



OVERVIEW

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Chapter-I: Introduction

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from the test audit of transactions of various departments of the Government of Arunachal Pradesh pertaining to Social, General, Economic and Revenue Sectors. The primary purpose of this Report is to bring to the notice of the State Legislature the significant results of audit.

During 2020-21, out of the total 1,216 audit units (excluding local bodies) under the audit jurisdiction of this office, 141 audit units were planned to be covered in audit. However, 119 units were actually audited during 2020-21. Similarly, out of total 1,296 auditable units during 2021-22, 129 audit units were planned and out of which 156 audit units were actually audited. This Report inter alia contains 18 compliance audit paragraphs, two subject specific compliance audit (SSCA) reports viz. “Goods and Service Tax (GST) Refunds in Tax Department, Government of Arunachal Pradesh” and “Transitional Credits under GST in Taxes Department, Government of Arunachal Pradesh” and two performance audit reports viz. “Implementation of the ‘Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)’ in Arunachal Pradesh” and “Implementation of ‘Deen Dayal Upadhyay Gram Jyoti Yojna (DDUGJY) and Saughagya’ scheme in Arunachal Pradesh”. A synopsis of the important findings contained in this Report is presented in this Overview.

Chapter-II: Social Sector

Compliance Audit Paragraphs

Urban Development & Housing Department

The Executive Engineer, Urban Development & Housing Department, Anni Division extended undue benefit to a Contractor by payment of ₹34.54 lakh without any actual execution of the work. Protection wall of ₹22.98 lakh meant for Burial cum Cremation Ground was actually constructed at Executive Engineer residence.

Recommendations:

The State Government may-

- (i) initiate disciplinary action after investigating the matter against the defaulting officers including Executive Engineer of Anini Division for making payment without ensuring work done and diverting the project fund.**
- (ii) take action against the contractor for claiming of bills without executing works and also take steps to black listed the contractor for such false claiming.**
- (iii) recover the excess amount from the contractor with penalty.**

(Paragraph 2.2)

Public Health Engineering & Water Supply Department

Inadequate planning led to two water supply projects executed (March 2019 and 2020) in Taliha Sub-Division of Upper Subansiri District, and expected to deliver 20,130 liters of water per day to villagers for 17 years, being non-functional and expenditure thereon of ₹1.50 crore was rendered wasteful.

Recommendations:

The State Government may-

- (i) *initiate disciplinary action after investigating the matter against the concerned Executive Engineer and fix the responsibility for above mentioned lapses and violation of GFR due to which water has dried up within two to three years of implementation.*
- (ii) *take steps to revive the project, if feasible.*

(Paragraph 2.3)

Chapter-III: Economic Sector

Power Department

Performance Audit on Deen Dayal Upadhyaya Gram Joyti Yojana (DDUGJY) and Saubhagya scheme in Arunachal Pradesh

A Performance Audit of the Implementation of Deen Dayal Upadhyaya Gram Joyti Yojana and Saubhagya scheme in Arunachal Pradesh carried out covering the period from 2014-15 to 2020-21, revealed several deficiencies in implementation of programme/schemes which are highlighted below:

As against 2,00,210 rural households (2011 census) in 16 districts of the state, access to electricity has now increased from 1,38,775 (69 per cent) (March 2015) to 1,51,739 (75.79 per cent) (March 2021) after the implementation of DDUGJY scheme. However, the Department failed to ensure providing power to non-BPL rural households which were left out and was to be taken up under Saubhagya scheme which was launched in October 2017. Against 0.81 lakh un-electrified rural households in the State (October 2017), 0.41 lakh rural households were declared electrified as on 31 December 2018 under Saubhagya scheme and 0.40 lakh rural households remained un-electrified.

The DPRs of DDUGJY projects were prepared without conducting actual field survey despite lapses pointed by REC, 478 UEVs for electrification through on-grid mode included PEVs and depopulated/uninhabited villages. Execution of works without proper survey, resulted in unfruitful and wasteful expenditure amounting to ₹4.14 crore. Further, out of 1,058 village sanctioned for off-grid mode, only 543 was electrified mainly due to inclusion of electrified and partially electrified villages and overlapping of 111 villages with on-grid mode resulting in inflated number of UEVs and sanctioned cost to the extent of ₹109.8 crore. The DPRs for Saubhagya projects were submitted without field survey resulting in surplus quantities of

material which remains unutilised at Lower Dibang Valley costing ₹0.35 crore and procurement of additional materials at Papum Pare costing ₹3.01 crore. Against the sanctioned cost of ₹418.93 crore for DDUGJY scheme, an amount of ₹276.65 crore had been released and ₹260.77 crore was spent as on 31 March 2021. There was huge savings for DDG/off-grid projects mainly due to substantial reduction of quantities on account of lesser households.

Further, against the sanctioned amount of ₹615.45 crore under Saubhagya scheme, ₹340.38 crore (both central and state) had been released and the entire amount was spent as on 31 March 2021.

There was delay in availing Corporate Liquid Term Deposit (CLTD) facility for DDUGJY scheme fund for more than 11 months from the date of receipt of funds (1st tranche) which had resulted in loss of interest to the extent of ₹0.57 crore. Similarly, the CLTD facility was not availed from the Bank in respect of Saubhagya funds due to which there was a loss of interest amounting to ₹1.74 crore. Non-adherence of bid instructions and CVC guidelines in the tender process led to litigation which not only delayed in award of work ranging from five to 291 days but also resulted in avoidable expenditure of ₹0.94 crore in Papum Pare project. Though completion of two out of 16 projects was delayed by seven to 744 days due to inordinate delay by the contractor, the department failed to levy liquidated damages amounting to ₹1.80 crore. The DT meters installed under DDUGJY were not being used for energy accounting, auditing and checking of energy losses at DTR level by the Electrical Divisions (DoP) resulting in unproductive and wasteful expenditure of ₹3.57 crore. Further, in Lower Dibang Valley and Papum Pare projects, service connections were not released in 29 villages (1,007 HHs) as such creation of LT infrastructures costing ₹11.41 crore has become redundant, besides, non-achievement of the scheme objective. Defective transformers, energy meters and inverters were not replaced within the warranty period under Saubhagya scheme. In East Siang and Papum Pare, the Division failed to replace the defective transformers and meters (142 cases) resulting in unfruitful expenditure of ₹0.11 crore. APEDA also failed to repair/ replace defective inverters (154 cases) in four districts resulting in unfruitful expenditure of ₹0.59 crore.

There was execution of erection works without call of tenders and issue of work orders at higher rates under Saubhagya scheme in Papum Pare which resulted in avoidable expenditure of ₹1.47 crore. Further, in Kurung Kumey and East Siang, tender rate of DDUGJY was adopted instead of department approved rate resulting in avoidable expenditure of ₹3.33 crore. The rate of transportation of materials adopted by three Divisions *viz.* Kurung Kumey, East Siang and Papum Pare were also higher than approved rate of district administration which resulted in avoidable expenditure of ₹1.71 crore. Similarly, APEDA adopted higher rate for transportation of SPV equipment resulting excess expenditure of ₹0.31 crore. Complete verification of infrastructures and BPL HHs connections released as per quality assurance guidelines was not carried out by APDA/DoP in all the four sampled projects of DDUGJY. Similarly, 100 per cent HHs connections and pre-dispatch inspection of all the materials to be utilised under Saubhagya were not carried out by APDA/DoP. Large numbers of defects were observed by REC Quality Mentoring (RQM), *i.e.* 7,556 defects in

487 villages, out of which 73.80 per cent of defects, however, rectified as on 15 January 2021.

There was monitoring mechanism ineffective due to the fact that only one SLSC meeting was held during the last five years from 2014-15 to 2019-20 and DPRs of both DDUGJY and Saubhagya were submitting to REC without consultation and recommended by SLSC. Further, out of 69 numbers of DEC meetings to be held in four sampled Districts during the period 2015-20, only three meetings were conducted and out of 50 numbers of meetings to be held by DISHA committees, only four meetings were conducted.

Recommendations:

- *The Department should ensure that DPRs are prepared only after detailed field survey so as to include only eligible villages/habitations/households in DPRs in order to avoid wasteful expenditure and procurement of surplus materials.*
- *The process of project approval, award of work and the compliance should be closely monitored to ensure that any hindrances are timely detected and appropriate corrective measures be taken.*
- *All the bid parameters should be reflected in the NIT and appropriate control should be introduced to ensure that bid evaluation process is transparent and fair.*
- *The features of distribution transformer meters which enable energy accounting, auditing and checking of energy losses should be put to use.*
- *Appropriate control should be ensured that the supplier/PIA complies with their liability during the warranty period.*

(Paragraph 3.2)

Agriculture Department

**Performance Audit on ‘Pradhan Mantri – Kisan Samman Nidhi (PM-KISAN) Yojana’
in Arunachal Pradesh**

A Performance Audit of the implementation of Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) in Arunachal Pradesh carried out covering the period from 2019-20 to 2020-21, revealed several deficiencies in implementation of programme/schemes which are highlighted below:

There was no duly approved alternate mechanism for identification of beneficiaries as per the guidelines developed in Arunachal Pradesh hampering proper implementation of the scheme. Thus, in the absence of approved mechanism for eligibility of farmers, the sole criteria for eligibility was self-declaration forms, due to which many ineligible beneficiaries were extended the benefits of the scheme. The State Nodal Department could not provide justification or basis for determining potential beneficiaries in the state. Due to this, more than the total available beneficiaries registered in two of the four sampled districts. Further, coverage of the scheme and beneficiaries yet to be registered could not be determined.

Self-registration process was not properly implemented in the state leading to undue rejections and 90 per cent of registration attempts pending of validation. A total of 373 beneficiaries were registered without verification of appropriate authorities and benefits of ₹28.22 lakh has already been extended to the unverified beneficiaries. A total benefits amounting to ₹46.98 lakh has been extended to 572 ineligible beneficiaries.

There was excess disbursement of ₹95.00 lakh from PFMS linked scheme accounts for which the state nodal department could not justify. The State Project Monitoring Unit did not undertake any activity and there was severe shortage in coverage of “five per cent physical verification” to be undertaken as per scheme guidelines.

Recommendations:

- *Proper alternate mechanism duly approved by Ministry as stipulated in the guidelines for identification of eligible beneficiaries should be developed.*
- *Efforts should be made to strengthen the verification process so as to ensure that eligible beneficiaries are registered promptly and ineligible beneficiaries are rejected.*
- *The Self Registration system should have control embedded to ensure that applications are complete with respect to the supporting documents are approved timely and ineligible applicants are rejected by the system.*
- *Mandatory five per cent physical verifications should be completed timely and actionable findings should be acted upon.*
- *The State level Project Monitoring Unit should take more active role in monitoring of the scheme.*

(Paragraph 3.3)

Compliance Audit Paragraphs

Public Works Department

Expenditure of ₹45.55 crore on two road projects, which intended to connect 13 villages in East Siang and nine villages in West Siang District, was wasted as the intended habitats remained unconnected due to faulty planning, non-conduct of baseline survey and feasibility assessment.

Recommendation:

The State Government may fix responsibility after taking necessary action against the concerned Executive Engineer for improper planning of the project, releasing payment without ensuring work done and misreporting the status of work.

(Paragraph 3.4)

Rural Works Department (RWD)

Expenditure of ₹115.48 lakh on construction of a Shopping Complex with identified objectives to create better marketing facilities under Hawaii Division was unfruitful as the

execution of the project was marred with improper planning leading to inordinate delays. The facility remained un-electrified leading to the Complex being unutilised even after lapse of over eight years.

Recommendation:

The State Government may take appropriate action to lease out the building to market welfare associations/ self-help group and utilise the asset for which it was created.

(Paragraph 3.5)

Fisheries Department

Improper planning and inadequate monitoring/supervision led to some components of the project 'Reclamation of Borbeel with introduction of Pen & Cage culture and backup facilities, Development of Potential area for commercial fish farming/ integrated farming with back up infrastructure at Namsai and Mahadevpur' incomplete despite an expenditure of ₹5.83 crore and the objectives related to the project could not be achieved.

Recommendations:

The State Government may-

- (i) take appropriate action against the concerned officers after fixing the responsibility for execution of work without collaborating with co-operative societies/PPP and payment of work without ensuring actual execution of work done.***
- (ii) take steps to operationalise the scheme by allocating maintenance fund in order to achieve intended objective of the programme.***

(Paragraph 3.6)

Power Department

Excess fund (₹79.42 lakh) obtained from POWERGRID by inflating estimate were irregularly utilised outside the scope of the agreement.

Recommendation:

The State Government may take appropriate action against the concerned Executive Engineer of Power Department after fixing the responsibility for diverting the project fund.

(Paragraph 3.7)

Tourism Department

Implementation of project without need assessment coupled with delays in release of funds resulted in its completion with a delay of over five years of the stipulated time of its completion and after an expenditure of ₹3.81 crore. Besides, fraudulent payment of ₹58.11 lakh was made to contractor based on falsified MBs without ascertaining actual execution of work. Also, the project remained idle from the date of its completion.

Recommendations:

The State Government may-

- *expedite to lease out the project to generate revenue.*
- *fix the responsibility of the concerned Executive Engineer for irregular payment to contractor on basis of falsified MBs without ascertaining actual execution of work.*
- *take appropriate steps to initiate criminal proceedings against the erring official/officer for falsification of records.*

(Paragraph 3.8)

Industry Department

The Director of Industry procured industrial equipment in March 2017 for the Industrial Safety and Hygiene Laboratory without ascertaining its requirement and availability of trained staff for its operation. As a result, the equipment has not been installed for five years leading to wasted expenditure of ₹1.20 crore on its procurement.

Recommendations:

The Department may explore possibilities to utilise idle items as early as possible. Action may also be taken against delinquent officer for procurement of items without assessing actual requirement.

(Paragraph 3.9)

State Council of Science and Technology

The State Council of Science and Technology granted Mobilisation advance of ₹1.40 crore (68 per cent of contract amount) to contractor beyond the permissible limit of 10 per cent. There was no provision for charging interest which led to undue financial benefit to contractor and loss of ₹59.22 lakh to the Government.

Recommendations:

The Department may take initiative to realise outstanding interest on mobilisation advances as per norms and deposit into the Government account.

(Paragraph 3.10)

Chapter-IV: General Sector

Compliance Audit Paragraphs

Planning Department

Absence of internal controls led to fraudulent payment (March 2019) of ₹45.00 lakh to Urban Development & Housing, Ziro Division without execution of a work as the same work was subsequently executed by PWD, Ziro at the cost (March 2020) of ₹45.00 lakh.

Recommendation:

The State Government may further investigate and take appropriate action against the delinquent officer after fixing the responsibility for payment of work without ensuring work done and misappropriating the project fund.

(Paragraph 4.2)

Expenditure on food items of ₹69.00 lakh meant for 35 camps were spent towards organising only 26 camps (74 per cent). Out of the above, the related payment of ₹42.50 lakh shown to be paid on food items to two doubtful firms through suspected fake bills.

Recommendation:

The State Government may investigate the case and after fixing the responsibility appropriate disciplinary action may be taken against the officers and suppliers concerned.

(Paragraph 4.3)

Suspected misappropriation of ₹50.00 lakh of public money from the Government Accounts was made using falsified records by furnishing bogus bills and scanned copy of Sanction Order.

Recommendation:

The State Government must take appropriate disciplinary/vigilance/ criminal action, after investigation, against the officers in DPO, Raga and DTO Ziro involved in the suspected misappropriation. The internal controls may be strengthened to contain reoccurrence of such irregularities in addition to recovering interest on the misappropriated public money from the delinquent officers.

(Paragraph 4.4)

Tampering of the Government Notification was resorted for manipulating the Envelop SE (laminated) rate of ₹399.90 per piece in place of ₹399.90 per 100 pieces. This led to suspected fraudulent payment of ₹39.59 lakh to the contractor.

Recommendation:

The Department should investigate the matter and initiate vigilance/ disciplinary action against the officers involved.

(Paragraph 4.5)

Chapter-V: Revenue Sector

Trend of Revenue receipts

The total revenue receipts of the State Government was increased by ₹2,234.96 crore (15.01 per cent) over the previous year during 2020-21. The increase was mainly due to rise

in the Share of net proceeds of divisible Union taxes and duties by ₹1,485.01 crore (16.52 per cent) and Grant-in-aid by ₹362.43 crore (9.01 per cent). The Tax and Non-Tax Revenue of State Government increased by ₹202.37 crore (16.47 per cent) and ₹185.15 crore (28.42 per cent) during the same period.

Similarly, during 2021-22, the total revenue receipts of the State Government was increased by ₹4,108.51 crore (23.99 per cent) over the previous year. The increase was mainly due to rise in the Share of net proceeds of divisible Union taxes and duties by ₹4,171.32 crore (39.83 per cent). The tax revenue of State Government was also increased by ₹208.69 crore (14.58 per cent). However, the increase was offset by decrease in Grants-in-Aid by ₹210.02 crore (4.79 per cent) and decrease in non-tax revenue of the State Government by ₹61.86 crore (7.39 per cent) during the same period.

(Paragraph 5.1.1)

During 2020-21, out of 161 auditable units, 25 units (15.53 per cent) were planned for audit under revenue sector and 19 units (11.80 per cent) were actually audited. Similarly, during 2021-22, out of 178 auditable units, 16 units (8.99 per cent) were planned for audit under revenue sector and 19 units (10.67 per cent) were actually audited.

(Paragraph 5.2)

Subject Specific Compliance Audit (SSCA)

SSCA on Transitional Credits under Goods and Service Tax (GST) in Department of Taxes, Government of Arunachal Pradesh

A Subject Specific Compliance Audit on Transitional Credits under Goods and Service Tax (GST) in Department of Taxes, Government of Arunachal Pradesh was carried out covering period from July 2017 to March 2020.

Audit observed that only the genuine and eligible claims of transitional credit were carried forward to the GST regime the Department of Tax and Excise was required to verify the legacy returns of the taxpayers along with the TRAN-1s and other supporting documents. However, audit of the 67 sample cases of transitional credit revealed that out of the 47 claims under the jurisdiction of State, only 17 claims (36.17 per cent) have been verified by the department till date and 30 claims (63.83 per cent) still remain unverified even after the expiry of more than one year from the last date of submissions of TRAN-1s returns i.e. 31 March 2020.

Due to the lack of effective mechanism to verify the TRAN-1s, taxpayers managed to avail transitional credit against ineligible input tax credit of VAT regime. Audit detected 31 such cases (total deficiency ₹1.08 crore) which were intimated to the department for further action at their end.

Recommendations:

- *The Department may take steps to verify the discrepancies pointed out by Audit and other irregular cases in the State to ensure that only genuine and eligible ITC claims are carried over to GST regime.*
- *Steps may also be taken to complete verification and ex-post-facto validation of GST claims of taxpayers.*
- *The Department may consider organising more training programmes on GST (backend applications) for the Jurisdictional Officers.*
- *The Department should consider introducing a monthly/ quarterly MIS from the Jurisdictional Officers/districts with regard to verification of transitional credit claims.*
- *The Department may take steps to recover the undue claim of transitional credit paid to taxpayers.*

(Paragraph 5.4)

**SSCA on Goods and Service Tax (GST) Refunds in Department of Taxes,
Government of Arunachal Pradesh**

A Subject Specific Compliance Audit on Goods and Service Tax (GST) Refunds in Department of Taxes, Government of Arunachal Pradesh was carried out covering period from July 2017 to July 2020.

During the SSCA, the refund data pertaining to the period from July 2017 to July 2020 made available by GSTN was analysed and risk based sample of 27 cases totaling ₹2.11 crore was extracted for detailed audit. Out of the 27 cases, 21 cases of total refund value ₹1.83 crore pertained to pre-automation period *i.e.* before 26 September 2019 and 6 cases of total refund value ₹28.47 lakh pertained to the post-automation of refund process.

Timely refund mechanism constitutes a crucial component of tax administration, as it facilitates trade through release of blocked funds for working capital, expansion and modernization of existing business. The provisions pertaining to refund contained in the GST laws aim to streamline and standardise the refund procedures under GST regime.

However, audit of 27 sample cases of refund revealed that the department not only did not comply with the provisions of the Act and Rules but also failed to ensure timely settlement of the refund claims. It was noticed that the Assessing Officers issued acknowledgement (RFD-02) in respect of only 6 cases and no acknowledgement was issued in the remaining 21 cases. Further, out of the 27 sample cases only 6 refund claims pertaining to post-automation period were settled by the Assessing Officers and the remaining 21 cases were yet to be settled till date of audit. The Assessing Officers also failed to maintain the required registers for the pre-automation refund claims. Moreover, no post-audit of the sanctioned refunds was carried out by the Department.

Recommendations:

- *The Department may strengthen the monitoring mechanism to ensure that the Jurisdictional Officers comply with the provisions of the APGST Act & Rules 2017 and timely process the refund cases.*
- *The Department may consider organizing more trainings on GST (backend applications) for the Jurisdictional Officers.*
- *The deficiencies noticed in the applications should be taken up with GSTN for embedding appropriate controls in the application.*
- *The Department should consider introducing a monthly/quarterly MIS from the Jurisdictional Officers/districts that captures number and time taken by them in processing of refund applications i.e. number of cases pending for more than a year, more than 6 months, more than a month, etc.*
- *The Department may take necessary steps to provide internet connectivity in the remaining districts for smooth administration of GST in the entire State.*

*(Paragraph 5.5)***Compliance Audit Paragraphs****Tax & Excise Department**

The Assessing Authority failed to detect short-deposit of excise duty of ₹12.76 lakh by a wholesale vendor of IMFL which resulted in short-realisation of revenue.

Recommendation:

The Government should prepare a charter of duties for excise officers clearly defining their duties and roles in order to strengthen the internal control in the department. Recovery of outstanding tax amount may also be expedited and necessary action and penalty may be imposed on the supplier for wilful alteration of applicable excise rate.

(Paragraph 5.6)

The Assessing Authority failed to detect concealment of total turnover declared by a dealer in VAT return (FF-01) resulting in evasion of tax of ₹4.58 lakh for which an equal penalty and interest ₹2.57 lakh is also leviable.

Recommendation:

The Government may fix responsibility on concerned ST for negligence and tax suppression. Action may also be taken to recover outstanding tax, penalty and upto date interest from the dealer.

(Paragraph 5.7)

The Assessing Authority failed to detect concealment of taxable turnover of ₹1.37 crore by a dealer and evasion of Value Added Tax (VAT) of ₹27.38 lakh for which an equal penalty and interest ₹8.61 lakh is also leviable.

Recommendation:

The Government may expedite to recover outstanding tax amount after fixing responsibility on the concerned assessing officer for non-assessment of tax return.

(Paragraph 5.8)

Land Management Department

Non realization of Annual Lease Rent/ Land Revenue amounting to ₹2.57 crore (from Central Government, Central Government Undertakings and Private Individuals) resulted in the land revenue outstanding related to last 39 years.

Recommendation:

The Government may expedite the recovery of outstanding land revenue by taking appropriate action in accordance to Section 60 of Arunachal Pradesh Land Settlement and Records Act, 2000. The responsibility may also be fixed on the concerned officer for not issuing notice of demand and arrears of revenue on time.

(Paragraph 5.9)

Chapter-VI: Economic Sector (PSUs)

As of 31 March 2022, there were seven PSUs (all Government Companies) in Arunachal Pradesh. None of these Companies are listed on the Stock Exchange. During the year 2020-21 and 2021-22, no SPSU was added to the audit jurisdiction of Principal Accountant General, Arunachal Pradesh. No existing SPSU was closed down during the year.

(Paragraph 6.1.1)

Investment in SPSU

As of 31 March 2022, the State's investment in the seven PSUs was ₹27.87 crore, comprising 69.93 *per cent* towards capital and 30.07 *per cent* in long-term loans, which remained constant during last five years. The thrust of investment was mainly in the Finance and Power sectors, which had around 38 and 37 *per cent* of the total investment respectively, as on 31 March 2022.

(Paragraph 6.1.2)

Rate of Real Return on Government Investment

During 2021-22, out of six working SPSUs, three SPSUs earned profit (₹5.83 crore), while the remaining three SPSUs incurred loss (₹3.42 crore) as per their latest finalised accounts. Based on the historical value of investment, the Return for 2021-22 on State Government investment worked out to 3.76 *per cent* as against the RORR of 1.31 *per cent* on the investment at present value. The difference in the percentage of return was on account of the adjustment made in the investment amount for the time value of money.

(Paragraph 6.1.9)

Compliance Audit Paragraphs

Arunachal Police Housing and Welfare Corporation Ltd (APH&WCL)

APH&WCL failed to scrupulously comply with the statutory provisions on Corporate Social Responsibility activities as specified in Schedule VII of the Companies Act, 2013 despite a lapse of over six years.

Recommendation:

The State Government may direct AP&WCL to incur expenditure under CSR in accordance with provision of Company Act 2013.

(Paragraph 6.2)

Chapter VII Follow up of Audit Observations

During the period 2020-21 and 2021-22, two Public Accounts Committee (PAC) meetings were held in February 2021 and July 2021 after a gap of over thirteen months (the PAC met earlier in January 2020). During 2020-21, the Committee selected total 116 paras/ sub-paras in respect of eight Departments pertaining to the period from 2008-09 to 2016-17 for discussion and dropped 103 para/ sub paras. In 2021-22, the Committee has selected five Action Taken Notes (ATNs) in respect of four Departments pertaining to the period 1988-89 to 1996-97 for discussion and dropped four ATNs.

(Paragraph 7.1)

As of March 2022, 6,606 Paragraphs pertaining to 1,247 Inspection Reports (IRs), involving ₹7,889.43 crore were outstanding. Out of 1,247 IRs, the first replies to 935 IRs have not been received.

Recommendation:

The State Government may ensure the replies to IRs/ Audit Paragraphs are sent as per prescribed time schedule and losses/ outstanding advances/ overpayments pointed out in audit are recovered in a time bound manner.

(Paragraph 7.3)

