



COMMITTEE ON PUBLIC UNDERTAKINGS

FIFTY FIFTH REPORT

FIFTEENTH ASSEMBLY

**REPORT ON THE AUDIT PARA CONTAINED IN THE REPORT
OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
(COMMERCIAL) FOR THE YEAR 2017-2018 RELATING TO
ASSAM FISHERIES DEVELOPMENT CORPORATION LTD.**

Presented to the House on 12th July, 2021

ASSAM LEGISLATIVE ASSEMBLY SECRETARIAT

DISPUR:: GUWAHATI-6

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INTRODUCTION

I, the Chairman, Committee on Public Undertakings, Assam Legislative Assembly having been so authorised by the Committee on their behalf present this 55th Report which was approved by the Committee on the Audit paragraph contained in the Report of the Comptroller and Auditor General of India (Commercial) for the Year 2017-2018 relating to Assam Fisheries Development Corporation Ltd.

2. The Committee had taken up the work of examining the relevant paragraphs contained in the Report of the Comptroller and Auditor General of India (Commercial) for the year 31st March 2018 related to Assam Fisheries Development Corporation under the Fishery Department, to the Govt. of Assam. The Committee considered the papers submitted by the above Department/Company and had a threadbare discussion with the officers of the above Department/Company on 26th June, 2020 and 10th February, 2021

3. The Report was considered and adopted by the Committee in its meeting held on 30th June, 2021.

4. The Committee placed on records its thanks to the officers of all the Department/Company for furnishing the records/relevant materials and giving information as well as for extending fullest co-operation to the Committee.

5. The Committee also extends its high appreciation to the Principal Accountant General (Audit), Assam and the concerned officials for their sincere co-operation extended to the Committee during its examination.

6. The Committee also placed on record its appreciation to officers and staff of the Committee for their unstinted co-operation extended to the Committee in conducting of examination as also in the compilation in presentation of this report.

Dispur

The 30th June, 2021

Chairman

Committee on Public Undertakings

(i)

COMPOSITION OF THE COMMITTEE

CHAIRMAN: Shri Ramendra Narayan Kalita

MEMBERS:

1. Smti Suman Haripriya
2. Shri Terash Gowala
3. Shri Krishnendu Paul
4. Shri Ganesh Kumar Limbu
5. Shri Suren Phukan
6. Shri Prodip Hazarika
7. Shri Jitu Goswami
8. Shri Charan Boro
9. Shri Siddeque Ahmed
10. Md. Nurul Huda
11. Smti Nandita Das
12. Shri Rafiqul Islam

SECRETARIAT:

1. Shri S.K. Sharma, Secretary.
2. Shri I. Mozumder, Joint Secretary.
3. Smti. D. Baruah, Deputy Secretary.
4. Shri R.K. Sarmah, Superintendent.

CHAPTER - I

REPORT AND RECOMMENDATIONS

During the course of deposition before the Committee in its meeting held on 26th June, 2020 and 10th February, 2021 in the presence of Commissioner and Secretary to Govt. of Assam, Fishery Department and other representatives, the Managing Director of Assam Fisheries Development Corporation Limited (AFDCL) had submitted the replies to the queries against the Audit paragraph mentioned as follows:

1. Reference paragraph 6.2 of the Report of the CAG of India (Commercial) for the year 2017-18

Loss of Revenue

MANAGEMENT REPLY

AFDCL in their replies stated that it issued notice No.1/2013 dated 10.04.2013 inviting Tender for leasing out the Sibasthan-potakollong Beal for the period 2013-2014 to 2019-2020 with a minimum revenue (base price) of ₹ 9.10 lakh p.a. and received 5(five) bids. The 1st bidder was treated as invalid due to incorrect date of bid mentioned in the affidavit submitted by the H¹ bidder with the bid and the bid was allotted to H² bidder at ₹ 28.04 lakh p.a. This contention was overruled by Hon'ble Guwahati High Court on an appeal file by the H¹ bidder and accordingly the allotment to the H² bidder was cancelled vide letter no. AFDC. 366/2013/4485 dated 04.02.2015. Then AFDCL allotted to Fishery to H¹ bidder at his quoted lease rent of ₹ 33,33,333 p.a. for the period 2013-20 vide letter No. AFDC. 366/2013/2895 dated 20.10.2013. But the 1st bidder applied for granting remission for the delayed period of allotment. Accordingly, AFDCL allowed remission to the 1st bidder amounting to ₹ 12,76,665 for the delayed period from 13.08.2013 to 08.11.2013 (88) days.

The lease agreement of the H¹ bidder was cancelled by AFDCL vide letter No. AFDC 366/2013/4485 dated 04.02.2015 due to non-payment of lease rent amounting to ₹ 22,49,320. Then on an appeal made by the H¹ bidder the Hon'ble Guwahati High Court directed AFDCL to suspend the cancellation of lease subject to the H¹ bidder depositing an amount of ₹ 22,49,320 within two weeks from the date of passing of the order (i.e. by 25.02.2015). But the 1st bidder deposited ₹ 2 lakh only against outstanding revenue of ₹ 22,49,320 as directed by the Hon'ble High Court.

Then AFDCL issued four notices to the H¹ bidder to deposit the outstanding revenue. But the lessee failed to deposit the outstanding revenue even after repeated notices issued to him and compelled AFDCL to file Bakijai case before the certified officer, office of the Deputy Commissioner, Kamrup (Assam) for recovery of the outstanding revenue vide letter No. AFDC180/2017/2449 dated 06.10.2017. On the other hand, AFDCL arranged to manage the fishery directly by selecting Mr. Manik Chandra Das as group leader of the fisherman for the period 20.11.2015 to 31.03.2016 at lump sum amount of ₹ 3.55 Lakh.

AFDCL again issued notice inviting tender on 07.02.2016 for leasing out the Sibasthan potakollong fishery for the period 2016-17 to 2022-2023 with a minimum revenue of ₹ 10.32 lakh and accordingly the fishery was allotted to H¹ bidder i.e. Mr. Kamalakanta Saikia @ ₹ 25,20,000 p.a. for 7 (seven) years and he is managing the fishery smoothly.

In view of above mentioned facts the para raised by the Principal Accountant General (Audit) Assam may kindly be dropped.

After going through a threadbare discussion held on 26th June, 2020 on the replies submitted by AFDCL, the committee was not satisfied on their replies. So the committee decided and directed the department to furnish an Action Taken Report (ATR) for detailed discussion on the Audit paragraph 6.2 (Loss of Revenue).

DISCUSSION ON THE ACTION TAKEN REPORT

As per direction of the Committee on Public Undertakings, Assam Legislative Assembly the Fishery Department, Govt. of Assam has submitted a Action Taken Report (ATR) dated 5th December, 2020 regarding observation of the Committee constituted for fixing up responsibility on officials of AFDCL relating to Audit paragraph 6.2 of Audit Report of Comptroller and Auditor General.

During the course of deposition before the Committee in its meeting held on 10th February, 2021 in presence of the Commissioner and Secretary to the Govt. of Assam, Fishery Department, Managing Director, AFDCL, Principal Accountant General (Audit) Assam and other departmental representatives had submitted the Action Taken Report (ATR).

At first the Committee pointed out that there are three mistakes/anomalies, which we have found in regards to bidding system of Fisheries Department. The first mistake was the department did not give the works to the first bidder i.e. H¹ Bidder instead of second bidder. Secondly, it was a mistake for which 267 days were lapsed and

the department concerned was sitting idle even after getting the order from the Hon'ble Guwahati High Court and for these reasons there was a tremendous loss to the Government exchequer. The Committee also wanted to know from the department concerned as if, the H¹ bidder did not pay the money then it was the duty of the department to call for a fresh tender. But that was not done by the department. Moreover, the department concerned indulged in another mistake or wrong deed as without a call for a fresh or another tender, the works was offered to H² bidder but in this case also the rate was very low as it was not as per the bid rate. The committee also pointed out that there were four anomalies done by the department and all these were intentional anomalies as why after the getting the order from the Hon'ble High Court the Department was not conscious about the matter for which the 267 days were lost. In addition to it, the contractor who was unable to deposit the required amount but on contrary to it the Department awarded the works to H¹ bidder without a fresh bidding which was necessary as per bidding rules.

It is an established procedure that until and unless, otherwise illegible, the highest bidder should be given the contract. The Committee also pointed out the department that why even after getting the order of the Hon'ble High Court there was a delay in awarding the works in H¹ bidder. Hereinafter as H¹ bidder could not deposit appropriate amount then why there was not call for a fresh bidding. Moreover, the rate was not as per the bid rate.

As per advice of the Hon'ble Chairman of COPU, the Department had committed to conduct an inquiry by a responsible officer and the report of the same will also be placed before this Hon'ble Committee. However, the Department did not follow the procedure which is usually followed. The Audit has also pointed out that there were some lapses by the department for which the Government has to bear loss of some amount of money. Beyond this, the Department is waiting for the Committees direction and if the Committee wants then the departmental proceedings would be initiated against the guilty officials. But in this case the criminal proceedings could not be initiated as the intention cannot be established. But, definitely there was a lapse from the Department concerned which led to loss of government revenue for which departmental proceeding can be initiated. Moreover, most of the persons who were involved in this case has already retired and it is also not properly known when they were retired and it is the prerogative of this esteemed committee and already heard the departmental stand and also seen the circumstances. So the Committee can also recommend to department as to what action to be done by them.

OBSERVATION AND RECOMMENDATION

Considering the replies and Action Taken Report from the Fishery Department, Govt. of Assam and AFDCL, the Committee directed AFDCL not to repeat such type of irregularities in future and after a threadbare discussion on the Audit para, the Committee decided to drop the para.

ANNEXURE -I

COMPOSITION OF THE OUTGOING COMMITTEE

CHAIRMAN: Shri Atul Bora

MEMBERS:

1. Shri Terash Gowala
 2. Shri Ritu Parna Baruah
 3. Shri Krishnendu Paul
 4. Smti Suman Haripriya
 5. Shri Suren Phukan
 6. Shri Prodip Hazarika
 7. Shri Satyabrat Kalita
 8. Shri Majendra Narzary
 9. Shri Illias Ali
 10. Shri Sherman Ali Ahmed
 11. Shri Abul Kalam Rasheed Alam
 12. Shri Abdur Rahim Ajmal
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