

OVERVIEW

1. OVERVIEW OF GOVERNMENT COMPANIES AND STATUTORY CORPORATIONS

As on 31 March 2003, the State had 54 Public Sector Undertakings (PSUs) comprising 50 Government companies and four Statutory corporations, as against the same numbers of PSUs as on 31 March 2002. Out of 50 Government companies, 17 were working Government companies while 33 were non-working Government companies. All the four Statutory corporations were working corporations. In addition, there were eight companies under the purview of section 619-B of the Companies Act, 1956, as on 31 March 2003.

(Paragraphs 1.1 and 1.29)

The total investment in working Public Sector Undertakings increased from Rs 8,476.37 crore as on 31 March 2002 to Rs 8,581.73 crore as on 31 March 2003. The total investment in non-working PSUs increased from Rs 678.21 crore to Rs 705.30 crore during the same period due to increase in number of such companies.

(Paragraphs 1.2 and 1.16)

The budgetary support in the form of capital, loans and grants/subsidies disbursed to the working PSUs decreased from Rs 613.70 crore in 2001-02 to Rs 513.04 crore in 2002-03. The total amount of outstanding loans guaranteed by the Government to PSUs as on 31 March 2003 was Rs 353.49 crore.

(Paragraphs 1.5 and 1.17)

None of the working Government companies and working Statutory corporations have finalised their accounts for the year 2002-03. The accounts of 17 working Government companies and four working Statutory corporations were in arrears for periods ranging from two to 22 years as on 30 September 2003. The accounts of all non-working Government companies were in arrears for periods ranging from eight to 26 years as on 30 September 2003.

(Paragraphs 1.6 and 1.19)

According to the latest finalised accounts, five working PSUs (four Government companies and one Statutory corporation) earned aggregate profit of Rs 9.39 crore. Against this, 16 working PSUs (13 Government companies and three Statutory corporations) incurred aggregate loss of Rs 1,113.37 crore as per their latest finalised accounts. Of the loss incurring working Government companies, five companies whose accounts were finalised during October 2002 to September

2003 had accumulated losses aggregating Rs 148.39 crore, which exceeded their aggregate paid-up capital of Rs 102.45 crore. Of the three loss incurring Statutory corporations, two Statutory corporations had accumulated losses of Rs 909.04 crore, which exceeded their paid-up capital of Rs 179.37 crore.

(Paragraphs 1.7, 1.9 and 1.11)

The State Government had decided to wind up 17 Government companies.

(Paragraph 1.21)

2. REVIEW RELATING TO GOVERNMENT COMPANY

REVIEW ON RECOVERY PERFORMANCE OF BIHAR STATE CREDIT & INVESTMENT CORPORATION LIMITED

Bihar State Credit and Investment Corporation Limited (Company) was incorporated in January 1975 to promote, encourage industries by providing technical, managerial and financial assistance.

The percentage of recovery to total recoverable declined from 3.04 in 1998-99 to 2.54 in 2002-03, it resulted in substantial increase in recoverable from Rs 304.94 crore in 1998-99 to Rs 544.91 crore in 2002-03.

(Paragraph 2.8)

Due to poor recovery performance, the performing assets decreased from Rs 27.26 crore in 1997-98 to Rs 13.64 crore in 2001-02. Number of closed units increased from 71 (31 March 2000) to 142 (31 March 2003) against which no effective recovery action was taken.

(Paragraph 2.8.3)

Of 201 defaulting units having overdues of Rs 531.07 crore, the Company could take over only 28 units having overdues of Rs 54.39 crore.

(Paragraph 2.11)

3. REVIEWS RELATING TO STATUTORY CORPORATION

3.1 REVIEW ON INCOMPLETE TRANSMISSION SCHEMES OF BIHAR STATE ELECTRICITY BOARD

The transmission system should keep pace with the generating capacity so as to ensure proper voltage, minimum system losses for efficient evacuation of power. In Bihar State Electricity Board, it was not commensurate with the increased power availability for sale in the state.

Sixteen schemes including ten schemes spilled over from V to VIII five year plans remained incomplete for 1 to 19 years after investment of Rs 91.42 crore.

(Paragraph 3.1.1)

Due to inadequate transmission link, surplus power available in south Bihar could not be transmitted to north Bihar. As a result per capita consumption in north Bihar during 1997-98 and 1999-2000 was 19.26 and 23.21 units against all India average of 348.50 units.

(Paragraph 3.1.6)

The Board failed to draw full share of 700 mega watt from central grid and had to pay Rs 973.36 crore as fixed charges without availing its share of power.

(Paragraph 3.1.7)

Due to non-synchronisation of related schemes, Rs 46 crore invested on completed schemes remained blocked.

(Paragraph 3.1.12)

3.2 REVIEW ON PERFORMANCE OF COAL HANDLING PLANTS INCLUDING BOWL MILLS OF THERMAL POWER STATIONS OF BIHAR STATE ELECTRICITY BOARD

The generation of electricity in Bihar State Electricity Board is presently carried out by two Thermal Power Stations namely Baruani Thermal Power Station (BTPS) and Muzaffarpur Thermal Power Station (MTPS). Against installed capacity of 540 mega watt (MW) of six units, only two units of 110 MW each were available for generation of electricity at minimum operation level.

Due to poor quality of coal and poor maintenance of equipment, the plant was not available for generation for 23,647 hours during five years ending 31 March 2003. This resulted in loss of generation of 6,286.52 million units (MU) valued at Rs. 249.61 crore.

(Paragraph 3.2.5)

Due to higher percentage of ash in coal and non-adherence to the Statutory requirement of capital maintenance, 13.97 lakh metric tonne (MT) of coal valued at Rs 143.00 crore was consumed in excess of the norms.

(Paragraph 3.2.9)

Due to ruptured furnace casing, worn out burner tips and defective oil guns, 44,229.49 kilo liter (KL) furnace oil and 19,029.45 KL of light diesel oil were consumed in excess of the norms in BTPS and MTPS resulting in loss of Rs 43.62 crore to the Board during last five year ended 31 March 2003.

(Paragraphs 3.2.10 and 3.2.11)

Though the Board had its own railway siding at BTPS, it made avoidable payment of Rs 2.07 crore was made to the Railways on account of siding charges.

(Paragraphs 3.2.18)

4. MISCELLANEOUS TOPICS OF INTEREST RELATING TO GOVERNMENT COMPANIES AND STATUTORY CORPORATION

The Bihar State Hydroelectric Power Corporation suffered a loss of Rs 1.66 crore as it failed to install meter and to follow the norm fixed by the Central Government.

(Paragraph 4.2)

The Bihar State Electricity Board suffered a loss of Rs 32.32 lakh as it failed to seal the leakage of oil from transformer.

(Paragraph 4.7)