

CHAPTER-I
GENERAL

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1.1 Trend of Revenue Receipts

1.1.1 The tax and non-tax revenue raised by Government of Assam (GoA) during the years 2020-21 and 2021-22, State's share of net proceeds of divisible Union taxes and duties assigned to the State, Grants-in-Aid received from Government of India (GoI) during the years and the corresponding figures for the preceding years from 2017-18 onwards are given in **Table 1.1.1**.

Table 1.1.1: Trend of Revenue Receipts

Sl. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
(₹ in crore)						
1.	Revenue raised by the State Government					
	Tax revenue	13,215.52	15,924.85	16,528.69	17,133.61	19,533.10
	Non-tax revenue	4,071.97	8,221.29	5,539.34	2,899.61	3,579.75
	Total	17,287.49	24,146.14	22,068.03	20,033.22	23,112.85
	Percentage of increase/decrease over previous year	5.20	39.67	-8.61	-9.22	15.37
2.	Receipts from Government of India					
	Share of net proceeds of divisible Union taxes and duties	22,301.54	25,215.85	21,721.44	18,629.32	28,150.55
	Grants-in-Aid	14,541.91	14,117.17	20,705.61	26,239.65	28,551.79
	Total	36,843.45	39,333.02	42,427.05	44,868.97	56,702.34
3.	Total receipts of the State Government (1 and 2)	54,130.94	63,479.16	64,495.08	64,902.19	79,815.19
4.	Percentage of 1 to 3	32	38	34	31	29

Source: Finance Accounts of Government of Assam.

Table 1.1.1 indicates that during the years 2020-21 and 2021-22, the revenue raised by the State Government was ₹ 20,033.22 crore and ₹ 23,112.85 crore respectively. During 2020-21 and 2021-22, the State's own revenue (tax revenue and non-tax revenue) constituted 31 *per cent* and 29 *per cent* of total revenue receipts respectively and the remaining 69 *per cent* and 71 *per cent* came from the share of net proceeds of divisible Union taxes and duties and Grants-in-Aid respectively.

During 2020-21, revenue receipts of the State grew by ₹ 407.11 crore (0.63 *per cent*) over the previous year. However, tax revenue increased by ₹ 604.92 crore (3.66 *per cent*) and non-tax revenue decreased by ₹ 2,639.73 crore (47.65 *per cent*) over the previous year. While Grants-in-Aid from GoI increased by ₹ 5,534.04 crore (26.73 *per cent*), the share of net proceeds of divisible Union taxes and duties decreased by ₹ 3,092.12 (14.24 *per cent*) over the previous year.

Similarly, during 2021-22, revenue receipts of the State grew significantly by ₹ 14,913 crore (22.98 *per cent*) over the previous year. Tax revenue increased by ₹ 2,399.49 crore (14 *per cent*) and non-tax revenue increased by ₹ 680.14 crore (23.46 *per cent*) over the previous year. Likewise, Grants-in-Aid and share of net proceeds of divisible Union taxes and duties from GoI also increased by

₹ 2,312.14 crore (8.81 per cent) and ₹ 9,521.23 crore (51.11 per cent) respectively over the previous year.

1.1.2 Tax Revenue

Details of tax revenue raised during the period 2017-18 to 2021-22 are given in Table 1.1.2.

Table 1.1.2: Details of Tax Revenue raised

(₹ in crore)

Sl. No.	Head of revenue	2017-18	2018-19	2019-20	2020-21		2021-22		Percentage of increase (+)/ decrease (-) over previous year actuals	
		Actuals	Actuals	Actuals	BEs	Actuals	BEs	Actuals	2020-21	2021-22
1.	State Goods and Services Tax	4,077.67	8,393.04	8,755.30	13,935.11	8,549.02	11,179.75	10,579.56	(-) 2	24
2	Taxes on Sales, Trade etc.	6,373.00	4,698.74	4,480.96	5,340.73	5,070.97	5,721.73	4,866.68	13	(-) 4
3	State Excise	1,095.16	1,399.84	1,650.03	1,750.00	2,039.94	2,106.92	1,939.07	24	(-) 5
4	Stamps and Registration Fees	239.17	240.72	292.65	400.18	280.75	373.68	439.46	(-) 4	57
5	Taxes and Duties on Electricity	60.19	72.75	194.56	166.23	197.59	320.38	337.91	2	71
6	Taxes on Vehicles	646.96	765.01	815.82	1,077.97	723.98	1,041.72	978.21	(-) 11	35
7	Taxes on Goods and Passengers	262.64	-3.62	47.47	1.14	3.64	60.62	2.30	(-) 92	(-) 37
8	Other Taxes on Income and Expenditure	193.38	186.35	189.92	246.20	188.79	242.51	206.80	(-) 1	10
9	Other Taxes and Duties on Commodities and Services	34.44	0.95	0.95	1.26	0.12	1.23	(-) 1.29	(-) 87	(-) 1175
10	Land Revenue	219.39	163.22	94.16	276.19	116.81	120.24	185.02	24	58
11	Taxes on Agricultural Income	13.52	7.85	6.87	14.73	(-) 38.00	8.78	(-) 0.62	(-) 653	98
Total		13,215.52	15,924.85	16,528.69	23,209.74	17,133.61	19,092.62	19,533.10	4	14

Source: Annual Financial Statement and Finance Accounts of Government of Assam.

The increase of ₹ 604.92 crore (3.66 per cent) in tax revenue in 2020-21 as compared to the previous year, was mainly on account of increase in taxes on Sales, Trade, etc. by ₹ 590.01 crore and increase in State Excise Duty by ₹ 389.91 crore which was, however, offset by decrease in State Goods and Services Tax (SGST) by ₹ 206.28 crore.

Similarly, the increase of ₹ 2,399.49 crore (14 per cent) in tax revenue in 2021-22 over the previous year, was mainly on account of increase in State Goods and Services Tax by ₹ 2,030.54 crore, Stamps and Registration fees by ₹ 158.71 crore, Taxes and Duties on Electricity by ₹ 140.32 crore and Taxes on Vehicles by ₹ 254.23 crore.

The reasons for major variations in respect of tax revenue during 2020-21 over 2019-20 and 2021-22 over 2020-21 as reported by the concerned department(s) were as follows:

Excise Department: Revenue increased in 2020-21 mainly due to increase in collection of taxes under Foreign Liquors and Spirits and other miscellaneous receipts. However, revenue decreased marginally in 2021-22 mainly due to decrease in collection of taxes under Foreign Liquors and Spirits and other miscellaneous receipts.

State Goods and Services Tax (SGST): Revenue decreased in 2020-21 mainly due to decrease in collection of taxes and Input Tax Credit cross utilisation of SGST and IGST. However, revenue increased in 2021-22, mainly due to increase in Input Tax Credit cross utilisation of SGST and IGST, apportionment of IGST component to SGST and collection of revenue under tax, interest and penalty, *etc.*

Taxes on Sales, Trade *etc.* Revenue increased in 2020-21 mainly due to increase in collection of Value Added Tax Receipts under Central Sales Tax Act and Miscellaneous Other Receipts. However, revenue decreased in 2021-22, mainly due to decrease in collection of VAT and CST.

Stamps and Registration Fees: Revenue increased in 2021-22 mainly due to increase in receipts under sale of Judicial and non-Judicial stamps, fees for registering documents and other miscellaneous receipts.

Taxes on Vehicles: Revenue increased in 2021-22 mainly due to increase of receipts under the Indian Motor Vehicles Act and other miscellaneous receipts.

Land Revenue: Revenue increased in 2020-21 and 2021-22 mainly due to increase in collection of taxes under Land Revenue, cesses on land and miscellaneous other receipts.

Other Departments had not intimated (January 2023) the reasons for increase/decrease of their revenue during 2020-22 despite requests.

1.1.2.1 Implementation of Goods and Services Tax

Goods and Services Tax (GST) was implemented with effect from 01 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 Services 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 the State as Assam is a Model-II¹ State. Front-end services include approval of registration, taxpayer details viewer, refund processing, MIS reports, *etc.*

Implementation of GST necessitated smooth transitional provisions to enable migration of all existing businesses to the new regime. The transitional provisions have been specifically incorporated in all the three GST Acts/Rules.

1.1.2.2 Registration under GST

As per the GST Act, every taxpayer with a turnover of above ₹ 40 lakh (enhanced to ₹ 40 lakh with effect from 01 April 2019 in respect of dealers dealing with sale of goods

¹ The states under Model-II depend on GSTN to manage **back-end services** such as tax settlement, assessment, refund processing, *etc.*

only) has to be registered under GST. During the 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.

Category-wise registrations under GST have been given in **Table 1.1.3** (as on March 2021 and March 2022):

Table 1.1.3: Registered taxpayers under GST

Types of Taxpayers	Number of dealers	Percentage of total	Number of dealers	Percentage of total
	Position as on March 2021		Position as on March 2022	
Normal Taxpayers	1,57,535	79.82	1,76,504	81.43
Composition Taxpayers	36,485	18.49	36,643	16.90
Tax Deductors at source	3,105	1.57	3,281	1.51
Tax Collectors at source	178	0.09	257	0.12
Input Service Distributors	52	0.02	59	0.03
Others (Casual, NRTP, OIDAR, etc.)	14	0.01	21	0.01
Total Registrants	1,97,369	100	2,16,765	100

The registrations under GST in Assam increased to 2.16 lakh in March 2022 from 1.97 lakh in March 2021. Of the total taxpayers, normal taxpayers accounted for 79.82 per cent and 81.43 per cent in March 2021 and March 2022 respectively.

1.1.2.3 Divisions of Dealers between Central and State Government

As per the recommendations² 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 2022 is shown in **Table 1.1.4**.

Table 1.1.4: Division of dealer between Centre and State Government

Jurisdiction	Number of dealers		Total
	Turnover above ₹ 1.5 crore	Turnover below ₹ 1.5 crore	
Centre	15,735	93,295	1,09,030
State	8,261	68,956	77,217
Total	23,996	1,62,251	1,86,247

As per Assam Goods and Services Tax Rules³, 2017 (AGST Rules, 2017), regular taxpayers were required to file monthly returns⁴ 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 returns was postponed and regular taxpayers were required to file GSTR-1 and GSTR-3B and composition dealers were to file GSTR-4 quarterly.

² Circular dated 20 September 2017.

³ Rule 59, 60 and 61.

⁴ 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.

The trends of filing of GSTR-1 and GSTR-3B returns for the period 2020-21 (position as on April 2021) and 2021-22 (position as on April 2022) in Assam have been depicted in **Table 1.1.5**.

Table 1.1.5: Filing pattern of GSTR-1 and GSTR-3B

Month	2020-21		2021-22	
	GSTR-1	GSTR-3B	GSTR-1	GSTR-3B
April	48,148	1,24,711	92,980	1,00,580
May	48,243	1,24,447	92,658	1,00,375
June	1,06,222	1,25,161	1,31,989	1,43,515
July	48,737	1,26,989	94,700	1,02,249
August	48,947	1,28,166	97,120	1,05,225
September	1,06,116	1,27,874	1,31,404	1,51,312
October	48,847	1,28,746	94,880	1,02,979
November	49,153	1,29,295	95,626	1,03,869
December	1,04,364	1,29,385	1,36,848	1,50,321
January	66,754	73,475	91,053	99,025
February	61,472	66,065	85,241	92,870
March	1,31,373	1,43,658	92,284	86,907

1.1.2.4 Compensation under SGST

As per the Goods and Services Tax (Compensation to States) Act, 2017, States were to be compensated for the shortfall in revenue arising on account of implementation of GST considering an annual growth of 14 *per cent* from the base year 2015-16, for a period of five years ending 31 March 2022. In accordance with Section 6 of the GST (Compensation to States) Act, 2017, the protected revenue of the State for the year 2021-22 was fixed at ₹ 13,138.01 crore by taking into consideration the revenue collection of 2015-16 (₹ 5,985.50 crore) as the base year. Since the SGST receipts in 2021-22 fell short of the protected revenue, the State Government received a compensation of ₹ 2,788.14 crore during the year, on account of loss of revenue arising out of implementation of GST. Out of the compensation of ₹ 2,788.14 crore received during the year, an amount of ₹ 1,773.87 crore was received by the State Government as Back-to-Back loans in lieu of GST compensation shortfall, due to inadequate balance in GST Compensation Fund, under debt receipts of the State. The debt servicing of this loan is to be done by GoI from the collection of cess in GST Compensation Fund, and hence the repayment obligation will not be met from any other resources of the State.

1.1.3: Non-Tax Revenue

Details of non-tax revenue raised during the period 2017-18 to 2021-22 are given in **Table 1.1.6**.

Table 1.1.6:-Details of Non-Tax Revenue raised

Sl. No.	Head of revenue	(₹ in crore)								
		2017-18	2018-19	2019-20	2020-21		2021-22		Percentage of increase (+)/decrease (-) over previous year Actuals	
		Actuals	Actuals	Actuals	BEs	Actuals	BEs	Actuals	2020-21	2021-22
1.	Petroleum	2,533.20	5,642.66	3,805.34	3,198.90	1,468.55	3,872.51	2,505.30	(-) 61	71
2	Interest Receipts	305.39	588.09	666.86	950.94	235.87	851.52	120.86	(-) 65	(-) 49
3	Dairy Development	0.18	0.24	0.08	0.30	0.29	0.10	0.08	263	(-) 72
4	Forestry and Wild Life	250.74	364.27	416.06	465.13	352.89	531.26	393.14	(-) 15	11
5	Non-ferrous Mining and Metallurgical industries	6.13	6.51	7.49	14.17	6.06	9.57	8.55	(-) 19	41

Sl. No.	Head of revenue	2017-18	2018-19	2019-20	2020-21		2021-22		Percentage of increase (+)/decrease (-) over previous year Actuals	
		Actuals	Actuals	Actuals	BEs	Actuals	BEs	Actuals	2020-21	2021-22
6	Miscellaneous General Services	24.91	677.76	-0.18	866.27	10.64	1.07	3.35	(-) 6011	(-) 69
7	Medium Irrigation	0.88	1.00	0.67	1.28	0.55	0.86	2.25	(-) 18	309
8	Medical and Public Health	22.68	17.22	21.37	21.99	10.78	27.29	14.15	(-) 50	31
9	Co-operation	0.56	1.77	2.09	2.26	0.70	2.67	0.58	(-) 67	(-) 17
10	Public Works	3.67	2.64	1.70	3.38	1.34	2.17	2.59	(-) 21	93
11	Police	51.10	68.86	85.42	137.93	78.01	109.07	90.77	(-) 9	16
12	Other Administrative Services	75.74	211.90	103.17	320.57	95.72	141.37	113.84	(-) 7	19
13	Coal and Lignite	47.60	50.36	38.85	69.87	16.04	49.61	4.58	(-) 59	(-) 71
14	Roads and Bridges	27.42	41.21	39.59	52.62	19.96	50.55	17.68	(-) 50	(-) 11
15	Others ⁵	721.77	546.80	350.83	1,198.21	602.21	447.94	302.03	72	(-) 50
Total		4,071.97	8,221.29	5,539.34	7,303.80	2,899.61	6,097.56	3,579.75	(-) 48	23

Source: Annual Financial Statement and Finance Accounts.

The decrease of ₹ 2,639.73 crore (48 per cent) in non-tax revenue in 2020-21 as compared to the previous year was mainly on account of decrease in revenue under the head 'Petroleum' by ₹ 2,336.79 crore and interest receipts by ₹ 430.99 crore which was, however, offset by increase of ₹ 251.38 crore under 'Others'.

The increase of ₹ 680.14 crore (23 per cent) in non-tax revenue in 2021-22 over the previous year was mainly due to increase of revenue of ₹ 1,036.75 crore under the head 'Petroleum' which was, however, offset by decrease of ₹ 115.01 crore and ₹ 300.18 crore under 'Interest Receipts' and 'Others' respectively.

The reasons for major variations in respect of non-tax revenue during 2020-21 over 2019-20 and 2021-22 over 2020-21 as reported by the concerned department(s) were as follows:

Interest Receipts: This decreased mainly due to decrease in interest realised on Investment of Cash Balances, interest receipts from Public Sector and Other Undertakings and interest collection on other miscellaneous subjects.

Petroleum: This decreased in 2020-21 mainly due to decline in collection under royalties. However, it increased in 2021-22 due to higher collection of royalties.

Forestry and Wild Life: This decreased in 2020-21 mainly due to decline in collection of revenue under (i) Sale of Timber and Other Forest Produce, (ii) Receipts from Social and Farm Forestries, (iii) Receipts from Environmental Forestry and (iv) Other Miscellaneous receipts, etc. However, increase in 2021-22 was due to increase in collection of other miscellaneous receipts.

Other Departments had not intimated the reasons for increase/decrease of their revenue in 2020-21 and 2021-22 despite requests.

1.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2022 in respect of the Finance (Taxation), Excise, Mines and Minerals and Transport Departments amounted to ₹ 4,568.38 crore,

⁵ Others include 27 major head of accounts.

of which ₹ 3,295.26 crore was outstanding for more than five years, as detailed in **Table 1.2.**

Table 1.2: Arrears of revenue**(₹ in crore)**

Sl. No.	Heads of Revenue	Name of Department	Amount outstanding as on 31 March 2022		Replies of the Departments								
			Total amount	For more than five years									
1	0022-Taxes on Agricultural Income	Finance (Taxation)	70.00	49.33	<p>Following are the reasons for arrears:</p> <p>i. Some amounts become arrears when the amounts are not paid by dealers within due date. The Assessing Officers (AOs) issue notices to the defaulters for payment of arrears and tries their best to realise the amount. Such arrears are paid by the concerned dealers with interest. Current arrears are also included in the above amount.</p> <p>ii. For the amount which cannot be realised by the assessing officers despite all efforts, arrear certificates are issued by the AOs to the Bakijai Officers for realisation of the amount and these amounts remain as arrear with the Superintendent of Taxes (Recovery) till recovery of the said arrear amount.</p> <p>iii. Cases involving arrears of revenue pending in High Court/Supreme Court/Board of Revenue and with Appellate/Revision Authority is given below:</p> <table border="1"> <tr> <td>Under H/C,S/C and ABR</td> <td>2,970.74</td> </tr> <tr> <td>Under Revision</td> <td>254.66</td> </tr> <tr> <td>Under Appeal</td> <td>33.58</td> </tr> <tr> <td>Total</td> <td>3,258.98</td> </tr> </table> <p>iv. Un-traceability of dealers at the time of realisation of dues, etc.</p>	Under H/C,S/C and ABR	2,970.74	Under Revision	254.66	Under Appeal	33.58	Total	3,258.98
Under H/C,S/C and ABR	2,970.74												
Under Revision	254.66												
Under Appeal	33.58												
Total	3,258.98												
2	0028-Other Taxes On Income and Expenditure		2.62	1.58									
3	0029-Land Revenue		2,846.85	2,138.43									
4	0040-Tax on Sales, Trade, etc.	1,364.69	853.26										
5	0042-Taxes on Goods and Passengers	79.51	52.80										
6	0043-Taxes and Duties on Electricity	30.30	28.09										
7	0045-Other Taxes and Duties on Commodities and Services	5.18	4.76										
8	0039-State Excise	Excise	63.13	63.13	Due to non-payment of levies by the Wholesale Warehouses in due time.								
9	0853-Non-ferrous Mining and Metallurgical Industries	Mines and Minerals	0.08	0.08	Non-payment of royalty on limestone by NECEM Cement Limited for 2005-06, 2006-07 and 2011-12 (₹ 8,15,789)								
10	0041-Taxes on vehicles	Transport	106.02	103.80	Shortage of Enforcement Personnel/staff and inadequate infrastructure in respect of enforcement drive.								
Total			4,568.38	3,295.26									

Clearance of arrears of such magnitude requires focused efforts by the departments concerned and a push for coordination with other departments such as banks, Police Department and quasi-judicial/judicial bodies involved in the process of recovery.

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 during the year, 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 1.3**.

Table 1.3: Arrears in assessments

Nomenclature of the Act	Arrears of assessment due as on 31 March 2021	New cases due for assessments during 2021-22	Total assessment due	Cases disposed during 2021-22	Balance at the end of the year 2021-22	Percentage of disposal (col. 5 to 4)
1	2	3	4 (2+3)	5	6 (4-5)	7
Sales Tax (GST/VAT/CST Acts)	17,067	545	17,612	5,240	12,372	29.75
Entry Tax Act	2,281	0	2,281	15	2,266	0.66
Professions, Trades, Callings and Employments Taxation Act	4,561	27,736	32,297	13,739	18,558	42.54
Taxation (on Specified Lands) Acts	4,507	103	4,610	463	4,147	10.04
Agricultural Income Tax Act	2,709	52	2,761	117	2,644	4.24
Amusement and Betting Taxation Act	192	0	192	0	192	0.00
Luxury (Hotel & Lodging Houses) Act	227	0	227	0	227	0.00
Electricity Duty Act	1,402	309	1,711	72	1,639	4.21
Total	32,946	28,745	61,691	19,646	42,045	31.85

Table 1.3 indicates that the assessments pending at the end of the year increased over the previous year in respect of two heads of revenue (Professions, Trades, Callings and Employments Taxation Act and Electricity Duty Act). Pendency in assessment may result in non-realisation/short realisation/loss of Government revenue and further accumulation in arrears.

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 during 2020-22 as reported by the department are given in **Table 1.4**.

Table 1.4: Evasion of Tax

Head of revenue	Year	Cases pending at the beginning of the year	Cases detected during the year	Total	Number of cases in which assessment/investigation completed and additional demand with penalty, etc. raised		Number of cases pending for finalisation at the end of the year
					Number of cases	Amount of demand (₹ in crore)	
GST	2020-21	0	306	306	306	1,169.59	0
	2021-22	0	731	731	731	54.14	0
Total		0		1,037	1,037	1,223.73	

Thus, Government of Assam had raised demands of ₹ 1,223.73 crore relating to 1,037 cases of evasion of tax during 2020-22.

1.5 Pendency of refund cases

The number of refund cases pending at the beginning of the year, claims received during the year, refunds allowed during the year and the cases pending at the close of year as reported by the Finance (Taxation) Department is given in **Table 1.5**.

Table 1.5: Details of pendency of refund cases

(₹ in crore)

Sl. No.	Particulars	2020-21				2021-22			
		Sales Tax/VAT		GST		Sales Tax/VAT		GST	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1	Claims outstanding at the beginning of the year	10	60.10	25	4.16	10	5.84	94	337.96
2	Claims received during the year	88	11.66	772	420.24	92	290.69	746	82.29
3	Refunds allowed during the year	78	55.14	692	54.63	88	284.05	594	64.05
4	Refunds rejected/ withheld during the year	10	10.78	11	31.81	0	0	104	335.14
5	Balance outstanding at the end of the year	10	5.84	94	337.96	14	12.48	142	21.06

In Finance (Taxation) Department, 14 cases of refund involving ₹ 12.48 crore pertaining to pre-GST period and 142 cases involving ₹21.06 crore pertaining to the GST period were pending at the end of March 2022. The reasons for pendency of outstanding cases were not stated by the Department.

The Department may consider early settlement of refund cases for the benefit of claimants.

1.6 Response of Government/Departments towards audit

On completion of the audit of Government/Departments and the offices, audit issues Inspection Reports (IRs) to the concerned Head of the offices, with copies to their superior officers for corrective action and monitoring. Serious financial irregularities are reported to the Heads of the Departments and the Government.

With respect to IRs issued up to December 2021, the position was that 6,460 paragraphs pertaining to 1,273 IRs involving ₹ 2,301.49 crore remained outstanding at the end of June 2022 as shown in **Table 1.6**, along with the corresponding figures for the preceding two years.

Table 1.6: Details of pending IRs

	June 2020	June 2021	June 2022
Number of IRs pending for settlement	1,139	1,228	1,273
Number of outstanding audit paragraphs	5,643	5,580	6,460
Amount of revenue involved (₹ in crore)	3,332.57	2,148.79	2,301.49

1.6.1 Department wise pendency of IRs

The department-wise details of the IRs and paragraphs outstanding as on 30 June 2022 and the amount involved are given in **Table 1.6.1**.

Table 1.6.1: Department-wise details of outstanding IRs

(₹ in crore)

Sl. No.	Name of the Department	Nature of receipts	Number of outstanding		Money value involved
			IRs	Paragraphs	
1	Finance (Taxation)	Taxes on sales, trade <i>etc.</i>	297	1,980	1,032.66
		Agricultural Income Tax			
		Other Taxes			
2	Excise	State Excise	131	706	680.19
3	Transport	Taxes on Motor Vehicles	208	987	343.55
4	Revenue and Disaster Management	Stamps and Registration fees	219	844	19.66
5	Mines and Minerals	Non-ferrous mining and metallurgical industries	12	44	151.38
6	Environment and Forests	Forestry and Wild Life	406	1,899	74.05
Total			1,273	6,460	2,301.49

Audit did not receive even the first replies from the Heads of offices within one month from the date of issue of the IRs in respect of 102 IRs issued during 2020-22. Further, the large pendency of IRs/paragraphs was due to non-receipt of replies which indicates that the heads of auditee units had failed to take cognisance of the reported audit findings.

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 2020-21 and 2021-22 and the paragraphs settled as a consequence thereof is given in **Table 1.6.2**.

Table 1.6.2: Details of Departmental Audit Committee Meetings

(₹ in crore)

Year	Head of revenue	Number of meetings held	Number of paras settled	Amount
2020-21	Finance (Taxation) Department	1	45	0.80
2021-22	Finance (Taxation) Department	1	72	23.47
Total		2	117	24.27

During the years, two Audit Committee Meetings were held in respect of Finance (Taxation) Department in which 204 paras were discussed and 117 paras (57.35 per cent) were dropped on the basis of replies furnished by the Department.

1.6.3 Response of the Departments to the draft audit paragraphs

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

The draft audit paragraphs/Performance Audit on 'Implementation of Assam Minor Mineral Concession Rules, 2013' proposed to be included in the Audit Report on Revenue Sector for the year ended 31 March 2022, Government of Assam, were

forwarded to the Secretaries of the Departments concerned between September 2022 and February 2023. The replies furnished by the Departments have appropriately been incorporated in the respective paragraphs.

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 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 years ended 31 March 2016 to 31 March 2020, placed before the State Legislative Assembly between May 2017 and September 2022, 95 compliance audit paragraphs and three Performance Audit on various topics were included. The PAG (Audit) did not receive any *suo-moto* explanatory notes on audit paragraphs.

As of March 2022, PAC discussed 493 out of 1,021 paragraphs, reviews and performance audits (including stand-alone Audit Reports) pertaining to the years 1988-89 to 2018-19, leaving a balance of 528 audit paragraphs yet to be discussed.

1.7 Analysis of the 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 **Environment and Forest Department** in respect of the cases detected in the course of local audit during the years 2017-18 to 2021-22 and also the cases included in the Audit Reports for the years 2015-16 to 2019-20.

1.7.1 Position of Inspection Reports

The summarised position of IRs issued during the last five years, paragraphs included in these IRs and their status as on 31 March 2022 in respect of Environment and Forest Department is presented in **Table 1.7.1**.

Table 1.7.1: Position of Inspection Reports in respect of Environment and Forest 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
2017-18	412	2,008	42.33	33	178	109.38	7	84	29.64	438	2,102	122.07
2018-19	438	2,102	122.07	16	71	14.70	77	333	56.20	377	1,840	80.57
2019-20	377	1,840	80.57	22	49	5.31	7	60	13.82	392	1,829	72.06
2020-21	392	1,829	72.06	7	36	0.05	0	0	00	399	1,865	72.11
2021-22	399	1,865	72.11	20	187	9.95	7	69	0.32	412	1,983	81.74
Total				98	521	139.39	98	546	99.98			

It is evident from **Table 1.7.1** that 521 paragraphs were added and 546 paragraphs were settled during 2017-18 to 2021-22. Thus, 1,983 paragraphs remained outstanding for settlement at the end of 31 March 2022 due to non-receipt of satisfactory replies/replies from the Department.

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 Environment and Forest Department and the amount recovered thereagainst are given in **Table 1.7.2**.

Table 1.7.2: 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 accepted	Amount recovered	Cumulative position of recovery of accepted cases as on 31 March 2022
2015-16	1	48.83	-	-	-	0.24
2016-17	3	1.05	1	0.41	-	
2017-18	4	1.63	4	1.43	0.24	
2018-19	3	14.24	2	0.93	-	
2019-20	1	33.98	1	32.92	-	

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 PAs are further discussed during the exit conference and the Department's views received during the exit conference and at other points 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 paragraphs wherever felt appropriate.

During 2017-18, a PA on "Collection of arrears of revenue in Finance (Taxation) Department" was carried out wherein 22 recommendations were made to the Government/Department. The Department reported that action was taken in respect of the recommendations featured in the PA (details are given in **Appendix-I**).

1.8 Audit Planning

For the purposes of audit, the offices under various departments are categorised as 'high', 'medium' and 'low' risk auditable units according to their quantum of revenue collection, past nature and trends of audit observations and other parameters. The annual audit plan of the PAG 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 the past five years.

The details of auditable units, units planned for audit and units audited during 2020-21 and 2021-22 are given in **Appendix-II**.

1.9 Results of Audit

1.9.1 Position of audit conducted during the year

Audit test-checked records of 62 and 66 offices of Finance (Taxation), State Excise, Transport, Environment and Forests and other departmental offices during 2020-21 and 2021-22 respectively and pointed out deficiencies in 857 cases⁶. During the years, the Departments concerned accepted under-assessment and other deficiencies in 108 cases involving ₹ 153.02 crore⁷. The Departments had also collected ₹ 1.64 crore in 64 cases during the two years.

1.9.2 Coverage of this Report

This Report contains 11 paragraphs with appropriate captions and a Performance Audit (PA) on 'Implementation of Assam Minor Mineral Concession Rules, 2013' having a total financial effect of ₹ 780.07 crore of which the departments accepted audit observations in 21 cases (including PA) involving revenue of ₹ 141.72 crore and recovered revenue of ₹ 4.58 crore.

⁶ 315 cases in 2020-21 and 542 cases in 2021-22.

⁷ ₹ 152.47 crore involved in 71 cases in 2020-21 and ₹ 0.55 crore involved in 37 cases in 2021-22.

