

PREFACE

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

- (i) Government companies,
- (ii) Statutory corporations, and
- (iii) Departmentally managed commercial undertakings.

2. This report deals with the results of audit of Government companies and Statutory corporations, including Bihar State Electricity Board and has been prepared for submission to the Government of Bihar under Section 19A of the Comptroller & Auditor General's (CAG) (Duties, Powers and Conditions of Service) Act, 1971, as amended from time to time. The results of audit relating to departmentally managed commercial undertakings are included in the Report of the Comptroller and Auditor General of India for the year ended 31 March 2009 (Civil) - Government of Bihar.

3. Audit of accounts of Government companies is conducted by the CAG under the provisions of Section 619 of the Companies Act, 1956.

4. In respect of Bihar State Road Transport Corporation and Bihar State Electricity Board which are Statutory corporations, the Comptroller and Auditor General of India is the sole auditor. As per the State Financial Corporations (Amendment) Act 2000, CAG has the right to conduct the audit of accounts of Bihar State Financial Corporation in addition to the audit conducted by the Chartered Accountants appointed by the Corporation out of the panel of auditors approved by the Reserve Bank of India. In respect of Bihar State Warehousing Corporation, the CAG has the right to conduct the audit of their accounts in addition to the audit conducted by the Chartered Accountants appointed by the State Government in consultation with the CAG. In respect of Bihar Electricity Regulatory Commission, the CAG is the sole auditor. The Audit Reports on annual accounts of all these corporations are forwarded separately to the State Government.

5. The cases mentioned in this Report are those which came to notice in the course of audit during the year 2008-09 as well as those which came to notice in earlier years but were not dealt with in the previous Reports. Matters relating to the period subsequent to 2008-09 have also been included, wherever necessary.

6. Audit in relation to the material included in this report has been conducted in conformity with the Auditing Standards issued by the CAG.

Overview

1. Overview of Government companies and Statutory corporations

Audit of Government companies is governed by Section 619 of the Companies Act, 1956. The accounts of Government companies are audited by Statutory Auditors appointed by CAG. These accounts are also subject to supplementary audit conducted by CAG. Audit of Statutory corporations is governed by their respective legislations. As on 31 March 2009, the State of Bihar had 23 working PSUs (19 Companies and four Statutory corporations) and 40 non-working PSUs (all companies), which employed 0.21 lakh employees. The State PSUs registered a turnover of Rs. 2056.89 crore for 2008-09 as per their latest finalised accounts. This turnover was equal to 1.56 per cent of State GDP indicating an insignificant role played by State PSUs in the economy. The PSUs had accumulated loss of Rs. 3593.15 crore as per their latest finalised accounts as of 30 September 2009.

Investments in PSUs

As on 31 March 2009, the investment (Capital and long term loans) in 63 PSUs was Rs. 9140.69 crore. Power Sector accounted for 81.78 per cent of total investment in 2008-09. The Government contributed Rs. 1206.93 crore towards equity, loans and grants / subsidies during 2008-09.

Performance of PSUs

As per the latest finalised accounts, out of 23 working PSUs, eight PSUs earned profit of Rs. 40.85 crore and 14 PSUs incurred loss of Rs. 669.47 crore. The major contributors to profit were Bihar State Financial Corporation (Rs. 28.28 crore), Bihar State Mineral Development Corporation Limited (Rs. 9.29 crore) and Bihar State Beverages Corporation Limited (Rs. 1.51 crore). Heavy losses were

incurred by Bihar State Electricity Board (Rs. 584.70 crore) and Bihar State Road Transport Corporation (Rs. 55.74 crore). Audit noticed various deficiencies in the functioning of PSUs. A review of three years' Audit Reports of CAG shows that the State working PSUs' losses of Rs. 203.55 crore and infructuous investments of Rs. 61.26 crore were controllable with better management. Thus, there is tremendous scope to improve the functioning and enhance profits. The PSUs can discharge their role efficiently only if they are financially self-reliant. There is a need for greater professionalism and accountability in the functioning of PSUs.

Quality of accounts

The quality of accounts of PSUs needs improvement. During the year 2008-09, all 10 accounts of the companies received qualified certificates. The compliance of companies with the Accounting Standards remained poor as there were 12 instances of non-compliance in six accounts during the year.

Arrears in accounts and winding up

23 working PSUs had arrears of accounts of 205 accounts as of 30 September 2009. The extent of arrears was one to 20 years. There were 40 non-working PSUs including 15 under liquidation.

Discussion of Audit Reports by COPU

The Audit Reports (Commercial) for 1981-82 onwards are yet to be discussed fully by COPU. These audit reports contained 103 reviews and 585 paragraphs of which 17 reviews and 374 paragraphs have been discussed as of 30 September 2009.

2. Performance Reviews relating to Government companies and Statutory corporations

Performance reviews relating to **Bihar State Tourism Development Corporation** and **Bihar State Road Transport Corporation** were conducted. Executive summary of the audit findings is given below:

Bihar State Tourism Development Corporation

The performance audit was conducted to assess the economy, efficiency and effectiveness of infrastructure projects undertaken, leased out assets, profitability of hotel operation and transport services of the Company.

Financial performance

As on 31 March 2009 the paid-up share capital of the Company was Rs. five crore with Reserves and Surplus of Rs. 4.74 crore.

The Company suffered a loss of Rs.0.43 crore on its operations during 2005-06 but posted a profit of Rs. 0.66 crore in the year 2006-07. The profit increased to Rs. 1.45 crore in 2008-09 and was mainly due to an increase in earnings from transport and ropeway unit.

Important projects, schemes, and activities

The company being a nodal agency receives fund from the Ministry of Tourism (MoT), GoI and the State Government for development of infrastructural facilities. The utilisation percentage of available funds ranged between a dismal 1.34 per cent and 23.52 per cent. Thus, despite availability of funds, the Company failed to commence projects.

Performance of hotels and other services

The targeted occupancy level of 60 per cent could not be achieved in almost all the hotels of the company during the period 2004-09. The target of occupancy was never reviewed by the Board. Further, non-achievement of the minimum targeted occupancy levels resulted in a potential loss of revenue of Rs. 5.15 crore during the period 2004-09.

Growth of tourism and share of the Company

Though tourism is recognised as an industry, the Government had not laid down any tourism policy for the State. Despite a 52.76 per cent increase in tourist

inflow during 2004-05 to 2008-09, the percentage of tourists availing company's accommodation facilities remained abysmally low and stood in the range of 0.43 and 0.51 per cent for domestic tourists and 0.60 and 3.73 per cent for foreign tourists.

Poor management of lease

The Company had leased out five hotels, three restaurants and other properties like shops, youth hostels etc. The company had neither carried out any Cost-Benefit Analysis (CBA) prior to leasing out its prime properties. As many as 19 properties were leased out without entering into lease agreements.

Performance of the Transport Services

Earnings from the transport wing comprised 27.55 per cent of the total income of the company during the period 2004-09. Apart from providing its own vehicles, the company also hired vehicles from third parties on commission basis.

The transport division had been incurring losses up to 2006-07 but posted a profit of Rs. 0.40 crore during 2008-09 which was mainly attributable to the increase in business of pre-paid taxi services and chartered sale (i.e. outside vehicle).

Conclusion

Despite 30 years of its existence, the company has failed to meet the challenges and standards of the private sector. The tourist potential of the State remained largely untapped due to lack of planning and professional approach in the management of the Company.

(Chapter 2)

Bihar State Road Transport Corporation

The Bihar State Road Transport Corporation (Corporation) provides public transport in the State through its 20 depots. The Corporation had fleet strength of 414 buses as on 31 March 2009 and carried an average of 0.18 lakh passengers per day. The Corporation did not hire buses for its operations. There are about 96 per cent routes where only private operators provide the services exclusively. Pursuant to Hon'ble Supreme Court's order (January & March 98) a scheme was framed by the State Government for revival of the Corporation. The Scheme envisaged the financial package of Rs. 113 crore spread over programmes for eight years and was effective from April 1998. It stipulated, inter-alia. (i) raising on road buses to 800, (ii) retrenchment /removal of surplus staff (iii) exploring non-traffic income, and (iv) maintaining the indices of operational parameters as per norms. The State Government provided Rs. 107.35 crore upto 2004-05 for various defined purposes. However, the Corporation failed to achieve its targets under the scheme. The performance audit of the Corporation for the period from 2004-05 to 2008-09 was conducted to assess efficiency and economy of its operations, ability to meet its financial commitments, possibility of realigning the business model to tap non-conventional sources of revenue, existence and adequacy of fare policy and effectiveness of the top management in monitoring the affairs of the Corporation.

Finances and Performance

The Corporation did not prepare its annual accounts for the period 2003-04 onwards. As such the accumulated losses, borrowings, assets and liabilities as at 31 March 2009 could not be ascertained. However, provisional data for working results during 2004-05 to 2008-09 depicts that the Corporation suffered a loss of Rs. 80.75 crore, earned Rs. 16.92 per kilometre and spent Rs. 60.69 per Kilometre in 2008-09. Audit noticed that with a right kind of policy measures and better management of its affairs, it is possible to increase revenue and reduce costs.

Poor and declining service

Percentage of average passengers carried by the Corporation per day to population showed a declining trend from 0.03 (2004-07) to 0.01 (2008-09). The vehicle density of Corporation buses per lakh population declined from 0.54 in 2004-05 to 0.49 in 2008-09. This showed a very poor capacity to meet the transportation needs of the state as well as a decline in service by the Corporation. This was mainly due to its operational inefficiency leading to non-availability of adequate funds to replace/add new buses.

Vehicle profile and utilisation

Corporation buses consisted of only own fleet of 414 buses out of which 111 (26.81 per cent) were overage i.e. more than eight years old. There were no overage buses in 2004-05 due to addition of 111 new buses in the year at a cost of Rs. 12.20 crore. The acquisition was primarily funded through financial assistance received under the Scheme.

In 2008-09 the Corporation's fleet utilisation at 33.81 per cent and vehicle productivity at 237 KM per day per bus were much below the All India Average of 92 per cent and 313 KM respectively, whereas its load factor at 69 per cent was above the AIA of 63 per cent. However, the Corporation could not achieve its own targets of 71 per cent fleet utilisation, 270 KM vehicle productivity and 90 per cent load factor though the same were fixed after taking into consideration the local factors and constraints. Its 54 per cent routes were unprofitable due to high cost of operation. Corporation's performance on preventive maintenance was poor showing average delay of 3979 KMs in engine oil change and 11838 KMs in break inspection over and above the prescribed limit.

Economy in operation

Manpower and fuel constitute 51.81 per cent of total cost. Interest, depreciation and taxes account for 39.33 per cent and are not controllable in the short term. Thus, the Controllable expenditure has to come from manpower

and fuel. Though the Corporation succeeded in reducing the manpower per bus from 6.86 in 2004-05 to 5.57 in 2008-09 but manpower cost per effective KM was much higher than the AIA during 2006-09. The Corporation did not attain its own fuel consumption targets resulting in excess consumption of fuel valued at Rs. 8.58 crore during 2004-09.

Revenue maximisation

The Corporation did not have any Roadways Magistrate having judicial powers to impose penalties on ticketless passengers.

Corporation's staff at Headquarters conduct enroute checking of buses. During 2004-09, only 6443 checkings were conducted and Rs. 10.90 per checking was recovered from ticketless passengers which evidences inadequate and ineffective system of checking. This is one area for the Corporation to plug leakage of revenue. Further, the Corporation has about 5.95 lakh square meters of land. As it mainly utilises ground floor /land for its operation, the space above can be developed on public private partnership basis to earn steady income which can be used to cross subsidise its operations. The Corporation has framed policy in this regard but did not strive for large scale tapping of such fund.

The Corporation could not auction its over 1,000 condemned buses during 2005-09 for want of necessary directives from the Transport Department, Government of Bihar, which came in October 2009 to facilitate auction of the Corporation buses. Accordingly, the Corporation has taken up auction of buses afresh

Need for a regulator

The Corporation fixes fare under the power delegated to it by the State Government. However, there is no scientific basis for calculation of fare. No uneconomical routes have been identified by the Transport Department for the

Corporation and the latter did not form norms for providing services on uneconomical schedules. Thus, it would be desirable to have an independent regulatory body (like State Electricity Regulatory Commission) to fix the fares and specify operations on uneconomical routes.

Inadequate monitoring

The fixation of targets for various operational parameters and an effective Management Information System (MIS) for obtaining feed back on achievement thereof are essential for monitoring by the top management. The Corporation has a system of monthly meeting of Administrator with departmental heads, divisional managers and depot superintendents for reporting on their performances. However, the meetings were not held at regular intervals. The MIS system of the Corporation was not adequate and the monitoring by its top management of key operational parameters and service standards was largely ineffective. Despite being pointed out by the CAG, the Corporation could not remove the deficiencies with respect to maintenance of books of accounts.

Conclusion and recommendations

The Corporation is incurring losses mainly due to its high cost of operations. The Corporation can reduce its losses by generating funds through tapping non-conventional sources of revenue. This review contains five recommendations to improve the Corporation's performance viz. increasing its percentage share in passenger transport, maintaining the indices of fuel consumption, load factor, IPEKM, fleet utilisation, vehicle productivity etc. as per norms, disposing off condemned buses, considering devising a policy for tapping non-conventional sources of revenue on a large scale and considering creating a regulator to regulate fares and also services on uneconomical route

(Chapter 3)

3. Transaction audit observations

Transaction audit observations included in the Report highlight deficiencies in the management of Public Sector Undertakings involving serious financial irregularities. The irregularities pointed out are broadly of the following nature:

Loss of Rs. 57.18 crore in seven cases due to non compliance with rules, directives, procedures, terms and conditions of contracts.

(Paragraphs 4.4, 4.7, 4.9, 4.10, 4.11, 4.12 and 4.13)

Loss of Rs. 3.17crore in three cases due to non safeguarding of the financial interests of the organization.

(Paragraphs 4.1, 4.3 and 4.5)

Loss of Rs. 1.47 crore in two cases due to inadequate/ deficient monitoring.

(Paragraphs 4.2 and 4.6)

Unfruitful expenditure of Rs. 0.35 crore due to unplanned execution of works.

(Paragraph 4.8)

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

- Due to not taking timely and informed decision, **Bihar State Text Book Publishing Corporation Limited**, incurred avoidable expenditure of Rs 0.70 crore on minimum guarantee energy charge and power factor surcharge.
(Paragraphs 4.1)
- 3115.66 quintal of food grains costing Rs 0.25 crore claimed to have been transported in **Bihar State Food and Civil Supplies Corporation Limited**, appeared false and embezzled by use of fake truck numbers.
(Paragraph 4.2)
- Failure in finalizing the NIT for insurance in **Bihar State Hydroelectric Power Corporation Limited** led to the Company not being able to recover Rs. 2.19 crore being the sum insured and suffered a loss to that extent.
(Paragraph 4.3)
- Non-billing under HTS supply tariff in **Bihar State Electricity Board (Board)** resulted in loss of revenue of Rs 1.85 crore during the period April 2006 to March 2009 on minimum monthly charge basis to the Board.
(Paragraph 4.9)

- The **Board** sustained loss of revenue of Rs 9.67 crore due to delay of more than five months in filing the tariff petition.
(Paragraph 4.11)
- Violation of specific provisions of Electricity Act, 2003 resulted in the **Board** losing revenue of Rs 29.94 crore upto March 2009 and the loss was still continuing.
(Paragraph 4.12)
- The **Board** suffered loss of Rs. 14.78 crore due to non billing according to tariff provisions.
(Paragraph 4.13)

Chapter I

1. Overview of State Public Sector Undertakings

Introduction

1.1 The State Public Sector Undertakings (PSUs) consist of State Government Companies and Statutory Corporations. The State PSUs are established to carry out activities of commercial nature while keeping in view the welfare of people. In Bihar, the State PSUs occupy an insignificant place in the state economy. The State PSUs registered a turnover of Rs. 2056.89 crore for 2008-09 as *per* their latest finalised accounts as of September 2009. This turnover was equal to 1.56 *per cent* of State Gross Domestic Product (GDP) for 2008-09. Major activities of State PSUs are concentrated in power sector. The State PSUs incurred a loss of Rs. 653.13 crore in the aggregate for 2008-09 as *per* their latest finalised accounts. They employed 0.21 lakh¹ employees as of 31 March 2009. The State PSUs do not include 11 Departmental Undertakings (DUs), which carry out commercial operations but are a part of Government departments. Audit findings of these DUs are incorporated in the Civil Audit Report for the State.

1.2 As on 31 March 2009, there were 63 PSUs as *per* the details given below and none of them were listed on the stock exchange(s).

Type of PSUs	Working PSUs	Non-working PSUs ²	Total
Government Companies ³	19	40	59
Statutory Corporations	4	-	4
Total	23	40	63

1.3 During the year 2008-09, a PSU Bihar Health Project Development Corporation Limited with paid-up capital of Rs. 5.64 lakh, was established. During the year, no PSU was closed down.

Audit Mandate

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

1.5 The accounts of the State Government companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors,

¹ As per the details provided by 35 PSUs.

² Non-working PSUs are those which have ceased to carry on their operations.

³ includes 619-B companies.

who are appointed by CAG as *per* the provisions of Section 619(2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by CAG as *per* the provisions of Section 619 of the Companies Act, 1956.

1.6 Audit of statutory corporations is governed by their respective legislations. Out of four statutory corporations, CAG is the sole auditor for Bihar State Electricity Board and Bihar State Road Transport Corporation. In respect of Bihar State Warehousing Corporation and Bihar State Financial Corporation, the audit is conducted by Chartered Accountants and supplementary audit by CAG.

Investment in State PSUs

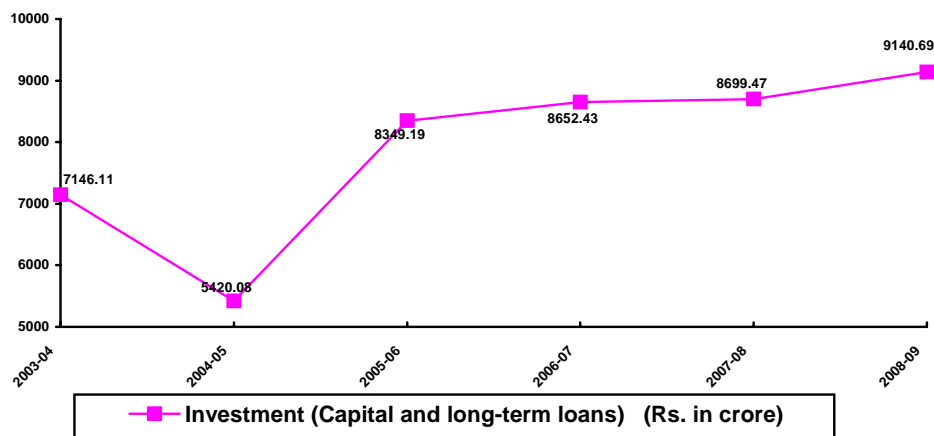
1.7 As on 31 March 2009, the investment (capital and long-term loans) in 63 PSUs (including 619-B companies) was Rs. 9140.69 crore as per details given below.

(Amount: Rs. in crore)

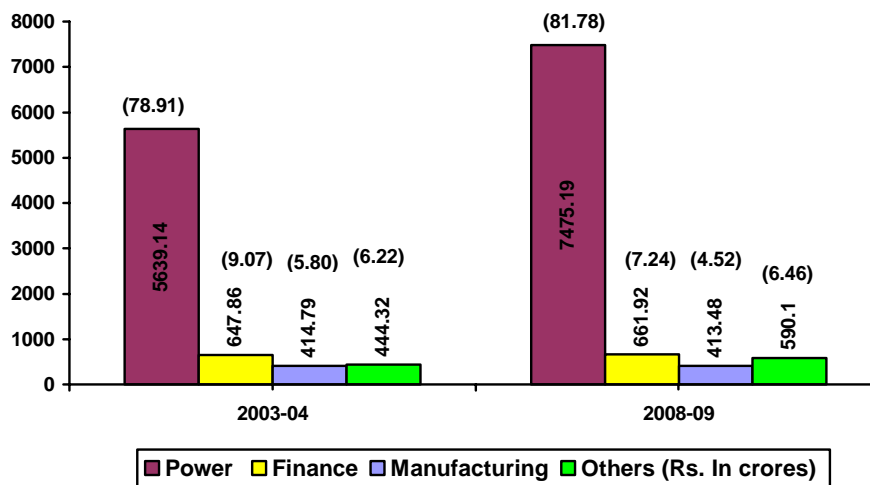
Type of PSUs	Government Companies			Statutory Corporations			Grand Total
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	
Working PSUs	188.93	492.74	681.67	185.54	7573.70	7759.24	8440.91
Non-working PSUs	151.69	548.09	699.78	-	-	-	699.78
Total	340.62	1040.83	1381.45	185.54	7573.70	7759.24	9140.69

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

1.8 As on 31 March 2009, of the total investment in State PSUs, 92.34 *per cent* was in working PSUs and the remaining 7.66 *per cent* in non-working PSUs. This total investment consisted of 5.76 *per cent* towards capital and 94.24 *per cent* in long-term loans. The investment has grown by 27.91 *per cent* from Rs. 7146.11 crore in 2003-04 to Rs. 9140.69 crore in 2008-09 as shown in the graph below.



1.9 The investment in various important sectors and percentage thereof at the end of 31 March 2004 and 31 March 2009 are indicated below in the bar chart. The thrust of PSU investment was mainly on the power sector during the five years which increased from 78.91 per cent in 2003-04 to 81.78 per cent in 2008-09 of the total investment. However, the overall increase in power sector was 32.56 per cent in 2008-09 compared to 2003-04.



(Figures in brackets show the percentage of total investment)

Budgetary outgo, grants/subsidies, guarantees and loans

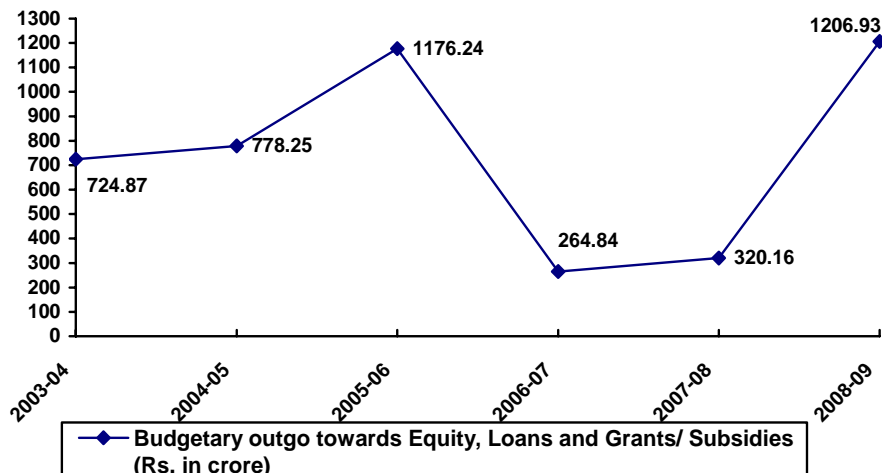
1.10 The details regarding budgetary outgo towards equity, loans, grants/subsidies, guarantees issued, loans written off, loans converted into equity and interest waived in respect of State PSUs are given in *Annexure 3*. The summarised details are given below for three years ended 2008-09.

(Amount : Rs. in crore)

Sl. No.	Particulars	2006-07		2007-08		2008-09	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity Capital outgo from budget	3	11.20	2	4.05	3	1.56
2.	Loans given from budget	4	253.64	2	293.11	4	469.63
3.	Grants/Subsidy received	-	-	1	23.00	3	735.74
4.	Total Outgo ⁴	7	264.84	5	320.16	9	1206.93
5.	Interest/Penal interest written off	1	318.80	1	11.56	1	11.56
6.	Guarantees issued	2	6.33	3	71.79	2	104.47
7.	Guarantee Commitment	-	-	-	-	1	157.51

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

⁴ Actual number of companies.



The above chart indicates that the budgetary support in the form of equity, loans and grants/subsidies by the State Government showed a varying trend. During the years 2003-04 to 2005-06 it rose from Rs. 724.87 crore to Rs. 1176.24 crore and declined in 2006-07 and 2007-08. The budgetary support increased to Rs. 1206.93 crore in 2008-09. During the year 2008-09, the Government had guaranteed loans aggregating Rs. 104.47 crore obtained by Bihar State Financial Corporation (Rs. 79.47 crore) and Bihar State Backward Classes Finance and Development Corporation Limited (Rs. 25.00 crore). In addition to this, out of three working PSUs, which received subsidy of Rs. 735.74 crore, Bihar State Electricity Board received a subsidy of Rs. 720 crore from the State Government. At the end of the year, guarantees on loans aggregating Rs. 134.47 crore were outstanding against three⁵ working PSUs. Guarantee commission of Rs. 37.62 lakh was payable by two⁶ working PSUs since 1982-83.

Reconciliation with Finance Accounts

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

(Rs. in crore)			
Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	401.11	419.79	(-)18.68
Loans	12044.54	7773.44	4271.10
Guarantees	560.32	134.47	425.85

1.13 Audit observed that the differences occurred in respect of 42 PSUs. The issue of reconciliation was taken up with Principal Secretary cum Finance

⁵ Bihar State Backward Classes Finance & Development Corporation Ltd., Bihar State Minorities Finance Corporation Ltd. and Bihar State Financial Corporation

⁶ Bihar State Financial Corporation and Bihar State Road Transport Corporation.

Commissioner in January 2009. The Government and the PSUs should take concrete steps to reconcile the differences in a time-bound manner.

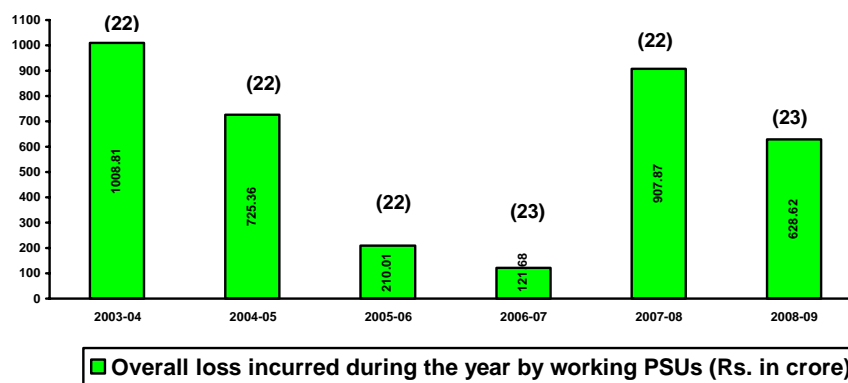
Performance of PSUs

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

(Rs. in crore)						
Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Turnover ⁷	2998.38	1601.99	1202.49	1337.29	1587.96	1996.59
State GDP ⁸	66253	73221	80157	99767	114722	131873
Percentage of Turnover to State GDP	4.53	2.19	1.50	1.34	1.38	1.51

Percentage of turnover to State GDP has been declining steadily.

1.15 Losses incurred by State working PSUs during 2003-04 to 2008-09 are given below in a bar chart.



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

The State working PSUs collectively incurred continuous losses from 2004-05 to 2008-09 which decreased from Rs. 1008.81 crore in 2003-04 to Rs. 628.62 crore in 2008-09. As per latest finalised accounts as on 30 September 2009, out of 23 working PSUs, eight PSUs earned profit of Rs. 40.85 crore and 14 PSUs incurred loss of Rs. 669.47 crore. One company⁹ had not finalised its first accounts so far. The major contributors to profit were Bihar State Financial Corporation (Rs. 28.28 crore), Bihar State Mineral Development Corporation Limited (Rs. 9.29 crore) and Bihar State Beverages Corporation Limited (Rs. 1.51 crore). Heavy losses were incurred by Bihar

⁷ Turnover as per the latest finalised accounts as of 30 September.

⁸ Figures of State GDP at current price, 2007-08(Provisional), 2008-09(Quick estimate)

⁹ Bihar Health Projects Development Corporation Limited.

State Electricity Board (Rs. 584.70 crore) and Bihar State Road Transport Corporation (Rs. 55.74 crore).

1.16 The losses of PSUs are mainly attributable to deficiencies in financial management, planning, implementation of project, running their operations and monitoring. A review of latest Audit Reports of CAG shows that the State PSUs incurred losses to the tune of Rs. 203.55 crore and infructuous investment of Rs. 61.26 crore which were controllable with better management. Year wise details from Audit Reports are stated below.

(Rs. in crore)				
Particulars	2006-07	2007-08	2008-09	Total
Net loss	121.68	907.87	628.62	1658.17
Controllable losses as per CAG's Audit Report	72.27	26.68	104.60	203.55
Infructuous Investment	0.5	60.41	0.35	61.26

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

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

(Rs. in crore)						
Particulars	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Return on Capital Employed (Per cent)	Nil ¹⁰	Nil	16.94	17.68	Nil	7.44
Debt	6520.72	4796.29	7724.63	8012.25	8152.92	8614.53
Turnover ¹¹	2998.38	1601.99	1202.49	1337.29	1587.96	1996.59
Debt/ Turnover Ratio ¹²	2.17:1	2.99:1	6.42:1	5.99:1	5.13:1	4.33:1
Interest Payments	-	525.91	301.93	613.25	924.16	918.70
Accumulated losses	9612.24	5165.94	1584.62	1686.94	2956.74	3593.15

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

1.19 As per the latest finalised accounts as of 30 September 2009, total return on capital employed of all PSUs worked out to Rs. 265.57 crore as compared to total negative return of Rs. 2632.96 crore in 2003-04. The debt/turnover ratio of all PSUs has increased from 2.17:1 to 4.33:1 which indicates the increased pressure on profit margins.

1.20 The State Government has not formulated any dividend policy under which all PSUs are required to pay a minimum dividend. As per their latest

¹⁰ Nil indicate the negative ROCE.

¹¹ Turnover of working PSUs as per the latest finalised accounts as of 30 September.

¹² Debt/ Turnover Ratio represents Turnover divided by Debt.

finalised accounts, eight PSUs earned an aggregate profit of Rs. 40.85 crore but no PSU declared dividend.

Performance of major PSUs

1.21 The investment in working PSUs and their turnover together aggregated to Rs. 10437.50 crore during 2008-09. Out of 23 working PSUs, Bihar State Electricity Board accounted for 82.61 *per cent* of aggregate investment *plus* turnover.

(Rs. in crore)

PSU Name	Investment	Turnover	Total (2) + (3)	Percentage to Aggregate Investment plus Turnover
(1)	(2)	(3)	(4)	(5)
Bihar State Electricity Board (BSEB)	7158.50	1464.22	8622.72	82.61

Some of the major audit findings of past years for BSEB are stated in the succeeding paragraphs.

Bihar State Electricity Board

1.22 The Board had arrears of accounts for one year as of September 2009. The arrears were for three years as of September 2006.

The loss of the Board has risen in past three years from Rs. 67.52 crore in 2004-05 to Rs. 584.70 crore in 2007-08. However, the turnover too rose from Rs. 1000.49 crore to Rs. 1464.22 crore during this period. However, the return on capital employed declined from 27.37 *per cent* to 7.63 *per cent*.

1.23 Deficiencies in planning.

- The Board suffered loss of Rs. 5.55 crore due to non-adherence to rules and time barred claims. (Paragraph 4.12 of Audit Report 2006-07)

1.24 Deficiencies in monitoring.

- Galvanised Iron wire worth Rs. 2.39 crore was purchased in excess of requirement (Paragraph 2.1.13 of Audit Report 2007-08).

Conclusion

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

Arrears in finalisation of accounts

1.26 The accounts of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year under Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956. Similarly, in case of Statutory Corporations, their accounts are finalised,

audited and presented to the Legislature as *per* the provisions of their respective Acts. The table below provides the details of progress made by working PSUs in finalisation of accounts by September 2009.

Sl. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Number of Working PSUs	22	22	23	22	23
2.	Number of accounts finalised during the year	27	14	20	13	15
3.	Number of accounts in arrears	190	198	201	195	205
4.	Average arrears <i>per</i> PSU (3/1)	8.64	9.00	8.74	8.86	8.91
5.	Number of Working PSUs with arrears in accounts	22	22	23	22	23
6.	Extent of arrears (years)	1 to 22	1 to 22	1 to 19	1 to 19	1 to 20

1.27 Out of 23 working PSUs (19 Government companies and four corporations) no company/corporation had finalised its accounts for the year 2008-09 as of 30 September 2009. The accounts of 19 working Government companies were in arrears for periods ranging from 1 to 20 years and the average arrears per PSU was increasing from 8.64 in 2004-05 per PSU to 8.91 in 2008-09. The reasons for arrears in accounts are delay in preparation/certification of accounts by the Management/Statutory Auditors, delay in holding of Annual General Meeting, shortage of manpower and non existence of Board of Directors.

1.28 In addition to above, there were also arrears in finalisation of accounts by non-working PSUs. Out of 40 non-working PSUs, 15 had gone into liquidation process. Of the remaining 25 non-working PSUs, arrears of accounts ranged from 14 to 32 years.

1.29 The State Government had invested Rs. 2593.47 crore (Equity: Rs. 99.76 crore, loans: Rs. 1516.55 crore, grants: Rs. 735.74 crore and others: Rs. 241.42 crore) in 29 PSUs during the years for which accounts have not been finalised as detailed in *Annexure 4*. In the absence of accounts and their subsequent audit, it can not be ensured whether the investments and expenditure incurred have been properly accounted for and the purpose for which the amount was invested has been achieved or not and thus Government's investment in such PSUs remain outside the scrutiny of the State Legislature. Further, delay in finalisation of accounts may also result in risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 1956.

1.30 The administrative departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by these PSUs within the prescribed period. Though the concerned administrative departments and officials of the Government were informed every quarter by Audit of the arrears in finalisation of accounts, no remedial measures were taken. As a result of this, the net worth of these PSUs could not

be assessed in audit. The matter of arrears in accounts was also taken up with the Chief Secretary and Secretaries of the administrative departments (October 2009) to expedite the backlog of arrears in accounts in a time bound manner. A meeting was also held between Pr. A.G. (Audit), Bihar, Patna and Principal Secretary/Finance Commissioner (July 2009) regarding liquidation of arrears of accounts.

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

- **The Government may set up a cell to oversee the clearance of arrears and set the targets for individual companies which would be monitored by the cell.**
- **The Government may consider outsourcing the work relating to preparation of accounts wherever the staff is inadequate or lacks expertise.**

Winding up of non-working PSUs

1.32 There were 40 non-working PSUs (companies) as on 31 March 2009. Of these, 15 PSUs have commenced liquidation process. The numbers of non-working companies at the end of each year during past five years are given below.

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
No. of non-working companies	40	40	40	40	40

The non-working PSUs are required to be closed down as their continuance is not going to serve any purpose. During 2008-09, five non-working PSUs¹³ incurred an expenditure of Rs. 2.51 crore towards salary, wages establishment expenditure etc.

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

Sl. No.	Particulars	Companies	Statutory Corporations	Total
1.	Total No. of non-working PSUs	40	-	40
2.	Of (1) above, the No. under			
(a)	liquidation by Court (liquidator appointed)	2	-	2
(b)	Closure, i.e. closing orders/instructions issued but liquidation process not yet started.	13 ¹⁴	-	13

1.34 During the year 2008-09, no company/corporation was finally wound up. The companies which have taken the route of winding up by Court order are under liquidation for a period of more than eight years. The process of voluntary winding up under the Companies Act is much faster and needs to be adopted/ pursued vigorously. The Government may make a decision

¹³ BSF&VDCL, BSIDCL, BSP&CDCL, BSSICL and BSECL.

¹⁴ Sl. No. C - 4, 13, 14, 15, 16, 17, 21, 22, 24, 26, 29, 30 and 31 of Annexure 1.

regarding winding up of remaining 25 non-working PSUs where no decision about their continuation or otherwise has been taken after they became non-working. The Government may consider setting up a cell to expedite closing down its non-working companies.

Accounts Comments and Internal Audit

1.35 Six working companies forwarded their 10 audited accounts to PAG during the year 2008-09. Of these, six accounts of three companies were selected for supplementary audit. The audit reports of statutory auditors appointed by CAG and the supplementary audit of CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of statutory auditors and CAG are given below.

(Amount Rs. in crore)

Sl. No.	Particulars	2006-07		2007-08		2008-09	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	1	0.02	-	-	-	-
2.	Increase in loss	11	7.89	5	3.00	2	4.31
3.	Non-disclosure of material facts	6	13.11	2	8.56	1	10.02
4.	Errors of classification	6	7.13	1	5.80	2	7.87

1.36 During the year 2008-09, all 10 accounts received had been given qualified certificates. The compliance of companies with the Accounting Standards remained poor as there were 12 instances of non-compliance in six accounts¹⁵ during the year.

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

Bihar State Credit and Investment Corporation Limited (2002-03)

- Non-provision for diminution in the value of investment of 18 units has resulted in overstatement of investment and understatement of loss by Rs. 1.00 crore.
- Non-provision for irrecoverable loans and advances has resulted in overstatement of investment and understatement of loss by Rs. 20.47 lakh.
- Non-provision for irrecoverable loans and advances given as seed capital assistance to 11 units which was either closed or under liquidation has resulted in overstatement of loans and advances and understatement of loss by Rs. 79.73 lakh.

¹⁵ Bihar State Credit & Investment Corporation Ltd.(2002-03) , Bihar State Minorities Finance Corporation Ltd.(2002-03),(2003-04),(2004-05) & (2005-06) and Bihar State Textbook Publishing Corporation Ltd.(1997-98).

- Interest on term loan does not include provision for liability of Rs. 2.00 crore on account of “interest tax” payable which resulted in under statement of loss and current liabilities & provisions by Rs. 2.00 crore.

Bihar State Food & Civil Supply Corporation Limited (1988-89)

- Non-writing off of damaged/defective grains resulted in overstatement of inventories and under statement of loss of Rs. 41.94 lakh.

1.38 Similarly, four working statutory corporations forwarded their four accounts to PAG/AG during the year 2008-09. Of these, two accounts of two statutory corporations¹⁶ pertained to sole audit by CAG were under audit (as on 30 September 2009). The remaining two accounts were selected for supplementary audit. The audit reports of statutory auditors and the sole/supplementary audit of CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of statutory auditors and CAG are given below.

(Amount Rs. in crore)

Sl. No.	Particulars	2006-07		2007-08		2008-09	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	-	-	3	16.00	2	14.61
2.	Increase in loss	4	580.18	7	655.24	3	562.74
3.	Non-disclosure of material facts	-	-	2	2.34	2	12.08
4.	Errors of classification	1	8.96	2	4.51	3	67.67

1.39 During the year 2008-09, out of eight accounts¹⁷, qualified certificates in respect of six accounts were issued. Two accounts were under process of finalization of audit comments as on September 2009.

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

Bihar State Electricity Board (2005-06)

- Stock included value of 4.21 lakh MT of non existent quantity of coal shown lying at BTPS under closing stock resulted in overstatement of stock and understatement of loss by Rs. 48.17 crore.

¹⁶ Bihar State Electricity Board and Bihar State Road Transport Corporation

¹⁷ Comments on four accounts of three corporations received in the year 2007-08 were issued after 1.10.2008

- Non-provision for assets not in use being carried forward in the accounts for long period resulted in understatement of loss by Rs. 3.25 crore.
- Receivable against supply of power includes Rs. 77.92 crore being excess delayed payment surcharge (DPS), charged from Kosi Irrigation Project during January, 1988 to March, 2003 resulted in overstatement of sundry debtors and understatement of loss by Rs. 77.92 crore.
- An excess credit of Rs. 51.83 crore was taken in Cash Books during the period April 1983 to March 2003 resulting in overstatement of cash and bank balances and understatement of loss by Rs. 51.83 crore.

Bihar State Electricity Board (2006-07)

- Loans and advances included Rs.1.45 crore being the amount of unbilled voucher in the form of miscellaneous advance lying in the accounts more than 35 to 40 years without any adjustment/recovery. This was turned into fictitious assets resulting in overstatement of loans and advances and understatement of loss by Rs. 1.45 crore.

Bihar State Financial Corporation (2006-07)

- Non provision of advances on capital expenditure which were pending recovery/adjustment since long resulted in understatement of loss as well as overstatement of assets by Rs. 21.69 lakh.

Bihar State Financial Corporation (2007-08)

- Rent receivable included Rs. 1.31 crore towards over due rent being doubtful of recovery for which no provision was made. This resulted in overstatement of rent receivable and profit for the year by Rs. 1.31 crore.
- Other liabilities and provisions was understated to the extent of Rs. 6.27 crore being the amount of interest payable to Government of Bihar on a loan amount of Rs. 71.99 crore and profit for the year was overstated to that extent.

Bihar State Warehousing Corporation (2007-08)

- Other liabilities did not include Rs. 4.28 lakh in respect of rent payable to various parties. Non-provision of rent payable resulted in understatement of liabilities and overstatement of profit by Rs. 4.28 lakh.

1.41 The Statutory Auditors (Chartered Accountants) are required to furnish a detailed report upon various aspects including internal control/internal audit systems in the companies audited in accordance with the directions issued by the CAG to them under Section 619(3) (a) of the Companies Act, 1956 and to identify areas which needed improvement. An

illustrative resume of major comments made by the Statutory Auditors on possible improvement in the internal audit/ internal control system in respect of five companies¹⁸ for the year 2007-08 and nine companies¹⁹ for the year 2008-09 are given below.

Sl. No.	Nature of comments made by Statutory Auditors	Number of companies where recommendations were made	Reference to serial number of the companies as per Annexure 2
1.	Non-fixation of minimum/maximum limits of store and spares	1	A-19
2.	Absence of internal audit system commensurate with the nature and size of business of the company	3	C-4, C-5 & C-16
3.	Non maintenance of cost record	3	A-8, C-4 & C-16
4.	Non maintenance of proper records showing full particulars including quantitative details, situations, identity number, date of acquisitions, depreciated value of fixed assets and their locations	8	A-4, A-6, A-8, A-11, A-13, A-19, C-5, C-16

Recoveries at the instance of audit

1.42 During the course of propriety audit in 2008-09, recoveries of Rs. 37.14 crore were pointed out to the Management of various PSUs, of which, recoveries of Rs. 14.49 crore were admitted by PSUs. An amount of Rs. 2.97 crore was recovered during the year 2008-09.

Status of placement of Separate Audit Reports

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

Sl. No.	Name of Statutory corporation	Year up to which SARs placed in Legislature	Year for which SARs not placed in Legislature		
			Year of SAR	Date of issue to the Government	Reasons for delay in placement in Legislature
1.	Bihar State Electricity Board	1999-2000	2000-01 2001-02 2002-03 2003-04 2004-05 2005-06 2006-07	30.06.2004 12.03.2007 24.10.2007 20.02.2008 29.04.2008 15.01.2009 26.05.2009	Yet to be placed in legislature.
2.	Bihar State Warehousing Corporation	2006-07	2007-08	29.04.2009	-do-

¹⁸ Sr. No. A-1, A-9, A-11, A-17 & C-2 in Annexure – 2.

¹⁹ Sr. No. A-4, A-6, A-8, A-11, A-13, A-19, C-4, C-5 & C-16 in Annexure – 2.

3.	Bihar State Financial Corporation	2005-06	2006-07 2007-08	30.09.2008 21.05.2009	-do-
4.	Bihar State Road Transport Corporation	1973-74	1974-75 to 2001-02 (28) Details 1991-92 1992-93 1993-94 1994-95 1995-96 1996-97 1997-98 1998-99 1999-00 2000-01 2001-02	9.6.1997 2.9.1998 2.9.1998 4.12.1998 18.4.2000 19.3.2004 19.10.2004 12.04.2005 07.10.2005 24.09.2007 26.10.2007	Copies of reports have not made available by the corporation to the Government for placement in the legislature.

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

Disinvestment, Privatisation and Restructuring of PSUs

1.44 The State Government did not undertake the exercise of disinvestment, privatization and restructuring of any of its PSUs during 2008-09. Subsequent to the formation of Jharkhand State, restructuring of all the PSUs was to be taken up. The decision on the division of assets and liabilities as well as of the management of 12 companies/corporations was taken in September 2005. The implementation, however, has been done only in the case of four companies/corporations²⁰ (September, 2009).

Reforms in Power Sector

1.45 The State has Bihar Electricity Regulatory Commission (BERC) formed in April 2002 under the Section 17 (1) of Electricity Regulatory Commission Act, 1998 with the objective of rationalization of electricity tariff, advising in matters relating to electricity generation, transmission and distribution in the State and issue of licenses. During 2008-09, BERC issued one order on annual revenue requirements and on others no orders were issued on others.

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

Sl. No.	Milestone	Achievement as at March 2009
1.	State Electricity Regulatory Commission (SERC)	The State Electricity Regulatory Commission (SERC) has been constituted vide Govt. of Bihar notification No. 1284 dated 15 th April, 2002. The commission has notified last tariff order for the year 2008-09 on 26.8.2008.
2.	Rural	Out of 39,015 numbers of villages, 20,959 villages have

²⁰ Bihar Rajya Beej Nigam Ltd., Bihar State Hydroelectric Power Corporation Ltd., Bihar State Text Book Publishing Corporation Ltd. and Bihar State Warehousing Corporation.

	Electrification Programme	been electrified (March 2009).
3.	Reorganization of the Board	Govt. of Bihar has appointed Power Finance Corporation as consultant for reorganization of the Board and the work is under process.
4.	Securitization of outstanding dues of Central Power Sector Undertakings	Securitization of outstanding dues of Central Power Sector undertakings to the tune of Rs. 2075.61 crore has been made by the Govt. of Bihar.
5.	100 per cent metering of all 11 KV distribution feeders and 100 per cent metering of all consumers	The installation of meters in 11 KV distribution feeders is still in progress (September 2009).
6.	Energy audit	Energy audit could not be implemented, as metering of 11 KV feeders has not been completed. (September 2009)
7.	Reduction in transmission and distribution (T&D) losses up to 15.5 per cent	The T&D losses of the Board for the year 2006-07 was 42.61 per cent which has been reduced to 39.06 per cent during the year 2007-08. BERC has set the target of T&D losses at 38 per cent for the financial year 2008-09 and 35 per cent for the financial year 2009-10. So far the targets could not be achieved.
8.	Three per cent return on fixed assets	The Board has not achieved three per cent return on fixed assets upto the year 2007-08.
9.	Distribution Information Management System	The Board awarded the work of SCADA ²¹ /DMS ²² for two ²³ circles and IT Implementation and feasibility report for DMS/SCADA for Seven ²⁴ circles along with other work under APDRP to PGCIL ²⁵ in December 2003. The installation of SCADA/DMS in two circles was under progress and IT implementation in other seven circles was also in progress. (September 2009)
10.	Minimum agriculture tariff of 50 Paise per unit	The State Electricity Regulatory Commission (SERC) has approved 125.94 Paise/unit for agriculture services for the year 2008-09.

From the above, it could be seen that the State Electricity Board has not achieved milestones as per MOU signed between the Union Ministry of Power and the State Government as a joint commitment for implementation of reforms programme in power sector.

Discussion of Audit Reports by COPU

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

²¹ Supervisory Control and Data Acquisition System.

²² Data Management System.

²³ Patna Electricity Supply Unit (East) and Patna Electricity Supply Unit (West)

²⁴ Bhagalpur, Chapra, Darbhanga, Gaya, Purnea, Rohtas and Saharsa.

²⁵ Power Grid Corporation of India Limited.

Period of Audit Report	Number of reviews/ paragraphs			
	Appeared in Audit Report		Paras discussed	
	Reviews	Paragraphs	Reviews	Paragraphs
1981-82	5	8	1	8
1982-83	8	18	4	18
1983-84	4	34	2	30
1984-85	3	9	2	8
1985-86	3	21	-	18
1986-87	6	29	-	24
1987-88	5	23	2	17
1988-89	4	44	-	44
1989-90	6	48	-	38
1990-91	4	39	-	36
1991-92	4	49	1	34
1992-93	5	31	-	23
1993-94	3	32	-	28
1994-95	3	19	1	13
1995-96	3	21	1	14
1996-97	3	21	1	4
1997-98	2	25	-	2
1998-99	6	15	-	9
1999-2000	3	15	1	-
2000-01	2	13	-	-
2001-02	3	9	-	-
2002-03	3	7	-	-
2003-04	3	10	-	-
2004-05	3	9	1	6
2005-06	4	10	-	-
2006-07	3	13	-	-
2007-08	2	13	-	-
Total	103	585	17	374

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

Chapter-II

Performance review relating to Government company

2. Bihar State Tourism Development Corporation Limited

Executive Summary

The Bihar State Tourism Development Corporation Ltd. (Company) was incorporated as a wholly owned Government Company in November 1980 to promote tourism in the State by providing accommodation, catering, transport services to tourists, development of places of tourist interests etc. As on 31 March 2009, Company had 19 properties in the State.

The performance audit was conducted to assess the economy, efficiency and effectiveness of infrastructure projects undertaken, leased out assets, profitability of hotel operation and transport services of the Company.

Financial performance

As on 31 March 2009 the paid-up share capital of the Company was Rs. five crore with Reserves and Surplus at Rs. 4.74 crore.

The Company suffered a loss of Rs.0.43 crore during 2005-06 but posted a profit of Rs. 0.66 crore in the year 2006-07. The profits increased to Rs. 1.45 crore in 2008-09 and was mainly due to an increase in earnings from transport and ropeway unit.

Important projects, schemes, and activities

The company being a nodal agency receives fund from the Ministry of Tourism (MoT), GoI and the State Government for development of infrastructural facilities. The utilisation percentage of available funds ranged between a dismal 1.34 per cent and 23.52 per cent. Thus, despite availability of funds, the Company failed to commence projects.

Performance of hotels and other services

The targeted occupancy level of 60 per cent could not be achieved in almost all the hotels of the company during the period 2004-05 to 2008-09. The target of occupancy was never reviewed by the Board. Further, non-achievement of the minimum targeted occupancy levels resulted in a potential loss of revenue of Rs. 5.15 crore during the period 2004-09.

Growth of tourism and share of the Company

Though tourism is recognised as an industry, the Government had not laid down any tourism policy for the State. Despite a 52.76 per cent increase in tourist inflow during 2004-05 to 2008-09, the percentage of tourists availing company's accommodation facilities remained abysmally low and stood in the range of 0.43 and 0.51 per cent for domestic tourists and 0.60 and 3.73 per cent for foreign tourists.

Poor management of lease

The Company had leased out five hotels, three restaurants and other properties like shops, youth hostels etc. The company had neither carried out any Cost-Benefit Analysis (CBA) prior to leasing out its prime properties. As many as 19 properties were leased out without entering into lease agreements.

Performance of the Transport Services

Earnings from the transport wing comprised 27.55 per cent of the total income of the company during the period 2004-09. Apart from providing its own vehicles, the company also hired vehicles from third parties on commission basis.

The transport division had been incurring losses up to 2006-07 but posted a profit of

Rs. 0.40 crore during 2008-09 which was mainly attributable to the increase in business of pre-paid taxi services and chartered sale (i.e. outside vehicle).

Conclusion

Despite 30 years of its existence, the company has failed to meet the challenges and standards of the private sector. The tourist potential of the State remained largely untapped due to lack of planning and professional approach in the management of the Company.

Audit recommends that the Company should endeavour to (a) Finalise the

State Tourism Policy and prepare a long-term perspective plan/road maps defining targets to be achieved, (b) Infuse professionalism in management with a view to provide qualitative services, (c) Adopt aggressive marketing and publicity practices to attract tourist and promote tourism in the State and undertake serious efforts to improve the process involved in planning and execution of the infrastructural projects with an aim to avoid procedural delays and to complete the projects in due time.

Introduction

2.1 The Bihar State Tourism Development Corporation Ltd. (Company) was incorporated as a wholly owned Government Company in November 1980 with the main objective of promoting tourism in the State by providing accommodation to tourists, developing places of tourist interest and providing transport and catering services either owned, or acquired from the Department of Tourism (DoT) and other Departments of Government of Bihar on profitable lines. The ancillary objectives of the Company included, *inter alia*, planning and execution of schemes for development of tourist complexes and tourist resorts, printing and publishing of pamphlets, books, and other materials needed by tourists and travellers, carrying on the business of producing, distributing and exhibiting cine films, documentaries and running boats, swimming pools, etc.

As on 31 March 2009, Company had 19 hotels (12 self-managed, five leased-out and two closed) spread over different locations of the State comprising of 165 Rooms (64 Air-conditioned (AC), 79 Non-AC and Dormitories) with 481 bed capacity. Company also had 11 restaurants attached to its hotels (eight self-managed and three leased out).

Organisational set-up

2.2 The management of the Company is vested with the Board of Directors (Board). As on 31 March 2009, the Board consisted of six directors including one professional and two from public nominated by the Government of Bihar. The Chairman cum Managing Director (CMD), the Chief Executive Officer of the Company is assisted by the General Manager, Dy. General Manager (Finance & Accounts), Manager (Admn.) and a Chief Engineer (appointed on contract basis) in the day to day working of the Company.

Scope of Audit

2.3 A sectoral Review on Catering and Occupancy Performance of the Company featured in the report of the Comptroller and Auditor General of India (Commercial), Government of Bihar, for the year 1998-99 and a

comprehensive Review on the activities of Company appeared in the Report for the year 2003-04. Both of these Reviews have not yet been examined by the Committee on Public Undertakings (CoPU).

Present Performance Audit of the Company was carried out during the period March 2009 to August 2009 and covers the overall performance of the Company during the last five years with an emphasis on infrastructure development activities, room occupancy, catering services etc. Audit examined the records maintained at the corporate office and seven¹ of 12 self-managed hotels and one out of the two Transport units. The basis of sample selection adopted was revenue generation, renovation, and modernisation programme and tourist potentiality.

Since the annual accounts of Company from the year 1995-96 onwards were in arrears, Audit had to base its performance review on the provisional accounts furnished by the management for the years 2004-05 to 2008-09.

Audit Objectives

2.4 The objectives of performance audit of the Company were to assess as to whether:-

- the infrastructural projects undertaken by the Company were executed economically, efficiently and effectively and that there was no undue delay or cost over-run in the execution.
- the leased assets of the Company were managed economically and efficiently.
- the hotels of the Company were able to achieve their targets of occupancy.
- the transport units of the Company were managed on profitable lines.
- the Company had a well defined marketing / developmental strategy to promote the State as a favoured tourist destination.

Audit criteria

2.5 The criteria considered for assessing the achievement of audit objectives were as follows:

- Tourism policy of the State Government and its directions;
- Guidelines for release of funds for projects/ schemes under Central Financial Assistance and schemes assisted by the Department of Tourism, Government of Bihar;

¹ Hotel Kautilya Vihar-Patna, Hotel Tathagat Vihar-Rajgir, Hotel Siddharth Vihar-Bodhgaya, Hotel Lichhavi Vihar-Muzaffarpur, Hotel Kaimur Vihar-Mohania, Hotel Kosi Vihar-Saharsa, Hotel Vishwamitra Vihar-Buxar.

- Targets of occupancy and revenue set by the Company for its units / hotels;
- Basis of fixation of tariffs, norms for expenditure on POL (petrol, oil, lubricant) repairs and maintenance of vehicles with respect to transport division of the Company;
- Marketing policy of the Company, expenditure incurred towards promotion of tourists in the State *viz.* advertisements, souvenirs, pamphlets, bulletins *etc.*

Methodology of Audit

2.6 The following mix of methodologies was adopted for attaining the audit objectives:

- Review of Tourism Policy of the State Government, and/ or Guidelines/ Directions issued by the Ministry of Tourism/ State Government.
- Examination of the agenda and minutes of the meetings of the Board of Directors, monthly review meetings, Budgets, Targets and Report submitted by the units.
- Scrutiny of the agreements with the contractors entered by the Company, project execution files, detailed project reports (DPRs), technical sanctions; measurement books (MBs) *etc.*
- Scrutiny of the files relating to the grants received from the Central/ State agencies, utilisation certificates *etc.*

Audit Findings

2.7 The objectives of performance audit undertaken were discussed in an entry conference (June 2009). Audit findings emerging from the performance review were reported (August 2009) to the management and discussed (November 2009) in the exit conference, attended by the Principal Secretary, Department of Tourism, Government of Bihar, who is also the CMD of the Company. The views expressed by the management / Government have been taken into consideration while finalising the review. Audit findings emerging from scrutiny of different activities of the Company are discussed in succeeding paragraphs.

Financial position and working results

Capital Structure

2.8.1 As on 31 March 2009 the authorised and paid-up share capital of the Company was Rs. five crore divided into five lakh equity shares of Rs. 100 each. Besides, there were Reserves and Surplus of Rs. 4.74 crore (Subsidy Rs. 0.58 crore and General Reserves: Rs. 4.16 crore) with it.

Financial position

2.8.2 The financial position of the Company as per provisional accounts for the period of five years up to 2008-09 is given in **Annexure-7**. Audit observed that:

- The Company had sundry debtors of Rs. 1.77 crore as on 31 March 2008 including Rs. 0.44 crore pending for recovery for more than 10 years, which were not being pursued for want of necessary details. Of the total sundry debtors of Rs. 1.77 crore, 1.06 crore (60 per cent) pertained to Govt. Departments. Audit is of the opinion that the Company was not aggressive in realisation of its debts. The Company had also not adopted any system of obtaining confirmation of dues from its debtors.
- although the Company's units/ hotels were not permitted to allow credit in respect of tariffs for its rooms, yet the total amount recoverable in respect of unauthorised credit allowed by 12² of its hotels as on 31 March 2009 stood at Rs. 0.35 crore.

The summarised position of the working results (provisional) of the Company for the last five years up to 2008-09 is as below:

(Amount: Provisional – Rs. in crore)

	PARTICULARS	2004-05	2005-06	2006-07	2007-08	2008-09
A	Total Income	4.51	4.18	4.26	5.58	6.36
B	Total Expenses	4.44	4.61	3.44	3.90	4.30
C	Net Profit	0.07	(0.43)	0.82	1.68	2.06
D	Prior Period Adjustment (Net)	0.06	(0.0013)	(0.0078)	0.21	0.14
E	Provision For Taxes	0.05	0.0034	0.15	0.72	0.75
F	Profit after prior period adjustment and provision for taxes	0.08	(0.43)	0.66	1.17	1.45

Audit analysis showed that in 2006-07 the Company increased its profit margin which was mainly because of a substantial reduction in its establishment and maintenance expenditure. Profit of the Company increased from Rs. 0.66 crore in the year 2006-07 to Rs. 1.45 crore in the year 2008-09 which was attributable to increase in earnings especially from the Transport and Ropeway unit.

Important Projects, Schemes and Activities

Infrastructure development activities

2.9.1 The Company being a nodal agency, receives fund from the Ministry of Tourism (MoT), Government of India and the State Government for development of infrastructural facilities (*viz.* hotels, wayside facilities, tourist information centres, tourist complexes *etc.*) to promote tourism in the State. Details of funds received by the Company on account of centrally assisted and

² Hotel Kautilya Vihar-Patna, Hotel Tathagat Vihar-Rajgir, Hotel Siddharth Vihar-Bodhgaya, Hotel Lichhavi Vihar-Muzaffarpur, Hotel Valmiki Vihar, Valmikinagar, Hotel Sujata Vihar, Bodhgaya, Hotel Vishwamitra Vihar-Buxar, Hotel Koshi Vihar-Saharsa, Hotel Budha Vihar-Bodhgaya, Hotel Ajatshatru Vihar- Rajgir, Hotel Gautam Vihar-Rajgir, Hotel Kaimur Vihar-Mohania

the State Government projects and the expenditure incurred during 2004-05 to 2008-09 are given below:-

(Amount: Provisional – Rs. in crore)

Utilisation of the infrastructure fund was low and ranged between 1.34 to 23.52 per cent during 2004-05 to 2008-09.

Year	Opening Bal.	Funds Recd.	Total funds available	Expenditure	Closing Bal.	Utilisation percentage with respect to availability of funds
2004-05	3.66	15.05	18.71	2.63	16.08	14.06
2005-06	16.08	3.80	19.88	3.75	16.13	18.86
2006-07	16.13	1.05	17.18	9.29 ³	7.89	1.34
2007-08	7.89	12.05	19.94	4.69	15.25	23.52
2008-09	15.25	16.92	32.17	6.27	25.90	19.49

The utilisation percentage of available funds ranged between a dismal 1.34 per cent and 23.52 per cent which was indicative of poor planning and monitoring by the Company in execution of infrastructure development projects during all the five years.

This was further substantiated from the number of projects sanctioned, taken-up, completed and those remaining incomplete as detailed in the table given below:

(Amount: Provisional – Rs. in crore)

Projects	Central Government		State Government		Total		
	Number	Amount released	Number	Amount released	Number	Amount released	Amount utilised
Sanctioned	14	9.66	31	20.37	45	30.03	6.06
Taken up	10	3.56	27	15.57	37	19.13	6.06
Completed	5	1.19	8	1.44	13	2.63	2.51
Incomplete	5	2.37	19	14.13	24	16.50	3.55
No taken up	4	6.10	4	4.80	8	10.90	--

Out of Rs. 30.03 crore received against 45 projects, the company utilised Rs. 6.06 crore on 37 projects.

Out of the 45 projects, the Company undertook 37 projects (Central: 10 and State: 27) of which 13 projects (Central: five and State: eight) were completed at a cost of Rs. 2.51 crore against released amount of Rs. 2.63 crore. The remaining 24 projects (Central: five and State: 19) were in different stages of completion and the expenditure incurred on these was Rs. 3.55 crore against Rs. 16.50 crore released. The Company did not take up eight (Central: four and State: four) projects. As a result, Rs. 10.90 crore remained unspent. Further, out of 10 centrally assisted projects, seven projects sanctioned during 1997-2001 remained incomplete for seven to eleven years and spilled over from 2004-05 to 2008-09.

Audit observed that apart from the above projects, the Company received a sum of Rs. 8.84 crore up to 2007-08 for another 35 infrastructural projects (Annexure-8). Despite availability of funds, the Company failed to commence these projects up to March 2009 due to various reasons like non-availability of land and shortage of staff in the engineering division of the Company.

- As on 31 March 2008, a corpus pertaining to the various infrastructural projects to the tune of Rs. 15.18 crore was lying with the Company in fixed deposits. The Company has not evolved any system of identifying the funds parked in its fixed deposit accounts against specific projects.

³ Figure includes Rs. 9.06 crore being the amount of refund on account of surrender of various projects during 2006-07 which pertained to earlier years and amount to the tune of Rs. 0.23 crore only were incurred on the projects.

- The Company did not have any long-term plan with respect to execution of its infrastructure development activities and the monitoring done by the Company management of these projects was also poor.
- Non completion of a number of these projects denied the Company substantial potential revenue.

Delay in submission of utilisation certificate

2.9.2 The revised Guidelines for release of Central Financial Assistance (CFA) to States / UTs under various plans / schemes operated by the Ministry of Tourism provides (January 1999) for release of 30 *per cent* of the approved Central Assistance on approval of the projects and second instalment of 50 *per cent* on receipt of utilization certificate for the amount released. Further, for approval of proposed projects involving construction activities, the State / UTs have to submit information/documents *viz.* certificate to the effect that a piece of land for the proposed project without encumbrances is available with the State / UTs and an undertaking that the work would be started within six months from the sanction of the projects.

Delay in submission of utilisation certificate resulted in non release of funds of Rs.0.57 crore from GoI.

Audit observed that the Company did not submit utilisation certificates in due time in respect of Rs. 0.95 crore received for five⁴ projects. These projects could not be started in time because of land availability issues and as a result the second instalment of CFA to the tune of Rs. 0.57 crore was not released (2004-05) to the Company and the intended benefits from the proposed projects could not be derived.

Management stated (November 2009) that the utilisation certificates had already been sent to the Government for needful. But the fact remains that the Company failed to submit the utilisation certificate in due time.

Diversion of funds

The Company incurred excess expenditure of Rs. 3.34 crore on various projects by diverting funds from other projects

2.9.3 As per the CFA guidelines as well as the DoT directives, the fund released for a specific purpose should be utilised strictly for the relevant purpose. No diversion of fund for any other purpose is permissible without the specific consent of the appropriate authority. Audit observed that the Company had incurred expenditure in excess of the fund provided for the specific projects to the tune of Rs. 3.34 Crore (up to March 2009) as detailed in **Annexure-9**.

Thus, there had been diversion of funds from the one project to another without specific sanction of the appropriate authority thereby resulting in excess expenditure of Rs. 3.34 crore in respect of various projects.

⁴ Development and Beautification of Tourist Spot Guneri (Gaya), Construction of Tourist Complex cum Tourist Reception Centre, Purnia, Construction of Tourist Complex cum Tourist Reception Centre Matsyagandha (saharsa), Construction of wayside facility at Patna on NH-30, Construction of Tourist Information Centre, Muzaffarpur.

Management admitted the facts and stated (November 2009) that the expenditure had been incurred in excess of the funds provided for the specific project so as to avoid the cost over-run in anticipation of reimbursement of amount including post approval from the Government.

2.9.4 Delay in completion of the project/ Cost Over-run of the project

(Amount: Rs. in Crore)

Sl No	Projects	Year of Sanction	Original Estimate	Schedule Date of Completion	Revised Estimates	Actual Date of Completion	Expenditure Incurred	Cost Over-Run	Time Over-Run
1	Wayside Facility, Mahesh Khunt, Khagaria	2004-05	0.39	August 2009	0.97	Incomplete	0.44	0.57	--
2	Tourist Information Centre, Muzaffarpur	1999-00	0.39	February 2006	0.51	Incomplete	0.08	0.12	--
3	Surya Vihar Aurangabad	1998-99	0.36	June 2006	0.44	December 2008	0.51	0.15	2 years 6 months
4	Tourist facilities at Gangaghat	1997-98	0.29	April 2008	0.17	Work not yet started	--	--	--
5	Wayside facilities, Kishanganj	2004-05	0.64	February 2010		Work not yet started	--	--	--
6	Wayside facilities at Patna Bye-pass (NH-30)	2000-01	0.41	March 2006	--	Work started but stopped	0.08	--	--
	TOTAL							0.84	--

It can be seen from the table that:

Three projects suffered a cost over-run of Rs. 0.84 crore.

- Three⁵ of the test checked projects, suffered a cost over-run of Rs. 0.84 crore. Two of these were yet to be completed (August 2009).
- Four⁶ of the test checked projects, suffered a time over-run / delay in completion ranging from two years to 10 years. Two of these projects namely “Construction of Tourist facilities at Gangaghat” and “Construction of Way-side facilities at Kishanganj” despite being sanctioned in 1997-98 and 2004-05 respectively had not even started (August 2009).
- These delays in execution of projects were due to various reasons with non-availability of land, shortage of manpower, poor planning and monitoring being the major ones.

Management admitted (November 2009) the facts.

Inefficiency in Projects Planning and Execution

Construction of way-side facility at Maheshkhunt, Khagaria

2.9.5 Project for construction of Wayside Facilities in Maheshkhunt, Khagaria was sanctioned at an estimated cost of Rs. 0.39 crore in March 2005. A sum of Rs. 0.39 crore for the said project was released to the Company in

⁵ Wayside Facility, Mahesh Khunt, Khagaria; Tourist Information Centre, Muzaffarpur; Surya Vihar Aurangabad.

⁶ Surya Vihar Aurangabad ; Tourist facilities at Gangaghat; Wayside facilities, Kishanganj; Wayside facilities at Patna Bye-pass (NH-30).

2004-05 and the project was to be completed in 15 months. The work of construction of facility was not completed even after 57 months (December 2009).

Deficient planning and incorrect estimates led to time over-run and cost over-run of the project resulting in a potential loss of Rs. 0.16 crore.

Audit noticed faulty estimates and deficient planning with no site inspection and feasibility study being done prior to work commencement which led to inclusion of additional work as well as changes in the scope of original work in order to make the project commercially viable. This resulted in cost over-run of Rs. 0.57 crore (144.37 *per cent*). The Company suffered potential revenue loss of Rs. 0.16 crore⁷ for the period October 2006 to March 2009.

Management in its reply while admitting the facts stated (November 2009) that site protection works and approach road to the hotel could not be included in the purview of the contract due to fund limitation and the same had been tendered out separately and as such do not constitute the part of the original contract. The reply is not acceptable in Audit since site protection work, approach road etc constitute an integral part of any civil project so as to make the same commercially viable. The said work had been purposefully excluded from the scope of the original contract as with their inclusion deviation from the original cost of the project would have been very high.

Audit suggests that prior to taking up a project, a detailed project report / feasibility report based on site-inspection/survey should be prepared by the Company.

Development of tourist facilities at Gangaghat

2.9.6 The project “Development of Tourist Facilities at Gangaghat” was sanctioned in the 1997-98 for a sum of Rs. 0.29 crore. A sum of Rs. 0.05 crore was released to the Company in January 2004 as the Central Government component and Rs. 0.15 crore was released up to March 2006 as the State Government component. The work was awarded in July 2004 at an agreed value of Rs. 0.21 crore. However, work could not be taken up immediately on account of non-transfer of the title of the land in favour of the Company.

Audit observed (August 2009) that construction activities on site have still not commenced. Thus, lapses on the part of the Company with reference to:

- false declaration submitted by the Company to the Government of India regarding availability of land for the project; and
- consequent procedural delays in obtaining the title of the land as well as the finalisation of tender,

Delay in execution of the project led to blocking-up of fund of Rs. 0.20 crore for six years.

the project not only suffered an abnormal delay of almost ten years but this also led to the blocking-up of public fund to the tune of Rs. 0.20 crore for almost six years.

⁷ Based on assumption that the 8 rooms and 1 Dormitory (12 Beds) would have been occupied at an estimated occupancy rate of 60 *per cent*, their tariff being at a rate of Rs. 300 per Room and Rs.50 per Bed per day respectively.

Management in its reply has also admitted the facts.

Audit suggests that undue delay in tender finalisation process should be avoided and the project should be adequately monitored for timely completion.

Surrender of projects

Deficient planning, lack of competent personnel and poor monitoring and supervision led to blocking up of fund of Rs. 11.27 crore for two years.

2.9.7 Audit observed that four⁸ Centrally Financially Assisted Projects worth Rs. 11.27 crore were surrendered to the Department in December 2006 after partial execution.

Thus, funds to the tune of Rs. 11.27 crore remained idle with the Company for almost two years (December 2004 to December 2006). Reasons for non-execution of the project were mainly attributable to:-

- Deficient planning as well as poor assessment of technical requirements on the part of the Company as regards the execution of these projects. No feasibility reports were prepared and no prior site inspections were done before taking up the project.
- Lack of skilled manpower and shortage of staff in the engineering division of the Company.
- Procedural delays in finalisation of tender; and
- Poor monitoring of work by higher authorities since no significant progress had been made up to a period of two years from the date of receipt of fund for the same.

Management in its reply (November 2009) admitted the facts.

Audit suggests that engineering cell should be adequately equipped with quality manpower to achieve and execute projects.

Performance of hotel, catering and other services

2.10 The segment-wise operational performance of the Company during the last five years up to 2008-09 was as under:

(Amount: Provisional – Rs. in Crore)

Income											
Year	Total Income	Accommodation		Catering		Transport		Ropeway		Others	
		Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
2004-05	4.52	1.04	23.01	0.30	6.64	0.98	21.68	0.62	13.72	1.58	34.95
2005-06	4.18	1.13	27.03	0.27	6.46	1.41	33.73	0.62	14.83	0.75	17.93
2006-07	4.26	1.35	31.69	0.36	8.45	1.13	26.53	0.86	20.19	0.56	13.14
2007-08	5.58	1.52	27.24	0.35	6.27	1.43	25.63	1.10	19.71	1.18	21.15
2008-09	6.36	1.65	25.94	0.36	5.66	1.91	30.03	0.91	14.31	1.53	24.06
Total	24.90	6.69	26.87	1.64	6.59	6.86	27.55	4.11	16.50	5.60	22.49
Expenditure											
2004-05	4.44	0.88	19.82	0.20	4.50	1.12	25.23	0.22	4.95	2.02	45.50
2005-06	4.62	0.95	20.56	0.23	4.98	1.50	32.47	0.25	5.41	1.69	36.58
2006-07	3.44	0.80	23.26	0.25	7.27	1.21	35.17	0.20	5.81	0.98	28.49
2007-08	3.90	0.81	20.77	0.22	5.64	1.10	28.21	0.20	5.13	1.57	40.25

⁸ Tourist Complex Vishnu Vihar, Bodhgaya; Manersharif Project; Eco-tourism development, Valmikinagar; Construction of Bhimbandh, Munger

2008-09	4.30	0.89	20.70	0.24	5.58	1.51	35.12	0.22	5.12	1.44	33.48
Total	20.70	4.33	20.92	1.14	5.51	6.44	31.11	1.09	5.27	7.70	37.19

It can be seen from the above that accommodation and transport services altogether contributed more than 50 *per cent* of the total income of the Company. Further, 22.49 *per cent* of income was from other services viz. supervision charges received in respect of execution of projects, lease rentals etc.

Occupancy level

2.10.1 The Board of Directors of the Company had fixed (November 1992) the normal occupancy target for its units/ hotels at 60 *per cent*. The occupancy percentage (actual) of the 11 self-managed hotels of the Company for the period 2004-05 to 2008-09 is shown in **Annexure -10**.

Audit observed that:-

- As against the occupancy target of 60 *per cent* the actual occupancy of rooms of nine self-managed hotels of the Company ranged from 16 *per cent* to 58 *per cent* and the actual occupancy of Dormitory beds in respect of its eight self-managed hotels ranged between nine *per cent* to 56 *per cent* during the period 2004-05 to 2008-09, except three self-managed hotels where the occupancy percentage exceeded 60, the main reasons of which was the use by State administrative departments. The target of occupancy was never reviewed by the Board and the efforts made by the Company in increasing the occupancy were inadequate as the targeted occupancy could not be achieved in almost all the hotels of the Company.
- The non-achievement of the targeted occupancy (60 *per cent*) of the Company in respect of its self-managed hotels also resulted in a potential loss of revenue to the Company to the tune of Rs. 5.15 crore (**Annexure – 11**) during the period 2004-05 to 2008-09.
- All the units were lagging behind the budgeted revenue targets set by the management during the period 2004-05 to 2008-09. Audit also observed that the percentage of units which could not achieve the targeted income ranged between 50 *per cent* and 92 *per cent* during the period 2004-05 to 2008-09 (**Annexure – 12**).

The Company could not achieve its targeted occupancy of sixty *per cent* resulting in loss of potential revenue of Rs. 5.15 crore.

Growth of tourism and share of the Company

2.10.2 Though tourism is recognised as an industry, the Government has not laid down any tourism policy for the State and the same is still under stage of final approval. A note appeared in the Report of the Comptroller and Auditor General of India (Commercial), Government of Bihar, for the year 2003-04 that Rs. 0.12 crore was made available to the Company (May 1998) for preparation of Master Plan, out of which only Rs. 0.04 crore was utilised by it up to March 2004. Since then, no further expenditure has been made and even

after 30 years of its incorporation, the Company has not been able to prepare any master plan for growth of tourism in the State.

The number of tourists visiting the State vis-à-vis those who availed the accommodation facilities in the Company's hotels during the period of review i.e. 2004-05 to 2008-09 is detailed in the table given below:-

(Figures in Numbers)

Sl. No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1	Number of Tourists ⁹ visited Bihar					
	(a) Domestic	79,93,082	90,13,749	1,02,73,143	1,13,11,472	1,19,37,131
	(b) Foreign	36,280	93,666	1,25,721	2,21,796	3,28,716
	(c) Total	80,29,362	91,07,415	1,03,98,864	1,15,33,268	1,22,65,847
2	Percentage of Tourist Growth	21.67	13.43	14.18	10.91	6.35
3	Operated capacity of beds of the Company's hotels	1,73,740	1,73,740	1,73,740	1,73,740	1,73,740
4	Tourists who availed the accommodation facilities of the Company ¹⁰					
	(a) Domestic	40,869	45,484	44,145	55,230	59,627
	(b) Foreign	1,354	988	752	1,982	2,644
	(c) Total	42,223	46,472	44,897	57,212	62,271
5	Percentage of tourists availing Company's accommodation facilities					
	(a) Domestic	0.51	0.50	0.43	0.49	0.50
	(b) Foreign	3.73	1.05	0.60	0.89	0.80
	(c) Percentage of tourist availing accommodation facilities of Company w.r.t. total number of tourist visited Bihar.	0.53	0.51	0.43	0.50	0.51
6	Percentage of tourists stayed in Company's hotels w.r.t. the operated capacity of beds of the Company's hotels	24.30	26.75	25.84	32.93	35.84
7	Number of tourist using the private sector facilities	1,31,517	1,27,268	1,28,843	1,16,528	1,11,469

Despite heavy increase in tourist inflow, the Company's share in the tourist traffic ranged between 0.43 to 0.53 per cent.

It can be seen from the above table that despite a 52.76 per cent increase in tourist inflow between 2004-05 and 2008-09, the percentage of tourists availing Company's accommodation facilities remained low. Percentage of domestic tourists who availed the Company's accommodation facilities ranged between 0.43 and 0.51 and the percentage of foreign tourists availing Company's accommodation facilities remained between 0.60 and 3.73. Audit observed that the low occupancy of the Company's hotels and the consequent alienation of tourists to the private sector were mainly attributable to the following operational inefficiencies:

- Inadequate / absence of house-keeping facilities
- Lack of annual strategic plan / norms / policy for periodical and preventive repair and maintenance of its properties.
- Lack of qualified man-power in the Company's hotels.
- Inadequate transport facilities to the guest.
- Lack of adequate monitoring and supervision on the part of management. In spite of low occupancy, reasons were not analysed and no remedial action was taken. The feedback given by the customers was rarely acted upon to improve services.

⁹ Data furnished by Department of Tourism, Government of Bihar.

¹⁰ The data with reference to number of tourists who availed the accommodation facilities of Company's hotels was computed on the basis of room occupancy of the hotels

Management in its reply (November 2009) admitted the facts and has noted the audit observations for future improvements.

Room tariff fixation

2.11 The Company did not have a uniform policy for fixation of room rent. There was no periodical review of tariff with reference to the prevailing market trend and need for quality service. The tariff was fixed on the recommendation / proposals of the hotel managers which were neither based on any costing principle nor on any market survey. Audit observed that the tariff revision proposals as submitted by the respective hotel manager were framed mainly to compensate for the increase in overheads in particular hotels or for the general increase in prices.

The Company increased the room tariffs of its self-managed hotels ranging from 10 to 20 *per cent* on ad-hoc basis during the period 2004-05 to 2008-09. Audit observed that at the time of revision of tariff in its self-managed hotels, no serious efforts with respect to the up-gradation of accommodation facilities *viz.* room services, house-keeping facilities *etc.* were made by the Company which is evident from the simultaneous decline in the occupancy rate of its eight¹¹ hotels. This was notwithstanding the feedback tendered by the tourists/guests in respect of the accommodation facilities at regular intervals. Further, the Company was allowing off-season discount (April to September) as well as discount to the valued/ regular customers; the discount rate allowed to regular guest being in the range of 10 *per cent* to 30 *per cent*. It was noticed that the rate of discount was fixed by the CMD of the Company, on an ad-hoc basis and no uniform policy with reference to the discounts to be offered to the tourists/guests existed in the Company.

Management in its reply (November 2009) admitted the facts and has noted the audit observations for future improvements.

Poor management of lease properties

The Company did not carry out any cost-benefit analysis prior to leasing out its properties.

2.12 As on 31st March 2009, the Company had leased out five¹² hotels, three¹³ restaurants and other properties like shops, youth hostels, cafeteria, and pilgrim shed *etc.* Audit noticed that the Company had not carried out any Cost-Benefit Analysis (CBA) before leasing and had not laid down any policy in respect of units to be run on their own and those to be leased out. As many as 19 properties were leased out without entering into lease agreements. Further, where the lease agreements were entered into, they were not registered under the provisions of the Transfer of Property Act, 1882.

¹¹ Hotel Kautilya Vihar-Patna, Hotel Tathagat Vihar-Rajgir, Hotel Siddharth Vihar-Bodhgaya, Hotel Buddha Vihar-Bodhgaya, Hotel Sujata Vihar-Bodhgaya, Hotel Azatshatru Vihar-Rajgir, Hotel Gautam Vihar-Rajgir

¹² Hotel Amrapali Vihar-Vaishali, Hotel Dighi Tank-Darbhangha, Hotel Sersah Vihar-Sasaram, Tourist Complex-Purnia, Tourist Complex- Vaishali

¹³ Restaurant Kautilya Vihar, Restaurant Siddhartha Vihar, Restaurant at Arial Rope-way-Rajgir

Audit noticed in the case of:

a) **Hotel Karn Vihar, Munger** - The license for the operation of the hotel was terminated in July 2005 for default in payment of lease premium and the same was handed over to the District Administration, Munger in August 2007 without entering into an agreement and without pre-determination of lease premium. Not a single rupee of income was realised on account of lease premium. Thus, the Company failed to safeguard its financial interest as a result of which the company suffered a loss of potential revenue of Rs. 0.07 crore.

b) **Hotel Janki Vihar, Sitamarhi**: The license, for operation of said hotel on lease was accorded in April 2004. The lessee sublet the premises to a Non Governmental Organisation and a school thereby violating the purpose for which it was leased. Thus, absence of adequate supervision and monitoring on the part of the management led to the operation of the said hotel in contravention of the objectives of the company.

c) **Chandragupta Jal Vihar, Patna**: In respect of nomination of a commission agent for marketing and operation of its swimming pool, the terms and conditions of the appointment order stipulated the minimum guaranteed turnover for the first year at Rs. 15 lakh which was to be increased by 10, 20, 30 and 40 *per cent* in subsequent years. The Commission Agent had to submit to the Company, post-dated cheques of the amounts equivalent to the minimum guaranteed turnover, which were to be seized if the minimum guaranteed turnover was not achieved.

Audit observed that during the year 2004-05, a turnover of Rs. 5.90 lakh was achieved by the commission agent which was much lower than the minimum guaranteed turnover. Despite this, the post-dated cheques were returned by the Company to the said commission agent. Further, in May 2006, it came to the notice of the Company that the said operator had been collecting tariffs in excess of the tariffs of Rs. 5000 fixed by the Company in respect of lawns and pandal booking and was found to be *prima facie* guilty of shielding Company's income to the tune of Rs. 23.86 lakh. Notwithstanding such information, the Company again failed to seize the Post-dated cheques for the guaranteed amount of Rs. 15 lakh.

Non-observance of the terms and conditions of the work order as well as lack of exercise of due diligence with respect to the control procedures on the part of the Company resulted not only in extension of undue benefits to the operator but also deprived it of business worth Rs. 9.10 lakh as well as revenue worth Rs. 23.86 lakh.

Management in its reply (November 2009) admitted the facts and has noted the audit observations for future improvements.

Non-observance of financial discipline led to operation of the properties in disregard to the goals of the company. Besides, it also resulted into a loss of revenue of Rs. 0.33 crore.

Performance of Transport Services

2.13.1 The Company has its transport units at Patna and Bodhgaya to provide vehicles on hire. Transport services also include private vehicles hired by the Company on commission basis. Earnings from the transport wing comprise 27.55 per cent of the total income of the Company between 2004-05 and 2008-09.

The fleet strength of the Company as on 31 March 2009 was 11 buses (including four Volvo buses purchased in 2008-09) and 28 light vehicles.

The operational performance of the transport division of the Company over the past five years up to 2008-09 is as below:

(Amount: Provisional- Rs. in crore)

Year	Income	Expenditure	Profit/ (loss)	Percentage of profit / (loss)
2004-05	0.98	1.12	(0.14)	(14.29)
2005-06	1.41	1.50	(0.09)	(6.38)
2006-07	1.13	1.21	(0.08)	(7.08)
2007-08	1.43	1.10	0.33	23.08
2008-09	1.91	1.51	0.40	20.94

From the above table it can be seen that although the income from the transport division has increased during the period of review, but this is not in proportion to the increase in expenditure and the division had been incurring losses up to 2006-07. The division posted a profit of Rs. 0.40 crore during 2008-09 which was mainly attributable to the increase in quantum of business generated on account of pre-paid taxi services (Airport to different locations of Patna) and chartered sale (*i.e.* outside vehicle).

Audit observed that:

- As on 31 March 2009 a sum of Rs. 2.80 crore was recoverable from Government departments and a sum of Rs. 0.02 crore from private parties and the age of debtors ranged between two to three years. This sharply went up from Rs. 1.06 crore as at the end of 31 March 2008.
- Transport division has not evolved any system for periodical review of its tariff irrespective of increase /decrease in the prices of POL. The tariff rates have not been revised since the year 2005.
- The Company has not compiled vehicle utilisation report; therefore, Audit could not review performance of respective vehicles and subsequent preparation of Management Information System (MIS) with reference to the vehicles.

Recoverable Dues

2.13.2 The Company's transport unit provides transport facilities to its tourists for site seeing *etc.* on hire. For this purpose apart from providing its own vehicles, the Company also hires vehicles from third parties on commission basis. The Company pays hiring charges to private vehicle operators at the

tariff rate prevailing after due deduction of its commission. Subsequently, the Company raises the bill on its customer.

The position of sundry debtors built up from un-recovered dues on account of hiring charges over the past five years is depicted below:-

(Amount: Provisional- Rs. in crore)

Period	Opening Balance	Bills raised for the year	Bills realised during the year	Balance	Growth percentage Increase of Sundry Debtors w.r.t the closing balance of the previous year
2004-05	0.05	0.37	0.31	0.11	120
2005-06	0.11	0.83	0.72	0.22	100
2006-07	0.22	0.87	0.66	0.43	95
2007-08	0.43	1.40	0.87	0.96	123
2008-09	0.96	1.84	0.07	2.73	184

It is evident that the sundry debtors have been accumulating over the years. The percentage increase in sundry debtors' position with respect to the closing balance of previous year ranged from 95 to 184 *per cent* during 2004-05 to 2008-09.

Audit observed that a sum of Rs. 1.50 crore was paid by the Company to third parties in respect of the vehicles hired (2004-05 to 2008-09), but the management was not aware of as to against which bill, how much money had been realised as there was no periodical reconciliation of bills raised and money realised.

Thus, the Company had not framed a Receivables Management policy and was not aggressive in realisation of its accruals because of its own short comings. This led to the blocking up of Working Capital to the tune of Rs. 2.73 crore up to 31 March 2009 and the consequential loss of interest.

Management in its reply stated (November 2009) that a major part of the dues have been recovered in the financial year 2008-09. Management's reply is not convincing since recovery made during 2008-09 was merely Rs.0.07 crore.

Extension of undue benefit to private operator

2.13.3 With a view to offer quality bus services to tourists, the Company awarded work order to a private operator to operate two air-conditioned buses on Patna-Ranchi-Patna route under Public Private Partnership (PPP) mode in May 2007.

Absence of a sound receivable management policy led to blocking up of working capital to the tune of Rs. 2.73 crore

Audit observed:

- Absence of agreement with the operator for the said commercial venture even after expiry of one year from the date of operation; only a work order was issued.
- The clause with reference to the minimum guaranteed amount in the work order was not included as has been done in the case of operation of buses under the PPP mode on Patna-Mundeshwari route.
- Work was awarded at a lower rate of eight *per cent* of the sales proceeds notwithstanding the fact that the same operator had been plying buses on the same route with Indian Tourism Development Corporation Ltd. (GoI undertaking) at a fixed commission of 10 *per cent*.
- As per work order, tickets were to be issued and collections were to be made by the Company. However, the tickets were issued by the operator and collection was being received by him and no checks were being exercised by the Company to see that the proceeds were deposited into the Company's accounts on day-to-day basis.

Non-observance of financial interests resulted in extension of undue benefit of business worth Rs. 0.62 crore to the private operator and loss of income of Rs.0.06 crore.

Audit concludes that this resulted in extension of undue benefit to the private operator to the tune of Rs. 0.62 crore in terms of sales worked out at the rate of 60 *per cent* of the seating capacity of the buses. Besides the Company also suffered a loss of commission income of Rs. 0.06 crore; the said loss of commission worked out at the rate of 10 *per cent* on the basis 60 *per cent* of the seating capacity of the buses. It was further observed that not a single rupee of income on account of PPP operated buses even at the agreed rate of 8 *per cent* has been received by the Company up to March 2009.

Management in its reply stated (November 2009) stated that the Company has never given any undue benefit to private party. However, the reply of the Management is not specific since the justification for the same is wanting and the reply failed to address the Audit reportings.

Advertisement and Publicity

The company did not have a sound media policy and the expenditure towards advertisement & publicity was insignificant.

2.14 Advertisement and publicity enjoy a unique position in promoting tourism business. The Company had never taken adequate and aggressive steps to promote its hotels and other facilities to attract tourists especially considering the stiff competition from the private sector.

The meagre expenditure incurred by the Company towards advertisement & publicity over the last five years is given below:

(Amount: Provisional- Rs. in Crore)

Year	Total cash Expenditure	Expenditure incurred on account of Advertisement and Publicity	Percentage of Expenditure incurred on account of Advertisement and Publicity
2004-05	3.97	0.06	1.51
2005-06	4.26	0.11	2.58
2006-07	3.19	--	--
2007-08	3.66	0.06	1.64
2008-09	4.12	0.03	0.73

It can be seen from the table given above that the expenditure of the Company towards advertisement and publicity, printing of brochures *etc.* was at a maximum of 2.58 *per cent* of total cash expenditure in 2005-06. The Company did not have a sound media policy and efforts of the Company towards promotion of its hotels and other facilities in order to attract tourists and thereby boost tourism in the State was inadequate.

Management in its reply (November 2009) admitted the facts and has noted the audit observations for future improvements.

Corporate Governance

2.15 Corporate governance is the system by which companies are directed and controlled by the management in the best interest of the shareholders with greater transparency and by ensuring better and timely financial reporting. The Board of Directors is primarily responsible for the governance of their companies. In this regard Audit observed:

Frequent changes in incumbency led to non-evolvement of a long term/perspective plan for the company.

a) Frequent changes in incumbency - The post of Chief Executive Officer of the Company was held by seven incumbents from 2004-05 to August 2009, with their tenure ranging from mere two months to 16 months. Such frequent changes in incumbency resulted in lack of initiative at the top level to formulate and implement any long-term Action Plan for improvement in the working of the Company which is evident from the absence of any long-term Corporate Plan/ five or 10 years Perspective Plan/ road map with milestones for achievement there against.

b) Arrears of accounts – As per the provisions of section 166, 210, 230, 619 and 619 (B) of the Companies Act, 1956 read with the section 19 of the Comptroller and Auditor General’s (Duty, Power & Condition of Services) Act, 1971, the accounts of the Company for every financial year are required to be finalised within six months from the end of the financial year. It is the responsibility of the Board of Directors to get the Annual Accounts of the Company finalised in due course and arrears of accounts to be cleared in a time-bound manner so that proper financial control could be exercised.

Audit observed that the accounts of the Company were in arrears from the financial year 1996-97 onwards but no concerted efforts were found made by

the Company to get the accounts of the Company finalised even after an expiry of 12 years from the said financial year.

Management in its reply as regards the arrear of accounts stated (November 2009) that regularisation of the accounts is in progress.

Conclusion

Notwithstanding the State's potentiality for being considered as a favoured tourist destination given its rich historical backgrounds, diverse cultures as well as the world heritage status of Bodhgaya, the tourist potential of the State remained largely untapped due to lack of planning and professional approach in the management of business by the Company. Despite 30 years of its existence, the Company has failed to meet the challenges and standards of the private sector. The Company's failure in attracting tourists and promoting tourism in the State can be seen from the fact that:-

- **the Company's share of domestic tourist as well as foreign tourists during the period of review ranged between 0.43 per cent to 0.51 per cent and 0.60 per cent to 3.73 per cent despite steep hike in the inflow of tourists to the State to an extent of 52.76 per cent during 2004-05 to 2008-09.**
- **Lack of basic amenities and non-professional approach to render quality services, failure in adopting aggressive marketing and publicity practices to attract tourists,**
- **Poor planning, lack of adequate monitoring and supervision during project execution resulted not only in unwarranted delay/time over-run as well as cost over-run of the projects but also in blocking and diversion of public fund as well as abandonment/surrender of important projects.**
- **the Company failed to exercise financial prudence in respect of leasing out of its assets to third parties. Further, Internal control system was found to be deficient in many areas.**

Recommendations

State of Bihar rich in its historical background, diverse culture and having principal places of pilgrimage for Buddhists and Jains etc. has tremendous potential for becoming a favoured tourist destination.

Audit suggests the Company should:

- **Prepare long-term perspective plan/road maps defining targets to be achieved.**

- **Infuse professionalism in management of its hotel, catering and transport services with a view to provide qualitative services to attract tourists from private sector operators.**
- **Adopt aggressive marketing and publicity practices.**
- **Undertake serious efforts to improve the process involved in planning and execution of the infrastructural projects with an aim to avoid procedural delay and to complete the projects in due time.**

Chapter-III

Performance review relating to Statutory corporation

3 Bihar State Road Transport Corporation

Executive summary

The Bihar State Road Transport Corporation (Corporation) provides public transport in the State through its 20 depots. The Corporation had fleet strength of 414 buses as on 31 March 2009 and carried an average of 0.18 lakh passengers per day. The Corporation did not hire buses for its operations. There are about 96 per cent routes where only private operators provide the services exclusively. Pursuant to Hon'ble Supreme Court's order (January & March 98) a scheme was framed by the State Government for revival of the Corporation. The Scheme envisaged the financial package of Rs. 113 crore spread over programmes for eight years and was effective from April 1998. It stipulated, inter-alia, (i) raising on road buses to 800, (ii) retrenchment /removal of surplus staff (iii) exploring non-traffic income, and (iv) maintaining the indices of operational parameters as per norms. The State Government provided Rs. 107.35 crore upto 2004-05 for various defined purposes. However, the Corporation failed to achieve its targets under the scheme. The performance audit of the Corporation for the period from 2004-05 to 2008-09 was conducted to assess efficiency and economy of its operations, ability to meet its financial commitments, possibility of realigning the business model to tap non-conventional sources of revenue, existence and adequacy of fare policy and effectiveness of the top management in monitoring the affairs of the Corporation.

Finances and Performance

The Corporation did not prepare its annual accounts for the period 2003-04 onwards. As such the accumulated losses, borrowings, assets and liabilities as at 31 March 2009 could not be ascertained. However, provisional data for working results during 2004-05 to 2008-09 depicts that the Corporation suffered a loss of Rs. 80.75 crore, earned Rs. 16.92 per kilometre and spent Rs. 60.69 per kilometre in 2008-09. Audit noticed that

with a right kind of policy measures and better management of its affairs, it is possible to increase revenue and reduce costs.

Poor and declining service

Percentage of average passengers carried by the Corporation per day to population showed a declining trend from 0.03 (2004-07) to 0.01 (2008-09). The vehicle density of Corporation buses per lakh population declined from 0.54 in 2004-05 to 0.49 in 2008-09. This showed a very poor capacity to meet the transportation needs of the state as well as a decline in service by the Corporation. This was mainly due to its operational inefficiency leading to non-availability of adequate funds to replace/add new buses.

Vehicle profile and utilisation

Corporation buses consisted of only own fleet of 414 buses out of which 111 (26.81 per cent) were overage i.e. more than eight years old. There were no overage buses in 2004-05 due to addition of 111 new buses in the year at a cost of Rs. 12.20 crore. The acquisition was primarily funded through financial assistance received under the Scheme.

In 2008-09 the Corporation's fleet utilisation at 33.81 per cent and vehicle productivity at 237 KM per day per bus were much below the All India Average of 92 per cent and 313 KM respectively, whereas its load factor at 69 per cent was above the AIA of 63 per cent. However, the Corporation could not achieve its own targets of 71 per cent fleet utilisation, 270 KM vehicle productivity and 90 per cent load factor though the same were fixed after taking into consideration the local factors and constraints. Its 54 per cent routes were unprofitable due to high cost of operation. Corporation's performance on preventive maintenance was poor showing average delay of 3979 KMs in engine oil change and 11838 KMs in

break inspection over and above the prescribed limit.

Economy in operation

Manpower and fuel constitute 51.81 per cent of total cost. Interest, depreciation and taxes account for 39.33 per cent and are not controllable in the short term. Thus, the Controllable expenditure has to come from manpower and fuel. Though the Corporation succeeded in reducing the manpower per bus from 6.86 in 2004-05 to 5.57 in 2008-09 but manpower cost per effective KM was much higher than the AIA during 2006-09. The Corporation did not attain its own fuel consumption targets resulting in excess consumption of fuel valued at Rs. 8.58 crore during 2004-09.

Revenue maximisation

The Corporation did not have any Roadways Magistrate having judicial powers to impose penalties on ticketless passengers.

Corporation's staff at Headquarters conduct enroute checking of buses. During 2004-09, only 6443 checkings were conducted and Rs.10.90 per checking was recovered from ticketless passengers which evidences inadequate and ineffective system of checking. This is one area for the Corporation to plug leakage of revenue. Further, the Corporation has about 5.95 lakh square meters of land. As it mainly utilises ground floor /land for its operation, the space above can be developed on public private partnership basis to earn steady income which can be used to cross subsidise its operations. The Corporation has framed policy in this regard but did not strive for large scale tapping of such fund.

The Corporation could not auction its over 1,000 condemned buses during 2005-09 for want of necessary directives from the Transport Department, Government of Bihar, which came in October 2009 to facilitate auction of the Corporation buses. Accordingly, the Corporation has taken up auction of buses afresh

Need for a regulator

The Corporation fixes fare under the power delegated to it by the State

Government. However, there is no scientific basis for calculation of fare. No uneconomical routes have been identified by the Transport Department for the Corporation and the latter did not form norms for providing services on uneconomical schedules. Thus, it would be desirable to have an independent regulatory body (like State Electricity Regulatory Commission) to fix the fares and specify operations on uneconomical routes.

Inadequate monitoring

The fixation of targets for various operational parameters and an effective Management Information System (MIS) for obtaining feed back on achievement thereof are essential for monitoring by the top management. The Corporation has a system of monthly meeting of Administrator with departmental heads, divisional managers and depot superintendents for reporting on their performances. However, the meetings were not held at regular intervals. The MIS system of the Corporation was not adequate and the monitoring by its top management of key operational parameters and service standards was largely ineffective. Despite being pointed out by the CAG, the Corporation could not remove the deficiencies with respect to maintenance of books of accounts.

Conclusion and recommendation

The Corporation is incurring losses mainly due to its high cost of operations. The Corporation can reduce its losses by generating funds through tapping non-conventional sources of revenue. This review contains five recommendations to improve the Corporation's performance viz. increasing its percentage share in passenger transport, maintaining the indices of fuel consumption, load factor, IPEKM, fleet utilisation, vehicle productivity etc. as per norms, disposing off condemned buses, considering devising a policy for tapping non-conventional sources of revenue on a large scale and considering creating a regulator to regulate fares and also services on uneconomical routes.

Introduction

3.1.1 In Bihar, public road transport is provided by Bihar State Road Transport Corporation (Corporation), which is mandated to provide an efficient, adequate, economical and properly co-ordinated road transport. The State also allows private operators to provide public transport. The State has reserved certain routes exclusively for the Corporation and allowed private operators also to operate on these routes for short distances. There are about 96 *per cent* routes where only private operators provide the services exclusively. Power to fix fares was delegated (1998) to the Corporation by the State Government. The fare structure in respect of private operators is controlled by the State Government.

3.1.2 The Corporation was incorporated on 1 May 1959 by Government of Bihar under Section 3 of the Road Transport Corporations Act, 1950 as a wholly owned Corporation of the State Government. The Corporation is under administrative control of the Transport Department of the Government of Bihar. The Corporation had a fleet strength of 414 buses as on 31 March 2009. The Corporation do not hire private buses for its operations. The Corporation carried an average of 0.18 lakh passengers *per* day during 2008-09. The turnover of the Corporation was Rs. 29.34 crore in 2008-09, which was equal to 0.03 *per cent* of the State Gross Domestic Product (Rs. 1,12,424 crore). The Corporation employed 2,307 employees as on 31 March 2009.

3.1.3 Performance reviews on the working of the Corporation were included in the Report of the Comptroller and Auditor General of India for the years 1990-91, 1999-2000 and 2005-06 (Commercial), Government of Bihar. None of these reports has been discussed by COPU so far.

Scheme for revival of the Corporation

3.2.1 Pursuant to Hon'ble Supreme Court's orders (January/March 1998) a Scheme was framed by the State Government for revival of the Corporation. The Scheme envisaged the financial package of Rs. 113 crore spread over programmes for eight years and was effective from April 1998. It stipulated inter alia, (i) raising the strength of on road buses to 800, (ii) retrenchment/removal of surplus staff (iii) exploring avenues for generation of non-traffic income and (iv) maintaining the indices of fuel consumption, staff bus ratio, load factor, income per effective kilometer, fleet utilisation, tyre use, etc. as per norms. The State Government provided a financial assistance under the package to the extent of Rs. 107.35 crore upto 2004-05 for various defined purposes. The State of Jharkhand contributed (March 2009) its share of financial liability of Rs. 8.62 crore in the revival package in compliance of Hon'ble Supreme Court's order dated 12 August 2008. However, the Corporation failed to achieve its targets under the Scheme as discussed in the succeeding paragraphs.

Organisational set-up

3.2.2 Section 38 (1) of the Road Transport Corporations Act, provides that if the State Government is of the opinion that a Corporation established by the Government is unable to perform the duties imposed upon it, the State Government may, with the previous approval of the Central Government, supersede the Corporation for a specified period.

Accordingly, the State Government dissolved the Board of the Corporation and appointed an Administrator (October 1999) who is assisted in day to day management of the affairs of the Corporation by Chief of operations, administration, Chief Mechanical Engineer and Financial Advisor cum Chief Accounts Officer (FA & CAO).

During the period from April 2004 to November 2009 the post of Administrator was held by eight persons. The average tenure of each Administrator was only around eight months. Moreover, from February 2004 till date *i.e.* November 2009, no full time Administrator was appointed by the State Government. Moreover, post of FA&CAO was lying vacant since February 2002 and State Government appointed the officer only in August 2009.

With effect from 01 March 2009 the Corporation stands bifurcated between the State of Bihar and Jharkhand. Therefore, the working results for 2008-09 are not comparable with earlier years data.

Scope of Audit and Audit methodology

3.3.1 The present review conducted during February 2009 to August 2009 covers the performance of the Corporation during the period from 2004-05 to 2008-09. The review mainly deals with operational efficiency, financial management, fare policy, fulfillment of social obligations and monitoring by top management of the Corporation. The audit examination involved scrutiny of records at the Head Office, Central Workshop, four Divisional Offices and six out of the twenty depots¹ selected on the basis of geographical location of the divisions and volume of operation in terms of buses held. Operating income of the selected depots constituted 31 *per cent* of the total operating revenue of the Corporation.

3.3.2 The methodology adopted for attaining the audit objectives with reference to audit criteria consisted of explaining audit objectives to top management, scrutiny of records at Head office and selected units, interaction with the auditee personnel, analysis of data with reference to audit criteria, raising of audit queries, discussion of audit findings with the Management and issue of draft review to the Management for comments.

1 Names of selected units
(i) Divisions: Bhagalpur, Gaya, Muzaffarpur and Patna
(ii) Depots : Ara, Aurangabad, Bankipur, Bhagalpur, Gaya and Muzaffarpur
(iii) Central Workshop, Patna.

Audit Objectives

3.4 The objectives of the performance audit were to assess:

3.4.1 Operational Performance

- the extent to which the Corporation was able to keep pace with the growing demand for public transport;
- whether the Corporation succeeded in recovering the cost of operations; and
- whether adequate maintenance was undertaken to keep the vehicles roadworthy.

3.4.2 Financial Management

- whether the Corporation was able to meet its commitments and recover its dues efficiently; and
- the possibility of realigning the business model of the Corporation to tap non-conventional sources of revenue and adopting innovative methods of accessing such funds.

3.4.3 Fare Policy and Fulfillment of Social Obligations

- the existence and adequacy of fare policy; and
- whether the Corporation operated adequately on uneconomical routes.

3.4.4 Monitoring by Top Management

- whether the monitoring by Corporation's top management was effective.

Audit Criteria

3.5 The audit criteria adopted for assessing the achievement of the audit objectives were:

- all India averages for performance parameters;
- performance standards and operational norms fixed by the Association of State Road Transport Undertakings (ASRTU);
- physical and financial targets/ norms fixed by the Management;
- manufacturers' specifications, norms for life of a bus, preventive maintenance schedule, fuel efficiency norms, etc.;
- instructions of the Government of India (GoI) and Government of State and other relevant rules and regulations;
- procedures laid down by the Corporation, and.
- orders of the Hon'ble Supreme Court.

Financial Position and Working Results

Accounts of the Corporation for the period 2003-04 onwards are in arrears

3.6.1 Rule 29 of the Bihar State Road Transport Corporation Rules, 1959 provide for preparation of annual accounts within six months from the close of the financial year. The Government of Bihar made available a sum of Rs. 15.14 lakh to the Corporation as loan for preparation of its final accounts for the period 1997-2002 which were finalised in December 2004 at a cost of Rs. 13.51 lakh. The, accounts for the year 2002-03 were prepared in June 2009 after a gap of nearly 54 months. However, accounts of the Corporation for the period since 2003-04 are in arrear and in the 56 months period since December 2004, the Corporation has not been able to prepare final accounts for the years 2004-09 due to delay in appointment of professional accountants and indecision on the part of management to pursue and settle issues with the appointed firm.

3.6.2 The details of working results like operating revenue and expenditure, total revenue and expenditure, net surplus/ loss and earnings and cost *per* kilometre of operation are given below.

(Provisional figures)

(Amount : Rs. in crore)

Sl.No.	Description	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Total Revenue	54.84	60.73	53.92	55.47	31.20
2.	Operating Revenue ²	51.30	58.48	51.31	51.84	29.34
3.	Total Expenditure	109.05	110.74	115.07	107.44	111.95
4.	Operating Expenditure ³	71.32	74.21	80.72	71.57	75.46
5.	Operating Profit/ Loss	(-) 20.02	(-) 15.73	(-) 29.41	(-) 19.73	(-) 46.12
6.	Profit/ Loss for the year	(-)54.21	(-)50.01	(-)61.15	(-)51.97	(-) 80.75
7.	Fixed Costs					
	(i) Personnel Costs	25.81	24.17	33.12	27.51	47.20
	(ii) Depreciation	5.60	5.60	5.60	5.40	5.40
	(iii) Interest	37.73	36.53	34.35	35.87	36.49
	(iv) Other Fixed Costs	7.20	4.47	4.68	8.36	3.33
	Total Fixed Costs	76.34	70.77	77.75	77.14	92.42
8.	Variable Costs					
	(i) Fuel & Lubricants	25.80	31.48	32.47	24.69	14.88
	(ii) Tyres & Tubes	1.65	2.25	1.79	2.60	1.86
	(iii) Other Items/ spares	2.17	3.18	1.86	1.92	1.80
	(iv) Taxes (MV Tax, Passenger Tax, etc.)	3.09	3.06	1.20	1.09	0.99
	Total Variable Costs	32.71	39.97	37.32	30.30	19.53
9.	Effective KMs operated (in Lakh)	380.13	381.97	340.34	291.15	184.45
10.	Earnings per KM (Rs.) (1/9)	14.43	15.90	15.84	19.05	16.92
11.	Fixed Cost per KM (Rs.) (7/9)	20.08	18.53	22.84	26.50	50.11
12.	Variable Cost per KM (Rs.) (8/9)	8.61	10.46	10.97	10.41	10.59
13.	Cost per KM (Rs.) (3/9)	28.69	28.99	33.81	36.90	60.69
14.	Net Earnings per KM (Rs.) (10-13)	(-) 14.26	(-) 13.09	(-) 17.97	(-)17.85	(-) 43.77
15.	Traffic Revenue ⁴	51.30	58.48	51.31	51.84	29.34
16.	Traffic revenue per KM (Rs.) (15/9)	13.50	15.31	15.08	17.81	15.91
17.	Operating Loss Per KM (Rs)	5.26	4.12	8.64	6.77	25.00
18.	Contribution per KM (Rs.) (16-12)	4.89	4.85	4.11	7.40	5.32

2 Operating revenue includes traffic earnings, passes and season tickets, re-imbursement against concessional passes, fare realised from private operators under KM Scheme, etc.

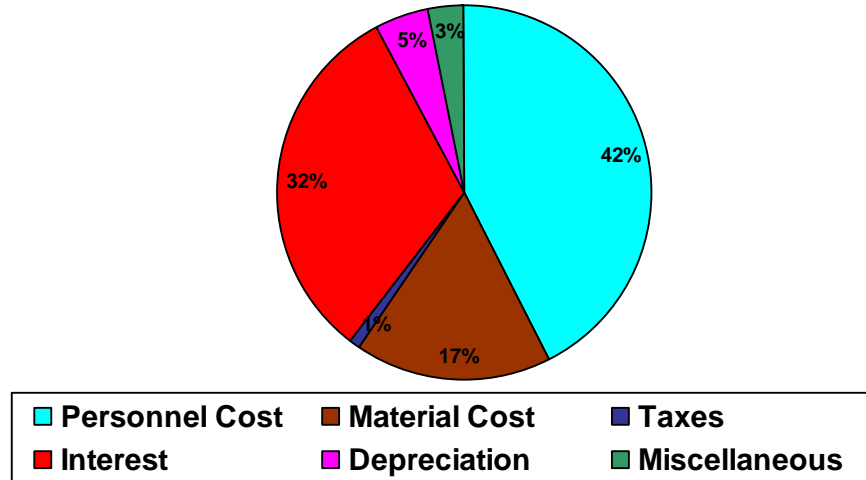
3 Operating expenditure include expenses relating to traffic, depreciation on fleet, repair and maintenance, electricity, welfare and remuneration, licences and taxes and general administration expenses.

4 Traffic revenue represents sale of tickets, advance booking, reservation charges and contract services earnings.

Elements of Cost

3.6.3 Personnel cost and material cost constitute the major elements of cost. The percentage break-up of costs for 2008-09 is given below in the pie-chart.

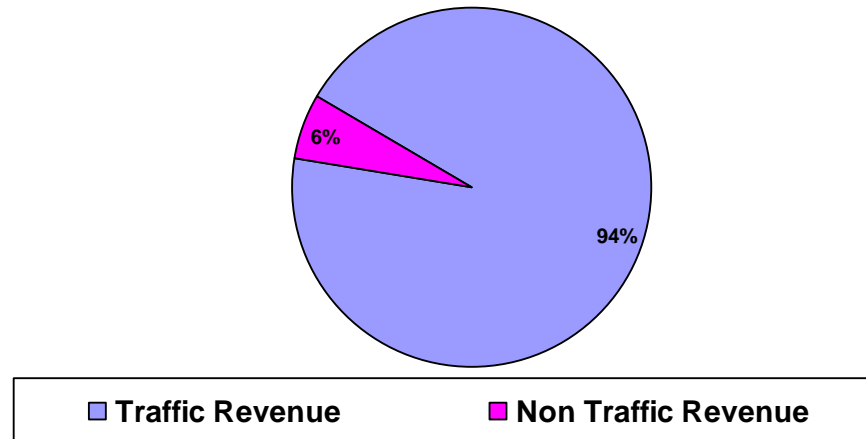
Components of various elements of cost



Elements of revenue

3.6.4 Traffic revenue and non-traffic revenue constitute total revenue. The percentage break-up of revenue for 2008-09 is given below in the pie-chart.

Components of various elements of revenue



3.6.5 The working results show that the Corporation was not able to recover the cost in all the five years during 2004-09 and the loss for the year increased from Rs. 54.21 crore in 2004-05 to Rs. 80.75 crore in 2008-09. Subsequent audit findings show that the losses were controllable and there is scope for improvement in performance.

Audit Findings

3.7 Audit explained the audit objectives to the Corporation during an 'entry conference' held on 13 February 2009. Subsequently, audit findings were reported to the Corporation and the Government in September, 2009 and

discussed in an 'exit conference' held on 23 November, 2009 which was attended by the Transport Commissioner, Government of Bihar and the Administrator. The State Government/Corporation agreed with all the audit observations except for those on Body Building. The audit findings are discussed below:

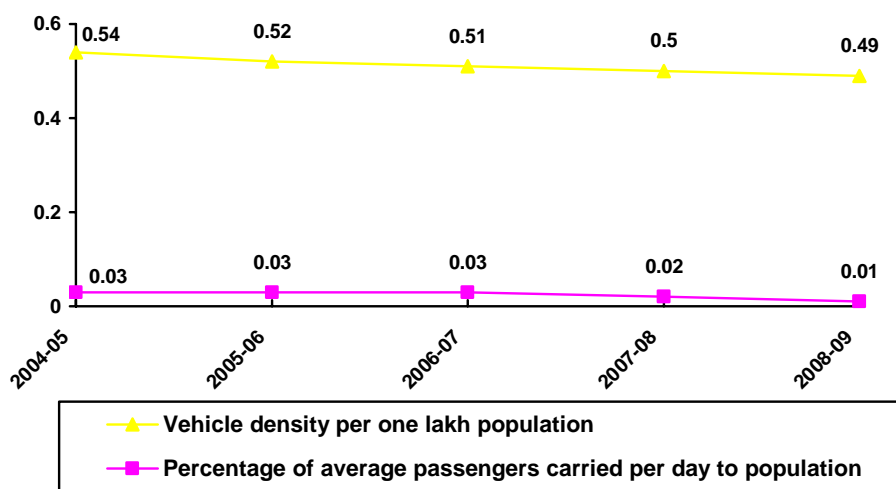
Operational Performance

3.8 The operational performance of the Corporation for the five years ending 2008-09 is given in the *Annexure-13*. The operational performance of the Corporation was evaluated on various operational parameters as described below. It was also seen whether the Corporation was able to maintain pace with the growing demand of public transport and recover the cost of operations. Audit findings in this regard are discussed in the subsequent paragraphs. These audit findings show that the losses were controllable and there is scope for improvement in performance.

Share of Corporation in public transport

3.9.1 Visualising the year 2020, the vision of the transport sector of Bihar seeks (i) to provide workable co-ordinated transport system and basic infrastructure to all categories of travellers/goods in the state as per allround requirements of transport, (ii) to establish definite, secured, dependable, skilled and effective multi-mix modern and capable technique so that basic infrastructural expenditure is reduced and developed services could be ensured and (iii) to make arrangement suitable for social and economic development of the State.

3.9.2 As has been stated earlier, the Corporation was bifurcated on 1 March 2009, it operated till then in both the States of Bihar and Jharkhand. The particulars of private operators functioning in Jharkhand, though called for, were not furnished by the State Government. Therefore, Corporation's share in public transport could not be worked out. The vehicle density and passengers carried per day to population is given below in the line graph.



It is evident from above that percentage of average passengers carried per day to population decreased from 0.03 in 2004-05 to 0.01 in 2008-09. The vehicle density per one lakh population also decreased from 0.54 in 2004-05 to 0.49 in 2008-09. The table below depicts the vehicle density of the Corporation.

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09 ⁵
Total Number of buses held by the Corporation	637	637	637	637	637
Estimated combined population of Bihar & Jharkhand (crore)	11.85	12.16	12.47	12.79	13.12
Vehicle density per one lakh population	0.54	0.52	0.51	0.50	0.49

The Corporation has not been able to keep pace with the growing demand for public transport

3.9.3 The Corporation, however, has not been able to keep pace with the growing demand for public transport. This is due to inability of the Corporation to keep pace in terms of number of on-road vehicles and effective KMs operated. Based on the population totals figures for 2001 and one-tenth of the decadal growth rate of 25.81 *per cent* as projected yearly population totals, the effective per capita KM operated per year is given below.

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Effective KM operated (lakh)	380.13	381.97	340.34	291.15	184.45
Estimated Population (Crore) (Bihar and Jharkhand)	11.85	12.16	12.47	12.79	13.12
<i>Per Capita KM per year</i>	0.32	0.31	0.27	0.23	0.14

The above Table shows the decline in service by the Corporation.

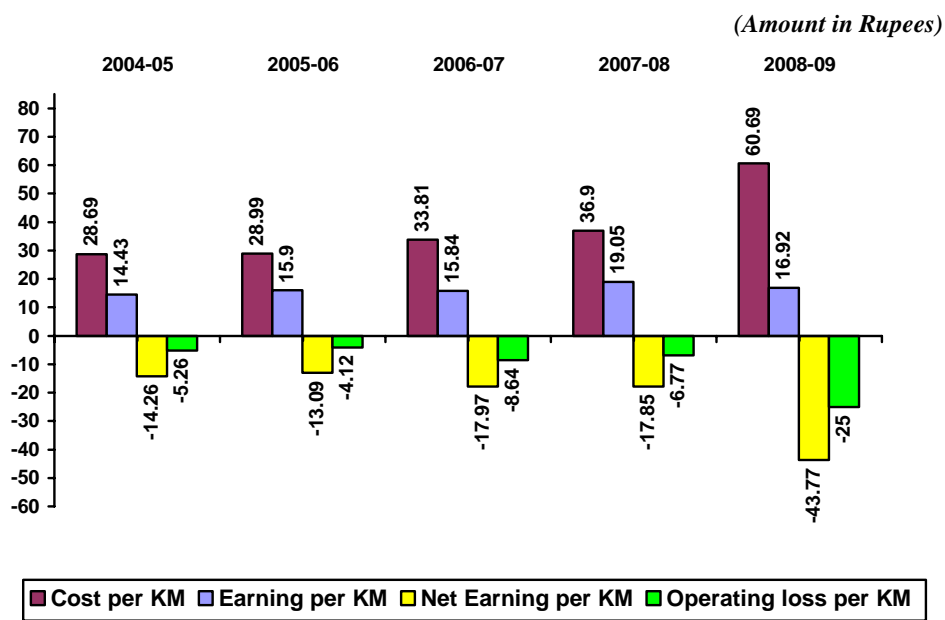
3.9.4 Public transport has definite benefits over personalised transport in terms of costs, congestion on roads and environmental impact. The public transport services have to be adequate to derive those benefits. In the instant case, the Corporation was not able to maintain its share in transport mainly due to operational inefficiencies as described later.

Recovery of cost of operations

3.10.1 The Corporation was not able to recover its cost of operations. During the last five years ending 2008-09, the net revenue showed a negative trend as given in the graph⁶ below:

5 Upto February 2009.

6 Cost *per* KM represents total expenditure divided by effective KM operated. Revenue *per* KM is arrived at by dividing total revenue with effective KM operated. Net Revenue *per* KM is revenue *per* KM reduced by cost *per* KM. Operating loss *per* KM would be operating expenditure *per* KM reduced by operating income *per* KM.



The Corporation failed to replace its fleet on time or increase the fleet strength to meet growing demand

3.10.2 Above graph indicates the deteriorating performance of the Corporation over the period. Except marginal decrease in 2005-06 the operating loss per kilometre increased from Rs. 5.26 in 2004-05 to Rs. 25 per KM in 2008-09. The Corporation was not able to achieve the All India Averages for cost (Rs. 19.94) and revenue (Rs. 18.22) *per* KM except in respect of revenue during 2007-08. The deteriorating performance has been impacting the ability of the Corporation to provide public transport services adequately as it is not able to replace its fleet on time or increase the fleet strength to meet the growing demand.

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

Efficiency and Economy in operations

Fleet strength and utilisation

Fleet Strength and its Age Profile

3.11.1 The Association of State Road Transport Undertaking (ASRTU) had prescribed (September 1997) the desirable age of a bus as eight years or five lakh kilometres, whichever was earlier. The table below shows the age-profile of the buses held by the Corporation for the period of five years ending 2008-09.

S.No.	Particulars ⁷	2004-05	2005-06	2006-07	2007-08	2008-09
1	Total No. of buses at the beginning of the year	549	637	637	637	637
2	Additions during the year	111	NIL	NIL	NIL	NIL

⁷ Excludes hired buses.

3	Buses scrapped during the year	23	NIL	NIL	NIL	NIL
4	Buses held at the end of the year (1+2-3)	637	637	637	637	414 ⁸
5	Of (4), No. of buses more than 8 years old	NIL	40	40	41	111
6	Percentage of overage buses to total buses	NIL	6.28	6.28	6.44	26.81

The above Table shows that the Corporation was not able to achieve the norm of right age buses during 2005-09. During 2004-05, the Corporation added 111 new buses at a cost of Rs. 12.20 crore. The expenditure was funded through the amount received under the Revival Package. To achieve the norm of right age buses, the Corporation was required to buy 111 new buses additionally which would have cost it Rs. 15.54 crore, worked out at the rate of Rs. 14.00 lakh per bus, as intimated by the Management. However, the Corporation failed to generate resources through its operations and non-conventional revenue avenues to finance the replacement of buses. It suffered loss of Rs. 270.49 crore before charging of depreciation during 2004-09. Thus, the Corporations' ability to survive and grow depends on its efforts to remove operational inefficiencies, cut costs and tap non-conventional revenue avenues so that it can fund its capital expenditure and be self-reliant.

The overage fleet requires high maintenance and results in extra cost and less availability of vehicles compared to underage fleet, other things being equal. This only goes on to increase operational inefficiency and causes losses which, in turn, affects the ability of the Corporation to replace its fleet on a timely basis.

Fleet Utilisation

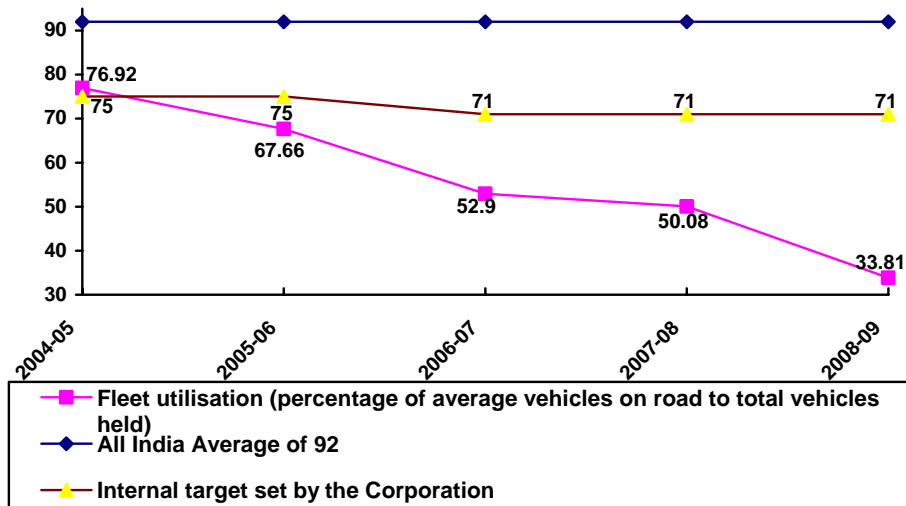
3.11.2 Fleet utilisation represents the ratio of buses held by the Corporation to the buses on road. The Corporation had set a target of fleet utilisation of 75 per cent during 2004-06 and 71 per cent thereafter. Against this, the fleet utilisation of the Corporation varied from 76.92 per cent in 2004-05 to 33.81 per cent in 2008-09 as compared to the All India Average⁹ of 92 per cent, as indicated in the graph given below.

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

The fleet utilization declined from 76.92 per cent in 2004-05 to 33.81 per cent in 2008-09

⁸ Remaining 223 buses were transferred to Jharkhand in March 2009.

⁹ All India Average is for the year 2006-07 which has been used for comparison for the period under review.



3.11.3 From the above it is evident that there is a sharp decline in utilisation. As observed in Audit it was mainly due to the following controllable reasons:

- Shortage of crew (driver/ conductors).
- Want of tyres and mandatory spares.
- Overhauling, Engine defects, etc.
- Seizure of buses for want of valid road permits.
- Breakdowns on account of inadequate servicing/ maintenance.

Analysis of the fleet utilization in respect of the existing seven divisions of the Corporation, revealed that due to cancellation of 280.76 lakh scheduled kilometer on account of breakdown, shortage of crew, tyres and mandatory spares, overhauling, engine defects etc., the Corporation was deprived of contribution of Rs. 14.95 crore during 2004-05 to 2008-09.

Lack of permits

3.11.4 A mention was made in paragraph no. 3.3.18 of the Report of the Comptroller and Auditor General of India (Commercial), Government of Bihar for the year ended 31 March 2006 regarding unauthorized plying of buses. The matter was reviewed further and it was observed that the deficiencies with respect to obtaining road permits for the buses of the Corporation continued to persist. The Corporation provided domestic as well as inter-state services to its passengers. The number of schedules operated ranged from 183 to 216 during 2004-09. However, the Corporation did not have the required valid/operative domestic and inter-state road permits for a large number of its buses. Out of 414 buses held as on 31 March 2009, the Corporation had valid/operative permits for only 89 buses. The Corporation had not applied for permits for 259 buses, whereas application in respect of 66 buses were applied for /pending with the concerned authorities. Further, in test check of nine divisions of the Corporation, it was observed that during 2004-08, 31 buses of the Corporation plying on different routes were seized by the

State/other state transport authorities for want of valid road permits. The Corporation had paid penalty of Rs. 8.27 lakh to get these seized buses released. Besides, due to non-plying of the seized buses, the Corporation suffered loss of contribution amounting to Rs. 18.62 lakh. Thus, for want of valid permits, the Corporation suffered a total loss of Rs. 26.89 lakh.

3.11.5 From the above, it can be concluded that the Corporation was not able to achieve an optimum utilization of its fleet strength, which in turn impacted its operational performance adversely. Neither fleet utilisation was effectively monitored at depot level nor was any effective measure taken by the Corporation to improve the performance.

Vehicle productivity

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

S.No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Vehicle productivity (KMs run <i>per day per bus</i>)	226	230	265	257	237
2.	Overage fleet (percentage)	Nil	6.28	6.28	6.44	26.81

Bus productivity remained very low in comparison to all India average during review period

Due to non-induction of new buses in the fleet during 2005-09, the overage fleet percentage increased from Nil in 2004-05 to 26.81 in 2008-09. It is evident from above that increase in overage fleet did not impact vehicle productivity much. Compared to the All India Average of 313 KMs *per day*, the vehicle productivity of the Corporation has been on lower side for all the years under review. The Corporation failed to achieve even the targets of 280 KMs and 270 KMs *per day* fixed by it during 2004-06 and 2006-09 respectively.

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

The reasons for shortfall in productivity were non-operation of all the routes, deficient route planning and cancellation of schedules, etc. No effective measures were taken by the Corporation to improve vehicle productivity.

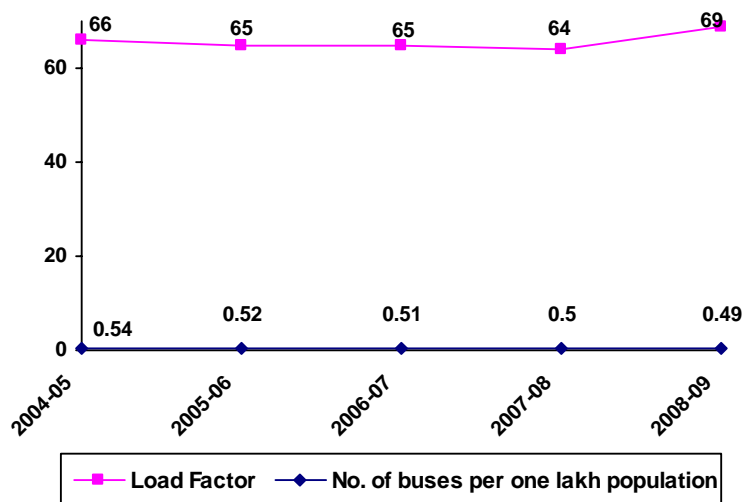
Capacity Utilisation

Load Factor

The load factor was below the standard occupancy fixed by the Corporation

3.13.1 Capacity utilisation of a transport undertaking is measured in terms of Load Factor, which represents the percentage of passengers carried to seating capacity. The schedules to be operated are to be decided after proper study of routes and periodical reviews are necessary to improve the load factor. The load factor of the Corporation ranged from 64 *per cent* in 2007-08 to 69 *per cent* in 2008-09. Though this is higher than the all India average of 63 *per cent*, it is much below the standard occupancy (Load Factor) of 90

per cent of seating capacity fixed by the Corporation during 2004-09. The main reason for low occupancy ratio was permission granted by the State Government to run private buses on the same route, leakage of passenger revenue due to ticketless travelling, plying of buses on uneconomical routes and frequent breakdown of buses. The line graph indicating load factor and number of buses per one lakh population over period of five years ending 2008-09 is given below:



It was observed that neither routes were planned taking into account passenger load nor was any survey of different routes conducted to assess demand. There is no policy in the Corporation to fix route wise receipt targets for the crew and offer them incentives with a view to improve capacity utilisation.

Moreover, the posts of Roadways Magistrate in the Corporation having judicial powers to impose penalties on the ticketless passengers have been lying vacant since the last 17 years. However, Central flying squads were engaged which do not have any authority to impose penalty on ticketless passengers but were able to recover requisite fare from them. A sum of Rs. 70,226/- could be recovered from the total 6443 checkings conducted during 2004-09 which worked out to only Rs. 10.90 per checking. Thus, in absence of Roadways Magistrate and poor performance of the existing flying squads it is evident that the system of checking loss of revenue through checking of buses en-route is not adequate and effective.

Neither any analysis was done nor any effective measures were taken by the Corporation to improve load factor.

3.13.2 The table below provides the details for break-even load factor (BELF) for traffic revenue as well as total revenue. Audit worked out this BELF at the given level of vehicle productivity and total cost *per* KM.

S.No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Cost <i>per</i> KM (Rupees)	28.69	28.99	33.81	36.90	60.69
2.	Traffic revenue <i>per</i> KM at 100 <i>per cent</i> load factor	20.45	23.55	23.20	27.83	23.06
3.	Break – even Load Factor considering only traffic revenue ¹⁰ (<i>Per cent</i>) (1/2)	140	123	146	133	263

The break-even load factor is quite high and is not likely to be achieved given the present load factor and the fact that the Corporation is also operating in uneconomical routes.

Route Planning

3.13.3 Appropriate route planning to tap demand leads to higher load factor. Some routes are profitable while others are not. The position in this regard is given in the Table below.

Particulars	Total No. of routes	No. of routes making profit	No. of routes not meeting total cost
2004-05	50 (100)	18 (36)	32 (64)
2005-06	50 (100)	23 (46)	27 (54)
2006-07	50 (100)	22 (44)	28 (56)
2007-08	50 (100)	25 (50)	25 (50)
2008-09	50 (100)	23 (46)	27 (54)

(Figures in bracket indicate the percentage under the above heads for each year).

3.13.4 Though some of the routes now appearing unprofitable would become profitable once the Corporation improves its efficiency, there would still be some uneconomical routes. Given the scenario of mixed routes and obligation to serve uneconomical routes, an organisation should decide an optimum quantum of services on different routes so as to optimise its revenue while serving the cause. However, no such exercise was carried out by the Corporation.

Cancellation of Scheduled Kilometres

3.14.1 A review of the operations indicated that the scheduled kilometres were not fully operated mainly due to non-availability of adequate number of buses, shortage of crew and other factors like breakdowns, accidents, shortage of tyres, etc. The details of scheduled kilometres, effective kilometres, cancelled kilometres calculated as difference between the scheduled kilometres and effective kilometres are furnished in the Table below.

10 Calculated at capacity of 55 seats *per* bus

(In Lakh KMs)

S.No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Scheduled kilometres	574.32	591.85	624.60	614.19	576.14
2.	Effective kilometres	380.13	381.97	340.34	291.15	184.45
3.	Kilometres cancelled	194.19	209.88	284.26	323.04	391.69
4.	Percentage of cancellation	33.81	35.46	45.51	52.60	67.99
Cause-wise analysis*						
5.	Want of buses	111.49	88.90	95.56	111.51	131.09
6.	Want of crew	17.19	7.93	12.43	14.28	16.29
7.	Others	37.85	47.67	48.47	46.23	47.32
8.	Contribution per KM (in Rs.)	4.89	4.85	4.11	7.40	5.32
9.	Avoidable cancellation (want of buses and crew)	128.68	96.83	107.99	125.79	147.38
10.	Loss of contribution (8X9) (Rs. in lakh)	629.25	469.63	443.84	930.85	784.06

(Contribution per KM is the traffic revenue minus total variable cost divided by effective KMs)

* Based on information received from existing seven divisions of the Corporation and excluding the four divisions of Jharkhand which used to be part of the Corporation upto February 2009

3.14.2 It can be seen from the above table that the percentage of cancellation

Cancellation of scheduled Kilometres led to loss of contribution of Rs. 32.58 crore during review period

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

of scheduled kilometres increased from 33.81 to 68.04 during 2004-05 to 2008-09 and remained on the high side. Audit analysis revealed that 61.08 per cent to 67.33 per cent of cancellation was due to want of buses and 5.49 per cent to 10.32 per cent was for want of crew during

2004-09. Due to cancellation of scheduled kilometres for want of buses and crew, the Corporation was deprived of contribution of Rs. 32.58 crore during 2004-05 to 2008-09.

No measures were taken by the Corporation to minimise cancellation of scheduled kilometre.

Maintenance of vehicles

Preventive Maintenance

3.15.1 Preventive maintenance is essential to keep the buses in good running condition and to reduce breakdowns/ other mechanical failures. The Corporation has Tata and Leyland make buses, for which the following schedule of maintenance has been prescribed by the Original Equipment Manufacturers (OEMs).

Sl.No.	Particulars	Schedule
1.	Engine Oil change	
	Tata/Leyland make	Every 18000 KMs*
2.	Brake Inspection	
	Tata make	Every 18000 KMs
	Leyland make	Every 24000 KMs

* As adopted by the Corporation.

The norms of preventive maintenance were not adhered to

Test check of maintenance in six depots revealed that the norms of preventive maintenance including the maintenance schedule were not adhered to. The engine oil change and brake inspection in the buses of six depots were carried out on an average of 21,979 KMs and 29,838 KMs respectively which exceeded the prescribed limits. It was also observed that in Muzaffarpur and Patna divisions of the Corporation even free servicing of buses as offered by the manufacturer were not availed for which reasons were not on record. There was dearth of technical staff and the routine maintenance of buses was by and large in the hands of unskilled helpers.

Repairs & Maintenance

3.15.2 A summarised position of fleet holding, over-aged buses, repairs and maintenance (R&M) expenditure for the last five years up to 2008-09 is given below.

Sl.No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09 (Upto February 2009)
1.	Total buses (No.)	637	637	637	637	637
2.	Over-age buses (more than 8 years old)	Nil	40	40	41	171
3.	Percentage of over age buses	Nil	6.28	6.28	6.44	26.84 ¹¹
4.	R&M Expenses (Rs. in lakh)	61.83	73.88	73.58	58.95	39.74
5.	R&M Expenses per bus (in Rs.) (4/1)	9706	11598	11551	9254	6239

The percentage of off-road buses to the buses held increased during 2004-09

Audit analysis revealed that there was increase in the percentage of off-road buses to the buses held during 2004-09. It was also observed that the percentage of buses remaining off-road for minor repair increased from 5.18 in 2006-07 to 11.12 in 2008-09 which shows neglect of proper maintenance of buses in these years.

11 This figure would not tally with the figure given in the table under paragraph 3.11.1 since the figure here pertains upto February 2009.

Manpower Cost

3.16.1 The cost structure of the Corporation for the period 2004-09 shows that manpower and fuel constitute 51.81 *per cent* of total cost. Interest, depreciation and taxes –the costs of which are not controllable in the short term-account for 39.33 *per cent*. Thus, the major cost sharing can come only from manpower and fuel.

Manpower is an important element of cost which constituted 42.16 *per cent* of

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

total expenditure of the Corporation in 2008-09. Therefore, it is imperative that this cost is kept under control and the manpower is utilised optimally to achieve high productivity. The Table below provides the details of manpower, its

cost and productivity.

Sl.No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Total Manpower at the end of year (Nos.)	4367	4337	4164	3970	2307
2.	Manpower Cost (Rs. in crore)	25.81	24.17	33.12	27.51	47.20
3.	Effective KMs (in lakh)	380.13	381.97	340.34	291.15	184.45
4.	Cost per effective KM (Rs.)	6.79	6.33	9.74	9.45	25.59
5.	Productivity <i>per</i> day <i>per</i> person (KMs)	23.85	24.13	22.39	20.09	21.90
6.	Total Buses (No.)	637	637	637	637	414 ¹²
7.	Manpower <i>per</i> bus	6.86	6.81	6.54	6.23	5.57

From the above table, it is evident that manpower productivity was much

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

below the All India Average of 52 during 2004-09. The sharp increase in manpower cost during 2008-09 as compared to 2007-08 was due to payment of Dearness Allowance at existing rates together with arrears with effect from 1998. Cost per

effective KM increased to Rs. 25.59 during 2008-09 from Rs. 9.45 during 2007-08. The manpower cost would further escalate since recommendations of the Fifth and Sixth Pay Commission have not yet been implemented by the Corporation. Manpower per bus was less than the norms of 7.08 fixed by the Corporation during 2004-09. As mentioned above (Para 3.15.1) there was shortage of technical staff affecting R&M activity.

3.16.2 The employees of the Corporation were being assigned duty of eight hours during 2004-09 and no overtime was paid during 2004-09. Test check

The manpower productivity was much below the All India Average

12 637 buses held for the period upto February 2009

on six selected depots revealed that there was no underemployment of manpower. However, employees of lower cadre were deployed in higher cadre without extending any financial benefit of the higher cadre.

Payment of salary and allowance to idle staff

3.16.3 Despite no work being carried out at the Regional workshop at Ranchi and negligible work at Regional workshop, Muzaffarpur (only body work of nine buses done during 2004-09) it was noticed during audit that the Corporation incurred idle establishment expenditure of Rs. 2.51 crore during 2004-09 on payment of salary and allowances to the staff deployed in the workshop. The matter was raised in the paragraph no. 3.3.23 of the Report of the CAG for the year ended 31 March 2006 also. Audit observed that the irregularity continued to persist.

The Corporation incurred idle establishment expenditure of Rs. 2.51 crore

Duty hours /steering hours

3.16.4 The normal duty hours prescribed for operating crew is eight hours which includes steering duty of 6.5 hours. Test check in Gaya and Aurangabad depots of Gaya division revealed that these depots did not maintain records in this regard during 2004-09.

Fuel Cost

3.17.1 Fuel is a major cost element which constituted 13.29 *per cent* of total expenditure in 2008-09. Control of fuel costs by a road transport undertaking has a direct bearing on its productivity. The Table below gives the targets fixed by the Corporation for fuel consumption, actual consumption, mileage obtained *per litre* (Kilometre *per litre* i.e. KMPL), All India Average and estimated extra expenditure.

S.No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Gross Kilometres (in lakh)	393.60	391.53	347.11	298.57	189.62
2.	Target of KMPL fixed by Corporation	4.5	4.5	4.0	4.0	4.0
3.	Kilometre obtained per litre (KMPL)	3.94	3.88	3.93	3.96	3.91
4.	All India Average in the category			4.94		
5.	Actual Consumption (in lakh litres)	99.86	100.82	88.26	75.46	48.45
6.	Consumption as per internal target (in lakh litres) (1/2)	87.47	87.01	86.78	74.64	47.41
7.	Excess Consumption (in lakh litres) (5-6)	12.39	13.81	1.48	0.82	1.04
8.	Average cost per litre (in Rs.)	25.32	31.44	33.24	30.05	34.91
9.	Extra expenditure (Rs. in crore) (7X8)	3.14	4.34	0.49	0.25	0.36

The Corporation increased extra expenditure of Rs. 8.58 crore due to excess consumption of fuel

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

It can be seen from the above table that norm for fuel consumption was reduced from 4.5 KMPL to 4.00 KMPL 2006-07 onwards. Thus, excess consumption of fuel appeared to be controlled during the period 2006-07 onwards, though it was as a result of reduction in targets. The Corporation consumed 29.54 lakh litres of fuel in excess as compared to its internal targets during 2004-05 to 2008-09 resulting in extra expenditure of Rs. 8.58 crore. The main reasons for excess consumption of oil were lack of driving skills, poor maintenance of buses and poor road conditions.

3.17.2 A test check in Audit of two months Petrol, Oil and Lubricants (POL) statements for each year under review, in six depots, showed that the Corporation had not used them for analysis of driver-wise or vehicle-wise consumption for attempting any optimisation of KMPL. Different drivers were deployed frequently (ranging upto 16) and routes were also frequently changed (ranging upto 10) in each vehicle in each month due to which proper evaluation and monitoring of the performance of drivers in terms of fuel efficiency could not be ensured. It was observed that KMs recorded in POL statement were mostly on the basis of route length but not based on meters installed in the vehicles as those meters were non-functional in almost all the vehicles. Thus, the Corporation had no mechanism in place to monitor vehicle wise or driver wise data for consumption of fuel so as to exercise effective management control. Further, the Corporation had not prescribed any ideal driving speed/ norms so as to encourage fuel economy.

Financial Management

3.18 Raising of funds for capital expenditure, i.e., for replacement/ addition of buses happens to be the major challenge in financial management of Corporation's affairs. This issue has been covered in Paragraphs 3.11. The section below deals with the Corporation's efficiency in raising claims and their recovery. This section also analyses whether an opportunity exists to realign the business model to generate more resources without compromising on service delivery.

Claims and Dues

Sundry debtors

3.19 The Corporation gives its buses on hire for which parties were required to pay in advance the charges at prescribed rates *per* kilometre basis at the time of booking. It was, however, noticed during audit that the destination of the journeys performed was not recorded. Speedometers were not working due to which, the actual charges receivable could not be worked out. Further, the charges due were also not promptly recovered from the parties. During 2004-09, the Corporation did not provide buses to schools. Further, during the period the Corporation also did not provide any free/concessional passes to

various categories of public like students, senior citizens, etc. The charges ranging from Rs. 1,800 to Rs. 2,500 and Rs. 18 to Rs. 21 per KM beyond 100 KMs for different category of buses fixed in February 2003 were increased in July 2008 and May 2009

From the perusal of records, it was observed that:

For want of effective measures and pursuance, the outstanding dues mounted in course of time

- dues dating back to 1967, amounting to Rs. 2.52 crore (including Rs. 4.91 lakh from private parties) as on 31.03.2009 were recoverable from 101 debtors (Government departments-83, Government agencies-02, Educational Institutions-09, Political parties-07);
- the Management did not seek confirmation of balances from the debtors; and
- effective measures were not taken by the Management for recovery.

Realignment of business model

3.20.1 The Corporation is mandated to provide an efficient, adequate and economical road transport to public. Therefore, the Corporation cannot take an absolutely commercial view in running its operations. It has to cater to uneconomical routes to fulfil its mandate. It also has to keep the fares affordable. In such a situation, it is imperative for the Corporation to tap non-traffic revenue sources to cross-subsidize its operations. However, the share of non-traffic revenues (other than interest on investments) was nominal at 5.42 *per cent* of total revenue during 2004-09. This revenue of Rs. 13.89 crore during 2004-09 mainly came from advertisements. Audit observed that the Corporation has non-traffic revenue sources which it has not tapped (or not tapped substantially).

3.20.2 Over a period of time, the Corporation has come to acquire 41 sites at prime locations at District Headquarters measuring 5.95 lakh square metres. It is, thus, possible for the Corporation to undertake projects on public private partnership (PPP) basis for construction of shopping complexes, malls, hotels, office spaces, etc. above (from first or second floor onwards) the existing sites so as to bring in a steady stream of revenues without any investment by it. Such projects can be executed without curtailing the existing area of operations of the Corporation. Such projects can yield substantial revenue for the Corporation which can only increase year after year.

3.20.3 Audit observed that the Government of Bihar is pursuing the idea of taking up site development strategy with Infrastructure Leasing and Financial Services (IL & FS) (May 2009). However, a Memorandum of Agreement is yet to be signed.

Income from advertisement

3.20.4 The Corporation entered into an agreement with the sole agent for advertisement M/s Sharpline Publicity Private Ltd., Delhi for advertisement on bus bodies at the rate of Rs. 2,200 per bus per annum for five years during July 2001 to June 2006. However, this agreement was terminated by the

Administrator with effect from 31 January 2006 citing default on the part of the agent in making monthly payments. Though the Agent made payment of Rs. 0.50 lakh as penalty his request for not terminating the agreement on the cited ground was not considered (January 2006).

Subsequently, the Corporation made a proposal to the Bihar State AIDS Control Society Patna to avail AIDS related advertisement on buses of the Corporation for Rs. 3.00 lakh per month (January 2006). Accordingly, the society made an advance payment of Rs. 3.00 lakh. However no formal agreement for this was signed. It was observed in audit that without ensuring a formal agreement, the Corporation asked the society to proceed by meeting expenditure of preparation of advertisement script to be adjusted against the subscription payable to the Corporation. However citing non compliance of the terms of proposal on the part of the Corporation, the society asked the Corporation to refund the advance of Rs. three lakh paid earlier (November 2006). After waiting in vain for the society upto January 2008, the Corporation called fresh tender for advertisement and entered into an agreement with M/s Pisces Media World, Patna for advertisement on limited side panel of bus bodies at the rate of Rs. 2450 per bus per annum for a period of five years (January 2008).

For want of formal agreement, the Corporation lost the opportunity to earn Rs. 19.98 lakh from advertisement

Thus, due to pursuance of the matter of advertisement with the Bihar State AIDS Control society without ensuring a formal agreement, the Corporation lost the opportunity to earn revenue of Rs. 19.98 lakh against advertisement for 24 months from February 2006 to January 2008 worked out at earlier rates in vogue.

Loss due to non-disposal of condemned buses and spare materials

3.20.5 A mention was made in the paragraph no. 3.3.9 of the Audit Report of the Comptroller and Auditor General of India (Commercial), Government of Bihar, for the year ended 31 March 2006, that as per the revival scheme a sum of Rs. 12 crore was to be raised through disposal of condemned buses and scrap. The funds so raised were to be utilised for purchasing 130 new buses. It was reported that the Corporation could generate only Rs. 1.79 crore from auction of only 207 buses out of 1373 buses and scrap during 2003-05. As a result, the Corporation lost an opportunity to purchase 113 new buses.

The Management stated (September 2006) that action was being taken to dispose of the condemned buses and scrap material.

Audit observed that the Corporation failed to comply with the directives (April 2006) of the Transport Department to ascertain the total taxes due against the buses which was to be appropriated against the proceeds of auction of these buses and paid to the Government Exchequer.

Accordingly, directives were issued by the Secretary, Transport Department, Government of Bihar (October 2009) that the liability of tax dues of the buses of the Corporation being auctioned would be that of the Corporation and not of the buyer so that the auction of buses could be facilitated. The Corporation has taken up auction of buses afresh (November 2009).

Fare policy and fulfillment of social obligations

Existence and fairness of fare policy

3.21.1 Under Section 67 of Motor Vehicles Act, 1988 the power to fix fares in respect of Stage carriages operation in the State and their periodic revision is vested with the State Government. As already stated, power to fix fares by the Corporation at its own level on sound business principle was delegated (1998) to the Corporation by the State Government. It was observed that during 2003-04 to 2008-09 the Corporation revised fare thrice with effect from 15-11-03, 01-07-05 and 01-07-08.

3.21.2 At each revision of tariff increase in HSD price only was considered without linking to other input costs (e.g. tyres, spares, lubricants, depreciation, taxes etc.) with a view to minimise burden on commuters. Moreover, to arrive at the revised tariff the additional cost of fuel due to price hike of HSD was calculated on the basis of existing actual KMPL but not on the normative KMPL. Therefore, the fare policy of the Corporation has no scientific basis as it does not take into account the normative cost. Thus, there is a risk of commuters paying for inefficiency of the Corporation. The table below shows how the Corporation could have curtailed cost and increase revenue with better operational efficiency.

(Amount in Rupees)

S.No.	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
1.	Cost per KM	28.69	28.99	33.81	36.90	60.69
2.	Revenue per KM	14.43	15.90	15.84	19.05	16.92
3.	Loss of revenue due to less vehicle productivity (per KM)	5.53	5.23	2.62	3.99	3.35
4.	Excess cost due to low manpower productivity (per KM)	3.68	3.39	5.54	5.80	14.82
5.	Excess cost due to excess consumption of fuel (per KM)	0.80	1.11	0.14	0.08	0.19
6.	Ideal revenue per KM (2+3)	19.96	21.13	18.46	23.04	20.27
7.	Ideal cost per KM [1-(4+5)]	24.21	24.49	28.13	31.02	45.68
8.	Net revenue per KM (2-1)	(-)14.26	(-) 13.09	(-) 17.97	(-) 17.85	(-) 43.77
9.	Net ideal revenue per KM (6-7)	(-) 4.25	(-)3.36	(-) 9.67	(-) 7.98	(-) 25.41
10.	Effective KMs (in lakh)	380.13	381.97	340.34	291.15	184.45
11.	Avoidable loss (in Rs. crore) [(8-9) x 10]	38.05	37.17	28.25	28.74	33.87

The above Table does not take into account other inefficiencies such as low fleet utilisation, excess tyre cost, defective route planning, etc. Nonetheless, it shows that the net revenue could be higher, if the operations are properly planned and efficiently managed, than what they actually are. Thus, the case made by the Corporation for increase in fare, includes its inefficiencies and in a way would make the commuters pay more than what they should be actually paying.

The above facts lead to conclude that it is necessary to regulate the fares on the basis of a normative cost and it would be desirable to have an independent regulatory body (like State Electricity Regulatory Commission) to fix the fares, specify operations on uneconomical routes and address the grievances of commuters.

Adequacy of services on uneconomical routes

3.22 The Corporation had about 46 *per cent* profit making routes as of March 2009 as mentioned in paragraph 3.13.3. However, the position would change if the Corporation improves its efficiency. Nonetheless, there would still be some routes which would be uneconomical. Though the Corporation is required to cater to these routes, the Corporation has not formulated norms for providing services on uneconomical routes. In the absence of norms, the adequacy of services on uneconomical routes cannot be ascertained in audit. The desirability to have an independent regulatory body to specify the quantum of services on uneconomical routes, taking into account the specific needs of commuters, is further underlined. No uneconomical routes have been identified by the Transport Department for the Corporation and therefore no reimbursement is being provided to the Corporation for plying on these routes.

Monitoring by top management

MIS data and monitoring of service parameters

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

The MIS in the Corporation was deficient

- The Corporation has a system of monthly meeting of Administrator of the Corporation with the departmental heads, divisional managers and depot superintendents for reporting on their performances with respect to norms of operations, service standards and targets. However, the meetings were not held at regular intervals and there was no effective follow up of the decisions taken in the earlier meetings.
- Though the Corporation set targets for important operational parameters, the same were not monitored for improvement.
- Despite being repeatedly pointed out by the C&AG, the Corporation could not remove the deficiencies with respect to maintenance of books of accounts to ensure safeguard of assets and disclosure of reliable financial data through timely reporting.

The Corporation did not have any fulltime administrator during 2004-09.

Conclusion

Operational performance

- **The Corporation could not keep pace with the growing demand for public transport.**

- The Corporation was not running its operations efficiently as its performance on important operational parameters was below all India average.
- The corporation did not ensure the economy in operations as its manpower and fuel costs were higher than the all India average.

Financial management

- The Corporation did not demonstrate utmost discipline in raising its claims for dues in time or follow up recovery of its dues to logical end.
- The Corporation has tremendous potential to tap non-conventional sources of revenue. Despite having a policy in place it did not strive for large scale tapping of such funds.

Fare policy and fulfillment of social obligations

- Though the Corporation has a fare policy, it is not based on scientific norms.
- No policy yardstick has been laid down for operation on uneconomical routes. Therefore, the adequacy of operations could not be ascertained in Audit.

Monitoring by top management

- The MIS system of Corporation was not adequate and the monitoring by its top management of key operational parameters and service standards was largely ineffective.

On the whole, there is immense scope to improve the performance of the Corporation. However, the present set-up of the Corporation does not seem to be equipped to handle this. Effective monitoring of key parameters, coupled with certain policy measures, can see improvement in performance.

Recommendations

The Corporation may:

- increase its percentage share in passenger transport by purchasing new buses;
- maintain the indices of fuel consumption, load factor, IPEKM, fleet utilisation, vehicle productivity, etc. as per norms;
- dispose off condemned buses; and
- consider devising a policy for tapping non-conventional sources of revenue on a large scale, which will result in steady inflow of revenue without additional investment.

The State Government should:

- consider creating a regulator to regulate fares and also services on uneconomical routes.

Chapter-IV

Transaction Audit Observations

Important audit findings emerging from test check of transactions of the State Government companies/statutory corporations are included in this Chapter.

Government companies

Bihar State Text Book Publishing Corporation Limited

4.1 Avoidable expenditure

The Company incurred avoidable expenditure of Rs. 0.70 crore on minimum guarantee energy charge and power factor surcharge due to not taking timely and informed decision

The Company has a press which was established in 1972 to print books. To cater to the requirements of its printing press, the company had taken power connection under HTS-1 Category with contractual demand of 225 KVA from Bihar State Electricity Board (Board).

- **Avoidable expenditure of Rs. 0.49 crore towards minimum guarantee energy charges.**

As per the Tariff provisions of the Bihar State Electricity Board, a consumer shall have to pay minimum Energy charges which will be billed on the basis of consumption at Power Factor of 90 *per cent* and Load Factor of 30 *per cent* on the contract demand for the year irrespective of whether the energy to that extent has been consumed or not. Audit observed (September 2008) that the Printing press had not consumed even minimum energy units in any month between March 2005 to November 2009 because of under utilisation of capacity due to various reasons viz. aged machines and lack of maintenance leading to frequent break downs. The Management, despite being in knowledge of the low energy consumption due to non continuous running of the press, did not analyse the actual requirements and did not initiate timely steps to reduce the contract demand suitably. As a result, the Company incurred extra expenditure of Rs. 0.49 crore on 11.03 lakh unconsumed energy units.

- **Avoidable expenditure towards power factor surcharge: Rs. 0.21 crore**

As per Bihar Electricity Regulatory Commission's tariff order (2006-07), every High Tension consumer has to maintain the average power factor of not less than 0.90. If the average power factor falls below 0.90 then the consumer shall have to pay surcharge in addition to normal energy charges. For maintenance of power factor installation of capacitor bank¹ of adequate capacity is statutory obligation of the consumer.

¹ Capacitor Bank – Device to maintain and ensure minimum power factor.

It was observed in Audit (September 2008) that the Company had not installed properly matching capacitor bank with the actual rating of the motor which would have ensured power factor of 0.90. It was also observed that during the period from January 2005 to November 2009 the Company did not maintain power factor of 0.90 and it ranged between 0.28 to 0.89, leading to payment of avoidable surcharge of Rs. 0.21 crore.

Had the management taken action to reduce the contract demand according to its requirement and to improve the power factor by installing capacitor bank, the amount paid towards minimum guarantee energy charges and on account of surcharge payment for fall in power factor of Rs. 0.70 crore could have been avoided.

The Company accepted the Audit observations and stated (June 2009) that steps were being taken to get the sanctioned load reduced and to install suitable capacitor bank to improve the power factor.

Audit suggests for a proactive management to take decisions so as to save avoidable costs to the Company.

The matter was reported to Government (May 2009), its reply was awaited (November 2009).

Bihar State Food and Civil Supplies Corporation Limited

4.2 Suspected embezzlement of food grains

3115.66 quintals of food grains costing Rs. 0.25 crore claimed to have been transported appeared false and embezzled by use of fake truck numbers

The Company procures food grains for different government schemes from the Food Corporation of India (FCI). The Company obtains a Release Order (RO) from FCI after making advance payment for proposed procurement of food grains. This release order entitles the Company to lift the food grains from FCI godowns. In cases of distress mitigation like flood relief distribution, the Company can also lift the food grains directly from Railway heads instead of FCI godowns. The Lifting In-charge (Supervisors) appointed by the Company stationed at the FCI's godown/Railway head confirm the lifting by issuing truck challan/Road Transport Note to the transporters for onward transportation of the food grains to the Company's godown who in turn submit the challan Transport Note to the Company's godown for entering the quantity lifted in the Stock and in the Inward registers of the godown.

Test check of records of the Company's District Managers office, Khagaria for the period from August 2007 to October 2007 revealed (February 2009) that food grains were lifted from Mansi Railway Station and transported to the Company's godown at Khagaria by trucks. The grains were entered in the Inward Stock Register and subsequently issued for flood relief operation. Audit attempted to verify vehicle registration numbers of trucks involved in

transportation of food grains bearing registration numbers of Khagaria district with the District Transport Office (DTO), Khagaria. It was found that in 32 instances the vehicle registration numbers indicated were either non-existent or registered as motorcycles, jeeps, scooters, etc. as detailed below:

No of trucks indicated	Relates to type of vehicle	Quantity claimed to be transported		
		Wheat (in quintal)	Rice (in quintal)	Total (in quintal)
8	Does not exist	181.20	710.38	891.58
3	Motor Cycle	90.60	183.55	274.15
1	Jeep	97.33	-	97.33
1	Scooter	-	92.49	92.49
15	Tractor	568.70	833.85	1402.55
4	Mini Truck	264.76	92.80	357.56
Total- 32		1202.59	1913.07	3115.66

Audit apprehends that the transactions of transportation of food grains claimed to have been made under false truck numbers had actually never taken place and 3115.66 quintal of food grains valuing Rs. 0.25² crore claimed to have been transported appeared false and embezzled.

The Company replied (July 2009) that total 2.26 lakh quintals of food grains have been received by the authorised representatives of the District Administration, Khagaria during the flood relief operation, and as regards vehicles, these might have been carrying fake registration numbers, but these were made available by District Administration of Khagaria during the flood by requisition and seizure and the Company is not responsible. The reply is not convincing as it shows systemic failure in handling and transportation of food grains. Audit concludes that 3115.66 quintals of food grains valuing Rs. 0.25 crore meant for distribution amongst flood victims were embezzled. The Company should take immediate steps to fix responsibility and place an effective control system in operations whenever emergency requirement arise to ensure that no leakage of foodgrains take place.

The matter was reported to Government (June 2009), its reply was awaited (November 2009).

² Wheat: 8.10 lakh (1202.59 quintals X Rs. 673.70 - Issue price of wheat per quintal) + Rice: Rs. 16.78 lakh (1913.07 quintals X Rs. 877.20 - Issue price of rice per quintal) + handling charge: Rs. 0.41 lakh

Bihar State Hydroelectric Power Corporation Limited

4.3 Loss due to non-insurance of asset

Due to failure in finalizing the NIT for insurance, the Company could not recover Rs. 2.19 crore being the sum insured and thus, suffered a loss to that extent

The Company has Kosi Hydel Power Station (KHPS), Birpur, Kataiya having installed capacity of 4 x 4.8 mega watt (MW) as one of its generating units.

KHPS power generation project with its plant and machinery, stores etc. were transferred (June 2003) by Bihar State Electricity Board (BSEB) to the Company. It was insured (October 2004) against standard fire and special perils including storm, tempest, flood and inundation (STFI) and riot, strike and malicious damage (RSMD) for a value of Rs. 2.30 crore for one year. The policy expired on 23 October 2005. For further insurance of the assets, the Company invited timely tenders (15 July 2005) and the lowest bidder was shortlisted. But it failed to finalise the bids and issue order. As a result, the assets of Kosi Hydel Power Station remained uninsured from October 2005 onwards.

Meanwhile, floods inundated the Kosi Hydel Power Station on 27 August 2008 and damaged the generating units. The Company estimated it needed Rs. 17.00 crore³ for repairs and replacements of the main generating equipment and auxiliaries and up to December 2008 lost 60 lakh units (LUs) of saleable energy valued at Rs. 1.20 crore taking the total loss to Rs. 18.20 crore. Thus, had the Company got its assets insured at least at the value done in 2004 it would have realised/recovered the value of the damaged equipment Rs. 2.19⁴ crore from the insurance Company. The failure in finalizing the NIT for more than three years led the Company to keep its assets uninsured and suffered a minimum loss of Rs. 2.19 crore.

Company replied (September 2009) that it was looking at the possibility of going in for an insurance company in the private sector instead of relying on public insurance companies, as they failed to settle several old claims. The reply is not convincing as the real issue of non insurance of assets for unduly long period has not been addressed. The Company further stated that this power station was commissioned in the year 1973 and was transferred to company with the specific objective of getting it renovated and hence, till the plant was fully renovated, insurance cover was not necessary. This reply is also not borne out as the Company had got the project insured from October 2004 to October 2005 and had also invited tenders for renewing insurance cover but failed to renew the same in time resulting in the project remaining un-insured and the Company failing to recover any amount, the assets being un-insured.

³ Rs. four crore per generating unit plus Rs. one crore for removal of waters.

⁴ Rs. 2.30 crore – five *per cent* policy excess = Rs. 2.185 crore rounded to Rs. 2.19 crore.

The matter was reported to Government (September 2009), its reply was awaited (November 2009).

Statutory corporations

Bihar State Warehousing Corporation

4.4 Loss of revenue due to incorrect application of storage tariff

Concessional rates were allowed to the FCI even though the space reserved was for a period less than a year (3 months to 8 months) between February 2006 to March 2008 in contravention of the direction of GOI resulting in undercharge of storage charges of Rs. 0.17 crore

The Corporation has not formulated a storage tariff of its own and has been following the storage charges fixed by the Central Warehousing Corporation (CWC) from time to time. As per the revised procedure, CWC was required to charge the concessional storage rate fixed by the GOI (July 2004) (Rs. 35.80 per MT) if FCI agreed to keep the stock for a minimum period of one year. In other cases, where the utilization was not guaranteed by the FCI, the CWC was allowed to charge the storage charges and other related charges etc. from the FCI at the same rates as is being charged from the private parties depositing foodgrains with CWC. The rate applicable for the private party to depositing foodgrains was Rs. 45/MT. This arrangement is also made applicable to the Corporation⁵ by the Government of India (August 2005).

Audit observed (October 2008) that in eight⁶ godowns of the Corporation as the average period was below the minimum period of one year, the concessional rates of Rs. 35.80/MT instead of Rs. 45/MT applicable for a period less than a year (3 months to 8 months) were allowed to the FCI between February 2006 to March 2008 resulted in undercharge of storage charges. This incorrect application of the storage tariff caused loss to the Corporation to the extent of Rs. 0.17 crore.

The Management in its reply (April 2009) accepted the audit observation and appraised that supplementary bill of Rs. 0.17 crore has been raised on FCI to realise the amount. However, the amount has not been realised so far (November 2009).

The matter was reported to the Government (April 2009); its reply was awaited (November 2009).

⁵ (i) CWC DO letter No CWC-CD/II- FCI/03-04/675 E dated 29-03-04

(ii) FCI letter No E4 (20)/02/stg.VII/Vol.III dated 09-08-2004 (Enclosure)

⁶ Ara, Buxar, Rajgir, Nawadah, Dehri-on-sone, Daltonganj, Muraliganj and Sasaram.

Bihar State Electricity Board

4.5 Excess payment due to ineffective system of monitoring

The Board did not have an effective system of monitoring of increase/decrease in the price of raw-materials notified by CACMAI, which led the Board to pay excess amount of Rs. 0.28 crore to the suppliers

The Board relies on tendering system for purchase of different electrical items. The Board allow/recover escalation/discount of price in case of increase/decrease in the price of raw materials of the components supplied by the manufacturers on announcement by the Confederation of Cables Manufacturers Association of India (CACMAI) for its purchase of conductors, cables etc.

The Board placed four purchase orders⁷ on four firms⁸ (March 2007) for supply of 4800 kms of squirrel conductor at the rate of Rs. 13,663.32 per km inclusive of taxes at variable prices, to be delivered within four months from the date of issue of purchase orders.

The general conditions of purchase contract specified the base price of material taken was the one prevailing in June 2006 and for this purpose the lowest price of aluminium alloy rods as notified by Bharat Aluminium Company, National Aluminium Company and Hindustan Aluminium Company either directly or through CACMAI was to be adopted for computation of price variation. Further, the loss on price variation was restricted to the contractual delivery period.

Audit observed (December 2008) that the basic price of raw material for squirrel conductor *i.e.* aluminium alloy rods, was reduced and notified by CACMAI in February, April and May 2007. But the Board instead of paying the four suppliers at reduced cumulative price of Rs. 5.92 crore paid Rs. 6.49 crore at original rate during the period August 2007 to December 2007. The Board on noticing the irregularity claimed the negative price variation in July 2008 *i.e.* more than one year after the dates of CACMAI notifications. Since, the Board did not have any effective system of monitoring increase/decrease in the price of raw-materials notified by CACMAI, it paid an excess amount of Rs. 0.57 crore to the suppliers.

The Management admitted the facts and stated (March 2009) that CACMAI notification came to notice with delay and as a result the claims could not be made in time. It added that the matter was being pursued with the suppliers and the excess payment would be recovered from the Bank Guarantees (BGs) submitted by the suppliers of value Rs. 0.29 crore and by other means available with the Board. But the fact remains that even if the BGs of Rs. 0.29

⁷ P.O. No. 7, 8, 9 and 13 dated 22.03.2007, 26.03.2007 and 29.03.2007.

⁸ M/s Dynamic Cables (P) Ltd, Jaipur, M/s Hitek Power Co., Bhubhneshwar, M/s Purbanchal Cables and Conductors Pvt. Ltd, and M/s Aggarwal Cables, Faizabad.

crore were encashed, the net excess payment would still work out to Rs. 0.28 crore. The Board does not have any other means of recovery of this amount except legal suits and may eventually have to settle with this excess payment.

Audit recommends that the Board must strengthen its internal control and monitoring system of receipt of trade circulars to avoid reoccurrence of such lapses in future.

The matter was reported to the Government (April 2009); its reply was awaited (November 2009).

4.6 Loss of interest due to delay in charging of Annual Minimum Guarantee charges

Lack of internal control and monitoring in the billing system led the Board to non preferring the AMG bills on the consumer for two to four years. The AMG bills were eventually raised at the instance of Audit but resulted in a loss of interest of Rs. 1.22 crore

The East Central Railway through Senior Divisional (Electrical) Engineer, Dhanbad, is a consumer of the Transmission Circle, Gaya of the Bihar State Electricity Board (Board) for Railway Traction Services (RTS)-II under High Tension Supply (HTS) category, with a contract demand of 13000 KVA.

As per Clause 4 (d) of standard HTS agreement, a consumer shall have to pay minimum charges, which will be billed on the basis of energy consumption at a load factor of 25 per cent and power factor of 90 per cent on the contract demand for the year, irrespective of whether energy to that extent has been consumed or not. Bill on account of the Annual Minimum Guarantee (AMG) consumption for the year or part thereof shall be preferred by the end of June in each year.

Audit observed (January 2009) that the Board had not preferred bills on account of AMG charges of 150.34 lakh units of energy amounting to Rs. 2.92 crore for the period from April 2004 to October 2006 till March 2009. The Board admitted (July 2009) the audit contention and stated that after the matter being brought to notice, a supplementary bill of Rs. 2.92 crore was issued (April 2009) and the consumer paid (June 2009) the amount but the fact remains that the bill was issued after a delay of periods ranging from two to four years and the board lost interest due to delayed receipt of revenue.

Audit estimates that delayed receipts resulted in a loss of interest of Rs. 1.22 crore calculated at the rate of 13 per cent⁹ per annum.

Audit recommends that the internal controls in the billing system should be strengthened so as to ensure timely billing in future.

⁹ Rate of interest charged by Government of Bihar on loans to the Board.

The matter was reported to the Government/Board (November 2009); their replies were awaited (December 2009).

4.7 Loss due to non adherence to General Terms and Conditions of supply of energy

Due to non-adherence to general terms and conditions of supply of energy, the Board suffered loss of Rs. 0.44 crore of billable energy charges

The Board notified (October 2002) partial modification of its General Terms and Conditions of supply of energy for all categories of consumers served, or to be served, with effect from November 2002. The modified terms and conditions stipulated that enhancement of contract demand¹⁰/sanctioned load shall be allowed after completion of necessary formalities namely submission of application in prescribed form with requisite fee, deposit of additional amount of security so assessed on enhanced contract demand and execution of a fresh agreement. The notification further stipulated that if agreement is not executed within 30 days, then billing shall commence after expiry of 30 days from the date of sanctioning of the enhanced load.

Audit observed (November 2008) that Patna Electrical Supply Undertaking (W), sanctioned additional load of 100 Kilo Volt Ampere (KVA) (375 KVA to 475 KVA) in favour of Bharat Sanchar Nigam Ltd. (BSNL)¹¹ and 275 KVA (240 KVA to 515 KVA) in favour of Life Insurance Corporation of India (LIC)¹² in August 2006 and June 2007 respectively. Both the High Tension consumers BSNL and LIC deposited additional security deposit as assessed on enhanced load in October 2006 and July 2007 respectively. Whereas LIC entered into an agreement in July 2007 itself, BSNL had not executed any agreement with the Board till October 2009.

Audit observed (November 2008) that despite specific provision regarding commencement of billing after expiry of 30 days period from the date of sanctioning of enhanced load (in case of non-execution of agreement), the Board had not raised bills to BSNL for the enhanced load (October 2009) whereas in respect of LIC, the circle started raising bill on enhanced load with effect from December 2007 instead of August 2007 (Date of execution of agreement).

Thus, due to non-adherence to its general terms and conditions of supply of energy, the Board suffered a loss of Rs. 0.44 crore of billable energy charges during the period November 2006 to October 2009.

Audit observed lack of internal control procedures in the billing of revenue by the Board and suggests that the Board needs to institute proper responsive mechanisms to ensure that all possible revenues are billed and collected.

¹⁰ Contract Demand denotes maximum energy required by the consumers.

¹¹ Assistant Director, ADT(Building), BSNL, Bhiar Circle (Consumer No.-344109).

¹² Divisional Manager, LIC of India, Patna (Consumer No.-103265).

The matter was reported to Government/Board (May 2009), their replies were awaited (November 2009).

4.8 Idle / unfruitful expenditure

Unplanned construction of two PSS and related lines remained unfruitful and the desired benefit of expenditure of Rs. 0.35 crore could not be achieved

The Board constructs Power Sub-Station (PSS) and related 33 KV line through their supply circle, for smooth passage of electricity. The civil and electrical works are got executed from private contractor for which material is supplied by Board. The work is required to be planned in such a way that both PSS and the related line are completed simultaneously because without completion of the line, the PSS cannot be energized.

The Board undertook construction of two new PSSs and their related lines at Parchhaiya in Sitamarhi District under Electric Supply Circle, Muzaffarpur and Sugauli in East Champaran District under Electric Supply Circle, Motihari for improvement in power supply in nearby/surrounding villages as per details below :-

(Amount : Rupees in lakh)

Name of PSS	Scheme	Year of estimate	Estimated cost of PSS/line	Scheduled date of completion of PSS/line	Expenditure on PSS /line upto July 2009	Total
Parchhaiya (Sitamarhi District) and related 33 KV line	RE State plan	2006-07	77.89/76.08	December 2006	14.01/3.38	17.39
Sugauli (East Champaran District) and related 33 KV line	RE State Plan	2003-04	68.52/18.44	March 2007 / Nil	17.63/Nil	17.63
Total			146.41/92.52 (Rs. 240.93 lakh)			35.02

Audit observed (August 2008 and February 2009) that total estimated cost of two PSSs was Rs. 1.46 crore on which expenditure of Rs. 31.64 lakh (21.67 per cent of estimated cost) had been incurred including cost of materials. Although, Parchhaiya PSS and Sugauli PSS were to be completed by December 2006 and March 2007 respectively, the same were not completed till November 2009. The progress of construction of related lines was even more dismal. As against estimated cost of Rs. 76.08 lakh, an expenditure of only Rs. 3.38 lakh (four per cent) was incurred on the related line of Parchhaiya PSS. Regarding the related line of Sugauli PSS, even the agreement had not been signed with the contractor and the work had not started. Management stated (August 2009) that the reason for non-completion of the line of sugauli project was objection by the residents of the villages

falling in route of 33 KV line. Apart from this, other reasons were non-purchase of fabricated materials by the Board and diversion of purchased materials at the local level to the other projects showing that the probable obstructions were overlooked at the time of planning. The scheduled date of completion of the work had already expired and Management had not set revised dates to complete the work.

Thus, due to unplanned execution of works and not undertaking proper route survey for electrical lines, the expenditure of Rs. 0.35 crore incurred on construction of two PSS and related lines remained unfruitful and the desired benefit of the same could not be achieved. Audit suggests that the Board, while planning the construction of PSS and connected line, should survey carefully the route of the line to avoid dispute and ensure timely procurement of materials required in the projects.

The matter was reported to Government (June 2009); its reply was awaited (November 2009).

4.9 Loss due to non billing under HTS tariff

Non-billing under High Tension Services (HTS) supply tariff resulted in loss of revenue of Rs. 1.85 crore to the Board during the period April 2006 to March 2009 on minimum monthly charge basis

The Board's tariff (November 2006) approved by Bihar Electricity Regulatory Commission provides that Low Tension supply (LTS) tariffs for domestic and non-domestic category are applicable for supply of electricity to LT consumers with a maximum connected load of up to 60 Kilo Watt (KW) or 66 Kilo Volt Ampere (KVA) only, whereas High Tension Supply (HTS) is applicable for supply of electricity with a minimum contract demand of 75 KVA.

Audit observed (October-December 2008), that in five supply divisions¹³ of Board, 13 Non-Domestic Service-II (NDS-II) whose connected load exceeded 75 KVA were not categorised into HTS category and were instead categorized as LTS category. They were charged at lower rates of LTS tariff. Audit estimated that this non-billing under HTS supply tariff resulted in loss of revenue of Rs. 1.85 crore during the period April 2006 to March 2009 on minimum monthly charge basis to the Board.

The concerned supply divisions in their preliminary reply (December 2008) stated that matter has been taken up with the consumers for conversion of supply category from LTS to HTS. The reply is not convincing because as per general terms and conditions of supply of energy for all categories of consumers, billing under HTS categories was to be started after expiry of 30 days from enhancement of load and this was a case of deliberate under billing

¹³ Electric Supply Divisions, Gaya (R), Dakbungalow, Nawada, Rajendra Nagar and Patliputra.

by application of inappropriate tariff structure and the Board sustained loss of Rs. 1.85 crore. The Board meanwhile took action and reduced the sanctioned load in case of two consumers (April 2008) and disconnected supply to one consumer (July 2007). Audit suggests that the Board should charge appropriate tariff from the consumers and fix the responsibility for the lapse. It should also take remedial measures to avoid such loss in future by strengthening the control measures.

The matter was reported to Government/Board (June 2009), their replies were awaited (November 2009).

4.10 Loss due to wrong assessment of energy bill for unauthorised use of electricity

The Board suffered loss of Rs. 0.33 crore due to wrong assessment of the energy charges for Unauthorised use of electricity (UUE) in disregard to the prescribed formulae

Section 11 of the Bihar Electricity Supply Code-2007 (Code) read with Section 126 (i) of Electricity Act, 2003, provides that if on inspection of a premise unauthorised use of electricity (UUE) was found, an energy bill for the UUE based on assessment of units as per the formulae¹⁴ given in Annexure-7 of the Code was required to be issued to the consumer. Such assessment shall be made for the entire period during which such UUE has taken place and if the period during which such UUE has taken place cannot be ascertained such period shall be limited to a period of 12 months (365 days) immediately preceding the date of inspection. The units so assessed shall be charged at twice the rate of the tariff applicable to the consumer after adjusting the amount paid by the consumer for the energy consumption assessed for the assessment period, if any. Further, if the connected load of consumer was found in excess of load contracted, then the fixed or the demand charge as the case may be shall also be charged at two times of fixed charge/demand charge for the connected load minus charge for fixed charge/demand charge for the contracted¹⁵ load at the applicable tariff rate.

Audit noticed (December 2008) that the Special Task Force of the Board had detected (June 2008) a consumer¹⁶ indulging in UUE. The connected load of the consumer was found to be 111 HP against sanctioned load of 59 HP. Since the period of UUE could not be ascertained, an energy bill of Rs. 0.44 crore for the period from June 2007 to May 2008, was required to be preferred on the consumer as per Annexure-7 of the Code. But the Board wrongly assessed the units and preferred a bill of Rs. 0.11 crore only (including actual energy charge of Rs. 4.30 lakh) which was based on the monthly minimum charges in violation of the formula given in the Code.

¹⁴ $L \times F \times D \times H$, where L is the connected load, 'F' is load factor, 'D' is number of days of UUE and 'H' is the hours of supply per day.

¹⁵ Agreemented load

¹⁶ M/s KEMS Pharma, (LTIS).

Thus, due to wrong assessment of the energy charges for UUE in complete disregard to the prescribed formulae, the Board was made to suffer a loss of Rs. 0.33 crore.

The matter was reported to Government/Board (August 2009), replies were awaited (December 2009).

4.11 Loss of Rs. 9.67 crore to the Board due to delay in filing tariff petition

The Board sustained loss of revenue of Rs. 9.67 crore due to delay of more than five months in filing the tariff petition

According to the Electricity Act, 2003 (Act), tariff of the Board was to be fixed by the Bihar Electricity Regulatory Commission (BERC). Procedure for fixation of tariff was prescribed in the BERC (Terms and Conditions for determination of Tariff Notifications) Regulation 2007 (Regulation). As per section 6(8) of the Regulation, the Board was to file Annual Revenue Requirement (ARR) along with data in prescribed format for each financial year by 15 November of preceding year so that the tariff petition was processed and finalised within 120 days as specified in section 64 (6) of the Act. Accordingly, tariff petition for the year 2008-09 was to be filed by 15 November 2007 so that it could be finalised by March 2008 and the tariff approved was made effective from April 2008.

During test check of records of the Board, Audit observed (November 2008) that the tariff petition for the year 2008-09 with complete information was submitted to BERC in June 2008 instead of November 2007. The tariff was processed and approved by the BERC in August 2008 made effective from September 2008 after a delay of five months (April to August 2008).

This delay of more than six months in filing tariff petition by the Board caused the revised tariff to be effective after a delay of five months and the Board sustained revenue Loss of Rs. 9.67 crore (Domestic Services-II: Rs. 3.69 crore and High Tension Services-I: Rs. 5.98 crore) in three circles¹⁷ test checked in Audit out of 16 circles.

The Management accepted the fact and stated (November 2009) that delay in filing tariff petitions would be avoided in future. Audit concludes that lack of effective internal control system led the Board to sustain loss of Rs. 9.67 crore.

The matter was reported to Government (August 2009), its reply was awaited (November 2009).

¹⁷ PESU (East), PESU (West) and Patna.

4.12 Loss due to violation of the provision of tariff/Act.

Due to violation of specific provisions of Electricity Act, 2003 the Bihar State Electricity Board lost revenue of Rs. 29.94 crore upto March 2009 and the loss was still continuing

The provision of the tariff of the Board stipulates that electric connection for 132 KVA voltage of supply under High tension service – III (HTS-III) category was applicable for use in electrical installations with a minimum contract demand of 7500 KVA.

Section 62 of Electricity Act, 2003, stipulates that the power of determination of tariff is vested in Bihar Electricity Regulatory Commission (State Commission). Section 108 of the Act, *ibid*, states that the State Government has the power to issue directions in matter of policy involving public interest as the State Government may give in writing. However, Section 65 of the Act provides that if the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State commission under section 62, the State Government shall, notwithstanding any direction which may be given under section 108, pay, with an advance in the manner as may be specified by the State Commission, the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the licence to implement the subsidy provided for by the State Government. It was also provided that no such direction of the State Government shall be operative if the payment was not made in advance in accordance with the provisions contained in this section and the tariff fixed by the State Commission shall be applicable from the date of issue of orders by the commission.

Audit observed (June 2009) in Electric Transmission Circle, Biharsharif that based on direction received from the State Government, the Board granted permission (August 2006) to Ordinance Factory, Nalanda (consumer) for electric connection for 132 KV voltage of supply with a contract demand of 1000 KVA under HTS-III category for an unlimited period. Accordingly, the circle entered into an agreement (September 2006) and the connection was energized (September 2006). The billing of the consumer was also made on the basis of Minimum Monthly Charge on contract demand of 1000 KVA instead of 7500 KVA resulting in loss of Rs. 29.94 crore of revenue during the period September 2006 to March 2009.

Audit noticed following irregularities:

- The direction of the State Government (June 2006) resulted in granting subsidy of Rs. 29.94 crore to the consumer at the cost of the Board, the Board should have been compensated in advance.
- The direction of the Government was not routed through the State Commission.
- As the amount of compensation was not received by the Board in advance, the direction of the State Government was not operational.

Thus violation of specific provisions of Electricity Act, 2003 led the Board to loss revenue of Rs. 29.94 crore upto March 2009 and is still continuing. The Board has also not taken up the issue with the Government (November 2009).

The matter was reported to Government/Board (August 2009), replies were awaited (November 2009).

4.13 Loss due to non billing according to tariff

The Board suffered a Loss of Rs. 14.78 crore due to non billing according to tariff provision

Bihar Electricity Regulatory Commission's Tariff order for financial year 2006-07 stipulates that the transformer capacity of HT consumers shall not be more than 150 *per cent* of their contract demand and when a consumer is found to be utilizing a transformer of higher capacity than admissible for his contract demand, the compensation payable by the consumer should be assessed based on 2/3rd of the capacity of transformer as contract demand of the consumer for the entire period of malpractice.

East Central Railway, Mokama, an HT Consumer had sanctioned contract demand of 5 MVA was found to have installed (April & July 2007), at the time of testing of equipments by the Board, transformer of 21.6 MVA capacity against the admissible capacity of 7.5 MVA. Audit observed (June 2009) that though the fact of installation of transformer of higher capacity than admissible was known to the Board (April 2007), it never took up the issue with NE Railway to enhance the contract demand up to 14.4 MVA (being 2/3rd of 21.6 MVA) or to reduce the transformer capacity to 7.5 MVA (150 *per cent* of contract demand). As a result, the Board was deprived of revenue of Rs. 14.78 crore during the period from September 2007 to March 2009. The Board is yet to revise the bill accordingly and thus, it continues to be deprived of revenue amounting to Rs. 80.32 lakh (approx) per month.

This delay in taking decision and consequent non-revision of contract demand as per provisions of tariff led the Board to suffer a loss of Rs. 14.78 crore up to March 2009 and is still continuing.

The matter was reported to Government/Board (September 2009), their replies were awaited (November 2009).

4.14 Opportunity to recover money ignored

Seven PSUs did not either seize the opportunity to recover their money or pursue the matters to their logical end. As a result, recovery of money amounting to Rs. 371.09 crore remains doubtful

A review of unsettled paras from Inspection Reports (IRs) pertaining to periods upto 2003-04 showed that there were 428 paras in respect of seven PSUs involving a recovery of Rs. 371.09 crore. As per the extant instructions, the PSUs are required to take remedial action within one month after receipt of IRs from Audit. However, no effective action has been taken to take the

matters to their logical end, i.e., to recover money from concerned parties. As a result, these PSUs have so far lost the opportunity to recover their money which could have augmented their finances.

PSU wise details of paras and recovery amount are given below. The list of individual paras is given in **Annexure – 14**.

(Rupees in crore)

Sl. No.	PSU Name	No. of Paras	Amount for recovery
1.	Bihar State Electricity Board	321	29.08
2.	Bihar State Forest Development Corporation Ltd.	27	12.08
3.	Bihar State Road Transport Corporation	16	4.99
4.	Bihar State Financial Corporation	30	267.32
5.	Bihar State Mineral Development Corporation Ltd.	07	3.65
6.	Bihar State Food & Civil Supplies Corporation Ltd.	17	50.08
7.	Bihar Rajya Pul Nirman Nigam Ltd.	10	3.89
	Total	428	371.09

The paras mainly pertain to recovery on account of short billing, recovery from consumers/employees/suppliers/other debtors, incorrect application of tariff, etc.

Above cases point out the failure of respective PSUs authorities to safeguard their financial interests. Audit observations and their repeated follow up by Audit, including bringing the pendency to the notice of the Administrative/Finance Department and PSU Management periodically; have not yielded the desired results in these cases.

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

The matter was reported to PSUs Management/Government (August 2009), their replies were awaited (November 2009).

4.15 Lack of remedial action on audit observations

Eighteen PSUs did not either take remedial action or pursue the matters to their logical end in respect of 405 IR paras, resulting in foregoing the opportunity to improve their functioning

A review of unsettled paras from Inspection Reports (IRs) pertaining to periods upto 2003-04 showed that there were 405 paras in respect of 18 PSUs, which pointed out deficiencies in the functioning of these PSUs. As per the extant instructions, the PSUs are required to take remedial action within one month after receipt of IRs from Audit. However, no effective action has been taken to take the matters to their logical end, i.e., to take remedial action to address these deficiencies. As a result, these PSUs have so far lost the opportunity to improve their functioning in this regard.

PSU wise details of paras are given below. The list of individual paras is given in **Annexure - 15**.

Sl. no.	PSU Name	No. of paras
1.	Bihar State Electricity Board	211
2.	Bihar State Police Building Construction Corporation Ltd.	04
3.	Bihar State Forest Development Corporation Ltd.	51
4.	Bihar State Tourism Development Ltd.	04
5.	Bihar Rajya Beej Nigam Ltd.	07
6.	Bihar State Backward Classes Finance & Development Corporation Ltd.	03
7.	Bihar State Electronic Development Corporation Ltd.	06
8.	Bihar State Road Transport Corporation	15
9.	Bihar State Credit and Investment Corporation Ltd.	01
10.	Bihar State Textile Corporation Ltd.	03
11.	Bihar State Textbook Publishing Corporation Ltd.	02
12.	Bihar State Hydroelectric Power Corporation Ltd.	07
13.	Bihar State Food & Civil Supplies Corporation Ltd.	39
14.	Bihar Rajya Pul Nirman Nigam Ltd.	08
15.	Bihar State Financial Corporation	18
16.	Bihar State Mineral Development Corporation Ltd.	12
17.	Bihar State Sugar Corporation Ltd.	06
18.	Bihar State Warehousing Corporation	08
	Total	405

The paras mainly pertain to losses due to damage of stores, non-selling of material, non finalization of tender, selling at low price, non lifting of material, infructuous expenditure, undue favour to consumers, idle investment, non repair of transformers, unauthorized expenditure, etc.

Above cases point out the failure of respective PSUs authorities to address the specific deficiencies and ensure accountability of their staff. Audit observations and their repeated follow up by Audit, including bringing the pendency to the notice of the Administrative/Finance Department and PSU Management periodically; have not yielded the desired results in these cases.

The PSUs should initiate immediate steps to remedial action on these paras and complete exercise in a time bound manner.

The matter was reported to PSUs Management/Government (August 2009), their replies were awaited (November 2009).

GENERAL

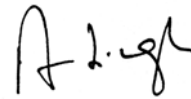
4.16 Response to inspection reports, draft paragraphs and reviews

Audit observations noticed during audit and not settled on the spot are communicated to the heads of PSUs and concerned departments of the State Government through Inspection Reports (IRs). The heads of the PSUs are required to furnish replies to the IRs through respective heads of departments within a period of six weeks. IRs issued up to March 2009 pertaining to 47 PSUs disclosed that 2040 paragraphs relating to 735 inspection reports remained outstanding at the end of September 2009. Of these 735 IRs containing 2040 paragraphs had not been replied to for one to four years.

Department-wise break-up of IRs and audit observations outstanding as on 30 September 2009 is given in **Annexure - 16**.

Similarly, draft paragraphs and reviews on the working of PSUs are forwarded to the Principal Secretary/Secretary of the administrative department concerned demi-officially, seeking confirmation of facts and figures and their comments thereon within a period of six weeks. It was, however, observed, that replies to two reviews and 15 draft paragraphs forwarded to the various departments during April to September 2009 as detailed in **Annexure -17** were awaited.

It is recommended that the Government should ensure that (a) procedure exists for action against officials who fail to send replies to inspection reports/draft paragraphs/reviews as per the prescribed time schedule; (b) action to recover loss/outstanding advances/overpayment is taken in a time bound schedule; and (c) the system of responding to audit observations is strengthened.



Patna
The

(ARUN KUMAR SINGH)
Principal Accountant General (Audit),
Bihar

Countersigned



New Delhi
The

(VINOD RAI)
Comptroller and Auditor General of India

Annexure – 1

(Referred to in paragraphs 1.7)

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

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

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital [§]				Loans ^{**} outstanding at the close of 2008-09				Debt equity ratio for 2008-09 (Previous year)	Manpower (No. of employees) (as on 31.3.2009)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	5 (e)	6 (a)	6 (b)	6 (c)	(7)	(8)
A. Working Government Companies													
AGRICULTURE & ALLIED													
1.	Bihar Rajya Beej Nigam Limited. (BRBNL)	Agriculture	18.7.1977	2.28 (0.65)	1.22 (0.02)	0.22 (0.03)	3.72 (0.70)	27.93	-	-	27.93	7.51:1 (8.14:1)	106
2.	Bihar Rajya Matasya Vikas Nigam Ltd. (BRMVNL)	Animal Husbandry & Fisheries	23.3.1980	3.00 (1.25)	-	-	3.00 (1.25)	2.64	0.02	-	2.66	0.89:1 (0.89:1)	42
3.	SCADA Agro Business Co. Limited. (SABCL)	Water Resources		-	-	0.05	0.05	-	-	3.03	3.03	60.60:1 (60.55:1)	-
Sector wise total				5.28 (1.90)	1.22 (0.02)	0.27 (0.03)	6.77 (1.95)	30.57	0.02	3.03	33.62		148
FINANCE													
4.	Bihar State Credit & Investment Corporation Limited. (BSCICL)	Industry	30.1.1975	15.12 (0.12)	-	-	15.12 (0.12)	20.47	-	37.01	57.48	3.80:1 (3.80:1)	61
5.	Bihar State Backward Classes Finance & Development Corporation Limited. (BSBCFDCL)	Welfare	17.6.1993	16.36 (3.00)	-	-	16.36 (3.00)	-	21.31	-	21.31	1.30:1 (1.36:1)	16
6.	Bihar State Minorities Finance Corporation Limited. (BSMFCL)	Minority Welfare	22.3.1984	11.50 (6.75)	-	-	11.50 (6.75)	-	-	34.99	34.99	3.04:1 (1.15:1)	27
7.	Bihar State Film Development & Finance Corporation Limited. (BSFDCL)	Industry	6.3.1983	2.00 (1.00)	-	-	2.00 (1.00)	0.15	-	-	0.15	0.08:1 (0.07:1)	08
Sector wise total				44.98 (10.87)			44.98 (10.87)	20.62	21.31	72.00	113.93		112
INFRASTRUCTURE													
8.	Bihar Police Building Construction Corporation Limited (BPBCCL)	Home (police)	26.6.1974	0.10	-	-	0.10	0.43	-	-	0.43	4.30:1 (4.29:1)	292
9.	Bihar Rajya Pul Nirman Nigam Limited (BRPNNL)	Road Construction	11.6.1975	3.50	-	-	3.50	-	-	-	-	-	513
10.	Bihar Health Project Development Corporation Limited. (BHPDCL)	Building Construction	20.3.2008	0.06	-	-	0.06	-	-	-	-	-	02
Sector wise total				3.66			3.66	0.43			0.43		807
MANUFACTURING													
11.	Bihar State Electronics Development	Information	21.2.1978	5.67	-	-	5.67	5.93	-	-	5.93	1.05:1	72

(Figures in column 5 (a) to 6 (c) are Rupees in crore)													
Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital ^S				Loans ^{**} outstanding at the close of 2008-09				Debt equity ratio for 2008-09 (Previous year)	Manpower (No. of employees) (as on 31.3.2009)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	5 (e)	6 (a)	6 (b)	6 (c)	(7)	(8)
	Corporation Limited (BSEDCL)	Technology		(1.59)			(1.59)					(1.05:1)	
12.	Bihar State Mineral Development Corporation Limited (BSMDCL)	Mines & Geology	12.6.1972	9.97	-	-	9.97	-	-	-	-	-	15
13.	Bihar State Beverages Corporation Limited (BSBCL)	Excise	25.5.2006	5.00	-	-	5.00	-	-	-	-	-	202
14.	Bihar Air Products Limited. (BAPL)	Industry		0.80	-	-	0.80	-	-	0.60	0.60	0.75:1 (0.75:1)	NA
Sector wise total				21.44 (1.59)	-	-	21.44 (1.59)	5.93	-	0.60	6.53	-	289
POWER													
15.	Bihar State Hydro Electro Power Corporation Limited (BSHPCL)	Energy	31.3.1982	99.04	-	-	99.04	161.92	-	55.73	217.65	2.20:1 (2.10:1)	118
Sector wise total				99.04			99.04	161.92	-	55.73	217.65	-	118
SERVICES													
16.	Bihar State Tourism Development Corporation Limited (BSTDCL)	Tourism	28.11.1980	5.00	-	-	5.00	-	-	-	-	-	207
17.	Bihar State Food & Civil Supply Corporation Limited (BSFCSCCL)	Food & Civil Supply	22.4.1973	5.27	-	-	5.27	118.64	1.94	-	120.58	22.88:1 (22.90:1)	1389
Sector wise total				10.27	-	-	10.27	118.64	1.94	-	120.58		1596
MISCELLANEOUS													
18.	Bihar State Forest Development Corporation Limited (BSFDCL)	Forest & Environment	10.2.1975	1.75	0.54	-	2.29	-	-	-	-	-	NA
19.	Bihar State Text Book Publishing Corporation Ltd. (BSTBPCL)	Education	2.4.1985	0.36	-	0.12	0.48	-	-	-	-	-	228
Sector wise total				2.11	0.54	0.12	2.77	-	-	-	-	-	228
Total A (All sector wise working Government companies)				186.78 (14.36)	1.76 (0.02)	0.39 (0.03)	188.93 (14.41)	338.11	23.27	131.36	492.74		3298
B. Working Statutory corporations													
FINANCE													
1.	Bihar State Financial Corporation (BSFC)	Industry	2.11.1954	39.95	37.70	0.19	77.84	228.47	3.55	79.47	311.49	4.00:1 (3.84:1)	323
Sector wise total				39.95	37.70	0.19	77.84	228.47	3.55	79.47	311.49		323
POWER													
2.	Bihar State Electricity Board (BSEB)	Energy	1.4.1958	-	-	-	-	6604.87	27.26	526.37	7158.50	-	12395
Sector wise total				-	-	-	-	6604.87	27.26	526.37	7158.50	-	12395
SERVICES													
3.	Bihar State Road Transport Corporation (BSRTC)	Transport	1.5.1959	74.76	26.52	-	101.28	91.02	-	8.62	99.64	0.98:1 (0.8:1)	2351
4.	Bihar State Warehousing Corporation (BSWC)	Co-Operative	29.3.1957	3.21	-	3.21	6.42	-	-	4.07	4.07	0.63:1	248

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

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital ^S				Loans ^{**} outstanding at the close of 2008-09				Debt equity ratio for 2008-09 (Previous year)	Manpower (No. of employees) (as on 31.3.2009)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	5 (e)	6 (a)	6 (b)	6 (c)	(7)	(8)
Sector wise total				77.97	26.52	3.21	107.70	91.02	-	12.69	103.71	(0.73:1)	2599
Total B (All sector wise working Statutory corporations)				117.92	64.22	3.40	185.54	6924.36	30.81	618.53	7573.70		15317
Grand Total (A + B)				304.70 (14.36)	65.98 (0.02)	3.79 (0.03)	374.47 (14.41)	7262.47	54.08	749.89	8066.44	-	18615
C. Non working Government companies													
AGRICULTURE & ALLIED													
1.	Bihar State Water Development Corporation Limited (BSWDCL)	Water Resources	12.4.1973	10.00	-	-	10.00	49.68	-	-	49.68	4.97:1 (4.97:1)	NA
2.	Bihar State Dairy Corporation Limited (BSDCL)	Animal Husbandry & Fisheries	13.3.1972	6.72	-	-	6.72	1.75	-	-	1.75	0.26:1 (0.26:1)	-
3.	Bihar Hill Area Lift Irrigation Corporation Limited ((BSHADCL)	Minor Irrigation	3.6.1975	10.00	-	-	10.00	8.55	-	-	8.55	0.86:1 (0.86:1)	NA
4.	Bihar State Agro Industries Development Corporation Limited (BSAIDCL)	Agriculture	28.4.1966	7.64 (0.07)	-	-	7.64 (0.07)	12.60	-	-	12.60	1.65:1 (1.65:1)	330
5.	Bihar State Fruit & Vegetables Development Corporation Limited (BSFVDCL)	Agriculture	8.10.1980	1.61	0.49	-	2.10	0.42	0.70	-	1.12	0.53:1 (0.77:1)	08
6.	Bihar Insecticide Limited' (BIL)	Industry	27.2.1983	-	-	2.96 (2.39)	2.96 (2.39)	-	-	1.54	1.54	0.52:1 (0.52:1)	69
7.	SCADA Agro Business Khagaul Ltd. (SABLK)	Agriculture		-	-	-	-	-	-	-	-	-	NA
8.	SCADA Agro Business Ltd., Dehri. (SABLD)	Agriculture		-	-	-	-	-	-	-	-	-	NA
9.	SCADA Agro Business Ltd. Arrah (SABLA)	Agriculture		-	-	-	-	-	-	-	-	-	NA
10.	SCADA Agro Business Ltd. Aurangabad (SABLA)	Agriculture		-	-	-	-	-	-	-	-	-	NA
11.	SCADA Agro Busines Ltd. Mohania (SABLM)	Agriculture		-	-	-	-	-	-	-	-	-	NA
12.	SCADA Agro Forestry Company limited Khagaul (SAFCLK)	Agriculture		-	-	-	-	-	-	-	-	-	NA
Sector wise total				35.97 (0.07)	0.49	2.96 (2.39)	39.42 (2.46)	73.00	0.70	1.54	75.24		407
FINANCE													
13.	Bihar Panchayati Raj Finance Corporation Limited (BPRFCL)	Panchayati Raj	20.4.1974	1.44 (0.38)	--	--	1.44 (0.38)	-	-	-	-	-	NA
14.	Bihar State Handloom and Handicrafts Corporation Limited (BSHHCL)	Industry	21.5.1974	10.00	--	--	10.00	1.16	-	-	1.16	0.12:1 (0.12:1)	NA
15.	Bihar State Small Industries Corporation Limited (BSSICL)	Industry	29.10.1961	7.18	-	-	7.18	10.40	-	1.83	12.23	1.70:1 (1.70:1)	56
16.	Bihar State Industrial Development	Industry	5.11.1960	15.00	-	-	15.00	66.67	-	-	66.67	4.44:1	910

(Figures in column 5 (a) to 6 (c) are Rupees in crore)													
Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital ^S				Loans ^{**} outstanding at the close of 2008-09				Debt equity ratio for 2008-09 (Previous year)	Manpower (No. of employees) (as on 31.3.2009)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	5 (e)	6 (a)	6 (b)	6 (c)	(7)	(8)
	Corporation Limited (BSIDCL)			(0.96)			(0.96)					(4.93:1)	
Sector wise total				33.62 (1.34)	-	-	33.62 (1.34)	78.23	-	1.83	80.06		966
INFRASTRUCTURE													
17.	Bihar State Construction Corporation Limited (BSCCL)	Water Resources	22.8.1974	7.00	-	-	7.00	-	-	-	-		1086
Sector wise total				7.00	-	-	7.00	-	-	-	-		1086
MANUFACTURING													
18.	Bihar Solvent & Chemicals Limited (BS&CL)	Forest & Environment	Aug-79	0.20	-	0.88	1.08	-	-	0.89	0.89	0.82:1 (0.82:1)	NA
19.	Magadh Mineral Limited (MML)	Industry	22.11.1984	-	-	0.36 (0.36)	0.36 (0.36)	-	-	0.47	0.47	1.31:1 (1.29:1)	05
20.	Kumardhubi Metal Casting & Engineering Limited (KMC&EL)	Industry	25.10.1983	-	-	2.17	2.17	-	-	6.63	6.63	3.06:1 (3.06:1)	NA
21.	Beltron Video System Limited (BVSL)	Industry	19.9.1984	-	-	5.05	5.05	-	-	4.51	4.51	0.89:1 (0.89:1)	NA
22.	Beltron Mining System Limited (BMSL)	Industry	30.1.1986	-	-	2.48	2.48	-	-	-	-	-	NA
23.	Beltron Informatics Limited (BIL)	Industry	1.3.1988	-	-	0.00 ¹	0.00	-	-	-	-	-	NA
24.	Bihar State Sugar Corporation Limited (BSSCL)	Sugar Cane	26.12.1974	20.00	-	-	20.00	322.95	-	-	322.95	16.15:1 (16.15:1)	NA
25.	Bihar State Cement Corporation Limited (BSCCL)	Industry	17.10.1981	-	-	0.00 ²	0.00	0.03	-	-	0.03	42.86:1 (45.29:1)	NA
26.	Bihar State Pharmaceuticals & Chemicals Development Corporation Ltd. (BSP&CDCL)	Industry	22.2.1978	0.93 (0.78)	-	-	0.93 (0.78)	4.28	-	-	4.28	4.60:1 (0.27:1)	52
27.	Bihar Maize Product Limited (BMPL)	Industry	2.9.1982	-	-	0.74 (0.74)	0.74 (0.74)	-	-	0.02	0.02	0.03:1 (0.03:1)	NA
28.	Bihar Drugs and Chemicals Limited (BD&CL)	Industry	12.8.1983	-	-	4.00	4.00	1.28	-	-	1.28	0.32:1 (0.32:1)	NA
29.	Bihar State Textiles Corporation Limited (BSTCL)	Industry	21.2.1978	5.37	-	-	5.37	2.27	-	-	2.27	0.42:1 (0.42:1)	51
Sector wise total				26.50 (0.78)	-	15.68 (1.10)	42.18 (1.88)	330.81	-	12.52	343.33		108
SERVICES													
30.	Bihar State Export Corporation Limited (BSECL)	Industry	29.12.1974	2.00	-	-	2.00	1.22	-	-	1.22	0.61:1 (0.61:1)	23

¹ Rs. 0.28 lakh

² Rs. 0.07 lakh

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

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital [§]				Loans ^{**} outstanding at the close of 2008-09				Debt equity ratio for 2008-09 (Previous year)	Manpower (No. of employees) (as on 31.3.2009)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	5 (e)	6 (a)	6 (b)	6 (c)	(7)	(8)
Sector wise total				2.00	-	-	2.00	1.22	-	-	1.22		23
MISCELLANEOUS													
31.	Bihar Paper Mills Limited (BPML)	Industry	8.7.1977	-	-	7.77	7.77	-	-	10.72	10.72	1.38:1 (1.38:1)	NA
32.	Bihar State Glazed Tiles & Ceramics Limited (BSGT&CL)	Industry	2.4.1984	-	-	1.40 (0.25)	1.40 (0.25)	-	-	3.66	3.66	2.61:1 (2.62:1)	32
33.	Vishwamitra Paper Industries Limited (VPIL)	Industry	18.6.1983	-	-	1.74 (0.60)	1.74 (0.60)	-	-	0.81	0.81	0.47:1 (0.47:1)	NA
34.	Jhanjhanpur Paper Industries Limited (JPIL)	Industry	27.2.1982	-	-	1.49 (0.42)	1.49 (0.42)	-	-	0.46	0.46	0.31:1 (0.31:1)	13
35.	Bihar State Tannin Extract Limited (BSTEL)	Forest & environment	27.1.1984	-	-	1.57	1.57	-	-	2.14	2.14	1.36:1 (1.36:1)	NA
36.	Bihar State Finished Leathers Corporation Limited (BSFLCL)	Industry	20.4.1982	-	-	1.47	1.47	9.18	-	-	9.18	6.24:1 (6.24:1)	NA
37.	Synthetic Resins (Eastern) Limited (SREL)	Industry	14.12.1982	-	-	0.31	0.31	-	-	1.05	1.05	3.39:1 (0.95:1)	-
38.	Bhavani Active Carbon Limited (BACL)	Industry	26.3.1985	-	-	0.09	0.09	-	-	-	-	-	NA
39.	Bihar State Leather Industries Development Corporation Limited (BSLIDCL)	Industry	23.3.1974	10.00	-	-	10.00	12.43	-	1.70	14.13	1.41:1 (1.41:1)	NA
40.	Bihar Scooters Limited (BSL)	Industry	19.1.1978	-	-	1.63	1.63	6.09	-	-	6.09	3.74:1 (3.74:1)	NA
Sector wise total				10.00	-	17.47 (1.27)	27.47 (1.27)	27.70	-	20.54	48.24		45
Total C (All sector wise non working Government companies)				115.09 (2.19)	0.49	36.11 (4.76)	151.69 (6.95)	510.96	0.70	36.43	548.09		2635
Grand Total (A + B + C)				419.79 (16.55)	66.47 (0.02)	39.90 (4.79)	526.16 (21.36)	7773.43	54.78	786.32	8614.53		21250

Above includes Section 619-B companies at Sr. No. 3 & 14 of working companies and Sr. No. 7 to 12 of non-working companies.

[§] Paid-up capital includes share application money which is appearing in brackets in column 5(a) to 5 (d)^{**} Loans outstanding at the close of 2007-08 represent long-term loans only.

Annexure – 2
(Referred to in paragraphs 1.14)

Summarised financial results of Government companies and Statutory corporations for the latest year for which accounts were finalised

(Figures in column 5 (a) to (6) and (8) to (10) are Rupees in crore)

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)			Turn-over	Impact of Accounts Comments #	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed @	Return on capital employed \$	Percentage return on capital employed	
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation								Net Profit/ Loss
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
A. Working Government Companies														
AGRICULTURE & ALLIED														
1.	BRBNL	1996-97	2007-08	(-)1.39	2.62	0.09	(-)4.10	8.74	(-)0.01	3.71	(-)42.85	8.41	(-)1.48	-
2.	BRMVNL	1992-93	1996-97	(-)0.01	0.17	0.04	(-)0.22	-	-	1.75	(-)1.92	1.74	(-)0.05	-
3.	SABCL	2005-06	2009-10	0.02	-	0.02	0.00 ³	0.51	-	0.05	(-)1.91	1.17	0.00	-
Sector wise total				(-)1.38	2.79	0.15	(-)4.32	9.25	(-)0.01	5.51	(-)46.68	11.32	(-)1.53	-
FINANCE														
4.	BSCICL	2002-03	2008-09	4.40	8.55	0.04	(-)4.19	6.44	(-)4.15	15.00	(-)139.71	15.66	4.36	27.84
5.	BSBCFCL	1997-98	2006-07	0.41	0.68	0.02	(-)0.29	0.64	-	3.62	0.53	3.86	0.39	10.10
6.	BSMFCL	2005-06	2009-10	(-)0.13	0.46	0.00 ⁴	(-)0.59	0.29	-	4.75	(-)3.34	4.75	(-)0.13	-
7.	BSDFCL	1991-92	2000-01	0.02	-	0.00 ⁵	0.02	-	-	0.95	(-)0.12	0.88	0.02	2.27
Sector wise total				4.70	9.69	0.06	(-)5.05	7.37	(-)4.15	24.32	(-)142.64	25.15	4.64	-
INFRASTRUCTURE														
8.	BPBCCL	1991-92	2009-10	(-)1.27	-	0.02	(-)1.29	0.33	-	0.10	(-)4.12	5.59	(-)1.29	-
9.	BRPNNL	1997-98	2008-09	(-)1.74	-	0.06	(-)1.80	2.45	(-)0.28	3.50	(-)12.93	15.89	(-)1.80	-
10.	BHPDCL	Account not submitted												
Sector wise total				(-)3.01	-	0.08	(-)3.09	2.78	(-)0.28	3.60	(-)17.05	21.48	(-)3.09	-
MANUFACTURING														
11.	BSEDCL	2000-01	2008-09	(-)0.56	0.94	0.04	(-)1.54	0.66	(-)0.17	5.66	(-)13.14	3.27	(-)0.60	-
12.	BSMDCL	2000-01	2004-05	9.42	-	0.13	9.29	31.55	-	9.97	7.04	20.68	9.29	44.92
13.	Bihar State Beverages Corporation Limited (BSBCL)	2006-07	2008-09	1.58	-	0.07	1.51	202.20	-	5.00	1.51	6.52	1.51	23.16
14.	BAPL	1992-93	1994-95	0.39	0.23	0.10	0.06	2.21	-	0.80	(-)1.03	1.33	0.29	21.05
Sector wise total				10.83	1.17	0.34	9.32	236.62	(-)0.17	21.43	(-)5.62	31.80	10.49	-
POWER														

³ Rs. (-)0.18 lakh

⁴ Rs. 0.46 lakh

⁵ Rs. 0.29 lakh

(Figures in column 5 (a) to (6) and (8) to (10) are Rupees in crore)

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turn-over	Impact of Accounts Comments #	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed @	Return on capital employed \$	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss							
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
15.	BSHPCCL	1995-96	2004-05	(-)1.08	5.52	0.30	(-)6.90	2.96	(-)26.06	89.26	(-)5.48	128.34	(-)1.38	-
Sector wise total				(-)1.08	5.52	0.30	(-)6.90	2.96	(-)26.06	89.26	(-)5.48	128.34	(-)1.38	-
SERVICES														
16.	BSTDCL	1995-96	2005-06	0.94	-	0.11	0.83	1.15	(-)0.03	2.95	1.85	5.53	0.83	15.01
17.	BSFCSCCL	1988-89	2007-08	2.53	5.65	0.63	(-)3.75	166.38	(-)2.75	4.46	(-)29.20	31.78	1.90	5.98
Sector wise total				3.47	5.65	0.74	(-)2.92	167.53	(-)2.78	7.41	(-)27.35	37.31	2.73	
MISCELLANEOUS														
18.	BSFDCL	2000-01	2005-06	0.34	-	0.06	0.28	22.81	(-)0.40	2.29	0.32	1.17	0.28	23.93
19.	BSTPCL	1997-98	2009-10	(-)4.30	-	0.06	(-)4.36	7.28	-	0.48	(-)5.97	(-)6.51	(-)4.36	-
Sector wise total				(-)3.96	-	0.12	(-)4.08	30.09	(-)0.40	2.77	(-)5.65	(-)5.34	(-)4.08	
Total A (All sector wise working Government companies)				9.57	24.82	1.79	(-)17.04	456.60	(-)33.85	154.30	(-)250.47	250.06	7.78	
B. Working Statutory Corporations														
FINANCE														
1.	BSFC	2007-08	2009-10	48.73	20.45	-	28.28	15.65	(-)7.58	77.84	(-)385.29	439.28	48.73	11.09
Sector wise total				48.73	20.45	-	28.28	15.65	(-)7.58	77.84	(-)385.29	439.28	48.73	
POWER														
2.	BSEB	2007-08	2009-10	297.43	828.51	53.62	(-)584.70	1464.22	**	-	(-)2109.41	3195.62	243.81	7.63
Sector wise total				297.43	828.51	53.62	(-)584.70	1464.22		-	(-)2109.41	3195.62	243.81	
SERVICES														
3.	BSRTC	2002-03	2009-10	(-)25.57	28.77	1.40	(-)55.74	18.19	**	101.27	(-)680.17	(-)428.03	(-)26.97	-
4.	BSWC	2007-08	2009-10	2.00	0.56	0.86	0.58	41.93	(-)7.03	5.31	4.10	20.10	1.14	5.67
Sector wise total				(-)23.57	29.33	2.26	(-)55.16	60.12	(-)7.03	106.58	(-)676.07	(-)407.93	(-)25.83	
Total B (All sector wise working Statutory corporations)				322.59	878.29	55.88	(-)611.58	1539.99	(-)14.61	184.42	(-)3170.77	3226.97	266.71	
Grand Total (A + B)				332.16	903.11	57.67	(-)628.62	1996.59	(-)48.46	338.72	(-)3421.24	3477.03	274.49	
C. Non working Government companies														
AGRICULTURE & ALLIED														
1.	BSWDCL	1978-79	1997-98	3.03	0.25	0.61	2.17	-	-	5.00	11.20	26.70	2.42	9.06
2.	BSDCL	1994-95	2007-08	(-)0.02	-	-	(-)0.02	-	-	6.72	(-)10.58	3.68	(-)0.02	-
3.	BHALICL	1982-83	1993-94	0.18	0.13	0.31	(-)0.26	0.01	-	5.60	(-)0.86	9.53	(-)0.13	-
4.	BSAIDCL	1989-90	2009-10	(-)5.02	0.65	0.03	(-)5.70	2.79	-	7.57	(-)28.96	(-)1.41	(-)5.05	-
5.	BSF&VDCL	1992-93	2009-10	(-)0.27	0.55	0.11	(-)0.93	000 ⁶	(-)0.17	2.10	(-)6.06	0.33	(-)0.38	-
6.	BIL	1986-87	1991-92	(-)0.52	0.16	0.35	(-)1.03	-	-	0.57	(-)1.03	2.35	(-)0.87	-

⁶ Rs. 0.06 lakh

(Figures in column 5 (a) to (6) and (8) to (10) are Rupees in crore)

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turn-over	Impact of Accounts Comments #	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed @	Return on capital employed \$	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss							
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
7.	SABKL	-	-	-	-	-	-	-	-	-	-	-	-	-
8.	SABLD	-	-	-	-	-	-	-	-	-	-	-	-	-
9.	SABLA	-	-	-	-	-	-	-	-	-	-	-	-	-
10.	SABLA	-	-	-	-	-	-	-	-	-	-	-	-	-
11.	SABLM	-	-	-	-	-	-	-	-	-	-	-	-	-
12.	SAFCK	-	-	-	-	-	-	-	-	-	-	-	-	-
Sector wise total				(-2.62)	1.74	1.41	(-5.77)	2.80	(-0.17)	27.56	(-36.29)	41.18	(-4.03)	
FINANCE														
13.	BPRFCL	1984-85	1991-92	0.23	0.24	0.00 ⁷	(-0.01)	-	-	1.44	(-0.03)	5.86	0.23	3.92
14.	BSHHCL	1983-84	1996-97	0.02	0.11	0.01	(-0.10)	-	(-0.01)	6.28	(-0.44)	7.08	0.01	0.14
15.	BSSICL	1990-91	2005-06	(-0.21)	1.15	0.06	(-1.42)	15.22	(-0.53)	7.18	(-16.56)	1.86	(-0.27)	-
16.	BSIDCL	1987-88	2009-10	2.22	5.35	0.38	(-3.51)	6.59	(-0.22)	14.04	(-26.42)	29.54	1.84	6.23
Sector wise total				2.26	6.85	0.45	(-5.04)	21.81	(-0.76)	28.94	(-43.45)	44.34	1.81	
INFRASTRUCTURE														
17.	BSCCL	1986-87	2004-05	1.38	0.00 ⁸	0.13	1.25	18.70	(-6.65)	7.00	(-2.79)	(-10.27)	1.25	-
Sector wise total				1.38	0.00	0.13	1.25	18.70	(-6.65)	7.00	(-2.79)	(-10.27)	1.25	
MANUFACTURING														
18.	BS&CL	1986-87	1995-96	(-0.05)	0.11	0.16	(-0.32)	-	(-0.24)	0.66	(-0.32)	1.67	(-0.21)	-
19.	MML	-	-	-	-	-	-	-	-	-	-	-	-	-
20.	KMC&EL	1994-95	1995-96	(-1.13)	0.38	0.88	(-2.39)	10.89	-	2.17	(-8.16)	0.91	(-2.01)	-
21.	BVSL	1987-88	1998-99	(-0.09)	0.05	0.01	(-0.15)	0.75	-	1.21	(-0.22)	1.02	(-0.10)	-
22.	BMSL	1989-90	2002-03	(-0.07)	-	0.03	(-0.10)	0.41	-	1.26	(-0.49)	0.52	(-0.10)	-
23.	BIL	-	-	-	-	-	-	-	-	-	-	-	-	-
24.	BSSCL	1984-85	1996-97	(-2.84)	6.00	0.36	(-9.20)	-	(-4.67)	9.97	(-72.31)	(-10.24)	(-3.20)	-
25.	BSCCL	-	-	-	-	-	-	-	-	-	-	-	-	-
26.	BSP&CDCL	1985-86	1992-93	(-0.16)	0.00 ⁹	0.01	(-0.17)	-	-	3.62	(-0.74)	6.87	(-0.17)	-
27.	BMPL	1983-84	1987-88	(-0.03)	-	0.00 ¹⁰	(-0.03)	-	-	0.67	(-0.06)	0.80	(-0.03)	-
28.	BD&CL	1985-86	1991-92	(-0.03)	-	0.00 ¹¹	(-0.03)	-	-	0.94	(-0.16)	1.16	(-0.03)	-
29.	BSTCL	1987-88	1995-96	(-0.08)	-	0.01	(-0.09)	-	(-0.02)	4.98	(-0.32)	3.72	(-0.09)	-
Sector wise total				(-4.48)	6.54	1.46	(-12.48)	12.05	(-4.93)	25.48	(-82.78)	6.43	(-5.94)	
SERVICES														
30.	BSECL	1991-92	1999-00	0.11	0.20	0.01	(-0.10)	4.94	(-0.03)	2.00	(-0.01)	3.75	0.10	0.27
Sector wise total				0.11	0.20	0.01	(-0.10)	4.94	(-0.03)	2.00	(-0.01)	3.75	0.10	

⁷ Rs. 16,235.26

⁸ Rs. 11,589.31

⁹ Rs. 1,680.50

¹⁰ Rs. 9,052.80

¹¹ Rs. 328.52

(Figures in column 5 (a) to (6) and (8) to (10) are Rupees in crore)

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turn-over	Impact of Accounts Comments #	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed @	Return on capital employed \$	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss							
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
MISCELLANEOUS														
31.	BPML	1985-86	1997-98	(-)0.05	-	0.01	(-)0.06	-	0.00 ¹²	1.56	(-)0.31	1.44	(-)0.06	-
32.	BSGT&CL	1985-86	1997-98	(-)0.06	0.02	0.00 ¹³	(-)0.08	-	-	0.16	(-)0.51	3.50	0.06	-
33.	VPIL	1984-85	1988-89	(-)0.01	-	0.00 ¹⁴	(-)0.01	-	-	0.40	(-)0.01	0.69	(-)0.01	-
34.	JPIL	1985-86	1991-92	(-)0.01	0.00 ¹⁵	0.00 ¹⁶	(-)0.01	-	(-)0.03	0.42	(-)0.02	0.59	(-)0.01	-
35.	BSTEL	1988-89	1993-94	(-)0.16	0.16	0.00 ¹⁷	(-)0.32	-	-	1.03	(-)0.67	2.49	(-)0.16	-
36.	BSFLCL	1983-84	1986-87	(-)1.49	-	-	(-)1.49	-	-	1.47	(-)2.13	6.15	(-)1.49	-
37.	SREL	1983-84	1987-88	(-)0.02	0.00 ¹⁸	-	(-)0.02	-	-	0.09	(-)0.01	0.17	(-)0.02	-
38.	BACL	1985-86	1989-90	(-)0.01	-	-	(-)0.01	-	-	0.02	(-)0.01	0.01	(-)0.01	-
39.	BSLDCL	1982-83	2004-05	(-)0.25	0.08	0.04	(-)0.37	-	(-)0.01	5.14	(-)2.92	2.56	(-)0.29	-
40.	BSL	-	-	-	-	-	-	-	-	-	-	-	-	-
Sector wise total				(-)2.06	0.26	0.05	(-)2.37	-	(-)0.04	10.29	(-)6.59	17.60	(-)2.11	
Total C (All sector wise non working Government companies)				(-)5.41	15.59	3.51	(-)24.51	60.30	(-)12.58	101.27	(-)171.91	103.03	(-)8.92	
Grand Total (A + B + C)				326.75	918.70	61.18	(-)653.13	2056.89	(-)61.04	439.99	(-)3593.15	3580.06	265.57	

Above includes Section 619-B companies at Sr. No. 3 & 14 of working companies and Sr. No. 7 to 12 of non-working companies.

Impact of accounts comments include the net impact of comments of Statutory Auditors and CAG and is denoted by (+) increase in profit/ decrease in losses (-) decrease in profit/ increase in losses.

@ Capital employed represents net fixed assets (including capital works-in-progress) plus working capital except in case of finance companies/ corporations where the capital employed is worked out as a mean of aggregate of the opening and closing balances of paid up capital, free reserves, bonds, deposits and borrowings (including refinance).

\$ Return on capital employed has been worked out by adding profit and interest charged to profit and loss account.

** Audit of Accounts by CAG who is the sole auditor for these corporations is under progress.

¹² Rs. 36,000

¹³ Rs. 47,550.94

¹⁴ Rs. 7,623.00

¹⁵ Rs. 2,533.30

¹⁶ Rs. 421.36

¹⁷ Rs. 22,074.77

¹⁸ Rs. 5,814.45

Annexure – 3
(Referred to in paragraphs 1.10)

Statement showing grants and subsidy received/receivable, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March 2009

(Figures in column 3 (a) to 6 (d) are Rupees in crore)

Sl. No.	Sector & Name of the Company	Equity/ loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year [@]		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
(1)	(2)	3 (a)	3 (b)	4 (a)	4 (b)	4 (c)	4 (d)	5 (a)	5 (b)	6 (a)	6 (b)	6 (c)	6 (d)
A. Working Government Companies													
AGRICULTURE & ALLIED													
1.	Bihar Rajya Beej Nigam Ltd.	-	-	-	4.74	-	4.74	-	-	-	-	-	-
Sector wise total		-	-	-	4.74	-	4.74	-	-	-	-	-	-
FINANCE													
2.	Bihar State Backward Classes Finance & Development Corporation Ltd.	1.00	-	-	-	-	-	25.00	25.00 [@]	-	-	-	-
3.	Bihar State Minorities Finance Corporation Ltd.	0.50	-	-	-	-	-	-	30.00 [@]	-	-	-	-
Sector wise total		1.50	-	-	-	-	-	25.00	55.00 [@]	-	-	-	-
INFRASTRUCTURE													
4.	Bihar Health Project Development Corporation Ltd.	0.06	-	-	-	-	-	-	-	-	-	-	-
Sector wise total		0.06	-	-	-	-	-	-	-	-	-	-	-
MANUFACTURING													
5.	Bihar State Mineral Development Corporation Ltd.	-	-	-	11.00	-	11.00	-	-	-	-	-	-
Sector wise total		-	-	-	11.00	-	11.00	-	-	-	-	-	-
POWER													
6.	Bihar State Hydro electro Power Corporation Ltd.	-	9.35	-	-	-	-	-	-	-	-	-	-
Sector wise total		-	9.35	-	-	-	-	-	-	-	-	-	-
Total A (All sector wise)		1.56	9.35	-	15.74	-	15.74	25.00	55.00[@]	-	-	-	-

(Figures in column 3 (a) to 6 (d) are Rupees in crore)

Sl. No.	Sector & Name of the Company	Equity/ loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year [@]		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
(1)	(2)	3 (a)	3 (b)	4 (a)	4 (b)	4 (c)	4 (d)	5 (a)	5 (b)	6 (a)	6 (b)	6 (c)	6 (d)
Working Government Companies													
B. Working Statutory corporations													
POWER													
1.	Bihar State Electricity Board	-	427.54	-	720.00	-	720.00	-	-	-	-	--	-
Sector wise total		-	427.54	-	720.00	-	720.00	-	-	-	-	-	-
FINANCE													
2.	Bihar State Financial Corporation Ltd.	-	30.00	-	-	-	-	79.47	157.51	-	-	11.56	11.56
Sector wise total		-	30.00	-	-	-	-	79.47	157.51	-	-	11.56	11.56
Total B (All sector wise working Statutory corporations)		-	457.54	-	720.00	-	720.00	79.47	157.51	-	-	11.56	11.56
Grand Total (A + B)		1.56	466.89	-	735.74	-	735.74	104.47	157.51	-	-	11.56	11.56
C. Non working Government companies													
AGRICULTURE & ALLIED													
1.	Bihar Fruit & Vegetable Development Corporation Ltd.	-	2.74	-	-	-	-	-	-	-	-	-	-
Sector wise total		-	2.74	-	-	-	-	-	-	-	-	-	-
Total C (All sector wise non working Government companies)		-	2.74	-	-	-	-	-	-	-	-	-	-
Grand Total (A + B + C)		1.56	469.63	-	735.74	-	735.74	104.47	157.51	-	-	11.56	11.56
									134.47[@]				

[@] Figures indicate total guarantees outstanding at the end of the year.

**Annexure – 4
(Referred to in paragraph 1.29)**

**Statement showing investments made by the State Government in PSUs whose
accounts are in arrears**

(Amount: Rupees in crore)

Name of PSU	Year up to which Accounts finalised	Paid up capital as per latest finalised accounts	Investment made by the State Government during the years for which accounts are in arrears			
			Equity	Loans	Grants	Others to be specified (Subsidy)
A. Working Companies						
Bihar Rajya Beej Nigam Limited	1996-97	3.71	-	2.28	4.74	1.00
Bihar State Text Book Publishing Corporation Limited	1997-98	0.48	-	-	-	182.00
Bihar State Backward Classes Finance & Development Corporation	1997-98	3.62	12.74	7.49	-	-
Bihar State Tourism Development Corporation Limited.	1995-96	2.95	2.05	-	-	-
Bihar State Food & Civil Supplies Corporation Limited	1988-89	4.46	0.81	202.25	-	-
Bihar Rajya Pul Nirman Nigam Limited	1997-98	3.50	-	-	-	-
Bihar Police Building Construction Corporation Limited	1991-92	0.10	-	-	-	-
Bihar State Hydro Electric Power Corporation Limited	1995-96	89.26	9.78	111.20	-	-
Bihar Rajya Matsya Vikas Nigam Limited	1992-93	1.75	1.25	5.63	-	-
Bihar State Forest Development Corporation Limited	2000-01	2.29	-	-	-	-
Bihar State Credit & Investment Corporation Limited	2002-03	1,5.00	-	57.49	-	-
Bihar State Film Development & Finance Corporation Limited	1991-92	0.94	-	0.01	-	-
Bihar State Electronic Development Corporation Limited	2000-01	5.65	-	-	-	-
Bihar State Mineral Development Corporation Limited	2000-01	9.97	-	-	11.00	-
Bihar State Minorities Finance Corporation Limited	2005-06	4.75	5.75	5.93	-	-
Bihar State Beverages Corporation Limited	2006-07	5.00	-	-	-	-
Bihar Health Project Development Corporation	NA	0.06	0.06	-	-	-
Total (A)			32.44	392.28	15.74	183.00

Name of PSU	Year up to which Accounts finalised	Paid up capital as per latest finalised accounts	Investment made by the State Government during the years for which accounts are in arrears			
			Equity	Loans	Grants	Others to be specified (Subsidy)
B. Working Statutory Corporations						
Bihar State Electricity Board	2007-08	-	-	427.54	720.00	-
Bihar State Road Transport Corporation	2002-03	101.27	-	3.92	-	-
Bihar State Financial Corporation	2007-08	77.84	-	30.00	-	-
Bihar State Warehousing Corporation	2007-08	5.31	-	-	-	-
Total (B)			-	461.46	720.00	-
Total (A+B)			32.44	853.74	735.74	183.00
Non-working Companies						
Bihar State Small Industries Corporation Limited	1990-91	7.18	-	1.66	-	2.46
Bihar State Pharmaceuticals & Chemical Development Corporation Limited	1985-86	3.62	12.92	6.30	-	-
Bihar State Industrial Development Corporation Limited	1987-88	14.04	-	38.47	-	-
Bihar State Leather Industries Development Corporation Limited	1982-83	5.14	12.26	43.18	-	-
Bihar State Textile Corporation Limited	1987-88	4.98	5.79	2.74	-	-
Bihar State Dairy Corporation Limited	1994-95	6.72	-	-	-	-
Bihar State Construction Corporation Limited	1986-87	7.00	4.00	1.05	-	-
Bihar Hill Area Lift Irrigation Corporation Limited	1982-83	5.60	5.22	18.78	-	55.41
Bihar State Sugar Corporation Limited	1984-85	9.97	11.21	365.32	-	-
Bihar Panchayati Raj Finance Corporation Limited	1984-85	1.44	0.72	-	-	-
Bihar State Water Development Corporation Limited	1978-79	5.00	5.00	154.33	-	-
Bihar State Agro Industries Development Corporation Limited	1989-90	7.57	2.65	24.66	-	-
Bihar Fruits & Vegetables Development Corporation Limited	1992-93	2.01	0.03	3.86	-	-
Bihar State Export Corporation Limited	1991-92	2.00	-	2.21	-	0.07
Bihar State Handloom & Handicrafts Corporation Limited	1983-84	6.28	7.52	0.25	-	0.48
Total			67.32	662.81	-	58.42
Grand Total			99.76	1516.55	735.74	241.42

Annexure - 5
(Referred to in paragraph 1.14)

Statement of financial position of Statutory corporations

(Amount: Rupees in crore)

1. Bihar State Electricity Board			
Particulars	2005-06	2006-07	2007-08
A Liabilities			
Equity Capital	---	---	--
Loans from Government	5,273.95	5,577.62	5,764.95
Reserves and Surplus(excluding depreciation reserve)	---	---	--
Current Liabilities and provisions	3,400.94	2,812.26	3,049.34
Capital liabilities	2,647.91	3,829.17	4,423.27
Total – A	11,322.80	12,219.05	13,237.56
B Assets			
Gross fixed assets	2,516.28	2,242.43	2418.34
Less depreciation	1,822.99	1,630.81	1684.44
Net fixed assets	693.29	611.62	733.89
Capital work-in- progress	606.27	833.97	808.74
Current assets	4,326.91	4,454.49	4,702.33
Investments	349.48	415.01	503.94
Subsidy receivable from Government	4,673.15	4,315.65	4,315.65
Assets not in use	3.61	3.61	3.61
Regulatory assets	---	60.00	60.00
Miscellaneous expenditure	---	---	--
Deficits	670.09	1524.70	2109.41
Total – B	11,322.80	12,219.05	13,237.56
C Capital employed*	2,225.54	3,087.81	3195.62
2. Bihar State Road Transport Corporation[♦]			
Particulars	2006-07	2007-08	2008-09 (provisional)
A Liabilities			
Capital (including capital loan & equity capital)	182.29	182.29	200.91
Borrowings (Government)	--	--	--
(Others)	--	--	--
Funds**	0.30	0.30	0.30
Trade dues and other current liabilities (including provisions)	1,057.94	1,109.90	1173.69
Total – A	1,240.53	1,292.49	1374.90
B Assets			
Gross Block	--	--	--
Less depreciation	--	--	--
Net fixed assets	52.39	47.00	41.60

*Capital employed represents net fixed assets (including Capital Work-in-Progress) plus working capital. While working out working Capital the element of deferred cost and investments are excluded from the current assets.

♦ Figures are as per information provided by the Corporation.

** Excluding depreciation funds.

Capital works in progress (including cost of chassis)	-	-	-
Investments	-	-	-
Current Assets, loans and advances	293.53	298.92	310.16
Accumulated Losses	894.61	946.57	1023.14
Total – B	1,240.53	1,292.49	1374.90
C. Capital employed[#]	(-) 712.08	(-)763.98	(-)821.93
3. Bihar State Financial Corporation			
Particulars	2006-07	2007-08	2008-09 (provisional)
A Liabilities			
Paid-up capital*	77.84	77.84	77.84
Reserve fund, other reserves	10.05	10.05	10.05
Borrowings	211.66	260.81	-
Bonds and Debentures	87.52	87.52	79.47
Others paid by State Govt.	--	--	232.02
Current liabilities and provisions	340.73	241.19	290.94
Total – A	727.80	677.41	690.32
B Assets			
Cash and Bank balance	69.13	76.35	91.82
Investments	0.05	0.04	0.04
Loans and advances	237.94	202.22	204.82
Net fixed assets	0.69	0.67	0.64
Current assets	7.72	11.83	9.07
Dividend deficit account	1.01	1.01	-
Deficit	411.26	385.29	383.93
Total – B	727.80	677.41	690.32
C. Capital employed**	381.31	439.28	390.81
4. Bihar State Warehousing Corporation[^]			
Particulars	2006-07	2007-08	2008-09 (provisional)
A. Liabilities			
Paid-up capital	1.37	5.31	6.42
Reserves and surplus	14.74	14.79	19.86
Trade dues and other liabilities (including provisions)	15.03	19.33	20.07
Total -A	31.14	39.43	46.35
B Assets			
Gross block	21.20	16.64	22.05
Less depreciation	4.79	0.85	6.66
Net fixed assets	16.41	15.79	15.39
Capital work-in-progress	0.07	0.07	-
Current assets, loans and advances	14.66	23.57	30.96
Profit and loss Account			
Total – B	31.14	39.43	46.35
C. Capital employed[#]	16.11	20.10	30.35

[#] Capital employed represents net fixed assets (including capital work-in-progress) plus working capital.

*Paid-up capital includes share application money.

**Capital employed represents the mean of the aggregate of opening and closing balances of paid-up capital, reserves (Other than those which have been funded specifically and backed by investment outside) bond, deposits and borrowings (including refinance).

[^] Figures are as per information provided by the Corporation.

Annexure - 6
(Referred to in paragraph 1.14)

Statement of working results of Statutory corporations

(Amount: Rupees in crore)

1. Bihar State Electricity Board				
Sl. No	Particulars	2005-06	2006-07	2007-08
1	(a) Revenue Receipts	1,853.19	1,392.26	1588.26
	(b) Subsidy from the Government	844.00	720.00	720.00
	Total	2,697.19	2,112.26	2,308.26
2	Revenue Expenditure (net of expenses capitalised) including write off of intangible assets but excluding depreciation and Interest)	2,121.82	2,041.09	2277.08
3	Gross Surplus (+)/deficit (-) for the year (1-2)	575.37	71.17	31.18
4	Adjustment relating to previous years	(-)260.39	(-)58.25	266.24
5	Final Gross Surplus (+)/deficit (-) for the year (3+4)	314.98	12.92	297.42
6	Appropriation			
(a)	Depreciation (less capitalised)	117.76	58.22	53.62
(b)	Interest on capital loans	352.63	482.73	570.03
(c)	Interest on other loans, bonds, advances etc.	284.51	339.58	278.68
(d)	Total Interest on loans and finance charges (b+c)	637.14	822.31	848.71
(e)	Less : Interest capitalised	10.50	13.00	20.20
(f)	Net Interest Charged to revenue (d-e)	626.64	809.31	828.51
(g)	Total appropriation (a+f)	744.40	867.53	882.13
7	Surplus (+) /deficit (-) before account of subsidy from State Government (5-6(g) -1(b))	(-)1273.42	(-)1574.61	(-) 1304.71
8	Net surplus (+)/deficit (-) 5-6(g)	(-)429.42	(-)854.62	(-) 584.70
9	Total return on Capital employed*	197.22	(-)45.31	243.81
10	Percentage of return on Capital employed	8.86	--	7.63
2 Bihar Road Transport Corporation[♦]				
	Particulars	2006-07	2007-08	2008-09 (provisional)
	Operating			
(a)	Revenue	53.92	51.84	39.85
(b)	Expenditure	78.85	71.56	78.77
(c)	Surplus (+)/Deficit (-)	(-)24.93	(-)19.72	(-) 38.92
	Non-operating			
(a)	Revenue	0.98	3.63	2.90
(b)	Expenditure	36.22	35.87	37.70
(c)	Surplus (+)/Deficit (-)	(-)35.14	(-)32.24	(-)34.80
	Revenue	54.90	55.47	42.75
	Expenditure	115.07	107.43	116.47
	Net Profit (+)/ Loss (-)	(-)60.17	(-)51.96	(-) 73.72
	Interest on capital and loans	18.53	18.53	18.80

*Total return on capital employed represents Net surplus/deficit plus total interest charged to profit and loss account (less interest capitalised).

[♦] Figures are provided by the Corporation.

	Total return on Capital employed	(-41.64	(-33.43	(-54.92
3.	Bihar State Financial Corporation ▼			
	Particulars	2006-07	2007-08	2008-09
1	Income			(provisional)
i)	Interest on loans	16.21	9.29	8.85
ii)	Other income	31.16	20.06	23.44
	Total - 1	47.37	29.35	32.29
2.	Expenses*			
i)	(a) Interest on long term loans and short term loans	47.30	20.45	19.12
	(b) Provision for non-performing assets	--	--	--
	(c) Other Expenses	10.57	8.51	11.78
	Total - 2	57.87	28.96	30.90
3.	Profit (+)/Loss (-) before tax (1-2)	(-10.50	0.39	1.39
4.	Provision for tax	0.01	0.02	0.02
5.	Other appropriations	36.78	27.91	--
6.	Amount available for dividend #	--	--	---
7.	Dividend	--	---	--
8.	Total return on capital employed	73.56	48.73	20.51
9.	Percentage of return on capital employed	19.29	11.09	5.25
4.	Bihar State Warehousing Corporation ▼			
	Particulars	2006-07	2007-08	2008-09
1.	Income			(provisional)
(a)	Ware housing charges	6.68	7.85	8.09
(b)	Other income	22.89	34.53	45.76
	Total - 1	29.57	42.38	53.85
2.	Expenses			
(a)	Establishment Charges	3.67	4.90	3.81
(b)	Other Expenses	23.78	36.35	44.67
	Total - 2	27.45	41.25	48.48
3	Profit (+)/Loss (-) before tax	2.12	1.13	5.37
4.	Prior period adjustment	0.07	0.55	--
5.	Other appropriation	--	--	--
6.	Amount available for dividend	--	0.58	--
7.	Dividend for the year	--	0.11	--
8.	Total return on Capital employed	2.08	1.14	5.79
9.	Percentage of return on Capital employed	12.90	5.67	19.08

▼ Figures are provided by the Corporation.

* Provision for Non-Performing Assets for the year may be distinctly shown under the head Expenses.

Represents profit of current year available for dividend after considering the specific reserve.

Annexure - 7

(Referred to in paragraph – 2.8.2)

Financial position of the Bihar State Tourism Development Corporation Ltd.

(Amount: Provisional – Rupees in Crore)

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Share capital	3.56	3.56	3.56	3.56	3.56
Share money deposit	1.44	1.44	1.44	1.44	1.44
Reserves & surplus	2.03	1.59	2.26	3.43	4.74
Trade dues, current liabilities & provisions	22.01	23.38	16.80	26.93	39.63
Total	29.04	29.97	24.05	35.35	49.37
Fixed assets	6.30	6.45	6.47	6.72	6.58
Less : depreciation	4.16	4.49	4.74	4.98	5.12
Net fixed assets	2.15	1.96	1.72	1.74	1.45
Investments	0.36	0.36	0.36	0.36	0.36
Current assets, loans & advances	26.51	27.65	21.97	33.25	47.56
Miscellaneous expenditure	0.03	.0035	Nil	Nil	Nil
Total	29.04	29.97	24.05	35.35	49.37
Capital employed*	6.64	6.23	6.90	8.07	9.38
Net worth [♥]	7.00	6.59	7.26	8.43	9.74
Sundry Debtors [♦]	0.61	0.82	1.08	1.77	3.61

* Capital Employed represents Net Fixed Assets (including capital work-in-progress) plus Working Capital (i.e. current assets less current liabilities).

♥ Net Worth represents paid-up-capital plus Reserves & Surplus less Intangible assets.

♦ Current Assets, Loans and Advances include the figures of Sundry Debtors.

Annexure - 8
(Referred to in paragraph – 2.9.1)
Statement of Projects not taken up by BSTDCL

Sl. No.	Name of the projects	Fund sanctioned (in Rs.)
1	Eco-Tourism Valmikinagar	1,20,00,000
2	Valmikinagar TC	11,65,692
3	Bhagalpur TRC	50,000
4	DP Bhimbandh	1,28,000
5	DP Bodh Circuit	1,50,00,000
6	Bodhgaya – Dev. & Constn. of recreational facilities	3,00,00,000
7	Gaya Yatri Niwas	4,74,000
8	DP Hazaipur BW	53,891
9	Hazipur Tourist Lodge	6,82,485
10	Jansuvidha, Bodhgaya	1,51,000
11	Jansuvidha, Gaya	1,50,700
12	Jansuvidha, Nalanda	2,84,000
13	Jansuvidha, Vaishali	1,51,000
14	Wayside Jehanabad	6,17,666
15	DP-Kishanganj	38,97,900
16	Maner Area Development	1,38,000
17	Maner Cafeteria	18,80,493
18	DP Masanjore	20,84,000
19	Purchase of Padal Boat	1,19,600
20	Tic Muzaffarpur Phase – II	63,99,170
21	DP Lok Nayak Patna	2,70,237
22	DP Patna TRC	2,49,000
23	Perspective Plan – Development of tourism in Bihar	4,98,749
24	DP Raxaul, Maner, Bakhtiyarpur	18,82,000
25	DP Tapovan Pilgrim Shed	3,45,539
26	Rajgir Tirth Yatri Niwas	17,05,000
27	DP Raxaul TC	8,00,000
28	Renovation of Bungalow C09	26,61,117
29	Repair of Bungalow	5,00,000
30	Sonepur Yatrika	2,09,762
31	Vaishali water supply	20,00,000
32	Dobhi way-side	6,11,953
33	Hishua & Bihia wayside facility	6,00,000
34	Hishua way-side	2,02,184
35	Piprakothei wayside	4,05,846
Total		8,83,68,984

Annexure - 9
(Referred to in paragraph – 2.9.3)
Statement of diversion of funds

(Amount in Rupees)

Particulars	Opening Balance	Transaction		Closing Balance (Dr.)
		Debit	Credit	
DP Aurangabad	17,06,041.65 Cr.	62,50,330.00	32,38,291.00	13,05,997.35
DP Bodhgaya BSTDC	2,68,921.00 Dr.			2,68,921.00
DP Bodhgaya B. Wall, Land Scap etc.	5,62,702.00Dr.			5,62,702.00.
DP Bodhgaya Cafeteria	3,64,718.50 Dr.			3,64,718.50
DP Bodhgaya Cafeteria A.C.		13,44,874.00	7,61,800.0	5,83,074.00
DP Bodhgaya Ren. Budh Vihar	10,03,181.00Dr.	3,888.00		10,07,069.00
DP Bodhgaya Ren Sidharth Vihar	1,61,011.00Dr.	19,36,269.00		20,97,280.00
DP Bodhgaya visitor centre	3,16,296.96 Dr.			3,16,296.96
DP Bodhgaya Yatrika	22,45,694.45 Dr.	15,537.00	17,92,300.00	4,68,931.45
DP Bodhgaya Y. H. Repair	1,19,649.48 Dr.			1,19,649.48
DP Furn. Bodhgaya Sidharth Vihar	2,54,033.16 Dr.			2,54,033.16
DP Furn. Bodhgaya Yatrika	6,44,825.00 Dr.			6,44,825.00
DP BSTDC Exp. Project	30,77,700.30 Dr.			30,77,700.30
DP Buxar Boundary Wall	79,962.00 Dr.	23,760.00		1,03,722.00
DP Buxar Wayside	15,03,247.46 Dr.			15,03,247.46
DP Sound and light project Buxer	1,37,805.96 Dr.			1,37,805.96
DP Cafeteria Darbhanga		21,70,876.00		21,70,876.00
DP Furnishing	57,559.57 Dr.			57,559.57
DP Hazipur Tourist Resort	37,329.00 Dr.			37,329.00
DP Jansuvidha Rajgir	78,017.00 Dr.			78,017.00
DP Maheshkhunt Khagaria		49,54,000.00	39,49,000.00	10,05,000.00
DP Madhepura	3,56,024.00 Dr.			3,56,024.00
DP Yatrika Singheswar Asthan		15,286.00		15,286.00
DP Maner Dev. & Beautification	10,54,098.00 Dr.	17,795.00	7,43,660.00	3,90,233.00
DP Cement	19,28,397.36 Dr.			19,28,397.36
DP Steel	81,797.51 Dr.			81,797.51
DP Foreign Tour		5,18,667.00		5,18,667.00
DP Misc. Exp. Recoverable	14,81,726.76 Dr.	2470.00		14,84,196.76
DP Printing Literature	3,31,507.00 Dr.		2,50,000.00	81,507.00
DP Mohania Furn.	1,78,831.75 Dr.			1,78,831.75
DP Mohania SRF Qr.	4,55,017.00 Dr.			4,55,017.00
DP Purchase Of Motor Boat	45,143.64 Dr.			45,143.64
DP Mungher	24,20,097.00 Dr.	4,590.00	19,79,000.00	4,45,687.00
DP Furn. Muzaffarpur T. B.	5,23,700.19 Dr.			5,23,700.19
DP Chandragupta Jal Vihar		28,08,906.00	25,06,171.00	3,02,735.00
DP Minister A/C (Tourism)		1,04,817.00		1,04,817.00
DP Patliputra Ashok TIC Patna		4,52,857.00		4,52,857.00
DP Secretary Chamber		1,15,155.00	50,842.00	64,313.00
DP Wayside Facility Patna Bypass		11,049.00		11,049.00
DP Areraj Pilgrimshed	1,14,944.65Dr.			1,14,944.65
DP Vidyapati Nagar Pilgrimshed	17,795.80 Dr.			17,795.80
DP Purnea T.C.	8,64,757.80 Cr.	38,72,974.00	15,39,075	14,69,164.00
DP Furn. Rajgir	2,54,057.50 Dr.			2,54,057.50
DP Rajgir B. Wall, land scap & Beauty	3,11,309.00 Dr.			3,11,309.00
DP Rajgir Cafeteria	1,22,290.61 Dr.			1,22,290.61
DP Rajgir Ren. Of Ajatshatru	27,997.13 Dr.			27,997.13
DP Rajgir Ren. Of Gautam Vihar	3,70,663.79 Dr.	14,06,990.00		17,77,653.77
DP Rajgir Ropeway		88,420.00		88,420.00
DP Rajgir Staff Qtr.	13,347.50 Dr.			13,347.50
DP Rajgir TB 1 Gautam	68,971.85 Dr.			68,971.85
DP Rajgir TB 2 Ajatshatru	53,350.95 Dr.			53,350.95
DP Rajgir Visitor Centre	2,23,287.43 Dr.	864.00		2,24,151.43
DP Sasaram	2,78,565.77 Dr.			2,78,565.77
DP Sone pur Yatrika Repair	2,45,224.00 Dr.			2,45,224.00
DP TIC Kolkata		11,42,669.00		11,42,669.00
DP Vaishali TC	44,75,246.60 Dr.	4,022.00	37,79,000.00	7,00,268.60
DP Vehicle	11,48,616.00 Cr.	1,51,56,246.00	1,00,00,000.00	40,07,630.00
DP Wayside Rivilganj		5,86,000.00	86,000.00	5,00,000.00
			Total	3,34,22,803.07

Annexure - 10
(Referred to in paragraph – 2.10.1)
Statement showing the occupancy in percentage of the eleven Hotels of BSTDC
Ltd. Patna for the year
2004-05 to 2008-09

(Figures in Percent)

Sl. No.	Name of Hotel	2004-05		2005-06		2006-07		2007-08		2008-09	
		ROO MS	DO R.	ROO MS	DO R.	ROO MS	DO R.	ROO MS	DO R.	ROO MS	DO R.
1	Hotel Kautilya Vihar, Patna	30	18	36	17	54	19	43	17	32	10
2	Hotel Lichhavi Vihar, muzaffarpur	41	-	58	-	68	-	67	-	39	
3	Hotel Koshi Vihar, saharsa	16	14	24	24	25	18	33	30	64	56
4	Hotel Buddha Vihar, Bodhgaya	-	10	-	9	-	15	-	14	-	27
5	Hotel Sujata Vihar, Bodhgaya	-	11	-	24	-	18	-	25	-	24
6	Hotel Siddharth Vihar, Bodhgaya	32	-	22	-	23	-	28	-	44	
7	Hotel Gautam Vihar, Rajgir	21	19	19	14	26	16	51	17	45	12
8	Hotel Azatshatru Vihar, Rajgir	-	22	-	23	-	21	-	24	-	19
9	Hotel Tathagat Vihar, Rajgir	21	-	26	-	29	-	26	-	32	
10	Hotel Vishwamiitra Vihar, Buxar	31	23	32	27	30	26	32	26	37	38
11	Hotel Kaimur Vihar, Mohania	52	38	48	33	40	22	56	22	61	36

Annexure - 11
(Referred to in paragraph – 2.10.1)
Statement showing the shortfall in the Potential income of the hotels of the
Company for the last five years up to 2008-09.

(Amount: Provisional – Rupees in Crore)

Year	Units providing accommodation	Income @ 100% occupancy from accommodation	Income @ 60% occupancy from accommodation	Actual income from accommodation	Shortfall	Units having shortfall in potential income	Percentage of Units having shortfall in potential income
2004-05	11	3.42	2.05	0.97	1.08	11	100
2005-06	11	3.88	2.33	1.16	1.17	11	100
2006-07	11	3.88	2.33	1.33	1.00	11	100
2007-08	11	3.77	2.26	1.09	1.17	11	100
2008-09	11	3.51	2.11	1.38	0.73	10	91
Total		18.46	11.08	5.93	5.15		

Annexure - 12
(Referred to in paragraph – 2.10.1)

Statement showing the percentage of hotel units of Company which could not achieve the Budgeted target of income for the last five years up to 2008-09.

(Amount: Provisional – Rupees in Crore)

Year	Number of working units of hotels	Targeted Income	Actual Income	Shortfall	Units which could not achieve target	Percentage of units which could not achieve target
2004-05	12	1.31	0.84	0.47	11	92
2005-06	12	1.32	0.96	0.36	11	92
2006-07	12	0.55	0.46	0.09	8	67
2007-08	12	1.07	0.88	0.19	6	50
2008-09	12	1.66	1.32	0.34	9	75
Total		5.91	4.46	1.45		

Annexure - 13
(Referred to in paragraph No. 3.8)
Statement showing operational performance of Bihar State Road Transport Corporation

(Amount: Rupees in crore)

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Number of vehicles held at the end of year	637	637	637	637	414
Number of vehicles on road	490	431	337	319	140
Percentage of utilisation of vehicles	76.92	67.66	52.90	50.08	33.81
Number of employees at the end of year	4367	4337	4164	3970	2307
Employee vehicle ratio	6.86	6.81	6.54	6.23	5.57
Number of routes operated at the end of the year	50	50	50	50	50
Route kilometres	41969	50426	48396	45854	34100
Kilometres operated (in lakh)					
Gross	393.60	391.53	347.11	298.57	189.62
Effective	380.13	381.97	340.34	291.15	184.45
Dead	13.47	9.56	6.77	7.42	5.17
Percentage of dead kilometres to gross kilometres	3.42	2.44	1.95	2.49	2.73
Average kilometres covered per bus per day	226	230	265	257	237
Average revenue per kilometre (Rs.)	14.43	15.90	15.84	19.05	16.92
Average expenditure per kilometre (Rs.)	28.69	28.99	33.81	36.90	60.69
Loss (-)/per kilometre (Rs.)	(-) 14.26	(-) 13.09	(-) 17.97	(-) 17.85	(-) 43.77
Number of operating depots	29	29	29	29	20
Average number of break-down per ten thousand kilometres	0.06	0.01	0.10	0.15	0.15
Average number of accidents per lakh kilometres	0.08	0.07	0.09	0.08	0.09
Passenger kilometre operated (in crore)	3.80	3.82	3.40	2.91	1.84
Occupancy ratio (Load Factor)	66	65	65	65	69
Kilometres obtained per litre of Diesel Oil	3.94	3.88	3.93	3.96	3.91

Annexure - 14
(Referred to in paragraph 4.14)

Statement showing List of paras involving recovery of money
(Amount Rupees in lakh)

PSU Name: Bihar State Electricity Board

Sl. No.	Details of Para	IR No	Unit Name	Amount (Rs in lakh)	Remark
1.	Short billing of Revenue	64/97-98	ESD Begusarai	0.85	
2.	Non realization of dishonoured cheque	129/01-02	ESD Begusarai	0.84	
3.	Recoverable amount of contractor	80/02-03	Transmission zone Muzaffarpur	10.74	
4.	Overpayment due to irregular drawl of increment	24/97-98	Central Store Saharsa	0.84	
5.	Excess payment due to overstay in service	127/00-01	Area Board Saharsa	5.04	
6.	Loss due to non charging of fuel surcharge @ 244.01	84/01-02	ESD Jhanjarpur	0.54	
7.	Loss due to billing less than monthly expenditure	130/98-99	ESD Madhepura	0.95	
8.	Dishonoured cheque	16/03-04	ESD Samastipur	3.75	
9.	Short assessment of MMG charges	80/98-99	ESD Purnea	1.55	
10.	Dishonoured cheques	153/97-98	ESD Purnea	9.70	
11.	Short billing towards fuel surcharge	9/01-02	ESD Purnea	11.00	
12.	Short billing due to incorrect application of tariff			3.79	
13.	Loss due to wrong assessment of fuel surcharge	28/98-99	ESD Madhubani	0.21	(Remaining already charged)
14.	Loss due to non billing			6.26	(Remaining already charged)
15.	Loss due to wrong posting	4/98-99	ESD Madhubani	4.4	(Remaining already charged)
16.	Loss due to non compliance of tariff			1.45	(Remaining already charged)
17.	Loss due to non charging of MMG			2.48	(Remaining already charged)
18.	Loss due to under assessment of revenue	117/99-00	ESD Madhubani	1.17	
19.	loss due to defective billing in LTIS			3.5	
20.	Loss due to non charging as per new tariff			35.3	
21.	Loss due to non charging meter rent	19/02-03	ESD Madhubani	0.84	
22.	Loss due to defectives billing in LTIS			3.50	
23.	Loss due to non charging as per new tariff			35.32	
24.	Non realization of additional security deposit	82/03-04	ESD, Bhagalpur	2.25	
25.	Defalcation of amount			0.03	

26.	Non credit of cheque deposited	10/01-02	ESD, Bhagalpur	20.03	
27.	Loss due to non assessment of surcharge for shunt capacitor	29/00-01	ESD, Bhagalpur (U)	0.96	
28.	Non credit of cheques	36/00-01	ESD, Bhagalpur (R)	11.05	
29.	Loss due to not billing in minimum unit rate	33/97-98	ESD, Sitamarhi	0.5	
30.	Loss of DPS	2/00-01	ESD, Banka	10.16	
31.	Commission charged by bank for remittances			0.01	
32.	Non realization of additional security deposit	57/99-00	ESD, Lakhisarai	1.64	
33.	Non realization of additional security deposit	34/00-01	ESD, Lakhisarai	0.87	
34.	Loss due to non charging of Bank commission to consumer			0.84	
35.	Under assessment due to non charging of surcharge & non installation of shunt capacitor & ELCB & MCB device	70/98-99	ESD, Munger	0.54	
36.	Short charging			0.34	
37.	Recoverable additional security deposit	99/01-02	ESC, Munger	26.36	
38.	Under assessment of surcharge /DPS	49/97-98	ESC, Munger	6.55	
39.	Non assessment of AMG charges			4.67	
40.	Incorrect application of tariff loss to Board			1.33	
41.	Abnormal delay in ledger of connection reports resulting non realization of Rs 26.20 lakh and loss of DPS Rs 27.57	40/99-00	ESD, Munger	53.77	
42.	Non observance of tariff/revision/ implementation of surcharge and delayed submission of connection report realization of Rs 1.99 lakh			1.99	
43.	Non realization of additional security deposit			49.89	
44.	Outstanding rent	70/01-02	ESC. Chapra (Saran)	4.78	
45.	Excess payment due to irregular grant of increment	155/00-01	ESD Supaul	0.92	
46.	Loss due to less assessment of revenue	130/98-99	ESD Madhepura	1.82	
47.	Loss of revenue due to non adherence of tariff	133/00-01	ESD Gopalganj	0.84	
48.	Unadjusted amount of deposit work Rs 66124	105/00-01	ESD Gaya (W)(Rural)	0.66	
49.	Non realization of additional security deposit	106/98-99	ESC Munger	33.71	
50.	Under assessment of surcharge DPS for non payment/ Late payment of energy bill	49/97-98	ESC Munger	6.55	
51.	Non assessment of AMG charge			4.67	
52.	Incorrect application of tariff loss to board			1.33	
53.	Loss due to non assessment of fuel surcharge on MMG	47/00-01	ESD Munger	10.81	
54.	Short deposit amounting			0.01	
55.	Cheque not deposited	75/03-04	ESD Bhagalpur (Urban)	2.97	
56.	Non realization of additional security	66/03-04	ESC Bhagalpur	3.19	

	deposit				
57.	Non realization of additional security deposit	161/00-01		49.89	
58.	Short billing of consumer	31/97-98	ETC Dehri On Sone	162.79	
59.	Short assessment of revenue due to incorrect application of tariff in respect of defective meters	150/98-99	ETC Dehri On Sone	283.81	
60.	Loss due to electricity consumption more than the sanctioned load	43/03-04	ESD, Masaudi	2.59	
61.	Illegal utilization of power by consumer			20.41	
62.	Over payment of overtime (OT)	54/02-03	ETD, Bhagalpur	1.68	
63.	Loss due to non billing as per tariff	77/03-04	ESD Bankipur	5.46	
64.	Fraud of money	102/01-02	ESD Bankipur	0.77	
65.	Deduction from revenue by bank	47/97-98	ESD Guljarbagh	0.54	
66.	Non realization of additional security money	48/98-99	ESD Guljarbagh	3.90	
67.	Short assessment			0.86	
68.	Loss of revenue due to incorrect application of tariff	122/97-98	ESD Bankipur	2.90	
69.	Under assessment poor meter reading			3.86	
70.	Defalcations of money			0.08	
71.	Loss of DPS due to irregular billing	112/00-01	ESD Guljarbagh	2.32	
72.	Non realization of additional security money			2.29	
73.	Misc. Outstanding advances	144/01-02	ESD Bikramganj	6.52	
74.	Deduction of commission by bank			0.07	
75.	Increment without passing exam	42/01-02	ESD Mohania	0.15	
76.	Non charging of bank commission deductions from consumers			0.77	
77.	Short billing to seasonal consumers	84/99-00	ESD Bikramganj	0.07	
78.	Increment without passing exam.			3.37	
79.	Irregular remission of revenue			0.13	
80.	Non billing of 5% surcharge to shunt capacitor consumers	136/00-01	ESD Bikramganj	0.54	
81.	Less billing of electricity duty			0.19	
82.	Non billing of bank commission			0.15	
83.	Recovery of less energy charge from Kutir Jyoti Urban consumers			3.54	
84.	Theft of energy	85/02-03	ESD Guljarbagh	4.67	
85.	Recovery of additional security			7.24	
86.	Theft of energy	137/00-01	ESD Bhabua	3.83	
87.	Double allotment of fund	60/99-00	ESD	0.57	
88.	Other irregularities in revenue realization		Dakbunglow, Patna	10.38	
89.	Non receipt of Rs 6000 in Division cash book	135/98-99	ESD Dakbunglow	0.06	
90.	Non realization for non installation of shunt capacitor	108/97-98	ESD Dakbunglow	0.35	
91.	Amount of Dishonored cheques not realized			0.31	
92.	Increase in dues	15/97-98	ESD Gardanibagh	2.20	
93.	Minimum guarantee & recovery	186/00-01	ESD	0.53	
94.	Revenue loss		Dakbunglow	0.01	
95.	Unadjusted advance			0.11	
96.	Additional security amount not recovered	105/02-03	ESD Danapur	11.70	
97.	Undue favour to consumers			0.28	

98.	Excess payment	119/00-01	ESD	0.12	
99.	Unadjusted TA advance		Gardanibagh	0.02	
100.	Non reconciliation of revenue	61/99-00	ESD	0.20	
			Gardanibagh		
101.	Loss of revenue due to not charging MMG to LTIS	109/97-98	ESD	0.33	
			Gardanibagh		
102.	Short assessment			0.07	
103.	Excess payment			0.03	
104.	Non realisation of security deposit	11/98-99	ESD	1.68	
			Gardanibagh		
105.	Revenue loss	65/99-00	ESD	0.27	
			Kankarbagh		
106.	Consumer deposit not received	45/02-03	Electrical	401.07	
			Transmission		
			Circle Dehri On		
			Sone		
107.	Loss of DPS due to non billing	26/98-99	ESD Bikramganj	7.22	
108.	Short billing of fixed charge energy charge & non charging of short fall in MMG			0.75	
109.	Irregular adjustment of revenue	62/97-98	ESD Dehri on	0.85	
			Sone		
110.	Recovery due to not passing Hindi Exam			1.31	
111.	Short billing	98/97-98	ESD Patliputra	0.18	
112.	Non deposit of security money	96/01-02	ESD Patna city	0.30	
113.	Non recovery of bank commission			0.05	
114.	Temp advance not adjusted			2.05	
115.	Under assessment of revenue	43/97-98	Supply Circle	19.90	
			Pesu West		
116.	Under assessment of meter rent			0.43	
117.	Unadjusted amount	106/02-03	ESD Patna city	0.92	
118.	Recoverable amount from Jeep owner	174/00-01	ESC PESU West	0.01	
119.	Loss due to non realisation of additional security deposit	76/00-01	ESD Sasaram	2.52	
120.	Loss of Revenue due to bank commission deduction			0.17	
121.	Non recovery of outstanding advances			0.09	
122.	Short assessment	116/99-00	ESD Sasaram	0.34	
123.	Non realization of additional security deposit			1.91	
124.	Excess payment			0.17	
125.	Short billing			0.05	
126.	Short billing			0.10	
127.	Short assessment			0.03	
128.	Outstanding TA advances			0.17	
129.	Loss due to not billing of DPS	61/03-04	ESD Sasaram	1.42	
130.	Loss due to short billing	103/97-98	ESD Sasaram	2.33	
131.	Loss due to short billing			1.13	
132.	Short billing			0.99	
133.	Loss due to non implementation of tariff			0.60	
134.	Loss of revenue due to non-assessment /incorrect assessment of MMG units	1/99-00	ESD	1.00	
			Dalsinghsarai		
135.	Loss of revenue due to non-assessment of surcharge for non installation of shunt capacitor			0.72	
136.	Non realization of shunt capacities surcharge	150/97-98	ESD Darbhanga	0.10	
			(R)		
137.	Under assessment of fuel			0.11	
138.	Defalcation by Sri Ram Lakhan Mahto, Jr. A/c clerk and bill collector	1/00-01	ESD	4.20	
			Dalsinghsarai		

139.	Loss due to negligence of officers	82/97-98	ESC Sasaram	2.10	
140.	Loss due to wrong calculation of power factor surcharge of fuel surcharge		(Rohtas)	3.19	
141.	Shorting of materials	53/00-01	Central Store, Darbhanga	0.55	
142.	Loss due to cheque dishonoured	20/01-02	ESD Darbanga (U)	0.53	
143.	Non recovery of additional security money	109/02-03	ESC Sasaram	4.96	
144.	Short billing of minimum annual security amount			2.89	
145.	Short billing of contract demand			0.40	
146.	unadjusted amount of Misc. advance			0.23	
147.	Under assessment of delay payment surcharge	18/98-99	ESD Chapra (E)	2.82	
148.	Non credit of cheques into Board's account			1.52	
149.	Non credit of cash in bank statement			0.68	
150.	Under assessment of energy charge			0.03	
151.	Non charging of energy dues			0.03	
152.	Non charging of estimate amount			0.003	
153.	Short founding of Electrical materials in verification	98/02-03	Centre Store Motihari	0.97	
154.	unadjusted TA advance	14/03-04	ESD Raxaul	0.08	
155.	Loss of revenue to the Board due to under favour to the consumer	120/97-98	ESD Motihari	0.54	
156.	Bank commission			0.09	
157.	Loss to Board due to removal of electric material from Bettiah feeder by contractor	163/00-01	ESD Bettiah	0.94	
158.	Loss levied against M/s cold storage, Merobasa	30/97-98	ESD Chapra (E)	0.86	
159.	Less levied in respect of DPS & fixed charge			0.21	
160.	Bank commission not charged against consumer			0.18	
161.	Less levied in respect of DPS			0.004	
162.	Under assessment of MMG	88/97-98	ESD Siwan	1.15	
163.	Under assessment of revenue			0.42	
164.	Non assessment of surcharge for shunt capacitors			0.11	
165.	Non assessment of DPS for non payment of energy Bill			0.05	
166.	Loss to Board due to non charging of Bank commission on consumers			0.13	
167.	Short charging of security deposit			0.02	
168.	Short founding of revenue collection			0.001	
169.	Short deposit of revenue by ESSD	24/00-01	ESD Siwan	0.01	
170.	Overpayment due to allowing increment without passing Hindi noting and drafting examination			0.16	
171.	Non credit of deposit in Bank account	20/02-03	ESD Rosera	0.06	
172.	Non adjustment of LTC	177-52/00-01	ESD Rosera	0.02	
173.	Excess payment due to wrong fixation of pay			0.22	
174.	Excess payment due to not passing H & D exam			0.005	
175.	Outstanding advance against suppliers	143/01-02	MTPS	188.28	
176.	Excess payment in contract wages			13.75	

177.	Unadjusted medical advance	25/01-02	MTPS	2.49	
178.	Recovery due to non-compliance of terms & conditions of agreement			0.90	
179.	Blocking of Board's revenue due to non recovery of Electric Material	2/97-98	ESC Darbhanga	5.07	
180.	Blocking of Board's money due to material outstanding			2.58	
181.	Non charging of short fall in AMG & Loss of DPS due to non-charging of AMG	57/98-99	ESC Sasaram	2.99	
182.	Non realization of additional security	104/99-00	ESC Sasaram	0.79	
183.	Defalcation	140-16/00-01	ESD Darbhanga (R)	0.002	
184.	Under assessment of meter rent	66/99-00	MTPS	2.58	
185.	Non adjustment of medical advance			0.66	
186.	Non remittance of energy revenue to the Board			3.34	
187.	Suspected misappropriation	117/00-01	MTPS	27.58	
188.	Outstanding temporary advance			6.20	
189.	Outstanding TA advance	21/99-00	ESD Raxaul	0.38	
190.	Under assessment of fixed charge in CS – III category of commercial consumers	139/97-99	ESD Raxaul	2.26	
191.	Loss of interest non credit of charges 5.01 lakh			6.99	
192.	Defalcation of revenue receipt in Electric Supply Sub-Division Dhaka			0.57	
193.	Under charges of energy bills due to non applying of minimum monthly consumption rate			0.18	
194.	Non assessment of surcharges due to non installation of earth linkage circuit brakes above 5 KW load			0.019	
195.	Non realization of minimum monthly charge in respect of LTIS consumers	27/97-98	ESD Betiah	2.31	
196.	Bank commission			0.167	
197.	Loss to the Board due to Non conciliation of charge Rs 3752 including interest			0.027	
198.	Short charges	53/99-00	ESD Betiah	1.86	
199.	Excess payment due to irregular grant of increment without passing noting & drafting examination			0.12	
200.	Loss due to under assessment of fuel surcharge	86/01-02	ESD Betiah	0.55	
201.	Unadjusted TA advance			0.28	
202.	Loss to Board due to undue favour to the consumer	107/97-98	ESC Motihari	0.96	
203.	Loss of revenue due to not making correct assessment of fuel surcharges	114/99-00	ESD Siwan	0.80	
204.	Loss to Board due to non assessment of surcharge for non installation of shunt capacitor & circuit Breaker and Earth leakage circuit breaker			0.32	
205.	Loss to the Board due to non assessment of arrear MMG units of LTIS consumers	114/99-00	ESD Siwan	0.16	
206.	Loss to Board due to non-credit of old			1.86	

	deposited charges				
207.	long outstanding TA and Misc. advances yet to be adjusted			0.26	
208.	Unadjusted advance	104/02-03	MTPS	28.33	
209.	Overpayment due to non – adherence of Government order	184/97-98	MTPS	43.68	
210.	Cheques and Bank draft not credited	55/03-04	MTPS	0.26	
211.	Short Receipt of coal	90/98-99	MTPS	36.56	
212.	Non-adjustment of temporary advance			1.02	
213.	Unadjusted medical advance	7/03-04	MTPS	2.96	
214.	Misappropriation	193/00-01	MTPS	0.25	
215.	Loss to the board to the tune of due to non charge short charge of fuel surcharge	126/99-00	ESD Aurangabad	0.67	
216.	Loss of revenue due to non billing to the tune of Rs	99/00-01	ESD Nawada	125.00	
217.	Loss due to non accountal of cheques			5.96	
218.	Non implementation of tariff led to loss			1.38	
219.	Non recovery of additional security deposit	73/03-04	ESD Nawada	2.91	
220.	Non transfer of revenue to Board Hqrs.			2.56	
221.	Loss due to dishonour cheques			9.53	
222.	Non recovery of Bank commission	52/02-03	ESD Jehanabad	0.06	
223.	Recovery of commissions by bank at the time of transfer of money			0.04	
224.	Bank commission deducted during clearance of cheque			0.03	
225.	Amount deposited but not appeared in bank statement	90/01-02	ESD Jehanabad	9.52	
226.	Unadjusted TA			0.20	
227.	Non recovery of bank commission			0.05	
228.	recoverable revenue from consumers	59/02-03	ESD Gaya	1.09	
229.	Loss due to not issuing of bill to consumer at higher rate	74/02-03	ESD Gaya (U)	7.30	
230.	non realization of dues from consumers			13.48	
231.	over payment	168-43/00-01	Central Store, Gaya	5.65	
232.	Shortage of material in store	95/02-03	Central Store, Gaya	5.99	
233.	Loss due to non realization of insurance claim			9.04	
234.	Loss due to non claiming of amount from insurance company			1.10	
235.	Loss due to less billing	48/01-02	ESD Gaya	3.24	
236.	Loss due to non billing	126/97-98	ESD Aurangabad	0.98	
237.	Loss due to non forwarding the balance			0.16	
238.	Loss due to lost amount			0.74	
239.	Loss due to not charging Bank commission			0.90	
240.	Unadjusted TA			0.18	
241.	Loss due to non clearance of cheque	77/01-02	ESD Auraganbad	32.90	
242.	Loss due to less billing			0.64	
243.	Unadjusted TA advance			0.06	
244.	Loss due to charging less fuel surcharge	91/98-99	ESD Auraganbad	24.94	
245.	Loss due to non compliance of tariff			2.41	
246.	Non recovery of overpayment to employment			1.22	
247.	Loss of revenue			0.20	
248.	Loss due to exhibition of less due in ledger			0.88	

249.	Loss of revenue			0.19	
250.	Loss due to non realization of bank commission			0.48	
251.	Unadjusted TA	25/00-01	ESD	0.12	
252.	Non realization of bank commission from consumers		Auraganbad (W)	0.11	
253.	Loss due to error in billing	79/01-02	ESD	0.59	
254.	Loss due to non carry forwarding dues of previous month		Auraganbad	0.67	
255.	Non encashment of cheque			0.07	
256.	Shortage of material	30/98-99	E. Transmission	60.44	
257.	Material valued to fund short in physical verification		Div, Begusarai	15.71	
258.	Loss due to shortage of material	66/99-00	E. Transmission	50.77	
259.	Irregular payment		Div, Begusarai	4.49	
260.	Shortage found in store verification	82/01-02	C Store,	27.69	
261.	Defalcation	168/97-98	MRT Division	1.80	
262.	Shortage/excess of materials worth	170/97-98	E Central Store,	5.25	
263.	Short billing of material	136/98-99	Darbhangha at		
264.	Non recovery of material	15/99-00	Sakari	14.28	
265.	Non realization of rent from shopkeepers due to litigation		ESC Darbhanga	6.00	
266.	Loss due to less billing	9/03-04	Mithila Area	1.89	
267.	Loss due to non issue of AMG	17/02-03	Electricity	3.35	
268.	Discrepancies in receipt and payment of common salt to the	91/99-00	Board,	1.89	
269.	Double drawl of cheque fraudulently from the bank & loss of interest		Darbhangha	3.35	
270.	Loss due to theft of material from BTPS	55/02-03	BTPS	26.00	
271.	Non recovery of rent form tenants			6.88	
272.	Amount outstanding for recovery from Customs Department	145-20/00-01	BTPS	16.99	
273.	Loss due to non charging of fuel surcharge	9/99-00	BTPS	0.21	
274.	Short receipt of furnace oil due to missing oil tank wagon of 152.16 KL fro a total sum of	185/99-00	BTPS	9.97	
275.	Outstanding balances of advances against suppliers for long			86.71	
276.	Financial loss to the board for allowing the employees in service beyond the date of their superannuation	165/99-00	BTPS	0.95	
277.	Non remittance of revenue on account of energy bill			0.57	
278.	consequential loss of interest			0.03	
279.	Loss to board due to non deduction of penalty from the contractors	29/97-98	BTPS	7.37	
280.	Non replacement of defective material			6.78	
281.	Failure of equipment in guarantee period avoidable payment			2.63	
282.	Non return of meter after repair inspection of full payment /blocking of boards capital			25.00	
283.	Irregular expenditure of departmental			1.87	

	receipt				
284.	Failure of equipment in guarantee period/loss to board			1.4	
285.	Short supply of material			0.57	
286.	Loss of interest			0.39	
287.	Unadjusted TA balance			1.30	
288.	Undue advantage to the consumer and consequential loss to the Board	50/00-01	ESD Biharsharif (Rural)	1.56	
289.	Defalcation	41/00-01	ESD Ekangarsarai	0.532	
290.	No recovery of additional security money	91/02-03	ESD Bihta	1.18	
291.	Non adjustment of loan	100/01-02	ESC PESU (East), Patna	5.00	
292.	Loss due to uncharged additional security money	83/99-00	ESD Barh	3.29	
293.	Loss due to non realization of energy surcharge from the consumers	4/00-01	ESC Patna	4.80	
294.	Short assessment of power factor			0.64	
295.	Loss due to uncharged delayed payment surcharge			45.38	
296.	Uncharged additional security deposit			9.54	
297.	Non recovery of shortage of electrical materials	18/97-98	EC Stores Digha, Patna	87.57	
298.	Shortage of materials			0.04	
299.	Undue aid to the consumer Rs 1.87 Lakh Loss of interest Rs 0.63 lakh	110/97-98	ESD Bihta	2.50	
300.	Incorrect application of tariff loss to the Board			1.92	
301.	Short billing towards interest on arrears against consumers loss of Boards revenue			7.38	
302.	Non billing of revenue loss to the Board			2.43	
303.	Short Billing of revenue			1.04	
304.	Non realization of additional security deposit	175/99-00	ESD Bihta	0.69	
305.	Short charge of revenue	16/97-98	ESC Patna	2.55	
306.	loss of interest			0.11	
307.	Recoverable additional security deposit			24.21	
308.	Loss due to non-revision of addition security deposit	85/00-01	ESD Bihta	1.37	
309.	Shortage of materials (Transformer oil) in store	14/99-00	Chief Engineer Stores & Purchase , Patna	15.71	
310.	Loss to board due to not charging AMG	182/97-98	ESC Patna	12.06	
311.	Irregular expenditure due to service done by the workmen beyond the due date of retirement	70/99-00	Central Area Board, Patna	7.09	
312.	Excess payment			2.76	
313.	Monetary loss to the Board due to irregular refund of amount of penalty to the suppliers	4/97-98	Central Area Board, Patna	2.87	
314.	Short billing of energy bill	18/03-04	ESD Bihta	3.57	
315.	Non realization of additional security deposit			0.89	
316.	Loss due to shortage of material in physical verification of store	97/02-03	Central Store Digha, Patna	1.86	
317.	Recoverable due to not completing the work by agency	106/01-02	ETD Hatidah	2.22	

318.	Loss due to shortage of materials in store	69/03-04	Transmission Zone Muzaffarpur	17.31	
319.	Shortage of materials in Physical verification of Begusarai store	6/01-02	GM-cum- Chief Engineer Transmission Zone- II Muzaffarpur	66.49	
320.	Theft of materials from various stores	59/01-02	O/o the Superintending Eng. (store) BSEB, Patna	7.08	
321.	Irregular payment of travelling allowance	54/01-02	CE (RE), BSEB, Patna	0.004	
	Total		Total	2908.43	

PSU Name – Bihar State Forest Development Corporation Ltd.

Sl. No.	Para	No. and Year of IR	Unit	Amount involved	Remarks
A Outstanding dues on forest officers/employees					
1.	Amount outstanding with forest officers	9/00-01	Daltonganj	36.69	
2.	Amount outstanding with forest officers	18/01-02	Hazaribagh	96.56	
3.	Advance outstanding with officers/employees since years	11/02-03	Gaya	45.25	
4.	Advance outstanding with officers/staffs	4/02-03	Bhagalpur	47.08	
5.	Outstanding amount with forest officers	17/01-02	Garhwa	20.81	
6.	Advance outstanding with officers/staffs	17/01-02	Garhwa	28.77	
7.	Advance outstanding with officers/staffs	12/01-02	Daltonganj	18.46	
8.	Advance outstanding with forest officers/staffs	29/01-02	Gaya	43.31	
9.	Advance outstanding with officers/staffs	4/99-00	Hazaribagh	20.40 36.72	
10.	Advance outstanding with officers/staffs	15/99-00	Ranchi	124.52 191.77	
11.	Advance outstanding with officers/staffs	28/00-01	Patna	5.25	
12.	Advance outstanding with officers/staffs	29/00-01	Garhwa	2.49	
13.	Advance outstanding with officers/staffs	33/01-02	Betiah	39.47	
14.	Amount outstanding in different heads	14/02-03	Daltonganj	93.52	
				851.07	
B Outstanding amount to purchasers/s. debtors					
15.	Loss of interest on blocked capital with purchasers	9/00-01	Daltonganj	3.12	
16.	Outstanding recoverable amount with local purchasers	18/01-02	Hazaribagh	256.75	
17.	Amount outstanding with purchasers	7/00-01	Ranchi	46.27	
18.	Amount due with sundry debtors	7/00-01	Ranchi	9.97	
				316.11	
C Recoverable amount					
19.	Non recovery of dues afterward office order since years	11/02-03	Gaya	3.00	
20.	Recoverable amount	10/01-02	Jamshedpur	13.65	
21.	Recoverable amount	29/01-02	Gaya	12.97	
				29.62	
D Recoverable amount of damaged sal seeds					
22.	Recoverable amount for damage of SAL seed	14/01-02	Ranchi	0.94	
E Irregular payment of salary					
23.	Payment of salary without work	17/01-02	Garhwa	2.45	

24	Irregular payment due to wrong fixation of salary	6/02-03	Giridih	1.39	
				3.84	
F	Advance not adjusted by division				
25	Blockade of fund due to delay in recovery/ adjustment of work advance given in divisions	4/00-01	Hazaribagh	2.63	
26	Non recovery of advance given by divisional manager	10/00-01	Hazaribagh	1.15	
				3.78	
G	Miscellaneous				
27	Non realization of advance given for Kendu leaves collection	14/02-03	Daltonganj	2.34	

PSU Name – Bihar State Road Transport Corporation

Sl. No.	Para	No. and Year of IR	Unit	Amount involved	Remarks
A	Outstanding dues on various departments/institutions				
1	Outstanding dues on various departments /institutions	20/02-03	Patna	145.39	
2	Outstanding dues on various departments /institutions	02/99-00	Phulwarisharif	16.40	
3	Outstanding dues on various government departments	08/02-03	Jamshedpur	7.31	
4	Outstanding dues on various government departments/ institutions	25/99-00	Ranchi	46.38	
5	Outstanding dues on various departments	03/01-02	Ranchi	58.02	
6	Outstanding dues on various departments	40/00-01	Dhanbad	3.65	
7	Loss due to Outstanding dues on various government institutions	20/99-00	Jamshedpur	6.03	
8	Loss due to non realization of Outstanding dues	08/99-00	Purnea	10.00	
				293.18	
B	Miscellaneous				
1	Non adjustment of outstanding advances	25/99-00	Ranchi	7.44	
2	Loss due to non realization of rent from shops	25/99-00	Ranchi	11.75	
3	Outstanding amount in bus reservation and different heads	63/00-01	Patna	136.11	
4	Amount due with ex cashier	12/01-02	Darbhangha	0.45	
5	Unacceptable advance and defalcation	02/99-00	Phulwarisharif	6.10	
6	Outstanding commission of corporation concerned with collection on Mohania Karmnasha check post	02/99-00	Phulwarisharif	37.69	
7	Amount outstanding due to private operation of buses	10/01-02		0.78	
8	Non realization from commission agent	02/99-00	Phulwari sharif	5.58	
				205.90	

PSU Name B.S. Food & Civil Supplies corporation Ltd.

Sl. No.	Para	No. and Year of IR	Unit	Amount involved	Remarks
A	Unadjusted advance recoverable from the AGM/other employee				
1	Unadjusted advance recoverable from the AGM	15/01-02	Munger	71.19	

2	Unadjusted advance recoverable from the AGM	14/02-03	Katihar	119.00	
		Total		190.19	
B	Recoverable amount of price difference				
3	Loss due to non-recovery of price difference of grains from PDP.	1/00-01	Patna	12.15	
4	Loss due to non-recovery of price difference of grains from PDP.	11/00-01	Giridih	4.59	
5	Loss due to non-recovery of price difference of grains from PDP.	22/01-02	Sitamarhi	32.20	
6	Loss due to non-recovery of price difference of grains from PDP.	21/01-02	Aurangabad	5.98	
		Total		54.92	
C	Non-deposit of amount deducted from the salary of the employee				
7	Non-deposit of amount deducted from the salary of the employee	27/00-01	Dhanbad	10.73	
		Total		10.73	
D	Amount recoverable				
8	Amount recoverable from sales man	10/02-03	Dumka	33.33	
9	Amount recoverable from suspended Officer/authority	14/02-03	Katihar	10.43	
10	Amount recoverable from sales man	13/01-02	Patna	127.70	
11	Amount recoverable from AGM	4/01-02	Jamshedpur	4.87	
12	Amount recoverable from AGM	19/01-02	Daltonganj	26.37	
13	Amount recoverable from Officers/Employee	17/01-02	Biharsharif	13.30	
14	Amount recoverable from Officers/Employee	9/03-04	Patna	2202.61	
		Total		2418.61	
E	Contempt of Court-Order				
15	Amount not recovered even often the verdict of Court	22/01-02	Sitamarhi	1.95	
		Total		1.95	
F	Amount recoverable from supply inspector				
16	Amount recoverable from supply inspector	10/02-03	Patna	149.15	
17	Amount recoverable from supply inspector	13/01-02	Patna	2182.19	
		Total		2331.34	

PSU Name B.S. Pul Nirman Nigam Ltd.

Sl. No	Para	No. and Year of IR	Unit	Amount involved	Remarks
A	Unadjusted purchase advance				
1	Material not supplied after elapse of longer period of advance made (Cement)	2/01-02	Ranchi	47.13	
2	Material not supplied after elapse of longer period of advance made (Cement)	36/01-02	Saharsa	2.44	
3	Material not supplied after elapse of longer period of advance made (Cement) from J.P. Riva Cement	38/01-02	Patna	2.54	
4	Material not supplied after elapse of longer period of advance made (Cement) from J.P. Riva Cement for alkatra	39/98-99	Gaya	3.89	
5	Material not supplied after elapse of longer period of advance made (Cement) from J.P. Riva Cement for alkatra	55/99-00	Muzaffarpur	24.52	

6	Material not supplied after elapse of longer period of advance made (Cement) from J.P. Riva Cement for alkatra	13/02-03	Muzaffarpur	40.98	
7	Material not supplied after elapse of longer period of advance made (Cement) from J.P. Riva Cement for alkatra	1/02-03	Ranchi	212.90	
8	Material not supplied after elapse of longer period of advance made (Cement) from J.P. Riva Cement from alkatra	4/98-99	Patna	23.34	
9	Material not supplied after elapse of longer period of advance made (Cement) from J.P. Riva Cement from Alkatra	2/98-99	Saharsa	1.95	
10	Material not supplied after elapse of longer period of advance made (Cement) from J.P. Riva Cement from Alkatra	20/98-99	Katihar	29.37	
	Total			389.06	

PSU Name: Bihar State Financial Corporation.**(Rs in lakh)**

Sl. N	Para	No. and Year of IR	Unit	Amount involved	Remarks
1	Blockage of fund in the credit balance of interact recoverable suspense account	58/00-01	Patna	1530.00	
2	Non recovery of outstanding dues	19/00-01	Chapra	110.00	
3	Non recovery of outstanding from single party	6/98-99	Deoghar	27.65	
4	Non persuasion for recovery of due from single party resulting blocking up of capital		Deoghar	178.26	
5	Doubtful recoverable from single party		Deoghar	115.35	
6	Outstanding dues from single party (closed unit) pending recovery for a long period		Deoghar	53.18	
7	Outstanding dues from M/s Bihar Steel Tube (p) ltd. Gaya, pending recovery for a long period	19/98-99	Gaya	129.86	
8	Outstanding dues from M/s Arvind press pvt. ltd. pending recovery for a long period	26/00-01	Gaya	185.27	
9	Non recovery of outstanding dues from M/s Janta Hotel		Gaya	17.98	
10	Blockage of fund due to non recovery of loan		Gaya	9.34	
11	Blockage of fund due to non recovery of loan for M/s Hanuman flour mill	48/99-00	Arrah	24.69	
12	Doubtful recoverable from M/s Janki Cold Storage	39/99-00	Biharsharif	145.00	
13	Non recovery of outstanding from Jamsedpur flour mill		Biharsharif	175.29	
14	Non recovery of outstanding dues	47/99-00	Hazaribagh	21.96	
15	Non recovery of outstanding dues		Hazaribagh	31.90	
16	Non recovery of loan from Chanda food product	56/99-00	Katihar	14.54	
17	Loss due to non recovery of loan		Katihar	43.64	
18	Non recovery of loan from M/s Super cold storage		Katihar	8.17	
19	Blockage of fund in Nutan garment ltd. due to selection of wrong promoter	62/98-99	Hajipur	29.03	

20	Non recovery of outstanding dues	25/00-01	Sasaram	4811.63	
21	Non recovery of dues from Rajhans steel pvt. ltd.	46/99-00	Dumka	209.33	
22	Non recovery of dues from M/s J.K.R. Industries		Dumka	11.10	
23	Non recovery of loan from M/s Vishwanath Paper mills	11/01-02	Purnea	264.89	
24	Non recovery of huge loan for a long period		Purnea	4364.01	
25	Loss due to non recovery of loan		Purnea	832.89	
26	Blockage of fund due to non recovery of loan		Purnea	79.68	
27	Non recovery of loan	2/01-02	Muzaffarpur	9075.03	
28	Doubtful recovery of loan	5/01-02	Biharsharif	4053.59	
29	Doubtful recovery of loan		Biharsharif	37.54	
30	Loss due to non recovery of loan	1/01-02	Begusarai	140.99	
	Total amount involved			26731.79	

PSU Name: Bihar State Mineral Development Corporation Ltd.

S.N	Para	No. and Year of IR	Unit	Amount involved	Remarks
1	Outstanding amount of arrear to sub lessee	27/99-00	Daltonganj	1.72	
2	Outstanding amount of arrear to purchaser	26/99-00	Daltonganj	26.15	
3	Outstanding amount regarding sale of magnetite	17/99-00	Daltonganj	22.14	
4	Loss of revenue due to short recovery from Balu Ghat	34/00-01	Koelwar	186.13	
5	Non recovery of outstanding dues	21/00-01	Daltonganj	21.40	
6	Blockage of fund due to non recovery of outstanding from agencies	2/00-01	Hazaribagh	3.70	
7	Outstanding dues from Private Consumer regarding sale of mineral	9/02-03	Ranchi	103.39	
	Total amount involved			364.63	

Annexure - 15
(Referred to in paragraph 4.15)

List of paras involving lack of remedial action on audit observations

PSU Name – Bihar State Electricity Board

(Amount in Rs. lakh)

Sl. No	Para	No. and Year of IR	Unit	Amount involved	Remarks
1.	Loss due to undue favour to consumer	29/00-01	ESD Bhagalpur (U)	2.15	
2.	Loss of revenue due to non utilization of meters	74/03-04	Electrical Central Store, Bhagalpur	61.28	
3.	Undue favour to consumer loss Rs 61.97 lakh	28/99-00	ESC Munger	61.97	
4.	33/11 KV PSS at Halsi & Baruna (A) Idle investment Rs 49.34 lakh (non-operational PSS)			49.34	
5.	Loss of material			10.47	
6.	Blocking of Boards capital Rs 9.37 lakh			9.37	
7.	Loss due to premature failure of power transformer $5.36 + 0.35 =$			5.71	
8.	Non commissioning of Sub-station material resulting blockage of Boards capital			12.0	
9.	Loss due to undue favour to consumer Rs 111.2 lakh			47/00-01	
10.	Loss to Board due to non repair /replacement of transformer in guarantee period	27/02-03	Electrical Central Store, Munger	3.26	
11.	Loss due to non disposal of empty drum Rs 0.85 lakh			0.85	
12.	Unfruitful expenditure and loss to Board	106/98-99	ESC Munger	19.17	
13.	Blocking of fund			4.54	
14.	Blocking of fund	49/97-98	ESC Munger	30.63	
15.	Loss of interest due to late remittances of Board revenue	138/01-02	ESD Hajipur	1.15	
16.	Irregular payment to private security guard on pay and allowances	161-36/00-01	ESC Munger	3.13	
17.	Loss due to incomplete work			6.17	
18.	Irregular transfer of material	167/99-00	Central Store Munger	1.19	
19.	Loss due to transformer became defective in guarantee period	59/00-01	Central Store Munger	10.19	
20.	Irregular expenditure on repair and maintenance	15/01-02	Tirhut Area, Muzaffarpur	1.31	
21.	Non dismantling/loss of Boards materials	64/97-98	ESD Begusarai	2.21	
22.	Loss of Boards revenue due to non filling of certificate cases			21.46	
23.	Unfruitful expenditure	80/02-03	Transmission Zone Muzaffarpur	358.11	

24.	Irregular expenditure on village rehabilitation	101/02-03	ESD Begusarai	40.63	
25.	Non achievement of target	5/01-02	A Board Saharsa	0	
26.	Misappropriation of transformers	10/98-99	ESD Jhanjharpur	3.89	
27.	Loss due to delay in capital maintenance	178/97-98	Kosi Hydrel Project	558.00	
28.	Loss due to excess auxiliary consumption			13.33	
29.	Blockade revenue of Board	2/03-04	ESC Samastipur	62.20	
30.	Blockade due to ideological decision	74/01-02	ESC Samastipur	126.23	
31.	Loss due to irregularity under KJ scheme	19/02-03	ESD Madhubani	25.62	
32.	Loss due to undue favour to consumers	29/00-01	ESD Bhagalpur (U)	2.15	
33.	Undue favour to consumer Loss of Rs 61.95 Lakh due to waiver of DPS in energy theft case	28/99-00	ESC, Munger	61.95	
34.	Suspected defalcation	39/00-01	ESD, Muzaffarpur (west)	0.80	
35.	Loss due to utilization of higher capacity transformer	38/99-00	ESC Bhagalpur	3.53	
36.	Loss due to non observance of transformer capacity according to contract demand	124/00-01	ESC Samastipur	12.29	
37.	Loss due to shut down of mills	29/02-03	MTPS Muzaffarpur	227.00	
38.	Loss due to excess payment of carriage due to inflated distance			180.46	
39.	Loss due to non observance of transformer new capacity	124/00-01	ESC Samastipur	12.29	
40.	Loss due to un-repairable material	23/02-03	Central Store Muzaffarpur	7.57	
41.	Loss due to less receipt of transformer oil	45/03-04	TRW Muzaffarpur	44.92	
42.	Short billing of consumers	55/97-98	Transmission Circle, Gaya	94.28	
43.	Unfruitful expenditure			10.52	
44.	Unauthorised expenditure	16/01-02	E Transmission Zone , Gaya	10.29	
45.	Delay in recovery from illegal consumers	43/03-04	ESD Masaudi	3.69	
46.	Non recovery of amount from unauthorised users of Punpun section			17.76	
47.	Loss of revenue due to non commissioning of SF breaker	52/98-99	ETD Gaya	8.97	
48.	Blockade of board's capital			14.44	
49.	Unfruitful expenditure of Banka Grid sub-station	146/98-99	ETC Bhagalpur	38.71	
50.	Loss due to unplanned construction of grid sub-station	123/00-01	ETC Purnea	23.60	
51.	Defalcation of stock	78//02-03	ETC, Purnea	28.47	
52.	Unauthorised sanction and payment of over time	14/00-01	ETD Dehri On Sone	3.63	
53.	Non finalization of payment by Eastern Railway Dhanbad	42/03-04	ETC Gaya	238.41	
54.	Probable fraud	102/01-02	ESD Bankipur	2.15	
55.	Diversion of fund	136/00-01	ESD Bikramganj	29.04	
56.	Revenue Loss due to late connection			0.57	
57.	Loss due to non connection of LTIS-	60/99-00	ESD	22.23	

	II in to HTS		Dakbunglow		
58.	Loss due to improper reduction of load & Non conversion of HTI category			15.62	
59.	Non implementation of tariff provision resulted in loss	135/98-99	ESD Dakbunglow	21.51	
60.	Improper sanction of load resulted loss			30.55	
61.	Improper regularization of illegal connection			0.74	
62.	Loss due to no prompt suitable action after detection of unauthorised extension of load	64/99-00	NC Div PESU Patna	9.86	
63.	Loss of revenue due to lapses on part of management	163/99-00	ESC PESU East Patna	100.98	
64.	Disputed amount due to non availability of Bank Reconciliation statement	186/00-01	ESD Dakbunglow	35.20	
65.	Loss due to inappropriate Load			10.74	
66.	Infructuous expenditure on construction of boiler	59/99-00	KTPS Patna	337.50	
67.	Unfruitful expenditure			21.72	
68.	payment without work			155.30	
69.	Blocking of fund			87.62	
70.	Non sale of scrap			0.73	
71.	Loss due to higher capacity transformer	152/98-99	ESD PESU West Patna	32.61	
72.	Misappropriation of fund	170/00-01	ESD Patna city	0.55	
73.	Revenue loss	192/00-01	ESD Danapur	10.06	
74.	Avoidable extra expenditure due to negligence	61/99-00	ESD Gardanibagh	11.58	
75.	Unnecessary purchase	39/02-03	Electrical Central Store Dehri On sone	20.06	
76.	Avoidable expenditure	62/03-04	ECS Dehri On sone	2.05	
77.	Blocking of fund due to transformer repair	45/02-03	Electrical Transmission Circle Dehri On sone	81.00	
78.	Payment of pay & allowances to drivers without any work	108/01-02	ESD Danapur	3.20	
79.	Deposit amount not entered in bank	96/01-02	ESD Patna city	6.47	
80.	Blocking of board's fund	43/97-98	Supply Circle Pesu West	3.67	
81.	Extra expenditure due to undue favour to contactors			1.09	
82.	Wasteful expenditure	174/00-01	ESC Pesu west	23.41	
83.	Blockade of fund in ADP scheme			7.40	
84.	Loss of interest in deposit work			1.14	
85.	Loss due to non receipt of revenue from board property	66/02-03	ESD Supaul	1.28	
86.	Wasteful expenditure on incomplete work	122/00-01	ESD Sasaram	25.73	
87.	Loss to Board	20/01-02	ESD Darbhanga (U)	40.24	
88.	Not returning of unutilized materials	109/02-03	ESC Sasaram	1.94	
89.	Locked up capital	8/00-01	ESD Darbhanga (R)	19.32	
90.	Time barred revenue			0.52	

91.	Revenue loss to Board due to non – compliance of provision of tariff 1993 in billing of HT consumers	32/01-02	ESC Sasaram	13.21	
92.	Irregular adjustment	18/98-99	ESD Chapra (E)	0.32	
93.	Loss in energy purchase from Nepal due to non installation of energy meter	169/00-01	ESC Motihari	30.94	
94.	Irregular payment	15/03-04	ESC Motihari	3.67	
95.	Misappropriation of O&M advance	120/97-98	ESD Motihari	1.19	
96.	Unauthorised transfer of revenue by local bank to State Govt. Loss of interest	69/97-98	ESD Chapra (E)	2.60 1.17	
97.	Loss of DPS/interest due to injudicial decision on well as implementation	88/97-98	ESD Siwan	2.36	
98.	Blocking of Board's capital			24.01	
99.	fraudulent entry in consumer ledger			0.45	
100.	Loss to Board due to non conversion from LTIS to HTIS			6.50	
101.	Loss due to non restoration of supply of energy	24/00-01	ESD Siwan	86.67	
102.	Loss of interest due to non –credit /late credit of cheques by Bank			0.85	
103.	Loss due to supply of energy to unauthorised occupant under M/s Rohtas Industry Dalmia Nagar	123/01-02	ESC Sasaram	871.55	
104.	Avoidable expenditure on construction of 220 m RCC work	143/01-02	MTPS Kanti	89.88	
105.	Consumption of oil	64/01-02	MTPS Kanti	367.06	
106.	Theft of materials in spite of security			3.09	
107.	Extra expenditure on unloading of coal	65/02-03	MTPS Kanti	1.72	
108.	Non deposit of PF of daily wages workers in EPF account	98/01-02	MTPS Kanti	3.98	
109.	Blocking of Board's money due to non completion of work since long	2/97-98	ESC Darbhanga	3.05	
110.	Blocking of Board's money due to non completion of work since long			2.70	
111.	Blocking of Board's money due to non completion of work since long			1.10	
112.	Loss of revenue due to under benefit to consumers	140-16/00-01	ESD Balvadrapur (R) Darbhanga	0.23	
113.	Unnecessary procurement of burner opening tube-beeds	66/99-00	MTPS	4.56	
114.	Loss due to unburnt coal in maintenance			37.27	
115.	Avoidable loss			5077.00	
116.	Avoidable extra payment due to no maintenance of Railway truck			9.72	
117.	Avoidable payment of surcharge on fresh of coal	179/99-00	MTPS	15.31	
118.	Blockade of Board's money due to non commissioning of In-motion Rail wagon weigh bridge			6.70	
119.	Irregular payment of employee PF contribution	117/00-01	MTPS	34.71	
120.	Avoidable payment of demurrage	49/98-99	MTPS	11.88	
121.	Degraded coal			1.63	
122.	Loss of generation to the Board due to non adjustment of advances paid to			13.58	

	suppliers				
123.	Non settlement of old insurance claims			5.57	
124.	Not compliance of agreement clause	21/99-00	ESD Raxaul	58.92	
125.	Reduction of load from prior date instead of actual date of load inspection i.e. Irregular adjustment resulted in loss to Board	53/99-00	ESD Betia	1.37	
126.	Burning of distribution transformer causing lighting due to non-installation of lightning arrester resulted in loss			1.53	
127.	ex-part judgement due to serious lapses resulted in locking of Board's revenue worth	114/99-00	ESD Siwan	15.62	
128.	Excess consumption of oil valued	140/99-00	MTPS kanti	113.24	
129.	Excess consumption of coal valued			577.47	
130.	Avoidable loss due to wastage of coal in the boilers of MTPS units	93/99-00	MTPS Muzaffarpur	1193.00	
131.	Excess consumption of coal	104/02-03	MTPS Muzaffarpur	790.41	
132.	Idle expenditure for running maintenance of unit-I during its closure period due to capital maintenance of shut down	184/97-98	MTPS Muzaffarpur	8.60	
133.	unjustified payment to shunting charge	56/99-00	MTPS Muzaffarpur	62.64	
134.	Injudicious decision to extend the contract period resulted in loss			264.00	
135.	Injudicious finalization of tender resulting in avoidable expenditure of Rs 4.32 lakh and unauthorised payment			10.90	
136.	Excess consumption of oil costing			26.28	
137.	Excess consumption of coal valued	55/03-04	MTPS Muzaffarpur	45.09	
138.	Excess consumption of oil valued			303.00	
139.	Avoidable payment of demurrage			26.92	
140.	Short receipts of coal valued			21.09	
141.	Excess freight charge penalty on overloading (POL)			0.82	
142.	Infructuous expenditure on purchase at oil flow meter	7/03-04	MTPS Muzaffarpur	2.53	
143.	Loss due to inadequate transmission line	135/00-01	MTPS Muzaffarpur	68.84	
144.	Premature failure of equipment			36.36	
145.	Avoidable payment of shunting charge due to defective agreement			12.55	
146.	Excess consumption of coal			267.41	
147.	Payment on Hand receipt	6/97-98	MTPS Muzaffarpur	41.27	
148.	non applications of tariff correctly/non implementation of agreements caused loss of approximately	126/99-00	ESD Aurangabad (W)	13.29	
149.	Loss of due to non charging of MMG in time			5.45	
150.	undue favour to consumers	126/97-98	ESD Aurangabad	3.82	
151.	Loss due to not providing connection in time	77/01-02	ESD Aurangabad	0.85	

152.	Loss due to less receipt of interest from bank	25/00-01	ESD Aurangabad (w)	1.47	
153.	Extra expenditure	70/03-04	ESC Gaya	20.71	
154.	avoidable expenditure			23.70	
155.	Loss due to keeping consumer in wrong in category	74/02-03	ESD Gaya (Urban)	12.67	
156.	Excess payment due to rendering of service beyond superannuation date	69/00-01	ESD Gaya (Urban)	15.12	
157.	Loss to Board due to traceless consumers			10.15	
158.	Irregular expenditure due to date determination of date of birth	52/99-00	ESD Gaya (Urban)	3.33	
159.	Irregular expenditure of due to negligence of the authority of the division			0.66	
160.	Irregular expenditure due to late decision to sent the person to medical board for determination of age			1.02	
161.	Irregular expenditure			9.99	
162.	Undue aid to the consumer due to non observation of Board's order and loss of revenue	51/99-00	ESD Jehanabad	1.43 0.58	
163.	Non accounting of temp. advance	90/01-02	ESD Jehanabad	0.98	
164.	Blocking of board money and loss of due to theft of material	30/98-99	Transmission Division, Begusarai	57.40 7.50	
165.	Loss of revenue	15/99-00	Mithila Area Board Darbhanga	15.72	
166.	Loss due to theft of material	28/02-03	MRT Division, Darbhanga	1.21	
167.	Wasteful expenditure	17/02-03	ESC Darbhanga	10.41	
168.	Loss due to non preparation of bill	4/02-03	ESD Darbhanga	29.99	
169.	Infructuous purchase	131/01-02	BTPS	15.20	
170.	Loss due to issuing purchase order not in time			191.00	
171.	Extra expenditure			10.56	
172.	Loss of interest due to work beyond estimate	24/01-02	BTPS	85.86	
173.	Loss due to not completing deposit work in time			103.30	
174.	Avoidable extra expenditure	5/03-04	BTPS	88.79	
175.	Unnecessary purchase of materials	154/98-99	BTPS	16.42	
176.	Doubtful payment to Guard's	54/03-04	BTPS	63.82	
177.	Avoidable loss of generation valued at due to non maintenance of critical spares inventory	185/99-00	BTPS	1497.00	
178.	Loss of on account of devolution of damaged material and equipments			75.51	
179.	Excess consumption of DM water valuing			425.00	
180.	Excess consumption of oil on power generation			140.33	
181.	Infructuous expenditure for non utilisation of services of engineers involving exchequer of	91/99-00	BTPS	19.19	
182.	Unnecessary tax burden of vehicles not in use	178/00-01	BTPS	14.5	
183.	Avoidable expenditure for civil works to the extent of	163/98-99	BTPS	5.20	

184.	Purchase of spares for generation units 485 without utilization Blockage of fund			2.55	
185.	Payment of overtime without proper sanction			1.36	
186.	Blockade of Board's fund on purchase of materials /equipments without its utilization to the extent of	114/00-01	BTPS	25.28	
187.	Loss of interest of Rs			15.69	
188.	Infructuous expenditure	9/99-00	BTPS	4.44	
189.	Non utilization of transformer resulting blocking of fund	165/99-00	BTPS	12.28	
190.	Avoidable expenditure of on purchase of these make wrong gear and shaft with key and lock nuts per BM X RP 623	20/98-99	BTPS	25.91	
191.	Revenue loss due to non sale of coal rejects received from the coal crushing mill of BPS			80	
192.	Loss of on purchase of spares	128/98-99	BTPS	1.06	
193.	Infructuous expenditure to the tune of			3.30	
194.	Excess payment worth on the construction of residential interest			2.01	
195.	Purchase of defective spares	29/97-98	BTPS	15.40	
196.	Loss of interest on such purchases			8.31	
197.	Non commissioning of sub-station equipments idle investment	110/97-98	ESD Bihta	13.32	
198.	Unnecessary purchase of cables	52/03-04	Chief Engineer Stores & Purchase , Patna	332.49	
199.	Avoidable expenditure	14/99-00	Chief Engineer Stores & Purchase , Patna	9.73	
200.	Loss of Rs 20.20 Lakh due to delayed submission of claim	86(A)/00-01	Chief Engineer (Scheme), BSEB, Patna	20.20	
201.	Avoidable loss due to delayed payment of energy bill of NHPC and unknowingness of Govt. order	97/00-01	DDA (Hq.), Patna	3723.00	
202.	Loss due to non-utilisation of loan amount in transmission and distribution work			331.00	
203.	Unfruitful expenditure	72/03-04	ESC, Biharsharif	21.62	
204.	Debarred from revenue of meter rent	97/02-03	EC Store, Digha, Patna	30.61	
205.	Unfruitful expenditure due to purchase of coal crane in lieu of maintenance			60.00	
206.	Loss of aluminium scrap	59/01-02	O/o the superintending Eng. (Store), BSEB, Patna	21.94	
207.	Incomplete ADP work	56/01-02	Chief Eng. (Planning), BSEB, Patna	842.33	
208.	Loss due to non utilization 2.5% discount on power purchase by Board	51/03-04	DDA (Hqrs.), BSEB, Patna	844.00	

	from NTPC				
209.	Amount blockade due to pending amount in bank and loss of interest			9.07	
210.	Unfruitful expenditure of Rs 8987500 and loss of interest of Rs 10110938	62/01-02	Chief Eng. (Civil), BSEB, Patna	190.98	
211.	Irregular payment to suppliers for purchase of material	54/01-02	CE (RE), BSEB, Patna	152.57	
Total				24323.54	

PSU Name - Bihar State Police Building Construction Corporation Ltd.

Sl. No.	Para	No. and Year of IR	Unit	Amount involved	Remarks
1	Purchase of inferior iron rod on high price	78/98-99	Patna	197.19	
2	Collapse of building constructed by BPBC Corporation	78/98-99	Patna	14.53	
3	Loss due to cement became set.	78/98-99	Patna	10.03	
4.	contract given on the basis of nomination	35/01-02	Patna	721.03	
				942.78	

PSU Name – Bihar State Forest Development Corporation Ltd.

Sl. No.	Para	No. and Year of IR	Unit	Amount involved	Remarks
	Loss due to storage of Sal seeds				
1	Loss to corporation due to storage of Sal seeds	14/01-02	Ranchi	22.98	
2	Loss to corporation due to storage of Sal seeds	5/02-03	Hazaribagh	2.48	
3	Loss to corporation due to storage of Sal seeds	10/01-02	Jamshedpur	5.67	
4	Loss to corporation due to storage of Sal seeds	1/01-02	Hazaribagh	9.52	
				40.65	
	Infructuous expenditure on construction of primary school				
5	Infructuous expenditure on construction of primary school	12/99-00	Jamshedpur	--	
6	Infructuous expenditure on construction of primary school	15/99-00	Ranchi	--	
	Loss due to rejection of Tenders				
7	Loss due to rejection of high value Tenders	3/02-03	Jamshedpur	6.15	
8	Loss due to rejection of Tenders	5/02-03	Hazaribagh	24.87	
9	Loss due to rejection of Tenders	6/02-03	Giridih	10.83	
10	Loss due to rejection of Tenders	14/02-03	Daltonganj	38.08	
11	Loss due to rejection of high value Tenders	12/02-03	Garhwa	41.34	
12	Loss due to rejection of Tenders	12/02-03	Garhwa	3.07	
13	Loss due to rejection of Tenders	18/02-03	Patna	24.37	
14	Loss due to rejection of Tenders	18/02-03	Patna	13.48	
15	Loss due to rejection of high value Tenders	18/02-03	Patna	8.33	
16	Loss due to rejection of high value Tenders	18/02-03	Patna	10.11	
17	Loss due to rejection of high value	10/01-02	Jamshedpur	10.11	

	Tenders				
				190.74	
	Loss due to non sale of Kendu leaves				
18	Loss due to non sale of stock of Kendu leaves	3/02-03	Jamshedpur	17.83	
19	Loss due to non sale of Kendu leaves	5/02-03	Hazaribagh	--	
20	Loss to corporation due to storage of Kendu leaves	6/02-03	Giridih	3.56	
21	Loss to corporation due to storage of Kendu leaves	09/00-01	Daltonganj	5.71	
22	Loss due to non sale of Kendu leaves	01/01-02	Hazaribagh	27.97	
				55.07	
	Loss due to short receipt of Royalty				
23	Loss due to short receipt of Royalty	5/02-03	Hazaribagh	17.70	
24	Loss due to short receipt of Royalty	6/02-03	Giridih	4.73	
25	Loss due to short receipt of Royalty	14/02-03	Daltonganj	5.21	
26	Loss due to short receipt of Royalty	12/02-03	Garhwa	35.00	
27	Loss due to short receipt of Royalty	09/00-01	Daltonganj	79.48	
28	Loss due to short receipt of Royalty	18/02-03	Patna	17.70	
29	Loss due to short receipt of Royalty on sale of kendu leaves	17/02-03	Patna	--	
				159.82	
	Loss due to storage of damaged stock				
30	Loss due to collection and storage of inferior quality of kendu leaves	04/99-00	Hazaribagh	29.91	
31	Loss due to rotting of kendu leaves	17/01-02	Garhwa	1.82	
32	Loss due to rotting of woods in forest godowns	32/01-02	Patna	176.10	
33	Loss due to rotting of woods in depot godowns of forest project of betiah division	15/01-02	Betiah	213.00	
34	Loss due to old wood stock and rotting of stock of timber	38/99-00	Betiah	333.64	
				754.47	
	Miscellaneous				
35	Loss due to defaulter purchasers	32/01-02		147.24	
36	Loss due to non surrender of off road vehicles	32/01-02		17.75	
37	Infructuous expenditure on establishment of betiah forest project	38/99-00	Betiah	202.00	
38	Loss to Bihar State Forest Development Corporation due to surcharge	18/99-00	Patna	6.78	
39	Avoidable expenditure due to irregular appointment	10/00-01	Hazaribagh	53.35	
40	Irregular payment due to irregular appointment of forest product supervisors	09/00-01	Daltonganj	15.54	
41	Loss due to late encashment of NSC deposited as security deposit	18/01-02	Hazaribagh	4.02	
42	Loss due to shortage found in physical verification	11/02-03	Gaya	23.70	
43	Loss due to faulty departmental storage of forest products	11/02-03	Gaya	14.27	
44	Loss due to sale of SAL seeds	18/02-03	Patna	18.39	
45	Loss due to theft of Kendu leaves	4/02-03	Bhagalpur	74.81	
46	Loss due to difference in minor forest products stored and sold	10/01-02	Jamshedpur	33.91	

47	Loss due to unprofitable decision	10/01-02	Jamshedpur	12.23	
48	Loss due to non payment of surcharge on sales tax	17/01-02	Garhwa	27.66	
49	Loss due to misappropriation of tender document	29/01-02	Gaya	17.43	
50	Loss due to misappropriation of kendu leaves	29/01-02	Gaya	53.04	
				722.12	

PSU Name -Bihar State Tourism Development Corporation Ltd.

Sl. No.	Para	No. and Year of IR	Unit	Amount involved	Remarks
1	Pending licence amount against licensee Smt. Renu Singh of Rajgir restaurant, hotel Goutam Vihar	55/00-01	Rajgir	6.84	
2	Serious irregularity in Cash Balance	31/01-02	Patna	1.21	
3	Delay in realisations of Holiday tax	31/01-02	Patna	1.56	
4	Loss due to wrong decision	57/00-01	Patna	35.00	
				44.61	

PSU Name – Bihar Rajya Beej Nigam Ltd.

Sl. No.	Para	No. and Year of IR	Unit	Amount involved	Remarks
	Unauthorized expenditure on sale of seeds				
1	Non remittance of sale proceed of seeds and irregular expenditure thereof	34/99-00	Purnea	19.81	
2	Unauthorized expenditure of sale of proceeds of seed	28/99-00	Muzaffarpur	14.84	
				34.65	
	Loss due to sale of seeds as non seeds				
3	Loss due to sale of seed as non seed	40/99-00	Kaimur	571.62	
4	Loss due to non sale of standard polly seed	40/99-00	Kaimur	32.99	
5	Loss due to sale of wheat seed as non seed procured from outside agency	62/00-01	Patna	31.67	
				636.28	
	Miscellaneous				
6	Excess interest payment on cash credit	41/99-00	Patna	15.36	
7	Outstanding amount of price not recovered from various project of supply of seeds	29/99-00	Ranchi	96.83	
				112.19	

PSU Name –Bihar State Backward Classes Finance & Development Corporation Ltd.

Sl. No.	Para	No. and Year of IR	Unit	Amount involved	Remarks
	Miscellaneous				
1	Loss due to overdue loan amount since long	51/00-01	Patna	1845.48	
2	Diversion of fund drawn from Govt. treasury	21/99-00	Patna	1407.46	
3	Non utilisation of amount disbursed	08/03-04	Patna	2939.09	

	under different schemes				
					6192.03

PSU Name - Bihar State Electronics Development Corporation Ltd.

Sl. No.	Para	No. and Year of IR	Unit	Amount involved	Remarks
Non realization of rent and other					
1	Non realization of Building rent from Bihar Education Project	44/00-01	Patna	8.07	
2	Non realization of franchisee commission	44/00-01	Patna	7.35	
				15.42	
Loss of revenue					
3	Loss due to non sale of finished goods	59/00-01	Hajipur	18.00	
4	Loss of revenue due to delay in letting of software technology park	25/03-04	Patna	68.30	
				86.30	
miscellaneous					
5	Assets lying unutilized due to lock out of Beltron Video System Hazipur	59/00-01	Hajipur	43.92	
6	Investment in Beltron Telecom Ltd. proved wasteful	25/03-04	Patna	64.35	
				108.27	

PSU Name – Bihar State Road Transport Corporation

Sl. No.	Para	No. and Year of IR	Unit	Amount involved	Remarks
Loss due to irregular purchase of diesel					
1	Loss due to irregular purchase of diesel	02/99-00	Phulwari sharif	27.58	
2	Loss due to irregular purchase of diesel	08/01-02	Dumka	39.12	
3	Loss due to excess consumption of diesel	12/01-02	Darbhanga	6.61	
4	Loss due to excess consumption of diesel	08/01-02	Dumka	7.39	
				80.70	
Loss of revenue					
5	Irregular operation of private vehicles, load factor and amount of fine	02/99-00	Phulwarisharif	30.41	
6	Loss of revenue due to non operation of buses in lack tax token and fitness certificate	08/02-03	Jamshedpur	10.55	
				40.96	
Defalcation					
7	Probable Defalcation due to non entry of previous cash book balance in new cash	25/99-00	Ranchi	5.96	
8	Probable Defalcation	03/01-02	Ranchi	1.49	
				7.45	
Miscellaneous					
9	Loss due to delayed purchase order	63/00-01	Patna	3.30	
10	Loss due to delayed return of new	63/00-01	Patna	24.77	

	buses by body builder companies and delay in allotment for operation				
11	Loss due to heavy electric connection to dhurva workshop	03/00-01	Ranchi	8.15	
12	Avoidable expenditure on vertical surface ground model GVS 30 machine and loss of interest due to its blockade	03/00-01	Ranchi	2.30	
13	Unnecessary expenditure on staff of jamue depot	02/00-01	Bhagalpur	73.23	
14	Loss due to not taking decision on increase in bus freight management	40/00-01	dhanbad	15.37	
15	Non achievement of targeted kilometer according to IPEM	20/99-00	Jamshed pur	20.60	
				147.72	

PSU Name – Bihar State Credit and Investment Corporation Ltd.

Sl. No.	Para	No. and Year of IR	Unit	Amount involved	Remarks
1	Blockade of corporation/Govt. fund due to no realization of interest free loan from industrial unites	01/03-04	Patna	1156.48	
				1156.48	

PSU Name – Bihar State Textile Corporation Ltd.

Sl. No.	Para	No. and Year of IR	Unit	Amount involved	Remarks
1	Unfruitful expenditure on construction of open end spinning mills sitamarhi	77/98-99	Patna	304.86	
2	Loss of investment in Samta Pariyojna	77/98-99	patna	126.41	
3	Amount due with industrial development corporation for providing office premises	77/98-99	Patna	12.50	
				443.77	

PSU Name – Bihar State Text Book Publishing Corporation Ltd.

Sl. No.	Para	No. and Year of IR	Unit	Amount involved	Remarks
1.	Non realization of dues from Bihar Education Project	37/00-01	Patna	345.58	
2.	Fault in presentation of Insurance claim	37/00-01	Patna	2.70	
				348.28	

PSU Name - Bihar State Hydroelectric Power Corporation Ltd.

Sl. No.	Para	No. and Year of IR	Unit	Amount involved	Remarks
	Additional liability due to heavy dues on Bihar State Electricity Board				
1	Additional liability due to heavy dues on Bihar State Electricity Board	53/00-01	Valmikinagar	373.00	
2	Additional liability due to heavy dues on Bihar State Electricity Board	22/99-00	Valmikinagar	1896.73	
3	Additional liability due to heavy dues	52/00-01	Patna	408.00	

	on Bihar State Electricity Board				
4	Additional liability due to heavy dues on Bihar State Electricity Board	54/00-01	Dehri-on-sone	327.00	
	Total			3004.73	
	Miscellaneous				
5	Excess payment to supplier on purchase of cork tarmo sheet	52/00-01	Patna	4.84	
6	Infructuous expenditure on construction of residential quarters	44/98-99	Barun	32.80	
7	Non clearance of insurance claim since long	07/99-00	Patna	105.10	
	Total			142.74	

PSU Name: Bihar State Food & Civil Supply Corporation Ltd.

Sl. No	Para	No. and Year of IR	Unit	Amount involved	Remarks
	Loss of margin money				
1	Loss of margin money due to non-lifting of wheat/rice	23/01-02	Darbhanga	176.34	
2	Loss of margin money due to non-lifting of wheat/rice	47/00-01	Patna	952.82	
3	Loss of margin money due to non-lifting of wheat/rice	22/00-01	Sitamarhi	203.01	
4	Loss of margin money due to non-lifting of wheat/rice (MDM)	21/02-03	Purnea	71.27	
5	Loss of margin money due to non-lifting of wheat/rice (Other Scheme)	21/02-03	Purnea	262.18	
6	Loss of margin money due to non-lifting of wheat/rice (APL/BPL)	15/02-03	Munger	191.61	
7	Loss of margin money due to non-lifting of wheat/rice (MDM)	10/02-03	Dumka	23.89	
8	Loss of margin money due to non-lifting of wheat/rice (APL/BPL)	7/02-03	Dhanbad	119.59	
9	Loss of margin money due to non-lifting of wheat/rice (MDM)	7/02-03	Dhanbad	5.47	
10	Loss of margin money due to non-lifting of wheat/rice (MDM)	10/02-03	Patna	1753.73	
11	Loss of margin money due to non-lifting of wheat/rice (BPL)	14/01-02	Madhubani	176.88	
12	Loss of margin money due to non-lifting of wheat/rice (MDM)	14/01-02	Madhubani	4.12	
13	Loss of margin money due to non-lifting of wheat/rice (BPL)	21/01-02	Aurangabad	59.43	
14	Loss of margin money due to non-lifting of wheat/rice(AAY)	12/03-04	Katihar	6.46	
	Total			4006.8	
	Defalcation				
15	Defalcation of sales amount	15/01-02	Munger	1.74	
16	Defalcation of food grains	23/03-04	Siwan	50.98	
17	Defalcation of food grains by sri Upendra Mandal , AGM	14/02-03	Katihar	38.66	
18	Loss due to defalcation by corporation's officer	14/02-03	Katihar	14.90	
19	Defalcation of foodgrains	13/01-02	Patna	11.80	
20	Defalcation amount recoverable from AGM	17/01-02	Biharsharif	44.63	
21	Defalcation by AGM	19/01-02	Daltonganj	1.09	

22	Defalcation by AGM	07/03-04	Biharsharif	7.05	
23	Defalcation by AGM	10/03-04	Muzaffarpur	8.35	
24	Defalcation by AGM	9/03-04	Patna	40.69	
25	Defalcation by AGM	12/03-04	Katihar	1.73	
	Total			221.62	
Shortage of food grains					
26	Loss due to non-acceptable damage of food grains (0.05 per cent limit)	25/01-02	Bhagalpur	3.01	
27	Loss due to non-acceptable damage of food grains (0.05 per cent limit)	25/01-02	Bhagalpur	2.36	
28	Loss due to non-acceptable damage of food grains (0.05 per cent limit)	11/00-01	Giridih	5.52	
29	Loss in physical verification	10/03-04	Muzaffarpur	2.12	
30	Loss due to non-acceptable damage of food grains	07/03-04	Biharsharif	10.27	
31	Loss due to non-acceptable damage of food grains	07/03-04	Biharsharif	6.77	
32	Loss of principal & interest due to blockade of fund in non-operational bank A/c	39/01-02	Arrah	13.10 44.97	
33	Loss of principal & interest due to blockade of fund in non-operational bank A/c	8/01-02		3.89	
34	Payment to CA firm without completion of final account by them	47/00-01	Patna	11.12	
35	Blockade of principal & interest amount due to slackness on the part of the corporation	4/01-02	Jamshedpur	21.97 11.77	
36	Loss of interest due to delay in claim from FCI	47/00-01	Patna	56.59	
37	Excess payment due to purchase of sugar at rate above the price	14/01-02	Madhubani	9.51	
38	Infructuous expenditure on construction of godown	09/03-04	Patna	557.95	
39	Loss due to deviation of food grains from MDM to other scheme	24/03-04	Katihar	121.09	

PSU Name: Bihar Rajya Pul Nirman Nigam Ltd.

Sl. No	Para	No. and Year of IR	Unit	Amount involved	Remarks
Loss due to infractious /Delay /Rebate of toll taxes					
1	Infractious expenditure relating to toll collection	7/01-02	Muzaffarpur	9.33	
2	Loss of toll taxes due to delay in auction of bridges	16/00-01	Patna	24.37	
3	Loss of toll taxes due to delay in auction of bridges	45/99-00	Darbhanga	433.78	
4	Loss due to improper rebate given to toll collector	44/99-00	Patna	41.29	
	Total			508.77	
Excess payment for faulty delay in work by contractors					
5	Loss due to faulty piling work and compensation paid to the contractor	59/99-00	Saharsa	3.67	
6	Doubtful payment for the work done by contractor	39/00-01		1101.45	
7	Excess payment due to delay in construction of Maksud Bridge	18/00-01	Muzaffarpur	345.13	
8	Loss due to fall of garder of under	17/00-01		4.63	

	construction bridge into the river				
	Total				1454.88

PSU Name: **Bihar State Financial Corporation.**

S.N	Para	No. and Year of IR	Unit	Amount involved	Remarks
Probable loss to B.S.F.C due to non taking over mortgaged assets of :					
1	M/s Raj narble & mineral industries chianki, Daltonganj.	05/00-01	Palamu	209.86	
2	Hotel Shiva Daltonganj.	-do-	Palamu	82.05	
3	Loss due to non taking over mortgaged assets of company	46/99-00	Dumka	149.86	
4	M/s laxmi industry	43/99-00	Hazipur	62.02	
	Total amount involved			503.79	
Loss due to sale of mortgaged in low price :					
5	Loss due to sale of mortgaged	43/00-01	Hazipur	67.58	
6	Loss due to sale of mortgaged	13/01-02	Darbhanga	66.82	
7	Loss due to sale of taking over assets in low price	6/00-01	Dhanbad	107.50	
8	Loss due to sale of industrial unit in low price	01/01-02	Begusarai	69.26	
9	Loss due to sale of shankar re-rolling mill, motihari	52/99-00	Motihari	115.27	
10	Delay in taking of decision to sale of mortgage resulting loss to the Corporation	47/99-00	Hazaribagh	7.98	
	Total Amount involved			434.41	
Loss due to wrong distribution of loan:					
11	Loss due to wrong distribution of loan	62/98-99	Hazipur	28.57	
12	Blockage of fund due to wrong distribution of loan	11/98-99	Patna	21.12	
13	Loss due to sanctioned of loan to wrong promoter	12/98-99	Samastipur	47.09	
14	Loss due to sanctioned of loan without proper verification of viability of project	-do-	Samastipur	55.90	
15	Loss due to sanction loan without proper verification	13/00-01	Darbhanga	17.96	
16	Monetary loss to the corporation due to ultra wise order issued by the management	5/00-01	Palamu	27.46	
	Total amount involved			198.10	
Defalcation:					
17	Payment on base of fake challan	11/98-99	Patna	29.33	
18	Non accountal of sale value in the proper head of account	52/99-00	Motihari	15.90	
	Total amount involved			45.23	

PSU Name: **Bihar state Mineral Development Corporation Ltd.**

S.N	Para	No. and Year of IR	Unit	Amount involved	Remarks
Blockage of Capital:					
1	Blockade of Capital due to lying of unsold minerals after excavation	27/99-00	Daltonganj	37.72	
2	Blocked of capital due to lying of unsold minerals after excavation	26/99-00	Daltonganj	97.71	
	Total amount involved			135.43	

Infructuous payment :					
3	Infructuous payment of fixed land rent	27/99-00	Daltonganj	3.65	
4	Loss due to infructuous payment of fixed land rent	26/99-00	Daltonganj	10.45	
5	Loss due to payment of dead rent	1/00-01	Tilaya	21.99	
6	Loss due to payment of rent for unproductive Land	-do-	Tilaya	17.17	
	Total amount involved			53.26	
Shortage of Stock:					
7	Loss due to Shortage of stock in physical verification	2/00-01	Hazaribagh	2.64	
	Total amount involved			2.64	
Irregular payment:					
8	Irregular payment of salary etc. to daily wages employees	26/99-00	Daltonganj	8.16	
	Total amount involved			8.16	
Undue favour to agency:					
9	Loss due to undue favour to production agency	1/00-01	Tilaya	17.68	
	Total amount involved			17.68	
Avoidable Expenditure:					
10	Avoidable loss due to non payment of royalty in time	20/00-01	Ranchi	.53	
11	Avoidable loss due to non payment of royalty in time	9/02-03	Ranchi	12.02	
	Total amount involved			12.55	
Miscellaneous:					
12	Deviation of Grant received from State Govt.	20/00-01	Ranchi	30.00	

PSU Name: Bihar State Sugar Corporation Ltd.

S.N	Para	No. and Year of IR	Unit	Amount involved	Remarks
Loss due to non sale of sugar in time:					
1	Loss due to non sale of sugar in time	30/99-00	Lauriya	268.68	
2	Loss due to non sale of sugar in time	31/99-00	Hathua	126.78	
3	Blockage of fund due to non sale of Molasses	16/99-00	Sakari	87.42	
	Total amount involved			482.88	
Miscellaneous					
4	Outstanding dues from sugar cane farmers	35/99-00	Lohat	25.92	
5	Outstanding miscellaneous advance	31/99-00	Hathua	16.62	
6	Outstanding loan with sugarcane producer	-do-	Hathua	2.57	
	Total amount involved			45.11	

PSU Name: Bihar State Warehousing Corporation.

S.N	Para	No. and Year of IR	Unit	Amount involved	Remarks
Loss due to storage system:					
1	Loss due to non utilization of storage	14/03-04	Muzaffarpur	13.45	
2	Loss due to storage of damaged fertilizer	-do-	Muzaffarpur	1.83	
3	Loss due to storage charge of damaged stock	17/03-04	Bhagalpur	1.10	
	Total amount involved			16.38	

Loss due to rented storage:				
4	Wasteful expenditure on rented storage	14/02-03	Muzaffarpur	2.54
5	Wasteful expenditure on repair of rented storage godown	11/03-04	Patna	27.33
6	Loss due to unnecessary payment of rent of storage godown	17/03-04	Bhagalpur	3.17
	Total amount involved			33.04
Defalcation:				
7	Loss due to defalcation of wheat stock	11/03-04	Patna	18.33
	Total amount involved			18.33
Construction of Godown:				
8	Loss due to construction of Storage Godown	11/03-04	Patna	143.00
	Total amount involved			143.00

Annexure-16

(Referred to in paragraph 4.16)

Statement of department wise outstanding Inspection Reports (IRs)

Sl. No.	Name of Department	No. of PSUs	No. of outstanding IRs	No. of outstanding paragraphs	Year from which paragraphs outstanding
1.	Industry	27	7	30	2004-05
2	Information Technology	1	2	8	2007-08
3.	Forest & Environment	3	4	23	2004-05
4.	Agriculture	3	2	3	2004-05
5.	Energy	2	697	1834	2004-05
6.	Animal Husbandry	2	1	5	2006-07
7.	Food & Consumer Protection	1	6	44	2004-05
8.	Tourism	1	2	15	2005-06
9.	Human Resources	1	2	14	2004-05
10.	Road Construction	1	1	9	2007-08
11.	Home	1	3	16	2004-05
12.	Mines and Geology	1	1	6	2004-05
13.	Transport	1	2	12	2004-05
14.	Co-operative	1	4	16	2004-05
15.	Excise	1	1	5	2008-09
Total		47	735	2,040	

Source: Information available with the PAG office.

Annexure – 17

(Referred to in paragraph 4.16)

Statement of department wise draft paragraphs/reviews, reply to which are awaited

Sl. No.	Name of Department	No. of draft paragraphs	No. of reviews	Periods of issue
1.	Energy	10	-	April-September 2009
2.	Human Resource	1	-	April-May 2009
3.	Transport	-	1	September 2009
4.	Tourism	-	1	September 2009
5.	Food and Civil Supplies	1	-	June 2009
6.	Co-operative	1	-	April 2009
7.	Information Technology, Forest and Environment, Food and Consumer Protection, Agriculture, Animal Husbandry, Tourism, Co-operative, Industries, Road Construction, Human Resource, Mines & Geology, Minority Welfare, Energy, Home, Sugarcane, Welfare, and Transport	2	-	August 2009

Source: Information available with the PAG office.