



सत्यमेव जयते

**COMMITTEE ON PUBLIC UNDERTAKINGS  
FIFTY FOURTH REPORT**

**FIFTEENTH ASSEMBLY**

**REPORT ON THE AUDIT PARAS CONTAINED  
IN THE REPORT OF THE COMPTROLLER AND AUDITOR  
GENERAL OF INDIA (COMMERCIAL)**

**FOR THE YEAR**

**1995 - 1996, 1997- 1998, 1998- 1999, 2006 - 2007, 2007-  
2008, 2009 - 2010, 2011 - 2012, 2012 - 2013 AND 2013 - 2014.**

**RELATING TO ASSAM STATE TRANSPORT CORPORATION**

**Presented to the House on 12<sup>th</sup> July, 2021**

**ASSAM LEGISLATIVE ASSEMBLY SECRETARIAT**

**DISPUR :: GUWAHATI-6**

## **CONTENTS**

### **Pages**

1. Introduction
2. Composition of the Committee i

### **Chapter-I**

3. Report and Recommendations 1 – 12
4. Annexure-I

## **INTRODUCTION**

I, the Chairman, Committee on Public Undertakings, Assam Legislative Assembly having been so authorised by the Committee on their behalf present this 54<sup>th</sup> Report which was approved by the Committee on the Audit paragraphs contained in the Report of the Comptroller and Auditor General of India (Commercial) for the Year 1995-1996, 1997-1998, 1998-1999, 2006-2007, 2007-2008, 2009-2010, 2011-2012, 2012-2013 and 2013-2014 relating to Assam State Transport Corporation.

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 31<sup>st</sup> March 1996, 1998, 1999, 2007, 2008, 2010, 2012, 2013 and 2014 related to Assam State Transport Corporation under Transport Department, to the Government of Assam. The Committee considered the papers submitted by the above Department/Corporation and had a threadbare discussion with the officers of the above Department/Corporation on 29<sup>th</sup> August, 2016, 18<sup>th</sup> December, 2020 and 10<sup>th</sup> February, 2021.
3. The Report was considered and adopted by the Committee in its meeting held on 30<sup>th</sup> June, 2021.
4. The Committee placed on records its thanks to the officers of all the Corporation/Department 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 30<sup>th</sup> June, 2021**

**Chairman**

**Committee on Public Undertakings**

**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 29<sup>th</sup> August, 2016, 18<sup>th</sup> December, 2020 and 10<sup>th</sup> February, 2021 in the presence of Secretary, Transport Department, Government of Assam and other representatives, the Managing Director of Assam State Transport Corporation (ASTC), had submitted the replies to the queries against the Audit paragraphs mentioned as follows:

**1. Reference paragraph 4.2.2.1 of the Report of the CAG of India (Commercial) for the year ended 1995-96**

Loss due to excess issue of brake oil.

**2. Reference paragraph 4.2.2.2 of the Report of the CAG of India (Commercial) for the year ended 1995-96**

Loss on unrealised insurances claims.

**3. Reference paragraph 4.2.2.3 of the Report of the CAG of India (Commercial) for the year ended 1995-96**

Purchase of spring leaves not conforming to specification.

**4. Reference paragraph 4.2.2.4 of the Report of the CAG of India (Commercial) for the year ended 1995-96**

Loss due to irregular issue of tyres.

**5. Reference paragraph 4.2.2.5 of the Report of the CAG of India (Commercial) for the year ended 1995-96**

Short realisation of hire charges.

**6. Reference paragraph 4.2.2.1 of the Report of the CAG of India (Commercial) for the year ended 1997-98.**

Divisional Superintendent (DS) Jorhat spent ₹ 2.17 crore out of ₹ 2.44 crore received from Station Superintendent (SS), Jorhat and balance ₹ 0.27 crore remained unaccounted for.

**7. Reference paragraph 4.2.2.1 of the Report of the CAG of India (Commercial) for the year ended 1998-99**

Failure on the part of the Corporation to provide buses as per contract resulted in loss of guaranteed revenue of ₹ 221.26 Lakh.

**8. Reference paragraph 4.2.2.2 of the Report of the CAG of India (Commercial) for the year ended 1998-99.**

Absence of purchase planning led to procurement of higher-grade tyres at an additional expenditure of ₹ 8.46 Lakh.

**MANAGEMENT REPLY:**

ASTC in their replies stated that as regards Para No. 4.2.2.1 to 4.2.2.2 (1998-99), 4.2.2.1 (1997-98), 4.2.2.1 to 4.2.2.5 (1995-96), the matters are extremely old and so even if any action was taken on the lapses mentioned by audit, the present management is not in a position to provide any documentary evidence for the action taken during that period of time by then management. It may be apprised that all the concerned officials/delinquents associated with are either retired or dead by now and on the top of it, the records/documents, whatsoever, are not traceable. Having no other alternatives, the matters are presented to the house as a *fait accompli*.

**OBSERVATION AND RECOMMENDATION**

The Committee after threadbare discussion with the Secretary, Transport Department and Managing Director, ASTC and Departmental officials on the replies submitted by the Department/ASTC decided to drop the paras.

**9. Reference paragraph 4.8 and 4.16 of the Report of the CAG of India (Commercial) for the year ended 2006-2007 and 2007-2008.**

**Paragraph 4.8**

Failure to enforce provisions of the agreement on defaulting private bus owners resulted in loss of revenue of ₹ 1.03 crore.

**Paragraph 4.16**

Failure to enforce provisions of the agreement on defaulting private bus owners resulted in loss of revenue of ₹ 10.48 lakh.

**MANAGEMENT REPLY:**

**Paragraph 4.8**

ASTC in their replies stated that as per clause 39 and 40 of the agreement, private owners were required ahead at least forty-eight hours' notice to the station authorities when the buses were not likely to be made available on particular day, failing which the corporation was at liberty to levy penalty of ₹ 500 per day.

But it is quite impossible to a private bus owner to ply or non-ply the buses on or before 48 hours as a technical matter though the station authority is pressurized to safeguard the financial interest of ASTC.

In this regards, ASTC will safeguard its financial interest in future.

**Paragraph 4.16**

It has been experienced from the operation of day-to-day bus service, the areas mostly faced a lot of days for non-operation of bus services owing to declaration of bandh by various organizations. Even above, atrocities upon passengers in buses were also happened in the above period. It has created a fear psychosis amongst owners as well as bona-fide passengers because nobody comes out to travel or face any unwanted situation, which appeared in different areas so published in several newspapers.

Besides this, ASTC had experienced of setting ablaze of its Vehicle No. AS-20/0685 on 19.10.2007 at Solmari of Goalpara District and a POB Vehicle No.AS-15/8427 on 27.10.2007 at mid-night near Golokgang of Dhubri District, which had badly hampered in day-to-day operation for few days. The Bandh Call paralyses the operation of bus services to which ASTC have nothing to do as the roads became deserted look and are compelled to accepting those days as unfortunate for both owners and operators.

Over and above, during the period of Lok Sabha Election held, altogether 18 P.O. buses were requisitioned by the District Administration, for which the vehicles could not perform scheduled services for 3-4 days.

Another cause for disruption of bus services were due to observance of some festivals either by the staff or owners of P.O.B., as the case may be, for which a few vehicles also remained off route such as Magh Bihu, Bohag Bihu, Shivaratri, Doulutshav, Durga Puja, Kalipuja, Biswa Karma Puja, Eid, X-Mas, etc.

Besides these, a few accidents happened in this area for which the buses took time for repairing work resulting in being off route for few days. It is also found that some of the vehicles which entered under agreement in the year 2001 have already performed 8/9 years of services and for body repairing of such vehicles took about 1-1½ months' time.

As a matter of fact, the clauses 39 and 40 are to be implemented but on getting revised order from our Managing Director, ASTC, Guwahati, the penalty amount reduced to ₹ 100 per day and the fines also realized as and when they wilfully violated the norms.

The above descriptions are the operational picture of P.O. buses and placed before your honour.

#### **OBSERVATION AND RECOMMENDATION**

The Committee after threadbare discussion with the Secretary, Transport Department and Managing Director, ASTC and Departmental officials on the replies submitted by the Department/ASTC decided to drop the para.

#### **10. Reference paragraph 3.9 of the Report of the CAG of India (Commercial) for the year ended 2009-2010**

Non-observance of Governor's directives resulted in non-levying as well as non-realisation of ₹ 1.79 crore.

#### **MANAGEMENT REPLY**

ASTC in their replies stated that from the date of operationalisation of the ISBT, i.e. w.e.f. 1.4.2008, parking fee of all buses, other than the ASTC buses and the PO buses operated under ASTC, entered in the ISBT have been collected @ ₹ 200.00 per bus. Government of Assam in Transport Department vide Notification NO.TMV.129/96/Pt/232 dated 24.03.2008 inter alia delegated that all buses entering the ISBT will have to pay the requisite fees and charges to be determined by the ISBT Authority.



Subsequently in partial modification of notification no.TMV.129/96/pt/233 dated 26.03.2008, the Transport Department, Government of Assam issued notification no.TMV.129/96/pt/ 234 dated 28.03.2008 exempting the private owned buses (PoB) operated under ASTC from payment of parking fee at ISBT, Betkuchi. Further, in pursuance of the notification no.TMV.129/96/Pt/232 dated 24.03.2008, the ISBT Authority also in its meeting held on 09.07.2008 decided to grant exemption to ASTC buses and PoB operated under ASTC from payment of parking fee at ISBT, Betkuchi.

The above notifications and decisions have been strictly followed in respect of parking fee at ISBT, Betkuchi and there is no violation or non-compliance with the Policy/directives.

### **OBSERVATION AND RECOMMENDATION**

The Committee after threadbare discussion with the Secretary, Transport Department and Managing Director, ASTC and Departmental officials on the replies submitted by the Department/ASTC decided to drop the para.

### **11. Reference paragraph 3.9 of the Report of the CAG of India (Commercial) for the year ended 2011-2012**

Non-adherence to the stipulated conditions of the Dharmajyoti scheme resulted in loss of ₹ 25.56 Lakh to the State exchequer.

### **MANAGEMENT REPLY**

ASTC in their replies stated that the ASTC authority found to have deviated from the stipulated pre-condition laid down in the State Government guidelines for implementation of Dharmajyoti Scheme by not realizing the 50% of cost of journey in advance from those total 22,687 number of pilgrims who had availed journey in ASTC buses at free of costs to respective pilgrimages of the State, inclusive of the journey performed by Haj pilgrims from Guwahati to LGB Airport for the purpose of their onward journey by air to the pilgrim viz. Mecca located outside the country.

The journey performed at free of cost from Guwahati to LGB Airport by the Haj Pilgrims for the purpose of their onward journey by air to the pilgrim viz. Mecca located outside the country, although does not come under purview of Dharmajyoti Scheme but the total cost of journey performed from Guwahati to LGB Airport by such Haj pilgrims have been reportedly adjusted in the bill to avoid the loss of ASTC.

It is informed by the office that the practice of providing ASTC bus services to Haj pilgrims from Guwahati to LGB Airport at free of cost was a regular phenomenon and the practice of adjustment of 100% cost against aforesaid journey made by groups of Haj pilgrims from Guwahati to LGB Airport at free of cost, out of the Government share of funds continued till 2012.

Apart from the Haj pilgrims of the State as a whole, a section of other pilgrims of different religions are also enjoying such benefit of pilgrimage at free of cost under Dharmajoti Scheme in every year as groups who are of socially and economically weak, and the similar practice of adjustment of 100% cost against aforesaid journey made by those groups of pilgrims at free of cost, out of the Government share of fund continued till 2012.

Therefore, the utilization certificate of fund submitted by the then ASTC authority showing so called involvement of expenditure incurred for aforesaid Haj and other pilgrims in particular, can be treated as 'inflated certificate' issued suppressing the actual fact.

Further, the ASTC officials/staff gave an impression that journey at free of cost to aforesaid categories of pilgrims was allowed as per time to time telephonic or verbal orders of higher authorities such as former departmental ministers and others, and subsequently, the matter was placed before the Board of Directors of ASTC to waive out expenditure incurred thereof and thereafter, the approval of Hon'ble Departmental Minister was obtained with retrospective effect to regularize the matter.

On question, the concerned officials have failed to produce any records indicating office notes on such request of higher authorities except a copy of Transport Department letter no. TMV.303/2012/3 dated 18.09.2012, which contains a request to provide buses as per request made by the Executive Officer cum Secretary, Joint State Haj Committee, Assam, Meghalaya, Nagaland, Mizoram etc., Dispur, Guwahati vide his letter no. SHC.13/2011/44 dated 11-09-2012 related to Haj pilgrims-2012 only. The audit seems to had

audited the instant matter for the period from 2007-08 to 2010-11 and therefore, the matter pertaining to concession given, if any, to Haj pilgrims 2012 is not relevant to this paragraph and the Dharmajyoti Scheme implemented for the year 2011-12, 2012-13, 2013-14 and 2015-16 have not yet been audited by the Accountant General, Assam.

As regards, audit's objection inter-alia indicating that the Board has approved the waiver in March 2012 citing the order of Hon'ble Transport Minister, Assam, however, the approval of the Hon'ble Minister have been obtained in December 2012 etc. The relevant resolution of Dharmajyoti Scheme adopted in the 159<sup>th</sup> meeting of the Board of Directors held on 31-03-2012 does not contain the specific financial years and year wise number of pilgrims (both Haj pilgrims and other) for which 100% waiver/concession of fare was allowed against which retrospective approval was obtained from the Hon'ble Transport Minister on 11.12.2012 (i.e. in the financial year 2012-13).

### **OBSERVATION AND RECOMMENDATION**

The Committee after threadbare discussion with the Secretary, Transport Department and Managing Director, ASTC and Departmental officials on the replies submitted by the Department/ASTC decided to drop the para.

### **12. Reference paragraph 3.6 of the Report of the CAG of India (Commercial) for the year ended 2012-2013**

Despite incurring an expenditure of ₹ 60 lakh on outsourcing the upkeep and maintenance work of ISBT Premises, ASTC could not get the intended benefit of a clean and hygienic environment.

### **MANAGEMENT REPLY**

ASTC in their replies stated that upon bare reading of above facts made available in records without going through the contents of the relevant file due to failure of the office to trace out the same, it can be said at a conclusion that there was somewhere something fishy and questionable intention behind the allotting the work of mechanized cleaning of ISBT, Guwahati to Divine Construction & Suppliers (contractor) which can be substantiated by following questions-

- i) Why the experiment of mechanized cleaning needs consecutive 2 (two) years of time period to observe the outcome?
- ii) Why the then ASTC authority did not go for re-tendering process when none of the 3 (three) bidders had submitted the technical bids rather opened the financial bid ignoring the necessity technical bids as stipulated in NIT?
- iii) Why the credential of availability of required machineries with Divine Construction & Suppliers was not verified before allocating the work since the firm seems to be was engaged mainly in the business of construction and general supplies?
- iv) Is the participation of only 3 (three) firms and that too of similar standard was a preconceived idea behind for meeting the need of minimum 3 (three) participating tenderers against a NIT as per Government standing instructions?
- v) Where the relevant file(s) has/have gone and why such important office records involving huge financial implications is/are now not traceable in office?

### **OBSERVATION AND RECOMMENDATION**

The Committee after threadbare discussion with the Secretary, Transport Department and Managing Director, ASTC and Departmental officials on the replies submitted by the Department/Corporation decided to drop the para.

### **13. Reference paragraph 3.7 of the Report of the CAG of India (Commercial) for the year ended 2012-2013**

ASTC extended undue benefit of ₹ 30 lakh to the contractors by allowing higher prices.

### **MANAGEMENT REPLY**

ASTC in their replies stated that the upon examination of the records found available on those files, the following facts had been noticed-

- i. The tender notice no. STHP/236/Bus Body/2010-11/155 dated 10.04.2010 was published in Local Daily viz. The

Sentinel on 13.04.2010 inviting sealed tenders in 2 bids system for construction of body of various categories of buses during the year 2010-11 inter-alia fixing last date of receiving tenders as 30.04.2010 up to 4:00 PM.

- ii. It appears that the technical bid was opened on 30.04.2010 while the financial bid was opened on 24.05.2010 M/s Unitech Motors Private Limited had quoted the rates for construction of bus bodies in 2 (two) quotations on same date i.e. on 28.04.2010. They had inter-alia quoted for 31 seater Hi-Tech Semi Deluxe on TATA LP 1512 TC/42 chassis or equivalent' as ₹ 8,70,000 in one quotation and ₹ 8,90,000 in another quotation.
- iii. The office had prepared 2 (two) comparative statements of rates quoted by the participating firms. One Comparative Statement where the rates of M/s Unitech Motors Private Limited for 31 seater Hi-Tech Semi Deluxe on TATA LP 1512 TC/42 chasis or equivalent shown as ₹ 8,70,000 contains the signatures of only representatives of 3 (three) participating firms without any signatures of ASTC officials. Here, the negotiated rate though appears as ₹ 8,40,000 only but no minutes of the negotiation meeting with the Bus Body Building Firms could be detected in records in support of such negotiation. But, in the other comparative statement of rates where the rates of M/S Unitech Motors Private Limited for 31 seater Hi-Tech Semi Deluxe on TATA LP 1512 TC/42 chassis or equivalent shown as ₹ 8,90,000 contains the signatures of committee members including representatives of 3 (three) participating firms. Here, the negotiated rate appears as ₹ 8,70,000 only supported by the minutes of the negotiation meeting with the Bus Body Building Firms held at the office chamber of the Managing Director on 17.06.2010.
- iv. On question, Shri L.K. Borah, former Chief Engineer (A&T) stated that the first one is only a rough work sheet prepared during negotiation and therefore none of the member had put their signatures therein. But, the second one is the actual comparative statements of rates showing negotiated rates as ₹ 8,90,000.

On the face of the aforesaid findings of enquiry, the management is of the view that-

- i. Presence of 2 quotations of different rates on same day by M/S Unitech Motors Private Limited particularly for the item 31 seater Hi-Tech Semi deluxe on TATA LP 1512 TC/42 chassis or equivalent' is questionable leading to doubt of manipulation of quoted rates in higher side of vested interest.
- ii. The negotiated rates of ₹ 8,70,000 only seems to had been finalized by the committee's meeting held on 17.06.2010, which is supported by minutes of the meeting but no such minutes of the committee's meeting could be traced out in records regarding finalization of negotiated rates of ₹ 8,40,000 only per chassis as claimed by audit.
- iii. Therefore, in absence of such minutes of the committee's meeting in support of finalization of rates at ₹ 8.40 lakh per chassis in first negotiation as claimed by audit, it is difficult to arrive at a final conclusion confirming the involvement of the then authority in extending undue benefit to the extent of ₹ 0.30 lakh per chassis to contractors as alleged.

Since the matter is quite old and the records are not traceable besides the concerned officials retired long back and some of them has already expired.

#### **OBSERVATION AND RECOMMENDATION**

The Committee after threadbare discussion with the Secretary, Transport Department and Managing Director, ASTC and Departmental officials on the reply submitted by the Department/ASTC decided to drop the para.

#### **14. Reference paragraph 3.9 of the Report of the CAG of India (Commercial) for the year ended 2013-2014**

Allowing of higher rates for a component of works by ASTC without taking cognizance of the rates available in SoP 2010-11 resulted in extension of undue benefit to the contractor to the extent of ₹ 1.28 crore.

#### **MANAGEMENT REPLY**

ASTC in their replies stated that the fact is that there used to be huge traffic jam in and around the Paltan Bazar are, particularly,

near the ASTC Bus Station. Since, the Railway Station is also situated along the side of the ASTC Bus Station, therefore, during peak hours, there used to be huge traffic jam and it took hours to clear the traffic jam or to reach ones destination. With a view to case the traffic congestion, the Ministry of Development of North Eastern Region, Government of India, accorded financial approval for the construction of a Multi-level Car parking at Paltan Bazar, Guwahati (within ASTC's campus) in August, 2008 at an estimated cost of ₹ 9.24 crore. The Government of Assam took a decision to execute the Project through ASTC in December 2008. Since the work was to be executed inside the ASTC campus, therefore, Notice Inviting Tender (NIT) was issued by ASTC, with the help of technical experts, in January 2009. As the decision for execution of the Project was already delayed and as the Multi-level parking system was the pilot/first Project of its kind in the entire north-eastern region, the work was finally awarded upwardly for ₹ 7.15 crore after proper assessment and adjustment for the water table condition, which is much above in comparison with other areas.

Here, the Audit observed that the agreement was above 33.65% of SOR of 2004-05. This is also incorrect, since the comparisons made was of SOR in 2009 rates with 2004-05 rates (i.e. after 5 years). As there were no rates available in the SOR of 2004-05 for RCC Pillars quoted for this component of work, therefore, considering the ground situation (more seepage and water logging while digging), the rate was enhanced to ₹ 9.00 crore, that too with the consultation and approval of APWD and the said Project was completed within that amount in September 2013. Thus, there was an actual saving of ₹ 0.24 crore against the estimated cost of ₹ 9.24 crore.

The Audit has observed that while ASTC was in the process of fixing the cost for M-25 (600 mm) pilling works, the APWD had issued the SOR of 2010-11 in May 2010. However, Audit has failed to state the progress of the work up to May 2010. The pilling works had started in June 2009 (before the publication of SOR 2010-11) at the agreed rate and as substantial work had been completed by then, therefore, the work could not be called off on the ground that new rates for the pilling works have been published. This could have created legal problems, which could have further delayed the Project and the work could not have

been completed even now. Not only that, the traffic jam in and around ASTC area could have been more acute.

The Multi-level Car Parking at Paltan Bazar, Guwahati is the first of its kind in the entire north eastern region and it has been completed successfully by ASTC and duly commissioned and inaugurated by the Hon'ble Chief Minister, Assam, on 19<sup>th</sup> December 2013. The Multi-level Car Parking is being operated by ASTC and a substantial revenue is being generated.

On the face of the aforesaid findings of enquiry as per direction of the Committee on Public Undertakings, Assam Legislative Assembly held on 29.08.2016 it is viewed that then ASTC authority had issued revised work order in the month of September, 2011 when the APWD SOR 2010-11 issued by the APWD in the month of May 2010 have already come into force. This vital aspect involving financial implication cannot be ignored by the then authority.

#### **OBSERVATION AND RECOMENDATION**

The Committee after threadbare discussion with the Secretary, Transport Department and Managing Director, ASTC and Departmental officials on the replies submitted by the Department/ASTC decided to drop the para.



**ANNEXURE -I**

**COMPOSITION OF THE OUTGOING COMMITTEE**

**(FOURTEEN ASSEMBLY)**

**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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