



COMMITTEE ON PUBLIC ACCOUNTS

(2018-2021)

HUNDRED AND FIFTY EIGHTH REPORT

(FOURTEENTH ASSEMBLY)

**Report of the Committee on Public Accounts, Assam Legislative
Assembly on the Report of the Comptroller and Auditor General
of India on Social, General and Economic (Non-PSUs) Sectors
for the years 2014-15 & 2015-2016 relating to
Welfare of Plain Tribes & Backward Classes Department,
Government of Assam.**

Presented to the House on 28th November, 2019

**Assam Legislative Assembly Secretariat,
Dispur, Guwahati-6.**

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COMPOSITION OF THE COMMITTEE

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1. Shri Rajdeep Goala

Members :

2. Shri Prasanta Phukan
3. Shri Padma Hazarika
4. Shri Bir Bhadra Hagjer
5. Shri Ritu Parna Baruah
6. Smti. Angoorlata Deka
7. Smti. Suman Haripriya
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Secretariat

1. Shri M.K. Deka, Principal Secretary
2. Shri M.K. Sarma, Deputy Secretary
3. Smti. Bhashwatie Borah Rajguru, Under Secretary

(ii)

PREFATORY REMARKS

I, Shri Rajdeep Goala, Chairman, Committee on Public Accounts, Assam Legislative Assembly having been authorized to submit the Report on its behalf present this HUNDRED AND FIFTY EIGHTH Report of the Committee on Public Accounts on the Audit paras contained in the Reports of the C & AG of India on Social, General and Economic(Non-PSUs) Sectors for the years 2014-2015 & 2015-2016 pertaining to Welfare of Plain Tribes & Backward Classes Department, Government of Assam.

2. The Reports of the C & AG of India on Social, General and Economic(Non-PSUs) Sectors for the years 2014-2015 & 2015-2016 were laid before the House on 18th July, 2016 and 10th March, 2017.

3. The Reports mentioned above relating to the WPT & BC Department was considered by the Committee in its sitting held on 25th June, 2019.

4. The 158th Report of the Committee on Public Accounts was finalized and approved by the Committee in its sitting held on 19th November, 2019.

5. The Committee has appreciated the valuable assistance rendered by the Accountant General (Audit), Assam and his Junior Officers and staff during the examination of the Department.

6. The Committee thanked to the Departmental witnesses as well as Finance Department for their kind Co- operation. The Committee also pleased to offer thanks to the Principal Secretary, Assam Legislative Assembly along with his officers and staff of the Committee on Public Accounts Branch for their valuable services rendered to the Committee.

7. The Committee earnestly hope that the Government would implement the recommendations made in this Report.

Dispur :
The 21st November, 2019.

SHRI RAJDEEP GOALA ,
Chairman
Committee on Public Accounts,
Assam Legislative Assembly.

The Report
WPT & BC Department
Extra avoidable and unproductive expenditure
(Audit para 1.4.16/C&AG(SGE(Non-PSUs)S/2014-2015/P-105-107)

1.1 The audit has observed that after scrutiny of records the (June –July 2014) of the Principal Secretary, BTC, Kokrajhar revealed that the Director of Education (DoE),BTC, Kokrajhar decided (December 2011) to provide two sets of Fire Extinguishers (FEs) each to the government/ provincialised schools/colleges under the jurisdiction of BTC in compliance to Hon'ble Supreme Court's order/ruling (15 April 2009) to install FEs in all the existing government and private schools as one of the safety norms for the schools. Accordingly, BTC sanctioned (28 March 2012) Rs. 880.75 lakh from the fund received from the State Government chargeable to Civil Deposit head of BTC. Supply orders were issued (14 March 2012) at the approved rate of the General Administration Department (GAD) of BTC (Rs. 10,270 per FE) to three local suppliers as per instruction of the Under Secretary, BTC, Kokrajhar without specifying the brand name and other specifications and 8576 FEs (brand name 'Firematics') worth Rs. 8.81 crore (Rs. 10,270 X 8576) were procured (March 2012). However, on inquiry from the original manufacture of 'Firematics' brand (with the same specification as was procured from the local supplier) it was ascertained that the Maximum Retail Price (MRP) prevalent during the period (2011-12) was Rs. 4693 per FE (including VAT and transportation charge). Hence, there was a difference of Rs. 5577 in the rate per set of FE between the price of procurement (Rs. 10270) and the prevalent manufacture's selling price including tax and transportation (Rs. 4693) during the same period. Thus, due to allowance of higher rate in procuring the FEs, BTC had incurred an extra expenditure of Rs. 4.78 crore (8576 FEs @ Rs. Rs. 5577). Had the DoE, BTC consulted the rates of the manufactures / authorized dealers of FEs instead of placing supply order at GAD's approved rate, the extra expenditure of Rs. 4.78 crore could have been avoided a joint physical verification conducted (4 July 2014) by Audit and Block Elementary Education Officer (BEEO), Kokrajhar to ascertain the status of distribution of the procured FEs revealed that 139 FEs were lying undistributed in the store room. It was also noticed during audit of the accounts of the Deputy Inspector of Schools (DIS), Udalguri (May 2014) that there was an undistributed balance of 1508 FEs in stock out of 1918 Fes supplied (March 2012) to the DIS, Udalguri. The possibility of replacement in case of any manufacturing or other defects in the Fes, which remained undistributed, was also lost as the one year warranty period on the FEs had also expired. As a result, 1647 (139+1508) fire extinguishers procured for the purpose of maintaining safety norms in schools as per directive of the Hon'ble Supreme Court were kept idle/undistributed and uninstalled and the very objection of procurement of FEs was frustrated. Thus, due to improper planning monitoring towards installation / proper use of FEs and lackadaisical attitude of the DoE, BTC, the expenditure of Rs. 1.69 crore (1647 @ Rs. 10,270) was rendered unproductive

with the risk of being wasteful . On this being pointed out, BTC stated that in order to comply with the directive of the Hon'ble Supreme Court, the procurement was made urgently from local suppliers as per BTC's approved rate instead of purchasing from the manufacturer. The reply was not tenable as the procurement was made (March 2012) three years after the date of issue of the Hon'ble Supreme Court's order (15 April 2009). Further, on this being reported to Government in August 2015, the Commissioner and Secretary to GoA, WPT & BC stated that BTC had not violated any provision of the existing rules and procedures while procuring the FEs. It was however stated that at the instance of audit, 1647 FEs were reactivated and installed with one year warranty against manufacturing and other defects from the date of installation and without involvement of any extra cost but no documentary evidence in support of reactivation and installation of the undistributed and uninstalled FEs was furnished. The fact however remained that an extra expenditure of Rs. 4.78 crore could have been avoided had the authorities confirmed the actual market price prevalent in March 2012 from the Commissioner of Taxes, Assam or from the local Superintendent of Taxes, in terms of Office Memorandum (O.M.) of the Finance Department, GoA.

1.2 The department by their written reply has stated that in compliance of the Hon'ble Supreme Court of India order dated 15.04.2009 regarding the installation of Fire Extinguisher in all existing Govt. / prov. and private institutions for safety and security measures of the school buildings, the Education Department of BTC has decided to provide and install Fire Extinguisher in the Govt. Provincialised Schools only under BTC area and proposal was submitted to the BTC by the Director of Education, BTC for according approval and accordingly the BTC has approved the same directing to invite tender quotation to the Director of Education, BTC. Accordingly, the NIT was invited on 20.02.2012 by the Director of Education, BTC for which 6(six) numbers of quotations were received from the reputed Firms and Comparative Statement (CS) was prepared and submitted to the Education Department, BTC for approval. The Education Department, BTC issued approval of Comparative Statement (CS) of quotations as per existing GAD, BTC's approved rate of Rs. 10,270.00 per unit of Fire Extinguisher including VAT & transportation charge accordingly, Director of Education, BTC had issued supply order to the supplier for supply of Fire Extinguisher @ Rs. 10,270.00 per unit. In respect of rate of the items it may be stated that the lowest rate had been approved by GAD, BTC and finalized the same as per Comparative Statement (CS) of quotations after issuing NIT as there was no specific item wise approved rate in GAD, BTC and the approved rate was valid till the approval of the said item by the BTC authority. Justification on finalization of rate of the Fire Extinguisher by the BTC

1. The Bodoland Territorial Council has decided to procure office materials Fire Extinguisher for providing and installation in the newly created Districts and Sub-Divisional Centers of BTC for safety measures and security of those buildings.

2. In this connection, GAD Department of BTC has invited quotation and accordingly three nos. of quotation was received from reputed Supplier out of which BTC has approved the rates of the office materials along with fire extinguishers on 25-09-2008 quoted by M/S J.T. Enterprise, Kokrajhar which was found lowest rates out of three quotations.

3. The Education Department has decided to provide and installation of fire extinguishers for safety measures for security to the school buildings within BTC area as per Hon'ble Supreme Court's order. Accordingly, the Director of Education, BTC, Kokrajhar invited Tender/ Quotation for fire extinguishers with specification on 20-02-2012. The 6 (six) nos. Bidder quoted rate in the quotation as per GAD, BTC's approved rate. The Comparative Statement (CS) was submitted to the Education Department for BTC approval of rate. The Education Department of BTC approved the Comparative Statement (CS) for supply of Fire Extinguisher to the Govt. Provincialised School under BTC area as per GAD approved rate vide letter No. BTC/EDN-121/2011/93, dtd. 13-3-2012. Accordingly, the Education Department, BTC accepted the approved rate of GAD, BTC dtd. 13-3-2012 quoted by 3 (three) no. of Bidders.

4. The approved rate of Fire Extinguisher of GAD, BTC for the year 2008-09 was existing rate till supply order issued for which Education Department has accepted the lowest rate quoted at par GAD, BTC's approved rate.

Observations/Recommendations

1.3 After threadbare discussion and listening to the submissions from the departmental representatives on the portion – A of the Audit Para 1.4.16, the August Committee has expressed its displeasure and recommended that in procurement process the parent Department should be involved in future. Further, the August Committee felt that an inquiry into the matter may be imposed for further investigation on the Audit Objection, as it is still doubtful. However, it would depend on the Government, whether a further inquiry be imposed or not. The August Committee strongly recommended that in any procurement process, there should be more and more transparency in future. This should be followed seriously. Action taken in this regard may be intimated to the Committee within 30 days from the date of the presentation of the Report before the House. After listening to the submissions and going through on the presentation of 'Documentary Evidence' on the Audit Para 1.4.16 (B), the August Committee has expressed its satisfaction and decided to drop the portion –B of the Audit Para 1.4.16.

**Excess expenditure
(Audit para 1.5.14/C&AG(SGE(Non-PSUs)S/2015-2016/P-72-73)**

1.4 The audit has observed that after scrutiny (August-October 2015) of records of the Principal Secretary, BTC, revealed that Joint Secretary, Social Welfare Department, BTC incurred (February 2014) Rs. 3.45 crore for the procurement (October 2013) of 4,31,71,300 pieces of Britannia Marie Gold biscuits @ Rs. 0.80 per piece from 37 Non-Governmental Organisations (NGO's) / Self-Help Groups (SHGs) by issue of 85 supply orders to NGOs/SHGs. Independent market survey (September 2015) by Audit revealed that the prevailing MRP of a 300 gram packet of Britannia Marie Gold biscuit was Rs. 27 and it contained a maximum of 57 pieces. Further, invoices collected from a local Britannia distributor issued during the same period August 2013 revealed that the MRP of a 300 gram packet of the biscuit of the same brand ranged between Rs. 25 (August 2013) and Rs. 26 (December 2013). The price of each biscuit thus, worked out to Rs. 0.46 on an average. Thus, there was an excess expenditure incurred by the Department in procuring biscuits from the NGOs / SHGs @ Rs. 0.80 per piece of biscuit if compared to the prevailing market rate. On this being pointed out, the Government stated (July 2016) that during implementation of the scheme, the concept of single use portable packets meant for distribution was considered so as to avoid contamination. The biscuits were supplied in cartons containing 24 packets (200 gram) per carton and each packet containing 26 biscuits at MRP Rs. 20. The issue rate per piece of biscuit was thus Rs. 0.80, including the transportation cost. The reply is not acceptable as no documents in support of the supply of biscuits in 200 gram packets, by the supplier containing 26 or less pieces of biscuit per packet or its distribution to the beneficiaries in packets was furnished. Further, all the delivery challans and bills of the suppliers mentioned pieces of biscuits supplied @ Rs. 0.80 per biscuit and not the packets. Moreover, as per approval of the Purchase Committee the biscuits were to be procured at MRP inclusive of transportation tax. Thus, due to not adhering to the instructions of the Purchase Committee to procure biscuits at MRP BTC had to incur an excess expenditure of Rs. 1.47 crore).

1.5 The department by their written reply has stated that the prevailing market rate of Britannia Marie Gold during 2012-2013 was 200gm X 24 pkt X MRP Rs. 20/- = Rs. 480/- per cartoon each packet contains 26 pieces biscuits (Copy of the prevailing market rate of 2012-13 issued by the Authorized dealer of Britannia Industries Ltd). According to this rate the price of each piece of biscuits comes to 0.77 paisa. This is approximately 0.80 paisa per piece including transportation cost to the respective CDPO's godowns. As per company's price list, price of Britannia Marie Gold weighing 4800 gms in 24 packets is Rs. 480/- and that of 4800 gms in 16 pkts. In Rs. 416/-. If 200 gms pkt. Contains 26 pieces then 300 gms. Pkt may generally contain about 39 pieces only and it does not seem to contain 57 pieces as shown in the observation except in case of any special offer by the company made in any special occasion. Supply order was issued vide BTC/No.(SNP, M.S.) 10-2013/19, dtd. 21-10-2013 and it was mentioned in the supply order that food stuffs supplied must be as per specification. The purchase Committee dated 10-09-2013 approved rate of Britannia Marie Gold as per MRP without any specification. The supplier supplied Britannia Marry Gold as per specification of earlier purchase Committee and the payment was made accordingly. While implementation the Morning snacks scheme, the concept for one time use of small portable pkts for open & finished distribution so as to avoid contamination is taken into consideration for hygienic purpose. Therefore, there is no excessive higher rate resulting in extra expenditure of Rs. 1.47 crore, the para as the payment was made as per prevailing MRP rate.

Observations/Recommendations

1.6 After listening to the submissions and gone through on the presentation of 'Documentary Evidence' on the Audit Para 1.5.14, the August Committee has expressed its satisfaction and decided to drop the Audit Para .

Excess expenditure
(Audit para 1.5.15/C&AG(SGE(Non-PSUs)S/2015-2016/P-73-74)

1.7 The audit has observed that after scrutiny (August-October 2015) of records of the Principal Secretary, Bodoland Territorial Council (BTC), Kokrajhar revealed that, against a proposal (23 April 2013) of the Additional Principal Chief Conservator of Forest (APCCF) of BTC, the Chief of BTC sanctioned (24 April 2013) Rs. 9.47 crore for improving the economic condition of beneficiary poor villagers residing in 167 sanctioned villages within the forest areas of BTC by providing GCI sheets. In response to the notice inviting tender (NIT) issued (8 March 2013) by the APCCF, calling for supply, transportation and delivery of GCI sheets of TATA make (9ft. X 3 ft. X 0.80 mm thickness) to the identified beneficiaries, a Purchase Committee headed by the Secretary, Forest accepted (17 April 2013) the lowest quoted rate of Rs. 12,456 per bundle for supply of TATA Shaktee brand GCI sheets. The APCCF issued supply order (May 2013) to the firm for the supply of 7,600 bundles of TATA Shaktee GCI sheets at the accepted rate (including VAT of 5 percent). The goods were delivered in May 2013 and the firm was paid (July 2013) an amount of Rs. 9.02 crore after deduction of Rs. 45.08 lakh, being the amount of VAT (5 percent). Audit observed that the manufacturer's price (effective from 6 April to 5 July 2013 within the State, including in Kokrajhar) of TATA Shaktee brand GCI sheets (9ft. X 3 Ft. X 0.80 mm thickness), during the same period of placing of the order, was Rs. 9,304 (inclusive of 5 percent VAT) per bundle. On this being pointed out, the Secretary, BTC, in his reply, stated (dated NIL) that 7,600 bundles of GCI sheets of the required specifications were procured from the lowest tenderer at their quoted rate and the same was approved by the purchase Committee. While accepting that the procurement resulted in excess expenditure, it was stated that the Department was not aware of the manufacturer's price at the time of procurement. Thus, the BTC incurred an excess expenditure of Rs. 2.40 crore towards the procurement of 7,600 bundles of GCI sheets from the firm at higher rates than the prevailing market rates.

1.8 The department by their written reply has stated that the Chief of the Bodoland Territorial Council (BTC), Kokrajhar, after receipt of proposal from Additional Principal Chief Conservator of Forests (APCCF), BTC, sanctioned Rs. 9.47 crore on 24th April 2013, for improving the economic condition of 4521 beneficiary poor villagers residing in the 167 sanctioned villages within forest areas of the districts (Kokrajhar & Chirang) of BTC by providing GCI sheets to beneficiaries as below :

1. 14 pieces each to 2027 beneficiaries. 2. 13 pieces each to 2494 beneficiaries

It is a fact that beneficiaries are of forest villages of BTC located in remote areas, and roads leading to the villages from the respective district headquarters were still under-developed making transportation to the beneficiary villagers costly and difficult. The purchase Committee of the forest department headed by the Secretary after observing the formalities accepted (February 17, 2013) the lowest rate of Rs. 12,456/- per bundle of TATA shaktee brand GCI sheets offered by M/S M. Brahma Enterprise, Kokrajhar and after the same was accepted also by Bodoland Territorial Council (April 29, 2013), the APCCF issued order (May 2, 2013) for supplying 7600 bundles of TATA shaktee brand GCI sheets to the aforementioned firm at the accepted rate (inclusive of VAT, transportation and delivery cost to the targeted beneficiaries). The goods were delivered to the beneficiaries and the firm was paid an amount of Rs. 9.02 crore after deduction of VAT amounting Rs. 45.08 lakh. It is evident that audit's projection of excess expenditure of Rs. 2.40 crore was arrived at by consideration of the price at Rs. 9304/- (inclusive of 5% VAT) per bundle obtained from M/S Bajrang Steel (sales) Corporation, Guwahati. As pointed out by audit, the department was not aware of this price of manufacturer at the time of procurement. It may however be stated that end cost of the procurement would have been higher than the above mentioned price of the manufacturer because of additional cost of transportation and delivery of the GCI sheets to the 4521 identified beneficiaries residing in remote forest villages and that the procurement and delivery to beneficiary was done awarding contracts. In the observation, audit has shown excess expenditure of GCI sheets overlooking the transportation and delivery charges. As stated, in BTC areas transport, communication and infrastructure were not developed up to the expectation in the year 2013-14, though it has developed relatively well now. The offered price of Rs. 12465 per bundle was accepted by the Council so that the GCI sheets could be transported easily to the remote areas of 2 districts of BTC viz Kokrajhar and Chirang and that the purpose for which it was procured could be served for the welfare of the poor villagers of BTC areas. However I would like to mention here that in future the department will ensure that price of manufacturer is collected before appropriate offered price is accepted based on the price of manufacturer.

Observations/Recommendations

1.9 After threadbare discussion and listening to the submissions from the Department on the Audit Para 1.5.15, the August Committee has expressed its displeasure and recommended that the Department should be aware about the manufacturer price at the time of any procurement, without knowing the manufacturer price, the Department can not go for any procurement process in future. Further, the August Committee recommended that the BTC authority should make in habit to involve the parent Department and the department should be more and more concern about the Transparency on any procurement process in future. Action taken in this regard may be intimated to the Committee within 30 days from the date of the presentation of this Report before the House.

**Excess expenditure
(Audit para 1.5.16/C&AG(SGE(Non-PSUs)S/2015-2016/P-74-75)**

1.10 The audit has observed that after scrutiny (July- August 2015) of records of the Director, Welfare of Schedule Castes (DWSC), Assam revealed that the rate of 2/80 count dyed cotton yarn (weighing 4.54 kilogram per bundle) for 2012-13 was fixed (13 and 20 January 2012) at Rs. 1,500 per bundle as offered by the Managing Director, Assam Government Marketing Corporation (AGMC) Ltd, by the Departmental Purchase Committee (DPC). The rates were inclusive of administrative charges of AGMC, loading, unloading and transportation upto the destination and other contingencies. The DWSC issued (August 2013) supply order to five suppliers for the supply of 6,599 units of 2/80 cotton yarn within 90 days from the date of issue of the supply orders, against which 6,416 units of yarn were supplied (between September 2013 and February 2014). An amount of Rs. 4.81 crore was paid (February 2014 and October 2014) to the suppliers at the rate of Rs. 1,500 per bundle. Further scrutiny of records revealed that the quoted offer of M/s S.B. Enterprise of Rs. 1,250 per bundle (inclusive of FOR destination, loading and unloading and taxes) was not accepted by the DPC while fixing the rate of procurement of 2/80 dyed cotton yarn. No reasons for not accepting the rate by the DPC were however, found recorded. It was also revealed that the rate of M/s S.B. Enterprise was commensurate with the prevailing market rate, as intimated by the Commissioner of Taxes (Rs. 1,000 per bundle). On the matter being pointed out (July and August 2016), the Government stated (September 2016) in reply

that the rate (Rs. 1,500 per bundle) was approved by the DPC based on the market study. The rate was also confirmed by the representative of the Handloom and Textile Department. Hence, the DSWC, Assam followed the decision of the DCP while placing the supply orders @ Rs. 1,500 per bundle, subject to the condition of maintaining of the quality which was to be confirmed by the Inspector of Handloom and Textile Department, before receipt of the cotton yarn by the SDWOs concerned. The reply was not tenable, as the lowest rate offered by M/s S B Enterprise was not accepted by the DPC without recording any reason thereof, although it was found valid as per the approved Comparative Statement by the Director, WPT & BC Department. Further, the prevailing market rate during the period, as certified by the Commissioner of Taxes, Assam, was Rs. 1,000 per bundle of 2/80 dyed count cotton yarn. Thus, for not accepting the lower rate of Rs. 1,250 per bundle of 2/80 dyed cotton yarn by the DPC, the DWSC had to incur an excess expenditure of Rs. 80.20 lakh on procurement of 6,416 units of 2/80 dyed cotton yarn.

1.11 The department by their written reply has stated that 1. The Department Purchase Committee of Welfare of Plain Tribes and Backward Classes Department was constituted vide No. TAD/BC/194/2010/Pt-II/ Dtd. 19-07-2010 to fix the rates of Cotton Yarn/GCI sheet/Dip-Bahan Tri Cycle/Photo Copier machine etc. 2. The Committee in its meeting held on 13th and 20th January, 2012, examined and verified 116 nos. of quotations for supplying of cotton yarn to the selected beneficiaries under the "Self Help scheme for SC Women " during the year 2012-213. 3. The Department Purchase Committee approved the following rates of cotton yarn based quality, quantity and specification of the cotton yarn- a) Rs. 1010/- for 2/40 died (Green Yellow) weighing 4.54 kg per bundle including transportation and loading & unloading as proposed by MD, ARTFED. b) Rs. 1300/- for 2/60 died (Green Yellow) weighing 4.54 kg per bundle as proposed by Assam Govt. Marketing Corporation Limited, Guwahati. C) Rs. 1500/- for 2/80 died (Green Yellow) weighing 4.54 kg per bundle including loading unloading and transportation upto the destination as proposed by Assam Govt. Marketing Corporation Limited, Guwahati. 4. During that time, Comparative Statement revealed that some eligible bidders offered lower rate than the approved rate by DPC. To overcome this situation, the Member representing the Handloom & Textile Department i.e. Joint Director was advised by DPC to place his observation as specialist. His observation stated below – " These rates are approved by DPC based on the market study

which were prevailing in the present market of Guwahati. He also confirmed the aforesaid prevailing market price of the 2/40 count, 2/60 count & 2/80 count cotton yarn dyed weighting 4.54 kg per bundle. All quoted rates are exclusive of VAT because the item is exempted from VAT ". 5. Based on the recommendation of DPC at first phase the DWSC issued 7 nos. of work orders to the eligible suppliers (including M/S SB Enterprise) and they are asked to execute supply order by collecting the approved sample of specified cotton yarn and to obtain certificate from officials concerned of Handloom & Textile Department before delivery and receipt of dyed cotton yarn by SDWOs. On the later phase, the DWSC issued work order to MD, Assam Govt. Marketing Corporation Limited, Guwahati for supply 2/80 dyed cotton yarn weighing 4.54 kg per bundle. 6. Though the recording of reason for non accepting the rate offered by M/S SB Enterprise was not done in respect of cotton yarn at that time, it seems to be clear that a duly constituted DPC had recommended the rate of dyed cotton yarn by incorporating the expert views of H & T Department and DWSC has executed accordingly as per recommendations. It is pertinent to mention here that DWSC has issued notice to the concerned govt. officials who are the members of the aforesaid DCP for detection of reason regarding non recording of comment in the minutes /CS etc vide letter No. DSC/PAC/99/2017/125, Dtd. 2-06-2019.

Observations/Recommendations

1.12 After threadbare discussion, the August Committee has expressed its satisfaction and decided to drop this para. However, the August Committee has expressed satisfaction for placing the supply order to a Government Agency, such as 'AGMC'. Moreover, the August Committee suggested to the Department concerned to follow this practice to give audacity for survival of such Government undertakings. Further, the August Committee suggested to the Department concerned to incorporate a phrase as preference will be given to the Government Agencies in the column of T & C of the Tender Invitation in future. So that no one can go to know the door of the Court as Tender Invitation is a bidding process.

**Extra avoidable expenditure
(Audit para 1.5.17/C&AG(SGE(Non-PSUs)S/2015-2016/P-75-76)**

1.13 The audit has observed that after scrutiny (August-October 2015) of records of the Principal Secretary, BTC, Kokrajhar revealed that, based on the approval (18 June 2013) of a firm by the Purchase Committee on the basis of the lowest quoted rate of Rs. 2175 per machine, the Director (P & RD), BTC issued (July 2013) supply order to it for supply of 36,782 NSL machines at its quoted rate within 60 days from the date of issue of the supply order. Further, it was also observed that the Purchase Committee approved (9 October 2013) procurement of Masand Leaf Napsak spray machine (@ Rs. 2170 per machine) and Hymatic Napsak Spray Lance machine (@ Rs. 2175 per machine) on the basis of a petition of the firm(18 September 2013), considering the availability of material. The supplies were completed (between September and October 2013) by the firm and it was paid (October 2013) Rs. 7.84 crore. Scrutiny also revealed that the Welfare of Plain Tribes and Backward Classes (WPT & BC) Department, BTC had approved (July 2013) the rate of Rs. 1850 per spray machine, of 16 litre capacity for procurement from a different supplier during the same period. On this being pointed out, the Director, P & RD Department, BTC stated that while the spray machines procured by the Department were of a better quality, no information regarding ability of suppliers to supply spray machines of similar specifications @ Rs. 1850 was available with the Department, leading to inability to compare rates before the procurement. The reply was not tenable, as the District Agricultural Officer, BTC, Kokrajhar and the Executive Engineer, Agriculture, Kokrajhar Division, had both certified that the Masand Leaf and Hymatic Napsak spray machines (16 litres) were the same NSL machine and thus, were of similar quality. Thus, it was observed that the Department of P & RD, BTC incurred extra avoidable expenditure of Rs. 1.17 crore as compared to the procurement of spray machines of similar specifications by WPT & BC Department, BTC during the same period. This could have been avoided had there been information sharing between the departments of the BTC regarding the procurements made.

1.14 The department by their written reply has stated that (a) all formalities were observed before making the purchase. (b) The 36,782 Napsak Spray Machine of 16 litres capacity were purchased after approval by Purchase Committee at the approved rate of Assam Government Marketing Corporation Ltd. As they meet the required specifications and quality. (c) Further, in the Draft Paragraph, compared the rates of the purchase of Spray Machines made by the department with that of the WPT & BC Deptt, BTC which were reportedly of same specification, but there is no mention of the quality, make and brand name against purchase made by the latter, which is crucial in determining the rate. In this regard, it is to state that, in absence of vital information viz. quality, make and brand name i.r.o. purchase made by WPT & BC Deptt. Comparison with their rates though lower may not be proper.

Observations/Recommendations

1.15 After threadbare discussion and listening to the submissions from the Department, the August Committee unanimously decided to drop the para. Further, the August Committee suggested to the Department concerned to follow the Rules & Procedure of the Central Purchase Committee in future. Moreover, the August Committee recommended that the BTC authority should make in touch with the respective parent department to the Government of Assam, whenever a crucial situation is to be deciphered. This should be kept in mind in future.

**Payment of fraudulent claims
(Audit para 1.5.18/C&AG(SGE(Non-PSUs)S/2015-2016/P-77-78)**

1.16 The audit has observed that after scrutiny (August-October 2015) of records of the Principal Secretary, BTC, Kokrajhar revealed that four JEs issued work orders for the tractorisation work (between December 2012 and February 2013). However, no measurement books or log books of the vehicles were maintained in support of the actual execution of work. Further, the period of execution of the work by the tractor owners was not mentioned in the bills and there was no authentication available on the passed bills certifying the actual execution of the allotted work. In the absence of the above documents, the actual execution of the work of tractorisation could not be vouchsafed in audit. On cross-check of the details of the tractors shown in the bills submitted by the tractor owners with those maintained by the Officers of the District Transport Officer (DTO), Kokrajhar and Chirang, it was revealed that, in six instances the registration numbers of tractors shown in the bills were registration numbers of vehicles other than tractors. In another eight instances, tractors with registration numbers shown to be issued by the DTOs of Kokrajhar and Chirang districts, were confirmed by the respective DTOs not to have been issued by them and therefore, were fake. In 12 other instances, though the work orders were issued, the registration numbers of the tractors shown as used for tractorisation were issued after the date of issue of work orders. In two separate instances, the registration number bore DTO/RTO code AS-40, which had not been allotted to the State. Additionally, in 12 instances, the names of owners of the tractors were found to be different from those registered with the DTOs. The above discrepancies, in conjunction with the facts that no measurement books or log books of the vehicles were maintained in support of the work and also that no authentication by the supervising JEs certifying the actual execution of the allotted work, was available on the passed bills indicate that, while fraudulent claims were preferred by the tractor owners, the Department on its part, failed to verify the genuineness of the claims before making payments against the claims made. In this regard, the Commissioner and Secretary to the Government of Assam, WPT & BC Department, stated (July 2016) that the registration numbers and names of owners were wrongly entered in haste. The fact, however, remained that the payments had been made to the persons/vehicle owners whose names appeared in the work orders. Thus payments amounting to Rs. 94.28 lakh, released against the bills preferred in these case, were susceptible to fraud/embezzlement and thus needed to be investigated.

1.17 The department by their written reply has stated that the Joint Secretary, BTC Kokrajhar, accorded administrative approval in December 2012 for an amount of Rs. 2.76 crore for tilling of farm land (one bigha each) belonging to 27,36,884 victimized families free of cost during the year 2012-13 for compensating the loss of income from agricultural produce of riot affected farmers of Kokrajhar and Chirang districts. The beneficiary list was approved by the CHD Agriculture. The approved amount of 2.76 crore was released in October 2013 to the Executive Engineer (Agriculture), BTC and was paid to the persons/vehicle owners for the tractorisation works during July-November 2014. (1) works were executed during an emergent time, law and order problems on a war footing note. As such, though all works were executed records viz. M.B. log books could not be maintained. (2) All works were executed during Dec/2012-July/2013. Non recording of the period of execution of the work by the tractor owners in the bills is regretted. However, the APRs confirm that the works were executed. (3) The APRs duly signed by the beneficiaries and countersigned by the Sub-Divisional Agri, Officer, EE (Agri), ADO, VLEW and VCDC concerned in respect of all beneficiaries confirm the execution of the work. To ascertain the facts was initiated enquiry headed by two Assistant Director of Agriculture (Sri Manik Chandra Sarma Bordoloi) for Kokrajhar part and Sri Dulu Boruah for Chirang part) of the department was initiated. The two enquiry reports (Kokrajhar and Chirang) which was based on field verification, confirmed that though there were unintentional clerical mistakes in recording the actual registration number of the tractors used for tractorization which is regretted, all tractorization , works were executed/completed by the concerned persons/tractors owners covering all the beneficiaries. The non authentication by the supervising JEs certifying the actual execution of the allotted work on the passed bill is regularized by certificates issued by them stating that all works were executed as per work orders. Furthermore, as the APRs prove the Execution of the work coupled with the confirmation in the enquiry reports, there is no question of fraudulent claims. Hence, as the work were executed as per work order and paid accordingly, unintentional clerical mistakes (which will be avoided in future) in recording the actual registration number of vehicles. The department assures to be more careful in future.

Observations/Recommendations

1.18 After threadbare discussion, the August Committee decided to enquire into the matter by making a Spot Study Tour to the districts within a short time. Further, the August Committee expressed its displeasure on the inattentive and hasty activities of the concerned departments of BTC authority on the payment of bill etc. Moreover, the August Committee suggested to prepare a concrete report and asked for submitting the same before the Committee prior to its Spot Study Tour to the districts. Action taken in this regard may be intimated to the Committee within 30 days from the date of presentation of this Report before the House.

Unfruitful expenditure

(Audit para 1.5.19/C&AG(SGE(Non-PSUs)S/2015-2016/P-78-79)

1.19 The audit has observed that after scrutiny (July- August 2015) of records of the Director, Welfare of Scheduled Castes (DWSC), Assam revealed that in response to the notice inviting tender (4 October 2012), the DPC approved (9 November 2012) the rate of Rs. 2.10 lakh (inclusive of 13.5 percent VAT) offered by the lowest tenderer, among four tenderer. Of this amount, Rs. 1.57 lakh was to be paid by GoA per pick-up van, while the balance Rs. 0.53 lakh was to be borne by the beneficiary concerned. Supply order was issued (17 April 2013) to the firm with the stipulation to supply the vehicles to selected beneficiaries at FOR destination. However, neither any agreement was executed with the firm, nor any delivery schedule specified in the supply order. The firm, in its quotation, had , however, stipulated, inter-alia, that while 100 percent payment should be made before the delivery, the prevailing price of the quoted vehicle at the time of delivery would be applicable in the event of price increases by TATA Motors Limited. The firm increased (23 April 2013) the unit rate of the vans by Rs. 16,118, which was acceded and the increased amount of Rs. 16,118 was to be borne by the beneficiaries. Accordingly, DWSC released (29 April 2013) payment of Rs. 1.29 crore, as advance to the firm for 95 vans, being 75 percent government subsidy, after deduction and deposit of Rs. 20.20 lakh towards VAT. It was also observed by Audit that, with the increase of the overall price of the vehicle, the VAT amount payable to the government exchequer had increased to Rs. 29 lakh and the beneficiary component of the price increased to Rs. 0.69 lakh per unit. On further scrutiny, it was observed that during the period from July 2013 to April 2014, 69 pick-up vans were delivered to the beneficiaries, leaving a balance of 26 vans to be delivered. An amount of Rs. 14.41 lakh, being the beneficiary component of 21 out of these 26 remaining beneficiaries, had already been paid to the firm through Bank Drafts. On the request of the firm (October 2014), which quoted certain business related constraints, an extended time of delivery till 10 January 2015 was granted by the DWSC.

However, no further vehicles have been supplied (May 2016) by the firm. Thus, payment of Rs. 55.36 lakh made to the firm, against the 26 undelivered vans defeated the objective of extending the benefits of the scheme to the selected SC beneficiaries. This included Rs. 14.41 lakh, being the contribution of the beneficiaries from their own resources, which had been blocked with the firm for more than two years and eight months. Further, against the deduction of VAT amounting to Rs. 29 lakh, only Rs. 20.20 lakh was deducted and deposited into the government exchequer till date (August 2016), resulting in short realisation of government revenue of Rs. 8.80 lakh. As such, failure of the DWSC in ensuring timely delivery of the vans before making advance payment, by executing agreement with the supplier and incorporating penal provisions therein, to safeguard the interests of the Government, led to unauthorized retention of funds by the firm. In reply, the DWSC stated (May 2016) that the process of initiation of legal action against the firm was going on. However, no legal notice was issued till November 2016.

1.20 The department by their written reply has stated that as per decision of the meeting dtd. 7th September 2012 of Advisory Council for Welfare of SC Assam that the amount of Rs. 300.00 lakhs earmarked under the scheme Self Help for SC unemployed youth, during the year 2012-2013 the Director Welfare of SC Assam utilized the fund by providing of PIAGGIO APE/TATA Magic vehicles to unemployed SC youth @ 75% subsidy and made the Advertisement vide this letter No. DSC/Tender/1199/2012/5, dtd. 04-10-2012. Accordingly, a comparative statement has been made by the office for showing the rate of the Firm who have submitted the quotations and requested to Govt. for holding of Departmental Purchase Committee meeting . In the meeting of the Departmental Purchase Committee of WPT & BC Deptt. held on 11-10-2012, decided for procurement of TATA Magic (Four Wheeler) and after a threadbare discussion on the quotations and accepted rate of Rs. 2,10,000.00 inclusive of admissible VAT Offered by M/s Himatsingka Auto Enterprise, Chatribari, Guwahati-1 Tata Magic Irish under the Self Help scheme for SC unemployed youth . As per quoted rate, the Director, Welfare of SC Assam submitted proposal to the Govt. for obtaining sanction of budgeted fund and received sanction from the Govt. After received of the Govt. sanctioned, this office asked to the Firm for supply of 95 nos. of Tata Magic Irish vehicle as per Govt. quoted rate and released total amount as per the terms and condition of the accepted quotation of the M/s Himatsingka Auto Enterprise in the DPC meeting. For implementation of the scheme this office requested to the Sub-Divisional Welfare offices to select the beneficiary list showing a time limit of 30th June/2013. In due course the Firm has provided only 69 nos. of vehicles out of total 95 nos. vehicle.

This office issued instruction to M/s Himatsingka Auto Enterprise, Chatribari, Guwahati-1 for providing of the rest of vehicle timely vide this office letter No. are as follows:

1. DSC/Self-Help/1209/2012-13/34, dtd. 05-06-2014.
2. DSC/Self-Help/1209/2012-13/26, dtd. 01-08-2014.
3. DSC/Self-Help/1209/2012-13/49, dtd. 01-01-2015.
4. Legal notice dtd. 19-11-2015.
5. DSC/Self-Help/1209/2012-13/34, dtd. 29-07-2016.

In this regard the Firm has submitted their willingness for continuing the process of providing of the rest of vehicles and requested to give some time. The Firm has failed to execute the Govt. scheme, moreover they have not shown any response to continue the scheme for benefit of the SC unemployed youth. Therefore, this Directorate has sought approval from Govt. to lodge a case to refund the entire cost of the 26 nos. of vehicle and the beneficiary contribution with interest against the firm. Accordingly, this office moved the Govt. for obtaining of approval for lodging a case against M/s Himantsingka Auto Enterprise, Chatribari, Guwahati – 1.

Observations/Recommendations

1.21 After threadbare discussion, the August Committee directed to the Government to take a legal action without wasting any time. The Department should file a FIR and the Department may also take advise from the Home Department, Govt. of Assam for advance and quick action on this case. Further, the August Committee has expressed its anxiety as the money of the poor SC unemployed youth beneficiaries, so deposited trusting the Government, are in stuck / jammed since a period of seven years. Moreover, the August Committee recommended that to pay compensation to those poor beneficiaries be taken into consideration seriously. Action taken in this regard may be intimated to the Committee within 30 days from the date of presentation of this Report before the House.