



**Report of the
Comptroller and Auditor General of India
on
Public Sector Undertakings
for the year ended 31 March 2020**



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Government of Assam
(Report No. 3 of 2022)

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Comptroller and Auditor General of India
on Public Sector Undertakings
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GOVERNMENT OF ASSAM
(Report No. 3 of 2022)

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Preface

This Report of the Comptroller and Auditor General of India on Public Sector Undertakings for the year ended 31 March 2020 has been prepared for submission to the Governor of the State of Assam under Article 151 of the Constitution of India.

This Report deals with the results of audit of Government Companies and Statutory Corporations for the year ended 31 March 2020.

The accounts of Government Companies are audited by the C&AG under the provisions of the Section 143 of the Companies Act, 2013. The accounts certified by the Statutory Auditors (Chartered Accountants) appointed by the C&AG under the Companies Act, are subject to supplementary audit by officers of the C&AG and the C&AG gives their comments or supplements the reports of the Statutory Auditors. In addition, the Government Companies are also subject to test audit by the C&AG. The audit of Statutory Corporations is governed by their respective legislations. The C&AG is the sole auditor in respect of Assam Electricity Regulatory Commission and one statutory corporation, *namely*, Assam State Transport Corporation.

Reports in relation to the accounts of a Government Company or Corporation are submitted to the State Government by C&AG for laying before State Legislature of Assam under the provisions of Section 19-A of the C&AG's (Duties, Powers and Conditions of Service) Act, 1971.

The instances mentioned in this Report are those, which came to notice in the course of test audit during April 2019 to March 2020 as well as those which came to notice in the earlier years but could not be reported in the previous Audit Reports. Matters relating to the period after March 2020 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the C&AG.

OVERVIEW

OVERVIEW

The Report of the Comptroller and Auditor General of India on Public Sector Undertakings for the year ended 31 March 2020 (Government of Assam) is brought out in three Chapters.

CHAPTER-I on Public Sector Undertakings (PSUs) contains three Sections as under:

Section 1 provides general information on the State Public Sector Undertakings including the accounting framework, Government's investment in PSUs, *etc.*

Section 2 provides an overview of functioning of power sector PSUs.

Section 3 provides an overview of the functioning of PSUs (other than power sector).

CHAPTER-II on Performance Audit on PSUs contains one Section as under:

Section 4 contains a Performance Audit on implementation of Deen Dayal Upadhyay Gram Jyoti Yojana/SAUBHAGYA schemes by Assam Power Distribution Company Limited (APDCL).

CHAPTER-III on Compliance Audit Paragraphs on PSUs contains two Sections as under:

Section 5 contains two Compliance Audit Paragraphs emerging from the compliance audit of Power sector PSUs.

Section 6 contains one Compliance Audit Paragraph emerging from the compliance audit of PSUs (other than power sector).

The major findings of the Audit Report are as follows:

Chapter-I: Public Sector Undertakings

Section 1: Functioning of Public Sector Undertakings

As on 31 March 2020, there were 51 PSUs (including 16 non-working PSUs) and one State Electricity Regulatory Commission under the audit jurisdiction of the Principal Accountant General (Audit), Assam who represents the Comptroller and Auditor General of India (C&AG) in the State. These 51 PSUs included three power sector PSUs (all working Government companies) and 48 other than power sector PSUs (including three working Statutory Corporations). During 2015-16 to 2019-2020, the investment of Government of Assam (GoA) in the power sector PSUs, increased by 7.06 *per cent* from ₹ 2,967.38 crore (2015-16) to ₹ 3,176.75 crore (2019-20).

(Paragraph 1.1.1 and 1.1.9)

As on 31 March 2020, 19 PSUs had loan liability of ₹ 2,785.33 crore towards the GoA. During 2015-16 to 2019-20, out of 19 PSUs having outstanding GoA loans, three PSUs repaid loan instalments amounting to ₹ 26.97 crore to GoA. GoA also converted the loan

amounting to ₹ 1,132.53 crore into grant (₹ 849.40 crore) and equity (₹ 283.13 crore) under Ujwal DISCOM Assurance Yojana (UDAY) scheme. During 2015-16 to 2019-20, GoA further waived the interest amounting to ₹ 554 crore payable by APDCL against GoA loans.

(Paragraph 1.1.10)

Section 2: Functioning of Power Sector Public Sector Undertakings

The total investment (equity and long-term loans) in the three PSUs was ₹ 4,266.12 crore as on 31 March 2020. The investment consisted of 25.56 per cent in equity and 74.44 per cent in long-term loans. Further, the investment by GoA consisted of 34.32 per cent towards equity and 65.68 per cent in long-term loans.

(Paragraph 1.2.3)

During 2019-2020, GoA has provided budgetary support of ₹ 2,530.90 crore to three power sector PSUs in the form of equity (₹ 283.13 crore), long-term loans (₹ 285.11 crore) and grants/subsidy (₹ 1,962.66 crore). The grants/subsidy released to APDCL by GoA (₹ 1,962.66 crore) included ₹ 1,947.38 crore (99.22 per cent) for repayment of power purchase liabilities (₹ 238.95 crore), financial support as agreed under UDAY scheme (₹ 1,231.43 crore) and targeted subsidies for consumers on account of tariff (₹ 477 crore). The equity investment (₹ 283.13 crore) was provided by GoA to APDCL by way of conversion of GoA loan into equity.

(Paragraph 1.2.5)

Two out of three power sector PSUs had finalised their accounts upto the financial year 2019-2020. The remaining one PSU viz. APDCL had arrear of one account (2019-2020) as on 30 September 2020.

(Paragraph 1.2.6)

As per the latest finalised accounts of PSUs as on 30 September 2020, the turnover of three PSUs stood at ₹ 6,000.55 crore and they had incurred overall operational losses of ₹ 156.31 crore during 2019-2020. The accumulated losses (₹ 3,333.45 crore) of two out of three PSUs had completely eroded their paid-up capital of ₹ 262.70 crore.

(Paragraphs 1.2.2, 1.2.8 and 1.2.9)

Earnings before Interest and Tax (EBIT) of the PSUs turned positive (₹ 650.11 crore) during 2017-18 mainly due to the profits of ₹ 374.60 crore earned by two PSUs. During 2019-2020, RoCE of PSUs declined to (+) 33.21 per cent during 2018-19 mainly due to increase of ₹ 860.60 crore in the Capital Employed and decrease of ₹ 175.46 crore in the EBIT during 2018-19 compared to the previous year (2017-18).

(Paragraph 1.2.10)

Section 3: Functioning of Public Sector Undertakings (other than power sector)

The PSUs (other than power sector) comprised of 32 working PSUs (29 Companies and three Statutory Corporations) and 16 non-working PSUs (all companies). The investment by GoA in these PSUs was 55.71 per cent of the total investment. The investment by

GoA comprised of ₹ 689.81 crore in equity (51.54 *per cent*) and ₹ 698.95 crore in long term loans (60.53 *per cent*). Further, the investment by GoA consisted of 49.67 *per cent* towards equity capital and 50.33 *per cent* in long-term loans.

(Paragraphs 1.3.1 and 1.3.2)

During 2019-2020 the State Government has provided budgetary support of ₹ 288.95 crore to 11 PSUs in the form of equity capital (₹ 20 crore), long-term loans (₹ 27.75 crore) and grants/subsidy (₹ 241.20 crore). This included the budgetary support of ₹ 254.72 crore (88.23 *per cent*) provided to four PSUs *i.e.*, Assam Tea Corporation Ltd, Assam State Transport Corporation, Assam Tourism Development Corporation Limited and Assam Petro-Chemicals Limited.

(Paragraph 1.3.4)

As on 30 September 2020, 28 working PSUs had arrears of total accounts ranging from one to 27 years. Further, the GoA extended financial support of ₹ 391.80 crore to seven PSUs, who had not submitted their accounts for last five or more years.

(Paragraph 1.3.5)

As per the latest finalised accounts of PSUs as on 30 September 2020, the turnover of 32 working PSUs during 2019-2020 stood at ₹ 857.79 crore. During 2019-2020, out of 32 working PSUs, 14 PSUs had earned profits of ₹ 161.86 crore, while 18 PSUs had incurred losses of ₹ 130.56 crore as per their latest finalised accounts. During, 2019-2020, the net worth of PSUs had appreciated by ₹ 609.98 crore, from ₹ 50.40 crore (2017-18) to ₹ 660.38 crore (2019-2020) mainly due to increase of ₹ 488.04 crore (GoA: ₹ 177 crore; Others: ₹ 311.04 crore) in the paid-up capital of Assam Petro-Chemicals Limited. However, the accumulated losses (₹ 1,509.44 crore) of 13 working PSUs had completely eroded their paid-up capital (₹ 235.54 crore) as per their latest finalised accounts.

(Paragraphs 1.3.1, 1.3.9 and 1.3.12)

There was an increase in RoCE from 3.04 *per cent* in 2018-19 to 5.66 *per cent* in 2019-20. The reason for increase in RoCE was due to increase in EBIT, which was mainly due to the increase in profit of one PSU *viz.* Assam Gas Company Limited from ₹ 27.90 crore (2018-19) to ₹ 82.55 crore (2019-20).

(Paragraph 1.3.13)

Recommendations

- *The State Government may set up a special cell to oversee the clearance of arrears and set the targets for individual PSUs, which may be monitored by the cell;*
- *The Administrative Departments may ensure that existing vacancies in the accounts department of PSUs are filled up timely with persons having domain expertise and experience and get arrear of accounts cleared;*
- *Until the accounts are made as current as possible, Government may consider not giving further financial assistance to such companies.*

Chapter-II: Performance Audit relating to PSUs

Section 4: Performance Audit on implementation of Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY)/Saubhagya schemes by Assam Power Distribution Company Limited for the period April 2014 to March 2020

Government of India (GoI) launched (December 2014) the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) scheme for rural electrification. The erstwhile Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) scheme meant for village electrification has been subsumed in the DDUGJY scheme. GoI had also launched (October 2017) the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) to achieve universal household electrification in the country by providing 'last mile connectivity' and electricity connections to all households (HHs) in rural and urban areas. In Assam, the schemes were implemented by the Assam Power Distribution Company Limited (APDCL) with the financial support received from the Ministry of Power, Government of India (MoP, GoI) and GoA. The basic objectives of the schemes were viz. (i) separating agriculture and non-agriculture feeders to facilitate judicious rostering of power supply to the agricultural and non-agricultural consumers in rural areas; (ii) strengthening and augmenting the sub transmission and distribution infrastructure in the rural areas, including metering of distribution transformers/ feeders/ consumers and (iii) providing of last mile connectivity and electricity connections including free connections to all remaining economically poor un-electrified households through grid and Solar Photo Voltaic based standalone systems. Important findings of the Performance Audit on implementation of Scheme in Assam conducted for the period 2014-15 to 2019-20 are as follows.

Physical progress

As against the 2,339 unelectrified (UE) and 16,716 partially electrified (PE) villages sanctioned under Schemes (DDUGJY, RGGVY-XII Plan & DDG), the Company had electrified 996 UE villages (281 villages under RGGVY-XII Plan, 302 villages under DDUGJY and 413 under DDG off-grid scheme) and 14,898 PE villages. Remaining 1,343 UE villages sanctioned under the Scheme were found to be PE villages at the time of execution of Scheme works.

Further, out of total 19,36,555 households sanctioned under SAUBHAGYA, the Company could electrify 13,99,688 households (72 *per cent*) till 31 March 2021. The

shortfall of 5,36,867 households in Scheme coverage was mainly due to spending higher amount (₹ 1,811.17 crore) on creation of additional infrastructure than sanctioned (₹ 1,493.57 crore). To cover the shortfall, the Company requested (May and June 2021) REC for additional sanction of ₹1,815.36 crore against electrification of 4,83,361 households (including creation of additional infrastructure) based on re-survey report of un-electrified households. GoI, however, sanctioned (July 2021) ₹ 1,718.18 crore for electrification of 4,80,249 un-electrified households, against which the Company had electrified 3,81,507 households (as of February 2022).

(Paragraph 2.9)

Financial progress

GoI sanctioned ₹ 3,156.34 crore under DDUGJY (including RGGVY-XII plan & DDG). As per funding pattern, the Company was to receive ₹ 2,682.89 crore (85 *per cent*) as grant from GoI, ₹315.63 crore (10 *per cent*) as loan from REC and the balance ₹ 157.82 crore as grant from GoA. Against this, the Company received ₹ 2,930.69 crore (₹ 2,402.18 crore as grant from GoI, ₹ 267.49 crore as loan from REC and ₹ 261.02 crore (including state taxes) as grants from GoA). Although the grant/loan from REC has been fully utilised, the Company is yet to utilise ₹ 169.09 crore received as grant from GoA.

Under SAUBHAGYA scheme, REC had approved (November 2021) closure cost of ₹ 2,476.07 crore. Against the total closure cost the Company had received ₹ 1,876.08 crore as GoI subsidy/grant, ₹ 225.72 crore as loan from REC and ₹ 196.23 crore as contribution from GoA. The Company is yet to receive a grant/subsidy of ₹ 61.20 crore from REC and ₹ 96.33 crore from GoA. The main reason for non-release ₹ 61.20 crore by REC was due to delay in submission of closure proposal of the scheme. As against the total funds received, the Company had spent ₹ 2,282.43 crore towards payment against the scheme works. As of February 2022, the Company had unspent Scheme funds of ₹ 15.60 crore.

(Paragraph 2.10)

Audit findings:

Planning

The details of Need Assessment Documents, if any, prepared by the Company and its validation by REC was not made available to Audit. The Company also did not provide

any base line data with regard to BPL households, number of agricultural and non-agricultural consumers, data on common feeders requiring segregation, data on ATC losses, load shedding, etc. to benchmark the achievements under the Scheme.

(Paragraph 2.13.1)

The Company did not take up feeder segregation works for optimum rostering of power between agricultural and non-agricultural consumers.

(Paragraph 2.13.3)

Project implementation

Project Management was deficient in view of several irregularities such as improper engagement of consultant on selective basis, undue favour to contractors for allowing different rates in similar work items, procurement of materials of below standard, failure to enforce effective maintenance of assets created under the scheme.

(Paragraphs 2.14.1, 2.14.2, 2.15.1, 2.15.2.D and 2.17.2)

Monitoring

The Company did not obtain the recommendation of SLSC for submission of DPRs to REC for approval. Further, no meeting of SLSC was held during the period from February 2014 to September 2020. As such, though there was delay in completion of the projects, the Company could not obtain necessary guidance from SLSC in resolving issues.

(Paragraph 2.16.1)

Chapter-III: Compliance Audit Paragraphs relating to PSUs

Compliance Audit paragraphs included under this Chapter highlight deficiencies in the management of PSUs.

Section 5: Compliance Audit Paragraphs relating to Power Sector PSUs

Compliance Audit paragraphs included in this Section highlight deficiencies in the management of Power sector PSUs. Details of the important audit observations have been given below in brief:

Assam Power Distribution Company Limited

Undue benefit

The Company extended an undue benefit of ₹ 1.87 crore to the contractor by making payment (₹ 0.60 crore) against undelivered materials and releasing the LD amount (₹ 1.27 crore) despite delay in completion of work.

Recommendation

The Company may take necessary steps against the contractor to complete the work and fix responsibility for the lapse and ensure effective monitoring of scheme implementation according to guidelines to avoid recurrence of such irregularities.

(Paragraph 3.5.1)

Assam Electricity Grid Corporation Limited

In absence of prescribed investment policy, the Company invested its surplus funds in STDRs without analysing the different rates of interest offered by the bank and thereby sustained loss of potential revenue of ₹ 0.48 crore.

Recommendation

Considering the huge amount of surplus funds at the disposal of the Company, the Company should ensure that a well-defined investment policy and a committee to decide on the investments is put up in place to maximise returns on investment of surplus funds.

(Paragraph 3.5.2)

Section 6: Compliance Audit Paragraphs relating to PSUs (other than power sector)

Compliance Audit paragraphs included in this Section highlight deficiencies in the management of PSUs (other than Power sector). Details of the important audit observations have been given below in brief:

Assam Industrial Development Corporation Limited

Lapses in tendering and contract management of the EoDB project enabled the Vendor to submit invoices of ₹ 43.73 crore against an original work order of ₹ 2 crore, with payment of ₹ 18.51 crore already being made, despite doubts being raised on the reasonableness of the rates and the claims.

Recommendation

GoA may consider fixing accountability for such poor management of the EoDB single window clearance system project, which appears almost deliberate in nature, and designed to benefit the Vendor at the cost of the public exchequer.

(Paragraph 3.6.1)

CHAPTER I
Functioning of Public Sector
Undertakings

CHAPTER-I

FUNCTIONING OF PUBLIC SECTOR UNDERTAKINGS

Section 1: Overview of Public Sector Undertakings

1.1 General

1.1.1 The Public Sector Undertakings (PSUs) consist of State Government Companies and Statutory Corporations under Government of Assam (GoA). The PSUs were established to carry out activities of commercial nature, to assist in welfare of the people and contribute to the State economy. As on 31 March 2020, there were 51 PSUs and one State Electricity Regulatory Commission under the audit jurisdiction of the Comptroller and Auditor General of India (C&AG). These PSUs include 48 Government Companies (including 10 Subsidiaries¹ of different State Government Companies and two² Government controlled other companies) and three Statutory Corporations. Out of the 51 PSUs, there were 35 working PSUs and 16 non-working PSUs³ (all Government Companies). None of these Government Companies was listed on the stock exchange.

1.1.2 The financial performance of the PSUs on the basis of latest finalised accounts as on 30 September 2020 is covered in this Report. The nature of PSUs and the position of accounts are indicated in *Table 1.1.1*.

Table 1.1.1: Nature of PSUs and position of accounts

Sl. No.	Nature of PSUs	No. of PSUs	PSUs whose accounts were received during the reporting period ⁴	PSUs whose accounts are up to date as on September 2020	PSUs whose accounts are in arrears as on September 2020	No. of accounts in arrears
1.	Working Government Companies ⁵	32	18	6	26	185
2.	Non-working Government Companies	16	2	1	15	198
3.	Statutory Corporations	3	1	0	3	7
Total Working PSUs (1+3)		35	19	6	29	192
Total PSUs (2 + 4)		51	21	7	44	390

Source: Records of PSUs with audit.

Out of the 51 PSUs, seven PSUs (including one non-working) had finalised their latest accounts (2019-20) as on 30 September 2020. The remaining 44 PSUs (including 15 non-working PSUs) had arrears of accounts ranging between 1 and 37 years. The PSUs had employed 35,969 employees as at the end of 31 March 2020. The 35 working PSUs

¹ PSUs at Sl. No. B25, B26, B31, D7, D9, D11, D12, D13, D15 and D16 of *Appendix 3*

² PSUs at Sl. No. B22 and B32 of *Appendix 3*

³ Non-working PSUs are those which have ceased to carry out their operations.

⁴ From October 2019 to September 2020

⁵ Government Companies include 'other Companies' referred to in Section 139(5) and 139(7) of the Companies Act, 2013.

registered a turnover of ₹ 6,858.34 crore. This turnover was equal to 2.05 *per cent* of Gross State Domestic Product (GSDP) of ₹ 3,35,238 crore⁶ for 2019-20 at current prices. As per their latest finalised accounts as on 30 September 2020, the working PSUs incurred aggregate loss of ₹ 125.01 crore, as compared to the aggregate profit of ₹ 171.32 crore earned as per their latest finalised accounts as on 30 September 2019. This was mainly due to loss of ₹ 181.60 crore incurred by Assam Electricity Grid Corporation Limited during 2019-20 as compared to profit of ₹ 145.94 crore during 2018-19.

Accountability Framework

1.1.3 The audit of the financial statements of Government Companies in respect of financial years commencing on or after 1 April 2014 is governed by the provisions of Sections 139 and 143 of the Companies Act, 2013. The audit of a Company in respect of the financial years prior to 1 April 2014, continues to be governed by the Companies Act, 1956. According to Section 2(45) of the Companies Act, 2013, a Government Company means any company in which not less than 51 *per cent* of the paid-up capital is held singly or jointly by the Central Government and/or any State Government(s) and also includes subsidiary of a Government Company. The new Act has brought about increased Regulatory Framework, wider Management responsibility and higher Professional Accountability.

Besides, any other company⁷ owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Report as Government controlled other Companies.

Statutory Audit/Supplementary Audit

1.1.4 Statutory Auditors appointed by the Comptroller and Auditor General of India (C&AG) audit the financial statements of a Government Company. In addition, C&AG conducts the Supplementary Audit of these financial statements under the provisions of Section 143(6) of the Act.

Audit of Statutory Corporations is governed by their respective Legislations. Out of three Statutory Corporations, the C&AG is the sole auditor for Assam State Transport Corporation. As regards Assam State Warehousing Corporation and Assam Financial Corporation, audit is conducted by Chartered Accountant(s) and C&AG is the supplementary auditor. Besides, C&AG is also the sole auditor for the Assam Electricity Regulatory Commission (Regulatory Commission). The audit arrangements of Statutory corporations and Regulatory Commission are as shown in **Table 1.1.2**.

⁶ State GDP (Provisional estimate) as per information furnished by Directorate of Economics and Statistics, Government of Assam.

⁷ Companies (Removal of Difficulties) Seventh Order, Gazette Notification dated 4 September 2014

Table 1.1.2: Details of Statutory Corporations and Regulatory Authority

Sl. No.	Name of the Corporation/Regulatory Authority	Authority for audit by C&AG	Audit arrangement
1.	Assam State Transport Corporation	Section 33(2) of the Road Transport Corporations Act, 1950	Sole audit by C&AG under Section 19(2) of the DPC Act, 1971
2.	Assam Financial Corporation	Section 37(6) of the State Financial Corporations Act, 1951	Audit conducted by Chartered Accountants and supplementary audit by C&AG under Section 19(2) of the DPC Act, 1971
3.	Assam State Warehousing Corporation	Section 31(8) of the State Warehousing Corporations Act, 1962	Audit conducted by Chartered Accountants and supplementary audit by C&AG under Section 19(2) of the DPC Act, 1971
4.	Assam Electricity Regulatory Commission	Section 104(2) of the Electricity Act, 2003	Sole audit by C&AG under Section 19(2) of the DPC Act, 1971

Need for timely finalisation and submission of Annual Accounts

1.1.5 According to Section 394 and 395 of the Companies Act, 2013, the Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting (AGM). As soon as may be after such preparation, the Annual Report shall be laid before the House or both the Houses of State Legislature together with a copy of the Statutory Auditors' Report and any comments upon or supplement to the Auditors' Report, made by the C&AG. Almost similar provisions exist in the respective Act regulating the Statutory Corporations. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the Companies and Statutory Corporations from the Consolidated Fund of the State.

Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited financial statements for the financial year must be placed in the said AGM for consideration of the members. Section 129(7) of the Companies Act, 2013 provides for imprisonment or levy of fine on the persons including Directors of the Company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

Role of Government and Legislature on State PSUs

1.1.6 The State Government exercises control over the affairs of these PSUs through its administrative departments. The Government appoints the Chief Executive and Directors on the Board of these PSUs.

The State Legislature also monitors the accounting and utilisation of Government investment in the PSUs. For this purpose, the Annual Reports of State Government Companies together with the Statutory Auditors' reports and comments of the C&AG

thereon are required to be placed before the Legislature under Section 394 of the Companies Act, 2013. Similarly, the Annual Reports of Statutory Corporations along with the Separate Audit Reports of C&AG are required to be placed before the Legislature as per the stipulations made under their respective governing Acts. The Audit Reports of C&AG are submitted to the State Government under Section 19A of the C&AG's DPC Act, 1971.

Investment in Public Sector Undertakings

1.1.7 The GoA has significant financial stake in the PSUs. This stake is of mainly three types:

- **Share Capital and Loans** - In addition to the Share Capital contribution, State Government also provides financial assistance by way of loans to the PSUs from time to time.
- **Special Financial Support** - State Government provides budgetary support by way of grants and subsidies to the PSUs as and when required.
- **Guarantees** - State Government also guarantees the repayment of loans with interest availed by the PSUs from financial institutions.

1.1.8 *Table 1.1.3* depicts the sector wise summary of cumulative investments by GoA in the PSUs by way of equity contribution and long-term loans (all interest bearing) as on 31 March 2020.

Table 1.1.3: Sector-wise investment of GoA in PSUs

Name of Sector	Government Companies		Statutory Corporations	Total	Investment ⁸ (₹ in crore)		
	Working	Non-Working	Working		Equity	Long-term loans ⁹	Total
Power	3	0	0	3	1,090.37	2,086.38	3,176.75
Agriculture & Allied	6	2	0	8	68.30	459.86	528.16
Finance	5	0	1	6	40.55	54.04	94.59
Infrastructure	7	2	0	9	177.81	131.71	309.52
Manufacturing	5	12	0	17	217.22	49.09	266.31
Service	1	0	2	3	165.86	4.25	170.11
Miscellaneous ¹⁰	5	0	0	5	20.07	0.00	20.07
Total	32	16	3	51	1,780.18	2,785.33	4,565.51

Source: Information furnished by the PSUs

1.1.9 The comparative figures of investment (equity and long-term loans) by GoA in four major sectors during 2015-16 to 2019-20 are indicated in **Chart 1.1.1**.

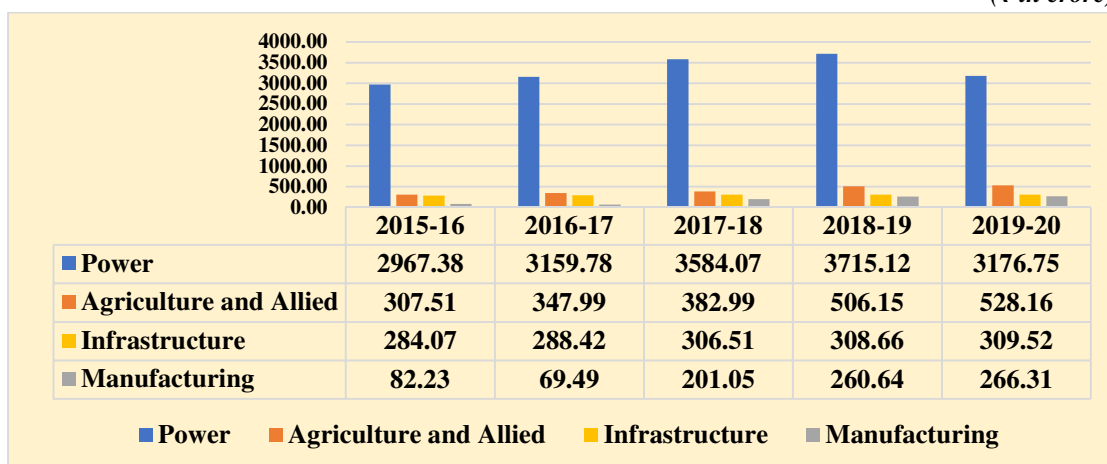
⁸ Investment figures are provisional and as provided by the PSUs except for seven PSUs (Sl. No. A1, A2, B22, B30, B31, B32 and D4 of **Appendix 3**), which have finalized their accounts for 2019-20.

⁹ Long-term loans are all interest-bearing loans.

¹⁰ PSUs under 'Miscellaneous sector' include Assam Gas Company Ltd., DNP Ltd., Assam Government Marketing Corporation Ltd. Assam State Textbook Production and Publication Corporation Ltd. and Purba Bharti Gas Private Ltd.

Chart 1.1.1: Sector-wise investment in PSUs

(& in crore)



As can be noticed from *Chart 1.1.1*, the thrust of GoA investment during 2015-16 to 2019-20 was in the power sector PSUs, which increased by 7.06 *per cent* from ₹ 2,967.38 crore (2015-16) to ₹ 3,176.75 crore (2019-20).

Loans given by State Government to PSUs

1.1.10 As per notification issued (March 2006) by GoA and reiterated from time to time, no loan from GoA was to be granted to PSUs for a period exceeding 10 years, except with an extension sought from the Finance Department, GoA and the recovery was to be affected in annual equal instalment of principal and interest.

The long-term loan received by 19 PSUs from GoA and outstanding as of 2019-20 stood at ₹ 2,785.33 crore. The major portion of these loans amounting to ₹ 2,086.38 crore (74.91 *per cent*) pertained to power sector PSUs, while remaining loans of ₹ 698.95 crore (25.09 *per cent*) related to the PSUs in other five sectors¹¹. Sector and age wise analysis of the figures of GoA loans outstanding as of 2019-20 are given in *Table 1.1.4*.

Table 1.1.4: Statement showing sector wise long term loan outstanding

(& in crore)

Sector	Loan pertains to					Loan outstanding as on 31 March 2015	Conversion/repayment during 2015-16 to 2019-20
	Upto 5 years	6 to 10 years	11 to 20 years	More than 20 years	Loan Outstanding as on 31 March 2020		
Power	1,334.29	449.60	302.49	--	2,086.38	1,884.62	1,132.53
Agriculture & Allied	249.77	160.82	29.84	19.43	459.86	210.09	0.37
Infrastructure	77.26	20.40	10.77	23.28	131.71	54.45	--
Manufacturing	20.63	4.73	11.92	11.81	49.09	41.78	13.22
Finance	14.00	40.00	-	0.04	54.04	48.44	13.40
Services	-	4.25	-	-	4.25	4.25	--
Total	1,695.95	679.80	355.02	54.56	2,785.33	2,243.63	1,159.52

Source: Information furnished by the PSUs

¹¹ excluding Miscellaneous Sector where no loans were outstanding.

It can be seen from **Table 1.1.4** that the GoA provided 60.89 *per cent* (₹ 1,695.95 crore) of total loans during 2015-16 to 2019-20, of which, power sector was the major recipient (₹ 1,334.29 crore) followed by Agriculture and Allied sector (₹ 249.77 crore).

During 2015-16 to 2019-20, out of 19 PSUs having outstanding GoA loans, three PSUs¹² repaid loan instalments amounting to ₹ 26.97 crore to GoA. In addition to this repayment, GoA also converted the loan of Assam Power Distribution Company Limited (APDCL) amounting to ₹ 1,132.53 crore into grant (₹ 849.40 crore) and equity (₹ 283.13 crore) under Ujwal DISCOM Assurance Yojana (UDAY) scheme¹³. During 2015-16 to 2019-20, GoA further waived the interest amounting to ₹ 554 crore payable by APDCL against GoA loans.

Out of remaining 15 PSUs which did not repay the loan instalments, 8 PSUs¹⁴ continued to receive loans amounting to ₹ 801.89 crore during 2015-2020 from GoA despite non-compliance of the directions of the Finance Department, GoA. This was equivalent to 47.28 *per cent* of total loan disbursed (₹ 1,695.95 crore) during this period.

Keeping in view the high level of investment in power sector, we are presenting the results of audit of three power sector PSUs under Section 2 (Functioning of Power Sector PSUs), Section 4 (Performance Audit relating to Power Sector PSUs) and Section 5 (Compliance Audit Observations relating to Power Sector PSUs) of this Report and that of the remaining 48 PSUs (other than Power sector) under Section 3 (Functioning of PSUs-other than Power Sector) and Section 6 (Compliance Audit Observations relating to PSUs-other than Power sector) of the Report.

¹² Assam Financial Corporation: ₹ 13.40 crore, Ashok Paper Mill (Assam) Limited: ₹ 13.33 crore and Assam Tea Corporation Limited: ₹ 0.24 crore.

¹³ UDAY scheme was approved by the Government of India with an objective to improve the operational and financial efficiency of the State Power distribution utilities.

¹⁴ Serial no. A1, A2, B15, B16, B17, B18, D5 and D16 of **Appendix 3**.

Section 2: Functioning of Power Sector Public Sector Undertakings

Functioning of Power Sector Public Sector Undertakings

1.2 Introduction

Formation of power sector PSUs

1.2.1 As part of power sector reforms, the erstwhile Assam State Electricity Board (ASEB) was unbundled (October 2003) by Government of Assam (GoA) into five successor PSUs¹⁵ for Power Generation (Assam Power Generation Corporation Limited), Transmission (Assam Electricity Grid Corporation Limited) and Distribution (Lower Assam Electricity Distribution Company Limited, Central Assam Electricity Distribution Company Limited, and Upper Assam Electricity Distribution Company Limited) activities. Subsequently, the three Distribution PSUs were merged into one Company with effect from 1 April 2009 and was renamed as Assam Power Distribution Company Limited (APDCL). The three PSUs are regulated by Assam Electricity Regulatory Commission (AERC) set up *vide* Electricity Act, 2003 regarding purchase, sale, and supply of power in the State. AERC also fixed the tariff for generation, transmission, and distribution of electricity in the State.

Contribution to State Economy

1.2.2 The power sector PSUs play an important role in the economy of the State. Apart from providing critical infrastructure required for development of the State's economy, the sector also adds significantly to the Gross State Domestic Product (GSDP). A ratio of PSUs-turnover to GSDP shows the extent of PSUs-activities in the State economy.

Table 1.2.1 provides the details of turnover of three power sector PSUs (all Companies) against the GSDP during 2015-16 to 2019-20.

Table 1.2.1: Details of PSUs turnover vis-à-vis GSDP

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Turnover ¹⁶	4,332.42	4,900.03	5,899.50	6,907.65	6,000.55
Gross State Domestic Product	2,27,959	2,54,382	2,83,165	3,15,881	3,35,238
Percentage of Turnover to State GDP	1.90	1.93	2.08	2.19	1.79

Source: Accounts received from PSUs and information provided by the Directorate of Economic & Statistics, GoA. Figures of GSDP relating to 2019-20 is provisional estimates.

As can be seen from **Table 1.2.1**, the turnover of the three PSUs has registered an overall increase of 38.50 per cent (₹ 1,668.13 crore) during 2015-16 to 2019-20 from ₹ 4,332.42 crore (2015-16) to ₹ 6,000.55 crore (2019-20). This was mainly due to increase of ₹ 2,033.79 crore (63.75 per cent) in turnover of State Power Distribution

¹⁵ Though the three PSUs were formally incorporated on 23 October 2003, these PSUs started functioning from 2005-06, when they prepared their first Annual Accounts.

¹⁶ Turnover as per the latest finalised accounts as on 30 September of the respective year.

utility¹⁷ from ₹ 3,190.18 crore¹⁸ (2015-16) to 5,223.97 crore¹⁹ (2019-20) on account of several factors like increase in consumer base, periodic tariff revision, improved billing efficiency²⁰ etc. During 2019-20, however, the aggregate turnover of the three PSUs declined by ₹ 907.10 crore (13.13 *per cent*) as compared to 2018-19 mainly due to reduction in the turnover of Assam Electricity Grid Corporation Limited (AEGCL) from ₹ 1,151.58 crore (2018-19) to ₹ 272.60 crore (2019-20). This reduction was mainly on account of the fact that till 2018-19, AEGCL used to raise bill on APDCL for the transmission charges payable to Power Grid Corporation of India Limited (PGCIL). Based on the directions (19 March 2018) of AERC for payment of PGDCIL's bills directly by APDCL, AEGCL stopped this practice from 2019-20 onwards. This had the impact of reducing the operational cost as well as the annual turnover of AEGCL from ₹ 1,151.58 crore (2018-19) to ₹ 272.60 crore (2019-20).

Investment in Power Sector PSUs

1.2.3 Table 1.2.2 depicts the total investment in the three PSUs.

Table 1.2.2: Details of total investment in PSUs

(₹ in crore)			
Particulars	GoA	Others	Total
Equity	1,090.37	-	1,090.37
Long-term loans	2,086.38	1,089.37	3,175.75
Total investment	3,176.75	1,089.37	4,266.12

(‘Others’ include Central Government, banks and other financial institutions)

As can be noticed from **Table 1.2.2**, the total investment (equity and long-term loans) in the three PSUs was ₹ 4,266.12 crore (**Appendix 2**) as on 31 March 2020. The investment consisted of 25.56 *per cent* in equity and 74.44 *per cent* in long-term loans. Further, the investment by GoA consisted of 34.32 *per cent* towards equity and 65.68 *per cent* in long-term loans.

Reconciliation with Finance Accounts of GoA

1.2.4 The figures in respect of equity and long-term loans extended by the GoA and remaining outstanding as per the records furnished by the PSUs should agree with the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the PSUs concerned, and the Finance Department are required to carry out reconciliation of differences in figures.

¹⁷ Assam Power Distribution Company Limited

¹⁸ As per latest finalised accounts (2014-15) of Assam Power Distribution Company Limited for the Report year 2015-16.

¹⁹ As per latest finalised accounts (2018-19) of Assam Power Distribution Company Limited for the Report year 2019-20.

²⁰ Billing efficiency of Assam Power Distribution Company increased from 79 *per cent* (2018-19) to 80.94 *per cent* (2019-20) of energy supplied.

The position in this regard of the three PSUs as on 31 March 2020 is summarised in **Table 1.2.3**.

Table 1.2.3: Equity and loans outstanding as per the State Finance Accounts *vis-à-vis* records of PSUs

(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	1,681.88 ²¹	1,090.37	591.51
Loans	4,777.72	2,086.38	2,691.34

Source: Information furnished by the PSUs and Finance Accounts

It can be noticed that there were significant unreconciled differences in the figures of equity and loans as per two sets of records. In the State Finance Accounts, 2019-20, the entire equity figure shown under second column of the **Table 1.2.3** has been booked in the name of the erstwhile Assam State Electricity Board (ASEB) which ceased to exist with effect from 31 March 2013. Similarly, out of total loans of ₹ 4,777.72 crore outstanding against power sector, merely ₹ 285.11 crore has been booked in the name of the three PSUs as their current year borrowings in the State Finance Accounts 2019-20.

As the unreconciled differences of outstanding investments are significant, the GoA and the PSUs concerned need to take concrete steps to reconcile the differences in a time-bound manner.

Budgetary outgo of GoA

1.2.5 GoA provided financial support to the three PSUs in various forms through the annual budget. The details of year-wise budgetary outgo towards equity, loans and grants in respect of three PSUs during 2015-16 to 2019-20 are given in **Table 1.2.4**.

Table 1.2.4: Year-wise budgetary support by GoA to PSUs

(₹ in crore)

Sl. No.	Particulars	2015-16		2016-17		2017-18		2018-19		2019-20	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity outgo from budget	0	0.00	0	0.00	0	0.00	0	0.00	1	283.13 ²²
2.	Loans given from budget ²³	3	275.52	3	192.40	3	424.29	3	131.05	3	285.11
3.	Grants ²⁴ /Subsidy from budget	2	437.19	3	929.37	2	2,276.98	3	1,279.52	3	1,962.66
4.	Total Outgo²⁵	3	712.71	3	1,121.77	3	2,701.27	3	1,410.57	3	2,530.90

Source: Information furnished by the PSUs

²¹ Includes the equity of ₹ 283.13 crore provided (February 2020) to APDCL by way of conversion of GoA loans into equity under UDAY Scheme.

²² Loan of APDCL converted into equity under UDAY scheme.

²³ These are interest bearing loans.

²⁴ This includes both Capital and Revenue grants. The grants include ₹ 150 crore (2016-17), ₹ 1,020.96 crore (2017-18), ₹ 330.30 crore (2018-19) and ₹ 1,231.43 crore (2019-20) received under UDAY scheme.

²⁵ Actual number of PSUs which received equity, loans, grants/subsidies from the GoA.

As can be noticed from **Table 1.2.4**, the year-wise budgetary outgo to three PSUs during 2015-20 in the form of equity, loans, grants, *etc.* was lowest (₹ 712.71 crore) during 2015-16. The budgetary outgo was significantly higher at ₹ 2,701.27 crore during 2017-18, which reduced to ₹ 1,410.57 crore during 2018-19. Thereafter, the budgetary outgo again increased to ₹ 2,530.90 crore during 2019-20.

The grants/subsidy released by GoA during 2019-20 (₹ 1,962.66 crore) included ₹ 1,947.38 crore (99.22 *per cent*) provided to Assam Power Distribution Company Limited (APDCL) for repayment of power purchase liabilities (₹ 238.95 crore), financial support as agreed under UDAY scheme (₹ 1,231.43 crore) and targeted subsidies for consumers on account of tariff (₹ 477 crore). The equity investment (₹ 283.13 crore) was provided by GoA to APDCL by way of conversion of GoA loan into equity. During 2019-20, GoA had also released ₹ 43.66 crore (subsidy: ₹ 12.50 and loan: ₹ 31.16 crore) to Assam Electricity Grid Corporation Limited (AEGCL). It was noticed that both the power sector PSUs (APDCL and AEGCL) which were recipient of the financial support from GoA during 2019-20 had negative net worth as per their latest finalised accounts.

Submission of Accounts

Submission of Accounts by Power Sector PSUs

1.2.6 The financial statements of the PSUs for every financial year are required to be finalised within six months from the end of the relevant financial year *i.e.*, by 30 September in accordance with the provisions of Section 96(1), read with Section 129(2) of the Companies Act, 2013 (Act). Failure to do so may attract penal provisions under Section 99 of the Act. As per the Act, the PSU and every officer of the PSU who is at default shall be punishable with fine which may extend up to ₹ 1 lakh and in the case of a continuing default, with a further fine which may extend up to ₹ 5,000 for every day during which such default continues.

Two out of three PSUs had finalised their accounts upto the financial year 2019-20. The remaining one PSU *viz.* APDCL had arrear of one Account (2019-20) as on 30 September 2020 as detailed in **Table 1.2.5**.

Table 1.2.5: Position relating to finalisation of accounts of PSUs

Sl. No.	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
1	Number of PSUs	3	3	3	3	3
2	Number of accounts finalised during the year	3	2	4	5	2
3	Number of previous year accounts finalised during current year	2	2	3	2	0
4	Total number of accounts in arrears	2	3	2	0	1
5	Number of PSUs with arrears in accounts	2	3	2	0	1
6	Extent of arrears	One year	One year	One year	Nil	One year

Source: Compiled based on accounts of PSUs received during October 2019 to September 2020

Submission of Accounts by Assam Electricity Regulatory Commission

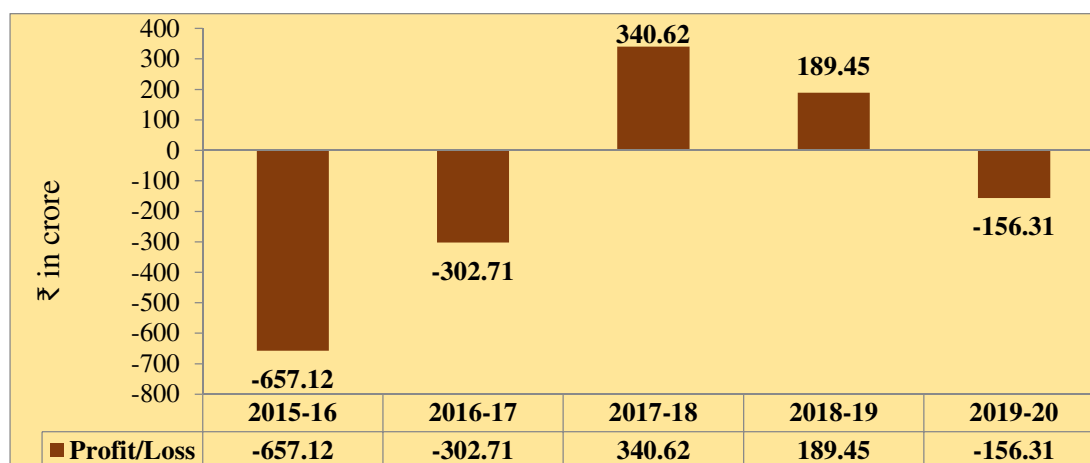
1.2.7 The audit of Accounts of Assam Electricity Regulatory Commission (AERC) has been carried out under Section 19(2) of C&AG's (DPC) Act, 1971²⁶ read with Section 104(2) of the Electricity Act 2003. Section 104(2) of the Act provides that Accounts of the State Commission shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him. Section 104(4) of the above act also provides that the accounts of the State Commission, as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf, together with the audit report thereon shall be forwarded annually to the GoA and that GoA shall cause the same to be laid, as soon as may be after it is received, before the State Legislature.

As on September 2020, the AERC had two arrears of accounts (*i.e.*, 2018-19 and 2019-20) pending for finalisation and audit.

Operational Performance of PSUs

1.2.8 The overall position of profit/losses²⁷ earned/incurred by the three PSUs during 2015-16 to 2019-20 is depicted in **Chart 1.2.1**.

Chart 1.2.1: Profit/Losses earned/incurred by PSUs



Source: latest finalised accounts of the PSUs as on 30 September 2020

As may be noticed from **Chart 1.2.1**, during 2015-17, the PSUs had incurred overall operational losses of ₹ 657.12 crore (2015-16) and ₹ 302.71 crore (2016-17). During 2018-19, the three PSUs earned overall profit of ₹ 189.45 crore as compared to aggregate profit of ₹ 340.62 crore earned during 2017-18. During 2019-20, the three PSUs incurred overall operational losses of ₹ 156.31 crore²⁸ (**Appendix 3**). This was

²⁶ The Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971

²⁷ Figures are as per the latest finalised accounts during the respective years.

²⁸ This includes net profits of Assam Power Generation Corporation Limited: ₹ 4.28 crore, Assam Power Distribution Company Limited: ₹ 21.01 crore and net loss of Assam Electricity Grid Corporation Limited: ₹ 181.60 crore.

mainly because of the net loss of ₹ 181.60 crore incurred by Assam Electricity Grid Corporation Limited.

Erosion of Net worth

1.2.9 Net Worth or Shareholders' Fund means the sum of 'paid-up capital' and 'free reserves and surplus' *minus* accumulated losses and deferred revenue expenditure. Essentially, it is a measure of what an entity is worth to the owners. A negative Net Worth indicates that the entire investment by the owners has been wiped out by accumulated losses and deferred revenue expenditure.

Return on Equity²⁹ (RoE) is a measure of financial performance to assess how effectively the Management had been using the Shareholders' Fund to create profits. RoE is expressed in terms of 'profit after tax' (PAT) earned by a company as a percentage of the Shareholders' Fund and as such, RoE is workable only if the Shareholders' Fund is positive.

The summarised details of the net worth of the three PSUs during 2015-16 to 2019-20 as per their latest finalised accounts has been given in **Table 1.2.6**.

Table 1.2.6: Net Worth of PSUs

(₹ in crore)

Year	Paid-up capital at end of the year	Accumulated loss (-) at the end of the year	Free reserve & surplus	Net worth/ Shareholders' Fund	Net Income/ Total Earnings for the year ³⁰	RoE (per cent)
	i	ii	iii	iv = (i +ii+iii)	v	vi = (v/iv)
2015-16	718.56	(-) 3,400.76	0.00	-2,682.20	-657.12	Not workable
2016-17	718.56	(-) 3,684.40	0.00	-2,965.84	-302.71	Not workable
2017-18	718.56	(-) 3,743.00	0.00	-3,024.44	340.62	Not workable
2018-19	718.56	(-) 3,301.58	18.54	-2,564.48	189.45	Not workable
2019-20	718.56	(-) 3,459.58	18.54	-2722.48	-156.31	Not workable

Source: Annual Accounts of PSUs received during October 2019 to September 2020

As can be noticed from the **Table 1.2.6**, the overall net worth of the PSUs was negative throughout 2015-20 due to high accumulated losses of these PSUs. Though the working results of the PSUs during 2017-18 and 2018-19 turned positive, the profits earned were insufficient to wipe out the accumulated losses of these PSUs. Analysis of investment and accumulated losses of three PSUs further revealed that the accumulated losses (₹ 3,333.45 crore) of two³¹ out of three PSUs had completely eroded their paid-up capital of ₹ 262.70 crore. As the Shareholders' fund of the PSUs for all the five years was negative and hence, RoE was not workable. Accumulation of huge losses by these PSUs had eroded public wealth, which is a matter of serious concern.

²⁹ Return on Equity = Net Profit after taxes less preference dividend ÷ Shareholders' Fund/Equity.

Where, Shareholders' Fund/Equity represents 'Paid-up Equity Share Capital *plus* Free Reserves and Surplus *minus* Accumulated Loss *minus* Deferred Revenue Expenditure

³⁰ PAT as per the latest finalised accounts of the PSUs as on 30 September of the respective year.

³¹ Accumulated losses (net after adjusting free reserves) of two PSUs at Sl. No. A2 and A3 of **Appendix 3**.

Return on Capital Employed

1.2.10 Return on Capital Employed (RoCE) is a profitability metric that measures the long-term profitability and efficiency of a company in effective utilisation of the total available capital (*viz.* Shareholders' funds and long-term borrowings). RoCE is an important decision metric for long-term lenders. The significance of RoCE becomes obvious when it is applied in contrast with Return on Equity (RoE), which measures the efficiency of a company to create profits for its Shareholder (owners) by effectively utilizing its assets. RoCE is calculated by dividing a company's 'Earnings before Interest and Tax' (EBIT) by the Capital Employed³².

The details of RoCE of the three PSUs during 2015-16 to 2019-20 as per their latest finalised accounts as on 30 September of the respective year are given in **Table 1.2.7**.

Table 1.2.7: Return on Capital Employed

Year	EBIT (₹ in crore)	Capital Employed (₹ in crore)	RoCE (<i>per cent</i>)
2015-16	(-) 467.48	138.19	(-) 338.29
2016-17	(-) 101.14	95.34	(-) 106.08
2017-18	650.11	568.56	(+) 114.34
2018-19	474.65	1,429.16	(+) 33.21
2019-20	103.51	1319.42	(+) 7.85

Source: latest finalised accounts of the PSUs as on 30 September 2020

As could be noticed from the **Table 1.2.7**, the RoCE of three PSUs was negative during 2015-17. Further, analysis revealed that:

- (i) EBIT of the PSUs turned positive (₹ 650.11 crore) during 2017-18 mainly due to the profits of ₹ 374.60 crore earned by two PSUs³³. Consequently, the RoCE during 2017-18 turned positive from (-) 106.08 *per cent* (2016-17) to (+) 114.34 *per cent*.
- (ii) RoCE of PSUs declined to (+) 33.21 *per cent* during 2018-19 mainly due to increase of ₹ 860.60 crore in the Capital Employed and decrease of ₹ 175.46 crore in the EBIT during 2018-19 compared to the previous year (2017-18).
- (iii) Capital Employed of PSUs decreased during 2019-20 mainly due to increase in accumulated losses of AEGCL from ₹ 232.42 (2018-19) to ₹ 395.98 crore (2019-20).

Dividend Payout

1.2.11 As per Public Enterprise Policy, 2019, the PSUs having no accumulated loss and having operating profit shall pay a minimum dividend to its shareholders out of the profit earned after payment of payable tax by the PSU during the preceding Financial year provided such provision is laid down in Articles of Association/Articles of Incorporation of the PSU.

³² Capital employed represents 'paid-up capital' *plus* 'free reserves and surplus' *plus* long-term loans (including 'Current portion of long-term debts') *minus* accumulated losses/deferred revenue expenditure.

³³ Assam Electricity Grid Corporation Limited (₹ 357.39 crore) and Assam Power Generation Corporation Limited (₹ 17.21 crore)

During 2015-16 to 2019-20, three PSUs³⁴ earned profit of ₹ 569.26 crore, which was not sufficient to wipe out their accumulated losses, aggregating ₹ 3,459.58 crore as on 31 March 2020. None of the three PSUs paid any dividend during the above period.

Return on Investment by GoA based on Present Value of Investment

1.2.12 The Rate of Real Return (RoRR) measures the profitability and efficiency with which equity and similar non-interest-bearing capital have been employed, after adjusting them for the time value. To determine the RoRR on investment, the investment of State Government³⁵ in the form of equity, interest free loans and grants/subsidies given by the State Government for operational and management expenses less disinvestments (if any) has been considered and indexed to their Present Value (PV) and summated. The RoRR is then calculated by dividing the PAT by the sum of the PV of the Government investment.

GoA infused funds in three power sector PSUs in the form of equity, loans (all interest bearing) and revenue grants/subsidies but did not provide any interest free loans. During 2019-20, three PSUs in power sector incurred overall losses of ₹ 156.31 crore (*Appendix 3*). On the basis of historical value of investment, the return on GoA investment during 2019-20 was (-) 2.90 per cent. On the other hand, when the present value of investment is considered, the RoRR on GoA investment during 2019-20 was (-) 1.94 per cent as shown in *Appendix 4A*. This difference in the percentage of return on GoA investment was on account of adjustments made in the investment amount for time value of money.

Analysis of Long-term loans of PSUs

1.2.13 The long-term loans of the PSUs having leverage during 2015-16 to 2019-20 were analysed with a view to assess the ability of the PSUs to service their debts owed to GoA, banks, and other financial institutions (FIs). This was assessed through the Interest Coverage Ratio and Debt Turnover Ratio.

Interest Coverage Ratio

1.2.14 Interest Coverage ratio is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's EBIT by interest expenses of the same period. The lower the ratio, the lesser the ability of the company to pay interest on debt. An Interest Coverage ratio of below one indicates that the company is not generating sufficient revenues to meet its expenses on interest. The details of interest coverage ratio in respect of three PSUs (all the three PSUs had interest burden) during 2015-16 to 2019-20 are given in *Table 1.2.8*.

³⁴ One PSU (Sl. No. A1 of *Appendix 3*) earned profit of ₹ 0.93 crore (2016-17) and ₹ 17.21 crore (2017-18), and another PSU earned profit of ₹ 357.39 crore (Sl. No. A2 of *Appendix 3*) during 2017-18. All the three PSUs (Sl. No. A1, A2 & A3 of *Appendix 3*) earned overall profit of ₹ 189.45 crore (2018-19) and one PSU earned profit of ₹ 4.28 crore during 2019-20.

³⁵ As per the records of PSUs.

Table 1.2.8: Interest coverage ratio

Year	Interest (₹ in crore)	EBIT (₹ in crore)	No. of PSUs having liability of loans from GoA, Banks and FIs	No. of PSUs having interest coverage ratio of more than 1	No. of PSUs having interest coverage ratio below 1
2015-16	189.40	(-) 467.48	3	1	2
2016-17	201.35	(-) 101.14	3	1	2
2017-18	210.02	650.11	3	2	1
2018-19	251.56	474.65	3	3	0
2019-20	259.82	103.51	3	2	1

Source: Annual accounts of PSUs received during October 2019 to September 2020

It can be observed from **Table 1.2.8** that during last year (2018-19), all three PSUs had Interest Coverage ratio of ‘more than one’, which was a positive indication. During 2019-20, however, one PSU viz. AEGCL had Interest Coverage ratio of ‘below one’ indicating the difficulties of this PSU to service its long-term debts.

Audit analysis further revealed increase of 37.18 *per cent* in the interest burden of the PSUs during 2015-20 from ₹ 189.40 crore (2015-16) to ₹ 259.82 crore (2019-20), was attributable to gradual increase in the long-term debts of the PSUs from ₹ 2,820.39 crore (2015-16) to ₹ 4,041.90 crore (2019-20) as per their latest finalised accounts. The increase in the interest burden has correspondingly increased pressure on the profitability of three PSUs.

Debt-Turnover Ratio

1.2.15 A low Debt-to-Turnover ratio (DTR) demonstrates a good balance between debt and income. Conversely, a high DTR can signal of having too much of debts corresponding to the income earned by the PSUs from core activities. Thus, the PSUs having lower DTR are more likely to comfortably manage their debt servicing and repayments.

Summary of the debt and turnover of the three PSUs during 2015-16 to 2019-20 as per their finalised accounts *vis-à-vis* the Debt-Turnover Ratio for the respective years has been given in **Table 1.2.9**.

Table 1.2.9: Debt Turnover ratio relating to the PSUs

Particulars	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
PSU Debts (long term)	2,820.39	3,061.18	3,593.00	3,993.64	4,041.90
Turnover	4,332.42	4,900.03	5,899.50	6,907.65	6,000.55
Debt-Turnover Ratio	0.65:1	0.62:1	0.61:1	0.58:1	0.67:1

Source: Annual accounts of PSUs received during October 2019 to September 2020

As can be seen from **Table 1.2.9**, the DTR during 2015-16 was at 0.65:1 but improved thereafter to 0.58:1 in 2018-19. Thereafter, the DTR deteriorated to 0.67:1 during 2019-20, which indicated the declining position of the three PSUs to service their long-term debts as compared to previous years. The decline in DTR was mainly due to decrease of 13.13 *per cent* in the PSU-turnover during 2019-20 as compared to the previous year (2018-19).

Impact of Audit Comments on Annual Accounts of PSUs

1.2.16 During October 2019 to September 2020, two PSUs forwarded their two accounts to the Principal Accountant General. All these accounts of the two PSUs were selected for supplementary audit. The comments in the Audit Reports of Statutory Auditors appointed by C&AG and the supplementary audit of C&AG highlighted significant observations on the financial statements. As a result of these audit observations, operational results (net profit or net loss) of the PSUs as depicted in their financial statements were found to be understated or overstated. Further, the said observations also highlighted non-disclosure of material facts and errors of classification. The said observations of Statutory Auditors and C&AG indicated that the quality of maintenance of accounts needs to be improved. The details of aggregate money value of comments of Statutory Auditors and C&AG for last three years from 2017-18 to 2019-20 are given in *Table 1.2.10*.

Table 1.2.10: Impact of audit comments on the accounts of the working PSUs

(₹ in crore)

Sl. No.	Particulars	2017-18		2018-19		2019-20	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	1	16.59	4	308.48	1	9.80
2.	Increase in loss	2	72.76	0	0.00	1	5.50
3.	Non-disclosure of material facts	1	7.43	0	0.00	2	49.53
4.	Errors of classification	2	100.51	1	3.62	1	32.15

Source: Statutory Auditors' Report and comments of C&AG

During 2019-20, the Statutory Auditors had given qualified opinion on both the accounts finalised by the two PSUs. Further, there were four instances of non-compliance to AS/Ind AS in two accounts during the year. This indicated that the financial statements of the PSUs needed to be improved to ensure compliance to the AS/Ind AS.

Gist of some of the important comments of the Statutory Auditors and C&AG in respect of the accounts of the PSUs are as under:

Assam Power Generation Corporation Limited (2019-20)

1. Non-provisioning for proportionate annual fixed cost to be refunded to APDCL

During 2019-20, AERC had provisionally allowed annual fixed cost of ₹ 22.50 crore for Namrup Thermal Power Station (NTPS) of the Company subject to achievement of minimum availability index. Though the Company could achieve availability index of 32.44 *per cent* for NTPS during 2019-20, it did not make provision for proportionate annual fixed cost to be refunded to APDCL due to under-achievement of availability index. This has resulted in understatement of 'Provision for Regularity liability' by ₹ 7.90 crore with corresponding overstatement of 'Profit for the year' to that extent.

2. Non-disclosure of material facts

The Company booked ₹ 13.94 crore under 'Fuel related receivables & claims (OIL)-other current assets' (Note-7) against excess gas volume billed by the Supplier (M/s Oil

India Limited) for the period from April 2019 to September 2019 based on a debit note issued (March 2020) on the Supplier. The claim of the Company has not been confirmed/accepted by the Supplier, while submitting 'station-wise' outstanding balances (as on 31 March 2020) to the Company, which was also accepted by the latter (Company) without any protest. The fact that the debit note has not been accepted merits for appropriate disclosure under 'Notes on Accounts'.

1.2.17 Performance of Power Sector PSUs

High Transmission & Distribution Losses

1.2.17.1 Analysis of the operational performance of the three PSUs further revealed that Assam Power Distribution Company limited (APDCL), which was a major contributor to the accumulated losses of PSUs could not achieve the targeted Transmission & Distribution (T&D) losses during last three years. Thus, high T&D loss of APDCL was a major factor contributing towards its high losses.

As against the T&D loss targets of 17.10 *per cent* (2017-18), 16.85 *per cent* (2018-19) and 16.00 *per cent* (2019-20) fixed for last three years, the actual T&D losses of the Company were to the tune of 17.64 *per cent* (2017-18), 19.70 *per cent* (2018-19) and 19.06 *per cent* (2019-20) respectively. The increase in the T&D losses after 2017-18 was primarily attributable to enhancement of Low Tension (LT) networks under Deendayal Upadhyaya Gram Jyoti Yojana, a Government of India Scheme without adequate High Tension (HT) infrastructure as well as implementation of massive household electrification carried out under GoI's flagship SAUBHAGYA scheme.

Low Plant Load Factor

1.2.17.2 The plant load factor (PLF) is a measure of average capacity utilisation of a power generating unit and is expressed in terms of percentage of actual generation to the installed capacity. Hence, the PLF of a generating company is positively correlated with the generating efficiency of a power generation utility.

Assam Power Generation Corporation Limited (APGCL), the State-owned power generation utility in Assam had five Generating Stations with installed capacity of 345.20 MW. Analysis of the PLF of the generating stations of APGCL for last three years revealed that there was an overall reduction in the PLF in four out of five generating stations (except Lakwa Replacement Power Project) during 2017-20 ranging between 4.56 *per cent* (Namrup Thermal Power Station) and 14.10 *per cent* (Lakwa Thermal Power Station), which was significant. PLF of the fifth power plant (Lakwa Replacement Power Project), which was commissioned in 2018-19, however, increased by 6.86 *per cent* during 2018-20. Though APGCL has earned nominal profit of ₹ 4.28 crore during 2019-20, it had significant accumulated losses of ₹ 107.59 crore as per its latest finalised accounts for the year ended 31 March 2020.

APGCL needs to appropriately address the issue of low PLF of its generating stations to improve its operational performance and financial position in coming years.

Implementation of Ujwal DISCOM Assurance Yojana (UDAY)

1.2.17.3 The Ministry of Power (MoP), Government of India launched (20 November 2015) Ujwal DISCOM Assurance Yojana (UDAY) for operational and financial turnaround of State-owned Power Distribution Companies (DISCOMs). As per the provisions of UDAY scheme, the States were required to undertake following measures for operational and financial turnaround of DISCOMs.

Scheme for improving operational efficiency

The States were required to undertake various targeted activities for improving the operational efficiencies. These activities included compulsory metering of the feeder and distribution transformer (DT), consumer indexing and GIS mapping of losses, upgrading or changing transformers and meters, smart metering of all consumers consuming above 200 units per month, Demand Side Management (DSM) through energy efficient equipment, quarterly revision of tariff, checking of power theft, ensuring increased power supply in the areas having low or diminishing Aggregate Technical & Commercial (AT&C) losses, *etc.* The timeline prescribed for these targeted activities was also required to be followed to ensure achievement of the intended benefits *viz.* ability to track losses at feeder and DT level, identification of loss-making areas, reduce technical losses and minimise outages, reduce power theft, enhance public participation for reducing the theft, reduce peak load and energy consumption *etc.* The outcome of operational improvements was to be measured through the prescribed indicators *viz.* reduction of AT&C loss to 15 *per cent* by 2019-20 as per loss reduction trajectory finalised by MoP and States, reduction in the gap (between average cost of supply and average revenue realised) to zero by 2019-20.

The details of the targets fixed under UDAY Scheme against different operational parameters vis-a-vis achievements of APDCL there against as on 31 March 2020 have been given in **Table 1.2.11**.

Table 1.2.11: Parameter wise achievements of APDCL as on 31 March 2020 against the operational targets fixed under UDAY Scheme

Sl. No.	Parameter of UDAY Scheme	Target under UDAY Scheme as per MoU ³⁶	Progress under UDAY Scheme	Achievement (in <i>per cent</i>)
1	Feeder metering (in Nos.)	1,600	1,443	90.19
2	Distribution Transformer Metering (in nos.)	4,700	2,765	58.83
3	Feeder Segregation (in Nos.)	878	197	22.44
4	Rural Feeder Audit (in Nos.)	1,051	1,402	Achieved
5	Electricity to unconnected household (in lakh nos.)	21.74	26.66	Achieved
6	Smart metering (in Nos.)	1,81,000	14,008	7.74
7	Distribution of LED UJALA (in lakh nos.)	11.50	112.71	Achieved
8	AT&C Losses (in <i>per cent</i>)	15	22.29	Negative

³⁶ Memorandum of Understanding (MoU) entered (4 January 2017) between Government of India, Government of Assam and Assam Power Distribution Company Limited.

Sl. No.	Parameter of UDAY Scheme	Target under UDAY Scheme as per MoU ³⁶	Progress under UDAY Scheme	Achievement (in per cent)
9	ACS-ARR ³⁷ Gap (₹ per unit)	(-) 0.05 ³⁸	0.20 ³⁹	Negative
10	Net Income including subsidy ⁴⁰ (₹ in crore)	51.04	202.69	Achieved

Source: Information furnished by APDCL

As it could be seen from **Table 1.2.11**, as on 31 March 2020, the level of the Aggregate Technical & Commercial losses (AT&C losses) of APDCL stood at 22.29 per cent as compared to the targeted reduction in these losses to 15 per cent by 2019-20. The deficiency (7.29 per cent) in achievement of targeted level of AT&C loss was mainly due to shortfall of 17 per cent in billing and collection efficiency (82.36 per cent in 2019-20 against the targeted 99 per cent under UDAY). The reasons for shortfall in billing and collection efficiency were intensification of rural electrification and increase in the numbers of LT consumers after implementation of SAUBHAGYA scheme⁴¹, which had negative correlation with billing and collection efficiency. Further, there was a gap (loss) of ₹ 0.20 per unit between the Average Cost of Supply and Average Revenue Realised as against the targeted gap (profitability) of ₹ 0.05 per unit by 2019-20. APDCL has also performed poorly in areas of Smart metering and feeder segregation, whereas the performance had been better in terms of Distribution Transformer metering, feeder metering, providing electricity to unconnected households and distribution of LEDs.

Implementation of financial turnaround

A Memorandum of Understanding (MoU) was entered (4 January 2017) between GoI, GoA and APDCL under the UDAY Scheme. As per the MoU, GoA was committed to provide the prescribed funding to APDCL in the form of equity and grants to the extent of ₹ 1,132.53 crore (75 per cent) out of ₹ 1,510.04 crore of GoA loans as on 30 September 2015. To meet the commitment made under the MoU, GoA could also issue bonds, if necessary, for raising funds.

To honour the above commitments, GoA had issued (November 2019) financial sanction amounting to ₹ 554 crore for waiver of the unpaid interest against the above loan. Subsequently, GoA had also issued (February 2020) sanction order towards conversion of loan (₹ 1,132.53 crore) to grant (₹ 849.40 crore) and equity (₹ 283.13 crore) by way of book adjustment.

Further, as per the MoU, GoA was also to provide Operational Funding Requirement (OFR) support to APDCL till it achieves the financial turnaround. The OFR support

³⁷ ACS represents 'Average Cost of Supply' while ARR means 'Average Revenue Requirement'.

³⁸ A negative ACS-ARR gap reflects profitability of DISCOMS, meaning thereby that they are earning a profit as they realise higher revenue than the procurement cost.

³⁹ Provisional figures upto second quarter of the year 2020-21.

⁴⁰ Target and achievement against this component have been adopted for 2018-19 pending finalization of annual accounts of APDCL for 2019-20.

⁴¹ SAUBHAGYA scheme launched (September 2017) by GoI aimed to provide free electricity connections to all households (both Above Poverty Line and poor families) in rural areas and poor families in urban areas.

committed by GoA also included necessary funding to discharge outstanding power purchase liabilities (₹ 1,207.35 crore) of APDCL as on 31 March 2015. Against this commitment, APDCL had received ₹ 1,883.29 crore during 2016-20 in the form of grants (₹ 872.41 crore towards strengthening and upgradation, installation of smart meters, GIS mapping, distribution of LED, *etc.* and ₹ 1,010.88 crore against the unpaid power purchase dues).

With the above financial assistance from GoA, APDCL could reduce its power purchase liability from ₹ 1,221.30 crore (2015-16) to ₹ 430.20 crore (2019-20). As a result, the delayed payment surcharge paid by APDCL for delay in payment of power purchase bills has been considerably reduced from ₹ 23.38 crore (2015-16) to ₹ 4.83 crore (2019-20). The financial assistance also helped in financial turnaround of APDCL as it earned an operational profit of ₹ 202.69 crore during 2019-20 as compared to operational loss of ₹ 103.90 crore during 2015-16.

Disinvestment, Restructuring and Privatisation

1.2.18 During 2019-20, no disinvestment, restructuring or privatization was done by the GoA in the power sector.

Follow up action on Audit Reports

Explanatory notes not received

1.2.19 The C&AG's Audit Reports represent culmination of the process of scrutiny starting with initial inspection of accounts and records maintained by various PSUs. It was, therefore, necessary that the Audit Reports elicit appropriate and timely response from the Executive. Finance (Audit & Fund) Department, GoA issued (May 1994) instructions on preparing the 'explanatory notes' in respect of 'performance audits' and 'compliance audit paragraphs' by the Administrative Departments concerned.

As per the said instructions, the Administrative Departments concerned were required to prepare the 'explanatory notes' on the 'compliance audit paragraphs' and 'performance audits' included in the Audit Reports immediately on receipt of the said Audit Reports. The Administrative Departments were required to indicate the action taken or proposed to be taken in the 'explanatory notes'. The 'explanatory notes' shall also include the status of recovery of any amount due to Government as pointed out in the performance audits/audit paragraphs included in the Audit Reports. The Administrative Departments were also required to submit the said 'explanatory notes' to the Assam Legislative Assembly with a copy to the Principal Accountant General (Audit), Assam within 20 days after receipt of the Audit Reports. The Power Department, however, had not submitted any 'explanatory notes' to the State Legislature in respect of 28 Audit Reports (1990-91 to 2017-18) containing 19 performance audits and 136 paragraphs.

Discussion on Audit Reports by COPU

1.2.20 As on 31 March 2020, 28 Audit Reports containing 19 performance audits and 136 audit paragraphs relating to the three PSUs were placed in the State Legislature. Out of the above, 13 performance audits and 95 compliance audit paragraphs pertaining to 19 Audit Reports were discussed by the Committee on Public Undertakings (COPU). The remaining 6 performance audits and 41 compliance audit paragraphs pertaining to 11 Audit Reports were pending for discussion and necessary action by COPU.

Against the 19 Audit Reports discussed by the COPU, 6 Reports of COPU relating to 3 performance audits and 38 audit paragraphs featured in 6 Audit Reports were presented to the State Legislature as on 31 March 2020. These Reports of COPU contained 61 recommendations (performance audits: 17 and compliance audit paragraphs: 44) in respect of 3 performance audits and 36 compliance audit paragraphs, which appeared in the Audit Reports for the years 1994-95 to 2005-06. The concerned departments/PSUs has however, not submitted the Action Taken Notes (ATN) on any of the 61 COPU recommendations as indicated in **Table 1.2.12**.

Table 1.2.12: Compliance to COPU Reports

Year of the COPU Report	Total number of COPU Reports	Total no. of recommendations in COPU Report	No. of recommendations where ATNs were pending
2002-03	1	9	9
2003-04	1	8	8
2008-09	2	34	34
2010-11	1	6	6
2011-12	1	4	4
Total	6	61	61

Source: Records of PSUs available with Audit.

Recommendation: GoA should review and revamp the mechanism of responding to audit observations. It may ensure that explanatory notes to audit paragraphs/performance audits and ATNs on the recommendations of COPU are provided as per the prescribed time schedule and the loss/outstanding advances/overpayments flagged in audit recovered within the prescribed period to enable accountability for public finances.

Section 3: Functioning of Public Sector Undertakings (other than Power Sector)

1.3 Introduction

Contribution to State Economy

1.3.1 The PSUs (other than power sector) comprised 32 working PSUs (29 Government Companies and 3 Statutory Corporations) and 16 non-working PSUs (all companies). The working PSUs registered a turnover of ₹ 857.79 crore as per their latest finalised accounts as on 30 September 2020. This turnover was equal to 0.26 *per cent* of Gross State Domestic Product (GSDP) of ₹ 3,35,238 crore⁴² for 2018-19. During 2019-20, the working PSUs earned an overall profit of ₹ 31.30 crore as per their latest finalised accounts as on 30 September 2020 as compared to the overall loss of ₹ 18.13 crore incurred during 2018-19. A ratio of PSU-turnover to GSDP shows the extent of PSUs-activities in the State economy.

Table 1.3.1 provides the details of PSUs turnover against the GSDP during 2015-16 to 2019-20.

Table 1.3.1: Details of working PSUs turnover vis-a-vis State GDP

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Turnover ⁴³	730.70	707.81	738.30	877.99	857.79
GSDP	2,27,959	2,54,382	2,83,165	3,15,881	3,35,238
Percentage of Turnover to GSDP	0.32	0.28	0.26	0.28	0.26

Source: Latest finalised Accounts of PSUs and information provided by the Directorate of Economic & Statistics, GoA. Figures of GSDP relating to 2019-20 is provisional estimates.

As can be observed from **Table 1.3.1**, the turnover of the working PSUs during 2015-16 to 2019-20 showed a mixed trend. During 2019-20, the PSU-turnover decreased by 2.30 *per cent* (₹ 20.20 crore) as compared to the previous year (2018-19) turnover of ₹ 877.99 crore. The turnover of the working PSUs, however, registered an overall increase of 17.39 *per cent* during 2015-16 to 2019-20. This increase was not commensurate with the growth rate (47.06 *per cent*) of the GSDP during the same period. As a result, contribution of working PSUs turnover to the GSDP had declined from 0.32 *per cent* (2015-16) to 0.26 *per cent* (2019-20).

Investment in PSUs (other than Power Sector)

1.3.2 **Table 1.3.2** depicts the total investment in the PSUs:

⁴² GSDP (Quick estimate) as per information furnished by Directorate of Economic and Statistics, GoA

⁴³ Turnover as per the latest finalised accounts as on 30 September of the respective year.

Table 1.3.2: Details of investment in PSUs

(₹ in crore)			
Particulars	GoA	Others	Total
Equity	689.81	648.52	1,338.33
Long-term loans	698.95	455.70	1,154.65
Total investment	1,388.76	1,104.22	2,492.98

(‘Others’ include Central Government, holding companies, Banks and other financial institutions)

As can be noticed from **Table 1.3.2**, the total investment (equity and long-term loans) in the PSUs was ₹ 2,492.98 crore (**Appendix 2**) as on 31 March 2020. The investment consisted of 53.68 per cent in equity and 46.32 per cent in long-term loans.

Further, the GoA’s investment consisted of 49.67 per cent towards equity and 50.33 per cent in long-term loans.

Reconciliation with Finance Accounts of GoA

1.3.3 The figures in respect of equity and loans extended by the GoA and remaining outstanding as per the records furnished by the PSUs should agree with the figures appearing in the Finance Accounts of the State. In case, the figures do not agree, the PSUs concerned, and the Finance Department are required to carry out reconciliation of differences in figures. The position in this regard as on 31 March 2020 is summarised in **Table 1.3.3**.

Table 1.3.3: Equity and loans outstanding as per the State Finance Accounts vis-à-vis records of PSUs

(₹ in crore)			
Outstanding in respect of	Amount as per Finance Accounts ⁴⁴	Amount as per records of PSUs	Difference
Equity	937.75	689.81	247.94
Loans	754.45	698.95	55.50

Source: Information furnished by the PSUs and Finance Accounts

It can be noticed that there were significant unreconciled differences in the figures of equity and loans as per two sets of records. The difference in equity figures was mainly because of non-existence of equity details of 9⁴⁵ out of 37 PSUs⁴⁶ in the State Finance Accounts although the records of these 9 PSUs showed equity infusion by the GoA. Analysis of differences in loan figures was, however, difficult as the Finance Accounts did not provide the PSU-wise details of the loans provided by the GoA.

As the unreconciled differences of outstanding investments are significant, GoA and the PSUs concerned need to take concrete steps to reconcile the differences in a time-bound manner.

⁴⁴ Figures compiled from Statements 7, 18 and 19 of State Finance Accounts, 2018-19.

⁴⁵ PSUs at Sl. No. B6, B9, B12, B20, B21, B24, D2, D3 and D5 of **Appendix 2**.

⁴⁶ Excluding 11 PSUs (serial no. B25, B26, B31, B32, D7, D9, D11, D12, D13, D15 and D16 of **Appendix 3**) where GoA has no direct equity investment.

Budgetary outgo of GoA

1.3.4 GoA provides financial support to PSUs in various forms through the annual budget. The details of year-wise budgetary outgo towards equity, loans, and grants in respect of PSUs during 2015-16 to 2019-20 are given in **Table 1.3.4**.

Table 1.3.4: Year-wise budgetary support by GoA to PSUs

(₹ in crore)

Sl. No.	Particulars	2015-16		2016-17		2017-18		2018-19		2019-20	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1	Equity outgo from budget	0	0.00	0	0.00	2	111.20	4	73.29	1	20.00
2	Loans given from budget (all interest bearing)	5	108.24	3	32.09	5	73.45	3	122.02	4	27.75
3	Grants ⁴⁷ /Subsidy from budget	7	70.06	6	62.38	7	121.21	9	183.98	7	241.20
	Total Outgo⁴⁸	9	178.30	9	94.47	14	305.86	16	379.29	11	288.95

Source: Information furnished by the PSUs

As can be noticed from the **Table 1.3.4**, the budgetary outgo to PSUs in the form of equity, loans, grants, etc. had shown an increasing trend during 2016-17 to 2018-19 when the budgetary outgo had increased from ₹ 94.97 crore (2016-17) to ₹ 379.29 crore (2018-19). During 2019-20, however, the budgetary support had decreased from ₹ 379.29 crore (2018-19) to ₹ 288.95 crore (2019-20). The major recipient of budgetary support to the extent of ₹ 254.72 crore (88.23 per cent) during 2019-20 were Assam State Transport Corporation (Grant: ₹ 107.49 crore), Assam Tourism Development Corporation Limited (Grant: ₹ 80.07 crore), Assam Tea Corporation Limited (Grant: ₹ 24.99 crore; Loan: ₹ 22.17 crore) and Assam Petro-Chemicals Limited (Equity: ₹ 20.00 crore).

Submission of Accounts

Submission of Accounts by working PSUs

1.3.5 The financial statements of the PSUs for every financial year are required to be finalised within six months from the end of the relevant financial year i.e., by September end in accordance with the provisions of Section 96(1), read with section 129(2) of the Companies Act, 2013 (Act). Failure to do so may attract penal provisions under Section 99 of the Act. As per the said provisions of the Act, the PSU and every officer of the PSU who is in default shall be punishable with fine which may extend up to ₹ 1 lakh and in the case of a continuing default, with a further fine which may extend up to ₹ 5,000 for every day during which such default continues. Similarly, in case of Statutory Corporations, their accounts are finalised, audited, and presented to the Legislature as per the provisions of their respective governing Acts.

⁴⁷ Includes Capital and Revenue grants.

⁴⁸ Actual number of PSUs which received equity, loans, grants/subsidies from GoA

Table 1.3.5 provides the details of progress made by working PSUs in finalisation of accounts (as on 30 September 2020).

Table 1.3.5: Position relating to finalisation of accounts by the working PSUs

Sl. No.	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
1	Number of PSUs	30	30	30	31	32 ⁴⁹
2	Total number of accounts finalised	71	23	23	36	23
3	Number of previous year accounts finalised during current year	65	18	19	32	19
4	Number of working PSUs with arrears in accounts	24	25	26	27	28
5	Number of accounts in arrears	169	176	183	182	191
6	Extent of arrears (years)	1 to 25	1 to 24	1 to 25	1 to 26	1 to 27

Source: Compiled based on the annual accounts submitted by the PSUs between October and September

As can be noticed from **Table 1.3.5**, 28 out of 32 working PSUs had backlog of 191 accounts as on 30 September 2020, with period of arrears ranging up to 27 years, which is a matter of serious concern. Audit analysis further revealed that out of 28 PSUs having pendency of accounts, GoA extended financial support of ₹ 391.80 crore to seven working PSUs⁵⁰, which have not submitted their accounts for six years or more as detailed in **Appendix 1**. Among these seven PSUs, the highest budgetary support was received by three PSUs namely, Assam Tea Corporation Limited (long term loans: ₹ 261.73 crore and grant: ₹ 25 crore), Assam State Development Corporation for Scheduled Castes Limited (grants: ₹ 58.13 crore and equity: ₹ 0.25 crore) and Assam Hills Small Industries Development Corporation Limited (long term loans: ₹ 29.25 crore and grants: ₹ 1.64 crore). Undue extension of financial support to PSUs with huge pendency of accounts indicated that the GoA did not enforce accountability of these PSUs for proper utilisation of the resources provided to them.

The Administrative Departments, which have the responsibility to oversee the activities of the PSUs, must ensure that these PSUs finalise and adopt their accounts within the stipulated period. In view of the huge arrears in finalisation of accounts by the PSUs, the Principal Accountant General (Audit), Assam had been taking up (January, April, and September 2019) the matter regularly with the GoA and the administrative departments concerned for liquidating the arrears of accounts of PSUs. However, the GoA and the PSUs concerned could not address the issue to clear pendency of accounts of the PSUs in a time bound manner.

Delays in finalisation of the accounts entail the risk of fraud and misappropriation of public money apart from violation of the provisions of the relevant Statutes. In view of the position of arrear of accounts indicated above, the actual contribution of PSUs to

⁴⁹ One PSU (*i.e.*, Purba Bharati Gas Private Limited) was added under the audit purview of C&AG during 2019-20.

⁵⁰ PSUs at Sl. No. B2, B3, B6, B7, B8, B9 and B12 of **Appendix 1**.

the GSDP for 2019-20 could not be ascertained and their contribution to State exchequer could not be reported to the State Legislature.

Submission of Accounts by non-working PSUs

1.3.6 As on 31 March 2020, there were total 16 non-working PSUs (all companies). Out of these 16 non-working PSUs, three PSUs⁵¹ were untraceable and the GoA had also not provided any information about the existence of these PSUs. For the remaining 13⁵² non-working PSUs, GoA had issued (December 2006-October 2008) notifications for their closure as discussed under **paragraph 1.3.22**. The accounts of 12⁵³ out of these 13 non-working PSUs were in arrears for periods ranging from 1 to 26 years.

Placement of Separate Audit Reports of Statutory Corporations

1.3.7 The position depicted in **Table 1.3.6** shows the status of placement of Separate Audit Reports (SARs) issued by the C&AG (as of March 2020) on the accounts of Statutory Corporations in the State Legislature.

Table 1.3.6: Status of placement of Separate Audit Reports in the Legislature

Sl. No.	Name of Statutory Corporation	Year up to which SARs placed in Legislature	Year for which SARs not placed in the Legislature	
			Year of SAR	Issued to GoA on
1.	Assam State Transport Corporation	2015-16	2016-17	December 2019
2.	Assam Financial Corporation	2017-18	2018-19	February 2020

Source: Information received from the Corporations

As can be noticed from the **Table 1.3.6**, two SARs issued to the GoA between December 2019 and February 2020 were pending for placement in the State Legislature (March 2020). No reasons for delay in placement of SARs were intimated to Audit.

Recommendations:

- a. GoA may set up a special cell to oversee the clearance of arrears and set the targets for individual PSUs, which may be monitored by the cell;*
- b. GoA may ensure that existing vacancies in the accounts department of PSUs are timely filled up with persons having domain expertise and experience; and*
- c. The PSUs may get the figures of equity and loans reconciled with the concerned Departments and the Departments may ensure that correct figures are reflected in their Annual Accounts.*

Investment made by GoA in PSUs having arrear in Accounts

1.3.8 Persistent delay in finalisation of accounts is fraught with the risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 2013.

⁵¹ Sl. No. D8, D11 and D14 of **Appendix 3**.

⁵² Including one PSU (Sl. No. D7 of **Appendix 3**), for which GoA had initiated (November 2018) the process for its closure but pending issue of notification.

⁵³ Excluding one PSUs (Sl. No. D4 **Appendix 3**), which had no arrear of accounts.

GoA had invested ₹ 764.26 crore⁵⁴ in 18 PSUs during the years for which their accounts were in arrears, as detailed in **Appendix 1**. The details of six PSUs, which were major recipients of GoA funding of ₹ 707.62 crore during the period for which their accounts were in arrears have been given in **Table 1.3.7**.

Table 1.3.7: Major recipient PSUs of GoA funding having accounts in arrears

(₹ in crore)

Sl. No.	Name of PSU	Accounts finalised upto	No. of Accounts in arrears	Investment by GoA during the period of arrears		
				Equity	Loans	Grants
1	Assam Tea Corporation Ltd.	2013-14	6	-	261.73	25.00
2	Assam Tourism Development Corporation Ltd.	2016-17	3	-	-	150.38
3	Assam State Transport Corporation	2016-17	3	-	-	149.36
4	Assam State Development Corporation for Scheduled Castes Ltd.	2009-10	10	0.25	-	58.13
5	Assam State Development Corporation for Other Backward Classes Ltd.	2015-16	4	0.40	-	31.48
6	Assam Hills Small Industries Development Corporation Ltd.	1998-99	21	-	29.25	1.64
	Total			0.65	290.98	415.99

Audit analysis further revealed that during last five years (2015-20), five PSUs⁵⁵ having arrear of accounts received budgetary support of ₹ 328.11 crore by way of Government Grants to meet the salary related expenses of their employees, which is a burden on the State budget. In the absence of accounts and their subsequent audit, it could not be verified if the investments made, and the expenditure incurred there against have been properly accounted for.

GoA may consider setting up a special cell under the Finance Department to oversee the expeditious clearance of arrears of accounts of PSUs. Where there is lack of staff expertise, GoA may consider outsourcing the work relating to preparation of accounts and take punitive action against the management of the PSUs responsible for arrears of accounts. Until the accounts are made as current as possible, GoA may consider not giving further financial assistance to such PSUs.

Operational Performance of PSUs

1.3.9 The position regarding the profit earned/loss incurred by 32 working PSUs during 2015-16 to 2019-20 is given in **Table 1.3.8**.

⁵⁴Equity: ₹ 4.15 crore (4 PSUs), loans: ₹ 306.33 crore (6 PSUs) and grants: ₹ 453.78 crore (14 PSUs)

⁵⁵ PSUs at serial number B2 (₹ 2.40 crore), B4 (₹ 39.25 crore), B5 (₹ 17.88 crore), B7 (₹ 23.40 crore) and C1 (₹ 245.18 crore) of **Appendix 1**.

Table 1.3.8: Details of working PSUs which earned profit/incurred loss

Name of Sector	Number of PSUs which earned profits/(incurred loss)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Agriculture & Allied	1 (4)	2 (3)	1 (4)	1 (5)	1 (5)
Finance	3 (3)	3 (3)	3 (3)	2 (4)	2 (4)
Infrastructure	5 (2)	5 (2)	5 (2)	4 (3)	4 (3)
Manufacturing	2 (3)	3 (2)	3 (2)	3 (2)	2 (3)
Services	1 (2)	1 (2)	2 (1)	2 (1)	2 (1)
Miscellaneous ⁵⁶	3 (1)	3 (1)	3 (1)	4 (0)	3 (2)
Total	15 (15)	17 (13)	17 (13)	16 (15)	14 (18)
Total Profit (₹ in crore)	97.05	105.03	130.75	108.66	161.86
Total Loss (₹ in crore)	-101.98	-80.97	-98.59	-126.79	-130.56
Net Profit/Loss (₹ in crore)	-4.93	24.06	32.16	-18.13	31.30

Source: Latest finalised accounts of the PSUs as on 30 September of respective year.

It can be noticed from **Table 1.3.8** that during 2019-20, out of 32 working PSUs, 14 PSUs had earned profits of ₹ 161.86 crore while 18 PSUs had incurred loss of ₹ 130.56 crore as per their latest finalised accounts as on 30 September 2020.

The details of major contributors to overall profits and losses of working PSUs during 2019-20 are given in **Table 1.3.9**.

Table 1.3.9: Major contributors to profits and losses of working PSUs

(₹ in crore)

Name of PSU	Latest finalised accounts	Profit (+)/ loss (-)
Contributor to loss		
Assam State Transport Corporation	2016-17	(-) 77.87
Assam Tea Corporation Ltd.	2013-14	(-) 17.98
Assam Petrochemicals Ltd.	2019-20	(-) 10.11
Total		(-) 105.96
Contributor to profit		
Assam Gas Company Ltd.	2019-20	(+) 82.55
DNP Ltd.	2019-20	(+) 35.42
Assam Mineral Development Corporation Ltd.	2017-18	(+) 22.46
Total		(+) 140.43

Profitability trend

1.3.10 As can be noticed from **Table 1.3.8**, the profits (₹ 32.16 crore) of the PSUs were highest during 2017-18, which turned into losses (₹ 18.13 crore) during 2018-19. There was, however, turnaround on the performance of the working PSUs from losses (₹ 18.13 crore) to overall profits of ₹ 31.30 crore during 2019-20. This was mainly due to increase in the profits of Assam Gas Company Limited from ₹ 27.90 crore (2018-19) to ₹ 82.55 crore during 2019-20.

⁵⁶Miscellaneous sector includes Assam Gas Company Ltd., DNP Ltd., Assam Government Marketing Corporation Ltd. and Assam State Textbook Production and Publication Corporation Ltd.

Dividend Payout

1.3.11 As per Public Enterprise Policy, 2019, the PSUs having no accumulated loss and having operating profits shall pay a minimum dividend to its shareholders out of the profit earned after payment of payable tax by the PSU during the preceding Financial year provided such provision is laid down in Articles of Association/Articles of Incorporation of the PSU. Dividend payout relating to 32 working PSUs during 2015-20, in which GoA had direct equity infusion is shown in **Table 1.3.10**.

Table 1.3.10: Dividend Payout by working PSUs to GoA

(₹ in crore)

Year	No. of PSUs with direct equity infusion by GoA	GoA Equity	No. of PSUs which earned profit during the year	GoA Equity	No. of PSUs	Dividend declared/paid by PSUs	Dividend Payout Ratio (per cent)
i	ii	iii	iv	v	vi	vii	viii=vii ÷ v x 100
2015-16	26	442.97	13	219.40	1	1.69	0.77
2016-17	26	442.97	14	219.47	1	2.11	0.96
2017-18	27	554.17	15	338.60	2	3.87	1.14
2018-19	28	625.51	14	373.02	2	3.87	1.04
2019-20	28 ⁵⁷	645.51	12	213.86	2	5.56	2.60

Source: Compiled based on latest finalised accounts of PSUs as on 30 September 2020.

During 2015-16 to 2019-20, the number of profit-making PSUs having direct equity infusion by GoA ranged between 12 and 15, against which two PSUs (Assam Gas Company Limited and Assam Mineral Development Corporation Limited) had declared/paid dividend of ₹ 5.56 crore⁵⁸ to GoA. The Dividend Payout ratio of the PSUs during the period ranged between 0.77 per cent and 2.60 per cent.

Erosion of Net worth

1.3.12 Net Worth or Shareholders' Fund means the sum of the 'paid-up capital' and 'free reserves and surplus' minus 'accumulated losses' and 'deferred revenue expenditure'. Essentially, it is a measure of what an entity is worth to the owners. A negative net worth indicates that the entire investment by the owners has been wiped out by accumulated losses and deferred revenue expenditure.

Table 1.3.11 indicates the year-wise consolidated position of paid-up capital, accumulated losses, free reserve & surplus and net worth of 32 working PSUs during 2015-16 to 2019-20 as per their latest finalised accounts as on 30 September of the respective year.

⁵⁷ Excluding PSUs at Sl. No. B25, B26, B31 and B32 of **Appendix 3**, where there is no equity infusion by the State Government.

⁵⁸ Assam Gas Company Limited (₹ 5.07 crore) and Assam Mineral Development Corporation Limited (₹ 0.49 crore).

Table 1.3.11: Net worth of working PSUs

(₹ in crore)

Year	Paid-up capital at end of the year	Accumulated loss (-) at the end of the year	Free reserve & surplus	Net Worth/ Shareholders' fund	Net Income (₹ in crore)	RoE (per cent)
i	ii	iii	iv	v = (ii + iii + iv)	vi	vii = (vi ÷ v) x 100
2015-16	645.34	(-) 1,177.74	736.45	204.05	(-) 4.93	(-) 2.42
2016-17	645.34	(-) 1,431.90	820.58	34.02	24.06	70.72
2017-18	645.67	(-) 1,513.15	917.88	50.40	32.16	63.81
2018-19	1,090.13	(-) 1,624.98	933.52	398.67	(-) 18.13	(-) 4.55
2019-20	1,263.71	(-) 1,653.99	1,050.66	660.38	31.30	4.74

Source: Annual accounts of PSUs received during October 2019 to September 2020

As can be seen from **Table 1.3.11**, the net worth of the PSUs was at the lowest levels during 2016-17 (₹ 34.02 crore) and 2017-18 (₹ 50.40 crore) mainly due to constant increase in the accumulated losses of PSUs. The net worth of PSUs after 2017-18 had shown an appreciation of ₹ 609.98 crore from ₹ 50.40 crore (2017-18) to ₹ 660.38 crore (2019-20) mainly due to net increase of ₹ 488.04 crore (GoA: ₹ 177.00 crore; Others: ₹ 311.04 crore) in the paid-up capital of Assam Petro-Chemicals Limited.

The turnaround of PSUs losses of ₹ 4.93 crore (2015-16) into profits of ₹ 24.06 crore (2016-17) occurred mainly due to profit of ₹ 2.86 crore (2016-17) earned by Assam Petro-Chemicals Limited as compared to the loss of ₹ 22.19 crore incurred during the previous year (2015-16). Further, there was a turnaround of losses of ₹ 18.13 crore (2018-19) into profits of ₹ 31.30 crore mainly due to increase in profit of Assam Gas Company Limited from ₹ 27.90 crore in 2018-19 to ₹ 82.55 crore during 2019-20.

Analysis of investment and accumulated losses of these PSUs further revealed that the accumulated losses (₹ 1,509.44 crore⁵⁹) of 13 working PSUs⁶⁰ had completely eroded their paid-up capital (₹ 235.54 crore). The primary erosion of paid-up capital was in respect of four PSUs as detailed in the **Table 1.3.12**.

Table 1.3.12: PSUs with primary erosion of paid-up capital

(₹ in crore)

Name of PSU	Latest finalised accounts	Paid up capital	Accumulated losses
Assam State Transport Corporation	2016-17	167.73	948.04
Assam Tea Corporation Limited	2013-14	27.54	323.75
Ashok Paper Mills (Assam) Limited	2015-16	0.01	83.10
Assam Plain Tribes Development Corporation Limited	2018-19	2.95	41.71*
Total		198.23	1,396.60

*Net after adjusting free reserves (₹ 2.35 crore)

⁵⁹ Net after adjusting 'free reserves'.⁶⁰ Serial No. B4, B7, B8, B10, B11, B13, B15, B17, B23, B25, B26, B28 and C2 of **Appendix 3**

Accumulation of huge losses by these PSUs had eroded public wealth, which is a cause of concern, and the GoA needs to review the working of these PSUs to either improve their profitability or close their operations.

Return on Capital Employed

1.3.13 Return on Capital Employed (RoCE) is a ratio that measures a company's profitability and the efficiency with which its capital is deployed. RoCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the Capital Employed⁶¹.

The consolidated details of RoCE of all the 48 PSUs⁶² during 2015-16 to 2019-20 as per their latest finalised accounts as on 30 September of the respective year are given in **Table 1.3.13**.

Table 1.3.13: Return on Capital Employed

Year	EBIT (₹ in crore)	Capital Employed (₹ in crore)	RoCE (per cent)
2015-16	64.79	532.30	12.17
2016-17	95.96	376.34	25.50
2017-18	103.69	354.53	29.25
2018-19	22.10	727.13	3.04
2019-20	76.80	1,357.87	5.66

Source: latest finalised accounts of the PSUs as on 30 September 2020

As can be noticed from the **Table 1.3.13**, the RoCE of the PSUs showed an increasing trend during 2016-17 and 2017-18 mainly due to constant decrease in Capital Employed by ₹ 177.77 crore from ₹ 532.30 crore (2015-16) to ₹ 354.53 crore (2017-18) and increase in the EBIT by ₹ 38.90 crore from ₹ 64.79 crore (2015-16) to ₹ 103.69 crore (2017-18). However, the decrease in the EBIT from ₹ 103.69 crore (2017-18) to ₹ 76.88 crore (2019-20) and simultaneous increase in Capital Employed from ₹ 354.53 crore (2017-18) to ₹ 1,357.87 crore (2019-20) had correspondingly reduced the RoCE from 29.25 per cent (2017-18) to 5.66 per cent (2019-20). However, during 2019-20, there was an increase in RoCE from 3.04 per cent (2018-19) to 5.66 per cent (2019-20). The reason for increase in RoCE was due to increase in EBIT, which was mainly due to the increase in profit of one PSU viz. Assam Gas Company Limited from ₹ 27.90 crore (2018-19) to ₹ 82.55 crore (2019-20). The main reasons for increase in Capital Employed during 2019-20 was increase of ₹ 66.00 crore in the equity capital (GoA: ₹ 20.00 crore; Others: ₹ 46.00 crore) and ₹ 355.84 crore in the long term loans (GoA: nil; Others: and ₹ 355.84 crore) of Assam Petro-Chemicals Limited, increase of ₹ 68.72 crore in general reserve of Assam Gas Company Limited and inclusion of the Capital Employed (₹ 97.86 crore) of new company (*i.e.* Purba Bharati Gas Private Limited).

⁶¹ Capital employed = paid-up capital plus free reserves and surplus plus long-term loans minus accumulated losses minus deferred revenue expenditure.

⁶² Including 16 non-working PSUs

Return on Investment by GoA based on Present Value of Investment

1.3.14 The Rate of Real Return (RoRR) measures the profitability and efficiency with which equity and similar non-interest bearing capital have been employed, after adjusting them for the time value. To determine the RoRR on investment, the investment of State Government in the form of equity, interest free loans and grants/subsidies given by the State Government for operational and management expenses less disinvestments (if any) has been considered and indexed to their Present Value (PV) and summated. The RoRR is then calculated by dividing the 'profit after tax' (PAT) by the sum of the PV of the Government investment.

GoA infused funds in the form of equity and loans (all interest bearing) in 37 PSUs⁶³ and revenue grants/subsidies in all 48 PSUs (32 working and 16 non-working) but did not provide any interest free loans. During 2019-20, the 32 working PSUs earned an overall profit of ₹ 31.30 crore comprising a profit of ₹ 161.86 crore (14 PSUs) and loss of ₹ 130.56 crore (18 PSUs). In addition, 16 non-working PSUs incurred an overall loss of ₹ 2.35 crore as per their latest finalised accounts (**Appendix 3**). Based on historical value of investment, the return on investment by GoA during 2019-20 was 2.07 *per cent*. On the other hand, when the present value of investment is considered, the RoRR on investment by GoA during 2019-20 was 0.77 *per cent* as shown in **Appendix 4B**. This difference in the percentage of return on investment by GoA was on account of adjustments made in the investment amount for time value of money.

Analysis of long-term loans of PSUs

1.3.15 The long-term loans of the PSUs having leverage during 2015-16 to 2019-20 were analysed with a view to assess the ability of the PSUs to service their debts owed to GoA, banks and other financial institutions. This was assessed through the Interest Coverage ratio and Debt Turnover ratio.

Interest Coverage Ratio

1.3.16 Interest Coverage ratio is used to determine the ability of a PSU to pay interest on outstanding debt and is calculated by dividing EBIT of a PSU by interest expenses of the same period. The lower the ratio, the lesser the ability of the PSU to pay interest on debt. An Interest Coverage ratio of below one indicates that the PSU is not generating sufficient revenues to meet its expenses on interest.

Table 1.3.14 depicts the details of Interest Coverage ratio in respect of working PSUs having interest burden against long term loans during 2015-16 to 2019-20.

⁶³ Excluding 11 PSUs at Sl. No. B25, B26, B31, B32, D7, D9, D11, D12, D13, D15 and D16 of **Appendix 3**, which are subsidiaries of other PSUs and had no direct equity investment of GoA.

Table 1.3.14: Interest Coverage Ratio relating to the PSUs having interest burden

Year	Interest (₹ in crore)	EBIT (₹ in crore)	PSUs having interest burden on long term loans	PSUs having interest coverage ratio more than 1	PSUs having interest coverage ratio of less than 1
2015-16	16.80	15.09	8	3	5
2016-17	12.80	15.23	7	2	5
2017-18	8.49	(-) 15.78	6	2	4
2018-19	8.95	(-) 27.70	7	2	5
2019-20	8.73	(-) 19.49	6 ⁶⁴	1	5

Source: Latest finalised accounts of PSUs as on 30 September of respective year

As can be noticed from **Table 1.3.14**, out of six to eight PSUs having interest burden against long-term borrowing during 2015-16 to 2019-20, only one to three PSUs had the Interest Coverage ratio of more than one during the respective year. This indicated that most of the PSUs were not in a comfortable position to service their long-term debts. Further, out of six PSUs having committed interest liability against long term borrowings, only one PSU⁶⁵ had Interest Coverage ratio of more than one. The Interest Coverage ratio of remaining five PSUs remained below one, which indicates that these PSUs could not generate sufficient revenue to meet the financial cost of long-term borrowings during the period.

Debt Turnover Ratio

1.3.17 A low Debt-to-Turnover ratio (DTR) demonstrates a good balance between debt and income. Conversely, a high DTR can signal having too much of debt against the income of PSUs from core activities. Thus, the PSUs having lower DTR are more likely to successfully manage their debt servicing and repayments.

Table 1.3.15 depicts the summary of the Debt and Turnover of 48 PSUs during 2015-16 to 2019-20 as per their finalised accounts *vis-à-vis* the Debt-Turnover Ratio for the respective years.

Table 1.3.15: Debt Turnover Ratio relating to the PSUs

Particulars	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Debt from Government and others (Banks and Financial Institutions)	462.38	478.39	453.00	516.26	885.37
Turnover	730.70	707.81	738.30	877.99	857.79
Debt-Turnover Ratio	0.63:1	0.68:1	0.61:1	0.59:1	1.03:1

Source: Latest finalised accounts of PSUs as on 30 September of respective year.

As can be seen from **Table 1.3.15**, the DTR of the PSUs was at the worst (1.03:1) during 2019-20. During 2015-16 to 2019-20, there was an overall deterioration in the DTR from 0.63:1 (2015-16) to 1.03:1 (2019-20) mainly due to slow pace of increase in PSU turnover (17.39 *per cent*) from ₹ 730.70 crore (2015-16) to ₹ 857.79 crore (2019-20) as compared to the corresponding increase in PSU debts (91.48 *per cent*) from ₹ 462.38 crore (2015-16) to ₹ 885.37 crore (2019-20).

⁶⁴ PSUs at Sl. No. B7, B10, B13, B23, C1 and C3 of **Appendix 3**

⁶⁵ PSU at Sl. No. C3 of **Appendix 3**.

Impact of Audit Comments on Annual Accounts of PSUs

1.3.18 During October 2019 to September 2020, 16 working PSUs forwarded 20 accounts to the Principal Accountant General (Audit), Assam. Of these, 14 accounts of 10 companies were selected for supplementary audit. For the remaining six accounts of six⁶⁶ companies, non-review certificates were issued. The comments in the Audit Reports of Statutory Auditors appointed by C&AG and the supplementary audit of C&AG highlighted significant observations on the financial statements. As a result of these audit observations, operational results (net profit or net loss) of the companies as depicted in their financial statements were found to be understated or overstated. Further, the said observations also highlighted non-disclosure of material facts and errors of classification. Thus, the observations of the Statutory Auditors and C&AG indicated the quality of financial statements and highlighted the areas, which needed improvement. The details of aggregate money value of comments of Statutory Auditors and C&AG for last three years from 2017-18 to 2019-20 are given in **Table 1.3.16**.

Table 1.3.16: Impact of audit comments on the accounts of the working companies

(₹ in crore)

Sl. No.	Particulars	2017-18		2018-19		2019-20	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	3	10.59	5	11.07	2	1.04
2.	Increase in loss	2	12.05	7	17.82	4	27.71
3.	Non-disclosure of material facts	4	99.64	3	34.33	1	2.91
4.	Error of classification	6	4.58	3	3.16	0	0.00

Source: Statutory Auditors' Report and comments of C&AG

During the year, the Statutory Auditors had given qualified certificates to all the accounts finalised by the companies. The compliance of companies with the Accounting Standards (AS) remained poor, as there were 12 instances of non-compliance to AS in 2 accounts during the year. This indicated that the financial statements of the companies needed to be improved to ensure compliance to the AS.

1.3.19 Similarly, out of three working Statutory Corporations, only one Corporation (viz. Assam State Warehousing Corporation) had forwarded three accounts to the Principal Accountant General (Audit), Assam during October 2019 to September 2020. All the three accounts were selected for supplementary audit by C&AG. The three accounts had also received qualified⁶⁷ report of the Statutory Auditors. The Audit Reports of Statutory Auditors and the sole/supplementary audit of C&AG mentioned significant observations on the financial statements. The said observations of Statutory Auditors and C&AG indicated that the quality of maintenance of accounts needs to be

⁶⁶ Out of six SPSEs one SPSE had forwarded two accounts (2015-16 and 2016-17) for which NRC was issued for the year 2015-16 and supplementary audit was conducted for the year 2016-17.

⁶⁷ A 'qualified report' of auditor means a report in which the auditors have included certain qualification, reservation or adverse remarks on maintenance of accounts as well as other matters in the financial statements including non-compliance to 'generally accepted accounting principles'.

improved. The details of aggregate money value of the comments of the Statutory Auditors and the C&AG are given in **Table 1.3.17**.

Table 1.3.17: Impact of audit comments on the accounts of Statutory Corporations
(₹ in crore)

Sl. No	Particulars	2017-18		2018-19		2019-20	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	4	1.19	Nil	0.00	2	0.32
2.	Increase in loss	1	24.96	2	20.56	Nil	0.00

Source: Reports of the Statutory Auditors and comments of C&AG

The aggregate money value of the Statutory Auditors and the C&AG comments during 2019-20 was ₹ 0.32 crore as against the money value of ₹ 20.56 crore during previous year.

1.3.20 Gist of some of the important comments of the statutory auditors and C&AG in respect of accounts of the PSUs are as under:

Assam Plains Tribes Development Corporation Limited (2018-19)

1. Non provisioning towards interest liability

As against demand notice for ₹ 17.84 crore received (March 2019) towards interest payable against Loans, the Company provided for ₹ 1.78 crore only (current year: ₹ 0.59 crore; prior periods: ₹ 1.19 crore). This resulted in understatement of 'provisions against interest liability' and 'loss for the year' by ₹ 16.06 crore each.

Assam Industrial Development Corporation (2018-19)

2. Short recovery of forest royalty

Short recovery of 'Forest Royalty' amounting to ₹ 19.67 lakh from contractors as per enhanced rates resulted in understatement of 'Other Current Liabilities (payable to Forest Department)' and 'Other Current Assets' to that extent.

Assam State Warehousing Corporation (2016-17)

3. Short provisioning towards insurance premium

Accumulated Losses of the Corporation were understated by ₹ 8.96 crore due to short provisioning towards the premium payable to the Insurer (Life Insurance Corporation of India) to maintain sufficient Group Gratuity Scheme Fund to meet the liability against gratuity payable to the retiring employees. This has correspondingly resulted in understatement of 'Other Current Liabilities' to the same extent.

Disinvestment, Restructuring and Privatisation

1.3.21 During 2019-20, no disinvestment, restructuring or privatization was done by the GoA in the PSUs.

Winding up of non-working PSUs

1.3.22 As on 31 March 2020, GoA had 16 non-working PSUs (all companies), of which 12 PSUs were under closure for periods ranging from 11 to 13 years as on 31 March 2020. GoA had issued (December 2006 to October 2008) notifications for closure of these 12 PSUs as they were not contributing to the State economy nor meeting the intended objectives of their formation. Further, based on the directions (August 2010) of GoA, the process for closure of Pragjyotish Fertilizers & Chemicals Limited had been initiated (November 2018) by its holding Company (Assam Petro-Chemicals Limited). The remaining three⁶⁸ non-working PSUs were, however, untraceable and the GoA had also not provided any information about the existence of these PSUs. As all the non-working PSUs were registered under the Companies Act, 1956 (presently Companies Act, 2013), these companies need to be liquidated/wound-up as per the provisions of sections 270 to 365 of the Companies Act, 2013.

For disposal of assets of the PSUs under closure, GoA had constituted (July 2008) a Task Force under Public Enterprise Department. Subsequently, an Asset Management Cell (AMC) was also formed (August 2008) under the supervision of the Task Force to ensure safe custody of assets of the closed PSUs. AMC valued the assets of 12 closed PSUs⁶⁹ with land⁷⁰ (valuing ₹ 68.42 crore), buildings (valuing ₹ 29.10 crore) and movable assets (valuing ₹ 37.30 crore). The land⁷¹ relating to nine PSUs were transferred to GoA owned other entities while the movable assets of two PSUs⁷² were disposed of at ₹ 5.88 crore. The remaining assets valuing ₹ 83.37 crore (land of three PSUs⁷³ valuing ₹ 17.23 crore, buildings of all twelve PSUs valuing ₹ 29.10 crore and movable assets of nine⁷⁴ PSUs valuing ₹ 37.04 crore) were pending for disposal (March 2020). Delay in disposal of movable and immovable assets of the non-working PSUs had hampered the process of liquidation of these PSUs, which had already been notified (December 2006/October 2008) for closure by the GoA. During 2019-20, six⁷⁵ non-working PSUs incurred an expenditure of ₹ 0.73 crore towards salaries and establishment expenditure etc. The PSUs concerned had financed the said expenditure through their own sources, viz. interest on fixed deposits.

Since the non-working PSUs are neither contributing to the State economy nor meeting the intended objectives, the liquidation process to wind up these PSUs needs to be expedited.

⁶⁸ Sl. No. D8, D11 and D14 of **Appendix 3**

⁶⁹ Sl. No. D1 to D6, D9, D10, D12, D13, D15 and D16 of **Appendix 3**.

⁷⁰ 1,380 Bigha, and 1 lecha

⁷¹ 1,339 Bigha and 1 lecha

⁷² Assam Government Construction Corporation Ltd (₹ 0.28 crore) & Cachar Sugar Mills Ltd (₹ 5.60 crore)

⁷³ Assam Agro-Industries Development Corporation Limited, Assam State Minor Irrigation Development Corporation Limited, Assam Power Loom Development Corporation Limited

⁷⁴ Excluding three PSUs viz. Cachar Sugar Mills Limited & Assam Government Construction Corporation Limited (movable assets of both PSUs had been sold) and Fertichem Limited (no movable assets).

⁷⁵ PSUs at Sl. No. D1, D6, D7, D12, D13 and D16 of **Appendix 3**.

Follow up action on Audit Reports

Explanatory notes not received

1.3.23 The C&AG's Audit Reports represent culmination of the process of scrutiny starting with initial inspection of accounts and records maintained by various PSUs. It was, therefore, necessary that the Audit Reports elicit appropriate and timely response from the Executive. Finance (Audit & Fund) Department, GoA issued (May 1994) instructions on preparing the 'explanatory notes' in respect of 'performance audits' and 'compliance audit paragraphs' by the administrative departments concerned.

As per the said instructions, the administrative departments concerned were required to prepare the 'explanatory notes' on the paragraphs and performance audits included in the Audit Reports immediately on receipt of the said Audit Reports. The administrative departments were required to indicate the action taken or proposed to be taken in the 'explanatory notes'. The 'explanatory notes' shall also include the status of recovery of any amount due to Government as pointed out in the performance audits/ audit paragraphs included in the Audit Reports. The administrative departments were also required to submit the said 'explanatory notes' to the Assam Legislative Assembly with a copy to the Principal Accountant General (Audit), Assam within 20 days from the date of receipt of the Audit Reports.

The administrative Departments concerned however, had not submitted any explanatory notes to the State Legislature in respect of 28 Audit Reports (1990-91 to 2017-18) containing 38 performance audits and 185 paragraphs.

Discussion on Audit Reports by COPU

1.3.24 As on 31 March 2020, 28 Audit Reports containing 38 performance audits and 185 compliance audit paragraphs relating to the PSUs were placed in the State Legislature. As on 31 March 2020, 20 performance audits and 98 compliance audit paragraphs pertaining to 26 Audit Reports were discussed by the Committee on Public Undertakings (COPU). The remaining 18 performance audits and 87 compliance audit paragraphs pertaining to 28 Audit Reports on PSUs were pending for discussion and necessary action by COPU.

Against the 26 Audit Reports discussed by the COPU, 12 Reports of COPU relating to 11 performance audits and 22 audit paragraphs which pertain to 16 Audit Reports were presented to the State Legislature as on 31 March 2020. These Reports of COPU contained 58 recommendations (performance audits: 36 and compliance audit paragraphs: 22) in respect of 6 performance audits and 17 audit paragraphs, which appeared in the Audit Reports of the C&AG of India for the years 1991-92 to 2014-15. Action Taken Notes (ATN) on 36 recommendations (26 on performance audits and 10 on audit paragraphs) were received. The concerned departments/PSUs has however, not submitted the Action Taken Notes (ATN) on 22 recommendations (performance audits: 10 and compliance audit paragraphs: 12) as indicated in **Table 1.3.18**.

Table 1.3.18: Compliance to COPU Reports – Status of Pending ATNs

Year of the COPU Report	Total number Of COPU Reports	Total no. of recommendations in COPU Report	No. of recommendations where ATNs were pending
2004-05	1	9	9
2008-09	1	3	3
2009-10	1	3	3
2018-19	1	7	7
Total	4	22	22

Source: Register of Action Taken Notes

Recommendations

State Government should review and revamp the mechanism of responding to audit observations. It may ensure that explanatory notes to compliance audit paragraphs/performance audits and ATNs on the recommendations of COPU are provided as per the prescribed time schedule and the loss/outstanding advances/overpayments flagged in audit recovered within the prescribed period to enable accountability for public finances.

CHAPTER II

Performance Audit relating to PSUs

CHAPTER-II: PERFORMANCE AUDIT RELATING TO PSUs

Section 4: Performance Audit relating to Power Sector PSUs

Performance Audit on implementation of Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY)/SAUBHAGYA schemes by Assam Power Distribution Company Limited

Highlights

The Company did not take up feeder segregation works resulting in non-achievement of the objective of optimum rostering of power between agricultural and non-agricultural consumers. The Company did not keep any documentary evidence on records to show prioritization of deserving project areas for implementation of projects under the Scheme.

(Paragraph 2.13.1 and 2.13.3)

Implementation of the scheme was also characterized by several instances of non-adherence to the scheme guidelines. There were instances of inefficiencies in contract management, execution of works and monitoring. Project implementation was beset with slow execution of works, weak monitoring, non-fulfilment of commitments made in the agreements, delays in award of contracts, irregular award of work, procurement of items of below standard *etc.*

(Paragraph 2.13.2, 2.14.1, 2.14.2, 2.15.1, and 2.17.2)

Monitoring mechanism for ensuring quality though in place, could not keep pace with progress of works and resultantly, there were delays in exercising significant and appropriate checks making the monitoring process largely ineffective. Further, there was lack of monitoring on the part of the SLSC to sort out issues causing delay in completion of projects.

(Paragraph 2.16.1 and 2.18.1)

Despite there being many untraceable beneficiaries, survey however, revealed various benefits of the schemes (i.e., reduction of monthly expenditure, increase in study hours, increased use of electrical gadgets, increase in safety and security, *etc.*) which the beneficiaries availed due to implementation of the schemes.

(Paragraph 2.19.1 to 2.19.9)

2.1 INTRODUCTION

With a view to address the problem of inadequate and unreliable power supply in rural areas and also to strengthen the distribution network in rural areas, Government of India (GoI) launched (December 2014) the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) scheme for rural electrification. The erstwhile Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) scheme meant for village electrification was subsumed in the DDUGJY scheme and accordingly the new Scheme (DDUGJY) envisaged to complete all the rural electrification works taken up and pending completion under the erstwhile RGGVY Scheme. Subsequently, GoI also launched (October 2017) the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) to achieve universal household electrification in the Country by providing ‘last mile connectivity’⁷⁶ and electricity connections to all households (HHs) in both, rural and urban areas.

In Assam, both the Schemes were implemented by the ‘Assam Power Distribution Company Limited’ (Company) with the financial support received from the Ministry of Power, Government of India (MoP, GoI) and Government of Assam (GoA). To implement the Schemes in Assam, tripartite agreements were signed (24 June 2016 and 24 August 2018) between the Rural Electrification Corporation Limited⁷⁷ (REC), GoA and the Company. The role of various authorities in formulation, approval and implementation of two Schemes (DDUGJY and SAUBHAGYA) are shown in **Appendix 5**. The broad details about electrification of villages and households under the two Schemes are as given in **Table 2.1**.

Table 2.1: Status of electrification in Assam

Scheme	Electrification of villages			Electrification of households		
	Total (prior to Scheme)	Sanctioned	Completed as on 31.03.2021	Total (prior to Scheme)	Sanctioned	Completed as on 31.03.2021
DDUGJY	26,395*	19,055**	15,894	NA	7,46,250	7,71,088
SAUBHAGYA	-	-	-	24,10,348	19,36,555	13,99,688 ⁷⁸

* 2,339 un-electrified (UE) and 24,056 partially electrified (PE) villages; ** 2,339 UE and 16,716 PE villages

2.2 ORGANISATIONAL SETUP

The Management of the Company is vested with the Board of Directors comprising the Chairman, Managing Director (MD) and Directors appointed by GoA. The day-to-day operations of the Company are carried out by the MD through the help of Chief General Managers, Deputy General Managers and Assistant General Managers in the headquarters and field offices.

⁷⁶ The ‘last mile connectivity’ refers to the connectivity between the main backbone network and the end users.

⁷⁷ A central PSU and designated Nodal Agency for implementation of DDUGJY in the Country.

⁷⁸ The Company could not electrify 5,36,867 households as funds sanctioned for household electrification was re-allocated for creation of additional infrastructure.

2.3 AUDIT OBJECTIVE

The Performance Audit was undertaken to ascertain whether:

- the Company had evolved proper planning for implementation of the programme effectively within the scheduled time;
- the scheme funds were utilised efficiently and effectively to ensure financial propriety;
- the implementation of the scheme was done to achieve the broad objectives of economy, efficiency and effectiveness; and
- Proper and adequate monitoring mechanism was in place to ensure timely implementation of the scheme and achievement of scheme objectives.

2.4 AUDIT CRITERIA

The main sources of audit criteria for the performance audit were:

- ✓ Rural Electrification Policy 2006;
- ✓ Scheme guidelines issued by Ministry and additional guidelines issued by REC regarding Quality control and Procurement of Goods and services *etc.*;
- ✓ Bipartite/Tripartite/Quadripartite agreement among REC, State Government, State Power Utilities and CPSUs;
- ✓ Minutes of the Monitoring Committee meetings;
- ✓ Sanctions for payment of capital subsidy of MoP along with Utilization Certificates;
- ✓ Instructions/circulars/orders issued by MoP and REC regarding the scheme;
- ✓ Approved DPRs along with vetting comments in REC;
- ✓ Applicable General Financial Rules *etc.* and
- ✓ Contract Agreements

2.5 AUDIT METHODOLOGY

The Audit commenced with an Entry Conference held (22 October 2020) with the Company Management and the officials of GoA wherein the audit methodology, scope, objectives and audit criteria, *etc.* were elaborated.

To assess economy, efficiency and effectiveness of implementation of the Schemes, the audit methodology adopted involved scrutiny and analysis of data/records with reference to the audit criteria, discussion with the Management, issuing of audit queries and obtaining response of the Management before finalisation of the report.

Further, to analyse the perception of the intended beneficiaries about the benefits of the Schemes, Audit also conducted *Beneficiary survey*, in respect of the selected villages with the help of a structured questionnaire.

While finalising the Report, formal replies of the Company (12 January 2021) and the views expressed by the Company's representatives in the Exit Conference (5 January 2022) have been appropriately considered.

2.6 AUDIT SCOPE AND SAMPLING

The present audit covers the implementation of DDUGJY and SAUBHAGYA schemes by Assam Power Distribution Company Limited for the period from April 2014 to March 2020.

In Assam, out of 2,339 unelectrified (UE) and 24,056 partially electrified (PE) villages (prior to the launch of the DDUGJY scheme) spanning across 27 districts (projects) of the State as on 31 December 2014, 2,339 UE and 16,716 PE villages along with 7,46,250 households were sanctioned for electrification under DDUGJY scheme (including RGGVY XII and DDG). In case of SAUBHAGYA scheme, out of 24,10,348 households (not electrified prior to launch of the scheme in October 2017), GoI sanctioned electrification of 19,36,555 households.

For the purpose of present audit, 25 *per cent* of the projects covered under two Schemes (*i.e.*, 7 projects⁷⁹) were selected for detailed scrutiny. The project sample comprised of 'High risk' stratum (limited to 5 *per cent* of the projects), which had high project costs and 'Others' stratum consisting of the remaining projects. While 100 *per cent* of the projects under 'High risk' stratum were taken up for audit, 20 *per cent* sample was drawn for the 'Others' stratum, using Simple Random Sampling without Replacement (SRSWOR) method using IDEA Software.

In each identified project, Blocks and villages were selected by using SRSWOR. Further, three Blocks were selected in each of the sampled projects where the number of Blocks were nine or more while two Blocks were selected in other projects.

Further, in each selected Block, bottom 20 *per cent* villages with 'nil' or 'low' average household power consumption were treated as high risk (based on village-wise average household power consumption data for 2019-20) and selected for audit while 10 *per cent* of the remaining villages were selected using SRSWOR. The villages were selected with a maximum cap of ten and minimum of two⁸⁰ from each selected block.

A minimum of five villages from each selected Block were selected for *Beneficiary survey*, covering ten beneficiaries.

2.7 Objectives of the Schemes

The main objectives of the schemes are given in **Table 2.2**.

Table 2.2

DDUGJY	SAUBHAGYA
Separation of agriculture and non-agriculture feeders facilitating judicious	Providing last mile connectivity and electricity connections to all un-

⁷⁹ Kamrup (M), Udalguri, Goalpara, Dhubri, Dima Hasao, Dhemaji and Karbi Anglong district

⁸⁰ Except those blocks where one village was available for selection.

DDUGJY	SAUBHAGYA
rostering of supply to agricultural and non-agricultural consumers in the rural areas	electrified households in rural areas and economically poor un-electrified households in urban areas. Non-poor urban households are excluded from this scheme.
Strengthening and augmentation of sub-transmission and distribution (ST&D) infrastructure in rural areas, including metering at distribution transformers, feeders and consumers end	Providing Solar Photovoltaic (SPV) based standalone system for un-electrified households located in remote and inaccessible villages/habitations, where grid extension is not feasible or cost effective
Provisioning of micro-grid and off grid distribution network	

2.8 Funding pattern

The funding mechanism of both the schemes is depicted in *Table 2.3*.

Table 2.3

Agency	Nature of support	Quantum of support (Percentage of project cost)
Government of India	Grant	85 per cent
Government of Assam	Own Fund	5 per cent
Rural Electrification Corporation Limited	Loan	10 per cent

2.9 Physical Progress of Schemes

As mentioned earlier, there were 2,339 UE villages and 24,056 PE villages in the State as on 31 December 2014 (prior to the launch of the DDUGJY scheme), while the number of un-electrified Households in the State as on 10 October 2017 was 24,10,348 (prior to the launch of the SAUBHAGYA scheme). The status of works sanctioned and completed as on 31 March 2021 under the schemes are given in *Table 2.4*.

Table 2.4

Particulars	DDUGJY (including RGGVY-XII Plan & DDG)		SAUBHAGYA	
	Sanctioned	Completed (as on 31 March 2021)	Sanctioned	Completed (as on 31 March 2021)
UE Village (Nos)	2,339	996 ⁸¹	-	-
Partially electrified Village (Nos)	16,716	14,898	-	-

⁸¹ Out of 2,339 UE villages sanctioned, APDCL electrified 996 UE villages and the remaining 1,343 villages were found to be partially electrified while executing the scheme works.

Particulars	DDUGJY (including RGGVY-XII Plan & DDG)		SAUBHAGYA	
	Sanctioned	Completed (as on 31 March 2021)	Sanctioned	Completed (as on 31 March 2021)
DTRs set up (Nos)	21,598	20,591	8,336	10,824
New & Augmented 33/11 KV sub-station (Nos)	114	111	-	-
33 KV line (ckm)	879.5	589.04	-	-
11 KV line (ckm)	14,361.67	14,650.68	5,926.02	5,580.53
LT lines (ckm)	20,181.22	24,988.76	16,230.36	20,349.09
Household connections (Nos)	7,46,250	7,71,088	19,36,555	13,99,688

It can be seen from the above **Table** that as against the 2,339 UE villages sanctioned under Schemes (DDUGJY, RGGVY-XII Plan & DDG), the Company had electrified 996 UE villages (281 villages under RGGVY-XII Plan, 302 villages under DDUGJY and 413 under DDG off-grid scheme). Remaining 1,343 UE villages sanctioned under the Scheme were found to be PE villages at the time of execution of Scheme works. Further, it can be seen that in respect of DTR set up, construction/ augmentation of 33/11 KV sub-stations and 33 KV lines, the executed parameters were less than the sanctioned parameters. Similarly, in respect of 11 KV lines, LT lines and household connections, the executed parameters exceeded the sanctioned parameters. The above stated facts indicated that the estimates made by the Company in DPRs were not based on actual field requirements.

Further, out of total 19,36,555 households sanctioned under SAUBHAGYA Scheme, the Company could electrify 13,99,688 households (72 *per cent*) till 31 March 2021. The shortfall of 5,36,867 households in Scheme coverage was mainly due to spending higher amount (₹ 1,811.17 crore) on creation of additional infrastructure than sanctioned (₹ 1,493.57 crore). To cover the shortfall, the Company requested (May and June 2021) REC for additional sanction of ₹ 1,815.36 crore towards electrification of 4,83,361 households (including creation of additional infrastructure) based on re-survey report of un-electrified households. GoI, however, sanctioned (July 2021) ₹ 1,718.18 crore for electrification of 4,80,249 un-electrified households. The Company invited (September 2021) tenders for execution of the works, against which it had electrified 3,81,507 households (as on February 2022).

2.10 Financial Progress of Schemes

A summary of amount sanctioned, amount received and payments released by the Company as on February 2022 against the implementation of the projects under the schemes is shown in **Appendix 6**.

GoI sanctioned ₹ 3,156.34 crore under DDUGJY (including RGGVY-XII plan & DDG). As per funding pattern, the Company was to receive ₹ 2,682.89 crore (85 *per cent*) as grant from GoI, ₹ 315.63 crore (10 *per cent*) as loan from REC and the balance ₹ 157.82 crore as grant from GoA. Against this, the Company received total funds of

₹2,930.69 crore (₹ 2,402.18 crore as grant from GoI, ₹ 267.49 crore as loan from REC and ₹ 261.02 crore (including state taxes) as grants from GoA). Although the grant/loan from REC has been fully utilised, the Company is yet to utilise ₹ 169.09 crore received as grant from GoA.

Under SAUBHAGYA scheme, REC had approved (November 2021) closure cost of ₹ 2,476.07 crore⁸². Against the total closure cost the Company had received ₹ 1,876.08 crore as GoI subsidy/grant, ₹ 225.72 crore as loan from REC and ₹ 196.23 crore as contribution from GoA. The Company is yet to receive a grant/subsidy of ₹ 61.20 crore from REC and ₹ 96.33 crore from GoA. The main reason for non-release of ₹ 61.20 crore by REC was delay in submission of closure proposal of the scheme. As against the total funds received, the Company had spent ₹ 2,282.43 crore towards payment against the scheme works. As of February 2022, the Company had unspent Scheme funds of ₹ 15.60 crore.

2.11 Details of Sanction, Award and Completion of the works

The project wise details of Sanction, NIT, Award, Expenditure incurred under DDUGJY and SAUBHAGYA are shown in *Appendix 7 and Appendix 8* respectively. The summarised details of sanction, award and completion of the works are as shown in *Table 2.5*.

Table 2.5

Name of Scheme	No. of Districts	Period of Sanction	Sanctioned cost (₹ in crore)	Period of NIT/Award of works	No. of packages	Awarded Cost (₹ in crore)	Payment released (₹ in crore)	Period of completion
DDUGJY	27	December 2013 to September 2018	3,156.34	July 2014 to October 2019	324	3,041.32	2,761.59	January 2017 to December 2021
SAUBHAGYA	27	July 2018 to October 2019	2,598.56 ⁸³	March 2018 to October 2020	153	2,476.07	2,282.43	January 2019 to March 2021

In case of the DDUGJY scheme, all the 324 packages were awarded through tenders. However, in the SAUBHAGYA scheme, 56 packages were awarded through fresh tenders, while 52 packages were awarded to existing DDUGJY contractors and 45 packages were awarded to contractors of SAUBHAGYA, who were already selected earlier against 56 projects. For execution of works through empaneled contractors the LoAs were issued by the Company at the field office level. Hence, details such as date of award, date of completion, name of the vendors *etc.* were not available in the Head Office.

⁸² Against ₹ 2,598.56 crore sanctioned by REC

⁸³ Under SAUBHAGYA scheme the project cost was sanctioned for the state of Assam as a whole and not according to district wise.

2.12 Scheme Outcomes

Prior to implementation of Schemes, Assam had 26,395 villages, of which, 2,339 villages were Un-Electrified (UE) and the remaining 24,056 villages were Partially Electrified (PE). Under the schemes, all 2339 UE and 16,716 PE villages were sanctioned for electrification. Due to implementation of the Schemes, the electrification works were carried out in 996 UE villages⁸⁴ (42.58 *per cent*) and 14,898 PE villages (89.12 *per cent*) till March 2021.

As regards household electrification, Assam had total of 51,88,986 rural households as on October 2017, of which 27,78,638 rural households (53.55 *per cent*) were given electricity connections and the remaining 24,10,348 households (46.45 *per cent*) were un-electrified. Due to implementation of the Schemes, the number of household electrification had increased to 45,59,833 households (87.88 *per cent*) in the State till March 2022. Further, during the course of beneficiary survey, the beneficiaries also responded positively towards the Scheme outcome and the benefits they derived from electrification of households. Other outcomes appearing from the beneficiary survey conducted by Audit are discussed in *paragraph 2.19*.

Audit findings - DDUGJY

The performance under the scheme as analysed in audit is discussed below:

2.13 Observation on planning

2.13.1 Non preparation of Need Assessment Documents

As a part of the planning and project formulation process, the guidelines of the DDUGJY scheme stipulated that the Company should prepare Need Assessment Documents (NAD) containing all relevant information along with justification to substantiate the proposed scope of work and cost estimates and submit the same to REC. After scrutiny and validation of the NAD by REC, the Company was to prepare district/circle/zone wise Detailed Project Reports (DPRs) based on detailed field survey and latest approved schedule of rates. The details of NAD, if any, prepared by the Company and its validation by REC was not made available to Audit. The Company also did not provide any base line data with regard to BPL households, number of agricultural and non-agricultural consumers, data on common feeders requiring segregation, data on ATC losses, load shedding, *etc.* to benchmark the achievements under the Scheme. The Company, however, had prepared⁸⁵ the DPRs for all the 27 districts of the State with proposed cost estimate of ₹ 6,435 crore (original DPRs) through engagement of consultants and submitted (April 2015 & January 2016) the same to REC for approval. The Monitoring Committee (MC), Ministry of Power (MoP) approved (August 2015 and April 2016) the DPRs and against the proposed cost estimates (₹ 6,435 crore) sanctioned ₹ 1,274 crore to the State. Accordingly, the Company prepared revised DPRs for 27 districts within the sanctioned amount of

⁸⁴ Out of 2,339 UE villages, 1,343 villages were found to be partially electrified during execution.

⁸⁵ Date of preparation of DPRs were not found on records nor provided by the Company

₹ 1,274 crore for implementation of the scheme. No documentary evidence was, however, found on records to show prioritisation of deserving project areas by the Company for implementation of projects under the Scheme.

2.13.2 Undue benefit to the consultant preparing DPRs

The Company awarded (May-June 2015) the work for survey and preparation of DPRs for 12 districts (including 59 SAGY⁸⁶ villages) and 15 districts (including 58 SAGY villages) to WAPCOS Ltd and RECPDCL⁸⁷ respectively at the rate of 0.85 *per cent* of the sanctioned DPR cost. The scope of work *inter-alia* included survey of villages/habitation, infrastructures (HT line, LT line and DTR), survey of DTR/Feeder metering, GIS/GPS mapping *etc.* for preparation of the DPRs. It was noticed that WAPCOS and RECPDCL did not carry out any field survey of 117 SAGY villages and DTR/Feeder metering in the rural areas. Despite failure of the consultants (RECPDCL) to conduct the survey of 58 SAGY villages and DTR/Feeder metering, the Company released (January 2022) payment of ₹ 0.23 crore to RECPDCL based on their initial claims against survey of SAGY villages and DTR/Feeder metering works.

In the Exit Conference, the MD stated (January 2022) that the Company had awarded the work of Project Management Agency to RECPDCL as it was a subsidiary of REC (Nodal Agency) for convenience in implementation of the project. The MD further stated that the payment on survey works relating to SAGY and metering was initially withheld but released subsequently on request of the RECPDCL.

The reply is not acceptable as the Company did not release any payment to WAPCOS for survey of SAGY villages and metering works as WAPCOS did not conduct any field survey. Contrary to this, however the Company released payments to RECPDCL ignoring its financial interest although RECPDCL also did not conduct any field survey.

2.13.3 Non-taking up of feeder segregation works

DDUGJY scheme envisaged separating agricultural and non-agricultural feeders so that it would be possible to provide increased hours of power supply to non-agricultural consumers and assured power supply to agricultural consumers. In the original DPRs, the Company proposed for sanction of ₹ 94 crore against feeder segregation works in respect of 92 feeders of nine districts in Assam. It was noticed that neither MC, MoP had sanctioned any funds for feeder segregation works in Assam nor the Company had approached the GoA for the same. Thus, due to non-segregation of agricultural feeders, the objective of optimum rostering of power between agricultural and non-agricultural consumers could not be achieved.

⁸⁶ Saansad Adarsh Gram Yojana (SAGY) is a rural development programme launched (2014) by GoI (Ministry of Rural Development) broadly focusing upon the development in the villages. Under SAGY, each Member of Parliament adopts a Gram Panchayat and guides its holistic progress giving importance for social development at par with infrastructure.

⁸⁷ REC Power Development and Consultancy Limited (RECPDCL), a wholly owned subsidiary of REC Limited (Nodal Agency for implementation of DDUGJY Scheme).

In reply the Company stated (January 2022) that Assam being an agricultural state, most of the feeders except town feeders feed power to the agricultural areas in the state.

The reply is not acceptable as feeders feeding power to agricultural areas also cater to the needs of domestic, commercial, industrial consumers which are non-agricultural in nature). Hence, segregation of feeders could have helped judicious rostering of power supply among agricultural and non-agricultural consumers based on their actual needs and availability of power.

2.14 Observations on award of works

2.14.1 Undue benefit to the Project Management Agency (PMA)

GoI sanctioned (August 2015) ₹ 316.28 crore (excluding PMA charges) for 11 districts under DDUGJY works in Assam under the first phase. Accordingly, the Company invited (November 2015) expression of interest (EoI) from 10 firms. Based on the lowest offered rate of 0.29 *per cent* of the project cost, the Company engaged WAPCOS Limited as PMA for the 11 districts under the first phase.

GoI again sanctioned (April 2016) ₹951.48 crore⁸⁸ (excluding PMA charges) for carrying the project works (second phase) in 27 districts. On request (May 2016) of the Company, WAPCOS expressed (May 2016) its willingness to act as PMA for second phase in the same 11 districts where it was working as PMA under the first phase at the same rate and terms & conditions.

The Company thereafter invited (July 2016) EoI from 10 firms for engagement as PMA for the remaining 16 districts. The EoI was, however, subsequently cancelled (August 2016) without any recorded justification and the Company, instead of awarding the work to WAPCOS, requested (November 2016) RECPDCL to submit its offer for carrying out PMA works in respect of all the 27 districts in the second phase. Based on the offered rate, the Company issued (December 2016) LoA to RECPDCL at one *per cent* of the project cost of ₹ 951.48 crore for carrying out PMA works in all 27 districts.

Thus, due to injudicious/arbitrary decision of the Company to award the work to RECPDCL at higher rates although WAPCOS was willing to take up the work in the 11 districts of the second phase at their offered rate of 0.29 *per cent* of the project cost, the Company had to incur an avoidable expenditure of ₹ 4.43 crore⁸⁹.

In reply, the Company stated (January 2022) that it had allotted the work of PMA to RECPDCL at one *per cent* of the project cost as per the BoD's approval and REC had also increased PMA charges to one *per cent* of the project cost at later stage.

The reply lacked justification as the Company failed to protect its financial interest and avoid extra burden on Government exchequer by awarding PMA works to RECPDCL at higher rate instead of getting the works executed through WAPCOS at lower rate.

⁸⁸ ₹ 623.46 crore (additional sanction for 11 districts covered under first phase) plus ₹ 328.02 crore (sanction for remaining 16 districts)

⁸⁹ ₹ 623.46 crore x (1.00 - 0.29) *per cent* = ₹ 4.43 crore

Further, despite increase of PMA charges to one *per cent* of the project cost, the additional cost could have been avoided.

2.14.2 Undue favour to contractor by allowing different rates for similar items.

As per the Pre-contract Integrity Pact⁹⁰, *the bidder undertakes that it has not supplied/ is not supplying similar product/systems or sub-systems at a price lower than that offered in the present bid in respect of any other Ministry or Department of the GoI or PSU. If it is found at any stage that similar product/systems or sub systems was supplied by the bidder to any other Ministry/Department of the Government of India or a PSU at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the bidder to the buyer, if the contract has already been concluded.*

Audit observed that 8 contractors had quoted different rates for similar items (*viz.* Poles, conductor, DTRs *etc.*) in 30 packages awarded to them. The Company, however, did not apply due diligence in enforcing the aforesaid clause while evaluating tenders. This resulted in additional cost of ₹ 10.48 crore, which was neither refunded by the contractors nor claimed by the Company.

In the Exit Conference, the MD stated (January 2022) that the Company compared the rates quoted by the contractors for similar items within a package, but not across the packages. Further, there might be difference in rates of similar items due to delivery of the same at different locations.

The reply is not acceptable as the Standard Bid Document does not restrict the price comparison of similar items within the package concerned. Further, the question of difference in ex-works rates did not arise as contractors were entitled to Freight & Insurance charges separately.

2.15 Observations pertaining to execution of works

Audit observed following irregularities in the implementation of contracts:

2.15.1 Procurement of distribution transformers below standard

As per the Standard Bidding Documents (SBD)⁹¹ circulated (June 2015) by REC, each Distribution Transformers (DTRs) must contain minimum 4-star label which meets the criteria of Energy Efficiency Level-2 and above as specified in IS 1180 (Part-1):2014 for all kVA ratings of DTRs. However, the word 3-star was mentioned inadvertently along with the DTRs in Volume-II Section-III Price Schedule of SBD issued by REC. REC thereafter issued (March 2017) a clarification that DTRs should be as per Energy Efficiency Level-2 and above as specified in IS 1180 (Part-1):2014 (equivalent to earlier 4-star rating).

It is to be mentioned that the energy losses of 3-star rated DTRs (both 25 KVA and 63

⁹⁰ Volume II, Section II, Clause 7.1 of the Standard Bid Document

⁹¹ Clause E (6) of Volume-1 Section VII

KVA) were about 10 *per cent*⁹² higher than that of 4-star rated DTRs. Considering this, the Company should have sought clarification from REC regarding the technical specification of DTRs to be procured under DDUGJY. The Company, however, did not seek any clarification from REC in this regard and mentioned (September 2015) the technical specification of DTR as 3-star in Volume-I of its own SBD while inviting tenders for execution of works under 22 packages. As a result, the Company ended up procuring 2,328 DTRs (costing ₹ 25 crore) with 3-star rating energy efficiency.

In the Exit Conference, the MD stated (January 2022) that the Company modified the technical specification of DTRs as 3-star while tendering due to inconsistency in SBD. Further, the Company procured 3-star rated DTRs and made payments against 3-star DTRs only as per the condition of the bid.

The reply is not acceptable as the Company failed to apply due diligence by procuring DTRs with higher energy losses which was against the spirit of installing energy efficient equipments under the scheme works.

2.15.2 Decentralised Distributed Generation (DDG): Solar Standalone System

Monitoring Committee, MoP sanctioned (12 January 2016) ₹35.87 crore for electrification of 305 un-electrified villages (UEVs) of Assam covering 7,174 households (HHs) at the rate of ₹50,000 per HH through installation of solar standalone systems. In this respect, the Company received (25 January 2016) a proposal from Indian Institute of Technology, Madras (IITM) expressing its willingness to execute the work as Project Implementing Agency (PIA) on behalf of the Company at the rate of ₹46,300 (excluding state taxes) per standalone system. The Chairman cum Managing Director, REC, citing the success of work executed by IITM in Rajasthan and Bihar, requested (3 February 2016) the Chairman of the Company to consider execution of off-grid standalone village electrification works through IITM as PIA. The proposal for engagement of IITM was approved (19 June 2016) by the BoD of the Company. Accordingly, the Company entered (22 July 2016) into a bipartite agreement with IITM and awarded (3 August 2016) the work to IITM for electrification of all 305 UEVs covering 7,174 HHs at a cost of ₹33.22 crore⁹³ including operation and maintenance of standalone systems for five years after commissioning. Later on, based on actual field requirement, the Company increased (March-December 2017) the scope of work from 7,174 HHs (305 villages) to 26,822 HHs (367 villages) of which REC accorded (April 2017 to September 2017) approval for electrification of 24,098 HHs⁹⁴ (348 villages). As regards execution of work, IITM claimed (August 2021) to have installed (March 2017 to December 2020) standalone systems in 26,822 HHs⁹⁵ (348 villages). Against

⁹² For 25 KVA DTR: Energy losses at 100 *per cent* load: {695 watt (3 star) minus 635 watt (4 star)} i.e., 9.45 *per cent*

For 63 KVA DTR: Energy losses at 100 *per cent* load: {1250 watt (3 star) minus 1140 watt (4 star)} i.e., 9.65 *per cent*

⁹³ at the rate of ₹46,300 per HH excluding State tax

⁹⁴ Approval for remaining 2724 HHs (19 villages) though accorded in January 2018, the same was subsequently withdrawn by REC in September 2018 without assigning any reason.

⁹⁵ 22,466 HHs in 304 villages sanctioned by REC + 4356 HHs in 44 villages not sanctioned by REC

this, the Company had released payments amounting to ₹ 111.77 crore⁹⁶ (i.e., 90 per cent of ₹ 124.19 crore) to IITM during the period from September 2016 to February 2019.

With reference to the above, Audit observed the following irregularities:

A. Award of work without inviting tender

As per sanction letter (Clause-4) issued (January 2016) by REC for electrification of 305 un-electrified villages using Standalone systems, the Company was to implement the approved project in accordance with the Guidelines issued by Ministry of Power, Government of India⁹⁷ and any amendment thereto. Clause-13.6 of the aforesaid guidelines required the Company to invite open tender on Build, Operate, Maintain and Transfer (BOMT) basis and award work. Further, the Government of Assam⁹⁸ also directed all the administrative departments and their subordinate offices/agencies to resort to e-procurement⁹⁹ with effect from 1 August 2015 for all tenders of value ₹ 1.00 crore and above. The Company, however, did not invite any tender for implementation of standalone solar project and awarded contract amounting to ₹ 33.22 crore to IITM on request of REC which was subsequently enhanced to ₹ 124.19 crore (almost 3.73 times) by increasing the scope of work from 7,174 HHs to 26,822 HHs. By doing so, the Company not only violated the conditions stipulated in the guidelines, but also deprived itself of the opportunity to explore lower prices through competitive bidding process.

In reply, the Company stated (January 2022) that the work was awarded to IITM on request of REC. Further, the Company entrusted the responsibility of bidding process to IITM through bipartite agreement.

The reply is not acceptable, as REC sanctioned Scheme funds in favour of the Company with condition to award work on tender basis and thus, entrusting the responsibility of bidding to IITM was in violation of sanction conditions. Since IITM had outsourced the project execution and supply of major project equipment (*viz.* Solar Panel, Battery, charge controller, *etc.*) to a private party (M/s Cygni Energy Private Limited), there is every possibility that the benefit of higher cost might have been passed on to the private party due to absence of competitive bidding.

B. Lack of assurance on actual execution of works due to faulty work agreement

As per Clause-1 of the contract agreement/ Clause-7 of the LoA, the Company was to release payment to IITM in following manner:

- first instalment of 30 per cent of project cost on signing of agreement;
- second instalment of 30 per cent of project cost on placement of purchase orders

⁹⁶ Excluding entry tax of ₹0.45 crore

⁹⁷ vide Order No. 44/1/2007-RE dated 12.01.2009

⁹⁸ vide its office memorandum No. FEB (eGU).03/2015/61 dated 5 August 2015

⁹⁹ through State NIC e-procurement portal i.e. www.assamtenders.gov.in

by IITM to vendors and utilisation of 80 *per cent* amount of first instalment;

- third instalment of 30 *per cent* of project cost on submission of bank guarantee equivalent to 20 *per cent* of the order value by vendors to IITM valid till 5 years and utilisation of 80 *per cent* amount of first and second instalments; and
- Fourth and final instalment of 10 *per cent* of project cost on utilisation of 100 *per cent* amount of first, second and third instalments.

As seen from above, the Company committed (July 2016) to make payments to IITM merely based on purchase/ supply orders, fund utilisation certificate, bank Guarantee *etc.* There was no enabling clause in agreement/LoA for submission of Material Receipt Challans/Materials Inspection and Clearance Certificate (MICC)/Material Utilisation Certificate (MUC)/ Physical Work Done Statement (PWDS) duly certified by an authorized officer of the Company for admissibility of claim raised by IITM as stipulated in respect of other DDG projects¹⁰⁰. As a result, the Company released payments to IITM without proper verification of actual delivery and installation of the project materials.

Secondly, as per Clause 4.3 of the agreement, IITM was to provide details of individual installations through actual photographs. IITM was also to submit signed certificate in local language from each household where system was installed and commissioned. Further, IITM was also to provide GPS data one point per village to ascertain the location of the village.

The Company, however, did not incorporate any penal provision in the agreement/LoA for taking any action against IITM in case of any default in submission of the aforesaid data/ documents. As a result, the Company could not initiate any action against IITM though the latter (IITM) failed to submit/ provide any of these data/documents to the Company as a proof of actual installation of standalone systems in the villages.

C. Non-installation of systems costing ₹ 7.55 crore by IITM

As per claim, IITM had installed 26,822 standalone systems in 348 villages during the period from March 2017 to December 2020. On inspection of 346¹⁰¹ out of 348 villages, REC Quality Monitoring Agency¹⁰² (RQM) found that IITM had actually installed standalone systems in 25,026 HHs¹⁰³ only against 26,631 HHs (in 346 villages) as claimed by IITM. The Company, however, could not enforce IITM to install 1,605 systems¹⁰⁴ in absence of any Contract Performance Guarantee (CPG) clause in the LoA/

¹⁰⁰ Five micro/mini grid projects awarded (June and July 2016) to M/s North East Agency, M/S N.K. Power & Infrastructure Private Limited, M/s Purbanchal Enterprise, M/s Shakti Trans Infra and M/s T & T Projects Limited

¹⁰¹ Excluding Punihowar FV (CC 299695) being untraceable and Apsara (CC 289300)-villagers did not allow to inspect.

¹⁰² TUV SUD South Asia Private Limited

¹⁰³ 22,067 (physically verified) + 224 (inspection not allowed) + 2,715 (migrated) + 20 (sold by beneficiaries) = 25,026 standalone systems

¹⁰⁴ 26,631-25,026

agreement. Despite non-installation of 1,605 systems by IITM, the Company, while submitting closure proposal to REC, accepted (March 2022) the claims amounting to ₹126.10 crore¹⁰⁵ of IITM against installation of entire 26,822 standalone systems (including 1,605 systems not installed) and admitted to pay ₹ 7.55 crore¹⁰⁶ to IITM for 1605 systems, which were not actually installed.

In reply, the Company stated (January 2022) that IITM had submitted beneficiary list (indicating system serial number and month of installation) verified by the concerned AGM (RE) for all 26,822 systems as proof of actual installation. The Company also stated that on sample inspection of two villages, it was found that IITM had installed all the systems, however some beneficiaries had shifted from original locations due to flood, erosion Hence, total 26,822 systems were considered to be installed by IITM for closure.

The reply is not acceptable as IITM failed to provide the details of individual installation through actual photograph along with certificate from each HH where the system was installed as stipulated in the agreement. Further, RQM had reported the number of migrated/shifted beneficiaries separately in their report, which was taken into account while working out the number of uninstalled systems. Hence, the claim of the Company regarding shifting of beneficiaries was invalid. In absence of beneficiaries' acknowledgement and compliance against RQM report, the decision of the Company to consider 26,822 as actual installations was unjustified.

D. Non-maintenance of the project

As per Clause 2.1.14 read with clause-14 of the LoA, IITM was to maintain the system for a period of 5 years from the installation of last system and handover the same to the GoA in working condition after 5 years. If there was any complaint of not getting power by the beneficiaries, IITM had to attend the complaint immediately. During inspection of villages, RQM found that maintenance was a major issue in the villages. As per RQM report, out of total 26,631 systems claimed to have been installed in 346 villages, 3,966 systems costing ₹18.36 crore were not working due to defects in battery/charge controller/solar panels *etc.* causing power failure. As a result, 3,966 beneficiaries were not getting power due to system failure.

Further, the system installed by IITM also included 'solar charge controller'. The 'charge controller' was meant to monitor the current and voltage levels that are radiated from the solar panel to the battery. Once the battery is fully charged, it cannot accumulate the incoming power any more. In such a situation, it is important that no more current flows into the battery after a full charge as it could drain the battery and damage the entire solar panel system. The 'solar charge controller' interrupts the current flow as soon as the battery reaches a certain voltage, thus preventing overcharging. It is also important to note that the battery can conduct small amount of

¹⁰⁵ 26,822 systems at the rate of ₹ 47,012 per system (based on actual expenditure submitted by IITM)

¹⁰⁶ 1,605 systems at the rate of ₹ 47,012 per system

electricity to the solar panel even at night.

RQM agency had reported that 6,106 out of 25,026 systems installed by IITM were running directly under by-pass condition due to defects in the ‘charge controllers’. However, there was no technician available from IITM side to take care of the systems. Further, there was no customer care number mentioned on the systems and beneficiaries were not aware of toll-free numbers to lodge complaint against the same. As IITM has not rectified the defects in ‘charge controllers’, the possibility of 6,106 systems costing ₹28.27 crore¹⁰⁷ getting defective was also very high. In absence of any Project Operation Guarantee (POG) from IITM as prescribed under the DDG Guidelines, the Company could not enforce effective maintenance of the systems. Therefore, the Company failed to protect the interest of the Company as well as the beneficiaries at large.

In reply, the Company stated (January 2022) that the issue was raised with IITM many times, however compliance reports against RQM inspection were not yet submitted by IITM.

The reply is not acceptable, as the Company had already released 90 per cent payment towards maintenance charges without systems being maintained by IITM.

2.16 Observations on monitoring of the scheme

2.16.1 Non-involvement of State Level Standing Committee

As per the guidelines of the DDUGJY scheme, the State Level Standing Committee (SLSC) was to recommend DPRs of the state for approval of monitoring committee after vetting the physical works covered under the project. While doing so, SLSC was to ensure that there was no duplication/overlapping of works with any scheme. Further, SLSC was also to monitor progress, quality control and resolve issues relating to implementation of projects viz. allocation of land for sub stations, right of way, forest/ railway clearance, etc. Audit observed that the Company did not obtain the recommendation of SLSC for submission of DPRs to REC for approval. Further, it was noticed that no meeting of SLSC was held during the period from February 2014 to September 2020. Though there were issues viz. allocation of land for sub stations, right of way, railway clearance etc. in execution of works, the Company could not obtain necessary guidance from SLSC in resolving such issues. This contributed to the delay ranging from 26 to 38 months in completion of all the 27 projects.

In reply, the Company accepted (January 2022) the fact and stated that all projects were approved by SLSC after submission of closure proposal to GoA.

¹⁰⁷ 6,106 x ₹ 46,300 = ₹ 28,27,07,800

Audit findings - SAUBHAGYA Scheme

The performance under the scheme as analysed in audit is discussed below:

2.17 Observations on award of works.

Audit observed the following points regarding tendering and award of works under the scheme:

2.17.1 Engagement of RECPDCL in contravention of the scheme guidelines

RECPDCL¹⁰⁸ expressed (June 2018) its interest to provide services for procurement and supply of key materials (*viz.* Conductor, DTRs and energy meters) to the Company for execution of scheme works. As per their Expression of Interest (EOI), RECPDCL on receipt of confirmation along with detailed Bill of Quantity (BOQ), would submit its offer price based on nature and quantum of work and thereafter shall enter into a formal agreement with the Company.

Subsequently, the Company forwarded (July 2018) detailed material requirements along with quantity and technical specifications to be delivered at Company's five central stores, to RECPDCL. Thereafter, RECPDCL informed (August 2018) the Company that, after technical evaluation of the bidders for supply of the materials only one bidder (M/s Lumino Industries Limited, Kolkata) was found qualified. The total price quoted by M/s Lumino Industries Limited, Kolkata, was ₹ 115.03 crore which was 41.25 *per cent* higher than the estimated cost of ₹ 81.44 crore. Due to higher quoted price, RECPDCL had negotiation with M/s Lumino Industries Limited, Kolkata and thereafter it had offered a discounted price of ₹ 94.94 crore which was also 16.50 *per cent* higher than the estimated cost.

After discussion (August 2018) of the issue with the MD of the Company, RECPDCL had gone ahead with placing the order (20 August 2018) to M/s Lumino Industries Limited, Kolkata, at ₹ 94.94 crore. A tripartite agreement was also executed (24 August 2018) amongst REC Limited, Company and RECPDCL to facilitate supply of key materials as per the Company's requirement.

In this connection, Audit observed the following:

- As per Scheme guidelines, all contracts should be made between the State or DISCOMS or Power Department and the contractor or supplier, but in no case, the GoI or REC should be a party to such contract. In contravention to above guidelines, however a tripartite agreement was executed (24 August 2018) amongst REC Limited, Company and RECPDCL. The main role of RECPDCL was to facilitate the supply of key materials for distribution network infrastructure to the Company. The role of REC was to release funds on account of procurement of materials on behalf of the Company directly to RECPDCL. Thereafter, the Company issued (August 2018) work order to RECPDCL for supply of key materials valuing ₹ 94.94 crore and also in addition paid ₹ 2.24 crore towards

¹⁰⁸ REC Power Development and Consultancy Limited

contract management services to RECPDCL. In this regard it was seen that the rates discovered (July 2018) by the Company through tendering process for procurement of key materials from its own approved vendors were much lower than the rates offered (August 2018) by RECPDCL. Despite being aware of this fact, the Company opted to procure materials at higher rates from RECPDCL.

- On analysis of the rates of the key materials supplied by RECPDCL, it was seen that the Company had procured 1000 DTRs (25 KVA: 500 numbers. and 63 KVA: 500 numbers) and 75,000 numbers of energy meters at exorbitantly higher rates (333.82 *per cent* for 25 KVA DTR, 331.91 *per cent* for 63 KVA DTR and 18 *per cent* for energy meters) as compared to the procurement rates of the Company as shown in **Table 2.6**.

Table 2.6

Sl. No.	Particulars	Procurement rate (in ₹) per unit		Difference per unit (in percentage)	Quantity procured from RECPDCL (in Nos)	Avoidable expenditure (₹ in crore)
		Company	RECPDCL			
i	ii	iii	iv	v = iv - iii	vi	vii = v x vi
1	25 KVA DTR	60,180	2,61,075	2,00,895 (333.82)	500	10.04
2	63 KVA DTR	1,07,451	4,64,094	3,56,643 (331.91)	500	17.83
3	Energy meter	1,050	1,239	189 (18.00)	75,000	1.42
Total						29.29

The guidelines issued by CVC provide that before acceptance of offer, reasonability of the quoted rates should be established based on estimated rates and prevailing market rates. The Company, however, without calling for justification for such significantly higher rates (up to 333.82 *per cent*) or suggesting for exercising any other alternative like re-tendering, had accepted the offered rates of RECPDCL.

Thus, the Company had incurred avoidable expenditure of ₹ 29.29 crore on procurement of key materials through RECPDCL in contravention to the scheme guidelines, the terms of SBD and also the guidelines issued by CVC. Further, engaging RECPDCL at REC's request, to facilitate the supply of project materials, tantamounts to a 'conflict of interest' situation as the position of the latter (REC), being the holding company of RECPDCL and Nodal agency for Scheme implementation, could improperly influence its judgment while recommending RECPDCL's name to the Company for the Scheme works.

In reply, the Company stated (January 2022) that due to urgency of works the Company engaged some empanelled contractors for executing the works under the scheme by supplying key materials departmentally. Further, due to urgency of works and owing to huge demand for materials at that point of time RECPDCL, a subsidiary of REC was entrusted with the supply of the key materials after due administrative formalities. The

vendors for supply of materials had been selected by RECPDCL through tendering process. The Company had also raised the issue of higher rates in case of some materials. The reply was not acceptable as it was seen that, the Company on considering the urgency of works had procured some key materials from its approved vendors to be supplied to empanelled contractors. Hence, the engagement of RECPDCL in facilitating the procurement of key materials was not reasonable. Further, despite higher rates charged by RECPDCL, the Company did not resort to departmental procurement of materials to safeguard the financial interest of the Government.

Recommendations:

It should be ensured that:

- *the work orders relating to project implementation are awarded strictly in line with the Scheme guidelines; and*
- *safeguards are in place to provide for fair and open competition and measures should be taken to eliminate any 'conflict of interest' arising at any stage in the process of implementation of Government sponsored Schemes.*

2.17.2 Undue benefit to contractors due to procurement of similar items at different rates

As per Volume II, Section II, Clause 7.1 of the Standard Bid Document (SBD)/ Pre-contract Integrity Pact, the bidder undertakes that it has not supplied/ is not supplying similar product/systems or sub-systems at a price lower than that offered in the present bid in respect of any other Ministry or Department of the Government of India or PSU. If it is found at any stage that similar product/systems or sub systems was supplied by the bidder to any other Ministry/Department of the Government of India or a PSU at a lower price, then that very price, with due allowance for elapsed time, will be applicable to the present case and the difference in the cost would be refunded by the bidder to the buyer, if the contract has already been concluded. In this connection, Audit observed the following:

- In respect of on-grid electrification works, 9 contractors had quoted different rates for similar items (*viz.* Poles, conductor, DTRs *etc.*) in 36 packages awarded to them. The Company, however, allowed the contractors to supply similar items at different rates in violation of the condition stipulated in SBD. As a result, the Company had allowed an undue benefit of ₹ 50.31 crore to the 9 contractors. Further, the contractors had neither refunded the differential amount nor claimed by the Company.
- In respect of off-grid electrification works, one contractor had quoted different rates for supply of similar standalone Solar PV home lighting system¹⁰⁹ in two packages awarded to them. The Company, however, allowed the contractor to supply similar systems at different rates in violation of the condition stipulated in SBD. As a result, the Company had allowed an undue benefit of ₹ 1.65 crore¹¹⁰ to the contractor.

¹⁰⁹ comprises solar PV module, battery, charge controller, ceiling fan, LED lamp, *etc.*

¹¹⁰ (₹ 44,085.00 - ₹ 39,375.00) x 3,511 systems = ₹ 1,65,36,810.00

Further, the Company did not take any initiative to recover the differential amount from the contractors in violation to bid conditions.

In Exit Conference, the MD stated (January 2022) that the Company compared the rates quoted by the contractors for similar items within a package, but not across the packages. Further, there may be difference in rates of similar items due to delivery of the same at different locations.

The reply is not acceptable as the Standard Bid Document does not restrict the price comparison of similar items within the package concerned. Further, the question of difference in ex-works rates did not arise as contractors were entitled to Freight & Insurance charges separately.

2.18 Observations on monitoring of the scheme

2.18.1 Non-involvement of State Level Standing Committee

As per the Scheme guidelines, SLSC is to recommend DPRs of the State for approval of monitoring committee after vetting the physical works covered under the project. The SLSC should ensure that there is no duplication / overlapping of works with any scheme. It should also monitor the progress, ensure the quality, and resolve issues relating to implementation of projects *viz.* allocation of land for sub stations, right of way, forest clearance, railway clearance, safety clearance *etc.*

Audit observed that the Company did not obtain the recommendation of SLSC for submission of DPRs to REC for approval. Further, it was noticed that no meeting of SLSC was held during the period from February 2014 to September 2020. Though there were issues *viz.* allocation of land for sub stations, right of way, railway clearance *etc.* in execution of works, the Company could not obtain necessary guidance from SLSC in resolving such issues. This contributed to the delay of 27 months in completion of the projects.

In reply, the Company stated (January 2022) that DPR was approved by SLSC before sending the same to REC/GOI.

The reply is not correct as the Company sent (March 2018) the DPR to REC pending approval of the SLSC. Further, there was no meeting of SLSC during the period February 2014 to September 2020.

Audit findings - Beneficiary Survey

The outcome of the beneficiary survey as conducted in audit is discussed below:

2.19 Observations on Beneficiary Survey

As per the PA guidelines, 209 villages¹¹¹ were selected for conducting beneficiary survey. Of this, the Audit conducted (August-October 2021) survey in 185 villages¹¹²

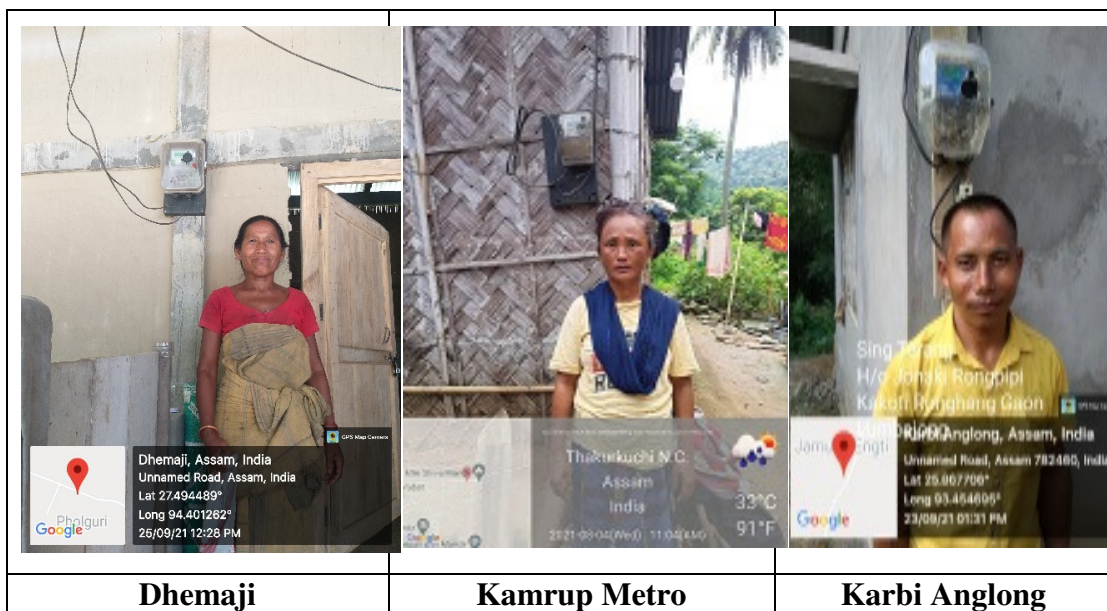
¹¹¹ 188 villages under RGGVY-XII/DDUGJY/SAUBHAGYA and 21 villages under DDG

¹¹² including 16 replaced villages (10 on-grid and 6 off-grid) where original villages were found to be either eroded/ non-feasible/no works executed

(176 on-grid and 9 off-grid) covering 1,579 beneficiaries. The beneficiary survey in remaining 24 villages¹¹³ could not be conducted as these villages were eroded, inaccessible due to flood, landslide, poor road conditions, etc.

Photographs of beneficiaries benefitted under the scheme are depicted in **Chart 2.2**.

Chart 2.2



2.19.1 Non-provision of LED lamps

As per para 2.4 of SAUBHAGYA guidelines, the electricity connection included provision of service line cable, energy meter, single point wiring, LED lamp, erection of pole.

In 127 cases (8 *per cent*) out of 1,579 households surveyed in Assam, LED lamps were not provided as per the provision of the scheme. However, the Energy meter was found installed in all the households.

2.19.2 Release of electricity connection to poor households on payment

As per SAUBHAGYA Guidelines, BPL beneficiaries covered under Socio-Economic Castes Census (SECC) data were to be provided free electricity connection.

In 116 (7 *per cent*) out of 1,579 beneficiaries surveyed in Assam, the connections were provided after charging payment ranging from ₹ 100 to ₹ 2,500 from the beneficiaries. This defeated the Scheme objective of providing free power to poor/ BPL population of the State.

2.19.3 Energy meters installed without energizing

The Company had released (May 2018) 57 BPL connections in two villages (*viz.* Tongikro and Diyung Gurkhali) under Dima Hasao District. During survey of 20 out

¹¹³ 12 on-grid and 12 off-grid villages

of 57 beneficiaries, Audit noticed that these beneficiaries were provided only with meter without energizing the same and without service cable connected to LT lines. Hence, the benefit of electricity connection to these 20 households could not be achieved.

2.19.4 Impact on monthly expenditure due to reduction in use of diesel gen sets, diesel pumps etc.

As an impact of implementing the Scheme, 1,515 (96 *per cent*) out of 1,579 beneficiaries surveyed by Audit had confirmed reduction in their monthly expenditure on operating the gen sets, diesel pumps due to comparably low electricity charges.

2.19.5 Use of consumer durables like iron, TV, fridge etc. in the house

Out of 1,579 beneficiaries surveyed, 1,218 (77 *per cent*) beneficiaries stated that they were using additional gadgets like TV, fridge, fan *etc.*

2.19.6 Increase/decrease in Study hours before electricity connection in house and after electricity in the house

Total 1,145 beneficiaries (73 *per cent*) stated that after getting electricity, the study hour had increased due to availability of power supply in evening/night.

2.19.7 Increase in mobility/security in night due to electrification of villages

Total 1,496 (95 *per cent*) beneficiaries stated that the availability of power had reduced the possibilities of theft of live-stock, household goods and thus increased the security at night *etc.* However, the remaining 73 beneficiaries did not respond anything regarding increase in security.

2.19.8 Increase/Decrease in the supply hours and voltage fluctuation

Total 642 (40.65 *per cent*) beneficiaries had reported that the power supply was erratic and less than 12 hours per day. Further, 761 (48.20 *per cent*) beneficiaries stated that power supply was available for more than 12 hours. However, remaining 176 beneficiaries (11.15 *per cent*) did not respond on the issue.

2.19.9 Untraceable beneficiaries

As per beneficiaries list provided by AGM (RE), Diphu, it was found that there were 386 beneficiaries who received household electrification under DDUGJY scheme in Barsing Timung village under Lumbajong Block under Karbi Anglong district. During field visit in Barsing Timung and Sot Recho Akam villages, the audit team could not trace out the beneficiaries. The audit team also met the Goan Buras (village head) of the concerned villages and Goan Buras certified that the names of the beneficiaries enlisted in the list were not the inhabitants of the above mentioned villages. The Goan Buras also stated that there were 60 households in Barsing Timung villages and 30 households in Sot Recho Akam villages of which 50 and 25 households had already been electrified. Further, as per the list provided AGM (RE), Diphu, there were 19 beneficiaries covered under DDUGJY in three villages namely, Toupura, Hidibonglong and Teprong Rongpi. However, the audit team did not find any of the beneficiaries

during field visit in these villages. The Gaon Buras of the concerned villages certified that the beneficiaries named in the list were not the inhabitants of those villages.

CONCLUSION

Prior to implementation of Schemes, Assam had 26,395 villages, of which, 2,339 villages were Un-Electrified (UE) and the remaining 24,056 villages were Partially Electrified (PE). Due to implementation of the Schemes, the electrification works were carried out in 996 UE villages¹¹⁴ (42.58 *per cent*) and 14,898 PE villages (89.12 *per cent*) till March 2021. Regarding household electrification, Assam had 51,88,986 rural households in October 2017, of which 27,78,638 rural households (53.55 *per cent*) were electrified and the remaining 24,10,348 households (46.45 *per cent*) were un-electrified. The outcome of implementation of the Schemes had significantly increased the number of household electrification to 45,58,833 (87.86 *per cent*) in the State till March 2022.

The Company did not take up feeder segregation works resulting in non-achievement of the the objective of optimum rostering of power between agricultural and non-agricultural consumers. The Company did not keep any documentary evidence on records to show prioritization of deserving project areas for implementation of projects under the Scheme. Implementation of the scheme was also beset with several instances of non-adherence to the scheme guidelines, bid conditions, *etc.* There were instances of inefficiencies in contract management and execution of works resulting in undue benefits to the contractors, procurement of items below standard specifications, award of works without open tender, non-fulfilment of commitments made in the agreements *etc.*

Monitoring mechanism for ensuring quality though in place, could not keep pace with progress of works and resultantly, there were delays in exercising significant and appropriate checks making the monitoring process largely ineffective. Further, there was lack of monitoring on the part of the SLSC to sort out issues causing delay in completion of projects.

Though there were certain untraceable beneficiaries, survey, however, revealed various benefits of the schemes (*i.e.*, reduction of monthly expenditure, increase in study hours, increased use of electrical gadgets, increase in safety and security, *etc.*) which the beneficiaries availed due to implementation of the schemes.

RECOMMENDATIONS

Government/Company may ensure:

- ***chalking out necessary plan to take up feeder segregation works for optimum rostering of power supply between agriculture and non-agricultural feeders;***
- ***that the guidelines and instructions relating to procurement are scrupulously***

¹¹⁴ Out of 2,339 UE villages, 1,343 villages were found to be partially electrified during execution.

followed in all projects – whether funded by Central Government, State Government, or own resource;

- *that execution of work is strictly as per the prescribed specification in order to achieve maximum benefits from Schemes;*
- *that an independent survey is conducted prior to implementation of new projects to identify intended villages and estimates properly and ensure that the benefits of the scheme reaches to the targeted beneficiaries.*
- *strengthening the monitoring mechanism at top level to ensure timely execution of quality works.*

CHAPTER III
Compliance Audit Paragraphs
relating to PSUs

CHAPTER-III:

COMPLIANCE AUDIT PARAGRAPHS RELATING TO PSUs

Section 5: Compliance Audit Paragraphs relating to Power Sector PSUs

Important audit findings emerging from test check during the audit of the power sector PSUs are included in this section.

Assam Power Distribution Company Limited

3.5.1 Undue benefit

The Company extended an undue benefit of ₹ 1.87 crore to the contractor by making payment (₹ 0.60 crore) against undelivered materials and releasing the LD amount (₹ 1.27 crore) despite delay in completion of work.

Assam Power Distribution Company Limited (Company) issued (April 2013) a Letter of Award (LoA) to N.K Power infrastructure¹¹⁵ (contractor) for execution of strengthening and upgradation of sub-transmission and distribution works of project areas under Tezpur Electrical Circle (TEC) at a contract value of ₹ 12.86 crore (including ₹ 6.07 crore for Tezpur project area) under the R-APDRP scheme. The work was to be completed by September 2014 (subsequently extended up to 30 June 2016). The Company declared the work as completed on 20 June 2016.

Audit observed that:

The work in the Tezpur project area included the supply and erection of Automatic Power Factor Controller (APFC) at 10 MVA power Transformer and also construction of UG cable at railway track crossing with the supply value of materials being ₹ 1.06 crore¹¹⁶ and 0.19 crore¹¹⁷ respectively. The Company released (December 2015) a payment of ₹ 5.64 crore to the contractor, which included ₹ 1.25 crore against supply of materials relating to APFC and railway crossing.

It was however seen that although the Company declared the work as completed on 20 June 2016, the Nodal Officer, R-APDRP of the Company directed (September 2017) the contractor to complete the erection and commissioning of APFC and railway track crossings within 31 December 2017. The Assistant General Manager, Tezpur Electrical Division intimated (January 2020) the Chief Executive Officer, TEC with a copy to the Nodal Officer, R-APDRP that the contractor delivered materials relating to APFC valuing ₹ 0.65 crore against the total ordered (paid) value of ₹ 1.06 crore. The AGM further intimated that no record of any material supplied by the contractor against materials relating to railway crossing valuing ₹ 0.19 crore could be found or traced.

¹¹⁵ Previously known as M/s Power and Infrastructure

¹¹⁶ ₹ 1,01,67,904.76 + ₹ 5,08,395.24 (being work contract tax of 5 per cent x ₹ 1,01,67,904.76)

¹¹⁷ ₹ 17,71,314.30 + ₹ 88,565.72 (being work contract tax of 5 per cent x ₹ 17,71,314.30)

Thus, the Company had irregularly released an amount of ₹ 0.60 crore to the contractor, although the materials against the same was not received by the Company (as of September 2021).

(ii) The decision of the Company to declare the project as completed in June 2016 was not correct, which has also been accepted (September 2016) by the Company and was further corroborated from the internal communications within the Company. Moreover, it was seen that the Company deducted (March 2018) an amount of ₹ 1.27 crore as liquidated damage (LD) on the basis of submission by TEC that the project was completed in June 2017. The LD was however, released (November 2018) to the contractor citing that the project was completed within the scheduled completion period *i.e.* in June 2016 and not June 2017 as mentioned by TEC. The fact however, remained that the project was not completed even in September 2021. As there were incomplete works, the release of LD amount of ₹ 1.27 crore to the contractor by mentioning incorrect completion date (June 2016) was also irregular.

Thus, the Company extended undue benefit to the contractor by releasing payment of ₹ 0.60 crore¹¹⁸ without receipt of materials. Further, the decision of the Company to declare an ongoing project as completed (June 2016) and release of LD amount of ₹ 1.27 crore there against to the contractor was irregular and lacks justification.

The Government/Company in its reply accepted (December 2021) that no records of supply of materials relating to APFC and railway crossing is traceable and the work on installation of the APFC and the railway crossing is still pending. The Company further stated that it has appraised the matter to the contractor regarding recovery of LD, while the Government has directed the Company to constitute a committee to enquire into the anomalies.

Recommendation: The Company may take necessary steps against the contractor to complete the work and fix responsibility for the lapse and ensure effective monitoring of scheme implementation according to guidelines to avoid recurrence of such irregularities.

¹¹⁸ Supply of materials: ₹ 1.25 crore - ₹ 0.65 crore = ₹ 0.60 crore

Assam Electricity Grid Corporation Limited

3.5.2 Lack of policy for investment of surplus funds

In absence of prescribed investment policy, the Company invested its surplus funds in STDs without analysing the different rates of interest offered by the bank and thereby sustained loss of potential revenue of ₹ 0.48 crore.

As a part of a prudent financial management system, it is essential that there is a well devised investment policy in any organisation to manage its surplus funds. Government of Assam, however, did not have any policy on investment of surplus funds by the State PSUs. This is unlike the case of Government of India, where the Department of Public Enterprises (DPE) periodically issues detailed guidelines on investment of surplus funds by the Central Public Sector Enterprises (CPSE).

As per the DPE guidelines (May 2017), decisions on investment of surplus funds shall be taken by the Board of Directors of the CPSE. However, decisions involving investing short-term surplus funds up to one year maturity may be delegated up to prescribed limits of investment, to a designated group of Directors, which should invariably include Chairman cum Managing Director and Director (Finance)/Head of Finance internally. Where such delegation is exercised, there should be a proper system of automatic internal reporting to the Board at its next meeting in all cases.

The investment policy of the CPSEs generally focuses on (i) Responsibility and Authority (ii) Criteria for obtaining bank interest card rates (iii) Procedure for determination of surplus fund and date of investment (iv) Functions of the Investment Cell (v) Procedure for recommending Investment Proposal (vi) Approval for release of payments *etc.*

Audit observed that Assam Electricity Grid Corporation Limited (Company) did not have any investment policy or any designated committee to decide on the investments. The decision on short term deposits (STDs) were taken by the officials in the Finance and Accounts wing of the Company with the approval of the Managing Director. The amount of investment in STDs, which was ₹ 415.56 crore in 2017-18 increased to ₹ 898.23 crore in 2020-21. An instance of loss of interest income during 2017-20 owing to lapse in decision making on investments is highlighted below:

The summary of investments by the Company in the State Bank of India (SBI), which was invested for the first time on 31 March 2018, is as given in **Table 3.4.1**.

Table 3.4.1: Details of investments by the Company

Particulars	2017-18	Rate of Interest	2018-19	Rate of Interest	2019-20	Rate of Interest
Lumpsum investment of ₹ 10 crore (closed on 03 April 2021)	10,00,00,000	7.00	10,64,65,285	6.70	11,30,48,249	3.70
Investment by splitting the amount to 46 STDs	40,50,20,000	6.40	42,89,07,494	6.80	45,58,25,123	5.70

Following deficiencies in the system of investment of funds in STDs were noticed while placing the STDs with SBI, which had resulted in loss of significant interest income:

(i) The Company had invested (31 March 2018) an amount of ₹ 10 crore in STDs with SBI bearing an interest of 7 *per cent*, while it invested another ₹ 40.50 crore¹¹⁹ with SBI, which was split to 46 STDs of below ₹ 1 crore bearing an interest of 6.40 *per cent*, with a maturity period of one year (31 March 2019). Had the Company invested the entire amount in lump sum, it could have earned the higher interest rate of 7 *per cent*. Consequently, the Company lost the opportunity of earning additional interest income amounting to ₹ 0.24 crore during 2017-18 on the said 46 STDs of below ₹ 1 crore.

(ii) Subsequently, the above investments on maturity were re-invested (31 March 2019) for one year period (31 March 2020) but from here on, the rate of interest underwent a change, with decrease in rate of interest for investments above ₹ 2 crore from 7 *per cent* to 6.70 *per cent* and an increase in the rate of interest at the lower slab from 6.40 *per cent* to 6.80 *per cent*, making the lower denomination STDs as higher yielding. This trend continued in 2019-20, when the gap in the rate of interest further widened with investments above ₹ 2 crore now carrying a low rate of 3.70 *per cent* as against 5.70 *per cent* in case of investments below ₹ 2 crore. As such, during 2018-19 and 2019-20, the Company could have earned higher interest if it had split its single high value STD into denominations of less than ₹ 2 crore at the time of renewal. Consequently, the Company again lost the opportunity of earning additional interest income amounting to ₹ 0.24 crore¹²⁰ during 2018-20.

Thus, due to investing surplus funds in STDRs without analysing the rate of interest offered by SBI, the Company sustained loss of potential additional revenue of ₹ 0.48 crore during 2017-20.

The Government/Company stated (December 2021) that the funds were parked temporarily at retail deposit rate instead of bulk deposit rate during 2018-19 as they have to make payments regularly to different contractors and other liabilities for ongoing projects as and when required and the amount was parked in smaller denomination in order to minimize premature penalty. The Company further stated that

¹¹⁹ ₹ 90,00,000 x 44 + ₹ 70,00,000 x 1 + ₹ 20,20,000 x 1 = ₹ 40,50,20,000

¹²⁰ ₹ 10,64,65,285 x 0.10 *per cent* + ₹ 11,30,48,249 x 2 *per cent* = ₹ 0.24 crore

it did not have any pre-plans regarding renewal of ₹ 10 crore along with accumulated interest and STDs were automatically renewed from bank side during 2019-20.

The reply is not tenable as the amount of ₹ 10 crore invested in 2017-18 was encashed only on 03 April 2021 and the entire amount of ₹ 40.50 crore invested in 2017-18 remained deposited in STDs. As such the contention relating to payments regularly to different contractors and other liabilities is not valid. Further, the acceptance by the Company about its absence of pre-plan for investments during 2019-20 only highlights the lack of an investment policy to maximize returns.

Recommendation: Considering the huge amount of surplus funds lying at the disposal of the Company, the Company should ensure that a well-defined investment policy and a committee to decide on the investments is put up in place to maximise returns on investment of surplus funds.

Section 6: Compliance Audit Paragraphs relating to PSUs (other than power sector)

Important audit findings emerging from test check during the audit of the PSUs (other than power sector) are included in this section.

Assam Industrial Development Corporation Limited

3.6.1 Undue benefit

Lapses in tendering and contract management of the EoDB project enabled the Vendor to submit invoices of ₹ 43.73 crore against an original work order of ₹ 2 crore, with payment of ₹ 18.51 crore already being made, despite doubts being raised on the reasonableness of the rates and the claims.

The Chief Secretary to the Government of Assam (GoA), in a meeting (4 April 2015) discussed the roll-out of Ease of Doing Business (EoDB) as per the Action Plan circulated by Government of India (GoI) and decided that a single window system should be introduced along with e-governance portals. The Industries & Commerce Department (I&CD) would be the nodal department, with the Commissioner, I&CD being the nodal officer for this purpose. The Information Technology Department, GoA (IT Department) would assist I&CD in preparing a proposal for e-governance, and I&CD in turn would move for funds to the Department of Industrial Policy & Promotion, GoI for the e-governance project.

On the very same day (4 April 2015) as the meeting above, Commissioner, I&CD, in his capacity as MD, Assam Industrial Development Corporation Limited (Company), floated an expression of interest (EoI) through the Company to select a vendor for the design, development and hosting of single window clearance system web portal for different departments of GoA for EoDB, comprising 20 Modules covering different functionalities and departments.

Against this, the Company received (April 2015) three bids. The bid of M/s Avantika Innovations Private Limited (Vendor) was accepted and the work awarded in February 2016, ten months after receipt of initial bids, at an amount of ₹ 2 crore¹²¹. As per the bid of the Vendor, the scope of work in 20 modules entailed development of 42 forms involving 5,939 man-days at ₹ 3,220 per man-day.

The Vendor completed the work in April 2021. As against the original work order of ₹ 2 crore, the Vendor submitted 14 bills in four batches between 3 March 2016 and 9 April 2021 amounting to ₹ 43.73 crore covering additional scope of work, against which a payment of ₹ 18.51 crore has been made by the Company as shown in **Table 3.5.1**.

¹²¹ Excluding Annual Maintenance Contract cost (₹ 0.12 crore) and other ancillary costs (₹ 0.03 crore).

Table 3.5.1: Details of bills paid by the Company*Figures in columns 3 & 4 are Rupees in crore*

Batch	Invoice Date	Invoiced Amount	Amount Paid	Payment Date
1	2	3	4	5
Batch-1 (2 Invoices)	03.03.2016	2.14	2.00	31.03.2016
Batch-2 (4 Invoices)	20.02.2017	10.35	2.46	05.04.2017
Batch-3 (6 Invoices)	10.08.2017	24.91	7.72	16.11.2018
Batch-4 (2 Invoices)	09.04.2021	6.33	6.33	13.04.2021
Total (14 Invoices)		43.73	18.51	

Audit observed that:

1. The Commissioner, I&CD was designated as the nodal officer for the EoDB e-governance project. However, the work was tendered by him in his capacity as MD of the Company, and without preparing any detailed proposal scoping the e-governance project with the assistance of IT Department, as had been decided in the meeting (4 April 2015) chaired by the Chief Secretary, GoA.
2. The EoI floated (April 2015) by the MD of the Company provided the bare minimum project details (in 2 pages) and asked the bidders to quote for 20 modules covering the project. There was no requirement for bidders to submit Security Deposit or Performance Guarantee, nor were the payment terms and conditions specified in the EoI. The EoI also did not provide any format or template in which the bids were to be submitted. However, all the three bidders quoted in a similar manner, specifying the number of forms to be developed in each module, the man-days required along with man-day rate to arrive at the final bid amount.
3. The Company issued (February 2016) the work order on the lowest bidder, M/s Avantika Innovations Private Limited (Vendor), following the same format in which the bid was received, specifying the number of forms, the man-days, and the rate per man-day. Further, the work order included a clause that the selected firm should inform the additional work done and the same would be paid as per the approved rates of application development. Thus, while the work was by nature a lumpsum/fixed-price contract for design, development and hosting of a Single Window Web Portal covering 20 modules, the work order, by including the above clause, and specifying the man-day rate, opened the possibility for treating this as an agreement in the nature of a rate-contract for development of various modules under the project, as per the quoted man-day rate.
4. The intending bidders were allowed (4 April 2015) only 15 days (upto 20 April 2015) to submit their quotations while CVC guidelines prescribe four to six weeks with a view to have wider, fair and adequate competition. It was subsequently observed (May 2018) by an external expert¹²² that the bid had not seen participation

¹²² Director, Indian Institute of Information Technology (IIIT), Guwahati

by any leading software development firms of Guwahati. This was also evident from the fact that two of the three bidders did not have the required work experience of having undertaken similar projects in the past and were deemed as disqualified by the Tender Evaluation Committee.

5. Available records indicate that it had already been decided (4 April 2015) to award the work to the said Vendor as evidenced by the fact that I&CD entrusted the Vendor (4 April 2015) the duties of preparing the Master website for executing the policy of EoDB on the same day as the EoI was invited by Company. This, combined with the non-competitive nature of the bids received and the similarity of the bids by different vendors, raises doubts on the sanctity of the bidding process.
6. The EoI was issued in April 2015 with the defined scope covering 20 modules for 13 departments. Though shortly thereafter, in June 2015, the Company had come to know of the revised requirement stated by GoI for EoDB to cover 23 departments, yet the Company issued the work order in February 2016 against the original scope at the tendered amount of ₹ 2 crore. Subsequently, this additional work was done by the Vendor, treating this as an extension of the earlier contract at the man-day rate stated at the time of bid submission. This exposed the Company to the risk of arbitrary financial demands of the Vendor for the development of additional scope of work without being subject to the process of fair price discovery through open bidding or through pre-negotiated rates after undergoing evaluation by experts.
7. Finally, the Vendor submitted (March 2016 to April 2021) 14 invoices in all for the project amounting to ₹ 43.73 crore, with no mechanism available to assess the actual man-days required or utilised by the Vendor for development of these components. For instance, against the initially quoted amount of ₹ 2 crore for 20 modules covering 13 departments which included ₹ 12.40 lakh for Pollution Control Board, the Vendor went on to submit invoices in the three subsequent batches of ₹ 2.35 crore for Pollution Control Board itself. Similarly, the final cost invoiced by the Vendor for Town and Country Planning Directorate was of ₹ 1.91 crore against the initially quoted amount of ₹ 12.75 lakh. Another instance of this egregious invoicing is for the item – ‘Backend Departmental and Process Management’ for which a total of ₹ 5.46 crore was invoiced by the Vendor against the initially quoted amount of ₹ 44.05 lakh. Thus, there was no justification for the Company to treat the original order as a rate contract permitting the Vendor to charge any desired amount– instead, it should have gone for a re-tender of the additional work to get a fair and competitive price for the same.
8. While the Company was executing the work on behalf of GoA, the approval of GoA for the enhanced financial outlay from the initial ₹ 2 crore to the revised ₹ 30.52 crore for the additional work was sought in September 2016, when much of the commitment for the same had already been incurred through development by the

Vendor. There was inadequate independent oversight on the work of Company being done on behalf of GoA.

9. For a long period, the Commissioner, I&CD sanctioning the funds for this project on behalf of GoA was also the MD of the Company executing the work and authorising release of payments to the Vendor. During the six-year period from April 2015 to April 2021 between the floating of EoI and completion of the project, the same person on four occasions¹²³ had held the charge of both MD of the Company and Commissioner, I&CD for almost two and a half years. With such dual and split responsibility, there was confusion regarding the ownership of Company over the project to the extent that the new MD of the Company in March 2018 had to write to the GoA protesting the huge bill submitted by the Vendor for EoDB work, and his ignorance of the affairs relating to the project, despite him already having spent five months as MD. When he took up this issue (April 2018) with the Board of Directors (Board) of the Company, the Board acknowledged the financial liability created by the Vendor, and decided that no further development work should be got done by the Vendor.
10. There was no record of any estimate provided by the Vendor to Company in terms of man-days/amount for development of subsequent modules, nor was any formal work-order placed by the Company on the Vendor for such development. The Vendor exploited this ambiguity by undertaking development of modules without providing a prior estimate or formal approval for the work, and then presenting the invoice in three subsequent batches. Despite lack of any formal order or agreement between the Company and the Vendor, the Company did not contest the validity of these invoices, and instead of outrightly rejecting the same, tried to moderate these rates by evaluation through departmentally constituted committees. This was done on two separate occasions (February 2017 and November 2017) by the same committee¹²⁴ for the invoices submitted in the second batch and third batch. However, this approach of setting rates for work already done has limited legal validity as it was not provided for in any contract/agreement with the Company, nor did the Vendor formally give acceptance to the revised rates recommended by the committee.
11. While the committee had recommended that the man-day rate be brought down from ₹ 3,220 to ₹ 1,500 per man-day along with affecting some other deductions¹²⁵

¹²³ Shri Swapnanil Baruah from 17.11.2014 to 23.02.2016 (one year and four months); Shri K.K. Dwivedi from 07.04.2018 to 23.09.2018 (five and a half months); Shri Puru Gupta from 19.01.2019 to 03.04.2019 (two and a half months) and Shri Oinam Saran Kr Singh from 20.11.2020 to 30.01.2021 (two months and a half months).

¹²⁴ The committee included the Director, National Informatic Centre, Additional Director, Industries & Commerce Department, Financial Advisor, Industries & Commerce Department, General Manager, Assam Industrial Development Corporation Limited.

¹²⁵ Apart from reduction of reduction of man-day rate to ₹ 1,500, following additional reductions were recommended by the Committee: Second batch: Interim payment to be made for 50 *per cent* of the man-days, Third Batch: Payment to be made after deduction one-third of the man-days invoiced.

in the submitted bills, this approach was followed by the Company in case of invoices in second and third batch alone. It may be noted that invoices in the fourth batch of ₹ 6.33 crore were paid in full as per the originally stated rate of ₹ 3,220 per man-day.

Thus, it could be concluded from the above that:

- i. Through lapses in tendering and contract management, the Company along with the parent department *viz.* I&CD, has shown lack of financial prudence in managing the development of the EoDB project, leading to the project cost escalating from an initial ₹ 2 crore to ₹ 43.73 crore¹²⁶, of which ₹ 18.51 crore has already been paid, without any assurance of this being the final payment¹²⁷. This has caused loss to the GoA amounting to multiple crores. The extent of mismanagement is indicative of intent for favouring the Vendor, rather than lack of knowledge or capacity.
- ii. Though software development was not a core activity of the Company and another PSU of the GoA *viz.* Assam Electronics Development Corporation Limited (AEDCL) was specifically entrusted with the development of IT infrastructure, software services and has also undertaken the National e-Governance project of the GoA, the work was executed through the Company. At the same time, along with the Company, the parent department *viz.* I&CD continued to play a role in the management of the project leading to sharing of responsibility between the two with no clear project owner, enabling the favour being given to the Vendor while avoiding direct responsibility for the decisions.

The Government/Company in its reply stated that the escalation in the project cost was mainly due to the constantly evolving reform action plan and that the EoDB project was not entirely IT in nature as it involved a significant quantum of consultancy efforts in studying the reform points, applicable acts, rules, notifications, office orders and subsequently implementing the reforms in the digital environment.

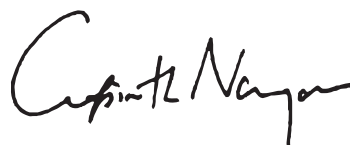
The reply is however silent on the lapses pointed out above in relation to execution of work without following due processes and release of huge amounts to the vendor without ascertaining the volume of work being done but simply based on bills submitted by the vendor. Further, revised work orders were not issued even though the Company was aware of the increase in scope of work, as the work was by nature a lumpsum/fixed-price contract but by accepting the demands of the vendor converted the work to a rate-contract without any reasoned justification for the same. Being a PSU having independent Board of Directors and a professionally managed organization, the Company management should have done due diligence in following laid down

¹²⁶ As payments were released without measurement of the works and the total value of work was not computed by the Company, Audit worked out the value at on the basis of bills submitted by the vendor.

¹²⁷ As the total value of work was not computed by the Company and in absence of any documents showing the quantum of work done, the entire payment of ₹ 18.51 crore is questionable.

procedures which is followed during implementation of similar projects before releasing the payments. As such the genuineness of the claims remained doubtful and the motive to give undue benefit to the vendor being apparent in the entire process.

Recommendation: GoA may consider fixing accountability for such poor management of the EoDB single window clearance system project, which appears almost deliberate in nature, and designed to benefit the Vendor at the cost of the public exchequer.



(K. S. GOPINATH NARAYAN)

Principal Accountant General (Audit), Assam

Guwahati

The: 26 July 2022

Countersigned



(GIRISH CHANDRA MURMU)

Comptroller and Auditor General of India

New Delhi

The: 29 July 2022

APPENDICES

Appendix-1

Statement showing the investment made by State Government in PSUs whose accounts are in arrears as on 30 September 2020

(Reference: Paragraph 1.3.5 and 1.3.8)

(Figures in columns 4 & 6 to 8 are ₹ in crore)

Sl. No.	Name of Public Sector Undertaking	Year up to which accounts finalised	Paid up capital	Periods of accounts pending finalisation	Investment made by State Governments during the years for which the accounts are in arrears		
					Equity	Loans	Grants
1	2	3	4	5	6	7	8
A	Power Sector						
1	Assam Power Distribution Company Limited	2018-19	162.77	1	283.13	221.36	1,947.38
	Total (A)		162.77		283.13	221.36	1,947.38
B	Working PSUs (other than Power sector)						
1	Assam Livestock and Poultry Corporation Limited	2017-18	2.19	2	0.00	0.00	8.35
2	Assam Tea Corporation Limited	2013-14	27.54	6	0.00	261.73	25.00
3	Assam Plantation Crop Development Corporation Limited	2013-14	5.00	27 ¹	0.00	7.65	2.99
4	Assam Plains Tribes Development Corporation Limited	2018-19	2.95	1	0.00	0.00	10.22
5	Assam State Development Corporation for Other Backward Classes Limited	2015-16	3.40	4	0.40	0.00	31.48
6	Assam Minorities Development & Finance Corporation Limited	1997-98	0.01	22	2.40	0.00	0.00
7	Assam State Development Corporation for Scheduled Castes Limited	2009-10	9.85	10	0.25	0.00	58.13
8	Assam State Film (Finance & Development) Corporation Limited	2013-14	0.10	6	0.00	0.00	1.25
9	Assam Hills Small Industries Development Corporation Limited	1998-99	2.00	21	0.00	29.25	1.64
10	Assam Small Industries Development Corporation Limited	2014-15	6.67	5	0.00	0.00	0.49

¹ Assam Plantation Crop Development Corporation Limited finalised its accounts till 1990-91. Thereafter the Company had submitted two years' accounts (2012-13 and 2013-14) with an undertaking that the arrears of accounts would be finalised within five years.

Sl. No.	Name of Public Sector Undertaking	Year up to which accounts finalised	Paid up capital	Periods of accounts pending finalisation	Investment made by State Governments during the years for which the accounts are in arrears		
					Equity	Loans	Grants
1	2	3	4	5	6	7	8
11	Ashok Paper Mill (Assam) Limited	2015-16	0.01	4	0.00	2.25	0.00
12	Assam State Fertilizers and Chemicals Limited	2009-10	4.56	10	0.00	1.45	0.06
13	Assam Tourism Development Corporation Limited	2016-17	0.39	3	0.00	0.00	150.38
Total (B)			64.67		3.05	302.33	289.99
Total (A + B)			227.44		286.18	523.69	2,237.37
C	Statutory Corporation						
1	Assam State Transport Corporation	2016-17	167.73	3	0.00	0.00	149.36
2	Assam Financial Corporation	2018-19	3.24	1	0.00	4.00	0.00
Total (C)			170.97		0.00	0.00	149.36
Total (A + B + C)			398.41		286.18	527.69	2,386.73
D	Non-Power sector PSUs (Non-working)						
1	Assam Agro-Industries Development Corporation Limited	2009-10	2.20	10	1.10	0.00	0.00
2	Assam State Minor Irrigation Development Corporation Limited	2011-12	17.35	8	0.00	0.00	7.15
3	Industrial Papers (Assam) Limited	2000-01	0.40	19	0.00	0.00	7.28
Total (D)			19.95		1.10	0.00	14.43
Total (A + B+C+D)			418.36		287.28	527.69	2,401.16

Appendix-2

Statement showing position of total investment (equity and long-term loans) in State PSUs as on 31 March 2020
(Reference: Paragraph 1.2.3 and 1.3.2)

(Figures in Columns 5(a) to 6(d) and 7 are ₹ in crore)

Sl. No.	Sector/ Name of the PSU	Name of the Department	Month and year of incorporation	Equity ² at close of the year 2019-20				Long term loans outstanding at close of the year 2019-20				Total investment (equity and loans) as on 31 March 2020	Man-power
				GoA	GoI	Others	Total	GoA	GoI	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
A. Power sector PSUs													
1	Assam Power Generation Corporation Ltd.	Power	23-10-2003	455.86	0.00	0.00	455.86	636.59	0.00	364.92	1,001.51	1,457.37	977
2	Assam Electricity Grid Corporation Ltd.	Power	23-10-2003	99.93	0.00	0.00	99.93	535.34	0.00	95.68	631.02	730.95	1,947
3	Assam Power Distribution Company Ltd.	Power	23-10-2003	534.58	0.00	0.00	534.58	914.45	0.00	628.77	1,543.22	2,077.80	9,791
Total (A)				1,090.37	0.00	0.00	1,090.37	2,086.38	0.00	1,089.37	3,175.75	4,266.12	12,715
B. Non-Power sector PSUs (Working)													
AGRICULTURE & ALLIED													
4	Assam Seeds Corporation Ltd.	Agriculture	27-01-1967	1.46	0.00	0.00	1.46	3.89	0.00	0.00	3.89	5.35	193
5	Assam Fisheries Development Corporation Ltd.	Fisheries	01-03-1977	0.49	0.00	0.00	0.49	0.00	0.00	0.00	0.00	0.49	58
6	Assam Livestock and Poultry Corporation Ltd.	Animal Husbandry	02-06-1984	0.07	2.12	0.00	2.19	0.00	0.00	0.00	0.00	2.19	25
7	Assam Tea Corporation Ltd.	Industries & Commerce	02-04-1972	29.54	0.00	0.00	29.54	440.22	0.00	0.00	440.22	469.76	16,894
8	Assam Plantation Crop Development Corporation Ltd.	Soil Conservation	11-01-1974	5.00	0.00	0.00	5.00	8.99	0.00	0.00	8.99	13.99	61
9	Assam Food and Civil Supplies Corporation Ltd.	Food Civil Supplies & Consumer Affairs	23-09-2014	12.19	0.00	0.00	12.19	0.00	0.00	0.00	0.00	12.19	15
Sector wise total				48.75	2.12	0.00	50.87	453.10	0.00	0.00	453.10	503.97	17,246

Sl. No.	Sector/ Name of the PSU	Name of the Department	Month and year of incorporation	Equity ² at close of the year 2019-20				Long term loans outstanding at close of the year 2019-20				Total investment (equity and loans) as on 31 March 2020	Man-power
				GoA	GoI	Others	Total	GoA	GoI	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
FINANCE													
10	Assam Plains Tribes Development Corporation Ltd.	Welfare of Plains Tribes & Backward Classes	29-03-1975	2.20	0.75	0.00	2.95	0.00	0.00	14.61	14.61	17.56	119
11	Assam State Development Corporation for Other Backward Classes Ltd.	Welfare of Plains Tribes & Backward Classes	08-06-1975	3.40	0.00	0.00	3.40	0.00	0.00	0.00	0.00	3.40	60
12	Assam Minorities Development and Finance Corporation Ltd.	Welfare of Minorities	27-02-1997	2.41	0.00	0.00	2.41	0.00	0.00	8.37	8.37	10.78	-
13	Assam State Development Corporation for Scheduled Castes Ltd.	Welfare of Plains Tribes & Backward Classes	18-01-1975	5.59	4.51	0.00	10.10	0.00	0.00	0.00	0.00	10.10	77
14	Assam State Film (Finance & Development) Corporation Ltd.	Cultural Affairs	09-04-1974	0.10	0.00	0.00	0.10	0.04	0.00	0.00	0.04	0.14	16
Sector wise total				13.70	5.26	0.00	18.96	0.04	0.00	22.98	23.02	41.98	272
INFRASTRUCTURE													
15	Assam Hills Small Industries Development Corporation Ltd.	Hills Areas	30-03-1964	2.00	0.00	0.00	2.00	39.62	0.00	0.00	39.62	41.62	120
16	Assam Industrial Development Corporation Ltd.	Industries & Commerce	21-04-1965	139.21	0.00	0.00	139.21	86.35	0.00	0.00	86.35	225.56	124
17	Assam Small Industries Development Corporation Ltd.	Industries & Commerce	27-03-1962	6.67	0.00	0.00	6.67	5.19	0.00	0.00	5.19	11.86	121

Sl. No.	Sector/ Name of the PSU	Name of the Department	Month and year of incorporation	Equity ² at close of the year 2019-20				Long term loans outstanding at close of the year 2019-20				Total investment (equity and loans) as on 31 March 2020	Man-power
				GoA	GoI	Others	Total	GoA	GoI	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
18	Assam Electronics Development Corporation Ltd.	Information Technology	04-04-1984	9.46	0.00	0.00	9.46	0.55	0.00	0.00	0.55	10.01	245
19	Assam Mineral Development Corporation Ltd.	Mines and Mineral	19-05-1983	4.89	0.00	0.00	4.89	0.00	0.00	0.00	0.00	4.89	79
20	Assam Police Housing Corporation Ltd.	Home	11-05-1980	0.04	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.04	136
21	Assam Trade Promotion Organisation	Industries & Commerce	17-02-2010	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00	2
Sector wise total				172.27	0.00	0.00	172.27	131.71	0.00	0.00	131.71	303.98	827
MANUFACTURING													
22	Assam Petro-Chemicals Ltd.	Industries & Commerce	22-04-1971	177.00	0.00	320.17	497.17	0.00	0.00	408.40	408.40	905.57	331
23	Ashok Paper Mill (Assam) Ltd.	Industries & Commerce	06-07-1991	0.01	0.00	0.00	0.01	0.52	0.00	0.00	0.52	0.53	7
24	Assam Hydro-Carbon and Energy Company Ltd.	Industries & Commerce	02-05-2006	21.00	0.00	0.00	21.00	0.00	0.00	0.00	0.00	21	8
25	Amtron Informatics (India) Ltd.	Information Technology	27-03-2002	0.00	0.00	0.01	0.01	0.00	0.00	1.20	1.20	1.21	4
26	Assam State Fertilizers and Chemicals Ltd.	Industries & Commerce	30-03-1988	0.00	0.00	4.93	4.93	9.11	0.00	0.35	9.46	14.39	22
Sector wise total				198.01	0.00	325.11	523.12	9.63	0.00	409.95	419.58	942.70	372
SERVICES													
27	Assam Tourism Development Corporation Ltd.	Tourism	06-06-1988	0.39	0.00	0.00	0.39	0.00	0.00	0.00	0.00	0.39	145
Sector wise total				0.39	0.00	0.00	0.39	0.00	0.00	0.00	0.00	0.39	145
MISCELLANEOUS													

Audit Report for the year ended 31 March 2020 on PSUs

Sl. No.	Sector/ Name of the PSU	Name of the Department	Month and year of incorporation	Equity ² at close of the year 2019-20				Long term loans outstanding at close of the year 2019-20				Total investment (equity and loans) as on 31 March 2020	Man-power
				GoA	GoI	Others	Total	GoA	GoI	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
28	Assam Government Marketing Corporation Ltd.	Handloom Textile & Sericulture	16-12-1959	2.16	1.34	0.00	3.50	0.00	0.00	0.00	0.00	3.50	42
29	Assam State Textbook Production and Publication Corporation Ltd.	Education	03-03-1972	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	1.00	68
30	Assam Gas Company Ltd.	Industries & Commerce	31-03-1962	16.91	0.00	0.00	16.91	0.00	0.00	0.00	0.00	16.91	384
31	DNP Ltd.	Industries & Commerce	15-06-2007	0.00	0.00	167.25	167.25	0.00	0.00	0.00	0.00	167.25	29
32	Purba Bharti Gas Private Ltd.	Industries & Commerce	19-11-2019	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	100.00	-
Sector wise total				20.07	1.34	267.25	288.66	0.00	0.00	0.00	0.00	288.66	523
Total (B)				453.19	8.72	592.36	1,054.27	594.48	0.00	432.93	1,027.41	2,081.68	19,385
Total (A+B)				1,543.56	8.72	592.36	2,144.64	2,680.86	0.00	1,522.30	4,203.16	6,347.80	32,100
C. Statutory Corporations													
FINANCE													
1	Assam Financial Corporation	Finance	04-01-1954	26.85	0.00	5.55	32.40	54.00	0.00	0.00	54.00	86.40	104
Sector wise total				26.85	0.00	5.55	32.40	54.00	0.00	0.00	54.00	86.40	104
SERVICE													
2	Assam State Transport Corporation	Transport	03-01-1970	157.47	10.26	0.00	167.73	0.00	0.00	21.49	21.49	189.22	3,446
3	Assam State Warehousing Corporation	Co-operation	08-01-1958	8.00	5.47	0.00	13.47	4.25	0.00	0.00	4.25	17.72	301
Sector wise total				165.47	15.73	0.00	181.20	4.25	0.00	21.49	25.74	206.94	3,747
Total (C)				192.32	15.73	5.55	213.60	58.25	0.00	21.49	79.74	293.34	3,851
Grand Total (A + B + C)				1,735.88	24.45	597.91	2,358.24	2,739.11	0.00	1,543.79	4,282.90	6,641.14	35,951
D. Non-working PSUs													
AGRICULTURE & ALLIED													

Sl. No.	Sector/ Name of the PSU	Name of the Department	Month and year of incorporation	Equity ² at close of the year 2019-20				Long term loans outstanding at close of the year 2019-20				Total investment (equity and loans) as on 31 March 2020	Man-power
				GoA	GoI	Others	Total	GoA	GoI	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
1	Assam Agro-Industries Development Corporation Ltd.	Agriculture	27-01-1975	2.20	0.00	0.00	2.20	6.76	0.00	0.50	7.26	9.46	1
2	Assam State Minor Irrigation Development Corporation Ltd.	Irrigation	15-10-1980	17.35	0.00	0.00	17.35	0.00	0.00	0.00	0.00	17.35	-
Sector wise total				19.55	0.00	0.00	19.55	6.76	0.00	0.50	7.26	26.81	1
INFRASTRUCTURE													
3	Assam Power Loom Development Corporation Ltd.	Industries & Commerce	03-05-1990	3.54	0.00	1.00	4.54	0.00	0.00	0.08	0.08	4.62	-
4	Assam Government Construction Corporation Ltd.	PWD (R&B)	24-03-1964	2.00	0.00	0.00	2.00	0.00	0.00	0.00	0.00	2.00	-
Sector wise total				5.54	0.00	1.00	6.54	0.00	0.00	0.08	0.08	6.62	-
MANUFACTURING													
5	Assam Conductors and Tubes Ltd.	Industries & Commerce	22-06-1964	1.54	0.00	0.00	1.54	29.60	0.00	0.00	29.60	31.14	-
6	Assam State Textiles Corporation Ltd.	Industries & Commerce	26-02-1980	15.76	0.00	0.00	15.76	6.07	0.00	0.00	6.07	21.83	7
7	Pragjyotish Fertilizers and Chemicals Ltd.	Industries & Commerce	27-02-2004	0.00	0.00	2.33	2.33	0.00	0.00	0.00	0.00	2.33	1
8	Assam Tanneries Ltd.	Industries & Commerce	28-09-1961	0.01	0.00	0.01	0.02	0.00	0.00	0.00	0.00	0.02	-
9	Industrial Papers (Assam) Ltd.	Industries & Commerce	09-06-1974	0.00	0.00	0.40	0.40	0.00	0.00	0.00	0.00	0.40	3
10	Assam Spun Silk Mills Ltd.	Industries & Commerce	31-03-1960	1.70	0.00	0.00	1.70	3.79	0.00	0.00	3.79	5.49	-
11	Assam Polytex Ltd.	Industries & Commerce	29-05-1982	0.00	0.00	5.26	5.26	0.00	0.00	0.00	0.00	5.26	-
12	Assam Syntex Ltd.	Industries & Commerce	04-01-1985	0.00	0.00	5.12	5.12	0.00	0.00	0.00	0.00	5.12	2

Audit Report for the year ended 31 March 2020 on PSUs

Sl. No.	Sector/ Name of the PSU	Name of the Department	Month and year of incorporation	Equity ² at close of the year 2019-20				Long term loans outstanding at close of the year 2019-20				Total investment (equity and loans) as on 31 March 2020	Man-power
				GoA	GoI	Others	Total	GoA	GoI	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
13	Assam State Weaving and Manufacturing Company Ltd.	Industries & Commerce	29-11-1988	0.00	0.00	8.20	8.20	0.00	0.00	0.00	0.00	8.20	2
14	Assam and Meghalaya Mineral Development Corporation Ltd.	Mines and Mineral	08-10-1964	0.20	0.00	0.03	0.23	0.00	0.00	0.00	0.00	0.23	-
15	Cachar Sugar Mills Ltd.	Industries & Commerce	30-03-1972	0.00	0.00	3.38	3.38	0.00	0.00	0.70	0.70	4.08	-
16	Fertichem Ltd.	Industries & Commerce	29-03-1974	0.00	0.00	0.43	0.43	0.00	0.00	0.00	0.00	0.43	2
Sector wise total				19.21	0.00	25.16	44.37	39.46	0.00	0.70	40.16	84.53	17
Total (D)				44.30	0.00	26.16	70.46	46.22	0.00	1.28	47.50	117.96	18
Grand Total (A+B+C+D)				1,780.18	24.45	624.07	2,428.70	2,785.33	0.00	1,545.07	4,330.40	6,759.10	35,969

² Equity includes share application money - Assam Power Distribution Company Limited: ₹ 88.68 crore, Assam Tea Corporation Limited: ₹ 2 crore, Assam Minorities Development and Finance Corporation Ltd.: ₹ 2.40 crore, Assam Industrial Development Corporation Limited: ₹ 7.58 crore and Assam State Textiles Corporation Limited: ₹ 0.32 crore

Appendix-3

Summarised financial position and working results of Government Companies and Statutory Corporations as per their latest financial statements/accounts as on 30 September 2020

(Reference: Paragraph 1.2.8, 1.2.12 and 1.3.14)

(Figures in columns 5 to 13 are ₹ in crore)

Sl. No.	Sector/Name of the PSU	Period of Accounts	Year in which finalised	Net profit/loss before interest & Tax	Net Profit (+) /Loss (-)	Turn-over	Paid Up Capital	Accumulated Loss (-)	Free Reserve & Surplus ³	Long term loan outstanding ⁴	Net worth ⁵	Capital employed ⁶
1	2	3	4	5	6	7	8	9	10	11	12	13
A. Power sector PSUs												
1	Assam Power Generation Corporation Ltd.	2019-20	2020-21	68.67	4.28	503.98	455.86	-107.59	0.00	1,001.51	348.27	1,349.78
2	Assam Electricity Grid Corporation Ltd.	2019-20	2020-21	-144.93	-181.60	272.60	99.93	-395.98	0.00	631.02	-296.05	334.97
3	Assam Power Distribution Company Ltd.	2018-19	2019-20	179.77	21.01	5,223.97	162.77	-2,956.01	18.54	2,409.37	-2,774.70	-365.33
Total A (Sector wise)				103.51	-156.31	6,000.55	718.56	-3,459.58	18.54	4,041.90	-2,722.48	1,319.42
B.Non-Power sector PSUs (Working)												
AGRICULTURE & ALLIED												
4	Assam Seeds Corporation Ltd.	2013-14	2016-17	-3.64	-3.64	22.00	1.46	-13.17	0.00	7.19	-11.71	-4.52
5	Assam Fisheries Development Corporation Ltd.	2016-17	2019-20	5.07	5.07	8.37	0.49	0.00	18.58	0.00	19.07	19.07
6	Assam Livestock and Poultry Corporation Ltd.	2017-18	2020-21	-0.36	-0.36	0.28	2.19	-1.13	0.00	0.00	1.06	1.06
7	Assam Tea Corporation Ltd.	2013-14	2020-21	-14.90	-17.98	46.55	27.54	-323.75	0.00	174.08	-296.21	-122.13
8	Assam Plantation Crop Development Corporation Ltd. ⁷	2013-14	2016-17	-0.16	-0.16	1.99	5.00	-13.71	0.00	9.69	-8.71	0.98
9	Assam Food & Civil Supplies Corporation Limited	2016-17	2020-21	-0.31	-0.31	0.00	12.19	-1.04	0.00	0.00	11.15	11.15
Sector wise total				-14.30	-17.38	79.19	48.87	-352.80	18.58	190.96	-285.35	-94.39

Audit Report for the year ended 31 March 2020 on PSUs

Sl. No.	Sector/Name of the PSU	Period of Accounts	Year in which finalised	Net profit/loss before interest & Tax	Net Profit (+) /Loss (-)	Turn-over	Paid Up Capital	Accumulated Loss (-)	Free Reserve & Surplus ³	Long term loan outstanding ⁴	Net worth ⁵	Capital employed ⁶
1	2	3	4	5	6	7	8	9	10	11	12	13
FINANCE												
10	Assam Plains Tribes Development Corporation Ltd.	2018-19	2019-20	-2.09	-2.68	0.00	2.95	-44.06	2.35	14.70	-38.76	-24.06
11	Assam State Development Corporation for Other Backward Classes Ltd.	2015-16	2018-19	-0.33	-0.33	0.03	3.40	-15.79	0.00	4.10	-12.39	-8.29
12	Assam Minorities Development and Finance Corporation Ltd.	1997-98	2016-17	0.01	0.01	0.00	0.01	0.00	0.01	0.00	0.02	0.02
13	Assam State Development Corporation for Scheduled Castes Ltd.	2009-10	2012-13	-1.19	-1.68	0.00	9.85	-23.74	0.00	11.57	-13.89	-2.32
14	Assam State Film (Finance & Development) Corporation Ltd.	2013-14	2019-20	0.28	0.28	0.03	0.10	0.00	0.82	0.04	0.92	0.96
Sector wise total				-3.32	-4.40	0.06	16.31	-83.59	3.18	30.41	-64.10	-33.69
INFRASTRUCTURE												
15	Assam Hills Small Industries Development Corporation Ltd.	1998-99	2019-20	-0.89	-0.89	0.03	2.00	-8.57	0.00	9.95	-6.57	3.38
16	Assam Industrial Development Corporation Ltd.	2018-19	2020-21	10.70	7.93	11.73	139.21	-95.05	0.00	86.35	44.16	130.51
17	Assam Small Industries Development Corporation Ltd.	2014-15	2017-18	-3.11	-3.11	44.86	6.67	-17.63	0.00	5.19	-10.96	-5.77
18	Assam Electronics Development Corporation Ltd.	2012-13	2016-17	2.36	2.26	0.92	9.46	0.00	0.25	0.00	9.71	9.71
19	Assam Mineral Development Corporation Ltd.	2017-18	2020-21	31.44	22.46	102.05	4.89	0.00	35.49	0.00	40.38	40.38
20	Assam Police Housing Corporation Ltd.	2013-14	2019-20	-2.43	-2.44	1.94	0.04	0.00	16.34	0.00	16.38	16.38

Sl. No.	Sector/Name of the PSU	Period of Accounts	Year in which finalised	Net profit/loss before interest & Tax	Net Profit (+) /Loss (-)	Turn-over	Paid Up Capital	Accumulated Loss (-)	Free Reserve & Surplus ³	Long term loan outstanding ⁴	Net worth ⁵	Capital employed ⁶
1	2	3	4	5	6	7	8	9	10	11	12	13
21	Assam Trade Promotion Organisation	2018-19	2019-20	0.97	0.62	0.47	10.00	0.00	3.39	0.00	13.39	13.39
Sector wise total				39.04	26.83	162.00	172.27	-121.25	55.47	101.49	106.49	207.98
MANUFACTURING												
22	Assam Petro-Chemicals Ltd.	2019-20	2020-21	-10.09	-10.11	83.05	497.17	-24.05	33.09	408.40	506.21	914.61
23	Ashok Paper Mill (Assam) Ltd.	2015-16	2017-18	-0.83	-2.73	0.00	0.01	-83.10	0.00	13.32	-83.09	-69.77
24	Assam Hydro-Carbon and Energy Company Ltd.	2018-19	2019-20	1.69	1.27	0.59	21.00	0.00	13.93	0.00	34.93	34.93
25	Amtron Informatics (India) Ltd.	2015-16	2018-19	-0.12	-0.12	0.00	0.01	-4.13	0.00	0.00	-4.12	-4.12
26	Assam State Fertilizers and Chemicals Ltd.	2009-10	2017-18	0.40	0.40	3.20	4.56	-6.36	0.00	9.67	-1.80	7.87
Sector wise total				-8.95	-11.29	86.84	522.75	-117.64	47.02	431.39	452.13	883.52
SERVICES												
27	Assam Tourism Development Corporation Ltd.	2016-17	2019-20	2.25	1.51	4.44	0.39	0.00	15.60	0.00	15.99	15.99
Sector wise total				2.25	1.51	4.44	0.39	0.00	15.60	0.00	15.99	15.99
MISCELLANEOUS												
28	Assam Government Marketing Corporation Ltd.	2014-15	2020-21	-0.73	-0.73	59.07	4.36	-9.74	0.00	1.91	-5.38	-3.47
29	Assam State Textbook Production and Publication Corporation Ltd.	1995-96	2019-20	2.16	1.95	13.41	1.00	0.00	3.59	0.00	4.59	4.59
30	Assam Gas Company Ltd.	2019-20	2020-21	99.08	82.55	274.81	16.91	0.00	806.04	0.00	822.95	822.95
31	DNP Ltd.	2019-20	2020-21	44.41	35.42	85.16	167.25	0.00	101.18	0.00	268.43	268.43
32	Purba Bharti Gas Private Limited	2019-20	2020-21	-2.14	-2.14	0.00	100.00	-2.14	0.00	0.00	97.86	97.86
Sector wise total				142.78	117.05	432.45	289.52	-11.88	910.81	1.91	1,188.45	1,190.36

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Sl. No.	Sector/Name of the PSU	Period of Accounts	Year in which finalised	Net profit/loss before interest & Tax	Net Profit (+) /Loss (-)	Turn-over	Paid Up Capital	Accumulated Loss (-)	Free Reserve & Surplus ³	Long term loan outstanding ⁴	Net worth ⁵	Capital employed ⁶
1	2	3	4	5	6	7	8	9	10	11	12	13
Total (B)				157.50	112.32	764.98	1,050.11	-687.16	1,050.66	756.16	1,413.61	2,169.77
Total (A+B)				261.01	-43.99	6,765.53	1,768.67	-4,146.74	1,069.20	4,798.06	-1,308.87	3,489.19
C. Statutory Corporations												
FINANCE												
1	Assam Financial Corporation	2018-19	2019-20	-1.21	-3.28	7.25	32.40	-9.73	0	50	22.67	72.67
Sector wise total				-1.21	-3.28	7.25	32.40	-9.73	0	50	22.67	72.67
SERVICES												
2	Assam State Transport Corporation	2016-17	2018-19	-77.87	-77.87	70.54	167.73	-948.04	0.00	0.00	-780.31	-780.31
3	Assam State Warehousing Corporation	2016-17	2020-21	0.73	0.13	15.02	13.47	-9.06	0.00	4.25	4.41	8.66
Sector wise total				-77.14	-77.74	85.56	181.20	-957.10	0.00	4.25	-775.90	-771.65
Total (C)				-78.35	-81.02	92.81	213.60	-966.83	0.00	54.25	-753.23	-698.98
Grand Total (A + B + C)				182.66	-125.01	6,858.34	1,982.27	-5,113.57	1,069.20	4,852.31	-2,062.10	2790.21
D. Non-working PSUs												
1	Assam Agro-Industries Development Corporation Ltd	2009-10	2017-18	-0.45	-0.45	0.00	2.20	-22.56	0.00	7.26	-20.36	-13.10
2	Assam State Minor Irrigation Development Corporation Ltd.	2011-12	2013-14	-0.02	-0.02	0.00	17.35	-63.76	0.00	45.65	-46.41	-0.76
3	Assam Power Loom Development Corporation Ltd.	1993-94	2001-02	0.00	0.00	0.00	1.47	0.00	0.00	0.00	1.47	1.47
4	Assam Government Construction Corporation Ltd.	2019-20	2020-21	-0.05	-0.05	0.00	2.00	-10.50	0.00	0.00	-8.50	-8.50
5	Assam Conductors and Tubes Ltd.	2014-15	2017-18	-2.01	-2.01	0.00	1.54	-8.20	0.00	4.68	-6.66	-1.98
6	Assam State Textiles Corporation Ltd.	2018-19	2019-20	0.70	0.70	0.00	15.44	-36.72	0.00	6.07	-21.28	-15.21
7	Pragjyotish Fertilizers and Chemicals Ltd.	2012-13	2017-18	0.00	0.00	0.00	2.33	0.00	0.00	0.31	2.33	2.64
8	Assam Tanneries Ltd.	1982-83	1983-84	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.02	0.02

Sl. No.	Sector/Name of the PSU	Period of Accounts	Year in which finalised	Net profit/loss before interest & Tax	Net Profit (+) /Loss (-)	Turn-over	Paid Up Capital	Accumulated Loss (-)	Free Reserve & Surplus ³	Long term loan outstanding ⁴	Net worth ⁵	Capital employed ⁶
1	2	3	4	5	6	7	8	9	10	11	12	13
9	Industrial Papers (Assam) Ltd.	2000-01	2012-13	0.00	0.00	0.00	0.40	0.00	0.00	0.00	0.40	0.40
10	Assam Spun Silk Mills Ltd.	2013-14	2015-16	0.00	0.00	0.00	1.70	0.00	0.00	3.99	1.70	5.69
11	Assam Polytex Ltd.	1987-88	1993-94	0.00	0.00	0.00	5.26	0.00	0.00	6.30	5.26	11.56
12	Assam Syntex Ltd.	2017-18	2019-20	-0.03	-0.03	0.00	5.12	-59.09	0.00	0.00	-53.97	-53.97
13	Assam State Weaving and Manufacturing Company Ltd.	2017-18	2019-20	-0.41	-0.41	0.00	8.20	-24.77	0.00	0.00	-16.57	-16.57
14	Assam and Meghalaya Mineral Development Corporation Ltd.	1983-84	1984-85	-0.01	-0.01	0.00	0.23	-0.09	0.00	0.00	0.14	0.14
15	Cachar Sugar Mills Ltd.	2013-14	2017-18	-0.04	-0.04	0.00	3.38	-7.14	0.00	0.70	-3.76	-3.06
16	Fertichem Ltd.	2018-19	2019-20	-0.03	-0.03	0.00	0.43	-22.12	0.00	0.00	-21.69	-21.69
Total (D)				-2.35	-2.35	0.00	67.07	-254.95	0.00	74.96	-187.88	-112.92
Grand Total (A+B+C+D)				180.31	-127.36	6,858.34	2,049.34	-5,368.52	1,069.20	4,927.27	-2,249.98	2,677.29

³ Free Reserve & Surplus does include accumulated profit at the end of the respective year.

⁴ Long term loan outstanding also includes 'Current portion of Long Term Debts'.

⁵ Net worth means Paid up Capital (Equity) *plus* Free Reserves and Surplus *minus* Accumulated losses *minus* Deferred Revenue Expenditure.

⁶ Capital Employed represents Shareholders' Fund (Net worth) plus Long Term Borrowings.

⁷ Assam Plantation Crop Development Corporation Limited finalised its accounts till 1990-91. Thereafter, it had finalised two years' accounts (2012-13 and 2013-14) with an undertaking that the arrears of accounts (1991-92 to 2011-12) would be finalised within five years.

Appendix-4A
Statement showing Rate of Real Return on Government Investment (PSUs power sector)
(Reference: Paragraph 1.2.12)

(₹ in crore)

Year	Present value of total investment at the beginning of the year	Equity infused by the State government during the year	Net interest free loan given by the State Government during the year	Interest free loan converted into equity during the year	Grants/ subsidies given by the State government for operational and administrative expenditure	Disinvestment by the State Government during the year at face value	Total investment during the year	Total investment at the end of the year	Average rate of interest	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings/ profit after tax (PAT) for the year
A	B	C	D	E	F	G	H	I	J	K = I x (1+J/100)	L = I x J/100	M
2005-06	0.00	718.56	0.00	0.00	0.00	0.00	718.56	718.56	8.18	777.34	58.78	0.00
2006-07	777.34	0.00	0.00	0.00	0.00	0.00	0.00	777.34	7.66	836.88	59.54	-0.11
2007-08	836.88	0.00	0.00	0.00	0.00	0.00	0.00	836.88	7.14	896.64	59.75	-109.81
2008-09	896.64	0.00	0.00	0.00	0.00	0.00	0.00	896.64	6.76	957.25	60.61	-150.53
2009-10	957.25	0.00	0.00	0.00	0.00	0.00	0.00	957.25	6.83	1,022.63	65.38	-51.90
2010-11	1,022.63	88.68	0.00	0.00	252.00	0.00	340.68	1,363.31	6.58	1,453.02	89.71	-11.33
2011-12	1,453.02	0.00	0.00	0.00	150.00	0.00	150.00	1,603.02	6.78	1,711.70	108.68	-599.19
2012-13	1,711.70	0.00	0.00	0.00	150.00	0.00	150.00	1,861.70	6.57	1,984.01	122.31	-524.85
2013-14	1,984.01	0.00	0.00	0.00	165.22	0.00	165.22	2,149.23	6.53	2,289.57	140.34	-305.74
2014-15	2,289.57	0.00	0.00	0.00	268.82	0.00	268.82	2,558.39	6.40	2,722.13	163.74	-694.84
2015-16	2,722.13	0.00	0.00	0.00	334.68	0.00	334.68	3,056.81	6.47	3,254.59	197.78	-657.12
2016-17	3,254.59	0.00	0.00	0.00	394.53	0.00	394.53	3,649.12	6.57	3,888.87	239.75	-302.71
2017-18	3,888.87	0.00	0.00	0.00	950.68	0.00	950.68	4,839.55	6.33	5,145.89	306.34	340.62
2018-19	5,145.89	0.00	0.00	0.00	892.31	0.00	892.31	6,038.20	7.73	6,504.95	466.75	189.45
2019-20	6,504.95	283.13	0.00	0.00	735.95	0.00	1019.08	7,524.03	7.15	8,062.00	537.97	-156.31
TOTAL		1,090.37			4,294.19		5,384.56					

Year	Total earnings/ loss in 2018-19	Investment by the State Government as per total of the column H above	Return on State Government investment on the basis of historical value	Present value of State Government investment at the end of 2018-19	Real return on State Government investment considering the present value of investments
	A	B	C	D	E
2019-20	(-) 156.31	5,384.56	(-) 2.90	8,062.00	(-) 1.94

Appendix-4B
Statement showing Rate of Real Return on Government Investment (PSUs other than power sector)
(Reference: Paragraph 1.3.14)

(₹ in crore)

Year	Present value of total investment at the beginning of the year	Equity infused by the State government during the year	Net interest free loan given by the State Government during the year	Interest free loan converted into equity during the year	Grants/ subsidies given by the State government for operational and administrative expenditure	Disinvestment by the State Government during the year at face value	Total investment during the year	Total investment at the end of the year	Average rate of interest	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings/ profit after tax (PAT) for the year
A	B	C	D	E	F	G	H	I	J	K= I x (1+J/100)	L= I x J/100	M
1998-99	0.00	379.46	-	-	0.62	-	380.08	380.08	9.08	414.59	34.51	-48.93
1999-2000	414.59	2.11	-	-	0.73	-	2.84	417.43	14.91	479.67	62.24	-41.21
2000-01	479.67	2.87	-	-	0.01	-	2.88	482.55	11.72	539.11	56.55	-50.03
2001-02	539.11	10.82	-	-	0.36	-	11.18	550.29	12.47	618.91	68.62	-40.36
2002-03	618.91	0.54	-	-	0.48	-	1.02	619.93	9.82	680.80	60.88	-47.93
2003-04	680.80	0.42	-	-	13.26	-	13.68	694.48	9.97	763.72	69.24	-31.93
2004-05	763.72	0.35	-	-	15.13	-	15.48	779.20	8.47	845.20	66.00	-15.45
2005-06	845.20	0.40	-	-	9.30	-	9.70	854.90	8.18	924.83	69.93	-24.66
2006-07	924.83	0.52	-	-	24.46	-	24.98	949.81	7.66	1,022.57	72.75	-30.72
2007-08	1,022.57	22.06	-	-	16.08	-	38.14	1,060.71	7.14	1,136.44	75.73	-25.34
2008-09	1,136.44	5.71	-	-	13.75	-	19.46	1,155.90	6.76	1,234.04	78.14	-24.71
2009-10	1,234.04	6.04	-	-	32.12	-	38.16	1,272.20	6.83	1,359.09	86.89	-31.76
2010-11	1,359.09	0.33	-	-	36.11	-	36.44	1,395.53	6.58	1,487.36	91.82	13.52
2011-12	1,487.36	52.88	-	-	44.41	-	97.29	1,584.65	6.78	1,692.09	107.44	21.01
2012-13	1,692.09	0.20	-	-	44.95	-	45.15	1,737.24	6.57	1,851.37	114.14	51.21
2013-14	1,851.37	1.46	-	-	45.30	-	46.76	1,898.13	6.53	2,022.08	123.95	25.61
2014-15	2,022.08	0.00	-	-	71.78	-	71.78	2,093.86	6.40	2,227.87	134.01	-12.65
2015-16	2,227.87	0.00	-	-	42.88	-	42.88	2,270.75	6.47	2,417.67	146.92	-6.51
2016-17	2,417.67	0.00	-	-	48.58	-	48.58	2,466.25	6.57	2,628.28	162.03	23.48
2017-18	2,628.28	111.20	-	-	76.57	-	187.77	2,816.05	6.33	2,994.30	178.26	29.56
2018-19	2,994.30	72.44	-	-	79.62	-	152.06	3,146.36	7.73	3,389.58	243.21	-20.36
2019-20	3,389.58	20.00	-	-	94.47	-	114.47	3,504.05	7.15	3,754.59	250.54	28.95
TOTAL		689.81	-	-	710.97	-	1,400.78					

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Year	Total earnings/ loss in 2019-20	Investment by the State Government as per total of the column H above	Return on State Government investment on the basis of historical value	Present value of State Government investment at the end of 2018-19	Real return on State Government investment considering the present value of investments
	A	B	C	D	E
2019-20	28.95	1,400.78	2.07	3,754.59	0.77

Appendix-5
Role of various authorities
(Reference: Paragraph 2.1)

Authorities	Roles
Ministry of Power (MoP), Government of India (GoI)	• Formulation and approval of Scheme. • Formulation of Scheme guidelines. • Appointment of REC (February 2013) as Nodal Agency for implementation of the Scheme.
Rural Electrification Corporation (REC)	• Notify all the guidelines and formats required for implementation of the project from time to time. • Appraise the DPRs before putting up to the Monitoring Committee. • Conduct all works relating to holding of the Monitoring Committee meetings for approvals. • Administer the Grant Component. • Develop a dedicated web portal for submission of DPRs and for maintaining the MIS of the projects. • Monitor physical and financial progress of the projects including quality of works. • Deploy Third Party services of outside agencies/manpower for concurrent evaluation of project implementation
Government of Assam (GoA)	• To extend the role of the existing SLSC for RGGVY projects to empower the committee for recommendation of projects under DDUGJY. • To make upfront payment of revenue subsidy to the utility. • To provide support on policy issues on distribution of power in the state. • To provide required land for sub stations and facilitate in obtaining other statutory clearances (ROW, forest etc.). • To ensure implementation of National Optical Fiber Network (NOFN) component. • To arrange for Utility contribution (10% or 5% as the case may be) in case utility fails to arrange the same. • To furnish guarantee for the loan component under the scheme in case the utility is not able to provide any other mode of security.
State Level Standing Committee	• Recommending DPRs for approval of monitoring committee after vetting the physical works covered under the project and ensuring adequacy of upstream network, commensurate with the proposed distribution network and availability of adequate power supply to cater to the load demand of the project area. • Ensuring that there is no duplication / overlapping of works with any other Government of India scheme like RGGVY, NEF etc. • Monitoring progress, quality control and resolve issues relating to implementation of sanctioned projects viz. allocation of land for sub stations, right of way, forest clearance, railway clearance, safety clearance etc.
DISCOM Utility (viz. Assam State Power Distribution Company Limited)	• Preparation of NAD/DPRs and online submission of DPRs duly recommended by the State Level Standing Committee (SLSC) to the Nodal Agency. • Implementation of the scheme within the scheduled completion period as per guidelines. • Appointment of Project Management Agency (PMA). • Establishment of a dedicated project implementation cell at district level and a centralized cell at Head office level. • Submission of updated progress of the project to the Nodal Agency including its periodic updation on the web portal. • To ensure availability of power to achieve target of 24x7 power supply for rural non-agricultural consumers, progressively and adequate power supply for agricultural consumers. • Any other related information to the Nodal Agency to be provided, as and when required..

Appendix-6

Year-wise details of amount sanctioned, received and payments released under DDUGJY & SAUBHAGYA

(Reference: Paragraph 2.10)

(₹ in crore)

Year	DDUGJY (including RGGVY XII and DDG)									SAUBHAGYA					
	Amount sanctioned	Amount released				Payment released				Amount sanctioned	Amount released				Total payment released ⁸
		Grant from REC	Grant from GoA	Loan from REC	Total	Grant from REC	Grant from GoA	Loan from REC	Total		Grant from REC	Grant from GoA	Loan from REC	Total	
2013-14	1,621.08	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015-16	557.31	313.33	-	34.81	348.14	162.40	-	-	162.40	-	-	-	-	-	-
2016-17	956.21	546.07	-	2.88	548.95	374.25	-	-	374.25	-	-	-	-	-	-
2017-18	21.74	368.78	-	55.53	424.31	558.88	-	-	558.88	-	-	-	-	-	-
2018-19	-	564.86	-	90.47	655.33	678.49	-	43.66	722.15	2,460.55	950.94	-	-	950.94	948.04
2019-20	-	433.93	227.47	67.42	728.82	424.30	3.76	30.75	458.81	15.52	359.09	196.23	204.41	759.73	656.83
2020-21	-	74.55	33.55	10.12	118.22	103.20	52.93	172.14	328.27	-	455.61	-	21.31	476.92	431.30
2021-22	-	100.66	-	6.26	106.92	100.66	35.24	20.94	156.84	-	110.44	-	-	110.44	246.26
Total	3,156.34	2,402.18	261.02	267.49	2,930.69	2,402.18	91.93	267.49	2,761.60	2,476.07	1,876.08⁹	196.23	225.72	2,298.03	2,282.43

⁸ Head-wise release of payment was not furnished under SAUBHAGYA

⁹ The amount does not include ₹ 20.51 crore against total recovery of service connection charges from non-BPL households by the Company.

Appendix-7

Project wise details of Sanction, NIT, Award, Expenditure incurred (DDUGJY including RGGVY-XII and DDG)
(Reference: Paragraph 2.11)

Sl. No.	Name of project	Date of Sanction	Sanctioned cost (₹ in crore)	Date of tender	Date of Award	Awarded Cost (₹ in crore)	No. of vendor / packages	Date of completion	Expenditure incurred (₹ in crore)	Payment made (₹ in crore)	Pending payment (₹ in crore)	Date of Closure of project
DDUGJY												
1	Bongaigaon	August 2015 & April 2016	62.04	September 2015 to February 2019	February 2016 to October 2019	54.11	7	November 2017 to December 2020	54.11	36.72	17.39	10-03-2021
2	Dhubri	August 2015 & April 2016	111.01	September 2015 to February 2019	February 2016 to October 2019	109.78	12	May 2018 to December 2020	109.78	94.05	15.73	28-06-2021
3	Dibrugarh	August 2015 & April 2016	102.85	September 2015 to February 2019	February 2016 to October 2019	102.56	8	December 2018 to January 2021	102.56	87.08	15.48	27-08-2021
4	Dima Hasao	August 2015 & April 2016	129.60	September 2015 to February 2019	February 2016 to October 2019	121.01	10	June 2018 to December 2020	121.01	105.64	15.37	16-03-2021
5	Golaghat	August 2015 & April 2016	78.13	September 2015 to February 2019	February 2016 to October 2019	71.00	8	March 2020 to February 2021	71.00	55.06	15.94	28-06-2021
6	Jorhat	August 2015 & April 2016	92.73	September 2015 to February 2019	February 2016 to October 2019	89.73	7	July 2018 to December 2020	89.73	72.64	17.09	26-04-2021
7	Kamrup	August 2015 & April 2016	73.31	September 2015 to February 2019	February 2016 to October 2019	69.51	9	June 2018 to December 2020	69.51	53.99	15.52	31-03-2021

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Sl. No.	Name of project	Date of Sanction	Sanctioned cost (₹ in crore)	Date of tender	Date of Award	Awarded Cost (₹ in crore)	No. of vendor / packages	Date of completion	Expenditure incurred (₹ in crore)	Payment made (₹ in crore)	Pending payment (₹ in crore)	Date of Closure of project
8	Kamrup Metro	August 2015 & April 2016	52.12	September 2015 to February 2019	February 2016 to October 2019	43.72	6	March 2018 to December 2020	43.72	35.39	8.33	22-01-2021
9	Karbi Anglong	August 2015 & April 2016	153.23	September 2015 to February 2019	February 2016 to October 2019	146.45	12	August 2018 to February 2021	146.45	123.25	23.20	27-11-2021
10	Kokrajhar	August 2015 & April 2016	96.85	September 2015 to February 2019	February 2016 to October 2019	97.19	11	June 2018 to December 2020	97.19	77.98	19.21	28-10-2021
11	Morigaon	August 2015 & April 2016	55.81	September 2015 to February 2019	February 2016 to October 2019	52.35	7	March 2018 to February 2021	52.35	43.29	9.06	27-11-2021
12	Baksa	April 2016	14.87	July 2016 to February 2019	March 2018 to October 2019	12.42	3	March 2019 to December 2020	12.42	9.30	3.12	24-12-2020
13	Barpeta	April 2016	28.35	July 2016 to February 2019	February 2018 to October 2019	23.19	7	July 2019 to December 2020	23.19	12.17	11.02	27-01-2021
14	Cachar	April 2016	13.17	July 2016 to February 2019	February 2018 to October 2019	10.10	3	March 2019 to December 2020	10.10	5.51	4.59	18-01-2021
15	Chirang	April 2016	7.14	July 2016 to February 2019	October 2016 to October 2019	7.37	4	June 2018 to December 2020	7.37	5.16	2.21	11-01-2021
16	Darrang	April 2016	9.07	July 2016 to February 2019	March 2018 to October 2019	6.47	3	October 2019 to December 2020	6.47	4.57	1.90	24-12-2020
17	Dhemaji	April 2016	39.59	July 2016 to February 2019	December 2016 to October 2019	36.20	7	March 2017 to December 2020	36.20	28.27	7.93	04-05-2021
18	Goalpara	April 2016	14.87	July 2016 to February 2019	October 2016 to October 2019	6.70	4	June 2018 to December 2020	6.70	4.66	2.04	02-01-2021
19	Hailakandi	April 2016	13.71	July 2016 to February 2019	March 2018 to October 2019	11.96	5	March 2019 to December 2020	11.96	8.92	3.04	27-10-2021
20	Karimgang	April 2016	14.24	July 2016 to February 2019	August 2018 to October 2019	11.08	5	February 2020 to December 2020	11.08	7.83	3.25	21-10-2021

Sl. No.	Name of project	Date of Sanction	Sanctioned cost (₹ in crore)	Date of tender	Date of Award	Awarded Cost (₹ in crore)	No. of vendor / packages	Date of completion	Expenditure incurred (₹ in crore)	Payment made (₹ in crore)	Pending payment (₹ in crore)	Date of Closure of project
21	Lakhimpur	April 2016	9.54	July 2016 to February 2019	March 2018 to October 2019	9.24	4	December 2019 to December 2020	9.24	6.49	2.75	18-01-2021
22	Nagaon	April 2016	12.62	July 2016 to February 2019	March 2018 to October 2019	11.49	4	March 2019 to December 2020	11.49	7.55	3.94	30-03-2021
23	Nalbari	April 2016	24.14	July 2016 to February 2019	March 2018 to October 2019	21.86	5	March 2019 to December 2021	21.86	16.44	5.42	12-04-2021
24	Sivasagar	April 2016	8.87	July 2016 to February 2019	March 2018 to October 2019	9.70	4	July 2018 to December 2020	9.70	8.33	1.37	18-11-2021
25	Sonitpur	April 2016	18.85	July 2016 to February 2019	March 2018 to October 2019	17.29	5	March 2018 to December 2020	17.29	14.89	2.40	08-11-2021
26	Tinsukia	April 2016	11.48	July 2016 to February 2019	March 2018 to October 2019	10.28	3	July 2018 to December 2020	10.28	8.71	1.57	22-12-2020
27	Udalguri	April 2016	25.88	July 2016 to February 2019	March 2018 to October 2019	23.99	4	July 2019 to December 2020	23.99	17.24	6.75	23-07-2021
Total			1,274.07			1,186.75	167		1,186.75	1,046.44	140.31	
RGVY-XII Plan												
1	Tinsukia	December 2013	246.80	July 2014	January 2015 to February 2016	253.38	2	January 2018 to March 2019	253.38	252.26	1.12	25-02-2020
2	Cachar	February 2014	154.81	July 2014	January 2015	152.34	2	December 2018 to December 2020	152.34	151.96	0.38	30-04-2021
3	Goalpara	December 2013	105.92	July 2014	September-October 2018	117.29	2	March 2020 to December 2020	117.29	104.91	12.38	05-07-2021
4	Barpeta	February 2014	117.72	August 2014	February 2015 to February 2016	119.74	9	June 2017 to February 2021	119.74	108.30	11.44	23-11-2021
5	Baksa	February 2014	117.34	August 2014	February 2015 to February 2016	117.61	6	June 2017 to July 2020	117.61	108.50	9.11	05-12-2020
6	Darrang	February 2014	86.11	August 2014	February 2015 to February 2016	77.88	36	June 2018 to December 2020	77.88	65.98	11.90	12-12-2021
7	Nalbari	February 2014	32.23	August 2014	February 2015 to February 2016	33.94	4	January 2017 to November 2019	33.94	32.93	1.01	12-03-2020

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Sl. No.	Name of project	Date of Sanction	Sanctioned cost (₹ in crore)	Date of tender	Date of Award	Awarded Cost (₹ in crore)	No. of vendor / packages	Date of completion	Expenditure incurred (₹ in crore)	Payment made (₹ in crore)	Pending payment (₹ in crore)	Date of Closure of project
8	Udalguri	February 2014	28.35	August 2014	February-March 2015	27.85	3	January 2019 to July 2019	27.85	25.29	2.56	18-02-2021
9	Lakhimpur	February 2014	84.22	August 2014	February 2015 to February 2016	81.73	8	October 2017 to April 2019	81.73	73.49	8.24	30-11-2021
10	Sibsagar	February 2014	143.41	September 2014	February-March 2015	143.90	10	March 2018 to December 2020	143.90	137.98	5.92	25-03-2021
11	Sonitpur	February 2014	80.99	September 2014	February 2015 to February 2016	74.36	6	March 2018 to December 2020	74.36	63.18	11.18	16-12-2021
12	Karimganj	February 2014	75.28	September 2014	February 2015	72.89	46	February 2020 to March 2021	72.89	66.07	6.82	12-12-2021
13	Dhemaji	February 2014	66.41	September 2014	February 2015 to February 2016	64.20	6	February 2018 to December 2020	64.20	63.42	0.78	14-12-2021
14	Nagaon	February 2014	110.87	September 2014	February-March 2015	103.51	7	March 2018 to November 2020	103.51	82.89	20.62	16-12-2021
15	Hailakandi	February 2014	90.79	September 2014	February 2015 to February 2016	90.44	1	December 2018	90.44	90.31	0.13	23-01-2020
16	Chirang	February 2014	79.83	September 2014	February 2015	81.15	3	June 2017 to March 2021	81.15	77.50	3.65	03-03-2020
Total			1,621.08			1,612.21	151		1,612.21	1,504.96	107.25	
DDG												
1	Solar Standalone	January 2016 to September 2018	111.57	No tender invited	August 2016 to December 2017	123.19	1	November 2017 to December 2020	123.19	112.22	10.97	14-12-2021
2	Micro Grid	October 2015 to January 2016	149.62	December 2015 & January 2016	June 2016 and July 2016	119.17	5	March 2018 to July 2019	119.17	97.97	21.20	07-04-2021
Total			261.19			242.36	6		242.36	210.19	32.17	
Grand Total			3,156.34			3,041.32	324		3,041.32	2,761.59	279.73	

Appendix-8

Project wise details of Sanction, NIT, Award, Expenditure incurred (SAUBHAGYA)

(Reference: Paragraph 2.11)

Sl. No.	Name of project/Works	Date of Sanction	Date of tender	Date of Award	Awarded Cost (₹ in crore)	No. of main packages	No. of addl. Packages	Date of completion	Expenditure incurred (₹ in crore)	Payment made (₹ in crore)	Pending payment (₹ in crore)	Date of Closure of project
1	Golaghat	July 2018 to October 2019	August to September 2018	November 2018	119.61	3	-	June to September 2020	119.61	113.21	6.40	29-09-2021
2	Jorhat	July 2018 to October 2019	August to September 2018	October 2018	62.34	3	-	December 2020	62.34	55.75	6.59	29-09-2021
3	Kamrup Rural	July 2018 to October 2019	August to September 2018	March 2018 to May 2020	70.49	3	10	March 2019 to November 2020	70.49	62.67	7.82	29-09-2021
4	Morigaon	July 2018 to October 2019	August to September 2018	August 2018 to January 2020	38.35	2	4	October 2018 to August 2020	38.35	34.95	3.40	29-09-2021
5	Dibrugarh	July 2018 to October 2019	August to September 2018	September 2018 to March 2019	49.71	2	5	March 2019 to March 2020	49.71	47.00	2.71	29-09-2021
6	Nagaon	July 2018 to October 2019	August to September 2018	August 2018 to March 2019	81.86	4	6	March 2019 to March 2021	81.86	76.44	5.42	29-09-2021
7	Sonitpur	July 2018 to October 2019	August to September 2018	August 2018 to March 2019	70.78	1	4	February 2019 to June 2020	70.78	66.48	4.30	29-09-2021
8	Sibsagar	July 2018 to October 2019	August to September 2018	September 2018 to March 2019	22.18	1	6	September 2019 to June 2020	22.18	20.19	1.99	29-09-2021
9	North Lakhimpur	July 2018 to October 2019	August to September 2018	October 2018 to November 2018	73.52	3	-	July 2019 to July 2020	73.52	69.50	4.02	29-09-2021
10	Dhemaji	July 2018 to October 2019	August to September 2018	November 2018 to March 2019	21.77	1	-	January to March 2019	21.77	20.89	0.88	29-09-2021
11	Goalpara	July 2018 to October 2019	August to September 2018	November 2018 to March 2020	76.57	3	5	October to December 2020	76.57	70.39	6.18	29-09-2021

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Sl. No.	Name of project/Works	Date of Sanction	Date of tender	Date of Award	Awarded Cost (₹ in crore)	No. of main packages	No. of addl. Packages	Date of completion	Expenditure incurred (₹ in crore)	Payment made (₹ in crore)	Pending payment (₹ in crore)	Date of Closure of project
12	Dima Hasao	July 2018 to October 2019	August to September 2018	November 2018	29.34	1	-	September 2020	29.34	27.76	1.58	29-09-2021
13	Karimganj, Hkd & Cachar (Bvz)	July 2018 to October 2019	August to September 2018	October 2018	149.18	1	-	December 2020	149.18	138.02	11.16	29-09-2021
14	Cachar	July 2018 to October 2019	August to September 2018	August 2018	13.74	0	1	December 2018	13.74	13.00	0.74	29-09-2021
15	Hailakandi	July 2018 to October 2019	August to September 2018	August 2018	4.87	0	1	December 2018	4.87	4.61	0.26	29-09-2021
16	Nalbari	July 2018 to October 2019	August to September 2018	October 2018 to March 2020	34.48	2	5	December 2018 to February 2021	34.48	32.08	2.40	29-09-2021
17	Barpeta	July 2018 to October 2019	August to September 2018	September 2018 to October 2020	90.11	5	11	October 2018 to October 2020	90.11	83.49	6.62	29-09-2021
18	Dhubri	July 2018 to October 2019	August to September 2018	June 2018 to August 2020	81.02	3	12	August 2018 to October 2020	81.02	73.08	7.94	29-09-2021
19	Chirang	July 2018 to October 2019	August to September 2018	October 2018 to September 2020	95.77	2	5	September 2018 to December 2020	95.77	85.02	10.75	29-09-2021
20	Bongaigaon	July 2018 to October 2019	August to September 2018	November 2018 to January 2020	16.10	1	2	June 2020	16.10	14.96	1.14	29-09-2021
21	Tinsukia	July 2018 to October 2019	August to September 2018	November 18	55.26	2	-	December 2020	55.26	53.23	2.03	29-09-2021
22	Kokrajhar	July 2018 to October 2019	August to September 2018	November 2018 to June 2019	65.67	1	12	March 2019 to June 2020	65.67	56.39	9.28	29-09-2021
23	Baksa	July 2018 to October 2019	August to September 2018	October 2018 to March 2019	33.00	1	6	December 2018 to December 2020	33.00	28.69	4.31	29-09-2021

Sl. No.	Name of project/Works	Date of Sanction	Date of tender	Date of Award	Awarded Cost (₹ in crore)	No. of main packages	No. of addl. Packages	Date of completion	Expenditure incurred (₹ in crore)	Payment made (₹ in crore)	Pending payment (₹ in crore)	Date of Closure of project
24	Darrang	July 2018 to October 2019	August to September 2018	October 2018 to March 2019	31.62	2	1	January to December 2019	31.62	29.29	2.33	29-09-2021
25	Udalguri	July 2018 to October 2019	August to September 2018	November 2018	10.89	1	-	July 2019	10.89	10.11	0.78	29-09-2021
26	Kamrup Metro	July 2018 to October 2019	August to September 2018	Works executed Circle Level empanelled contractors								29-09-2021
27	Karbi Anglong	July 2018 to October 2019	August to September 2018	Works executed Circle Level empanelled contractors								29-09-2021
28	Off-grid	July 2018 to October 2019	August 2018	October 2018 to March 2019	237.69	8	-	December 2019	237.69	201.72	35.97	29-09-2021
29	CGM (Hqrs.) Procurement	July 2018 to October 2019	May to June 2018	May to July 2018	53.70	-	-	July to December 2018	53.70	53.70	-	29-09-2021
30	RECPDCL Procurement	July 2018 to October 2019	-	August 2018	94.00	-	-	September to December 2018	94.00	94.00	-	29-09-2021
31	Execution at Circle Level offices ¹⁰	July 2018 to October 2019	-	-	671.61	-	-	-	671.61	645.06	26.55	29-09-2021
32	Saubhagya Ceremonial	July 2018 to October 2019	-	-	0.75	-	-	-	0.75	0.75	-	29-09-2021
33	PMA charges (WAPCOS)	July 2018 to October 2019	-	February 2020	5.98	-	-	Yet to be completed	5.98	-	5.98	--
34	Contract Management services (RECPDCL)	July 2018 to October 2019	-	August 2018	2.24	-	-	December 2018	2.24	-	2.24	29-09-2021
35	JTA Expenses	July 2018 to October 2019	-	-	11.41	-	-	-	11.41	-	11.41	29-09-2021
36	Audit Fees	July 2018 to October 2019	-	-	0.46	-	-	-	0.46	-	0.46	29-09-2021
Total					2,476.07	56	97	-	2,476.07	2,282.43	193.64	-

¹⁰ For execution of works through empanelled contractors the LoAs were issued at the field offices of the Company. Hence, details such as date of award, date of completion, name of the vendors etc. were not available in the Head Office.

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