

## TABLE OF CONTENTS

Particulars	<i>Paragraphs</i>	<i>Pages</i>
Preface		v
Overview		vii
<b>CHAPTER-I: INTRODUCTION</b>		
About this Report	1.1	1
Profile of the Office of the Principal Accountant General, Arunachal Pradesh	1.2	1
Planning and conduct of Audit	1.3	2
Significant Audit Observations	1.4	3
<b>CHAPTER-II: SOCIAL SECTOR</b>		
Introduction	2.1	5
<i>Compliance Audit Paragraphs</i>		
<b>Urban Development and Housing Department</b>		
Excess payment and diversion of funds	2.2	7
<b>Public Health Engineering and Water Supply Department</b>		
Wasteful expenditure of ₹150.00 lakh	2.3	9
<b>CHAPTER-III: ECONOMIC SECTOR</b>		
Introduction	3.1	13
<i>Performance Audit</i>		
<b>Power Department</b>		
Implementation of “Deen Dayal Upadhyay Gram Jyoti Yojna (DDUGJY) and Saughagya” scheme in Arunachal Pradesh	3.2	15
<b>Agriculture Department</b>		
Implementation of “Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Yojna” in Arunachal Pradesh	3.3	56
<i>Compliance Audit Paragraphs</i>		
<b>Public Works Department</b>		
Wasteful expenditure	3.4	73
<b>Rural Works Department</b>		
Unfruitful expenditure	3.5	77
<b>Fisheries Department</b>		
Wasteful expenditure	3.6	79
<b>Power Department</b>		
Mis-utilisation of fund	3.7	83
<b>Tourism Department</b>		
Fraudulent payment, delay in execution of work and idle expenditure	3.8	86

Particulars	Paragraphs	Pages
<b>Industry Department</b>		
Unfruitful expenditure	3.9	89
<b>State Council of Science and Technology</b>		
Undue benefit to contractor	3.10	91
<b>CHAPTER-IV: GENERAL SECTOR</b>		
Introduction	4.1	93
<b>Compliance Audit Paragraphs</b>		
<b>Planning Department</b>		
Fake expenditure	4.2	95
Doubtful expenditure	4.3	96
Falsification of records and suspected misappropriation of Public money	4.4	99
Excess payment of ₹39.59 lakh to contractor	4.5	101
<b>CHAPTER-V: REVENUE SECTOR</b>		
Introduction	5.1	103
Audit Planning and Result of Audit	5.2	111
Coverage of this Chapter	5.3	111
<b>Subject Specific Compliance Audit (SSCA)</b>		
Transitional Credits under Goods and Service Tax (GST) in Department of Taxes, Government of Arunachal Pradesh	5.4	112
Goods and Service Tax (GST) Refunds in Department of Taxes, Government of Arunachal Pradesh	5.5	125
<b>Compliance Audit Paragraphs</b>		
<b>Tax &amp; Excise Department</b>		
Short-realisation of excise duty	5.6	140
Evasion of Tax	5.7	142
Evasion of Tax	5.8	143
<b>Land Management Department</b>		
Non-realisation of land revenue	5.9	145
<b>CHAPTER-VI: ECONOMIC (STATE PUBLIC SECTOR UNDERTAKING) SECTOR</b>		
Functioning of State Public Sector Undertakings	6.1	149
<b>Compliance Audit Paragraph</b>		
Non-Compliance with CSR related statutory provisions	6.2	159
<b>CHAPTER-VII: FOLLOW-UP OF AUDIT OBSERVATIONS</b>		
Follow-up Action on Audit Reports	7.1	161
Audit Committee Meeting	7.2	162
Response to Audit Observations	7.3	162

## APPENDIX

Appendix	Subject	Page (s)
3.1	Details of approval, award and completion of the Project	165
3.2	Registering farmer names without verification	166
3.3	Scheme Benefit to more than one family members	173
3.4	Benefit extended to service personnel and businessman	178
3.5	Denial of benefit to beneficiaries	178
3.6	Scope of work as per original sanction	179
3.7	Statement showing details of Joint Physical Verification (JPV)	180
4.1	Excess expenditure on procurement of envelop SE-7 (laminated)	181
5.1	Details of the jurisdiction of the 67 sample cases	185
5.2	Details of ineligible dealers taking transitional credit under Section 140 of the APGST Act, 2017	186
5.3	Details of irregular claimed by the taxpayers	187
5.4	Details of irregular claimed by the taxpayers	189
5.5	Details of cases pertained to pre-automation of refund process period <i>i.e.</i> before 26 September 2019	190
5.6	Details of cases pertained to post-automation of refund process <i>i.e.</i> after 26 September 2019	192
5.7	Details of delayed sanction of refund	193
5.8	Details of interest paid by State Government due to the delay in processing and sanctioning of the three refund	194
5.9	Details of non-processing of refund applications	195
5.10	Statement showing Excise Duty applicable on import of 11,450 cases of IMFL	196
5.11	Statement showing Excise Duty deposited	196
5.12	Turnover for period April 2020 to June 2020 as per Sale Register	197
5.13	Statement showing the details of turnover declared by the dealer for 2019-20	202
5.14	Statement showing the details of excise sales invoice of dealer	202
5.15	Details of Tax, Penalty and interest payable by M/s Yumlam Brothers Bonded Warehouse (VAT TIN: 12171540192)	203
5.16	Statement showing the details of land allotted and unrealised ALR from Central Government Departments/ Public Sector Undertakings	204

<b>Appendix</b>	<b>Subject</b>	<b>Page (s)</b>
6.1	Summarised financial position and working results of SPSEs (all Government companies) as per their latest accounts as on 30 September 2022	205
6.2	Statement showing rate of Real Return on Government Investment	207
7.1	Statement showing details of Explanatory Notes on Paragraphs of Audit Report pending as on December 2022	208
7.2	Details of outcomes of Public Accounts Committee meeting (PAC) held during 2020-21 & 2021-22	211
7.3	Statement showing details of outstanding paras to be discussed in PAC/ CoPU as of December 2022	212
7.4	Status of outstanding Action Taken Notes (ATNs) on the recommendations of the Public Accounts Committee (PAC) as on date	213

# PREFACE

- 1. This Report of the Comptroller and Auditor General of India has been prepared for submission to the Governor of Arunachal Pradesh under Article 151 of the Constitution of India for being laid on the floor of the State legislature.*
- 2. This Report contains significant results of compliance audit of the Departments of the Government of Arunachal Pradesh under Social, Economic, General and Revenue Sectors including Urban Development and Housing Department, Public Health Engineering and Water Supply Departments, Public Works Department, Rural Works Department, Tourism Department, Power Department, Planning Department, Fisheries Department, Industry Department, State Council of Science and Technology, Animal Husbandry and Veterinary Department, Land Management Department, Tax and Excise Department and State Public Sector Undertakings.*
- 3. The cases mentioned in the Report are those which came to notice in the course of test audit during the year 2020-21 and 2021-22, as well as those which came to notice in earlier years, but could not be reported in the previous Reports. Matters relating to the period subsequent to 2020-21 and 2021-22 have also been included, wherever necessary. The Report has been finalised after considering the response of the Government Departments, wherever received.*
- 4. Audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.*

