Overview

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The Report contains two chapters:

Chapter – I deals with functioning of 84 State Public Sector Enterprises under the Government of West Bengal.

Chapter – II deals with Compliance Audit Observations.

A synopsis of the important findings contained in the Report is presented below:

Chapter-I

Functioning of State Public Sector Enterprises

As on 31 March 2023, there were 84 State Public Sector Enterprises (SPSEs) under the administrative control of Government of West Bengal. Of these 19 SPSEs are inactive including one statutory corporation *i.e.,* Great Eastern Hotel Limited. The SPSEs registered a total turnover/ revenue from operation, of ₹ 66,756.78 crore during the year 2022-23 as per their latest finalised accounts as of 30 September 2023. This turnover is equal to 4.29 *per cent* of State Gross Domestic Product for 2022-23.

(Paragraph 1.1.5.1)

As of 31 March 2023, there were 65 working SPSEs with total investment of ₹47,774.40 crore and 19 inactive SPSEs, which were non-operative for the last one to 17 years, with total investment of ₹ 1,487.23 crore. Out of 19 inactive SPSEs, two SPSEs are under the process of liquidation in the National Company Law Tribunal (NCLT). The contribution of SPSEs to GSDP ranged between 3.95 and 4.65 *per cent* during the last five years.

(Paragraph 1.1.5.2)

As per the latest finalised accounts as of 30 September 2023, out of 65 working SPSEs, 34 SPSEs earned profit of ₹ 1,714.37 crore whereas 31 SPSEs had suffered losses of ₹ 832.43 crore. The major contribution in profit during 2022-23 was from West Bengal State Electricity Transmission Company Limited (₹ 970.25 crore), West Bengal Power Development Corporation Limited (₹ 347.45 crore) and West Bengal Text Book Corporation Limited (₹ 59.59 crore), whereas the major loss incurring SPSEs are Calcutta State Transport Corporation (₹ 135.05 crore), South Bengal State Transport Corporation (₹ 109.43 crore) and West Bengal Transport Corporation (₹ 91.71 crore).

(Paragraph 1.3.1 & 1.6.1)

Corporate Governance and Corporate Social Responsibility

Certain provisions of the Companies Act, 2013 and Companies Rules 2014, though mandatory, were not being complied with by some of the SPSEs. During the year, the following significant departures from prescribed norms were noticed :

- In 16 SPSEs, the intervening period between two Board meetings was more than the prescribed time limit of 120 days.

(Paragraph 1.11.4)

- 46 SPSEs were required to have an Independent Director, however, only 13 SPSEs had appointed an Independent Director.

(Paragraph 1.11.5)

- 46 SPSEs were required to have an Audit Committee, however, only 12 SPSEs had constituted an Audit Committee.

(Paragraph 1.12.1)

- 22 SPSEs were required to appoint an Internal Auditor to conduct Internal Audit, however, only 17 SPSEs had conducted internal audit.

(Paragraph 1.13.2)

- 16 SPSEs were to spend ₹ 37.66 crore towards CSR activities, against which 10 SPSEs had spent ₹ 25.98 crore.

(Paragraph 1.14.3)

Chapter-II

Compliance Audit Observations

Erroneous assumptions by the West Bengal Power Development Corporation Limited, while analysing requirements for renovation and modernisation of electrostatic precipitators, led to infructuous expenditure of ₹ 4.64 crore.

(Paragraph 2.1)

West Bengal Power Development Corporation Limited incurred expenditure of ₹ 52.89 crore, on a coal block that had been surrendered by the preceding allottee, for being commercially unviable.

(Paragraph 2.2)

The West Bengal State Electricity Distribution Company Limited set up a Solar Dome at Eco Park, New Town, Rajarhat, but did not claim agency fees of ₹ 2.58 crore on project implementation, as provided under the West Bengal Financial Rules, 1979.

(Paragraph 2.3)

The West Bengal State Electricity Distribution Company Limited failed to properly monitor the orders placed for supply of pre-stressed cement concrete poles, which led to loss of ₹ 3.38 crore.

(Paragraph 2.4)

The West Bengal State Electricity Distribution Company Limited supplied electricity to a consumer, without obtaining adequate security under the extant provisions, and then delayed the disconnection of supply, which led to non-realisation of electricity charges of ₹ 6.76 crore.

(Paragraph 2.5)

West Bengal State Electricity Distribution Company Limited delayed raising energy bills for centralised bulk consumers, due to delay in revamping of the Meter Data Acquisition System (M-DAS), leading to loss of interest of ₹ 4.59 crore.

(Paragraph 2.6)

West Bengal State Electricity Distribution Company Limited incurred wasteful expenditure of ₹ 39 crore, towards capacity and other charges, due to non-drawal of allocated power from the Kanti Bijlee Utpadan Nigam Limited, during FY 2017-18.

(Paragraph 2.7)

The West Bengal Industrial Development Corporation Limited incurred loss of ₹12.86 crore, due to incorrect computation of the Base Price of land, in deviation from its pricing policy for land.

(Paragraph 2.8)

Due to non-adherence to the decision of the Cabinet Committee to effect stake sale of Durgapur Chemicals Limited and suspension of operations of the plant on the recommendations of the Expert Committee of the West Bengal Pollution Control Board, the Public Enterprises and Industrial Reconstruction Department had to bear an avoidable expenditure of ₹ 42.37 crore, towards the salaries and wages of idle manpower.

(Paragraph 2.9)

Non-collection / preservation of Tax invoices, by the West Bengal Small Industries Development Corporation Limited and mismatches in VAT returns, led to disallowance of Input Tax Credit of ₹ 5.99 crore and resultant loss of ₹ 1.59 crore.

(Paragraph 2.10)