing)	3	30.25	5	108.24	3	32.09	5	73.45	3	122.02
3	Grants ⁴⁷ /Subsidy from budget	12	190.58	7	70.06	6	62.38	7	121.21	9	183.98
	Total Outgo⁴⁸	15	220.83	9	178.30	9	94.47	14	305.86	16	379.29

Source: Information furnished by the PSUs

As can be noticed from the **Table 1.3.4**, the budgetary outgo to PSUs in the form of equity, loans, grants, etc. had shown a decreasing trend during the first three years upto 2016-17 but it had increased thereafter. The budgetary outgo was at the lowest level (₹ 94.47 crore) during 2016-17. The budgetary support provided by the GoA during 2018-19 (₹ 379.29 crore), which was highest in last five years, included the budgetary support of ₹ 321.13 crore (84.67 per cent) provided to four PSUs⁴⁹ towards equity, loans and grants.

Further, as per the State Finance Accounts, 2018-19, the GoA had guaranteed the repayment of loans of five PSUs (other than power sector) from the financial institutions to the extent of ₹ 32.00 crore. Against the guarantee committed, the loans outstanding at the end of 31 March 2019, were to the tune of ₹ 55.98 crore (Principal: ₹ 24.13 crore plus Interest: ₹ 31.85 crore) against four PSUs⁵⁰.

Submission of Accounts

Submission of Accounts by working PSUs

1.3.5 The financial statements of the PSUs 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), read with section 129(2) of the Companies Act 2013 (Act). Failure to do so may attract penal provisions under Section 99 of the Companies Act, 2013. As per the said provisions of the Companies Act, 2013, the PSU and every officer of the PSU who is in default shall be punishable with fine which may extend up to ₹ 1.00 lakh and in the case of a continuing default, with a further fine which may extend up to ₹ 5,000 for every day during which such default

⁴⁶ This includes Paid-up capital (₹ 12.19 crore) of Assam Food and Civil Supplies Corporation Ltd. which furnished its first accounts during 2018-19.

⁴⁷ Includes Capital and Revenue grants.

⁴⁸ Actual number of PSUs which received equity, loans, grants/subsidies from GoA.

⁴⁹ Assam Tea Corporation Ltd. (₹ 109.87 crore as Loan), Assam State Transport Corporation (₹ 82.40 crore as Grants), Assam Tourism Development Corporation Ltd. (₹ 69.27 crore as Grants) and Assam Petro-Chemicals Ltd. (₹ 59.59 crore as Equity).

⁵⁰ Assam State Development Corporation for OBC Ltd. (₹ 2.17 crore); Assam Plains Tribes Development Corporation Ltd. (₹ 33.09 crore); Assam State Development Corporation for Scheduled Castes Ltd. (₹ 8.11 crore) and Assam Minorities Development and Finance Corporation Ltd. (₹ 12.61 crore).

continues. Similarly, in case of Statutory Corporations, their accounts are finalised, audited and presented to the Legislature as per the provisions of their respective governing Acts. **Table 1.3.5** provides the details of progress made by working PSUs in finalisation of accounts as on 30 September 2019.

Table 1.3.5: Position relating to finalisation of accounts by the working PSUs

Sl. No.	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
1	Number of PSUs	30	30	30	30	31 ⁵¹
2	Total number of accounts finalised	54	71	23	23	36
3	Number of previous year accounts finalised during current year	47	65	18	19	32
4	Number of working PSUs with arrears in accounts	23	24	25	26	27
5	Number of accounts in arrears	210	169	176	183	182
6	Extent of arrears (years)	1 to 27	1 to 25	1 to 24	1 to 25	1 to 26

Source: Compiled based on the annual accounts submitted by the PSUs between October and September.

As can be noticed from **Table 1.3.5**, 27 out of 31 working PSUs had backlog of 182 accounts as on 30 September 2019, with period of arrears ranging up to 26 years, which is a matter of serious concern. Audit analysis further revealed that out of 27 PSUs having pendency of accounts, GoA extended financial support of ₹ 355.59 crore to seven PSUs⁵², which have not submitted their accounts for last five or more years as detailed in **Appendix I**. Among these seven PSUs, highest budgetary support was received by three PSUs namely, Assam Tea Corporation Limited (long term loans: ₹ 256.27 crore), Assam State Development Corporation for Scheduled Castes Limited (grants: ₹ 53.44 crore and equity: ₹ 0.25 crore) and Assam Hills Small Industries Development Corporation Limited (long term loans: ₹ 28.19 crore and grants: ₹ 1.64 crore).

Undue extension of financial support to PSUs with huge pendency of accounts indicated that the State Government did not enforce accountability of these PSUs for proper utilisation of the resources provided to them.

The Administrative Departments, which have the responsibility to oversee the activities of the PSUs, have to ensure that the PSUs finalise and adopt their accounts within the stipulated period. In view of the huge arrears in finalisation of accounts by the PSUs, the PAG had been taking up (January, April and September 2019) the matter regularly with the GoA and the administrative departments concerned for liquidating the arrears of accounts of PSUs. However, the State Government and the PSUs concerned could not address the issue to clear pendency of accounts of the PSUs in a time bound manner.

⁵¹ One PSU (*i.e.* Assam Food and Civil Supplies Corporation Ltd.) submitted its first two years accounts (2014-15 & 2015-16) during 2018-19. The PSU was added under the audit purview of C&AG during 2018-19 with 5 arrear of accounts.

⁵² PSUs at Sl. No. A3, A4, A7, A8, A9, A10 and A14 of **Appendix I**.

Delays in finalisation of the accounts entail the risk of fraud and misappropriation of public money apart from violation of the provisions of the relevant Statutes. In view of the position of arrear of accounts indicated above, the actual contribution of PSUs to the GSDP for the year 2018-19 could not be ascertained and their contribution to State exchequer could not be reported to the State Legislature.

Submission of Accounts by non-working PSUs

1.3.6 As on 31 March 2019, there were total 16 non-working PSUs (all companies). Out of these 16 non-working PSUs, three PSUs⁵³ were untraceable and the GoA had also not provided any information about the existence of these PSUs. For the remaining 13⁵⁴ non-working PSUs, GoA had issued (December 2006-October 2008) notifications for their closure as discussed under *Paragraph 1.3.22*. The accounts of 11⁵⁵ out of these 13 non-working PSUs were in arrears for periods ranging from 1 to 25 years.

Placement of Separate Audit Reports of Statutory Corporations

1.3.7 The position depicted in *Table 1.3.6* shows the status of placement of Separate Audit Reports (SARs) issued by the C&AG (as on March 2020) on the accounts of Statutory Corporations in the Legislature.

Table 1.3.6: Status of placement of Separate Audit Reports in the Legislature

Sl. No.	Name of Statutory Corporation	Year up to which SARs placed in Legislature	Year for which SARs not placed in the Legislature		Reason for delay
			Year of SAR	Date of issue to GoA	
1	Assam State Transport Corporation	2015-16	2016-17	December 2019	NA
2	Assam Financial Corporation	2017-18	2018-19	February 2020	NA

Source: Information received from the Corporations

As can be noticed from the *Table 1.3.6*, two SARs issued to the GoA between December 2019 and February 2020 were pending for placement in the State Legislature (March 2020). No reasons for delay in placement of SARs were intimated to Audit.

Recommendations:

- a. 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;*
- b. 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; and*
- c. The PSUs may get the figures of equity and loans reconciled with the State Government Departments and the Departments may ensure that correct figures are reflected in their Accounts.*

⁵³ Sl. No. D8, D11 and D14 of *Appendix 3*.

⁵⁴ Including one PSU (Sl. No. D7 of *Appendix 3*), for which GoA had initiated (November 2018) the process for its closure but pending issue of notification.

⁵⁵ Excluding two PSUs (Sl. No. D4 and D6 of *Appendix 3*), which had no arrear of accounts.

Investments made by GoA in PSUs whose accounts are in arrears

1.3.8 Persistent delay in finalisation of accounts is fraught with the risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 2013. The GoA had invested ₹ 646.43 crore⁵⁶ in 20 PSUs during the years for which their accounts were in arrears, as detailed in *Appendix 1*. The details of seven PSUs, which were the major recipients of GoA funding amounting to ₹ 592.19 crore during the period for which their accounts were in arrears have been given in *Table 1.3.7*.

Table 1.3.7: Major recipient PSUs of GoA funding having accounts in arrears
(₹ in crore)

Sl. No.	Name of PSU	Accounts finalised upto	No. of Accounts in arrears	Investment by GoA during the period of arrears		
				Equity	Loans	Grants
1	Assam Tea Corporation Limited	2012-13	6	-	256.27	-
2	Assam State Transport Corporation	2016-17	2	-	-	141.87
3	Assam Tourism Development Corporation Limited	2015-16	3	-	-	70.81
4	Assam State Development Corporation for Scheduled Castes Limited	2009-10	9	0.25	-	53.44
5	Assam Hills Small Industries Development Corporation Limited	1998-99	20	-	28.19	1.64
6	Assam State Development Corporation for Other Backward Classes Limited	2015-16	3	0.40	-	19.74
7	Assam Livestock and Poultry Corporation Limited	2016-17	2	-	-	19.58
	Total			0.65	284.46	307.08

In the absence of accounts and their subsequent audit, it could not be verified if the investments made and the expenditure incurred have been properly accounted for and the purpose for which the amount was invested was achieved or not.

The Government may consider setting up a special cell under the Finance Department to oversee the expeditious clearance of arrears of accounts of PSUs. Where there is lack of staff expertise, Government may consider outsourcing the work relating to preparation of accounts and take punitive action against Company Management responsible for arrears of accounts. Until the accounts are made as current as possible, Government may consider not giving further financial assistance to such companies.

Operational Performance of PSUs

1.3.9 Position regarding the profit earned/loss incurred by 31 working PSUs (other than power sector) during 2014-15 to 2018-19 is given in *Table 1.3.8*.

⁵⁶ Equity: ₹ 12.06 crore (6 PSUs), loans: ₹ 295.29 crore (5 PSUs) and grants: ₹ 339.08 crore (14 PSUs)

Table 1.3.8: Details of working PSUs (other than power sector) which earned profit/ incurred loss during 2014-15 to 2018-19

Name of Sector	Number of PSUs which earned profits/(incurred loss)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Agriculture & Allied	2 (3)	1 (4)	2 (3)	1 (4)	1 (5)
Finance	2 (3)	3 (3)	3 (3)	3 (3)	2 (4)
Infrastructure	4 (3)	5 (2)	5 (2)	5 (2)	4 (3)
Manufacturing	2 (3)	2 (3)	3 (2)	3 (2)	3 (2)
Services	1 (2)	1(2)	1 (2)	2 (1)	2 (1)
Miscellaneous ⁵⁷	3 (1)	3 (1)	3 (1)	3 (1)	4 (0)
Total	14 (15)	15 (15)	17 (13)	17 (13)	16 (15)
Total Profit (₹ in crore)	81.48	97.05	105.03	130.75	108.66
Total Loss (₹ in crore)	-87.28	-101.98	-80.97	-98.59	-126.79
Net Profit/Loss (₹ in crore)	-5.80	-4.93	24.06	32.16	-18.13

Source: Latest finalised accounts of the PSUs as on 30 September of respective year.

During the year 2018-19, out of 31 working PSUs, 16 PSUs had earned profits of ₹ 108.66 crore while 15 PSUs had incurred loss of ₹ 126.79 crore as per their latest finalised accounts as on 30 September 2019.

The details of major contributors to overall profits and losses of working PSUs during 2018-19 are given in *Table 1.3.9*.

Table 1.3.9: Major contributors to profits and losses of working PSUs

Name of PSU	Latest finalised accounts	Profit (+)/ loss (-)
Contributors to losses		
Assam State Transport Corporation	2016-17	(-) 77.87
Assam Tea Corporation Limited	2012-13	(-) 19.36
Assam Plain Tribes Development Corporation Limited	2017-18	(-) 10.52
Total		(-) 107.75
Contributors to profits		
DNP Limited	2018-19	(+) 45.97
Assam Gas Company Limited	2018-19	(+) 27.90
Total		(+) 73.87

Profitability trend

1.3.10 As can be noticed from *Table 1.3.8*, the profits (₹ 32.16 crore) of the PSUs were highest during 2017-18 in last five years, which turned into losses (₹ 18.13 crore) during the year 2018-19. Deterioration in the operational results of PSUs was mainly due to poor performance of PSUs under Services sector (one PSU) and Miscellaneous sector (one PSU). In Services sector, the losses of Assam State Transport Corporation had increased by ₹ 12.56 crore from ₹ 65.31 crore (2017-18) to ₹ 77.87 crore (2018-19). Similarly, the profits of Assam Gas Company Limited (AGCL) in Miscellaneous sector decreased by ₹ 43.23 crore from ₹ 71.13 crore (2017-18) to ₹ 27.90 crore (2018-19).

⁵⁷ Miscellaneous sector includes Assam Gas Company Ltd., DNP Ltd., Assam Government Marketing Corporation Ltd. and Assam State Textbook Production and Publication Corporation Ltd.

The decrease in the profits of AGCL was attributable to downward revision of transportation tariff by the Regulator (PNGRB) for the period from November 2008 to March 2014. Resultantly, AGCL had to refund the excess revenue realised (₹ 72.38 crore) from its customers, which correspondingly reduced its profits during 2018-19.

Dividend Payout

1.3.11 As per Public Enterprise Policy, 2019, the PSUs having no accumulated loss and having operating profits shall pay a minimum dividend to its shareholders out of the profit earned after payment of payable tax by the PSU during the preceding Financial year provided such provision is laid down in Articles of Association/Articles of Incorporation of the PSU. Dividend payout relating to 31 working PSUs (other than Power Sector) during the period 2014-19, in which GoA had direct equity infusion is shown in **Table 1.3.10**.

Table 1.3.10: Dividend Payout of working PSUs (other than Power Sector) to GoA during 2014-19

(₹ in crore)

Year	PSUs with Direct equity infusion by GoA		PSUs which earned profit during the year		PSUs which declared/paid dividend during the year		Dividend Payout Ratio (per cent)
	Number of PSUs	GoA Equity	Number of PSUs	GoA Equity	Number of PSUs	Dividend declared/paid by PSUs	
1	2	3	4	5	6	7	8=7/5x100
2014-15	26	442.97	12	210.86	1	1.69	0.80
2015-16	26	442.97	13	219.40	1	1.69	0.77
2016-17	26	442.97	14	219.47	1	2.11	0.96
2017-18	27	554.17	15	338.60	2	3.87	1.14
2018-19	28 ⁵⁸	625.51	14	373.02	2	3.87	1.04

Source: Compiled based on latest finalised accounts of PSUs as on 30 September 2019.

During the period 2014-15 to 2018-19, the number of profit making PSUs having direct equity infusion by GoA ranged between 12 and 15. During the period of five years (2014-19), however, only two PSUs (Assam Gas Company Limited and Assam Mineral Development Corporation Limited) had declared/paid dividend to GoA. During 2018-19, the two companies had declared dividend amounting to ₹ 3.87 crore⁵⁹. The Dividend Payout Ratio of the PSUs during 2014-15 to 2018-19 ranged between 0.77 per cent and 1.14 per cent only.

Erosion of Net worth

1.3.12 Net Worth means the sum total of the ‘paid-up capital’ and ‘free reserves and surplus’ minus ‘accumulated losses’ and ‘deferred revenue expenditure’. Essentially, it is a measure of what an entity is worth to the owners. A negative net worth indicates that the entire investment by the owners has been wiped out by accumulated losses and deferred revenue expenditure.

⁵⁸ Excluding PSUs at Sl. No. B25, B26 and B31 of **Appendix 2**, which are subsidiaries of other PSUs. Further, Assam Food and Civil Supplies Corporation Ltd. submitted its first accounts during 2018-19.

⁵⁹ Assam Gas Company Ltd. (₹ 3.38 crore) and Assam Mineral Development Corporation Ltd. (₹ 0.49 crore).

The **Table 1.3.11** indicates the year-wise consolidated position of paid-up capital, accumulated loss, free reserve & surplus and Net Worth of 31 working PSUs during the period 2014-15 to 2018-19 as per their latest finalised accounts as on 30 September of the respective year.

Table 1.3.11: Net worth of working PSUs (other than power sector) during 2014-19
(₹ in crore)

Year	Paid-up capital at end of the year	Accumulated loss (-) at the end of the year	Free reserve & surplus	Net Worth/Share holders' fund	Net Income (₹ in crore)	RoE (per cent)
i	ii	iii	iv	v = (ii + iii + iv)	vi	vii=(vi/v) x100
2014-15	643.18	-1,117.93	650.33	175.58	-5.80	-3.30
2015-16	645.34	-1,177.74	736.45	204.05	-4.93	-2.42
2016-17	645.34	-1,431.90	820.58	34.02	24.06	70.72
2017-18	645.67	-1,513.15	917.88	50.40	32.16	63.81
2018-19	1,090.13	-1,624.98	933.52	398.67	-18.13	-4.55

Source: Annual accounts of PSUs received during the period October 2018 to September 2019

As can be seen from **Table 1.3.11**, the net worth of PSUs had shown a mixed trend during the five years from 2014-15 to 2018-19. The net worth at the lowest levels during 2016-17 and 2017-18 mainly due to constant increase in the accumulated losses of PSUs. During, 2018-19 the net worth of PSUs had shown an appreciation of ₹ 348.27 crore due to net increase of ₹ 324.63 crore (GoA: ₹ 59.59 crore⁶⁰; Others: ₹ 265.04 crore) in the Paid-up capital of Assam Petro-Chemicals Limited.

The turnaround of PSUs losses of ₹ 4.93 crore (2015-16) into profits of ₹ 24.06 crore (2016-17) occurred mainly due to profit of ₹ 2.86 crore (2016-17) earned by Assam Petro-Chemicals Limited as compared to the loss of ₹ 22.19 crore incurred during the previous year (2015-16). Further, the profit of ₹ 32.16 crore earned by PSUs during 2017-18 again turned into losses of ₹ 18.13 crore (2018-19) mainly due to reduction in profit of Assam Gas Company Limited from ₹ 71.13 crore (2017-18) to ₹ 27.90 crore (2018-19).

Analysis of investment and accumulated losses of these PSUs further revealed that the accumulated losses (₹ 1,481.39 crore) of 12 working PSUs⁶¹ had completely eroded their paid-up capital (₹ 231.18 crore). The primary erosion of paid up capital was in respect of four PSUs as detailed in the **Table 1.3.12**.

⁶⁰ Net after excluding the share capital (₹ 97.41 crore) issued against 'share application money' received from GoA during last year (2017-18) and included in the net worth for 2017-18.

⁶¹ Sl. No. B4, B7, B8, B10, B11, B13, B15, B17, B23, B25, B26 and C2 of **Appendix 3**.

Table 1.3.12: PSUs with primary erosion of paid up capital*(₹ in crore)*

Name of PSU	Latest finalised accounts	Paid up capital	Accumulated losses
Assam State Transport Corporation	2016-17	167.73	948.04
Assam Tea Corporation Limited	2012-13	27.54	305.77
Ashok Paper Mills (Assam) Limited	2015-16	0.01	83.10
Assam Plain Tribes Development Corporation Limited	2017-18	2.95	41.38
Total		198.23	1,378.29

Accumulation of huge losses by these PSUs had eroded public wealth, which is a cause of serious concern and the State Government needs to review the working of these PSUs to either improve their profitability or close their operations.

Return on Capital Employed

1.3.13 Return on Capital Employed (RoCE) is a ratio that measures a company's profitability and the efficiency with which its capital is deployed. RoCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the Capital Employed⁶². The consolidated details of RoCE of all the 47 PSUs⁶³ (other than power sector) during the period of five years from 2014-15 to 2018-19 as per their latest finalised accounts as on 30 September of the respective year are given in **Table 1.3.13**.

Table 1.3.13: Return on Capital Employed

Year	EBIT (₹ in crore)	Capital Employed (₹ in crore)	RoCE (per cent)
2014-15	62.40	310.90	20.07
2015-16	64.79	532.30	12.17
2016-17	95.96	376.34	25.50
2017-18	103.69	354.53	29.25
2018-19	22.10	727.13	3.04

Source: Compiled based on latest finalised accounts of the PSUs as on 30 September 2019.

The RoCE of these PSUs showed an increasing trend during 2016-17 and 2017-18 mainly due to decrease in Capital Employed by ₹ 177.77 crore from ₹ 532.30 crore (2015-16) to ₹ 354.53 crore (2017-18) and increase in the EBIT by ₹ 38.90 crore from ₹ 64.79 crore (2015-16) to ₹ 103.69 crore (2017-18). However, 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) had correspondingly reduced the RoCE from 29.25 per cent (2017-18) to 3.04 per cent (2018-19). The main reason for increase in Capital Employed during 2018-19 was increase of ₹ 324.63 crore in the equity capital (GoA: ₹ 59.59 crore⁶⁴; Others:

⁶² Capital employed = paid-up capital + free reserves and surplus + long term loans - accumulated losses - deferred revenue expenditure. Figures are as per the latest year for which accounts of the PSUs are finalised.

⁶³ Including 16 non-working PSUs

⁶⁴ Net after excluding the share capital (₹ 97.41 crore) issued against 'share application money' received from GoA during last year (2017-18) and included in the 'capital employed' for 2017-18.

₹ 265.04 crore) and ₹ 52.56 crore long term loans (GoA: nil; Others: ₹ 52.56 crore) of Assam Petro-Chemicals Limited.

Return on GoA's Investment (other than power sector) on the basis of Present Value of Investment

1.3.14 The Rate of Real Return (RoRR) measures the profitability and efficiency with which equity and similar non-interest bearing capital have been employed, after adjusting them for the time value. To determine the Rate of Real Return on Government Investment (RoRR), the investment of State Government⁶⁵ in the form of equity, interest free loans and grants/subsidies given by the State Government for operational and management expenses less disinvestments (if any) has been considered, and indexed to their Present Value (PV) and summated. The RoRR is then calculated by dividing the 'profit after tax' (PAT) by the sum of the PV of the Government investment.

GoA infused funds in the form of equity in 37 PSUs⁶⁶ and in the form of loans (all interest bearing) and revenue grants/subsidies in all 47 PSUs but did not provide any interest free loans. During 2018-19, out of 47 PSUs (31 working and 16 non-working), 31 PSUs incurred overall losses of ₹ 18.13 crore comprising the profits of ₹ 108.66 crore (16 PSUs) and losses of ₹ 126.79 crore (15 PSUs). In addition, 16 non-working PSUs incurred overall losses of ₹ 2.23 crore as per their latest finalised accounts (*Appendix 3*). On the basis of return on historical value, GoA's investment eroded by 1.58 per cent during 2018-19. On the other hand, the Rate of Real Return where the present value of investment is considered, the GoA's investment eroded by 0.60 per cent as shown in *Appendix 4B*. This difference in the percentage of investment erosion was on account of adjustments made in the investment amount for the time value of money.

Analysis of long term loans of PSUs

1.3.15 The long term loans of the PSUs having leverage during 2014-15 to 2018-19 were analysed with a view to assess the ability of the PSUs to service their debts owed to GoA, banks and other financial institutions. This was assessed through the Interest Coverage Ratio and Debt Turnover Ratio.

Interest Coverage Ratio

1.3.16 Interest Coverage Ratio is used to determine the ability of a PSU to pay interest on outstanding debt and is calculated by dividing EBIT of a PSU by interest expenses of the same period. The lower the ratio, the lesser the ability of the PSU to pay interest on debt. An Interest Coverage Ratio of below one indicates that the PSU is not generating sufficient revenues to meet its expenses on interest.

⁶⁵ As per the records of PSUs.

⁶⁶ Excluding 10 PSUs at Sl. No. B-25, B-26, B-31, D-7, D-9, D-11, D-12, D-13, D-15 and D-16 of *Appendix 3*, which are subsidiaries of other GoA companies and had no direct equity investment of GoA.

The details of Interest Coverage Ratio in respect of working PSUs having interest burden against long term loans during the period from 2014-15 to 2018-19 have been given in **Table 1.3.14**.

Table 1.3.14: Interest Coverage Ratio relating to the PSUs (other than power sector) having interest burden during 2014-19

Year	Interest (₹ in crore)	EBIT (₹ in crore)	PSUs having interest burden on long term loans	PSUs having interest coverage ratio more than 1	PSUs having interest coverage ratio of less than 1
2014-15	26.93	15.27	8	2	6
2015-16	16.80	15.09	8	3	5
2016-17	12.80	15.23	7	2	5
2017-18	8.49	-15.78	6	2	4
2018-19	8.95	-27.70	7	2	5

Source: Latest finalised accounts of PSUs as on 30 September of respective year

As can be noticed from **Table 1.3.14**, out of six to eight PSUs having interest burden against long term borrowing during last five years (2014-19), only two to three PSUs had the Interest Coverage Ratio of more than one during the respective year. This indicated that most of the PSUs were not in a comfortable position to service their long term debts during the period of last five years.

During 2018-19, out of seven PSUs having committed interest liability against long term borrowings, only two PSUs⁶⁷ had Interest Coverage Ratio of more than one. The Interest Coverage Ratio of remaining five PSUs remained below one which indicates that these PSUs could not generate sufficient revenues to meet the financial cost of long term borrowings during the period.

Debt Turnover Ratio

1.3.17 A low Debt-to-Turnover ratio (DTR) demonstrates a good balance between debt and income. Conversely, a high DTR can signal of having too much of debt against the income of PSUs from core activities. Thus, the PSUs having lower DTR are more likely to successfully manage their debt servicing and repayments. The summary of the Debt and Turnover of 47 PSUs (other than power) during the five years ending 2018-19 as per their finalised accounts *vis-à-vis* the Debt-Turnover Ratio for the respective years has been given in **Table 1.3.15**.

Table 1.3.15: Debt Turnover Ratio relating to the PSUs (other than Power Sector)

Particulars	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Debt from Government and others (Banks and Financial Institutions)	359.07	462.38	478.39	453.00	516.26
Turnover	709.02	730.70	707.81	738.30	877.99
Debt-Turnover Ratio	0.51:1	0.63:1	0.68:1	0.61:1	0.59:1

Source: Latest finalised accounts of PSUs as on 30 September of respective year.

⁶⁷ PSUs at Sl. No. B28 and C3 of **Appendix 3**.

As can be seen from the **Table 1.3.15**, the DTR of the PSUs was at the worst (0.68:1) during 2016-17 in last five years. During the period of five years (2014-19), there was an overall deterioration in the DTR from 0.51:1 (2014-15) to 0.59:1 (2018-19) mainly due to slow pace of increase in PSU turnover (23.83 *per cent*) from ₹ 709.02 crore (2014-15) to ₹ 877.99 crore (2018-19) than corresponding increase in PSU debts (43.78 *per cent*) from ₹ 359.07 crore (2014-15) to ₹ 516.26 crore (2018-19).

However, during last two years (2017-18 and 2018-19), the DTR has shown gradual improvement compared to 2016-17. During 2018-19, the DTR was at 0.59:1, which indicated the better position of PSUs to service their long-term debts in comparison with previous three years.

Impact of Audit Comments on Annual Accounts of PSUs (other than power sector)

1.3.18 During October 2018 to September 2019, 16 working companies forwarded their 34 accounts to the PAG. Of these, 26 accounts of 15 companies were selected for supplementary audit. For the remaining eight accounts of five Companies, non-review certificates were issued. The comments in the Audit Reports of Statutory Auditors appointed by C&AG and the supplementary audit of C&AG highlighted significant observations on the financial statements. As a result of these audit observations, operational results (net profit or net loss) of the Companies as depicted in their financial statements were found to be understated or overstated. Further, the said observations also highlighted non-disclosure of material facts and errors of classification. Thus, the observations of the Statutory Auditors and C&AG indicated the quality of financial statements and highlighted the areas, which needed improvement. The details of aggregate money value of comments of Statutory Auditors and C&AG for last three years from 2016-17 to 2018-19 are given in **Table 1.3.16**.

Table 1.3.16: Impact of audit comments on the accounts of the working companies
(₹ in crore)

Sl. No.	Particulars	2016-17		2017-18		2018-19	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1	Decrease in profit	1	0.50	3	10.59	5	11.07
2	Increase in loss	11	201.02	2	12.05	7	17.82
3	Non-disclosure of material facts	Nil	Nil	4	99.64	3	34.33
4	Errors of classification	Nil	Nil	6	4.58	3	3.16

Source: Statutory Auditors' Report and comments of C&AG

During the year, the Statutory Auditors had given qualified certificates to all the accounts finalised by the companies. The compliance of companies with the Accounting Standards (AS) remained poor, as there were 46 instances of non-compliance to AS in 17 accounts during the year. This indicated that the financial statements of the PSUs needed to be improved to ensure compliance to the AS.

1.3.19 Similarly, out of three working Statutory Corporations, two Corporations had forwarded two accounts to the PAG during October 2018 to September 2019. Audit of the accounts (2016-17) of Assam State Transport Corporation where C&AG was the sole auditor, had been completed and another account (2018-19) of the other corporation (Assam Financial Corporation) where supplementary audit was done by C&AG had also been completed. Both the accounts of two Statutory Corporations received qualified⁶⁸ report. The Audit Reports of Statutory Auditors and the sole/supplementary audit of C&AG mentioned significant observations on the financial statements. The said observations of Statutory Auditors and C&AG indicated that the quality of maintenance of accounts needs to be improved. The details of aggregate money value of the comments of the Statutory Auditors and the C&AG are given in **Table 1.3.17**.

Table 1.3.17: Impact of audit comments on the accounts of the working Statutory Corporations

(₹ in crore)

Sl. No	Particulars	2016-17		2017-18		2018-19	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1	Decrease in profit	1	2.02	4	1.19	Nil	Nil
2	Increase in loss	Nil	Nil	1	24.96	2	20.56

Source: Reports of the Statutory Auditors and comments of C&AG

The aggregate money value of the Statutory Auditors and the C&AG comments during the year 2018-19 was ₹ 20.56 crore as against the money value of ₹ 24.96 crore during previous year.

1.3.20 Gist of some of the important comments of the statutory auditors and C&AG in respect of accounts of the PSUs are as under:

Assam Gas Company Limited (2018-19)

1. Non provisioning towards interest liability

The Company was directed by the Regulator (Petroleum and Natural Gas Regulatory Board) to refund the excess revenue collected from the consumer (Assam Petrochemicals Limited) during 20 November 2008 to 31 March 2014 along with interest. Though the Company had provided for the principal amount refundable (₹ 5.56 crore), it did not make necessary provisions towards interest liability of ₹ 3.17 crore. This has resulted in overstatement of ‘Profit for the year’ and understatement of ‘Other Financial Liabilities’ by ₹ 3.17 crore each.

⁶⁸ A ‘qualified report’ of auditor means a report in which the auditors have included certain qualification, reservation or adverse remarks on maintenance of accounts as well as other matters in the financial statements including non-compliance to ‘generally accepted accounting principles’.

Assam Financial Corporation (2018-19)

2. Non-accounting of premium payable to LIC of India

The Corporation did not make provision for the liability of ₹ 1.45 crore (current year: ₹ 0.26 crore; prior periods: ₹ 1.19 crore) towards the premium payable to Life Insurance Corporation of India for payment of Gratuity to retiring employees. This has resulted in understatement of 'Current Liabilities' and 'Accumulated Loss' by ₹ 1.45 crore each.

Assam Industrial Development Corporation Limited (2017-18)

3. Excess provisioning towards Doubtful receivables

The Company created provisions of ₹ 2.47 crore towards doubtful Trade Receivables without any basis. The provisions so created included ₹ 2.05 crore in respect of the Trade Receivables for which the Company had sufficient security deposits. Thus, excess provisioning against Trade Receivables resulted in understatement of 'Profit for the year' and 'Trade Receivables' by ₹ 2.05 crore each.

Assam Petro-Chemicals Limited (2018-19)

4. Incorrect capitalisation of revenue expenses

The Company has wrongly capitalised the expenses on 'advertisement' amounting to ₹ 0.68 crore under Capital work-in-progress instead of charging the same to revenue. This has resulted in overstatement of 'profit for the year' by ₹ 0.68 crore with corresponding overstatement of 'Non-Current Assets (Capital Work-in-progress)' to the same extent.

Assam Trade Promotion Organisation (2017-18)

5. Overstatement of Other Current Liabilities

The Company wrongly credited the amount of ₹ 0.59 crore withdrawn from Fixed Deposit Account under 'Other Current Liabilities' instead of 'Balance in Fixed Deposits'. This has resulted in overstatement of 'Other Current Liabilities' and 'Balance in Fixed Deposits' by ₹ 0.59 crore each.

Assam State Transport Corporation (2016-17)

6. Short accounting of MACT Claims

The Motor Accident Claims Tribunal (MACT) has awarded ₹ 3.32 crore against the Corporation in respect of 22 claims during the period 2016-17. As against this, the Corporation booked liability to the extent of ₹ 0.14 crore only leading to understatement of 'Current Liabilities' and 'Loss for the year' by ₹ 3.18 crore each.

Disinvestment, Restructuring and Privatisation

1.3.21 During the year 2018-19, GoA did not carry out any disinvestment, restructuring or privatization in the PSUs (other than power sector).

Winding up of non-working PSUs

1.3.22 As on 31 March 2019, the GoA had 16 non-working PSUs. GoA had issued (December 2006 to October 2008) notifications for closure of 12⁶⁹ out of 16 non-working PSUs as they were not contributing to the State economy nor meeting the intended objectives of their formation. Further, based on the directions (August 2010) of the administrative department⁷⁰ of one PSU⁷¹, the holding Company (Assam Petro-Chemicals Limited) had initiated (November 2018) the process for its closure of this non-working PSU. The remaining three⁷² non-working PSUs were, however, untraceable and the GoA had also not provided any information about the existence of these PSUs. As all the non-working PSUs were registered under the Companies Act, 1956 (presently Companies Act, 2013), these companies need to be liquidated/wound-up as per the provisions of sections 270 to 365 of the Companies Act, 2013.

For disposal of assets of the PSUs under closure, the GoA had constituted (July 2008) a Task Force under Public Enterprise Department. Subsequently, an Asset Management Cell (AMC) was also formed (August 2008) under the supervision of the Task Force to ensure safe custody of assets of the closed PSUs. AMC valued the assets of 12 closed PSUs⁷³ with land⁷⁴ (valuing ₹ 67.08 crore), building (valuing ₹ 29.10 crore) and movable assets (valuing ₹ 37.30 crore). The land⁷⁵ relating to nine PSUs were transferred to other GoA entities while the movable assets of two PSUs⁷⁶ were disposed of at ₹ 5.88 crore. The remaining land⁷⁷ of three PSUs valuing ₹ 15.29 crore, building of all 12 PSUs and movable assets of eight⁷⁸ PSUs were pending for disposal (March 2020). Delay in disposal of movable and immovable assets of the non-working PSUs had hampered the process of liquidation of these PSUs, which had already been notified (December 2006/October 2008) for closure by the GoA. During 2018-19, seven⁷⁹ non-working PSUs incurred an expenditure of ₹ 0.94 crore towards salaries and establishment expenditure *etc.* The PSUs concerned had financed the said expenditure through their own sources, *viz.* interest on fixed deposits. *Since the non-working PSUs are neither contributing to the State economy nor meeting the intended objectives, the liquidation process to wind up these PSUs needs to be expedited.*

⁶⁹ Sl. No. D1 to D6, D9, D10, D12, D13, D15 and D16 of *Appendix 3*.

⁷⁰ Industries & Commerce Department, GoA

⁷¹ Pragjyotish Fertilizers & Chemicals Ltd. (Sl. No. D7 of *Appendix 3*).

⁷² Sl. No. D8, D11 and D14 of *Appendix 3*.

⁷³ Sl. No. D1 to D6, D9, D10, D12, D13, D15 and D16 of *Appendix 3*.

⁷⁴ 1,320.40 Bigha, 18 katha and 61 lecha

⁷⁵ 1,286 Bigha, 15 katha and 61 lecha

⁷⁶ Assam Government Construction Corporation Ltd. (₹ 0.28 crore) and Cachar Sugar Mills Ltd. (₹ 5.60 crore)

⁷⁷ 34.40 Bigha and 3 katha

⁷⁸ Excluded two PSUs *viz.* Fertichem Ltd. (as there was no movable assets) and Assam Minor Irrigation Development Corporation Ltd. (No bidder and the value of movable assets is only ₹ 0.03 crore).

⁷⁹ Companies at Sl. No. D4, D6, D7, D12, D13, D15 and D16 of *Appendix 3*.

Follow-up action on Audit Reports

Explanatory notes not received

1.3.23 The C&AG's Audit Reports represent culmination of the process of scrutiny starting with initial inspection of accounts and records maintained by various PSUs. It was, therefore, necessary that the Audit Reports elicit appropriate and timely response from the Executive. Finance (Audit & Fund) Department, GoA issued (May 1994) instructions on preparing the 'explanatory notes' in respect of 'performance audits' and 'audit paragraphs' by the administrative departments concerned.

As per the said instructions, the administrative departments concerned were required to prepare the 'explanatory notes' on the paragraphs and performance audits included in the Audit Reports immediately on receipt of the said Audit Reports. The administrative departments were required to indicate the action taken or proposed to be taken in the 'explanatory notes'. The 'explanatory notes' shall also include the status of recovery of any amount due to Government as pointed out in the performance audits/audit paragraphs included in the Audit Reports. The administrative departments were also required to submit the said 'explanatory notes' to the Assam Legislative Assembly with a copy to the PAG within 20 days from the date of receipt of the Audit Reports.

The Administrative Departments concerned however, had not submitted any explanatory notes to the State Legislature in respect of 28 Audit Reports (1990-91 to 2017-18) containing 38 performance audits and 185 paragraphs.

Discussion on Audit Reports by COPU

1.3.24 As on 31 March 2020, total 28 Audit Reports containing 38 performance audits and 185 paragraphs relating to the PSUs (other than power sector) were placed in the State Legislature. As on 31 March 2020, 20 performance audits and 98 paragraphs pertaining to 26 Audit Reports were discussed by the Committee on Public Undertakings (COPU). However, remaining 18 performance audits and 87 audit paragraphs pertaining to 28 Audit Reports on PSUs were pending for discussion and necessary action by COPU.

Against the 26 Audit Reports discussed by the COPU, 12 Reports of COPU relating to 11 performance audits and 22 audit paragraphs which pertain to 16 Audit Reports were presented to the State Legislature as on 31 March 2019. These Reports of COPU contained 58 recommendations⁸⁰ (36 on performance audits and 22 on audit paragraphs) in respect of 6 performance audits and 17 audit paragraphs, which appeared in the Audit Reports of the C&AG of India for the years 1991-92 to 2014-15. Action Taken Notes (ATN) on 36 recommendations (26 on performance audits and 10 on audit paragraphs) were received. The ATN on 22 recommendations (10 on performance audits and 12 on audit paragraphs) had not been received yet (April 2020) as indicated in **Table 1.3.18**.

⁸⁰ The COPU has not recommended anything on 5 performance audits and 5 audit paragraphs.

Table 1.3.18: Compliance to COPU Reports – Status of Pending ATNs

Year of the COPU Report	Total number of Reports	Total no. of recommendations in the Report	No. of recommendations where ATNs were pending
2004-05	1	9	9
2008-09	1	3	3
2009-10	1	3	3
2018-19	1	7	7
Total	4	22	22

Source: Register of Action Taken Notes

Recommendation: State Government should review and revamp the mechanism of responding to audit observations. It may ensure that explanatory notes to audit paragraphs/performance audits and ATNs on the recommendations of COPU are provided as per the prescribed time schedule and the loss/outstanding advances/overpayments flagged in audit recovered within the prescribed period to enable accountability for public finances.

CHAPTER II
Compliance Audit Paragraphs
relating to PSUs

CHAPTER-II: COMPLIANCE AUDIT PARAGRAPHS RELATING TO PSUs

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

Important audit findings emerging from test check during the audit of the power sector PSUs are included in this section.

Assam Power Distribution Company Limited

2.4.1 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 benefit by not recovering Fixed Demand Charges amounting to ₹0.50 crore

The Electricity Supply Code and Related Matters Regulations, 2004 (Regulations) notified by Assam Electricity Regulatory Commission (AERC) read with the Voluntary Declaration of Load Scheme (VDS) guidelines issued (February 2015) by Assam Power Distribution Company Limited (Company), which was effective till 31 March 2015 and later extended up to 31 May 2015 *inter alia* stated that:

- (i) Where a Consumer is found to be indulging in a malpractice with regard to use of electricity, the authorised officer may without prejudice to any other action that may be taken against such a consumer shall serve a 'compensation bill' to the consumer as per the prescribed formula, if it detects use of unauthorised electricity/load exceeding authorised/connected load. (*clause 5.A.4 and 5.A.4.1 of AERC regulations*)
- (ii) The excess load detected was to be regularised within 197 days⁸¹ from the date of receipt of complete application in this regard from the consumer. (*clause 3.2 of AERC regulations*)
- (iii) The Consumer should assess the connected load of his premises (within the validity of the VDS) as per guidelines issued by AERC for determination of connected load. (VDS guidelines).
- (iv) From the date of receipt of declaration, the declared load should be treated as the connected load for billing purpose.
- (v) After expiry of the VDS, the Company should undertake the load survey and action initiated as per Rules. The Company should execute fresh agreement with the consumer on the declared load after completion of works. (VDS guidelines).

⁸¹ Adopting a conservative approach, the highest time limit of 197 days applicable in case of Extra High Tension (EHT) Consumers has been considered.

The guidelines on VDS do not contain any provision for referring cases of regularisation to the Department of Power, Government of Assam (GoA).

Purbanchal Cement (Consumer⁸²) submitted (22 April 2015) an application under VDS for regularisation of excess load of 432 KVA⁸³ (from original connected load of 5,294 KVA to 5,726 KVA), which the Company accepted and sanctioned the revised connected load (5,726 KVA) (July 2018) and released the additional load (29 March 2019).

In this regard, Audit observed that:

The Company failed to bill the consumer for the interim period from April 2015 till sanction of revised load (March 2019) in contravention of the VDS guidelines which provided for billing from the date of declaration. It was seen in audit that the delay in regularisation of the excess load of the Consumer occurred at various levels of the Government/Company Management as shown in **Table 2.4.1**.

Table 2.4.1: Timeline of events

Level	Time taken (in months)	Activity	Remarks
Sub-Divisional Engineer, Sonapur	1	Submission of Feasibility Report (June 2015)	Application received from Consumer in May 2015 ⁸⁴ .
AGM GED-S	15	Forwarding of 'Load Sanction proposal' to CEO GEC-I	June 2015 to August 2016
CEO GEC-I	23	Issue of sanction letter	September 2016 to July 2018
Regularisation of excess load	8	Signing of agreement and release of load	August 2018 to March 2019
Total	47		

From **Table 2.4.1**, it is evident that the time taken by the Company and Government of Assam (Power Department) at various levels to regularise the revised load was excessive.

This inordinate delay of 47 months in regularising the excess load declared by the Consumer led to short recovery of Fixed Demand Charges (FDC) of ₹ 0.50 crore⁸⁵.

Thus, the Company extended undue benefit to the Consumer by not recovering FDC amounting to ₹ 0.50 crore.

The Government/Company accepted (September 2020/July 2020) that APDCL had lost revenue in terms of fixed charges due to delay in regularisation of excess load. It further stated that the consumer had submitted the complete application for sanction of

⁸² Consumer number 67000000329 billed by Industrial Revenue Collection Area-I under Guwahati Electrical Circle (GEC-I)

⁸³ 367 KW/0.85 = 432 KVA

⁸⁴ Consumer submitted application for regularisation of excess load on 22 April 2015 and again on 25 May 2015. Adopting a conservative approach, however, Audit considered application of May 2015 to work out the delay in regularisation of excess load.

⁸⁵ ₹ 270x 432 KVA x 35 months (01.05.2015 to 31.03.2018) + ₹ 180 x 432 KVA x 12 months (01.04.2018 to 31.03.2019) = ₹ 0.50 crore.

enhanced load on 04 September 2018 and as such the timeline of 197 days for sanction of the revised load is applicable from that date under *clause 3.2* of AERC regulations.

The reply is not acceptable as the Consumer has declared the excess load under VDS as such, the billing to the Consumer should have started from the date of receipt of application (22 April 2015) from the Consumer.

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.

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

Important audit findings emerging from test check during the audit of the PSUs (other than power sector) are included in this section.

Assam State Development Corporation for Scheduled Castes Limited
Assam Plain Tribes Development Corporation Limited
Assam State Development Corporation for Other Backward Classes Limited

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

2.5.1.1 Introduction

Government of Assam (GoA) established Assam State Development Corporation for Scheduled Castes Limited (ASDCSCL), Assam Plain Tribes Development Corporation Limited (APTDCL) and Assam State Development Corporation for Other Backward Classes Limited (ASDCOBCL) as State Public Sector Undertakings⁸⁶ (PSUs). The shareholding pattern of the PSUs as on 31 March 2019 was as depicted in **Table 2.5.1**.

Table 2.5.1: PSUs Shareholding details

Name of PSU	ASDCSCL	APTDCL	ASDCOBCL
Date of Incorporation	18.01.1975	29.03.1975	06.08.1975
Equity Holding:			
Government of Assam	5.60	2.20	3.40
Government of India	4.50	0.75	0
Total	10.10	2.95	3.40

Source: Information furnished by the three PSUs

GoA formed the PSUs with the objective of accelerating the pace of economic development of people belonging to the Scheduled Castes (ASDCSCL), Scheduled Tribes (APTDCL) and Other Backward Classes (ASDCOBCL). In pursuance of this objective, ASDCSCL, APTDCL and ASDCOBCL implemented various welfare and income generating schemes financed by Government of India (GoI)/ GoA through their branches⁸⁷ within the State of Assam.

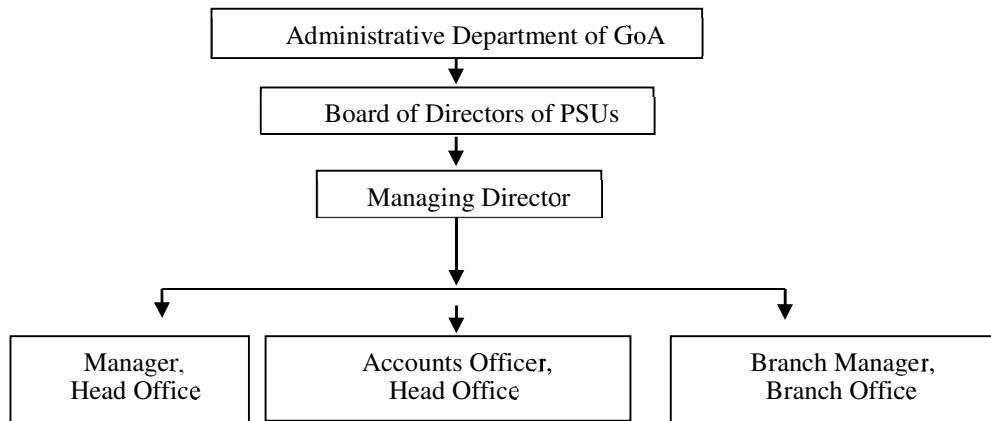
2.5.1.2 Organisational Structure

Three PSUs viz. ASDCSCL, APTDCL and ASDCOBCL function under the administrative control of Department of Welfare of Plain Tribes and Backward Classes (WPT&BC). The Board of Directors of the PSUs is responsible for management of affairs of these PSUs while the Managing Directors appointed by GoA handled the day-to-day functioning of these PSUs. **Chart 2.5.1** depicts the organisational structure of these PSUs.

⁸⁶ Registered as Government companies under the Companies Act, 1956.

⁸⁷ 22 branches in ASDCSCL, 28 branches in APTDCL and 11 branches in ASDCOBCL

Chart 2.5.1: Organisational Structure



2.5.1.3 Audit Scope and methodology

Audit examined functioning of these three PSUs covering the period of five-year from 2014-15 to 2018-19. Audit methodology involved examination of relevant records/ data at Head Offices of these PSUs and concerned Directorates/ Departments of GoA.

At the outset, Audit explained (19 June 2019) audit objectives, scope of audit, methodology and audit criteria in an Entry Conference held with the senior Management of these PSUs. After completion of Audit, we issued the draft Report to all the three PSUs as well as the GoA. Significant audit observations were discussed in an Exit Conference held on 12 August 2020 and views expressed by the representatives of GoA/ PSUs during the Exit Conference have been incorporated in the Report at appropriate places.

2.5.1.4 Audit objectives

The audit objectives were to assess whether:

- The PSUs performed the mandated functions/activities for which they were established in terms of achievement of socio-economic development of the targeted communities;
- The beneficiary identification for implementation of schemes was as per the Scheme guidelines;
- Monitoring of schemes was effective; and
- The activities of the three PSUs could be combined to achieve economies of scale.

2.5.1.5 Audit Criteria

Audit has derived the audit criteria for assessing the achievement of the audit objectives from the following sources:

- Memorandum and Articles of Association of the three PSUs;
- Guidelines of the schemes;
- Notification/Directives issued by GoA/GoI;
- Tender Documents, Contracts/Agreements, etc.

Audit Observations

2.5.1.6 Non-fulfilment of core objective

The major objectives of the formation of the PSUs, as per their respective Memorandum of Association (MoA), were as follows:

- To promote the setting up of business and trade by people and to assist them by grants, subsidies, loans *etc.*
- To promote, establish, improve, develop, administer, own, and run small cottage and village industries based on agro-forestry or otherwise, projects or programmes including agriculture, poultry, dairy farming, goat rearing, piggery, duck farming.
- To setup, run and manage production centres for manufacture of goods, to arrange for supply of raw materials required by people to undertake marketing of the produce.
- To construct, execute, carry out, and equip works of all kinds for development and welfare of people.
- To construct suitable houses or to help people to construct houses by advancing money or material to them.

The core objectives of the PSUs included to act as State Channelising Agencies to promote and develop the business and trade of the targeted communities (SC/ST/OBC) by providing the financial assistance (through grants/subsidy, loans, *etc.*) to these beneficiaries needed to set up their business and trade.

In pursuance to this objective, the PSUs had drawn the funds for this purpose from central financial institutions (CFI) *viz.* NSTFDC⁸⁸, NSFDC⁸⁹, NSKFDC⁹⁰ and NBCFDC⁹¹ at interest rates ranging from 4-6 *per cent.* The PSUs disbursed the same to beneficiaries at interest rates ranging from 6-8 *per cent.*

ASDCSCL, APTDCL and ASDCOBCL availed (1992-2004) term loans and micro credit finance amounting to ₹ 40.30 crore from CFIs for providing economic assistance to beneficiaries of the respective target group. These PSUs provided term loans to 1,985 beneficiaries and micro credit finance to 1,397 beneficiaries for various income generating schemes. The details of term and micro-finance loans received and disbursed during the period 1992-2004 by the three PSUs is as shown in **Table 2.5.2**.

⁸⁸ National Scheduled Tribes Finance and Development Corporation

⁸⁹ National Scheduled Castes Finance and Development Corporation

⁹⁰ National Safai Karmachari Finance and Development Corporation

⁹¹ National Backward Classes Finance and Development Corporation

**Table 2.5.2: Term and micro-finance loans received and disbursed by three PSU
(₹ in crore)**

Name of PSU	Period	Loan drawn from	Performance of the PSUs as borrower			Performance of the PSUs as lender		
			Amount received (Principal)	Amount repaid	Amount outstanding	Loan disbursed	Amount recovered	Recovery per cent
ASDCSCL	1993-2002	NSFDC NSKFDC	16.82	16.82	0	11.26	4.52	40
APTDCL	1992-2003	NSTFDC	18.21	2.96	15.25	18.21	9.22	51
ASDCOBCL	1993-2004	NBCFDC	5.27	5.27	0	5.27	3.97	75
Total			40.30	25.05	15.25	34.74	17.71	51

Source: Information furnished by the three PSUs

Audit observed that:

- Against ₹ 40.30 crore of loans taken, the PSUs had repaid ₹ 25.05 crore (62 per cent) to the CFIs of which ₹ 14.64 crore⁹² (58 per cent) was repaid through grants received from GoA;
- ASDCSCL and ASDCOBCL had disbursed ₹ 16.53 crore against the loan of ₹ 22.09 crore availed from CFIs. The remaining funds of ₹ 5.56 crore were used by the PSUs for their establishment expenses;
- Further, out of ₹ 34.74 crore of loans disbursed to beneficiaries, the PSUs recovered ₹ 17.71 crore (51 per cent) till March 2019.

As per the terms of loan conditions, the loans availed by the PSUs from CFIs had to be repaid within a period of five years from the date of disbursement of these loans. The PSUs, however, were not regular in repayment of CFI loans mainly due to the poor recovery performance against the loan disbursed by them. As on 31 March 2020, the PSUs had outstanding CFI loans amounting to ₹ 15.25 crore, which were overdue for repayment. This was due to lack of regular follow up from the officials of the PSUs engaged in recovery process, lack of proper direction and monitoring from the head office and non-initiation of any legal measures against the defaulting beneficiaries. The CFIs stopped disbursing loans⁹³ due to default in repayment of loans by the PSUs.

Thus, the PSUs failed to achieve their core objective to promote and develop the business and trade run by the beneficiaries of the targeted communities (SC/ST/OBC) in the State by providing them necessary financial assistance.

In reply, ASDCSCL and ASDCOBCL accepted that they were unable to recover loans from the beneficiaries due to shortage of manpower, death/migration of beneficiaries, willful defaulters etc. APTDCL stated that they had initiated action for recovery of loan from defaulting beneficiaries.

⁹² ASDCSCL - ₹ 11.04 crore and ASDCOBCL - ₹ 3.60 crore

⁹³ ASDCSCL (2002), APTDCL (2003) and ASDCOBCL (2004)

The inability of the PSUs to fulfil their core objective of loan financing and also lack of adequate internal resources to carry out their core activities led to their dependence on the State Government. As a result, the PSUs shifted their focus to implement Family Oriented Income Generating Schemes (FOIGS) through financial assistance from the State Government. During the period 2014-19, the PSUs restricted their activities towards achieving two objectives *i.e.* development of intensive agricultural operations and setting up of small businesses for livelihood through distribution of rice mills, sewing machines, vehicles, *etc.* In pursuit of these two objectives, three PSUs implemented Development Schemes and Family Oriented Income Generating Schemes for socio-economic development of the targeted beneficiary, with financial assistance received from GoA/GoI in the form of grants-in-aid.

2.5.1.7 Dependence of PSUs on Government Grants and High Operational Cost of PSUs

Financial autonomy is the ability of an entity to manage funds independently, which enables the entity to set and achieve its core objectives. GoA established these PSUs to carry out/support activities relating to the socio-economic development of the targeted communities. None of the PSUs, however, had adequate resources to carry out their core activities nor could they generate funds from their own activities to achieve the objectives envisaged. The loan activities had also stopped in three PSUs as mentioned in *Paragraph 2.5.1.6*. These PSUs were therefore entirely dependent on the GoA for financial support not only to implement various development schemes but also to meet their own administrative expenses.

The year wise budgetary support received by the three PSUs (ASDCSCL, APTDCL and ASDCOBCL) from GoI/GoA during 2014-19 to meet the cost of staff salaries and implement various Development Schemes and Family Oriented Income Generating Schemes (FOIGS) for the socio-economic development of the people is given below in *Table 2.5.3*.

Table 2.5.3: Funds released by GoA to the PSUs

(₹ in crore)

Year	APTDCL		ASDCOBCL		ASDCSCL	
	Salary	Scheme	Salary	Scheme	Salary	Scheme
2014-15	7.00	0.00	2.00	0	5.00	2.20
2015-16	9.00	4.00	3.00	0	2.35	0
2016-17	8.43	0.99	3.00	0	7.00	2.33
2017-18	9.00	3.81	3.60	1.50	4.67	1.80
2018-19	6.20	3.50	2.54	5.50	2.30	5.00
Total	39.63	12.30	14.14	7.00	21.32	11.33

Source: Information furnished by respective PSUs

As can be seen from *Table 2.5.3*, the PSUs received grants of ₹ 30.63 crore⁹⁴ during 2014-19 for scheme implementation, against which, expenditure incurred was ₹ 29.92 crore. The remaining funds of ₹ 0.71 crore pertained to ASDCSCL which was lying in

⁹⁴ APTDCL (₹ 12.30 crore); ASDCOBCL (₹ 7.00 crore) and ASDCSCL (₹ 11.33 crore)

its bank account. Further, 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 2014-15 to 2016-17. **Chart 2.5.2** depicts the ratio of 'Salary expenditure' incurred by three PSUs *vis-a-vis* 'per Rupee of Scheme benefits' delivered by them, which indicated that the costs of delivering the Scheme benefits by these PSUs was unreasonably high:

Chart 2.5.2: Ratio of Salary to Scheme Expenditure

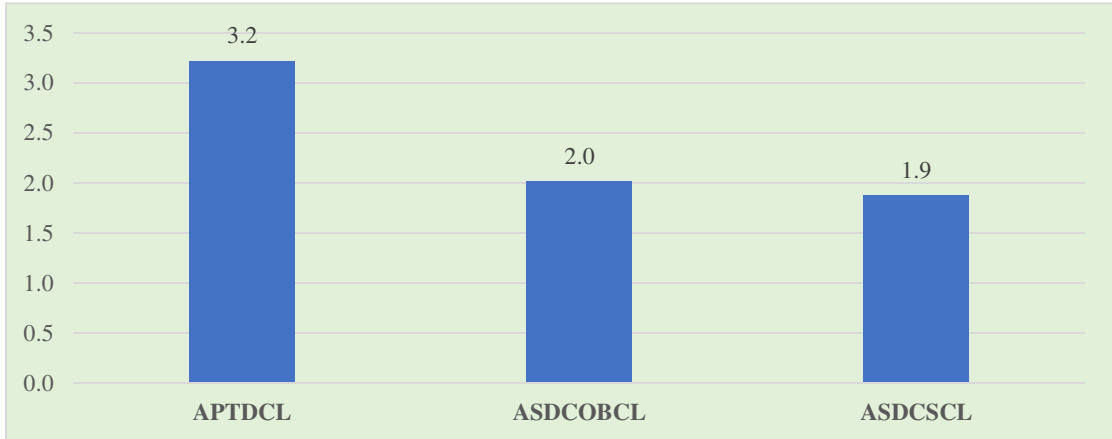


Chart 2.5.2 highlights the fact that for every one-rupee worth of benefits delivered to the targeted beneficiary, the PSUs had to incur an expenditure of two rupees (ASDCOBCL and ASDCSCL) and three rupees (APTDCL) on salary of their employees. With such high salary to scheme ratio, it is evident that these PSUs in their current shape and with the limited range of activities being performed by them are extremely high-cost scheme implementing partners of the GoA. As a result, with high establishment costs, the existence and operations of these PSUs for the people belonging to SC, ST and OBC communities for whom the PSUs were established, was diminishing.

In reply, ASDCSCL stated that it has requested the GoA to enhance the budget allocation for implementation of various schemes.

APTDCL stated that it implemented schemes for providing employment to people as per the directives of GoA and hence, there was no scope for generation of funds on its own and had to depend on grants from GoA for implementation of schemes as well as to meet its administrative expenditure.

ASDCOBCL stated that it did not receive funds from GoA during 2014-17 for implementation of schemes, and as such, the ratio of salary expenditure was higher than the scheme implementation ratio.

The replies furnished by the PSUs substantiate the fact that these PSUs are wholly dependent on Government funding for their day-to-day activities and they had not taken any steps to make themselves self-sustainable.

The State Government therefore needs to urgently address the issues by either pruning the establishment costs of these PSUs or increasing their developmental activities.

2.5.1.8 PSUs working as extension of Government Department

PSUs are established to be self-reliant and financially and functionally autonomous but on the contrary they were working as an extended arm of Government Department implementing similar schemes as the WPT&BC Department at lesser scale and magnitude and wholly dependent on the department.

2.5.1.8.1 Negligible scale of operations

During 2014-19, WPT&BC Department aggregate total expenditure was of ₹ 2,385.17 crore⁹⁵ of which, ₹ 2,089.35 crore was on various schemes⁹⁶ implemented by the Department. In comparison, the three PSUs were given a meagre allocation of ₹ 30.63 crore, which constituted merely 1.47 per cent of the parent Department’s Scheme related expenditure. The PSU wise detail of schemes implemented by the three PSUs *vis-à-vis* the parent Department’s Scheme expenditure is as summarised in **Table 2.5.4**.

Table 2.5.4: Comparison of expenditure of PSUs and WPT&BC Department during 2014-19

(₹ in crore)

Type of Expenditure	PSUs	WPT&BC Department	Expenditure by PSUs as percentage to Department
Overall Expenditure	105.72	2,385.17	4.43
Scheme Expenditure	30.63	2,089.35	1.47
Expenditure on Similar Schemes	30.63	149.28	20.52

Source: Information furnished by the PSUs and VLC data

The WPT&BC Department also implemented similar Development Schemes and FOIGS⁹⁷ as done by the PSUs, incurring expenditure of ₹ 149.28 crore, which was nearly five times the scheme expenditure of PSUs clearly indicating the similar but negligible scale of operation of the PSUs. The Administrative Departments had thus failed to utilise their own PSUs for implementing Schemes for the targeted population resulting in non-achievement of the objective for which they were set up.

2.5.1.8.2 Similar Developmental Schemes of WPTBC Department

Audit observed that the PSUs neither launched any new scheme and were rather engaged in implementing schemes viz. distribution of agricultural component like pump-sets, tractors, power-tillers, mini-rice mills *etc.* which were also implemented by WPT&BC Department. Audit also observed that the schemes implemented by two PSUs (APTDCL & ASDCOBCL) during 2017-18 and 2018-19 were identical to those implemented by the WPT&BC. The details of identical schemes are as given in **Table 2.5.5**.

⁹⁵ As per Appropriation Accounts, Government of Assam from 2014-19

⁹⁶ Scholarship for students, skill development and vocational training programs, construction of buildings *etc.* apart from Development and FOIG schemes.

⁹⁷ Family Oriented Income Generating Schemes included distribution of agricultural component like pump sets, tractors, power tillers, mini rice mills, sewing machines *etc.*

Table 2.5.5: Details of identical schemes implemented by Department and PSUs

Scheme	Year	Implementing Agency	Equipment distributed (in number)
Mini Rice mill	2017-18	WPT&BC	153
		ASDCOBCL	96
		APTDCL	244
		ASDCSCL	110
Power Tiller	2017-18	WPT&BC	356
		PSUs	Nil
Power Tiller	2018-19	WPT&BC	1,610
		ASDCOBCL	385
		APTDCL	245

Source: Information furnished by the PSUs

It can be seen from the **Table 2.5.5** that while the WPT&BC Department distributed total 2119 equipments (153 MCR and 1966 PT) to the Scheme beneficiaries, the PSUs could distribute 1,080 equipments (450 MCR plus 630 PT) under the similar Schemes, which was around 51 per cent of the equipment distributed by WPT&BC Department.

The duplication in efforts to implement similar schemes needs to be redressed by the parent Administrative Departments. Apart from scaling down the activities of the PSUs by being deprived of Scheme funds, duplication of efforts is also fraught with the risk of disbursal of double benefits to the same beneficiaries.

2.5.1.9 Implementation of Developmental Schemes

During the period 2014-19, APTDCL and ASDCSCL executed schemes with a target of only 1,911 ST and 13,335 SC beneficiaries, which represented 0.05 per cent and 0.60 per cent of the total STs and SCs population in the State respectively. Against this target, APTDCL and ASDCSCL provided actual scheme benefits to 1,913 ST and 12,146 SC beneficiaries respectively. During the same period, ASDCOBCL provided scheme benefits to 481 OBC beneficiaries.

During 2014-19, GoA/GoI provided grants amounting to ₹ 11.33 crore to ASDCSCL (GoA: ₹ 4.72 crore and GoI: ₹ 6.61 crore), ₹ 12.30 crore to APTDCL (all GoA grants) and ₹ 7.00 crore to ASDCOBCL (all GoA grants) for implementation of welfare and income generating schemes called Development Schemes and FOIGS. The three PSUs distributed agricultural inputs like tractors, pump sets, mini-rice mills, power tiller and other income generating assets like sewing machines and tool kits to the beneficiaries either free of cost or at a subsidised cost. During 2014-19, ASDCSCL and APTDCL implemented two schemes each while ASDCOBCL implemented only one scheme as detailed in **Table 2.5.6**.

Table 2.5.6: Year-wise details of implementation of schemes by the PSUs

Name of PSU	Year	Name of Scheme	Name of items distributed	Sanctioned amount (₹ in crore)	No. of beneficiaries		
					Planned	Covered	
ASDCSCL	2014-15	Development Scheme (State)	Pump sets	2.20	1,776	1,776	
			Sewing Machine		736	736	
	2016-17	Family Oriented Income Generating Scheme (FOIGS)- (Central)	Tool kits	2.11	249	249	
			Tractor		630	630	
			Rice Transplanter		975	450	
	2017-18	Development Scheme (State)	Fishing kits	0.30	2,859	2,859	
			Tool kits		287	253	
	2018-19	FOIGS (Central)	Mini rice mill	1.50	1,540	910	
			Dip Bahan		2.00	813	813
	2018-19	FOIGS (Central)	Fashion Design	3.00	3,470	3,470	
Sewing Machine							
Sub-total (A)				11.33	13,335	12,146	
APTDCL	2014-15 ⁹⁸	Development Scheme (State)	Tata Magic	4.00	522	522	
			Power-tiller		60	60	
	2015-16		Tractor	4.00	640	638	
	2016-17		Tractor	0.99	200	204	
	2017-18		FOIGS (Central)	Mini rice mill	3.81	244	244
	2018-19			Power-tillers	3.50	245	245
Sub-total (B)				16.30⁹⁹	1,911	1,913	
ASDCOBCL	2017-18	FOIGS (Central)	Mini rice mill	1.50	96	96	
	2018-19		Power-tiller	5.50	385	385	
Sub-total (C)				7.00	481	481	
(A+ B+C)				34.63	15,727	14,540	

Source: Information furnished by PSUs

It can be noticed from the **Table** above that against the planned coverage of 13,335 beneficiaries, ASDCSCL distributed the scheme benefits to 12,146 beneficiaries (91 per cent) at a cost of ₹ 10.62 crore. The other two PSUs (APTDCL and ASDCOBCL) had executed the Schemes successfully as per the planned coverage during 2014-19.

2.5.1.10 Irregularities in Implementation of Developmental Schemes

Audit observed the following irregularities in distribution of scheme benefits:

2.5.1.10.1 Excess distribution of subsidy

During 2016-19, ASDCSCL implemented Family Oriented Income Generating Scheme (FOIGS) for distribution of tractor, rice transplanter, fishing kits, mini rice mill and sewing machine at a cost of ₹ 6.61 crore, which was contributed by GoI under Special Central Assistance (SCA).

⁹⁸ Scheme relating to 2013-14 implemented during 2014-15

⁹⁹ This included ₹ 4.00 crore sanctioned against Development Schemes during 2013-14, which were implemented during 2014-15.

As per the instructions issued by Ministry of Social Justice & Empowerment, GoI, the SCA fund was to be utilised by adopting relevant provisions of Swarnajayanti Gram Swarozgar Yojna¹⁰⁰ (SGSY). The guidelines of SGSY stipulated the following:

- Individual beneficiary pertaining to SC category was eligible for subsidy of 50 per cent of project cost subject to maximum of ₹ 10,000.
- Self Help Group (SHG) consisting a group of 10 to 20 individuals were eligible for subsidy of 50 per cent of project cost subject to a ceiling of ₹ 1.25 lakh.

The PSU ASDCSCL covered 9,474 beneficiaries under the Scheme whereby it distributed subsidy of ₹ 6.42 crore during the period. Audit observed that ASDCSCL framed the scheme guidelines for distribution of above-mentioned items proposing subsidy ranging from 70 to 90 per cent of the cost of the items in contradiction of the subsidy of 50 per cent stipulated under SGSY. This resulted in excess distribution of subsidy amounting to ₹ 2.67 crore to 9,474 beneficiaries as shown in **Table 2.5.7**.

Table 2.5.7: Details of excess subsidy distribution

Scheme name (Year)	No. of items procured/ planned	Cost per unit (in ₹)	Details of subsidy (in ₹)			Extra items possible through permissible subsidy	Total number of beneficiaries		
			Due*	Allowed	Excess		In each SHG ¹⁰¹	Actually covered	Who could have been covered additionally
Tractor (16-17)	15	5,54,342	1,25,000	4,15,756 (75%)	43,61,340	35	42	630	1,470
Rice Transplanter (16-17)	65	1,98,499	99,249	1,48,874 (75%)	32,25,625	33*	15	975 ¹⁰²	495*
Fishing Kits (16-17)	2,859	1,798	899	1,618 (90%)	20,55,621	2,287	1	2,859	2,287
Mini rice mill (17-18)	110	1,89,394	94,697	1,32,576 (70%)	41,66,690	44*	14	1,540 ¹⁰³	616*
Fashion Design Sewing machine (18-19)	1,735	18,625	9,313	16,763 (90%)	1,29,25,750	1,388	2	3,470	2,776
Total					2,67,35,026	3,787		9,474	7,644

(Source: Information furnished by the PSUs; *50 per cent of cost OR ₹1.25 lakh, whichever is less.)

* ASDCSCL's rice transplanter (2016-17) and mini rice mill (2017-18) schemes did not find much response from beneficiaries and hence the possibility of extra coverage is doubtful.

¹⁰⁰ As per the Swarnajayanti Gram Swarozgar Yojna guidelines issued (March 2009) by the Government of India, the funds under the Scheme were to be contributed by the Centre and the State in 90:10 ratio.

¹⁰¹ Fishing kits scheme is individual beneficiary scheme

¹⁰² Including 525 intended beneficiaries under 35 SHGs for whom total 35 equipment were procured (cost: ₹ 0.69 crore) but could not be distributed due to poor response of beneficiaries.

¹⁰³ Including 630 intended beneficiaries under 45 SHGs for whom total 45 equipment were procured (cost: ₹ 0.85 crore) but could not be distributed in absence of three phase electricity connections.

As evident from the **Table 2.5.7**, ASDCSCL could have covered additional 7,644 SC beneficiaries with the excess subsidy of ₹ 2.67 crore, had the subsidy been distributed as per the GoI instructions.

In reply, ASDCSCL accepted that due to oversight, it had distributed excess subsidy beyond the maximum limit of ₹ 1.25 lakh and assured not to repeat such irregularity in future.

ASDCSCL may fix responsibility for the lapse and ensure effective monitoring of scheme implementation according to guidelines to avoid recurrence of such irregularities.

2.5.1.10.2 Idle investment in equipment's and benefits not delivered

Audit noticed two instances, where ASDCSCL failed to deliver the items to beneficiaries as planned for reasons highlighted below:

(i) ASDCSCL had taken up (2016-17) the scheme for distribution of rice transplanters with a view to promote mechanization of agriculture among SC population. Based on available scheme fund, ASDCSCL issued (February 2017) supply order in favour of JK Engineering & Agro Services (JKEAS) for supply of 65 rice transplanters at a rate of ₹ 1.98 lakh per unit (total cost: ₹ 1.29 crore) of which, beneficiaries were required to contribute 25 per cent of the cost of the machine. JKEAS delivered (June-December 2017) 46 rice transplanters while the remaining 19 rice transplanters were lying at the store of the Supplier (JKEAS). As on 31 March



2020, ASDCSCL released (June-September 2017) payment of ₹ 1.10 crore (subsidy: ₹ 0.97 crore¹⁰⁴; beneficiary share: ₹ 0.13 crore) to JKEAS. Clause-13 of the test report on the rice transplanter issued by Agriculture Machinery Research Centre (AMRC), Coimbatore stipulated that one skilled Operator and Helper were required for continuous operations of the machine.

ASDCSCL, however, overlooked the stipulation of AMRC and failed to arrange for the required training/demonstration to the beneficiaries, which was essential for operation of rice transplanters. At the time of distribution of rice transplanters, ASDCSCL noticed that some farmers were not interested to take rice transplanters as they did not have basic knowledge of its operation. In order to resolve the issue, though ASDCSCL decided (February 2019) to hold demonstrations on operation of the machine for training the beneficiary farmers, they did not actually conduct any such demonstration

¹⁰⁴ Entire subsidy portion (75 per cent) against the procurement cost (₹ 1.29 crore) of 65 rice transplanters.

so far (March 2020). As on 31 March 2020, however, out of total 65 rice transplanters procured under the scheme, ASDCSCL could distribute only 30 rice transplanters on receipt of beneficiaries share and the remaining 35 rice transplanters valuing ₹ 69.47 lakh¹⁰⁵ remained idle with the Supplier (JKEAS) (19 rice transplanters) and ASDCSCL (16 rice transplanters) as the beneficiaries did not find any value of these items due to lack of basic knowledge on usages of the machine. The equipment (35 rice transplanters) lying idle with the Supplier/ ASDCSCL are bound to deteriorate with the passage of time, which would correspondingly reduce their useful life. Hence, the Scheme funds incurred towards cost of these equipment proved to be a waste of public money for which, Government/ASDCSCL need to fix the responsibility.

In reply, ASDCSCL stated that it could not train the interested farmers to operate the rice transplanters due to unfavourable law and order situation and outbreak of COVID 19 disease. ASDCSCL also assured that it would complete the distribution of rice transplanters within a short span of time.

The reply lacked justification as ASDCSCL had failed to provide necessary training to farmers even after lapse of more than three years since procurement (February 2017) of the machine. Further, the unfavourable law and order situation and outbreak of disease referred had occurred only after December 2019 whereas the machines were procured much earlier. As such, the reasons cited for delay are an afterthought and not acceptable.

(ii) Field study plays an important role in assessing the requirement and utility of a particular item that ASDCSCL intends to distribute among the beneficiaries under any welfare scheme. Audit observed that ASDCSCL, without conducting any field study, had taken up (2017-18) the scheme for distribution of mini rice mills among 1,540 beneficiaries¹⁰⁶ with a view to augmenting the livelihood standard of people belonging to SC community.

The Managing Director of ASDCSCL took the decision for procurement of Mini Rice mills with due approval of the Minister, WPT&BC, GoA. Accordingly, ASDCSCL procured (March 2018) 110 three-phase mini rice mills from JKE (M/s JK Enterprises) at ₹ 1.89 lakh each, of which the beneficiaries were to contribute 30 *per cent* of the cost. The availability of three-phase electricity connection was a pre-requisite for operating the mini-rice mills procured by ASDCSCL. At the time of distribution, ASDCSCL found that the beneficiaries were not willing to take three-phase mini rice mills due to non-availability of three-phase electricity connections in their localities. In order to resolve the issue, ASDCSCL decided (February 2019) to request the supplier to supply single-phase mini rice mills instead of three-phase mini rice mills, but did not follow-up on this decision. As a result, ASDCSCL could distribute 65 mini rice mills (subsidy ₹ 86 lakh and contribution made by beneficiaries ₹ 36.85 lakh) (till March 2020) and the remaining 45 mini rice mills costing ₹ 85.05 lakh could not be distributed in absence of three-phase electricity connections in rural areas and same

¹⁰⁵ ₹ 1,98,499 x 35

¹⁰⁶ 110 self-help groups consisting of 14 people in each group

were lying idle with the Supplier (March 2020). The equipment (45 mini rice mills) lying idle with the Supplier (JKE) are bound to deteriorate with the passage of time, which would correspondingly reduce their useful life. Hence, the Scheme funds incurred towards cost of these equipment proved to be a waste of public money for which, Government/ASDCSCL need to fix the responsibility.

Thus, the decision of the MD, ASDCSCL to not consider the field reality of absence of three-phase electricity connections in rural areas while selecting the item for distribution among beneficiaries resulted in an idle investment in mini rice mills.

In reply, MD, ASDCSCL stated that the supplier had verbally agreed to supply single-phase mini rice-mills. It was further stated that branch offices were instructed to take due initiatives in this regard and complete the distribution of mini rice-mills within short span of time.

The reply is not acceptable, as ASDCSCL did not provide any documentary evidence in support of claim regarding verbal intimation and acceptance by the Supplier to supply single phase mini rice mills. ASDCSCL could have distributed mini-rice mills to beneficiaries on time, had it conducted proper field survey before taking up the scheme.

ASDCSCL may fix responsibility for the above lapses, which has led to idling of assets purchased for distribution without assessing the real need for the same and consequent waste of scarce public resource, and ensure that such irregularities do not recur.

2.5.1.10.3 Irregularities in selection of beneficiaries

The PSUs were required to select beneficiaries and distribute scheme benefits to them based on the conditionality and criteria laid down in the scheme guidelines. Audit observed that the beneficiary selection by the PSUs were fraught with subjectivity and lacked compliance to due process and prescribed guidelines as detailed in **Table 2.5.8**.

Table 2.5.8: Details of irregularities noticed in Audit

Sl. No	Broad Irregularities noticed in Audit	Name of PSU	No. of beneficiaries/ SHGs planned	Actual No. of Beneficiaries/ SHGs	Beneficiaries Checked by Audit (sample size in per cent)	Irregularities found against beneficiaries (per cent of sample size)	Amount involved (₹ in crore)
1	Distribution of items in BTC area against guidelines	APTDCL	245	245	238 (97)	98 (41)	1.75
2	Distribution of items without registration certificate	APTDCL	274 SHGs	274 SHGs	193 (70)	50 (26)	2.07
3	Non-compliance of age criteria	ASDCSCL & ASDCOBCL	9,437	8,248	4,130 (50)	379 (9)	0.84

In this regard, Audit noticed the following deficiencies:

- (i) Against serial no. 1 above, APTDCL had taken up the scheme for distribution of 245 power tillers during 2018-19 with a view to improving productivity of crops and

economic conditions of ST farmers. As per the scheme guideline, APTDCL was to distribute power tillers to individual beneficiaries of ST community of the plain areas of Assam outside the Bodoland Territorial Council (BTC) area. Based on a sample size of 97 per cent (238 out of 245 beneficiaries) test checked by Audit, it was observed that 98 out of 238 beneficiaries (41 per cent) were from BTC area in violation of the Scheme guidelines.

In reply, APTDCL stated that it would adhere to scheme guidelines while selecting beneficiaries in future.

(ii) Against serial no. 2, APTDCL had taken up the scheme for distribution of 274 vehicles¹⁰⁷ during 2014-17 to SHGs¹⁰⁸ for promoting agricultural mechanisation among ST farmers and enabling the unemployed youth to undertake income generating activities. As per scheme guidelines, the SHGs were to submit their registration certificate duly registered under Block Development Officer (BDO) along with their application. Based on a sample size of 70 per cent (193 out of 274 SHGs) test checked by Audit, it was observed that APTDCL distributed 22 vehicles without obtaining SHG's registration certificate and distributed another 28 vehicles to SHGs not registered under BDO in violation of the Scheme guidelines.

In reply, APTDCL stated that it had distributed 28 vehicles against registration certificates issued by District Agriculture Office and authorities under Cooperative Societies Act. It had also mentioned that it had noted the lapses in collection of registration certificates for future guidance.

(iii) Against serial no. 3, the scheme guidelines¹⁰⁹ framed by ASDCSCL stipulated providing benefits to beneficiaries between 18 to 45 years of age¹¹⁰, while the guidelines adopted by ASDCOBCL stipulated the age to be between 21 to 45 years. Based on a sample size of 50 per cent (4,130 out of 8,248 beneficiaries) test checked by Audit, it was observed that the two PSUs provided scheme benefits to 379 out of 4,130 beneficiaries although they were not in the range of age criteria provided in the guidelines of respective PSU.

In reply, ASDCSCL and ASDCOBCL stated that due to oversight, the beneficiaries not meeting the age criteria were provided assistance and due care would be taken for not repeating such irregularities in future.

Recommendation: Responsibility may be fixed on officials violating the various scheme guidelines and norms, which had also deprived other eligible beneficiaries of the Scheme benefits.

¹⁰⁷ Tata Magic and 100 Tractors

¹⁰⁸ Consisting of minimum 3 beneficiaries relating to Tata Magic and 8 beneficiaries relating to tractors

¹⁰⁹ Distribution of pump sets and sewing machine during 2014-15, tool kits during 2016-17, tractor, rice transplanter and fishing kits during 2016-17, tool kits during 2017-18 and mini rice mills during 2017-18.

¹¹⁰ Distribution of power-tillers during 2018-19.

2.5.1.11 Deficiencies in management of PSUs

Management of the PSUs was vested with their respective Board of Directors (BoD) appointed by the GoA. The MD appointed by GoA looks after the day-to-day functioning of the PSUs with assistance of the heads of various functional wings. Audit however observed that:

- The PSUs were not regular in convening the meeting of the BoD. As against the statutory norm of holding minimum 20 board meetings (Section 173 of Companies Act, 2013) during the period 2014-19, APTDCL, ASDCSCL and ASDCOBCL had 14, three and seven meetings respectively.
- GoA never appointed full-time MDs for these PSUs. Audit observed that 18 officers¹¹¹ held additional charge of MD in three PSUs during 2014-19 in addition to their regular charge held under different Departments of GoA (*viz.* Deputy/ Joint Secretary in WPT&BC Department or Director in Directorate of WPT&BC). Lack of continuity at MD level of these PSUs, had adversely impacted the decision-making ability at the top level on the important areas of operations requiring prompt remedial action.
- In March 1985, GoI banned the practice of deputing Government officials in Central PSUs and allowed only on immediate absorption basis as it was hampering the development of internal cadre of managers in the PSU. The presence of GoA officials at the top management level of these PSUs without full-time engagement indicated that GoA managed the three PSUs more as additional directorates/ departments to accommodate its high ranked officials rather than separate entities capable of achieving their core objectives without depending on GoA for their day-to-day financial needs.
- There were delays in finalisation of accounts, which resulted in accumulation of arrear accounts of ASDCSCL (nine years' Accounts) and ASDCOBCL (three years' Accounts) as of March 2020. Further, despite huge pendency in finalisation of Annual Accounts of these PSUs, GoA continued to provide Grants-in-Aid to these PSUs.

In reply, APTDCL attributed financial constraint as the reason for non-appointment of whole-time Managing Director and stated that it would bring the matter to the notice of WPT&BC Department for consideration. APTDCL also stated that presently, it was holding BoD meetings as per the norms. ASDCSCL and ASDCOBCL did not offer their comment on the issue.

The Administrative Departments of the State Government are bound by Company Law provisions to ensure proper and good governance in the PSUs under their charge and hence need to take remedial measures to address these deficiencies. The Departments may ensure that the Companies finalise their past Accounts before giving them any further financial assistance.

¹¹¹ six officials in each PSU

Conclusion

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; and*
- *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.*

Assam Seeds Corporation Limited

2.5.2 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

Assam Seeds Corporation Limited (Company) carried out procurement of seeds and other agriculture and horticulture inputs on behalf of Government of Assam (GoA). The terms of the bid documents issued by the Company for procurement of seeds during 2016-17, *inter-alia* includes the following:

- The Company shall determine the base price of the seeds to be procured considering the average price of the previous three years; (**clause 19B-iii**)
- The bidders were to quote their price within a range of 15 per cent above or below the base price¹¹². The Company was to reject bids for those not quoting within 15 per cent above or below the base price. (**clause 19B-iii**)

The Company issued (August 2016) Notice inviting tender (NIT) for procurement of certified seeds of Lentils (variety: WBL-77). In response, Company received two bids

¹¹² Base price is the rate arrived at by taking the average procurement price of the item for the previous three years. This methodology was followed only in 2016-17.

of ₹ 13,000 and ₹ 13,100 per quintal of Lentils from M/s S.B Enterprises (L1) M/s Tech Business India Private Limited (L2) respectively. Based on the bids received, the Company issued (November to December 2016) eight supply orders on both the bidders at L1 price (₹ 13,000 per quintal) for procurement of 1,530 quintals of Lentils valuing ₹ 1.99 crore. The two bidders (Suppliers) supplied (February to June 2017) total 959.90 quintals of Lentils and the Company released (May to August 2017) payment of ₹ 1.25 crore to the Suppliers.

Audit observed that:

(a) Before opening (28 October 2016) of the financial bids, the Price Finalisation Committee (PFC¹¹³) of the Government of Assam approved (4 October 2016) additional conditions to NIT, which *inter alia* stated that (i) where no base price is mentioned in the bid document then all the bids will be accepted; (ii) excessive low and high quote however shall not be accepted for consideration. The NIT explained the methodology for determining the base price.

(b) During the bid evaluation process, the PFC set (28 October 2016) the base price of Lentils for the year 2016-17 at ₹ 7,899 per quintal. However, the PFC allowed unreasonable higher (65 per cent) price than the base price to two bidders in violation of the bid conditions leading to excess cost on procurement of Lentils amounting to ₹ 0.38 crore as detailed in the **Table 2.5.9**:

Table 2.5.9: Extra cost paid on procurement of Lentils during 2016-17

Base price per quintal	Acceptable range (plus/minus 15%)		Quoted rate per quintal	Allowed (65% above base price)	Excess rate allowed	Quantity procured (quintals)	Extra cost (₹ in crore)
	Minimum	Maximum					
1	2	3	4	5	6=5-3	7	8
7,899	6,714	9,084	13,000	13,000	3,916	959.90	0.38
7,899	6,714	9084	13,100	13,000			

(c) The procurement rate for 2015-16 and 2017-18 was ₹ 7,899 and ₹ 6,850 respectively, which was within the 15 per cent range of base price and much lower than the rate finalised for 2016-17. Since only two bidders had quoted rates during 2016-17 with marginal difference (₹ 100 only) in their quoted rates¹¹⁴, which was significantly higher (65 per cent and 90 per cent) than the rates of previous and subsequent years, possibilities of price rigging and cartelisation by the suppliers could not be ruled out. This contention is further substantiated with the fact that both the bidders had been awarded the supply orders during 2016-17 at L1 rate (₹ 13,000 per quintal).

Thus, the PFC accepted unreasonably higher bids without any further study resulting in increased the procurement cost by ₹ 0.38 crore, which was an extra burden on the State Government while distributing the seeds to intended beneficiaries, free of cost.

¹¹³ The PFC was headed by Secretary, Agriculture Department, GoA with other representatives of Government of Assam/Company, including the MD of the Company.

¹¹⁴ ₹ 13,000 per quintal (L1) and ₹ 13,100 per quintal (L2)

The Government/Company in reply stated (November 2020/February 2020) that as no bidders were available within 15 *per cent* above or below the base price, the PFC considered the bids which were higher than the base price.

The reply is not tenable as the procurement price was considerably higher (65 *per cent*) than the base price and the norms set by PFC did not allow excessive low and high quote to be accepted. As such, the bids being excessively high should have been rejected by the PFC. Since these were regular procurements known to the PFC/Company, they had sufficient time to complete the process in best financial interest of the Government/Company.

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.

Assam Gas Company Limited

2.5.3 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

Audit examined the investment decisions of the Assam Gas Company Limited (Company) to assess the management of investments of surplus funds. Certain deficiencies were observed in the system of investment of funds in short-term deposits (STDs) with the banks with whom the Company had regular course of business, resulting in loss of interest income.

The Company had regular investment in STDs with Allahabad Bank (Bank). The Bank offered (17 November 2016) lower interest on STDs above ₹ one crore (four *per cent per annum*) than on STD's below ₹ one crore (seven *per cent per annum*). The Company invested (2015-16) ₹ 86.03 crore¹¹⁵ in 24 STDs of above ₹ one crore each for one year period.

Audit observed that the Company, while reinvesting (March 2017) the 8 matured STDs valuing above ₹ one crore each, they failed to instruct the Bank to split the deposit into denomination of less than ₹ one crore to ensure higher returns. As such, the STDs were renewed by the Bank at an interest rate of four *per cent per annum* despite higher rate of interest (seven *per cent*) being available on single investment of less than ₹ one crore on the date of renewal.

Thus, failure of the Company to split the high value STDs (valuing above ₹ one crore each) into less than ₹ one crore denomination at the time of their renewal led to loss of

¹¹⁵ The individual investment in STDs ranged between ₹ 1.07 crore to ₹ 10.07 crore.

opportunity of earning additional interest income amounting to ₹ 1.82 crore¹¹⁶ (worked out for the period from March 2017 to March 2018).

The Government/Company stated (November 2020/September 2020) stated that the banks refused to split the bulk deposits into smaller deposits after demonetization effected on 8 November 2016 and noticing the economic offences committed in some cases.

The reply is not tenable as the Bank concerned (Allahabad Bank) had always split the value of the STDs on the instruction of the Company but for absence of any instructions from the Company in this regard. This is evident from the fact that out of four instances of renewal (March 2017), the Company instructed the Bank to split the two high value STDs valuing ₹ 2.50 crore each into six STDs valuing less than ₹ one crore each. The Company, however, failed to give similar instructions to the Bank while requesting for renewal of eight high value STDs on 28 February/5 March 2017.

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

Assam Police Housing Corporation Limited

2.5.4 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

As per the instructions issued (8 April 2018) by the Finance Department, Government of Assam (GoA), in case of Schemes funded by State's own resources, any interest earned on unutilised Scheme funds temporarily parked for more than 45 days is required to be transferred to the Consolidated Fund of the State. The GoA, however did not have any policy on investment of surplus funds by the State PSUs. The Board of Directors of PSUs decide on the quantum and type of investments to be done out of surplus funds.

The Company is in the business of constructing infrastructure for the Police Department and received funds regularly for execution of projects under various Schemes of GoI and GoA. The Company invested the unutilised Scheme funds available with it in the 'debt based schemes' of SEBI regulated public sector Mutual Funds (Public Sector Debt Funds) only as decided by the Board of Directors (BoD) of the Company from time to time. During the year 2018-19, the Company received ₹ 125.00 crore¹¹⁷ from GoA for execution of GoA sponsored Scheme, namely, 'Mission of Overall Improvement of Thana for Responsive Image Scheme' (Scheme). Audit observed that

¹¹⁶ Interest loss worked out in respect of eight STDs (valuing from ₹ 5.23 crore to ₹ 10.83 crore) renewed for one year between 1-18 March 2017 at three per cent per annum at, being the differential rate of interest applicable on STDs below ₹ one crore (seven per cent) and STDs above ₹ one crore (four per cent).

¹¹⁷ ₹ 25.00 crore (21 June 2018); ₹ 50.00 crore (26 October 2018) and ₹ 50.00 crore (11 January 2019).

contrary to Company's extant practice of investing the surplus funds only in Public Sector Debt Funds, the BoD authorised (28 February 2019) the Chairman cum Managing Director (CMD) of the Company to invest and/or disinvest the surplus funds of the Company in shares and securities of all kinds, Mutual Funds, short term deposits (STDs) with Banks and such other sectors as deemed fit and profitable in the interest of the Company.

The **Table 2.5.10** shows the summary of the investment done and returns realised by the Company out of the Scheme funds during the period January to May 2019.

Table 2.5.10: Returns on Investments made by Company in Mutual Funds

(Column (3), (5) and (6): ₹in lakh)

Name of Fund	Date of Investment	Invested Amount	Date of Redemption	Redemption Amount	Absolute Return
1	2	3	4	5	6
SBI Savings Fund - Regular Plan - Growth	7 January 2019	2,500.00	29 March 2019	500.00	57.43
			7 May 2019	2,057.43	
UTI Ultra Short Term Fund - Regular Growth Plan	23 January 2019	4,500.00	6 March 2019	4,531.64	31.64
Aditya Birla Sun Life (ABSL) Credit Risk Fund-Growth Regular	11 March 2019	2,500.00	15 May 2019	2,501.68	1.68
Reliance Credit Risk Fund - Growth Plan Growth Option	11 March 2019	2,000.00	15 May 2019	1,947.48	-52.52
ICICI Prudential Short Term Fund	10 May 2019	500.00	15 May 2019	500.92	0.92
Overall Performance					39.15

Source: information furnished by the Company

As can be noticed from the **Table 2.5.10**, the Company had invested (January 2019) ₹ 70.00 crore in SBI Savings Fund - Regular Plan (₹ 25.00 crore) and UTI Ultra Short Term Fund (₹ 45.00 crore). Both these investment plans were Public Sector Debt Fund Schemes carrying moderate low risk without any entry and exit loads¹¹⁸. Audit observed that within two months of investment, the Company withdrew (6 March 2019) the investment of ₹ 45.00 crore from UTI Ultra Short Term Fund and re-invested (March 2019) the entire amount in the two Private Sector Credit Risk Funds, namely, Reliance Credit Risk Fund (₹ 20 crore) and Aditya Birla Sun Life Credit Risk Fund (₹ 25 crore). Both the Private Sector Funds had an exit load of 1 per cent if redeemed within one year of investment. As can be seen from the **Table 2.5.10**, the Company incurred a loss of ₹ 52.52 lakh against the investment made in Reliance Credit Risk Fund and a nominal gain of ₹ 1.68 lakh on the investments in Aditya Birla Sun Life Credit Risk Fund.

¹¹⁸ In case of SBI Savings Funds, the exit load was 0.10 per cent if redeemed/switched over within three business days from the date of investment; and exit load was 'nil' if redeemed/switched over after three business days from the date of investment.

Audit noticed that UTI Ultra Short Term Fund, a Public Sector Debt Funds carried moderate low risk without any entry and exit loads. Hence, the Company was free to redeem the investment at any time without any penalty on pre-matured exit. On the other hand, the two Private Sector Credit Risk Funds (Reliance Credit Risk Fund and Aditya Birla Sun Life Credit Risk Fund) had comparatively high degree of speculation on investment yield with penalty on pre-matured withdrawal of investment. Thus, the decision of the Company to invest the Scheme fund in two high risk Private Sector Credit Risk Funds after pre-mature withdrawal of the investment in UTI Ultra Short Term Fund was not justified, especially when there was no apparent reason to break and withdraw the investment in a public sector fund.

Audit further observed that the decision to invest the Scheme funds in Private Sector Credit Risk Funds contradicted Company's own policy/practice of investing the surplus funds only in Public Sector Debt Funds. The Company did not obtain any concurrence of GoA before investing the State sponsored Scheme fund in Private Sector Credit Risk Funds, which was irregular. After withdrawal (May 2019) of the investment from the Mutual Funds, the Company retained the net returns amounting to ₹ 39.15 lakh earned from investment of Scheme Funds with it as its own income instead of transferring the same to the 'Consolidated Fund of the State' in violation of the extant instructions (April 2018) of the State Government in the matter.

Thus, imprudent decision of the Company to invest Government sponsored Scheme funds in Private Sector Credit Risk Funds without the concurrence of GoA by withdrawing investments already made in a Public Sector Fund (UTI) led to a loss of ₹ 52.52 lakh in one of the Private Sector Credit Funds.

The Government/Company stated (October/August 2020) that the short term investments in the selected Mutual Funds were made in terms of power conferred by its Memorandum of Association and after due approval of the Board of Directors. The Company further stated that already invested surplus funds were re-invested in Private Sector Credit Risk Funds as the Return on such Funds was higher than the prevailing Bank interest Ratio. The Company also stated that there was an overall gain of ₹ 39.15 lakh out of the investment of Scheme funds during January 2019 to May 2019.

The reply regarding overall gain earned out of the investments is not acceptable considering the fact that the loss from Private Sector Credit Risk Funds (₹ 52.52 lakh) was primarily set off by the gains (₹ 89.07 lakh) contributed by two Public Sector Debt Funds. Further, there was no justification for pre-mature withdrawal of investments from UTI Ultra Short Term Fund, which had better prospects for investment yield and fund safety without any extra load for pre-matured exit.

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.

Assam Minorities Development & Finance Corporation Limited

2.5.5 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

Government of Assam (GoA) established (February 1997) the Company with the primary objective of accelerating the pace of economic development of people belonging to Minority communities in the State. As on 31 March 2019, the Company had equity share capital of ₹ 2.41 crore, wholly contributed by the Government of Assam (GoA). The Company functions under the administrative control of the Department of Welfare of Minorities and Development (WMD), Government of Assam.

As per Census of India, 2011, 38.46 *per cent* (1.20 crore) of the State's total population (3.12 crore) belonged to the minority communities. Hence, the Company had an important role to play in financial upgradation of the people belonging to minority communities in the State. On the contrary, the Company did not implement any Scheme during 2014-19 and remained inoperative since 2013.

Audit analysed the reasons for this dismal performance of the Company and revealed the following:

Existence of parallel Government agency with similar objectives

The Company had no permanent employees on its rolls to carry out its day-to-day operational activities. The day-to-day activities of the Company were being managed by the Assam Minorities Development Board (Board), a State owned agency registered (4 April 1985) under the Societies Registration Act, 1860. The Board, which functions under the administrative control of the WMD, GoA was mandated to formulate schemes for advancement of education and promotion of employment opportunities amongst the notified minority communities in the State. As such, both the Board and the Company had been functioning under the WMD, GoA with similar objectives of their formation.

Audit observed that during the last five years (2014-19), GoA implemented 40 schemes involving a cost of ₹ 40.52 crore through Assam Minorities Development Board which benefited 22,021 beneficiaries belonging to the minority communities. On the other hand, however, the Company was not assigned any developmental Schemes during the same period.

Lack of financial resources for operations

Financial autonomy is the ability of an entity to manage funds independently, which enables the entity to set and achieve its core objectives. As mentioned above, the Company had completely stopped its operations since 2013. In absence of any operations, the Company could not generate any funds from its own activities to achieve the objectives envisaged. The Company had not submitted any proposal/ action plan to GoA nor had the GoA had provided any financial support to the Company for revival of its operations during last five years. In absence of any potential financial resources and consequential inability to implement any Schemes for the beneficiaries for which it was established, the Company's existence remained unjustified.

Deficient Management at top level

GoA had never appointed any whole-time MD for the Company, whereas during 2014-19, six officers held additional charge of MD in the Company in addition to their regular charge in different State departments. Absence of Senior Management in the Company had adversely impacted direction and decision making.

The Company, however, had not finalised its Annual Accounts since 1998-99 in violation of the provisions of the Companies Act, 2013 and had clearly abdicated its responsibility in complying with the statutory requirements.

In reply, Government (WMD Department) stated that for revival of the Company, the WMD Department is taking various steps. The reply, however, did not specify the details of any action plan for revival of AMDFCL.

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.

CHAPTER III
Revenue Sector

CHAPTER III: REVENUE SECTOR

Section 1: General

3.1.1 Trend of Revenue Receipts

Tax and non-tax revenue raised by Government of Assam (GoA) during the year 2018-19, State's share of net proceeds of divisible Union taxes and duties assigned to State, Grants-in-Aid received from Government of India (GoI) during the year and the corresponding figures for the preceding four years are given in *Table 3.1.1*.

Table 3.1.1: Trend of revenue receipts

(₹ in crore)

Sl. No.	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
	Revenue raised by the State Government					
1	Tax Revenue	9,449.81	10,106.49	12,079.56	13,215.52	15,924.85
	Non-tax Revenue	2,412.89	2,741.56	4,353.13	4,071.97	8,221.29
	Total	11,862.70	12,848.05	16,432.69	17,287.49	24,146.14
	Percentage of increase over previous year	1.39	8.31	27.90	5.20	39.67
	Receipts from Government of India					
2	Share of net proceeds of divisible Union taxes and duties	12,283.71	16,784.88	20,188.64	22,301.54	25,215.85
	Grants-in-Aid	14,035.08	12,824.75	12,598.48	14,541.91	14,117.17
	Total	26,318.79	29,609.63	32,787.12	36,843.45	39,333.02
3	Total Revenue Receipts of the State Government (1 and 2)	38,181.49	42,457.68	49,219.81	54,130.94	63,479.16
4	Percentage of 1 to 3	31	30	33	32	38

Source: Finance Accounts of Government of Assam

The above table indicates that during the year 2018-19, revenue raised by the State Government (₹ 24,146.14 crore) was 38 per cent of the total revenue receipts as against 32 per cent during the previous year. The remaining 62 per cent of the receipts during 2018-19, was 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 ₹ 9,348.22 crore (17.27 per cent) over the previous year. The increase was mainly due to increase in Tax revenue of ₹ 2,709.33 crore (28.98 per cent), Non-Tax Revenue of ₹ 4,149.32 crore (44.39 per cent) and receipts from GoI of ₹ 2,489.57 crore (26.63 per cent). During 2018-19, the share of net proceeds of divisible Union taxes and duties increased by ₹ 2,914.31 crore (13.07 per cent) over the last year, which was marginally offset by decrease in Grants-in-Aid by ₹ 424.74 crore (2.92 per cent).

3.1.1.1 Tax Revenue

Details of Budget Estimates (BEs) and Tax Revenue raised during the period 2014-15 to 2018-19 are given in *Table 3.1.2*.

Table 3.1.2: Details of Tax revenue raised

(₹ in crore)

Sl. No.	Head of revenue	2014-15		2015-16		2016-17		2017-18		2018-19		Percentage of increase (+)/ decrease (-) with respect to	
		BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE (2018-19)	Actual (2017-18)
1	State Goods and Services Tax	--	--	--	--	--	--	11,223.28	4,077.67	4717.66	8393.04	78	106
2	Taxes on Sales, Trade etc.	8,367.50	7,351.25	9,810.55	7,493.72	11,582.67	8,751.64	1,713.30	6,373.00	4041.31	4698.74	16	-26
3	State Excise	763.72	664.99	878.77	807.96	1,299.55	963.81	1,393.72	1,095.16	1300.00	1399.84	08	28
4	Stamps and Registration Fees	554.33	188.51	362.19	224.83	478.80	226.78	351.23	239.17	274.41	240.72	-12	01
5	Taxes and Duties on Electricity	56.44	44.00	58.38	48.64	79.75	49.44	76.00	60.19	61.90	72.75	-18	21
6	Taxes on Vehicles	441.31	364.53	505.59	442.73	577.81	521.59	691.78	646.96	737.35	765.01	04	18
7	Taxes on Goods and Passengers	504.27	396.94	596.00	583.12	729.18	1,069.81	212.56	262.64	10.65	-3.62 ¹¹⁹	-134	-101
8	Other Taxes on Income and Expenditure	235.05	191.28	268.36	182.93	303.20	184.27	285.83	193.38	215.84	186.35	-14	-04
9	Other Taxes and Duties on Commodities and Services	110.39	54.92	68.54	61.09	107.04	78.97	140.09	34.44	0.00	0.95	-	-97
10	Land Revenue	201.64	142.32	224.14	229.46	395.59	210.02	358.54	219.39	254.12	163.22	-36	-26
11	Taxes on Agricultural Income	110.77	51.07	119.88	32.01	80.71	23.23	50.02	13.52	26.99	7.85	-71	-42
Total		11,345.42	9,449.81	12,892.40	10,106.49	15,634.30	12,079.56	16,496.35	13,215.52	11640.23	15924.85	37	21

Source: Annual Financial Statement and Finance Accounts of GoA.

The increase of ₹ 2,709.33 crore (20.50 per cent) in Tax revenue in 2018-19 as compared to previous year, was mainly due to increase in State Goods and Services Tax (SGST) by ₹ 4,315.37 crore, Excise Duty by ₹ 304.68 crore and Taxes on Vehicles by ₹ 118.05 crore, which was offset by decrease in Tax on Sales, Trades etc. by ₹ 1,674.26 crore and Taxes on Goods and Passengers by ₹ 266.26 crore.

The reasons for major variations in respect of tax revenue during 2018-19 over those of 2017-18 as reported by the departments concerned are as follows:

Excise Department: The increase of revenue was mainly due to increase in collection of excise revenue through online system and increase in liquor consumption.

State Goods and Services Tax: SGST collection increased due to increase in collection of taxes under Input Tax Credit cross utilisation of SGST and IGST, apportionment of IGST-Transfer-in of Tax Component to SGST and Advance apportionment from IGST.

Taxes on Sales, Trade etc.: The decrease in revenue was due to merger of VAT and CST Acts under the GST Act for all items except for petroleum and alcohol for human consumption.

¹¹⁹ Minus figure is due to refunds of earlier years.

Taxes on vehicles: Taxes on vehicles increased due to increase in collection of receipts under Indian Motor Vehicles Act, State Motor Vehicles Taxation Acts and other miscellaneous receipts.

Other Departments had not intimated (December 2020) the reasons for the increase/decrease of revenue in 2018-19 over 2017-18 despite requests.

(A) Implementation of Goods and Services Tax

Goods and Services Tax (GST) was implemented with effect from 1 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 Service Tax Act, 2017 and allied Rules of all the three Acts are applicable in the State of 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-II State. Front-end services provided to taxpayers for registration, return filing, payment of tax and back-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.

Registrations under GST

As per the GST Act, every taxpayer with turnover of above ₹ 20 lakh (enhanced to ₹ 40 lakh with effect from 1 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 have been given in **Table 3.1.3** (as on March 2019):

Table 3.1.3: Registered taxpayers under GST

Types of Taxpayers	Number of dealers	Percentage of total
Normal Taxpayers	1,57,200	76.49
Corporation Taxpayers	45,759	22.26
Tax Deductors at source	2,357	1.15
Tax Collectors at source	91	0.04
Input Service Distributors	74	0.04
Casual Taxpayers	41	0.02
Total Registrants	2,05,522	100

The total registrations under GST in Assam were 2.06 lakh as of March 2019, of which, normal taxpayers accounted for 76.49 per cent, corporation taxpayers 22.26 per cent and others¹²⁰ (including TDS, TCS, ISD and casual) 1.25 per cent.

Division of Dealers between Central and State Government

As per the recommendation¹²¹ of GST Council, administrative control of over 90 per cent of the dealers with turnover less than ₹ 1.50 crore shall vest with the State tax administration and 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. The division of tax payers as notified in Assam up to March 2019 are shown in **Table 3.1.4**.

Table 3.1.4: Division of dealers between Centre and State Government

Jurisdiction	Number of dealers		Total
	Turnover above ₹ 1.5 crore	Turnover below ₹ 1.5 crore	
Centre	5,126	7,812	12,938
State	5,119	70,208	75,327
Total	10,245	78,020	88,265

Filing of Returns under GST

As per Assam Goods and Services Tax Rules¹²², 2017 (AGST Rules, 2017), regular taxpayers were required to file monthly returns¹²³ 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 trends of filing of GSTR-1 and GSTR-3B for the period from April 2018 to March 2019 in Assam have been depicted in **Table 3.1.5**.

Table 3.1.5: Filing pattern of GSTR-1 and GSTR-3B

Month	GSTR-1	GSTR-3B
April 2018	41,079	1,03,803
May 2018	41,801	1,06,715
June 2018	1,00,038	1,09,109
July 2018	43,290	1,11,420
August 2018	43,808	1,13,314
September 2018	1,05,134	1,14,631
October 2018	44,533	1,15,825
November 2018	44,647	1,15,159
December 2018	1,06,832	1,16,306
January 2019	45,139	1,16,777
February 2019	45,208	1,17,846
March 2019	1,07,583	1,18,493

¹²⁰ As on March 2019, there was no registrations under Non-Resident Taxable Person (NRTP) and Online Information Database Access and Retrieval services (OIDAR).

¹²¹ Circular dated 20 September 2017.

¹²² Rule 59, 60 and 61

¹²³ 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.

Refund under GST

As per Section 54 of AGST Act, 2017, refund of any tax and interest paid may be claimed within two years from the date of such payment. The proper officer may sanction the refund within 60 days from the date of the receipt of the application. Section 49 of the Act *ibid* provides refund of any balance in the electronic cash ledger.

On analysis of the data furnished by the Commissioner of State GST, audit noticed that out of 2,358 cases involving refund claim of ₹ 50.72 crore, 827 cases (35 per cent) of ₹ 35.76 crore were refunded/processed (as on August 2019). The remaining 1,531 cases (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.

3.1.1.2 Non-Tax Revenue

Details of non-tax revenue raised during the period 2014-15 to 2018-19 are given in **Table 3.1.6**.

Table 3.1.6: Details of Non-Tax Revenue raised

(₹ in crore)

Sl. No.	Head of revenue	2014-15		2015-16		2016-17		2017-18		2018-19		Percentage of increase (+)/ decrease (-) with respect to	
		BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE (2018-19)	Actual (2017-18)
1	Petroleum	3,200.02	1,421.15	3,200.06	1,672.03	3,583.63	3,101.96	5,590.71	2,533.20	6411.00	5642.66	-12	123
2	Interest Receipts	628.63	313.99	515.76	298.80	424.93	475.40	398.32	305.39	585.74	588.09	01	93
3	Dairy Development	9.61	0.43	0.59	0.07	0.58	0.39	0.10	0.18	0.48	0.24	-50	33
4	Forestry and Wild Life	136.22	115.99	124.34	117.30	995.74	215.85	561.30	250.74	155.53	364.27	134	45
5	Non-ferrous Mining and Metallurgical industries	1.35	0.96	0.60	3.31	2.56	5.81	5.08	6.13	13.88	6.51	-53	6
6	Miscellaneous General Services	0.01	268.50	73.94	4.81	360.67	-6.15	6.36	24.91	0.05	677.76	1355420	2621
7	Medium Irrigation	0.47	0.62	0.53	0.84	0.83	0.47	1.11	0.88	0.57	1.00	75	14
8	Medical and Public Health	14.95	11.38	13.91	15.47	15.29	12.33	20.46	22.68	15.19	17.22	13	-24
9	Co-operation	0.71	0.47	0.78	0.64	0.64	0.57	0.85	0.56	0.69	1.77	157	216
10	Public Works	4.09	1.14	2.47	3.84	1.54	3.37	5.05	3.67	4.15	2.64	-36	-29
11	Police	44.63	43.54	73.19	52.62	58.49	52.88	69.59	51.10	65.15	68.86	06	35
12	Other Administrative Services	69.92	69.25	76.98	329.16	93.02	210.46	435.32	75.74	259.31	211.90	-18	180

Sl. No.	Head of revenue	2014-15		2015-16		2016-17		2017-18		2018-19		Percentage of increase (+)/ decrease (-) with respect to	
		BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE (2018-19)	Actual (2017-18)
13	Coal and Lignite	54.15	51.22	47.75	32.58	55.00	36.05	91.60	47.60	35.00	50.36	44	06
14	Roads and Bridges	64.83	42.18	62.10	28.69	156.66	41.10	37.94	27.42	50.64	41.21	-19	50
15	Others ¹²⁴	68.66	72.07	132.86	181.40	96.94	202.64	240.17	721.77	594.27	546.80	-08	-24
	Total	4,298.25	2,412.89	4,325.86	2,741.56	5,846.52	4,353.13	7,463.96	4,071.97	8,191.65	8,221.29	0.36	102

Source: Annual Financial Statement and Finance Accounts.

The increase of ₹ 4,149.32 crore (102 per cent) in Non-Tax revenue in 2018-19 as compared to previous year, was mainly on account of increase in revenue in Petroleum (Mines and Minerals Department) by ₹ 3,109.46 crore, Interest Receipts by ₹ 282.70 crore, revenue in Forestry and Wildlife by ₹ 113.53 crore and revenue in Miscellaneous General Services by ₹ 652.85 crore, which was offset by decrease of ₹ 174.97 crore under 'Others'.

The reasons for major variations in respect of non-tax revenue during 2018-19 over those of 2017-18 as reported by the departments concerned are as follows:

Mines and Minerals Department: The increase in revenue was due to increase in production of natural gas and increase in rate of royalty of natural gas, crude oil and coal.

Forestry and Wild Life: The increase in revenue was mainly due to opening of new *Mahals* (Minor minerals) and plugging of leakages.

Police: The increase in revenue was mainly due to increase of receipts under Police Supplied to Other Parties.

Interest Receipts: The increase in revenue was mainly due to increase of receipts of interest realised on Investment of Cash Balances and other miscellaneous receipts.

Other Departments had not intimated (December 2020) the reasons for the increase/decrease of revenue in 2018-19 over 2017-18 despite requests.

3.1.2 Analysis of Arrears of Revenue

The arrears of revenue as on 31 March 2019 in respect of Finance (Taxation), Excise and Mines and Minerals Departments amounted to ₹ 5,472.69 crore of which ₹ 2,202.44 crore was outstanding for more than five years, as detailed in *Table 3.1.7*.

¹²⁴ Others include 28 major head of accounts

Table 3.1.7: Arrears of revenue

(*₹ in crore*)

Sl. No.	Heads of Revenue	Name of Department	Amount outstanding as on 31 March 2019		Replies of the Departments
			Total	For more than five years	
1	Taxes on Agricultural Income	Finance (Taxation)	73.58	50.16	Following are the reasons for the pending arrears: i. Non-availability of requisite/ detail information of the defaulters. ii. Action taken report on arrest warrants issued by the Recovery Officers is pending with the Police authority. Un-traceability of dealers at the time of realisation of dues <i>etc.</i> iii. Pending of cases involving arrears of revenue in High Court/ Supreme Court/ Board of Revenue and with Appellate/ Revision Authority. iv. Pending with the Assessing Officers due to non-verification of deposit of TDS in government account.
2	Professional Tax		3.22	0.92	
3	Land Revenue (Assam Taxes on Specified Lands)		2,309.56 ¹²⁵	1,088.53	
4	Taxes on Sales, Trade, etc.		2,954.51	979.03	
5	Taxes on Goods and Passengers		91.93	46.94	
6	Other Taxes and Duties on Commodities and Services		6.00	4.82	
7	Taxes and Duties on Electricity		30.33	28.48	
8	State Excise	Excise	1.58	1.58	Non-payment of renewal licence fee by a company, which is non-functional.
9	Non-ferrous Mining and Metallurgical Industries	Mines and Minerals	1.98	1.98	Non-payment of royalty on limestone by two companies.
10	Taxes on vehicles	Transport			Nil
Total			5,472.69	2,202.44	

3.1.3 Arrears in Assessment

Under Section 39 of the Assam Value Added Tax (AVAT) Act, 2003 (being the mother Act in respect of other taxes), no assessment shall be made after the expiry of five years from the end of the year to which the assessment relates. However, in cases where specific information is available, re-assessment can be made under Section 40 of AVAT Act, 2003 within a period of eight years.

The details of arrears in assessments pending at the beginning of the year, cases becoming due for assessments and cases disposed of during the year, and number of cases pending for assessment at the end of the year as furnished by the Finance (Taxation) Department in respect of various taxation Acts are given in **Table 3.1.8**.

¹²⁵ Appeal filed by the M/s. OIL and M/s. ONGC against the Amendment Act, 2004 of the Assam Taxes on Specified Lands which introduced crude oil and natural gas bearing land within the meaning of the definition of Specified Land is pending before the Hon'ble Supreme Court of India.

Table 3.1.8: Arrears in assessments

Head of revenue	Arrears of assessment due as on 31 March 2018	New cases due for assessments during 2018-19	Total assessment due	Cases disposed of during 2018-19	Balance at the end of the year	Percentage of disposal (col. 5 to 4)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Sales Tax (AGST/ AVAT/ CST Acts)	16,413	16,264	32,677	11,967	20,710	36.62
APTC & E Taxation Act	27,203	39,260	66,463	29,119	37,344	43.81
Amusement & Betting Taxation Act	617	37	654	59	595	9.02
Entry Tax Act	3,364	1,861	5,225	2,165	3,060	41.44
Luxury (Hotel & Lodging Houses) Act	480	343	823	407	416	49.45
Electricity Duty Act	2,647	497	3,144	631	2,513	20.07
Taxation (on Specified Lands) Acts	974	964	1,938	868	1,070	44.79
Agricultural Income Tax Act	1,489	762	2,251	644	1,607	28.61
Total	53,187	59,988	113,175	45,860	67,315	40.52

The assessments pending at the end of the year increased over the previous year in respect of Sales Tax, APTC & E Taxation Act and Taxation (on Specified Lands) Acts. Further, the percentage of overall disposal compared to the cases due for assessment was only 40.52 per cent, which resulted in increase of arrears of assessment. Pendency in assessment may result in non/short realisation of Government revenue as there is a possibility of cases becoming time barred under the provision of the Act and further accumulation in arrears of revenue.

3.1.4 Evasion of tax detected by the Department

The details of cases of tax evasion detected by the Finance (Taxation) Department, cases finalised and the demands for additional tax raised as reported by the Department is given in *Table 3.1.9*.

Table 3.1.9: Evasion of Tax

Head of revenue	Cases pending as on 31 March 2018	Cases detected during 2018-19	Total	Number of cases in which assessment/ investigation completed and additional demand with penalty etc. raised		Number of cases pending for finalisation as on 31 March 2019
				Number of cases	Amount of demand (₹ in crore)	
Sales Tax/ VAT	278	--	278	278	0.90	NIL
GST	--	886	886	886	5.29	
Total	278	886	1,164	1,164	6.19	

As of 31 March 2019, the Department detected and disposed 1,164 cases of tax evasion and raised a demand of ₹ 6.19 crore. However, other departments did not furnish the information on evasion of taxes, though called for (December 2020).

3.1.5 Pendency of refund cases

The number of refund cases pending at the beginning of 2018-19, claims received and refunds allowed during the year, and cases pending at the close of 2018-19, as reported by the Finance (Taxation) Department is given in **Table 3.1.10**.

Table 3.1.10: Details of pendency of refund cases

Sl. No.	Particulars	Sales Tax/VAT		GST (SGST + IGST)	
		No. of cases	Amount	No. of cases	Amount
1	Claims outstanding at the beginning of the year	60	77.80	0	0.00
2	Claims received during the year	160	116.66	320	20.34
3	Refunds allowed during the year	167	132.95	320	20.34
4	Balance outstanding at the end of the year	53	61.51	0	0.00

(₹ in crore)

In Finance (Taxation) Department, 53 cases of refund involving ₹ 61.51 crore pertaining to Sales Tax/ VAT were pending at the end of March 2019. The Department did not state any reason for pendency of outstanding cases. The Department may consider early settlement of refund cases for the benefit of claimants.

3.1.6 Response of Government/Departments towards audit

The Principal Accountant General (Audit), Assam (PAG) conducts periodical inspection of the Government offices to test check their transactions and verify the maintenance of important accounts and other records as prescribed under the extant rules and procedures. These inspections are followed up with the Inspection Reports (IRs), incorporating irregularities detected during the inspection, which are issued to the heads of the offices inspected with copies to the higher authorities for taking corrective action. The heads of the offices are required to promptly comply with the observations contained in the IRs, rectify the defects and omissions and report compliance through initial replies to the PAG (Audit) within one month from the date of issue of the IRs.

With respect to IRs issued up to December 2018, the position was that 4,364 paragraphs pertaining to 969 IRs involving ₹ 2,193.29 crore remained outstanding at the end of June 2019 as shown in **Table 3.1.11**, along with the corresponding figures for the preceding two years.

Table 3.1.11: Details of pending IRs

Particulars	June 2017	June 2018	June 2019
Number of IRs pending for settlement	1,005	1,061	969
Number of outstanding audit paragraphs	4,018	5,511	4,364
Amount of revenue involved (₹ in crore)	7,524.37	2,312.82	2,193.29

3.1.6.1 Department wise pendency of IRs

The department-wise details of the IRs and paragraphs outstanding as on 30 June 2019 and the amounts involved are given in **Table 3.1.12**.

Table 3.1.12: Department-wise details of outstanding IRs

(₹ in crore)

Sl. No.	Name of the Department	Nature of receipts	Number of outstanding		Money value involved
			IRs	Audit paragraphs	
1	Finance (Taxation)	Taxes on sales, trade <i>etc.</i>	193	1,482	575.18
		Agricultural Income Tax	04	25	15.86
		Other Taxes	91	312	382.23
2	Excise	State Excise	97	611	693.53
3	Transport	Taxes on Motor Vehicles	159	746	110.44
4	Revenue and Disaster Management (Registration)	Stamps and Registration fees	139	317	10.18
5	Mines and Minerals	Non-ferrous mining and metallurgical industries	11	41	190.19
6	Environment and Forests	Forestry and Wild Life	275	830	215.68
Total			969	4,364	2,193.29

Audit did not receive the first replies from heads of offices within one month from the date of issue of IRs in respect of any of the 100 IRs issued during 2018-19. Replies in respect of 74 IRs were still pending as on September 2019. The large pendency of IRs/ paragraphs was due to non-receipt of replies, which indicates that heads of offices did not initiate action to rectify the defects, omissions and irregularities pointed out by the PAG (Audit) in the IRs.

3.1.6.2 Departmental Audit Committee Meetings

The Government set up audit committees to monitor and expedite the progress of the settlement of the IRs and paragraphs. The details of the Audit Committee Meetings held during 2018-19 and the paragraphs settled as a consequence thereof is given in *Table 3.1.13*.

Table 3.1.13: Details of Departmental Audit Committee Meetings

(₹ in crore)

Sl. No.	Head of revenue	Number of meetings held	Number of paras settled	Amount
1	Environment and Forest Department	8	530	31.79
2	Finance (Taxation) Department	6	956	481.69
3	Excise Department	3	187	15.10
Total		17	1,673	528.58

During the year, 17 Audit Committee Meetings were held in which 2,716 paras were discussed and 1,673 paras (61.60 *per cent*) were settled on the basis of replies furnished by the Environment and Forest, Finance (Taxation) and Excise Departments.

3.1.6.3 Response of the Departments to draft audit paragraphs

The PAG (Audit) forwards draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India to the Principal Secretaries/Secretaries of the departments concerned, drawing their attention to audit findings and requesting them to send their response within six weeks. The fact of non-receipt of the replies from the Government/Department is invariably indicated at the end of such paragraphs included in the Audit Report of the Comptroller and Auditor General of India (C&AG).

The draft audit paragraphs proposed to be included in the Report of the Comptroller and Auditor General of India (Revenue Sector) for the year ended 31 March 2019, Government of Assam, were forwarded to the Secretaries of the departments concerned between July 2019 and April 2020. The replies furnished by the Department/Directorates have been appropriately incorporated in the respective paragraphs.

3.1.6.4 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 of presentation of the Audit Reports to the legislature, to the PAC with a copy to the PAG (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 year ended 31 March 2014 to 31 March 2018 placed before the State Legislative Assembly between 31 March 2015 and 26 July 2019, 131 compliance audit paragraphs and seven Performance Audits/ Theme Audits were included. The PAG (Audit) did not receive any *suo-moto* explanatory notes on audit paragraphs.

As of March 2019, PAC discussed 442 out of 979¹²⁶ paragraphs, reviews and performance audit (including stand-alone Audit Reports) pertaining to the years 1988-89 to 2016-17. Consequently, as of March 2019, the PAC is yet to discuss 537 audit paragraphs.

3.1.7 Analysis of 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 **Transport 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 the years 2014-15 to 2018-19.

3.1.7.1 Position of Inspection Reports

The position of IRs issued during the last five years, paragraphs included in these IRs and their status as on 31 March 2019 in respect of Transport Department are tabulated in **Table 3.1.14**.

¹²⁶ Five CA paragraphs on Finance (Taxation) Department of Audit Report 2010-11, were to be re-discussed by PAC (as informed by the PAC on May 2018). Further, only partial discussion had been made by the PAC in respect of Stand Alone Performance Audit Report 'Forest Receipts' related to AR 2011-12

Table 3.1.14: Position of Inspection Reports in respect of Transport 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
2014-15	106	333	42.45	14	56	14.85	1	22	2.40	119	367	54.90
2015-16	119	367	54.90	20	120	14.04	1	17	3.54	138	470	65.40
2016-17	138	470	65.40	13	94	7.12	2	15	3.08	149	549	69.44
2017-18	149	549	69.44	19	122	35.86	0	13	5.28	168	658	100.02
2018-19	168	658	100.02	22	122	18.18	0	17	3.42	190	763	114.78

It is evident from the above table that, against 106 outstanding IRs with 333 paragraphs at the beginning of 2014-15, the number of outstanding IRs increased to 190 with 763 paragraphs at the end of 2018-19.

3.1.7.2 Recoveries in respect of accepted audit cases

The position of paragraphs included in the Audit Reports of the last five years, those accepted by **Transport Department** and the amount recovered there against is given in **Table 3.1.15**.

Table 3.1.15: 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 of accepted paragraphs	Amount recovered	Cumulative position of recovery of accepted cases as on 31 March 2018
2013-14	Nil	Nil	Nil	Nil	Nil	0.23
2014-15	1 (TA)	11.07	Department did not furnish reply			
2015-16	1 (PA)	6.51	1	6.49	Nil	
2016-17	4	1.88	4	1.88	0.04	
2017-18	5	18.29	5	18.29	0.19	

It is evident from the above table that the progress of recovery in accepted cases was poor during the last four years.

3.1.7.3 Action taken on the recommendations accepted by the Government/ Departments

The Performance Audits (PAs) conducted by the PAG are forwarded to the departments concerned with a request to furnish their replies. These Paras are further discussed during exit conference and the Department's views received during the exit conference and at other point of time are included while finalising the PAs for the Audit Reports. Besides, Audit also makes recommendations against some specific issues brought out in the Paras wherever felt appropriate.

During 2015-16, a PA on 'Working of Transport Department' was carried out wherein, 14 recommendations were made to the Transport Department. The Department reported that action was taken in respect of the recommendations featured in the PA (details are given in **Appendix 5**).

3.1.8 Audit Planning

For the purpose 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 2018-19, against a total of 347 auditable units, 112 units were planned and audited. The details are given in *Appendix 6*.

3.1.9 Results of Audit

3.1.9.1 Position of audit conducted during the year

Test check of records of 112 offices of Finance (Taxation), State Excise, Transport, Environment and Forests Departments 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 course of the year, the departments concerned accepted under-assessment and other deficiencies in 45 cases involving ₹ 19.66 crore pointed out in audit. The departments had collected ₹ 18.47 crore in 178 cases during 2018-19, pertaining to the audit findings during 2018-19 and previous years.

3.1.9.2 Coverage of this Report

This Report contains 18 paragraphs suitably clubbed under appropriate captions having a total financial effect of ₹ 50.06 crore of which, the departments concerned accepted audit observations involving revenue of ₹ 15.96 crore and recovered revenue of ₹ 2.05 crore.

CHAPTER IV
Compliance Audit Paragraphs on
Revenue Sector

CHAPTER IV: COMPLIANCE AUDIT PARAGRAPHS REVENUE SECTOR

Section 2: Finance (Taxation) Department

4.2.1 Tax administration

The Finance (Taxation) Department is responsible for the administration of taxes on sales, trade *etc.* in the State. The Commissioner of Taxes (CT), Assam is the Head of the Department who is responsible for administration of all taxation measures and for general control and supervision over the zonal and unit offices and the staff engaged in collection of taxes and to guard against evasion of taxes. He is also the authority for disposing of revision petitions under all Taxation Acts and laws besides providing clarifications under the Assam Value Added Tax (AVAT) Act, 2003. Additional Commissioners of Taxes, Joint Commissioners of Taxes (JCT), Deputy Commissioners of Taxes (DCT), Assistant Commissioners of Taxes (ACT), Superintendents of Taxes (ST) and Inspectors of Taxes both at the Headquarters and zonal/unit levels assist the CT. The Commissionerate of Taxes had one Head Office/Commissioner's Office, 10 Zonal Offices, five Appellate Offices, 34 Unit Offices and 23 Recovery Offices.

The provisions of the AVAT Act, 2003; the Assam Goods and Services Tax Act, 2017 (*w.e.f.* 01 July 2017), the Central Sales Tax (CST) Act, 1956; the Assam Professions, Trades, Callings and Employments Taxation Act, 1947; the Assam Electricity Duty Act, 1964; the Assam Taxation (on Specified Lands) Act, 1990; the Assam Agricultural Income Tax Act, 1939 and various administrative orders issued from time to time governed the functioning of the Department.

4.2.2 Working of Internal Audit Wing

Internal audit is a vital component of internal control mechanism, which functions as an internal oversight mechanism of the Department and a vital tool, which enables the management to assure itself that the prescribed systems are functioning reasonably well. It was observed that although the Government created an internal audit wing in May 1988 with staff strength of eight internal auditors in the office of the CT, Assam, no personnel was posted in the wing since February 2011.

4.2.3 Results of Audit

Test check of records of 19 unit offices¹²⁷ (out of total 74 unit offices) relating to VAT/CST/AET/Agricultural Income Tax assessments and other records showed irregularities involving ₹ 126.86 crore in 303 cases, which fall under the following categories as detailed in *Table 4.2.1*.

¹²⁷ Including Office of the Agricultural Income Tax Officer, Guwahati, Assam

Table 4.2.1: Results of Audit

Sl. No.	Category	Number of Cases	Amount (₹ in crore)
1	Concealment of turnover	24	16.00
2	Irregular grant of ITC	32	4.08
3	Turnover escaping assessment	6	2.14
4	Short levy of tax and interest	52	34.48
5	Irregular allowance of concessional rate of tax	72	37.70
6	Short/ non-levy of entry tax	06	2.40
7	Other irregularities	111	30.06
Total		303	126.86

During the year, the Department accepted under-assessments and other deficiencies in 133 cases involving ₹ 18.37 crore. Of these, 11 cases involving ₹ 6.72 crore were pointed out by Audit during the year 2018-19 and the rest in earlier years. An amount of ₹ 11.45 crore in 123 cases was realised during the year 2018-19.

A few illustrative cases having financial impact of ₹ 7.09 crore on concealment of turnover, short levy of tax and non-levy of tax *etc.*, are discussed in succeeding paragraphs.

Compliance Audit Paragraphs

Assam Value Added Tax and Central Sales Tax Act

4.2.4 Allowance of concessional rate of tax against invalid/obsolete declaration forms

Assessing Officers 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.

[ACT, Guwahati (Unit-A, B, C & D); April 2018 - March 2019]

As per Section 8 of the Central Sales Tax (CST) Act, 1956, inter-State sales of goods to registered dealers supported by declaration Form 'C' were taxable at the concessional rate of two *per cent* from 01 June 2008. Otherwise, tax was leviable at the rate of tax applicable to sale of such goods within the State. Further, as per Rule 12 of the CST (Registration and Turnover) Rules, 1957 (Amended), 'C' form is to be submitted on quarterly basis from 01 October 2005 onwards.

4.2.4.1 The Commissioner of Taxes (CT), Government of Manipur (GoM) *vide* notification dated 25 July 2012 intimated the CTs of all States that every registered dealer shall make online requisition for declaration in forms C, F & H and all offline issuance of these forms shall be discontinued with effect from 30 September 2012. The CT, GoM further clarified that the declaration forms issued to the dealers prior to the notification *ibid* shall remain valid for use up to 31 October 2012 and forms remaining unutilised in the custody of the dealers shall stand obsolete and invalid with effect from 01 November 2012.

On scrutiny of records of 742 assessment/scrutiny cases in four unit offices¹²⁸ (out of 34 unit offices), Audit noticed that in 29 assessment/scrutiny cases¹²⁹, the dealers claimed concessional rate of tax supported by Form ‘C’ which had become obsolete and invalid. The AAs while assessing/scrutinizing (between August 2015 to December 2018) the dealers’ accounts pertaining to the period 2012-13 to 2015-16, accepted the turnover involving ₹ 43.89 crore supported by manually issued¹³⁰ ‘C’ forms (130 Form ‘C’) and assessed at the rate of two *per cent* (concessional rate) instead of five/14.5/15.5 *per cent*¹³¹. Thus, AAs failed to disallow concessional rate of tax claimed on the turnover supported by obsolete and invalid forms, and levy tax at the prescribed rate on such turnover. This resulted in short levy of tax of ₹ 4.49 crore on which interest was also leviable (**Appendix 7**).

On this being pointed out by audit, the ACTs¹³² stated that out of 18 dealers, three dealers¹³³ had replaced their manual forms with online forms. Besides, ACT, Unit-B re-assessed four dealers¹³⁴ and disallowed concessional rate of tax on defective forms and issued demand notice for tax and interest of ₹ 3.16 crore, but the report on realisation is yet to be received (September 2020). The ACTs are silent on the action taken against the other defaulters (December 2020).

Audit noticed acceptance of manually issued forms (GoM) and allowance of concessional rate of tax on such declaration forms in respect of four assessing unit offices in the State. The Department may internally verify/check similar issues in their other unit offices.

4.2.4.2 During 2018-19, out of 34 assessing unit offices, audit examined records of the 14 assessing unit offices (41 *per cent*). In two unit offices, it was noticed that in four out of 92 assessment cases scrutinised under CST Act, concessional rate of tax was allowed against invalid Form ‘C’ as illustrated below:

Two dealers under ACT, Unit B and Unit D, Guwahati, made inter-State sales of ₹ 36.38 crore to registered dealers during 2011-12, 2013-14 and 2014-15 and claimed concessional rate of tax in support of 32 ‘C’ forms. The AAs while assessing the dealer in December 2014 and February 2018 accepted the ‘C’ forms submitted and assessed the dealer accordingly. Scrutiny of declaration forms submitted by the dealer showed

¹²⁸ ACT, Unit –A, Unit-B, Unit-C and Unit-D, Guwahati

¹²⁹ 18 dealers. 27 assessment cases and two scrutiny cases.

¹³⁰ Transaction involved on or after 1 November 2012.

¹³¹ Five *per cent*: 14.5 *per cent*: and 15.5 *per cent*:

¹³² ACT Unit B, Guwahati and ACT, Unit D, Guwahati.

¹³³

Name of the Dealer	Action Taken by the Department
M/s. R D Computech & Agencies Pvt. Ltd	Seven manual forms replaced with online forms and ₹ 16.17 lakh <i>i.e.</i> difference of value of goods the dealer has deposited ₹ 94,364
M/s. Ushodaya Enterprise Pvt. Ltd	Six manual forms (out of eight obsolete forms) replaced with online forms and deposited ₹ 1.46 lakh in respect of two defective forms valuing ₹24.82 lakh which was not replaced by online forms.
M/s. Lotte India Corporation Ltd	All seven manual forms replaced with online forms.

¹³⁴ M/s. Wipro Enterprise Pvt. Ltd., M/s. Procter & Gamble Home Products Ltd., M/s. Case New Holland Construction Equipment (India) Pvt. Ltd. and M/s. Birla Tyres

that four ‘C’ forms involving turnover of ₹ 1.29 crore were among the series of forms¹³⁵ declared invalid¹³⁶ by Government of Nagaland (November 2011). The Commissioner of Taxes, Nagaland also forwarded the notification to all the State Commissioner of Taxes for giving wide publicity among the State Assessing Authorities. However, while completing the assessment, the AAs failed to detect the transactions against these invalid forms and irregularly allowed concessional rate on those forms. This resulted in short levy of tax of ₹ 14.68 lakh on which interest was also leviable (detailed in *Appendix 8*).

In response to audit query, the Department stated (May 2019) that though there were no specific direction issued to Assessing Officers to cross check notifications issued by the Commissioner of Taxes of other States in general, it was the duty of all Assessing Officers to cross check as much inventories as possible at the time of assessment. Moreover, Department had also not issued necessary instruction to Assessing Officers to cross verify authenticity of declaration forms through TINXSYS (Tax Information Exchange System) and downloading relevant Gazette notifications of other States to prevent acceptance of invalid C Forms by Assessing offices.

Audit has noticed allowance of concessional rate of tax against invalid forms in two unit offices. Thus, the Department may internally examine similar issues in other unit offices to arrest leakage of government revenue.

Recommendation: The Government may instruct the Department to mandatorily cross verify the 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.

4.2.5 Non-reversal of excess ITC

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

[Assistant Commissioner of Taxes, Unit-A, Guwahati; January – March 2019]

Under Section 14 (3A)¹³⁷ of the Assam Value Added Tax (AVAT) Act, 2003 (as amended¹³⁸), if goods, other than the goods specified in the Fourth Schedule, which are taxable at the rate of four *per cent* or above under this Act, are sold in the course of

¹³⁵

Serial No. of declaration of ‘C’ forms	Effective date	Reasons
NL 076126 to 076225	14-09-2007	Lost
NL 098251 to 099250	28-07-2009	Lost

¹³⁶ Gazette Notification No. 15 Part-II A dated 15 November 2011

¹³⁷ Deleted vide Notification No.LGL.6/2003/112 dated 17 June 2015

¹³⁸ Government of Assam Notification No. LGL. 6/2003/79 dated 26 April 2013.

inter-State trade and commerce to a registered dealer at the concessional rate of tax applicable under sub-section (1) of Section 8 of the CST Act, 1956, the input tax credit shall be reduced by the amount of tax calculated at the rate of two *per cent* of the purchase price excluding tax of such goods or the raw materials and packing materials used in the manufacture of such goods. Such input tax credit shall be reduced in the month in which such inter-State sales take place. Also, Section 14 (6) (h) (as amended) provides, in case of stock transfer input tax credit may be allowed for the tax paid in excess of the amount of tax calculated at the rate of four¹³⁹ *per cent* on the purchase price excluding tax of goods.

As per Section 40 of the AVAT Act, 2003, if the prescribed authority has reason to believe that any part of the turnover had been under-assessed, he may proceed to assess the amount of tax due from the dealer in respect of such turnover within a period of eight years.

During 2018-19, out of 34 assessing unit offices, audit examined records of the 14 assessing unit offices (41 *per cent*) and in one unit it was noticed that the Assessing Officer did not properly scrutinise trading accounts of the dealer while completing assessment though information relating to opening and closing stock of intra-State and inter-State purchase of goods were available, which resulted in non-reversal of excess ITC as illustrated below:

An item-wise analysis of trading accounts of a dealer¹⁴⁰ as certified by Chartered Accountant for the period 2013-14 and 2014-15, audit noticed that the dealer in course of inter-State trade and commerce, sold/transferred goods (GI Ridgings, TMT bar *etc.*) out of local purchases.

The Assessing Officer, during assessment (November 2016) while allowing full ITC on intra-State purchase, failed to analyse item-wise businesses of the dealer to adjudicate applicability of the above mentioned provisions of the AVAT Act, 2003 and did not reverse excess ITC regarding the items sold/transferred in course of inter-State trade and commerce out of local purchases. In absence of segregation of profit earned between local sales and in course of inter-State trade and commerce, audit could not quantify accurate quantum of ITC reversible. Therefore, failure of the AO to reverse excess ITC resulted in short realisation of minimum tax of ₹ 15.25 lakh¹⁴¹ on which interest was also additionally leviable. The details of calculation are shown in **Appendix 9**.

After this being pointed out by audit, the AO stated (July 2019) that the accounts of the assessee were re-assessed (June 2019) under Section 40 of the AVAT Act, 2003 and levied tax and interest of ₹ 21.07 lakh and ₹ 29.42 lakh for 2013-14 and 2014-15 respectively. The department also issued demand notices (June 2019), however, realisation of amount is still awaited (December 2020).

¹³⁹ Reduced vide Notification No.LGL.6/2003/112 dated 17 June 2015

¹⁴⁰ M/s. Ravi Steel Pvt. Ltd.

¹⁴¹ Assuming that the dealer had earned entire profit in course of inter-State trade and commerce.

Audit has reported non-reversal of excess ITC in one case as the requisite information was available in the assessment records, however, in most of the cases, audit could not analyse assessment orders due to non-availability of item wise opening and closing stock of intra-state and inter-state purchase of goods. The Department should internally examine similar issues in other cases to arrest leakage of government revenue.

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.

4.2.6 Underassessment of turnover

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.

[Assistant Commissioner of Taxes (ACT), Nagaon; January-February 2018]

As per Section 40 of the AVAT Act, 2003, if the prescribed authority has reason to believe that the Assessing Officer (AO) had under-assessed any part of the turnover, he may proceed to assess the amount of tax due from the dealer in respect of such turnover within a period of eight years. Further, Section 30 of the Act *ibid* provides that if any dealer fails to pay the amount of tax due within the time prescribed for its payment, such dealer shall, in addition to the tax, be liable to pay simple interest at the rate of 1.5 per cent per month on the unpaid tax amount.

As per Section 2(44) (i) of the AVAT Act, 2003, sale price includes the amount of duties or fees levied or leviable on the goods under the Assam Excise Act, 1910 or under any other enactment whether such duties or fees are paid or payable by or on behalf of the seller or the purchaser or any other person. The item 'Indian Made Foreign Liquor (IMFL) and Beer' is taxable at 30 per cent *w.e.f.* 21 July 2011 under Schedule-IV of the AVAT Act, 2003.

Out of total 179 assessments completed under the AVAT Act, 2003 in office of the ACT, Nagaon during 2015-17, audit selected 75 assessment cases for scrutiny and in one case¹⁴², audit observed that the dealer disclosed opening stock in the annual return and audited accounts for the year 2012-13 as ₹ 15.10 lakh. The DCT, Nagaon Zone while assessing the dealer for the year 2012-13 in December 2015, accepted the opening stock as ₹ 15.10 lakh and completed the assessment by determining taxable turnover of ₹ 3.58 crore (including excise duty) and levied tax accordingly. However, scrutiny of Annexure-I attached with the annual return for the year 2011-12 showed that the dealer had a closing stock of taxable goods valued at ₹ 1.41 crore as on 31 March 2012 out of which, stock valued at ₹ 97.39 lakh was under the process of destruction as the officer-in-charge of the said bonded warehouse found it unsuitable for sale to retail/ human consumption.

¹⁴² M/s. A B Bonded Warehouse dealing in 'IMFL and Beer'

Thus, the closing stock of the dealer for the year 2011-12 should not have been less than ₹ 44.07 lakh (basic price only) after deducting the goods under the process of destruction. However, the DCT, Nagaon Zone while assessing the dealer for the year 2012-13 brought forward closing stock as on 31 March 2012 as ₹ 15.10 lakh instead of ₹ 44.07 lakh (minimum) as opening stock of 01 April 2012. The undervaluation of closing stock led to underassessment of turnover of ₹ 28.98 lakh¹⁴³ (basic price only without Excise Duty¹⁴⁴) over the assessed turnover of ₹ 3.58 crore during 2012-13. This resulted in short levy of tax of ₹ 8.69 lakh (minimum) on which interest was also leviable.

On this being pointed out, the Department while accepting the audit observation stated (July 2019) that the dealer had already closed down his business and failed to comply to the show-cause notice issued by the Department. Re-assessment was done u/s 40 of the AVAT Act, 2003 in July 2019 and a demand amounting to ₹ 18.69 lakh had been raised. Department further intimated (February 2020) that due to non-deposit of demanded amount, an arrear certificate was forwarded to Recovery Officer, Nagaon for realisation.

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.

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Particulars	(Amount in ₹) 2012-13
Closing Stock for the year 2011-12 as shown in annual return as well as assessment order of the year 2011-12	1,41,46,288
Less : Stock of IMFL and Beer under process of destruction (excluded as not saleable)	97,38,808
Closing Stock should have been for the year 2011-12 (considering basic price only without excise duty)	44,07,480
Less : Opening Stock as disclosed in the annual return and considered in assessment for the year 2012-13	15,09,635
Value of Stock under assessed for the year 2012-13 (considering basic price only without excise duty as information in respect of sale of goods including excise duty is not available to Audit)	28,97,845
Tax leviable @ 30 per cent	8,69,353
Interest leviable @ 1.5 per cent per month upto March 2019 for 71 months	9,25,840

¹⁴⁴ In absence of details of different brands of 'IMFL and Beer' in closing stock for the year 2011-12, excise duty on stock could not be ascertained based on records submitted by the dealer to the Taxation authority.

Assam Agricultural Income Tax Act

4.2.7 Non-levy of interest

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

[AITO, Guwahati, Assam; November 2018]

Under the provision of Section 8B¹⁴⁵ of the Assam Agricultural Income Tax Act (AAIT), 1939, in case of an assessee, being a company, which derives income from cultivation, manufacture and sale of tea, if the agricultural income tax payable under this Act on the sixty *per cent* portion of agricultural income computed as per provisions of the Income Tax Act, 1961 (Central Act 43 of 1961) is less than 10 *per cent* of the sixty *per cent* of the book profit computed in the manner as referred to in Section 115 JB of the Income Tax Act, 1961 (Central Act 43 of 1961), sixty *per cent* of such book profit shall be deemed to be agricultural income under this Act of such assessee and the assessee shall be liable to pay agricultural income tax at the rate of 10 *per cent* of such agricultural income. However, rate of tax under Section 8B was raised¹⁴⁶ to 18 *per cent* from 10 *per cent* *w.e.f.* 01 April 2010 for the assessment year 2010-11¹⁴⁷.

Section 35 (1) of the AAIT Act, 1939 provides that an assessee shall pay to the credit of the State Government, as advance tax, an amount equal to the agricultural income tax calculated in his total agricultural income derived during the latest previous year in respect of which he has been assessed in such number of equal instalments not exceeding four and within such date¹⁴⁸ as prescribed under Rule 29 (i). Section 35 A further specify that if an assessee is required to pay advance tax under Section 35, estimates at any time before the last instalment of the advance tax is due and finds that by reason of his income of the year, for which he is liable to pay advance tax being likely to be more or less than the income on which the advance tax payable by him under Section 35 or for any other reason, the advance tax payable would be more or less than the amount which he is so required to pay shall furnish an estimate to the AITO.

Further, under Section 35 B (1) of the AAIT Act, 1939, where in any financial year an assessee has paid advance tax under Section 35 or Section 35 A and the advance tax so paid is less than ninety *per cent* of the tax determined on regular assessment under Section 20, simple interest at the rate of two *per cent* for each English Calendar month from the first day of April of such succeeding financial year in which the advance tax was payable up to the month prior to the month or regular assessment shall be payable by the assessee upon the amount by which the advance tax paid falls short of the tax determined on regular assessment.

¹⁴⁵ Inserted vide Government notification no. LGL.22/2002/124 dated 12/02/2009.

¹⁴⁶ Notification No. LGL.61/2009/31 dated 7 September 2010.

¹⁴⁷ Section 3 of the AAIT Act, 1939

¹⁴⁸ Payment of 4th installment (*i.e.* last installment) by 15 March of the financial year.

During 2018-19, Audit test checked 52 assessment cases (out of 783 cases) in the office of the Assam Agricultural Income Tax Officer, Guwahati and noticed that one dealer¹⁴⁹ was assessed¹⁵⁰ (July 2014) for the assessment year 2010-11 under Section 8B¹⁵¹ of AAIT Act, 1939 and tax levied was of ₹ 3.16 crore¹⁵². The assessee had deposited ₹ 17.36 lakh only as advance tax for the assessment year 2010-11, which was less than 90 per cent of tax assessed, and the balance amount of tax was paid belatedly in three installments (₹ 1.13 crore, ₹ 45.24 lakh, and ₹ 1.40 crore in March 2011, October 2012, and August 2014 respectively). However, in course of assessment, the AITO did not levy interest of ₹ 1.97 crore¹⁵³ though leviable under provision of Section 35 B (1) of the Act *ibid* for belated payment of advance tax, mentioning that interest was not leviable, as the assessee was not liable to pay advance tax as required under Section 35 or 35 A of the Act.

The contention of the AITO was not acceptable as the assessee had submitted 'nil' estimate as required under Section 35 A and had deposited (March 2010) advance tax of ₹ 17.36 lakh for the assessment year 2010-11. Thus, arbitrary and irregular grant of exemption by AITO on levy of interest resulted in non-levy of interest of ₹ 1.97 crore.

After this being pointed out by audit, while accepting the audit observation the department re-assessed (March 2019) the case on the basis of reply from the assessee and levied interest of ₹ two crore u/s 35 B (1) of the AAIT Act, 1939. The demand notice was issued but realisation of tax was not done (December 2020).

Audit noticed non-levy of interest on payment of tax under Section 8B of the AAIT Act, 1939 in one case. The Department may internally verify similar issues in other cases.

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

¹⁴⁹ M/s. Apeejay Surendra Corporate Services Ltd.

¹⁵⁰ Assessed u/s 20 of the AAIT Act, 1939 vide order dated 1 July 2014

¹⁵¹ The assessee adjusted previous year's loss of ₹ 21.58 crore from agricultural income computed (60 per cent of composite income determined under the Income Tax Act, 1961) under Section 8 of the AAIT Act, 1939, which led to agricultural income for the period less than ten per cent of the sixty per cent of the book profit computed in the manner as referred to in the section 115JB of the Income Tax Act, 1961.

¹⁵² At the rate of 18 per cent for the assessment year 2010-11

¹⁵³

Date of deposit	Amount deposited (in ₹)	Delay in deposit calculated from April 2010 (in months)	Interest leviable (in ₹)
19/03/2010	17,36,040	0	0
31/03/2011	1,12,85,671	12	27,08,561
03/10/2012	45,23,765	30	27,14,259
02/08/2014	1,40,36,420	51 (delay considered up to the date of assessment)	1,43,17,148
Total	3,15,81,896		1,97,39,968

4.2.8 Agricultural income escaped assessment

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

[AITO, Guwahati, Assam; October 2018]

Section 8(2)(h) of the Assam Agricultural Income Tax Act, 1939 provides that in case of agricultural income from cultivation and manufacture of tea, the agricultural income for the purposes of this Act shall be deemed to be that portion of the income from cultivation, manufacture and sale which is the agricultural income within the meaning of the Indian Income Tax Act, 1961 and shall be ascertained by computing the income from the cultivation, manufacture and sale of tea as computed for Indian Income Tax Act. The ratio for apportionment of composite income fixed at 60:40 for the purpose of agricultural income tax and income tax respectively.

As per Section 30 of the Assam Agricultural Income Tax Act, 1939, if for any reason any agricultural income chargeable to agricultural income tax has escaped assessment for any assessment year or has been assessed at too low or has been the subject of undue relief under this Act, the Superintendent of Taxes or Agricultural Income Tax Officer may at any time within eight years of the end of that assessment year may proceed to assess or reassess such income.

Section 35 C provides for non-payment of advance tax; interest is leviable at the rate of two *per cent* per month from month succeeding the financial year in which advance tax was payable up to the month prior to the month of regular assessment. Further, Section 22 provides if an assessee has concealed the particulars of his income or has deliberately furnished inaccurate particulars of such income and has thereby returned it below its real amount, the assessee shall pay by way of penalty in addition to any tax paid by him, a sum not exceeding the amount of the agricultural income tax which would have been avoided if the income so returned by him had been accepted as the correct income.

During 2018-19, Audit test checked 52 assessment cases (out of 783 cases) in the office of the Assam Agricultural Income Tax Officer, Guwahati and in one case audit noticed that an assessee company¹⁵⁴ filed annual return under the AAIT Act for the assessment year 2011-12 and 2012-13 declaring composite income of ₹ 8.67 lakh and ₹ 9.25 lakh computed as per Income Tax Act, 1961. Accordingly, the AITO while finalising the assessments (September 2017) for both the years derived agricultural income of ₹ 5.20 lakh and ₹ 5.55 lakh (being the 60 *per cent* of composite income) and levied tax of ₹ 1.56 lakh and ₹ 1.67 lakh respectively.

However, cross-verification of composite income with the Income Tax returns of the assessee for the assessment year 2011-12 and 2012-13, Audit noticed that the composite

¹⁵⁴ M/s. Jalinga Tea Co. (I) Pvt. Ltd

income assessed¹⁵⁵ by IT Department were ₹ 19.10 lakh and ₹ 50.57 lakh respectively. The concealment of composite income resulted in escapement of taxable agricultural income for the assessment year 2011-12 and 2012-13 amounting to ₹ 6.26 lakh and ₹ 24.80 lakh respectively and resultant short levy of agricultural income tax of ₹ 23.18 lakh¹⁵⁶ including interest. In addition, the assessee is also liable to pay penalty as per provision of Section 22 of the Act *ibid* for submission of inaccurate particulars of income before the assessing authority. Thus, failure of the AITO to take cognisance of the IT returns during the assessment resulted in short realisation of tax of ₹ 9.32 lakh on which interest was also leviable.

After this was pointed out by audit, the Department while accepting the audit observation, re-assessed (March 2019) the company for both the years and levied tax and interest of ₹ 35.09 lakh. The demand notices were issued but realisation was not reported (December 2020).

Audit noticed escapement of turnover in one case. The Department may internally verify similar issues in other cases.

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.

¹⁵⁵ The assessee declared the same amount as Composite income in the IT Return for the years 2011-12 and 2012-13.

¹⁵⁶

(Amount in ₹)

Sl. No.	Particulars	2011-12	2012-13
(i)	100% composite income as per income tax return u/s 143(1) and 154 of IT Act, 1961	19,10,228	50,57,304
(ii)	100% composite income considered during assessment by AITO	8,66,729	9,24,795
(iii)	Short consideration of composite income	10,43,499	41,32,509
(iv)	Short consideration of agricultural income (60% of (iii))	6,26,099	24,79,505
(v)	Tax short levied @ 30%:	1,87,830	7,43,851
(vi)	Interest leviable u/s 35 (C)	3,15,554 (April 2012 to March 2019 = 84 months)	10,71,145 (April 2013 to March 2019 = 72 months)
(vii)	Total tax and interest leviable	5,03,384	18,14,996
(viii)	Grand total	23,18,380	

4.2.9 Short levy of Agricultural Income Tax due to allowance of inadmissible deduction

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.

[AITO, Guwahati, Assam; October 2018]

As per Section 30 of the Assam Agricultural Income Tax (AAIT) Act, 1939, if for any reason any agricultural income chargeable to agricultural income tax has escaped assessment for any assessment year, or has been assessed at too low rate or has been the subject of undue relief under this Act, the Superintendent of Taxes or AITO may at any time within eight years of the end of that assessment year proceed to assess or reassess such income.

During 2018-19, Audit test checked 52 assessment cases in the office of the Assam Agricultural Income Tax Officer, Guwahati and noticed that in two cases, the assessee companies had claimed exemption/ deduction from the total agricultural income for the assessment year 2014-15; however, the Central Income Tax authority disallowed expenses inadmissible for deduction from total agricultural income (composite income¹⁵⁷). The AITO while finalising assessment (April 2017 and June 2017) allowed these expenses. Thus, the failure of the AITO to take into account the deduction disallowed by the Income Tax Authority resulting in short determination of agricultural income tax to the tune of ₹ 20.13 lakh and consequently short levy of tax of ₹ 6.04 lakh on which interest was also leviable (*Appendix 10*).

After this was pointed out by audit, the Department stated that assessment order in respect of one dealer¹⁵⁸ had been re-assessed (June 2019) and raised a demand notice of ₹ 5.81 lakh including interest of ₹ 3.12 lakh, but the report on realisation is yet to be received. As regards to the other dealer¹⁵⁹, the Departmental reply is awaited (December 2020).

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.*

¹⁵⁷ Composite income is derived from the business of growing, manufacturing and selling of tea and 40 per cent of such income is, in terms of Rule 8 of the Income Tax Rules, 1962, is deemed to be income subject to the Income Tax Act, 1961 whereas the balance 60 per cent of the income is treated as agricultural income for the purpose of levy under the AAIT Act, 1939.

¹⁵⁸ M/s. Bazalone Group Ltd.

¹⁵⁹ M/s. Warren Tea Co., Kolkata

Assam Entry Tax Act

4.2.10 Short levy of Entry tax

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.

[Assistant Commissioner of Taxes, Unit-A, Guwahati; January – March 2019]

Rule 3 (1) of the Assam Entry Tax Act (AET) provides that there shall be levied and collected an entry tax 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. The entry tax shall be leviable on the import value of the specified goods and shall be paid by every importer of such goods. The item 'Cement' brought from outside Assam for self-consumption was taxable at the rate of four *per cent w.e.f.* 14 September 2009.

Further, the AET Act read with the Assam Value Added Tax Act provides that a registered dealer liable to pay tax shall submit to the AO his monthly statement of such purchase along with a copy of the treasury challan(s) for the full amount of tax payable on the purchase value of goods disclosed in the statement before the expiry of the next succeeding month of purchase.

During 2018-19, out of the total 34 assessing unit offices, 14 assessing unit offices were audited. In Unit-A, Guwahati (out of 27 cases selected for audit), during scrutiny of annual returns¹⁶⁰ of a dealer¹⁶¹, dealing in manufacturing of 'Cement' (under the AET Act, Audit noticed that the dealer had imported cement worth ₹ 2.32 crore during the year 2011-12 (before commencement of commercial production), on which entry tax of ₹ 9.30 lakh was leviable. However, the Assessing Authority (AA) while finalising the assessment (March 2017) considered import value of cement as ₹ 14.89 lakh and levied entry tax of ₹ 0.60 lakh. Resultantly, the AA assessed that the dealer has made an excess payment of ₹ 2.46 lakh and refunded the amount accordingly (September 2017). Thus, failure of the AO to consider actual import value of the cement as shown in revised return of the dealer resulted in short levy of tax of ₹ 8.70 lakh¹⁶².

The case was reported to the Department/Government in May 2019; reply was awaited (December 2020).

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.

¹⁶⁰ Revised on September 2014

¹⁶¹ M/s. Topcem India, Guwahati, which deals in manufacturing of 'Cement' was granted Entitlement Certificate (No. CTS-78/2014 (273)/245) for AVAT and CST exemption (99 *per cent* of liabilities under AVAT and CST) on sales of manufacturing goods and Entry tax exemption on machineries and raw materials from the date (25 November 2011) of commencement of commercial production.

¹⁶² ₹ 9.30 lakh minus ₹ 0.60 lakh.

Section 3: Excise Department

4.3.1 Administration

The State Excise Department is responsible for collection of revenue under Assam Excise Act and enforcement of Excise laws on prohibition of illicitly distilled liquor, *Ganja, Bhang* and Opium. In addition, the Department is also responsible for enforcing the provisions of Narcotic Drugs and Psychotropic Substances Act and the Medicinal and Toilet Preparation Act. The Commissioner of Excise (CE), Assam is the head of the Department. He is primarily responsible for administration and execution of Excise policies and programmes of the State Government. An Additional Commissioner of Excise, a Joint Commissioner of Excise and two Deputy Commissioners of Excise¹⁶³ assisted the CE.

Excise revenue comes from *ad-valorem* levy, establishment charges, various kinds of licence fees on foreign liquor/ beer, country spirit, rectified spirit, *etc.* Further, import pass fee, export pass fee, transport pass fee, brand and label registration/ renewal fee also generate revenue for the Government. During 2016-17, the Department restructured *ad-valorem* levy, revised licence fee of various excise licences, increased different kinds of fees in respect of label registration/ renewal and profile fee and replaced the Assam Excise Act, 1910 and the Assam Excise Rules, 1945 by the Assam Excise Act, 2000 and the Assam Excise Rules, 2016 respectively *w.e.f.* 01 September 2016. The point of levy of Excise Duty was shifted to the level of first point of transaction made within the State ensuring that only duty paid liquor comes out from the manufactories/ bottling plants/ breweries. This change is aimed at curbing leakage of excise revenue.

4.3.2 Results of Audit

Test check of records of 19 unit offices (out of total 49 unit offices) relating to *ad-valorem* levy, establishment charges, license fee, *etc.*, revealed non/ short realisation of *ad-valorem* duty, non-realisation of establishment charges and other irregularities involving ₹ 78.74 crore in 104 cases. The details are given in **Table 4.3.1**.

Table 4.3.1: Results of Audit

Sl. No.	Category	Number of cases	Amount (₹ in crore)
1	Non/ Short payment of annual license fee	7	5.30
2	Evasion of <i>ad-valorem</i> duty and VAT	4	2.02
3	Loss of Excise duty and VAT	6	0.56
4	Non-realisation of revenue on wastage beyond permissible limit	2	0.85
5	Short realisation of revenue on transit loss beyond permissible limit	1	0.60
6	Non-realisation of Establishment Charges	6	3.50
7	Other irregularities	78	65.91
Total		104	78.74

¹⁶³ One at Headquarters and another for Bodoland Territorial Area.

During the year, the Department accepted 21 cases involving ₹5.45 crore. Of these, Audit pointed out three cases involving ₹4.49 crore during the year 2018-19 and the rest in earlier years.

A few illustrative cases having financial impact of ₹23.50 crore on non-realisation annual licence fee, excise duty and establishment charges, etc., are discussed in succeeding paragraphs.

Compliance Audit Paragraphs

4.3.3 Non-realisation of Ad-valorem duty and VAT

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.

[Superintendents of Excise (SsE) Barpeta and Tinsukia; April – November 2018]

Assam Excise Rules, 2016 allows existence of Bonded Warehouses¹⁶⁴ only in the manufactories and erstwhile Bonded Warehouse (not in manufactories) are now called as Wholesale Warehouse¹⁶⁵. To regularise functioning of the Wholesale Warehouse, Government of Assam¹⁶⁶ constituted a Joint team to assess *Ad-valorem* levy and Value Added Tax (VAT) involved on such transitional taxable under-bond stock of liquor/spirit held by the erstwhile Bonded Warehouse licensees as on 31 August 2016 including stock in transit. Based on Joint team's report, the licensee of the Wholesale Warehouse would deposit entire amount of *Ad-valorem* levy and VAT within a period of three months from the date of introduction of Assam Excise Rules, 2016. Further, in the same order, Government instructed the Commissioner of Excise (CE), Assam, in case of failure of the erstwhile Bonded Warehouses to deposit the entire amount of arrear *Ad-valorem* levy and VAT within the period specified, the Warehouse licence shall be liable to be cancelled and stock therein shall be liable to be confiscated.

Further, Section 36 of Act *ibid* provides for recovery of all excise revenue due to the State Government by sale of licensees' movable property, or as arrear of land revenue or in the manner provided for the recovery of public demands by any law for the time being in force.

During 2018-19, in course of audit of 14 SsE/DSsE offices¹⁶⁷ out of 45 SsE/DSsE, it was noticed that two Wholesale Warehouses had failed to deposit the Ad-valorem levy

¹⁶⁴ Premises licenced for deposit or storage of spirits on which duty has not been paid

¹⁶⁵ Premises licenced for deposit or storage of spirits on which duty has been paid and from which IMFL may be supplied by wholesale

¹⁶⁶ Order No.EX.107/2016/19 dated 29 August 2016

¹⁶⁷ 21 Wholesale warehouses out of 88 Wholesale Warehouses

and VAT amounting to ₹ 4.56 crore¹⁶⁸ involved in the transitional stock of liquor/ spirit held preceding to the day of implementation of Assam Excise Rules, 2016 within the prescribed period. The CE, Assam suspended/cancelled wholesale licences in August 2017 and December 2017 for violation of terms and condition of extend of licence under Section 30 (1) (a)¹⁶⁹ and 30 (1) (c)¹⁷⁰ of the Assam Excise Act, 2000.

However, it was noticed that the Department/ CE, Assam had not taken any action under the provisions of Section 36 of the AE Act, 2000 and rules applicable thereunder to realise the government revenue by selling of movable property or as arrear of land revenue resulting in non-realisation of revenue amounting to ₹ 4.56 crore.

On this being pointed out by audit, the Department stated (January 2020) that *ad-valorem* duty of ₹ 1.93 crore (out of ₹ 2.29 crore) had been realised from one Wholesale Warehouse¹⁷¹. However, realisation of balance amount of dues from both the licensees was awaited (December 2020).

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 and recover pending dues as per provision of the Assam Excise Act.

4.3.4 Non-realisation of Excise Duty on damaged stock

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.

[Commissioner of Excise (CE), Assam and Deputy Superintendent of Excise (DSE), Bilasipara; April-May 2018 and September 2018]

The Assam Bonded Warehouse (ABW) Rules, 1965 provides¹⁷² that a licensee of a bonded warehouse, who has imported or transported spirit (other than country spirit) under a bond for payment of duty, shall pay duty to Government at the prescribed rates on the quantity of spirits in bottles or in any vessel received in the warehouse.

Further, the ABW Rules, 1965¹⁷³ provides that if spirits stored in a bonded warehouse are found to be of inferior quality or otherwise unsuitable for the purpose for which they were stored, they might be rejected or destroyed or otherwise dealt with under the orders of the Commissioner of Excise. Rule 32 of the ABW Rules and Rule 188 of the

¹⁶⁸ (i) M/s. New Assam Bonded Warehouse, Barpeta Road, Barpeta : *Ad-valorem Duty* involved ₹ 2.29 crore and VAT ₹ 1.67 crore and (ii) M/s. Gaytry Distillers and Bottling industries, Tinsukia : ₹ 59.96 lakh – as assessed by a Joint team constituted by the Government of Assam.

¹⁶⁹ If any duty fee payable by the holder thereof be not duly paid.

¹⁷⁰ In the event of any breach by the holder thereof or by his servants, or by any one acting on his behalf, with his express or implied permission, of any of the terms or conditions of such licence, permit or pass.

¹⁷¹ M/s. New Assam Bonded Warehouse Pvt. Ltd

¹⁷² Rule 28

¹⁷³ Rule 43

Assam Excise Rules, 2016 specified that the State Government shall not be held responsible for the destruction, loss or damage of any spirits stored in warehouse by fire or theft or by gauging or by any other cause, whatsoever.

During test check of records, Audit noticed that the Commissioner of Excise (CE) ordered¹⁷⁴ the destruction of sedimented/unsuitable old stock of IMFL/Beer/Wine of 3,44,183.52 BL¹⁷⁵ (39,862 cases) stocked in the godown of two Bonded Warehouses¹⁷⁶ and no instruction was issued to realise *ad-valorem* duty on the damaged stock. Accordingly, the SE/ DSE in pursuance to the CE's order destroyed the aforementioned damaged quantity of IMFL/Beer/Wine, however, *ad-valorem* duty was not realised. This resulted in non-realisation of revenue against damaged stock amounting to ₹ 2.50 crore.

After pointing out by audit, the CE instructed (September 2019) the SE to realise *ad-valorem* levy amounting to ₹ 2.11 crore in respect of one Bonded Warehouse¹⁷⁷, however, no such instruction was issued to DSE for realisation of *ad-valorem* of ₹ 38.81 lakh from other Bonded Warehouse (December 2020).

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

4.3.5 Non-realisation of annual renewal licence fee

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.

[Superintendents of Excise (SsE), Kamrup, Bongaigaon, Barpeta, Karbi Anglong and Deputy Superintendent of Excise (DSE), Nazira; May 2018 - March 2019]

Rules 61 and 128 of Assam Excise (AE) Rules, 2016¹⁷⁸ provides every licence may be renewed annually by the Excise Commissioner with the previous sanction of the State Government on payment of annual licence fees and if there is nothing adverse against the licensee on record.

Rule 129 (5) of AE Rules, 2016 provides every licensee to deposit the licence fee on or before 15 March through treasury challan or by any other method as may be determined by the State Government, for the renewal of licence for the next year. Rule 19 (a) III *ibid* reads with Government notification¹⁷⁹ (December 2016) specifies annual licence fee payable by the various licensees, as detailed below:

¹⁷⁴ Vide letter No.III-383/2015-16/223 dated 1 June 2016 (M/s. Rooby Bonded Warehouse Pvt. Ltd.) and No.III-239/2015-16/179 dated 28 January 2016 (M/s. Rishi Enterprise Bonded Warehouse)

¹⁷⁵ Bulk Litre

¹⁷⁶ (i) M/s. Rooby Bonded Warehouse, Guwahati (under the jurisdiction of SE, Kamrup): 3,14,586.36 BL (36,462 cases) and (ii) M/s. Rishi Enterprise Bonded Warehouse, Bilasipara: 29,597.16 BL (3,400 cases)

¹⁷⁷ M/s. Rooby Bonded Warehouse, Guwahati

¹⁷⁸ Gazette Notification No. Ex. 138/2015/99 dated 1 September 2016.

¹⁷⁹ Government Notification No. EX.176/2016/22 dated 27 December 2016.

Table 4.3.2: Rate of Annual Renewal Licence Fee

Sl. No.	Types of Licence	Details of Licence	Rate of Licence Fee (Amount in ₹)
1	IMFL Wholesale	--	5,00,000
2	IMFL 'OFF'	(i) For Urban Areas	2,00,000
		(ii) For Rural Areas	1,00,000
3	IMFL 'ON'	(i) For Urban Areas	2,50,000
		(ii) For Rural Areas	1,00,000
4	IMFL 'ON' Restaurant	(i) For Urban Areas	2,50,000
		(ii) For Rural Areas	1,00,000

Further, Rule 130 of the AE Rules, 2016 provides that failure to deposit annual licence fee within the time specified in Rule 129 *ibid*, will attract penalty of 50 *per cent* of the licence fee before renewal of licence. Rule 343 of AE Rules, 2016 further stipulates that non-payment of licence fees or any other fees payable to the Government should be administered by closure of the shop until the fees are paid and cancellation of licence with the sanction of the Commissioner of Excise (CE), Assam.

In addition, the CE, Assam instructed¹⁸⁰ (February 2018) all the Deputy Commissioner/ SsE/ Deputy SsE of Assam that the existing valid licensees are to deposit the annual renewal fee before 15 March 2018, failing which the penalty of 50 *per cent* of the licence fee shall be imposed. While issuing the instruction the CE mentioned that this arrangement has been made only to ensure timely deposit of annual renewal fee and annual renewal shall be granted by the Government in due course, however, payment of annual renewal fee shall not confer any right on licensee to claim renewal.

In course of audit of 14 SsE/ DSsE (out of 45 SsE/DSsE in the State) during 2018-19, it was observed that one Wholesale Bonded Warehouse and 16 retail 'ON'/ 'OFF' licensees either failed to pay annual renewal fee or paid the same after the due date as mentioned below:

4.3.5.1 Records of the SsE, Bongaigaon, Barpeta and DSE, Nazira showed that one wholesale bonded warehouse and six retail 'ON'/ 'OFF' licensees failed to renew their licences in advance for the year 2017-18 to 2018-19. This resulted in non-realisation of annual renewal fee of ₹ 23 lakh and additionally a penalty of ₹ 11.50 lakh was also leviable (*Appendix 11*). The SsE/DSE did not take any action to direct the defaulting licensees to renew their licences and payment of dues except in one case¹⁸¹. Further, SsE/DSE did not send any recommendation to the CE, Assam for cancellation of licences in order to prevent unauthorised operation of these licences in the State. Thus, SsE/ DSE failed to realise annual renewal fee amounting to ₹ 34.50 lakh including penalty or to ensure discontinuance of businesses without renewal of licence as per provisions of the AE Rules, 2016 and executive instruction.

4.3.5.2 Records of the SsE, Kamrup and Karbi Anglong shows that 10 retail 'ON'/ 'OFF' licensees deposited their renewal fee amounting to ₹ 18 lakh for the year 2018-19 after the due date of payment (delay ranging from 51 to 152 days). However,

¹⁸⁰ Letter No. I-190/2015-16/ Pt-I/225 dated 27 February 2018.

¹⁸¹ M/s. Avijit Saha, Wholesale warehouse under the jurisdiction of the SE, Barpeta, was directed to deposit the renewal fee vide letter No. EXB-1/2016/3038-40 dated 25 June 2018.

SsE failed to levy penalty of ₹ nine lakh (*Appendix 12*) for late payment of annual renewal fee as leviable under the provisions of the AE Rules, 2016 and executive instruction.

Audit further observed that the deficiencies highlighted above occurred mainly due to non-existence of internal controls, non-maintenance of demand, collection and balance register and absence of monitoring by the SsE/DSE towards realisable revenues of the State.

The matter was reported to the Government/Department in July 2019 and January 2020, reply was awaited (December 2020).

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.

4.3.6 Non-realisation of Establishment charges

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

[SsE of Golaghat, Tinsukia and Kamrup; December 2018-March 2019]

Rule 7 of Assam Bonded Warehouse (ABW) Rules, 1965 provides that the Commissioner of Excise (CE) shall appoint such Excise Officers and establishment as he thinks fit to the charge of the bonded warehouse. The licensee shall pay to the State Government at the end of each calendar month, such establishment charges as the CE may determine from time to time. The cost of establishment shall include pay and allowances, if any, as well as leave salary and pension contribution.

Further, as per notification of August 2016¹⁸², the excise establishment posted at the erstwhile bonded warehouses (now wholesale warehouse licensees) shall not be withdrawn till the entire amount of arrear *ad-valorem* levy and VAT on the transitional taxable under-bond stock of liquor including the stock in transit is deposited and the licensee concerned shall be liable to reimburse to the Government, the salary, *etc.* of such excise establishment till they are withdrawn by the Government on a no-dues certificate issued by the concerned Superintendent of Excise (SE) or Deputy Superintendent of Excise and the concerned Superintendent of Taxes.

On scrutiny of records relating to establishment charges of eight SsE offices (out of 26 SsE offices in the State) during 2018-19, Audit noticed that in three unit offices¹⁸³, excise personnel remained posted at three distilleries/ bottling plants¹⁸⁴ (out of total 18

¹⁸² As per Serial No. 9 of Notification No. EX.107/2016/19 dated 29 August 2016

¹⁸³ SsE of Golaghat, Tinsukia and Kamrup

¹⁸⁴ (1) M/s Gaytry Distillers and Bottling Industries wholesale warehouse, Tinsukia, (2) M/s Himalayan Distillery Pvt. Ltd., Kamrup and (3) M/s Mangalam Distillery and Bottling, Kamrup.

distilleries/ bottling plants) and nine wholesale warehouses¹⁸⁵ (erstwhile bonded warehouse) (out of 37 bonded warehouses) where licensees owed ₹ 1.01 crore as establishment charges¹⁸⁶ (**Appendix 13**).

Audit noticed that the SsE did not issue demand notices on regular basis and in cases where demand notices were issued, they did not pursue further, leading to non-realisation of dues. Further, Audit noticed that the SsE did not maintain demand, collection and balance register for reviewing the receivable establishment charges from the licensees and to initiate timely action for realisation of government dues.

On this being pointed out by audit, the SE, Golaghat stated that M/s B. G Bonded Warehouse has deposited (September 2019) ₹ 1.21 lakh. Recovery from other distilleries/ bottling plant/ wholesale warehouse not yet reported (December 2020).

The matter was reported to the Government/Department in July 2019 and January 2020, reply was awaited (December 2020).

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.

4.3.7 Security deposit short/non realised following enhancement of rates

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

[Superintendents of Excise (SsE), Sivasagar, Tinsukia, Golaghat, Kamrup, and Karbi Anglong, Diphu, Deputy Superintendents of Excise (DSsE), Sonari, Nazira and Bokakhat; October 2018 - March 2019]

Rules made under the Assam Excise (AE) Rules, 2016¹⁸⁷ provides that in addition to annual licence fee, the licence holders of retail IMFL 'OFF'/ 'ON', bonded warehouse and distilleries are required to deposit security money for the due observance of the conditions and terms of the licence at the rate as shown in **Table 4.3.3**.

¹⁸⁵ (1) M/s R.S. Bonded Warehouse Pvt. Ltd., Golaghat, (2) M/s B.G Bonded Warehouse, Golaghat, (3) M/s Eastern Enterprise Pvt. Ltd, Kamrup, (4) M/s KDC bonded Warehouse Pvt. Ltd., Kamrup, (5) M/s Rang Bonded Wholesale Warehouse Pvt. Ltd., Kamrup, (6) M/s Kalong Valley Enterprises, Kamrup, (7) M/s Robby Bonded warehouse, Kamrup, (8) M/s Megha Assam Pvt. Ltd., Kamrup and (9) M/s Paradise Bonded Warehouse, Kamrup.

¹⁸⁶ *Ad-valorem* levy and VAT on transitional stock remained unpaid between the period March 2017 and March 2018.

¹⁸⁷ Gazette Notification No. Ex. 138/2015/99 dated 1 September 2016

Table 4.3.3: Security Deposit for various types of licenses

Types of license	Security deposit payable
'OFF'/ 'ON' retail sale licence ¹⁸⁸	Equivalent amount of licence fees ¹⁸⁹
Bonded Warehouse ¹⁹⁰ licence	Fifty <i>per cent</i> of licence fees or more according to the volume of business ¹⁹¹
Distillery licence	Fifty <i>per cent</i> of licence fees or more according to the volume of business ¹⁹²

In case of any breach of condition of licence under the AE Rules, it shall be incumbent on the part of the Commissioner of Excise to realise all sums due to the State Government from security deposit made by the licensee and to cancel their licences. However, security deposit may be refunded towards the end of the year or transferred at the licensees' request to the next year.

In course of audit of 18 SsE/ DSsE (out of 45 SsE/DSsE in the State) during 2018-19, in eight SsE/ DSsE offices, it was noticed that 610 licensees of IMFL 'OFF'/ 'ON' and one distillery¹⁹³ did not pay the enhanced security money of ₹11.54 crore (**Appendix 14**) while the licensees paid their annual renewal fees for the year 2017-18 and 2018-19. Further, Audit noticed that the records of security deposits¹⁹⁴ concerning to 181 licensees of IMFL 'OFF'/ 'ON' and two bonded warehouse from whom security deposit of ₹ 3.45 crore (**Appendix 15**) was to be realised by the SsE/ DSsE concerned, were not available. Thus, the SsE/ DSsE failed to ensure implementation of the provisions of the AE Rules, 2016 which had enhanced the license fee as also the security deposit, which may have adverse consequence in the event of breach of terms and conditions by the licensees under the AE Rules, 2016.

On this was pointed out, SE, Golaghat stated (November 2019) that licences were issued prior to implementation of AE Rules, 2016, therefore, realisation of security money does not arise without instruction of the higher authority. Reply furnished by the SE, Golaghat is not tenable as the Rule 19 (b) of AE Rules, 2016, which was implemented from September 2016 authorise security money, if not forfeited, to be refunded or transferred at the request of licensee to the next year.

Audit noticed short/non-realisation of security money from the licensees in respect of eight SsE/DSsE. The Department may internally examine similar issues in other SsE/DSsE offices.

The matter was reported to the Government/Department between December 2018 to May 2019, reply was awaited (December 2020).

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.*

¹⁸⁸ Except 'ON' the premises in a club, temporary and occasional licences and Military Canteen tenant licence.

¹⁸⁹ Rule 19(b) of the AE Rules, 2016. Annual licence fee prescribed under Rule 19 (a) (III).

¹⁹⁰ Premises within a manufactory.

¹⁹¹ Rule 458(3) of the AE Rules, 2016.

¹⁹² Rule 500(c) of the AE Rules, 2016.

¹⁹³ M/s Radiant Manufacturers Pvt. Ltd.

¹⁹⁴ Such as challans, bank guarantee etc.

Section 4: Transport Department

4.4.1 Administration

The Commissioner of Transport (CoT), Assam is responsible to ensure road safety through implementation of Motor Vehicles Act and Rules and also regulate the road transport sector through the State Transport Authority and the Regional Transport Authority in the districts. The CoT needs to ensure proper licensing of drivers after they fulfil required conditions and also register motor vehicles. It has also the responsibility of educating the public on road safety norms, so that no life is lost or impaired because of road accidents.

The Principal Secretary to Government of Assam (GoA), Transport Department is Head of the Transport Department. Two Joint Commissioners of Transport, three Deputy Commissioners of Transport and five Assistant Commissioners of Transport assisted the CoT, Assam. District Transport Officers (DTOs) head the Districts level offices¹⁹⁵. Motor Vehicle Inspectors, Enforcement Inspectors and other officials assisted the DTOs. They are empowered to implement Taxes on Laws and Rules thereunder *i.e.* the Motor Vehicles Act, 1988, the Central Motor Vehicles Rules, 1989, the Assam Motor Vehicle Rules, 2003, *etc.*

The Transport Department is responsible for collection of taxes, fees and fines on motor vehicles in Assam. For commercial vehicles, motor vehicle tax is realised every year and the vehicle owner has the option to pay it quarterly, half yearly or annually; while One Time Tax of 15 years is realised in case of private vehicles. Besides, composite fee *in lieu of* motor vehicle tax is also collected from owners of commercial vehicles bearing national permit/ tourist permit of other states plying in Assam. Further, there is provision for levy and collection of fines for various offences imposed under the respective Acts and Rules.

4.4.2 Results of Audit

Test check of records of 26 offices¹⁹⁶ (out of total 52 offices) of the Transport Department during 2018-19 showed non/ short levy and realisation of motor vehicles taxes/ fines amounting to ₹ 23 crore in 120 cases as shown in **Table 4.4.1**.

Table 4.4.1: Results of Audit

Sl. No.	Category	Number of cases	Amount (₹ in crore)
1	Non-realisation of Road Tax and fine	14	5.28
2	Non-realisation of Inspection fee and fine	13	14.07
3	Non realisation/ renewal of Trade licence Fee	10	0.28
4	Non assignment of new registration numbers	3	0.64
5	Others	80	2.73
Total		120	23.00

¹⁹⁵ There are 29 Districts level offices.

¹⁹⁶ Excluding Apex Office *i.e.* Office of the Secretary, Government of Assam Transport Department.

During the year, the Department accepted 23 cases involving ₹ 5.78 crore. An amount of ₹ 11.24 lakh in four cases was realised during the year 2018-19.

A few illustrative cases having financial impact of ₹ 6.19 crore on non-realisation MV Tax, fitness fee and licence fee, *etc.* are discussed in succeeding paragraphs.

Compliance Audit Paragraphs

4.4.3 Motor Vehicle (MV) tax and fine not realised from Commercial Vehicles

The 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.

[DTOs, Kamrup (Metro) (R & L), Hailakandi, Dhemaji, North Lakhimpur, Barpeta, Tinsukia, Darrang, Dima Hasao, Bongaigaon, Morigaon, Kokrajhar, Chirang and Baksa; April 2018 - March 2019]

Section 5 of the Assam Motor Vehicle Taxation (AMVT) Act, 1936 provides that MV tax is leviable on vehicle used for commercial purposes in advance each year or the vehicle owner has the option to pay it quarterly and annually. The Department revised rate of MV tax in May 2011 and September 2015. Further, every owner who fails to pay the appropriate road tax in time shall be liable to pay a fine of ₹ five *per* day of such delayed payment.

Section 44 of the AMVT Act, 1936 provides that the licensing officer shall maintain a Combined Register in respect of all vehicles plying in his jurisdiction in Form III¹⁹⁷ to watch the recovery of MV tax. However, after migration to 'VAHAN 4'¹⁹⁸, from 'VAHAN 2'¹⁹⁹ software in Assam²⁰⁰, all such information as contained in a Combined Register are also available in the system. The DTO is required to generate report in respect of tax deposited and review the tax defaulter report generated through 'VAHAN' software at periodic intervals and issue demand notices to defaulters.

Rule 49 (2) of the AMV Rules, 2003 provides that if a vehicle owner decides to withdraw his vehicle off the road for repairs, *etc.* for a period of more than 30 days continuously, and seeks temporary exemption of taxes for this period, then he/ she is required to submit an application in Form 'H' in triplicate along with the documents of the vehicle/ number plates before the Registering Authority.

¹⁹⁷ All particulars relating to vehicle such as Registration number, Date of registration, Date of purchase, Date of validity of registration, Engine number, Chassis number, name and address of vehicle owner, *etc.*

¹⁹⁸ Which is an online system.

¹⁹⁹ Which was off line system.

²⁰⁰ Phase manner district wise, starting from November 2016.

During audit of 13 DTOs²⁰¹ (April 2018 – March 2019), it was seen from reports generated from ‘VAHAN’ software that out of the total 2.76 lakh commercial vehicles (as on March 2018) in 13 DTOs (out of 29 DTOs), 6,062 vehicle owners (2.20 per cent) had not paid MV tax of ₹ 4.03 crore between October 2008 to March 2018. The ‘VAHAN’ software did not show that these vehicles were off the road²⁰²/ transferred to other Districts/ States or their registration certificates being cancelled or surrendered. Thus taxes due were recoverable from the owners of the vehicles.

The Department had not taken any action to recover MV tax of ₹ 4.03 crore. In addition, fine of ₹ 1.13 crore was also leviable (calculated up to March 2018) (**Appendix 16**) as per the AMVT Act.

On this being pointed out by Audit, nine DTOs²⁰³ stated (February 2018 to August 2018) that demand notices have been issued to the owners of the defaulting vehicles for realisation of road tax and three DTOs²⁰⁴ had realised ₹ 9.31 lakh (against recoverable amount of ₹ 47.62 lakh pointed by audit) from 105 defaulters (out of 1,322 defaulters).

Besides, Department stated (May 2020) that steps will be taken to upgrade the monitoring mechanism and appropriate action will also be initiated against the defaulters for recovery of the dues.

Audit has noticed non-realisation of MV tax of ₹ 4.03 crore and fine of ₹ 1.13 crore on verification of records of 13 unit offices, out of 29 unit offices in the State. The Department should internally examine similar issues in other unit offices also.

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.

²⁰¹ DTOs, Kamrup (Metro) (R & L), Hailakandi, Dhemaji, North Lakhimpur, Barpeta, Tinsukia, Darrang, Dima Hasao, Bongaigaon, Morigaon, Kokrajhar, Chirang and Baksa.

²⁰² Submission of ‘H’ form for exemption of tax during the period.

²⁰³ DTOs, Hailakandi, Dhemaji, North Lakhimpur, Barpeta, Tinsukia, Dima Hasao, Morigaon, Kokrajhar and Chirang.

²⁰⁴ DTOs, North Lakhimpur, Morigaon and Hailakandi.

4.4.4 Non-verification/ renewal of fitness certificate of transport vehicles

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.

[DTOs, Kamrup (Metro) (R & L), Tinsukia, Bongaigaon, Hailakandi, Karimganj, Morigaon, North Lakhimpur, Dhemaji, Baksa and Dima Hasao; April 2018 - March 2019]

Under Section 56 of the Motor Vehicles (MV) Act, 1988, a transport vehicle shall not be deemed to have a valid registration under the Act, unless it carries a certificate of fitness. Further, under Section 84 (a) of the MV Act, 1988, one of the conditions for every permit is that the vehicle to which the permit relates, carries a valid certificate of fitness issued under Section 56 of the Act. As per Rule 62 of the Central Motor Vehicle (CMV) Rules, 1989, the certificate of fitness issued at the time of registration of a new transport vehicle is valid for two years and is to be renewed every year on payment of testing fee and renewal fee.

In addition, the Government of Assam notified²⁰⁵ (December 2018) an additional fee of ₹ 50 for each day delay after expiry of certificate of fitness.

As per Rule 26 of the Assam Motor Vehicle (AMV) Rules, 2003, the DTO shall maintain record of each fitness certificate issued by him. Further, as per Rule 87(2) of the AMV Rules, 2003, the Motor Vehicle Inspector (MVI) may inspect any transport vehicle at any time at any place to check whether the vehicle is fit for plying on public roads.

During audit of the 10 DTOs²⁰⁶ (April 2018 – March 2019) (out of 29 DTOs), it was seen from Fitness Expiry Reports generated from 'VAHAN' software²⁰⁷ that out of total 2,54,508 transport vehicles²⁰⁸, fitness certificate of 10,133 transport vehicles²⁰⁹ (3.98 per cent) had expired between March 2015 and March 2018, but had not been renewed. Thus, the inspection fee and renewal fee of ₹ 61.86 lakh²¹⁰ was not realised from 10,133 transport vehicles. Besides, additional fee of ₹ 50 per day is also leviable. The category-

²⁰⁵ Vide notification no. TMV.219/2017/22 dated 19 December 2018 followed by Government of India's notification no. G.S.R.1183 (E) dated 29 December 2016.

²⁰⁶ Kamrup (Metro) (R&L), Tinsukia, Bongaigaon, Morigaon, Baksa, Karimganj North Lakhimpur, Hailakandi, Dhemaji and Dima Hasao.

²⁰⁷ However, in respect of Karimganj and Hailakandi DTO offices the information is from manual records, as software was not working properly.

²⁰⁸ Kamrup (Metro) (R&L)-168221, Tinsukia-21504, North Lakhimpur-16720, Hailakandi-10143, Baksa-5273, Bongaigaon-12341, Karimganj-9395, Dhemaji-3786, Morigaon-5312 and Dima Hasao-1813.

²⁰⁹ Excluding vehicles under the jurisdiction of DTOs, Kamrup (Metro) (R&L) and North Lakhimpur for the period upto October 2017 and 17 May 2017 respectively which have already been featured in previous C&AG's Audit Report (Revenue Sector) for the year ending 31 March 2018.

²¹⁰ Rate for Testing per vehicle: ₹ 400 (LMV) & ₹ 600 (MMV/HMV) and rate of certificate renewal fee per vehicle ₹ 200 (LMV/MMV/HMV).

wise number of vehicles whose fitness certificate expired between March 2015 and March 2018 are shown in **Table 4.4.2**.

Table 4.4.2: Expiry of fitness of Transport vehicles under 10 DTOs

(Amount in ₹)

Sl No	Name of the DTO	Category of vehicle	No. of defaulting vehicles	Period of expired fitness certificates as per MIS Report of 'VAHAN' database	Testing fee realisable	Certificate renewal fee realisable	Total
1	Tinsukia	LMV/ MMV/HMV	1,241	12/01/2016 to 31/03/2018	508400	248200	756600
2	Bongaigaon		1,069	02/02/2016 to 31/03/2018	432600	213800	646400
3	Hailakandi		176	05/02/2016 to 31/03/2018	79600	35200	114800
4	Morigaon		1,377	20/03/2015 to 31/03/2018	5,55,800	2,75,400	8,31,200
5	North Lakhimpur		1,800	18/05/2017 to 31/03/2018	7,40,800	3,60,000	11,00,800
6	Dhemaji		1,192	16/05/2015 to 31/03/2018	4,87,800	2,38,400	7,26,200
7	Dima Hasao (Haflong)		256	01/04/2015 to 31/03/2018	1,05,800	51,200	1,57,000
8	Kamrup (Metro)		1,225	01/11/2017 to 31/03/2018	5,26,400	2,45,000	7,71,400
9	Karimganj		946	19/02/2016 to 31/03/2018	3,80,800	1,89,200	5,70,000
10	Baksa		851	29/06/2016 to 31/03/2018	3,41,400	1,70,200	5,11,600
Total			10,133		41,59,400	20,26,600	61,86,000

Test check further showed that in some cases, tax²¹¹ due had been realised without renewal of fitness certificate. Though, complete address of the defaulters were available in the 'VAHAN' software and records maintained, the DTOs failed to ascertain actual status of these cases. Further, specific feature to prevent vehicle owners from paying tax whose fitness certificate had expired was not available in the software. Moreover, the unfit vehicles also pose a threat to road safety and environment.

Thus, due to the failure of the Department/ DTOs to take cognisance of Fitness Expiry Report and appropriate steps thereafter, the State has been put to a loss of ₹ 61.86 lakh and at the same time plying of unfit vehicles on roads posed threat to people's safety.

On this being pointed out, the Department stated (May 2020) that the DTOs were directed to verify the list of defaulter and take appropriate steps.

DTOs, Tinsukia and Hailakandi stated that the fitness certificates have been issued on realisation of fees manually however, the system does not allow entry of fees and fines realised manually. DTO, Karimganj renewed 30 fitness certificates out of 946 cases.

DTOs, Morigaon and Dima Hasao stated that list of defaulters had been shared with the enforcement wing for detection during road checking. Further, DTO, Morigaon issued fitness certificate in respect of 49 numbers of vehicles on realisation of ₹ 1.93 lakh being fees and fines.

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

²¹¹ Quarterly/Annual road tax payable by the commercial vehicle.

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.

4.4.5 License fee not realised from Agents for Goods and Passenger carrier

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

[Commissioner of Transport (CoT), Assam; May 2018]

Rule 53 (A) (1) of the Assam Motor Vehicle (AMV) Rules 2003, provide that an agent's licence for Goods and Passenger carriage shall be valid for a period of one year from the date of its grant or renewal. Rule²¹² also provides, no person shall act as an agent unless he holds a valid licence granted by the Licensing Authority for the purpose of running their business. The rates²¹³ of renewal of licence fee in respect of Agent licence for Goods and Passenger Vehicles are as under:

Table 4.4.3: Annual License fee for various vehicles

Sl. No.	Class of Licence	Annual Licence Fee	
		Pre-revised rate (effective up to 29 December 2016)	Revised rate (effective from 30 December 2016 ²¹⁴)
1	Passenger Vehicle	₹ 10,000 per year, plus ₹ 600 per year for every Additional Branch.	₹ 20,000 per year for the main licence in Headquarter plus ₹ 10,000 per year for every Additional Branch.
2	Goods Vehicle	₹ 20,000 per year plus ₹ 1,200 per year for every Additional Branch.	₹ 40,000 per year for the main licence in Headquarter plus ₹ 20,000 per year for every Additional Branch.

Scrutiny of records (May 2018) and information furnished by the CoT to audit, revealed that Agent licences for 37 out of 40 (92 per cent) Agents of Goods carriers and 31 out of 119 (26 per cent) agents of Passenger carriers were not renewed by the Department during the period April 2015 to March 2018. This resulted in business being carried out by the agents in an unauthorised manner. Renewal licence fee for the period 2015-16 to 2017-18 worked out to ₹ 41.30 lakh²¹⁵ (**Appendices-17 and 18**), which remains unrealised (May 2018).

Non-realisation/ pendency of Agents licence fee was also pointed²¹⁶ out through a Performance Audit on "Working of Transport Department" featured in C&AG's Audit Report on Revenue Sector of Government of Assam for the year ended 31 March 2016. The Department while accepting the audit observation had stated (October 2016) that meetings with Agents have been held and they have been instructed to renew the

²¹² Under 51(1) of the Assam Motor Vehicle (AMV) Rules 2003.

²¹³ Under 53 (B) of the Assam Motor Vehicle (AMV) Rules 2003.

²¹⁴ Notification No. TMV/153/2013/202 dated 30 December 2016.

²¹⁵ Goods & Passenger Vehicles ₹ 30.60 lakh and ₹ 10.70 lakh respectively.

²¹⁶ Para 4.2.11.

licences within the stipulated time and all DTOs have been instructed to ensure that no agent operates without valid licence. Despite the assurance given, the Government/ Commissioner of Transport failed to check the operation of agents of goods and passenger carrier without valid licence.

On this being pointed out, the Department while accepting the audit observation stated (September 2020) that the agents of Passenger carriers have not applied for cancellation of licence, however, the matter will be verified regarding non-renewal of licenses by Agents.

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

Section 5: Environment and Forest Department

4.5.1 Administration

State of Assam comprising of 33 civil districts including three hill districts is endowed with rich forest resources. The State has also been identified as one of the 18 biodiversity hotspots in the world. Out of the total geographical area of 78,438 sq. km., the forest cover of Assam is 28,105 sq. km²¹⁷. Revenues in the Forest Divisions are mainly derived from sale proceeds of major and minor forest produce grown in the forest areas of the respective divisions through auction, negotiation and permit of allotment. Collection of royalty from minor minerals, licence fee from sawmills and timber depots also form part of forest revenue apart from fees, fines, *etc.* imposed under various Acts/Rules.

The Principal Chief Conservator of Forests and Head of Forest Force (PCCF and HoFF), Assam is in overall charge of the Department. Four Principal Chief Conservators of Forests (PCCF), 11 Additional Principal Chief Conservators of Forests (APCCF), 11 Chief Conservators of Forests (CCF) and nine Conservators of Forests (CF) assisted the PCCF and HoFF. In addition, there were 68 forest divisions²¹⁸ headed by a Deputy Conservator of Forests (DCF)/Divisional Forest Officers (DFOs). The divisions were further divided into ranges and beats for ensuring effective control and supervision of the forests.

The mandate of the Forest Department is to manage the Forest, Forest produces and Wildlife in the State. The principal act, regulation and rules which govern the functioning of Department of Environment and Forests are the Assam Forest Regulation, 1891; Assam Sale of Forest Produce, Coupes and *Mahals* Rules, 1977; Forest (Conservation) Act, 1980; Wildlife (Protection) Act, 1972; Assam Minor Minerals Concession Rules, 2013; and Rules and notifications/ orders issued thereunder, from time to time.

4.5.2 Results of Audit

Test check of records of 23 units relating to the Environment and Forest Department during 2018-19 revealed cases of non/ short realisation of royalty, non-levy of interest/ short realisation of royalty/ extension fee and other irregularities in 182 cases involving ₹ 11.63 crore as shown in **Table 4.5.1**.

²¹⁷ Very Dense Forest-2,797 sq. km, Moderately Dense Forest-10,192 sq. km; Open Forest-15,116 sq. km.

²¹⁸ Under the Forest Department, there were 33 Territorial Forest Divisions, eight Wildlife Forest Divisions and 14 Social Forestry Divisions. Assam also has two State Forestry Training Institutes, namely the Assam Forest School at Jalukbari and Assam Forest Guards School, Makum for training of the Foresters and Forest Guards respectively.

Table 4.5.1: Results of Audit

Sl. No.	Category	Number of cases	Amount (₹ in crore)
1	Non/ Short realisation of royalty	2	0.08
2	Non levy of interest/ VAT	7	0.27
3	Non-realisation of MMDRR fund	6	0.79
4	Non-disposal of Timber	9	0.52
5	Loss of Government revenue	8	2.14
6	Other irregularities	150	7.83
Total		182	11.63

During the year, the Department accepted and realised an amount of ₹3.87 crore in 28 cases pertaining to the audit observations issued prior to 2018-19.

A few illustrative cases having financial impact of ₹ 13.28 crore on irregular grant of Mineral Concession and short realisation of forest royalty, *etc.* are discussed in succeeding paragraphs.

Compliance Audit Paragraphs

4.5.3 Irregular grant of Mineral Concessions

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.

[Divisional Forest Officer (DFO), Dhemaji, Chirang, Dhansiri and Baksa Division; June - October 2019]

As per the Rules 18 and 32 of Assam Minor Mineral Concession (AMMC) Rules, 2013, all mining contracts should be granted through competitive bidding process and allotted to the highest bidder²¹⁹. In case of any exception, the appropriate authority should clearly record the reasons for rejection of higher bids and acceptance of lower bid.

Audit test checked settlement of Mineral Concessions (MCs) records in 11 Forest Territorial divisions²²⁰ (out of 33 divisions) between June 2019 to October 2019. Out of 266 MCs, Audit scrutinised 108 MCs (41 *per cent*) and observed that the highest bidder of nine MCs in three divisions had been rejected without any recorded reasons (January 2015 – February 2015). Further, in two cases, the MCs were not allotted to the highest bidders on minor grounds²²¹ without giving any opportunity for rectification of defects in documents submitted in the interest of higher revenue. The cases of non-allotment of MCs to the highest bidders resulted in loss of revenue of ₹ 12.84 crore over the period of seven years as discussed in succeeding paragraphs:

²¹⁹ No-FIG.20/2001/4 dated 15 December 2003.

²²⁰ Territorial divisions of Kamrup East, Kamrup West, Nagaon, Nagaon South, Cachar, Karbi-Anglong East, Dhemaji, Lakhimpur, Dhansiri, Chirang and Baksa.

²²¹ In one case the bidder was rejected on the ground of non-submission of caste certificate. In two cases the highest bidder was rejected on the ground of submission of FSC without self-attestation.

4.5.3.1 On scrutiny of comparative statements in three forest divisions, Audit noticed that nine MCs were not settled with the highest bidder in spite of fulfilment of all required criteria²²². The competent authority issued settlement orders between September 2015 and December 2015 of these nine MCs to bidders who offered lower price without any recorded reasons for rejection of higher bids and acceptance of lower bid. This resulted in loss of revenue amounting to ₹ 10.37 crore as shown below:

Table 4.5.2: Details of MC Holders

Division/ No. of MCs test-checked	Name of the MCs	Quantity under settlement (in cum)	Period & date of Settlement	Details of bids (₹ in lakh)		
				Highest	Allotted	Difference
Baksa / 10 MCs	Palla River Sand and Stone	28,000 (Sand)	7 Years & 28.10.15	108.50	73.50	35.00
		14,000 (Stone)				
	Pakhamara River Sand and Stone	28,000(Sand)	7 Years & 16.09.15	247.94	80.50	167.44
		10,500 (Stone)				
	Pagladia Stone & Sand Gravel	21,000 (Stone)	7 Years & 09.11.15	129.50	94.50	35.00
		28,000 (Sand)				
	Kaldia (Doijama) Gravel sand & Stone	3,500 (Sand)	7 Years & 01.10.15	31.50	17.50	14.00
		7,000 (Stone)				
	Darranga Stone & Sand No.6	7,000 (Sand)	7 Years & 30.10.15	68.67	31.57	37.10
		7,000 (Stone)				
Barnadi Sand & Stone-No.3	14,000 (Sand)	7 Years & 16.10.15	670.21	139.93	530.28	
	21,000 (Stone)					
Barnadi Stone & Sand-1(A)	8,750 (Sand)	7 Years & 16.09.15	329.00	171.85	157.15	
	36,750 (Stone)					
Chirang / 15 MCs	Aie-Ghat Sand Gravel	17,500 (Sand)	7 Years & 30.09.15	98.01	68.92	29.09
		17,500 (Stone)				
Dhansiri / 12 MCs	Dhansiri Sand/Stone No-1	14,000 (Sand)	7 Years & 29.12.15	86.00	54.49	31.51
		14,000(Stone)				
Total				1,769.33	732.76	1,036.57

On this being pointed out, the Department stated (December 2020) that the Dhansiri Sand/Stone Mahal No-1 was settled with the third bidder after the highest bidder withdrew the writ petition from the court in October 2015.

The reply is not tenable as audit noticed that the Dhansiri Sand/Stone Mahal No-1 was settled with the third highest bidder in May 2015 *i.e.* prior to filing of the court case (June 2015). Moreover, no specific reply had been provided by the Department for settling the MCs with the lowest bidders w.r.t the Baksa and Chirang divisions.

4.5.3.2 On scrutiny of records related to settlement of 25,200 cum stone and 16,800 cum sand for seven years in Upper Subansiri Tamuli sand and gravel MC²²³ under DFO, Dhemaji Division, Audit noticed that PCCF & HoFF, Assam had settled (May 2017) the MC with the second highest bidder²²⁴ (out of five bidders²²⁵) at his offered bid of ₹ 4.50 crore. The PCCF & HoFF rejected the highest bid²²⁶ (bidding value of

²²² (i) PAN No., TIN to be mentioned in the tender form (ii) A Financial Soundness Certificate from the DC/SDO ascertaining the financial capability to operate the mining contract.(iii) Demand Draft of Earnest Money (iv) Caste Certificate *etc.*

²²³ Out of selected 4 MCs.

²²⁴ Shri Debojit Gogoi.

²²⁵ There were five bidders. The DFO, Dhemaji and Conservator of Forest, Northern Assam Circle, Tezpur recommended for highest bidder Shri Joy Kumar Basumatary.

²²⁶ Shri Joy Kumar Basumatary.

₹ 5.90 crore) on the ground that the Circle Officer issued his Financial Soundness Certificate (FSC) instead of Deputy Commissioner/ Sub-divisional Officer of the District as specified in the NIT. Although, the bidder requested the PCCF & HoFF to allow him an opportunity to rectify the defects in the documents submitted, which was not acceded to.

Further scrutiny revealed that the PCCF & HoFF, Assam had settled another MC²²⁷ in February 2017 with the same bidder on an FSC issued by Circle Officer. Moreover, there were instances of settlement of MCs²²⁸ under the same division with the highest bidder by giving an opportunity to submit FSC from the authority mentioned in the NIT. Thus, arbitrary decision of the PCCF & HoFF to settle the MC in favour of a bidder other than the highest bidder resulted in loss of revenue of ₹ 1.40 crore.

On this being pointed out by Audit, the Department stated (December 2020) that the decision to settle the *mahal* with the second highest bidder could have been taken as the price offer of the bidder was very high and which may result in escalation of price of sand and stone in Tamuli area.

The reply is not tenable as the possibility of increase in prices is not supported by any documentary evidence. Moreover, terms and conditions of bid did not mention any such criteria for rejection of the bid. Further, Audit noticed that while finalising the settlement of mahal, the PCCF & HoFF, Assam rejected the highest bidder's offer on the ground that FSC was obtained from the Circle Officer, which was not in consonance with the terms and condition of the sale notice.

4.5.3.3 On scrutiny of comparative statement for settlement of 3,500 cum sand and 14,000 cum gravel for seven years in Agrong Sand & Gravel Mahal under DFO Chirang, Audit noticed that the division had received (January 2015) six bids, of which second highest bidder's²²⁹ offer at ₹ 1.55 crore was valid in all respects. The DFO had rejected his bid on the ground that the bidder had submitted all required documents without self-attestation (February 2015). The MC was settled (August 2016) with fourth highest bidder²³⁰ at his offered price of ₹ 48.02 lakh. Thus, arbitrary rejection of second highest bid on issue of defective documents, which could have been got rectified by the DFO, resulted in loss of revenue of ₹ 1.07 crore.

The matter was reported to the Government/ Department in May 2020; reply was awaited (December 2020).

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.

²²⁷ Upper Subansiri Sonapur sand and gravel mahal.

²²⁸ Siman Sand and Gravel Mahal and Likabali S&G Mahal.

²²⁹ Highest bid of ₹ 5.82 crore was rejected due to non-submission of copy of PAN card by the bidder.

²³⁰ The third bidder did not deposit earnest money.

4.5.4 Short realisation of Forest Royalty

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.

[Divisional Forest Officer (DFO), Nagaon, Chirang & Karbi Anglong East Division; June - October 2019]

As per Rule 5(5) of the AMMC Rules, 2013²³¹, a private land owner having clear title on the record of rights (*Jama bandi*) over a periodic *patta*²³² land is allowed to carry out mining operation in his periodic *patta* land up to a depth of 1.5 meters and sell minor minerals mentioned in Schedule Y²³³ only, by paying 1.5 times of royalty of minerals as per the Rules laid down.

The Government of Assam in June 2015 notified²³⁴ the following rate of royalty on minor minerals:

Table- 4.5.3: Rate of Royalty on Minor Minerals

Name of minor mineral	Rate of Royalty per cum (in ₹) effective from 17 June 2015
Earth	30
Sand	140
Gravel/ Stone/Boulder	200

Government of Assam did not specify royalty rate of sand gravel, however, the DFO, Chirang was realising royalty on sand gravel at the rate of ₹ 164 per cum²³⁵.

During scrutiny of records of 11 selected territorial divisions (out of 33 divisions) Audit noticed that three DFOs²³⁶ issued 31 orders (September 2018–March 2019) permitting extraction of 24,678 cum of stone/ boulder, 5400 cum of sand gravel, 450 cum of sand and 25,400 cum of brick earth to *patta* land owners. Scrutiny further revealed that the DFOs realised ₹ 67.90 lakh (October 2018–March 2019) royalty charges at the normal rate of royalty of minor minerals instead of ₹ 99.86 lakh at one and half times of normal rate of royalty as applicable to *patta* land. However, the other eight divisions realised royalty on minor minerals extracted from *patta* land as per the AMMC Rules, 2013. Thus, non-compliance to provision of the AMMC Rules, 2013 by these three divisions, resulted in short realisation of forest royalty of ₹ 31.96 lakh from land owners as detailed in *Appendix 19*.

On this being pointed out by audit, the Department stated (December 2020) that the Nagaon division had issued demand notice to the permit holders and realised ₹ 3.74 lakh from seven permit holders (out of 11 permit holders). In respect of Chirang

²³¹ Amended *vide* Government of Assam's notification No. PEM.47/2018/16 dated 26 October 2018.

²³² Status of any land settled for longer tenure with right to transfer which is not in case of Annual or Short Lease Patta.

²³³ Schedule Y contains name of Minor Minerals viz. Sand, Gravel, Stone, Boulder, Brick Earth, etc.

²³⁴ Notification No. PEM.83/2009/Pt-VII – A/39 dated 17 June 2015.

²³⁵ In absence of notified rate for sand gravel, the DFO, Chirang fixed royalty rate of ₹164 per cum (*i.e.* 60 per cent of royalty rate of sand plus 40 per cent royalty rate of gravel).

²³⁶ DFOs, Chirang, Nagaon and Karbi Anglong East.

division, the Department stated that royalty was realised based on rates fixed by the Bodoland Territorial Council (BTC).

The reply is not tenable as the BTC has not framed any separate rules but follows the AMMC Rules, 2013 and rates of royalty fixed by the Mines and Mineral Department, Government of Assam.

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.

4.5.5 Non-realisation of Contract Money of Minor Minerals at enhanced rate

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.

[Divisional Forest Officers (DFO), Chirang & Karbi Anglong East Division; June - October 2019]

As per Rule 18 (1) AMMC Rules, 2013, the minor mineral deposits, where the competent authority decides to grant the mineral concession in respect of such area in the form of a contract, may be granted on mining contract, for a specified annual quantity (or parts thereof) of minor mineral for a period ordinarily not less than seven years but not exceeding ten years following a competitive bidding process as prescribed under the AMMC Rules, 2013.

As per Rule 38(1) of AMMC Rules, 2013, the lessee/contractor shall deposit the annual dead rent or contract money, as the case may be, in respect of the minor minerals in four quarterly instalments in advance on the first day of April, June, September and December of the year.

Further, Rule 18(2) also provides that the amount of the successful bid shall become the annual contract money payable by the contractor. The annual contract money initially determined at the time of initial grant shall be increased at the rate of twenty-five *per cent* on completion of each block of three years.

Audit scrutinised records (June to October 2019) of 11 selected territorial divisions (out of 33 divisions) and noticed that for 14 MC holders (out of 31 test checked MCs holders²³⁷) of two territorial divisions, DFOs realised quarterly instalments of Contract money at the pre-revised rates, which the Department had initially determined while finalising the agreement with the successful bidders, instead of enhanced rate of twenty five *per cent* on completion of each block of three years as detailed in **Appendix 20**.

²³⁷ Out of total 81 MCs.

Thus, failure of the DFOs to monitor observance of provision of AMMC Rules resulted in short realisation of Government revenue to the tune of ₹ 11.72 lakh.

Further, if the DFOs continue to realise *kist* money without prescribing enhanced annual contract value at the end of each block of three years as per provisions of the Rules *ibid*, this may result in potential loss of revenue of ₹ 96.09 lakh (*Appendix 21*) at the end of contract period.


On this being pointed out by Audit, the Department stated (December 2020) that *kist* money was not enhanced by error. However, demand notices were issued to MC holders to deposit the difference amount of royalty at enhance rates (Chirang Division). However, no reply was provided for Karbi Anglong East Division (December 2020).

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.

Guwahati
The: 30 July 2021


(K. S. GOPINATH NARAYAN)
Principal Accountant General (Audit), Assam

Countersigned

New Delhi
The: 05 August 2021


(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

Appendices

Appendix 1

**Statement showing the investment made by State Government in Non-Power sector PSUs whose accounts are in arrears as on 30 September 2019
(Reference: Paragraph 1.3.5 and 1.3.8)**

(Figures in columns 4 & 6 to 8 are ₹in crore)

Sl. No.	Name of Public Sector Undertaking	Year up to which accounts finalised	Paid up capital	Periods of accounts pending finalisation	Investment made by State Governments during the years for which the accounts are in arrears		
					Equity	Loans	Grants
1	2	3	4	5	6	7	8
A	Non-Power sector PSUs (Working)						
1	Assam Fisheries Development Corporation Limited	2014-15	0.49	4	0.00	0.00	3.08
2	Assam Livestock and Poultry Corporation Limited	2016-17	2.19	2	0.00	0.00	19.58
3	Assam Tea Corporation Limited	2012-13	27.54	6	0.00	256.27	0.00
4	Assam Plantation Crop Development Corporation Limited	2013-14	5.00	26 ¹	0.00	7.65	2.99
5	Assam Plains Tribes Development Corporation Limited	2017-18	2.95	1	0.00	0.00	9.70
6	Assam State Development Corporation for Other Backward Classes Limited	2015-16	3.40	3	0.40	0.00	19.74
7	Assam Minorities Development & Finance Corporation Limited	1997-98	0.01	21	2.40	0.00	0.00
8	Assam State Development Corporation for Scheduled Castes Limited	2009-10	9.85	9	0.25	0.00	53.44
9	Assam State Film (Finance & Development) Corporation Limited	2013-14	0.10	5	0.00	0.00	1.25
10	Assam Hills Small Industries Development Corporation Limited	1998-99	2.00	20	0.00	28.19	1.64
11	Assam Industrial Development Corporation Limited	2017-18	131.63	1	7.58 ²	0.00	0.00

¹ Assam Plantation Crop Development Corporation Limited finalised its accounts till 1990-91. Thereafter the Company had submitted two years' accounts (2012-13 and 2013-14) with an undertaking that the arrears of accounts would be finalised within five years.

² Share Application money (pending allotment) received by Assam Industrial Development Corporation Limited during 2017-18.

Sl. No.	Name of Public Sector Undertaking	Year up to which accounts finalised	Paid up capital	Periods of accounts pending finalisation	Investment made by State Governments during the years for which the accounts are in arrears		
					Equity	Loans	Grants
1	2	3	4	5	6	7	8
12	Assam Small Industries Development Corporation Limited	2014-15	6.67	4	0.00	0.00	0.49
13	Ashok Paper Mill (Assam) Limited	2015-16	0.01	3	0.00	1.73	0.00
14	Assam State Fertilizers and Chemicals Limited	2009-10	4.56	9	0.00	1.45	0.06
15	Assam Tourism Development Corporation Limited	2015-16	0.39	3	0.00	0.00	70.81
Total A (Working Non-Power sector PSUs)			196.79		10.63	295.29	182.78
B	Statutory Corporation						
1	Assam State Transport Corporation	2016-17	167.73	2	0.00	0.00	141.87
2	Assam State Warehousing Corporation	2013-14	13.47	5	0.33	0.00	0.00
Total B (Statutory Corporation)			181.20		0.33	0.00	141.87
C	Non-Power sector PSUs (Non-working)						
1	Assam Agro-Industries Development Corporation Limited	2009-10	2.20	9	1.10	0.00	0.00
2	Assam State Minor Irrigation Development Corporation Limited	2011-12	17.35	7	0.00	0.00	7.15
3	Industrial Papers (Assam) Limited	2000-01	0.40	18	0.00	0.00	7.28
Total C (Non-working Non-Power sector PSUs)			19.95		1.10	0.00	14.43
Total Non-Power sector PSUs (A + B+C)			397.94		12.06	295.29	339.08

Appendix 2
Statement showing position of total investment (equity and long term loans) in State PSUs as on 31 March 2019
(Reference: Paragraph 1.2.3 and 1.3.2)

(Figures in Columns 5(a) to 6 (d) and 7 are ₹in crore)												Total investment (equity and loans) as on 31 March 2019	Man- power
Sl. No.	Sector/ Name of the PSU	Name of the Department	Month and year of incorporation	Equity ³ at close of the year 2018-19				Long term loans outstanding at close of the year 2018-19					
				GoA	GoI	Others	Total	GoA	GoI	Others	Total	7	8
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
A. Power sector PSUs													
1	Assam Power Generation Corporation Ltd.	Power	23-10-2003	455.86	0.00	0.00	455.86	577.93	0.00	406.33	984.26	1,440.12	1,146
2	Assam Electricity Grid Corporation Ltd.	Power	23-10-2003	99.93	0.00	0.00	99.93	504.33	0.00	95.68	600.01	699.94	1,511
3	Assam Power Distribution Company Ltd.	Power	23-10-2003	251.45	0.00	0.00	251.45	1,825.62	0.00	583.75	2,409.37	2,660.82	14,486
Sector wise total				807.24	0.00	0.00	807.24	2,907.88	0.00	1,085.76	3,993.64	4,800.88	17,143
B. Non-Power sector PSUs (Working)													
AGRICULTURE & ALLIED													
4	Assam Seeds Corporation Ltd.	Agriculture	27-01-1967	1.46	0.00	0.00	1.46	3.89	0.00	0.00	3.89	5.35	198
5	Assam Fisheries Development Corporation Ltd.	Fisheries	01-03-1977	0.49	0.00	0.00	0.49	0.00	0.00	0.00	0.00	0.49	76
6	Assam Livestock and Poultry Corporation Ltd.	Animal Husbandry	02-06-1984	0.07	2.12	0.00	2.19	0.00	0.00	0.00	0.00	2.19	25
7	Assam Tea Corporation Ltd.	Industries & Commerce	02-04-1972	29.54	0.00	0.00	29.54	418.21	0.00	0.00	418.21	447.75	16,613
8	Assam Plantation Crop Development Corporation Ltd.	Soil Conservation	11-01-1974	5.00	0.00	0.00	5.00	8.99	0.00	0.00	8.99	13.99	61
9	Assam Food and Civil Supplies Corporation Ltd.	Food Civil Supplies & Consumer Affairs	23-09-2014	12.19	0.00	0.00	12.19	0.00	0.00	0.00	0.00	12.19	3
Sector wise total				48.75	2.12	0.00	50.87	431.09	0.00	0.00	431.09	481.96	16,976

Audit Report for the year ended 31 March 2019 on PSUs and Revenue Sector

(Figures in Columns 5(a) to 6 (d) and 7 are ₹in crore)												Total investment (equity and loans) as on 31 March 2019	Man- power
Sl. No.	Sector/ Name of the PSU	Name of the Department	Month and year of incorporation	Equity ³ at close of the year 2018-19				Long term loans outstanding at close of the year 2018-19					
				GoA	GoI	Others	Total	GoA	GoI	Others	Total	7	8
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)		
FINANCE													
10	Assam Plains Tribes Development Corporation Ltd.	Welfare of Plains Tribes & Backward Classes	29-03-1975	2.20	0.75	0.00	2.95	0.00	0.00	14.70	14.70	17.65	127
11	Assam State Development Corporation for Other Backward Classes Ltd.	Welfare of Plains Tribes & Backward Classes	08-06-1975	3.40	0.00	0.00	3.40	0.00	0.00	0.00	0.00	3.40	60
12	Assam Minorities Development and Finance Corporation Ltd.	Welfare of Minorities	27-02-1997	2.41	0.00	0.00	2.41	0.00	0.00	8.37	8.37	10.78	-
13	Assam State Development Corporation for Scheduled Castes Ltd.	Welfare of Plains Tribes & Backward Classes	18-01-1975	5.59	4.51	0.00	10.10	0.00	0.00	0.00	0.00	10.10	82
14	Assam State Film (Finance & Development) Corporation Ltd.	Cultural Affairs	09-04-1974	0.10	0.00	0.00	0.10	0.04	0.00	0.00	0.04	0.14	11
Sector wise total				13.70	5.26	0.00	18.96	0.04	0.00	23.07	23.11	42.07	280
INFRASTRUCTURE													
15	Assam Hills Small Industries Development Corporation Ltd.	Hills Areas	30-03-1964	2.00	0.00	0.00	2.00	38.56	0.00	0.00	38.56	40.56	110
16	Assam Industrial Development Corporation Ltd.	Industries & Commerce	21-04-1965	139.21	0.00	0.00	139.21	86.35	0.00	0.00	86.35	225.56	170
17	Assam Small Industries Development Corporation Ltd.	Industries & Commerce	27-03-1962	6.67	0.00	0.00	6.67	5.19	0.00	0.00	5.19	11.86	110

(Figures in Columns 5(a) to 6 (d) and 7 are ₹ in crore)												Total investment (equity and loans) as on 31 March 2019	Man- power
Sl. No.	Sector/ Name of the PSU	Name of the Department	Month and year of incorporation	Equity ³ at close of the year 2018-19				Long term loans outstanding at close of the year 2018-19					
				GoA	GoI	Others	Total	GoA	GoI	Others	Total	7	8
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)		
18	Assam Electronics Development Corporation Ltd.	Information Technology	04-04-1984	9.46	0.00	0.00	9.46	0.55	0.00	0.00	0.55	10.01	263
19	Assam Mineral Development Corporation Ltd.	Mines and Mineral	19-05-1983	4.89	0.00	0.00	4.89	0.00	0.00	0.00	0.00	4.89	81
20	Assam Police Housing Corporation Ltd.	Home	11-05-1980	0.04	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.04	127
21	Assam Trade Promotion Organisation	Industries & Commerce	17-02-2010	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00	2
Sector wise total				172.27	0.00	0.00	172.27	130.65	0.00	0.00	130.65	302.92	863
MANUFACTURING													
22	Assam Petro-Chemicals Ltd.	Industries & Commerce	22-04-1971	157.00	0.00	274.17	431.17	0.00	0.00	52.56	52.56	483.73	356
23	Ashok Paper Mill (Assam) Ltd.	Industries & Commerce	06-07-1991	0.01	0.00	0.00	0.01	15.05	0.00	0.00	15.05	15.06	4
24	Assam Hydro-Carbon and Energy Company Ltd.	Industries & Commerce	02-05-2006	21.00	0.00	0.00	21.00	0.00	0.00	0.00	0.00	21.00	6
25	Amtron Informatics (India) Ltd.	Information Technology	27-03-2002	0.00	0.00	0.01	0.01	0.00	0.00	1.20	1.20	1.21	4
26	Assam State Fertilizers and Chemicals Ltd.	Industries & Commerce	30-03-1988	0.00	0.00	4.93	4.93	9.11	0.00	0.35	9.46	14.39	27
Sector wise total				178.01	0.00	279.11	457.12	24.16	0.00	54.11	78.27	535.39	397
SERVICES													
27	Assam Tourism Development Corporation Ltd.	Tourism	06-06-1988	0.39	0.00	0.00	0.39	0.00	0.00	0.00	0.00	0.39	137
Sector wise total				0.39	0.00	0.00	0.39	0.00	0.00	0.00	0.00	0.39	137

(Figures in Columns 5(a) to 6 (d) and 7 are ₹in crore)													Total investment (equity and loans) as on 31 March 2019	Man- power
Sl. No.	Sector/ Name of the PSU	Name of the Department	Month and year of incorporation	Equity ³ at close of the year 2018-19				Long term loans outstanding at close of the year 2018-19						
				GoA	GoI	Others	Total	GoA	GoI	Others	Total			
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8	
MISCELLANEOUS														
28	Assam Government Marketing Corporation Ltd.	Handloom Textile & Sericulture	16-12-1959	2.16	1.34	0.00	3.50	0.00	0.00	0.00	0.00	3.50	60	
29	Assam State Text Book Production and Publication Corporation Ltd.	Education	03-03-1972	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	1.00	68	
30	Assam Gas Company Ltd.	Industries & Commerce	31-03-1962	16.91	0.00	0.00	16.91	0.00	0.00	0.00	0.00	16.91	400	
31	DNP Ltd.	Industries & Commerce	15-06-2007	0.00	0.00	167.25	167.25	0.00	0.00	0.00	0.00	167.25	29	
Sector wise total				20.07	1.34	167.25	188.66	0.00	0.00	0.00	0.00	188.66	557	
Total B (All sector wise)				433.19	8.72	446.36	888.27	585.94	0.00	77.18	663.12	1,551.39	19,210	
Total (A+B)				1,240.43	8.72	446.36	1,695.51	3,493.82	0.00	1,162.94	4,656.76	6,352.27	36,353	
C. Statutory Corporations														
FINANCE														
1	Assam Financial Corporation	Finance	04-01-1954	26.85	0.00	5.55	32.40	50.00	0.00	0.00	50.00	82.40	122	
Sector wise total				26.85	0.00	5.55	32.40	50.00	0.00	0.00	50.00	82.40	122	
SERVICE														
2	Assam State Transport Corporation	Transport	03-01-1970	157.47	10.26	0.00	167.73	0.00	0.00	25.12	25.12	192.85	3,268	
3	Assam State Warehousing Corporation	Co-operation	08-01-1958	8.00	5.47	0.00	13.47	4.25	0.00	0.00	4.25	17.72	336	
Sector wise total				165.47	15.73	0.00	181.20	4.25	0.00	25.12	29.37	210.57	3,604	
Total C (All sector wise Statutory corporations)				192.32	15.73	5.55	213.60	54.25	0.00	25.12	79.37	292.97	3,726	
Grand Total (A + B + C)				1,432.75	24.45	451.91	1,909.11	3,548.07	0.00	1,188.06	4,736.13	6,645.24	40,079	

(Figures in Columns 5(a) to 6 (d) and 7 are ₹ in crore)													Total investment (equity and loans) as on 31 March 2019	Man- power
Sl. No.	Sector/ Name of the PSU	Name of the Department	Month and year of incorporation	Equity ³ at close of the year 2018-19				Long term loans outstanding at close of the year 2018-19						
				GoA	GoI	Others	Total	GoA	GoI	Others	Total			
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8	
D. Non-Power sector PSUs (Non-working)														
AGRICULTURE & ALLIED														
1	Assam Agro-Industries Development Corporation Ltd.	Agriculture	27-01-1975	2.20	0.00	0.00	2.20	6.76	0.00	0.50	7.26	9.46	3	
2	Assam State Minor Irrigation Development Corporation Ltd.	Irrigation	15-10-1980	17.35	0.00	0.00	17.35	0.00	0.00	0.00	0.00	17.35	-	
Sector wise total				19.55	0.00	0.00	19.55	6.76	0.00	0.50	7.26	26.81	3	
INFRASTRUCTURE														
3	Assam Power Loom Development Corporation Ltd.	Industries & Commerce	03-05-1990	3.54	0.00	1.00	4.54	0.00	0.00	0.08	0.08	4.62	-	
4	Assam Government Construction Corporation Ltd.	PWD (R&B)	24-03-1964	2.00	0.00	0.00	2.00	0.00	0.00	0.00	0.00	2.00	-	
Sector wise total				5.54	0.00	1.00	6.54	0.00	0.00	0.08	0.08	6.62	-	
MANUFACTURING														
5	Assam Conductors and Tubes Ltd.	Industries & Commerce	22-06-1964	1.54	0.00	0.00	1.54	29.60	0.00	0.00	29.60	31.14	-	
6	Assam State Textiles Corporation Ltd.	Industries & Commerce	26-02-1980	15.76	0.00	0.00	15.76	6.07	0.00	0.00	6.07	21.83	6	
7	Pragjyotish Fertilizers and Chemicals Ltd.	Industries & Commerce	27-02-2004	0.00	0.00	2.33	2.33	0.00	0.00	0.00	0.00	2.33	1	
8	Assam Tanneries Ltd.	Industries & Commerce	28-09-1961	0.01	0.00	0.01	0.02	0.00	0.00	0.00	0.00	0.02	-	
9	Industrial Papers (Assam) Ltd.	Industries & Commerce	09-06-1974	0.00	0.00	0.40	0.40	0.00	0.00	0.00	0.00	0.40	3	
10	Assam Spun Silk Mills Ltd.	Industries & Commerce	31-03-1960	1.70	0.00	0.00	1.70	3.79	0.00	0.00	3.79	5.49	-	

Audit Report for the year ended 31 March 2019 on PSUs and Revenue Sector

<i>(Figures in Columns 5(a) to 6 (d) and 7 are ₹in crore)</i>												Total investment (equity and loans) as on 31 March 2019	Man- power
Sl. No.	Sector/ Name of the PSU	Name of the Department	Month and year of incorporation	Equity ³ at close of the year 2018-19				Long term loans outstanding at close of the year 2018-19					
				GoA	GoI	Others	Total	GoA	GoI	Others	Total	7	8
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
11	Assam Polytex Ltd.	Industries & Commerce	29-05-1982	0.00	0.00	5.26	5.26	0.00	0.00	0.00	0.00	5.26	-
12	Assam Syntex Ltd.	Industries & Commerce	04-01-1985	0.00	0.00	5.12	5.12	0.00	0.00	0.00	0.00	5.12	2
13	Assam State Weaving and Manufacturing Company Ltd.	Industries & Commerce	29-11-1988	0.00	0.00	8.20	8.20	0.00	0.00	0.00	0.00	8.20	2
14	Assam and Meghalaya Mineral Development Corporation Ltd.	Mines and Mineral	08-10-1964	0.20	0.00	0.03	0.23	0.00	0.00	0.00	0.00	0.23	-
15	Cachar Sugar Mills Ltd.	Industries & Commerce	30-03-1972	0.00	0.00	3.38	3.38	0.00	0.00	0.70	0.70	4.08	-
16	Fertichem Ltd.	Industries & Commerce	29-03-1974	0.00	0.00	0.43	0.43	0.00	0.00	0.00	0.00	0.43	2
Sector wise total				19.21	0.00	25.16	44.37	39.46	0.00	0.70	40.16	84.53	16
Total D {All sector wise Non-Power sector PSUs (Non-working)}				44.30	0.00	26.16	70.46	46.22	0.00	1.28	47.50	117.96	19
Grand Total (A+B+C+D)				1,477.05	24.45	478.07	1,979.57	3,594.29	0.00	1,189.34	4,783.63	6,763.20	40,098

³ Equity includes share application money - Assam Power Distribution Company Limited: ₹ 88.68 crore, Assam Tea Corporation Limited: ₹ 2 crore, Assam Minorities Development and Finance Corporation Ltd.: ₹ 2.40 crore, Assam Industrial Development Corporation Limited: ₹ 7.58 crore and Assam State Textiles Corporation Limited: ₹ 0.32 crore.

Appendix 3

Summarised financial position and working results of Government Companies and Statutory Corporations as per their latest financial statements/accounts as on 30 September 2019
(Reference: Paragraph 1.2.8, 1.2.12 and 1.3.14)

(Figures in columns 5 to 13 are ₹in crore)

Sl. No.	Sector/Name of the PSU	Period of Accounts	Year in which finalised	Net profit/loss before interest & Tax	Net Profit (+) /Loss (-)	Turn-over	Paid Up Capital	Accumulated Loss (-)	Free Reserve & Surplus ⁴	Long term loan outstanding ⁵	Net worth ⁶	Capital employed ⁷
1	2	3	4	5	6	7	8	9	10	11	12	13
A. Power sector PSUs												
1	Assam Power Generation Corporation Ltd.	2018-19	2019-20	91.23	22.50	532.10	455.86	-113.15	0.00	984.26	342.71	1,326.97
2	Assam Electricity Grid Corporation Ltd.	2018-19	2019-20	203.65	145.94	1,151.58	99.93	-232.42	0.00	600.01	-132.49	467.52
3	Assam Power Distribution Company Ltd.	2018-19	2019-20	179.77	21.01	5,223.97	162.77	-2956.01	18.54	2409.37	-2,774.70	-365.33
Total A (Sector wise)				474.65	189.45	6,907.65	718.56	-3,301.58	18.54	3,993.64	-2,564.48	1,429.16
B. Non-Power sector PSUs (Working)												
AGRICULTURE & ALLIED												
4	Assam Seeds Corporation Ltd.	2013-14	2016-17	-3.64	-3.64	22.00	1.46	-13.17	0.00	7.19	-11.71	-4.52
5	Assam Fisheries Development Corporation Ltd.	2014-15	2019-20	2.64	2.64	7.14	0.49	0.00	7.78	0.00	8.27	8.27
6	Assam Livestock and Poultry Corporation Ltd.	2016-17	2018-19	-0.24	-0.24	0.15	2.19	-0.77	0.00	0.00	1.42	1.42
7	Assam Tea Corporation Ltd.	2012-13	2017-18	-16.07	-19.36	46.15	27.54	-305.77	0.00	160.83	-278.23	-117.40
8	Assam Plantation Crop Development Corporation Ltd. ⁸	2013-14	2016-17	-0.16	-0.16	1.99	5.00	-13.71	0.00	9.69	-8.71	0.98
9	Assam Food & Civil Supplies Corporation Ltd.	2015-16	2018-19	-0.42	-0.42	0.00	12.19	-0.73	0.00	0.00	11.46	11.46
Sector wise total				-17.89	-21.18	77.43	48.87	-334.15	7.78	177.71	-277.50	-99.79

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Sl. No.	Sector/Name of the PSU	Period of Accounts	Year in which finalised	Net profit/loss before interest & Tax	Net Profit (+) /Loss (-)	Turn-over	Paid Up Capital	Accumulated Loss (-)	Free Reserve & Surplus ⁴	Long term loan outstanding ⁵	Net worth ⁶	Capital employed ⁷
1	2	3	4	5	6	7	8	9	10	11	12	13
FINANCE												
10	Assam Plains Tribes Development Corporation Ltd.	2017-18	2018-19	-9.93	-10.52	0.00	2.95	-41.38	2.35	14.70	-36.08	-21.38
11	Assam State Development Corporation for Other Backward Classes Ltd.	2015-16	2018-19	-0.33	-0.33	0.03	3.40	-15.79	0.00	4.10	-12.39	-8.29
12	Assam Minorities Development and Finance Corporation Ltd.	1997-98	2016-17	0.01	0.01	0	0.01	0.00	0.01	0.00	0.02	0.02
13	Assam State Development Corporation for Scheduled Castes Ltd.	2009-10	2012-13	-1.19	-1.68	0.00	9.85	-23.74	0.00	11.57	-13.89	-2.32
14	Assam State Film (Finance & Development) Corporation Ltd.	2013-14	2019-20	0.28	0.28	0.03	0.10	0.00	0.82	0.04	0.92	0.96
Sector wise total				-11.16	-12.24	0.06	16.31	-80.91	3.18	30.41	-61.42	-31.01
INFRASTRUCTURE												
15	Assam Hills Small Industries Development Corporation Ltd.	1998-99	2019-20	-0.89	-0.89	0.03	2.00	-8.57	0.00	9.95	-6.57	3.38
16	Assam Industrial Development Corporation Ltd.	2017-18	2018-19	12.74	7.26	12.46	131.63	-102.98	0.00	86.35	28.65	115.00
17	Assam Small Industries Development Corporation Ltd.	2014-15	2017-18	-3.11	-3.11	44.86	6.67	-17.63	0.00	5.19	-10.96	-5.77
18	Assam Electronics Development Corporation Ltd.	2012-13	2016-17	2.36	2.26	0.92	9.46	0.00	0.25	0.00	9.71	9.71
19	Assam Mineral Development Corporation Ltd.	2016-17	2019-20	11.59	7.55	70.25	4.89	0.00	13.62	0.00	18.51	18.51

Sl. No.	Sector/Name of the PSU	Period of Accounts	Year in which finalised	Net profit/loss before interest & Tax	Net Profit (+) /Loss (-)	Turn-over	Paid Up Capital	Accumulated Loss (-)	Free Reserve & Surplus ⁴	Long term loan outstanding ⁵	Net worth ⁶	Capital employed ⁷
1	2	3	4	5	6	7	8	9	10	11	12	13
20	Assam Police Housing Corporation Ltd.	2013-14	2019-20	-2.43	-2.44	1.94	0.04	0.00	16.34	0.00	16.38	16.38
21	Assam Trade Promotion Organisation	2017-18	2018-19	1.38	0.89	0.58	10.00	0.00	2.77	0.00	12.77	12.77
Sector wise total				21.64	11.52	131.04	164.69	-129.18	32.98	101.49	68.49	169.98
MANUFACTURING												
22	Assam Petro-Chemicals Ltd.	2018-19	2019-20	6.72	7.03	111.57	431.17	-13.94	33.09	52.56	450.32	502.88
23	Ashok Paper Mill (Assam) Ltd.	2015-16	2017-18	-0.83	-2.73	0.00	0.01	-83.10	0.00	13.32	-83.09	-69.77
24	Assam Hydro-Carbon and Energy Company Ltd.	2017-18	2018-19	1.76	1.24	0.91	21.00	0.00	12.65	0.00	33.65	33.65
25	Amtron Informatics (India) Ltd.	2015-16	2018-19	-0.12	-0.12	0.00	0.01	-4.13	0.00	0.00	-4.12	-4.12
26	Assam State Fertilizers and Chemicals Ltd.	2009-10	2017-18	0.40	0.40	3.20	4.56	-6.36	0.00	9.67	-1.80	7.87
Sector wise total				7.93	5.82	115.68	456.75	-107.53	45.74	75.55	394.96	470.51
SERVICES												
27	Assam Tourism Development Corporation Ltd.	2015-16	2017-18	3.56	2.37	4.13	0.39	0.00	14.09	0.00	14.48	14.48
Sector wise total				3.56	2.37	4.13	0.39	0.00	14.09	0.00	14.48	14.48
MISCELLANEOUS												
28	Assam Government Marketing Corporation Ltd.	2009-10	2018-19	0.84	0.82	169.39	4.36	-4.09	0.00	1.89	0.27	2.16
29	Assam State Text Book Production and Publication Corporation Ltd.	1995-96	2019-20	2.16	1.95	13.41	1.00	0.00	3.59	0.00	4.59	4.59
30	Assam Gas Company Ltd.	2018-19	2019-20	42.73	27.90	191.34	16.91	0.00	737.32	0.00	754.23	754.23
31	DNP Ltd.	2018-19	2019-20	52.91	45.97	86.48	167.25	0.00	88.84	0.00	256.09	256.09

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Sl. No.	Sector/Name of the PSU	Period of Accounts	Year in which finalised	Net profit/loss before interest & Tax	Net Profit (+) /Loss (-)	Turn-over	Paid Up Capital	Accumulated Loss (-)	Free Reserve & Surplus ⁴	Long term loan outstanding ⁵	Net worth ⁶	Capital employed ⁷
1	2	3	4	5	6	7	8	9	10	11	12	13
Sector wise total				98.64	76.64	460.62	189.52	-4.09	829.75	1.89	1,015.18	1,017.07
Total B (All sector wise)				102.72	62.93	788.96	876.53	-655.86	933.52	387.05	1,154.19	1,541.24
Total (A+B)				577.37	252.38	7,696.61	1,595.09	-3,957.44	952.06	4,380.69	-1,410.29	2,970.40
C. Statutory Corporations												
FINANCE												
1	Assam Financial Corporation	2018-19	2019-20	-1.21	-3.28	7.25	32.40	-9.73	0.00	50.00	22.67	72.67
Sector wise total				-1.21	-3.28	7.25	32.40	-9.73	0.00	50.00	22.67	72.67
SERVICES												
2	Assam State Transport Corporation	2016-17	2018-19	-77.87	-77.87	70.54	167.73	-948.04	0.00	0.00	-780.31	-780.31
3	Assam State Warehousing Corporation	2013-14	2017-18	0.69	0.09	11.24	13.47	-11.35	0.00	4.25	2.12	6.37
Sector wise total				-77.18	-77.78	81.78	181.2	-959.39	0.00	4.25	-778.19	-773.94
Total C (All sector wise Statutory corporations)				-78.39	-81.06	89.03	213.6	-969.12	0.00	54.25	-755.52	-701.27
Grand Total (A + B + C)				498.98	171.32	7,785.64	1,808.69	-4,926.56	952.06	4,434.94	-2,165.81	2,269.13
D. PSUs (other than power sector - Non-working)												
1	Assam Agro-Industries Development Corporation Ltd	2009-10	2017-18	-0.45	-0.45	0.00	2.20	-22.56	0.00	7.26	-20.36	-13.10
2	Assam State Minor Irrigation Development Corporation Ltd.	2011-12	2013-14	-0.02	-0.02	0.00	17.35	-63.76	0.00	45.65	-46.41	-0.76
3	Assam Power Loom Development Corporation Ltd.	1993-94	2001-02	0.00	0.00	0.00	1.47	0.00	0.00	0.00	1.47	1.47
4	Assam Government Construction Corporation Ltd.	2018-19	2019-20	-0.12	-0.12	0.00	2.00	-10.46	0.00	0.00	-8.46	-8.46
5	Assam Conductors and Tubes Ltd.	2014-15	2017-18	-2.01	-2.01	0.00	1.54	-8.20	0.00	4.68	-6.66	-1.98
6	Assam State Textiles Corporation Ltd.	2018-19	2019-20	0.70	0.70	0.00	15.44	-36.72	0.00	6.07	-21.28	-15.21

Sl. No.	Sector/Name of the PSU	Period of Accounts	Year in which finalised	Net profit/loss before interest & Tax	Net Profit (+) /Loss (-)	Turn-over	Paid Up Capital	Accumulated Loss (-)	Free Reserve & Surplus ⁴	Long term loan outstanding ⁵	Net worth ⁶	Capital employed ⁷
1	2	3	4	5	6	7	8	9	10	11	12	13
7	Pragjyotish Fertilizers and Chemicals Ltd.	2012-13	2017-18	0.00	0.00	0.00	2.33	0.00	0.00	0.31	2.33	2.64
8	Assam Tanneries Ltd.	1982-83	1983-84	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.02	0.02
9	Industrial Papers (Assam) Ltd.	2000-01	2012-13	0.00	0.00	0.00	0.40	0.00	0.00	0.00	0.40	0.40
10	Assam Spun Silk Mills Ltd.	2013-14	2015-16	0.00	0.00	0.00	1.70	0.00	0.00	3.99	1.70	5.69
11	Assam Polytex Ltd.	1987-88	1993-94	0.00	0.00	0.00	5.26	0.00	0.00	6.30	5.26	11.56
12	Assam Syntex Ltd.	2017-18	2019-20	-0.03	-0.03	0.00	5.12	-59.09	0.00	0.00	-53.97	-53.97
13	Assam State Weaving and Manufacturing Company Ltd.	2017-18	2019-20	-0.41	-0.41	0.00	8.20	-24.77	0.00	0.00	-16.57	-16.57
14	Assam and Meghalaya Mineral Development Corporation Ltd.	1983-84	1984-85	-0.01	-0.01	0.00	0.23	-0.09	0.00	0.00	0.14	0.14
15	Cachar Sugar Mills Ltd.	2013-14	2017-18	-0.04	-0.04	0.00	3.38	-7.14	0.00	0.70	-3.76	-3.06
16	Fertichem Ltd.	2017-18	2019-20	0.16	0.16	0.00	0.43	-22.08	0.00	0.00	-21.65	-21.65
Total D {All sector wise Non-Power sector PSUs (Non-working)}				-2.23	-2.23	0.00	67.07	-254.87	0.00	74.96	-187.80	-112.84
Grand Total (A+B+C+D)				496.75	169.09	7,785.64	1,875.76	-5,181.43	952.06	4,509.90	-2,353.61	2,156.29

⁴ Free Reserve & Surplus does include accumulated profit at the end of the respective year.

⁵ Long term loan outstanding also includes 'Current portion of Long Term Debts'.

⁶ Net worth means Paid up Capital (Equity) *plus* Free Reserves and Surplus *minus* Accumulated losses *minus* Deferred Revenue Expenditure.

⁷ Capital Employed represents Shareholders' Fund (Net worth) plus Long Term Borrowings.

⁸ Assam Plantation Crop Development Corporation Limited finalised its accounts till 1990-91. Thereafter it had finalised two years accounts (2012-13 and 2013-14) with an undertaking that the arrears of accounts (1991-92 to 2011-12) would be finalised within five years.

Appendix –4A
Statement showing Rate of Real Return on Government Investment (PSUs power sector)
(Reference: Paragraph 1.2.12)

(₹ in crore)

Financial Year	Present value of total investment at the beginning of the year	Equity infused by the State government during the year	Net interest free loan given by the State Government during the year	Interest free loan converted into equity during the year	Grants/ subsidies given by the State government for operational and administrative expenditure	Disinvestment by the State Government during the year at face value	Total investment during the year	Total investment at the end of the year	Average rate of interest	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings/ profit after tax (PAT) for the year
A	B	C	D	E	F	G	H	I	J	$K = I \times (1+J/100)$	$L = I \times J/100$	M
2005-06	0.00	718.56	-	-	0.00	-	718.56	718.56	8.18	777.34	58.78	0.00
2006-07	777.34	0.00	-	-	0.00	-	0.00	777.34	7.66	836.88	59.54	-0.11
2007-08	836.88	0.00	-	-	0.00	-	0.00	836.88	7.14	896.64	59.75	-109.81
2008-09	896.64	0.00	-	-	0.00	-	0.00	896.64	6.76	957.25	60.61	-150.53
2009-10	957.25	0.00	-	-	0.00	-	0.00	957.25	6.83	1,022.63	65.38	-51.90
2010-11	1,022.63	88.68	-	-	252.00	-	340.68	1,363.31	6.58	1,453.01	89.71	-11.33
2011-12	1,453.01	0.00	-	-	150.00	-	150.00	1,603.01	6.78	1,711.70	108.68	-599.19
2012-13	1,711.70	0.00	-	-	150.00	-	150.00	1,861.70	6.57	1,984.01	122.31	-524.85
2013-14	1,984.01	0.00	-	-	165.22	-	165.22	2,149.23	6.53	2,289.58	140.34	-305.74
2014-15	2,289.58	0.00	-	-	268.82	-	268.82	2,558.40	6.40	2,722.14	163.74	-694.84
2015-16	2,722.14	0.00	-	-	334.68	-	334.68	3,056.82	6.47	3,254.59	197.78	-657.12
2016-17	3,254.59	0.00	-	-	394.53	-	394.53	3,649.12	6.57	3,888.87	239.75	-302.71
2017-18	3,888.87	0.00	-	-	950.68	-	950.68	4,839.55	6.33	5,145.89	306.34	340.62
2018-19	5,145.89	0.00	-	-	892.31	-	892.31	6,038.20	7.73	6,504.96	466.75	189.45
TOTAL		807.24			3,558.24		4,365.48					

Year	Total earnings/ loss in 2018-19	Investment by the State Government as per total of the column H above	Return on State Government investment on the basis of historical value	Present value of State Government investment at the end of 2018-19	Real return on State Government investment considering the present value of investments
	A	B	C	D	E
2018-19	189.45	4,365.48	4.34	6,504.96	2.91

Appendix –4B
Statement showing Rate of Real Return on Government Investment (PSUs other than power sector)
(Reference: Paragraph 1.3.14)

(₹ in crore)

Financial Year	Present value of total investment at the beginning of the year	Equity infused by the State government during the year	Net interest free loan given by the State Government during the year	Interest free loan converted into equity during the year	Grants/ subsidies given by the State government for operational and administrative expenditure	Disinvestment by the State Government during the year at face value	Total investment during the year	Total investment at the end of the year	Average rate of interest	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings /profit after tax (PAT) for the year
A	B	C	D	E	F	G	H	I	J	$K = I \times (1+J/100)$	$L = I \times J/100$	M
1998-99 ⁹	0.00	379.46	-	-	0.62	-	380.08	380.08	9.08	414.59	34.51	-48.93
1999-2000	414.59	2.11	-	-	0.73	-	2.84	417.43	14.91	479.67	62.24	-41.21
2000-01	479.67	2.87	-	-	0.01	-	2.88	482.55	11.72	539.11	56.55	-50.03
2001-02	539.11	10.82	-	-	0.36	-	11.18	550.29	12.47	618.91	68.62	-40.36
2002-03	618.91	0.54	-	-	0.48	-	1.02	619.93	9.82	680.80	60.88	-47.93
2003-04	680.80	0.42	-	-	13.26	-	13.68	694.48	9.97	763.72	69.24	-31.93
2004-05	763.72	0.35	-	-	15.13	-	15.48	779.20	8.47	845.20	66.00	-15.45
2005-06	845.20	0.40	-	-	9.30	-	9.70	854.90	8.18	924.83	69.93	-24.66
2006-07	924.83	0.52	-	-	24.46	-	24.98	949.81	7.66	1,022.57	72.76	-30.72
2007-08	1,022.57	22.06	-	-	16.08	-	38.14	1,060.71	7.14	1,136.44	75.73	-25.34
2008-09	1,136.44	5.71	-	-	13.75	-	19.46	1,155.90	6.76	1,234.04	78.14	-24.71
2009-10	1,234.04	6.04	-	-	32.12	-	38.16	1,272.20	6.83	1,359.09	86.89	-31.76
2010-11	1,359.09	0.33	-	-	36.11	-	36.44	1,395.53	6.58	1,487.36	91.83	13.52
2011-12	1,487.36	52.88	-	-	44.41	-	97.29	1,584.65	6.78	1,692.09	107.44	21.01
2012-13	1,692.09	0.20	-	-	44.95	-	45.15	1,737.24	6.57	1,851.37	114.14	51.21
2013-14	1,851.37	1.46	-	-	45.30	-	46.76	1,898.13	6.53	2,022.08	123.95	25.61
2014-15	2,022.08	0.00	-	-	71.78	-	71.78	2,093.86	6.40	2,227.87	134.01	-12.65
2015-16	2,227.87	0.00	-	-	42.88	-	42.88	2,270.75	6.47	2,417.67	146.92	-6.51
2016-17	2,417.67	0.00	-	-	48.58	-	48.58	2,466.25	6.57	2,628.28	162.03	23.48
2017-18	2,628.28	111.20	-	-	76.57	-	187.77	2,816.05	6.33	2,994.30	178.26	29.56
2018-19	2,994.30	72.44 ¹⁰	-	-	79.62	-	152.06	3,146.36	7.73	3,389.58	243.21	-20.36
TOTAL		669.81			616.50		1,286.31					

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Year	Total earnings/ loss in 2018-19	Investment by the State Government as per total of the column H above	Return on State Government investment on the basis of historical value	Present value of State Government investment at the end of 2018-19	Real return on State Government investment considering the present value of investments
	A	B	C	D	E
2018-19	-20.36	1,286.31	-1.58	3,389.58	0.60

⁹ 1998-99 has been taken as the base year as complete information on investment in PSUs is available from 1998-99. The opening balance of equity infused by GoA is the amount as on 31 March 1998 as appearing in the C&AG Audit Report on PSUs in Assam, 1998-99.

¹⁰ After netting off the reduction in equity capital (₹ 0.85 crore) of Assam Financial Corporation during 2018-19 from total equity investment (₹ 73.29 crore) by GoA during 2018-19.

Appendix 5

(Reference: Paragraph 3.1.7.3)

Action taken by the Transport Department on the recommendations of Performance Audit on “Working of Transport Department” (Audit Report 2015-16)

Sl. No.	Recommendations	Action taken by the Department/Government
1	The Department may ensure that the Combined Register is reviewed at regular interval and ensure recovery of outstanding revenue from defaulters. Further, steps may be taken to make a provision in the VAHAN software to generate alerts.	1. All the DTOs of the State are informed in this. 2. The NIC, Dispur is intimated to make a provision in VAHAN to generate SMS alerts.
2	The Department may take immediate steps to verify the fitness of all the vehicles which are due.	All the DTO of the State are intimated to take necessary action in this regard and submit the action taken report.
3	The Department may introduce the system of auctioning of fancy/choice numbers for the number plates which would augment the revenue collection of the Department.	Selected choice Numbers were made auctionable.
4	The Department may ensure proper validation with appropriate formula in the related module in the VAHAN software for automated calculation of correct tax rates.	In Vahan 4.0 the MV Tax Fees, fines <i>etc.</i> are displayed automatically as and when any application for tax deposit are processed.
5	The Department must ensure that the backlog data is entered into the VAHAN and SARATHI software to ensure its completeness.	The matter of Backlog data entry is under process.
7	The Department must ensure that duplicate licences are with the mark ‘DUPLICATE’ on the body of the smart card licences in the red ink, as per provision of the Rule.	The matter has been taken up with NIC, however, the Ministry of Road Transport and Highways (MoRTH) can bring changes in the format of RC/DL.
8	Government may use safety measures effectively to control road accidents, particularly the fatal accidents.	Some measures have been taken to control road accidents particularly the fatal accidents.
9	The Department may take steps to fill up the existing vacancies for effective functioning of the Department.	Steps have been taken to fill up the vacant posts in offices under the Commissioner of Transport, Assam.

Appendix 6

(Reference: Paragraph 3.1.8)

Number of auditable and audited units

Sl. No.	Department		Total number of auditable units	Total number of units due for audit during 2018-19	Units planned for audit during 2018-19	Units actually audited during 2018-19
1	Finance (Taxation)	Sales Tax	74	74	19	19
		Agricultural Income Tax				
2	Excise		49	49	19	19
3	Transport		52	52	26	26
4	Environment and Forests		89	89	23	23
5	Mines and Minerals (Geology and Mining)		1	1	1	1
6	Stamp Duty and Registration		82	82	24	24
Total			347	347	112	112

Appendix 7

(Reference Paragraph: 4.2.4.1)

Statement showing short levy of tax and interest

Sl. No.	Name of the dealers/ Name of the Unit	Period of Accounts	Date of Assessment	No. of Invalid C Form	Value of C Form	Less u/s 8A	Net Taxable turnover	Rate of tax (excluding 2% of CST already paid)	Short levy of tax	Short levy of Interest @ 1.5% per month			Total Tax and Interest
										leviable upto	No. of Months	Amount	
1	M/s. Top Cem India Ltd.	2013-14	28/03/2018	7	76473120	1499473	74973647	11.5%	8621969	Mar-19	59	7630443	16252412
2	M/s. Calcom Cement India Ltd.	2012-13	12/03/2018	4	10985400	215400	10770000	11.5%	1238550	Mar-19	71	1319056	2557606
		2013-14	13/06/2018	7	23862070	467884	23394186	11.5%	2690331	Mar-19	59	2380943	5071275
3	M/s. Madhav Steels	2015-16	27/10/2017	3	20141615	394934	19746681	3.0%	592400	Mar-19	35	311010	903411
4	M/s. Alembic Pharmaceuticals Ltd.	2012-13	18/12/2017	6	6601076	129433	6471643	3.0%	194149	Mar-19	71	206769	400918
5	M/s. Procter & Gamble Home Products Ltd.	2012-13	Time barred	2	64542474	1265539	63276935	11.5%	7276848	Mar-19	71	7749843	15026690
6	M/s. Bridgestone India Pvt. Ltd.	2012-13	05/09/2017	4	8863585	173796	8689789	11.5%	999326	Mar-19	71	1064282	2063608
7	M/s. Birla Tyres	2013-14	09/02/2018	8	17929940	351567	17578373	12.5%	2197297	Mar-19	59	1944607	4141904
		2014-15	09/02/2018	5	17382670	340837	17041833	12.5%	2130229	Mar-19	47	1501812	3632041
8	M/s. Lotte India Corporation Ltd.	2012-13	Scrutiny 11/08/2017	2	7673084	150453	7522631	11.5%	865103	Mar-19	71	921334	1786437
		2013-14	27/12/2018	3	9488950	186058	9302892	12.5%	1162862	Mar-19	59	1029132	2191994
		2014-15	27/12/2018	2	7066697	138563	6928134	12.5%	866017	Mar-19	47	610542	1476559
9	M/s. Wipro Enterprise Pvt. Ltd.	2012-13	19/09/2016	2	2592181	50827	2541354	11.5%	292256	Mar-19	71	311252	603508
		2013-14	30/09/2018	4	6962414	136518	6825896	12.5%	853237	Mar-19	59	755115	1608352
10	M/s. Ushodaya Enterprise Pvt. Ltd.	2012-13	18/12/2017	6	7402474	145147	7257327	3.0%	217720	Mar-19	71	231872	449591
		2013-14	18/12/2017	2	2844978	55784	2789194	3.0%	83676	Mar-19	59	74053	157729
11	M/s. Case New Holland Construction Equipment India Pvt. Ltd.	2012-13	11/10/2018	3	10747958	210744	10537214	3.0%	316116	Mar-19	71	336664	652780
12	M/s. Apollo Tyres Ltd.	2013-14	21/01/2017	9	20252118	397100	19855018	12.5%	2481877	Mar-19	59	2196461	4678339
13	Assam Roofing Ltd.	2014-15	06/06/2017	12	53328015	1045647	52282368	12.5%	6535296	Mar-19	47	4607384	11142680
		2015-16	31/08/2017	6	19922182	390631	19531551	12.5%	2441444	Mar-19	35	1281758	3723202
14	M/s. Redington India Ltd.	2012-13	30/05/2016	3	2178527	42716	2135811	11.5%	245618	Mar-19	47	173161	418779
		2013-14	30/05/2016	4	1648978	32333	1616645	11.5%	185914	Mar-19	59	164534	350448

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Sl. No.	Name of the dealers/ Name of the Unit	Period of Accounts	Date of Assessment	No. of Invalid C Form	Value of C Form	Less u/s 8A	Net Taxable turnover	Rate of tax (excluding 2% of CST already paid)	Short levy of tax	Short levy of Interest @ 1.5% per month			Total Tax and Interest
										leviable upto	No. of Months	Amount	
15	M/s. Samsonite South Asia Pvt. Ltd.	2013-14	12/10/2018	4	2555901	50116	2505785	12.5%	313223	Mar-19	59	277202	590426
16	M/s. Bhagawati Sai Metal Alloys	2013-14	22/06/2017	2	3446037	67569	3378468	3.0%	101354	Mar-19	59	89698	191052
		2014-15	22/06/2017	7	14856822	291310	14565512	3.0%	436965	Mar-19	47	308061	745026
		2015-16	13/08/2015	1	2048657	40170	2008487	3.0%	60255	Mar-19	35	31634	91888
17	M/s. A.P. Trade & Commerce	2013-14	01/02/2016	5	7471774	146505	7325269	12.5%	915659	Mar-19	59	810358	1726016
18	M/s. R.D. Computech & Agency Pvt. Ltd.	2012-13	29/12/2017	3	7952176	155925	7796251	3.0%	233888	Mar-19	71	249090	482978
		2013-14	29/12/2017	4	10464742	205191	10259551	3.0%	307787	Mar-19	59	272391	580178
Grand Total:				130	447686615	8778169	438908446		44857365			38840461	83697826

Appendix 8
(Reference Paragraph: 4.2.4.2)
Statement showing short levy of tax and interest

Sl. No.	Name of the dealers/ Name of the Unit	Dealing in	Period of Accounts	Date of Assessment	No. of Invalid C Form	Value of C Form	Less u/s 8A	Net Taxable turnover	Rate of tax (including 2% of CST already paid)	Short levy of tax	Short levy of Interest @ 1.5% per month			Total Tax and Interest
											leviable upto	No. of Months	Amount	
1	M/s. Birla Tyres ACT, Unit B, Guwahati	tyres, tubes and flaps	2013-14	February 2018	01	11,81,754	23,172	11,58,582	14.5	1,44,822	March-19	59	1,28,167	2,72,989
			2014-15		01	94,66,034	1,85,609	92,80,425	14.5	11,60,053	March-19	47	8,17,837	19,77,890
2	M/s. Kodak India Private Limited ACT, Unit D, Guwahati	camera and X-ray films	2011-12	December 2014	30	22,98,793	45,074	11,26,860	5	1,63,395	March-19	83	2,03,427	3,66,822
								11,26,859	13.5					
Grand Total					32	1,29,46,581	2,53,855	1,26,92,727		14,68,270			11,49,431	26,17,701

Appendix 9

(Reference Paragraph: 4.2.5)

Statement showing ITC reversible including interest

(Amount in ₹)

Transactions			2013-14		2014-15
			GI Ridings	TMT Bar	TMT Bar
Intra State	1	Opening Stock	2134012	141896156	14387122
	2	Purchase	1597536	882417223	743976851
	3	Other Receipts	5338552	0	0
	4	Sales	2693903	1018048136	663380836
	5	Closing Stock (1+2+3-4)	2976244	14387122	22108277
Inter State	6	Opening Stock of inter-State purchase	17,962	2,64,06,957	1,07,84,723
	7	Add: Inter-State purchase during the year	0	11,17,45,663	5,59,69,442
	8	Total (6+7)	17,962	13,81,52,620	6,67,54,165
	9	Less: Closing Stock of inter-State purchase	0	1,07,84,723	1,48,67,815
	10	Disposal of goods (6+7-9)	17,962	12,73,67,897	5,18,86,350
Value of goods disposed in course of inter-State trade & commerce	11	Interstate sale	1,55,412	12,08,18,358	13,35,78,005
	12	Less: profit ¹¹	1,16,022	2,84,16,751	2,89,25,390
	13	Net inter-State sale (11-12)	39,390	9,24,01,607	10,46,52,615
	14	Add: Stock transfer to other state	33,78,525	2,68,44,351	2,01,08,595
	15	Net disposal of goods in course of inter-State trade & commerce (13+14)	34,17,915	11,92,45,958	12,47,61,210
Calculation of ITC reversible	16	Minimum Inter-state sales/ transfer done from intra purchase (15-10)	33,99,953	(-) 81,21,939	7,28,74,860
	17	ITC reversible (@ 2%)	67,999	Nil	14,57,497
	18	Interest	60,179	Nil	10,27,535
Total tax and interest			26,13,210		

¹¹ Entire profit adjusted against inter-State trade and commerce

Appendix 10
(Reference Paragraph: 4.2.9)

Statement showing short levy of AGIT and interest

Sl. No.	Particulars	M/s. Bazalone Group Ltd.	M/s Warren Tea Co.
(i)	Net agricultural Income considered during assessment	1,25,16,072 ¹²	13,35,60,115 ¹³
(ii)	Less: Donation (CM's Relief Fund)	1,33,000	--
(iii)	Add : 60 per cent income increased during central assessment	8,97,094 ¹⁴	11,16,278 ¹⁵
(iv)	Total Agricultural income under AAIT Act	1,32,80,166	13,46,76,393 ¹⁶
(v)	Tax leviable {30 per cent of (iv)}	39,84,050	4,04,02,918
(vi)	Tax levied during assessment	37,14,922	4,00,68,034
(vii)	Short levy of tax {(v)-(vi)}	2,69,128	3,34,884
(viii)	Interest @2 per cent per month as per u/s 20D	1,56,094 ¹⁷	1,60,774 ¹⁸
(ix)	Total [(vii)+(viii)]	4,25,222	4,95,658

¹² 60 per cent of ₹ two crore + ₹ 5.10 lakh being 100 per cent agricultural income.

¹³ 60 per cent of composite income (₹ 22.44 crore) less ₹10.99 lakh for under export benefit.

¹⁴ 60 per cent of ₹14.95 lakh = ₹8.97 lakh. Income Tax authority had disallowed deductions of ₹ 11.04 lakh on expenses on exempt income and ₹ 3.91 lakh on travelling and conveyance while finalising assessment (July 2016).

¹⁵ 60 per cent of ₹18.60 lakh = ₹11.16 lakh. Income Tax authority had disallowed the deductions ₹ 17.82 lakh towards expenses incurred in relation to income and ₹ 0.78 lakh towards employees contribution while finalising assessment (December 2016) under the Income Tax Act.

¹⁶ 60 per cent of composite income (₹ 22.44 crore) less ₹ 10.99 lakh for under export benefit.

¹⁷ From November 2016 to March 2019 i.e. 29 months.

¹⁸ From April 2017 to March 2019 i.e. 24 months.

Appendix 11

(Reference Paragraph: 4.3.5.1)

Statement showing non-payment of annual renewal licence fees

(Amount in ₹)

Sl. No.	Name of the Licensees	Type of licence	Year of renewal licence fee	Licence fee paid	Licence fee payable	Penalty leviable @ 50% of licence fee for payment made after 15 March
1	Manash Pratim Roy, Bongaigaon	IMFL 'OFF'	2017-18	Nil	2,00,000	1,00,000
			2018-19	Nil	2,00,000	1,00,000
2	Pajit Kr. Brahma, Bongaigaon	IMFL 'OFF'	2017-18	Nil	2,00,000	1,00,000
			2018-19	Nil	2,00,000	1,00,000
3	Pabitra Kr. Sarkar, Bongaigaon,	IMFL 'ON'	2018-19	Nil	1,00,000	50,000
4	Chitta Ranjan Basumatari, Bongaigaon,	IMFL 'OFF'	2018-19	Nil	2,00,000	1,00,000
5	Babul Kr. Owary, Bongaigaon,	IMFL 'OFF'	2018-19	Nil	2,00,000	1,00,000
6	M/s Avijit Saha, Barpeta	Wholesale	2018-19	Nil	5,00,000	2,50,000
7	Debajit Borgohain, Nazira	IMFL 'ON'	2017-18	Nil	2,50,000	1,25,000
			2018-19	Nil	2,50,000	1,25,000
Total					23,00,000	11,50,000

Appendix 12
(Reference Paragraph:4.3.5.2)

Statement showing non-levy of penalty for delay in payment of annual renewal licence fees

(Amount in ₹)

Sl. No.	Name of the Licensees	Type of licence	Year of renewal licence fee	Licence fee paid	Treasury Challan No. and Date of payment	Delay in days	Penalty leviable @ 50% of licence fee for payment made after 15 March
1	Saran Singh Bedi, Kamrup	IMFL 'ON'	2018-19	2,50,000	6/1047 dt: 4.6.18	81	1,25,000
2	Arupa Sarma, Kamrup	IMFL 'OFF'	2018-19	2,00,000	8/5635 dt: 14.8.18	152	1,00,000
3	Hi-Fi Wine Shop, Lahorijan, Karbi Anglong	IMFL 'OFF'	2018-19	1,00,000	5/129 dt. 23.5.18	68	50,000
4	M/s Lachnig Chowhai, Lahorijan, Karbi Anglong	IMFL 'OFF'	2018-19	2,00,000	5/113, dt. 18.5.18	63	1,00,000
5	M/s Mool Singh Rathour, Khatkhati, Karbi Anglong	IMFL 'ON'	2018-19	2,50,000	5/116 dt. 18.5.18	63	1,25,000
6	Broson Teron, Lahorijan, Karbi Anglong	IMFL 'OFF'	2018-19	2,00,000	3/141 dt. 6.5.18	51	1,00,000
7	Pradip Hazarika, Lahorijan, Karbi Anglong	IMFL 'OFF'	2018-19	1,00,000	5/658 dt. 22.5.18	67	50,000
8	Lorink Timung, Khatkhati, Karbi Anglong	IMFL 'OFF'	2018-19	2,00,000	5/114 dt. 18.5.18	63	1,00,000
9	Jhising H. Rengma, Lahorijan, Karbi Anglong	IMFL 'ON'	2018-19	1,00,000	5/523 dt. 14.5.18	59	50,000
10	Manoj Kr. Gupta, Diphu, Karbi Anglong	IMFL 'OFF'	2018-19	2,00,000	5/469 dt. 10.5.18	55	1,00,000
Total				18,00,000			9,00,000

Appendix 13
(Reference Paragraph: 4.3.6)

Statement showing outstanding establishment charges

Sl. No.	Name of the Bottling/ Distillery/ wholesale warehouse	Month for which establishment charges are due	No. of Excise personnel posted	Establishment charges to be realised (Amount in ₹)	Remarks
1	M/s R.S. Bonded Warehouse Pvt. Ltd, Golaghat	August 2017 to March 2018	2	7,41,920	--
2	M/s B.G Bonded Warehouse, Golaghat	January 2018 to March 2018	2	1,20,588	--
3	Gayatri Distilleries & Bottling Industries, Tinsukia	March 2017 to January 2018	2 to 4	13,55,521	--
4	M/s. Himalayan Distillery Pvt. Ltd., Kamrup	June 2017 to March 2018	2	6,09,986	--
5	M/s. Manglam Distillers & Bottling Industries, Kamrup	November 2017 to March 2018	4	6,61,757	--
6	M/s. Eastern Enterprises Pvt. Ltd., Kamrup	July 2017 to March 2018	4	14,81,289	Demand notice for the month of August 2017 was not issued
7	M/s. KDC Bonded Warehouse Pvt. Ltd., Kamrup	August 2017 to March 2018	3	13,97,956	Demand notice for the month of November 2017 and March 2018 were not issued
8	M/s. Rang Bonded Wholesale Warehouse Pvt. Ltd., Kamrup	April 2017 to March 2018	1 to 2	7,30,370	Demand notice for the month of November 2017 to March 2018 were not issued
9	M/s. Kalong Valley Enterprises, Kamrup	July 2017 to March 2018	1	3,25,305	Demand notice for the month of November 2017 to March 2018 were not issued
10	M/s. Rooby Bonded Warehouse, Kamrup	April 2017 to March 2018	3	16,31,127	--
11	M/s. Megha Assam Pvt. Ltd., Kamrup	November 2017 to March 2018	3	6,54,295	--
12	M/s. Paradise Bonded Warehouse, Kamrup	November 2017 to March 2018	2	4,26,345	--
Total				1,01,36,459	

Appendix 14

Statement showing security deposit short realised (*Reference paragraph: 4.3.7*)

(Amount in ₹)

Sl. No.	Office of SE/DSE	Type of licences	Number of Licensee	Rate of Annual Licence fee	Rate of security money (per cent of annual licence fee)	Security money to be realised	Security Deposit realized at the time of grant/renewal of licence	Short realization of Security money
1	DSE, Sonari	ON (Urban)	1	2,50,000	2,50,000 (100)	250000	10000	240000
		ON (Rural)	1	1,00,000	1,00,000 (100)	100000	10000	90000
		OFF (Urban)	3	2,00,000	2,00,000 (100)	600000	45000	555000
		OFF (Rural)	4	1,00,000	1,00,000 (100)	400000	60000	340000
2	SE, Sivasagar	ON (Urban)	2	2,50,000	2,50,000 (100)	500000	18000	482000
		OFF (Urban)	9	2,00,000	2,00,000 (100)	1800000	135000	1665000
		OFF (Rural)	1	1,00,000	1,00,000 (100)	100000	15000	85000
3	Tinsukia	ON (Urban)	4	2,50,000	2,50,000 (100)	1000000	17000	983000
		ON (Rural)	2	1,00,000	1,00,000 (100)	200000	10000	190000
		OFF (Urban)	11	2,00,000	2,00,000 (100)	2200000	64000	2136000
		OFF (Rural)	4	100000	1,00,000 (100)	400000	19000	381000
4	Golaghat	ON (Urban)	5	2,50,000	2,50,000 (100)	1250000	21000	1229000
		ON (Rural)	7	1,00,000	1,00,000 (100)	700000	40000	660000
		OFF (Urban)	15	2,00,000	2,00,000 (100)	3000000	80000	2920000
		OFF (Rural)	16	100000	1,00,000 (100)	1600000	105000	1495000
5	SE, Kamrup	ON (Urban)	145	2,50,000	2,50,000 (100)	36250000	2900000	33350000
		ON (Rural)	9	1,00,000	1,00,000 (100)	900000	180000	720000
		OFF (Urban)	294	2,00,000	2,00,000 (100)	58800000	4415000	54385000
		OFF (Rural)	10	100000	1,00,000 (100)	1000000	150000	850000
		On (Hotel ¹⁹)	3	400000	4,00,000 (100)	1200000	60000	1140000
6	DSE, Nazira	ON (Rural)	2	1,00,000	1,00,000 (100)	200000	15000	185000
		OFF (Urban)	6	2,00,000	2,00,000 (100)	1200000	90000	1110000
		OFF (Rural)	1	100000	1,00,000 (100)	100000	15000	85000
7	DSE, Bokakhat	ON (Urban)	3	2,50,000	2,50,000 (100)	750000	25000	725000
		ON (Rural)	6	1,00,000	1,00,000 (100)	600000	35000	565000
		OFF (Urban)	4	2,00,000	2,00,000 (100)	800000	25000	775000
		OFF (Rural)	4	100000	1,00,000 (100)	400000	20000	380000

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Sl. No.	Office of SE/DSE	Type of licences	Number of Licensee	Rate of Annual Licence fee	Rate of security money (per cent of annual licence fee)	Security money to be realised	Security Deposit realized at the time of grant/renewal of licence	Short realization of Security money
8	SE, Karbi-Anglong, Diphu	ON (Urban)	6	2,50,000	2,50,000 (100)	1500000	70000	1430000
		ON (Rural)	6	1,00,000	1,00,000 (100)	600000	60000	540000
		OFF (Urban)	14	2,00,000	2,00,000 (100)	2800000	140000	2660000
		OFF (Rural)	12	1,00,000	1,00,000 (100)	1200000	120000	1080000
		Distillery	1	50,00,000	5,00,000 (50)	2500000	500000	2000000
Total			611			124900000	9469000	115431000

¹⁹ Hotel five star and above

Appendix 15
(Reference Paragraph: 4.3.7)
Statement showing security money not realised

(Amount in ₹)

Sl. No.	Office of SE/ DSE	Type of licences	Number of Licensee	Rate of Annual Licence fee	Rate of security money (per cent of annual licence fee)	Security money not realised
1	DSE, Sonari	ON (Urban)	1	2,50,000	2,50,000 (100)	250000
		ON (Rural)	1	1,00,000	1,00,000 (100)	100000
		OFF (Urban)	8	2,00,000	2,00,000 (100)	1600000
		OFF (Rural)	4	1,00,000	1,00,000 (100)	400000
2	SE, Sivasagar	ON (Urban)	5	2,50,000	2,50,000 (100)	1250000
		OFF (Urban)	25	2,00,000	2,00,000 (100)	5000000
		OFF (Rural)	6	1,00,000	1,00,000 (100)	600000
3	Tinsukia	ON (Urban)	17	2,50,000	2,50,000 (100)	4250000
		ON (Rural)	1	1,00,000	1,00,000 (100)	100000
		OFF (Urban)	36	2,00,000	2,00,000 (100)	7200000
		OFF (Rural)	13	100000	1,00,000 (100)	1300000
4	Golaghat	ON (Urban)	4	2,50,000	2,50,000 (100)	1000000
		ON (Rural)	6	1,00,000	1,00,000 (100)	600000
		OFF (Urban)	9	2,00,000	2,00,000 (100)	1800000
		OFF (Rural)	4	100000	1,00,000 (100)	400000
5	DSE, Nazira	OFF (Urban)	4	2,00,000	2,00,000 (100)	800000
		OFF (Rural)	1	100000	1,00,000 (100)	100000
6	DSE, Bokakhat	ON (Urban)	1	2,50,000	2,50,000 (100)	250000
		ON (Rural)	1	1,00,000	1,00,000 (100)	100000
		OFF (Urban)	2	2,00,000	2,00,000 (100)	400000
		OFF (Rural)	2	100000	1,00,000 (100)	200000
7	SE, Karbi-Anglong, Diphu	ON (Urban)	3	2,50,000	2,50,000 (100)	750000
		ON (Rural)	5	1,00,000	1,00,000 (100)	500000
		OFF (Urban)	13	2,00,000	2,00,000 (100)	2600000
		OFF (Rural)	9	1,00,000	1,00,000 (100)	900000
		Bonded Warehouse	2	20,00,000	10,0,000 (50)	2000000
Total			183			34450000

Appendix 16
(Reference Paragraph: 4.4.3)

Statement showing non-realisation of MV Tax and Fine under 13 DTOs

Sl. No.	Name of the D Kamrup (Metro)istrict	Vehicle Type	Period Involved	No of Vehicle	Tax Due (in ₹)	Fine Due ²⁰ (in ₹)	Total Tax & Fine due (in ₹)
1	Kamrup (Metro)	Goods Carrier, Tractor/Trailer, Bus/Maxi Cab/Motor Cab/Car etc.	April 2017 to March 2018	2818	2,19,16,080	44,77,785	2,63,93,865
2	Bongaigaon	Goods Carrier, Tractor (Com) Crane/Excavator Motor Cab and Bus etc.	April 2016 to March 2018	268	9,92,339	4,25,700	14,18,039
3	Baksa	Tractor, Trailor, Motor cab, LGV, Tipper, HGV, Truck, Taxi, Bus etc.	April 2015 to March 2018	633	20,34,784	14,17,840	34,52,624
4	Hailakandi	Winger, Auto, Max, Tractor, Bus, Magic, Van, Excavator etc.	April 2012 to March 2018	147	12,59,115	4,27,640	16,86,755
5	Dima Hasao (Haflong)	Tractor, Trailor, Motor cab, LGV, HGV, Truck, Taxi, Bus, Goods Carrier etc.	January 2009 to March 2018	112	29,59,775	4,13,400	33,73,175
6	Kokrajhar	Mini Truck, HGV, Winger, Taxi, Tractor, Trailor Goods Carrier etc.	October 2016 to March 2018	232	6,39,576	2,45,680	8,85,256
7	Darrang (Mangaldoi)	Goods Carrier, Tractor (Com) Crane/Excavator Motor Cab and Bus etc.	April 2015 to March 2018	101	12,29,242	3,23,880	15,53,122
8	Tinsukia	Tractor, Trailor, Motor cab, Tipper, Truck, Taxi, Bus etc.	April 2012 to March 2018	178	24,49,097	5,47,340	29,96,437
9	Morigaon	Van, Bus, Tractor, Bolero, Auto etc.	April 2009 to March 2018	69	12,83,173	4,62,835	17,46,008
10	Dhemaji	Tractor, Goods Carrier, Magic, Excavator, Trailor, Tipper etc.	January 2015 to March 2018	226	7,40,600	5,72,960	13,13,560
11	Barpeta	Mini Truck, Winger, Taxi, Tractor, Trailor etc.	April 2010 to March 2018	50	14,64,810	3,61,115	18,25,925
12	North Lakhimpur	Tractor, Trailor, Motor cab, Tipper, HGV, Truck, Taxi, Bus etc.	April 2014 to March 2018	1168	23,17,264	11,48,800	34,66,064
13	Chirang	Winger, Auto, Max, Tractor, Bus, Magic, Van etc.	October 2008 to March 2018	60	9,91,286	4,66,895	14,58,181
Total				6,062	4,02,77,141	1,12,91,870	5,15,69,011

²⁰ Fine calculated upto March 2019 @ ₹five per day.

Appendix 17

(Reference Paragraph 4.4.5)

List of Agent Licence (Goods) with expired validity

(Position upto March 2015 featured in para 4.2.11 of the Audit Report (Revenue Sector) for the year 2015-16)

Sl. No	Owner's Name & Address	Licence Number	Licence validity	Licence fee due on	Number of annual licence fee due at pre revised rate (at the rate ₹ 20,000)	Number of annual licence fee due at revised rate (at the rate ₹ 40,000)	Amount due (in ₹)
1	M/S Saltus Goods Carrier, Prop.- Sri Harbhajan Singh, S/o-Sri S. Gurmit Singh, Lalmati, Beltola, Guwahati-781 029	01/2009	31/07/2017	01/08/2017	0	1	40000
2	M/S Hindustan Goods Carriers (P) Ltd, Prop:- Sri Akash Bahati Kedar Road , Guwahati.	3/2009	31/12/2016	01/01/2017 01/01/2018	0	2	80000
3	Mr. Sikendar Ali, S/O(Lt.) Aber Ali, No. 3, Dawaguri, Goladangi, Gossaigaon, Kokrajhar.	01/2010	31/10/2016	01/11/2016 01/11/2017	1	1	60000
4	Shri Jitendra Goswami, S/o- M.P. Goswami, Kenon Weight Bridge, Lalmati, Beltola, Guwahati	02/2012	30/09/2017	01/10/2017	0	1	40000
5	M/S Brokers Goods (T) Centre, Prop.- Lulfur Rahman Barbhuiya, Panchgram, Hailakandi	04/2014	04/07/2017	05/07/2017	0	1	40000
6	M/S Guwahati Manipuri Roadways, Opposite Neptune Cinema, Beltola, NH-37, Guwahati	11/1992	31/10/2003	01/11/2015 01/11/2016 01/11/2017	2	1	80000
7	M/S Guwahati Rajasthan Roadways, NH-37, Beltola, Guwahati	01/1994	30/09/2004	01/10/2015 01/10/2016 01/10/2017	2	1	80000
8	M/S Bharatapur Alwar Roadways, NH-37, Beltola, Guwahati	02/1994	30/09/2004	01/10/2015 01/10/2016 01/10/2017	2	1	80000
9	Sri Prem Chand Verma, Prop- Prem Transport Company, NH-37, Beltola, Guwahati	03/1994	31/10/2004	01/11/2015 01/11/2016 01/11/2017	2	1	80000

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Sl. No	Owner's Name & Address	Licence Number	Licence validity	Licence fee due on	Number of annual licence fee due at pre revised rate (at the rate ₹ 20,000)	Number of annual licence fee due at revised rate (at the rate ₹ 40,000)	Amount due (in ₹)
10	M/S Assam Roadways, Nand Kishore Chanari, S/o (Lt) Chaganlal Chanani, B. R. Road, Gauripur, Dhubri	01/1995	31/01/2003	01/02/2016 01/02/2017 01/02/2018	1	2	100000
11	M/S Assam Indore Roadways, Prop. Sri Hardev Singh, S/o- Bachan Singh, Beltola, Guwahati	02/1995	31/01/2004	01/02/2016 01/02/2017 01/02/2018	1	2	100000
12	M/S Bihar Bengal Road Carriers, Prop.-Sri Niwas Agarwal, S/o-Sri S.N. Agarwal Beltola, Guwahati	03/1995	28/02/2005	01/03/2016 01/03/2017 01/03/2018	1	2	100000
13	M/S Litt Road Carriers, Prop.- Sri Avtar Singh, S/o- Charan Singh Beltola, Guwahati	04/1995	28/02/2005	01/03/2016 01/03/2017 01/03/2018	1	2	100000
14	M/S Malwa Guwahati Carriers, Sri Guru Charan Singh, S/o- Guru Dayal Singh, NH-37, Beltola, Guwahati	05/1995	31/03/2005	01/04/2015 01/04/2016 01/04/2017	2	1	80000
15	M/S Atul Roadways Carriers, Prop-Pawan Kr Agarwalla, R.K. Bose Road, Dhubri	06/1995	30/04/2000	01/05/2015 01/05/2016 01/05/2017	2	1	80000
16	Sri Surendra Kumar Agarwal, S/o-Late P.C. Agarwal, AT Road, Guwahati	01/1996	30/04/2006	01/05/2015 01/05/2016 01/05/2017	2	1	80000
17	M/S Sandhyachal Transport, Prop.- Sri Jiban Bora S/o-Mohan Bora, Basisthashram, Beltola, Guwahati	02/1996	30/04/2005	01/05/2015 01/05/2016 01/05/2017	2	1	80000
18	M/S Panchgram Brokers Associates, Panchgram, Hailakandi	01/1997	31/03/2002	01/04/2015 01/04/2016 01/04/2017	2	1	80000

Sl. No	Owner's Name & Address	Licence Number	Licence validity	Licence fee due on	Number of annual licence fee due at pre revised rate (at the rate ₹ 20,000)	Number of annual licence fee due at revised rate (at the rate ₹ 40,000)	Amount due (in ₹)
19	M/S Hamuman Road Lines, Prop. Sri Ram Chand Gashewal, Betkuchi, Guwahati	02/1997	30/06/2007	01/07/2015 01/07/2016 01/07/2017	2	1	80000
20	M/S Sibasai Road Lines, Prop.- Sri Rajen Medhi, Sawkuchi, Guwahati	03/1997	30/06/2001	01/07/2015 01/07/2016 01/07/2017	2	1	80000
21	Sri Bikash Ranjan Das, S/o (Lt) Lokesh Ch. Das, Charakuri, Karimganj	AL/G 01/1996	28/02/2006	01/03/2016 01/03/2017 01/03/2018	1	2	100000
22	M/S Rana Rahil Goods Carrier, Prop-S. Charan Singh, S/O-(Lt) G.Singh, S.B. Market, Jawaharnagar, Guwahati	AL/G 01/1999	28/02/2003	01/03/2016 01/03/2017 01/03/2018	1	2	100000
23	Sri Showmendra Kalita, S/o-Sri Phookan Kalita, Jayanagar, Beltola, Guwahati	AL/G 02/1999	31/03/2004	01/04/2015 01/04/2016 01/04/2017	2	1	80000
24	M/S Eastern Transport Agencies, Prop.- Rafiul Islam, Varbila, Gobindapur, Goalpara	AL/G 03/1999	30/04/2004	01/05/2015 01/05/2016 01/05/2017	2	1	80000
25	M/S Paul Roadways, Prop.-Sri Dilip Kr. Paul, S/o-Sri Lakshi Kanta Paul, Beltola Guwahati	AL/G 01/2000	31/01/2002	01/02/2016 01/02/2017 01/02/2018	1	2	100000
26	Md. Azgar Ali, S/o-Munshi Mahmmad Ali, Abhayapuri, Ward No-4, Bongaigaon	AL/G 02/2000	28/02/2002	01/03/2016 01/03/2017 01/03/2018	1	2	100000
27	M/S Jagiroad Parking Complex, Prop- Sri Badar Dhar, S/o-Shri Bhaba Dhar, Jagiroad, Ghunocha, Morigaon	AL/G03/2000	30/06/2003	01/07/2015 01/07/2016 01/07/2017	2	1	80000
28	M/S Un/ Employment Broker Association, Prop.- Sri Motilal Jain, S/o-Sri Kancilal Jain, S.T. Road, Badarpur, Karimganj	01/2001	28/02/2002	01/03/2016 01/03/2017 01/03/2018	1	2	100000

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Sl. No	Owner's Name & Address	Licence Number	Licence validity	Licence fee due on	Number of annual licence fee due at pre revised rate (at the rate ₹ 20,000)	Number of annual licence fee due at revised rate (at the rate ₹ 40,000)	Amount due (in ₹)
29	M/S Willsons Transport Corporations, Prop-Rana Saidur Zaman, S/o-Rahman Ali, Near Shakti Tyres Jawaharnagar, Beltola, Guwahati	02/2001	28/02/2005	01/03/2016 01/03/2017 01/03/2018	1	2	100000
30	M/S P.K. Roadways, Prop.- Sri Pradip Kr. Gupta S/o-Sri Daya Chand Gupta, Lalmati, Beltola, Guwahati	01/2002	31/12/2010	01/01/2016 01/01/2017 01/01/2018	1	2	100000
31	M/S North East Lakhi Transport, Prop-Sri Dhruba Talukdar, 2 No Mathgharia, Noonmati, Guwahati	02/2002	30/04/2007	01/05/2015 01/05/2016 01/05/2017	2	1	80000
32	Shri Jayanta Borah, S/o (Lt.) Chikun Borah, Dekongaon, Sonitpur, Assam	01/2005	01/06/2006	02/06/2015 02/06/2016 02/06/2017	2	1	80000
33	M/S AMB Transport, NH-37, Kamakhya K. Building, Beltola, Guwahati, Assam	01/2008	31/08/2009	01/09/2015 01/09/2016 01/09/2017	2	1	80000
34	M/S Speed Express, Hotel Bilash Complex, G.S. Road, Ulubari, Guwahati	02/2009	31/08/2013	01/09/2015 01/09/2016 01/09/2017	2	1	80000
35	M/S Hills Transport, Prop.-Sujoy Hasnu & Dibosh Bathari, Haflong, Dima Hasao	01/2011	24/06/2014	25/06/2015 25/06/2016 25/06/2017	2	1	80000
36	Sri Binanda Baruah, S/o (Lt.) S. Baruah, Jhanji Dist.- Sivasagar, Assam, T.A- BKB Colony, Guwahati University Campus, Guwahati	01/2012	31/07/2013	01/08/2015 01/08/2016 01/08/2017	2	1	80000
37	Sri Hrishikesh Ray, S/o (Lt.) Balen Ch. Ray, Vill & P.O.- Dhaligaon, Bongaigaon	03/2013	07/01/2014	08/01/2016 08/01/2017 08/01/2018	1	2	100000
Total					53	50	30,60,000

Appendix 18

(Reference Paragraph 4.4.5)

List of Agent Licence (Passenger) with expired validity

(Position upto March 2015 featured in para 4.2.11 of the Audit Report (Revenue Sector) for the year 2015-16)

Sl. No	District	Owner's Name & Address	Licence Number	Licence validity	Licence fee due on	Number of annual licence fee due at pre revised rate (at the rate ₹ 10,000)	Number of annual licence fee due at revised rate (at the rate ₹ 20,000)	Amount (in ₹)
1	Kamrup	Debabrata Saha M/s Assam Valley Travels (P) Ltd. Paltan Bazar, Guwahati	A/L-09/1992	30/10/2016	31/10/2017	0	1	20,000
2	Karbi-Anglong	Jonathan Ingti Kathar S/o- B.L.Kathar ,Tika Hills Karbi-Anglong	A/L-04/1993	30/04/2014	01/05/2015 01/05/2016 01/05/2017	2	1	40,000
3	Karbi-Anglong	Mrs.Sibani Jamunpi W/o Late Rajesh Ronphang Vill-Panbari, P.O & P.S-Baithalangso, Karbi-Anglong	A/L-07/2008	23/12/2017	24/12/2017	0	1	20,000
4	Nagaon	M/s Kachua Travels Prop:-Md. Abdul Rahim Vill- Gerjaipam, P.O-Kachua, Dist- Nagaon	A/L-04/1999	28/02/2017	01/03/2017 01/03/2018	0	2	40,000
5	Nagaon	Md. Anwar Wahid, S/o Late Abu Nasar Wahid, Maniram Dewan Road, Nagaon, Assam	A/L-11/2000	30/10/2017	31/10/2017	0	1	20,000
6	Nagaon	Sri Padma Kanta Borah, S/o Jadu Ram Borah, Kathiatali, Nagaon	A/L-02/2006	08/11/2017	09/11/2017	0	1	20,000
7	Nagaon	Sri Naresh Debnath, S/o Late Chand Debnath, P.O - Gozaipam, P.S- Kochua Tiniali, Dist- Nagaon	A/L-03/2012	09/04/2017	10/04/2017	0	1	20,000
8	Nagaon	Md. Nazrul Haque, , S/o Late Abdul Mazid, Farmarpur, Kharikhana, P.S-Lanka Dist- Nagaon	A/L-01/2017	12/02/2018	13/02/2018	0	1	20,000

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Sl. No	District	Owner's Name & Address	Licence Number	Licence validity	Licence fee due on	Number of annual licence fee due at pre revised rate (at the rate ₹ 10,000)	Number of annual licence fee due at revised rate (at the rate ₹ 20,000)	Amount (in ₹)
9	Nagaon	M/s Bishnu Travels, Prop. Sri Mohit Bordoloi, S/o Late Keshab Bordoloi, Kathiatoli, Nagaon, Assam	A/L-11/2003	30/09/2015	01/10/2015 01/10/2016 01/10/2017	2	1	40,000
10	N.C.Hills	Sri Debductta Naiding, S/o Sri Digen Naiding, 29 Kilo Umrangshu, N.C.Hills, Assam	A/L-06/1997	31/03/2015	01/04/2015 01/04/2016 01/04/2017	2	1	40,000
11	N.C.Hills	Sri Biswajit Langthasa, S/o Sri Birat Langthasa, Hatangajao, Dima Hasao, Dist- Halflong.	A/L-08/2013	08/08/2016	09/08/2016 09/08/2017	1	1	30,000
12	N.C.Hills	Sri Amlesh Langthasa, S/o Sri Digendra Langthasa, Vill- Rangpur P.O- Harangajao, Dima Hasao	A/L-06/2014	16/12/2015	17/12/2015 17/12/2016 17/12/2017	2	1	40,000
13	Goalpara	Md. Ashadulla, M/s- Rahul Travels, S/o Late Mahiuddin Ahmed, Nayapara, Goalpara, Assam.	A/L-06/1996	30/11/2015	01/12/2015 01/12/2016 01/12/2017	2	1	40,000
14	Goalpara	Raushan Ali, Prop. M/s- Ratul Travels, S/o Zamalur Rahman Krishnai, Goalpara, Assam.	A/L-01/2010	31/12/2017	01/01/2018	0	1	20,000
15	Goalpara	Sri Nitai Roy, S/o Dharmeswar Roy, Solmari, Goalpara, Assam	A/L-02/2011	03/02/2018	04/02/2018	0	1	20,000
16	Sonitpur	Md. Afroj Hussain, S/o Late M.A Munnaf M/s Seven Sister Safari, Tezpur, Sonitpur.	A/L-10/2003	30/09/2015	01/10/2015 01/10/2016 01/10/2017	2	1	40,000
17	Sonitpur	Md. Manuwar Hussain, S/o Late Abdul Aziz, Jenkins Road Tezpur, Sonitpur, Assam.	A/L-01/2009	28/02/2018	01/03/2018	0	1	20,000

Sl. No	District	Owner's Name & Address	Licence Number	Licence validity	Licence fee due on	Number of annual licence fee due at pre revised rate (at the rate ₹ 10,000)	Number of annual licence fee due at revised rate (at the rate ₹ 20,000)	Amount (in ₹)
18	Barpeta	Jyoti Retail Society Vill & P.O- Bhairaguri , P.S & Dist- Barpeta, Assam.	A/L-08/2008	06/01/2013	07/01/2016 07/01/2017 07/01/2018	1	2	50,000
19	Cachar	Sri Ashim Kr. Roy , S/o Late Nripendra Nath Roy, Club Road, Silchar.	A/L-03/2008	28/07/2013	29/07/2015 29/07/2016 29/07/2017	2	1	40,000
20	Cachar	Sri Krishna Das, S/o Late Kalachand Das, Katigorah, Cachar.	A/L-15/2009	29/12/2014	30/12/2015 30/12/2016 30/12/2017	1	2	50,000
21	Cachar	Sri Iroz Ahmed Laskar S/o Ravi Laskar, Tarani Road, Rangirkhari, Silchar, Cachar.	A/L-04/2013	30/06/2015	01/07/2015 01/07/2016 01/07/2017	2	1	40,000
22	Cachar	Sri Sabasachi Nath Mazumder, S/o Srinibash Nath Mazumder, Shyam Sunder Sarani , Sonai Road, Silchar.	A/L-05/2013	30/06/2014	01/07/2015 01/07/2016 01/07/2017	2	1	40,000
23	Cachar	Sri Shibender Roy , S/o Late Ram Dulal Roy , Shyam Sunder Sarani , Sonai Road, Silchar.	A/L- 06/07/2013	30/06/2014	01/07/2015 01/07/2016 01/07/2017	2	1	40,000
24	Dhemaji	M/s Himalaya Ticket Counter & Parking Association, Silapathar Town, Ward No.1, Silapathar, Dhemaji, Assam	A/L-01/2013	22/02/2016	23/02/2016 23/02/2017 23/02/2018	1	2	50,000
25	Dhemaji	Sri Kula Chetia, S/o Bagha Chutia, Vill-Pukia, P.O-Sissiborgaon, P.S- Silapathar, Dhemaji.	A/L-02/2014	15/09/2015	16/09/2015 16/09/2016 16/09/2017	2	1	40,000
26	Dhemaji	Sri Sanswarang Basumatary, S/o Late Sarjan Basumatary, Vill-Manikpur, P.O-Simen Chapori, Dhemaji.	A/L-04/2014	12/11/2016	13/11/2016 13/11/2017	1	1	30,000
27	Dhemaji	Sri Lakhi Kanta Doley, S/o Late Manik Ch/ Doley, Silapathar, Khangam Nagar, Dist- Dhemaji.	A/L- 03/2015/STA	26/02/2017	27/02/2017 27/02/2018	0	2	40,000

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Sl. No	District	Owner's Name & Address	Licence Number	Licence validity	Licence fee due on	Number of annual licence fee due at pre revised rate (at the rate ₹ 10,000)	Number of annual licence fee due at revised rate (at the rate ₹ 20,000)	Amount (in ₹)
28	Dhemaji	M/s Tourist Taxi Management Committee, Secretary Nityananda Kaman, S/o Late Bhuben Ch. Kaman, Vill- Gogamukh Chariali, Dist- Dhemaji, Assam.	A/L-04/2015/STA	01/03/2018	02/03/2018	0	1	20,000
29	Karimganj	Md. Sirajuddin, S/o Late Yakub Ali, Dighirpar , Badarpur, Karimganj.	A/L-01/2004	31/12/2015	01/01/2016 01/01/2017 01/01/2018	1	2	50,000
30	Karimganj	Md. Badrul Haque, S/o Md.Monajur Ali, Behardola, Lilachita, Karimganj	A/L - 14/2009	04/12/2014	05/12/2015 05/12/2016 05/12/2017	2	1	40,000
31	Karimganj	Borak Valley Travells Agency, Md. Abdul Haque, S/o Late Isbar Ali, Vill-Marzad Kandi Tiniali, Dist:- Karimganj	A/L-03/2011	17/03/2013	18/03/2016 18/03/2017 18/03/2018	1	2	50,000
Total						31	38	10,70,000

Appendix 19

(Reference: Paragraph 4.5.4)

Statement showing short realisation of royalty on minor mineral extracted from Patta land

Sl. No.	Name of the Division	DFO's order No. and date	Type of Minor Mineral	Quantity (in cum.)	Date of payment of royalty	Amount realised ²¹ (in ₹)	Amount to be realised (in ₹)	Amount short realised (in ₹)
1.	DFO, Nagaon	FNGT/B/P.P Land/Brick Earth/2019/2253-59 dtd: 06.03.2019	Brick Earth	3,000	06.03.2019	90,000	1,35,000	45,000
		FNGT/B/P.P Land/Brick Earth/2018/15-16 dtd: 01.01.2019	Brick Earth	1,000	28.12.2018	30,000	45,000	15,000
		FNGT/B/P.P Land/Brick Earth/2018/13755-56 dtd: 29.12.2018	Brick Earth	5,000	28.12.2018	1,50,000	2,25,000	75,000
		FNGT/B/P.P Land/Brick Earth/2019/2332-33 dtd: 08.03.2019	Brick Earth	500	06.03.2019	15,000	22,500	7,500
		FNGT/B/P.P Land/Brick Earth/2019/1966-67 dtd: 06.03.2019	Brick Earth	1,000	04.03.2019	30,000	45,000	15,000
		FNGT/B/P.P Land/Brick Earth/2019/1881-82 dtd: 04.03.2019	Brick Earth	3,000	28.02.2019	90,000	1,35,000	45,000
		FNGT/B/P.P Land/Brick Earth/2019/1883-84 dtd: 04.03.2019	Brick Earth	3,000	02.03.2019	90,000	1,35,000	45,000
		FNGT/B/P.P Land/Brick Earth/2019/2516-17 dtd: 14.03.2019	Brick Earth	2,000	07.03.2019	60,000	90,000	30,000
		FNGT/B/P.P Land/Brick Earth/2019/1877-78 dtd: 04.03.2019	Brick Earth	3,000	02.03.2019	90,000	1,35,000	45,000
		FNGT/B/P.P Land/Brick Earth/2019/1879-80 dtd: 04.03.2019	Brick Earth	3,000	28.02.2019	90,000	1,35,000	45,000
		FNGT/B/P.P Land/Brick Earth/2019/2514-15 dtd: 14.03.2019	Brick Earth	900	07.03.2019	27,000	40,500	13,500
2.	DFO, Karbi Anglong East Division	B/KAE/Mining Permit/2013-14/3041-44 dtd: 09.01.2019	Stone	500	30.01.2019	1,03,572	1,50,000	46,428
		B/KAE/Mining Permit/2018-19/3355-58 dtd: 25.02.2019	Stone	875	16.02.2019	1,83,625	2,62,500	78,875
		B/KAE/Mining Permit/2018-19/ 3348-51 dtd: 25.02.2019	Stone	875	16.02.2019	1,81,250	262,500	81,250
		B/KAE/Mining Permit/2013-14/1738-41 dtd: 20.09.2018	Stone	500	28.02.2019	1,25,000	1,50,000	25,000
			Stone	500	16.05.2019	1,25,000	1,50,000	25,000
		B/KAE/Mining Permit/1921-24/3041-44 dtd: 03.10.2018	Stone	3,000	09.01.2019	6,15,000	9,00,000	2,85,000
			Stone	3,000	30.03.2019	6,15,000	9,00,000	2,85,000
Stone	2,500	09.01.2019	5,12,502	7,50,000	2,37,498			

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Sl. No.	Name of the Division	DFO's order No. and date	Type of Minor Mineral	Quantity (in cum.)	Date of payment of royalty	Amount realised ²¹ (in ₹)	Amount to be realised (in ₹)	Amount short realised (in ₹)
		B/KAE/Mining Permit/2013-14/1933-36 dtd: 03.10.2018	Stone	2,500	30.03.2019	5,12,502	7,50,000	2,37,498
		B/KAE/Mining Permit/2013-14/1927-30 dtd: 03.10.2018	Stone	5,214	09.01.2019	10,47,500	15,64,200	5,16,700
			Stone	5,214	30.03.2019	10,47,500	15,64,200	5,16,700
3.	DFO, Chirang	B/CRD/Permit/1920-21 dt-13.03.2019	Sand	200	12.03.2019	28,000	42,000	14,000
		B/CRD/Permit/4996-97 dt-21.11.2018	Sand Gravel	100	16.11.2018	16,400	24,600	8,200
		B/CRD/Permit/678-68 dt-08.2.2019	Boulder	300	06.02.2019	60,000	90,000	30,000
		B/CRD/Permit/5093-94 dt- 26.11.2018	Sand Gravel	500	29.10.2018	82,000	1,23,000	41,000
		B/CRD/Permit/5314-15 dt- 12.12.2018	Sand Gravel	500	26.11.2018	82,000	1,23,000	41,000
		B/CRD/Permit/4944-45 dt- 17.01.2019	Sand Gravel	500	11.12.2018	82,000	1,23,000	41,000
		B/CRD/Permit/730-31 dt- 07.02.2019	Sand Gravel	500	14.01.2019	82,000	1,23,000	41,000
		B/CRD/Permit/2044-45 dt- 20.02.2019	Sand Gravel	500	01.02.2019	82,000	1,23,000	41,000
		B/CRD/Permit/1534-35 dt- 06.03.2019	Sand Gravel	500	16.02.2019	82,000	1,23,000	41,000
		B/CRD/Permit/1941-42 dt- 14.03.2019	Sand Gravel	500	05.03.2019	82,000	1,23,000	41,000
		B/CRD/Permit/2157-58 dt- 26.03.2019	Sand Gravel	500	13.03.2019	82,000	1,23,000	41,000
		B/CRD/Permit/2093-94 dt- 25.03.2019	Sand Gravel	500	19.03.2019	82,000	1,23,000	41,000
			Sand	150	19.03.2019	21,000	31,500	10,500
B/CRD/Permit/827-28 dt- 11.02.2019	Sand Gravel	500	07.02.2019	82,000	1,23,000	41,000		
	Sand	100	07.02.2019	14,000	21,000	7,000		
Total						67,89,851	99,85,500	31,95,649

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Name of minor minerals	Amount to be realised (in ₹) (per cum)	Royalty realised at the rate (in ₹) (per cum)
Earth	45	30
Sand	210	140
Gravel	300	200
Sand Gravel	246	164

Appendix 20
(Reference: Paragraph 4.5.5)
Statement showing short realisation of forest royalty

Sl. No.	Name of MCA	Name of Divisions	Name of MC Holder	Date of commencement of MC	Period of Settlement (in years)	Quarterly Settled Value from 1 st Kist to 12 th Kist	Enhanced rate to be realise after completion of three Years (₹)	Effective Date of enhanced rate after completion of three years	No. Kist (Quarterly/Half-yearly)/ Amount of Money of royalty (₹) paid	Difference amount of Kist money to be realised (₹)
1	Champa river No-2	DFO, Chirang	Sri Kabul Basumatary	20.08.2015	7	1,95,542	2,44,428	20.08.2018	13 th & 14 th – 3,91,084	97,772
2	Champa river No-1		Sri Chakramani Mushahary	20.08.2015	7	1,35,590	1,69,487	20.08.2018	13 th & 14 th 2,71,180	67,794
3	Taklai S&G MCA		Sri Promotesh Narzary	21.03.2016	7	1,67,915	2,09,894	20.03.2019	13 th -1,67,915	41,979
4	Kanamakra S&G		Sri Samlai Narzary	20.09.2015	7	3,39,304	4,24,130	20.08.2018	13 th to 15 th -10,17,912	2,54,478
5	Ashapuka S&G		Sri Bhaben Basumatary	15.11.2015	7	3,28,608	4,10,760	15.11.2018	13 th to 16 th -13,14,432	3,28,608
6	Kanamakra S&G No-2		Sri Surajit Brahma	19.10.2015	7	1,60,822	2,01,027	20.10.2018	13 th to 15 th -4,82,466	1,20,615
7	Champa river No-5		Sri Narza Basumatary	9.11.2015	7	1,80,472	2,25,590	10.11.2018	13 th -1,80,472	45,118
8	Champa river No-3		Sri Phanendra Brahma	17.11.2015	7	1,80,645	2,25,806	15.11.2018	13 th & 14 th -3,61,290	90,322
9	Borjuri Stone	DFO, KA, East	Sri Jon Sing Engti	08.12.2015	7	20,143	25,178	08.12.2018	13 th to 15 th – 60,429	15,105
10	Balijuri Stone		Sri Jon Sing Engti	08.12.2015	7	20,143	25,178	08.12.2018	13 th -20,143	5,035
11	Hawailangso Stone		Sri Lal Bahadur Chauhan	17.03.2016	7	54,286	67,858	17.03.2019	7 th – 54,286 (Half yearly)	13,572
12	Shivasthan Stone		Sri Jon Sing Engti	08.12.2015	7	20,143	25,178	08.12.2018	13 th to 15 th – 60,429	15,105
13	Nepalijuri Stone		Sri Jon Sing Engti	08.12.2015	7	20,143	25,178	08.12.2018	13 th to 16 th – 80,572	20,140
14	Kangthilangso Stone		Sri Lunsing Teron	26.11.2015	7	25,000	31,250	26.11.2018	13 th to 21 st - 2,25,000	56,250
Total									11,71,893	

Appendix 21

(Reference Paragraph: 4.5.5)

Statement showing potential loss of forest royalty

Sl. No.	Name of MCA	Name of Divisions	Name of MC Holder	Date of commencement of MC	Period of Settlement (in years)	Pre-revised rate per Quarter/ Half-yearly	Effective Date of enhanced rate after completion of three years	No. and Amount of Kist Money of royalty (₹) payable	If, amount of Kist Money realise at pre-revised rate (₹)	Potential loss of forest royalty (₹)
1	Champa river No-2	DFO, Chirang	Sri Kabul Basumatary	20.08.2015	7	1,95,542	20.08.2018	15 th - to 24 th 24,44,280	19,55,420	4,88,860
							20.08.2021	25 th to 28 th – 12,22,140	7,82,168	4,39,972
2	Champa river No-1		Sri Chakramani Mushahary	20.08.2015	7	1,35,590	20.08.2018	15 th to 24 th - 16,94,870	13,55,900	3,38,970
							20.08.2021	25 th to 28 th – 8,47,436	5,42,360	3,05,076
3	Taklai S&G MCA		Sri Promotes Narzary	21.03.2016	7	1,67,915	20.03.2019	14 th to 24 th - 23,08,834	18,47,065	4,61,769
							20.3.2022	25 th to 28 th – 10,49,512	6,71,660	3,77,852
4	Kanamakra S&G		Sri Samlai Narzary	20.09.2015	7	3,39,304	20.08.2018	16 th to 24 th - 38,17,170	30,53,736	7,63,434
							20.08.2021	25 th to 28 th – 21,20,652	13,57,216	7,63,436
5	Ashapuka S&G		Sri Bhaben Basumatary	15.11.2015	7	3,28,608	15.11.2018	17 th to 24 th - 32,86,080	26,28,864	6,57,216
							15.11.2021	25 th to 28 th – 20,53,800	13,14,432	7,39,368
6	Kanamakra S&G No-2	Sri Surajit Brahma	19.10.2015	7	1,60,822	20.10.2018	16 th to 24 th - 18,09,243	14,47,398	3,61,845	
						20.10.2021	25 th to 28 th - 10,05,132	6,43,288	3,61,844	
7	Champa river No-5	Sri Narza Basumatary	9.11.2015	7	1,80,472	10.11.2018	14 th to 24 th - 24,81,490	19,85,192	4,96,298	
						10.11.2021	25 th to 28 th - 11,27,952	7,21,888	4,06,064	
8	Champa river No-3	Sri Phanendra Brahma	17.11.2015	7	1,80,645	15.11.2018	15 th to 24 th - 22,58,060	18,06,450	4,51,610	
						15.11.2021	25 th to 28 th – 11,29,032	7,22,580	4,06,452	

Sl. No.	Name of MCA	Name of Divisions	Name of MC Holder	Date of commencement of MC	Period of Settlement (in years)	Pre-revised rate per Quarter/ Half-yearly	Effective Date of enhanced rate after completion of three years	No. and Amount of Kist Money of royalty (₹) payable	If, amount of Kist Money realise at pre-revised rate (₹)	Potential loss of forest royalty (₹)	
9	Borjuri Stone	DFO, KA, East	Sri Jon Sing Engti	08.12.2015	7	20,143	08.12.2018	16 th to 24 th – 2,26,602	1,81,287	45,315	
							08.12.2021	25 th to 28 th – 1,25,892	80,572	45,320	
10	Balijuri Stone		Sri Jon Sing Engti	08.12.2015	7	20,143	08.12.2018	14 th to 24 th – 2,76,958	2,21,573	55,385	
							08.12.2021	25 th to 28 th – 1,25,892	80,572	45,320	
11	Hawailangso Stone		Sri Lal Bahadur Chauhan	17.03.2016	7	54,286	17.03.2019	8 th to 12 th – 3,39,290 (Half yearly)	2,71,430	67,860	
							17.03.2022	13 th & 14 th – 1,69,646 (Half yearly)	1,08,572	61,074	
12	Shivasthan Stone		Sri Jon Sing Engti	08.12.2015	7	20,143	08.12.2018	16 th to 24 th – 2,26,602	1,81,287	45,315	
							08.12.2018	25 th to 28 th – 1,25,892	80,572	45,320	
13	Nepalijuri Stone		Sri Jon Sing Engti	08.12.2015	7	20,143	08.12.2018	17 th to 24 th – 2,01,424	1,61,144	40,280	
							08.12.2021	25 th to 28 th – 1,25,892	80,572	45,320	
14	Kangthilangso Stone		Sri Lusing Teron	26.11.2015	7	25,000	26.11.2018	22 nd to 24 th – 93,750	75,000	18,750	
							26.11.2021	25 th to 28 th – 1,56,252	1,00,000	56,252	
Total									84,36,738	84,36,738	
<i>As per Appendix 20</i>									<i>11,71,893</i>	<i>11,71,893</i>	
Grand Total									96,08,631	96,08,631	

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