

OVERVIEW

1. Over view of Government Companies and Statutory Corporations

As on 31 March 2002, the state had 42 Public Sector Undertakings (PSUs) comprising of 38 Government companies (28 working companies and 10 non-working companies) and 4 statutory corporations, as against the same number of PSUs as on 31 March 2001. Out of 38 Government companies, 28 were working Government companies while 10 were non-working Government companies. All the four statutory corporations were working corporations.

The total investment in working PSUs increased from Rs.3,929.54 crore as on 31 March 2001 to Rs.4,052.98 crore as on 31 March 2002. The total investment in 10 non-working PSUs as on 31 March 2002 was Rs.82.67 crore.

The budgetary support in the form of capital, loans and grants/subsidies disbursed to the working PSUs increased from Rs.117.12 crore in 2000-2001 to Rs.126.70 crore in 2001-2002. The state Government guaranteed loans aggregating to Rs.33.48 crore, in respect of two working PSUs during 2001-2002.

The total amount of outstanding loans guaranteed by the state Government to all PSUs as on 31 March 2002 was Rs.823.55 crore.

Two working Government companies have finalised their accounts for the year 2001-02. The accounts of the remaining 26 working Government companies and 4 working statutory corporations were in arrears for periods ranging from one to 19 years as on 30 September 2002. Accounts of 10 non-working Government companies were in arrears for periods ranging from 7 to 19 years as on 30 September 2002.

According to latest finalised accounts, 3 working PSUs (3 Government companies) earned aggregate profit of Rs.16.63 crore. One working Government Company declared dividend of Rs.1.26 crore. Against this, 28 working PSUs (24 Government companies and 4 statutory corporations) incurred an aggregate loss of Rs.745.07 crore as per latest finalised accounts. Of the loss incurring Government companies, 10 companies had accumulated losses aggregating Rs.130.58 crore, which exceeded their paid up capital of Rs.51.25 crore by more than 2 times. Similarly, 3 loss incurring statutory

corporations had accumulated losses aggregating Rs.3,375.14 crore, which exceeded their aggregate paid up capital of Rs.1531.16 crore by more than 2 times.

In Assam State Electricity Board, the percentage of transmission and distribution loss to total power available for sale had increased from 39.80 *per cent* in 2000-2001 to 44.02 *per cent* in 2001-2002. Similarly, in Assam State Transport Corporation, the loss per kilometer increased from Rs.16.09 in 1999-2000 to Rs.20.92 in 2001-2002.

Even after completion of five years of their existence, the individual turnover of 19 Government companies (working 15, non-working 4) and two statutory corporations has been less than Rs.5 crore in each of the preceding five years of latest finalised accounts. Further, 4 Government companies (3 working, one non-working) had been incurring losses for five consecutive years as per their latest finalised accounts leading to negative net worth. As such, the Government may either improve the performance of these 23 Government companies or consider their closure.

(Paragraphs 1.1, 1.2, 1.3 and 1.6)

2. Review relating to Power Department

Mini Review on Memorandum of Understanding (MoU) between Government of Assam and Government of India regarding Power Sector Reforms.

In view of continuous adverse working results of Assam State Electricity Board (ASEB), the Government of Assam formulated a policy in April 2000 to carry out necessary reforms and restructuring in ASEB to make it financially viable and self-sustaining in the long run. In pursuance of this policy, the Government of Assam and Ministry of Power, Government of India signed a Memorandum of Understanding (MoU) on 26 March 2001 to further the ongoing process of reforms. The process of speeding up the reforms could not achieve required momentum as there had been delays in implementation of reform programme by the State Government with reference to commitment made in the MoU.

3. Review relating to Statutory Corporation

Assam State Electricity Board

Review on the operational performance and functioning of Namrup Thermal Power Station, Namrup

The gas based Namrup Thermal Power Station (NTPS) of Assam State Electricity Board (ASEB) has an installed power generation capacity of 133.50 megawatt (MW) comprising 6 units (3 gas turbine units of 23 MW each, 1 gas turbine unit of 12.50 MW, 1 gas fired steam turbine unit of 30 MW and 1 waste heat recovery unit of 22 MW) were commissioned between April 1965 and March 1985. None of the generating units (except Unit-2 and 3) could achieve the standard plant load factor (PLF) during 1996-1997 to 2000-2001. Actual generation of power at the plant was less than the possible generation. Shortfall in generation resulted in increase in cost of generation. The plant consumed more gas due to usage of higher heat rate compared to design heat rate. Some of the important points noticed in the review were as under:

Cost of generation per unit increased from 82 paise in 1996-1997 to 127 paise in 2000-2001 due to excess consumption of natural gas, excess auxiliary consumption and low Plant Load Factor (PLF).

Paragraph 3.4.2

Against the targeted generation of 2,350 MU during 1996-1997 to 2000-2001, the station could generate only 1,933.83 MU of power leading to shortfall of 416.17 MU valued Rs.27.71 crore.

(Paragraph 3.4.3)

Generating units remained shutdown for 2154 days on 10 occasions from November 1996 to June 2000; this resulted in loss of generation of 404.17 MU valued at Rs.27.70 crore.

(Paragraph 3.4.5.2)

ASEB incurred avoidable extra expenditure of Rs.3.14 crore due to keeping of imported materials at bonded warehouse and exchange rate fluctuation.

(Paragraph 3.8)

4. Miscellaneous topics of interest

Assam Petrochemicals Limited

Assam Petrochemicals Limited's investment of Rs.3.35 crore in setting up of Carbon-di-oxide (CO₂) generation plant and CO₂ bottling plant proved infructuous due to closure of Methanol Unit I and CO₂ bottling plant.

(Paragraph 4.1.1.1)

Assam Small Industries Development Corporation Limited

Lack of timely action on the part of Assam Small Industries Development Corporation Limited to reduce the contracted demand and failure to pay the ASEB's dues resulted in loss of Rs.0.84 crore on account of unrecovered energy charges (Rs.0.46 crore) from closed units and delayed payment surcharge (Rs.0.38 crore) payable to ASEB.

(Paragraph 4.1.3.1)

Assam Government Marketing Corporation Limited

Assam Government Marketing Corporation Limited diverted Rs.1.35 crore meant for implementation of four centrally sponsored scheme towards establishment expenses in contravention to the terms and conditions of respective sanction.

(Paragraph 4.1.4.4)

Assam State Electricity Board

Extension of undue benefit to a consumer in violation of the provision of Terms and Conditions of Supply (TCS) resulted in non-recovery of load security amounting to Rs.0.43 crore and loss of interest thereon for Rs.0.17 crore.

(Paragraph 4.2.1.2)

Inaction on the part of the management to levy compensation charges for malpractice by three consumers resulted in loss of Rs.2.23 crore.

(Paragraph 4.2.1.4)

Non-levy of 3 *per cent* extra charge as per provision of TCS and Schedule of Tariff in respect of HT consumers metered on LT side of the transformer resulted in loss of revenue of Rs.0.35 crore.

(Paragraph 4.2.1.5)

Board's failure to initiate appropriate timely action to realize the outstanding dues from permanently/temporarily disconnected consumers resulted in accumulation of huge arrears of Rs.2.06 crore which remained unrealised.

(Paragraph 4.2.1.6)

Assam State Warehousing Corporation

Creation of additional storage capacity at a cost of Rs.0.33 crore despite poor occupancy in the existing godowns rendered the investment infructuous.

(Paragraph 4.2.2.1)

Inordinate delay in settlement of departmental proceedings and failure to comply with Board's directives resulted in non-recovery of liability of Rs.0.30 crore.

(Paragraph 4.2.2.3)