Preface

Government commercial enterprises, the accounts of which are subject to audit by the Comptroller and Auditor General of India (CAG), fall under the following categories:

(i) Government companies,

(ii) Statutory corporations, and

(iii) Departmentally managed commercial undertakings.

2. This report deals with the results of audit of Government companies and Statutory corporations and has been prepared for submission to the Government of West Bengal under Section 19A of the CAG (Duties, Powers and Conditions of Service) Act, 1971, as amended from time to time. The results of audit relating to departmentally managed commercial undertakings are included in the Report of the Comptroller and Auditor General of India (Civil) – Government of West Bengal.

3. Audit of the accounts of Government companies is conducted by the Comptroller and Auditor General of India under the provisions of Section 619 of the Companies Act, 1956.

4. In respect of West Bengal Industrial Infrastructure Development Corporation, West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation, West Bengal Minorities Development and Finance Corporation, West Bengal Backward Classes Development and Finance Corporation and Calcutta, North and South Bengal State Transport Corporations, which are Statutory corporations, the Comptroller and Auditor General of India is the sole auditor. The CAG also audits the accounts of the West Bengal Electricity Regulatory Commission, as sole auditor. As per the State Financial Corporations (Amendment) Act 2000, CAG has the right to conduct the audit of accounts of West Bengal Financial Corporation in addition to the audit conducted by the Chartered Accountants appointed by the Corporation out of a panel of auditors approved by the Reserve Bank of India. In respect of West Bengal State Warehousing Corporation, he has the right to conduct the audit of their accounts in addition to the audit conducted by the Chartered Accountants appointed by the State Government in consultation with CAG. The Audit Reports on the annual accounts of all these corporations/ Commission are forwarded separately to the State Government.

5. The cases mentioned in this Report are those which came to notice in the course of audit during the year 2008-2009 as well as those which came to notice in earlier years but were not dealt with in the previous Reports. Matters relating to the period subsequent to 2008-2009 have also been included, wherever necessary.

6. The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department issued by the Comptroller and Auditor General of India.

Overview

1. Overview of State Public Sector Undertakings

Audit of Government companies is governed by Section 619 of the Companies Act, 1956. The accounts of Government companies are audited by Statutory Auditors appointed by CAG. These accounts are also subject to supplementary audit conducted by CAG. Audit of Statutory corporations is governed by their respective legislations. As on 31 March 2009, the State of West Bengal had 72 working PSUs (63 companies and 9 Statutory corporations) and 23 non-working PSUs (22 companies and one corporation), which employed 72930 employees. The PSUs registered a turnover of Rs. 17,304 crore for 2008-09 as per their latest finalised accounts. This turnover was equal to 5.59 *per cent* of State GDP indicating an important role played by State PSUs in the economy.

Investments in PSUs

As on 31 March 2009, the investment (Capital and long term loans) in 95 PSUs was Rs. 40,970.41 crore. It grew by over 30.26 *per cent* from Rs. 31,451.74 crore in 2003-04. Power and finance sector accounted for nearly 81 *per cent* of total investment in 2008-09. The Government contributed Rs. 1,501.36 crore towards equity, loans and grants/subsidies during 2008-09.

Performance of PSUs

During the year 2008-09, out of 72 working PSUs, 34 PSUs earned profit of Rs. 538.73 crore and 32 PSUs incurred loss of Rs. 608.11 crore while three PSUs prepared accounts on 'no profit no loss' basis, while three PSUs had not finalized their first accounts. The major contributors to profit were Haldia Petrochemicals Limited (Rs. 134.64 crore), West Bengal Power Development Corporation Limited (Rs. 104.23 crore), West Bengal State Electricity Distribution Company Limited (Rs. 100.26 crore) and West Bengal State Electricity Transmission Company Limited(Rs. 81.32 crore). The heavy losses were incurred by The Calcutta Tramways Company (1978) Limited (Rs. 195.25 crore), The Durgapur Projects Limited (Rs. 130.48 crore), Calcutta State Transport Corporation (Rs. 47 crore) and Kalyani Spinning Mills (Rs. 44.34 crore).

The losses are attributable to various deficiencies in the functioning of PSUs. A review of three years' Audit Reports of CAG shows that the State PSUs' losses of Rs. 3201.27 crore were controllable with better management.

Thus, there is tremendous scope to improve the functioning and enhance profits. The PSUs can discharge their role efficiently only if they are financially self-reliant. There is a need for professionalism and accountability in the functioning of PSUs.

Quality of accounts

The quality of accounts of PSUs needs improvement. Out of 70 accounts finalised during October 2008 to September 2009, 37 accounts received qualified certificates. Further, statutory auditors and CAG had commented on 39 accounts with total impacts of comments of Rs 263.20 crore on their reported profitability. There were 33 instances of non-compliance with Accounting Standards. Reports of Statutory Auditors on internal control of the companies indicated several weak areas.

Arrears in accounts and winding up

Out of 72 working PSUs only 29 PSUs had finalised their accounts for 2008-09 up to September 2009. The accounts of remaining 43 PSUs were in arrears for periods ranging from one to five years. There were twenty three non-working PSUs of which two had finalized their accounts for the years for 2008-09 while 15 PSUs had arrears of accounts for one to seven years. The remaining six PSUs had gone into voluntary winding up process. As no purpose is served by keeping these PSUs in existence, they need to be wound up quickly.

Placement of SARs

There was delay of six months to eight years in placement of 12 SARs in State legislature by three Statutory corporations. This weakens legislative control over Statutory corporations. The Government should ensure prompt placement of SARs in the legislature.

Discussion of Audit Reports by COPU

The Audit Reports (Commercial) for 2003-04 to 2007-08 yet to be discussed fully by COPU. These audit reports contained 18 reviews and 115 paragraphs of which only four reviews and 65 paragraphs have been discussed.

(Chapter 1)

2. Performance Audit relating to Government company

Performance Audit relating to '***Allotment and sale of plots/ flats***' by West Bengal Housing Infrastructure Development Corporation Limited was conducted. Executive summary of audit findings is given below:

West Bengal Housing Infrastructure Development Corporation Limited (Company) took up development of New Town Project for construction of houses for a population of 7.50 lakh from all income groups with emphasis on housing for economically weaker sections and lower income groups as well as developing a new business centre. The Company developed 1,224.89 hectares land, of which 765.23 hectares were sold till 31 March 2009. The performance audit relating to allotment and sale of plots/ flats by the Company for the period from 2004-05 to 2008-09 was conducted to assess effectiveness of its long terms plan for development and allotment/ sale of land, efficiency in devising pricing policy and its implementation, recover dues and effectiveness of the management in monitoring different activities of the Company.

Planning

The Company had no strategic plan leading to frequent changes in time schedule, break even cost and lack of synchronisation between different activities. The high incidence of unsold land was attributable to delay in creation of infrastructural facilities and basic amenities and lack of aggressive sale strategy. This led to huge slippages in handing over the possession of 8,134 plots to individuals/co-operatives.

Land pricing policy

The Company belatedly ascertained the break even cost of saleable land in March 2008 after identifying total saleable land and estimating the total project cost of New Town Project as a whole. Consequently, the Company could not recover shortfall in break even cost. Further, higher income group was extended more financial relief than the lower income group while fixing price structure. Consequently, the higher income group got additional financial relief of Rs. 41.48 crore.

Allotment/ sale of plots

The Company did not fix any annual target for sale of land to different categories of allottees. Due to sale of plots in deviation from the allotment and sale policy, below the market price and break even cost, the Company sustained loss of revenue of Rs. 371.75 crore in allotment of bulk plots to 24 companies /firms /developers. Moreover the Company extended undue advantage of Rs. 19.96 crore to West Bengal Housing Board due to recovery of less escalation on cost of development and double payment of overhead. Due to fixing of unrealistic sale price of residential plots without reference to total cost of the project the Company failed to realise Rs. 179.47 crore from 8,573 allottees. No guidelines and procedure was framed for allotment under Special quota. 147 plots were allotted to different individuals without assigning reasons on records. Further, the Company lost Rs. 2.28 crore due to sale of these plots below sale prices.

Non-recovery of debts

The Company failed to recover dues of Rs. 33.61 crore from nine debtors as on March 2009 and did not invoke penalty of Rs. 23.11 crore for delayed payment of dues from eight debtors.

Conclusion and Recommendations

The Company deviated from its own allotment policy, belatedly fixed the break-even cost and delayed development of land and infrastructural facilities. Consequently, there were losses in sale/ allotment of land and non-recovery of dues. The Company should lay greater emphasis on infrastructure development. The pricing policy should be bench marked in accordance with market prices and Company's objectives.

(Chapter II)

3. Performance Audit relating to Statutory Corporations

Performance Audit on '***Performance of State transport undertakings in West Bengal'*** was conducted. Executive summary of audit findings is given below.

The Calcutta State Transport Corporation (CSTC), North Bengal State Transport Corporation (NBSTC), South Bengal State Transport Corporation (SBSTC), The Calcutta Tramways Company (1978) Limited (CTC) and West Bengal Surface Transport Corporation (WBSTC) provide public transport in the State through their 52 depots. These State Transport Undertakings (STUs) had fleet of 2,624 buses as on 31 March 2009 and carried an average of 9.81 lakh passengers per day during 2004 -09. They accounted for a share of 5.84 per cent in 2008-09 in public transport with the rest coming from private operators. The performance audit of the STUs in West Bengal for the period from 2004-05 to 2008-09 was conducted to assess efficiency and economy of their operations, ability to meet financial commitment, possibility of realigning the business model to tap non-conventional sources of revenue, existence and adequacy of fare policy and effectiveness of the top management in monitoring the affairs of the STUs.

Finance and performance

The STUs suffered loss of Rs. 518.42 crore during 2004-09. The STUs earned Rs. 30.01 per kilometre and spent Rs. 37.10 per kilometre in 2008-09. Audit noticed that with a right kind of policy measures and better management of their affairs, it is possible to increase revenue and reduce cost, so as to earn profit and serve their cause better.

Declining share of STUs

Out of 44,942 buses licensed for public transport in 2008-09, 5.84 per cent belonged to the STUs. The percentage share declined from 8.15 per cent in 2004-05. This was due to the fact that the STUs buses reduced over the period from 2,983 to 2,624 during the review period. However, the overall vehicle density per one lakh population in the State increased from 43.03 in 2004-05 to 51.84 in 2008-09.

Vehicle profile and utilisation

The STUs were not able to achieve the norm of right age buses as out of 2,624 owned buses, 940 buses were overage. During 2004-09, the STUs purchased 1,326 new buses at a cost of Rs. 172.69 crore. The expenditure was funded through plan loan from the State Government and Bank Loans. The fleet utilisation of STUs in 2004-09 was lower than the all India average (AIA) of 92 per cent. The overall vehicle productivity at 139.89 kilometers per day per bus was less than the AIA of 313 kilometers. The passenger load factor of STUs varied from 58.59 to 61.88 per cent during the period under review against the AIA of 63 per cent.

The STUs did not carry out the preventive maintenance as required. Test check in Audit revealed that the percentage of shortfall in docking required to be done by CSTC, CTC, NBSTC and SBSTC were 23.76, 79.01, 49 and 42 per cent of the scheduled dockings required to be carried out affecting the roadworthiness of their buses. However, none of the STUs maintained complete records showing vehicle-wise preventive maintenance programme carried out.

Economy in operations

The manpower and fuel constituted 73.62 per cent of the total cost in 2008-09. Interest, depreciation and taxes-the cost which are not controllable in the short-term, accounted for 15.35 per cent. Thus, the major cost saving can come from manpower and fuel. The STUs were able to reduce overall manpower per bus from 11.37 in 2004-05 to 9.78 in 2008-09. However, the manpower cost per effective Km of the STUs increased from Rs. 12.52 (2004-05) to Rs. 17.36 (2008-09). Audit analysed that the reasons for increase in manpower cost per effective Km were low vehicle productivity, low fleet utilisation and high bus staff ratio.

None of the STUs could achieve the AIA for fuel consumption. The excess consumption of fuel by the STUs as compared to AIA resulted in loss of Rs. 136.88 crore during 2004-09.

WBSTC started operation of buses through franchisee system since November 2004. Due to non-revision of contract executed with the franchisees prior to August 2007, WBSTC suffered a loss of Rs. 67.60 lakh. Moreover, Rs. 61.11 lakh remained un-recovered from franchisees due to non-receipt of monthly franchisee fees in advance.

Revenue maximisation

The route planning in the STUs were deficient as none of the STUs had a continuous practice of monitoring profitability of different routes or undertaking surveys to assess economic viability before introduction of new routes. Audit scrutiny in test-checked depots revealed that the number of routes not meeting variable cost increased from 28.02 to 55.67 per cent during 2004-08 and reduced thereafter to 41.67 per cent in 2008-09. The share of non-traffic revenue was nominal at 1.83 per cent of the total revenue during the period under review. None of the STUs had any policy for large scale tapping of non-traffic revenue sources which could cross-subsidise their operations. The STUs have about 24.47 lakh square meters of land. As they mainly utilise ground floor /land for their operations, the space above can be developed on public private partnership basis to earn steady income.

Need for a regulator

The State Government approves the fare increase but the basis for fixation of the same was not on record. The STUs have also not laid down norms for providing services on uneconomical routes. Thus, it would be desirable to have an independent regulatory body (like State Electricity Regulatory Commission) to fix the fares, specify operations on the uneconomical routes and address grievances of the commuters.

Inadequate monitoring

The fixation of targets for various operational parameters and an effective Management Information System (MIS) for obtaining feed back on achievement thereof are essential for monitoring by the top management. The monitoring by top management fell short as it did not fix targets for various operational parameters. Though the Board of Directors' meetings were held as per statutes, the operational performance of the STUs were seldom reviewed.

Conclusion and Recommendations

Though the STUs are incurring losses, it is mainly due to their high cost of operations. The STUs can control the losses by tapping non-conventional sources of revenue, besides controlling their cost of operations. This review contains seven recommendations to improve the STUs performance. Improving fleet utilisation and vehicle productivity, creating a regulator to regulate fares and services and framing a policy for large scale tapping of the non-conventional sources of revenue are some of these.

(Chapter 3)

4. Transaction audit observations

Transaction audit observations included in this Report highlight deficiencies in the management of PSUs, which resulted in serious financial implications. The irregularities pointed out are broadly of the following nature:

- Non-compliance with rules / directives / procedures in five cases involving Rs.574.09 crore.

  (*Paragraphs 4.1, 4.8, 4.11, 4.12, and 4.18*)

- Defective/deficient planning in four cases involving Rs.100.51 crore.

  (Paragraphs 4.2, 4.3, 4.4 and 4.15)

- Loss of Rs.26.08 crore due to inadequate/deficient monitoring in five cases.

  (*Paragraphs 4.5, 4.6, 4.9, 4.14 and 4.17*)

- Lack of fairness, transparency and competitiveness observed in two cases involving Rs.4.95 crore.

  (*Paragraphs 4.7, and 4.13*)

- Non-safeguarding of financial interests of organization in three cases involving Rs.2.28 crore.

  (*Paragraphs 4.10, 4.16, and 4.19*)

Gist of some of the important audit observations is given below:

In violation of regulatory requirement, **West Bengal Power Development Corporation Limited** failed to disclose realisation of Rs 542.52 crore in its tariff petitions leading to extra burden on consumers. Moreover, it failed to recover fixed charges of Rs 16.16 crore due to suspension of power generation arising from delay in replacement of oil in generator transformer.

(Paragraphs 4.1 and 4.2)

West Bengal State Electricity Distribution Company Limited incurred wasteful and extra expenditure of Rs 85.38 crore on procurement of meters, compensation to contractor, payment of avoidable insurance premium and construction of bridges. Further, it lost revenue of Rs 4.67 crore on account of wrong application of tariff, inadmissible benefit to consumers and delayed recovery action.

(Paragraphs 4.3, 4.4, 4.5, 4.6, and 4.7)

The Durgapur Projects Limited extended undue benefit of Rs 29.25 crore to a contractor and lost revenue of Rs 17.46 crore due to failure to take effective action for realisation of dues.

(Paragraphs 4.8, 4.9 and 4.10)

West Bengal Industrial Development Corporation Limited paid avoidable interest of Rs.1.25 crore due to delay in deposit of service tax.

(Paragraph 4.12)

Chapter I

1. Overview of State Public Sector Undertakings

Introduction

1.1 The State Public Sector Undertakings (PSUs) consist of State Government Companies and Statutory Corporations. The State PSUs are established to carry out activities of commercial nature while keeping in view the welfare of people. In West Bengal, the State PSUs occupy an important place in the state economy. The State PSUs registered a turnover of Rs. 17,304 crore for 2008-09 as per their latest finalised accounts as of September 2009. This turnover was equal to 5.59 *per cent* of State Gross Domestic Product (GDP) for 2008-09. Major activities of West Bengal State PSUs are concentrated in power and manufacturing sector. The State PSUs incurred a loss of Rs. 77.21 crore in the aggregate for 2008-09 as per their latest finalised accounts. They had employed 72,930[♣] employees as of 31 March 2009. The State PSUs do not include eight prominent Departmental Undertakings (DUs), which carry out commercial operations but are a part of Government departments. Audit findings of these DUs are incorporated in the Civil Audit Report for the State.

1.2 As on 31 March 2009, there were 95 PSUs as *per* the details given below. Of these, only one company[§] was listed on the stock exchange(s).

Type of PSUs	Working PSUs	Non-working PSUs[Ψ]	Total
Government Companies[♦]	63	22	85
Statutory Corporations	09	01	10
Total	**72**	**23**	**95**

1.3 During the year 2008-09, two newly incorporated companies viz. Sundarban Infrastructure Development Corporation Limited and West Bengal Green Energy Development Corporation Limited came within the audit purview of Comptroller and Auditor General of India and audit of another company i.e. Lily Products Limited, incorporated in April 2004, was also entrusted to CAG.

♣ As per the details provided by 73 PSUs. Remaining 22 PSUs did not furnish the details.
§ WEBFIL Limited
Ψ Non-working PSUs are those which have ceased to carry on their operations.
♦ includes 619-B companies.

Audit Mandate

1.4 Audit of Government companies is governed by Section 619 of the Companies Act, 1956. According to Section 617, a Government company is one in which not less than 51 *per cent* of the paid up capital is held by Government(s). A Government company includes a subsidiary of a Government company. Further, a company in which 51 *per cent* of the paid up capital is held in any combination by Government(s), Government companies and Corporations controlled by Government(s) is treated as if it were a Government company (deemed Government company) as per Section 619-B of the Companies Act.

1.5 The accounts of the State Government companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors, who are appointed by CAG as per the provisions of Section 619(2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by CAG as per the provisions of Section 619 of the Companies Act, 1956.

1.6 Audit of statutory corporations is governed by their respective legislations. Out of ten statutory corporations, CAG is the sole auditor for Calcutta State Transport Corporation, South Bengal State Transport Corporation, North Bengal State Transport Corporation, West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation, West Bengal Minorities Development and Finance Corporation, West Bengal Industrial Infrastructure Development Corporation and West Bengal Backward Classes Development and Finance Corporation. In respect of West Bengal State Warehousing Corporation, West Bengal State Financial Corporation and Great Eastern Hotel Authority the audit is conducted by Chartered Accountants and supplementary audit by CAG.

Investment in State PSUs

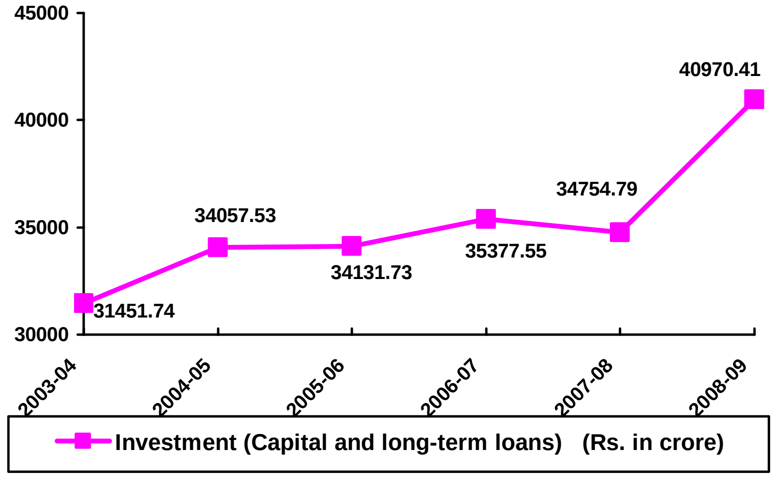
1.7 As on 31 March 2009, the investment (capital and long-term loans) in 95 PSUs (including 619-B companies) was Rs. 40,970.41 crore as per details given below.

(Rs. in Crore)

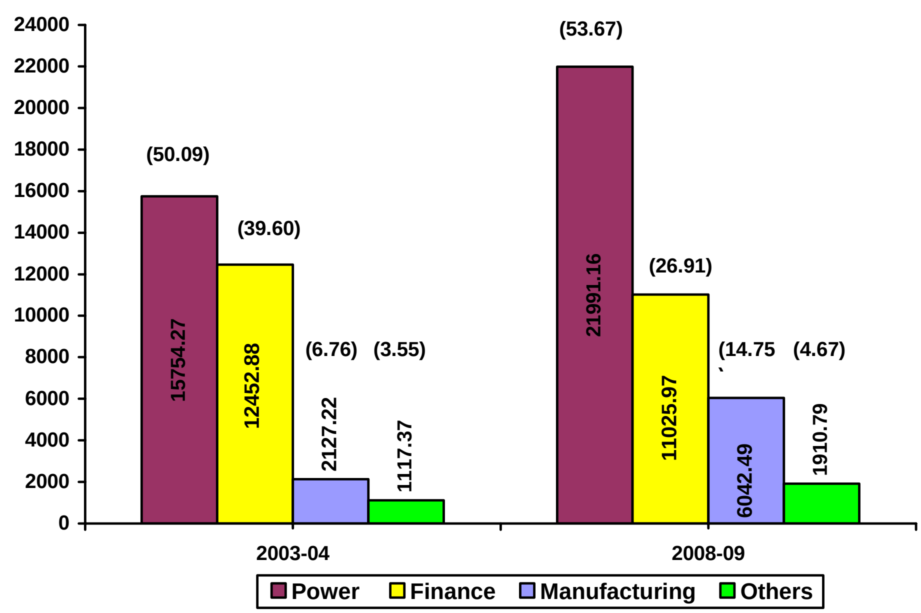
Type of PSUs	Government Companies			Statutory Corporations			Grand Total
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	
Working PSUs	11,133.86	27,404.74	38,538.60	415.64	1,416.69	1,832.33	40,370.93
Non-working PSUs	194.25	387.25	581.50	-	17.98	17.98	599.48
Total	**11,328.11**	**27,791.99**	**39,120.10**	**415.64**	**1,434.67**	**1,850.31**	**40,970.41**

A summarised position of government investment in State PSUs is detailed in **Annexure 1.**

1.8 As on 31 March 2009, of the total investment in State PSUs, 98.54 *per cent* was in working PSUs and the remaining 1.46 *per cent* in non-working PSUs. This total investment consisted of 28.66 *per cent* towards capital and 71.34 *per cent* in long-term loans. The investment has grown by 30.26 *per cent* from Rs. 31,451.74 crore in 2003-04 to Rs. 40,970.41 crore in 2008-09 as shown in the graph below.



1.9 The investment in various important sectors and percentage thereof at the end of 31 March 2004 and 31 March 2009 are indicated below in the bar chart. The investment in PSUs was concentrated on power and finance sector which ranged between 50.09 to 53.67 *per cent* (power) and 39.60 to 26.91 *per cent* (finance) during the six years ending 31 March 2009. In absolute term investment was raised by Rs. 6,236.89 crore in power sector while it was reduced by Rs. 1,426.91 crore in finance sector.



(Figures in brackets show the percentage of total investment)

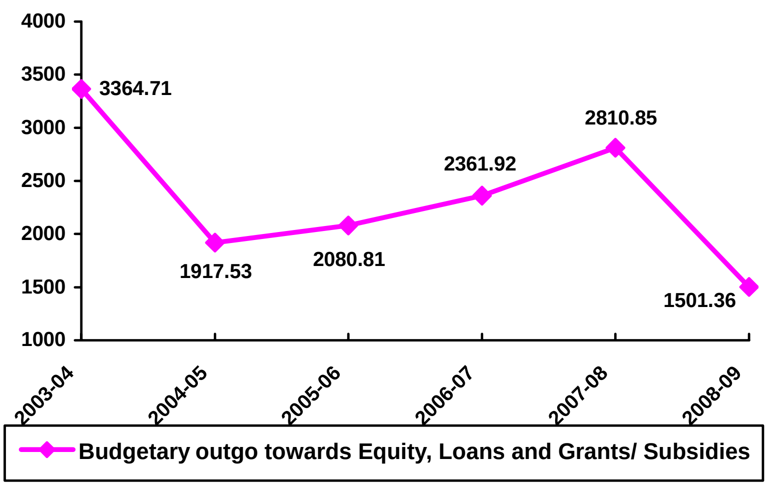
Budgetary Outgo, Grants/subsidies, guarantees and loans

1.10 The details regarding budgetary outgo towards equity, loans, grants/ subsidies, guarantees issued, loans written off, loans converted into equity and interest waived in respect of State PSUs are given in **Annexure 3**. The summarised details are given below for three years ended 2008-09.

(Amount Rs. in crore)

Sl. No.	Particulars	2006-07		2007-08		2008-09	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity Capital outgo from budget	16	725.96	14	1,552.37	15	593.69
2.	Loans given from budget	29	1,255.11	28	909.52	26	500.93
3.	Grants/Subsidy received⊗	27	380.85	20	348.96	24	406.74
4.	Total Outgo (1+2+3)	46#	2,361.92	42#	2,810.85	45#	1,501.36
5.	Loans converted into equity	2	150.70	-	-	2	311.85
6.	Guarantees issued	10	1,522.77	9	2,623.42	10	1,670.19
7.	Guarantee Commitment	27	18,563.84	27	18,651.78	24	23,190.09

1.11 The details regarding budgetary outgo towards equity, loans and grants/ subsidies for past five years are given in a graph below.



The budgetary outgo towards equity, loans and grants/subsidies has declined from Rs. 3,364.71 crore in 2003-04 to Rs. 1,501.36 crore in 2008-09 due to increase in number of non-working companies and restructuring of PSUs.

⊗ Amount represents outgo from State Budget only.
The figure represents number of PSUs which have received outgo from budget under one or more heads i.e. equity, loans, grants/subsidies.

1.12 Except West Bengal Infrastructure Development and Finance Corporation Limited all other PSUs are liable to pay guarantee commission at the rate of one *per cent per annum* to the State Government on the maximum guarantee sanctioned irrespective of the amount availed or outstanding as on 1 April of each year till liquidation of loan. During 2008-09, the State Government had guaranteed loans aggregating Rs. 1,670.19 crore to 10 PSUs. At the end of 2008-09, guarantee commitment by the Government was Rs. 23,190.09 crore against 24 PSUs. During the year five PSUs paid guarantee commission of Rs. 13.48 crore to the State Government while Rs. 99 crore is outstanding from 17 PSUs.

Reconciliation with Finance Accounts

1.13 The figures in respect of equity, loans and guarantees outstanding as per records of State PSUs should agree with that of the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of differences. The position in this regard as at 31 March 2009 is stated below.

(Rs. in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	8,637.69	9,670.64	1,032.95
Loans	11,232.07	9,137.35	2,094.72
Guarantees	11,000.89	23,190.09	12,189.20

1.14 Audit observed that the differences occurred in respect of 69 PSUs and some of the differences were pending reconciliation since many years. In order to reconcile discrepancy in figures of investment on equity and loans made by State Government in Government companies /corporations as indicated in Audit Report (Commercial) and the Finance Accounts, the matter was taken up with Principal Secretary of Finance department in November 2008 but no response was received either from the concerned administrative departments or from the managements of the concerned PSUs. The Government and the PSUs should take concrete steps to reconcile the differences in a time-bound manner.

Performance of PSUs

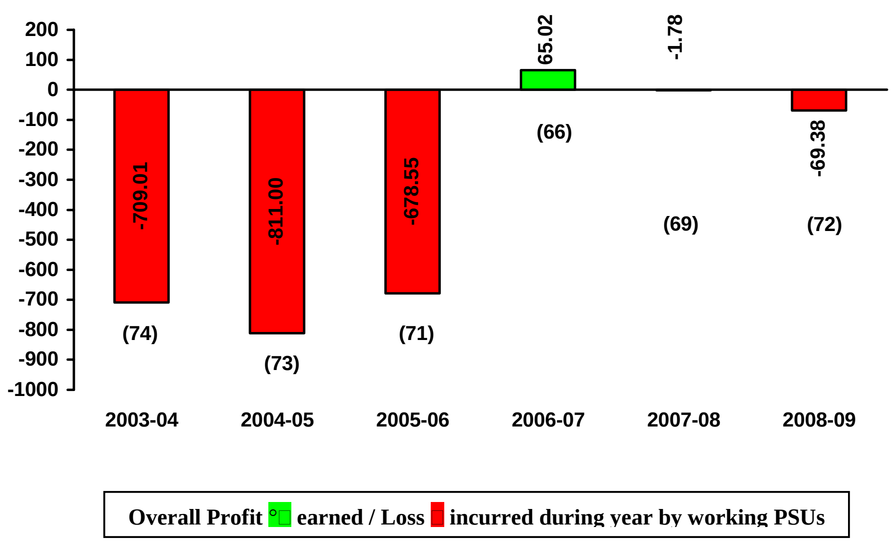
1.15 The financial results of PSUs, financial position and working results of working Statutory corporations are detailed in **Annexure 2, 5** and **6** respectively. A ratio of PSU turnover to State GDP shows the extent of PSU activities in the State economy. Table below provides the details of working PSU turnover and State GDP for the period 2003-04 to 2008-09.

(Rs. in crore)

Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Turnover[∝]	8,895.90	9,932.70	10,623.04	12,530.81	6,630.89	17,295.92
State GDP	1,72,540	1,90,245	2,08,145	2,40,775	2,74,897	3,09,261
Percentage of Turnover to State GDP	5.16	5.22	5.10	5.20	2.41	5.59

It would be seen from above that in terms of turnover PSUs had played a significant role in State GDP. The percentage of turnover to State GDP hovered around five *per cent* during the last six years except in 2007-08. In 2007-08 the turnover shrunk due to delayed finalisation of accounts by two re-structured PSUs in power sector while in 2008-09 surge in turnover was attributed to inclusion of turnover of two 619-B companies.

1.16 Profit (losses) earned (incurred) by State working PSUs during 2003-04 to 2008-09 as per their latest finalised accounts are given below in a bar chart.



(Figures in brackets show the number of working PSUs in respective years)

During the year 2008-09, out of 72 working PSUs, 34 PSUs earned profit of Rs. 538.73 crore and 32 PSUs incurred loss of Rs. 608.11 crore. Three working PSUs[♥] prepared their accounts on a 'no profit no loss' basis, while three working PSUs[♣] have not yet submitted their first accounts. The major contributors to profit were Haldia Petrochemicals Limited (Rs. 134.64 crore), West Bengal Power Development Corporation Limited (Rs. 104.23 crore), West Bengal State Electricity Distribution Company Limited (Rs. 100.26 crore) and West Bengal State Electricity Transmission Company Limited(Rs. 81.32 crore). The heavy losses were incurred by The Calcutta Tramways Company (1978) Limited (Rs. 195.25 crore), Calcutta State Transport Corporation (Rs. 47 crore), The Durgapur Projects Limited (Rs. 130.48 Crore) and Kalyani Spinning Mills (Rs. 44.34 crore).

∝ Turnover of working PSUs as per the latest finalised accounts as of 30 September.

♥ Sr. nos. A-20, 21 & 22 of **Annexure-2.**

♣ Sr. nos. A-32, 34 & 51 of **Annexure-2.**

1.17 The losses of PSUs are mainly attributable to deficiencies in financial management, planning, implementation of project, inefficient operation and monitoring. A review of latest Audit Reports of CAG shows that the State PSUs incurred losses to the tune of Rs. 3201.27 crore and infructuous investment of Rs. 128.45 crore which were controllable with better management. Year wise details from Audit Reports are stated below.

(Rs. in crore)

Particulars	2006-07	2007-08	2008-09	Total
Net Profit (loss)	65.02	(1.78)	(69.38)	(6.14)
Controllable losses as per CAG's Audit Report	521.78	1358.14	1321.35	3201.27
Infructuous Investment	41.87	2.23	84.35	128.45

1.18 The above losses pointed out by Audit Reports of CAG are based on test check of records of PSUs. The actual controllable losses would be much more. The above table shows that with better management, the losses can be eliminated or the profits can be enhanced substantially. The PSUs can discharge their role efficiently only if they are financially self-reliant. The above situation points towards a need for professionalism and accountability in the functioning of PSUs.

1.19 Some other key parameters pertaining to State PSUs are given below.

(Rs. in crore)

Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Return on Capital Employed (*Per cent*)	7.11	6.73	6.14	7.67	6.93	6.83
Debt	27,102.06	28,654.91	28,171.06	28,667.74	25,701.20	29,226.67
Turnover[ϒ]	8,895.90	9,932.70	10,623.04	12,530.81	6,630.89	17,295.92
Debt/ Turnover Ratio	3.05:1	2.88:1	2.65:1	2.29:1	3.87:1	1.69:1
Interest Payments	2,288.65	2,640.15	1,933.47	1,677.11	2,163.73	2,606.69[≠]
Accumulated losses (-)	(-) 9,256.95	(-) 10,260.12	(-) 10,671.41	(-)10,232.99	(-)4,617.69	(-)5,248.69

(Above figures pertain to all PSUs except for turnover which is for working PSUs).

1.20 The above parameters indicate no significant improvement in financial position of the PSUs. The return on capital employed actually decreased from 7.11 *per cent* in 2003-04 to 6.83 *per cent* in 2008-09. The debt turnover ratio had improved from 3.05:1 in 2003-04 to 1.69:1 in 2008-09 mainly due to restructuring in power sector companies and inclusion of one major 619-B company namely Haldia Petrochemicals Limited. Consequently, accumulated loss decreased from Rs. 9,256.95 crore in 2003-04 to Rs. 5,248.69 crore in 2008-09.

1.21 As per the recommendations of the Tenth Finance Commission the State must adopt a modest rate of return on the investment made in commercial, promotional and commercial & promotional public enterprises at the rate of six *per cent*, one *per cent* and four *per cent* respectively, as dividend on equity. Though 32 PSUs earned an aggregate profit of

ϒ Turnover of working PSUs as per the latest finalised accounts as of 30 September of respective years.
≠ As per latest finalised accounts.

Rs. 538.73 crore as per their latest finalised accounts only four PSUs (West Bengal Forest Development Corporation Limited, Saraswati Press Limited, New Town Electric Supply Company Limited and Webel Technology Limited) declared dividend of Rs. 1.79 crore.

Performance of major PSUs

1.22 The investment in working PSUs and their turnover together aggregated to Rs. 57,666.85 crore during 2008-09. Out of 72 working PSUs, the following five PSUs accounted for individual investment *plus* turnover of more than five *per cent* of aggregate investment *plus* turnover. These five PSUs together accounted for 81.65 *per cent* of aggregate investment *plus* turnover.

(Rs. in crore)

PSU Name	Investment	Turnover	Total (2) + (3)	Percentage to Aggregate Investment plus Turnover
(1)	(2)	(3)	(4)	(5)
West Bengal Power Development Corporation Limited	9,335.42	3,118.84	12,454.26	21.60
West Bengal State Electricity Distribution Company Limited	6,995.24	5,426.44	12,421.68	21.54
West Bengal Infrastructure Development & Finance Corporation Limited	9,328.02	950.09	10,278.11	17.82
Haldia Petrochemicals Ltd.	4,038.23	4,193.39	8,231.62	14.27
West Bengal State Electricity Transmission Company Limited	3,263.82	436.71	3,700.53	6.42
Total	**32,960.73**	**14,125.47**	**47,086.20**	**81.65**

Some of the major audit findings of past five years for above PSUs are stated in the succeeding paragraphs.

West Bengal State Electricity Distribution Company Limited

1.23 The Company had arrear of accounts for one year as of September 2009. After restructuring of erstwhile West Bengal State Electricity Board, the Company earned profit of Rs. 100.26 crore in its first year of operation and registered turnover of Rs. 5,426.44 crore. The percentage of return on capital employed was 6.53 *per cent*.

1.24 Deficiency in planning

- The Company awarded contract for supply/erection of hydro mechanical equipment for a pumped storage project without acquiring the required land. Consequently, the project was delayed and the contractor was allowed compensation of Rs. 14.54 crore for suspension of work and extension of project duration.

(Paragraph 4.4 of Audit Report 2008-09)

1.25 Delay in implementation and non achievement of objective

- The implementation of Accelerated Power Development and Reforms Programme had not received the required attention as there were delays in taking up the execution of works, slippages in completion of works and deficient monitoring over the on going works. Consequently, the objective of reducing aggregated technical and commercial losses in distribution of power did not fructify and the company was deprived of the anticipated savings in energy of Rs. 44.86 crore.

(Paragraph 3.1 of Audit Report 2005-06)

1.26 Deficiency in monitoring

- Despite availability of power and infrastructure the company delayed releasing additional power to two consumers and imposed unnecessary restriction on drawal of power during peak hours resulting in loss of revenue of Rs. 2.28 crore.

(Paragraph 3.2 of Audit Report 2007-08)

- The Company could not realise interest and return aggregating Rs. 818.01 crore through tariff mechanism due to the decision of the State Government to reduce the rate of interest on loans and subsequent reversal of this decision. The Company also failed to approach the Government to issue direction to the Commission for review of the tariff orders which led to such loss.

(Paragraph 4.12 of Audit Report 2004-05)

West Bengal Power Development Corporation Limited

1.27 The profit of the company steadily decreased from Rs. 255.18 crore in 2006-07 to Rs. 104.23 crore in 2008 -09. On the other hand turnover had rose from Rs. 2608.32 crore in 2006-07 to Rs. 3,118.84 crore in 2008-09. Consequently, return on capital employed declined from 4.71 *per cent* in 2006-07 to 2.68 *per cent* in 2008-09.

1.28 Deficiency in planning

- Bandel and Kolaghat thermal power stations of the company sustained losses aggregating Rs. 35.66 crore due to ill planned procurement of coal at higher cost and poor linkage materialisation.

(Paragraphs 2.1.33 of Audit Report 2005-06 and 2.1.19 of Audit Report 2007-08)

1.29 Deficiency in implementation

- Inordinate delay in completion of dry ash collection system and renovation of de-mineralisation plant at Kolaghat thermal power station led to additional expenditure of Rs. 10 crore. Further, non-replacement of economiser tube of Unit-4 of the same power station led to loss of generation of Rs. 11 crore during 2001-06.

(Paragraphs 2.1.26 to 2.1.28 of Audit Report 2005-06)

1.30 Deficiency in monitoring

- The Company failed to recover Rs. 16.16 crore towards fixed charges due to loss of generation of power arising from delay in replacement of oil in generator transformer despite repeated observance of fault gases dissolved in the oil.

(Paragraph 4.2 of Audit Report 2008-09)

1.31 Deficiency in financial management

- The Company sustained loss of Rs. 1.09 crore as it failed to liquidate interest on loan as per contractual rate.

(Paragraph 4.15 of Audit Report 2006-07)

West Bengal Infrastructure Development Finance Corporation Limited

1.32 The Company had arrear of accounts of one year as on September 2009. The profit of the Company reduced from Rs. 170.15 crore in 2005-06 to Rs. 8.71 crore in 2006-07 and further to Rs. 3.94 crore in 2007-08. Similarly, the turnover declined from Rs. 1255.96 crore in 2005-06 to Rs. 921.77 crore in 2006-07 and increased to Rs. 950.09 crore in 2007-08. The return on capital employed declined from 10.03 *per cent* in 2005-06 to 8.84 *per cent* in 2006-07 and marginally increased to 9.27 *per cent* in 2007-08.

1.33 Deficiencies in financial management

- Abnormal delays in conversion of amount lying in Deposit Account into State Government loans and sanction of loans below cost of borrowings led to loss of Rs. 248.74 crore.

(Paragraph 2.2.16 of Audit Report 2007-08)

- The Company failed to analyse the market rates before fixing the interest rates on bond raised led to additional burden of Rs. 368.33 crore.

(Paragraph 2.2.12 of Audit Report 2007-08)

1.34 Deficiency in monitoring

- Even after funding of Rs. 4,904.27 crore for infrastructure project, no monitoring mechanism existed to ensure end-use of funds disbursed.

(Paragraph 2.2.24 of Audit Report 2007-08)

West Bengal State Electricity Transmission Company Limited

1.35 The Company had arrear of accounts of one year as of September 2009. After formation (February 2007) the company earned net profit of Rs. 81.32 crore in 2007-08 and registered a turnover of Rs. 436.71 crore. The return on capital employed of the company was 7.90 *per cent* for 2007-08.

1.36 Deficiency in planning

- The Company inordinately delayed in construction of 220/132 KV sub-station at Bishnupur which led to transmission of power at lower voltage in the area from distances of 52 km and 88 km resulting in excess transmission loss of 88.51 MU power valued at Rs 28.30 crore.

(Paragraph 3.1 of Audit Report 2007-08)

Haldia Petrochemicals Limited

1.37 The Company had arrears of accounts for six years as of September 2009. The arrears arose due to legal tussle between private promoter and Government Company for which Company Law Board (CLB) passed an order that Board of Directors of the HPL cannot adopt the annual accounts as the same being considered contentious. Though the West Bengal Industrial Development Corporation Limited, being the principal stakeholder, moved the higher courts but could not get vacated the stay order passed by CLB.

As per latest finalised accounts of 2003-04 the company had earned profit of Rs. 134.64 crore on a turnover of Rs. 4,193.39 crore. The return on capital employed of the company was 11.60 *per cent* in 2003-04.

Since the Government owned companies had invested Rs. 1,096 crore in the company and it had provisionally recorded a turnover of Rs. 21,728 crore in last three years up to 2008-09, the State Government should pursue the legal case vigorously so that these huge transactions may not remain out of legislative scrutiny.

Conclusion

1.38 The above details indicate that the State PSUs are not functioning efficiently and there is tremendous scope for improvement in their overall performance. They need to imbibe greater degree of professionalism to ensure delivery of their products and services efficiently and profitably. The State, Government should introduce a performance based system of accountability for PSUs.

Arrears in finalisation of accounts

1.39 The accounts of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year under Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956. Similarly, in case of Statutory corporations, their accounts are finalised, audited and presented to the Legislature as per the provisions of their respective Acts. The table below provides the details of progress made by working PSUs in finalisation of accounts by September 2009.

Sl. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Number of Working PSUs	73	71	66	69	72
2.	Number of accounts finalised during the year	89	82	79	77	67
3.	Number of accounts in arrears	73	85	62	53	66
4.	Average arrears per PSU (3/1)	1.00	1.20	0.94	0.77	0.92
5.	Number of Working PSUs with arrears in accounts	45	40	36	33	43
6.	Extent of arrears	1 to 6 years	1 to 12 years	1 to 6 years	1 to 4 years	1 to 5 Years

1.40 It would be evident from the above table that the working PSUs had failed to finalise at least one account per year during last three years leading to accumulation of arrears of 67 accounts upto 2008-09. Out of 72 working PSUs, only 29 PSUs[ϒ] had finalised their accounts for the year 2008-09 up to September 2009, as can be seen from **Annexure 2**. The main reasons as stated by the companies for delay in finalisation of accounts is lack of trained staff. The matter of arrear accounts and their non-submission in State Legislature also attracted attention of Committee on Papers of the West Bengal Legislative Assembly. They expressed concern and recommended (July 2009) time bound action plan to pull up the arrears.

1.41 In addition to above, there were also arrears in finalisation of accounts by non-working PSUs. Out of 23 non-working PSUs, six[∝] had gone into voluntary winding up process. Of the remaining 17 non-working PSUs, 15 PSUs had arrears of accounts for one to seven years while two PSUs had finalised their accounts for the year 2008-09.

1.42 The State Government had invested Rs. 804.59 crore (Equity: Rs. 128.11 crore, loans: Rs. 225.72 crore and grants/ subsidy: Rs 450.76 crore) in 25 PSUs during the years for which accounts have not been finalised as detailed in **Annexure 4**. In the absence of accounts and their subsequent audit, it can not be ensured whether the investments and expenditure incurred have been properly accounted for and the purpose for which the amount was invested has been achieved or not and thus Government's investment in such PSUs remain outside the scrutiny of the State Legislature. Further, delay in finalisation of accounts may also result in risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 1956.

1.43 The administrative departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and

[ϒ] Refer Serial Nos. A-2, 3, 8, 17, 18, 20, 23, 25, 26, 27, 28, 29, 30, 31, 36, 39, 40, 42, 44, 47, 48, 50, 52, 54, 58, 60, 62, 63 & B-2 of **Annexure 2.**

[∝] Refer Serial Nos. C-11, 12, 13, 14, 21 & 22 of **Annexure 2.**

adopted by these PSUs within the prescribed period. Though the concerned administrative departments and officials of the Government were informed every quarter by the Audit, of the arrears in finalisation of accounts, no remedial measures were taken. As a result of this the net worth of these PSUs could not be assessed in audit. The matter of arrears in accounts was also taken up (August 2009) with the Chief Secretary/ Finance Secretary to expedite the backlog of arrears in accounts in a time bound manner.

1.44 In view of above state of arrears, it is recommended that:

- **The Government may set up a cell to oversee the clearance of arrears and set the targets for individual companies which would be monitored by the cell.**

- **The Government may consider outsourcing the work relating to preparation of accounts wherever the staff is inadequate or lacks expertise.**

Winding up of non-working PSUs

1.45 There were 23 non-working PSUs (22 companies and one Statutory corporations) as on 31 March 2009. Of these, six PSUs have commenced voluntary liquidation process. The numbers of non-working companies at the end of each year during past five years are given below.

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
No. of non-working companies	13	14	19	20	22
No. of non-working corporations	-	-	1	1	1
Total	**13**	**14**	**20**	**21**	**23**

The non-working PSUs are required to be closed down as their existence is not going to serve any purpose. During 2008-09, two non-working PSUs incurred an expenditure of Rs. 2.64 crore towards salary and establishment expenditure and Rs 0.68 crore towards other expenditure. This was financed by the State Government.

1.46 The stages of closure in respect of non-working PSUs are given below.

Sl. No.	Particulars	Companies	Statutory Corporations	Total
1.	Total No. of non-working PSUs	22	1	23
2.	Of (1) above, the No. under			
(a)	liquidation by Court (liquidator appointed)	-	-	-
(b)	Voluntary winding up (liquidator appointed)	6	-	6
(c)	Closure, i.e. closing orders/ instructions issued but liquidation process not yet started.	12	1	13

1.47 The process of voluntary winding up under the Companies Act is much faster and needs to be adopted / pursued vigorously. The Government may make a decision regarding winding up of four non-working PSUs where no decision about their continuation or otherwise has been taken after they became non-working. The Government may consider setting up a cell to expedite closing down its non-working companies.

Accounts comments and Internal Audit

1.48 Forty-eight working companies forwarded their audited 60 accounts to PAG during the period from October 2008 to September 2009. Of these, 49 accounts of 39 companies were selected for supplementary audit. The audit reports of statutory auditors appointed by CAG and the supplementary audit of CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of statutory auditors and CAG are given below.

(Amount Rs. in crore)

Sl. No.	Particulars	2006-07		2007-08		2008-09	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	10	695.50	11	111.05	12	123.71
2.	Increase in loss	17	197.31	22	61.93	18	100.79
3.	Non-disclosure of material facts	9	134.93	13	1231.83	9	196.54
4.	Errors of classification	7	133.68	11	2029.64	6	64.55

During the period 2006-07 to 2008-09 out of 79, 77 and 60 accounts finalised, 66, 47 and 49 accounts were selected for supplementary audit. Significant high money value of comments in 2006-07 having impact on profit and loss accounts had come down in subsequent years due to persistent follow up for rectification of accounting policies by CAG and statutory auditors and improved compliances to generally accepted accounting policies by the Management. However, there was further scope for betterment in the areas of disclosure and errors of classification.

1.49 During the year 2008-09 statutory auditors had given unqualified certificates for 33 accounts and qualified certificates for 27 accounts. Further, there was scope for improvement in compliance of companies with the accounting standards as there were 27 instances of non-compliance in seven accounts during the year.

1.50 Some of the important comments in respect of accounts of companies are stated below.

The Durgapur Projects Limited (2008-09)

- Loss for the year was under stated by Rs. 79.51 crore due to non-provision for bad and time barred debt (Rs. 78.65 crore) and wrong accounting of deposit received from consumer as ‘miscellaneous income’ (Rs. 85.56 lakh).

West Bengal State Electricity Distribution Company Limited (2007-08)

- Profit for the year was overstated by Rs. 80.51 crore due to non-provision towards liability on excess revenue collected in 2006-07 refundable to the consumers, doubtful receivables, assets /materials lost on theft /burglary and non-accounting of loss on redemption of bond.

West Bengal State Electricity Transmission Company Limited (2007-08)

- Profit for the year was overstated by Rs. 21.66 crore on account of non-provision for shortfall arising on physical verification of inventories and non-existent current assets, non-writing off of entire preliminary expenses and wrong accounting of deposit received from client as other income.

West Bengal Essential Commodities Supply Corporation Limited (2006-07)

- Impact on loss for deduction from export bills and claim against the Company by the foreign buyers, aggregating Rs. 84.39 crore, due to non-receipt of materials or service was not disclosed.

West Bengal Small Industries Development Corporation Limited (2008-09)

- Profit for the year was overstated by Rs. 9.89 crore due to non-provision for permanent diminution in value of investment.

Gluconate Health Limited (2008-09)

- Loss was understated due to non-writing off 'miscellaneous expenditure' of Rs. 6.41 crore arriving from merger of two companies to form Gluconate Health Limited.

West Bengal Electronic Industry Development Corporation Limited (2007-08)

- Net overstatement of profit for the year was Rs. 2.74 crore due to accounting of sale proceeds from disposal of assets of five units as income instead of crediting the proceeds to State Government.

West Bengal Forest Development Corporation Limited (2007-08)

- Profit for the year was overstated by Rs. 2.41 crore due to non provision for liabilities, doubtful debts /advance and non-adjustment of negative balance of opening stock.

Durgapur Chemicals Limited (2007-08)

- Loss for the year was understated by Rs 2.41 crore due to non-amortisation of proportionate cost (including development cost) of leasehold land, short provision for doubtful debts / advances and non-accounting of liability for goods/service received.

Greater Calcutta Gas Supply Corporation Limited (2007-08)

- Loss for the year was understated by Rs. 2.09 crore due to short provision of interest payable on salary arrear and bonus and non-writing off of expenditure capitalised on an unsuccessful project.

1.51 Similarly, eight working statutory corporations forwarded their 10 accounts to PAG during the period from October 2008 to September 2009. Of these, eight accounts of six statutory corporations pertained to sole audit by CAG which was completed. Of the remaining two accounts, both were selected for supplementary audit. The audit reports of statutory auditors and the sole/ supplementary audit of CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of statutory auditors and CAG are given below.

(Amount Rs. in crore)

Sl. No.	Particulars	2006-07		2007-08		2008-09	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	1	1.50	2	26.56	4	4.83
2.	Increase in loss	3	3070.37	5	148.87	5	33.87
3.	Non-disclosure of material facts	3	246.96	4	9.57	4	2.88
4.	Errors of classification	5	213.58	-	-	6	86.23

Due to unbundling of West Bengal State Electricity Board from 2007-08 money value of comments has decreased in subsequent years.

1.52 During the year, all 10 accounts received qualified certificates. The compliance of accounting standards by the Statutory corporations remained poor as there were six instances of non-compliance in these accounts during the year.

1.53 Some of the important comments in respect of accounts of statutory corporations are stated below.

West Bengal Industrial Infrastructure Development Corporation (2006-07)

- Profit for the year was overstated by Rs. 4.39 crore due to non-accounting of excess of expenditure incurred on land cost over sale proceeds of the land (Rs. 3.63 crore) and non-provision of bad debts (Rs. 0.76 crore).

South Bengal State Transport Corporation (2007-08)

- Loss for the year was understated by Rs. 1.57 crore on account of short provision of liability for gratuity payable (Rs. 1.17 crore) and non-charging off of capital expenditure incurred on assets no longer exist (Rs. 0.40 crore).

West Bengal State Ware Housing Corporation (2007-08)

- Loss for the year was understated by Rs. 60 lakh due to non provision of claim lodged by Food Corporation of India in respect of misappropriation of stock during December 1995.

West Bengal Backward Classes Development and Finance Corporation (2007-08)

- Loss for the year was understated by Rs. 31.69 lakh due to accounting of income without certainty of realisation.

- Dishonoured cheque valuing Rs. 1.56 crore was not disclosed in the accounts.

West Bengal Scheduled Castes & Scheduled Tribes Development and Finance Corporation (2006-07)

- Profit for the year was overstated by Rs. 24.93 lakh due to short provision of liability for interest payable (Rs. 16.49 lakh) and non-provision for bad and doubtful debts (Rs. 8.44 lakh).

1.54 The Statutory Auditors (Chartered Accountants) are required to furnish a detailed report upon various aspects including internal control/ internal audit systems in the companies audited in accordance with the directions issued by the CAG to them under Section 619(3)(a) of the Companies Act, 1956 and to identify areas which needed improvement. An illustrative resume of major comments made by the Statutory Auditors on possible improvement in the internal audit/ internal control system in respect of 42 companies[£] for the year 2007-08 and 16 companies[µ] for the year 2008-09 are given below.

Sl. No	Nature of comments made by Statutory Auditors	Number of companies where recommendations were made	Reference to Sl. No. of the companies as per Annexure 2
1	Non-fixation of minimum/ maximum limits of store and spares	13	A-2, A-5, A-10, A-26, A-27, A-30, A-35, A-36, A-40, A-42, A-44, A-47, A-60
2	Absence of internal audit system commensurate with the nature and size of business of the company	12	A-9, A-10, A-11, A-13, A-14, A-20, A-25, A-27, A-35, A-46, A-47, A-61
3	Non maintenance of cost record	18	A-2, A-5, A-6, A-10, A-14, A-15, A-16, A-18, A-19, A-24, A-27, A-30, A-37, A-44, A-52, A-57, A-59, A-61
4	Non maintenance of proper records showing full particulars including quantitative details, situations, identity number, date of acquisitions, depreciated value of fixed assets and their locations	22	A-4, A-8, A-9, A-10, A-14, A-19, A-24, A-26, A-27, A-30, A-37, A-42, A-44, A-45, A-46, A-47, A-53, A-59, C-2, C-4, C-7, C-20
5	Lack of internal control over sale of power	1	A-45

[£]Sr. No.A-2, 5, 7, 8, 10, 11, 12, 13, 15, 16, 18, 19, 20, 22, 25, 26, 28, 29, 30, 36, 37, 39, 40, 42, 44, 45, 46, 47, 48, 49, 52, 53, 54, 55, 57, 59, 60, 61 & 62, C-4,16, & 20 in **Annexure 2.**
[µ] Sr. No. A-2, 18, 20, 25, 27, 30, 31, 36, 39, 40, 44, 47, 50, 54, 62 & C-10 in **Annexure 2**.

Sl. No	Nature of comments made by Statutory Auditors	Number of companies where recommendations were made	Reference to Sl. No. of the companies as per Annexure 2
6	Absence of security policy for software / hardware and backup of past records	2	A-2, A-40
7	Absence of effective system of monitoring of advances/ outstanding dues	22	A-5, A-7, A-8, A-9, A-10, A-12, A-14, A-16, A-18, A-19, A-26, A-27, A-28, A-35, A-37, A-40, A-45, A-52, A-54, A-59, A-61, A-62
8	Non identification of surplus manpower/ non-fixation of norms of requirement/ deployment of manpower	10	A-10, A-27, A-39, A-40, A-44, A-47, A-52, A-53, A-57, A-60,

Status of placement of Separate Audit Reports

1.55 The following table shows the status of placement of various Separate Audit Reports (SARs) issued by the CAG on the accounts of Statutory corporations in the Legislature by the Government.

Sl. No.	Name of Statutory Corporation	Year up to which SARs placed in Legislature	Years for which SARs not placed in Legislature		
			Year of SAR	Date of issue to the Government	Reasons for delay in placement in Legislature
1	West Bengal State Warehousing Corporation	1997-1998	1998-99 1999-2000 2000-01 2001-02 2002-03 2003-04 2004-05 2005-06 2006-07 2007-08	29.06.2001 15.11.2001 12.04.2002 01.01.2003 04.10.2004 28.06.2005 29.08.2006 05.09.2007 22.08.2008 25.06.2009	Not stated by the Government
2	West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation	2005-2006	2006-07	05.08.2009	Not stated by the Government
3	West Bengal Backward Classes Development and Finance Corporation	2006-2007	2007-08	03.06.2009	Not stated by the Government
4	South Bengal State Transport Corporation	2006-2007	2007-08	18.09.2009	Not stated by the Government
5	West Bengal Minorities Development and Finance Corporation	2006-2007	2007-08	Audit in progress	
6	Calcutta State Transport Corporation	2006-2007	2007-08	06.02.2009	Not stated by the Government

Sl. No.	Name of Statutory Corporation	Year up to which SARs placed in Legislature	Years for which SARs not placed in Legislature		
			Year of SAR	Date of issue to the Government	Reasons for delay in placement in Legislature
7	North Bengal State Transport Corporation	2004-2005	2005-06	07.08.2009	Non-availability of adequate print copy
8	West Bengal Financial Corporation	2007-2008	2008-09	Audit in progress	
9	West Bengal Industrial Infrastructure Development Corporation	2005-2006	2006-07 2007-08	02.07.2008 Audit in progress	Not stated by the Government
10	West Bengal Electricity Regulatory Commission	2007-2008	2008-09	Audit in progress	

It would be observed from above that 12 SARs were not placed for periods ranging from six months to eight years (10 SARs relating to West Bengal State Warehousing Corporation, one SAR relating to Calcutta State Transport Corporation and one SAR relating to West Bengal Backward Classes Development and Finance Corporation). The matter was taken up with the highest authority of the Government by the CAG in January 2009 but the situation needs to be improved further.

Delay in placement of SARs weakens the legislative control over Statutory corporations and dilutes the latter's financial accountability. The Government should ensure prompt placement of SARs in the Legislature.

Disinvestment, Privatisation and Restructuring of PSUs

1.56 The State Government undertook (August 2007) second phase Public Sector Restructuring programme with the financial assistance from Department of International Development, Government of United Kingdom. The second phase to be implemented from 2007-08 to 2010-11, will cover PSUs in the power and transport sector as well as 23 PSUs in other sectors. Among them the Government had decided to disinvest majority share in four[ƒ] PSUs and retained 10[♦] PSUs after restructuring and business optimization process. Further development in this regard is awaited.

[ƒ] W.B. Film Development Corporation Ltd., Kalyani Spinning Mills Ltd., West Dinajpur Spinning Mills Ltd. and W.B. Handicraft Dev. Corpn. Ltd.

[♦] W.B. Mineral Dev. & Trading Corpn. Ltd., W.B. Pharmaceutical & Phytochemical Dev. Corpn. Ltd., The Infusion (India) Ltd., W.B. Dairy & Poultry Dev. Corpn. Ltd., Electro-Medical & Allied Industries Ltd., W.B. Small Industries Dev. Corpn. Ltd., W.B. Tourism Dev. Corpn. Ltd., W.B. State Minor Irrigation Corpn. Ltd., W.B. Agro Industries Corpn. Ltd., W.B. State Warehousing Corporation.

Reforms in Power Sector

1.57 The State has West Bengal Electricity Regulatory Commission (WBERC) formed in 6 January, 1999 under the Section 17 of erstwhile Electricity Regulatory Commission Act, 1998◊ with the objective of rationalisation of electricity tariff, advising in matters relating to electricity generation, transmission and distribution in the State and issue of licences. During 2008-09, WBERC issued 17 orders (six on annual revenue requirements and 11 on others).

1.58 Memorandum of Understanding (MoU) was signed in March, 2001 between the Union Ministry of Power and the State Government as a joint commitment for implementation of reforms programme in power sector with identified milestones. The progress achieved so far in respect of important milestones is stated below.

Sl. No.	Commitment as per MOU	Targeted completion schedule	Status (as on 31 March 2009)
	Commitments made by the State Government		
1	Reduction in transmission and distribution losses	20 *per cent* by 2005	Transmission Loss : 4 *per cent* Distribution Loss : 23.84 *per cent*
2	100 *per cent* electrification of all villages	By March 2007	36,204 *mouzas* (95.50 *per cent*) were electrified.
3	100 *per cent* metering of all consumers	December 2002 (Revised)	97 *per cent* achieved.
4	West Bengal Electricity Regulatory Commission (WBERC)		
	i) Establishment of WBERC		Constituted in January 1999.
	ii) Implementation of tariff orders issued by WBERC during the year		Tariff orders of 2008-09 have been implemented.
	Commitments made by the Central Government		
5	Funds under Accelerated Power Development and Reform Programme (APDRP)		Rs.496.74 crore received upto 2008 -09.
6	Waiver of late payment surcharge on dues to CPSUs after securitisation		Late payment surcharge of Rs. 761.97 crore was waived by CPSUs.
7	Payment of reform-based incentives		No payment was received during the year.
	General		
8	Monitoring of MOU		Monthly progress reports were submitted to the State Government by WBSEDCL.

Subsidy amount of Rs. 714.63 crore receivable by West Bengal State Electricity Board (WBSEB) was waived by the State Government pursuant to

◊ Now Section 82(1) of the Electricity Act 2003.

restructuring of WBSEB into West Bengal State Electricity Distribution Company Limited (WBSEDCL) and West Bengal State Electricity Transmission Company Limited.

Though WBSEDCL claimed to achieve target of 100 *per cent* and 97 *per cent* metering of all distribution feeders and consumers respectively, distribution loss recorded in 2008-09 at 23.84 *per cent* was way above the target agreed in the MOU.

Discussion of Audit Reports by COPU

1.59 The status as on 30 September 2009 of reviews and paragraphs that appeared in Audit Reports (Commercial) and discussed by the Committee on Public Undertakings (COPU) is as under.

Period of Audit Report	Number of reviews / paragraphs			
	Appeared in Audit Report		Paras discussed	
	Reviews	Paragraphs	Reviews	Paragraphs
2003-04	3	27	2	27
2004-05	4	21	2	21
2005-06	4	26	-	17
2006-07	4	21	-	-
2007-08	3	20	-	-
Total	**18**	**115**	**4**	**65**

1.60 The matter relating to clearance of backlog of reviews/ paragraphs was also discussed with Chief Secretary/ Finance Secretary and Chairperson of COPU in August 2009.

Chapter II

Performance Audit relating to Government Company

West Bengal Housing Infrastructure Development Corporation Limited

2 Allotment and sale of plots/ flats

Executive Summary

West Bengal Housing Infrastructure Development Corporation Limited (Company) took up development of New Town Project for construction of houses for a population of 7.50 lakh from all income groups with emphasis on housing for economically weaker sections and lower income groups as well as developing a new business centre. The Company developed 1,224.89 hectares land, of which 765.23 hectares were sold till 31 March 2009. The performance audit relating to allotment and sale of plots/ flats by the Company for the period from 2004-05 to 2008-09 was conducted to assess effectiveness of its long terms plan for development and allotment/ sale of land, efficiency in devising pricing policy and its implementation, recover dues and effectiveness of the management in monitoring different activities of the Company.

Planning

The Company had no strategic plan leading to frequent changes in time schedule, break even cost and lack of synchronisation between different activities. The high incidence of unsold land was attributable to delay in creation of infrastructural facilities and basic amenities and lack of aggressive sale strategy. This led to huge slippages in handing over the possession of 8,134 plots to individuals/co-operatives.

Land pricing policy

The Company belatedly ascertained the break even cost of saleable land in March 2008 after identifying total saleable land and estimating the total project cost of New Town Project as a whole. Consequently, the Company could not recover shortfall in break even cost. Further, higher income group was extended more financial relief than the lower income group while fixing price structure. Consequently, the higher income group got additional financial relief of Rs. 41.48 crore.

Allotment/ sale of plots

The Company did not fix any annual target for sale of land to different categories of allottees. Due to sale of plots in deviation from the allotment and sale policy, below the market price and break even cost, the Company sustained a loss of Rs. 371.75 crore in allotment of bulk plots to 24 companies /firms /developers. Moreover the Company extended undue advantage of Rs. 19.96 crore to West Bengal Housing Board, due to recovery of less escalation on cost of development and double payment of overhead. Due to fixing of unrealistic sale price of residential plots without reference to total cost of the project the Company failed to realise Rs. 179.47 crore from 8,573 allottees. No guidelines and procedure was framed for allotment under Special quota. 147 plots were allotted to different individuals without assigning reasons on records. Further, the Company lost Rs. 2.28 crore due to sale of these plots below sale prices.

Non-recovery of debts

The Company failed to recover dues of Rs. 33.61 crore from nine debtors as on March 2009 and did not invoke penalty of Rs. 23.11 crore for delayed payment of dues from eight debtors.

Conclusion and Recommendations

The Company deviated from its own allotment policy, belatedly fixed the break-even cost and delayed development of land and infrastructural facilities. Consequently, there were losses in sale/ allotment of land and non-recovery of dues. The Company should lay greater emphasis on infrastructure development. The pricing policy should be bench marked in accordance with market prices and Company's objectives.

Introduction

2.1 The State Government conceived the development of the New Town Project (NTP) at Rajarhat in the early nineties. Land was to be provided for construction of houses for a population of 7.50 lakh from all income groups with emphasis on housing for economically weaker sections and lower income groups as well as developing a new business centre. It had entrusted (April 1996) the work of land acquisition to the West Bengal Housing Board. Subsequently, West Bengal Housing Infrastructure Development Corporation Limited (Company), incorporated (April 1999) as a wholly owned Government Company, took up the development of NTP. The work of NTP was proposed (May 1999) to be implemented in four Action Areas covering 3,075 hectares (ha) at an estimated cost of Rs. 2,000 crore. Subsequently, the NTP was projected (March 2008) to be implemented in four Action Areas[1] over 3,087 ha by 2014-15 at an estimated cost of Rs. 7,429.57 crore.

As of 31 March 2009, the Company had acquired 2,844.89[2] ha land, of which 1,224.89 ha was developed in Action Area-I, II and III, while development of another 935.55 ha in the same Action Areas was in progress (June 2009). Till March 2009, the Company sold / allotted 765.23 ha land (commercial sector: 189.05 ha, residential purposes: 518.34 ha and different social/ judicial/health institutions: 57.84 ha) through negotiation /tenders. It disposed of 47.90 ha land to individuals, co-operatives and economically weaker section through lotteries and under the 'Chairman's discretionary Quota' and 'Special Quota[3]'.

The management of the Company is vested in a Board of Directors (BoD) with the Minister-in-charge of the Housing Department as the part time Chairman and ten other Directors as of 31 March 2009. The day-to-day operations are overseen by the Managing Director (MD), who is the Chief Executive, with the assistance of Director General (Engineering), Director General (Quality Control and Engineering), Financial Advisor and General Manager (Administration). The allotment of land /plot / flats is handled by the Chief Engineer (Estate Management) and the Additional General Manager (Marketing). Except MD and the General Manager (Administration), the other posts mentioned are being managed by retired State Government employees.

A Performance Audit on Development of Rajarhat New Town Project was included in the Report of the Comptroller and Auditor General of India for the year ended 31 March 2007, (Commercial) - Government of West Bengal. The Report was not discussed by the Committee on Public Undertakings (COPU) (July 2009).

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[1] AA-I, AA-II, AA-III, Central Business District (CBD) including roads and ancillary infrastructure.
[2] 2743 .65 ha of land acquired through Land Acquisition Collectors and 101.24 ha purchased directly from the landowners.
[3] Plots reserved for the high officials/ eminent personalities from various fields who had extended much needed help and guidance in giving shape to New Town.

Scope of Audit

2.2 The present performance audit, conducted between March 2009 and June 2009, examines the performance of the Company in regard to allotment and sale of land /plots /flats in New Town Project for five years from 2004-05 to 2008-09. The audit findings were arrived at after test check of the records of the Company[4], Public Health Engineering Department[5], New Town Kolkata Development Authority and New Town Electric Power Supply Company Limited, all in Kolkata. The sample selected in audit was based on area of land sold, type of allottees and sales value realised and represented 39 *per cent* (301.07 ha) of total land sold (765.23 ha) till 31 March 2009.

Audit Objectives

2.3 The performance audit was undertaken to assess whether:

- an effective long term strategic plan for development and allotment / sale of land was devised and implemented;
- land pricing policy was in place and operational;
- the Company had implemented an effective allotment /disposal policy ;
- the system of recovery of dues from allottees /purchasers towards land cost and action taken in case of default was effective; and
- an effective monitoring mechanism exists.

Audit Criteria

2.4 The performance of the Company with regard to allotment and sale of land was assessed against:

- objectives of development of NTP;
- project report (May 1999);
- land disposal and allotment policy (February 2000) ;
- land pricing policy;
- project viability reports;
- prescribed mechanism for recovery of dues and

[4] At head office, Executive Director's (Engineering) offices at site.
[5] Office of Superintending Engineer, New Town Water Supply Circle.

- MIS system and internal audit reports.

Audit Methodology

2.5 The audit methodology adopted included:

- scrutiny of agenda notes and minutes of the meetings of the Board of Directors;
- scrutiny of records relating to computation of total Project Cost estimates and break-even cost of plots;
- examination of disposal and allotment policy;
- scrutiny of records relating to sale of land to different allottees;
- examination of dues statement /claims and collection files and review of defaulters' list;
- examination of MIS and internal audit reports; and
- interaction with the management and issue of audit queries.

Audit Findings

2.6 Audit discussed the audit objectives with the Company during an entry conference held on 16 March 2009. Subsequently, the audit findings were reported to the Company and to the Government in September 2009 and discussed in an 'exit conference' held on 12 November 2009, which was attended by the Secretary, Housing Department, Government of West Bengal. The views expressed by them have been considered while finalising this review. The audit findings are discussed below.

Planning

2.7 The Project Report (May 1999) envisaged the development of the township on 3,075 ha land, of which 51 *per cent* (1,555 ha) was earmarked for housing 10 lakh people, with gross residential density of 482 persons per hectare. 1.50 lakh dwelling units were scheduled to be constructed in the township, of which one lakh would be allotted under group housing of different income groups. The New Town Project aimed at ensuring 'low-rise high-density settlement pattern' with dwelling units affordable to low income group of people with scope of incremental development[6].

[6] Extended floor area allowed for building upon in future.

Absence of strategic plan leading to frequent change in time schedule, break-even cost and lack of synchronisation between different activities.

No strategic plan to achieve this objective was formulated by the Company. Instead, it went for implementing the project in four action areas. However, the project reports (October 1999/ August 2003) indicated the scheduled dates of completion of Action Area I by 2003-04 and Action Area II by 2006-07. No time frame was set for Action Areas-III and Central Business District (CBD). Subsequently, in March 2008 the Company increased the project area to 3,087 ha to be developed by 2014-15. However, no revised time schedule or milestone for completion of each Action Area was fixed.

The Management stated (July 2009) that preparation of strategic plan of action was not understandable in the context of massive work programme on both on-site and off-site works undertaken and land allotted for various purposes. This contention is not acceptable since preparation of strategic plan is imperative to ensure the scheduling and completion of different activities in the project in a time bound manner. The absence of such a plan resulted in delay in creation of infrastructure, lack of synchronisation between development and allotment of land, frequent changes in break-even cost and selling prices of plots, as discussed in succeeding paragraphs.

2.8 To ensure economy in developmental activities in the township and timely handing over of land to the allottees, it is imperative to make annual targets for sale of land in consonance with the development of land with infrastructure. As analysed in audit, there were inadequate planning, inordinate delays in handing over plots owing to lack of infrastructure, piecemeal revision of cost estimates for the action area with consequential delays in computing break even cost and sale price, allotment in deviation of land disposal policy, sales below its own determined price/ market price, as discussed below.

Sale of land

2.9 The Company did not fix any annual target for sale of plots. It was observed that percentage of sale of land to saleable area in different Action Areas ranged between 8 and 74 while that of handing over of possession after full payment to saleable area was as low as 4 to 59 as shown below:

Name of Action Area	Saleable area	Sale under residential purposes	Sale under commercial sector	Sale under institutional purposes	Total sale	Possession handed over
	(In acre)					
Action Area-I	975.38	522.05	137.95	59.47	719.47 (74)	576.79 (59)
Action Area-II	1455.15	320.05	256.15	35.95	612.15 (42)	219.35 (15)
Action Area-III	1176.10	438.72	50.00	47.50	536.22 (46)	406.29 (35)
CBD and others	295.80	--	23.05	--	23.05 (8)	11.00 (4)
Total	3902.43 i.e. 1579.30 ha	1280.82 i.e. 518.34 ha	467.15 i.e. 189.05 ha	142.92 i.e. 57.84 ha	1890.89 i.e. 765.23 ha	1213.43 i.e. 491.07 ha

(Figures in brackets represent percentage of sale/ possession of land to saleable land)

The Company had not, however, analysed the reasons for high incidence of unsold land. Audit found that the same was mainly attributable to delay in development of infrastructural facilities, basic amenities and lack of aggressive sales strategy, as discussed below.

Creation of infrastructure

2.10 In order to attract prospective customers to any township, creation of proper infrastructure and basic amenities is essential. However, even after 10 years, the construction of roads, drainage and sewerage system, water supply, power distribution and provision of basic amenities[7] were inadequate, as discussed below.

2.11 In terms of the project report (1999), 210 kilometers (kms) of internal roads were required to be constructed in the New Town Project. But the Company had not fixed a time schedule for completion of roads in different Action Areas. As against the physical requirement of 43.624 lane kms of internal roads to be constructed by 2000-03 for Action Area-I, only 28.36 kms (65 *per cent*) road was completed by March 2009 after a slippage of time for six years. While construction for Action Area-I commenced in November 2002, the same for Action Area-II was taken up in 2007-08. The work for Action Area-III was yet to commence (June 2009). Till March 2009, against the projected 210 kms of internal roads for all action areas, only 31 *per cent* (65.64 kms) was completed. This delay, in turn, hindered the construction of drainage and sewerage system.

2.12 The construction of drainage and sewerage system in AA-I (660 ha) was scheduled to commence in 1999-2000 and be completed in 2003-04. Till January 2007, 98 *per cent* of the work was completed as was mentioned in the report of Comptroller and Auditor General of India for the year ended 31 March 2007, (Commercial) – Government of West Bengal. However, the major progress was achieved during 2004-05 to 2006-07 i.e. after the scheduled date of completion (2002-03/2003-04). Against 1,363 ha for Action Area–II, the Company awarded (March 2006 - January 2009) work for 636.78 ha. Till March 2009, 28 to 95 *per cent* of sewerage system and 38 to 83 *per cent* of drainage system was completed in different areas[8] of Action Area-II. For Action Area-III, administrative approval was obtained in October 2007 /November 2008. 22.76 *per cent* of sewerage system and 3.04 *per cent* of drainage system of that area was completed (June 2009).

2.13 To meet the requirement of water for the New Town Project, the Company decided (March 2007) to install 100 million gallon per day (MGD) capacity water treatment plant (WTP) at an estimated cost of Rs 840 crore. Subsequently, the Company proposed (March 2008) to construct a 40 MGD capacity WTP (Phase-I) at an estimated cost of Rs. 291 crore, for supplying surface water from the river Hooghly. However, keeping in view the requirement for the next two to three years, the Company took up the work for installing 20 MGD capacity WTP. No target date was fixed for completion.

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[7] Hospital, Post-Office, Medicine shops, Bus terminus.
[8] Action Area-IIA, IIB, IIC, IID, IIE, IIF, IIG & CBD

Till 31 March 2009, only 20 *per cent* of the work had been completed. Against the projection of laying of 1.03 lakh metre water distribution lines, 99,136 metre lines were laid, 14 out of projected 36 tubewells sunk and seven out of proposed 10 overhead reservoirs completed for Action Area-I till 31 March 2009, though these works were scheduled to be completed by 2003-04.

For Action Area-II, the construction of six out of projected 11 overhead reservoirs was taken up and seven out of proposed 34 tubewells were under construction so far, with 31 to 97 *per cent* of water distribution line laid. Similarly, in Action Area-III, progress achieved in laying of distribution line, installation of tubewells and overhead reservoirs was only four to eight *per cent* till March 2009. Thus, installation of water supply system was lagging behind, even after expiry of original scheduled period of completion of Action Area-I (2003-04) and Action Area- II (2006-07). Consequently, the Company had to arrange interim water supply from ground water in these two areas. But it neither analysed availability nor potability of ground water to ensure continued safe water supply.

2.14 To meet power requirements of 200 MW for all Action Areas, 21 substations (33/11 KV) were to be erected. New Town Electric Supply Company Limited[9] (NTESC), responsible for supplying power in the NTP, applied for obtaining distribution license from West Bengal Electricity Regulatory Commission (Commission). However, the application was rejected. Subsequently, the erstwhile West Bengal State Electricity Board engaged the Company as its franchisee for providing new service connections, collecting revenue from customers and rendering service towards development of electrical infrastructure in the New Town Project. Till June 2009, NTESC provided service connections to only 4,707 low and medium voltage consumers and 22 high voltage consumers against demand of 4,905 and 53 consumers of the two categories respectively. Further, only two 33/11 KV sub-stations were commissioned, while construction of another three was in progress (June 2009), as against the projected completion of electrical infrastructure for Action Area-I by 2003-04. Consequently, to meet requirement in Action Area–I, temporary arrangement was made through three 11/0.4 K.V. distribution sub-stations. Thus development of electrical infrastructure and provision of connections were deficient.

6233 plots could not be handed over due to non-completion of infrastructural works/facilities.

2.15 The New Town Project aimed at providing modern civic amenities to its population. Till June 2009, the Company had not established any hospital, post office or even a single medicine shop. There is only a temporary bus terminus and a make-shift market in the township.

[9] A Joint Venture Company of West Bengal Housing Infrastructure Development Corporation Limited and the erstwhile West Bengal State Electricity Board

2.16 As a result of lack of infrastructural facilities and civic amenities, there were major slippages in handing over possession of 8,134 plots to individuals / co-operatives through open lottery, as detailed in the table below:

Area	Number of plots allotted as of June 2009	Scheduled date of handing over possession	Possession handed over after delays of			Possession not handed over as of June 2009 (in numbers)
			16-23 months (in numbers)	25-36 months (in numbers)	37-70 months (in numbers)	
Action Area-I	3,483	March 2003-July 2003	100	123	1,678	1,582
Action Area-II	2,723	March 2004	-	-	-	2,723
Action Area-III	1,928	June 2009	-	-	-	1,928
Total	**8,134**		**100**	**123**	**1,678**	**6,233**

The Company was liable to pay penalty of Rs 72.91 crore due to delayed possession.

Bulk allottees in IT (25) and social (18) sectors had not yet submitted their building plans due to lack of infrastructure though they were allotted land at subsidised rates for their role in construction of "Knowledge Corridor" or social amenities in the field of health, education, training etc. As a result of delays, the Company was liable to pay penal interest of Rs. 72.91 crore to the allottees till 31 March 2009.

Despite spending Rs 1304.48 crore only 3 *per cent* of projected population could start living at NTP.

Thus, even after expenditure of Rs. 1,304.48 crore (March 2009) on the NTP, only 4,707 families moved into the New Town Project as of 30 June 2009 against projected 7.5 lakh people.

While accepting the facts the Management stated (July 2009) that the development of infrastructural facilities in Action Areas-II and III was delayed on account of non – availability of land, haulage path, considerable earth required for land filling *etc.* Consequently, plots had not been allotted to individuals and co-operative housing societies as promised. Steps were being taken to expedite the works in hand to achieve the progress in the next one to two years. However, the reply did not mention the expected dates by which pending works would be completed. In the exit conference Government stated (November 2009) that greater emphasis is required on infrastructure development in NTP.

Land pricing policy

2.17 The Company devised (February 2000) a land pricing policy based on the principle of cross-subsidisation *i.e.* lower prices for weaker/lower income group (LIG) and essential social amenities, break-even prices for medium income group (MIG) and social /institutional use and higher market prices for higher income group (HIG) and commercial use.

The entire project cost was to be apportioned according to the saleable area available in NTP. It was, therefore necessary to identify the saleable land and estimate the total project cost for the entire NTP so as to arrive at the sale price of developed land. The Company had, however, analysed financial viability of only Action Area-I (February 2000-January 2004) and Action Area-II (January 2004) and ascertained the break-even cost per cottah of land of those areas. After a lapse of four years, the Company identified (March 2008) 1,579.30 ha saleable land in the NTP as a whole and estimated the project cost at Rs. 7,429.57 crore for completion of NTP (after considering escalation at the rate of eight *per cent per annum*). The estimated project cost, discounted at 10 *per cent per annum*, was arrived at Rs. 5,466.18 crore as of 31 March 2008. Analysis in audit considering estimated project cost of Rs. 5466.18 crore indicated that the company, while estimating the project cost for Action Area – I, did not consider the proportionate cost of major items of expenditure i.e. 13 bridges, 15 flyovers and 906.10 lane km of roads, surface water supply from Hooghly river, electrical and telecom infrastructure, drainage, sewerage and outfall system, parks, gardens, water bodies etc. required for the entire NTP. Instead, it provided lump sum amount in the estimates which resulted in under provision of the project cost for major works by Rs. 381.13 crore as detailed in **Annexure** 7. The Company sold 765.23 ha of land at a price of Rs. 2,455.01 crore upto December 2007. Accordingly, the break-even cost of balance saleable land (814.07 ha) was worked out (March 2008) by the Management at Rs. 2.50 lakh per cottah[10] to recover the balance project cost of Rs. 3,011.17 crore as on March 2008.

The Company belatedly ascertained the break-even cost of saleable land in March 2008. Consequently, the Company could not recover the short fall of break even cost.

It was observed that upto December 2007, the Company allotted 765.23 ha of land at the average rate of Rs. 2.15 lakh per cottah as against the break-even cost of Rs. 2.32 lakh[11] per cottah. Consequently, shortfall in recovery of break even cost would be set off by way of realising higher rate based on the break even cost of Rs. 2.50 lakh per cottah and future escalation thereon from all allottees including lower income groups after March 2008.

The Management stated (July 2009) that the Company's policy to recover full project cost (less already recovered) from balance saleable land fits well in the logic since people who came late in the scene of project development when the project has reached a take-off stage i.e. after considerable value addition to land should obviously pay more for the plots and the over all project viability is thereby maintained. In the exit conference Government endorsed the views of the Management. The reply does not address the facts that (a) the Management failed to incorporate in its viability studies (February 2000-January 2004) the total cost estimates for the NTP to arrive at realistic break even cost and sale price of plots accordingly. Instead, it opted for piecemeal revision of break even cost and sale price of plots for Action Area-I and Action Area-II. Consequently, the initial land allottees were offered preferential rate in comparison to future allottees, in spite of the fact that the infrastructural facilities and amenities for water treatment plant, roads, flyovers, water bodies, open space and other social /ecological facilities would be common to all; (b) since the Company decided to recover the cost of the project through cross subsidisation from lower income group, middle income group, higher income group and other commercial /social organizations, it should have ascertained the total project cost since the beginning, otherwise unnecessary burden would have to be borne by future allottees, and (c) in the initial years there were huge applications (5.65 times more than the available plots) for allotment through lotteries which indicated sufficient demand of plots in NTP even in its formative years.

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[10] One cottah equal to one acre divided by 60.5

[11] Rs. 5466.18 crore divided by 1579.30 ha x 2.471x60.5 (multiplication factor for converting hectare to cottah)

Allotment and sale policy

2.18 The Company formulated (February 2000) allotment and sale policy, which envisaged following methods for allotment of plots:

Sl. No.	Nature of plot	Mode of allotment
1	Individual /co-operative plot	Against public advertisement at pre-determined price and allotment through lottery
2	Commercial and industrial	Through inviting competitive price bid against the public advertisement, except in case of WBIDC[12], WBIIDC[13], WBIDFC[14] and other Government Organisations
3	Bulk allotment to Government Departments, Joint Sector Companies in the Housing Sector	On selection basis
4	Bulk allotment to other organistions / institutions	Through lottery, at a predetermined price

Further, two and three *per cent* of residential plots are reserved for ex-servicemen/ war widows/ physically handicapped and project affected persons respectively. Another five *per cent* was earmarked for the 'Chairman's discretionary quota'. The company considered the break even cost of land while fixing the sale price of plots to different categories of allottees based on the principle of cross subsidization.

Sale of bulk- plots

2.19 Till March 2009, the Company sold 719.50 acres of land to 101 allottees (information technology sector: 180.45 acres, commercial sector: 157.60 acre and bulk commercial housing sector: 381.45 acres). In terms of the disposal and allotment policy, the Company was to allot plots for commercial and industrial purposes after inviting competitive price bid against public advertisement. After scrutiny of expression of interest (EOI) received from bidders, the Company had to call for financial bids from pre-qualified bidders and allot plots to the highest bidders. The Company, in deviation of disposal and allotment policy, allotted-

- 408.97 acres of land to 47 allottees through negotiation;

- 310.53 acres of land to 54 allottees through tenders, of which financial bids were not invited from 50 allottees (278.96 acres).

[12] West Bengal Industrial Development Corporation Limited
[13] West Bengal Industrial Infrastructure Development Corporation
[14] West Bengal Infrastructure Development Finance Corporation

The table below gives the details.

Sl. No.	Name of the sector	Total area sold (acre)	Nos. of allottees	Tender invited		Financial bid called for against tenders invited		Financial bid not called for against tenders invited		Allotment through negotiation	
				No. of cases	Area (acre)	No. of cases	Area (acre)	No. of cases	Area (acre)	No. of cases	Area (acre)
1.	I/T Sector	180.45	45	42	125.45	02	20.00	40	105.45	03	55.00
2.	Commercial Sector	157.60	36	09	67.06	02	11.57	07	55.49	27	90.54
3.	Bulk Commercial Housing	381.45	20	03	118.02	-	-	03	118.02	17	263.43
	Total :	719.50	101	54	310.53	04	31.57	50	278.96	47	408.97

The Company sustained loss of Rs 371.75 crore due to allotment of land to 24 parties in deviation from its pricing policies.

2.20 A review of the bulk allotment of 508.79 acres of land to 55 Companies/Firms/Developers indicated that the Company sustained a loss of revenue of Rs. 371.75 crore due to **(i)** violation of allotment and sale policy by offering discount (Rs. 66.71 crore) against sale of 181.02 acres to four parties as discussed in Paragraphs 2.21 to 2.23, **(ii)** fixation of price lower than the market price realised through tender (Rs. 270.74 crore) for sale of 115.71 acres to 10 parties as discussed in Paragraphs 2.24 to 2.28 and **(iii)** sale of land (105.25 acres) to 10 parties below the break even cost (Rs. 34.30 crore) as discussed in paragraphs 2.29 and 2.30.

Violation of allotment and sale policy by offering discount

2.21 Against the press-tender invited (May 2004) for bulk- sale of 150 acres land in Action Areas–I and III for information technology (IT) (50 acres), and housing (100 acres) purposes, 15 parties submitted expression of interest in June 2004. Of 15 parties, three were pre-qualified. Bengal Unitech Universals Infrastructure (P) Limited (Party) was found (August 2004) to be technically suitable. However, the Company did not call for any financial bid from the Party. A three-member Committee was appointed on the direction of the Chairman, to assess the market price. The Committee, without ascertaining the market price, fixed (September 2004) the selling price of 150 acres at rupees four lakh per cottah, based on average selling price realised (December 2003 / September 2004) by the Company from sale of three plots[15]. Though the land pricing policy did not allow any discount for bulk allotment, the Committee recommended reducing the rate to Rs. 3.60 lakh (IT purpose) and Rs. 3.20 lakh (bulk housing) per cottah after allowing discount at 10 *per cent* for IT and 20 *per cent* for bulk housing as a 'promotional measure'. The Board approved the reduced rates in September 2004 and 150 acres were allotted (October 2004). Till 31 March 2009, 126.70 acres (78.32 acres for bulk housing and 48.38 acres for IT) were handed over to the Party.

[15] Two plots to Bengal Peerless, Bengal Ambuja (Joint Venture Companies floated by West Bengal Housing Board) in September 2004 and one plot to DLF Infocity Developers (Kolkata) Limited (DLF) in December 2003.

The sale of the plot at lower rate of Rs 3.60 and Rs 3.20 lakh per cottah after allowing discount was not justified. This led to loss of revenue of Rs. 49.61 crore[16] on sale of 126.70 acres of land.

The Management stated (July 2009) that the discount was allowed keeping in view the bulk nature of plots and locational disadvantage. However, the land pricing policy neither fixed the price of the bulk plots location - wise for commercial use nor did it provide for discounts to the bulk allottees. Besides, as per the Company's records the plots were situated in a prominent location. The reply did not state as to why the financial bid was not obtained from the Party and as to why the Committee did not ascertain the market price of plots in the area, before recommending the selling price.

2.22 Subsequently, the Company, without inviting tenders, allotted (December 2004) 38 acres land for IT purposes to DLF Limited and Magus Bengal Private Limited, both of whom had also participated in May 2004 tender, discussed earlier. Though the entire tendered quantity of plot against May 2004 tender was allotted in October 2004, plots (38 acres) were sold at the same rate of Rs. 3.60 lakh (rupees four lakh less 10 *per cent* discount) per cottah as a 'promotional measure'. Not only is this contrary to the land pricing policy as discussed in Paragraph 2.21, but also the tenets of financial propriety were violated since the tender formalities for EOI was already concluded consequent upon offering the entire plot to Bengal Unitech Universal Private Limited and therefore fresh tendering should have been resorted to.

Thus, sale of 38 acres land to two bulk allottees without following tendering process in violation of allotment policy, allowing discount resulted in loss of revenue of Rs. 9.20 crore[17].

2.23 Against a *suo-moto* application, the Company allotted (December 2004) 16.32 acres in Action Area-III in favour of the proposed Rosedale Garden NRI Co-operative Society Limited for non- resident Indians (NRIs). Against the average sale price realised (2004-05) by the Management in Action Area-III at rupees four lakh per cottah, the Company sold the plot at Rs. 3.20 lakh per cottah (after allowing a discount of 20 *per cent*) at which a plot was allotted to Bengal Unitech Universals Limited. However, the proposed society was not formed. Instead, a company called Rosedale Developers Private Limited (RDPL) was incorporated (October 2004) with the objective of constructing a residential complex, where 75 *per cent* allottees would be the NRIs.

The Company allotted (October 2005) the said land to RDPL at Rs. 3.20 lakh per cottah after allowing a 20 *per cent* discount in violation of its land pricing

[16] For bulk housing – Rs. 4 lakh per cottah minus Rs. 3.20 lakh per cottah = Rs. 0.80 lakh per cottah X 78.313 acres X 60.5 (conversion factor from acre to cottah) = Rs. 37.90 crore.
For IT purposes – Rs. 4 lakh per cottah minus Rs. 3.60 lakh per cottah = Rs. 0.40 lakh per cottah X 48.383 acres X 60.5 = Rs. 11.71 crore

[17] For DLF and Magus Bengal = Rs 4.00 lakh per cottah minus Rs 3.60 lakh per cottah = Rs 0.40 lakh per cottah x 38 acres x 60.5 = Rs 9.20 crore.

policy. Consequently, the Company suffered a loss of revenue of Rs.7.90 crore[18].

The Management stated (July 2009) that, as the plot was undeveloped and inaccessible, it was allotted at the same rate of Rs. 3.20 lakh *i.e.* after allowing a discount on rupees four lakh. The reply is not tenable as the area was not inaccessible because of its proximity to 59 metre wide east- west corridor and 24 metre wide road on both sides. Thus, allowing a discount is contrary to the pricing policy and not justified.

Fixation of price lower than the market price

2.24 In response to a *suo-moto* request (August/ September 2005) from Bengal Ambuja Housing Development Limited (BAHD) for allotment of 20 acres land for IT purposes, the Company, without inviting fresh tenders, decided (September 2005) to allot five acres at the same rate of Rs 3.60 lakh per cottah. Land was allotted (February/ March 2006) at the junction of 90 metre wide road in Action Area-II. Subsequently, on the request (June 2006) of BAHD, the location of the plot was shifted (July/ September 2006) to the west of a IT plot allotted (December 2005) to Millenium Realters. It was observed that the Company, through open tender of 2005-06, had earlier realised (October/ November 2005) an average rate of Rs. 7.66 lakh per cottah on sale of four plots[19] (two for IT purposes in the same area including plot allotted to Millenium Realters). Thus, the sale of plot to BAHD at much lower rate of Rs 3.60 lakh per cottah was not justified.

Hence, sale of five acres land without following tendering process in violation of allotment policy and resultantly much below the market price led to loss of revenue Rs. 12.28 crore[20].

The Management stated (July 2009) that the plot allotted to BAHD was located in undeveloped zone and was inaccessible; so the same rate (Rs. 3.60 lakh per cottah) was realised at which land was allotted to DLF and Magus Bengal. The reply is factually incorrect because this reason was not recorded while allotting five acres to BAHD at Rs 3.60 lakh per cottah. Further, despite realisation of higher rates from allotment of two adjacent IT plots, sale of plot to BAHD at previous year's rate is not acceptable.

2.25 In response to a *suo-moto* request (July 2006) of Tata Consultancy Services Limited (TCS) for allotment of 50 acres land for IT purposes, the Company, without inviting tenders and ascertaining market price, offered (September 2006) 40 acres at a rate of rupees three lakh per cottah. The basis of fixing the rate at rupees three lakh was not on record. Subsequently, TCS approached (October 2006) the Company to reduce the rate to Rs. 2.50 lakh per cottah on the ground that this price was indicated to them by the Chief

[18] Rs. 4 lakh minus Rs. 3.20 lakh X 16.32 acres X 60.5 = Rs. 7.90 crore

[19] Millenia Infrastructure Pvt. Ltd., Udayan Vanijja Pvt. Ltd., Salarparia Properties Ltd. and Shristi Infrastructure Development Corporation Ltd.

[20] For Bengal Ambuja=Rs 7.66 lakh per cottah minus Rs 3.60 lakh per cottah. = Rs 4.06 lakh per cottah X 5 acres X 60.5 = Rs 12.28 crore.

Minister during a discussion. The Company agreed (December 2006) to that rate for allotment of 40 acres.

It was observed that the Company through open tender had earlier realised (October/ November 2005) an average rate of Rs. 7.66 lakh per cottah on allotment of 31.57 acres to four parties[21] for IT and commercial purposes. Thus, the Company allotted land to TCS at a much lower price leading to loss of revenue of Rs. 124.87 crore[22].

The Management stated (July 2009) that the rate of Rs. 2.50 lakh per cottah was not comparable with the rate of Rs. 7.10 lakh per cottah which was realised from a real estate developer, who was not the final user. TCS, however, would construct the entire complex for its own use. The reply is not tenable because the Company had realised Rs. 7.80 lakh/ Rs. 7.11 lakh per cottah from two parties in the same area, who would also construct IT complexes. Hence, allotment of land at Rs. 2.50 lakh per cottah compromised interest of the Company.

2.26 The Company, without inviting tenders, allotted 39.707 acres of land for bulk housing against request received (November 2005 /August 2005) from Magus Estates & Hotels Private Limited (subsequently changed to Magus Bengal Developers Private Ltd) and DLF Universal Ltd. A four member Committee was constituted (February 2006) to fix the sale price. While allotting land to Bengal Unitech Universals Limited (Paragraph 2.21), the Company had considered the average price actually realised from sale of plots. The Committee recommended (February 2006) the rate at Rs. 5.90 lakh per cottah, based on five financial bids received for one plot of land against the tender of 2005-06. Subsequently, the Committee recommended reduction of the rate to Rs. 4.72 lakh, allowing a discount of 20 *per cent* on the ground of "remote /disadvantageous location" which was also accepted (February 2006) by the Board. In this case also, based on the price realised against sale of plots against the tender of 2005-06, the average rate was worked out in audit at Rs. 7.86 lakh[23] per cottah. All areas of NTP had been developed as an integrated project, extending standard infrastructural facilities to all plots. The pricing policy had no provision for allowing discount on sale price on the ground of locational disadvantage. Thus, allowing 20 *per cent* discount was not justified.

Thus, selling of plots at a much lower rate of Rs. 4.72 lakh per cottah instead of Rs. 7.86 lakh per cottah resulted in a loss of revenue of Rs. 75.43 crore[24].

2.27 The Company, on the direction (October 2006) of the State Government, decided (December 2006) to allot 50 acres of land (20 acres for commercial and 30 acres for residential use) at a rate of Rs. 4.13 lakh and

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[21] Millenia Infrastructure Private Limited (10 acre) and Udayan Vanijja Private Limited (10 acre), Salarparia Properties Limited (3.57 acres), Shristi Infrastructure Development Corporation Limited (8 acres)

[22] Rs. 7.66 lakh minus Rs. 2.50 lakh × 40 acres × 60.5 = Rs. 124.87 crore.

[23] Salarparia Properties Limited and Shristi Infrastructure Development Corporation Limited – Rs. 10.76 lakh plus Rs. 4.96 lakh divided by 2 = Rs. 7.86 lakh

[24] Rs. 7.86 lakh minus Rs. 4.72 lakh X 39.707 acres X 60.5 = Rs. 75.43 crore

Rs. 4.96 lakh per cottah respectively to a proposed joint venture company (JVC) of WBIDC[25] and THDC[26]. The State Government communicated (October 2006) to the Company that this land along with another 600 acres proposed to be taken from BRADA[27] area would be utilised by JVC for a composite IT-cum-Residential project. It further intimated that the revenue to be earned by WBIDC out of JVC would enable WBIDC to meet the State Government's commitment of providing infrastructural assistance to TML[28] for its proposed small car project in West Bengal 'without having to resort to budgetary support'. However, WBIDC intimated (May 2007) the Company that the agreement which it proposed to enter with THDC did not envisage setting up a JVC and requested the Company to directly allot the land to THDC.

In a meeting between the State Government and the Company, it was decided (August 2008) that (i) TSL, the holding company of THDC, would implement the JVC; (ii) 200 acres land would be allotted to TSL in BRADA area and after completion of third year from the date of possession of 200 acres land, TSL would pay Rs 30 crore to WBIDC per annum which would part with Rs 10 crore annually to the Company for which a separate agreement would be entered between the Company and WBIDC; and (iii) there would be no profit element for WBIDC in the 50 acres allotted by the Company. Ultimately, on the direction (August 2007) of the State Government, the Company allotted (28 September 2007) 26 acres (eight acres for commercial and 18 acres for residential) at same rates of Rs. 4.13 lakh and Rs. 4.96 lakh per cottah respectively aggregating Rs 69 crore. Immediately after allotment, WBIDC entered into (October 2007) an agreement with TSL. In terms of the agreement, TSL paid Rs 69 crore to the Company towards land cost as well as Rs 100 crore to WBIDC as 'premium for infrastructure development'. It was not, however, clear as to why WBIDC would provide infrastructure facilities to Tata Sons Limited, since it was the responsibility of the Company to provide infrastructure facilities in the allotted land in terms of the allotment. WBIDC did not do any infrastructural work, but it credited Rs 100 crore to their Profit and Loss Account. Instead the amount of Rs. 100 crore should have accrued to the Company.

It was observed that neither land was allotted to TSL in the BRADA area for setting up JVC nor was an agreement entered into with WBIDC for parting with Rs 10 crore by WBIDC annually to the Company (June 2009). Thus, the Company had no chance of getting a share of revenue from WBIDC.

Thus, on the one hand, WBIDC earned Rs. 100 crore without any work, on the other hand, the Company sold (September 2007) 26 acres land to TSL at rates lower than the average rate of Rs 7.86 lakh per cottah realized (2005-06) by it. Consequently, it sustained loss of revenue of Rs. 49.63 crore[29] on sale of 26 acres land.

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[25] West Bengal Industrial Development Corporation Limited.
[26] Tata Housing Development Corporation.
[27] Bhangore Rajarhat Area Development Authority, out side the New Town Project Area.
[28] Tata Motors Limited.
[29] For commercial purposes– Rs. 7.86 lakh minus Rs. 4.13 lakh X 8 acres X 60.5 = Rs. 18.05 crore. For Residential purposes – Rs. 7.86 lakh minus Rs. 4.96 lakh X 18 acres X 60.5 = Rs. 31.58 crore.

The Management stated (July 2009) that as agreed upon between WBIDC and Tata Sons Limited, the Company would be entitled to a minimum additional sum of Rs. 10 crore per annum for eight consecutive years from the proposed joint venture in the adjoining BRADA area. There was no need to mention this clause in the offer letter or in the conveyance deed. The reply is not factually correct because (i) the agreement between WBIDC and TSL did not provide for payment of Rs 10 crore annually to the Company; (ii) no land was allotted in the BRADA area to TSL for setting up the JVC; and (iii) in terms of the decision of the meeting held on 1 August 2007, the Company did not attempt to execute an agreement with WBIDC for enforcing its entitlement to share of revenue. Therefore, allotment of land to TSL in September 2007 much below the market price was not justified.

2.28 The Company invited (February/ May 2006) applications for allotment of five acres of land for opening showrooms for light vehicles and setting up a food plaza at pre-determined rates of Rs. 5.40 lakh and Rs. 3.60 lakh per cottah. Though the Company was to sell land for commercial purposes through competitive price bidding, it did not follow the same and disposed land at these predetermined rates to five commercial organizations[30] (June/ July 2006). However, the same were much below the prevailing average sale rate[31] (Rs. 7.86 lakh per cottah) realised (August /October 2005) by the Company. This led to a loss of revenue of Rs. 8.53 crore[32].

The Management stated (July 2009) that to set up a complex for auto mall plots were allotted to premier car manufacturers at the then estimated market rate of Rs 5.40 lakh per cottah fixed by the three-member Committee. The reply indicates that the estimated market price was determined by the Committee without considering the average sale price realised by the Company in August/ October 2005.

Sale of land below the break even cost

2.29 The Company sold (May 2004 to October 2005) 69.84 acres land (23.19 acres to WBHB and 46.65 acres land to eight Joint Venture Companies, floated by WBHB) at rates ranging from Rs. 75,000 to rupees two lakh per cottah. The sale prices were, however, not fixed with reference to the total project cost estimates for New Town Project. Based on the Company's own principle of cross-subsidisation, the price of land for low, middle and high income group housing should have been fixed at 1.26 times higher than the break-even cost, to be calculated based on total project cost for sale to the joint venture companies. With reference to the break-even cost of Rs 2.32 lakh per cottah for 2007-08, the rates worked out in audit were in the region of Rs. 2.19 lakh and Rs. 2.42 lakh per cottah (considering discount factor at the rate of 10 *per cent per annum*) for the year 2004-05 and 2005-06. Thus, due

[30] Dewar's Garage Limited, J.J. Automobiles Limited, Lexus Motors Limited, Austin Distributors Private Limited and Speciality Restaurants Private Limited.
[31] From S.S.P.L. Hotels Private Limited and Shristi Infrastructure Development Corporation Limited.
[32] For showroom of light vehicles – Rs. 7.86 lakh minus Rs. 5.40 lakh X 4 acres X 60.5 = Rs. 5.95 crore
For Food Plaza – Rs. 7.86 lakh minus Rs. 3.60 lakh X 1 acre X 60.5 = Rs. 2.58 crore

to failure to fix the rates at Rs. 2.19 lakh /Rs. 2.42 lakh per cottah the Company sustained a loss of Rs. 17.19 crore on sale of 69.84 acres land.

The Company suffered loss of Rs 17.11 crore due to sale of land to its financier below the cost.

2.30 Between February and December 1999, West Bengal Industrial Development Finance Corporation (WBIDFC) released a loan of Rs. 67.36 crore to West Bengal Housing Board (WBHB) at an interest rate of 16.25 *per cent per annum* for development of New Town Project. Interest was to be paid quarterly. After its formation (April 1999), the Company took over the entire liability of the loan, alongwith assets thereagainst in terms of an agreement (March 2002) between the Company, WBHB and WBIDFC. Subsequently, on WBIDFC's request, the Company decided (December 2001) to allot 57.79 acres land in Action Area-I to WBIDFC for residential and commercial use when the break-even cost of plots was rupees one lakh per cottah. As per the land pricing policy, rates for bulk residential and commercial use should have been fixed at rupees two lakh per cottah. But the Company fixed the rates at Rs. 0.80 lakh (bulk residential) and Rs. 1.50 lakh (commercial use) per cottah after allowing a discount of 60 and 25 *per cent* on rupees two lakh contrary to its pricing policy. Consequently, the Company sustained loss of Rs 17.11crore[33] on sale of 35.41 acres of land till March 2009.

The Management stated (July 2009) that since WBIDFC had readily provided initial finance for development of the project, a discount of 25 *per cent* in price was consciously given with approval of the Board for the bulk commercial plot. The reply indicates that the Company, in violation of its own pricing policy, allowed discount to WBIDFC for releasing 'initial finance' for the project. The reply was, however, silent as to why plot for bulk housing was sold at a rate even below the break-even cost, extendable to only low income group allottees jeopardizing the viability of the project itself.

Undue advantage to West Bengal Housing Board

2.31 Before incorporation of the Company, the West Bengal Housing Board (WBHB) monitored the land acquisition activities in New Town Project (NTP) through Land Acquisition Collector (LAC) and also directly purchased land from land owners. After incorporation of the Company (April 1999), its Board decided (November 2000 /December 2001) to allot 115.13 acres land "in compact lay out condition" in Action Area–I to WBHB against land purchased on direct piecemeal basis (202.47 acres) by WBHB in NTP, which was handed back to the Company. The Board directed (November 2000) the management to recover from WBHB Rs. 31.34 crore (Rs. 45,000 per cottah) towards development cost of land plus additional charges for supply of surface water on *pro-rata* basis and equal share of escalation based on actuals.

[33] For commercial purposes – Rs. 2 lakh minus Rs. 1.50 lakh X 20.278 acres X 60.5 = Rs. 6.13 crore
For residential purposes – Rs. 2 lakh minus Rs. 0.80 lakh X 15.1276 acres X 60.5 = Rs. 10.98 crore

Between October 2001 and December 2003, the Company received Rs. 14.19 crore from WBHB. It adjusted Rs. 17.15 crore against the claim of WBHB towards expenditure incurred (1994-2001) by it towards land procurement.

The Company failed to recover Rs 17.55 crore due to its inability to work out cost escalation accurately.

Besides, in deviation from the direction of the Board, the Company, without determining the actual cost of the project, accepted (July 2003) rupees three crore towards escalation and additional charge for supply of surface water. While revising (December 2003) the project cost estimates for Action Area–I, the cost of development escalated to Rs. 1.04 lakh per cottah. By considering the development cost at Rs. 1.04 lakh per cottah, the Company should recover Rs. 20.55 crore[34] from WBHB on account of escalation. However, the Company, without assessing the revised cost estimates, accepted rupees three crore, thereby resulting in loss of Rs. 17.55 crore.

The Management stated (July 2009) that the Board after considering all aspects had approved the rate of Rs. 45,000 per cottah subject to a few other conditions such as additional charges in future for surface water supply scheme on prorata basis and payment of escalation. The fact, however, remains that the Company neither recovered escalation as per the revised project cost (December 2003) nor did it calculate the pro-rata additional charge for surface water supply, which is yet to be completed.

2.32 Further, Rs. 17.15 crore so adjusted against the development cost of land included Rs. 2.30 crore incurred by WBHB towards its overhead[35] during 1994-2001. WBHB, without furnishing details, claimed further Rs. 2.41 crore towards overhead at the rate of 12.50 *per cent* on expenditure, net of land cost for the same period. The said amount was included in Rs 17.15 crore so adjusted. Though the Company had already paid Rs. 2.30 crore towards overhead, acceptance of Rs. 2.41 crore on the same account, without calling for details of overhead, lacked justification.

The Management stated (July 2009) that the Board after careful consideration, had agreed to provide Rs. 2.41 crore as overhead charges as duly vetted by the audit firm engaged by the Company for preparation of the reconciliation statement account. However, the reconciliation statement included both Rs. 2.41 crore as overhead charges as lump sum and Rs. 2.30 crore towards overhead under different heads for each year. The Company paid both of them without verification.

Allotment of residential plots for individual and Co-operative housing

2.33 To provide houses/flats to different sections of society at an affordable cost, the Company allotted 4,982 individual housing plots and 3,591 co-operative plots at predetermined prices to applicants of different income groups (LIG/MIG/HIG) through open lottery, Chairman's Discretionary Quota and Special Quota as shown in the following table:

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[34] Rs. 1.04 lakh minus Rs. 0.45 lakh = Rs. 0.59 lakh divided by two into 115.13 acres x 60.5 (conversion factor from acre to cottah)

[35] Salary and allowances, advertisement and publicity, telephone charges, car running expenses, maintenance of office buildings etc.

Particulars	Open Lottery	Chairman's Quota	Special Allotments Quota	Additional Reserve	Total
Plots available (in numbers)	8,167	391	Nil	758	9,316
Plots advertised (in numbers)	8,167	391	Nil.	Nil	8,558
Applications received (in numbers)	92,081	3,630	147	Nil	95,858
Allotment made (in numbers)	8,134	292	147	Nil	8,573

The following points were noticed in audit:

Due to fixation of lower sale price the Company failed to recover Rs 179.47 crore from 8573 allottees.

2.34 The Company allotted plots in Action Area-I at rates of Rs. 0.55 lakh to Rs. 1.60 lakh per cottah (February 2000), revised (January 2004) to Rs. 0.92 lakh to Rs. 1.84 lakh based on the revised cost estimates (January 2004) of the area. Similarly, the rates for Action Area–II was fixed (January 2004) at Rs. 0.75 lakh to Rs. 2.25 lakh per cottah. However, these rates were fixed without considering total project cost estimates which the Company finalised only in March 2008. Based on total project cost estimates and the cross-subsidisation policy, the rates were worked out by audit in the region of Rs. 0.73 lakh to Rs. 2.16 lakh (Action Area-I) and Rs. 1.17 lakh to Rs. 3.48 lakh per cottah (Action Area-II and III) for plots allotted till March 2008. Thus, failure to determine the rates after considering total project cost deprived the Company from earning additional revenue of Rs. 179.47 crore from 8,573 allottees.

In fixing price structure the Company extended additional financial relief of Rs 41.48 crore to HIG than LIG.

2.35 As per the land pricing policy (February 2000), lower price was to be charged for weaker/lower income group (LIG), break even price for middle income group (MIG) and higher market price for higher income group (HIG). Review of selling prices fixed for different categories of allottees revealed that the Company fixed (February 2000) selling price at 150 to 200 *per cent* of break even cost for HIG and at 68 to 125 *per cent* of break even cost for LIG and MIG for plots allotted up to December 2003 . Thereafter, contrary to the suggestion of the consultant appointed for the purpose, the Company revised (January 2004) the selling price at 110 to 150 *per cent* of the break even cost for HIG and 67 to 117 *per cent* of the break even cost for LIG and MIG. Thus, the selling price was revised at 67 to 40 *per cent* less for HIG group, while the same was only one to 13 *per cent* less for LIG and MIG group, despite enough demand for LIG and MIG plots. Thus, HIG group was extended more relief by Rs. 41.48 crore than the LIG and MIG group, thereby frustrating the objective of cross- subsidisation policy.

The Management stated (July 2009) that land prices charged on small retail plots allotted to individuals and co-operative societies within prescribed income limits were reasonable and affordable to people and by any standard not unduly low or high as made out to be. The reply is factually incorrect. The Company, in deviation of its pricing policy, extended more relief to HIG than the LIG and MIG groups, despite enough demand for plots of all categories.

Allotment of plots through open lottery

2.36 Against the press advertisement for allotment of plots to applicants of different income groups (LIG/MIG/HIG) through open lottery, the Company received applications for eight lottery schemes[36] through its bankers along with application money. In this connection the following deficiencies were noticed in audit:

- In respect of lotteries for the first four schemes and bulk co-operatives, the Company did not document the category-wise details of applications received and considered in the lotteries, allotments made and refunds given to unsuccessful applicants in respect of each advertisement.

- To accommodate the unsuccessful applicants, the Company reserved 10 to 25 *per cent* plots of subsequent lotteries, provided they had kept the application money of the previous lottery with the Company's Bank. It was observed that 176 unsuccessful applicants in Action Area-I and Action Area-I/2 schemes were allotted plots in subsequent lotteries for Action Area-II, and Action Area-II/2 even though they had already withdrawn application money from the bank before the lottery. Subsequently, the allotments were cancelled by the Company and these plots were allotted under "special quota[37]" without conducting any further lottery.

- In respect of lottery for three schemes,[38], the Company did not reject 1,129 applicants, although they did not deposit the requisite application money within the specified period. Instead, it allowed them to deposit a part of requisite application money, after a delay of three to five months, so as to enable them to participate in the lottery. Of these applicants, 137 were successful in the subsequent lottery.

- Review of details of lottery conducted (May–July 2005) for the schemes (AA-II/3 and III/1) revealed that there were variations in the number of applications received as recorded in the Accounts Section of the Company and that documented by the Administrative Wing and reported to the Board. The reasons of such variations were not documented. 256 applicants were not considered in the lottery though they had deposited the requisite application money. On the other hand, 215 applicants who had not submitted applications along with application money, were allowed to participate in the lottery.

- The results of the lottery did not contain the number of plots available in a category and number of applicants who had qualified in the lottery for draw. In the absence of this information, it was not clear whether all applicants who qualified in terms of the brochure were considered for the lottery or not.

[36] AA-I, AA-I/2, AA-II, AA-II/2, AA-II/3, AA-III/1, AA-III/2 and bulk Co-operatives
[37] Plots reserved for the high officials/ eminent personalities from various fields who had extended much needed help and guidance in giving shape to New Town
[38] AA-I, AA-II/3 and AA-III/1

Allotment under the Chairman's discretionary quota

2.37 As per the Disposal and Allotment Policy (January 2000), five *per cent* of the plots /flats was reserved for allotment under the Chairman's Discretionary Quota (Quota). Accordingly, the Company framed (July 2001) the guidelines envisaging allotment of plots /flats to 16 categories[39] of people to encourage distinguished persons from all walks of life as well as to address the specific needs of certain sections of society, particularly those who were economically weaker and socially deprived. A Committee was formed (July 2001) to scrutinise the applications and forward its recommendation to the Chairman for final decision. The Committee was to issue proper receipts and to record the salient features of the applications on a broad sheet. The Company received 3,630 applications against which it allotted 292 plots under the quota till 31 March 2009.

In this connection the following points were noticed in audit:

- The Company did not indicate the number of plots to be allotted among each of the 16 categories of applicants to allow equitable representation of people from different sections of society.

- The Committee did not prepare the broadsheet with the details of category under which the eligibility was claimed by the applicant, requisite documents submitted in support of applicant's claim and its recommendation.

- Scrutiny of records of 172 allottees (Individuals–83, Co-operatives–89) revealed that six allottees did not submit their applications, while 90 allottees did not mention the category under which they were eligible. Further, 167 allottees did not submit the requisite supporting documents[40], in support of their claim. On the other hand, 95 applicants[41] were not considered, though they had submitted their applications along with requisite documents. The reasons for such anomalies were not recorded.

Allotment under Special Quota

2.38 The Company identified (September 2005) about 300 individual housing plots /a few co-operative plots in Action Area–I that remained vacant

[39] Land losers in NTP, Gallantry and other award winners, freedom fighters, social workers, eminent persons in established profession /art /literature, persons with record of valuable service in NTP etc.

[40] Proof of award /compensation received, proof of gallantry award, recommendation of the State President /Secretary political party, affidavit from the person indicating his contribution to NTP and letter from the concerned directorate /corporation etc.

[41] comprising land losers, doctors, chartered accountants, freedom fighters, Padmashree Award winners, social workers, advocate, architects, journalists etc.

due to refusal of allotments and surrender of plots by allottees, addition of some plots on finalisation of survey in Action Area-I etc. The area and number wise details of plots, though called for (April 2009), were not produced to audit.

The Board decided (September 2005) to resume 50 *per cent* of such plots reserved for "the high officials/eminent personalities from various fields who had extended much needed help and guidance in giving shape to New Town". A three-member Committee[42] was also formed (September 2005) to recommend *suo-moto* applications after scrutiny for final approval of the Chairman. No documentary evidence in support of the applications were required to be submitted. During December 2005 to May 2009, the Company allotted 147 plots under individual housing plots (HIG-I: 65, HIG-II: 60, MIG: 6) and co-operatives plots (16) under Special quota.

The following points were noticed in audit:

No guideline and procedure framed for allotment under special quota.

- The Company neither framed any guidelines and procedures for allotment nor did it issue any public notice for distribution of plots contrary to the opinion of Advocate General, Government of West Bengal that when public property is distributed, every citizen has right to compete and so public advertisement should be made.

- The Company had already allotted 27 individual and Co-operative plots under the Chairman's Discretionary Quota to different applicants on grounds of their valuable contribution in the development of NTP. Thus, creation of a further quota on the same grounds was inappropriate.

147 plots were allotted to different individuals without recording reasons.

- Out of 147 plots, the Company allotted
  - 57 plots to All India Service Officers (IAS-34, IPS-19, IFS-4) including two Directors of the Company as members of the Committee;
  - 25 plots to serving officers including State Civil Service Officers;
  - 13 plots each to doctors/engineers and teachers/ players/ singers;
  - 12 plots to judges /advocates, 7 to army officers and pilots and four to businessmen; and balance 16 plots to co-operative societies.

It was observed that the Committee forwarded the applications for allotment in a routine manner, without its specific recommendations and without recording the special contribution made by each of the applicant towards development of the project. However, the Management intimated to (May 2009) audit that All India Service Officers were allotted plots for "Administrative help" and the rest were allotted mostly for "Public awareness", while doctors were allotted for "Medical help". However, the information was not supported by any documentary evidence. Further, two Directors of the Company, as Members of the Committee recommended (November 2005) their own names for allotment of plots. This indicated lack of transparency and objectivity in the allotment process. In the exit

[42] Consisting of the Managing Director, Director and Officer on Special duty to Chairman.

conference the Government agreed that allotment out of Chairman's discretionary quota and special quota called for greater transparency.

- The Board was apprised that the applicants had already approached either the Chairman or the Managing Director for allotments. But scrutiny of records of 135 allottees indicated that only 87 allottees applied to the Chairman /Managing Director, while the Board allotted plots to balance 37 allottees without applications.

Disregarding its pricing policy the Company lost Rs 2.28 crore on sale of 147 plots below sale price.

- As per the pricing policy, sale prices for HIG and MIG/HIG co-operative plots so allotted under the quota, should have been fixed at 1.5 and 1.25 times higher than the prevailing break-even cost of Rs. 1.65 lakh (December 2005) and Rs. 2.50 lakh (March 2008) respectively. But the Company adopted the cost in arbitrary fashion without regard to the pricing policy. Consequently, against the sale price realisable of Rs. 14.72 crore, the Company realised Rs. 12.44 crore, thereby leading to a loss of Rs. 2.28 crore.

Construction of dwelling units

Contrary to the objective more emphasis was given on HIG housing.

2.39 As per the Project Report, 30,896 dwelling units (Units) were to be constructed for economically weaker section (EWS), low income group (LIG) and middle income group (MIG) and 10,672 units built for high income group (HIG) in Action Area-I by 2003-04. Till 31 March 2009, 27,819 Units were actually constructed for EWS /LIG /MIG, and 22,168 Units were constructed for HIG. Contrary to the project report, more emphasis was given on construction of HIG housing, reasons for which are not on record.

Construction of flats for economically weaker section

2.40 To provide accommodation for economically weaker section (EWS), the Company constructed (2003-04) 928 flats under Phase-I at a cost of Rs. 15.05 crore. It was observed that of 758 flats allotted through lottery against receipt of full payment, possession was handed over for 651 flats. The balance 107 flats were yet to be handed over due to allottees' failure to get the flats registered. However, no action was taken to organise lottery for allotting balance 170 flats (June 2009).

Despite 170 flats remaining vacant under Phase-I, the BoD approved (June 2003) the construction of another 736 flat to meet the requirement of EWS people under Phase-II. Accordingly 736 flats were constructed (2006 -07) at a cost of Rs. 13 crore, of which 517 flats were allotted through lottery (May 2007). However, no possession was handed over so far (March 2009) as the allottees had not paid the full payment towards cost of flats and had not got the flats registered. The remaining 219 flats were yet to be allotted.

23 *per cent* of flats built for economically weaker section remained vacant.

Thus, even after expenditure of Rs. 28.05 crore, 23 *per cent* flats remained vacant, thereby indicating lack of initiative on the part of the Management to popularise the scheme among EWS people.

Recovery of dues

2.41 The Company hands over plots to allottees through issue of Memorandum of Possession (MOP) only on receipt of full payment towards cost of land from allottees as per the schedule indicated in the allotment order. Before handing over, the allottees are to complete the registration of land. In case of default or delayed payment, penalty at the rate of 12.50 to 17 *per cent* is imposed on allottees.

In case of allotment of land to individuals /co-operatives, the payment is to be made either by down payment within 60 days from the date of offer or within a maximum period of 60 days from the scheduled date of payment of each instalment for allottees who opted for instalment payment; or else their allotment would be automatically cancelled. The following irregularities were noticed in recovery of dues from allottees under these allotments.

- The Company allowed 1319 allottees to pay their dues of Rs. 19.28 crore after delays ranging from 61 to 2649 days. No action was taken to cancel the allotment. The Management stated (July 2009) that the Company on receipt of written request extended the date of payment with delayed payment charge. The action was contrary to the Management's policy decision.

- The Company, not only failed to cancel the allotment of 145 allottees who did not make down payment within the prescribed period of 60 days from the date of offer, but also allowed them discount of Rs. 43.72 lakh. The Management stated (July 2009) that the Company, on receipt of written request, extended the date of payment with delayed payment charge. The action is contrary to the policy of the Management that discount would be allowed only in case of down payment within the prescribed time limit.

- The Company fixed the sale price of corner plots at 10 *per cent* higher than the price of other plots. It did not claim escalation of Rs. 31.06 lakh on this account from the allottees of corner plots in Action Areas I and I/2. The Management accepted (July 2009) the audit observation. However, the reply did not indicate the corrective action taken to recover the amount from the allottees.

- No action was taken by the Company against 243 allottees who made no subsequent payment after their allotment in violation of Company's allotment order.

The Company, in deviation from its allotment policy and method of collection of sale proceeds, handed over the land to WBHB and its JVCs without obtaining full payment against the allotted plots. As a result, Rs. 41.62 crore was recoverable from them since 2004-05. The dues from these allottees reduced from Rs. 41.62 crore (WBHB: Rs. 21.14 crore, JVCs: Rs. 20.48 crore) in 2004-05 to Rs. 33.61 crore (WBHB: Rs. 1.84 crore, JVCs: Rs. 31.77 crore) in 2008-09. The following deficiencies were noticed in audit.

- WBHB was to pay the cost of 23.20 acres of land aggregating Rs. 28.07 crore before January 2005. The said land was handed over in January 2005. However, WBHB paid (March /June 2004) only Rs. 6.92 crore. Of the remaining amount of Rs. 21.14 crore, WBHB paid rupees five crore in 2005-06, while another Rs. 14.30 crore was paid in 2008-09 and the balance amount of Rs. 1.84 crore was still outstanding as on 31 March 2009. Thus, the Company received Rs. 19.30 crore after delay of more than four years. However, in the absence of any enabling provision in the allotment order, the Company failed to recover any penalty.

Despite non-recovery of Rs 31.77 crore from eight parties the Company failed to impose penalty of Rs 23.11 crore on them.

- Similarly, against handing over (January 2005-April 2006) 86.62 acres[43], land, eight Joint Venture Companies (JVCs) were to pay Rs. 130.83 crore before January 2005–April 2006. It was observed that full payment of Rs. 67.30 crore for 51.62 acres was received after delay of six to 28 months, while against dues of Rs. 63.53 crore for 35 acres only part payment (Rs. 31.76 crore) was received after a delay of three years. The amount of Rs. 31.77 crore was still outstanding (March 2009). The Company neither recorded reasons for its failure to recover dues of Rs. 31.77 crore nor did it pursue the matter with the JVCs seriously. Despite an enabling provision for recovering penalty for delayed /non-payment of dues in the allotment order, the Company did not invoke the same to recover penalty of Rs. 23.11 crore.

Thus, handing over land without receiving full payment and failure to recover penalty from defaulting parties were indicative of serious failure of internal control.

The Management stated (July 2009) that there had been correspondence for over a year on the issue of land price and delayed payment charge for 87.80 acre land allotted to WBHB and its eight JVCs. Ultimately full payment was made by September 2006, without delayed payment charge. The reply is not tenable since the Company, in its turn, had paid Rs. 1.91 crore to WBHB as interest due to delay in adjustment of its dues towards WBHB. In the case of other bulk allottees full payment (as per schedule) was to be made before handing over of plots, otherwise delayed payment charge was imposed on the amount of default. Thus, non recovery of penalty from WBHB and its JVCs for delayed payment /non-payment was not appropriate. In the exit conference the Government assured to look into the lacunae in recovery procedures pointed out by audit.

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[43] Bengal Park Chambers: 9.81 acres, Bengal United Credit Bilani: 10.18 acres, Bengal Shelter: 9.80 acres, Bengal Green Field: 14 acres, Bengal Shrachi: 13.20 acres, Bengal Ambuja: 9.94 acres, Bengal Peerless: 9.75 acres, Bengal DCL: 9.94 acres

Monitoring

No Project Management Information System in vogue leading to lack of co-ordination between different activities.

2.42 The Company did not devise any Project Management Information System (PMIS) to report on works under execution, delays, period of delays, revisions to the scheduled completion dates and comparative data of physical and financial achievement so as to take remedial action. This led to lack of co-ordination between land development and creation of infrastructural facilities, which in turn resulted in slippages in handing over the possession of land to allottees. Despite this, the Board did not monitor the slippages effectively for taking corrective action. Though recovery of project cost was largely dependent on fixation of correct break-even cost, monitoring mechanism was not in place to ensure computation of realistic break-even cost till 2007. This led to non recovery of break-even cost of plots allotted up to December 2007.

The matter was reported to the Government (September 2009); their reply was awaited (November 2009)**.**

Conclusion

Thus, the Company's policies relating to allotment and sale of plots / land were deficient with respect to

- **adherence to time schedules,**
- **delayed development of land and infrastructural facilities,**
- **delayed assessment of project cost led to fixation of selling price of plots erroneously on lower side causing either revenue or operational loss to the Company thereby affecting viability of the project itself**
- **deviation from its own land disposal and allotment policy,**
- **non-pursuance of policy of selling plots through competitive price bidding and**
- **lack of transparency in allotment from discretionary quota.**

Consequently, the Company

- **suffered loss in allotment of plots for individual, commercial entities and co-operative housing schemes,**
- **extended undue advantage to joint venture companies of West Bengal Housing Board,**
- **incurred penal interest due to delayed handing over of possession of land,**

- **frustrated its own objective of cross-subsidistion between allottees in HIG, MIG and LIG categories in violation of its land pricing policy, and**
- **had to bear an adverse working capital position due to non-recovery of full payment despite handing over of possession.**

Recommendations

It is recommended that the Company should

- **Prepare a strategic plan incorporating stage wise completion schedule of different activities in a time bound manner.**
- **Invest in infrastructure upfront instead of waiting for critical mass to inhabit the township so that NTP can blossom in accordance with its objectives.**
- **Pricing policy should be benchmarked at regular intervals with reference to the market dynamics and in consonance with the objectives of the Company**
- **Policies governing grant of subsidies / rebates should be clearly documented so as to minimise the scope of subjective interpretations and specify avenues of making good such subsidies / rebates.**
- **Adhere to the pricing policy so fixed.**
- **Strengthening its monitoring mechanism.**

Chapter III

Performance Audit relating to Statutory corporations

3 Performance of State transport undertakings in West Bengal

Executive Summary

The Calcutta State Transport Corporation (CSTC), North Bengal State Transport Corporation (NBSTC), South Bengal State Transport Corporation (SBSTC), The Calcutta Tramways Company (1978) Limited (CTC) and West Bengal Surface Transport Corporation (WBSTC) provide public transport in the State through their 52 depots. These State Transport Undertakings (STUs) had fleet of 2,624 buses as on 31 March 2009 and carried an average of 9.81 lakh passengers per day during 2004 -09. They accounted for a share of 5.84 per cent in 2008-09 in public transport with the rest coming from private operators. The performance audit of the STUs in West Bengal for the period from 2004-05 to 2008-09 was conducted to assess efficiency and economy of their operations, ability to meet financial commitment, possibility of realigning the business model to tap non-conventional sources of revenue, existence and adequacy of fare policy and effectiveness of the top management in monitoring the affairs of the STUs.

Finance and performance

The STUs suffered loss of Rs. 518.42 crore during 2004-09. The STUs earned Rs. 30.01 per kilometre and spent Rs. 37.10 per kilometre in 2008-09. Audit noticed that with a right kind of policy measures and better management of their affairs, it is possible to increase revenue and reduce cost, so as to earn profit and serve their cause better.

Declining share of STUs

Out of 44,942 buses licensed for public transport in 2008-09, 5.84 per cent belonged to the STUs. The percentage share declined from 8.15 per cent in 2004-05. This was due to the fact that the STUs buses reduced over the period from 2,983 to 2,624 during the review period. However, the overall vehicle density per one lakh population in the State increased from 43.03 in 2004-05 to 51.84 in 2008-09.

Vehicle profile and utilisation

The STUs were not able to achieve the norm of right age buses as out of 2,624 owned buses, 940 buses were overaged. During 2004-09, the STUs purchased 1,326 new buses at a cost of Rs. 172.69 crore. The expenditure was funded through plan loan from the State Government and Bank Loans. The fleet utilisation of STUs in 2004-09 was lower than the all India average (AIA) of 92 per cent. The overall vehicle productivity at 139.89 kilometers per day per bus was less than the AIA of 313 kilometers. The passenger load factor of STUs varied from 58.59 to 61.88 per cent during the period under review against the AIA of 63 per cent.

The STUs did not carry out the preventive maintenance as required. Test check in Audit revealed that the percentage of shortfall in docking required to be done by CSTC, CTC, NBSTC and SBSTC were 23.76, 79.01, 49.01 and 41.63 per cent of the scheduled dockings required to be carried out affecting the roadworthiness of their buses. However, none of the STUs maintained complete records showing vehicle-wise preventive maintenance programme carried out.

Economy in operations

The manpower and fuel constituted 73.62 per cent of the total cost in 2008-09. Interest, depreciation and taxes-the cost which are not controllable in the short-term, accounted for 15.35 per cent. Thus, the major cost saving can come from manpower and fuel. The STUs were able to reduce overall manpower per bus from 11.37 in 2004-05 to 9.78 in 2008-09. However, the manpower cost per effective Km of the STUs increased from Rs. 12.52 (2004-05) to Rs. 17.36 (2008-09). Audit analysed that the reasons for increase in manpower cost per effective Km were low vehicle productivity, low fleet utilisation and high bus staff ratio.

None of the STUs could achieve the AIA for fuel consumption. The excess consumption of fuel by the STUs as compared to AIA resulted in loss of Rs. 136.88 crore during 2004-09.

WBSTC started operation of buses through franchisee system since November 2004. Due to non-revision of contract executed with the franchisees prior to August 2007, WBSTC suffered a loss of Rs. 67.60 lakh. Moreover, Rs. 61.11 lakh remained un-recovered from franchisees due to non-receipt of monthly franchisee fees in advance.

Revenue maximisation

The route planning in the STUs were deficient as none of the STUs had a continuous practice of monitoring profitability of different routes or undertaking surveys to assess economic viability before introduction of new routes. Audit scrutiny in test-checked depots revealed that the number of routes not meeting variable cost increased from 28.02 to 55.67 per cent during 2004-08 and reduced thereafter to 41.67 per cent in 2008-09. The share of non-traffic revenue was nominal at 1.83 per cent of the total revenue during the period under review. None of the STUs had any policy for large scale tapping of non-traffic revenue sources which could cross-subsidise their operations. The STUs have about 24.47 lakh square meters of land. As they mainly utilise ground floor /land for their operations, the space above can be developed on public private partnership basis to earn steady income.

Need for a regulator

The State Government approves the fare increase but the basis for fixation of the same was not on record. The STUs have also not laid down norms for providing services on uneconomical routes. Thus, it would be desirable to have an independent regulatory body (like State Electricity Regulatory Commission) to fix the fares, specify operations on the uneconomical routes and address grievances of the commuters.

Inadequate monitoring

The fixation of targets for various operational parameters and an effective Management Information System (MIS) for obtaining feed back on achievement thereof are essential for monitoring by the top management. The monitoring by top management fell short as it did not fix targets for various operational parameters. Though the Board of Directors' meetings were held as per statutes, the operational performance of the STUs were seldom reviewed.

Conclusion and Recommendations

Though the STUs are incurring losses, it is mainly due to their high cost of operations. The STUs can control the losses by tapping non-conventional sources of revenue, besides controlling their cost of operations. This review contains seven recommendations to improve the STUs performance. Improving fleet utilisation and vehicle productivity, creating a regulator to regulate fares and services and framing a policy for large scale tapping of the non-conventional sources of revenue are some of these.

Introduction

3.1.1 In West Bengal, public road transport is provided by five State Transport Undertakings (STUs) *viz.* Calcutta State Transport Corporation (CSTC), North Bengal State Transport Corporation (NBSTC), South Bengal State Transport Corporation (SBSTC), The Calcutta Tramways Company (1978) Limited (CTC) and West Bengal Surface Transport Corporation Limited (WBSTC). The STUs are mandated to provide efficient, adequate, economical and properly co-ordinated road transport. The State also allows private operators to provide public transport. The State had not reserved routes exclusively for private operators or for the STUs. The fare structure is controlled and approved by the State Government.

3.1.2 The STUs were incorporated between April 1960 and October 1982. CTC and WBSTC were incorporated as wholly owned State Government companies under the Companies Act 1956, while CSTC, NBSTC and SBSTC were incorporated under Section 3 of the Road Transport Corporations Act, 1950 as wholly owned Corporations of the State Government. All the STUs are permitted to operate within the State and there is no defined area of jurisdiction. In August 1992, the Memorandum of Association of CTC was amended to allow it to operate the bus services from November 1992. The STUs are under the administrative control of the Transport Department of the Government of West Bengal. The Management of each STU is vested in a Board of Directors comprising Chairman, Managing Director and Directors appointed by the State Government. The day-to-day operations are overseen by the respective Managing Directors, who are Chief Executive of the STU, with the assistance of Financial Adviser & Chief Accounts Officer, and Depot Manager/ Depot-in-Charge. The STUs have six Divisional Offices, three Central Workshops, four Divisional Workshops and 52 depots. The individual STU-wise details are given in the **Annexure 8**. In all the STUs, the bus body building is carried out through external agencies while tyre retreading operations are carried out both in-house and through external agencies.

3.1.3 The STUs had a fleet strength of 2,624 buses as on 31 March 2009 and carried an average of 9.81 lakh passengers *per* day between 2004-05 and 2008-09. Their share in the passenger transport operations in the State was only about six *per cent* during 2004-09 and the remaining about 94 *per cent* was accounted for by private operators. The turnover of the STUs was Rs. 433.07 crore in 2008-09 (provisional), which was equal to 0.14 *per cent* of the State Gross Domestic Product[1]. They employed 16,558 employees as on 31 March 2009.

3.1.4 Reviews on the working of the CSTC, NBSTC and SBSTC were included in the Report of the Comptroller and Auditor General of India for the year 1999-2000 (Commercial), Government of West Bengal while that of CTC was included in the Report for 2001-02. The Reports were not discussed by the COPU.

[1] Source: Economic review (Statistical Appendix) 2008-09, Government of West Bengal.

Scope of Audit and Audit Methodology

3.2.1 The present review, conducted during March to June 2009, covers the performance of the STUs during the period from 2004-05 to 2008-09. The review mainly focuses on operational efficiency, financial management, fare policy, fulfillment of social obligations and monitoring by top Management of the STUs. Audit examination involved scrutiny of records at the Head Office[2], three Central Workshops[3], three Divisional Offices[4] and 20[5] out of the 52 depots. The depots were selected based on a combination of rural/ urban, city/ long distance services, intercity services, tourist services, fleet strength, revenue earning and profitability. The selected depots had a fleet strength of 1,248 buses constituting 47.56 *per cent* of total fleet strength as on 31 March 2009.

3.2.2 The methodology adopted for attaining the audit objectives with reference to audit criteria consisted of explaining audit objectives to top management, scrutiny of records at Head Office and selected units, interaction with auditee, analysis of data with reference to audit criteria, raising of audit queries, discussion of audit findings with the management of STUs and issue of draft performance audit report to the management for comments.

Audit Objectives

3.3. The objectives of the performance audit were to assess:

3.3.1 Operational Performance

- the extent to which the STUs were able to meet the growing demand for public transport;
- whether they succeeded in recovering the cost of operations;
- the extent to which they conducted their operations efficiently;
- whether adequate maintenance was undertaken to keep the vehicles roadworthy; and
- the extent to which economy was ensured in cost of operations.

3.3.2 Financial Management

- whether the STUs were able to meet their commitments and recover their dues efficiently; and

[2] **CSTC**, **CTC** and **WBSTC**: Kolkata, **NBSTC**: Coochbehar and **SBSTC**: Durgapur.
[3] **CSTC** : Kolkata, **NBSTC** : Coochbehar , **SBSTC** : Durgapur.
[4] **NBSTC** : Raigunj and Coochbehar , **SBSTC:** Durgapur.
[5] **CSTC**: Nilgunge, Kasba, Howrah and Garia, **NBSTC**: Coochbehar, Alipurduar, Raigunj, Balurghat, Malda, Berhampur and Ultadanga. **SBSTC**: Durgapur, Belghoria, Digha, Bankura and Arambagh. **CTC**: Tollygunge, Belgachia and Ghashbagan, **WBSTC**: Saltlake.

- the possibility of realigning the business model of the STUs to tap non-conventional sources of revenue and adopting innovative methods of accessing such revenues.

3.3.3 Fare Policy and Fulfillment of Social Obligations

- the existence and adequacy of fare policies; and
- whether the STUs operated adequately on uneconomical routes.

3.3.4 Monitoring by Top Management

- whether the monitoring by STUs' top management was effective.

Audit Criteria

3.4.1 The audit criteria adopted for assessing the performance of the STUs were:

- all India averages for performance parameters;
- performance standards and operational norms fixed by the Association of State Road Transport Undertakings (ASRTU);
- physical and financial targets/ norms fixed by the Management;
- manufacturers' specifications, norms for life of a bus, preventive maintenance schedule, fuel efficiency norms, etc.;
- instructions of the Government of West Bengal and other relevant rules and regulations;
- corporate policy for investment of funds; and
- operational procedures laid down by the STUs.

Financial position and Working results

3.5.1 The consolidated financial position of the five STUs for the four[6] years upto 2007-08 is given below. STU-wise position is at **Annexure 9**.

(Rs. in crore)

Particulars	2004-05	2005-06	2006-07	2007-08[7]
A. Liabilities				
Paid up Capital	51.74	51.74	51.74	42.04
Reserves & Surplus (including Capital Grants but excluding Depreciation Reserve)	193.16	215.17	217.30	228.02
Borrowings (Loan Funds)	1,073.16	1,132.19	1,237.79	900.06
Current Liabilities & Provisions	713.90	802.27	876.63	852.95
Total	**2,031.96**	**2,201.37**	**2,383.46**	**2,023.07**
B. Assets				
Gross Block	451.17	442.78	478.35	447.31
Less: Depreciation	205.02	211.20	218.29	220.52
Net Fixed Assets	246.15	231.58	260.06	226.79
Capital works-in-progress (including cost of chassis)	10.01	12.38	10.44	9.96
Investments	13.59	23.30	14.15	13.09
Current Assets, Loans and Advances	102.11	139.18	181.62	137.50
Accumulated losses	1,660.10	1,794.93	1,917.19	1,635.73
Total	**2,031.96**	**2,201.37**	**2,383.46**	**2,023.07**

3.5.2 The consolidated working results like operating revenue and expenditure, total revenue and expenditure, net surplus/ loss and earnings and cost *per* kilometre of operations are given on the next page. STU-wise details are given at **Annexure 10**.

[6] Four STUs (except CTC) had not finalised their accounts for 2008-09 upto November 2009.

[7] This does not include figures of NBSTC since only provisional accounts for 2006-07 have been compiled by the Corporation.

(Rs. in crore)

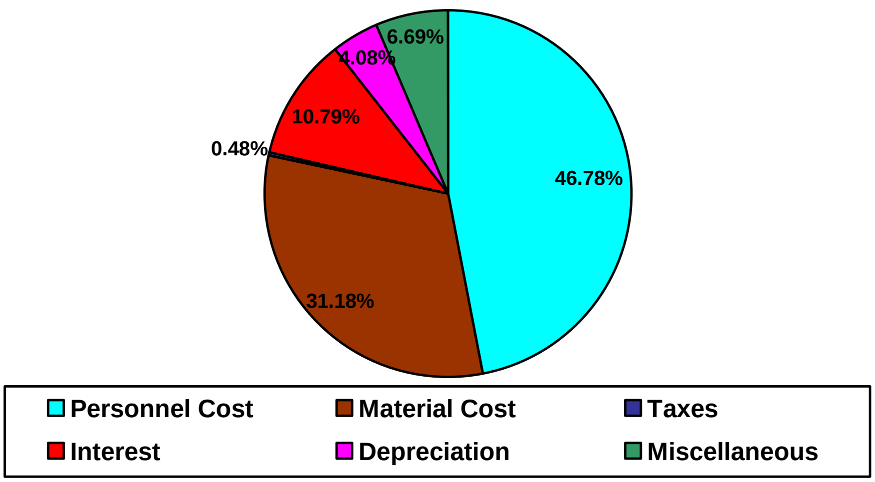
Sl.No.	Description	2004-05	2005-06	2006-07	2007-08	2008-09[8]
1	Total Revenue	331.04	427.88	419.16	422.81	433.07
2	Operating Revenue[9]	164.78	184.57	196.92	209.35	215.49
3	**Total Expenditure**	**443.21**	**518.85**	**519.18**	**535.78**	**535.36**
4	Operating Expenditure[10]	213.33	252.43	257.41	270.86	269.92
5	Operating Profit/ Loss	(-) 48.55	(-) 67.86	(-) 60.49	(-) 61.51	(-) 54.43
6	**Profit/ Loss for the year**	**(-) 112.17**	**(-) 90.97**	**(-) 100.02**	**(-) 112.97**	**(-)102.29**
7	Accumulated Profit/ Loss	1,660.10	1,794.93	1,917.19	1,635.73[11]	NA
8	Fixed Costs					
	(i) Personnel Costs	185.13	217.39	228.80	253.50	250.44
	(ii) Depreciation	15.74	16.57	17.74	21.15	21.84
	(iii) Interest	56.75	58.97	62.03	54.63	57.78
	(iv) Other Fixed Costs	50.18	69.09	49.37	34.98	35.82
	Total Fixed Costs	**307.80**	**362.02**	**357.94**	**364.26**	**365.88**
9	Variable Costs					
	(i) Fuel & Lubricants	112.08	130.11	133.97	144.12	143.71
	(ii) Tyres & Tubes	6.29	6.62	8.61	7.70	9.81
	(iii) Other Items/ spares	14.99	17.97	16.24	16.91	13.42
	(iv) Taxes (MV Tax, etc.)	2.05	2.13	2.43	2.78	2.54
	(v) Other Variable Costs	0.00	0.00	0.00	0.00	0.00
	Total Variable Costs	**135.41**	**156.83**	**161.25**	**171.51**	**169.48**
10	Effective Kms operated (in Cr.)	14.79	14.67	14.40	15.27	14.43
11	Earnings *per* Km (Rs.) (1/10)	22.38	29.17	29.11	27.69	30.01
12	Fixed Cost *per* Km (Rs.) (8/10)	20.81	24.68	24.86	23.85	25.36
13	Variable Cost *per* Km (Rs.) (9/10)	9.16	10.69	11.20	11.23	11.74
14	Cost *per* Km (Rs.) (12+13)	29.97	35.37	36.06	35.08	37.10
15	Net Earnings *per* Km (Rs.) (11-14)	(-)7.59	(-)6.20	(-)6.95	(-)7.39	(-)7.09
16	Traffic Revenue[12]	164.78	184.57	196.92	209.35	215.49
17	Traffic Revenue *per* Km (Rs.) (16/10)	11.14	12.58	13.68	13.71	14.93
18	Contribution *per* Km (Rs) (17-13)	1.98	1.89	2.48	2.48	3.19
19	Operating Loss *per* Km (Rs.) (5 / 10)	(-) 3.28	(-) 4.63	(-) 4.20	(-) 4.03	(-) 3.77

[8] Figures are provisional.
[9] Operating revenue includes traffic earnings, passes and season tickets, income from franchisee operators etc.
[10] Operating expenditure includes expenses relating to traffic, depreciation on fleet, repair and maintenance, electricity, welfare and remuneration, licences and taxes and general administration expenses.
[11] Accumulated loss of NBSTC for 2007-08 was not available.
[12] Traffic revenue represents sale of tickets, advance booking and reservation charges.

Elements of cost

3.5.3 Personnel costs and material costs constitute the major elements of costs. The percentage break-up of costs for 2008-09 is given below.

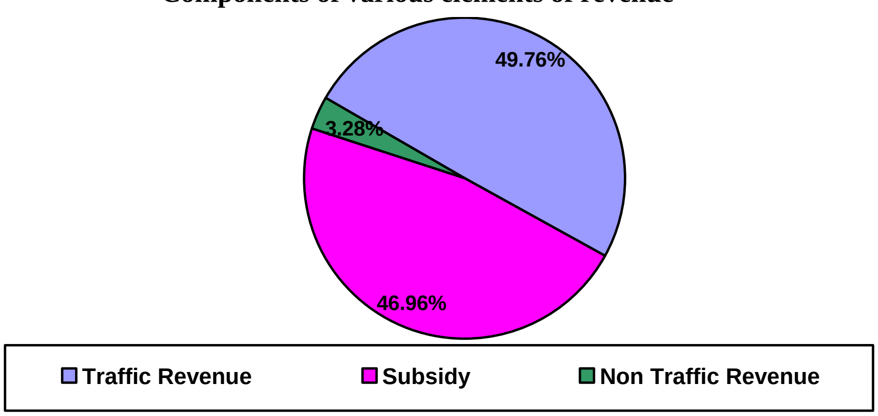
Components of various elements of cost



Elements of revenue

3.5.4 Traffic revenue, subsidy and non-traffic revenue constitute the major elements of revenue. The percentage break-up of revenue for 2008-09 is given below in the pie-chart.

Components of various elements of revenue



Audit Findings

3.6.1 Audit discussed the audit objectives with the STUs during an 'entry conference' held on 16 March 2009. Subsequently, the audit findings were reported to the STUs and to the Government in August 2009 and discussed in an 'exit conference' held on 10 November 2009, which was attended by the Managing Directors, Directors and Chief Accounts Officers of CSTC, SBSTC, NBSTC, CTC and WBSTC and the Additional Chief Secretary, Transport Department, Government of West Bengal. The views expressed by them in the exit conference have been considered while finalising this review. Further, SBSTC replied to the audit observations in November 2009, which have been suitably incorporated under the relevant places. The audit findings are discussed below.

Operational Performance

3.7.1 The operational performance of the STUs for the five years ending 2008-09 is given in the **Annexure 11**. The operational performance of the STUs was evaluated on various operational parameters as described below. It was also seen whether the STUs were able to maintain pace with the growing demand of public transport. Audit findings in this regard are discussed in the subsequent paragraphs. These audit findings show that losses were controllable and there is scope for improvement in performance.

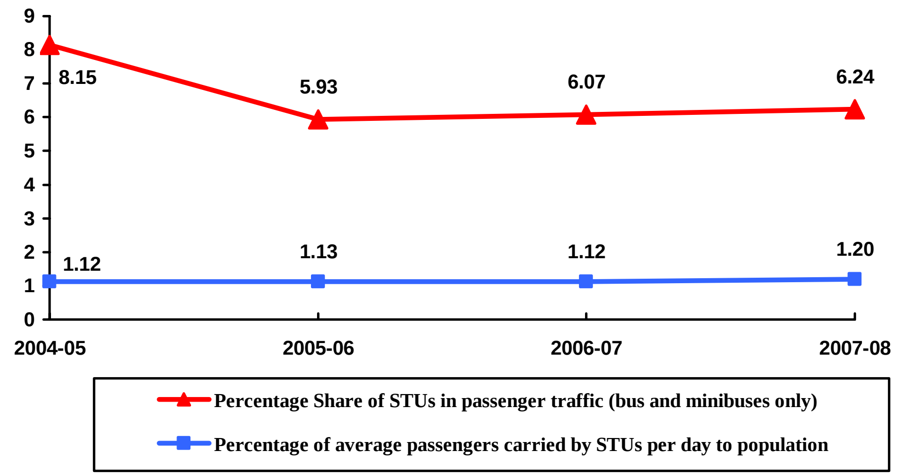
Share of STUs in public transport

3.8.1 The transport policy[13] of the State Government seeks to improve and upgrade the STUs' service by improving operating standards and by strengthening the infrastructure of these STUs as well as to control and guide the services provided by private operators.

3.8.2 Line-graphs[14] depicting the percentage share of the STUs in the passenger traffic of the State (including minibuses) and percentage of average passengers carried per day by the STUs to the population of the State during four years ending 2007-08 are given below:

[13] Source: Economic Review, Government of West Bengal- 2006-07, 2007-08.

[14] STUs passenger share in passenger traffic of the State is worked out in Audit on the basis of aggregate number of buses operated in the State to the buses operated by the STUs.



STUs share in the State public transport reduced from 8.15 to 5.84 per cent in 2004-09.

3.8.3 The table below depicts the growth of public transport in the State:

Sl. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1	STU buses at the end of the respective years	2,983	2,751	2,764	2,815	2,624
2	Private stage carriages	33,613	43,599	42,737	42,318	42,318[15]
3	Total buses for public transport (1+2)	36,596	46,350	45,501	45,133	44,942
4	Percentage share of STUs	8.15	5.93	6.07	6.24	5.84
5	Percentage share of private operators	91.85	94.07	93.93	93.76	94.16
6	Estimated population (crore)[16]	8.49	8.53	8.58	8.67	8.67
7	Vehicle density *per* one lakh population (Total)	43.03	54.34	53.03	52.06	51.84
8	Vehicle density of STU buses *per* one lakh population	3.51	3.23	3.26	3.25	3.03

3.8.4 The STUs have not been able to keep pace with the growing demand for public transport. Against an increase of 25.90 *per cent* of private buses between 2004-05 and 2007-08, the number of buses operated by STUs had registered a decline by 5.63 *per cent* during the same period, while the population in the State had increased by 2.12 *per cent.* This indicates failure of STUs to keep pace with the growing demand of public transport as well as to comply with the policy of the State Government. The effective *per* capita Km operated *per* year as depicted in the table below shows the decline in services by STUs except in 2007-08.

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15 In the absence of availability of figures of 2008-09, the figures of 2007-08, for private stage carriers have been adopted for comparison purpose.

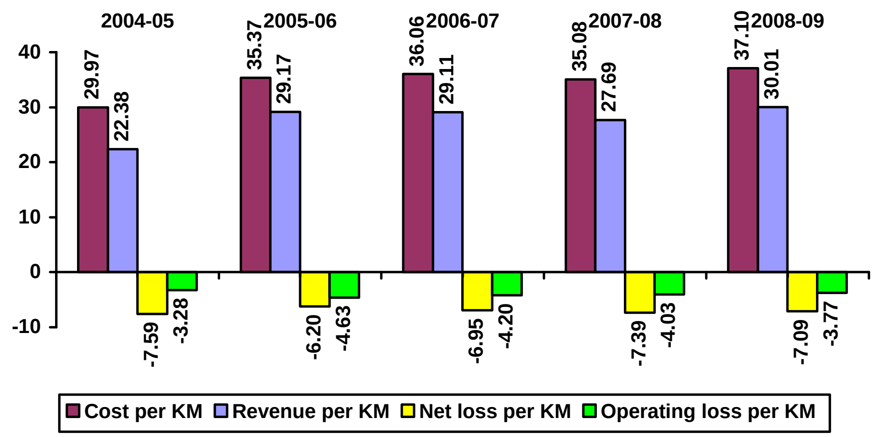
16 Source- Economic Review -2008-09, Government of West Bengal.

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Effective Km operated (crore)	14.79	14.67	14.40	15.27	14.43
Estimated Population (crore)	8.49	8.53	8.58	8.67	8.67
Per Capita Km	1.74	1.72	1.68	1.76	1.66

3.8.5 Public transport has definite benefits over personalised transport in terms of costs, congestion on roads and environmental impact. The public transport services have to be adequate to derive those benefits. However, the STUs were not able to maintain their share in transport mainly due to operational inefficiencies as described later.

Recovery of cost of operations

3.9.1 The STUs were not able to recover their cost of operations. During the last five years ending 2008-09, the net loss *per* Km remained negative as given in the graph below:



3.9.2 The graph indicates the deteriorating performance of the STUs over the period. The net loss *per* Km ranged between Rs. 6.20 (2005-06) to Rs. 7.59 (2004-05) during the review period. Audit observed that it was very high in respect of WBSTC as it increased from Rs. 21.43 in 2004-05 to Rs. 29.68 in 2006-07 but reduced thereafter to Rs. 5.89 in 2008-09 (refer **Annexure 10)**. This was mainly due to high proportion of over aged buses in its fleet which were gradually replaced over the years. Though the revenue *per* Km of the STUs was higher than the all India average of Rs.18.22, it was due to inclusion of subsidy received from the State Government to meet working capital requirement. During 2008-09, this revenue subsidy constituted about 47 *per cent* of the total revenue. The cost *per* Km was much higher than the all India average of Rs. 19.94 *per* Km mainly due to high incidence of personnel cost. The deteriorating performance has been impacting the ability of the STUs to provide adequate

Orissa, Uttar Pradesh and Karnataka registered best net earnings *per* Km at Rs. 0.49, Rs. 0.47 and Rs. 0.34 respectively during 2006-07.
(Source: STUs profile and performance 2006-07 by CIRT, Pune)

services as they are not able to replace their fleet in time or increase the fleet strength to meet growing demand.

SBSTC stated (November 2009) that efforts are on for effective utilisation of the resources which would result in deduction in cost. However, the Management is silent about the specific steps taken for curtailment of cost.

Efficiency and economy in operations

Fleet strength and utilisation

Fleet strength and its age profile

3.10.1 The STUs have their own fleet of buses. They do not hire buses from contractors. The Association of State Road Transport Undertaking (ASRTU) had prescribed (September 1997) the desirable age of a bus as eight years or five lakh kilometres, whichever was earlier. The table below shows the age-profile of the buses held by the STUs for the five year period ending 2008-09. STU-wise position is detailed in **Annexure 12.**

Sl No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Total No. of buses at the beginning of the year	2,981	2,983	2,751	2,764	2,815
2.	Additions during the year	239	141	249	497	200
3.	Buses scrapped during the year	237	373	236	446	391
4.	Buses held at the end of the year (1+2-3)	2,983	2,751	2,764	2,815	2,624
5.	Of (4), number of buses more than 8 years old	1,517	1,388	1,324	1,077	940
6.	Percentage of overage buses to total buses	50.85	50.45	47.90	38.26	35.82

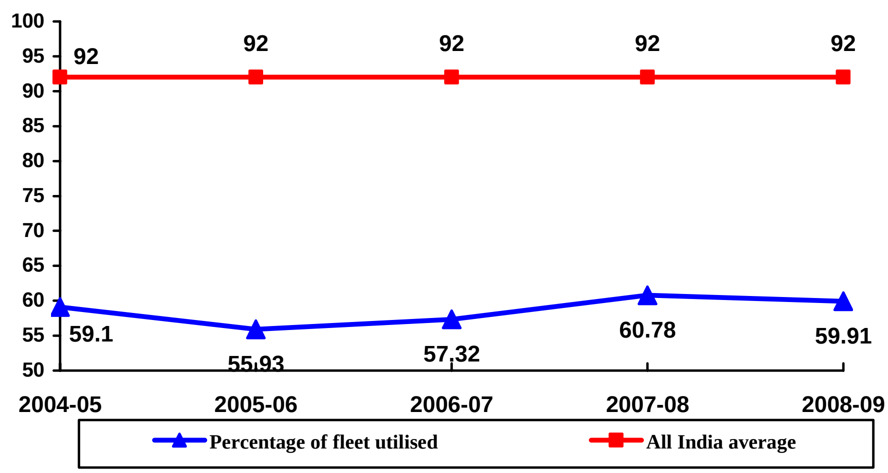
The STUs had 35.82 *per cent* overage buses as on 31 March 2009.

3.10.2 The table shows that the STUs were not able to achieve the norm of right age buses though the percentage of overage buses had continuously improved over the review period. During 2004-09, the STUs added 1,326 new buses at the cost of Rs. 172.69 crore. The STUs availed of bank loan of Rs. 152.20 crore for funding the procurement. Besides, State Government also gave loan of Rs. 75.11 crore for procurement of buses. However, the STUs diverted Rs. 54.62 crore for meeting working capital requirement and invested only Rs. 20.49 crore for the purchase of buses. To achieve the norm of right age buses the STUs were required to buy 940 new buses additionally which would have cost them Rs. 126.34 crore approximately at an average cost of Rs. 13.44 lakh *per* bus based on the purchases in 2008-09. However, the STUs did not generate adequate resources through their operations to financé the replacement of buses. Rather, they suffered losses of Rs. 518.42 crore during 2004-09. Despite continuous reduction in overage fleet, the STUs still had 35.82 *per cent* of overage on 31 March 2009 due to diversion of funds earmarked for procurement of buses to meet operational costs and absence of long term fleet planning by the STUs. The high incidence of over-aged buses in turn led to low fleet utilisation, excessive consumption of fuel, oil, stores and spare parts.

Fleet utilisation

3.10.3 Fleet utilisation represents the ratio of buses on road to the buses held. No STU had set targets of fleet utilisation during the period 2004-09. The fleet utilisation increased marginally from 59.10 in 2004-05 to 59.91 *per cent* in 2008-09, as compared to the All India Average[17] of 92 *per cent* as indicated in the graph given below:

Andhra Pradesh, Tamil Nadu (Kumbakonam) and Tamil Nadu (Coimbatore) registered best fleet utilisation at 99.4, 98.4 and 98.3 *per cent* respectively during 2006-07.
(Source : STUs profile and performance 2006-07 by CIRT, Pune)



3.10.4 Individual STU-wise fleet utilisation is given in the following table:

Fleet utilisation of the STUs was below the all India average of 92 *per cent.*

STU	Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
CSTC	63.46	57.60	54.79	55.47	53.74
SBSTC	65.11	63.74	64.42	62.22	59.28
NBSTC	52.88	49.18	57.41	68.97	67.76
CTC	60.00	62.13	63.91	66.87	65.23
WBSTC	25.53	25.68	22.22	34.19	47.17

It may be seen from the above table that the fleet utilisation of WBSTC remained quite low. Further, the fleet utilisation of CSTC and SBSTC reduced over the period depicting deterioration in operations. However, in respect of NBSTC and CTC it improved upto 2007-08 though it reduced marginally in 2008-09. The factors contributing to poor fleet utilisation were as follows:

- shortage of crew (drivers/ conductors);

[17] All India Average is for the year 2006-07 which has been used for comparison for the period under review.

- high percentage of overaged buses which were not road worthy; and
- breakdowns on account of inadequate servicing/ maintenance which were controllable in nature.

3.10.5 From the above it can be concluded that the STUs were not able to achieve optimum utilisation of their fleet strength, which in turn, impacted their operational performance adversely.

Accepting the fact SBSTC stated (November 2009) that utmost efforts were being given to increase fleet utilisation. The fact remains that efforts of the Management did not improve the fleet utilisation as the same decreased from 65.11 *per cent* in 2004-05 to 59.28 *per cent* in 2008-09.

Vehicle productivity

3.11.1 Vehicle productivity refers to the average kilometres run by each bus *per* day in a year. The vehicle productivity of the STUs vis-à-vis the overage fleet for the five years ending 2008-09 is shown in the table below. The STU-wise vehicle productivity is shown at **Annexure 13.**

S.No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Vehicle productivity (Kms run *per* day *per* bus)	142.63	137.41	140.10	150.54	139.89
2.	Overage fleet (percentage)	50.85	50.45	47.90	38.26	35.82

Vehicle productivity of the STUs reduced over the review period.

Tamil Nadu (Villupuram), Tamil Nadu (Salem) and Tamil Nadu (Kumbakonam) registered best vehicle productivity at, 474 469 and 462.8 Kms per day respectively during 2006-07.
(Source : STUs profile and performance 2006-07 by CIRT, Pune)

3.11.2 The table shows that vehicle productivity increased from 142.63 in 2004-05 to 150.54 in 2007-08 but reduced to 139.89 in 2008-09, despite the decline of over-aged fleet from 50.85 *per cent* in 2004-05 to 35.82 *per cent* in 2008-09. Analysis of scheduled Kms in Audit revealed that the average vehicle productivity scheduled by the STUs ranged from 197.02 Kms *per* bus *per* day (2004-05) to 184.39 Km *per* bus *per* day (2008-09), which itself was much less than the all India average of 313 Kms during the review period. The lower productivity was mainly on account of:

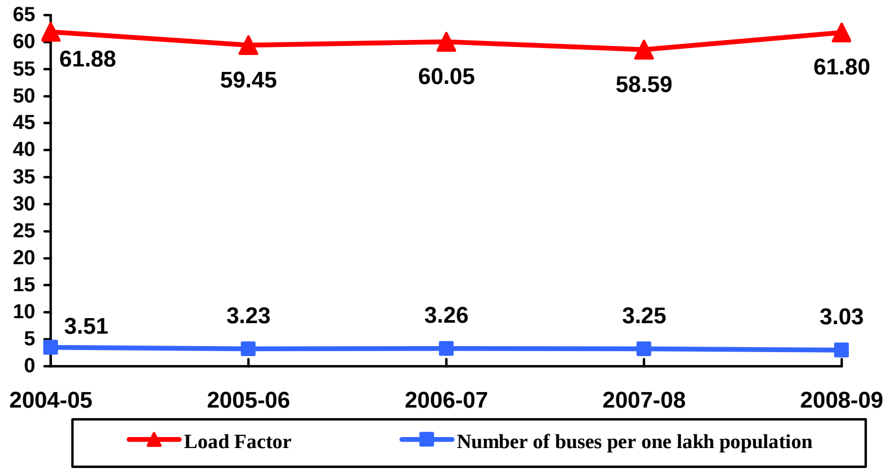
- Deficient route planning (**Paragraph 3.12.4**)
- Cancellation of scheduled Kms (**Paragraph 3.12.6**)

In the exit conference, the Government stated (November 2009) that about 70 *per cent* of the funds of the STUs were spent on employees' cost and fuel. This left little funds for replacement of overage buses, and for repairs and maintenance. Further, increase in age of drivers rendered them incapable of being assigned on-road duty, which led to shortage of crew, in spite of excess manpower. However, the Government did not give any assurance for remedial action.

Capacity utilisation

Load Factor

3.12.1 Capacity utilisation is measured in terms of Load Factor, which represents the percentage of passengers carried to seating capacity. Schedules to be operated are to be decided after proper study of routes. Periodical reviews are necessary to improve the load factor. Based on the information furnished by the Management of respective STUs, the load factor of the STUs ranged from 58.59 *per cent* to 61.88 *per cent* during 2004-09 against the all India average of 63 *per cent*. This was mainly attributed to competition from private operators leading to drop in STUs share in public transport.



3.12.2 The table below provides the details for the break-even load factor (BELF) for traffic revenue. Audit worked out this BELF at the given level of vehicle productivity and total cost *per* Km. This cost *per* Km is inclusive of the staff costs of the STUs paid out of the revenue subsidy received from the State Government, which has already been mentioned in **paragraph 3.9.2.**

Sl. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1	Cost *per* Km	29.97	35.37	36.06	35.08	37.10
2	Traffic revenue *per* Km at 100 *per cent* Load Factor	18.00	21.16	22.78	23.40	24.16
3	Break-even load factor (1/2)	166.50	167.16	158.30	149.91	153.56

3.12.3 The break-even load factor is quite high and is not likely to be achieved given the present load factor and the fact that the STUs are also required to operate uneconomical routes. Thus, while the scope to improve upon the load factor remains limited, there is tremendous scope to cut down the costs of operations as explained later. STU-wise details are given in the **Annexure 14.**

Route planning

3.12.4 Appropriate route planning to tap demand leads to higher load factor. However, Audit observed that none of the STUs in the State had continuous practice of route planning or monitoring profitability of different routes operated by them. Further, the STUs did not undertake surveys to assess economic viability before introduction of new routes. Also, STUs did not fix any target for earnings *per* Kilometre (EPKM).

Audit undertook an exercise to ascertain the viability of the routes. The routes were randomly selected from the test checked depots[18] of the STUs. Review of selected routes during peak period and lean period (to have a reasonable basis) to assess their profitability revealed the following:

Year	Total No. of routes	No. of routes making profit	No. of routes not meeting total cost	No. of routes not meeting variable cost
2004-05	514	27 (5.25)	487 (95)	144 (28.02)
2005-06	465	22 (4.73)	443 (95)	218 (46.88)
2006-07	463	31 (6.70)	432 (93)	243 (52.48)
2007-08	1,040	40 (3.85)	1,000 (96)	579 (55.67)
2008-09	900	119 (13.22)	781 (87)	375 (41.67)

(Percentages in brackets).

It can be seen from the above that the number of profit making routes increased from 27 to 119 during 2004-09. Similarly, the number of routes not meeting variable cost increased from 144 in 2004-05 to 579 in 2007-08. However, it had decreased to 375 in 2008-09.

In the exit conference, the Government stated (November 2009) that analysis of routes on the basis of profitability was carried out but no action for discontinuing these routes had been taken.

3.12.5 Improved fleet utilisation, reducing the bus-staff ratio and increasing the KMPL are some of the measures that could enhance route profitability. Though some of the routes now appearing unprofitable would become profitable once the STUs improve their efficiency, there would still be some uneconomical routes. Given the scenario of mixed routes and obligation to serve uneconomical routes, the STUs should decide on an optimum quantum of service on different routes so as to optimise their revenue while serving the social cause. But no such exercise was carried out by any of the STUs.

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[18] CSTC – Nilgunge, Howrah, Kasba, Garia.
NBSTC – Alipurduar, Balurghat, Coochbehar, Berhampur, Raigunj & Malda Depot.
SBSTC – Arambagh, Bankura, Belghoria, Digha, Durgapur.
CTC – Tollygunge, Ghashbagan, Belgachia, Khiddirpore & Rajabazar.

Cancellation of scheduled Kilometres

3.12.6 A review of the operations indicated that the scheduled kilometres were not fully operated mainly due to non-availability of adequate buses, shortage of crew and other factors like breakdown, accidents, late arrivals, *etc.* as shown in the following table:

(In lakh Kms)

Sl No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Scheduled kilometres[19]	2,042.61	1,983.04	1,945.00	1,935.52	1,902.23
2.	Effective kilometres[20]	1,457.91	1,449.58	1,423.61	1,489.85	1,397.83
3.	Kilometres cancelled	584.70	533.46	521.39	445.67	504.40
4.	Percentage of cancellation	28.63	26.90	26.81	23.03	26.52
Cause-wise analysis						
5.	Want of buses	125.31	126.80	126.81	96.65	103.59
6.	Want of crew	134.92	79.73	86.10	94.57	87.52
7.	Others	324.39	326.93	308.48	254.45	313.29
8.	Avoidable cancellation (want of buses and crew)	260.23	206.53	212.91	191.22	191.11

The STU-wise details relating to the loss due to cancellation of scheduled kilometres has been shown in **Annexure 15.**

3.12.7 The percentage of cancellation of scheduled kilometres reduced from 28.63 in 2004-05 to 23.03 in 2007-08 mainly due to addition of new buses. The same, however, increased to 26.52 in 2008-09 and remained quite high as compared to the best performers. Out of total loss of 482.84 lakh Km on account of shortage of crews, 309.08 lakh Km was in respect of SBSTC. This arose because deployment of drivers and conductors among the depots was not rationalised as was evident from the fact that there were excess drivers/ conductors in three depots, while there were shortages in two depots among the five depots test checked in Audit. Due to cancellation of scheduled kilometres for want of buses and crew, the STUs were deprived of contribution of Rs 20.41 crore during 2004-05 to 2008-09.

Tamil Nadu (Salem), State Express Transport Corporation (Tamil Nadu) and Tamil Nadu (Villupuram) registered least cancellation of scheduled Kms at 0.45, 0.67 and 0.78 *per cent* respectively during 2006-07.
(Source : STUs profile and performance 2006-07 by CIRT, Pune

Maintenance of vehicles

Preventive Maintenance

3.13.1 Preventive maintenance is essential to keep the buses in good running condition and to reduce breakdowns/ other mechanical failures. This includes regular changing of oil and lubricants, as well as checking of mechanical and

[19] In the absence of availability of data, this does not include scheduled Kms of WBSTC.
[20] The figures here may not tally with effective Kms in the table under **paragraph 3.5.2** due to non-inclusion of effective Kms in respect of WBSTC.

electrical systems of vehicles. The entire maintenance work was carried out by private contractors in case of NBSTC and WBSTC. However, in case of CTC, CSTC and SBSTC, the same is done both by private contractors as well as in-house. However, none of the STUs maintained complete records showing vehicle-wise preventive maintenance programme carried out. There was no uniformity for undertaking in-house preventive maintenance or through private contractors amongst the STUs in the State or even amongst depots of a single STU. The different modes of preventive maintenance varied from in-house to outsourcing to the original manufacturers.

Docking of buses

3.13.2 The categorisation of the maintenance jobs in STUs is termed as 'docking'. Audit scrutiny of records revealed that the STUs did not have uniform standards for docking.

- CSTC and CTC had prescribed regular servicing schedule under 'A' docking to be performed at every 2,000 Km and 'B' docking at every 8,000 Km. Test check of records at nine depots[21] revealed that there was a shortfall of 6,991 and 16,076 scheduled docking respectively based on gross kilometres operated. This represented 23.76 and 79.01 *per cent* of scheduled docking required to be done by CSTC and CTC, respectively.

- The Management of NBSTC stated that regular maintenance based on kilometres run was carried out. However, no records of Type-I and Type-II docking were furnished to Audit. Records relating to Type-III docking, (carried out after every 18,000 Kms) were maintained and scrutiny of records at seven depots[22] relating to Type-III docking revealed that there was a shortfall of 2,431 scheduled maintenance jobs, representing 49.01 *per cent* of the total Type-III dockings required based on gross kilometres operated.

- SBSTC had a system of regular maintenance based on the prescribed periodic maintenance of the bus manufacturer. However, in the absence of availability of requisite records, adherence to such maintenance schedules could not be verified. The Divisional Workshops of SBSTC at Durgapur and Belgharia perform a thorough checking of the mechanical, electrical and body job maintenance called 'C' docking, at every 80,000 Kms. Against the annual capacity of docking 60 and 72 buses at Divisional Workshop at Durgapur and Belgharia, the actual docking carried out ranged from 42 to 57 and 48 to 60 respectively during the years 2004-05 to 2008-09 with an aggregate capacity utilisation of 78.41 *per cent*. Test check of records of three[23] selected depots of SBSTC indicated that against the total requirement of 'C' docking of 209 buses based on gross Kms operated, the depots had sent 122 buses to Divisional

[21] CSTC – Garia, Kasba, Howrah, Nilgunge (from 2005-06 to 2007-08).
CTC – Tollygunge, Ghashbagan, Rajabazar, Belgachia, Khiddirpore (from 2007-08 to 2008-09).

[22] Coochbehar, Alipurduar, Raigunj, Balurghat, Malda, Berhampur and Ultadanga.

[23] Digha, Arambagh and Bankura.

Workshops during 2006-09, thereby indicating a shortfall of 41.63 *per cent*. The Management assured (November 2009) that remedial action would be taken in this regard.

- WBSTC entered into an annual maintenance contract (AMC) for undertaking maintenance work as and when need for such maintenance arose. There were no in-house maintenance procedures and no periodic check-up schedules. Need based maintenance was carried out through AMC.

Preventive maintenance schedules were not adhered to by the STUs.

From the above it may be seen that the preventive maintenance schedules were largely ignored by the STUs, which affected the roadworthiness of the STU buses having an adverse impact on operational results.

Repairs and Maintenance

3.13.3 A summarised position of fleet holding, overage buses, repairs and maintenance (R&M) expenditure of all STUs except WBSTC[24] for the last five years upto 2008-09 is given below:

Sl. No.	Particulars[25]	2004-05	2005-06	2006-07	2007-08	2008-09
1	Total buses at the end of year (Nos.)	2,889	2,677	2,683	2,698	2,518
2	Overage buses (More than eight years old)	1,431	1,322	1,280	1,029	940
3	Percentage of overage buses	49.53	49.38	47.71	38.14	37.33
4	R & M expenses (Rs. In crore)	62.76	71.53	67.53	72.70	73.43[26]
5	R & M Expenses *per* bus (Rs in lakh) (4/1)	2.17	2.67	2.52	2.69	2.92
6	Percentage of manpower cost in R&M expenses	46.99	47.35	50.64	NA	NA

R & M expenses per bus increased from Rs. 2.17 lakh to Rs. 2.92 lakh during 2004-09.

From the above table, it may be seen that R&M expenses *per* bus increased from Rs. 2.17 lakh in 2004-05 to Rs. 2.92 lakh in 2008-09. The Management of the STUs had failed to analyse the reasons for increase in repair and maintenance expenditure despite the decline in the percentage of overage buses from 49.53 *per cent* in 2004-05 to 37.33 *per cent* in 2008-09.

[24] Since WBSTC also operate ferry services besides bus operations, separate figures of R&M expenditure for buses were not available.
[25] The table does not include figures of WBSTC.
[26] Provisional figures.

Manpower cost

3.14.1 The cost structures of the STUs show that manpower and fuel constitute 73.62 *per cent* of the total cost in 2008-09. Interest, depreciation and taxes – the costs which are not controllable in the short term – account for 15.35 *per cent*. Thus, the major cost saving can come from manpower and fuel.

Gujarat, Tamil Nadu (Villupuram) and Tamil Nadu (Salem) registered best performance at Rs. 6.10, Rs. 6.13 and Rs. 6.21 cost *per* effective Kms respectively during 2006-07.
(Source : STUs profile and performance 2006-07 by CIRT, Pune)

3.14.2 Manpower is an important element of cost which constituted 46.78 *per cent* of total expenditure of the STUs in 2008-09. Thus, it is imperative that this cost is kept under control and utilisation is optimal to achieve high productivity. The Table below provides details of manpower, its cost and productivity. STU-wise details are given in the **Annexure 16.**

Sl. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Total Manpower (Nos.)	19,098	18,693	18,016	17,422	16,558
2.	Manpower Cost (Rs. in crore)	185.13	217.39	228.80	253.50	250.44
3.	Effective Kms (in crore)	14.79	14.67	14.40	15.27	14.43
4.	Cost *per* effective Km (Rs.)	12.52	14.82	15.89	16.60	17.36
5.	Productivity *per* day *per* person (Kms)	21.22	21.50	21.90	24.02	23.88
6.	Average number of buses on road during the year	1,679	1,636	1,614	1,689	1,693
7.	Manpower *per* bus	11.37	11.43	11.16	10.31	9.78

North West Karnataka State Road Transport, Karnataka State Road Transport and Himachal Pradesh registered best performance at 4.89, 4.99 and 4.94 manpower *per* bus.
(Source : STUs profile and performance 2006-07 by CIRT, Pune)

Traffic revenue per Km was not adequate to recover even manpower cost per Km.

3.14.3 Though the manpower strength decreased in all five STUs, manpower costs had increased over the years. Increase in manpower cost by 17.43 *per cent* in 2005-06 over previous year was due to payment of arrears of pay and allowances on implementation of pay revision and normal increment. Although manpower productivity *per* day *per* person had increased from 21.22 Km in 2004-05 to 24.02 Km in 2007-08, the same was much below the all India average of 51.97 Km. Low vehicle productivity, low fleet utilisation and high bus staff ratio were the main reasons for the increasing trend of cost *per* effective kilometre. Audit noticed that the traffic revenue *per* Km earned by the STUs was not adequate to cover even manpower cost *per* Km. Out of the five STUs, only CTC had fixed the norm of 8.72 staff *per* bus which was, however, higher compared to all India average of 6.52 staff *per* bus. The table below (as on March 2009) indicates the actual manpower of five STUs against the all India average.

Sl. No.	Particulars	All India Average	CSTC	NBSTC	SBSTC	CTC	WBSTC
1	Traffic	4.76	6.90	5.01	5.13	7.51	3.23
2	Workshop	1.16	3.38	2.11	1.25	1.96	0.58
3	Administrative Staff	0.60	1.90	1.39	0.94	0.33	0.53
	Total	**6.52**	**12.18**	**8.51**	**7.32**	**9.80**	**4.34**

Low manpower productivity resulted in excess manpower cost of Rs 76.03 crore.

3.14.4 Excess staff predominantly existed in traffic as well as in Workshops. Consequently, four STUs (except WBSTC) had to incur an expenditure of Rs.76.03 crore (CSTC-Rs. 46.67 crore, NBSTC-Rs. 19.77 crore, SBSTC-Rs. 5.16 crore and CTC -Rs 4.43 crore) in 2008-09 due to deployment of 3,126, 1,068, 269 and 738 staff respectively in excess of all India average of 6.52 manpower *per* bus. However, the management did not take any corrective action to control employee cost. Despite having excess staff, CSTC and SBSTC incurred an annual expenditure of Rs. 3.88 crore and Rs. 6.71 crore towards overtime payment during the last five years ending 2008-09, of which 93 *per cent* (CSTC) and 96 *per cent* (SBSTC) were in respect of traffic (drivers and conductors). This was due to the fact that overtime is paid for the difference in hours between normal duty hours and the scheduled number of hours taken to complete the assigned route irrespective of the actual time taken to complete the route. Thus, the overtime paid was inherent in the method of assignment of duties. Management had not considered the possibility of zone wise break up of the routes with change in drivers corresponding to change in zone, in order to minimize the payment of overtime. The Board of Directors of SBSTC had directed (November 2003) the Management to rationalise existing overtime allowance for crew within its depots and with other STUs in the State to avoid disparities in the system from route to route. However, the Management had not acted on this so far (June 2009).

While accepting the observation of high manpower cost, the Government stated (November 2009) in the exit conference that several proposals for DFID[27] funded early retirement schemes had been framed and submitted by independent consultants. However, these proposals had not been acceptable to the Government. There had been stiff opposition from the trade unions as well. Presently, a study on manpower rationalisation was being carried out by M/s Delloite & Touche.

Fuel cost

3.15.1 Fuel is a major cost element, which constituted 26.84 *per cent* of total expenditure in 2008-09. The Table below gives actual consumption, mileage obtained *per* litre (Kilometre *per* litre i.e. KMPL), all India average and extra expenditure.

[27] Department for International Development, Government of United Kingdom.

Sl. No.	Particulars	STU	2004-05	2005-06	2006-07	2007-08	2008-09
1	Gross Kilometre (in lakh)	CSTC	585.64	546.33	538.21	504.16	458.91
		SBSTC	378.92	391.88	369.28	362.47	384.25
		NBSTC	388.90	390.65	386.43	473.39	476.79
		CTC	165.77	182.58	190.83	203.68	153.79
		WBSTC	21.45	17.38	16.46	37.32	45.08
2	Actual Consumption (In lakh litre)	CSTC	157.30	137.55	143.92	142.23	131.22
		SBSTC	93.23	93.58	89.92	89.43	95.13
		NBSTC	101.81	100.10	98.60	120.34	115.72
		CTC	51.01	52.17	53.64	53.64	44.50
		WBSTC	7.09	7.29	9.41	10.55	15.04
3	Kilometre obtained *per* litre (1/2)	CSTC	3.72	3.97	3.74	3.54	3.50
		SBSTC	4.06	4.19	4.11	4.05	4.04
		NBSTC	3.82	3.90	3.92	3.93	4.12
		CTC	3.25	3.50	3.56	3.80	3.46
		WBSTC	3.03	2.38	1.75	3.54	3.00
4	All India Average (KMPL)		**4.77**	**4.85**	**4.94**	**4.94**	**4.95**
5	Consumption as *per* All India Average (in lakh litre) (1/4)	CSTC	122.78	112.65	108.95	102.06	92.71
		SBSTC	79.44	80.80	74.75	73.37	77.63
		NBSTC	81.53	80.55	78.22	95.83	96.32
		CTC	34.75	37.65	38.63	41.23	31.07
		WBSTC	4.50	3.58	3.33	7.55	9.11
6	Excess Consumption (in lakh litre) (2-5)	CSTC	34.52	24.90	34.97	40.17	38.51
		SBSTC	13.79	12.78	15.17	16.06	17.50
		NBSTC	20.28	19.55	20.38	24.51	19.40
		CTC	16.26	14.52	15.01	12.41	13.43
		WBSTC	2.59	3.71	6.08	3.00	5.93
		Total	**87.44**	**75.46**	**91.61**	**96.15**	**94.77**
7	Average cost/ litre (Rs.)	CSTC	24.49	28.26	31.62	31.65	32.89
		SBSTC	25.38	29.63	31.11	32.31	34.26
		NBSTC	26.20	33.00	34.18	32.86	34.58
		CTC	26.14	30.06	32.16	32.24	34.41
		WBSTC	27.39	29.35	21.68	32.04	35.81
8	Extra Expenditure (Rupees in crore) (6×7)	CSTC	8.45	7.04	11.06	12.71	12.67
		SBSTC	3.50	3.79	4.72	5.19	6.00
		NBSTC	5.31	6.45	6.97	8.05	6.71
		CTC	4.25	4.36	4.83	4.00	4.62
		WBSTC	0.71	1.09	1.32	0.96	2.12
		Total	**22.22**	**22.73**	**28.90**	**30.91**	**32.12**

3.15.2 It may be seen from the above table that in 2008-09, NBSTC was able to achieve highest mileage among STUs at 4.12 KMPL while WBSTC obtained least mileage at 3.00 KMPL. Considering the overall position in respect of five STUs, they consumed 445.43 lakh litres of fuel in excess as compared to all India average during 2004-09 resulting in extra expenditure of Rs. 136.88 crore. This was due to the inability of the STUs to retire

North East Karnataka State Road Transport, Uttar Pradesh and Andhra Pradesh registered mileage of 5.45, 5.33 and 5.26 KMPL.
(Source: STUs profile and performance 2006-07 by CIRT, Pune)

overage buses, poor maintenance, poor driving habits and bad road conditions. SBSTC stated (November 2009) that the steps have taken to improve KMPL through drivers' training and overhauling of fuel injection pumps.

Management of CSTC stated (November 2009) that though norms for fuel consumption were set they were not enforced. The reply indicates lack of corrective action.

3.15.3 The four STUs (except CTC) maintained records of driver-wise consumption of fuel. Audit test checked the records of 15 depots[28] for randomly selected drivers. The review position is summarised below:

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
No. of drivers test checked in Audit	950	1,061	1,074	1,083	1,288
No. of drivers with KMPL less than average KMPL of the respective STUs in respective years	437	549	488	542	578
Percentage of drivers with KMPL less than average.	46.00	51.74	45.44	50.05	44.88

3.15.4 The table above shows the gradual improvement in performance of drivers over the period under review, indicating improved driving habits. None of the STUs except NBSTC had, however, undertaken fuel conservation campaigns. The results of the campaign, conducted in January 2009 by NBSTC, showed an improvement in fuel efficiency from 3.89 KMPL in December 2008 to 4.14 KMPL in March 2009, resulting in savings of Rs. 33.74 lakh during January to March 2009.

Lack of control on issue of fuel in WBSTC

3.15.5 The sole depot of WBSTC at Saltlake (Kolkata) issues fuel to its buses. Scrutiny in Audit of the databases maintained by the STU revealed that during 2006-09, WBSTC issued 7,677 litres of fuel valued at Rs. 2.43 lakh to 48 buses before these were actually put to commercial operation. Further, Audit observed that during 2004-09, 6.90 lakh litres of fuel valued at Rs. 1.73 crore were issued to 188 vehicles, which were not owned and operated by the STU. Such instances led to conclude that there was lack of management control over issue and consumption of fuel in WBSTC. Besides, it was also noticed that during the review period 13,460 litres of fuel was issued without recording the vehicle number, in the absence of which the same could not be vouchsafed in Audit. Moreover, database scrutiny also revealed that without issue of fuel, 87 vehicles operated 5.38 lakh kilometres, which favourably increased the KMPL. These highlighted incomplete maintenance of records.

While accepting the audit findings in the exit conference, the Government informed (November 2009) that 6.90 lakh litres of fuel was issued to franchisee bus operators and the value of the same has been recovered.

[28] Depots of NBSTC (7), WBSTC (1), SBSTC (5) and CSTC (2).

However, no records were made available to substantiate the reply. The Government further assured that the matter regarding issue of fuel before actual commercial operation would be investigated.

Cost Effectiveness of Hired Buses

Franchisee Bus Operators in WBSTC

3.16.1 In November 2004, WBSTC started operation of vehicles in city and long distance routes under franchisee system. Under this system, WBSTC took buses on lease without any lease rent, obtained permits from the State Transport Authority and thereafter allowed the original bus owners to operate the buses and collect revenue as franchisee on payment of monthly franchisee fee to WBSTC ranging from Rs. 2,500 to Rs. 24,450. The basis of fixing the monthly fees was not on record. Based on 100 *per cent* load factor, the Board of Directors of WBSTC approved (August 2007) a revenue sharing model of average weighted passenger fare at 55 paise *per* kilometre *per* seat for buses with passenger capacity of less than 44 passengers and 38 paise *per* kilometre *per* seat for buses with passenger capacity of 44 and more passengers. WBSTC's share of the revenue was pegged at nine *per cent* of the revenue so calculated, irrespective of the actual operational performance of the franchisees. However, the basis for fixing the aforesaid average weighted passenger fare was not on record.

The WBSTC had executed 44 franchisee contracts on 60 routes. As on 31 March 2009, 322 buses were operated by 44 franchisees. Out of these 44 franchisee contracts, 37 contracts were executed on the above revenue sharing model. The remaining seven contracts were, however, executed prior to the Board's approval (August 2007) of the model.

Audit scrutiny of contracts pertaining to 27 routes of 20 franchisees revealed the following:

- The franchisees were selected without inviting any tender.
- The Government, while notifying the routes, had specified that the buses should not have less than 33 seats *per* bus. However, the Audit scrutiny revealed that out of 322 buses, the franchisees operated 176 buses (55 *per cent* buses) having seating capacity between 25 and 32.
- The WBSTC's share of revenue in respect of seven contracts, executed prior to the Board's approval (August 2007) of revenue sharing model, were lower by about 50 *per cent* of the franchisee fee calculated as *per* the model[29]. These contracts were, however, not revised to enhance the share of revenue, leading to loss of Rs. 67.60 lakh during August 2007 to March 2009.

[29] This has been worked out in Audit by comparing the franchisee fees received against the seven contracts with the average franchisee fees received from the other 37 contracts.

- Franchisees were required to deposit in advance an amount equal to nine *per cent* of the revenue calculated on 100 *per cent* load factor to WBSTC on monthly basis. But, the same was not done resulting in accumulation of dues of Rs. 61.11 lakh recoverable from 23 out of 44 operators as on March 2009. However, WBSTC did not take any action to impose penalty nor did it terminate the franchisee agreements so far (November 2009).

- As *per* the contracts, only the buses for which the permits were obtained by the WBSTC were to be operated by the franchisees. Audit Team travelled (8 and 11 May 2009) on two franchisees operated buses and noticed that the bus numbers mentioned in the tickets were not of the buses for which the permits were obtained by the WBSTC. Subsequently, Management confirmed that another such 15 buses were operated by the franchisees. This indicates that there was lack of effective Management control over the buses operated by franchisees.

- One franchisee operator occupied about 33 *per cent* area of the Salt Lake depot of the WBSTC for parking and maintenance of buses without paying any rent for the premises.

Body Building

3.17.1 The STUs, had no in-house facility for fabrication of buses. The STUs got 1,028 buses fabricated during 2004-05 to 2008-09 through outsourcing. Delays in fabrication of buses and its impact are shown in the table below:

Sl No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1	**No. of buses fabricated**					
	CSTC	47	123	55	58	72
	SBSTC	50	-	-	115	7
	CTC	-	-	70	17	8
	Total	**97**	**123**	**125**	**190**	**87**
2	**No. of buses received late from fabricators**					
	CSTC	33	37	43	38	47
	SBSTC	40	-	-	6	6
	CTC	-	-	57	12	6
	Total	**73**	**37**	**100**	**56**	**59**
3	**Total delays in days**					
	CSTC	1,378	1,679	2,919	1,091	1,330
	SBSTC	680	-	-	108	78
	CTC	-	-	2058	65	136
	Total	**2,058**	**1,679**	**4,977**	**1,264**	**1,544**
4	**Average delay *per* vehicle (in days)**					
	CSTC	42	45	68	29	28
	SBSTC	17	-	-	18	13
	CTC	-	-	36	5	23
	Overall	**28**	**45**	**50**	**23**	**26**
5	**Average Km covered *per* bus *per* day**					
	CSTC	217	215	219	229	217
	SBSTC	228	-	-	224	207
	CTC	-	-	235	247	182
6	**Average Km lost due to delay (in lakh) (3×5)**					
	CSTC	2.99	3.61	6.39	2.50	2.89
	SBSTC	1.55	-	-	0.24	0.16
	CTC	-	-	4.84	0.16	0.25
7	**Contribution *per* Km (Rs)**					
	CSTC	2.55	2.59	3.30	3.42	3.60
	SBSTC	1.26	-	-	0.94	3.83
	CTC	-	-	3.53	3.45	3.35
8	**Loss of contribution due to delay in fabrication (Rs in lakh) (6×7)**					
	CSTC	7.62	9.35	21.09	8.55	10.40
	SBSTC	2.42	-	-	0.23	0.61
	CTC	-	-	17.09	0.55	0.84
	Total	**10.04**	**9.35**	**38.18**	**9.33**	**11.85**

3.17.2 From the above Table, it can be seen that there had been abnormal delay of 11,522 days in fabrication of bus bodies during 2004-05 to 2008-09, which resulted in aggregate loss of 25.58 lakh Km of operation with consequential contribution loss of Rs. 78.75 lakh.

Financial management

3.18.1 Raising of funds for capital expenditure, i.e. for replacement / addition of buses happens to be the major challenge in financial management of the

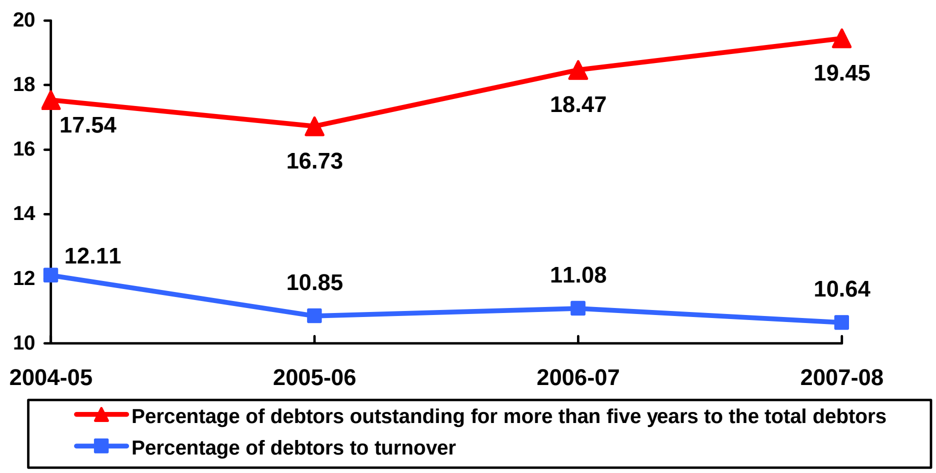
STUs. This issue has been covered in **paragraph 3.10.2**. The section below deals with the STUs efficiency in raising claims and their recovery. This section also analyses whether an opportunity exists to realign the business model to generate more resources without compromising on service delivery.

Claims and dues

3.19.1 The STUs are required to provide free/ concessional passes to various categories of public like students, physically handicapped, freedom fighters and journalists. However, none of the STUs maintains records relating to the number of persons availing such concessions along with its value. Further, the State Government does not reimburse the concessions allowed by the STUs.

3.19.2 The accounts for 2008-09 of the four STUs (except CTC) have not been finalised till date (November 2009). In respect of WBSTC, only Rs. 1.06 lakh is outstanding for more than five years and relates to the period prior to review. Further, except for 2007-08 when the outstanding debts were Rs. 38.63 lakh, the WBSTC did not have any debts outstanding as on 31 March of the respective years except Rs. 1.06 lakh mentioned above. Besides, the CSTC does not maintain age-wise details of debtors. Accordingly, Audit could not review the debts outstanding for more than five years in respect of CSTC.

In view of the above, an analysis in Audit of the debtors outstanding as a percentage of turnover in respect to four STUs (except CTC) and outstanding debtors for more than five years of three STUs[30] for the four years ending March 2008 is depicted in the Table below:



3.19.3 From the above, it can be seen that the percentage of outstanding debtors for more than five years to total debtors marginally increased from 17.54 (2004-05) to 19.45 *per cent* (2007-08) while the percentage of debtors to

[30] SBSTC, NBSTC and CTC.

turnover marginally reduced from 12.11 *per cent* in 2004-05 to 10.64 *per cent* in 2007-08.

Realignment of business model

3.20.1 The STUs are mandated to provide an efficient, adequate and economical road transport to public. Therefore the STUs can not take an absolutely commercial view in running their operations. They have to cater to un-economical routes to fulfil their mandate. They have also to keep the fares affordable. In such a situation it is imperative for the STUs to tap non-traffic revenue sources to cross – subsidize their operations. However, the share of non-traffic revenues (other than interest on investment) was nominal at 1.83 *per cent* of total revenue during 2004-09. This revenue of Rs. 37.17 crore during 2004-09 mainly came from advertisement, restaurant /shop rental and others. Audit observed that the STUs have other non-traffic revenue sources which the STUs have not exploited commercially.

The STUs had acquired land at prime locations in cities, district and tehsil headquarters. The STUs have land (mostly owned /leased by Government) at important locations measuring about 24.47 lakh square meters, as shown below.

Particulars	Cities (Municipal areas)	District HQs.	Tehsil HQs.	Total
Number of sites	55	5	3	63
Occupied Land (Sq. mtrs.)	24,03,279	20,204	24,006	24,47,489

The STUs did not have a policy to undertake large scale tapping of non-traffic revenue sources.

It is thus possible for the STUs to under take projects on public private partnership (PPP) basis for construction of shopping complexes, malls, hotels, office spaces etc. above (from first floor or second floor onwards) the existing sites so as to bring in a steady stream of revenues without any investment by them. Such projects can be executed without curtailing the existing area of operations of the STUs. These projects can yield substantial revenue for STUs which can only increase year after year.

Audit observed that none of the STUs have framed any policy in this regard. The STUs can explore possibilities of promoting commercial use of these sites which will help the STUs cross subsidized their operations and fulfil their mandate effectively. The STUs may like to study realigning their business model and frame a policy in this regard.

In the exit conference, the Government stated (November 2009) that due to stiff opposition from trade unions, Management could not gainfully utilise the surplus land.

Fare policy and fulfillment of social obligations

Existence and fairness of fare policy

3.21.1 Under Section 67 of the Motor Vehicles Act, 1988, the power to fix fares in respect of stage carriages operating in the State and their periodic revision is vested with the State Government. The State Government has not authorised the STUs to effect automatic revision of fares based on the rising cost of operation. The State Government revises the fares with increase in fuel prices only when the private bus operators approach the Government. However, the basis of fixation of fares, though called for, was not furnished to Audit by the State Government (November 2009). Thus the rationale of the fare structure could not be ascertained.

During 2004-09, the State Government revised bus fares for the STUs on four occasions. Mention was made in **Paragraph 4.6** of the Report of the Comptroller and Auditor General of India (Commercial) for the year ended 31 March 2007, Government of West Bengal that CSTC and NBSTC, either did not implement or delayed the implementation of the fare structure notified by the State Government, leading to a loss of revenue of Rs. 7.20 crore.

3.21.2 The fare table for ordinary buses is as follows:

(In Rupees)

Stages	2004-05	2004-05 (from 29.06.04)	2004-05 (from 17.01.05)	2005.06 (from 27.09.05)	2006-07	2007-08	2008-09 (from 08.07.08)
First 4 Kms	3.00	3.00	3.50	4.00	4.00	4.00	4.00
4 to 8 Kms	3.50	4.00	4.50	5.00	5.00	5.00	6.00
8 to 12 Kms	4.00	4.50	5.00	5.50	5.50	5.50	6.00
12 to 16 Kms	4.50	5.00	5.50	6.00	6.00	6.00	7.00
16 to 20 Kms	5.00	5.50	6.00	6.50	6.50	6.50	7.00
20 to 24 Kms	5.50	6.00	6.50	7.00	7.00	7.00	8.00
Beyond 24 Kms	Increase of Re.1/- for every 4 Kms	Increase of Re.1/- for every 4 Kms	Increase of Re.1/- for every 4 Kms	Increase of Re.1/- for every 4 Kms	Increase of Re.1/- for every 4 Kms	Increase of Re.1/- for every 4 Kms	Increase of Re.0.50 for every 4 Kms

3.21.3 Audit observed that the STUs could have curtailed cost and increased revenue with better operational efficiency. It may be seen from the **Annexure 17** that with better operational efficiency, the STUs could have avoided the losses of Rs. 306.18 crore, Rs. 374.60 crore, Rs. 398.65 crore, Rs. 400.28 crore and Rs. 446.96 crore during 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 respectively.

The above does not take into account other inefficiencies such as low fleet utilisation, low load-factor, excess tyre cost, defective route planning, etc. Nonetheless, it shows that the net loss *per* Km could be lower if the operations are properly planned and efficiently managed, than what they actually are. Without addressing these inefficiencies, any increase in fares would adversely affect the commuters and compel them to pay more despite no improvement in quality of services.

The above facts lead to conclude that it is desirable to have an independent regulatory body to fix the fares, specifying the operation of uneconomic routes and address the grievances of commuters.

Adequacy of services on uneconomical routes

3.22.1 None of the STUs had analysed the profitability of different routes operated by them as mentioned in **paragraph 3.12.4**. However, some of the routes which are unprofitable now may become profitable if the STUs improve their efficiency. Nonetheless, there would still be some uneconomical routes. Though the STUs are required to cater to these routes, none of the STUs had formulated norms for providing services on uneconomical routes. In the absence of norms, the adequacy of services on uneconomical routes could not be ascertained in Audit. The desirability to have an independent regulatory body to specify the quantum of services on uneconomical routes, taking into account the specific needs of commuters, is further underlined.

Monitoring by Top Management

3.23.1 For an organisation like a Road Transport Corporation to succeed in operating economically, efficiently and effectively, there have to be written norms of operations, service standards and targets. Further, there has to be a Management Information System (MIS) to report on achievement of targets and norms. The achievements need to be reviewed to address deficiencies and also to set targets for subsequent years. The targets should generally be such that their achievement would make an STU self-reliant. In the light of this, Audit reviewed the system existing in the STUs and observed the following:

- CSTC and WBSTC did not have any system of setting targets for operational parameters. In NBSTC, SBSTC and CTC targets were set by top management only in respect of fuel efficiency (mileage obtained *per* litre). However, the same were never reviewed by the Management of CTC.

- As regards operational parameters, in WBSTC, the data was collected but never compiled for exercising management control over operations. In NBSTC, CTC and CSTC though the data was compiled it was occasionally submitted to top management for review. However, in SBSTC, the same were compiled and reviewed by the top Management but no corrective action was taken to improve efficiency.

- Though the Board of Directors' meetings of all STUs were held in accordance with the prescribed statutes, the operational performances of the STUs were seldom reviewed and no directions were issued for improvements, despite continuous poor operating performance. The Board did not also follow-up action on its direction and evaluate the improvements, if any.

Thus, the generation of the MIS data was inadequate and monitoring of service parameters by the top Management was deficient.

3.23.2 The top management of the STUs are expected to demonstrate managerial capability to set realistic and progressive targets, address areas of weakness and take remedial action. However, neither records nor performance of the STUs during the period under review evidenced such action.

The matter was reported to the Government (August 2009); their reply was awaited (November 2009).

Conclusion

Operational performance

- **The STUs could not keep pace with the growing demand for public transport as its share declined from 8.15 *per cent* in 2004-05 to 5.84 *per cent* in 2008-09.**

- **The STUs could not recover the cost of operations in any of the five years under review. This was mainly due to operational inefficiencies and inadequate/ ineffective monitoring by top management.**

- **The STUs have scope to improve operations as their performance on important operational parameters such as fleet utilisation, vehicle productivity and load factor were below all India average.**

- **The four STUs (except WBSTC) did not carry out prescribed preventive maintenance. Audit noticed the shortfall of 23.76, 79.01, 49.01 and 41.63 *per cent* in maintenance in selected depots, which affected the roadworthiness of their buses.**

- **The STUs did not ensure economy in operations as its manpower and fuel costs were higher than the all India average.**

Financial management

- **None of the STUs had a policy in place to exploit non-conventional sources of revenue.**

Fare policy and fulfilment of social obligations

- **The STUs have neither a fare policy based on scientific norms nor any yardstick for measuring adequacy of operation on uneconomical routes.**

Monitoring by top management and future needs

- **The MIS was not effectively used by the top management for monitoring key operational parameters in any of the five STUs.**

Though the STUs have been incurring losses, it was mainly due to their high cost of operations. On the whole there is immense scope to improve the performance of the STUs. Effective monitoring of key parameters, coupled with certain policy measures, can see improvement in performance.

Recommendations

Operational performance

- **The STUs may take effective steps to increase fleet utilisation and vehicle productivity.**

- **The STUs may ensure adherence to the preventive maintenance schedules to keep their fleet roadworthy.**

- **The STUs may rationalise their manpower for making effective utilisation of the same.**

- **The Management of the STUs may ensure effective monitoring of fuel consumption so as to increase efficiency on that account.**

Financial performance

- **The STUs may consider devising a policy for large scale tapping of non-conventional sources of revenue by undertaking PPP (Public Private Partnership) projects.**

Fare policy and fulfillment of social obligations

- **The Government may consider creating a regulator to regulate fares and services on uneconomical routes besides addressing the grievances of the commuters.**

Monitoring by top management

- **The top management may ensure regular monitoring of important operational parameters and take remedial measures for improvement.**

Chapter IV

Transaction Audit Observations

Important audit findings arising out of test check of transactions made by the State Government companies/corporations are included in this chapter.

Government Companies

West Bengal Power Development Corporation Limited

4.1 Extra burden on consumer

In violation of regulatory requirement, the Company failed to disclose realisation of Rs. 542.52 crore, towards delayed payment surcharge in its tariff petitions, leading to extra burden on distribution company.

In terms of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2007 (Regulations), a power generating company is required to file a tariff petition to the West Bengal Electricity Regulatory Commission (WBERC) within the specified period, for determination of tariff. The tariff petition includes fixed and variable elements of cost, plus a reasonable return to arrive at the aggregate revenue requirement (ARR), required to be recovered through the tariff mechanism. Any other income, including delayed payment surcharge accruing to the generating company is reduced from the ARR. In terms of the amended (December 2007) Regulations[1], in case of variation of ARR *minus* fuel cost portion, by more than two *per cent,* the generating company may seek readjustment of the tariff for the subsequent period. Further, as per provisions[2] of the Electricity Act 2003, the generating company/ licensee is required to refund any charge recovered in excess of the tariff fixed along with interest to the consumer.

The West Bengal Power Development Corporation Limited (Company), a generating company, supplied the entire power generated to the erstwhile West Bengal State Electricity Board (Board) at the tariff rates, determined by the WBERC since 2000-2001. As per the power purchase agreement (May 1991) between the Board and the Company, delayed payment surcharge (DPS) was payable by the Board at five *per cent* on the amount remaining unpaid after 61 days of the bill till the date of payment. Due to failure of the Board to liquidate its dues in time, the Company claimed

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[1] Clause 2.6(iv) of Regulations of February 2007, read with the clause 2.5.6 of amended regulations of December 2007.
[2] Section 62(6) of the Act.

Rs. 722.65 crore[3] towards DPS from the period from 1994-95 to 2005-06 and accounted for it as 'other income' in the accounts of the respective years. While passing orders (January 2003) on the tariff petition filed by the Company for the years 2000-01 to 2002-03, the WBERC did not consider DPS for determination of tariff, due to its inability to identify the amount of DPS from the petition filed by the Company. However, WBERC directed the Company to lodge claims for DPS in terms of the agreement executed with the Board, and intimate the details of realisation thereof. The Company neither complied with the directives of WBERC nor did it include the DPS claim in the subsequent tariff petitions, though it accounted for Rs. 542.52 crore from 2000-01 to 2005-06[4]. As a result, the tariff was fixed on the higher side for the years 2000-01 to 2005-06.

Subsequently, in course of a restructuring plan for State-owned power utilities, the State Government approved (September 2007), a 'one time cross settlement' of outstanding Government loans and interest taken by the Company against the amount receivable from the Board, towards outstanding power bills and DPS up to March 2006. While the Company realised the outstanding DPS of Rs. 542.52 crore, it did not disclose the same in its subsequent tariff petitions of 2007-08 and 2008-09, so that the effect of reduced ARR could be passed on to the Board or its successor distribution company. Consequently the Board/ successor distribution company had to bear extra burden of Rs. 542.52 crore on account of DPS from the period 2000-01 to 2005-06. Had the Company disclosed the DPS as 'other income' in the tariff petitions of the respective years, the tariff would have been lowered to that extent. Thus, failure to disclose realisation of DPS of Rs. 542.52 crore in the tariff petitions of 2007-08 and 2008-09, in violation of the Act and the Regulations, led to unjust enrichment of the Company at the cost of the distribution company and its ultimate consumers.

Government/ Management stated (September 2009) that question of unjust enrichment of the Company at the cost of the distribution company and its ultimate consumers does not arise because DPS was adjusted against the outstanding Government loans taken by the Company due to non-acknowledgement of debt by the Board. Further, payment of DPS through book adjustment was carried out by the Government from its budgetary fund and no cash payment was made by the Board from its own resources for which they can claim from the ultimate consumers.

The reply does not address the fact that adjustment of receivables from sale of power including DPS, with Government loans and interest payables in effect results in recovery of receivables because the adjustment results in remission of liability which is as good as receipt of cash. The recovery of DPS through adjustment of Government loans needed disclosure before WBERC in the same way as the obligation towards State Government loan

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[3] Rs. 180.13 crore from 1994-95 to 1999-2000, and Rs. 542.52 crore from 2000-01 to 2005-2006.

[4] Tariff fixation by WBERC commenced from 2000-01.

and interest was disclosed in the tariff petitions. This would have enabled appropriate fixation of tariff by the WBERC.

4.2 Loss due to delay in repair of transformer

The Company failed to recover Rs. 16.16 crore towards fixed charges, due to loss of generation of 482.63 million units of power arising from delay in replacement of oil in generator transformer despite repeated observance of fault gases dissolved in the oil.

A dissolved gas analysis (DGA) of the oil in the generator transformer of Unit-4 of the Kolaghat Thermal Power Station (KTPS) of West Bengal Power Development Corporation Limited (Company), conducted by the Central Power Research Institute (CPRI) in March 2008, indicated a high level of fault gases dissolved in the oil. This led to a rise in oil temperature, indicating possible thermal fault in the generator transformer. The Company referred the matter to the original equipment manufacturer, BHEL[5] who recommended (May 2008), immediate degassing of transformer oil through high vacuum filter machine to eliminate all gases in the transformer. Between June 2008 and September 2008, the Company conducted five DGAs, all of which indicated presence of fault gases and possibility of thermal fault. The management, however, neither replaced the transformer oil (cost: Rs. 20 lakh) nor evaluated the risk of operating the transformer with presence of fault gases in the oil.

After four months, the Company invited (September 2008) BHEL to submit a detailed offer for the repair of the generator transformer. On the basis of BHEL's offer (October 2008), the Company placed a letter of intent (LOI)) on it on the same day for the work of inspection, repairing, overhauling of the transformer at a cost of Rs. 32 lakh. The work was to be completed within 35 days from the date of handing over of the site. Meanwhile the unit was forced to shut down on 9 October 2008 due to rise in temperature of transformer oil to an alarming level. The Company handed over the site to BHEL on 17 November 2008. Against the scheduled date of completion of 22 December 2008, BHEL completed the work on 13 February 2009 and the unit was re-commissioned (13 February 2009) for generation after 126 days from the date of shut-down resulting in loss of generation of 482.63 million units of power.

As per the tariff order, recovery of fixed charges[6] is dependent on achievement of plant availability factor (PAF). Against the targeted PAF of 76 *per cent* WBERC[7] allowed (September 2008) recovery of Rs. 49.29 crore as fixed charges for each unit of KTPS. Due to avoidable excess outage of 91 days at Unit- 4 the Company failed to recover fixed charges of Rs. 16.16 crore in 2008-09. Though KTPS had six identical

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[5] Bharat Heavy Electricals Limited.

[6] Fixed Charges include employee cost, interest and financing cost, depreciation, operation & maintenance expenses and return on equity capital.

[7] West Bengal Electricity Regulatory Commission

units, manufactured by BHEL at KTPS, it had not contemplated acquiring a spare generator transformer (Cost: Rs. 8 Crore) in order to avoid such outage.

The Government / Management stated (October 2009) that the decision of overhauling could not be taken without consulting BHEL. They further stated that DGA had been conducted as per the suggestion of the CPRI and that under-recovery of fixed charges at a power station could be set-off against enhanced performance of another station of the Company.

The reply does not address the fact that the management neither analysed the cost benefits of replacing the oil *vis-a-vis* possible generation loss nor explained reasons for over-dependence on BHEL in spite of operating the Unit for 14 years. Further, as per the Tariff Regulations, recovery of fixed cost from other power stations is allowed only in case one power station generates above its declared plant load factor (PLF). Since, none of the other power stations of the Company had generated above their declared PLF the question of setting off of under-recovery in the instant case with other stations does not arise.

Thus, due to lack of proper and timely action in repairing generator transformer of Unit-4 by replacing oil, the Company suffered loss of Rs. 16.16 crore.

West Bengal State Electricity Distribution Company Limited

4.3 Wasteful expenditure

The Company incurred wasteful expenditure of Rs. 68.06 crore on procurement and installation of one lakh energy meters for shallow tube wells due to purchase of TOD[8] energy meters at higher cost, extra expenditure on procurement of LPR[9] enabled meters without assessing its functionability.

In 2005-06, 98,427 un-metered agricultural consumers were using shallow tube-wells (STW) for irrigation purpose. The erstwhile West Bengal State Electricity Board[10] (Board) billed STW consumers at monthly slab rates which varied according to lean, peak and moderate periods in a year and area of operation. This led to collection of revenue below average cost of supply, resulting in high distribution losses. So the Board decided (January 2004) to install electromagnetic suspension bearing meters (estimated cost: Rs. 30.10 crore) for one lakh STW consumers. However, no action was taken for procurement. Subsequently, the Board approved (May 2005) installation of pole mounted static TOD energy meters at a

[8] Time of Day, a system where there is different rate of billing for peak, off-peak and normal periods

[9] Low Power Radio mode of communication which enables meters to be read from a distance of 100 feet through a LPR-enabled computerized meter reading instrument

[10] West Bengal State Electricity Distribution Company Limited (Company) is successor entity

revised estimated cost of Rs. 144 crore. WBERC[11] also directed (March 2006) the Board that until dedicated feeders for supplying power to agricultural consumers were implemented, consumers having metered supply might be given an option to receive power on TOD basis, by installing TOD meters. WBERC envisaged recovery of the cost of these meters from consumers in installments.

The Board invited (June 2005) tenders for procurement, installation, meter reading and distribution of bills for one lakh TOD meters, separately with and without Low Power Radio (LPR) facility, for agricultural consumers. Of three offers received, offers from Secure Meters Limited (SML) and Genus Overseas Electronics Limited (GOEL) were found to be technically acceptable. Subsequently, Central Testing Division (CTD) of the Board, on testing (January 2006) sample meters of SML and GOEL, observed that LPR facility failed to function during power failure. This implied that meter reading, in the event of power failure or non-functioning of LPR would necessitate physical access to the meters, which were required to be installed at a height of eight meters.

The Board, without considering the observation of CTD and disregarding the direction of WBERC to give option to consumers to receive power on TOD basis, placed (April 2006) six letter of awards (LOA) on SML and GOEL for supply (Rs. 158.82 crore), installation (Rs. 27.86 crore), and data collection/meter reading (Rs. 48.62 crore) of one lakh meters aggregating Rs. 235.30 crore. The entire work was to be completed by April 2008. The cost was proposed to be met out of loan of Rs. 178 crore from Punjab National Bank and balance Rs. 57.30 crore from own resources.

It was observed that against the supply order of one lakh meters, only 88,477 meters (SML – 42806, GOEL – 45671) were installed upto June 2008. Meanwhile after restructuring of the Board in 2007 into two companies, one of the Companies i.e. West Bengal State Electricity Distribution Company Limited (Company) terminated (June 2008) both the contracts since both SML and GOEL failed to complete installation of meters by April 2008. SML and GOEL furnished 7,94,410 meter readings and distributed 5,32,798 bills during the period. The company paid Rs. 183.54 crore[12] to SML and GOEL.

In this context, the following points were noticed in audit:

- The directives of WBERC envisaged 100 *per cent* metering of STWs, with TOD meters to be provided to those consumers who opted for the same. Without ascertaining the number of optees, the Company procured TOD meters for all STW consumers. Subsequently, the Company could not enforce TOD tariff due to poor response from the consumers. Thus, failure to assess number of optees led to unfruitful

[11] West Bengal Electricity Regulatory Commission

[12] Rs.183.54 crore was paid to SML (Rs.102.58 crore) and GOEL (Rs.80.96 crore) towards supply (Rs.145.68 crore), installation (Rs.21.73 crore) and meter reading work (Rs.16.13 crore).

expenditure of Rs. 26.26 crore[13] on procurement of one lakh TOD meters at higher rates.

- It was recorded during tender finalisation process that the meters were made of advanced technology requiring technically competent meter reader having knowledge of operating the computerised remote meter reading instrument (CMRI). Though the LOA provided for imparting free training to the Company's personnel, consequent upon termination of the contract (June 2008) manual reading of meters was resorted to. In order to enable manual reading the meters installed at a pole height of eight meters had to be lowered to a 'man readable height'. This implied that CMRI were neither procured nor were the Company's personnel imparted free training. This resulted in the Company being forced to incur an extra expenditure of Rs. 4.18 crore towards lowering of meters, and also rendered expenditure of Rs. 37.31 crore on procurement of LPR enabled meters wasteful.

- Even after installing TOD meters the Company raised 54 *per cent* of the bills on the slab rates applicable to un-metered STWs. Review of records at six[14] divisions with 29,573 STW connections, indicated that 16,089 bills were raised on 'average' basis as the meter reading data furnished by SML and GOEL were inaccurate. Therefore, the cost of meter reading of Rs. 31 lakh in respect of these bills became unproductive. T&D losses ranged between 22.21 *per cent* and 48.69 *per cent* in three of these divisions during 2007-08 and 2008-09.

Thus, even after expenditure of Rs. 183.54 crore, the objective of 100 *per cent* metering of STW consumers could not be achieved. Besides, the Company incurred wasteful expenditure of Rs. 68.06 crore towards unnecessary procurement of TOD meters at higher rate without assessing their functionability, extra expenditure on LPR enabled meters and on inaccurate meter readings.

The Government/ Management stated (October 2009) that the TOD meters with LPR facilities were procured to get rid of three difficulties viz. it would restrict use of electricity during peak hours, can be installed in the fields in climate and pilfer proof box and with LPR facilities pole mounted meters would be protected from vandalism. But this arrangement could not be continued as the agriculture consumers were not ready to pay TOD tariff and that demanding the meter reading must be visible to them.

The reply indicates that the procurement planning was faulty because **(i)** despite WBERC's directives the Company did not take consent of the consumers before installation of meters as the TOD tariff was optional; **(ii)** non-TOD meters can also be installed in climate/ pilfer proof box and **(iii)** during the decision of lowering the meters at a 'man readable height' consumers protest was not a recorded reason. The reply was also silent as

[13] Being the cost differential of TOD and non TOD meters at Rs.2,626 X 1,00,000 meters.
[14] Kalyani, Tehatta, Krishnagar, Berhampore-I, Berhampore-II and Malda.

to why the readings taken through CMRI could not be shared with consumers.

The Company needs to take steps for utilisation of these advanced meters so as to keep in check T&D losses in agricultural sector and consider providing dedicated feeders for agricultural consumers.

4.4 Additional expenditure due to defective planning

West Bengal State Electricity Distribution Company Limited awarded contracts for supply/ erection of equipment for a project without acquiring the required land. Consequently, the project was delayed and the contractor was allowed compensation of Rs. 14.54 crore for suspension of work, extension of project duration and change of duration/ work sequence.

The precursor of the West Bengal State Electricity Distribution Company Limited (Company), the erstwhile West Bengal State Electricity Board (Board) issued (March 2001) two letters of award on Mitsubishi Heavy Industries Limited, Japan (Contractor) for design, supply, erection, testing and commissioning of hydro-mechanical equipment (Lot 5) for the Purulia Pumped Storage Project (Project) at a firm price of Rs. 165.14[15] crore.

According to both orders, supply and erection of Lot-5 was tied to the main civil works, with zero date of 1 May 2001. Supply was to commence by August 2002 and be completed by June 2005 *i.e.* 50 months from zero date and commissioning within August 2006 *i.e.* 64 months. The Board awarded the main civil works to Taisei Corporation subsequently in June 2001. The main civil works could not be taken up on time due to delay in receipt of Government approval for diversion of additional forest land as the initial acquisition (November /December 1997) proved to be inadequate as per detailed project report and geological studies.

Between October 2001 and May 2006, the Board held four co-ordination meetings with the project consultants and contractors to finalise/ revise construction/ activity schedules as well as monitor progress of work. Accordingly, the commencement date for Lot-5 was mutually revised in October2001, to 12 March 2003 in place of earlier 1 August 2002 with erection planned to be completed within 41.5 months *i.e.* August 2006. The requisite approval for diversion of forest land was received only in March 2002 with main civil works commencing thereafter. Due to change in commencement of work, there were consequential delays in supply and erection also. The Board extended (April 2004) the erection schedule by 5.5 months from 31 August 2006 to 11 February 2007. Finally, the Board increased (February 2006) the supply schedule to 28 October 2006 and commissioning to 11 January 2008.

Meanwhile, from January 2002, the Contractor raised compensation claims for additional expenditure towards project related establishment, local base

[15] Based on conversion of 100 Japanese Yen = Indian Rupees 40.

related expenses, project-assigned engineers' cost, extension of performance security etc. arising from suspension of work, extension of project duration and change of duration/ work sequence. In June 2004, the Contractor's claim was Rs. 52.40 crore. Finally, the Contractor reduced (June 2005) its claim to Rs. 31.77 crore, based on suspension of work for 16.5 months and delays in erection and supply of seven and fifteen months respectively.

The Board admitted the claim (January 2006) with reference to -

- suspension of work for 7.5 months from 1 August 2002 to 12 March 2003;
- delay of 5.5 months in erection arising from extending erection completion to 11 February 2007 *vis-à-vis* planned erection by 31 August 2006; and
- average actual delay of 4.27 months in supply of equipment as compared to supply schedule agreed in October 2001.

Consequently, the Board limited the claim to Rs. 14.54 crore and enhanced (March 2006) the value of contract *etc.* to Rs. 179.68 crore.

The Government /Management stated (June 2009) that the Company had no control over delayed receipt of approval for additional forest land acquisition proposal which was not anticipated before tendering and placement of orders. The reply itself indicate that had the Company initially acquired (November / December 1997) forest land after identifying the location of project structure, the necessity of additional acquisition of forest land could be avoided. This reflects deficient planning and poor project management.

Thus, placement of orders for supply, erection and commissioning of hydro-mechanical equipment prior to placement of order for main civil works and without obtaining requisite permission for diversion of forest land resulted in additional expenditure of Rs. 14.54 crore towards compensation.

Orders for supply of project materials/ implementation of work need to be issued only after ensuring availability of land and receipt of necessary permissions to take up the project.

4.5 Opportunity to recover money ignored

West Bengal State Electricity Distribution Company Limited did not either take the opportunity to recover their money or pursue the matters to their logical conclusions. As a result, recovery of money amounting to Rs. 3.17 crore remains doubtful.

A review of unsettled paragraphs from seven Inspection Reports pertaining to periods upto 2003-04 showed that there were nine cases in respect of

West Bengal State Electricity Distribution Company Limited (Company)[16] involving a recovery of Rs. 3.17 crore. In terms of the instructions (June 1982) of Finance Department, Government of West Bengal the Company is required to furnish reply/ details of remedial action taken within three months after receipt of Inspection Reports from Audit. However, no effective action was taken to take matters to their logical conclusions, i.e. to recover the dues from the concerned parties. Resultantly the Company has lost the opportunity to recover its money, which could have augmented its finances.

The list of individual paragraphs is given in **Annexure 18.**

The paragraphs mainly pertained to non-payment of energy bills / non-recovery on account of undercharge of revenue (Rs. 2.91 crore), non-return of materials (Rs. 26.39 lakh) by contractors and defalcation of cash (Rs. 0.37 lakh).

These cases reflect the failure of the Company to safeguard its financial interest. Audit observations and their repeated follow up by audit, including bringing the pendency to the notice of the Administrative/ Finance Department and the Company Management periodically, have not yielded the desired results in these cases.

The Company should initiate immediate steps to recover the money and complete the exercise in a time bound manner.

4.6 Lack of remedial action on audit observations

West Bengal State Electricity Distribution Company Limited did not either take remedial action or pursue matters to their logical end, resulting in foregoing the opportunity to improve its functioning.

A review of unsettled paragraphs from two Inspection Reports (IRs) pertaining to periods upto 2003-04 of West Bengal State Electricity Distribution Company Limited (Company)[17] showed that there were three paragraphs in respect of the Company which pointed out deficiencies in the functioning of the Company. In terms of the instructions (July 1982) of Finance Department, Government of West Bengal the Company is required to submit reply/ details of remedial action taken within three months after receipt of IRs from Audit. However, no effective action was taken to take matters to their concluding end, *i.e.* to take remedial action to address these deficiencies. Resultantly the Company has so far lost the opportunity to improve its functioning in this regard.

The list of individual paragraphs is given in **Annexure 19**.

The paragraphs pertained to avoidable expenditure on insurance on equipment (Rs. 2.05 crore), loss of revenue due to non-consideration of

[16] The successor company of erstwhile West Bengal State Electricity Board.
[17] The successor company of erstwhile West Bengal State Electricity Board

connected load (Rs. 78.86 lakh) and lack of co-ordination leading to extra cost (Rs. 73.00 lakh) by the Company.

These cases reflect the failure of the Company to address the specific deficiencies and ensure accountability of their staff. Audit observations and their repeated follow up by Audit, including bringing the pendency to the notice of the Administrative/ Finance Department and the Company management periodically, have not yielded the desired results in these cases.

The Company should initiate immediate steps to take remedial action on these paragraphs and complete the exercise in a time bound manner.

4.7 Under billing due to application of wrong tariff

West Bengal State Electricity Distribution Company Limited wrongly billed an information technology park as high voltage industrial consumers, instead of high voltage commercial consumer leading to under billing of Rs. 71.38 lakh.

Based on an application from Madgul Parks Private Limited (consumer) in December 2003, the erstwhile West Bengal State Electricity Board (Board) offered (February 2004) to supply energy at high voltage (33 KV) to their information technology (IT) park at Salt Lake, Kolkata, with the applicable tariff of high voltage bulk consumers (Rate-F). Accordingly, in March 2004, the Board entered into an agreement with the consumer for supply of power for industrial purposes and commenced energy supply from 23 July 2004. The Board billed the consumer under the commercial category from July to September 2004 since it leased space to different IT companies but was not itself involved in IT activities. Thereafter the category was changed to 'Industrial Consumer'. However, the Chief Engineer (Commercial) of the Board clarified (November 2004) to the consumer that it had inadvertently classified it as an 'Industrial Consumer' instead of 'Non-Industrial Consumer'. Meanwhile, the consumer sought (September 2004) reduction of contractual demand and signed (December 2004) a revised agreement with the Board for supply of energy at 33 KV, in which the Board had re-classified the consumer as non-industrial. Although the Board had communicated, in November 2004, to the consumer that it was non-industrial since it was accommodating IT industries and not dealing with any IT activities, the consumer objected to being classified as a non-industrial consumer in January 2005.

Subsequently, the tariff orders from 2005-06 to 2008-09 trifurcated the rate for supply at 33 KV (Rate-F) into public utilities, commercial establishments and industry and specified energy charges of Rs. 3.70 to Rs. 3.76 per kilowatt hour (Kwh) for supply to commercial consumers as compared to Rs. 3.43 to Rs. 3.58 per Kwh for industry. It was noticed (November 2008) that although the consumer was involved in leasing space to IT companies and despite the Chief Engineer's clarification that the consumer was classified as non-industrial, the Board and its successor entity *viz.* West Bengal State Electricity Distribution Company Limited

(Company) was billing the consumer at the industrial tariff instead of the commercial tariff, leading to under billing of Rs. 71.38 lakh (energy charges by Rs. 60.75 lakh and electricity duty by Rs. 10.63 lakh) from April 2005 to July 2008.

The Government /Management stated (August 2009) that the consumer had been approved by the State and Central Government for building infrastructure including electricity for promotion of IT industries and as such industrial tariff was applicable to them. Further, the supply of power to the IT park was for the purpose of IT and therefore the applicable tariff rate was industrial tariff.

The reply does not address the point because **(a)** the Company billed the consumer at industrial rate contrary to the agreement which classified it as non-industrial consumer **(b)** the leasing out of space to IT industry is not covered by Government of India's definition of IT industry.

Thus, by wrongly billing the Consumer as an industry instead of a commercial establishment between April 2005 and July 2008, the Company had forgone revenue of Rs. 60.75 lakh towards energy charges and loss to the exchequer of Rs. 10.63 lakh towards electricity duty thereon.

The Company should evolve clear and unambiguous guidelines for classification of consumers.

The Durgapur Projects Limited

4.8 Undue benefit extended to a contractor

The Company extended undue favour to a contractor by releasing advance payment of Rs. 25.22 crore for purchase of fuels in contravention of the provision of contract. It failed to recover the amount till March 2009 and had to bear additional interest burden of Rs. 2.87 crore.

To establish a 300 MW capacity thermal power plant at Durgapur, The Durgapur Projects Limited (Company) placed (July 2004) a letter of award (LOA) on Dongfang Electric Corporation (contractor), China at a contract price of US$ 12.47 crore (imported items) and Rs. 240.91 crore (indigenous items). The project was financed by a loan from Power Finance Corporation Limited at an interest rate of 9.75 *per cent per annum*. In terms of the contract,[18] supply of fuel oil as might be required for commissioning and upto the commercial operation date (COD) of the unit, was to be arranged by the contractor at his own cost. The scheduled date of COD of the unit was 33 months from the date of issue of the LOA *i.e.* April 2007.

[18] Clause 14(d) of first amendment (April 2004) to the specification of main power plant package.

Since the work was behind schedule, the contractor requested (March 2007) the Company to arrange procurement of fuel to avoid procedural delay and agreed to reimburse the cost through adjustment from outstanding bills. Accordingly, the Company purchased (April 2007 – March 2007) 7,651.54 kilo-litre LDO/ HSD[19] aggregating Rs. 25.22 crore for supply to the contractor. The unit was declared open for commercial operation in April 2008.

Though the Company had released payments of Rs. 123.92 crore to the contractor during May 2007 to May 2008, it failed to recover Rs. 25.22 crore from the contractor's bills towards cost of supply of fuel. On this being pointed out (August 2008) by Audit, the Management stated (December 2008) that the advance would be adjusted from the pending bills of the contractor. But till March 2009 the Company had not adjusted Rs. 25.22 crore, thereby extending an undue benefit to the contractor. Resultantly the Company had to bear an additional interest burden of Rs. 2.87 crore[20] upto March 2009.

In reply Government stated (September 2009) that though there was no specific provision in the contract for procurement of oil by the Company it had to do so in view of procedural and infrastructural bottleneck faced by the contractor. They also stated that a substantial part of the cost of fuel, accounted for as advance, was not recoverable because the contactor had operated the unit prior to COD on the pre-condition that the Company would bear the cost of oil.

The reply is not in consonance with the facts as the contract stipulated that supply of fuel oil during commissioning of the unit was the responsibility of the contractor. This also implied that the contract price included the cost of fuel required prior to COD. Thus, unwillingness of the Company to recover the advance resulted in undue benefit of Rs. 25.22 crore extended to the contractor beyond the provisions of the agreement, in addition to loss of interest of Rs. 2.87 crore.

4.9 Loss due to failure to realise dues

The Durgapur Projects Limited suffered a loss of Rs. 17.46 crore in supplying processed water to 116 consumers due to its failure in enforcing contractual provisions and taking effective action for realisation of dues.

The Durgapur Projects Limited (Company) processes raw water drawn from the Damodar river at its water works wing for captive consumption. Surplus water is distributed to different industrial, commercial and domestic consumers in the Durgapur area. Water is supplied to the consumer at rates fixed by the Company based on the size of the supply

[19] Light Diesel Oil / High Speed Diesel.
[20] At the rate of 9.75 *per cent* from the date of drawal upto March 2009.

ferrule[21] (Domestic and Commercial consumers) or meter installed at supply point[22] of the industrial consumers.

The Company supplies water to consumers after executing agreements with them. Monthly water bills are raised at the end of each month, as per scheduled water rates. The agreement, *inter alia*, stipulates that the consumer should submit a security deposit equivalent to one month's water supply charges. The Company also allowed 45 days credit to the consumer from the date of bill. Penal interest, at the rate of eight *per cent per annum*, would be imposed thereafter up to the date of actual payment. The agreement, however, also provided that Company had the right to terminate the supply in case bills were not paid within 45 days.

Scrutiny of records revealed that outstanding dues from 884 customers stood at Rs. 24.20 crore as of 31 March 2009. Age wise analysis of dues showed that Rs. 15.97 crore remained unrealised for more than three years, Rs. 1.64 crore for more than two years, and Rs. 3.12 crore for more than one year. Audit noticed that out of the outstanding dues, Rs. 17.46 crore became irrecoverable from 116 customers since the Company failed to enforce contractual provisions and take effective action for realisation of dues, as discussed below:

- The Company had terminated water supply to 70 consumers between April 1996 and December 1998 due to non-payment of dues for periods ranging from three months to more than three years. Against a total outstanding of Rs. 36 lakh, the Company held security deposits of Rs. 1.26 lakh only. It made provision of only Rs. 17.33 lakh in its accounts upto March 2008 thereagainst.

- The Company supplies water to consumers after executing agreements with them. Monthly water bills are raised at the end of each month, as per scheduled water rates. The agreement, *inter alia*, stipulated that the consumer should submit a security deposit equivalent to one month's water supply charges. Since the Company's dues were unsecured in nature and available security deposits were just one month's water charges, the chances of their recovery are remote.

- Though the customers had defaulted in making payment within due dates, the Company failed to raise bills on interest charges. Test check of records of 20 consumers revealed that despite delay in payment of monthly bills ranging from 50 to 1592 days, the Company neither disconnected the supply nor charged interest of Rs. 4.72 crore.

- Mining and Allied Machinery Corporation Limited (MAMC), a sick public sector unit, had regularly defaulted in payment of water bills and accumulated dues mounted to Rs. 6.30 crore up to

[21] An attachment fitted at the supply point to regulate water supply.
[22] Industrial consumer taking supply for both drinking and process purpose.

December 1998. Barring issue of a few notices the Company did not take any effective action for realisation of dues. The Company stopped supply of water to the plant in September 2001 when outstanding dues against it rose to Rs. 8.36 crore. MAMC went into liquidation in May 2002. But the Company continued to supply water at its township. Despite uncertainty in realisation of dues from MAMC or the inhabitants of the town ship the Company supplied water valued Rs. 6.32 crore up to March 2009 which remained unpaid. In absence of any agreement with the residents of the township the chances of recovery of the dues were remote.

While accepting the observations the Government / Management stated (September 2009) that the absence of specific provisions with regard to due dates for payment of water supply bills and non-enforcement of penal measures had resulted in accumulation of dues. The Company also stated that certain remedial actions had been taken from 2008-09. Moreover, the Company was hopeful of realisation of dues from the liquidators of the closed industrial units.

The reply does not indicate why such measures had not been taken earlier. The delay in follow-up led to accumulation of dues with considerable doubts relating to its ultimate recoverability. Further, the optimism regarding realisation of dues from liquidators overlooks the fact that the Company is an unsecured creditor and has no specific information as to availability of funds on liquidation of assets of those closed units.

4.10 Extra expenditure due to payment of additional interest

The Durgapur Projects Limited had to pay additional interest of Rs. 1.16 crore due to release of payment of Rs. 8.38 crore to a contractor in relaxation of the terms of payment.

The Durgapur Projects Limited (Company) placed (July 2004) a letter of award (LOA) on Dongfang Electric Corporation (contractor), China for setting up the seventh unit of 300 MW capacity thermal power plant at Durgapur, at a contract price of US$ 12.47 crore (imported items) and Rs. 240.91 crore (indigenous items). The project was funded through a loan from Power Finance Corporation Limited at an interest rate of 9.75 *per cent per annum*. The scope of the LOA included supply, erection, testing and commissioning of the main power plant including civil works. The scheduled dates of synchronisation and commercial operation of the Unit were 30 months (January 2007) and 33 months (April 2007) respectively from the date of issue of the LOA.

As per the terms of payment for erection and civil works, 10 *per cent* of the supply price would be released as advance, 70 *per cent on* pro-rata basis against progress of work, 7.5 *per cent* on synchronisation and submission of operation and maintenance manual, 5 *per cent* pro-rata payment against commercial operation, 5 *per cent* on successful demonstration of performance and guaranteed parameters. The balance 2.5 *per cent* would be released on submission of ‘as-built’ drawings.

Upto July 2006, the contractor had completed civil works valuing Rs. 67.02 crore for which they were entitled to receive Rs. 53.62 crore (80 *per cent*[23] of completed works) as per the LOA. Since the contractor was facing financial difficulties in arranging payments to its sub-contractors, it requested the Company to relax payment terms relating to civil works (erection and services). The Company in August 2006 enhanced the pro-rata payment against the progress of work from 70 to 82.50 *per cent,* after clubbing the 7.5 *per cent* payment on synchronisation/ submission of manual and 5 *per cent* pro-rata payment against commercial operation and released Rs. 8.38 crore[24] to the contractor. The Board of Directors approved the action post-facto in September 2006 since it felt that the payment was necessary for timely completion of the project.

Contrary to the Board's expectations, the actual date of synchronisation of the Unit was November 2007, as against the scheduled date of January 2007. Similarly, the Unit was declared open for commercial operation in April 2008, as against the scheduled date of April 2007, one year behind schedule. Since the payment terms had been amended, the Company made the payment (August 2006) of Rs. 5.03 crore by 453 days and Rs. 3.35 crore by 611 days in advance of the dates when the Unit was declared open for commercial operation. This resulted in the Company having to pay additional interest of Rs. 1.16 crore to Power Finance Corporation Limited. Since the Company was concerned about the timely completion of the project it should have linked the amendment of the terms of payments with timely completion of the project, failing which benefit of the amendment stand withdrawn. However, the Company did not safeguard its financial interest while amending the terms of payment and hence, had to incur additional interest payment.

The Government/ Management stated (June 2009) that initial advance usually paid along with or immediately after placement of order, was delayed because of delayed receipt of clearance from Income Tax Authority. Consequently, to assist DEC in overcoming liquidity problem in disbursing payments to sub-contractors and in the interest of the completion of the project LOA was amended. The management also stated that considering the savings of interest due to delayed payment of advance, there may not be any loss for quicker outflow of fund due to revised terms of payment.

The reply is contrary to the facts because **(a)** delayed release of advance was attributable to DEC as it failed to comply with the documentation required for this purpose in time, **(b)** the question of liquidity problem did not arise as DEC sought approval of sub-contractors list in March 2005 and so could not have any outstanding liability towards them **(c)** as the project was not completed in time, the underlying purpose of amending the LOA was not served, resulting in extension of loan tenure, and additional interest burden on entire loan drawn. This additional interest burden negates the

[23] Including advance payment of 10 percent.
[24] Being 12.5 *per cent* of completed works valuing Rs. 67.02 crore.

argument of the Management regarding saving of interest on delayed release of advance.

West Bengal State Electricity Distribution Company Limited and West Bengal State Electricity Transmission Company Limited

4.11 Loss of interest due to unnecessary payment of tax

Though not required under the provisions of the Income Tax Act, two companies formed after restructuring of the erstwhile State Electricity Board, paid Rs. 9.69 crore as minimum alternate tax leading to blocking up of funds and consequent loss of interest of Rs. 1.56 crore.

Under section 115JB of the Income Tax Act (Act), a company is liable to pay minimum alternate tax (MAT) at the rate of 10 *per cent* of book profit in case tax computed under normal provisions[25] of the Act is less than 10 *per cent* of the book profits. However, with the introduction of section 80IA from the financial year 2000-2001, successor companies, formed by restructuring of an existing State Electricity Board, are entitled to deduction of tax at the rate of 100 *per cent* of their taxable profits for 10 years. The accumulated losses and unabsorbed depreciation of previous periods are, however, adjustable against current year's profits.

Under Government of West Bengal notification (January 2007), the erstwhile West Bengal State Electricity Board (WBSEB) was restructured into two companies, *viz*. the West Bengal State Electricity Distribution Company Limited (WBSEDCL) and the West Bengal State Electricity Transmission Company Limited (WBSETCL). Under the Act, both the successor companies were entitled to exemption from tax from the financial year 2007-08 under Section 80IA. They were also not liable to pay MAT for the same period as an amount being lower of unabsorbed losses and unabsorbed depreciation of WBSEB would be available for set-off against the current year's profits. Subsequently, the management of WBSEDCL obtained (July 2007) a legal opinion from the tax consultant. The consultant indicated that these companies would have to take over unabsorbed losses of WBSEB aggregating Rs. 505 crore in order to avoid MAT for a period of two years subsequent to the restructuring. However, the exact amount of unabsorbed losses of WBSEB to be carried forward was not indicated in the notification (January 2007). The State Government, in another notification (September 2008) subsequently, transferred accumulated losses of WBSEB aggregating Rs. 655 crore to be carried forward by WBSEDCL (Rs. 483 crore) and WBSETCL (Rs. 172 crore).

In spite of the specific opinion by the tax consultant, both WBSEDCL and WBSETCL paid (June and September 2007) Rs. 5.08 crore and

[25] Section 28 to 44D of the Act.

Rs. 4.61 crore, respectively, as MAT for the financial year 2007-08. Subsequently, they claimed (October 2008 / April 2009) refund of the MAT already paid. Considering the express provisions for exemption of tax in case of restructured companies, the payment of MAT led to an unnecessary blockage of funds aggregating Rs. 9.69 crore.

In reply, both WBSEDCL and WBSETCL stated (August/ September 2009) that they had paid the first two installments of MAT to avoid penal provisions under the Income Tax Act, since the Government notification transferring accumulated losses of WBSEB to the successor entities was issued only in September 2008. The Government endorsed the views of the managements.

The reply overlooked the fact that delayed payment of advance tax on account of MAT, is not liable to penal interest as per Supreme Court[26] ruling. The reply was silent as to the abnormal delay on the part of the Government to issue the notification and why no follow-up actions were taken by the management to ensure early issue of the notification.

Thus, payment of MAT, though not required under the Act, led to blockage of funds and loss of interest of Rs. 1.56 crore[27]. The Companies should ensure proper tax planning to avoid unnecessary blockage of funds.

West Bengal Industrial Development Corporation Limited

4.12 Payment of avoidable interest on delayed deposit of service tax

West Bengal Industrial Development Corporation Limited paid avoidable interest of Rs. 1.25 crore due to delay of 329 days in deposit of service tax.

According to the Finance Act 1994, service tax is leviable on identified taxable services, with the service provider liable to pay the service tax. For the financial year 2007-08 and 2008-09, service tax was payable at 12.36 per cent inclusive of education as well as secondary and higher education cesses. Further, under the Service Tax Rules 1994, all service providers, excluding individuals, proprietary concerns and partnership firms, are to deposit the service tax on the amount realised for each month by the fifth of the following month. In the event of delay, interest at 13 *per cent* was payable for the period of delay. Moreover, failure to pay service tax would attract penalty of Rs. 200 for each day of failure or two per cent of such tax per month whichever was higher, but shall not exceed the service tax due.

[26] CIT Vs Kwality Biscuits Limited [(2006), 284 ITR 434]
[27] At the borrowing rate of 8.5 *per cent* for the period from the dates of payments of tax upto 31 July 2009.

In October 2007, West Bengal Industrial Development Corporation Limited (Company) entered into an agreement with Tata Sons Limited (TSL) to provide, *inter alia*, business auxiliary services for arranging allotment of 50 acres of land from another State Government Company *viz.* West Bengal Housing Infrastructure Development Corporation Limited (HIDCO) at New Town, Kolkata; undertake physical inspection, joint measurement and registration of the deed of conveyance for the 26 acres already allotted and follow-up with HIDCO for the remaining 24 acres. The Company was to receive premium of Rs. 200 crore from TSL for this service. On signing the agreement, the Company received (October 2007) Rs. 100 crore that was credited to a suspense account. Although business auxiliary services were liable to service tax, the Company failed to deposit service tax of Rs. 11 crore within 5 November 2007 for reasons not on record.

It was noticed (March 2009) that, on 31 March 2008, the Company transferred the entire receipt of Rs. 100 crore from the suspense account to other income as legal and other fees for Rs. 89 crore and service tax of Rs. 11 crore. Even then, the Company failed to deposit the amount of service tax. Ultimately, after a delay[28] of 329 days, the Company deposited, on 29 September 2008, Rs. 12.25 crore towards service tax (Rs. 11 crore) and avoidable interest (Rs. 1.25 crore). Moreover, the Company had not paid interest of Rs. 3.75 lakh on the cesses of Rs. 32.04 lakh. In addition, the Company was liable to pay penalty of Rs. 2.42 crore for failure to pay service tax in time.

The Government / Management stated (August 2009) that as it was not clear whether service tax was payable on such receipt, and the same was paid only after obtaining (September 2008) a legal opinion. However due to non-payment of service tax in time, the Company earned interest on the amount of service tax of Rs. 11 crore by way of lending activities. Further, they added that in terms of the Finance Act 1994, no interest was payable on the amount of cess.

The reply does not address the fact that earning of interest by withholding the payment of statutory dues is contrary to the accepted principles of corporate financing and indicates lax corporate governance. Further the reply was silent as to why the management obtained legal opinion after a lapse of one year from the date of receipt of the amount from TSL. The contention that interest is not payable on cess is contrary to the provisions of the Finance Act 1994, as cess forms a part of the total tax due.

The Company should evolve a system for monitoring timely payment of all statutory dues. Accountability needs to be fixed in the instant case.

[28] From the due date *viz.* 5 November 2007.

West Bengal Electronics Industry Development Corporation Limited

4.13 Unauthorised retention of Government money

In violation of Government directives, West Bengal Electronics Industry Development Corporation Limited appropriated Rs. 4.24 crore on sale of land and building of a closed subsidiary.

Under a scheme for restructuring the State Public Sector Enterprises, Government of West Bengal (Government) decided in February 2004 to close down five[29] subsidiaries of West Bengal Electronics Industry Development Corporation Limited (Company) and offer early retirement to all their employees. The assets and liabilities of these subsidiaries were transferred in August 2005 to the Government. Subsequently, in terms of Government directives (November 2005) the Company disposed of the assets of these five subsidiaries and deposited the net proceeds of Rs. 2.58 crore in June 2008 into a re-structuring fund administered by the Public Enterprises department of the Government.

It was noticed (December 2008) in audit that the book value of the land and buildings of Webel Carbon & Metal Film Resistors Limited was Rs. 14.04 lakh as of 31 March 2005. This land and buildings had earlier been rented[30] out in March 2000 and August 2001. Since the land was originally leased (December 1981) by the Company to Webel Carbon & Metal Film Resistors Limited, it resumed (October 2006) the land and again sub-leased them in May 2008, for 90 years from September 2007, at a premium of Rs. 4.12 crore to the existing tenant. As per Government order (November 2005) this realisation, had to be deposited into the restructuring fund. Instead, the Company transferred to the restructuring fund only Rs. 14.04 lakh, being the written down book value of these land and buildings and appropriated the profit and accrued rent as its income.

Under Section 619(4) of the Companies Act 1956, the Comptroller and Auditor-General of India had commented (December 2008) on this unauthorised retention of profit on leasing out of land and buildings in the accounts of 2007-08. However, the Company had not transferred Rs. 4.24 crore to the restructuring fund as of March 2009.

While placing the comments of the Comptroller & Auditor General of India on the accounts for 2007-08 before its Members at its Annual General Meeting in December 2008, the Management stated that the Company had extended loans to meet the expenditure of the closed subsidiaries, which were written off after their closure. These loans were far in excess of the profit on leasing out of land and buildings. The Management reiterated

[29] Webel Video Devices Limited, Webel Carbon & Metal Film Resistors Limited, Webel Multimedia Limited, Webel Crystals Limited and Webel Capacitors Limited.
[30] 23,250 square feet at Rs. 12 per sqft with 50 *per cent* being withheld by the tenant towards cost of repairs and additions to the building made by the tenant *viz.* TCG Life Sciences Private Limited.

(October 2009) this in their reply and stated that the net proceeds deposited to the re-structuring fund of the Public Enterprises department included Rs. 1.42 crore towards lease rental income. The Government endorsed the views of the Management.

The replies do not address the facts that the Public Enterprises department had specifically clarified (May 2008) that loans taken from the Company by the subsidiaries could not be adjusted from the proceeds of sale of assets of those subsidiaries. Further, the remittance to restructuring fund did not include any amount out of the realisation of Rs.4.12 crore from sub-lease of the land. Moreover, no specific approval of the Public Enterprises department had been obtained for appropriating the lease premium. This led to unauthorised retention of Rs. 4.24 crore which was to have been deposited in the restructuring fund.

4.14 Loss due to inadequate monitoring

The Company suffered a loss of Rs. 1.02 crore in providing internet connectivity due to deficient contract management and inadequate control over billing and recovery of dues.

In order to provide internet services to corporate and individual customers, West Bengal Electronic Industries Development Corporation Limited (Company) obtained (October 2003) source bandwidth from two basic service providers[31]. Upto November 2008, the Company had provided connectivity links to 72 corporate customers directly from its own control room as well as to 69 local access providers (LAPs)[32] for extending connectivity to individual and distant customers. The Internet Service Provider (ISP) division was responsible for this business segment.

Audit noticed that the outstanding dues from customers increased from Rs. 6.11 lakh in March 2004 to Rs. 1.81 crore in March 2008. Of this, Rs. 1.02 crore had become irrecoverable from 26 corporate customers and 37 LAPs for the following reasons:

- The Company had not executed agreements with corporate customers, while 54 out of 69 LAPs had entered into agreements with the Company for only one year. The agreements with 29 LAPs which expired between January 2005 and June 2008, were not renewed.

- It did not formulate a pricing mechanism for fixing bandwidth charges recoverable from customers. The same were fixed on the basis of negotiation. The agreements executed prior to April 2007 did not even indicate the bandwidth charge payable by the LAPs.

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[31] Bharti Broadband, Reliance Infocom
[32] Local Cable Operators

- The Company had not obtained any security deposits/ bank guarantees from the LAPs/ corporate customers to safeguard its financial interest in the event of non-payment of bandwidth charges.

- The Company was to receive monthly bandwidth charges in advance from customers. In case of defaults, internet services to customers were required to be disconnected. However, it did not raise monthly bills on the LAPs alongwith system generated log to ensure accuracy in collection. Though the monthly bandwidth charges were not received in advance, the Company took no action to disconnect services, but continued to provide the service. Ultimately, it disconnected the services to 26 corporate customers and 37 LAPs after a delay of two to three months (12), three to five months (6), five to 10 months (30) and 10 to 12 months (15).

- The ISP division neither monitored the performance of LAPs nor reviewed the position of dues recoverable from customers.

Thus, due to deficient contract management, inadequate monitoring and control over billing and recovery of dues, the Company failed to recover the dues of Rs. 1.02 crore from 26 corporate customers and 37 LAPs, which had discontinued the business with the Company between October 2004 and April 2008. In the absence of security deposits/ bank guarantees, prospect of recovery of dues from these customers are bleak.

The Management stated (June 2009) that new agreements with LAPs and change in existing billing system would be implemented by June 2009 after addressing all legal and technical issues. Besides, the Company had appointed a consultant for formulating a pricing policy and price list and had also engaged an outside agency for regular follow up and collection of dues from customers. It further stated that legal action had been initiated against the defaulting LAPs. However, the Management did not offer any explanation as to why such action had not been initiated earlier.

The deficient handling of business has a considerable impact on the business segment which earned a profit of Rs. 3.54 crore during 2003-04 to 2007-08. The doubtful debts at Rs 1.02 crore constituted 29 *per cent* of its segment profit. The Company should address the deficiencies urgently and streamline the system.

The matter was reported to the Government (April 2009); their replies had not been received (September 2009).

West Bengal State Food Processing Industries and Horticulture Development Corporation Limited

4.15 Investment in unviable project

The Company invested Rs. 1.75 crore to set up a cold store and pack house at Barasat for vegetable exports which remained unutilised even after two years of construction due to lack of demand from exporters.

In order to set up a 75 MT capacity cold store and pack house, at Haringhata in Nadia district, for vegetable exports at an estimated cost of rupees two crore, West Bengal State Food Processing Industries and Horticulture Development Corporation Limited (Company) prepared a project report for financial assistance from Agricultural and Processed Food Products Export Development Authority (APEDA). APEDA approved (November 2004) the proposal and agreed to finance the project to the extent of Rs. 1.47 crore. The balance of Rs. 53 lakh was met from a grant given by the State Government.

Meanwhile at the instance of the Government, the Company changed (December 2004) the location of the pack house from Haringhata to Barasat in North 24-Parganas district given its proximity to the airport, abundant availability of vegetables in the district and the existence of big food processing units in the area. However, it was noticed that no project report regarding the viability of the project at the new site was prepared. Market survey of export potential of vegetables grown locally was also not conducted.

The Company started the work in September 2005 and the pack house was completed in October 2006 at a cost of Rs. 1.75 crore. The Company initially decided (January 2007) to operate the pack house for six months on trial basis. Against the monthly average expenditure of Rs. 0.54 lakh, the Company did not realise any rent from the pack house in the first six months since there was no response from vegetable growers / exporters.

During November 2006 to April 2008, the Company incurred Rs. 14.43 lakh towards electricity, security and maintenance expenses of the pack house. It was observed that while the initial project report envisaged earnings of Rs. 1.98 crore in the first two years of operation including income of Rs. 1.71 crore from export activities, the Company earned only a nominal rent of Rs. 0.41 lakh. This led to a cash loss of Rs. 14.02 lakh.

It was clear from the initial project report that without export business, the pack house would not be viable since rental income from pack house and storage was inadequate to generate break-even contribution. But the Company had not taken any steps to promote export business for operating the pack house profitably. Moreover, instead of investigating the reasons for lack of demand for services provided by the pack house, the Company attempted to lease out the pack house to private parties. No response was, however, received though repeated tenders (January 2007/ September 2007/ July 2008) were invited.

Thus, the failure to promote vegetable export and address the factors underlying the lack of demand led to idle investment of Rs. 1.75 crore due to the pack house becoming unviable, and also to a cash loss of Rs. 14.02 lakh.

While admitting the audit observation, the Management stated (October 2009) that export from the pack house was found to be uneconomical to the exporters due to high air freight. It also stated that the project might not be considered unviable as the Company had decided to lease out the pack house to a private party. The reply indicates lack of proper feasibility study at project inception stage since the economics of export was vital for the success of the project. Further, though the Company had agreed to lease out the pack house, the party had not turned up till date (October 2009).

The Company should take up projects based on realistic market surveys and viability studies.

The matter was reported to the Government (June 2009); their reply had not been received (October 2009).

West Bengal Agro Industries Corporation Limited, The Electro Medical and Allied Industries Limited and West Bengal Tea Development Corporation Limited

4.16 Excess contribution to provident fund

By failing to take steps to declare sickness, three sick industrial companies, continued to contribute at 12 *per cent* towards employer's share instead of 10 *per cent* permissible under the Employees' Provident Fund and Miscellaneous Provisions Act 1952, leading to excess contribution of Rs. 68.99 lakh.

With effect from 22 September 1997, the Employees' Provident Fund and Miscellaneous Provisions Act 1952 (Act) enhanced the employer's contribution to Provident Fund from 10 to 12 *per cent* of each employee's basic wages, dearness allowance including cash value of any food concession allowed and retaining allowance[33]for certain establishments or class of establishments. However, industrial companies[34] which had accumulated losses in any financial year equal to or exceeding 50 *per cent*

[33] An allowance payable to retaining the service of an employee for the time being during the period in which the establishment is not working.
[34] Such companies are sick industrial companies within the meaning of Sec 46AA of the Companies Act 1956

of its average net worth[35] in the four years immediately preceding such financial year, as well as establishments which had at the end of any financial year accumulated losses equal to or exceeding its entire net worth, were permitted to contribute at 10 *per cent.*

On 22 March 2004, 4 November 2004 and 8 November 2005 West Bengal Agro Industries Corporation Limited (AICL), The Electro Medical and Allied Industries Limited (EMAIL) and West Bengal Tea Development Corporation Limited (TDCL) adopted their annual accounts for 2002-03 reflecting an accumulated loss of Rs. 33.65 crore, Rs. 7.85 crore and Rs. 66.96 crore respectively. It was noticed (February/ June 2009) in audit that this loss was 61 *per cent* of the average net worth of EMAIL in 1998-2002 and exceeded the net worth for AICL and TDCL in 1998-2002. Therefore EMAIL, AICL and TDCL were permitted to contribute at 10 *per cent* to the provident fund of its employees. However, these Companies continued to contribute to provident fund at the higher rate of 12 *per cent*. This led to an excess contribution of Rs. 68.99 lakh[36] during 2003-08.

The EMAIL stated (May 2009) that as its accumulated cash loss had exceeded the net worth only in 2007-08, the Government and Provident Fund Commissioner were being moved for approval to reduce employer's contribution from 12 *per cent* to 10 *per cent*. The reply does not address the fact that EMAIL had accumulated losses in 1998-2002 exceeding 50 *per cent* of its average net worth but had failed to apply to reduce its rate of contribution.

AICL and TDCL claimed that they were not 'industrial companies' and therefore not permitted to contribute at 10 *per cent.* The replies overlook the fact that 'establishments' having accumulated losses equal to or exceeding their net worth are permitted to contribute at 10 *per cent.*

Thus, the Companies' failure to obtain relief under the Act *ibid*, resulted in excess contribution of Rs. 68.99 lakh towards employer's contribution to provident fund at higher rate of 12 *per cent* instead of 10 *per cent* from 2005-06 to 2007-08. The higher rate of contribution continued in 2008-09 and 2009-10.

The Companies / Government should take appropriate measures to improve financial performance or else consider all possible avenues of cost cutting including reduced contribution to provident funds.

The matter was reported to the Government (July 2009); their replies had not been received (September 2009).

[35] Aggregate of paid-up capital and free reserves after deducting the prescribed provisions or expenses

[36] West Bengal Agro Industries Corporation Ltd. : Rs20.82 lakh for 2004-08, The Electro Medical and Allied Industries Ltd: Rs 22.96 lakh for 2005-08 and West Bengal Tea Development Corporation Ltd.: Rs 25.21 lakh for 2006-08

West Bengal Infrastructure Development Finance Corporation Limited

4.17 Loss of interest due to inadequate controls

Due to inadequate controls the Company paid the redemption value of bond of Rs. 25 crore twice to Life Insurance Corporation of India and obtained a refund after delays of 137 to 167 days, leading to loss of interest of Rs. 85.61 lakh.

West Bengal Infrastructure Development Finance Corporation Limited (Company) proposed (July 2000) to issue bonds for Rs. 300 crore guaranteed by the State Government, by way of private placement, to finance infrastructure development project in the state. The bond issue, consisting of two options for tenure of 10 years and seven years, carried interest of 13 and 12.75 *per cent per annum* respectively, payable semi-annually.

Based on the offer of the Company, Life Insurance Corporation of India (LIC) agreed (July/ August 2000) to invest Rs. 75 crore in 10 year bonds and Rs. 25 crore in seven year bonds. LIC also suggested that the Company create a sinking fund with LIC Housing Finance Limited (LICHFL) to deposit the required monthly amount, so as to yield a maturity value of Rs. 75 crore and Rs. 25 crore at the end of tenth and seventh year respectively for matching the redemption amount of the bonds. It also proposed that the Company enter into a tripartite agreement involving LIC and LICHFL to ensure the contribution to the sinking fund and timely repayment to LIC. The Company agreed (August 2000) to the proposal and allotted (1 October 2000) bonds worth Rs. 75 crore for 10 year and Rs. 25 crore for seven year tenure to LIC. The Company also created a sinking fund by opening (16 November 2000) three recurring deposit (RD) accounts for 10 years (for Rs. 75 crore) and seven years (for Rs. 25 crore) carrying interest of 11 *per cent per annum* compounded semi annually with a monthly installment of Rs. 54.64 lakh. The Company, however, did not enter into any tripartite agreement for the arrangement made with LIC and LICHFL.

The seven year bonds matured on 30 September 2007. The Company repaid LIC Rs. 25 crore on the due date for redemption of bonds. Though there was a time lag of one and half months between the date of redemption of bond and the date of maturity of earmarked RD, the Company did not send any information to LICHFL regarding bond redemption. Consequently, LICHFL paid (November 2007) the maturity value (Rs. 25 crore) of RD account directly to LIC as per the arrangement. This double payment to LIC was not noticed by the Company till December 2007 due to inadequate monitoring and failure to co-relate the sinking funds with investments made. The Company requested LIC to refund the excess amount paid towards bond redemption only in January 2008. After lapse of 137 /167 days from the date of maturity of RD account, LIC/ LICHFL refunded the excess amount in March 2008

(Rs. 23.44 crore) and April 2008 (Rs. 1.56 crore). Though the Company lodged (September 2008) a claim of interest with LICHFL on delayed repayment of maturity value of recurring deposit, no payment was received from them till April 2009.

Thus, due to inadequate controls and monitoring over the redemption procedure with the sinking fund, the Company suffered loss of interest of Rs. 85.61 lakh[37].

The Company should develop a strong monitoring mechanism so that double payments could be avoided. Accountability needs to be fixed in the instant case.

While accepting the audit observation, the Government/ Management stated (October 2009) that the double payment should not be construed upon as a gross lapse of the management since they were not aware of the co-relation between the sinking fund investments and bond redemption because of non-availability of relevant documents.

The fact, however, remains that non-availability of relevant documents was a fall out of non-finalisation of the tripartite agreement. Even in the absence of agreements, the lack of awareness relating to time and method of discharging of a liability reflects upon the poor internal control mechanisms.

Sundarban Infrastructure Development Corporation Limited

4.18 Extra expenditure on installation of tubewells

The Company incurred extra expenditure of Rs. 66.52 lakh in sinking 323 tubewells due to payment towards extra items, allowing higher rates and increase of rates beyond the Schedule of Rates.

Sundarban Infrastructure Development Corporation Limited (Company) undertakes the construction of roads, bridges, buildings, jetty, sinking of tubewell *etc*. in the Sundarban area as deposit works on behalf of other departments of the State Government. The Company follows the Schedule of Rates (SOR), prepared by Sundarban Development Project Circle (SDPC) of the Sundarban Affairs Department, for preparation of cost estimates for different works.

The Company prepared (January 2008) the estimates at Rs. 1.13 crore[38] for installation of 101 tubewells in 11 blocks of Sundarban area. All except four of the items included in the cost estimates were as stipulated in the SOR. However, while preparing a subsequent estimate (February 2008) at

[37] At the rate of 9 *per cent*, being the cost of fund, for Rs. 23.44 crore on the delayed period of 137 days and for Rs. 1.56 crore on the delayed period of 167 days.
[38] To be funded by Sundarban Development Board (SDB).

Rs. 3.50 crore[39] for installation of 306 tubewells in 14 blocks, the Company enhanced the rates for all the 11 items by five to 20 *per cent* over the SOR though it had not been revised.

The Company invited a tender in January 2008 for 101 tubewells. The seven lowest bidders quoted their rates at 2.01 to 3.05 *per cent* below the estimates of January 2008. Work orders were accordingly issued (February 2008) for installation of 101 tubewells in 11 blocks[40] at a total cost of Rs. 99 lakh. Subsequently, tenders were invited (March/May 2008) for 306 tubewells. The same bidders quoted (March/May 2008) one to 1.5 *per cent* above the already inflated estimates of February 2008. The Company issued (March- May 2008) 15 work orders to seven contractors for installation of 306 tubewells in 14 blocks[41] at the lowest tendered rates aggregating Rs. 3.50 crore. The contractors had installed 323 tubewells till November 2008.

Audit observed that the Company had incurred an extra expenditure of Rs. 66.52 lakh in sinking 323 tubewells as discussed below:

- The Company enhanced (February 2008) the rates of all the items by five to 20 *per cent* over the SOR. No reasons for such enhancement were on record. This led to extra expenditure of Rs. 35.54 lakh on installation of 251 tubewells.

The Management stated (April 2009) that the Company did not incur extra expenditure because estimate was prepared keeping in view of sudden hike of price of all the materials including the rates of sinking of tubewell and enhancement of rates in PWD-SOR. The reply does not address the fact that revised PWD-SOR was effective from 15 May 2008, whereas the Company prepared the estimate in February 2008 and issued work orders in March (282 tubewells) and May 2008 (only 24 tubewells). Moreover, in the revised SOR, there was no hike in prices of either material actually used by the Company or labour charges involved

- In addition to the cost of G.I. pipes, an additional amount of Rs. 9.50 per metre of G.I. pipe was allowed on the grounds that the work was within the riverine areas of Sundarban. Further, Rs. 200 per metre was allowed towards labour charges for filling up of the space between tubewell assembly and borehole with coarse sand. The SOR did not include these items and Sundarban Development Board had not allowed such items in the estimates of similar works in the same area. The Company incurred extra expenditure of Rs. 21.68[42] lakh on these two accounts.

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[39] To be funded by Public Health Engineering department (PHED).

[40] Canning-II, Patharpratima, Namkhana, Canning-I, Mathurapur-II, Jaynagar-II, Mathurapur-I, Basanti, Jaynagar-I, Kultali, Kakdwip.

[41] Canning –II, Patharpratima, Namkhana, Canning-I, Mathurapur-II, Jaynagar-II, Mathurapur-I, Basanti, Jaynagar-I, Kultali, Kakdwip, Hasnabad, Sagar, Minakhan.

[42] At the rate of Rs. 9.50 per metre for 92,239 metres plus labour charges at the rate of Rs. 200 per metre for 6,460 metres.

The Management stated that packing of the filter zone is required to prevent choking up of vacant area of the filter by fine sand after water is sucked out by the tubewell. Therefore labour charges for filling up of annular space with medium coarse sand is justified as this will enhance the life of the tubewell. The reply does not address the fact that as per the hydrological report, selected aquifer zone at 300 metre was composed of medium sand which had good porosity and permeability. This rendered the expenditure on additional packing redundant.

- The Company allowed Rs. 5.02 lakh towards labour charges to four contractors for unsuccessful boring of tubewells by them though no such clause was provided for in the 'conditions of the contract'.

- Though the SOR allowed Rs. 755 per metre for brass jacketed strainers, the Company allowed a higher rate of Rs. 984 per metre leading to extra expenditure of Rs. 4.28 lakh on 1872 metres of strainer.

The Management argued that in PHE - SOR rate of strainer was Rs. 1179 per metre and this rate was further justified by enhancement of rates in PWD-SOR. The contention is contrary to the fact as PHE document is not a schedule of rate but a mere estimate prepared in December 2008. Hence, not relevant for the instant work. Further, revised PWD-SOR did not include the rates of brass jacketed strainer.

Thus, the Company by deviating from its policy of following SOR prepared by SDPC incurred an extra expenditure of Rs. 66.52 lakh in sinking 323 tubewells due to payment towards extra items, allowing higher rates and enhancement of rates beyond those admissible under the SOR.

The Company needs to ensure that while preparing estimates the SOR prepared by SDPC is followed.

The matter was reported to the Government (March 2009); their reply had not been received (September 2009).

West Bengal Agro Industries Development Corporation Limited and West Bengal Film Development Corporation Limited

4.19 Loss of interest due to poor fund management

The two companies kept funds in non-interest bearing current accounts and failed to gainfully deploy the funds leading to loss of interest of Rs. 43 lakh.

West Bengal Agro Industries Corporation Limited (WBAICL) is engaged in purchase and sales of seeds, pesticides, power tillers, tractors and agricultural implements etc through its head quarters, central stores, both at Kolkata and at twenty district outlets. The sale proceeds are transferred to current accounts with six banks[43], maintained at the head quarters in Kolkata. Similarly, West Bengal Film Development Corporation Limited (WBFDCL) was formed to promote the development of film industry in the State. The State government placed funds with the Company for disbursement to the film producers (the ultimate beneficiaries) and to carry out promotional activities. These funds were deposited in current accounts at Kolkata and Siliguri till final disbursement.

Scrutiny revealed that both the companies did not prepare cash budgets to forecast their cash requirement and identify surplus funds for gainful deployment. As a result, minimum balances ranging from Rs. 35.90 lakh to Rs. 554.33 lakh (WBAICL) during the period April 2006 to March 2009, and from Rs. 69.70 lakh to Rs. 197.55 lakh (WBFDCL) during the period April 2006 to September 2008, remained idle without generating any interest. Consequently, the Companies suffered loss of interest of Rs. 43 lakh[44], computed at 4.5 per cent to 5 per cent rate of interest available on 30 day fixed deposits, during the same period.

In reply, Government stated (September 2009) that WBFDCL was mere custodian of the funds ear-marked for Nandan[45], and since payments had to be released as and when Nandan requisitioned it, they had no control over such funds. However, an estimate of cash requirements with reference to past records could have assisted in gainfully deploying surplus funds and interest could have been earned on the same. No such estimate was prepared by the Management.

WBAICL stated (September 2009) that though they had back to back arrangements for payment to suppliers on receipt of payments from various departments, it was difficult to prepare cash budgets and forecast cash requirements since the business of the Company depends on orders of various Government departments. Further, opening /closing balances of a bank account could not be a yardstick for determining idle fund. It also stated that the Company arranged an auto-sweep facility to earn interest on idle funds in 2008-09. The reply overlooks the aspects that (i) back to back payments facilitate preparation of cash budgets more accurately rather than hindering it. (ii) Loss of interest, as calculated, was based on minimum monthly balances after meeting all expenses and (iii) even after transfer of fund under auto sweep arrangement minimum monthly balances aggregating Rs. 32.93 crore was noticed in six banks during 2008-09 which could have been gainfully utilised.

The matter in respect of WBAICL was reported (August 2009) to the Government, but their reply had not yet been received (September 2009).

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[43] State Bank of India, United Bank of India, Central Bank of India, Bank of India, Union Bank of India, Punjab & Sind Bank.
[44] WBAICL-Rs.28 lakh, WBFDCL- Rs.15 lakh.
[45] A theatre under the Information & Cultural Affairs Department, Govt of West Bengal.

West Bengal Forest Development Corporation Limited

4.20 Information Technology review of on-line booking system

Introduction

4.20.1 The West Bengal Forest Development Corporation Limited (Company) introduced an online computerized booking system for booking 379 rooms at 19 Ecotourism resorts from the year 2003. The application was developed by a private vendor using SQL Server 2000 as RDBMS and ASP.Net 3.0 as front-end tool. The software was operated by the Head office, all eight divisions and by 16 booking agents. Rooms could be booked only by the users of the system. Availability of rooms/lodges could be checked from the website of the Company by the general public. The existing hardware in the Company was utilised for the on-line booking system (OLBS). Besides, an expenditure of Rs. 7 Lakh was incurred on software, annual maintenance contract etc. during the period 2003-04 to 2008-09.

Absence of policy formulation

4.20.2 The Company was unable to formulate a well defined computerization policy for OLBS even six years after the application was being used. It had yet to formulate important policies relating to computerization like the ‘Password policy’, the ‘back-up policy’, ‘business continuity plan’ and overall Company’s IT policy/ strategy. No post implementation review was conducted to evaluate whether the system met the envisaged requirements. The Management in its reply accepted the system shortcomings and stated that due to lack of technical expertise, the Company could not submit its user requirement specification (URS).

Absence of administrative control

4.20.3 The Company also failed to formulate a strong administrative procedure to control the users of OLBS which resulted in creation of multiple users having super-user (with all administrative powers) privileges and a number of additional users. The System failed to generate any log; in absence of which it was difficult to fix responsibility for manipulation of data. There were repeated instances of editing of reservation data and manual cancellations of reservation without updating the system, booking of rooms without advance and deletion of records. The management had no effective control over the users of the system, their privileges and their actions. They failed to formulate any hierarchy of authorization in cases where modification of room tariff, deletion or editing of records was required. The Management stated in reply that proper measures for addressing the deficiencies would be initiated.

Control deficiencies

Lack of validation control

4.20.4 The OLBS neither had mechanism for recording the IP address of the computer interacting with its booking system nor did it provide any audit trail and system logs. It allowed booking of any lodge/hut even prior to the current date. It was seen that the system was so designed that booking of any lodge/hut could have been done even prior to the current date. A room of one ecotourism spot (Samsing) was booked for 09 June 2009 on 26 June 2009. The system not only accepted the data but generated the reservation printout. Later, this particular record was deleted from the database from the front end application without leaving any trail in the system.

The application accepted input data and bookings could be done for one year in advance in contravention to company's rule of three months in advance of the current month (maximum 123 days in advance). Data analysis revealed that in nine cases bookings were made in advance of the maximum period of 123 days and up to 145 days. Thus the system could be manipulated to block bookings during the peak season. Test data was entered in the front end by changing the system date. The application accepted the data and bookings were successfully done for one year in advance. Thus the system could not distinguish between system date and server date.

Deletion of records

4.20.5 The system had an unusual provision of allowing a super user to delete any entry from the front end of the database, without recording a reason making it impossible to ascertain when, how and why important data were deleted. Data analysis revealed that 1950 gaps existed in system generated unique serials (FDC_ID) during 2005-06 to 2008-09.

Pre-printed permit-cum-money receipts were mandatory for occupancy of a reserved room. No manual as well as system check existed to prevent misuse by capturing the serial number of each permit-cum-money receipt to ascertain which Unique number (FDC_ID) was provided with which serial number of permit-cum-money receipt. Test check revealed that whereabouts of as many as 29,501 such receipts out of 90,000 receipts printed were not known to the Company. The Management stated in reply that steps would be taken to trace the missing printed tickets.

Other points

Under crediting of luxury tax to Government accounts

4.20.6 Luxury tax collected at source on realised room rents was required to be deposited quarterly by the Divisional Managers to the District Agricultural Income Tax Officer stating the head of account on the face of the deposit challan. As bulk of the bookings of the eco-tourism resorts were carried out from the booking office at Kolkata, most of the luxury tax payable at the Divisional offices was collected at the Head office. The system should have in-built module to calculate the luxury tax collected at point of booking, pertaining to each division/resort. Scrutiny of manual records revealed that during 2006-07 to 2008-09, the Corporation collected Rs. 10.46 lakh as luxury tax but the system exhibited the luxury tax component as Rs. 2.37 lakh (upto February 2009). Thus the booking system could not even correctly calculate the total luxury tax collected. These figures reflect that the software failed to aid the management in correctly ascertaining Government revenue collected by the Company from the public, resulting in possible under crediting of Government revenue. The Management stated in reply that the software developer would be instructed to develop modules for proper accountal of luxury tax and efforts were being made to reconcile the payment of luxury tax division wise as per collection figures.

Non integration of accounting modules with the system

4.20.7 Annual accounts of the Company for the years 2003-04 to 2007-08 exhibited revenue of Rs. 6.73 crore realised from rents of rooms/lodges. Interestingly, system generated MIS reports understated the figure and reported it as Rs. 6.06 crore. The difference was due to manual cancellation under special contingent conditions, non adjustment of subsequent receipts realised against bookings made without advance payment and deliberate deletion of records. Thus, the management failed to obtain a true and fair view of receipts from eco-tourism from its OLBS due to non integration of accounts module.

Agents' commission not embedded in the software

4.20.8 Though the OLBS was in place since 2003-2004, no MIS report on dues payable/receivable by/from agents was available. The manual ledger system and computerised data pertaining to revenue (booking amount) collected by agents varied and did not reflect the actual position. Data analysis revealed that during 2007-08, two agents Wander Vogel Adventures and Tour-n-Travel remitted Rs. 1,283 and Rs. 8,725 in excess of their collection. In some cases, it led to under realization of revenue. As of March 2008 Wheels had a debit balance of Rs. 51, 805 (sum payable to Company).

The ledger exhibited unrealised amount of Rs. 14.28 lakh in respect of four agents since 2007-08. Neither any entry for 2008-09 had been made nor any penal interest imposed on unrealised amounts.

Thus, the Company was not in a position to accurately specify revenue receivable from any agent or commission payable to any agent, depending on the computerized MIS generation capability.

Conclusion

Though, the Company had made a beginning by creating a website and providing platform for online reservation for its ecotourism resorts, there were various defects in the system. No system log was created, passwords were stored in unencrypted form and the software had provisions for editing and deleting data from the front-end. It had poor validation controls which resulted in generation of erroneous MIS. The booking system failed to calculate the agents' commission, to reconcile the receipts of the Corporation and to calculate the luxury tax payable division wise, which was necessary for effective management information system and internal control.

The management failed to ensure adequate control over the users of the system, their privileges and their action.

Recommendation

In order to enhance revenue from OLBS, payment gateway facilitating payment through debit/credit card should be introduced. Proper IT Security policy along-with a business continuity plan, disaster recovery plan required to be formulated and implemented. There should be proper input controls and validation checks to ensure correct data entry. Changes in business rules/logic should be incorporated and critical information captured in the system so that accurate and timely MIS are generated to aid the management in effective decision making.

4.21 Follow-up action on Audit Reports

Outstanding departmental replies on paragraphs appeared in the Audit Reports

4.21.1 Reports of the Comptroller and Auditor General of India contain observations arising out of scrutiny of accounts and transactions of various Government companies and Statutory corporations. Therefore, it is necessary that the executives give appropriate and timely response to them. Finance Department, Government of West Bengal instructed (June 1982) all the administrative departments to submit explanatory notes to the West Bengal Legislative Assembly with corrective/ remedial action taken or proposed to be taken on the observations included in the Audit Reports within one month from the date of communication of laying of the Audit Reports in the State Legislature.

Though the Audit Reports for the years 2002-03, 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 were presented to the State Legislature in August 2004, August 2005, July 2006, March 2007, March 2008 and July 2009 respectively, 14 departments, whose activities were commented upon did not submit their explanatory notes on 44 out of 160 paragraphs/ reviews as of September 2009, as indicated in **Annexure 20**. It would be seen from the annexure that the departments largely responsible for non-submission of explanatory notes were Public Enterprises, Power, Commerce and Industries, Finance and Transport. Government did not respond to even paragraphs / reviews highlighting important issues like misappropriation, fraud, system failure, mismanagement, non-adherence to extant provisions, *etc*.

Outstanding action taken notes on the Reports of the Committee of Public Undertakings (COPU)

4.21.2 Reports of the COPU presented to the Legislature contain recommendations and observations on which administrative departments are required to submit their Action Taken Notes (ATNs) within six weeks from the date of receipt of COPU recommendations. Even after the lapse of nine to 123 months, six departments did not furnish the ATNs on 36 recommendations relating to 12 COPU Reports presented (June 1999 – December 2008) to the State Legislature (**Annexure 21)**.

Response to the Inspection reports, draft paragraphs and reviews

4.21.3 Irregularities/ shortcomings noticed during the periodical inspections of Government Companies/ Corporations and not settled on the spot are communicated through the Inspection Reports (IRs) to the respective heads of PSUs and the concerned departments of the State Government. The heads of PSUs are required to furnish their replies to the IRs through the respective heads of the departments within a period of six weeks. A half - yearly report is being sent to the Principal Secretary/ Secretary of the departments in respect of pending IRs to facilitate monitoring of the audit observations in those IRs.

The Inspection Reports issued up to March 2009 pertaining to 36 PSUs disclosed that 191 paragraphs relating to 80 IRs remained outstanding at the end of September 2009, of which 16 IRs containing 35 paragraphs had not been replied to, though more than two years had elapsed. The department-wise break up of IRs and audit observations as of September 2009 is given in **Annexure 22.** In order to expedite settlement of the outstanding paragraphs, Audit Committees were constituted in 16 out of 21 departments. These committees settled 248 paragraphs in 40 meetings during 1997-2009.

Similarly, the draft paragraphs and performance reviews on the working of PSUs are forwarded to the Principal Secretary/ Secretary of the administrative department concerned demi-officially seeking confirmation of the facts and figures and their comments thereon within a period of six weeks. It was, however, noticed that the six draft paragraphs and two draft performance audit reviews forwarded to various departments during March to September 2009, as detailed in **Annexure 23** had not been replied so far (October 2009).

It is recommended that the Government should ensure that **(a)** procedure exists for action against the officials who failed to send replies to inspection reports/ draft paragraphs/ reviews and ATNs on recommendations of COPU, as per the prescribed time schedule; **(b)** action to recover loss/ outstanding advances/ over-payment is taken within the prescribed period; and **(c)** system of responding to audit observations is revamped.

KOLKATA **(SUDARSHANA TALAPATRA)**
The **Principal Accountant General (Audit)**
West Bengal

Countersigned

NEW DELHI **(VINOD RAI)**
The **Comptroller and Auditor General of India**

Annexure 1

(Referred to in paragraphs 1.7)

Statement showing particulars of up to date paid up capital, loans outstanding and Manpower as on 31 March 2009 in respect of Government companies and Statutory corporations

(Figures in column 5(a) to 6(c) are Rupees in Crore)

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incor-poration	Paid Up Capital[$]				Loans** outstanding as at the close of 2008-09				Debt equity ratio for 2008-09 (Previous year	Manpower (No. of Employees As on 31.03.2009)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	5 (e)	6 (a)	6(b)	6(c)	(7)	(8)
A.	**Working Government companies**												
	AGRICULTURE AND ALLIED												
1	West Bengal State Seed Corporation Limited	Agriculture	November 1980	2.50	-	-	2.50	24.00	-	-	24.00	9.60:1	199
2	West Bengal Tea Development Corporation Limited	Commerce & Industry	August 1976	35.76	-	-	35.76	83.16	-	0.20	83.36	2.33:1	3165
3	West Bengal Agro Industries Corporation Limited	Water Resources Investigation & Development	August 1968	5.72	2.69	-	8.41	15.23	-	-	15.23	1.81:1	266
4	West Bengal State Minor Irrigation Corporation Limited	Water Resources Investigation & Development	January 1974	11.65	-	-	11.65	-	-	0.16	0.16	0.01:1	1124
5	West Bengal State Food Processing and Horticulture Development Corporation Limited	Food Processing Industries & Horticulture	April 1986	0.97	-	-	0.97	2.21	-	-	2.21	2.28:1	28

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incor-poration	Paid Up Capital$				Loans** outstanding as at the close of 2008-09				Debt equity ratio for 2008-09 (Previous year	Manpower (No. of Employees As on 31.03.2009)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	5 (e)	6 (a)	6(b)	6(c)	(7)	(8)
6	West Bengal Dairy and Poultry Development Corporation Limited	Animal Resources Development	February 1969	7.10	-	-	7.10	0.58	-	-	0.58	0.08:1	17 1
7	The State Fisheries Development Corporation Limited	Fisheries, Aqua-culture, Aquatic Resources & Fishing Harbours	March 1966	2.70	-	-	2.70	1.73	-	-	1.73	0.64:1	572
8	West Bengal Fisheries Corporation Limited	Fisheries, Aqua-culture, Aquatic Resources & Fishing Harbours	March 1980	1.85	-	0.15	2.00	0.30	-	-	0.30	0.15:1	131
9	The West Bengal Livestock Processing Development Corporation Limited	Animal Resources Development	April 1974	2.10	0.25	-	2.35	-	-	-	-	-	11
10	West Bengal Forest Development Corporation Limited	Forest	November 1974	5.53	0.70	-	6.23	-	-	-	-	-	1125
	Sector wise total			**75.88**	**3.64**	**0.15**	**79.67**	**127.21**	**-**	**0.36**	**127.57**	**1.60:1**	**6792**
	FINANCING												
11	West Bengal Industrial Development Corporation Limited (WBIDC Limited)	Commerce & Industries	January 1967	434.93	-	-	434.93	-	-	112.53	112.53	0.26:1	115
12	West Bengal Infrastructure Development Finance Corporation Limited	Finance	May 1997	100.30	-	-	100.30	-	-	9227.72	9227.72	92:1	23
13	Webel Venture Capital Limited (subsidiary of WBEIDC Limited)	Information Technology	February 2007	-	-	0.05	0.05	-	-	-	-	-	-
14	West Bengal Handicrafts Development Corporation Limited	Micro & Small Scale Enterprises and Textiles	June 1976	14.52	0.78	-	15.30	1.30	-	-	1.30	0.08:1	157

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incor-poration	Paid Up Capital[$]				Loans** outstanding as at the close of 2008-09				Debt equity ratio for 2008-09 (Previous year	Manpower (No. of Employees As on 31.03.2009)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	5 (e)	6 (a)	6(b)	6(c)	(7)	(8)
15	West Bengal Women Development Undertaking	Women & Child Development and Social welfare	August 1993	0.10	-	-	0.10	-	-	-	-	-	17
16	West Bengal Film Development Corporation Limited	Information & Cultural Affairs	July 1980	5.20	-	-	5.20	17.48	-	-	17.48	3.36:1	62
	Sector wise total			**555.05**	**0.78**	**0.05**	**555.88**	**18.78**	**-**	**9340.25**	**9359.03**	**16.84:1**	**374**
	INFRASTRUCTURE												
17	The West Bengal Small Industries Development Corporation Limited (WBSIDC Limited)	Micro & Small Scale Enterprises and Textiles	March 1961	24.48	-	-	24.48	12.79	-	-	12.79	0.52:1	243
18	West Bengal Electronics Industry Development Corporation Limited (WBEIDC Limited)	Information Technology	February 1974	195.71	-	1.71	197.42	11.50	-	-	11.50	0.06:1	128
19	West Bengal Housing Infrastructure Development Corporation Limited (WBHIDCO Limited)	Housing	April 1999	13.85	-	1.65	15.50	-	-	-	-	-	120
20	West Bengal State Police Housing Corporation Limited	Home	March 1993	0.12	-	-	0.12	-	-	-	-	-	-
21	West Bengal Industrial Land Holdings Private Limited (subsidiary of WBIDC Limited)	Commerce & Industries	October 2006	-	-	0.01	0.01	-	-	-	-	-	-
22	Technology Infrastructure Company Limited (subsidiary of WBEIDC Limited)	Information Technology	August 2007	-	-	0.05	0.05	-	-	-	-	-	-

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incor-poration	Paid Up Capital[$]				Loans** outstanding as at the close of 2008-09				Debt equity ratio for 2008-09 (Previous year	Manpower (No. of Employees As on 31.03.2009)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	5 (e)	6 (a)	6(b)	6(c)	(7)	(8)
23	New Town Telecom Infrastructure Development Corporation Limited (subsidiary of WBHIDCO Limited)	Information Technology	May 2006	-	-	1.05	1.05	-	-	4.50	4.50	4.29:1	4
24	Sundarban Infrastructure Development Corporation Limited	Sundarban Affairs	May 2007	1.00	-	-	1.00	-	-	-	-	-	4
25	West Bengal Transport Infrastructure Development Corporation Limited	Transport	September 1996	3.10	-	-	3.10	-	-	1.37	1.37	0.44:1	19
	Sector wise total			**238.26**	**-**	**4.47**	**242.73**	**24.29**	**-**	**5.87**	**30.16**	**0.12:1**	**518**
	MANUFACTURING												
26	Greater Calcutta Gas Supply Corporation Limited	Commerce & Industry	December 1987	41.15	-	-	41.15	137.74	-	-	137.74	3.35:1	403
27	Neo Pipes and Tubes Company Limited	Public Enterprises	January 1983	2.20	-	-	2.20	27.87	-	-	27.87	12.67:1	79
28	Britannia Engineering Limited	Public Enterprises	April 1986	136.80	-	-	136.80	1.39	-	-	1.39	0.01:1	294
29	The Shalimar Works(1980) Limited	Public Enterprises	January 1981	1.26	-	-	1.26	80.46	-	0.03	80.49	63.88:1	135
30	The Electro Medical and Allied Industries Limited	Public Enterprises	June 1961	16.40	-	-	16.40	22.34	-	-	22.34	1.36:1	123
31	Westinghouse Saxby Farmer Limited	Public Enterprises	July 1969	7.74	-	-	7.74	15.05	-	-	15.05	1.94:1	494
32	Lily Products Limited	Public Enterprises	April 2004	-	-	0.43	0.43	42.09	-	-	42.09	97.88:1	81
33	Webel Consumer Electronics Limited (subsidiary of WBEIDC Limited)	Information Technology	June 1981	-	-	8.02	8.02	-	-	30.14	30.14	3.76:1	131

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incor-poration	Paid Up Capital$				Loans** outstanding as at the close of 2008-09				Debt equity ratio for 2008-09 (Previous year	Manpower (No. of Employees As on 31.03.2009)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	5 (e)	6 (a)	6(b)	6(c)	(7)	(8)
34	Webel Electro-Optics Limited (subsidiary of WBEIDC Limited)	Information Technology	April 1990	-	-	3.37	3.37	-	-	-	-	-	1
35	The Kalyani Spinning Mills Limited	Micro & Small Scale Enterprises and Textiles	January 1960	11.03	-	-	11.03	222.52	-	-	222.52	20.17:1	1189
36	Mayurakshi Cotton Mills (1990) Limited	Micro & Small Scale Enterprises and Textiles	February 1990	4.88	-	-	4.88	11.49	-	-	11.49	2.35:1	316
37	The West Dinajpur Spinning Mills Limited	Micro & Small Scale Enterprises and Textiles	August 1975	9.84	-	-	9.84	45.49	-	-	45.49	4.62:1	755
38	West Bengal Mineral Development and Trading Corporation Limited	Commerce & Industries	February 1973	4.43	-	-	4.43	53.70	-	-	53.70	12.12:1	551
39	Durgapur Chemicals Limited	Public Enterprises	July 1963	402.01	-	-	402.01	-	-	63.95	63.95	0.16:1	320
40	West Bengal Pharmaceutical and Phytochemical Development Corporation Limited	Commerce & Industries	March 1974	17.90		-	17.90	2.04	-	-	2.04	0.11:1	98
41	Eastern Distilleries and Chemicals Limited	Public Enterprises	April 1986	0.20		-	0.20	6.61	-	-	6.61	33.05:1	197
42	Gluconate Health Limited	Public Enterprises	July 1990	95.57		-	95.57	7.24	-	-	7.24	0.08:1	305
43	Haldia Petrochemicals Limited	Commerce & Industries	September 1985	-		1831.00	1831.00	-	-	2207.23	2207.23	1.21:1	899
44	WEBFIL Limited	Commerce & Industries	May 1979	-	-	10.58	10.58	7.58	-	1.50	9.08	0.86:1	238
	Sector wise total			**751.41**	-	**1853.40**	**2604.81**	**683.61**	-	**2302.85**	**2986.46**	**1.15:1**	**6609**
	POWER												
45	West Bengal State Electricity Distribution Company Limited	Power	February 2007	2307.72	-	-	2307.72	2244.19	-	2443.33	4687.52	2.03:1	22692

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incor-poration	Paid Up Capital[$]				Loans** outstanding as at the close of 2008-09				Debt equity ratio for 2008-09 (Previous year	Manpower (No. of Employees As on 31.03.2009)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	5 (e)	6 (a)	6(b)	6(c)	(7)	(8)
46	West Bengal State Electricity Transmission Company Limited	Power	February 2007	1014.00	-	-	1014.00	1161.11	-	1088.71	2249.82	2.22:1	3011
47	The Durgapur Projects Limited	Power	September 1961	941.50	-	-	941.50	155.07	-	971.29	1126.36	1.20:1	4072
48	The West Bengal Power Development Corporation Limited	Power	July 1985	3322.60	-	-	3322.60	3096.41	-	2916.41	6012.82	1.81:1	4417
49	West Bengal Rural Energy Development Corporation Limited	Power	August 1998	10.16	-	-	10.16	309.23	-	-	309.23	30.44:1	150
50	New Town Electric Supply Company Limited(subsidiary of WBHIDCO Limited)	Power	September 2003	-	-	6.63	6.63	-	-	-	-	-	33
51	West Bengal Green Energy Development Corporation Limited	Power	December 2007	0.55	-	2.25	2.80	-	-	-	-	-	7
	Sector wise total			**7596.53**	**-**	**8.88**	**7605.41**	**6966.01**	**-**	**7419.74**	**14385.75**	**1.89:1**	**34382**
	SERVICE				-								
52	Webel Electronic Communication Systems Limited (subsidiary of WBEIDC Limited)	Information Technology	September 1981	-	-	0.84	0.84	-	-	2.72	2.72	3.24:1	52
53	Webel Mediatronics Limited (subsidiary of WBEIDC Limited)	Information Technology	January 1981	-	-	4.04	4.04	-	-	0.71	0.71	0.18:1	83
54	Webel Informatics Limited (subsidiary of WBEIDC Limited)	Information Technology	November 1981	-	-	0.40	0.40	-	-	4.20	4.20	10.50:1	34
55	Webel Technology Limited (subsidiary of WBEIDC Limited)	Information Technology	February 2001	-	-	1.00	1.00	-	-	1.30	1.30	1.30:1	56

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incor-poration	Paid Up Capital$				Loans** outstanding as at the close of 2008-09				Debt equity ratio for 2008-09 (Previous year	Manpower (No. of Employees As on 31.03.2009)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	5 (e)	6 (a)	6(b)	6(c)	(7)	(8)
56	West Bengal Essential Commodities Supply Corporation Limited	Food & Supplies	March 1974	1.08	-	-	1.08	41.00	-	156.90	197.90	183.24:1	621
57	West Bengal Tourism Development Corporation Limited	Tourism	April 1974	10.00	-	-	10.00	0.93	-	0.15	1.08	0.11:1	435
58	The Calcutta Tramways Company(1978) Limited	Transport	October 1982	20.40	-	-	20.40	205.30	-	-	205.30	10.06:1	6816
59	West Bengal Surface Transport Corporation Limited	Transport	February 1989	1.01	-	-	1.01	54.48	-	8.41	62.89	62.27:1	642
	Sector wise total			**32.49**	**-**	**6.28**	**38.77**	**301.71**	**-**	**174.39**	**476.10**	**12.61:1**	**8739**
	MISCELLANEOUS												
60	Silpabarta Printing Press Limited (subsidiary of WBSIC Limited)	Micro & Small Scale Enterprises and Textiles	September 1982	0.18	-	0.71	0.89	-	-	0.13	0.13	0.15:1	67
61	Basumati Corporation Limited	Information & Cultural Affairs	February 1975	0.10	-	-	0.10	39.54	-	-	39.54	395.40:1	-
62	Saraswaty Press Limited	Public Enterprises	January 1987	5.50	-	-	5.50	-	-	-	-	-	353
63	West Bengal Text Book Corporation (P) Limited (subsidiary of Saraswaty Press Limited)	Public Enterprises	December 2006	-	-	0.10	0.10	-	-	-	-	-	-
	Sector wise total			**5.78**	**-**	**0.81**	**6.59**	**39.54**	**-**	**0.13**	**39.67**	**6.02:1**	**420**
	Total- A (All sector wise Government companies)			**9255.40**	**4.42**	**1874.04**	**11133.86**	**8161.15**	**-**	**19243.59**	**27404.74**	**2.46:1**	**57834**
B.	**Working Statutory corporations**												
	AGRICULTURE AND ALLIED												
1	West Bengal State Warehousing Corporation	Public Enterprises	March 1958	3.81	3.81	-	7.62	-	-	-	-	-	140
	Sector wise total			**3.81**	**3.81**	**-**	**7.62**	**-**	**-**	**-**	**-**	**-**	**140**

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incor-poration	Paid Up Capital$				Loans** outstanding as at the close of 2008-09				Debt equity ratio for 2008-09 (Previous year	Manpower (No. of Employees As on 31.03.2009)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	5 (e)	6 (a)	6(b)	6(c)	(7)	(8)
	FINANCING												
2	West Bengal Financial Corporation	Finance	March 1954	109.62	-	11.92	121.54	0.55	-	478.81	479.36	3.94:1	224
3	West Bengal Scheduled Castes & Scheduled Tribes Development & Finance Corporation	Backward classes welfare	July 1976	87.57	66.94	-	154.51	-	-	40.65	40.65	0.26:1	266
4	West Bengal Minorities Development & Finance Corporation	Minorities Development & Welfare	January 1996	89.53	-	-	89.53	-	-	145.82	145.82	1.63:1	36
5	West Bengal Backward classes Development & Finance Corporation	Backward classes welfare	October 1995	11.11	-	-	11.11	-	-	20.66	20.66	1.86	4
	Sector wise total			**297.83**	**66.94**	**11.92**	**376.69**	**0.55**	**-**	**685.94**	**686.49**	**1.82:1**	**530**
	INFRASTRUCTURE												
6	West Bengal Industrial Infrastructure Development Corporation	Commerce and Industries	November 1973	-	-	-	-	96.34	-	-	96.34	-	204
	Sector wise total			**-**	**-**	**-**	**-**	**96.34**	**-**	**-**	**96.34**	**-**	**204**
	SERVICE												
7	Calcutta State Transport Corporation	Transport	August 1960	8.62	1.00	-	9.62	203.49	-	92.19	295.68	30.74:1	6732
8	North Bengal State Transport Corporation	Transport	December 1973	5.87	4.83	-	10.70	179.48	-	11.02	190.50	17.80:1	4563
9	South Bengal State Transport Corporation	Transport	August 1963	11.01	0.00	-	11.01	118.69	-	28.99	147.68	13.41:1	2715
	Sector wise total			**25.50**	**5.83**	**-**	**31.33**	**501.66**	**-**	**132.20**	**633.86**	**20.23:1**	**14010**
	Total - B (All sector-wise Statutory corporations)			**327.14**	**76.58**	**11.92**	**415.64**	**598.55**	**-**	**818.14**	**1416.69**	**3.41:1**	**14884**
	Grand Total (A+B)			**9582.54**	**81.00**	**1885.96**	**11549.50**	**8759.70**	**-**	**20061.73**	**28821.43**	**2.51:1**	**72718**

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incor-poration	Paid Up Capital$				Loans** outstanding as at the close of 2008-09				Debt equity ratio for 2008-09 (Previous year	Manpower (No. of Employees As on 31.03.2009)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	5 (e)	6 (a)	6(b)	6(c)	(7)	(8)
C.	**Non-working Government companies**												
	AGRICULTURE AND ALLIED												
1	West Bengal Wasteland Development Corporation Limited	Forest	July 1989	0.24	-	0.10	0.34	-	-	-	-	-	-
	Sector wise total			**0.24**	-	**0.10**	**0.34**	-	-	-	-	-	-
	FINANCING												
2	West Bengal Handloom and Power loom Development Corporation Limited	Micro & Small Scale Enterprises and Textiles	September 1973	43.01	3.73	0.02	46.76	1.12	-	-	1.12	0.02:1	-
	Sector wise total			**43.01**	**3.73**	**0.02**	**46.76**	**1.12**	-	-	**1.12**	**0.02:1**	
	MANUFACTURING												
3	I.P.P. Limited	Public Enterprises	July 1985	0.50	-	-	0.50	96.22	-	0.26	96.48	192.96:1	-
4	West Bengal Plywood and Allied Products Limited	Public Enterprises	October 1989	0.09	-	-	0.09	26.78	-	-	26.78	297.56:1	-
5	Krishna Silicate & Glass (1987) Limited	Public Enterprises	October 1998	-	-	-	-	52.92	-	-	52.92	-	-
6	Pulver Ash Projects Limited (Subsidiary of WBSIC Limited)	Micro & Small Scale Enterprises and Textiles	September 1989	-	-	3.31	3.31	-	-	13.00	13.00	3.93:1	-
7	West Bengal Ceramic Development Corporation Limited	Micro & Small Scale Enterprises and Textiles	March 1976	2.93	-	-	2.93	25.72	-	-	25.72	8.78:1	-
8	The West Bengal State Leather Industries Development Corporation Limited	Micro & Small Scale Enterprises and Textiles	March 1976	3.95	-	-	3.95	2.34	-	-	2.34	0.59:1	-
9	The Carter Pooler Engineering Company Limited	Public Enterprises	June 1987	0.95	-	-	0.95	20.69	-	-	20.69	21.78:1	-
10	National Iron and Steel Company (1984) Limited	Public Enterprises	July 1980	12.00	-	-	12.00	82.10	-	0.96	83.06	6.92:1	160

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incor-poration	Paid Up Capital$				Loans** outstanding as at the close of 2008-09				Debt equity ratio for 2008-09 (Previous year	Manpower (No. of Employees As on 31.03.2009)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	5 (e)	6 (a)	6(b)	6(c)	(7)	(8)
11	Webel Video Devices Limited (subsidiary of WBEIDC Limited)	Information Technology	August 1997	-	-	4.80	4.80	-	-	-	-	-	-
12	Webel Carbon and Metal Film Resistors Limited (subsidiary of WBEIDC Limited)	Information Technology	May 1980	-	-	0.73	0.73	-	-	-	-	-	-
13	Webel Capacitors Limited (subsidiary of WBEIDC Limited)	Information Technology	May 1981	-	-	7.25	7.25	-	-	-	-	-	-
14	Webel Crystals Limited (subsidiary of WBEIDC Limited)	Information Technology	May 1980	-	-	1.69	1.69	-	-	-	-	-	-
15	Webel Power Electronics Limited (subsidiary of WBEIDC Limited)	Information Technology	May 1977	-	-	0.69	0.69	-	-	1.97	1.97	2.86:1	-
16	Webel Toolsind Limited (subsidiary of WBEIDC Limited)	Information Technology	February 1977	-	-	0.34	0.34	-	-	11.24	11.24	33.06:1	-
17	West Bengal Sugar Industries Development Corporation Limited	Commerce and Industries	May 1973	15.17	-	0.07	15.24	46.27	-	-	46.27	3.04:1	-
18	Sundarban Sugarbeet Processing Company Limited	Public Enterprises	May 1986	1.00	-	-	1.00	3.27	-	-	3.27	3.27:1	-
19	The West Bengal Projects Limited (subsidiary of WBSIDC Limited)	Micro & Small Scale Enterprises and Textiles	February 1984	0.77	-	1.12	1.89	0.10	-	0.15	0.25	0.13:1	-
20	The Infusions (India) Limited	Commerce & Industries	December 1976	7.49	-	0.24	7.73	2.14	-	-	2.14	0.28:1	52
	Sector wise total			**44.85**	**-**	**20.24**	**65.09**	**358.55**	**-**	**27.58**	**386.13**	**5.93:1**	**212**

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incor-poration	Paid Up Capital$				Loans** outstanding as at the close of 2008-09				Debt equity ratio for 2008-09 (Previous year	Manpower (No. of Employees As on 31.03.2009)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
(1)	**(2)**	**(3)**	**(4)**	**5 (a)**	**5 (b)**	**5 (c)**	**5 (d)**	**5 (e)**	**6 (a)**	**6(b)**	**6(c)**	**(7)**	**(8)**
	SERVICE												
21	Webel Multimedia Limited (subsidiary of Webel Mediatronics Limited)	Information Technology	August 1998	-	-	82.00	82.00	-	-	-	-	-	-
	Sector wise total			**-**	**-**	**82.00**	**82.00**	**-**	**-**	**-**	**-**	**-**	**-**
	MISCELLANEOUS												
22	Lime Light Industries(Private) Limited (subsidiary of WBSIC Limited)	Micro & Small Scale Enterprises and Textiles	May 1983	-	-	0.06	0.06	-	-	-	-	-	-
	Sector wise total			**-**	**-**	**0.06**	**0.06**	**-**	**-**	**-**	**-**	**-**	**-**
	Total C (All sector wise non working Government companies)			**88.10**	**3.73**	**102.42**	**194.25**	**359.67**	**-**	**27.58**	**387.25**	**1.99:1**	**212**
D.	**Non-working Statutory corporations**												
	SERVICE												
1	Great Eastern Hotel Authority	Tourism	July 1980	-	-	-	-	17.98	-	-	17.98	-	-
	Sector wise total			**-**	**-**	**-**	**-**	**17.98**	**-**	**-**	**17.98**	**-**	**-**
	Total D (All sector wise non working Statutory Corporations)			-	-	-	-	17.98	-	-	17.98	-	-
	Grand total(C+D)			**88.10**	**3.73**	**102.42**	**194.25**	**377.65**	**-**	**27.58**	**405.23**	**2.09:1**	**212**
	Grand total(A+B+C+D)			**9670.64**	**84.73**	**1988.38**	**11743.75**	**9137.35**	**-**	**20089.31**	**29226.66**	**2.49:1**	**72930**

Above includes Section 619-B companies at Sr. No. A-43 & 44.
$ Paid-up capital includes share application money.
** Loans outstanding at the close of 2008-09 represent long-term loans only.
Except in respect of Companies/ Corporations which finalised their accounts for 2008-09 (Serial Nos. A-2, 3, 8, 17, 18, 20, 23, 25, 26, 27, 28, 29, 30, 31, 36, 39, 40, 42, 44, 45, 47, 51, 55, 56,58,60,62 & 63; B-2; C-10 & 20) figures are provisional and as given by the Companies / Corporation.

Annexure 2

(Referred to in paragraphs 1.15 & 1.40)

Summarised financial results of Government companies and Statutory corporations fro the latest year for which accounts were finalised

(Figures in column 5(a) to 6 and (8) to (10) are Rupees in crore)

Sl. No.	Sector & name of the Company	Period of accounts	Year in which finalised	Net Profit(+) / Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+) / Loss (-)	Capital employed@	Return on capital employed$	Percentage return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss&							
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
A.	**Working Government companies**													
	AGRICULTURE AND ALLIED													
1	West Bengal State Seed Corporation Limited	2006-07	2009-10	(+) 5.78	1.87	0.12	(+) 3.79	70.37	-	2.50	(+) 17.04	75.09	5.66	7.54
2	West Bengal Tea Development Corporation Limited	2008-09	2009-10	(-) 5.65	12.41	0.42	(-) 18.48	7.51	-	35.76	(-) 129.58	(-) 10.05	(-) 6.07	-
3	West Bengal Agro Industries Corporation Limited	2008-09	2009-10	(+) 6.52	10.78	0.03	(-) 4.29	148.65	(-) 0.57	8.40	(-) 65.06	(-) 41.45	6.49	-
4	West Bengal State Minor Irrigation Corporation Limited	2007-08	2008-09	(-) 6.75	-	0.06	(-) 6.81	2.17	-	11.65	(-) 40.18	(-) 13.29	(-) 6.81	-
5	West Bengal State Food Processing and Horticulture Development Corporation Limited	2007-08	2009-10	(+) 2.74	0.30	0.02	(+) 2.42	1.29	-	0.97	(-) 0.15	6.83	2.72	39.82
6	West Bengal Dairy and Poultry Development Corporation Limited	2005-06	2009-10	(-) 0.39	0.05	0.27	(-) 0.71	27.33	-	6.15	(-) 3.34	5.66	(-) 0.66	-
7	The State Fisheries Development Corporation Limited	2007-08	2008-09	(+) 3.88	0.09	0.27	(+) 3.52	5.87	-	2.70	(-) 2.79	4.00	3.61	90.25
8	West Bengal Fisheries Corporation Limited	2008-09	2009-10	(+) 0.01	-	0.21	(-) 0.20	1.31	(-) 0.33	2.00	(-) 3.55	(-) 1.73	(-) 0.20	-

Sl. No.	Sector & name of the Company	Period of accounts	Year in which finalised	Net Profit(+) / Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+) / Loss (-)	Capital employed@	Return on capital employed$	Percentage return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss&							
(1)	**(2)**	**(3)**	**(4)**	**5 (a)**	**5 (b)**	**5 (c)**	**5 (d)**	**(6)**	**(7)**	**(8)**	**(9)**	**(10)**	**(11)**	**(12)**
9	The West Bengal Livestock Development Corporation Limited	2005-06	2009-10	(-) 0.07	-	-	(-) 0.07	0.07	-	2.12	(-) 0.21	1.93	(-) 0.07	-
10	West Bengal Forest Development Corporation Limited	2007-08	2008-09	(+) 11.00	0.01	0.81	(+) 10.18	87.27	(-) 7.73	6.23	(+) 32.86	39.41	10.19	25.86
	Sector wise total			(+) **17.07**	**25.51**	**2.21**	**(-) 10.65**	**351.84**	**-**	**78.48**	**-194.96**	**66.40**	**14.86**	**22.38**
	FINANCING													
11	West Bengal Industrial Development Corporation Limited (WBIDC Limited)	2007-08	2009-10	(+) 25.38	20.03	0.70	(+) 4.65	49.78	(-) 0.90	250.60	(+) 15.66	132.17	24.68	18.67
12	West Bengal Infrastructure Development Finance Corporation Limited	2007-08	2009-10	(+) 939.59	935.35	0.30	(+) 3.94	950.09	(-) 1.44	100.30	(+) 520.67	10128.45	939.29	9.27
13	Webel Venture Capital Limited (subsidiary of WBEIDC Limited)	2007-08	2009-10	(+) 0.07	-	-	(+) 0.07	0.11	-	0.05	(+) 0.07	4.10	0.07	1.71
14	West Bengal Handicrafts Development Corporation Limited	2006-07	2008-09	(-) 2.14	0.21	0.06	(-) 2.41	11.16	-	12.90	(-) 17.71	(-) 2.56	(-) 2.20	-
15	West Bengal Women Development Undertaking	2007-08	2008-09	(+) 0.16	-	-	(+) 0.16	-	(-) 0.02	0.10	(+) 0.26	0.36	0.16	44.44
16	West Bengal Film Development Corporation Limited	2007-08	2008-09	(+) 1.49	1.85	0.17	(-)0.53	0.18	-	5.20	(-) 47.32	(-) 26.73	(-) 1.66	-
	Sector wise total			(+) **964.55**	**957.44**	**1.23**	**(+) 5.88**	**1011.32**	**-**	**369.15**	(+) **471.63**	**10235.79**	**960.34**	**9.38**

Sl. No.	Sector & name of the Company	Period of accounts	Year in which finalised	Net Profit(+) / Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+) / Loss (-)	Capital employed@	Return on capital employed$	Percentage return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss&							
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	INFRASTRUCTURE													
17	The West Bengal Small Industries Development Corporation Limited (WBSIDC Limited)	2008-09	2009-10	(+) 8.31	1.22	0.75	(+) 6.34	19.56	(-) 9.84	24.48	(-) 33.39	13.78	7.56	54.86
18	West Bengal Electronics Industry Development Corporation Limited (WBEIDC Limited)	2008-09	2009-10	(+) 8.16	1.10	1.57	(+) 5.49	35.51	-	197.42	(-) 120.31	70.11	6.59	9.40
19	West Bengal Housing Infrastructure Development Corporation Limited (WBHIDCO Limited)	2007-08	2008-09	(+) 104.24	91.58	0.41	(+) 12.25	389.31	-	15.50	(+) 13.13	96.70	103.82	107.36
20	West Bengal State Police Housing Corporation Limited	2008-09	2009-10	Nominal	-	-	Nominal	-	-	0.12	-0.03	0.07	-	-
21	West Bengal Industrial Land Holdings Private Limited (subsidiary of WBIDC Limited)	2006-07	2007-08	-	-	-	-	-	-	0.01	-	0.01	-	-
22	Technology Infrastructure Company Limited (subsidiary of WBEIDC Limited)	2007-08	2009-10	Nominal	-	-	Nominal	-	-	0.05	-	0.01	-	-
23	New Town Telecom Infrastructure Development Corporation Limited (subsidiary of WBHIDCO Limited)	2008-09	2009-10	(+) 0.96	0.29	0.08	(+) 0.59	1.04	-	1.05	0.75	6.36	0.88	13.84

Sl. No.	Sector & name of the Company	Period of accounts	Year in which finalised	Net Profit(+) / Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+) / Loss (-)	Capital employed@	Return on capital employed$	Percentage return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss&							
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
24	Sundarban Infrastructure Development Corporation Limited	2007-08	2008-09	(-) 0.21	-	-	(-) 0.21	0.05	-	1.00	(-) 0.21	7.15	(-) 0.21	-
25	West Bengal Transport Infrastructure Development Corporation Limited	2008-09	2009-10	(+) 2.09	0.12	0.55	(+) 1.42	3.48	(-) 1.63	3.10	(+) 4.32	23.49	1.54	6.56
	Sector wise total			**(+) 123.55**	**94.31**	**3.36**	**(+) 25.88**	**448.95**	**-**	**242.73**	**(-) 135.74**	**217.68**	**120.18**	**55.21**
	MANUFACTURING													
26	Greater Calcutta Gas Supply Corporation Limited	2008-09	2009-10	(+) 2.95	16.45	4.07	(-) 17.57	42.95	(-) 2.09	41.15	(-) 214.77	(-) 36.09	(-) 1.12	-
27	Neo Pipes and Tubes Company Limited	2008-09	2009-10	(-) 0.90	3.89	0.01	(-) 4.80	0.08	-	2.20	(-) 77.83	(-) 47.77	(-) 0.91	-
28	Britannia Engineering Limited	2008-09	2009-10	(+) 3.07	0.31	0.45	(+) 2.31	23.30	-	136.80	(-) 124.87	10.78	2.62	24.30
29	The Shalimar Works(1980) Limited	2008-09	2009-10	(+) 0.19	10.01	0.36	(-) 10.18	12.30	-	1.25	(-) 142.67	(-) 61.13	(-) 0.17	-
30	The Electro Medical and Allied Industries Limited	2008-09	2009-10	(-) 2.31	2.94	1.03	(-) 6.28	7.23	-	16.40	(-) 36.05	3.21	(-) 3.34	-
31	Westinghouse Saxby Farmer Limited	2008-09	2009-10	(+) 1.83	2.06	0.21	(-) 0.44	101.87	(-) 0.05	7.74	(-) 3.62	19.79	1.62	8.19
32	Lily Products Limited	First accounts not yet submitted	-	-	-	-	-	-	-	-	-	-	-	-
33	Webel Consumer Electronics Limited (subsidiary of WBEIDC Limited)	2007-08	2008-09	(-) 3.31	0.20	0.04	(-) 3.55	-	-	8.02	(-) 41.14	(-) 2.99	(-) 3.34	-
34	Webel Electro-Optics Limited (subsidiary of WBEIDC Limited)	First accounts not yet submitted	-	-	-	-	-	-	-	-	-	-	-	-

Sl. No.	Sector & name of the Company	Period of accounts	Year in which finalised	Net Profit(+) / Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+) / Loss (-)	Capital employed@	Return on capital employed$	Percentage return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss&							
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
35	The Kalyani Spinning Mills Limited	2007-08	2009-10	(-) 13.48	30.47	0.39	(-) 44.34	24.44	(-) 1.97	9.73	(-) 357.08	(-) 130.19	(-) 13.87	-
36	Mayurakshi Cotton Mills (1990) Limited	2008-09	2009-10	(-) 1.15	1.83	0.17	(-) 3.15	4.48	-	4.89	(-) 27.73	2.23	(-) 1.32	-
37	The West Dinajpur Spinning Mills Limited	2007-08	2008-09	(-) 5.17	5.12	0.46	(-) 10.75	14.49	(-) 0.15	8.89	(-) 94.89	(-) 45.29	(-) 5.63	-
38	West Bengal Mineral Development and Trading Corporation Limited	2006-07	2008-09	(-) 3.94	5.15	0.05	(-) 9.14	10.16	-	4.43	(-) 89.15	(-) 39.62	(-) 3.99	-
39	Durgapur Chemicals Limited	2008-09	2009-10	(-) 5.46	1.35	1.73	(-) 8.54	42.46	-	402.01	(-)363.22	118.46	(-) 7.19	-
40	West Bengal Pharmaceutical and Phytochemical Development Corporation Limited	2008-09	2009-10	(+) 0.58	0.33	0.11	(+) 0.14	4.95	(-) 1.53	17.90	(-)10.94	9.04	0.47	5.20
41	Eastern Distilleries and Chemicals Limited	2007-08	2008-09	(+) 2.38	0.87	0.23	(+) 1.28	43.36		0.20	(-) 3.03	3.53	2.15	60.91
42	Gluconate Health Limited	2008-09	2009-10	(-) 0.38	1.21	0.56	(-) 2.15	20.46	(-) 6.41	95.57	(-) 95.60	5.97	(-) 0.94	-
43	Haldia Petrochemicals Limited	2003-04	2004-05	(+) 837.13	395.37	307.12	(+) 134.64	4193.39	-	1531.08	(-) 599.56	4568.05	530.01	11.60
44	WEBFIL Limited	2008-09	2009-10	(+) 2.29	1.79	0.32	(+) 0.18	21.51	-	10.58	(-) 8.89	17.12	1.97	11.51
	Sector wise total			**(+) 814.32**	**479.35**	**317.31**	**(+) 17.66**	**4567.43**	**-**	**2298.84**	**(-) 2291.04**	**4395.10**	**497.02**	**11.31**
	POWER													
45	West Bengal State Electricty Distribution Company Limited	2007-08	2008-09	(+) 644.64	354.29	190.09	(+) 100.26	5426.44	(-) 80.51	2223.00	(-) 382.74	6965.76	454.55	6.53
46	West Bengal State Eletricity Transmission Company Limited	2007-08	2008-09	(+) 318.12	155.10	81.70	(+) 81.32	436.71	(-) 21.66	1014.00	(+) 96.58	2993.31	236.42	7.90

Sl. No.	Sector & name of the Company	Period of accounts	Year in which finalised	Net Profit(+) / Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+) / Loss (-)	Capital employed@	Return on capital employed$	Percentage return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss&							
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
47	The Durgapur Projects Limited	2008-09	2009-10	(+) 55.69	115.66	70.51	(-) 130.48	774.24	(-) 79.51	941.50	(-) 396.48	2108.18	(-) 14.82	-
48	The West Bengal Power Development Corporation Limited	2008-09	2009-10	(+) 401.98	161.97	135.78	(+) 104.23	3118.84	-	3322.60	(+) 577.65	9942.82	266.20	2.68
49	West Bengal Rural Energy Development Corporation Limited	2007-08	2008-09	(+) 99.93	54.52	0.03	(+) 45.38	-	(-) 1.03	10.16	(-) 135.54	268.16	99.90	37.25
50	New Town Electric Supply Company Limited(subsidiary of WBHIDCO Limited)	2008-09	2009-10	(+) 0.91	-	0.02	(+) 0.89	1.01	-	6.63	(+) 1.67	8.31	0.89	10.71
51	West Bengal Green Energy Development Corporation Limited	First accounts not yet submitted	-	-	-	-	-	-	-	-	-	-	-	-
	Sector wise total			(+) **1521.27**	**841.54**	**478.13**	(+) **201.60**	**9757.24**	**-**	**7517.89**	**(-) 238.86**	**22286.54**	**1043.14**	**4.68**
	SERVICE													
52	Webel Electronic Communication Systems Limited (subsidiary of WBEIDC Limited)	2008-09	2009-10	(+) 0.23	0.11	0.04	(+) 0.08	2.29	-	0.83	(-) 3.70	2.01	0.19	9.45
53	Webel Mediatronics Limited (subsidiary of WBEIDC Limited)	2007-08	2008-09	(+) 1.30	0.58	0.07	(+) 0.65	35.57	-	4.04	(+) 3.29	13.93	1.23	8.83
54	Webel Informatics Limited (subsidiary of WBEIDC Limited)	2008-09	2009-10	(-) 0.73	-	0.03	(-) 0.76	0.35	-	0.39	(-) 5.70	(-) 1.27	(-) 0.76	-
55	Webel Technology Limited (subsidiary of WBEIDC Limited)	2007-08	2008-09	(+) 1.00	0.15	0.08	(+) 0.77	56.74	-	1.00	(+) 3.19	8.61	0.92	10.69
56	West Bengal Essential Commodities Supply Corporation Limited	2006-07	2009-10	(+) 2.84	23.41	0.08	(-) 20.65	389.11	-	1.08	(+) 3.37	311.20	2.76	0.89

Sl. No.	Sector & name of the Company	Period of accounts	Year in which finalised	Net Profit(+) / Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+) / Loss (-)	Capital employed@	Return on capital employed$	Percentage return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss&							
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
57	West Bengal Tourism Development Corporation Limited	2007-08	2008-09	(+) 2.45	0.03	0.50	(+) 1.92	13.39	(-) 0.80	10.00	(-) 7.70	3.24	1.95	60.19
58	The Calcutta Tramways Company(1978) Limited	2008-09	2009-10	(-) 161.99	26.97	6.29	(-) 195.25	40.15	-	20.40	(-) 795.18	(-) 532.43	(-) 168.28	-
59	West Bengal Surface Transport Corporation Limited	2007-08	2007-08	3.27	0.40	2.03	(+) 0.84	8.16	-	1.01	(-) 81.70	8.42	(-) 5.30	-
	Sector wise total			**(-) 151.63**	**51.65**	**9.12**	**(-) 212.40**	**545.76**	**-**	**38.75**	**(-) 884.13**	**(-) 186.29**	**(-) 167.29**	**0.00**
	MISCELLANEOUS													
60	Silpabarta Printing Press Limited (subsidiary of WBSIC Limited)	2008-09	2009-10	(+) 0.20	0.06	0.05	(+) 0.09	99.10	-	8.94	(+) 0.87	2.02	0.15	7.43
61	Basumati Corporation Limited	2007-08	2008-09	(-) 1.35	5.46	0.03	(-) 6.84	2.91	-	0.10	(-) 79.61	(-) 39.97	(-) 1.38	-
62	Saraswaty Press Limited	2008-09	2009-10	(+) 1.36	0.07	1.25	(+) 0.04	35.78	-	5.50	(+) 5.24	17.70	0.11	0.62
63	West Bengal Text Book Corporation (P) Limited (subsidiary of Saraswati Press Limited)	2008-09	2009-10	(-) 0.01	-	-	(-) 0.01	-	-	0.10	(-) 0.01	0.06	(-) 0.01	-
	Sector wise total			(+) **0.20**	**5.59**	**1.33**	**(-) 6.72**	**137.79**	**-**	**14.64**	**(-) 73.51**	**(-) 20.19**	**(-) 1.13**	**-**
	Total- A (All sector wise Government companies)			(+) **3289.33**	**2455.39**	**812.69**	(+) **21.25**	**16820.33**	**-**	**10560.48**	**(-) 3346.61**	**36995.03**	**2467.12**	**6.67**
B.	**Working Statutory corporations**													
	AGRICULTURE AND ALLIED													
1	West Bengal State Warehousing Corporation	2007-08	2008-09	(-) 6.90	-	0.26	(-) 7.16	5.72	-	7.61	(+) 0.46	0.24	-6.64	-
	Sector wise total			(-) **6.90**	**-**	**0.26**	**(-) 7.16**	**5.72**	**-**	**7.61**	(+) **0.46**	**0.24**	**-6.64**	**-**

Sl. No.	Sector & name of the Company	Period of accounts	Year in which finalised	Net Profit(+) / Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+) / Loss (-)	Capital employed@	Return on capital employed$	Percentage return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss&							
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	FINANCING													
2	West Bengal Financial Corporation	2008-09	2009-10	(+) 40.34	39.06	0.08	(+) 1.20	51.66	-	121.54	(-) 121.93	586.25	32.46	5.54
3	West Bengal Scheduled Castes & Scheduled Tribes Development & Finance Corporation	2006-07	2009-10	(+) 1.53	0.62	0.13	(+) 0.78	13.73	-	147.00	(+) 7.22	189.74	1.40	0.74
4	West Bengal Minorities Development & Finance Corporation	2007-08	2009-10	(+) 4.14	3.35	0.11	(+) 0.68	5.98	-	60.13	(-) 3.61	177.63	3.83	2.16
5	West Bengal Backward classes Development & Finance Corporation	2007-08	2009-10	(+) 0.69	0.78	-	(-) 0.09	1.41	-	8.69	(+) 0.40	32.00	0.68	2.13
	Sector wise total			**(+) 46.70**	**43.81**	**0.32**	**(+) 2.57**	**72.78**	**-**	**337.36**	**(-)117.92**	**985.62**	**38.37**	**3.89**
	INFRASTRUCTURE													
6	West Bengal Industrial Infrastructure Development Corporation	2007-08	2008-09	(+) 9.17	2.86	0.08	(+) 6.23	17.44	-	-	(+) 15.39	66.69	9.09	13.63
	Sector wise total			(+) **9.17**	**2.86**	**0.08**	(+) **6.23**	**17.44**	**-**	**-**	(+) **15.39**	**66.69**	**9.09**	**13.63**
	SERVICE													
7	Calcutta State Transport Corporation	2007-08	2008-09	(-) 15.15	24.63	7.22	(-) 47.00	163.76	-	9.62	(-) 648.85	(-) 342.40	(-) 22.37	-
8	North Bengal State Transport Corporaton	2005-06	2009-10	(+) 1.45	20.09	3.70	(-) 22.34	134.12	-	10.70	(-) 374.29	(-) 180.65	(-) 2.25	-
9	South Bengal State Transport Corporaton	2007-08	2008-09	(-) 4.80	14.82	3.31	(-) 22.93	81.77	-	11.01	(-) 297.82	(-) 162.19	(-) 8.11	-
	Sector wise total			**(-) 18.50**	**59.54**	**14.23**	**(-) 92.27**	**379.65**	**-**	**31.33**	**(-) 1320.96**	**(-) 685.24**	**(-) 32.73**	**-**
	Total - B (All sector-wise Statutory corporations)			**(+) 30.47**	**106.21**	**14.89**	**(-) 90.63**	**475.59**	**-**	**376.30**	**(-) 1423.03**	**367.31**	**8.09**	**2.20**
	Grand Total (A+B)			(+) **3319.80**	**2561.60**	**827.58**	**(-) 69.38**	**17295.92**	**-**	**10936.78**	**(-) 4769.64**	**37362.34**	**2475.21**	**6.62**

Sl. No.	Sector & name of the Company	Period of accounts	Year in which finalised	Net Profit(+) / Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+) / Loss (-)	Capital employed@	Return on capital employed$	Percentage return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss&							
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
C.	**Non-working Government companies**													
	AGRICULTURE AND ALLIED													
1	West Bengal Wasteland Development Corporation Limited	2006-07	2008-09	(+) 0.01	-	-	(+) 0.01	0.02	-	0.34	(+) 0.13	0.13	0.01	7.69
	Sector wise total			(+) **0.01**	-	-	(+) **0.01**	**0.02**	-	**0.34**	(+) **0.13**	**0.13**	**0.01**	**7.69**
	FINANCING													
2	West Bengal Handloom and Powerloom Development Corporation Limited	2006-07	2008-09	(+) 68.03	5.77	0.01	(+) 62.25	0.75	-	46.76	(-) 54.27	(-) 6.80	68.02	-
	Sector wise total			(+) **68.03**	**5.77**	**0.01**	(+) **62.25**	**0.75**	-	**46.76**	**(-) 54.27**	**(-) 6.80**	**68.02**	-
	MANUFACTURING													
3	I.P.P. Limited	2002-03	2003-04	(-) 22.24	0.15	0.22	(-) 22.61	-	-	0.50	(-) 142.72	(-) 120.70	(-) 9.61	-
4	West Bengal Plywood and Allied Products Limited	2007-08	2008-09	(-) 0.07	3.95	-	(-) 4.02	-	-	0.09	(-) 60.66	(-) 34.20	(-) 0.07	-
5	Krishna Silicate & Glass (1987) Limited	2005-06	2008-09	(-) 0.61	6.63	0.04	(-) 7.28	-	-	Nominal	(-) 91.19	(-) 46.30	(-) 0.65	-
6	Pulver Ash Projects Limited (Subsidiary of WBSIC Limited)	2007-08	2008-09	(-) 0.02	-	0.64	(-) 0.66	0.03	-	3.31	(-) 11.29	5.03	(-) 0.66	-
7	West Bengal Ceramic Development Corporation Limited	2006-07	2008-09	(-) 0.27	3.98	0.12	(-) 4.37	-	-	2.93	(-) 64.31	(-) 36.59	(-) 0.39	-
8	The West Bengal State Leather Industries Development Corporation Limited	2005-06	2009-10	(-) 1.28	0.28	0.01	(-) 1.57	2.51	-0.13	3.95	(-) 20.70	(-) 1.77	(-) 1.29	-
9	The Carter Pooler Engineering Company Limited	2007-08	2008-09	(-) 0.08	3.00	0.00	(-) 3.08	-	-	0.95	(-) 49.76	(-) 26.45	(-) 0.08	-

Sl. No.	Sector & name of the Company	Period of accounts	Year in which finalised	Net Profit(+) / Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+) / Loss (-)	Capital employed@	Return on capital employed$	Percentage return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss&							
(1)	**(2)**	**(3)**	**(4)**	**5 (a)**	**5 (b)**	**5 (c)**	**5 (d)**	**(6)**	**(7)**	**(8)**	**(9)**	**(10)**	**(11)**	**(12)**
10	National Iron and Steel Company (1984) Limited	2008-09	2009-10	(-) 1.70	12.02	0.66	(-) 14.38	0.14	-	12.00	(+) 204.37	(-) 45.94	(-) 2.36	-
11	Webel Video Devices Limited (subsidiary of WBEIDC Limited)	2005-06	2006-07	-	-	-	-	-	-	4.80	(-) 4.80	-	-	-
12	Webel Carbon and Metal Film Resistors Limited (subsidiary of WBEIDC Limited)	2005-06	2007-08	-	-	-	-	-	-	0.73	(-) 0.73	-	-	-
13	Webel Capacitors Limited (subsidiary of WBEIDC Limited)	2005-06	2006-07	-	-	-	-	-	-	7.25	(-) 7.25	-	-	-
14	Webel Crystals Limited (subsidiary of WBEIDC Limited)	2005-06	2006-07	-	-	-	-	-	-	1.69	(-) 1.69	-	-	-
15	Webel Power Electronics Limited (subsidiary of WBEIDC Limited)	2007-08	2008-09	-	-	-	-	-	-	0.69	(-) 0.69	-	-	-
16	Webel Toolsind Limited (subsidiary of WBEIDC Limited)	2007-08	2008-09	-	-	-	-	-	-	0.34	(-) 0.34	-	-	-
17	West Bengal Sugar Industries Development Corporation Limited	2007-08	2008-09	(+) 0.34	6.17	0.04	(-) 5.87	0.02	-	15.24	(-) 130.95	(-) 61.99	(-) 0.38	-
18	Sundarban Sugarbeet Processing Company Limited	2001-02	2004-05	(+) 1.75	1.21	0.03	(+) 0.51	-	-	1.00	(-) 4.92	(-) 0.80	(-) 0.24	-
19	The West Bengal Projects Limited (subsidiary of WBSIC Limited)	2007-08	2008-09	(-) 0.45	0.01	0.03	(-) 0.49	0.56	-	1.89	(-) 2.24	0.33	0.47	142.42
20	The Infusions (India) Limited	2008-09	2009-10	(-) 0.86	0.21	0.09	(-) 1.16	-	(-) 0.64	7.73	(-) 9.12	0.79	(-) 0.95	-
	Sector wise total			**(-) 25.49**	**37.61**	**1.88**	**(-) 64.98**	**3.26**	**-**	**65.09**	**(-) 398.99**	**(-) 368.59**	**(-) 16.21**	**0.00**

Sl. No.	Sector & name of the Company	Period of accounts	Year in which finalised	Net Profit(+) / Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+) / Loss (-)	Capital employed@	Return on capital employed$	Percentage return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss&							
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	SERVICE													
21	Webel Multimedia Limited (subsidiary of Webel Mediatronics Limited)	2005-06	2006-07	-	-	-	-	-	-	0.82	(-) 0.82	-	-	-
	Sector wise total			**-**	**-**	**-**	**-**	**-**	**-**	**0.82**	**(-) 0.82**	**-**	**-**	**-**
	MISCELLANEOUS													
22	Lime Light Industries(Private) Limited (subsidiary of WBSIC Limited)	1983-84	1986-87	-	-	-	-	-		0.03	-	0.11	-	-
	Sector wise total			**-**	**-**	**-**	**-**	**-**		**0.03**	**-**	**0.11**	**-**	**-**
	Total C (All sector wise non working Government companies)			(+) **42.55**	**43.38**	**1.89**	**(-) 2.72**	**4.03**		**113.04**	**(-) 453.95**	**(-) 375.15**	**51.82**	**-**
D.	**Non-working Statutory corporations**			-	-	-	-	-	-	-	-	-	-	-
	SERVICE													
1	Great Eastern Hotel Authority	2003-04	2005-06	(-) 1.41	1.71	1.99	(-) 5.11	4.20	-	0.00	(-) 25.10	(-) 11.14	(-) 3.40	-
	Total D (All sector wise non working Statutory Corporations)			**(-) 1.41**	**1.71**	**1.99**	**(-) 5.11**	**4.20**	**-**	**-**	**(-) 25.10**	**(-) 11.14**	**(-) 3.40**	**-**
	Grand total(C+D)			**(+) 41.14**	**45.09**	**3.88**	**(-) 7.83**	**8.23**	**-**	**113.04**	**(-) 479.05**	**(-) 386.29**	**48.42**	**-**
	Grand total(A+B+C+D)			**(+) 3360.94**	**2606.69**	**831.46**	**(-) 77.21**	**17304.15**	**-**	**11049.82**	**(-) 5248.69**	**36976.05**	**2523.63**	**6.83**

Impact of accounts include the net impact of comments of Statutory Auditors and CAG and is denoted by (+) increase in profit /decrease in losses (-) decrease in profit /increase in losses.

@ Capital employed represents net fixed assets (including capital works-in-progress) plus working capital except in case of finance companies /corporations where the capital employed is worked out as a mean of aggregate of the opening and closing balances of paid up capital, free reserves, bonds, deposits and borrowings (including refinance).

$ Return on capital employed has been worked out by adding profit and interest charged to profit and loss account.

& Net Profit / Loss after tax

Annexure-3

(Referred to in paragraphs 1.10)

Statement showing grants and subsidy received/receivable, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March 2009

(Figures in column 3(a) to 6(d) are Rupees in crore)

Sl. No.	Sector & Name of the Company	Equity/loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year@		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
(1)	2	3(a)	3(b)	4(a)	4(b)	4©	4(d)	5(a)	5(b)	6(a)	6(b)	6©	6(d)
A.	**Working Government companies**												
	AGRICULTURE AND ALLIED												
1	West Bengal Tea Development Corporation Limited	2.77	5.74	0.07	-	0.07	0.14	-	-	-	-	-	-
2	West Bengal State Minor Irrigation Corporation Limited	-	-	-	24.59	-	24.59	-	-	-	-	-	-
3	West Bengal Dairy & Poultry Development Corporation Limited	0.95	-	-	2.00	-	2.00	-	-	-	-	-	-
4	The State Fisheries Development Corporation Limited	-	-	-	6.14	-	6.14	-	-	-	-	-	-
5	West Bengal Fisheries Corporation Limited	-	-	-	1.87	-	1.87	-	-	-	-	-	-
6	West Bengal Livestock Development Corporation Limited	-	-	-	0.25	-	0.25	-	-	-	-	-	-
	Sector wise total	**3.72**	**5.74**	**0.07**	**34.85**	**0.07**	**34.99**	**-**	**-**	**-**	**-**	**-**	**-**
	FINANCE												
7	West Bengal Industrial Development Corporation Limited	-	-	-	2.00	-	2.00	-	8.75	-	185.33	0.00	185.33
8	West Bengal Infrastructure Development Finance Corporation Limited	-	-	-	-	-	-	1495.00	17979.02	-	-	-	-
9	Webel Venture Capital Limited	-	-	-	2.00	-	2.00	-	-	-	-	-	-
10	West Bengal Handicrafts Development Corporation Limited	1.50	-	0.01	0.60	-	0.61	-	0.88	-	-	-	-
11	West Bengal Women Development Undertaking	-	-	-	1.09	-	1.09	-	-	-	-	-	-

Sl. No.	Sector & Name of the Company	Equity/loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year@		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
(1)	2	3(a)	3(b)	4(a)	4(b)	4©	4(d)	5(a)	5(b)	6(a)	6(b)	6©	6(d)
12	West Bengal Film Development Corporation Limited	-	1.88	-	-	-	-	-	-	-	-	-	-
	Sector wise total	**1.50**	**1.88**	**0.01**	**5.69**	**0.00**	**5.70**	**1495.00**	**17988.65**	**0.00**	**185.33**	**0.00**	**185.33**
	INFRASTRUCTURE												
13	West Bengal Small Industries Development Corporation Limited	-	-	-	10.01	-	10.01	-	-	-	-	-	-
14	West Bengal Electronics Industry Development Corporation Limited (WBEIDC Limited)	-	2.50	-	-	-	-	-	-	-	-	-	-
15	West Bengal Housing Infrastructure Development Corporation Limited (WBHIDCO Limited)	-	-	-	7.35	-	7.35	-	-	-	-	-	-
16	West Bengal State Police Housing Corporation Limited	-	-	11.28	-	-	11.28	-	-	-	-	-	-
17	Sundarban Infrastructure Development Corporation Limited	-	-	-	1.07	-	1.07	-	-	-	-	-	-
18	West Bengal Transport Infrastructure Development Corporation Limited	-	-	-	-	-	-	-	1.37	-	-	-	-
	Sector wise total	**-**	**2.50**	**11.28**	**18.43**	**-**	**29.71**	**-**	**1.37**	**-**	**-**	**-**	**-**
	MANUFACTURING												
19	Greater Calcutta Gas Supply corporation Limited	-	16.71	-	-	-	-	-	-	-	-	-	-
20	Neo Pipes & Tubes Company Limited	-	0.29	-	-	-	-	-	2.50	-	-	-	-
21	Britannia Engineering Limited	-	1.00	-	-	-	-	-	-	-	126.52	-	126.52
22	The Shalimar Works (1980) Limited	-	2.94	-	-	-	-	-	-	-	-	-	-
23	Westinghouse Saxby Farmer Limited	-	2.20	-	-	-	-	-	-	-	-	-	-
24	Lily Products Limited	-	1.47	-	-	-	-	-	-	-	-	-	-
25	The Electro Medical and Allied Industries Limited	-	6.58	-	0.47	-	0.47	-	-	-	-	-	-
26	The Kalyani Spinning Mills Limited	-	9.98	-	-	-	-	-	0.62	-	-	-	-
27	Mayurakshi Cotton Mills Limited	-	0.16	-	-	-	-	-	-	-	-	-	-

Sl. No.	Sector & Name of the Company	Equity/loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year@		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
(1)	2	3(a)	3(b)	4(a)	4(b)	4©	4(d)	5(a)	5(b)	6(a)	6(b)	6©	6(d)
28	The West Dinajpur Spinning Mills Limited	0.95	6.00	-	-	-	-	-	0.05	-	-	-	-
29	Durgapur Chemicals Limited	12.00	-	-	-	-	-	0.00	-	-	-	-	-
30	West Bengal Pharmaceutical and Phytochemical Development Corporation Limited	0.80	0.30	-	-	-	-	-	-	-	-	-	-
31	Gluconate Health Limited	2.00	0.31	-	-	-	-	-	-	-	-	-	-
	Sector wise total	**15.75**	**47.94**	**-**	**0.47**	**-**	**0.47**	**-**	**3.17**	**-**	**126.52**	**-**	**126.52**
	POWER												
32	West Bengal State Electricity Distribution Company Limited	84.72	75.09	-	-	-	-	41.77	717.32	-	-	-	-
33	West Bengal State Electricity Transmission Company Limited	-	64.58	-	-	-	-	14.47	56.47	-	-	-	-
34	The Durgapur Projects Limited	73.94	2.50	-	-	-	-	57.08	1004.47	-	-	-	-
35	The West Bengal Power Development Corporation Limited	350.00	233.11	-	1.03	-	1.03	-	2916.41	-	-	-	-
	Sector wise total	**508.66**	**375.28**	**-**	**1.03**	**-**	**1.03**	**113.32**	**4694.67**	**-**	**-**	**-**	**-**
	SERVICE												
36	Webel Mediatronics Limited (subsidiary of WBEIDC Limited)	-	-	1.65	0.60	-	2.25	-	8.00	-	-	-	-
37	West Bengal Essential Commodities Supply Corporation Limited	-	-	-	-	-	-	-	156.90	-	-	-	-
38	The Calcutta Tramways Company (1978) Limited	-	11.53	-	94.00	-	94.00	-	1.10	-	-	-	-
39	West Bengal Surface Transport Corporation Limited	-	17.25	-	2.00	-	2.00	0.15	8.03	-	-	-	-
	Sector wise total	**-**	**28.78**	**1.65**	**96.60**	**-**	**98.25**	**0.15**	**174.03**	**-**	**-**	**-**	**-**
	MISCELLANEOUS												
40	Saraswaty Press Limited	-	-	-	-	-	-	-	4.75	-	-	-	-
	Sector wise total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4.75**	**-**	**-**	**-**	**-**
	Total- A	**529.63**	**462.12**	**13.01**	**157.07**	**0.07**	**170.15**	**1608.47**	**22866.64**	**-**	**311.85**	**-**	**311.85**
B.	**Working Statutory corporations**												
	FINANCING												
1	West Bengal Financial Corporation	25.00	-	2.87	3.25	-	6.12	0.30	3.43	-	-	-	-

Sl. No.	Sector & Name of the Company	Equity/loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year[@]		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
(1)	2	3(a)	3(b)	4(a)	4(b)	4©	4(d)	5(a)	5(b)	6(a)	6(b)	6©	6(d)
2	West Bengal Scheduled Castes & Scheduled Tribes Development & Finance Corporation	6.37	-	82.10	4.40	-	86.50	9.02	40.65	-	-	-	-
3	West Bengal Minorities Development and Finance Corporation	29.39	-	1.00	-	-	1.00	32.00	145.82	-	-	-	-
4	West Bengal Backward Classes Development & Finance Corporation	2.20	-	-	0.17	-	0.17	5.00	20.66	-	-	-	-
	Sector wise total	**62.96**	**-**	**85.97**	**7.82**	**-**	**93.79**	**46.32**	**210.56**	**-**	**-**	**-**	**-**
	INFRASTRUCTURE												
5	West Bengal Industrial Infrastructure Development Corporation	-	-	-	3.00	-	3.00	-	-	-	-	-	-
	Sector wise total	**-**	**-**	**-**	**3.00**	**-**	**3.00**	**-**	**-**	**-**	**-**	**-**	**-**
	SERVICE												
6	Calcutta State Transport Corporation	-	12.04	-	126.00	-	126.00	15.40	81.28	-	-	-	-
7	North Bengal State Transport Corporation	-	13.24	-	74.00	-	74.00	-	0.30	-	-	-	-
8	South Bengal State Transport Corporation	-	11.31	-	38.85	-	38.85	-	31.24	-	-	-	-
	Sector wise total	**-**	**36.59**	**0.00**	**238.85**	**0.00**	**238.85**	**15.40**	**112.82**	**-**	**-**	**-**	**-**
	Total – B	**62.96**	**36.59**	**85.97**	**249.67**	**-**	**335.64**	**61.72**	**323.38**	**-**	**-**	**-**	**-**
	Grand Total (A+B)	**592.59**	**498.71**	**98.98**	**406.74**	**0.07**	**505.79**	**1670.19**	**23190.02**	**-**	**311.85**	**-**	**311.85**
C	**Non working Government companies**												-
	MANUFACTURING												-
1	National Iron & Steel Company (1984) Limited	-	1.97	-	-	-	-	-	0.07	-	-	-	-
2	The Infusions (India) Limited	1.10	0.25	-	-	-	-	-	-	-	-	0.00	0.00
	Total –C	**1.10**	**2.22**	**-**	**-**	**-**	**-**	**-**	**0.07**	**-**	**-**	**0.00**	**0.00**
	Grand Total (A+B+C)	**593.69**	**500.93**	**98.98**	**406.74**	**0.07**	**505.79**	**1670.19**	**23190.09**	**-**	**311.85**	**-**	**311.85**

Note: Except in Companies/ Corporations which furnished their accounts for 2008-09, figures are provisional and as given by the Companies/ Corporations.

[@] Figures indicate total guarantees outstanding at the end of the year.

Annexure 4

(Referred to in paragraph 1.42)

Statement showing investments made by State Government in PSUs whose accounts are in arrears

(Rupees in Crore)

Sl. No.	Name of PSU	Year upto which Accounts finalised	Paid up capital as per latest finalised accounts	Investment made by Government during the years for which accounts are in arrears				
				Year	Equity	Loans	Grants & Subsidy	Total
A.	**Working Companies**							
1	W.B. State Minor Irrigation Corporation Limited	2007-08	11.65	2008-09	-	-	24.59	24.59
2	W.B. Dairy and Poultry Development Corporation Limited	2005-06	6.15	2008-09	0.95	-	2.00	2.95
3	The State Fisheries Development Corporation Limited	2007-08	2.70	2008-09	-	-	6.14	6.14
4	West Bengal Livestock Development Corporation Limited	2005-06	2.12	2008-09	-	-	0.25	0.25
5	West Bengal Industrial Development Corporation Limited	2007-08	250.60	2008-09	-	-	2.00	2.00
6	Webel Venture Capital Limited	2007-08	0.05	2008-09	-	-	2.00	2.00
7	W.B. Handicrafts Development Corporation Limited	2006-07	12.90	2007-08	0.90	0.10	0.11	1.11
				2008-09	1.50	-	0.60	2.10
8	West Bengal Women Development Undertaking	2007-08	0.10	2008-09	-	-	1.09	1.09
9	West Bengal Film Development Corporation Limited	2007-08	5.20	2008-09	-	1.88	-	1.88

(Rupees in Crore)

Sl. No.	Name of PSU	Year upto which Accounts finalised	Paid up capital as per latest finalised accounts	Investment made by Government during the years for which accounts are in arrears				
				Year	Equity	Loans	Grants & Subsidy	Total
10	West Bengal Housing Infrastructure Development Corporation Limited	2007-08	15.50	2008-09	-	-	7.35	7.35
11	Sundarban Infrastructure Development Corporation Limited	2007-08	1.00	2008-09	-	-	1.07	1.07
12	Lily Products Limited	First A/cs not yet finalised		2008-09	-	1.47	-	1.47
13	The Kalyani Spinning Mills Limited	2007-08	9.73	2008-09	-	9.98	-	9.98
14	The West Dinajpur Spinning Mills Limited	2007-08	8.89	2008-09	0.95	6.00	-	6.95
15	Webel Mediatronics Limited	2007-08	4.04	2008-09	-	-	0.60	0.60
16	W.B. Surface Transport Corporation Limited	2007-08	1.01	2008-09	-	17.25	2.00	19.25
17	W.B. State Electricity Distribution Company Limited	2007-08	2,223.00	2008-09	84.72	75.09	-	159.81
18	W.B. State Electricity Transmission Company Limited	2007-08	1,014.00	2008-09	-	64.58	-	64.58
	Total-A (Working Companies)				**89.02**	**176.35**	**49.80**	**315.17**
B.	**Working Statutory Corporations**							
1	W.B. Scheduled Castes & Scheduled Tribes Development Finance Corporation	2006-07	147.00	2007-08	1.13	-	4.03	5.16
				2008-09	6.37	-	4.40	10.77

(Rupees in Crore)

Sl. No.	Name of PSU	Year upto which Accounts finalised	Paid up capital as per latest finalised accounts	Investment made by Government during the years for which accounts are in arrears				
				Year	Equity	Loans	Grants & Subsidy	Total
2	W.B. Minorities Development & Finance Corporation	2007-08	60.13	2008-09	29.39	-	-	29.39
3	W.B. Backward Classes Development & Finance Corporation	2007-08	8.69	2008-09	2.20	-	0.17	2.37
4	W.B. Industrial Infrastructure Development Corporation	2007-08	-	2008-09	-	-	3.00	3.00
5	Calcutta State Transport Corporation	2007-08	9.62	2008-09	-	12.04	126.00	138.04
6	North Bengal State Transport Corporation	2005-06	10.70	2006-07	-	-	75.86	75.86
				2007-08	-	12.78	74.65	87.43
				2008-09	-	13.24	74.00	87.24
7	South Bengal State Transport Corporation	2007-08	11.01	2008-09	-	11.31	38.85	50.16
	Total-B				**39.09**	**49.37**	**400.96**	**489.42**
	Grant Total (A + B)				**128.11**	**225.72**	**450.76**	**804.59**

Annexure 5

(Referred to in paragraphs No. 1.15)

Statement showing financial position of statutory corporations

(Amount : Rupees in crore)

1.	**Calcutta State Transport Corporation**			
	Particulars	**2005-06**	**2006-07**	**2007-08**
A.	**Liabilities**			
(i)	Capital (Including capital loan & equity capital)	9.62	9.62	9.62
(ii)	Borrowings (Government)	224.40	229.40	191.62
(iii)	(Others)	32.42	36.85	78.71
(iv)	Funds*	38.09	32.88	39.21
(v)	Trade dues and other current liabilities (including provisions)	400.30	423.13	452.64
	Total-A	**704.83**	**731.88**	**771.80**
B.	**Assets**			
(i)	Gross Block	154.65	158.45	160.52
(ii)	Less : Depreciation	101.93	107.56	111.94
(iii)	Net fixed assets	52.72	50.89	48.58
(iv)	Capital work-in-progress (including cost of chassis)	0.06	-	-
(v)	Investments	22.82	13.67	12.71
(vi)	Current assets, loans and advances	66.63	65.47	61.66
(vii)	Accumulated losses	562.60	601.85	648.85
	Total-B	**704.83**	**731.88**	**771.80**
C.	**Capital employed****	**(-)280.89**	**(-)306.77**	**(-)342.40**

(Amount : Rupees in crore)

2.	**North Bengal State Transport Corporation**			
	Particulars	**2003-04**	**2004-05**	**2005-06**
A.	**Liabilities**			
(i)	Capital (Including capital loan & equity capital)	10.70	10.70	10.70
(ii)	Borrowings (Government)	146.23	150.29	166.70
(iii)	(Others)	8.59	21.23	16.21
(iv)	Funds*	0.44	0.45	0.47
(v)	Trade dues and other current liabilities (including provisions)	210.19	226.54	248.39
	Total-A	**376.15**	**409.21**	**442.47**
B.	**Assets**			
(i)	Gross Block	30.64	36.21	34.87
(ii)	Less :Depreciation	3.13	3.84	3.70
(iii)	Net fixed assets	27.51	32.37	31.17
(iv)	Capital work-in-progress (including cost of chassis)	3.09	4.33	3.12
(v)	Investments	0.07	0.10	0.10
(vi)	Current assets, loans and advances	19.87	20.17	33.45
(vii)	Deferred cost	0.29	0.29	0.34
(viii)	Accumulated losses	325.32	351.95	374.29
	Total-B	**376.15**	**409.21**	**442.47**
C.	**Capital employed****	**(-)159.72**	**-169.67**	**-180.65**

* Excluding depreciation funds.

** Capital employed represents net fixed assets (including work-in-progress) plus working capital

(Amount : Rupees in crore)

3.	**South Bengal State Transport Corporation**			
	Particulars	**2005-06**	**2006-07**	**2007-08**
A.	**A. Liabilities**			
(i)	Capital (Including capital loan & equity capital)	11.01	11.01	11.01
(ii)	Borrowings (Government)	86.53	91.75	100.90
(iii)	(Others)	17.13	16.23	22.68
(iv)	Funds**	0.13	0.18	1.30
(v)	Trade dues and other current liabilities (including provisions)	161.20	183.78	201.30
	Total-A	**276.00**	**302.95**	**337.19**
B	**Assets**			
(i)	Gross Block	47.83	48.74	61.55
(ii)	Less : Depreciation	32.50	35.27	38.58
(iii)	Net fixed assets	15.33	13.46	22.97
(iv)	Capital work-in-progress (including cost of chassis)	0.40	0.40	0.40
(v)	Investments	0.38	0.38	0.38
(vi)	Current assets, loans and advances	9.17	13.82	15.62
(vii)	Accumulated losses	250.72	274.89	297.82
	Total-B	**276.00**	**302.95**	**337.19**
C.	**Capital employed#**	**(-)136.29**	**(-)156.10**	**(-)162.19**

** Excluding depreciation funds.

\# Capital employed represents net fixed assets (including work-in-progress) plus working capital.

(Amount : Rupees in crore)

4.	**West Bengal Financial Corporation**			
	Particulars	**2006-07**	**2007-08**	**2008-09**
A.	**Liabilities**			
(i)	Paid-up capital	84.47	88.47	121.54
(ii)	Share application money	1.50	7.50	-
(iii)	Reserve fund and other reserves and surplus	21.05	21.08	21.37
(iv)	Borrowings:			
(a)	Bonds and debentures	263.08	318.79	343.12
(b)	Fixed Deposits	1.39	-	-
(c)	Industrial Development Bank of India & Small Industries Development Bank of India	130.47	113.63	135.12
(d)	Loan in lieu of share capital: State Government	0.57	0.58	-
(e)	Others (including State Government)	0.55	0.55	0.74
(v)	Other liabilities and provisions	144.92	159.48	162.92
	Total-A	**648.00**	**710.08**	**784.81**
B.	**Assets**			
(i)	Cash and Bank balances	24.32	39.51	50.10
(ii)	Investments	0.26	0.26	0.21
(iii)	Loans and Advances	495.88	531.62	587.81
(iv)	Net fixed assets	0.35	0.33	0.32
(v)	Other assets	21.62	23.03	24.44
(vi)	Miscellaneous expenditure	105.57	115.33	121.93
	Total-B	**648.00**	**710.08**	**784.81**
C.	**Capital employed***	**(+)478.96**	**(+)526.84**	**(+)586.25**

* Capital employed represents the mean of the aggregate of opening and closing balances of paid-up capital, loans in lieu of capital, seed money, debentures, reserves (other than those which have been funded specifically and backed by investments outside), bonds, deposits and borrowings (including refinance).

(Amount : Rupees in crore)

5	West Bengal Industrial Infrastructure Development Corporation			
	Particulars	**2005-06**	**2006-07**	**2007-08**
A	**Liabilities**			
(i)(a)	Loan from Government	96.34	96.34	96.34
(b)	Grant from Government	34.71	36.50	39.50
(ii)	Net balance of deposit for deposit work	10.63	14.38	13.17
(iii)	Receipt against allotment of land	37.59	48.74	75.92
(iv)	Trade dues and current liabilities	26.97	30.21	35.59
(v)	Surplus	8.28	9.16	15.39
	Total	**214.52**	**235.33**	**275.91**
B	**Assets**			
(i)	Gross block	24.69	27.17	27.43
(ii)	Less Depreciation	0.06	0.08	0.08
(iii)	Net fixed assets	24.63	27.09	27.35
(iv)	Capital work-in-progress	60.95	61.44	61.24
(v)	Investment	123.02	136.23	173.63
(vi)	Current Assets, Loans and Advances	5.92	10.57	13.69
	Total	**214.52**	**235.33**	**275.91**
C	**Capital employed****	**64.53**	**68.89**	**66.69**

** Capital employed represents net fixed assets (including work-in-progress) plus working capital.

(Amount : Rupees in crore)

6.	West Bengal Scheduled Castes & Scheduled Tribes Development and Finance Corporation			
	Particulars	**2004-05**	**2005-06**	**2006-07**
A.	**Liabilities**			
(i)	Paid-up capital	135.15	140.40	147.00
(ii)	Reserves and surplus	5.94	6.44	7.22
(iii)	Borrowings:			
(a)	NSFDC	19.04	17.95	21.74
(b)	NSKFC	0.38	0.24	0.25
(c)	Others	15.75	17.95	20.28
(iv)	Current liabilities and provisions			
(a)	Deposit	82.47	70.99	59.20
(b)	Other liabilities and provisions	134.63	130.81	167.68
	Total A	**393.36**	**384.78**	**423.37**
B.	**Assets**			
(i)	Cash and Bank Balances	124.49	84.44	66.85
(ii)	Investments	99.51	122.69	171.17
(iii)	Loans and Advances	165.18	173.00	184.59
(iv)	Net fixed assets	0.71	0.58	0.46
(v)	Other Assets	3.47	4.07	0.30
	Total B	**393.36**	**384.78**	**423.37**
C.	**Capital employed#**	**(+)175.54**	**(+)179.62**	**(+)189.74**

Capital employed represents average of opening and closing liabilities excluding current liabilities and provision.

(Amount : Rupees in crore)

7.	West Bengal Minorities Development & Finance Corporation			
	Particulars	**2005-06**	**2006-07**	**2007-08**
A.	**Liabilities**			
(i)	Paid-up capital	42.53	51.13	60.13
(ii)	Reserves and surplus	0.03	0.05	0.05
(iii)	Borrowings from NMDC	93.56	109.49	134.42
(iv)	Liabilities and provisions	19.24	21.86	36.67
	Total A	**155.36**	**182.53**	**231.27**
B.	**Assets**			
(i)	Current Assets	115.38	124.89	164.19
(ii)	Investment	37.62	53.20	63.15
(iii)	Net fixed assets	0.17	0.34	0.32
(iv)	Accumulated loss	2.19	4.10	3.61
	Total B	**155.36**	**182.53**	**231.27**
	Capital employed$^{\infty}$	**(+)123.76**	**(+)148.40**	**(+)177.63**

$^{\infty}$ Capital employed represents average of opening and closing liabilities excluding current liabilities and provision.

(Amount : Rupees in crore)

8	**West Bengal Backward Classes Development & Finance Corporation**			
	Particulars	**2005-06**	**2006-07**	**2007-08**
A.	**Liabilities**			
(i)	Paid-up capital	6.49	8.69	8.69
(ii)	Reserves and surplus	-	-	-
(iii)	Borrowings	23.37	23.31	23.30
(iv)	Liabilities and provisions	2.12	2.76	3.26
	Total A	**31.98**	**34.76**	**35.25**
B.	**Assets**			
(i)	Cash and Bank balance	4.90	6.14	4.17
(ii)	Loans and Advances	25.06	26.00	28.05
(iii)	Net fixed assets	0.02	0.03	0.02
(iv)	Accumulated Loss	0.26	0.31	0.40
(v)	Other Assets	1.74	2.28	2.61
	Total B	**31.98**	**34.76**	**35.25**
	Capital employed[∞]	**27.90**	**30.93**	**32.00**

[∞] Capital employed represents average of opening and closing liabilities excluding current liabilities and provision.

(Amount : Rupees in crore)

9.	**West Bengal State Warehousing Corporation**			
	Particulars	**2005-06**	**2006-07**	**2007-08**
A.	**Liabilities**			
(i)	Paid up capital	7.61	7.61	7.61
(ii)	Reserve and Surplus	1.51	2.53	2.46
(iii)	Trade dues and current liabilities (including provisions)	7.25	5.67	6.65
	Total	**16.37**	**15.81**	**16.72**
B.	**Assets**			
(i)	Gross block	11.60	11.61	11.61
(ii)	Less Depreciation	7.36	7.65	7.91
(iii)	Net fixed assets	4.24	3.96	3.70
(iv)	Investment	8.12	9.39	9.83
(v)	Current Assets, Loans and Advances	4.01	2.46	3.19
	Total	**16.37**	**15.81**	**16.72**
C	**Capital employed**	**(+)1.00**	**(+)0.75**	**(+)0.24**

Note : Capital employed represents net fixed assets plus working capital.

(Amount : Rupees in crore)

10.	**Great Eastern Hotel Authority**			
	Particulars	**2001-02**	**2002-03**	**2003-04**
A.	**Liabilities**			
(i)	Grants in aid received from Government of West Bengal	4.90	6.60	10.05
(ii)	Loans from Government	13.51	1.43	1.43
(iii)	Other long-term loans from banks	1.84	2.14	2.09
(iv)	Reserves & Surplus	0.08	0.09	0.09
(v)	Current liabilities & provisions	3.21	17.18	18.61
	Total A	**23.54**	**27.44**	**32.27**
B.	**Assets**			
(i)	Gross Block	2.49	2.59	2.59
(ii)	Less : Depreciation	1.87	1.94	1.99
(iii)	Net Fixed Assets	0.62	0.65	0.60
(iv)	Current Assets, Loans & Advances	7.16	6.80	6.57
(v)	Accumulated loss	15.76	19.99	25.10
	Total B	**23.54**	**27.44**	**32.27**
C.	**Capital employed**[Ψ]	**(+)4.57**	**(-)9.73**	**(-)11.14**

[Ψ] Capital employed represents net fixed assets (including work-in-progress) plus working capital.

Annexure 6

(Referred to in paragraph No. 1.15)

Statement showing working results of statutory corporations

(Amount : Rupees in crore)

1.	**Calcutta State Transport Corporation**			
	Particulars	**2005-06**	**2006-07**	**2007-08**
	Operating			
(a)	Revenue	69.12	74.09	161.92
(b)	Expenditure	179.03	190.81	188.51
(c)	Surplus(+)/ Deficit(-)	(-)109.91	(-)116.72	(-)26.59
	Non-operating			
(a)	Revenue	12.49	1.98	1.84
(b)	Expenditure	33.86	24.96	24.98
(c)	Surplus(+)/ Deficit(-)	(-)21.37	(-)22.99	(-)23.14
	Total			
(a)	Revenue	81.61	76.07	163.76
(b)	Expenditure	212.89	215.77	213.49
(c)	Net Profit(+)/ Loss(-)	(-)131.28	(-)139.70	(-)49.73
	Interest on capital and loans	23.81	24.73	24.63
	Total return on Capital employed	(-)107.47	(-)114.81	(-)22.37

(Amount : Rupees in crore)

2.	**North Bengal State Transport Corporation**			
	Particulars	**2003-04**	**2004-05**	**2005-06**
	Operating			
(a)	Revenue	41.73	39.51	44.81
(b)	Expenditure	95.55	106.37	136.35
(c)	Surplus(+)/ Deficit(-)	(-)53.82	(-)66.87	(-)91.54
	Non-operating			
(a)	Revenue	41.48	53.00	89.31
(b)	Expenditure	18.72	18.87	20.11
(c)	Surplus(+)/ Deficit(-)	(+)22.76	(+)34.13	(+)69.20
	Total			
(a)	Revenue	83.21	92.51	134.12
(b)	Expenditure	114.27	125.24	156.46
(c)	Net Profit(+)/ Loss(-)	(-)31.06	(-)32.73	(-)22.34
	Interest on capital and loans	18.71	18.85	20.09
	Total return on Capital employed	(-)12.35	(-)13.88	(-)2.25

Note: Total return on capital employed represents net surplus/ deficit plus total interest charged to profit and loss account (less interest capitalised).

(Amount : Rupees in crore)

3.	South Bengal State Transport Corporation			
	Particulars	**2005-06**	**2006-07**	**2007-08**
	Operating			
(a)	Revenue	42.70	41.89	43.37
(b)	Expenditure	82.90	88.34	86.57
(c)	Surplus(+)/ Deficit(-)	(-)40.20	(-)46.45	(-)43.20
	Non-operating			
(a)	Revenue	33.06	38.69	38.40
(b)	Expenditure	16.64	16.41	18.13
(c)	Surplus(+)/ Deficit(-)	16.43	(+)22.28	(+)20.27
	Total			
(a)	Revenue	75.76	80.58	81.77
(b)	Expenditure	99.54	104.75	104.70
(c)	Net Profit(+)/ Loss(-)	(-)23.78	(-)24.17	(-)22.93
	Interest on capital and loans	13.30	13.63	14.82
	Total return on Capital employed	(-)10.48	(-)10.54	(-)08.11

(Amount : Rupees in crore)

4.	West Bengal Financial Corporation			
	Particulars	**2006-07**	**2007-08**	**2008-09**
1.	Income			
(a)	Interest on loans	37.14	46.99	51.66
(b)	Other income	2.93	6.28	2.64
	Total-1	**40.07**	**53.27**	**54.30**
2.	Expenses			
(a)	Interest on long-term and short-term loans	31.10	41.04	39.06
(b)	Other expenses	7.94	9.29	13.47
	Total-2	**39.04**	**50.33**	**52.53**
3.	Profit before tax (1-2)	(+)1.03	(+)2.94	(+)1.77
4.	Prior period adjustments	0.03	-	0.03
5.	Provision for tax	0.32	0.08	0.53
6.	Profit(+)/ Loss(-) after tax	(+)0.68	(+)2.86	(+) 1.21
7.	Provision for non-performing assets	18.81	12.77	7.52
8.	Other appropriations	0.86	(-)0.15	0.29
9.	Amount available for dividend#	Nil	Nil	-
10.	Dividend paid/ payable	0.20	Nil	-
11.	Total return on Capital employed	31.10	41.04	32.46
12.	Percentage of return on Capital employed	6.49	7.79	5.53

Note: Total return on capital employed represents net surplus/ deficit plus total interest charged to profit and loss account (less interest capitalised).

\# Represents profit of the current year available for dividend after considering the specific reserves and provision for taxation.

(Amount : Rupees in crore)

5.	West Bengal Industrial Infrastructure Development Corporation			
	Particulars	**2005-06**	**2006-07**	**2007-08**
1	**Income**			
(a)	Annual rent of land & building	0.38	0.31	0.31
(b)	Recoveries of overheads on development work	0.49	1.70	4.01
(c)	Interest from Bank	4.21	5.59	7.85
(d)	Interest from HPL	-	-	-
(e)	Interest from entrepreneurs	-	-	-
(f)	Water supply and Electricity Supply charges	1.31	1.54	2.04
(g)	Miscellaneous income	1.77	1.54	3.23
	Total-1	**8.16**	**10.68**	**17.44**
2.	**Expenses**			
(a)	Administrative expenses	4.76	5.65	6.79
(b)	Interest on loans	1.90	2.86	2.86
(c)	Depreciation & other expenses	0.64	1.29	1.56
	Total-2	**7.30**	**9.80**	**11.21**
3	Profit (+)/ Loss (-)before tax	(+)0.87	(+)0.88	(+)6.23
4	Provision for tax	-	-	-
5	Profit (+)/ Loss (-)after tax	(+)0.87	(+)0.88	(+)6.23
6	Total return on capital employed	(+)2.77	(+)3.74	9.09
7	Percentage of total return on capital employed	4.29	5.43	13.63

(Amount : Rupees in crore)

6.	West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation			
	Particulars	**2004-05**	**2005-06**	**2006-07**
1.	**Income**			
(a)	Interest on loan	0.41	0.66	0.63
(b)	Interest on fixed deposit	5.20	8.00	9.29
(c)	Other income	3.53	3.49	3.81
	Total-1	**9.14**	**12.15**	**13.73**
2.	**Expenses**			
(a)	(a) Interest	0.78	0.77	0.62
(b)	(b) Provision for other non performing assets	2.05	5.05	6.05
(c)	(c) Other expenses	6.01	5.80	6.28
	Total-2	**8.84**	**11.62**	**12.95**
3.	Profit (+)/ Loss (-)before tax	(+)0.30	(+)0.53	(+)0.78
4.	Provision for tax	-	-	-
5.	Prior period adjustment	-	-	-
6.	Other appropriations	-	-	-
7.	Amount available for dividend	-	-	-
8.	Dividend for the year	-	-	-
9.	Total return on capital employed	(+)1.09	(+)1.30	(+)1.40
10.	Percentage of total return on capital employed	0.62	0.72	0.74

(Amount : Rupees in crore)

7.	West Bengal Minorities Development & Finance Corporation			
	Particulars	**2005-06**	**2006-07**	**2007-08**
1	Income			
(a)	Interest on loan	3.98	4.10	5.98
(b)	Other income	2.46	2.36	4.14
	Total-1	**6.44**	**6.46**	**10.12**
2.	Expenses			
(a)	Interest on loans	2.55	2.82	3.35
(b)	Other expenses	6.48	5.98	6.09
	Total-2	**9.03**	**8.80**	**9.44**
3.	Surplus (+)/Deficit (-)	(-)2.59	(-)2.34	(+)0.68
4.	Prior period adjustment	0.05	0.43	0.20
5.	Total return on Capital employed	(+)0.01	(+)0.91	(+)3.83
6.	Percentage of return on capital employed	0.10	0.61	2.16

Note: Total return on capital employed represents net surplus/ deficit plus total interest charged to profit and loss account (less interest capitalised).

(Amount : Rupees in crore

8.	West Bengal Backward Classes Development & Finance Corporation			
	Particulars	**2005-06**	**2006-07**	**2007-08**
1	Income			
(a)	Interest on loan	1.14	0.94	0.89
(b)	Other income	0.40	0.54	0.52
	Total-1	**1.54**	**1.48**	**1.41**
2.	Expenses			
(a)	Interest on loans	0.72	0.66	0.78
(b)	Other expenses	1.16	0.87	0.72
	Total-2	**1.88**	**1.53**	**1.50**
3.	Surplus (+)/Deficit (-)	(-)0.34	(-)0.05	(-)0.09
4.	Total return on Capital employed	(-)0.37	(-)0.61	(+)0.68
5.	Percentage of return on capital employed	-	-	2.13

(Amount : Rupees in crore)

9.	West Bengal State Warehousing Corporation			
	Particulars	**2005-06**	**2006-07**	**2007-08**
1.	**Income**			
(a)	Warehousing charges	5.27	5.02	5.72
(b)	Other income	0.59	0.82	0.84
	Total	**5.86**	**5.84**	**6.56**
2.	**Expenses**			
(a)	Establishment charges	3.48	3.37	3.77
(b)	Other expenses	2.82	2.79	2.89
	Total	**6.30**	**6.17**	**6.66**
3.	Profit (+)/ Loss (-)before tax	(-)0.44	(-)0.33	(-)0.10
4.	Provision for tax	-	0.15	0.01
5.	Prior period adjustment	-	(-)1.51	(-)0.04
6.	Other appropriations	0.14	0.14	0.12
7.	Amount available for dividend	-	-	-
8.	Dividend for the year	-	-	-
9.	Total return on capital employed	(-)0.44	(-)1.04	(-)6.64
10.	Percentage of total return on capital employed	-	-	-

(Amount : Rupees in crore)

10.	Great Eastern Hotel Authority			
	Particulars	**2001-02**	**2002-03**	**2003-04**
1.	**Income**			
(a)	Guest accommodation, Restaurants, Bar etc.	6.65	5.02	4.20
(b)	Other income	0.37	0.57	0.54
	Total 1	**7.02**	**5.59**	**4.74**
2.	**Expenses**			
(a)	Consumption of raw materials, provisions, stores, wines etc.	1.40	1.16	1.02
(b)	Employees' remuneration & welfare expenses	5.13	4.83	5.12
(c)	Interest	1.41	1.58	1.71
(d)	Depreciation	0.07	0.06	0.06
(e)	Other expenses	2.37	2.18	2.04
	Total-2	**10.38**	**9.81**	**9.95**
3.	Profit (+)/ Loss (-) before prior period adjustments	(-)3.36	(-)4.23	(-)5.21
4	Prior period adjustment	-	-	(+)0.11
4.	Net Profit (+)/Net Loss (-)	(-)3.36	(-)4.23	(-)5.10
5.	Total return on Capital employed	(-)1.95	(-)2.65	(-)3.40

Note: Total return on capital employed represents net surplus/ deficit plus total interest charged to profit and loss account (less interest capitalised).

Annexure 7

(Referred to in paragraph 2.17)

Statement showing proportionate cost of different major items that remained un-recovered from the allottees in Action Area – I of NTP

Sl. No.	Expenditure head	Estimated total project cost of NTP (AA-I, II, III & CBD) (March 2008)	Proportionate of project cost should have been considered for AA-I in January 2004	Actual Project cost considered for AA-I in January 2004	Under provision in project cost estimates	Remarks
		(Rs in crore)				
1	Roads, bridges and flyovers	1367.81	233.50	72.76	160.74	i) To arrive at the head-wise cost of AA-I (January 04), total estimated cost of the head for NTP (March 08) has been apportioned on the basis of saleable area and thereafter, the cost has been discounted @ 10 % per year to arrived at the cost on the head in January 2004 ii) Financial viability report of AA-I (January 04) did not consider detailed cost elements for the project as a whole. iii) As against total of roads (906.10 lane km), 13 bridges and 15 flyovers, the financial viability report (January 04) considered only 153.48 km road, three bridges and one fly over. Other provisions were made on lump sum basis.
2	Public health services: Water supply, drainage, sewerage and solid waste management	1817.42	310.26	194.26	116.00	
3	Canal development works and outfall system	223.23	38.11	13.63	24.48	
4	Electrical infrastructure	320.00	54.63	8.65	45.98	
5	Telecom infrastructure	10.00	1.71	Nil	1.71	
6	Other miscellaneous work (parks, gardens, M&R works and contingencies)	417.76	71.31	39.09	32.22	
	Total	**4156.22**	**709.52**	**328.39**	**381.13**	

Annexure 8

(Referred to in paragraph 3.1.2)

Statement showing STU-wise details of divisional offices, central workshops, divisional workshops and depots

1.	**Divisional Offices**				
	SBSTC	Durgapur & Belghoria			
	NBSTC	Coochbehar, Siliguri, Raigunj & Berhampur			
2.	**Central Workshops**				
	CSTC	Belghoria			
	SBSTC	Durgapur			
	NBSTC	Coochbehar			
3.	**Divisional Workshops**				
	SBSTC	Belghoria			
	NBSTC	Siliguri, Raigunj & Berhampur			
4.	**Depots**				
	CSTC	**SBSTC**	**NBSTC**	**CTC**	**WBSTC**
(i)	Belghoria	Durgapur	Coochbehar	Tollygunge	Saltlake
(ii)	Garia	Burdwan	Mathabhanga	Belgachia	
(iii)	Howrah	Asansol	Alipurduar	Ghashbagan	
(iv)	Kasba	Bankura	Jorai	Khiddirpore	
(v)	Lake	Purulia	Dinhata	Rajabazar	
(vi)	Maniktala	Katwa	Siliguri		
(vii)	Nilgunge	Arambag	Jalpaiguri		
(viii)	Paikpara	Belghoria	Mainaguri		
(ix)	Saltlake	Howrah	Darjeeling		
(x)	Taratala	Habra	Kalimpong		
(xi)	Thakurpukur	Digha	Raigunj		
(xii)		Midnapur	Balurghat		
(xiii)		Haldia	Malda		
(xiv)		Barasat	Chanchal		
(xv)			Islampur		
(xvi)			Berhampur		
(xvii)			Suri		
(xviii)			Farakka		
(xix)			Ranaghat		
(xx)			Krishnanagar		
(xxi)			Ultadanga		

Annexure 9

(Referred to in paragraph 3.5.1)

Statement showing summarised financial position of five STUs from 2004-05 to 2007-08

Particulars	2004-05	2005-06	2006-07	2007-08
	(Rupees in crore)			
Liabilities				
Share Capital				
CSTC	9.62	9.62	9.62	9.62
SBSTC	11.01	11.01	11.01	11.01
NBSTC	10.70	10.70	10.70	N.A.
CTC	20.40	20.40	20.40	20.40
WBSTC	0.01	0.01	0.01	1.01
Total	**51.74**	**51.74**	**51.74**	**42.04**
Reserves & Surplus				
CSTC	126.20	140.02	140.44	151.16
SBSTC	0.78	0.86	1.10	1.43
NBSTC	0.46	0.47	0.47	N.A.
CTC	31.10	33.10	33.10	34.10
WBSTC	34.62	40.72	42.19	41.33
Total	**193.16**	**215.17**	**217.30**	**228.02**
Secured Loan				
CSTC	19.63	27.08	31.52	24.74
SBSTC	0.00	0.00	0.00	0.00
NBSTC	8.65	7.84	6.03	N.A.
CTC	5.52	3.95	9.87	10.23
WBSTC	0.54	0.43	0.88	0.64
Total	**34.34**	**39.30**	**48.30**	**35.61**
Unsecured Loan				
CSTC	227.39	229.73	234.74	245.59
SBSTC	101.75	103.67	107.98	123.58
NBSTC	329.09	360.55	410.65	N.A.
CTC	350.70	364.39	397.54	426.83
WBSTC	29.89	34.55	38.58	68.45
Total	**1,038.82**	**1,092.89**	**1,189.49**	**864.45**
Current Liabilities				
CSTC	364.60	400.30	423.13	452.64
SBSTC	140.17	161.20	183.58	201.17
NBSTC	60.32	62.91	77.48	N.A.
CTC	135.87	163.92	177.23	189.89
WBSTC	12.94	13.94	15.21	9.25
Total	**713.90**	**802.27**	**876.63**	**852.95**
Total –Liabilities	**2,031.96**	**2,201.37**	**2,383.46**	**2,023.07**
Assets				
Fixed Assets				
Gross Block				
CSTC	156.09	156.21	163.14	167.57
SBSTC	47.71	47.83	48.74	61.55
NBSTC	36.21	34.88	52.71	N.A.
CTC	178.92	172.61	179.44	177.96
WBSTC	32.24	31.25	34.32	40.23
Total	**451.17**	**442.78**	**478.35**	**447.31**

Statement showing summarised financial position of five STUs from 2004-05 to 2007-08 (Continued)

Particulars	2004-05	2005-06	2006-07	2007-08
	(Rupees in crore)			
Accumulated Depreciation				
CSTC	6.56	6.72	7.36	7.22
SBSTC	28.43	31.77	34.55	38.58
NBSTC	3.84	3.70	4.16	N.A.
CTC	143.27	145.84	148.94	149.77
WBSTC	22.92	23.17	23.28	24.95
Total	**205.02**	**211.20**	**218.29**	**220.52**
Net Block				
CSTC	149.53	149.49	155.78	160.35
SBSTC	19.28	16.06	14.19	22.97
NBSTC	32.37	31.18	48.55	N.A.
CTC	35.65	26.77	30.50	28.19
WBSTC	9.32	8.08	11.04	15.28
Total	**246.15**	**231.58**	**260.06**	**226.79**
Capital Work in Progress				
CSTC	2.33	5.16	2.67	0.17
SBSTC	0.40	0.40	0.40	0.40
NBSTC	4.33	3.12	3.12	N.A.
CTC	0.79	0.07	0.00	0.97
WBSTC	2.16	3.63	4.25	8.42
Total	**10.01**	**12.38**	**10.44**	**9.96**
Investments				
CSTC	13.11	22.82	13.67	12.71
SBSTC	0.38	0.38	0.38	0.38
NBSTC	0.10	0.10	0.10	N.A.
CTC	0.00	0.00	0.00	0.00
WBSTC	0.00	0.00	0.00	0.00
Total	**13.59**	**23.30**	**14.15**	**13.09**
Current Assets, Loans & Advances				
CSTC	53.35	66.69	65.47	61.66
SBSTC	6.72	9.18	13.82	15.62
NBSTC	20.47	32.97	54.25	N.A.
CTC	17.64	20.50	42.49	44.93
WBSTC	3.93	9.84	5.59	15.29
Total	**102.11**	**139.18**	**181.62**	**137.50**
Accumulated Loss				
CSTC	529.13	562.60	601.85	648.85
SBSTC	226.94	250.72	274.89	297.82
NBSTC	351.95	375.12	399.31	N.A.
CTC	489.50	538.42	565.15	607.36
WBSTC	62.59	68.09	75.99	81.70
Total	**1,660.10**	**1,794.93**	**1,917.19**	**1,635.73**
Total-Assets	**2,031.96**	**2,201.37**	**2,383.46**	**2,023.07**

Annexure 10

(Referred to in paragraph 3.5.2)

Statement showing consolidated working results of STUs

Sl. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
		(Rupees in crore)				
1.	**Total Revenue**					
	CSTC	151.28	188.18	176.35	163.77	167.47
	SBSTC	60.98	75.76	80.58	81.77	91.99
	NBSTC	92.51	134.12	128.65	136.85	137.27
	CTC	22.80	25.99	29.84	32.45	25.96
	WBSTC	3.47	3.82	3.74	7.97	10.38
	Total	**331.04**	**427.88**	**419.16**	**422.81**	**433.07**
2.	**Operating Revenue**					
	CSTC	63.53	69.12	74.09	72.14	70.69
	SBSTC	36.89	42.70	41.89	43.37	51.16
	NBSTC	39.51	44.81	49.31	58.30	61.90
	CTC	22.18	25.65	29.32	31.18	25.01
	WBSTC	2.67	2.29	2.31	4.36	6.73
	Total	**164.78**	**184.57**	**196.92**	**209.35**	**215.49**
3.	**Total Expenditure**					
	CSTC	194.52	219.68	215.77	213.50	210.27
	SBSTC	85.78	99.54	104.75	104.70	115.67
	NBSTC	123.74	155.33	149.59	159.64	158.92
	CTC	31.20	36.02	40.58	45.81	37.58
	WBSTC	7.97	8.27	8.49	12.13	12.91
	Total	**443.21**	**518.85**	**519.18**	**535.78**	**535.36**
4.	**Operating Expenditure**					
	CSTC	127.14	151.28	153.46	154.97	155.36
	SBSTC	32.34	37.28	39.27	40.10	37.06
	NBSTC	34.44	40.65	39.80	47.91	51.80
	CTC	17.34	20.92	22.75	24.35	20.12
	WBSTC	2.07	2.30	2.13	3.54	5.59
	Total	**213.33**	**252.43**	**257.41**	**270.86**	**269.92**
5.	**Operating Profit/ Loss**					
	CSTC	(-) 63.61	(-) 82.16	(-)79.37	(-)82.83	(-)84.67
	SBSTC	4.55	5.42	2.63	3.27	14.10
	NBSTC	5.07	4.16	9.51	10.39	10.10
	CTC	4.84	4.73	6.57	6.83	4.89
	WBSTC	0.60	(-) 0.01	0.17	0.83	1.15
	Total	**(-) 48.55**	**(-) 67.86**	**(-) 60.49**	**(-) 61.51**	**(-) 54.43**
6.	**Profit/ Loss for the year**					
	CSTC	(-) 43.24	(-) 31.50	(-) 39.42	(-) 49.73	(-) 42.80
	SBSTC	(-) 24.80	(-) 23.78	(-) 24.17	(-) 22.93	(-) 23.68
	NBSTC	(-) 31.23	(-) 21.21	(-) 20.94	(-) 22.79	(-) 21.65
	CTC	(-) 8.40	(-) 10.03	(-) 10.74	(-) 13.36	(-) 11.62
	WBSTC	(-) 4.50	(-) 4.45	(-) 4.75	(-) 4.16	(-) 2.54
	Total	**(-) 112.17**	**(-) 90.97**	**(-) 100.02**	**(-) 112.97**	**(-) 102.29**

Statement showing consolidated working results of STUs (Continued)

Sl. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
		(Rupees in crore)				
7.	**Accumulated Profit (+)/ Loss (-)**					
	CSTC	(-) 529.13	(-) 562.60	(-) 601.85	(-) 648.85	NA
	SBSTC	(-) 226.94	(-) 250.72	(-) 274.89	(-) 297.82	NA
	NBSTC	(-) 351.95	(-) 375.12	(-) 399.31	NA	NA
	CTC	(-) 489.50	(-) 538.42	(-) 565.15	(-) 607.36	NA
	WBSTC	(-) 62.58	(-) 68.07	(-) 76.00	(-) 81.70	NA
	Total	**(-)1,660.10**	**(-)1,794.93**	**(-)1,917.20**	**(-)1,635.73**	**NA**
8.	**Fixed Costs**					
	(i) Personnel Cost					
	CSTC	77.91	95.60	96.15	99.35	100.44
	SBSTC	34.46	42.06	45.73	41.79	47.13
	NBSTC	58.46	64.09	69.36	91.34	84.50
	CTC	10.90	12.06	13.55	16.41	13.25
	WBSTC	3.40	3.58	4.01	4.61	5.12
	Total	**185.13**	**217.39**	**228.80**	**253.50**	**250.44**
	(ii) Depreciation					
	CSTC	6.65	6.79	7.36	7.22	7.94
	SBSTC	2.97	3.34	2.78	3.31	3.78
	NBSTC	3.84	3.70	4.16	5.80	5.80
	CTC	1.85	2.11	3.11	3.50	3.00
	WBSTC	0.43	0.63	0.33	1.32	1.32
	Total	**15.74**	**16.57**	**17.74**	**21.15**	**21.84**
	(iii) Interest					
	CSTC	23.34	23.81	24.73	24.63	26.54
	SBSTC	12.64	13.30	13.63	14.82	17.42
	NBSTC	18.85	20.09	21.64	11.93	12.32
	CTC	0.52	0.50	0.64	0.84	0.70
	WBSTC	1.40	1.27	1.39	2.41	0.80
	Total	**56.75**	**58.97**	**62.03**	**54.63**	**57.78**
	(iv) Other Fixed Costs					
	CSTC	37.39	37.80	30.22	26.68	20.43
	SBSTC	3.37	3.56	3.35	4.69	10.29
	NBSTC	8.15	26.80	14.63	2.66	4.50
	CTC	0.59	0.43	0.53	0.71	0.51
	WBSTC	0.68	0.50	0.64	0.24	0.09
	Total	**50.18**	**69.09**	**49.37**	**34.98**	**35.82**
	Total Fixed Costs					
	CSTC	145.29	164.00	158.46	157.88	155.35
	SBSTC	53.44	62.26	65.49	64.61	78.62
	NBSTC	89.30	114.68	109.79	111.73	107.12
	CTC	13.86	15.10	17.83	21.46	17.46
	WBSTC	5.91	5.98	6.37	8.60	7.33
	Total	**307.80**	**362.02**	**357.94**	**364.26**	**365.88**

Statement showing consolidated working results of STUs (Continued)

Sl. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
		(Rupees in crore)				
9.	**Variable Costs**					
	(i) Fuel & Lubricants					
	CSTC	42.34	47.58	50.91	47.51	46.14
	SBSTC	25.38	30.85	31.74	32.12	33.90
	NBSTC	28.94	33.08	30.92	42.18	42.30
	CTC	13.46	16.41	18.33	18.88	15.98
	WBSTC	1.96	2.19	2.07	3.43	5.39
	Total	**112.08**	**130.11**	**133.97**	**144.12**	**143.71**
	(ii) Tyres & Tubes					
	CSTC	2.69	2.21	2.98	2.04	2.85
	SBSTC	1.52	1.70	1.89	1.92	1.98
	NBSTC	1.57	1.99	3.02	2.75	4.25
	CTC	0.43	0.65	0.64	0.90	0.60
	WBSTC	0.08	0.07	0.08	0.09	0.13
	Total	**6.29**	**6.62**	**8.61**	**7.70**	**9.81**
	(iii) Other Items/ spares					
	CSTC	3.83	5.50	2.94	5.61	5.93
	SBSTC	5.12	4.38	5.22	5.43	0.00
	NBSTC	3.83	5.53	5.82	2.98	5.25
	CTC	2.19	2.52	2.28	2.88	2.24
	WBSTC	0.02	0.04	-0.02	0.01	0.00
	Total	**14.99**	**17.97**	**16.24**	**16.91**	**13.42**
	(iv) Taxes (MV Tax, Passenger Tax, etc.)					
	CSTC	0.37	0.39	0.48	0.46	0.00
	SBSTC	0.33	0.35	0.41	0.63	1.17
	NBSTC	0.10	0.05	0.04	0.00	0.00
	CTC	1.25	1.34	1.50	1.69	1.30
	WBSTC	0.00	0.00	0.00	0.00	0.07
	Total	**2.05**	**2.13**	**2.43**	**2.78**	**2.54**
	Total Variable Costs					
	CSTC	49.23	55.68	57.31	55.62	54.92
	SBSTC	32.34	37.28	39.27	40.10	37.06
	NBSTC	34.44	40.65	39.80	47.91	51.80
	CTC	17.34	20.92	22.75	24.35	20.12
	WBSTC	2.06	2.30	2.12	3.53	5.58
	Total	**135.41**	**156.83**	**161.25**	**171.51**	**169.48**
10.	**Effective Kms operated (in crore)**					
	CSTC	5.60	5.18	5.08	4.83	4.38
	SBSTC	3.62	3.77	3.55	3.47	3.68
	NBSTC	3.76	3.78	3.75	4.61	4.43
	CTC	1.60	1.77	1.86	1.98	1.51
	WBSTC	0.21	0.17	0.16	0.38	0.43
	Total	**14.79**	**14.67**	**14.40**	**15.27**	**14.43**

Statement showing consolidated working results of STUs (Continued)

Sl. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
		(Rupees in crore)				
11.	**Earnings per Km (Rs.) (1/10)**					
	CSTC	27.01	36.33	34.71	33.91	38.24
	SBSTC	16.85	20.10	22.70	23.56	25.00
	NBSTC	24.60	35.48	34.31	29.69	30.99
	CTC	14.25	14.68	16.04	16.39	17.19
	WBSTC	16.52	22.47	23.38	20.97	24.14
	Total	**22.38**	**29.17**	**29.11**	**27.69**	**30.01**
12.	**Fixed Cost per Km (Rs.) (8/10)**					
	CSTC	25.94	31.66	31.19	32.69	35.47
	SBSTC	14.76	16.51	18.45	18.62	21.36
	NBSTC	23.75	30.34	29.28	24.24	24.18
	CTC	8.66	8.53	9.59	10.84	11.56
	WBSTC	28.14	35.18	39.81	22.63	17.05
	Total	**20.81**	**24.68**	**24.86**	**23.85**	**25.36**
13.	**Variable Cost per Km (Rs.) (9/10)**					
	CSTC	8.79	10.75	11.28	11.52	12.54
	SBSTC	8.93	9.89	11.06	11.56	10.07
	NBSTC	9.16	10.75	10.61	10.39	11.69
	CTC	10.84	11.82	12.23	12.30	13.32
	WBSTC	9.81	13.53	13.25	9.29	12.98
	Total	**9.16**	**10.69**	**11.20**	**11.23**	**11.74**
14.	**Cost per Km (Rs.) (12+13)**					
	CSTC	34.73	42.41	42.47	44.21	48.01
	SBSTC	23.69	26.40	29.51	30.18	31.43
	NBSTC	32.91	41.09	39.89	34.63	35.87
	CTC	19.50	20.35	21.82	23.14	24.88
	WBSTC	37.95	48.71	53.06	31.92	30.03
	Total	**29.97**	**35.37**	**36.06**	**35.08**	**37.10**
15.	**Net Earnings per Km (Rs.) (11-14)**					
	CSTC	(-) 7.72	(-) 6.08	(-) 7.76	(-) 10.30	(-) 9.77
	SBSTC	(-) 6.84	(-) 6.30	(-) 6.81	(-) 6.62	(-) 6.43
	NBSTC	(-) 8.31	(-) 5.61	(-) 5.58	(-) 4.94	(-) 4.88
	CTC	(-) 5.25	(-) 5.67	(-) 5.78	(-) 6.75	(-) 7.69
	WBSTC	(-) 21.43	(-) 26.24	(-) 29.68	(-) 10.95	(-) 5.89
	Total	**(-) 7.59**	**(-) 6.20**	**(-) 6.95**	**(-) 7.39**	**(-) 7.09**
16.	**Traffic Revenue**					
	CSTC	63.53	69.12	74.09	72.14	70.69
	SBSTC	36.89	42.70	41.89	43.37	51.16
	NBSTC	39.51	44.81	49.31	58.30	61.90
	CTC	22.18	25.65	29.32	31.18	25.01
	WBSTC	2.67	2.29	2.31	4.36	6.73
	Total	**164.78**	**184.57**	**196.92**	**209.35**	**215.49**
17.	**Traffic Revenue per Km (Rs) (16/10)**					
	CSTC	11.34	13.34	14.58	14.94	16.14
	SBSTC	10.19	11.33	11.80	12.50	13.90
	NBSTC	10.51	11.85	13.15	12.65	13.97
	CTC	13.86	14.49	15.76	15.75	16.67
	WBSTC	12.71	13.47	14.44	11.78	14.96
	Total	**11.14**	**12.58**	**13.68**	**13.71**	**14.93**

Sl. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
		(Rupees in crore)				
18	**Contribution *per* Km (Rs.) (17-13)**					
	CSTC	2.55	2.59	3.30	3.42	3.60
	SBSTC	1.26	1.44	0.74	0.94	3.83
	NBSTC	1.35	1.10	2.54	2.26	2.28
	CTC	3.02	2.67	3.53	3.45	3.35
	WBSTC	2.90	(-) 0.06	1.19	2.49	1.98
	Overall	**1.98**	**1.89**	**2.48**	**2.48**	**3.19**
19	**Operating Loss *per* Km (Rs.) (5 / 10)**					
	CSTC	(-) 11.36	(-) 15.86	(-) 15.62	(-) 17.15	(-) 19.33
	SBSTC	1.26	1.44	0.74	0.93	3.83
	NBSTC	1.35	11.01	2.54	2.25	2.28
	CTC	3.03	2.67	3.53	3.45	3.24
	WBSTC	2.86	(-) 0.06	1.06	2.18	2.67
	Overall	**(-) 3.28**	**(-) 4.63**	**(-) 4.20**	**(-) 4.03**	**(-) 3.77**

Annexure 11

(Referred to in paragraph 3.7.1)

Consolidated statement showing operational performance of five STUs

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Average number of vehicles held	2,841	2,925	2,816	2,779	2,826
Average number of vehicles on road	1,679	1,636	1,614	1,689	1,693
Percentage of fleet utilized	59.10	55.93	57.32	60.78	59.91
Number of employees	19,098	18,693	18,016	17,422	16,558
Employee vehicle ratio	11.37	11.43	11.16	10.31	9.78
Total no. of routes	947	943	940	942	935
Route Km (in lakh)	2.42	2.05	2.42	2.05	2.42
Kilometers operated (in crore)					
Gross	15.40	15.29	15.01	15.81	15.19
Effective	14.79	14.67	14.40	15.27	14.43
Dead	0.61	0.62	0.61	0.54	0.76
Percentage of dead kilometers to gross kilometers	3.96	4.05	4.06	3.42	5.00
Average kilometers covered *per* bus *per* day	142.63	137.41	140.10	150.54	139.89
Average revenue *per* kilometer (Rs.)	22.38	29.17	29.11	27.69	30.01
Avereage expenditure *per* kilometer (Rs.)	29.97	35.37	36.06	35.08	37.1
Loss (-)/ Profit (+) *per* kilometer (Rs.)	(-) 7.59	(-) 6.20	(-) 6.95	(-) 7.39	(-) 7.09
Number of operating depots	52	52	52	52	52
Average number of breakdowns *per* 10,000 kilometers	3.61	3.7	3.04	2.32	2.27
Average number of accidents *per* lakh kilometers	0.23	0.23	0.2	0.17	0.13
Passenger kilometer operated (in crore)	540.65	533.39	541.97	584.62	574.97
Occupancy ratio (Load Factor)	61.88	59.45	60.05	58.59	61.80

Statement showing STU wise operational performance (Continued)

A. CSTC

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Average number of vehicles held	1,114	1,144	1,159	1,087	1,029
Average number of vehicles on road	707	659	635	603	553
Percentage of fleet utilized	63.46	57.60	54.79	55.47	53.74
Number of employees	7,741	7,606	7,282	6,995	6,732
Employee vehicle ratio	10.95	11.54	11.47	11.60	12.17
Total no. of routes operated	196	196	196	196	196
Route Km (in lakh)	0.21	0.21	0.21	0.21	0.21
Kilometers operated (in crore)					
Gross	5.86	5.46	5.38	5.04	4.59
Effective	5.60	5.18	5.08	4.83	4.38
Dead	0.26	0.28	0.30	0.21	0.21
Percentage of dead kilometers to Gross kilometers	4.44	5.13	5.58	4.17	4.58
Average kilometers covered *per* bus *per* day	137.72	124.05	120.08	121.74	116.62
Average revenue *per* kilometer (Rs.)	11.34	13.34	14.58	14.94	16.14
Average expenditure *per* kilometer (Rs.)	34.75	42.41	42.44	44.16	48.01
Loss (-)/ Profit (+) *per* kilometer (Rs.)	(-) 23.41	(-) 29.07	(-) 27.86	(-) 29.22	(-) 31.87
Number of operating depots	11	11	11	11	11
Average number of breakdowns *per* 10,000 kilometers	6.67	7.59	5.87	4.40	4.55
Average number of accidents *per* lakh kilometers	0.20	0.22	0.19	0.20	0.22
Passenger kilometer operated (in crore)	194.96	182.09	179.8	179.38	168
Occupancy ratio (Load Factor)	56.87	56.93	57.20	60.01	59.02
Kilometers obtained *per* litre of :					
Diesel Oil	3.72	3.97	3.74	3.54	3.50
Engine oil	N.A.	517.98	560.13	618.54	737.98

Statement showing STU wise operational performance (Continued)

B. SBSTC

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Average number of vehicles held	493	513	489	495	555
Average number of vehicles on road	321	327	315	308	329
Percentage of fleet utilized	65.11	63.74	64.42	62.22	59.28
Number of employees	2,825	2,808	2,781	2,743	2,413
Employee vehicle ratio	8.80	8.59	8.83	8.91	7.33
Total no. of routes operated	184	184	184	184	184
Route Km (in lakh)	0.37	0.37	0.37	0.37	0.37
Kilometers operated (in crore)					
Gross	3.78	3.92	3.69	3.62	3.85
Effective	3.62	3.77	3.55	3.47	3.68
Dead	0.16	0.15	0.14	0.15	0.17
Percentage of dead kilometers to Gross kilometers	4.23	3.83	3.79	4.14	4.42
Average kilometers covered *per* bus *per* day	201.17	201.34	198.98	192.06	181.66
Average revenue *per* kilometer (Rs.)	10.19	11.33	11.8	12.5	13.9
Average expenditure *per* kilometer (Rs.)	23.67	26.44	29.5	30.14	31.47
Loss (-)/ Profit (+) *per* kilometer (Rs.)	-13.48	-15.11	-17.7	-17.64	-17.57
Number of operating depots	14	14	14	14	14
Average number of breakdowns *per* 10,000 kilometers	0.75	0.62	0.77	0.96	0.66
Average number of accidents *per* lakh kilometers	0.20	0.22	0.17	0.16	0.18
Passenger kilometer operated (in crore)	93.95	93.98	99.38	95.03	107.47
Occupancy ratio (Load Factor)	54.00	52.00	54.00	57.00	59.00
Kilometers obtained *per* litre of :					
Diesel Oil	4.06	4.19	4.11	4.05	4.04
Engine oil	N.A.	655.8	511.94	517.36	663.32

Statement showing STU wise operational performance (continued)

C. NBSTC

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Average number of vehicles held	800	856	749	751	791
Average number of vehicles on road	423	421	430	518	536
Percentage of fleet utilized	52.88	49.18	57.41	68.97	67.76
Number of employees	5,576	5,330	5,086	4,829	4,563
Employee vehicle ratio	13.18	12.66	11.83	9.32	8.51
Total no. of routes operated	440	440	440	440	440
Route Km (in lakh)	1.63	1.63	1.63	1.63	1.63
Kilometers operated (in crore)					
Gross	3.89	3.91	3.87	4.74	4.77
Effective	3.76	3.78	3.75	4.61	4.43
Dead	0.13	0.13	0.12	0.13	0.34
Percentage of dead kilometers to Gross kilometers	3.34	3.32	3.10	2.74	7.13
Average kilometers covered *per* bus *per* day	128.77	120.98	137.17	168.18	153.44
Average revenue *per* kilometer (Rs.)	10.51	11.85	13.15	12.65	13.97
Average expenditure *per* kilometer (Rs.)	32.92	41.08	39.94	34.66	35.9
Loss (-)/ Profit (+) *per* kilometer (Rs.)	(-) 22.41	(-) 29.23	(-) 26.79	(-) 22.01	(-) 21.93
Number of operating depots	21	21	21	21	21
Average number of breakdowns *per* 10,000 kilometers	2.55	2.36	2.17	1.64	1.58
Average number of accidents *per* lakh kilometers	0.23	0.18	0.16	0.04	0.05
Passenger kilometer operated (in crore)	187.93	189.08	187.28	230.41	232
Occupancy ratio (Load Factor)	65.00	64.00	61.00	62.00	62.00
Kilometers obtained *per* litre of :					
Diesel Oil	3.82	3.90	3.92	3.93	4.12
Engine oil	482.94	513.49	625.45	740.44	914.28

Statement showing STU wise operational performance (continued)

D. CTC

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Average number of vehicles held	340	338	338	329	345
Average number of vehicles on road	204	210	216	220	225
Percentage of fleet utilized	60	62.13	63.91	66.87	65.22
Number of employees	2,295	2,295	2,214	2,206	2,206
Employee vehicle ratio	11.25	10.93	10.25	10.03	9.80
Total no. of routes operated	44	40	37	39	32
Route Km (in lakh)	0.01	0.01	0.01	0.01	0.01
Kilometers operated (in crore)					
Gross	1.66	1.83	1.91	2.03	1.55
Effective	1.6	1.77	1.86	1.98	1.51
Dead	0.06	0.06	0.05	0.05	0.04
Percentage of dead kilometers to Gross kilometres	3.57	3.13	2.75	2.57	2.66
Average kilometers covered *per* bus *per* day	128.93	143.47	150.75	164.88	119.91
Average revenue *per* kilometer (Rs.)	13.86	14.49	15.76	15.75	16.67
Average expenditure *per* kilometer (Rs.)	19.52	20.37	21.87	23.08	25.11
Loss (-)/ Profit (+) *per* kilometer (Rs.)	(-) 5.66	(-) 5.88	(-) 6.11	(-) 7.33	(-) 8.44
Number of operating depots	5	5	5	5	5
Average number of breakdowns *per* 10,000 kilometers	1.88	1.69	1.37	1.21	1.53
Average number of accidents *per* lakh kilometres	0.41	0.43	0.4	0.4	N.A.
Passenger kilometer operated (in crore)	56.18	62.51	69.73	68.89	52.54
Occupancy ratio (Load Factor)	61.92	57.00	60.60	55.99	56.62
Kilometers obtained *per* litre of :					
Diesel Oil	3.25	3.50	3.56	3.80	3.46
Engine oil	383.19	391.63	366.42	333.3	211.66

Statement showing STU wise operational performance (continued)

E. WBSTC

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Average number of vehicles held	94	74	81	117	106
Average number of vehicles on road	24	19	18	40	50
Percentage of fleet utilized	25.53	25.68	22.22	34.19	47.17
Number of employees	661	654	653	649	644
Employee vehicle ratio	27.54	34.42	36.27	16.23	12.88
Total no. of routes operated	83	83	83	83	83
Route Km (in lakh)	0.20	0.20	0.20	0.20	0.20
Kilometers operated (in crore)					
Gross	0.21	0.17	0.16	0.38	0.43
Effective	0.21	0.17	0.16	0.38	0.43
Dead	NIL	NIL	NIL	NIL	NIL
Percentage of dead kilometers to Gross kilometers	NIL	NIL	NIL	NIL	NIL
Average kilometers covered *per* bus *per* day	61.21	62.94	54.12	88.98	111.14
Average revenue *per* kilometer (Rs.)	12.71	13.47	14.44	11.78	14.96
Average expenditure *per* kilometer (Rs.)	37.14	47.63	51.64	32.51	28.64
Loss (-)/ Profit (+) *per* kilometer (Rs.)	(-) 24.43	(-) 34.16	(-) 37.2	(-) 20.73	(-) 13.68
Number of operating depots	1	1	1	1	1
Average number of breakdowns *per* 10,000 kilometers	Not Available				
Average number of accidents *per* lakh kilometers	Not Available				
Passenger kilometer operated (in crore)	7.63	5.73	5.78	10.91	14.96
Occupancy ratio (Load Factor)	71.59	67.33	67.47	57.94	72.36
Kilometers obtained *per* litre of :					
Diesel Oil	3.03	2.38	1.75	3.54	3.00
Engine oil	Not Available				

Annexure 12

(Referred to in paragraph 3.10.1)

Statement showing STU-wise fleet strength and age profile

Sl No.	Particulars	Name of the STUs	2004-05	2005-06	2006-07	2007-08	2008-09
1	No. of buses at the beginning of the year	CSTC	1,233	1,118	1,038	1,071	1,085
		SBSTC	464	489	462	462	593
		NBSTC	850	932	850	809	743
		CTC	340	350	327	341	277
		WBSTC	94	94	74	81	117
		Total	**2,981**	**2,983**	**2,751**	**2,764**	**2,815**
2	Additions	CSTC	47	123	60	138	72
		SBSTC	50	0	0	176	7
		NBSTC	82	18	104	130	56
		CTC	60	0	70	17	33
		WBSTC	0	0	15	36	32
		Total	**239**	**141**	**249**	**497**	**200**
3	Scrap	CSTC	162	203	27	124	245
		SBSTC	25	27	0	45	34
		NBSTC	0	100	145	196	19
		CTC	50	23	56	81	50
		WBSTC	0	20	8	0	43
		Total	**237**	**373**	**236**	**446**	**391**
4	No. of buses at the end of the year	CSTC	1,118	1,038	1,071	1,085	912
		SBSTC	489	462	462	593	566
		NBSTC	932	850	809	743	780
		CTC	350	327	341	277	260
		WBSTC	94	74	81	117	106
		Total	**2,983**	**2,751**	**2,764**	**2,815**	**2,624**
5	No. of buses more than 8 years old	CSTC	420	370	385	358	234
		SBSTC	252	249	270	234	230
		NBSTC	499	464	415	305	306
		CTC	260	239	210	132	170
		WBSTC	86	66	44	48	0
		Total	**1,517**	**1,388**	**1,324**	**1,077**	**940**
6	Percentage of overaged buses to total buses	CSTC	37.57	35.65	35.95	33.00	25.66
		SBSTC	51.53	53.90	58.44	39.46	40.64
		NBSTC	53.54	54.59	51.30	41.05	39.23
		CTC	74.29	73.09	61.58	47.65	65.38
		WBSTC	91.49	89.19	54.32	41.03	0.00
		Total	**50.85**	**50.45**	**47.90**	**38.26**	**35.82**

Annexure 13

(Referred to in paragraph 3.11.1)

Statement showing STU-wise vehicle productivity

Sl. No.	Particulars	Name of the STUs	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Scheduled Kilometre* (In crore)	CSTC	7.03	6.33	5.97	5.68	5.10
		SBSTC	4.12	4.22	4.20	4.24	4.39
		NBSTC	6.75	6.75	6.75	6.91	7.00
		CTC	2.53	2.53	2.53	2.53	2.53
		Total	**20.43**	**19.83**	**19.45**	**19.36**	**19.02**
2.	Effective Kilometre (In crore)	CSTC	5.6	5.18	5.08	4.83	4.38
		SBSTC	3.62	3.77	3.55	3.47	3.68
		NBSTC	3.76	3.78	3.75	4.61	4.43
		CTC	1.6	1.77	1.86	1.98	1.51
		WBSTC	0.21	0.17	0.16	0.38	0.43
		Total	**14.79**	**14.67**	**14.4**	**15.27**	**14.43**
3.	Average Buses Held	CSTC	1114	1144	1159	1087	1029
		SBSTC	493	513	489	495	555
		NBSTC	800	856	749	751	791
		CTC	340	338	338	329	345
		WBSTC	94	74	81	117	106
		Total	**2841**	**2925**	**2816**	**2779**	**2826**
4.	Scheduled Vehicle Productivity* (Kilometre/day/bus)	CSTC	172.89	151.59	141.12	143.16	135.79
		SBSTC	228.96	225.37	235.31	234.68	216.71
		NBSTC	231.16	216.04	246.90	252.08	242.45
		CTC	203.87	205.07	205.07	210.68	200.91
	Overall Average Scheduled Vehicle Productivity of all the STUs (Kilometre/day/bus)	**Total**	**197.02**	**185.74**	**189.23**	**190.86**	**184.39**
5.	Actual Vehicle Productivity (Kilometre)	CSTC	137.72	124.05	120.08	121.74	116.62
		SBSTC	201.17	201.34	198.90	192.06	181.66
		NBSTC	128.77	120.98	137.17	168.18	153.44
		CTC	128.93	143.47	150.77	164.88	119.91
		WBSTC	61.21	62.94	54.12	88.98	111.14
6.	Overall Actual Vehicle Productivity of all the STUs (Kilometre/day/bus)	**Total**	**142.63**	**137.41**	**140.10**	**150.54**	**139.89**

* Figures relating to WBSTC were not available

Annexure 14

(Referred to in paragraph 3.12.3)

Statement showing break even load factor of individual STU

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
CSTC					
Cost *per* Km (in Rs.)	34.73	42.41	42.47	44.21	48.01
Traffic Revenue *per* Km at 100 *per cent* load factor.	19.94	23.43	25.49	24.90	27.35
Break Even Load Factor	174.17	181.00	166.61	177.55	175.54
SBSTC					
Cost *per* Km (in Rs.)	23.69	26.40	29.51	30.18	31.43
Traffic Revenue *per* Km (in Rs.)	18.87	21.79	21.85	21.93	23.56
Break Even Load Factor (*per cent*)	125.54	121.16	135.06	137.62	133.40
NBSTC					
Cost *per* Km (in Rs.)	32.91	41.09	39.89	34.63	35.87
Traffic Revenue *per* Km (in Rs.)	16.17	18.52	21.56	20.40	22.53
Break Even Load Factor (*per cent*)	203.53	221.87	185.02	169.75	159.21
CTC					
Cost *per* Km (in Rs.)	19.50	20.35	21.82	23.14	24.88
Traffic Revenue *per* Km (in Rs.)	22.38	25.42	26.01	28.13	29.44
Break Even Load Factor (*per cent*)	87.13	80.06	83.89	82.26	84.51
WBSTC					
Cost *per* Km (in Rs.)	37.95	48.71	53.06	31.92	30.03
Traffic Revenue *per* Km (in Rs.)	17.75	20.01	21.40	20.33	20.67
Break Even Load Factor (*per cent*)	213.80	243.43	247.94	157.01	145.28

Annexure 15

(Referred to in paragraph 3.12.6)

Statement showing STU-wise loss of contribution due to cancellation of scheduled kilometres

Sl. No.	Particulars	Name of the STUs	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Scheduled Kilometre (In lakh)	CSTC	702.46	632.46	597.33	567.22	509.63
		SBSTC	411.99	422.42	419.51	424.22	439.44
		NBSTC	675.00	675.00	675.00	690.92	700.00
		CTC	253.16	253.16	253.16	253.16	253.16
		WBSTC	NA	NA	NA	NA	NA
		Total	**2042.61**	**1983.04**	**1945.00**	**1935.52**	**1902.23**
2.	Effective Kilometre (In lakh)	CSTC	559.76	518.04	508.37	483.43	438.00
		SBSTC	362.45	376.52	355.11	347.35	367.53
		NBSTC	375.86	378.15	374.55	460.62	442.64
		CTC	159.84	176.87	185.58	198.45	149.66
		WBSTC	Not applicable				
		Total	**1457.91**	**1449.58**	**1423.61**	**1489.85**	**1397.83**
3.	Kilometre Cancelled (In lakh)	CSTC	142.70	114.42	88.96	83.79	71.63
		SBSTC	49.54	45.90	64.40	76.87	71.91
		NBSTC	299.14	296.85	300.45	230.30	257.36
		CTC	93.32	76.29	67.58	54.71	103.50
		WBSTC	Not applicable				
		Total	**584.70**	**533.46**	**521.39**	**445.67**	**504.40**
4.	Percentage of cancellation	CSTC	20.31	18.09	14.89	14.77	14.06
		SBSTC	12.02	10.87	15.35	18.12	16.36
		NBSTC	44.32	43.98	44.51	33.33	36.77
		CTC	36.86	30.14	26.69	21.61	40.88
		WBSTC	Not applicable				
		Total	**28.63**	**26.90**	**26.81**	**23.03**	**26.52**
5.	Cause wise analysis						
i)	Want of buses (In lakh Km)	CSTC	NA	NA	NA	NA	NA
		SBSTC	NA	NA	NA	NA	NA
		NBSTC	125.31	126.80	126.81	96.65	103.59
		CTC	Nil	Nil	Nil	Nil	Nil
		WBSTC	Not applicable				
		Total	**125.31**	**126.80**	**126.81**	**96.65**	**103.59**
ii)	Want of crew (In lakh Km)	CSTC	73.84	22.13	10.00	8.80	6.69
		SBSTC	50.00	45.90	64.40	76.87	71.91
		NBSTC	11.08	11.70	11.70	8.90	8.92
		CTC	Nil	Nil	Nil	Nil	Nil
		WBSTC	Not applicable				
		Total	**134.92**	**79.73**	**86.10**	**94.57**	**87.52**

Statement showing STU-wise loss of contribution due to cancellation of scheduled kilometres (Continued)

Sl. No.	Particulars	Name of the STUs	2004-05	2005-06	2006-07	2007-08	2008-09
iii)	Others (In lakh Km)	CSTC	59.16	59.93	46.24	49.25	54.13
		SBSTC	10.00	28.00	24.00	14.00	16.00
		NBSTC	162.13	160.00	161.12	124.09	124.10
		CTC	93.10	79.00	77.12	67.11	119.06
		WBSTC	Not Applicable				
		Total	**324.39**	**326.93**	**308.48**	**254.45**	**313.29**
6.	Contribution *per* Km (In Rupees)	CSTC	2.55	2.59	3.30	3.42	3.60
		SBSTC	1.26	1.44	0.74	0.94	3.83
		NBSTC	1.35	1.10	2.54	2.26	2.28
		CTC	3.02	2.67	3.53	3.45	3.35
		WBSTC	Not Applicable				
7.	Avoidable Cancellation (Bus and Crew) (In lakh Km)	CSTC	73.84	22.13	10.00	8.80	6.69
		SBSTC	50.00	45.90	64.40	76.87	71.91
		NBSTC	136.39	138.50	138.51	105.55	112.51
		CTC	Nil	Nil	Nil	Nil	Nil
		WBSTC	Not Applicable				
		Total	**260.23**	**206.53**	**212.91**	**191.22**	**191.11**
8.	Loss of contribution (6 × 7) (Rs. in lakh)	CSTC	188.29	57.32	33.00	30.10	24.08
		SBSTC	63.00	66.10	47.66	72.26	275.42
		NBSTC	184.13	152.35	351.82	238.54	256.52
		CTC	Nil	Nil	Nil	Nil	Nil
		WBSTC	Not Applicable				
		Total	**435.42**	**275.77**	**432.48**	**340.90**	**556.02**

Annexure 16

(Referred to in paragraph 3.14.2)

Statement showing STU-wise details of manpower, its cost and productivity

Sl No.	Particulars	Name of the STUs	2004-05	2005-06	2006-07	2007-08	2008-09
1	Total Manpower (Nos)	CSTC	7741	7606	7282	6995	6732
		SBSTC	2825	2808	2781	2743	2413
		NBSTC	5576	5330	5086	4829	4563
		CTC	2295	2295	2214	2206	2206
		WBSTC	661	654	653	649	644
		Total	**19,098**	**18,693**	**18,016**	**17,422**	**16,558**
2	Manpower Cost (Rs in crore)	CSTC	77.91	95.60	96.15	99.35	100.44
		SBSTC	34.46	42.60	45.73	41.79	47.13
		NBSTC	58.46	64.09	69.36	19.34	84.50
		CTC	10.90	12.06	13.55	16.41	13.25
		WBSTC	3.40	3.58	4.00	4.61	5.12
		Total	**185.13**	**217.39**	**228.80**	**253.50**	**250.44**
3	Effective Kms (in crore)	CSTC	5.60	5.18	5.08	4.83	4.38
		SBSTC	3.62	3.77	3.55	3.47	3.68
		NBSTC	3.76	3.78	3.75	4.61	4.43
		CTC	1.60	1.77	1.86	1.98	1.51
		WBSTC	0.21	0.17	0.16	0.38	0.43
		Total	**14.79**	**14.67**	**14.40**	**15.27**	**14.43**
4	Manpower Cost *per* effective Km (Rs.)(2/3)	CSTC	13.91	18.46	18.93	20.57	22.93
		SBSTC	9.52	11.30	12.88	12.04	12.81
		NBSTC	15.55	16.96	18.50	19.81	19.07
		CTC	6.81	6.81	7.28	8.29	8.77
		WBSTC	16.19	21.06	25.00	12.13	11.91
		Overall	**12.52**	**14.82**	**15.89**	**16.60**	**17.36**
5	Productivity *per* day *per* person (Kms)	CSTC	19.82	18.66	19.11	18.92	17.83
		SBSTC	35.11	36.78	34.97	34.66	41.78
		NBSTC	18.47	19.43	20.20	26.15	26.60
		CTC	19.10	21.13	23.02	24.59	18.75
		WBSTC	8.70	7.12	6.71	16.04	18.29
		Overall	**21.22**	**21.50**	**21.90**	**24.02**	**23.88**
6	Average no. of buses on road during the year	CSTC	707	659	635	603	553
		SBSTC	321	327	315	308	329
		NBSTC	423	421	430	518	536
		CTC	204	210	216	220	225
		WBSTC	24	19	18	40	50
		Total	**1679**	**1636**	**1614**	**1689**	**1693**
7	Manpower *per* bus (1/6)	CSTC	10.95	11.54	11.47	11.60	12.17
		SBSTC	8.80	8.59	8.83	8.91	7.33
		NBSTC	13.18	12.66	11.83	9.32	8.51
		CTC	11.25	10.93	10.25	10.03	9.80
		WBSTC	27.54	34.42	36.28	16.23	12.88
		Overall	**11.37**	**11.43**	**11.16**	**10.31**	**9.78**

Annexure 17

(Referred to in paragraph 3.21.3)

Statement showing STUs-wise ideal revenue and cost

Sl. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1	**Cost *per* Km (in Rs.)**					
	CSTC	34.73	42.41	42.47	44.21	48.01
	SBSTC	23.69	26.4	29.51	30.18	31.43
	NBSTC	32.91	41.09	39.89	34.63	35.87
	CTC	19.5	20.35	21.82	23.14	24.88
	WBSTC	37.95	48.71	53.06	31.92	30.03
2	**Traffic revenue *per* Km (in Rs.)**					
	CSTC	11.34	13.34	14.58	14.94	16.14
	SBSTC	10.19	11.33	11.8	12.5	13.9
	NBSTC	10.51	11.85	13.15	12.65	13.97
	CTC	13.86	14.49	15.76	15.75	16.67
	WBSTC	12.71	13.47	14.44	11.78	14.96
3	**Loss of Revenue due to less vehicle productivity(in Rs. *per* Km)**					
	CSTC	14.44	20.32	23.42	23.48	27.19
	SBSTC	5.66	6.28	6.78	7.89	10.05
	NBSTC	15.04	18.81	16.87	10.89	14.54
	CTC	19.75	17.11	16.95	14.16	26.83
	WBSTC	52.05	53.88	69.49	29.76	27.14
4	**Excess cost due to low manpower productivity (in Rs. *per* Km)**					
	CSTC	7.04	11.30	11.43	13.07	15.43
	SBSTC	2.65	4.00	5.38	4.54	5.31
	NBSTC	8.68	9.80	10.99	12.31	11.57
	CTC	-0.06	-0.34	-0.22	0.79	1.27
	WBSTC	9.33	13.88	17.56	4.63	4.40
5	**Excess cost due to excess consumption of fuel (in Rs. *per* Km)**					
	CSTC	1.51	1.36	2.18	2.63	2.89
	SBSTC	0.97	1.01	1.33	1.50	1.63
	NBSTC	1.41	1.71	1.86	1.75	1.51
	CTC	2.66	2.46	2.60	2.02	3.06
	WBSTC	3.38	6.41	8.25	2.53	4.93
6	**Ideal Revenue (in Rs.) (2 +3)**					
	CSTC	25.78	33.66	38.00	38.42	43.33
	SBSTC	15.85	17.61	18.58	20.39	23.95
	NBSTC	25.55	30.66	30.02	23.54	28.51
	CTC	33.61	31.60	32.71	29.91	43.50
	WBSTC	64.76	67.35	83.93	41.54	42.10

Statement showing STUs-wise ideal revenue and cost (Continued)

Sl .No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
7	**Ideal cost (in Rs.){(1-(4+5)}**					
	CSTC	26.18	29.75	28.86	28.51	29.69
	SBSTC	20.07	21.39	22.80	24.14	24.49
	NBSTC	22.82	29.58	27.04	20.57	22.79
	CTC	16.90	18.23	19.44	20.33	20.55
	WBSTC	25.24	28.42	27.25	24.76	20.70
8	**Net Revenue (in Rs.) (2 – 1)**					
	CSTC	-23.39	-29.07	-27.89	-29.27	-31.87
	SBSTC	-13.50	-15.07	-17.71	-17.68	-17.53
	NBSTC	-22.40	-29.24	-26.74	-21.98	-21.90
	CTC	-5.64	-5.86	-6.06	-7.39	-8.21
	WBSTC	-25.24	-35.24	-38.62	-20.14	-15.07
9	**Net Ideal Revenue (in Rs.) (6-7)**					
	CSTC	-0.40	3.90	9.14	9.91	13.65
	SBSTC	-4.22	-3.78	-4.22	-3.75	-0.55
	NBSTC	2.73	1.08	2.98	2.98	5.72
	CTC	16.71	13.37	13.27	9.58	22.95
	WBSTC	39.52	38.93	56.69	16.78	21.39
10	**Effective Km (in crore)**					
	CSTC	5.60	5.18	5.08	4.83	4.38
	SBSTC	3.62	3.77	3.55	3.47	3.68
	NBSTC	3.76	3.78	3.75	4.61	4.43
	CTC	1.60	1.77	1.86	1.98	1.51
	WBSTC	0.21	0.17	0.16	0.38	0.43
11	**Avoidable loss (Rs. in crore) [(10)X(8)-(9)]**					
	CSTC	128.74	170.78	188.11	189.24	199.38
	SBSTC	33.59	42.56	47.89	48.34	62.49
	NBSTC	94.49	114.61	111.45	115.07	122.36
	CTC	35.76	34.04	35.95	33.60	47.05
	WBSTC	13.60	12.61	15.25	14.03	15.68
	Total	306.18	374.60	398.65	400.28	446.96

Annexure 18

(Refer to in paragraph No. 4.5)

Statement showing list of paragraphs involving recovery of money

PSU Name: West Bengal State Electricity Distribution Company Limited

Sl. No.	Para title (Name of the Unit)	Year of I.R	Amount involved (Rs. in lakh)	Remarks
1.	Loss of Board's revenue (Chief Engineer/Commercial)	2003-04	235.66	Power supply at the premises of Agarwal Steel Complex Ltd. was disconnected (June 1993) for non-payment of energy bills of Rs. 125.69 lakh. Subsequently, bills for fuel surcharge for 1996-98, late payment surcharge and annual minimum guaranteed revenue (AMGR) for 1997-98 were raised. Though at a later stage the consumer approached the Company for reconnection and waiver of AMGR bills but his request was not acceded to. Further, on inspection (January 1997) by the central vigilance squad at the premises of the consumer it was found that there were some faults in the metering installation of the consumer as a result of which there were under recording of consumption. On investigation a supplementary bill amounting to Rs. 81.66 lakh was raised (May 1997) on the consumer. The consumer rejected the bill on the ground that defects in the meter were not intimated to him. Thereafter, the consumer was disconnected (October 1997) for non-payment of dues. The Company did not initiate timely action to realise the outstanding dues excepting invocation of bank guarantee. In reply Government/ Management stated (September 2009) that initiative to recover dues under West Bengal Electrical Undertakings (Recovery of dues) Act, 2000, as arrear of land revenue, was lodged (July 2005) with District Magistrate, Hooghly and the matter is regularly pursued. The reply indicates that the management took action for recovery after eight years which led to amount becoming doubtful of recovery.
2.	Loss of revenue (Chief Engineer/ commercial)	2003-04	54.81	Konkeswar Iron and Steel Co. Pvt. Ltd. a centralized bulk consumer regularly defaulted in payment of its dues even after installment payment terms were allowed to it. The board finally disconnected (August 2001) the consumer when the outstanding dues accumulated to Rs. 54.81 lakh after adjustment of security deposit of Rs. 7.00 lakh. Only notice for recovery of dues was served by the Company in April 2005 after lapse of more than three years but no amount was realized. Management stated (September 2009) that action for realisation is in process.

Sl. No.	Para title (Name of the Unit)	Year of I.R	Amount involved (Rs. in lakh)	Remarks
3	Loss due to issue of materials without security. (Durgapur 'D' Division)	1995-99	15.83	Four erection orders were placed (June 1990 to June 1991) on three contractors for electrification of 15 mouzas in Burdwan District on labour contract basis. The connectors did not complete the work and left the work site. The management neither terminated the order nor initiated any legal action. Materials valuing Rs. 15.83 lakh remained un-recovered. The Management stated (September 2009) that the whereabouts of the contractors were not known and the Company was contemplating writing off the amount. Issue of materials without adequate security/bank guarantee indicates lack of proper internal controls, leading to non-recovery of the cost of materials
4	Non-return of materials by the contactor. (Habra 'D' Division)	1998-2000	10.56	Orders were placed (April 1994 to April 1995) by the Divisional Manager, Habra (O&M) Division on RNR for various improvement works. The contractor did not complete all the works and abandoned the work site. The materials were not returned by the contractor. The contractor's bills were kept pending. The contractor went to court and as per court's advice the matter was to be settled by mutual discussion. The Company stated (September 2009) that the contractor had been asked (August 1999) to provide utilisation certificate in respect of the materials, but the party did not turn up. In the absence of a vendor rating system, issue of materials without adequate security/bank guarantee indicates lack of proper internal controls, leading to non-recovery of the cost of materials
5	Defalcation of cash. (Nadia/ Krishnanagar 'D' Division)	1993-95	0.37	Four officials were involved in the defalcation cases in various Group Electric Supply Stations. While defalcation case of two officials were settled by effecting recovery but that of other two officials viz. Sri T.K. Pathak, Ex-Sramik and Sri A.K. Majumder, Cashier were pending. Government/ Management stated (September 2009) proposal for writing off of the defalcated amount (Rs. 0.25 lakh) was under consideration. The reply indicates internal control failure since cash collection and accounting requires adequate internal checks such as physical verifications from DDOs and periodic cross checks with HO records /returns /trial balances. The incidence of defalcation itself indicates lack of adequate checks and balances, leading to loss of company's money.

Annexure 19

(Refer to in paragraph No. 4.6)

Statement showing list of paragraphs involving deficiencies

PSU Name: West Bengal State Electricity Distribution Company Limited

Sl. No.	Para title (Name of the Unit)	Year of I.R	Amount involved	Remarks
1.	Avoidable expenditure on insurance on Mechanical equipment (TCF HP)	2002-04	204.97	Initially the Board took (1998-99) insurance policy of mechanical breakdown (MB), electronic equipment insurance policy (EEI) and Fire policy to protect plant and machinery of Hydel Project. Subsequently, due to some constraints management found (November 2001) that insurance coverage against MB and fire incidence was not considered by the Insurance Company on replacement cost of assets damaged/destroyed. Finally board decided (May 2002) to stop all MB and EEI insurance leaving Fire policy alive. Had the Board decided to stop the above policies from 1999-2000 it could have saved Rs. 204.97 lakh incurred towards premium. Government/ Management stated (August 2009) that payment of insurance premium was discontinued after observing low rate of failure of MB and EEI. The reply does not address the issue of the abnormal delay of two years, taken by the management, to assess the low rate of failure of the MB and EEI.
2.	Loss of revenue due to non consideration of connected load (Burdwan ‘D’ Circle)	2002-03	78.86	A decentralized bulk consumer applied (June 1998) for enhancement of contracted load from 499 to 750 KVA. Though actual installed load was found to be 1303 KV yet no enhancement of load was made. Annual minimum guaranteed revenue (AMGR) was calculated on contract load. Government/ Management stated (August 2009) that the matter was intimated to Central Commercial wing of the Board but the issue could not be resolved due to non-clearance of dues. The reply indicates lack of follow-up on the part of the management resulting in Rs.78.86 lakh remaining unrealised for more than a decade.
3.	Lack of co-ordination led to extra cost (TCF HP)	2002-04	73.00	For construction of (i) ‘A’ type bridge (ii) ‘B’ type bridge and two super passages over Tail Race Channel of power station II of Mohananda Main Canal one order was place (January 1997) on TR Parik at a cost of Rs. 192.46 lakh (25 *per cent* above estimate) to be completed within eight months. Due to slow progress of work at first super passage the contract was awarded to Gammon India Ltd. at Rs. 47.51 lakh against initial order of Rs. 33.06 lakh. The work was completed (February 1998) by Parik at Rs. 213.75 lakh and by Gammon India at Rs. 52.00 lakh incurring extra expenditure of Rs. 73.29 lakh. Government/ Management stated (August 2009) that extra expenditure incurred was due to change in quantity of work done and difference in rates. However the reply was silent about reasons for enhancement of quantity of work beyond scheduled quantity, and justifications for difference of rates.

Annexure 20

(Referred to in paragraph No. 4.21.1)

Statement showing paragraphs/ reviews for which explanatory notes were not received

Particulars/ Name of the department who did not submit explanatory notes	Years of Audit Report (Commercial)						Total number of paras/ reviews in Audit Reports of 2002-2008	Total number of paras/ reviews for which explanatory notes not received
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08		
Total number of paras/ reviews in Audit Report	27	30	25	30	25	23	160	44♦
Public Enterprises	2	2	1	2	1	2	-	10
Power & Non-Conventional Energy Sources	-	-	-	1	-	7	-	8
Commerce and Industries	-	-	-	2	3	-	-	5
Transport	-	-	2	-	-	3	-	5
Finance	-	-	-	-	2	3	-	5
Information Technology	-	-	2	-	-	1	-	3
Food and Supplies	-	-	-	-	-	4	-	4
Agriculture	-	1	1	-	-	-	-	2
Forest	-	-	-	-	2	-	-	2
Micro & Small Scale Industries and Textile	-	-	-	-	-	1	-	1
Fisheries	-	-	-	-	-	2	-	2
Tourism	-	-	-	1	-	-	-	1
Water Investigation & Development	-	-	1	1	-	-	-	2
Minorities Affairs & Madrasah Education	-	-	1	-	-	-	-	1

♦ Three paragraphs involving more than one department have been treated as one paragraph in aggregate.

Annexure 21

(Referred to in paragraph No. 4.21.2)

Statement showing the position of COPU reports where Action Taken Notes are yet to be received

Name of the Department / Corporation / Company / Board	Year of Audit Report (Commercial)	Para No.	No. of COPU Report	No. of recomme-ndation	Date of presentation of report to the Legislative Assembly
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**
Commerce and Industries					
West Bengal Tea Development Corporation Limited	1991-1992	4A.8	49^{th}	5	24 June 1999
Finance Department					
Public Sector Undertaking	2004-2005	4.20 & 4.21	78^{th}	4	10 December 2007
West Bengal Infrastructure Development Finance Corporation Limited	2000-2001	4A.3.1	80^{th}	3	10 December 2007
Water Investigation and Development Department					
West Bengal Agro Industries Corporation Limited	2003-2004	4.12	86^{th}	4	18 March 2008
Housing					
West Bengal Housing Infrastructure Development Corporation Limited	2002-2003	4.1	92^{nd}	2	17 July 2008
	2004-2005	4.1 to 4.1.5	102^{nd}	1	26 March 2009
Tourism					
West Bengal Tourism Development Corporation Limited	2005-2006	4.17	93^{rd}	3	17 July 2008
	2003-2004	4.13	97^{th}	2	02 December 2008
Power					
The Durgapur Projects Limited	2005-2006	4.7 & 4.8	94^{th}	6	17 July 2008
West Bengal Power Development Corporation Limited	2003-2004	4.1	95^{th}	1	28 July 2008
	2003-2004	4.3	96^{th}	3	02 December 2008
	2003-2004	4.8	98^{th}	2	04 December 2008
Total			**12**	**36**	

Annexure 22

(Referred to in paragraph No. 4.21.3)

Statement showing department-wise outstanding Inspection Reports (IRs)

Sl. No.	Name of department	No. of PSU	No. of outstanding IRs	No. of outstanding Paragraphs	Year from which paragraphs outstanding
1.	Power	5	46	99	2005-06
2.	Commerce and Industries	6	6	13	2008-09
3.	Micro & Small Scale Enterprise & Textile	7	7	11	2005-06
4.	Transport	4	7	21	2007-08
5.	Public Enterprises	4	4	6	2008-09
6.	Finance	1	1	3	2008-09
7.	Information and Cultural Affairs	1	1	2	2008-09
8.	Backward Classes Welfare	1	1	1	2008-09
9.	Food & Supplies	1	1	6	2008-09
10.	Fisheries	1	1	6	2008-09
11.	Housing	1	1	13	2008-09
12.	Agriculture	1	1	2	2009-10
13.	Information Technology	1	1	5	2008-09
14.	Sunderban Affairs	1	1	2	2008-09
15.	Tourism	1	1	1	2008-09
		36	**80**	**191**	

Annexure 23

(Referred to in paragraph No. 4.21.3)

Statement showing department-wise draft paragraphs/ reviews reply to which are awaited

Sl. No.	Name of the Department	No. of draft paragraphs	No. of performance Audit Reports	Period of issue
1	Information Technology	1	-	April 2009
2	Food Processing Industries & Horticulture	1	-	June 2009
3	Water Investigation & Development	2	-	July-August 2009
4	Public Enterprises	1	-	July 2009
5	Sunderban Affairs	1	-	March 2009
6	Transport	-	1	August 2009
7	Housing	-	1	September 2009
	Total	**6**	**2**	