

**Report of the
Comptroller and Auditor General of India
on
Public Sector Undertakings**

for the year ended 31 March 2018

Government of West Bengal

Report No. 3 of the year 2020

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Preface

This Report deals with results of audit of Government Companies and Statutory Corporations and has been prepared for submission to Government of West Bengal under section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, for laying before the State Legislature.

The accounts of the Government Companies (including companies deemed to be Government Companies as per the provision of the Companies Act) are audited by the Comptroller and Auditor General of India (CAG) under the provisions of Section 619 of the Companies Act 1956 and Sections 139 and 143 of the Companies Act 2013. The accounts certified by the Statutory Auditors (Chartered Accountants) appointed by the CAG under the Companies Act are subject to supplementary audit by officers of the CAG and the CAG gives his comments or supplements the reports of the Statutory Auditors. In addition, these companies are also subject to test audit by the CAG. The audit arrangements of Statutory Corporations are prescribed under the respective acts through which the corporations are established.

This report deals with analysis of performance of 94 Public Sector Undertakings (PSUs) consisting of 85 Government Companies and nine Statutory Corporations in the State of West Bengal the audit of which has been entrusted to the Comptroller and Auditor General of India. The Report includes an Introductory Chapter on the functioning of all the 94 PSUs. Thereafter, the Report has been divided in two parts.

Part-I deals with the analysis of the performance of the eight Power Sector Companies. The Government of West Bengal (GoWB) has high financial stakes in the power sector PSUs as the total investment (equity plus long term loan) stood at ₹ 29,535.51 crore as on 31 March 2018. During the year 2017-18, the Power Sector Companies at the aggregate level incurred loss of ₹ 102.98 crore. Out of eight power sector PSUs, four PSUs earned profit of ₹ 475.22 crore, three PSUs incurred loss of ₹ 578.20 crore and one PSU was inactive since incorporation in March 2011. Keeping in view the importance of the sector, Part-I deals with the analysis of the performance of the eight Power Sector Companies and includes one Performance Audit on Material Management of West Bengal State Electricity Distribution Company Limited.

Part-II of the Report deals with analyses of the performance of the 77 Government Companies and nine Statutory Corporations in the Non-Power Sector. These PSUs incurred overall loss of ₹ 617.58 crore during 2017-18. This Part includes one detailed Compliance Audit and four Compliance Audit paragraphs.

The Audit observations featured in this Report are those, which came to notice in course of test audit for the period 2017-18, 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 after 31 March 2018 have also been included, wherever necessary.

The audit has been conducted in accordance with the Auditing Standards issued by the Comptroller and Auditor General of India.

OVERVIEW

Overview

Functioning of State Public Sector Undertakings (Power Sector & Non-Power Sector)

As on 31 March 2018, there were 94 State Public Sector Undertakings (PSUs) in West Bengal, which comprised of 72 working PSUs (including 8 Statutory Corporations) and 22 inactive PSUs (including 1 Statutory Corporation). Of these, eight were power sector PSUs, (working: 7, inactive: 1) while the remaining 86 (working: 65, inactive: 21) were non-power sector PSUs. During 2017-18, the working PSUs registered a total turnover of ₹ 43,900.15 crore constituting 4.30 *per cent* of Gross State Domestic Product (GSDP).

The investment (equity plus long term loans) in 94 PSUs was ₹ 39,217.02 crore, which included the investment of ₹ 29,535.51 crore in the power sector. The investment in the power sector constituted 75.31 *per cent* of the total investment in the PSUs, as on 31 March 2018.

Of the total investment, by way of equity capital and long-term loans, in State PSUs, 96.30 *per cent* was in 72 working PSUs (₹ 37,767.90 crore) and the remaining 3.70 *per cent* in 22 inactive PSUs. This comprised 39.78 *per cent* as equity and 60.22 *per cent* as long-term loans. The State PSUs had employed 48,395 employees as of March 2018.

1 Functioning of Power Sector Undertakings

Set up of the Power Sector

The Electricity Act 2003 repealed the erstwhile Electricity Act 1910, the Electricity (Supply) Act 1948 and the Electricity Regulatory Commissions Act 1998, with effect from 10 June 2003.

To fulfill the statutory requirements of The Electricity Act 2003, the Government of West Bengal brought out (January 2007) the West Bengal Power Sector Reforms Transfer Scheme 2007 to divide assets and liabilities of the erstwhile West Bengal State Electricity Board (WBSEB). Two companies *viz.* West Bengal State Electricity Transmission Company Limited (WBSETCL) and West Bengal State Electricity Distribution Company Limited (WBSEDCL) were incorporated on 16 February 2007. While the transmission assets/ activities and State Load Despatch Centre (SLDC) were vested in WBSETCL, WBSEDCL took over the distribution assets and consumers from 01 April 2007.

As of March 2018, there were eight power-sector PSUs in West Bengal, including one company inactive since incorporation in March 2011 *i.e.* DPL Coke Oven Limited. The Department of Power & Non-conventional Energy Sources, GoWB decided (December 2017) to restructure The Durgapur Projects Limited (DPL) through transfer of its activities of power generation, distribution and transmission among related PSUs. Moreover, GoWB proposed (February 2017) to merge New Town Electric Supply Company Limited with WBSEDCL. Besides these, there was West Bengal Electricity Regulatory Commission, a regulatory authority.

Performance of Power Sector Undertakings

As per their latest finalised accounts (September 2018) the power sector PSUs incurred an overall loss of ₹ 102.98 crore. Four out of eight Power Sector PSUs earned profits of ₹ 475.22 crore, while three PSUs incurred loss of ₹ 578.20 crore and one PSU was inactive since incorporation in March 2011. The top three profit earning companies were West Bengal State Electricity Transmission Company Limited (₹ 367.74 crore), West Bengal Power Development Corporation Limited (₹ 104.44 crore) and New Town Electric Supply Company Limited (₹ 2.91 crore) while Durgapur Project Limited (₹ 536.12 crore) and West Bengal State Electricity Distribution Company Limited (₹ 40.30 crore) incurred losses during 2017-18.

(Paragraph 1.10)

2 Performance Audit

Material Management of West Bengal State Electricity Distribution Company Limited

Introduction

West Bengal State Electricity Distribution Company Limited (WBSEDCL) is the largest state-owned distribution company in West Bengal. Material management is a scientific technique, concerned with planning, organising and controlling the flow of materials, from their initial purchase to consumption. From 2013-14 to 2017-18, WBSEDCL procured materials worth ₹ 3,380.89 crore for its operations. So, procurement of materials of the requisite quality and quantity, at the precise time and place, at the right cost, their proper storage, transport and utilisation was imperative to control material costs and maintain optimal performance of WBSEDCL. To ensure standardisation of information technology applications, compatibility with other software, better inventory control and procurement decisions, WBSEDCL migrated (April 2015) its entire Procurement & Inventory Management system to SAP (System Application Product) based ERP (Enterprise Resource Planning) system from a legacy system, three years behind schedule.

Procurement Planning

WBSEDCL had not prepared material management manual and they also do not have any other manuals which guide the process of material management. Further, WBSEDCL had adopted a purchase policy in 2008, revised in 2012, which laid down the process that should guide purchase. WBSEDCL's failure to assess requirement of materials led to excess procurement of ₹ 30.26 crore.

(Paragraph 2.8.1)

Deficiencies in procurement

During 2013-18, out of 196 successful tenders, purchase orders for 111 tenders (57 per cent) were issued beyond stipulated time frame with delays ranging between 1 and 281 days. Due to delays in finalisation of tenders and cancellation of tenders, WBSEDCL suffered loss of ₹ 6.83 crore.

(Paragraph 2.8.2)

Post Contract Management

There were time lags between issue of 4,167 out of 4,974 material arrival notes (MAN) and their corresponding store receipt vouchers (SRV) beyond 15 days. In respect of 663 MANs, the delays exceeded 15 days by one to 1,070 days. Non-replacement/ belated replacement of meters/ distribution transformers resulted in avoidable loss of ₹ 7.96 crore.

(Paragraph 2.8.3)

Inventory Controls

Improper storage of inventory led to 13 incidents of theft and embezzlement at nine zonal/ divisional stores valued ₹ 9.24 crore. Surveys for identification of scrap materials were conducted at intervals of 13 to 72 months.

(Paragraph 2.8.4)

Deficiencies in MM module of SAP-ERP resulted in duplicate codification of materials, non-generation of purchase requisitions against purchase orders, wrong logical validation for units of measurement of materials, and over/ under valuation of inventory.

(Paragraphs 2.8.1.4, 2.8.2.2 and 2.8.4.1)

3 Functioning of State PSUs (Non-Power Sector)

As on 31 March 2018, West Bengal had 86 State Public Sector Undertakings (PSUs) in the Non-Power Sector. These State PSUs were incorporated between 1913-14 and 2017-18 and included 77 Government Companies and nine Statutory Corporations which included nine working and five inactive subsidiary companies. In respect of one Statutory Corporation *i.e.*, Great Eastern Hotel Authority, C&AG conducts only compliance audit under Section 14 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

The working PSUs registered a turnover of ₹ 12,126.16 crore during 2017-18 as per their latest finalised accounts. The turnover relative to GSDP was 1.19 *per cent*.

As on 31 March 2018, the total investment (equity and long term loans) in these 86 PSUs was ₹ 9,681.51 crore. The investment consisted of 42 *per cent* equity and 58 *per cent* long-term loans. The long term loans extended by the State Government, Central Government and other financial institutions comprised 80.84 *per cent* (₹ 4,545.12 crore), 2.27 *per cent* (₹ 127.60 crore) and 16.89 *per cent* (₹ 949.36 crore), respectively. The budgetary assistance during the year 2017-18 included ₹ 439.37 crore equity, ₹ 1,787.70 crore loans and ₹ 1,968.89 crore grants/ subsidy.

(Paragraphs 3.1, 3.2 and 3.5)

Disinvestment, restructuring and privatisation of State PSUs (Non-Power Sector)

The Government of West Bengal had decided to restructure state PSUs for improving operational efficiency and optimally utilising their manpower/ assets. In respect of Durgapur Chemicals Limited, the Cabinet decided to sell the entire stake. Sundarban Infrastructure Development Corporation Limited (SIDCL) (under administrative control of Department of Sundarban Affairs) executed

(October 2018) its deed of cancellation of agency works with Sundarban Development Board (SDB), under the same Department, to initiate the process of its winding up. The pending deposit works of SIDCL was also handed over to SDB through the deed.

West Bengal Scheduled Castes, Scheduled Tribes and Other Backward Classes Development & Finance Corporation had been constituted (September 2017) by vesting of assets of two existing PSUs. GoWB, however, subsequently, entrusted audit of the new PSU to CAG in December 2018.

(Paragraph 3.3)

Performance of State PSUs (Non-Power Sector)

The Public Sector Undertakings are expected to yield reasonable return on investment made by Government in the undertakings. The aggregate amount of investment as on 31 March 2018 by GoWB in the State PSUs was ₹ 8,439.26 crore consisting of ₹ 3,894.14 crore equity and ₹ 4,545.12 crore long term loans. The overall loss incurred by the State PSUs was ₹ 617.58 crore in 2017-18, 41 State PSUs had, however, earned annual profits of ₹ one crore or more as seen from their latest available accounts.

(Paragraphs 3.11, 3.12 and 3.13)

4 Compliance Audit Observations relating to State PSUs (Non Power Sector)

Compliance Audit observations included in this Report highlights deficiencies in the management of the State PSUs, which had serious financial implications. The irregularities pointed out are broadly of the following nature:

West Bengal Forest Development Corporation Limited and West Bengal Wasteland Development Corporation Limited in plantation activity

In West Bengal, there was short-supply of 20 million cubic metres (mim³) of fuel-wood and 0.915 mim³ of wood other than fuel wood as of September 2011. So, there was requirement for commercial plantation for fuel-wood and other wood. The Forests Department (DoF), Government of West Bengal (GoWB) is responsible for management of forests and wildlife in West Bengal. Two PSUs, viz., West Bengal Forest Development Corporation Limited (Wbfdcl) and West Bengal Wasteland Development Corporation Limited (Wbwldcl) were set up in 1974 and 1989, respectively and function as agencies of DoF.

Their objectives were to expeditiously develop forest and wasteland by planting, re-planting, afforestation and re-afforestation in forest land, wasteland and other lands. Further, they would undertake schemes or works either solely or jointly with persons, companies or as agents for the furtherance of their objectives.

Planning/ implementation of plantation in non-forest wasteland in South West Bengal

- Wbfdcl had undertaken plantation on 2,115.29 ha (59 per cent) against total target of 3,600 ha prior to preparation of DPR.
- It was also observed that a total of 1,003.77 ha (43.06 per cent) was planted in 268 patches measuring less than 10 ha each.

- Due to poor quality and belated planting of seedlings mortality exceeded the maximum permissible non-survival of 15 *per cent*, after one year of planting.

(Paragraph 4.1.3)

Compensatory afforestation (CA)

- Afforestation was to be completed within a period of one year from the deposit of money in the Compensatory Afforestation (CA) Fund. Audit noted that even after Ministry of Environment, Forests and Climate Change (MoEFCC), Government of India (GoI) approvals of the projects, only 44.74 *per cent* of CA requirement was met. Dates of approval ranged from one year old to fourteen years old. Audit also noted that the areas for raising CA on 24.14 ha of degraded forest land (DFL) was identified (September 2006 to September 2016) but no CA was raised till date (March 2018).
- Out of 183.49 ha of non-forest land (NFL) which was selected for CA, 90.60 ha was unsuitable for raising CA as the land was either rocky, sinking, prone to landslides or *jhora* (mountain stream) area or covered with vegetation.
- The cost of raising CA *per ha* had increased by 74.88 *per cent* to 387.36 *per cent* since receipt of fund for CA from the user agencies. Thus, WBFDCL would require additional fund of ₹ 1.02 crore to meet the escalation in cost for undertaking CA over 114.74 ha land.

(Paragraph 4.1.4)

Compulsory plantation (CP) on behalf of National Highways Authority of India (NHAI)

- WBWDCL received ₹ 4.17 crore (2012-13 to 2017-18) from National Highways Authority of India (NHAI) for compulsory plantation (CP) on 282 ha including their maintenance for three years. WBWDCL had taken up CP between April 2014 and July 2017 and allotted these amounts to two District Forest Officers (DFOs), *viz*, Durgapur and Raigunj to undertake CP. At Durgapur, no expenditure was incurred on second year maintenance. Despite excluding Eastern Coal Fields (ECL) area for CP, DFO-Durgapur took up CP over 10 ha land belonging to ECL in deviation of WBWDCL's direction.
- Plantation was taken up on 22 ha without agreements with their owners. Further, 65 ha plantation was undertaken at Ash Pond (Piyali to Kalipur) area of The Durgapur Projects Limited (DPL). GPS data showed that the location and dimensions of the ash pond on 14.7 ha kept shifting. Moreover, the joint inspection report of WBFDCL and DPL also stated survival rate of 90 *per cent* but the information on numbers of saplings planted was "**blank**".
DFO, Durgapur received fund for 50 ha plantation but actual plantation was undertaken for 30 ha. Thus, 20 ha of land for which an advance of ₹ 12 lakh was released was yet to be utilised towards CP. WBWDCL neither requested for the status report on the plantation program for 2017-18 nor the same was submitted by DFO.

(Paragraph 4.1.5)

Deposit works for plantation projects for Eastern Coalfields (ECL) and Damodar Valley Corporation (DVC)

- In deviation of contractual provisions with ECL, WBWDCL had not undertaken monitoring and evaluation. Consequently, it short claimed revenue of ₹ 17.86 lakh from ECL.

There were delays in raising plantations near ash ponds of Mejia thermal power station of DVC to mitigate pollution. Instead funds were diverted without approval of DVC to landscaping and beautification at that location.

(Paragraph 4.1.6)

- **Gist of other important audit observations:**

West Bengal Industrial Development Corporation Limited (WBIDCL) disbursed loan without proper project appraisal which resulted in non-recovery of ₹ 2.51 crore advanced as loan by WBIDCL.

(Paragraph 4.2)

- WBIDFCL invested in lower yielding portfolios out of debt funds carrying higher interest cost for which it had to incur excess interest of ₹ 1.25 crore, which was avoidable by West Bengal Infrastructure Development Finance Corporation Limited.

(Paragraph 4.3)

- North Bengal State Transport Corporation (NBSTC) cancelled the tender for lease agreement for advertisement space on bus bodies without any justification and finally awarded the lease for a reduced rate. As a result, NBSTC suffered an avoidable loss of non-operating revenue of ₹ 1.41 crore due to inordinate delay in finalisation of tender by it and was also earning less income annually

(Paragraph 4.4)

- Inherent deficiencies in 'GATIDHARA' scheme and deficiencies in its implementation led to disbursement of subsidy or excess subsidy totaling ₹ 10.07 crore to inadmissible beneficiaries in violation of the scheme guidelines. Further, disbursement of ₹ 51.90 crore was mis-utilised by allowing the amount to be retained by the beneficiaries as well as dealers even without purchasing and registering their vehicles within the stipulated time, as intended under the scheme by West Bengal Transport Infrastructure Development Corporation Limited.

(Paragraph 4.5)

STATE PUBLIC SECTOR UNDERTAKINGS

Introduction

Functioning of State Public Sector Undertakings (Power Sector and Non-Power Sector)

General

1 State Public Sector Undertakings (PSUs) comprise State Government Companies¹ and Statutory Corporations. State PSUs are established to carry out activities of commercial nature while keeping in view the welfare of people; they occupy an important place in the State economy. As on 31 March 2018, there were 94 PSUs in West Bengal, including 85 Government Companies and nine Statutory Corporations (including 21 inactive Government Companies and one inactive Statutory Corporation) under the audit jurisdiction of the Comptroller & Auditor General of India (CAG). During the year 2017-18, four PSUs were added to the audit jurisdiction,² while two existing PSUs³ were amalgamated into one PSU. Only one⁴ PSU was listed in the Calcutta Stock Exchange. During the year no PSU was dissolved and the name of no PSU was struck off from the Register of Companies by the Registrar of Companies, Kolkata under Section 248(5) of the Companies Act 2013.

2 The financial performance of the PSUs on the basis of latest finalised accounts as on 30 September 2018 is covered in this report. The nature of PSUs and the position of accounts are indicated in table below:

Table 1: Nature of PSUs & Accounts received

Nature of PSUs	Total Number of PSUs	Number of accounts received from PSUs during reporting period ⁵				Number of PSUs of which accounts are in arrear (total accounts in arrear) as on 30 September 2018
		Accounts for 2017-18	Accounts for 2016-17	Accounts upto 2015-16	Total accounts received	
(1)	(2)	(3)	(4)	(5)	(6)	(7) = (2) - (3)
Working Government Companies	64	33	24	19	76	31(50)
Statutory Corporations	08	2	3	6	11	6 (9)
Total Working PSUs	72	35	27	25	87	37(59)
Inactive Government Companies	21	6	6	3	15	15 (70)
Inactive Statutory Corporation	1	-	1	-	1	1 (1)
Total Inactive PSUs	22	6	7	3	16	16 (71)
Total	94	41	34	28	103	53(130)

¹ Including any other companies owned and controlled, directly or indirectly by the State Government referred to in Section 139(5) and 139(7) of the Companies Act 2013.

² West Bengal State Beverages Corporation Limited, Webel Electronic Manufacturing Clusters Limited, Webel Electronic Infrastructure Development Limited and West Bengal Scheduled Castes, Scheduled Tribes and Other Backward Classes Development and Finance Corporation.

³ West Bengal Scheduled Castes, Scheduled Tribes Development and Finance Corporation and West Bengal Backward Classes Development and Finance Corporation

⁴ WEBFIL Limited, the shares which were not traded in the past five years from 2013-14 to 2017-18.

⁵ From October 2017 to September 2018

During 2017-18, the working PSUs as per their latest finalised account registered an annual turnover of ₹ 43,900.15 crore. The turnover relative to the Gross State Domestic Product (GSDP) was 4.30 *per cent*. As on March 2018, the working PSUs had a work force of 46,602 employees. The working PSUs incurred aggregate losses of ₹ 720.56 crore as per their latest finalised accounts (September 2018).

As on 31 March 2018, there were 22 PSUs which were inactive⁶ for the last one to 12 years. The total investment in these inactive PSUs was ₹ 1,449.12 crore. The total numbers of employees with these inactive PSUs was 1,793.

Accountability framework

3 The procedures for audit of Government companies are laid down in Sections 139 and 143 of the Companies Act, 2013. According to Section 2 (45) of the Companies Act, 2013, a Government Company means any company in which not less than 51 *per cent* of the paid-up share capital is held by the Central Government or by any State Government or Governments or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary company of such a Government Company. Besides, any other company owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Report as Government Controlled Companies.

Comptroller & Auditor General of India (CAG) appoints the statutory auditors of a Government Company and Government Controlled Company under Section 139 (5) and (7) of the Companies Act, 2013. Section 139 (5) of the Companies Act, 2013 provides that the statutory auditors in case of a Government Company or Government Controlled Other Company are to be appointed by the CAG within a period of one hundred and eighty days from the commencement of the financial year. Section 139 (7) of the Companies Act, 2013 provides that in case of a Government Company or Government Controlled Other Company, the first auditors are to be appointed by the CAG within sixty days from the date of registration of the company and in case CAG does not appoint such auditor within the said period, the Board of Directors of the Company or the members of the Company have to appoint such auditor.

Further, as per sub-Section 7 of Section 143 of the Act, the CAG may, in case of any company covered under sub-section 5 or sub-section 7 of Section 139, if considered necessary, by an order, conduct test audit on the accounts of such Company. The provisions of Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 shall apply to the report of such Audit. An audit of the financial statements of a Company in respect of the financial years that commenced on or before 31 March 2014 shall continue to be governed by the provisions of the Companies Act, 1956.

Statutory Audit

4 The financial statements of the Government Companies (as defined in Section 2 (45) of the Companies Act, 2013) are audited by Statutory Auditors, appointed by CAG as per the provisions of Section 139 (5) or (7) of the

⁶ Inactive PSUs are those which have not being carrying on any business or operation.

Companies Act, 2013, who shall submit a copy of their audit report, including the financial statements of the Company, to the CAG, under Section 143(5) of the Companies Act, 2013. These financial statements are subject to supplementary audit to be conducted by CAG within 60 days from the date of receipt of the audit report under the provisions of Section 143 (6) of the Companies Act, 2013.

Audit of Statutory Corporations is governed by their respective legislations. Out of eight working Statutory Corporations, CAG is the sole auditor for six Corporations.⁷ In respect of the remaining two⁸ working Statutory Corporations, audit is conducted by Chartered Accountants and supplementary audit by CAG. In the case of one inactive Corporation, *i.e.*, Great Eastern Hotel Authority, CAG conducts audit only under Section 14 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

Submission of accounts by PSUs

Need for timely finalisation and submission

5 According to Section 394 and 395 of the Companies Act 2013, Annual Report on the working and affairs of a Government Company, is to be prepared within three months of its Annual General Meeting (AGM) and as soon as may be after such preparation laid before the State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG. Similar provisions exist in the respective Acts regulating statutory corporations. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the companies from the Consolidated Fund of the State.

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

Role of Government and Legislature

7 The State Government exercises control over the affairs of these PSUs through its administrative departments. The Chief Executive and Directors to the Board are appointed by the Government.

The State Legislature also monitors the accounting and utilisation of Government investment in the PSUs. For this, the Annual Reports together with the Statutory Auditors' Reports and comments of the CAG, in respect of State Government Companies and Separate Audit Reports in case of Statutory Corporations are to be placed before the Legislature under Section 394 of the Companies Act,

⁷ Calcutta State Transport Corporation, South Bengal State Transport Corporation, North Bengal State Transport Corporation, West Bengal Scheduled Castes, Scheduled Tribes and Other Backward Classes Development & Finance Corporation, West Bengal Minorities Development and Finance Corporation and West Bengal Industrial Infrastructure Development Corporation.

⁸ West Bengal State Warehousing Corporation and West Bengal Financial Corporation.

2013 or as stipulated in the respective Acts. The Audit Reports of CAG are submitted to the Government under Section 19A of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

Stake of Government of West Bengal

8 The State Government has financial stakes in these PSUs, which is mainly of three types:

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

9 The sector wise summary of investment (equity⁹ and long-term loans) in 94 PSUs as on 31 March 2018 is detailed below:

Table 1: Sector-wise investment in PSUs

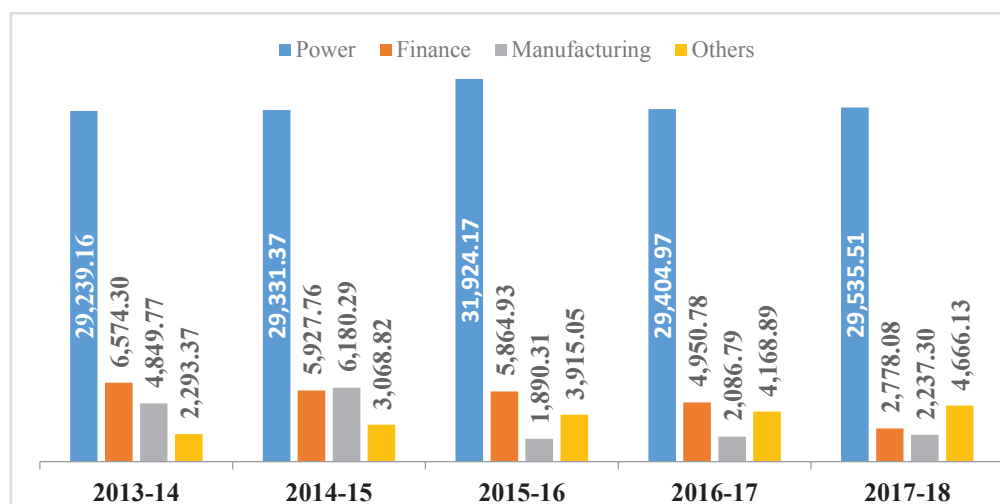
Name of Sector	Nos. of Government Companies		Nos. of Statutory Corporations		Total	Investment (₹ in crore)		
	Working	Inactive	Working	Inactive		Equity	Long term loans	Total
Power	07	01	-	-	08	11,539.72	17,995.79	29,535.51
Finance	06	01	03	-	10	1,434.22	1,343.86	2,778.08
Service	14	-	03	01	18	230.75	2,083.89	2,314.64
Manufacturing	11	18	-	-	29	484.19	1,753.11	2,237.30
Infrastructure	10	-	01	-	11	1,798.78	205.31	2,004.09
Agriculture & Allied	12	01	01	-	14	104.90	161.41	266.31
Miscellaneous	04	-	-	-	04	6.59	74.50	81.09
Total	64	21	08	01	94	15,599.15	23,617.87	39,217.02

Source: Complied based on information received from PSUs

As on 31 March 2018, the investment (capital and long-term loans) in 94 PSUs was ₹ 39,217.02 crore (*Annexure-1*). Of the total investment in State PSUs, 96.30 per cent was in working PSUs and the remaining 3.70 per cent in inactive PSUs. This total investment consisted of 39.78 per cent in equity and 60.22 per cent in long-term loans. The thrust of PSU investment was mainly in power sector which increased from 67.30 per cent in 2013-14 to 75.31 per cent in 2017-18. In absolute terms, investments rose by ₹ 296.35 crore in power sector during the period 2013-18 while it declined by ₹ 3,796.22 crore and ₹ 2,612.47 crore in finance and manufacturing sectors respectively, during the same period.

10 The investment in different sectors at the end of 31 March 2014 and 31 March 2018 are indicated in **Chart 1**. The 'Others' sector includes PSUs in the service, infrastructure, agriculture and miscellaneous sectors.

⁹ Comprises of paid-up capital and share application money pending allotment.

Chart 1: Sector-wise investment in PSUs (₹ in crore)

Source: Compiled based on information received from PSUs

We are presenting the results of audit of eight Power Sector PSUs in Part – I¹⁰ of this report and of the remaining 86 PSUs (Non Power Sector) in the Part II¹¹ of the report.

¹⁰ The Part I includes Chapter-I (Functioning of Power Sector Undertakings) and Chapter-II (Performance Audit relating to Power Sector Undertaking).

¹¹ The Part II includes Chapter-III {Functioning of State PSUs (Non Power Sector)} and Chapter-IV {Compliance Audit Observations relating to State PSUs (Non Power Sector)}.

PART I

CHAPTER I

Functioning of Power Sector PSUs

PART I

Chapter I

Functioning of Power Sector PSUs

Introduction

1.1 The Power Sector PSUs play an important role in the economy of the State. Apart from providing critical infrastructure required for development of the State's economy, the sector also adds significantly to the Gross Domestic Product (GDP) of the State. A ratio of Power Sector PSUs' turnover to Gross State Domestic Product (GSDP) shows the extent of activities of these PSUs in the State economy. The table below provides the details of turnover of the power sector undertakings and GSDP of West Bengal for a period of five years ending March 2018:

Table 1.1: Turnover of power sector undertakings *vis-a-vis* GSDP of West Bengal

(₹ in crore)

Sl. No.	Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
1	No. of Working PSUs	6	6	6	7	7
2	Turnover	27,037.91	26,056.63	25,158.28	29,348.48	31,773.99
3	Percentage change of turnover compared to previous year	-	(-) 3.36	(-) 3.45	16.66	8.26
4	GSDP ² of West Bengal	6,76,848	7,18,082	7,97,300	8,79,167	10,20,858
5	Percentage change in GSDP compared to previous year	-	6.09	11.03	10.27	16.12
6	Ratio of Turnover to GSDP (in per cent)	3.99	3.63	3.16	3.34	3.11

Source: Compiled based on turnover Charts of working power sector PSUs and GSDP Charts at Current Prices (Base 2011-12) as per Economic Review 2018-19 and 2017-18 of Government of West Bengal.

In 2017-18, the percentage of the turnover of Power Sector PSUs relative to GSDP was 3.11 per cent and was more or less around same percentage during the past five years. The compound annual growth of GSDP of West Bengal was 8.57 per cent during the years 2013-18, while the turnover of Power Sector PSUs recorded lower compound annual growth¹³ of 3.28 per cent during the same period.

Set up of the Power Sector

1.2 The Electricity Act 2003 repealed the erstwhile Electricity Act 1910, the Electricity (Supply) Act 1948 and the Electricity Regulatory Commissions Act

¹² Gross State Domestic Product at current prices (Provisional estimates 2017-18) - ₹ 10,20,857.62 crore.

¹³ Rate of Compounded Annual Growth $((\text{value of 2017-18} / \text{value of 2013-14})^{(1/4 \text{ years})} - 1) * 100$ where turnover and GSDP for the year 2013-14 was ₹ 27,037.91 crore and ₹ 6,76,848 crore respectively.

1998, with effect from 10 June 2003. As on that date, there were four¹⁴ Power Sector PSUs incorporated/ set-up between May 1955 and August 1998, as well as the West Bengal Electricity Regulatory Commission (WBERC) constituted on 06 January 1999. Another PSU, namely, New Town Electric Supply Company Limited was incorporated on 12 September 2003.

Thereafter, the Government of West Bengal brought out (January 2007) the West Bengal Power Sector Reforms Transfer Scheme 2007 to meet the requirements of The Electricity Act 2003. Under the Scheme, two companies *viz.* West Bengal State Electricity Transmission Company Limited (WBSETCL) and West Bengal State Electricity Distribution Company Limited (WBSEDCL) were incorporated on 16 February 2007. While the transmission assets/ activities and State Load Despatch Centre (SLDC) of the erstwhile West Bengal State Electricity Board (WBSEB) were vested in WBSETCL, WBSEDCL took over the distribution assets and consumers from 01 April 2007.

Subsequently, one PSU *i.e.* West Bengal Rural Energy Development Corporation Limited was merged with WBSEDCL on 13 October 2011, while three PSUs namely, West Bengal Green Energy Development Corporation Limited, DPL Coke Oven Limited and Bengal Birbhum Coalfields Limited were incorporated on 26 December 2007, 23 March 2011 and 29 September 2015 respectively. As of March 2018, there were eight power-sector PSUs in West Bengal, including one company inactive since incorporation in March 2011 *i.e.* DPL Coke Oven Limited. Besides, there was WBERC, a regulatory authority.

Disinvestment, restructuring and privatisation of Power Sector PSUs

1.3 The Department of Power & Non-conventional Energy Sources, GoWB decided (December 2017) to restructure The Durgapur Projects Limited (DPL) through transfer of its activities of power generation, distribution and transmission among related PSUs under its administrative control. Moreover, New Town Electric Supply Company Limited (NTESCL) is proposed (*vide* memo no. 1093-F(Y) dated 21 February 2017) to be merged with West Bengal State Electricity Distribution Company Limited (WBSEDCL). To facilitate the merger, West Bengal Housing Infrastructure Development Corporation Limited (WBHIDCO) sold (August 2017) its entire shareholding (50 *per cent*) in equity, for ₹ 13.44 crore (face value: ₹ 4.93 crore) in NTESCL to WBSEDCL.

Investment in Power Sector PSUs

1.4 The activity-wise (capital and long-term loans) of investment in the Power Sector PSUs as on 31 March 2018 is given below:

¹⁴ The Durgapur Projects Limited (on 06 September 1961), The West Bengal Power Development Corporation Limited (on 05 July 1985) and West Bengal Rural Energy Development Corporation Limited (on 14 August 1998), all under the erstwhile Companies Act 1956 as well as West Bengal State Electricity Board (on 01 May 1955) under the erstwhile Electricity (Supply) Act 1948.

Table 1.2: Total investment in power sector undertakings

Activity	Number of Government undertakings	Investment (₹ in crore)		
		Equity [§]	Long term loans*	Total
Generation of Power	1	6,817.53	6,179.90	12,997.43
Transmission of Power	1	1,105.52	3,037.37	4,142.89
Distribution of Power	2	2,310.53	5,824.82	8,135.35
Others ¹⁵	4**	1,306.14	2953.70	4,259.84
Total	8	11,539.72	17,995.79	29,535.51

Source: Compiled based on information received from PSUs.

[§] Equity includes share application money

* The long-term loans include loans from Central and State Governments, Public Financial Institutions and Commercial Banks

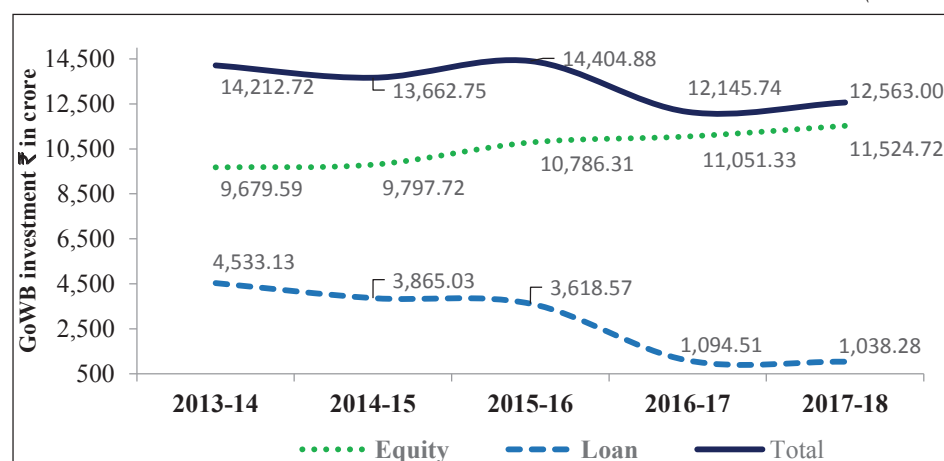
** This includes DPL, which functions as a Generation, Transmission and Distribution Company.

As on 31 March 2018, the total investment (equity and long term loans) in eight power sector undertakings was ₹ 29,535.51 crore. The investment consisted of ₹ 11,539.72 crore (39.07 per cent) equity and ₹ 17,995.79 crore (60.93 per cent) long-term loans. Out of this, the State Government has invested ₹ 12,563.00 crore consisting of ₹ 11,524.72 crore equity and ₹ 1,038.28 crore long term loans.

The year wise status of investment of GoWB in the form of equity and long term loans in the Power Sector PSUs during the period 2013-14 to 2017-18 is as follows:

Chart 1.1: State Government Investment in Power Sector Undertakings

(₹ in crore)



Budgetary Support to Power Sector Undertakings

1.5 The Government of West Bengal (GoWB) provides financial support to Power Sector PSUs in various forms through the annual budget. The summary of budgetary support towards equity, loans, grants/subsidies, loans written off and loans converted into equity in respect of power sector undertakings for the three years 2015-16 to 2017-18 are as follows:

¹⁵ DPL, DPL Coke Oven Limited (an inactive Company), West Bengal Green Energy Development Corporation Limited and Bengal Birbhum Coalfields Limited.

Table 1.3: Details of budgetary support to power sector undertakings during the last three years

(₹ in crore)

Sl No.	Particulars ¹⁶	2015-16		2016-17		2017-18	
		Number of PSUs	Amount	Number of PSUs	Amount	Number of PSUs	Amount
(i)	Equity capital	2	988.59	1	264.92	2	473.49
(ii)	Loans given	3	113.79	3	1,711.55	-	-
(iii)	Grants/ Subsidy provided	1	7.40	3	3,578.08	3	1,215.94
(iv)	Total outgo (i+ii+iii)	3*	1,109.78	3*	5,554.55	3*	1,689.43
(v)	Loan repayment written off	-	-	-	-	1	26.59
(vi)	Loans converted to equity	-	-	-	-	-	-
(vii)	Guarantees issued ¹⁷	-	-	1	150.00	-	-
(viii)	Guarantee commitment ¹⁸	3	336.29	3	391.83	4	2,456.54 ¹⁹

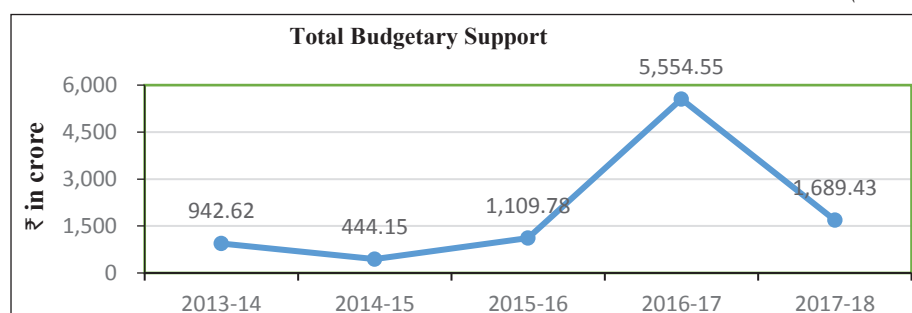
Source: Compiled based on information received from PSUs.

* Some of the PSUs received assistance from the State Budget under more than one of head of account.

The details of total budgetary support towards equity, loans and grants/ subsidies for the last five years ending March 2018 are given in a graph below:

Chart 1.2: Total Budgetary support towards Equity, Loans and Grants/ Subsidies

(₹ in crore)



Source: Based on information furnished by PSUs

The annual budgetary assistance received by these PSUs from GoWB ranged between ₹ 444.15 crore and ₹ 5,554.55 crore during 2013-14 to 2017-18. The aggregate budgetary assistance of ₹ 9,740.53 crore received during the period 2013-18 included ₹ 2,532.70 crore equity, ₹ 2,326.29 crore loans and ₹ 4,881.54 crore in the form of grants/ subsidy.

¹⁶ Amount represents outgo from State Budget only.

¹⁷ Guarantee issued is a promise by the Government to discharge the liability of a third person in case of his default.

¹⁸ Value of guarantee promised by the Government to discharge the liability of a third person in case of his default.

¹⁹ In February 2018, The Durgapur Projects Limited (DPL) entered into memorandum of agreement with Power Finance Corporation Limited (PFCL) for loan of ₹ 2,700 crore. The loan was to be secured by Government guarantee. However, pending issue of Government guarantee, as of 31 March 2018, DPL had drawn an amount of ₹ 2,660 crore against the loan. The money was utilised to pay off existing loans from PFCL, including funds interest term loans. Subsequently, Government issued (November 2018) a fresh guarantee of ₹ 2,160 crore (80 per cent of loan amount), in favour of PFCL, in lieu of pre-existing guarantees.

Guarantee Commission

1.6 State Government helps the Power Sector PSUs to raise loans from banks and Public Financial Institutions by giving guarantee for repayment of principal and interest. For this purpose, the State Government charges guarantee commission. Three power sector PSUs were liable to pay guarantee commission²⁰ of ₹ 180.20 crore at the rate of one *per cent per annum* to the State Government on the outstanding amount of loans guaranteed as on 31 March 2018. During the year 2017-18, guarantee commission was provided for but not paid by two²¹ PSUs, while WBPDC and WBSETCL had not even booked guarantee commission in their financial statements finalised up to 2017-18.

Reconciliation with Finance Accounts of Government of West Bengal

1.7 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 Government of West Bengal. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of the differences. The position in this regard as on 31 March 2018 is shown in **Table 1.4**:

Table 1.4: Equity, loans, guarantees outstanding as per Finance Accounts *vis-a-vis* records of Power Sector PSUs

(₹ in crore)

Outstanding in respect of	No. of PSUs	As per Finance Accounts ²²	As per records of power sector undertakings	Difference
Equity	4	6,882.79	11,524.72	(-) 4,641.93
Loans	4	4,280.23	1,038.28	3,241.95
Guarantee	4	3,796.11	2,456.54	1,339.57

Source: Compiled based on information received from PSUs and Finance Accounts.

It was observed that differences in equity, loans and guarantees occurred in respect of the four PSUs (WBPDC, WBSETCL, WBSEDCL, and DPL) in which the Government had invested. Some of the differences were pending reconciliation for many years. These differences were brought to the notice of the concerned administrative department and the managements of the PSUs concerned, through Audit Reports in successive years. The reasons for the differences include (i) notifications by Government on PSU equity and loans not being followed up with necessary adjustment vouchers to facilitate their inclusion in the Finance Accounts, (ii) effect of conversion of loans to equity being given by PSUs in their accounts on the basis of Government directions with Board approval, but the same not reflected in Finance Accounts due to lack of corresponding Government orders, and (iii) outstanding commitments of PSUs against Government Guarantees incorporated in Finance Accounts from Budget Publication No. 6 of the State Government, while the PSUs account for the same on actuals.

²⁰ Section 5 (1) of The West Bengal Ceiling on Government Guarantees Act 2001, as amended by Section 10 of West Bengal Finance Act 2002.

²¹ WBSEDCL and DPL.

²² For equity, Statement 19 of Finance Accounts 2017-18; for loans, Statement 18 and guarantees, Statement 20.

Submission of accounts by Power Sector PSUs

Timeliness of accounts

1.8 Section 96 (1) of the Companies Act, 2013 requires that the PSUs finalise their accounts within six months from the end of the relevant financial year, *i.e.*, by September end. Failure to do so may attract penal provisions under Section 99 of the Companies Act, 2013.

There were eight Power Sector PSUs under the audit purview of C&AG as of 31 March 2018 (including one Company inactive since incorporation in March 2011, namely DPL Coke Oven Limited). Accounts for the year 2017-18 were submitted by four working PSUs (WBSEDCL, WBSETCL, WBPDC, and NTESCL) by 30 September 2018 as per statutory requirement. Details of arrears in submission of accounts of power sector undertakings as on 30 September of each financial year for the last five years ending 31 March 2018 are given in the subsequent table:

Table 1.5: Position relating to submission of accounts of Power Sector Undertakings

Sl. No.	Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
1.	Number of Power Sector PSUs	7	7	7	8	8
2.	Number of accounts submitted during current year	8	7	6	9	7
3.	Number of PSUs which finalised accounts for the current year	7	7	6	7	4
4.	Number of previous year accounts finalised during current year	1	-	-	1	3
5.	Number of Power Sector PSUs with accounts in arrears	-	-	1	1 ²³	4
6.	Number of accounts in arrears	-	-	1	2	4
7.	Extent of arrears (in years)	-	-	1	2	1

Source: Compiled based on accounts of working PSUs received during the period October 2017 to September 2018.

Impact of non-finalisation of accounts of State PSUs

1.9 As pointed out in paragraph 1.8, the delay in finalisation of accounts is in violation of the provisions of the relevant Statutes and entails risk of fraud and leakage of public money. In view of the above state of arrears of accounts, the actual contribution of the Power Sector PSUs to State GDP for the year 2017-18 could not be ascertained and reported to the State Legislature.

It is therefore, recommended that the State Government should issue necessary directions to the Administrative Departments to set targets for individual PSUs and strictly monitor the clearance of arrears. The Government may also look into the constraints in preparing the accounts of the PSUs and take necessary steps to clear the arrears in accounts.

²³ One PSU viz. Bengal Birbhum Coalfields Limited was entrusted only in 2016-17, but accounts were due from 2015-16.

Performance of Power Sector PSUs

1.10 The financial position and working results of eight power sector companies as per their latest finalised accounts as of 30 September 2018 are detailed in *Annexure-2*.

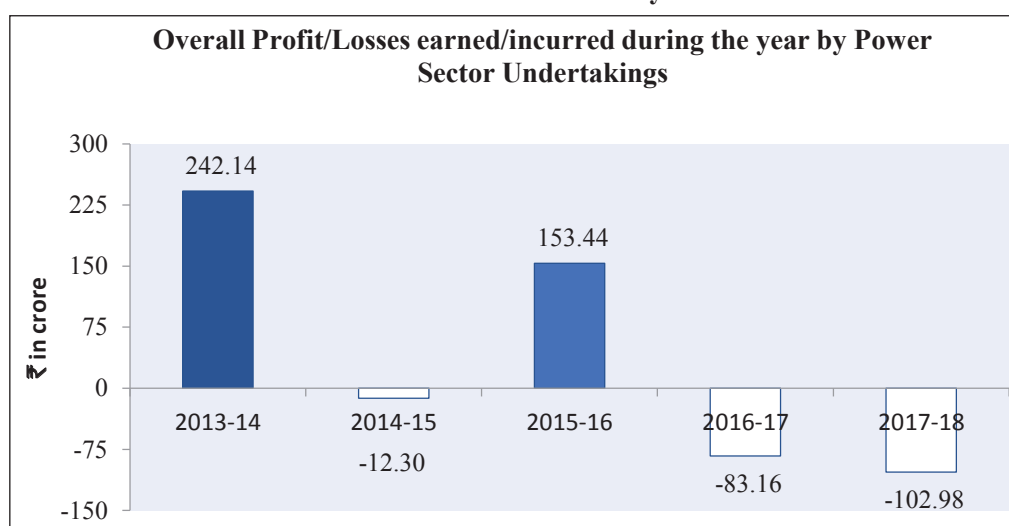
The total investment in Power Sector PSUs as on 31 March 2018 was ₹ 29,535.51 crore consisting of ₹ 11,539.72 crore as equity and ₹ 17,995.79 crore as long term loans. Out of this, the State Government has invested ₹ 12,563 crore consisting of ₹ 11,524.72 crore equity and ₹ 1,038.28 crore long term loans.

The Public Sector Undertakings are expected to yield reasonable return on investment made by Government in the entities. Return on investment measures the profit or loss made in a fixed year relating to the amount of money invested in the form of equity and long term loans and is expressed as a percentage of profit to total investment.

Return on Investment

1.11 Return on investment is the percentage of profit or loss to the total investment. The overall position of profit earned/ losses²⁴ incurred by the power sector PSUs during 2013-14 to 2017-18 is depicted as follows in **Chart 1.3**.

Chart 1.3: Profit/Losses earned/incurred by Power Sector PSUs



Source: Based on the latest available accounts in each financial year

The overall loss incurred by power sector PSUs was ₹ 102.98 crore in 2017-18 against profit of ₹ 242.14 crore earned in 2013-14. As per latest finalised accounts for the year 2017-18, out of eight Power Sector PSUs, four PSUs earned profits of ₹ 475.22 crore, three PSUs incurred loss of ₹ 578.20 crore and one PSU was inactive since incorporation in March 2011 (*Annexure-2*). The top three profit earning companies were WBSETCL (₹ 367.74 crore), WBPDCCL (₹ 104.44 crore) and NTESCL²⁵ (₹ 2.91 crore) while DPL (₹ 536.12 crore) and WBSEDCL (₹ 40.30 crore) incurred losses during 2017-18.

Position of Power Sector PSUs that earned/ incurred profit/ loss during 2013-14 to 2017-18 is given below:

²⁴ Figures are as per the latest finalised accounts during the respective years.

²⁵ Subsequently amalgamated (27 December 2019) with WBSEDCL.

Table 1.6: Power Sector PSUs that earned/ incurred profit/ loss

Financial year	Total PSUs in power sector	Number of PSUs which earned profits during the year	Number of PSUs which incurred losses during the year	Number of PSUs which had NIL profit/ loss or were inactive
2013-14	7	4	1	2
2014-15	7	4	2	1
2015-16	7	4	2	1
2016-17	8	3	4	1
2017-18	8	4	3	1

Return on the basis of historical cost of investment

1.12 Government of West Bengal infused funds in the form of equity and loans in only four²⁶ of the eight Power Sector PSUs as of 2017-18. The State Government did not infuse any funds directly in the remaining four²⁷ Power Sector PSUs in the form of equity and loans till 2017-18 as they are subsidiary companies. The entire equity of four subsidiary companies was contributed by the concerned holding companies.

The Return on Investment (RoI) from the Power Sector PSUs has been calculated on the investment made by the State Government in the form of initial equity and subsequent contribution thereto. In the case of loans, only interest free loans are to be considered as investment since the State Government does not receive any interest on such loans and are therefore of the nature of investment in equity except to the extent that the loans are liable to be repaid as per the terms and conditions of repayment. Out of the long term loans given by the State Government, there were no interest free loans and loans converted into equity. Hence, only the equity is considered as investment of the State Government. Further, the funds made available in the form of the grants/ subsidy have not been reckoned as investment since they do not qualify to be consider as investment.

The investment of State Government in these four Power Sector Undertakings has been arrived at by considering the equity, which included initial equity net of accumulated losses plus the equity infused during the years. The return on investment on historical cost²⁸ basis for the period 2013-14 to 2017-18 is as given below:

Table 1.7: Return on investment on historical cost basis

(₹ in crore)

Financial Year	Funds infused as Equity Investment by				Aggregate Profit/ Loss ²⁹ for the year	Return on total investment (in per cent)
	State Government	Central Government	Other financial institutions	Total Investment		
2013-14	9,679.59	-	-	9,679.59	240.10	2.48
2014-15	9,797.72	-	-	9,797.72	(-) 12.69	(-) 0.13
2015-16	10,736.94	-	-	10,736.94	151.92	1.41
2016-17	11,051.33	-	-	11,051.33	(-) 82.39	(-) 0.75
2017-18	11,524.72	-	-	11,524.72	(-) 104.24	(-) 0.90

Source: Latest available accounts for the respective years

²⁶ WBSEDCL, WBSETCL, WBPDCCL and DPL.

²⁷ DPL- Coke Oven, BBCL, WBGEDCL and NTESCL

²⁸ Monetary value derived partly or wholly from original transaction or event giving rise to the investment but does not reflect changes in prices.

²⁹ As per the Annual accounts received up to the respective years.

The Return on Investment of the Power Sector PSUs was negative in the years 2014-15, 2016-17 and 2017-18, while it was positive in 2013-14 and 2015-16. The principal reason for the deterioration in performance was non-recovery of power costs through the tariff mechanism.

Erosion of Net Worth

1.13 Net worth means the sum total of paid-up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure. Essentially it is a measure of what an entity is worth to the owners. A negative net worth indicates that the entire investment by the owners has been wiped out by accumulated losses. During 2017-18, the overall accumulated loss (excluding free reserves) of all seven working Power Sector PSUs was ₹ 1,181.39 crore against aggregate investment of ₹ 11,539.67 crore. Analysis of investment and accumulated losses disclosed that in respect of two³⁰ working PSUs, their entire net worth had been eroded. The accumulated losses of these PSUs was ₹ 2,403.42 crore against their equity of ₹ 1,305.99 crore.

The following table indicates net worth of the four Power Sector PSUs wherein GoWB has direct holding, during the period 2013-14 to 2017-18:

Table 1.8: Net worth of Power Sector PSUs during 2013-14 to 2017-18

(₹ in crore)

Year	Paid up Capital at end of the year plus Free reserves	Accumulated loss (-) at end of the year	Net worth
2013-14	10,536.23	(-) 104.65	10,431.58
2014-15	11,258.56	(-) 432.31	10,826.25
2015-16	12,671.32	(-) 755.02	11,916.30
2016-17	13,337.33	(-) 1,008.15	12,329.18
2017-18	14,225.67	(-) 1,193.96	13,031.71

Source : Latest available accounts for the respective years

The State Government continued to provide financial support to power sector companies by infusing substantial equity during the period 2013-18. Hence, the net worth increased by ₹ 2,600.13 crore during 2013-18.

Dividend Payout

1.14 The GoWB does not have any stated dividend policy. Although four out of eight PSUs had accumulated profits during last five years, no dividend was declared by the PSUs in any of the years. While the Board of Directors of WBSETCL had not recommended dividend to conserve resources for financing the capital projects programme, WBPDCCL had not mentioned reasons for not declaring dividend.

Analysis of Long term loans of the Companies

1.15 The ability of the Power Sector PSUs to service the debt owed by them to the Government, banks and other financial institutions is assessed through the Interest Coverage Ratio and the Debt Turnover Ratio.

³⁰ The Durgapur Projects Limited and West Bengal Green Energy Development Corporation Limited.

Interest Coverage Ratio

1.16 Interest coverage ratio is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing its earnings before interest and taxes (EBIT) by interest expenses of the same period. The lower the ratio, the lesser the ability of the company to pay interest on debt. An interest coverage ratio of below one indicates that the company was not generating sufficient revenues to meet its expenses on interest. The details of interest coverage ratio in power sector PSUs which had interest burden during the period from 2013-14 to 2017-18 are given in following table:

Table 1.9: Interest coverage ratio (ICR)

Year	Interest (₹ in crore)	Earnings before interest and tax (EBIT) (₹ in crore)	ICR	Number of PSUs having liability of loans from Government and Banks and other financial institutions	Number of companies having interest coverage ratio more than 1	Number of companies having interest coverage ratio less than 1
2013-14	1,990.89	2,230.99	1.12:1	4	3	1
2014-15	2,438.29	2,425.60	0.99:1	4	3	1
2015-16	2,612.27	2,764.19	1.06:1	4	3	1
2016-17	3,134.91	3,052.52	0.97:1	4	2	2
2017-18	3,117.14	3,012.90	0.97:1	4	2	2

It was observed that the number of power sector PSUs with interest coverage ratio of more than one was ranging between three and two and less than one was in the range of one to two during 2013-18.

Debt-Turnover Ratio

1.17 During the last five years, the turnover of the four power sector PSUs recorded compound annual growth of 3.28 *per cent*, while compound annual growth of debt³¹ was (-) 1.61 *per cent*³² due to which the Debt-Turnover Ratio decreased from 0.72 in 2013-14 to 0.57 in 2017-18 as given in table below:

Table 1.10: Debt Turnover ratio relating to the Power Sector undertakings

(₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Debt from Government/ Banks and Financial Institutions	19,515.08	19,498.43	21,108.64	18,331.02	17,989.47
Turnover	27,030.67	26,050.31	25,150.78	29,339.08	31,762.17
Debt-Turnover Ratio	0.72:1	0.75:1	0.84:1	0.62:1	0.57:1

Source: Compiled based on information received from PSUs.

The reduction of debt in 2016-17 and 2017-18 was mainly due to Government of West Bengal's release of grants amounting to ₹ 2,647.09 crore and ₹ 1,916.07 crore in 2016-17 and 2017-18 to WBSEDCL and WBPDC, which then utilised the entire grants to repay to the State Government loans of ₹ 3,031.42 crore and interest thereon of ₹ 1,531.74 crore.

³¹ Non-current component of principal amount of outstanding long term loans from Government, banks, financial institutions etc.

³² Rate of Compound Annual Growth ((value of 2017-18/ value of 2013-14) ^ ((1/ 4 years) -1) * 100) where debt for the year 2013-14 and 2017-18 was ₹ 19,515.08 crore and ₹ 17,989.47 crore respectively.

Comments on Accounts of Power Sector PSUs

1.18 The Power Sector PSUs forwarded seven audited accounts during 1 October 2017 to 30 September 2018. Of these, four accounts were selected for supplementary audit. The Audit Reports of statutory auditors and supplementary audit conducted by the C&AG in 2015-16 and 2016-17 indicate that the quality of accounts needs to be improved substantially. During 2017-18, the Statutory Auditors did not give unqualified certificates on any account. The details of aggregate money value of the comments of the CAG in the last three years are as follows:

Table 1.11: Impact of audit comments on Power Sector Companies

(₹ in crore)

Sl. No.	Particulars	2015-16		2016-17		2017-18	
		Number of accounts	Amount	Number of accounts	Amount	Number of accounts	Amount
1	Decrease in profit	3	313.09	1	1.30	-	-
2	Increase in profit	-	-	-	-	-	-
3	Non-disclosure of material facts	1	41.33	1	0.69	-	-
4	Errors of classification	1	41.80	-	-	-	-

Performance Audit

1.19 For the Report of the Comptroller and Auditor General of India (for the year ended 31 March 2018), a Performance Audit Report was issued to the Additional Chief Secretary of the Department of Power and Non-Conventional Energy Sources with request to furnish reply within six weeks. Reply in respect of the Performance Audit was received and has been duly incorporated.

Follow up action on Audit Reports

1.20 As per the Constitutional provisions vide Article 151(2), the Reports of the Comptroller and Auditor General (CAG) of India relating to the accounts of a State shall be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State. Further, under the legislative provisions vide Section 19 A (3) of CAG (Duties, Powers and Conditions of Service) Act 1971, the State Government shall cause every Report in relation to audit of accounts of a Government Company or a Corporation, to be laid before the Legislature of the State, as soon as may be after it is received.

The Reports of the CAG of India, in respect of accounts of the State, were not being laid before the Legislature in a timely manner. Audit noticed that Report for the year 2015-16 had been submitted to Governor in February 2017, which had been laid in the Assembly in March 2018. The Report for the year 2016-17 had been submitted to Governor in May 2018, which had been laid in the Assembly in July 2019.

The pattern indicates that laying of Reports of CAG before the Legislature has been at the convenience of the State Government. Such violation of Constitutional and Legislative obligations deprived the Legislature of the opportunity to exercise control over the Executive in respect of finances and its utilisation in the State.

Discussion of Audit Reports by CoPU

1.21 The status of discussion of Performance Audits and paragraphs that appeared in Audit Reports (PSUs) by the CoPU as on 30 September 2018 was as under:

Table 1.12: Performance Audits/ Paragraphs appeared in Audit Reports vis-a-vis discussed as on 30 September 2018

Period of Audit Report	Number of PAs/ Paragraphs			
	Appeared in Audit Report		Paras discussed	
	PAs	Paragraphs	PAs	Paragraphs
2005-06	2	6	Nil	3
2006-07	1	5	Nil	1
2007-08	1	6	Nil	2
2008-09	Nil	11	Nil	4
2009-10	1	8	Nil	2
2010-11	1	8	Nil	3
2011-12	1	5	Nil	1
2012-13	1	5	Nil	Nil
2013-14	1	1	1	Nil
2014-15	Nil	5	Nil	2
2015-16	1	4	Nil	Nil
Total	10	64	1	18

Source: Compiled based on the discussions of COPU on the Audit Reports.

Compliance to Reports of CoPU

1.22 According to rules of Procedure of CoPU, Action Taken Notes (ATNs) on the recommendation contains in the CoPU Reports are to be submitted by the Government within three months of their receipt. The statement in *Annexure-3* indicated the details of four CoPU reports where Action Taken Notes are yet to be received from the Departments as on 30 September 2018.

These reports of CoPU contain five recommendations in respect of paragraphs pertaining to one Department, which had either appeared in the Reports of the CAG of India for the years 2010-11 to 2014-15 or were taken up for *suo motu* study.

It is recommended that the Government may ensure: (a) submission of replies to Explanatory Notes/ Draft Paragraphs/ PAs and ATNs on the recommendations of CoPU, as per the prescribed time schedule; (b) recovery of loss/ outstanding advances/ overpayment within the prescribed period; and (c) revamping of the system of responding to audit observations.

CHAPTER II

Performance Audit (Power Sector)

CHAPTER II

Performance Audit (Power Sector)

West Bengal State Electricity Distribution Company Limited

2 Material Management

2.1 Introduction

West Bengal State Electricity Distribution Company Limited (WBSEDCL) is the largest state-owned power distribution company³³ in West Bengal. It purchases electricity directly from State/ Central PSUs and private companies for supply to more than 1.78 crore consumers as well as four³⁴ other distribution licensees within the State. WBSEDCL also generates small quantities of hydro-electricity for sale to consumers. WBSEDCL was functional from April 2007 with the unbundling of the erstwhile West Bengal State Electricity Board (WBSEB).

Material Management (MM) is a scientific technique, concerned with planning, organising and controlling the flow of materials, from their initial purchase to consumption. During 2013-14 to 2017-18, WBSEDCL procured materials worth ₹ 3,380.89 crore for its operations. Therefore, procurement of materials of the requisite quality and quantity, at the precise time and place, for the right cost, their proper storage, transport and utilisation is imperative to control material costs and to maintain optimal performance of WBSEDCL.

For ensuring standardisation of information technology applications, compatibility with other software, better inventory control and procurement decisions, WBSEDCL migrated (April 2015) its entire Procurement and Inventory Management system to SAP (System Application Product)- based ERP (Enterprise Resource Planning) system³⁵ from a legacy application system.

2.2 Organisational structure

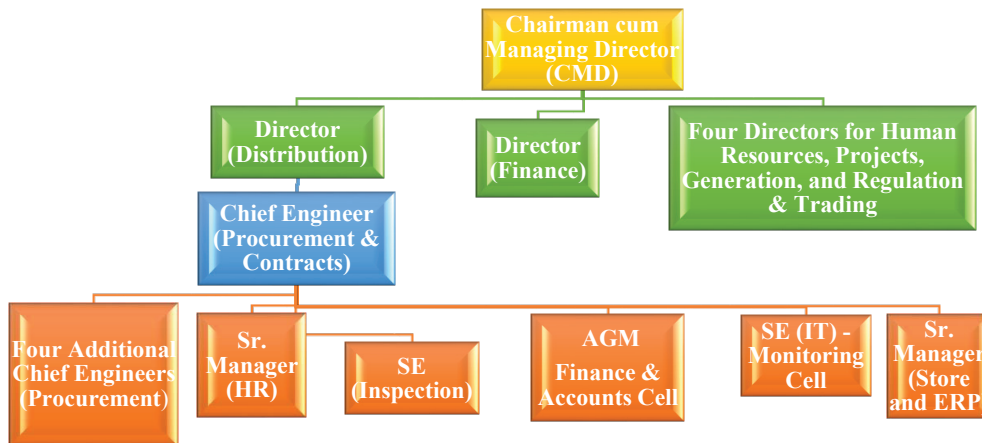
The management of WBSEDCL is vested in its Board of Directors (BOD) comprising eleven Directors, all appointed by the Government of West Bengal (GoWB). The Chairman and Managing Director (CMD) of WBSEDCL is the Chief Executive. CMD is assisted by six Directors as given at **Chart 2.1**.

³³ Incorporated on 16 February 2007 (CIN U40109WB2007SGC113473) under the West Bengal Power Sector Reforms Transfer Scheme, 2007.

³⁴ CESC Limited, The Durgapur Projects Limited, India Power Corporation Limited (IPC Limited) and Damodar Valley Corporation.

³⁵ Operating systems : Windows/ Linux/ AIX (proprietary UNIX operating system)/ ESX (Elastic Sky X); Networks/ communication : CISCO IOS/ MPLS Cloud; DBMS/ RDBMS : DB2/ Oracle/ My SQL *etc.*

Chart 2.1: Organogram for WBSEDCL's procurement and contracts



Director (Distribution) and Director (Finance) are responsible for procurement of materials. The Procurement and Contracts Department (PCD) is headed by a Chief Engineer {reporting to the Director (Distribution)} and assisted by 20 Engineers/ Managers. Further, WBSEDCL had one central store {under the Chief Engineer (P&C)}, five zonal stores (one each under the five Zonal Managers) and 71 divisional stores (in each Division) throughout the State as on 31 March 2018.

2.3 Audit Objectives

The Performance Audit was conducted to ascertain that –

- Planning for procurement was efficient and the requirements were determined realistically;
- Procurement was made in a transparent, competitive and fair manner to secure best value for money;
- A sound mechanism of post contract management was in place in the context of inspection of materials, monitoring of rejected items and their replacement, adjustment of outstanding advances, *etc*; and
- Inventory control was effective and there were no cases of overstocking/ shortages of stores.

2.4 Scope and Methodology of Audit

The Performance Audit included WBSEDCL's processes of assessment of material requirement, purchase of material, its proper utilisation and stores management by WBSEDCL during the period from 2013-14 to 2017-18.

Audit methodology involved study of records at the Head office and available reports/ returns from zonal/ regional/ divisional offices. Inspection of zonal stores and divisional stores was also conducted. WBSEDCL had put restrictions on access, document-level view not provided, not provided complete access to master tables/ SE 16 T code³⁶ of the material management and financial control modules of the SAP-ERP system. Owing to limited access, tenders and its associated documents had to be verified manually from files/ information furnished by WBSEDCL rather than SAP-ERP (MM Module) as also for inventory movement data (including materials in transit) which could not be

³⁶ SE 16 T-code is required to view content of different fields in data tables.

validated in MM Module (Para 2.8). No reasons were furnished except to state (August 2018) that WBSEDCL was not using Audit Information System designed by SAP.

An Entry Conference was held on 31 January 2018 to discuss the objectives, scope and methodology of the Performance Audit with the Additional Chief Secretary to the Government of West Bengal, Department of Power & Non-conventional Energy Sources; and Chairman and Managing Director along senior Officers/ Management of the Department and WBSEDCL. During Entry conference, the management had assured full cooperation in providing access to the SAP module for MM (Material Management). However, as stated above, the access provided to the SAP-ERP was restricted.

The audit findings were discussed at an Exit Conference held on 12 March 2019. It was attended by the Additional Chief Secretary to the Government of West Bengal, Department of Power & Non-conventional Energy Sources; and Chairman and Managing Director along senior Officers/ Management of the Department and WBSEDCL. The responses have been suitably incorporated in this Report.

2.5 Audit sampling

Audit sampling was done at two levels, *i.e.*, selection of zonal/ divisional stores and selection of tenders. While all five zonal stores (100 *per cent*) were selected, 20 (30 *per cent*) out of 71 divisional stores were selected by stratified sampling based on numbers of consumers as on 31 March 2017. Similarly, Audit selected 66 (34 *per cent*) out of 196 tenders finalised between April 2013 and March 2018 through stratification according to their estimated value (high value selected). The total value of tenders finalised was ₹ 2,673.36 crore and corresponding value of tenders selected for audit aggregated to ₹ 2,048.49 crore *i.e.* 76.63 *per cent*.

2.6 Audit Criteria

Following were the Audit criteria:

- WBSEDCL's annual corporate plans and Board minutes and agenda;
- Purchase policy of WBSEDCL and amendments thereof including guidelines/ circulars of WBSEDCL and Central Vigilance Commission (CVC);
- Procurement contracts and repairing contracts of vendors;
- Guidelines, instructions and directions of the State Government and West Bengal Electricity Regulatory Commission (WBERC).

2.7 Procurement and consumption of materials

The details of targets and actual procurement of materials, annual consumption and closing stock of inventory for the five years ended March 2018 is given at **Charts 2.2 and 2.3**:

Chart 2.2 : Targets/ actual procurement of materials and annual consumption (2013-18)

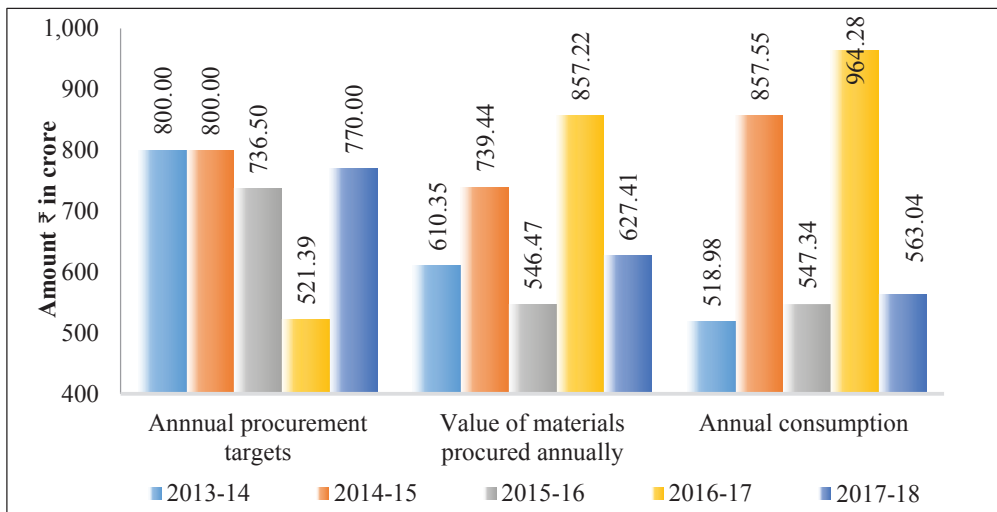
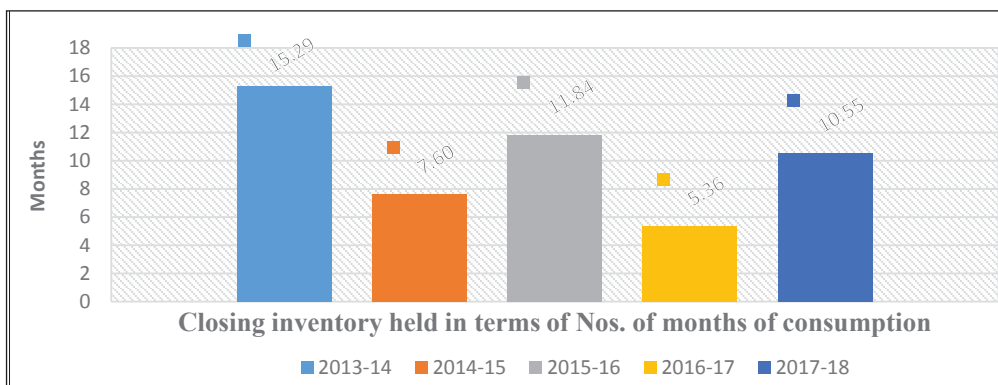


Chart 2.3 : Inventory holding period (2013-18)



It can be seen from the Charts above that there was no consistent trend with regard to important parameters relating to procurement. Annual procurement, value of materials consumed annually and inventory holding period rise and fall in alternate years. This shows lack of planning to forecast requirements in tandem with implementation schedules and accordingly procure materials.

Moreover, determination of inventory carrying costs, ordering costs as well as comparing of lowest bids with last ordered rates through SAP-ERP was not done as mentioned in **Paragraphs 2.8.1.1** read with **2.8.1.4**. This had repercussions on inventory holding cost which added to the interest burden (₹ 234.48 crore)³⁷ of WBSEDCL. Some of the reasons for the inconsistency was inability to reduce procurement as envisaged, holding of idle/ slow-moving/ obsolete stocks and failure to dispose them of as detailed in **Paragraph 2.8.4.4**.

Government stated (January 2019) that the SAP ERP system needs fine tuning to derive further benefits and the feasibility of proposed features explored.

At the Exit Conference, the Government agreed to specify the inventory holding/ requirement for different materials as early as possible. The fact, however, is that the system had been functional since 2015 and even after three years fine tuning was still to be done.

³⁷ Average of opening and closing inventory in each year X excess holding period- beyond four months X rate of cash credit interest.

2.8 Audit findings

2.8.1 Procurement planning

Procurement planning ensures that coordinated and integrated action is taken by the organisation to fulfil its requirements for goods, services or works in a timely manner and at a reasonable cost. Audit noted the following:

2.8.1.1 Lack of documented processes for planning and absence of policy documents/processes

WBSEDCL had not prepared a material management manual prescribing the guidelines and procedure for purchase and control of inventory. Moreover, they also do not have any other manual which could guide the process of material management. WBSEDCL had, however, adopted a purchase policy in 2008, revised in 2012, which laid down the process that should guide purchases and mainly covered the tender process. But, this policy was not comprehensive as it did not contain important components of the purchase processes like assessment of requirement, re-order levels, post contract management, schedules for inspection, tests of material supplied *etc.* These elements should have been part of procurement manual/ guidelines, laying down the material management process in its entirety.

It was observed that for finalisation of procurement of materials, only the purchase policy and general conditions of contract issued with Notice Inviting Tenders were used. For other elements of material management, no documented guidelines/ standard operating procedures (SOPs) existed.

Government accepted the observation and stated (December 2018) that WBSEDCL would prepare a material management policy. Further, in the Exit Conference held in March 2019 the CMD stated that procurement manual was under preparation. The fact, however, was that despite being in existence WBSEB and WBSEDCL for over 63 years and 11 years respectively, the Government in 2018 was admitting that WBSEDCL was yet to prepare a material management policy.

Distribution companies³⁸ of other State Governments had laid down SOPs for material management. These, *inter alia*, provided for preparation of procurement budget, test/ inspection of materials before issuing delivery instructions, liquidated damages on belated replacement of defective materials, time schedule for inspection of materials at consignee's store *etc.*

At the Exit Conference, Government stated that WBSEDCL was in the process of drawing up a materials management manual using inputs from manuals of other distribution companies.

2.8.1.2 Delayed implementation of Material Management module in SAP-ERP

WBSEDCL approved (April 2010³⁹) implementation, over 18 to 24 months, of an Enterprise Resource Planning (ERP) package covering different modules.⁴⁰ This was supposed to improve performance by mitigating the problem of

³⁸ Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL) and Madhya Pradesh Paschim Kshetriya Vidyut Vitaran Company Limited (MPPKVVCL).

³⁹ Board Meeting No. 20 dated 23 April 2010.

⁴⁰ Finance and Accounts, Human Resources Management, Maintenance Management, Material management and Project Management.

legacy and standalone application system. WBSEDCL, however, belatedly implemented the material management (MM) module from April 2015 *i.e.*, after delay of three years.

In the first three years after implementation (April 2015) of **SAP-based ERP**, WBSEDCL had not achieved the expected benefits⁴¹ with respect to reduction in annual purchases, idle and slow moving obsolete stock as given in **Table 2.1**.

Table 2.1: Expected benefits and actual benefits derived from SAP-ERP

Sl. No	Expected benefit from MM module	Benefit derived
1	Reduce annual purchases by 15 <i>per cent</i> in first three years and thereafter, further 20 <i>per cent</i> in subsequent two years.	During 2015-16 to 2017-18, an annual reduction of only 8.44 <i>per cent</i> over 2014-15 took place.
2	Idle stock was to be reduced by 70 <i>per cent</i> in three years and by further 15 <i>per cent</i> in subsequent two years.	As of March 2018, value of idle/ slow-moving stocks increased to ₹ 44.79 crore as compared to ₹ 30 crore in March 2009, when SAP-based ERP was considered.

Government stated (January-2019) that there were teething problems for which corrective measures were already taken. They stated that significant benefits were achieved and other benefits will also be achieved in a short time. No details of the significant/other benefits achieved, however, have been provided.

2.8.1.3 Absence of materials budget

It was, further, noted from agenda and minutes of the BOD meetings between April 2013 and March 2018 that WBSEDCL had no system of preparing annual material budgets based on its planned work programme for the financial year. The material budget was required to collate requirements, take into account available stocks and then determine the requirement. This would enable timely procurement of materials. Yet, it was found that WBSEDCL's Corporate Plans had fixed physical and financial targets for tenders and purchase orders by the Procurement and Contracts department (PCD), without any indication of actual requirement or need. In absence of material budget, WBSEDCL had to face irregular flow of materials, as detailed at **Paragraph Nos. 2.8.1.6 and 2.8.1.7**.

Government replied (December 2018) that usually WBSEDCL prepared annual capital budget for both material and execution cost. They added that WBSEDCL would resort to material budget from 2018-19 to minimise irregular flow of material and probability of emergency purchases.

2.8.1.4 Lack of documented procedures for assessing requirement

Procurement for goods and services begins with identification of operational and maintenance requirements and planning for their procurement. Planning includes assessment of aggregate annual requirement prior to commencement of every year, followed by the prescribed procedures for their procurement.

Moreover, it was observed that WBSEDCL failed to set the re-order level, buffer/ safety stock, economic order quantity *etc.* of inventory, to automatically

⁴¹ Proposal for ERP implementation approved at the 20thBoD Meeting on 23 April 2010.

generate material requirement reports, despite the availability of the feature in the MM module of SAP-ERP. As a result, user departments of WBSEDCL had continued to place indents on PCD for their material requirements.

Besides, the 'as-is-to-be' document⁴² for material coding showed that WBSEDCL had envisaged only numeric material codes for inventories in the material master. Yet, the material master contained 12,041 alphanumeric/ alphabetic codes (77 per cent) out of an aggregate of 15,547 material codes. Also, these material codes included 283 material descriptions against which two or more material codes (between two and 14) were allotted. This was due to non-existent input controls and validation checks in the system. These deficiencies may have led to incorrect determination of pipeline stock leading to excess procurement.

Government accepted (January 2019) the audit observation. They added that the impact of alphanumeric code was not clear, length of the field keeping description of the material had limitations and identification of pipeline quantity was dependent on unique material code.

The lack of documented procedures and not optimally using the features in the MM module for assessing requirement led to the following deficiencies:

2.8.1.5 Procurement of high value materials in excess of requirement

Purchase policy stipulates that on receipt of requisition in prescribed format from user departments, Purchase Advice (PA) was to be issued considering, *inter alia*, (i) stock in hand and in pipeline; (ii) average consumption pattern in last 12 months; (iii) source of fund; (iv) actual quantity assessed for phase wise procurement keeping in mind market fluctuation, blocking up of fund and rate of use in consultation with user departments *etc.*

- WBSEDCL had 3,640 km of three⁴³ types of conductors in stock as of March 2015. It further procured 15,322 km of these conductors (value: ₹ 109.67 crore) between 2015-16 and 2017-18. Further, in the same period, 12,658 km were issued for use to requisitioning divisions. It was noted that a minimum stock of 1,813 km (value: ₹ 14.37 crore) of these conductors was lying in the stores during last three years. This showed that WBSEDCL had procured these conductors, though they were not required. Thus, absence of procedure for assessing requirement had resulted in blocking up of fund of ₹ 14.37 crore during these three years.

Government stated (December 2018) that considering WBSEDCL's volume of business and average consumption, stock of conductors was not high.

The reply is, however, not acceptable as minimum stock of these three conductors represented 10 to 63 months of average consumption during 2015-18.

- As of March 2015, WBSEDCL was unable to complete the works for relocation of existing installations, construction of distribution lines, installation of new distribution transformers (DTRs), *etc.* with shortfall ranging from 26 to 67 per cent for 2014-15. This was due to non-availability of stay wire.⁴⁴ Five

⁴² As-is' being current business process and 'to-be' the future improved business processes as a result of SAP- ERP.

⁴³ Dog, Wolf and Panther conductors (The animal names are a short-cut way of describing various conductors of different cross-sectional area, as typically used by utilities.)

⁴⁴ Galvanised iron wire (4 and 5 mm) and GI stay wire (7/4, 7/2.5 and 7/3.15 mm)

requisitions for 1,317 MT of stay wires⁴⁵ were received (June 2015 to June 2017) for use in 2015-18. The stock position (10 June 2015) of stay wires was 227.89 MT and quantity in pipeline was 'zero'. Accordingly, WBSEDCL had procured⁴⁶ (August 2015 to January 2018) 1,317 MT at ₹ 7.27 crore.

It was noted that from June 2015 to March 2018, WBSEDCL had used 714 MT (46 per cent) only, with 831 MT⁴⁷ still in stock. This had led to blocking up of ₹ 2.95 crore (479 MT)⁴⁸ for 24 months, which represented 23 months of average consumption (21 MT⁴⁹ per month). This indicated lack of proper assessment of requirement before initiating procurement procedure.

Government stated (December 2018) that consumption pattern was not correctly indicated by ERP data in the early implementation stage. Subsequently, during April to September 2018, WBSEDCL's utilisation of stay wire had increased from 21 to 105 MT per month.

2.8.1.6 Procurement without immediate requirement

WBSEDCL's Distribution Wing required (September 2015) 75 km of XLPE⁵⁰ cable (33 KV) to complete works within schedule. Accordingly, it issued an urgent requisition to PCD for procurement of 75 Km cable, as the available stock (August 2015) of 13.489 km was expected to be consumed by September 2015. Instead of preparing purchase advice (PA), WBSEDCL placed (October 2015) two repeat purchase orders (POs) on existing suppliers for supply of 35 km within six weeks, which was delivered. Moreover, in the purchase procedure, WBSEDCL had stated that quantity in pipeline was 'nil'. During the scrutiny of procurement records, it was noted that actually 110 km⁵¹ cable was in pipeline. As such, WBSEDCL had 145 km⁵² in stock from October 2015 to March 2016, of which 67 km were issued in the same period.

Meanwhile, three months from the requisition, WBSEDCL published (December 2015) a Notice Inviting Tender (NIT) for procurement of further 60 km of cable at an estimated cost of ₹ 10.92 crore. Based on subsequent indents from Distribution wing, the Standing Tender Committee (STC) decided (April 2016) to procure 75 km. WBSEDCL issued (April 2016) POs to two agencies for supply of 75 km of XLPE cables valuing ₹ 11 crore which were delivered as per schedule in June and July 2016. Audit observed that out of 145 km purchased in 2015-16; as per the ERP data, WBSEDCL could utilise only 129 Km as given in the following table:

⁴⁵ GI Stay wire (7/4 mm)

⁴⁶ August 2015 (360 MT), March 2016 (73 MT), December 2016 (746 MT) and January 2018 (138 MT)

⁴⁷ 228 MT + 1,317 MT – 714 MT

⁴⁸ Minimum year-end closing stock (as on 31 March 2016) during 2015-18

⁴⁹ Average monthly consumption = (714 MT/34 months) = 21 MT (June 2015 to March 2018)

⁵⁰ Cross-linked polyethylene.

⁵¹ Quantity not delivered till August 2015 against orders placed (January 2015) by WBSEDCL on KEI Industries Limited (77 km) and Sterlite Technologies Limited (33 km)

⁵² Repeat orders: 35 km, pipeline quantity: 110 km

Table 2.2: Statement of consumption against XLPE cables (in km)

Year	Op. stock	Purchases	Utilisation	Cl. stock
2015-16 (Sept. – March)	13.489	145.00	80.489	78.00
2016-17	78.00	75.00	62.00	91.00
2017-18	91.00	0.00	62.00	29.00

It may be seen from the records that average monthly consumption was five km from October 2015 to March 2017. Thus, entire procurement of 75 Km of cable in 2016-17 was not utilised. Further, in 2017-18, out of 91 Km, 62 km were issued. Hence, the procurement of cable without considering the actual pipeline quantity resulted in blocking up of ₹ 11 crore for two years.

Government stated (December 2018) that a good portion of 75 km supplied in 2016-17 was consumed, however, the reply did not indicate the actual quantity of cable utilised. Moreover, it did not explain why the existing stock was not accounted for while making procurement in 2015-16 and 2016-17.

2.8.1.7 Incorrect assessment of requirement

Chief Engineer (Distribution) requisitioned (January 2015) 2,500 distribution transformers (DTRs) for use from April to September 2015. This was beyond stock in hand of 129 DTRs and pipeline quantity of 1,412 DTRs. WBSEDCL approved the proposal and placed (August 2015) order on the lowest bidder for supply of 1,750 DTRs at a cost of ₹ 26.72 crore. Deliveries were to be staggered over 260 days *i.e.*, by April 2016. DTRs were delivered during December 2015 to December 2016. Subsequent orders were issued in December 2016 with deliveries taking off from February 2017.

It was noted that during January to November 2015, against ordered/ pipeline⁵³ of 3,291 DTRs, actual utilisation was only 803 DTRs. Hence, between April 2015 and March 2017, even after staggered supplies, a minimum monthly stock of 114 DTRs (cost: ₹ 1.94 crore) remained. Thus, failure to ensure requirement of the actual quantity of materials, resulted in blocking up of ₹ 1.94 crore for 24 months.

Government stated (December 2018) that given WBSEDCL's need to maintain a minimum buffer stock of DTRs for undisrupted supply of electricity to consumers, 114 DTRs of different capacities in stock was not in excess.

The fact was requirement of DTRs was from April to September 2015, whereas they were delivered between December 2015 and December 2016, after the stated requirement. Moreover, the reply was silent about the monthly stock of repaired DTRs, which increased from 90 in April 2015 to 544 in March 2017, *i.e.*, a monthly average of 470 DTRs. These repaired DTRs could have been utilised to ensure undisrupted supply of electricity to consumers.

2.8.1.8 Materials required for new/ existing service connections not assessed

- According to West Bengal Electricity Regulatory Commission's (WBERC) regulations, WBSEDCL had to effect⁵⁴ new service connections for L&MV⁵⁵ consumers within 90 days from the date of receipt of quotation money for

⁵³ Stock (January 2015) : 129 DTRs, Pipeline : 1,412 DTRs and ordered : 1,750 DTRs required from April to September 2015

⁵⁴ Since May 2010 under Clause No. 4 of WBERC Regulation No 46.

⁵⁵ Low and Medium Voltage.

new connections. Not providing new service connections in time attracted penalty of ₹ 500/- for each additional day of delay or part thereof⁵⁶, payable by WBSEDCL to prospective consumers. During 2013-14 to 2017-18, WBSEDCL planned to provide 54 lakh new service connections, but had received money against quotations from 42.25 lakh⁵⁷ prospective consumers for new service connections. It provided 37.32 lakh connections, *i.e.*, 88 per cent. The reasons as reported in CMD's Progressive Revenue Technique (PRT) Report for shortfall in providing the remaining were mainly shortage of materials like meters, PCC poles and other equipment. It was, however, noted that the materials were not requisitioned as per requirement which led to short procurement till March 2018. This resulted in loss of revenue of ₹ 1.57 crore (considering ₹ 28/- as minimum electricity bill *per month per consumer*). Moreover, WBSEDCL paid penalty of ₹ 2.86 crore to 281 applicants during April 2013 to November 2017 for delays in providing connections.

Further, in order to analyse the reasons given for pendency of connections, the billing data of WBSEDCL was scrutinised and it was observed that out of 68,187 pending connections, 13,673 cases were pending due to requirement of 47,068 PCC poles. As per stock statement, 1,14,578 PCC poles were lying in stores under different divisions of WBSEDCL as of March 2018.

Government explained (December 2018) that the stock of PCC poles was meant for different projects of WBSEDCL and could not be utilised for service connections. Moreover, transport of poles from other divisions may not be financially viable as WBSEDCL was stocking these poles at scattered locations. Thus, WBSEDCL needs to explore the assessment of different components in advance while planning for service connection.

- According to WBERC's regulations, WBSEDCL had to replace⁵⁸ faulty meters within 10 or 20 days from receipt of complaint, for urban and rural areas respectively. Moreover, there was a high degree of correlation between defective meters and Aggregate Technical and Commercial (ATC) losses. So, WBSEDCL planned to replace (April 2013 to March 2018) 41 lakh faulty and conventional meters. Further, in the same period, 42.25 lakh meters were required for new connections. But, WBSEDCL had ordered 57.69 lakh meters only against requirement of 83.25 lakh.

An examination of billing data provided by WBSEDCL showed that 47.20 lakh meters had become faulty, of which 32.91 lakh⁵⁹ meters had been replaced and 14.29 lakh defective meters were not replaced. Out of these, 14.07 lakh meters remained defective as of March 2018 for one to 2,393 days beyond replacement time. Replacement had not occurred due to short procurement of meters.

Thus, 14.07 lakh consumers with faulty meters had been billed on their estimated consumption (average billing) in violation of regulations due to short procurement of meters. Besides, this had also resulted in higher ATC losses. Despite the need for replacement of the meters being known to WBSEDCL, it did not include their requirement during assessment.

⁵⁶ Clause No. 15 of WBERC Regulation No. 46.

⁵⁷ As per CMD's PRT Report.

⁵⁸ Since May 2010 under Clause No. 11 of WBERC Regulation No. 46.

⁵⁹ Excluding 9.68 lakh conventional meters replaced at consumers' premises (2013-18).

Government's reply (December 2018) was silent about the procurement of meters below requirement. Government stated at the Exit Conference that the requirements for different materials was being determined and documented.

It is recommended that WBSEDCL may prepare -

- *An SOP on the lines of other Distribution Companies for material management indicating the processes and procedures to be followed for procurement of materials, their inspection, storage and issue along with accounting requirements. These require to be updated in the SAP-ERP as well.*
- *A timeline for full migration to SAP to derive the maximum possible benefits.*
- *Material budget to assess annual requirement.*

2.8.2 Deficiencies in procurement

After assessing requirement and availability of funds, the procurement process is initiated. Audit observed the following deficiencies:

2.8.2.1 Delays in procurement

According to WBSEDCL's prescribed procedure (May 2012), tenders should be finalised in all respects within 120 days of issue of tender. During 2013-14 to 2017-18, out of 257 tenders issued, 37 were cancelled (14 per cent). Of the remaining 220 tenders, 196 tenders had been finalised and remaining tenders were not finalised till March 2018. Out of 196 finalised tenders, purchase orders for 111 tenders (57 per cent) were issued beyond stipulated time frame with delays ranging from one day to 281 days as given in **Table 2.3**.

Table 2.3: Analysis of delays in finalising of tenders

	Particulars	No. of tenders	Value of tender (₹ in crore)
1)	Successful tenders	196	2,673.36
2)	Delays in finalisation of tenders	111	1,596.39
	Category of delays	No. of tenders	Range of delays (in days)
3)	Opening of tenders	31	1 to 78
4)	Finalising techno-commercial bids	85	9 to 121
5)	Finalising price bids	74	1 to 109
6)	Range of overall delays	111*	1 to 281

Source: Compiled from data furnished by WBSEDCL

* Some of the tenders were delayed at multiple stages.

Government (December 2018) accepted the audit observation.

Some illustrative cases are detailed below.

Distribution wing requisitioned (January 2015) 5,181 DTRs⁶⁰ (Distribution Transformers) on an urgent basis to provide connections for shallow tube wells, public health engineering and under 'Sech-Bandhu'⁶¹ scheme of GoWB. These

⁶⁰ Requirement of 16 kva DTRs: 2,000 Nos. and 25 kva DTRs : 3,181 Nos.

⁶¹ The Sech-Bandhu Scheme is a farmer-friendly project offering 46,000 new pump sets with power connectivity to farmers to boost irrigation in the State. Requirement for Sech-Bandhu Scheme: 1,900 DTRs.

DTRs were required to be utilised during April to September 2015 considering monthly average utilisation of 863 DTRs. Purchase Advice was approved (January 2015) for higher procurement of 5,600 DTRs,⁶² for reasons not on record. In February 2015, WBSEDCL floated tender and issued (June 2015) POs on two suppliers for supply of 5,600 DTRs at a cost of ₹ 30.47 crore. The suppliers were to deliver of the DTRs, in a staggered manner, between December 2015 and March 2016.

While the earlier requisitioned DTRs were yet to be delivered, the Distribution wing again requisitioned (November 2015) another lot of 7,900 DTRs⁶³ on an urgent basis to provide connections for shallow tube wells and public health engineering connections. These DTRs were to be used within March 2016, (average monthly requirement from November 2015 to March 2016-1,580 DTRs). Accordingly, WBSEDCL floated (December 2015) tender and issued (March 2016) POs on eight suppliers for supply of DTRs⁶⁴ at a cost of ₹ 23.01 crore. As per the POs, deliveries were to be made by suppliers between July and November 2016.

Till March 2017, 10,024 DTRs out of ordered quantity of 10,605 were received. Of these, 2,549 DTRs (value: ₹ 13.91 crore) remained in stock (25 per cent), as of March 2017, although purchased to meet urgent requirements.

Audit noted that against the requisition of January 2015, the DTRs were required between April and September 2015. Hence, the requisition should have been placed by November 2014, *i.e.*, within 120 days and POs issued by March 2015. Delays, however, in issue of requisition (two months) and placing of POs (three months) with delivery periods extending to 140 and 260 days lacked justification.

Again, in the subsequent requisition, DTRs were required for use within March 2016. So, requisition was to be issued by June 2015 with POs issued within October 2015. But delays in issue of requisition (four months) and POs (five months) with delivery periods spread over 110 to 230 days lacked justification.

Moreover, despite the fact that as per the Distribution Wing's requisitions, the requirement of DTRs was urgent in both instances, WBSEDCL had allowed staggered delivery which extended more than one year beyond the requirement period (March 2016). This led to piling up of inventory.

Government stated (December 2018) that WBSEDCL utilised these DTRs on a regular basis within August 2018. The reply, however, did not refer to the audit finding that according to the requisitions of January and November 2015, these DTRs were required within September 2015/ March 2016.

2.8.2.2 Inefficient procurement leading to losses

● Weak input controls and validation checks for purchase orders

From 2013-14 to 2017-18, WBSEDCL had issued 5.89 lakh purchase orders (POs), including legacy POs (prior to April 2015) having 17.16 lakh line items. Of these, 1.96 lakh POs were issued prior to April 2017 but not closed⁶⁵ as of

⁶² 16 kva DTRs: 2,100 Nos. and 25 kva DTRs : 3,500 Nos.

⁶³ 16 kva DTRs: 6,300 Nos. and 25 kva DTRs : 1,600 Nos.

⁶⁴ 16 kva DTRs: 3,645 Nos., 25 kva DTRs : 1,360 Nos. and total : 5,005 DTRs

⁶⁵ A PO is closed when entire supply is completed against it and full payment made there against.

March 2018. The values of materials/ services to be delivered in these 1.96 lakh POs issued was in the magnitude of ₹ 83,210.45 crore while value of materials/ services delivered but not yet invoiced was ₹ 76,898.79 crore. These 1.96 lakh POs were not closed for periods ranging from 479 to 2,687 days. The invoiced amount in Material Management (MM) module was not reflected in the financial module of SAP-ERP with respect to outstanding payables for materials and services. This indicates that data was not updated systematically and regularly in SAP-ERP.

Government stated (January 2019) that POs found in the system include those generated for high value contracts for purchase of power from various power utilities covering more than 10 years. Accordingly, the POs values cannot be connected with the financial statements.

It was, however, noticed in the SAP-ERP data that there were 274 POs⁶⁶ (amount: ₹ 76,807.18 crore), other than POs generated for purchase of power from various power utilities, still pending.

Besides, during the same period, for 24,903 out of 25,503 materials⁶⁷ related POs *i.e.*, 98 *per cent*, there were no corresponding requisitions. Further, for seven of the balance 600 POs, their requisitions (in respect of 5,098 items) had been generated after time lags of 135 to 428 days. All the tenders selected for detailed audit were, however, supported by requisitions. The absence of requisitions in the SAP-ERP systems for 98 *per cent* of purchase orders indicates not only an ineffective system management but also a non-operational one.

- **Excess expenditure due to delay in cancellation of purchase orders**

WBSEDCL sought (January 2012) bids for supply of 11,300 DTRs.⁶⁸ WBSEDCL then issued (April 2012) two⁶⁹ POs for supply of 5,756 DTRs⁷⁰ at ₹ 73,980 (63 KVA) and ₹ 1,03,150 (100 KVA) per DTR, amounting to ₹ 49.71 crore. Deliveries of these DTRs were to be completed by March 2013. Both suppliers supplied only 3,220 DTRs⁷¹ till June 2013. Thereafter, they had not supplied any DTRs to WBSEDCL against these POs. Instead, both suppliers repeatedly approached (October/ November 2013 and April 2014) WBSEDCL to either cancel the POs without any financial liability or to extend the delivery period without levy of penalty and with price variation.

However, instead of taking any action on the request of the existing suppliers or cancelling their POs, WBSEDCL issued a new tender in June 2013 to meet urgent requirement. Against this, PO was issued in December 2013 at unit price of ₹ 83,555 (63 KVA) and ₹ 1,10,453 (100 KVA).

WBSEDCL again issued (February 2015) NIT for procurement of 63 and 100 KVA DTRs. On evaluation of bids, WBSEDCL issued (August 2015) a PO for purchase of DTRs at unit price of ₹ 1,05,879 (63 KVA) and ₹ 1,46,070 (100 KVA). It was seen that while issuing the tenders in June 2013 and

⁶⁶ Including 152 POs prior to April 2015.

⁶⁷ System generated POs of '45' and '52' series.

⁶⁸ 63 Kva : 6,500 DTRs, 100 Kva : 4,800 DTRs

⁶⁹ Marson Electrical Industries and Western Transformers and Equipment Private Limited at ex-works price of ₹ 0.70 lakh (63 KVA) and ₹ 0.99 lakh (100 KVA) each.

⁷⁰ 63 KVA: 3,312 DTRs, 100 KVA: 2,444 DTRs

⁷¹ 63 KVA: 1,802 DTRs, 100 KVA: 1,418 DTRs

February 2015, the pending quantities of the two POs of April 2012 were considered to be in the pipeline while calculating quantities put to tender. Finally, in April 2015, WBSEDCL cancelled both POs of April 2012, without any financial liability.

Audit noticed that despite being aware of the fact of increasing trend of prices of DTRs from their multiple tenders, WBSEDCL did not cancel the POs issued in April 2012 in time and go in for fresh tender.⁷² Consequently, it incurred extra expenditure of ₹ 6.83 crore⁷³ on purchase of 269 DTRs (63 KVA) and 1,750 DTRs (100 KVA) in comparison to rates in December 2013.

Government attributed (December 2018) the delays in cancellation of POs by WBSEDCL to following the extant provisions⁷⁴ for cancellation. They also assured that WBSEDCL would always endeavor to minimise the time taken for cancellation of PO in future.

• **Additional expenditure due to capitalisation of losses on procurement of transformers**

Guidelines for specifications of DTRs issued (August 2008) by Central Electricity Authority (CEA), Ministry of Power (MoP), Government of India (GOI), *inter alia*, stated that the bidders shall guarantee individually the no-load loss⁷⁵ and load loss.⁷⁶ It also stipulated that capitalisation of transformer losses (load loss and no load loss) per unit should be included in the unit landed price of transformers. While computing capitalisation losses, life of the transformer was to be considered as 25 years. Accordingly, WBSEDCL amended⁷⁷ (April 2013) the Revised Purchase Policy (RPP)⁷⁸ for evaluation of price bids of DTRs.

WBSEDCL had added (February 2015) per unit load loss and no load loss⁷⁹ in its' NIT for procurement of 2,100 (16 KVA) and 3,500 (25 KVA) DTRs. It issued (June 2015) two POs for 2,100 (16 KVA) and 3,500 (25 KVA) DTRs aggregating to ₹ 30.37 crore.

In this connection it was noted that-

• WBSEDCL had noted in BoD meeting of December 2012, that DTRs were prone to be becoming defective within guarantee period of five years (47 per cent). Further, within span of 15 years, 60 per cent of the DTRs developed defects beyond economic repair. Main reasons for failure were attributed by BoD to overloading and unbalancing of DTRs. WBSEDCL had

⁷² Tendering process would be completed within four months from the date of issue of NIT as per Purchase Policy of WBSEDCL.

⁷³ (₹ 1,05,879 – ₹ 83,555) x 269 DTRs + (₹ 1,46,070 - ₹ 1,10,453) x 1,750 DTRs.

⁷⁴ Under WBSEDCL's Standard terms and conditions for tenders, a PO can be cancelled by WBSEDCL, if the prescribed delivery schedule of materials is not adhered to. WBSEDCL can place order on the next lowest bidder and recover the additional cost from the defaulting supplier.

⁷⁵ The loss of energy when the transformer is connected in the system but not operated, also known as iron loss.

⁷⁶ The loss of energy during operation of a transformer, also known as copper loss.

⁷⁷ Vide Office Order No. 706 dated 6 April 2013.

⁷⁸ Clause 11.01.

⁷⁹ Capitalised value of iron loss (No load loss) per KW=₹ 5.65 lakh and capitalised value of copper loss (Load loss) per KW=₹ 1.69 lakh.

not considered this analysis when introducing (April 2013) capitalisation of the value of inherent losses in DTRs. Therefore, it had not considered the assessed life of these DTRs (15 years) for capitalisation of losses. Instead, the life of 25 years indicated in the CEA guidelines was adopted. This resulted in procurement cost being ₹ 30.37 crore as determined by WBSEDCL during evaluation in June 2015.

- If POs were placed on evaluation of landed cost only (*i.e.* excluding capitalisation of loss), the total procurement cost would have been limited to ₹ 26 crore.
- Ultimately, WBSEDCL withdrew (June 2016⁸⁰) this clause from revised purchase policy (RPP) and thereafter the DTRs up to 2,500 KVA ratings were purchased on the basis of unit landed cost without capitalisation of losses.

Although WBSEDCL was aware that the actual life of DTR was less than 25 years, yet it introduced evaluating of the cost of procuring DTR by including capitalisation value of their inherent losses for 25 years. Consequently, orders were placed on bidders without considering their actual cost. This led to additional procurement cost of ₹ 4.37 crore (₹ 30.37 crore – ₹ 26 crore).

Government stated (December 2018) that WBSEDCL had considered life expectancy of 25 years for price evaluation through loss capitalisation to minimise the failure of DTRs.

The fact was WBSEDCL was aware from December 2012 that the rate of premature failure of DTRs within 15 years exceeded 60 *per cent*.

2.8.3 Post contract management

Efficient post contract management includes immediate inspection at stores, their installation and commissioning, taking action for replacement of rejected stores, monitoring of financial transactions to safeguard the interest of the organisation by ensuring that the securities furnished by the suppliers are kept safely and updated periodically. Audit observed delays in inspection at stores leading to store receipt voucher (SRV) being issued after time gap of issue of material arrival note (MAN) and thereby leading to non-installation/ delayed installation of equipment, instances of Bank Guarantees lapsing *etc.*

2.8.3.1 Delay in inspection of material and issue of store receipt vouchers

WBSEDCL had not framed a time limit for inspection of materials on arrival at consignee⁸¹ stores. WBSEDCL prepared MANs on receipt of materials. After requisite inspection of the materials at Central and Zonal stores, SRVs were issued. If on inspection, the materials were found to be unsatisfactory, they were rejected and returned to suppliers. Under the general conditions of contract, 90 *per cent* of supply price was to be released against original receipted challan. The balance was to be paid after SRVs. Audit noted that the procurement manual of Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL) prescribed maximum time limit for testing and inspection of materials received at stores, of seven and fifteen days respectively.

Audit examined all the 4,974 MAN and 4,203 SRV data at Central and five

⁸⁰ Office Order No. 1079 dated 4 June 2016.

⁸¹ Receiver of goods

Zonal stores from April 2015 to March 2018. It was seen that –

- As per the SAP-ERP system, no materials had been returned to suppliers after inspection. But, Audit had noticed that at Burdwan and Berhampore Zonal stores, between July 2016 and February 2018, materials had been returned on 10 occasions to their suppliers. These included DTRs and conductors valuing ₹ 1.27 crore. This mismatch fails to give assurance regarding the validity of data in the SAP-ERP system.
- Moreover, inspection of the balance 807 MAN issued in this period, had not occurred till March 2018. In respect of 663 MAN, the delays exceeded 15 days by one to 1,070 days up to March 2018.
- Further, 42 out of 4,974 SRV had been directly drawn without MAN preceding them.

Thus, data of the SRV and MAN did not provide an accurate account of actual material received, whether they were received on time and whether the inspection of materials received took place. This could lead to major irregularities in handling and management of inventory.

Government attributed (December 2018) the deficiencies to old data populated into the SAP-ERP system that may not represent the actual scenario. The Government also assured that WBSEDCL was putting sincere effort to minimise the time gap between issuing MAN and SRV. Further, in some cases, SRV were kept pending due to some unavoidable circumstances. The reply, did not, however, specify any circumstances.

2.8.3.2 Non-replacement of defective meters within Guarantee Period (GP)

As per POs placed by WBSEDCL for supply of energy meters and pilfer proof meter boxes (PPMB), these would be guaranteed against defects arising out of faulty design, materials, bad workmanship, *etc.*, up to five and half years from the date of supply. Defective meters/ PPMB found within the guarantee period (GP) should be replaced by the suppliers, free of cost, within one month of intimation. If the defective meters/ PPMB were not replaced within the guaranteed period, WBSEDCL would recover twice their cost from the suppliers. Accordingly, security deposit (SD) in form of two bank guarantees (BG)⁸² each for 2.50 *per cent* of the ordered value are to be furnished by the vendors within a period of 30 days from the date of issue of the PO. Moreover, all the Zonal Managers/Regional Managers were directed⁸³ (March 2014) to intimate suppliers within seven days from the date of detection of defective meters within GP.

It was noted that after identifying defective meters, Customer Care Centres (CCCs) had sent them to the divisional stores. After receiving the defective meters (within GP), the division offices had returned the meters to Zonal offices for replacement by their manufacturers. Scrutiny of records of 20 selected

⁸² One BG was to remain valid up to three months from the date of completion of supply and the other remain valid up to 67 months from the date of completion of supply

⁸³ 'Review of Performance of operational parameters' Meeting of WBSEDCL

division offices⁸⁴ and five zonal offices⁸⁵ of WBSEDCL showed that during 2013-14 to 2017-18, 2,28,881 meters became defective within GP. Out of these, only 95,745 meters (42 per cent) were replaced by the suppliers till date (March 2018). Thus, the balance of 1,32,906 meters was lying in the divisional/zonal stores.

In this connection, Audit observed that:

- Two⁸⁶ division offices had written to suppliers for replacing 9,307 defective meters after delays of eight to 723 days from receipt of their details. Poor replacement of defective meters (within GP) by manufacturers had led to blocking of meters without replacement. Consequently, scarcity of meters continued. Moreover, their GP would lapse.
- Out of 22,663 defective meters received (November 2017 – March 2018) at Burdwan Zone, 3,810 defective meters (17 per cent) were purchased between February 2010 and May 2011, i.e., their GP period of 66 months was over. Consequently, two⁸⁷ suppliers refused (May 2018) to replace 2,425 single phase defective meters as their GP was over.

The current cost of single phase and three phase meters was ₹ 514 and ₹ 3,695 each respectively. WBSEDCL failed to take (a) timely action to intimate the manufacturers of the defective meters, and (b) stringent steps against manufacturers for non-replacement. Non-replacement of these 1,32,906 meters had led to avoidable expenditure on purchase of meters valuing ₹ 7.52 crore by WBSEDCL.

Government accepted (December 2018) the audit observation but stated that system was being developed for capturing the data of defective meters through SAP-ERP system. It will, however, not suffice to capture the data but action needs to be taken and enforced.

2.8.3.3 Non-replacement of defective DTRs within Guarantee Period (GP)

According to the purchase orders, if DTRs had developed defects arising from faulty design, materials or workmanship within five years⁸⁸ of their date of last dispatch, the suppliers have to guarantee to replace/ repair them to WBSEDCL's satisfaction. If the suppliers fail to do so within one month of intimation, WBSEDCL would, at the cost of the defaulting suppliers, repair or replace the DTRs by any other agency. Similarly, DTR repairing contractors were required to guarantee functionality of repaired DTRs for 10 months from their testing.

Between 2013-14 and 2017-18, there was an average of 2.11 lakh DTRs in WBSEDCL's system. Of these, an aggregate of 0.92 lakh (8.72 per cent) had become defective in the past five years. It was noticed in CMD's Monthly PRT report that-

⁸⁴ (1) Barasat, (2) Bidhannagar-I, (3) Bongaon, (4) Habra, (5) Bashirhat, (6) Howrah-II, (7) Behala, (8) Dakshin Dinajpur, (9) Contai, (10) Barrackpore, (11) Arambagh, (12) Sreerampore, (13) Burdwan (Urban), (14) Tamluk, (15) Raiganj, (16) South Malda, (17) Jalpaiguri, (18) Rampurhat, (19) Krishnagar and (20) Tehatta

⁸⁵ (1) Kolkata, (2) Burdwan, (3) Berhampur, (4) Midnapore and (5) Siliguri

⁸⁶ (1) Barasat and (2) Siliguri

⁸⁷ L&T: 1761 meters and Genus: 664 meters

⁸⁸ Before April 2013 it was within 12 months of commissioning or 18 months from the date of last dispatch of DTRs, whichever was earlier

- Thirty two DTRs had failed within a year of their repair. WBSEDCL had informed the contractors only after delays of 15 to 1,132 days.

Management in reply (December 2018) accepted the audit observation and stated that after failure of earlier Transformer Transaction Management System, WBSEDCL was developing a tracking system for defective DTRs. This would be done by, *inter alia*, tracking their movement particulars during entire life cycle through SAP-ERP.

- As on 31 March 2018, 62 DTRs valuing ₹ 43.61 lakh failed during September 2012 to February 2018 within their GP. These were awaiting repairs either at area stores or with the suppliers. WBSEDCL has not taken any action for replacement/ repair/ return from suppliers. WBSEDCL's failure in initiating timely action for getting the DTRs repaired has resulted in idling of inventory worth ₹ 43.61 lakh besides allowing undue benefit to the suppliers.
- WBSEDCL had not maintained the age-wise details of DTRs. Besides, WBSEDCL had no provision for regular testing of DTRs within their GP. DHBVNL⁸⁹ had provided for annual testing of, at least, two *per cent* of the DTRs, which were within their GP. In the absence of age wise details and regular testing, the period of delay could not be worked out in audit. As GP of new DTRs expired after 18/ 60 months from purchase, the possibility that GP had lapsed was a real risk.

Government stated (December 2018) that earlier WBSEDCL introduced Transformer Tracking Management but the system had some limitations. WBSEDCL now proposes to develop a tracking method through ERP system.

2.8.3.4 Failure of repaired DTRs within repair warranty period

WBSEDCL had issued (February 2011) guideline of 'Distribution operation and maintenance manual' which, *inter alia*, indicated the operation and maintenance of the DTRs in service. The repair and maintenance of DTRs was done by WBSEDCL through rate contract⁹⁰ awarded to the contractors for two years. Further, under Letters of Intent (LOI) issued to repair contractors (a) defective DTRs should be lifted within seven days from the date of issue of LOI and (b) total repairing work should be completed within 45 days from the date of issue of LOI. During 2013-14 to 2017-18, ₹ 37.27 crore was incurred for repairing of 17,160 DTRs failed at selected division offices. It was seen from the files of contractors for repairing DTRs that -

- Contractors lifted 3,439 DTRs (20 *per cent*) of 17,160 DTRs beyond the stipulated period of seven days from date of issue of LOI. These delays ranged from one to 732 days.
- Contractors had failed to return 9,009 repaired DTRs (53 *per cent*) within prescribed period of 45 days. Delays in returning the DTRs were in excess of one to 1,203 days.
- SAP-ERP can calculate liquidated damages (LD) to be imposed on vendors for delays in offering materials for inspection and in delivery of materials.

⁸⁹ Dakshin Haryana Bijli Vitran Nigam Limited – Procurement Regulations (April 2006).

⁹⁰ Initial rate contract for damaged/defective DTRs of various capacity from 10 to 750 KVA was valid from October 2012 to September 2015. Subsequent contract was valid from October 2015 to September 2017.

Yet, WBSEDCL continued to calculate LD manually and had not imposed the contractually applicable penalty on the contractors against 9,009 repaired DTRs returned belatedly. This penalty worked out to ₹ 44.67 lakh at 0.5 per cent per week limited to a maximum of five per cent of the order value. This resulted in undue benefit of contractors.

Thus, post contract management of supplied items was marred by inefficiencies like delays in repairs, lapse of guarantees, failure of repaired items, non-monitoring of defective equipment, etc. all of which led to avoidable expenditure on part of WBSEDCL.

Government accepted (December 2018) the observation and assured that henceforth WBSEDCL would be advised to strictly follow the ‘warranty clause’ and ‘completion period’ for preventing similar loss. The reply, however, did not propose fix responsibility or take action for this lapse. It is recommended that WBSEDCL may define clearly the steps and responsibility centres involved in post contract management and ensure that these feed into the procurement process so that MM is more efficient.

2.8.4 Inventory controls

2.8.4.1 Measurement and valuation of inventories

Despite the restricted access given to Audit, following deficiencies were noticed in Material Management module of SAP-ERP–:

- There was no logical validation of measurement data. Moreover, in respect of 46 materials descriptions, there were two different types of units of measurements. These included “SET” and “NOS” for measuring its inventories. The total quantity of inventories was under “NOS” was 8894848.161 and under “SET” was 345639.452. The computation of inventories under these two units of measurements can never be in decimals and should always be in integer, showing lack of logical validation.
- WBSEDCL’s accounting policy provides for valuation of inventories at their weighted average cost. Yet, for 1,030 items there was more than one per unit of cost. This showed that the system had not been customised to generate the weighted average cost of inventory.
- Moreover, as on 31 March 2018, 6,245 items were valued at ‘Nil’ value. Of these, 3,066 items of stock were either damaged or considered used and healthy after being repaired. Thus, their valuation at ‘Nil’ appeared to be reasonable. But, valuing the balance 3,179 items at ‘Nil’ value lacked justification. Instead, they should have been valued at their weighted average cost.

This indicated that there were lacunae in input controls coupled with absence of supervisory control. This may also lead to improper measurement of the closing stock as well as its’ over/ under valuation, affecting the financial statements.

Government accepted (December 2018) the findings and stated that requisite action had already been taken.

2.8.4.2 Stocks – in – transit (SIT)

Stocks – in – transits (SIT) were created for transfers of material from one location to another or from vendor to WBSEDCL. Till the goods receipt

document was not captured in the system, the material transfers remained as 'stocks – in – transit' under inventories.

- SAP-ERP system does not work out value of stocks – in – transit.

As on 31 March 2018, there were 631 items which were categorised as SIT. These include 215 items, in respect of 169 POs ordered prior to April 2017, which were still shown as SIT, but without any value assignment. All these were transferred from one WBSEDCL location to another. The probability that deliveries had still not occurred, was slim. Moreover, WBSEDCL's financial statements for 2016-17 and 2017-18 showed that the value of SIT was ₹ 13.42 crore and ₹ 11.64 crore as on 2017 and 2018 respectively. This may be due to non-updation of SIT-related data with consequent overstatement of SIT.

The above reflects absence of monitoring of the system by the management and leads to presentation of incomplete/ less reliable data to the stakeholders. Moreover, SIT needs to be presented more accurately in the financial statements.

This indicates lack of monitoring and regular review by WBSEDCL. Besides, inventories may not have a fair valuation.

Government accepted (January 2019) the observations and stated that WBSEDCL had constituted (July 2018) a Committee to regularise material lying with a subsidiary company, viz., New Town Electric Supply Company Limited.⁹¹ Further, action was taken to regularise stocks in transit due to non-acceptance of materials at WBSEDCL's receiving locations.

2.8.4.3 Physical inspection of inventory

Confirmation of inventory by physical verification is a vital internal control procedure for stores. Accordingly, Clause 3 (ii) of the Companies (Auditor's Report) Order 2016 of March 2016 stipulates disclosure of whether physical verification of inventory has been conducted at reasonable intervals. The erstwhile WBSEB had carried out continuous physical verification of stores items to cover all items, at least, once a year. This was followed annually by external verification of stores. At present, WBSEDCL undertakes annual physical verification of stock through a firm of Chartered Accountants.

Further, surplus, non-moving, obsolete and unserviceable stores need to be identified and disposed at regular intervals to avoid accumulation of stocks and blocking up of storage space. Audit noticed the following: -

Gaps in physical verification/safety of stock and stores

According to the consolidated Internal Audit Manual (Vol-II) of WBSEDCL, one of the control objectives of 'Store Management' related to physical verification of materials at regular intervals. Accordingly, Internal Audit Wing engaged Chartered Accountant (CA) Firms for annual physical verification of store materials with the ERP data, i.e, physical inventory with perpetual inventory.

It was noticed from the physical verification reports from 2015-16 to 2017-18 that at The Central, five Zonal and 20 Divisional stores covered in audit, there were some differences between physical stock and ERP stocks since 2015-16. Besides, at CE (Distribution Testing) in 2015-16 to 2017-18, there were

⁹¹ New Town Electric Supply Company Limited was amalgamated with 27 December 2018.

variations in physical and ERP quantities in 21 out of 48 items. The aggregate shortfall was ₹ 33 lakh (average value of stocks in three years: ₹ 55.37 lakh). Shortfall was at a single location was 60 *per cent* of average stock held. This indicated that physical verification was not rigorous to identify variations at most locations.

Government stated (December 2018) that WBSEDCL had conducted physical verification of stores at reasonable intervals and material discrepancies noticed properly dealt with in the books of account. Further, WBSEDCL follows a documented process whenever there is any gap in quantities between ledger and physical verification.

Further scrutiny, however, revealed that in six divisional stores (out of 20 divisional stores selected for inspection), there was mismatch between physical stock and ERP balance as on 31 March 2018 amounting to ₹ 23 lakh in addition to ₹ 33 lakh as stated, *ibid*.

Storage of inventory

The Internal Audit Manual laid down the checklist for stores management. It was observed that at Central (Chord Road), five zonal and 20 divisional stores of WBSEDCL, in contradiction of the checklist, -

- WBSEDCL had not prepared any stores guideline and procedure of storage of materials as provided in the checklist.
- As of March 2018, 2,865 Kilolitres of burnt transformer oil was drained into drums and left out in the open at divisional stores. This was contrary to WBSEDCL's guideline (November 2014) for "Maintenance and Supervision of Mineral Insulating Oil either in service or in used condition". But, requisite clearance from West Bengal Pollution Control Board (WBPCB) to store burnt transformer oil⁹² had not been obtained. Moreover, hazardous materials were not clearly 'marked' and stored in covered spaces.

Government accepted (December 2018) the first observation and stated that WBSEDCL had decided to improve inventory management with standard storage systems to be implemented between 2016-17 and 2019-20 at a cost of ₹ 70 crore. Further, WBSEDCL stated (May 2018) that burnt transformer oil for reclamation⁹³ was normally stored in zonal stores where certificate from WBPCB already existed. Government endorsed (December 2018) the statement.

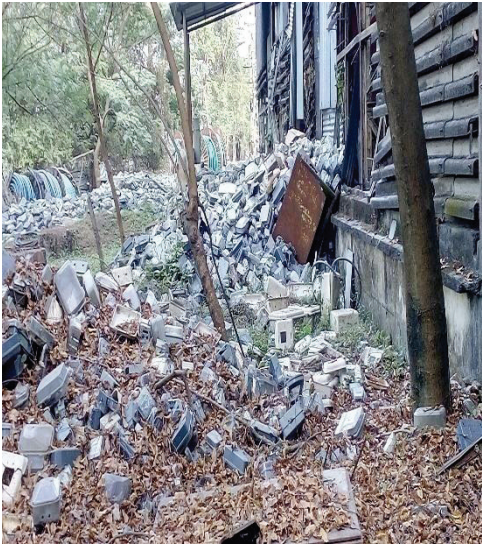
The fact was that WBSEDCL had stored used (burnt) transformer oil in division for which there were no certificates from WBPCB.

Further, failed transformers and meters were lying in heaps and occupied a substantial area of the stores. The pictures of poor storage practices at different stores are given at **Chart 2.4**.

⁹² Being the quantities of used transformer oil collected from burnt transformers.

⁹³ Where transformer oil can be processed to admissible parameters for reuse.

Chart 2.4: Poor storage practices at different stores



Siliguri Town Divisional Store



Contai Divisional Store



Sreerampore Divisional Store



Sreerampore Divisional Store



Dakshin Dinajpur Divisional Stores



Jalpaiguri Divisional Store

It was noted that improper storage of inventory led (2013-2018) to 13 incidents of theft and embezzlement at nine⁹⁴ zonal/ divisional stores valued at ₹ 9.24 crore. WBSEDCL insured⁹⁵ their store materials lying at stores since June 2016 onwards. Although ₹ 43 lakh of materials was lost during July 2016 to March 2018 at these nine zonal/ divisional stores due to theft, no claims had been lodged with the insurance company.

Neither the Government nor WBSEDCL replied to the audit observations regarding theft and embezzlement.

2.8.4.4 Delays in inspection/approval of scrap/ slow moving/ non-moving stores and their disposal

WBSEDCL follows the guideline (June 2004) of the erstwhile WBSEB for identification and disposal of non-moving/ slow moving/ obsolete stock⁹⁶ and scrap materials to reduce unserviceable inventory in stores. The guideline provided that a Survey Committee was to be constituted to survey the stores and identify these categories of materials once in every six months. The survey report would be prepared metal group wise and material wise. The reserve price of the scrap was to be determined by survey committee on the basis of present market value of the metals. WBSEDCL disposed scrap through online auctions conducted by MSTC Limited, a Government of India Undertaking.

Scrutiny of records related to scrap at Central Stores (Chord Road) and 20 divisional stores⁹⁷ brought out that the Survey Committee had failed to survey the stores and identify the category of materials once in every six months during 2013-14 to 2017-18. Audit noticed in seven divisions that only seven out of 70 surveys were conducted. Of these seven surveys, one was incomplete viz., metal content and weight not mentioned. No action was taken to rectify the survey report. Moreover, identified materials had not been disposed for seven to 48 months. In absence of survey the value of scrap was not known.

Government noted (December 2018) the findings and attributed them to migration from manual system to SAP-ERP. Further, WBSEDCL had reconstituted the Survey Committee in May 2018, as the Committee constituted in December 2016 did not finish the process due to other engagements.

2.8.4.5 Short retrieval of burnt transformer oil

WBSEDCL had stipulated⁹⁸ (February 2011) that transformer oil in DTRs was to be replaced when oil parameters of a DTR was found beyond those prescribed.

⁹⁴ (1) Siliguri Zonal, (2) Burdwan Urban, (3) Sreerampore, (4) North Malda, (5) Raiganj, (6) Tehatta, (7) Belda, (8) Haldia and (9) Raghunathpur

⁹⁵ For fire and burglary with effect from 21 June 2016

⁹⁶ Slow moving: The inventory not put to use for more than two years.

Non-moving: The inventory not being utilised for more than five years.

Obsolete materials: The inventory identified as not usable due to obsolescence.

⁹⁷ Barasat, Bidhannagar-I, Bongaon, Habra, Bashirhat, Howrah-II, Behala, Dakshin Dinajpur, Contai, Barrackpore, Arambagh, Sreerampore, Burdwan (Urban), Tamluk, Raiganj, South Malda, Jalpaiguri, Rampurhat, Krishnangar and Tehatta.

⁹⁸ Distribution operation and maintenance manual of WBSEDCL regarding maintenance of 'in service oil of DTR'.

This was followed by WBSEDCL's guideline⁹⁹ (November 2014) to maintain transformer oil for DTRs 'in-service'.¹⁰⁰

To reclaim burnt transformer oil, WBSEDCL had entered into a rate contract (May 2014) with Bristol Petroleum Private Limited (BPPL) for a period of two years for reclamation of 500 Kl per year. Under the contract, cost of reclamation was ₹ 6,750 per Kl with admissible processing loss of 20 per cent.

Audit noted that during 2016-17, 504.322 Kl had accumulated¹⁰¹ at divisional stores. As annual accumulation of burnt transformer oil was around 500 KL, contract for reclamation of 500 Kl per year would not reduce the existing stocks.

Audit noted that in the past five years (2013-18), WBSEDCL had procured 6,850 Kl of transformer oil. As on 31 March 2018, 776 Kl of burnt oil was in stock at 16 of 20 Divisional stores selected. At 80 per cent recovery, 621 Kl was recoverable at a cost of ₹ 52.40 lakh. By using this oil, WBSEDCL would have saved¹⁰² expenditure of ₹ 3.19 crore. The following table shows the opening/closing stocks, receipts and issues for 16 divisions from 2015-16 to 2017-18.

Table 2.4 Statement of stocks of transformer oil for three years (in Kl)

Year	Op. stock	Receipts	Issues	Cl. stock
2015-16	688.299	329.926	238.875	779.350
2016-17	779.350	411.656	392.278	798.728
2017-18	798.728	1,039.291	1,061.79	776.229

Management in reply (December 2018) stated that two vendors had established their plants in West Bengal for regeneration of burnt transformer oil instead of reclamation. To cope with the situation and to develop new vendors in this field, WBSEDCL had recently placed one trial letter of award, for regeneration of 50 Kl.

Further, defective transformers with no leakage and oil seal intact should contain oil to full capacity. Test check of stores ledgers, SAP-ERP reports and physical verification reports of stores under division offices selected revealed that during 2013-14 to 2017-18, in 18,502 defective transformers, 1,175 Kl of transformer oil was recovered. Against this, 1,931 Kl was recoverable, reflecting a shortage of 756 KL (39 per cent). This indicates absence of control over retrieval of transformer oil. Therefore, the possibility of pilferage of oil cannot be ruled out. Due to short receipt of transformer oil of 756 Kl, WBSEDCL failed to reclaim/re-process 605 Kl (with processing loss of 20 per cent) valuing ₹ 3.10 crore.¹⁰³

Effective inventory management is essential to ensure that money spent on procurement of materials is safeguarded. Instances of gaps in physical inventory of stores, safety of stocks, poor storage practices, delays in identification and disposal of slow moving and scrap items and non-disposal of hazardous items pointed to weaknesses in inventory control.

⁹⁹ Guideline for 'Maintenance and supervision of mineral insulating oil either in service or in used condition' vide memo No. CED/Tech-Circular/1019 dated 11 November 2014.

¹⁰⁰ DTRs 'in-service' means those distribution transformers operating in the system.

¹⁰¹ Opening stock as on 1 April 2016 – 2,525.155 Kl and closing stock as on 31 March 2017 – 3,029.477 Kl as per stock statement of WBSEDCL.

¹⁰² Cost of 621 Kl of new transformer oil at the rate of ₹ 59,773 per Kl – cost of reclamation of 776 Kl at the rate of ₹ 6,750 per Kl.

¹⁰³ (605 Kl x ₹ 59,773 per Kl less 756 Kl x ₹ 6,750 per Kl)

Government stated (December 2018) that WBSEDCL first stored the transformer oil drained from DTRs at the different divisional stores. The used/ burnt transformer oils suited for reclamation/ filtration being transferred to the respective Zonal Store units. The reply did not, however, explain why burnt transformer oil were lying at divisional stores as observed in audit during field inspection of 20 selected divisional stores.

It is recommended that WBSEDCL may -

- *define clearly the steps and responsibility centres involved in inventory management and ensure that these are tied in with the procurement process so that MM is more efficient.*
- *ensure proper implementation of all features available in the SAP-MM module and derive maximum benefits thereof by deploying adequately trained personnel at each store.*

PART II

CHAPTER III

Functioning of State PSUs (Non-Power Sector)

PART II

Chapter III

Functioning of State Public Sector Undertakings (Non-Power Sector)

Introduction

3.1 The State Public Sector Undertakings (non-power sector) comprise those State Government Companies and Statutory Corporations as on 31 March 2018 operating in sectors other than Power Sector. These PSUs were incorporated¹⁰⁴ between 1913-14 and 2017-18 and comprise 77 Government Companies (including 9¹⁰⁵ working and 5¹⁰⁶ inactive subsidiary companies) and nine Statutory Corporations. In respect of one Statutory Corporation *i.e.*, Great Eastern Hotel Authority, C&AG conducts audit under Section 14 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.¹⁰⁷

The State Government provides financial support to the PSUs in the form of equity, loans and grants/ subsidy from time to time. Of the 86¹⁰⁸ State PSUs in the Non-Power Sector, the State Government invested funds by way of equity and loans in 72¹⁰⁹ State PSUs as of 2017-18.

Contribution to Economy of the State

3.2 A ratio of turnover of the State PSUs to the Gross State Domestic Product (GSDP) shows the extent of activities of these PSUs in the State economy. The table below provides the details of turnover of State PSUs and GSDP of West Bengal for a period of five years ending March 2018:

¹⁰⁴ Some Companies were incorporated under the erstwhile Companies Act 1913 but did not become Government Companies till later, namely, Mackintosh Burn Limited incorporated in April 1913, became a Government Company only in December 2010 while Westinghouse Saxby Farmer Limited incorporated in May 1923, became a Government Company in 1969.

¹⁰⁵ Webel Venture Capital Limited (subs. of WBEIDC), New Town Telecom Infrastructure Dev. Corp Ltd (Subs. of WBHIDCO), Webel Mediatronics Limited (Subs of WBEIDC Limited), Webel Electronic Communication Systems Limited (Subs of WBEIDC Limited), Webel Informatics Limited (Subs of WBEIDC Limited), Webel Technology Limited (Subs of WBEIDC Limited), West Bengal Trade Promotion Organisation (Subs of WBIDC Limited), Silpabarta Printing Press Limited (Subs of WBSIDC Limited) and West Bengal Text Book Corporation (P) Limited (Subs. of SPL).

¹⁰⁶ Webel Electro-Optics Limited and Webel Consumer Electronic Limited (subs. of WBEIDC), Pulver Ash Projects Limited and The West Bengal Projects Limited (subs. of WBSIDCL), West Bengal Industrial Land Holding Private Limited (subs. of WBIDCL).

¹⁰⁷ Section 14 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971 deals with audit of receipts and expenditure of bodies or authorities substantially financed from Union or State Revenue.

¹⁰⁸ Working : 65, inactive : 21.

¹⁰⁹ Working : 56, inactive : 16.

Table 3.1: Details of turnover of State non-power PSUs vis-a-vis GSDP of West Bengal

(₹ in crore)

Sl No	Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
1	No. of working PSUs	67	67	64	65	65
2	Turnover	10,174.78	13,770.12	5,202.68	5,923.62	12,126.13
3	Percentage change of turnover over previous year	-	35.34	(-) 62.22	13.86	104.71
4	GSDP of West Bengal	6,76,848	7,18,082	7,97,300	8,79,167	10,20,858
5	Percentage change of GSDP over previous year	-	6.09	11.03	10.27	16.12
6	Percentage of turnover to GSDP of West Bengal	1.49	1.91	0.65	0.67	1.19

Source: Compiled based on turnover figures of working PSUs (non-power) and GSDP figures at Current Prices (Base 2011-12) as per Economic Review 2018-19 and 2017-18 of Government of West Bengal.

The turnover of these PSUs decreased sharply in 2015-16 over 2014-15 by 37.78 per cent due to disinvestment of controlling stake in Haldia Petrochemicals Limited (HPL) and increased in 2017-18 by 104.71 per cent over 2016-17 due to the addition of a new Government Company, viz. West Bengal State Beverages Corporation Limited. The Compound Annual Growth Rate (CAGR)¹¹⁰ of GSDP was 8.57 per cent during last five years, while the corresponding CAGR in turnover of State PSUs was 3.57 per cent for the same period.

Disinvestment, restructuring and privatisation of State PSUs

3.3 The Government of West Bengal decided (February 2017) to restructure state PSUs for improving operational efficiency and optimally utilising their manpower/ assets. In respect of Durgapur Chemicals Limited, the Cabinet decided to sell the entire stake. Sundarban Infrastructure Development Corporation Limited (SIDCL) (under administrative control of Department of Sundarban Affairs) executed (October 2018) its deed of cancellation of agency works with Sundarban Development Board (SDB), under the same Department, to initiate the process of its winding up. The pending deposit works of SIDCL was also handed over to SDB through the deed.

West Bengal Scheduled Castes, Scheduled Tribes and Other Backward Classes Development and Finance Corporation (WBSCSTOBCDFC) was constituted (September 2017) by vesting of assets of two¹¹¹ existing PSUs. The audit entrustment of the merged PSU was received subsequently, in December 2018.

Investment in State PSUs (Non-Power Sector)

3.4 There are some PSUs which function as instruments of the State Government to provide certain services which the private sector may not be willing to extend due to various reasons. Besides, the Government has also

¹¹⁰ Rate of Compound Annual Growth ((value of 2017-18/ value of 2013-14) ^ ((1/ 4years) -1) * 100) where turnover and GSDP for the year 2013-14 was ₹ 10,174.48 crore and ₹ 6,76,848 crore, respectively.

¹¹¹ West Bengal Scheduled Castes & Scheduled Tribes Development and Finance Corporation and West Bengal Backward Classes Development & Finance Corporation.

invested in certain business segments through PSUs, which function in a competitive environment with private sector undertakings. The position of these State PSUs have therefore been analysed under two major classifications, viz., those in the social sector like West Bengal State Seed Corporation Limited, West Bengal Small Industries Development Corporation Limited, etc and those functioning in competitive environment, i.e., State Transport Undertakings, West Bengal Mineral Development and Trading Corporation Limited, Greater Calcutta Gas Supply Corporation Limited etc. Besides, these two sectors, State PSUs incorporated to perform certain specific activities on behalf of the State Government have been categorised under 'Others Sector'. Details of investment made in these 86 State PSUs in form of equity and long-term loans upto 31 March 2018 are detailed in *Annexure-1*.

Sector wise investment in State PSUs

3.5 The sector-wise summary of investment in these State PSUs (Non-Power Sector) as on 31 March 2018 is given below:

Table 3.2: Sector-wise investment in State PSUs (Non-Power Sector)

Sector	Number of PSUs	Investment (₹ in crore)		
		Equity*	Long term loans*	Total
Social Sector	25	1,903.68	366.72	2,270.40
Competitive Sector	47	714.94	3,837.00	4,551.94
Others	14	1,440.81	1,418.36	2,859.17
Total	86	4,059.43	5,622.08	9,681.51

Source: Compiled based on information received from PSUs.

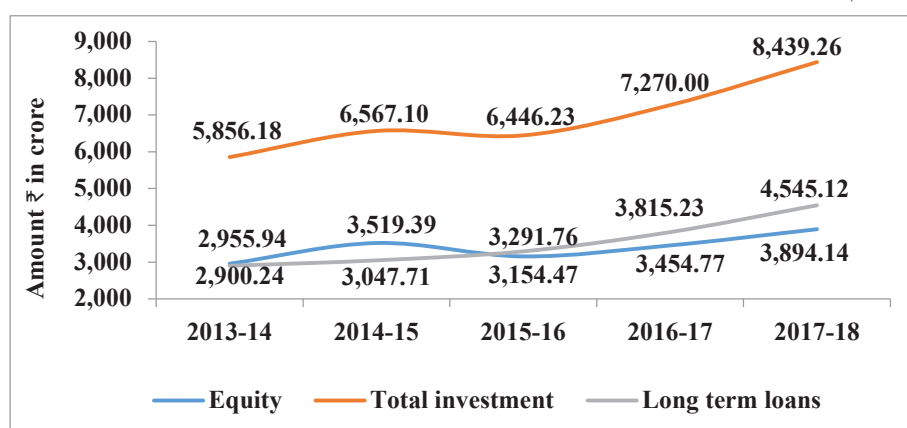
*The Equity and long-term loans include paid-up capital and loans of Central Government, State Governments and others including Public Financial Institutions and Commercial Banks

The total investment as on 31 March 2018 in the PSUs (Non- Power Sector) was ₹ 9,681.51 crore consisting of ₹ 4,059.43 crore as equity and ₹ 5,622.08 crore as long term loans. Out of this, the State Government's investment was ₹ 8,439.26 crore (87.17 per cent) in State PSUs (Non- Power Sector) comprising ₹ 3,894.14 crore equity and ₹ 4,545.12 crore long-term loans.

The status of investment made by the State Government in 72 of the 86 PSUs (Non-Power Sector) during the period 2014-15 to 2017-18 is as follows:

Chart 3.1: State Government investment in State PSUs (Non-Power Sector)

(₹ in crore)



Source: Compiled based on information received from PSUs

Budgetary support to State PSUs (Non-Power Sector)

3.6 The Government of West Bengal (GoWB) provides financial support to State PSUs in various forms through the annual budget. The year-wise summary of budgetary support towards equity, loans, grants/ subsidies, loans written off and loans converted into equity in respect of State PSUs for the last three years ending March 2018 are as follows:

Table 3.3: Details regarding budgetary support to State PSUs

(₹ in crore)

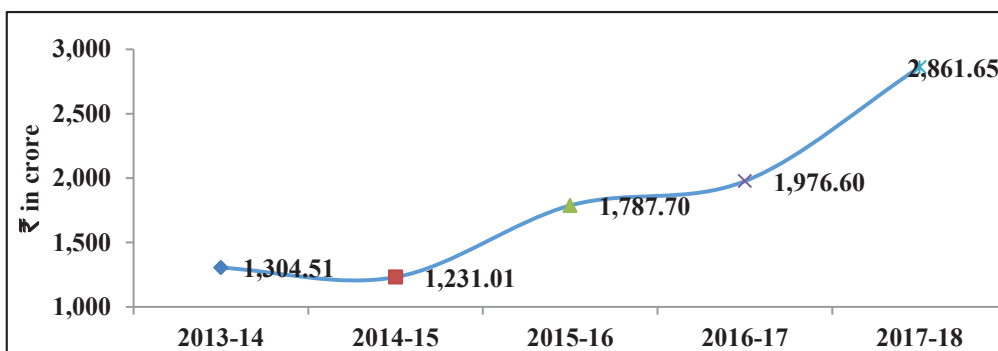
Sl No.	Particulars ¹¹²	2015-16		2016-17		2017-18	
		Number of PSUs	Amount	Number of PSUs	Amount	Number of PSUs	Amount
(i)	Equity	21	581.16	20	300.40	23	439.37
(ii)	Loans given ¹¹³	29	244.05	29	523.47	24	453.39
(iii)	Grants/Subsidy provided	22	962.49	28	1,152.73	31	1,968.89
(iv)	Total outgo (i+ii+iii)	44*	1,787.70	49*	1,976.60	38*	2,861.65
(v)	Loan repayment written off	Nil	Nil	Nil	Nil	2	3.77
(vi)	Loans converted into equity	Nil	Nil	Nil	Nil	1	13.24
(vii)	Guarantees issued	4	2,022.74	Nil	Nil	Nil	Nil
(viii)	Guarantee commitment	13	4,882.87	7	2,878.98	7	2,443.52

Source: Compiled based on information received from PSUs.

* Some of the PSUs received assistance from the State Budget under more than one of head of account

The details of budgetary outgo towards equity, loans and grants/subsidies for the last five years ending March 2018 are given in a graph below:

Chart 3.2: Budgetary outgo towards Equity, Loans and Grants/Subsidies



During 2017-18, the equity addition of ₹ 439.37 crore was mainly on account of equity infused (₹ 201.23 crore) in two¹¹⁴ out of four State PSUs

¹¹² Amount represents outgo from State Budget only.

¹¹³ In 2015-16, four PSUs had repaid loans of ₹ 9.66 crore, while five had repaid ₹ 19.85 crore in 2016-17 and seven repaid ₹ 217.58 crore in 2017-18.

¹¹⁴ West Bengal Scheduled Castes, Scheduled Tribes and Other Backward Classes Development and Finance Corporation (₹ 181.23 crore) and West Bengal State Beverages Corporation Limited (₹ 20 crore).

(Non- Power Sector) newly incorporated during the year. The subsidy/grants given by the State Government in 2017-18 were primarily to the Transport Sector (₹ 947.66 crore), for construction of highways/roads (₹ 393.08 crore) in the State, for repaying bank loans to abate insolvency proceedings (₹ 185.84 crore) and to WBSCSTOBCDFC for development of Scheduled Castes, Scheduled Tribes and other Backward Classes (₹ 153.72 crore).

State Government helps the PSUs to raise loans from banks and Public Financial Institutions by giving guarantee for repayment of principal and interest. The PSUs are liable to pay Guarantee Commission to GoWB at the rate of one *per cent per annum* on the amount outstanding against guarantees issued. During the last two years, no fresh guarantee was issued. The guarantee commitments decreased by 15.13 *per cent* from ₹ 2,878.98 crore in 2016-17 to ₹ 2,443.52 crore in 2017-18. Total outstanding guarantee commission is ₹ 8.24 crore against 12 State PSUs during 2017-18.

Reconciliation with Finance Accounts of Government of West Bengal

3.7 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 Government of West Bengal. In case the figures do not agree, the PSUs concerned and the Finance Department should carry out reconciliation of the differences. The position in this regard as on 31 March 2018 is stated as follows:

Table 3.4: Equity, loans, guarantees outstanding as per Finance Accounts of Government of West Bengal *vis-à-vis* records of State PSUs

(₹ in crore)

Outstanding in respect of (A)	No. of PSUs (B)	Amount as per Finance Accounts (C)	Amount as per records of State PSUs (D)	Difference (E)= (C) – (D)
Equity	59	5,708.55	3,894.14	1,814.41
Loans	45	4,994.15	4,545.12	499.03
Guarantees	8	2,663.72	2,443.52	220.20

Source: Compiled based on information received from PSUs and Finance Accounts.

It was noted that differences in equity, loans and guarantees occurred in respect of 65 out of 72 PSUs, in which the Government had invested. Some of the differences were pending reconciliation for many years. These differences were brought to the notice of the concerned administrative departments and the managements of the PSUs concerned, through Audit Reports in successive years. The reasons for the differences include (i) Government sanctions on reduction of PSU equity to facilitate their financial restructuring not being followed up with necessary adjustment vouchers to facilitate their write down in the Finance Accounts, (ii) effect of conversion of loans to equity being given by PSUs in their accounts on the basis of Government directions with Board approvals, but the same not reflected in Finance Accounts as corresponding orders were not prepared by the Government, and (iii) outstanding commitments of PSUs against Government Guarantees incorporated in Finance Accounts from Budget Publication No. 6 of the State Government, while the PSUs account for the same are on actuals.

Submission of accounts by State PSUs

3.8 Of the total 86 State PSUs, there were 65 working PSUs, *i.e.*, 57 Government Companies and eight Statutory Corporations and 21 inactive PSUs under the purview of CAG as of 31 March 2018. The status of timelines followed by the State PSUs in preparation of accounts is as detailed under:

Position relating to submission of accounts by State PSUs

Every year, the financial statements of the companies are required to be finalised within six months from the end of the relevant financial year, *i.e.*, accounts for the year 2017-18 were required to be submitted by all PSUs by 30 September 2018. For the year 2017-18, however, out of 77 Government Companies, 36 Government Companies submitted their accounts for audit by CAG on or before 30 September 2018 whereas accounts of 44 Government Companies were in arrears. Out of eight Statutory Corporations, the CAG is the sole auditor in six,¹¹⁵ of which, only Calcutta State Transport Corporation presented accounts for the year 2017-18 for audit within the prescribed date. The accounts for the year 2017-18 of the remaining five Corporations were awaited as on 30 September 2018.

Details of arrears in submission of accounts of State PSUs as of 30 September for each of the last five financial years ending 31 March 2018 are given at **Table - 3.5:**

Table 3.5: Position relating to finalisation of accounts of non-power PSUs

Sl. No.	Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
1.	Number of PSUs	84	84	82	84	86
2.	Number of accounts finalised during the year ¹¹⁶	85	73	80	78	96
3.	Number of PSUs which finalised accounts for the current year	36	30	30	31	37
4.	Numbers of previous year accounts finalised during the year	49	43	50	47	59
5.	Number of accounts in arrears	110	121	123	138	126
6.	Number of PSUs with accounts in arrears	48	54	52	53	49
7.	Extent of arrears (numbers in years)	1 to 8	1 to 9	1 to 10	1 to 11	1 to 12

It is noted that the number of accounts in arrears had ranged between 110 and 138 during 2013-14 to 2017-18. It can be seen from *Annexure-2* that till September 2018, the accounts of 49 PSUs¹¹⁷ (working: 34, inactive: 15)

¹¹⁵ Calcutta, South Bengal and North Bengal State Transport Corporations, West Bengal Industrial Infrastructure Development Corporation, West Bengal Minorities Development and Finance Corporation, West Bengal Scheduled Castes, Scheduled Tribes and Other Backward Classes Development and Finance Corporation.

¹¹⁶ Includes arrear accounts of earlier years.

¹¹⁷ Excluding two Corporations *viz.* West Bengal Scheduled Castes & Scheduled Tribes Development and Finance Corporation and West Bengal Backward Classes Development & Finance Corporation, not in existence as of March 2018 but accounts for part of 2017-18 not submitted.

were in arrears. The arrears pertained to the period ranging from one to twelve years *i.e.* from 2006-07 to 2017-18. GoWB had provided ₹ 1,342.97 crore (Equity: ₹ 210.24 crore, loans: ₹ 234.23 crore, grants/ subsidies: ₹ 898.50 crore) to 35 of these 49 PSUs with arrears in accounts as of 30 September 2018 as per *Annexure-4*.

In the absence of timely finalisation of accounts by PSUs and their subsequent audit, it could not be ensured whether the investments and expenditure incurred had been properly accounted for and the purpose for which the amount was invested was achieved. The GoWB investment in these PSUs, therefore, remained outside the oversight of State Legislature.

Several meetings were held with the management of each PSU and its Statutory Auditors for clearing of arrear accounts. Through correspondence, the Administrative Departments concerned were also pursued quarterly for finalisation of arrear accounts in a time bound manner. The arrears position of accounts of the State PSUs, however, remains high. Concrete steps may be taken by the PSUs for preparation of accounts as per statutory requirements with special focus on clearance of arrears in a time bound manner.

Placement of Separate Audit Reports of Statutory Corporations

3.9 Separate Audit Reports (SARs) are the audit reports of the CAG on the accounts of Statutory Corporations. These reports are to be laid before the State Legislature as per the provisions of the respective Acts. The status of placement of Separate Audit Reports (SARs) issued by the CAG (up to 30 September 2018) on the accounts of Statutory Corporations in the State Legislature has been shown in *Annexure-5*. Fifteen SARs in respect of the seven Statutory Corporations were issued to Government during May 2015 to September 2018. These are yet to be placed in the State Legislature.

Impact of non-finalisation of accounts of State PSUs

3.10 As pointed out in paragraph 3.8, the delay in finalisation of accounts is in violation of the provisions of the relevant Statutes and entails risk of fraud and leakage of public money. In view of the above state of arrears of accounts, the actual contribution of the PSUs (Non-Power Sector) to State GDP for the year 2017-18 could not be ascertained and their contribution to State exchequer was also not reported to the State Legislature.

It is therefore, recommended that the State Government should issue necessary directions to the Administrative Departments to set targets for individual PSUs and strictly monitor the clearance of arrears. The Government may also look into the constraints in preparing the accounts of the PSUs and take necessary steps to clear the arrears in accounts.

Performance of State PSUs

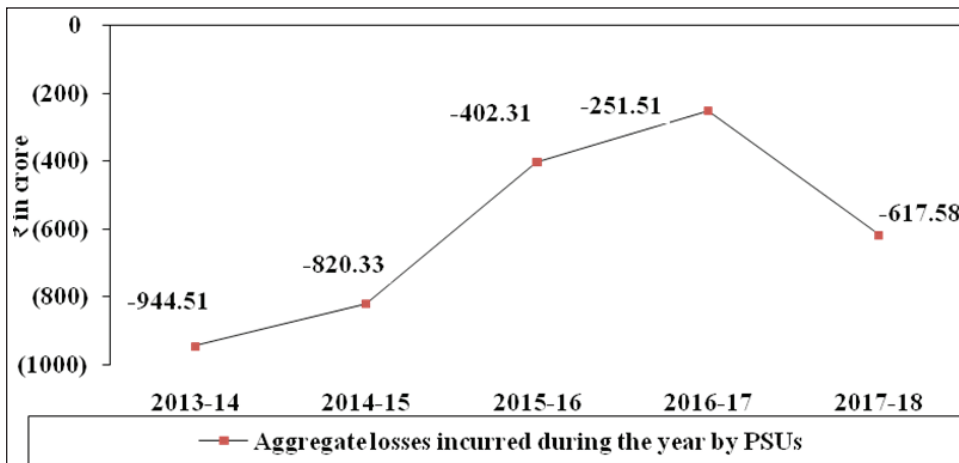
3.11 The financial position and working results of the 86 State PSUs as per their latest finalised accounts as of 30 September 2018 are detailed in *Annexure-2*. Of these, two PSUs had not submitted their first year of accounts, *viz.*, West Bengal Biotech Development Corporation Limited and West Bengal Scheduled Castes, Scheduled Tribes and Other Backward Classes Development & Finance Corporation.

The PSUs are expected to yield reasonable return on investment made by State Government. Return on investment measures the profit or loss made in a fixed year relating to the amount of money invested in the form of equity and long term loans and is expressed as a percentage of profit to total investment.

Return on Investment

3.12 The return on investment is the percentage of profit or loss to the total investment. The overall position of losses¹¹⁸ incurred by all State PSUs during 2013-14 to 2017-18 is depicted below in a chart:

Chart 4.4: Net Losses incurred by all State PSUs during the years



As on 31 March 2018, numbers of State PSUs which earned profits/incurred losses during 2013-14 to 2017-18 is given below:

Table 3.6: Details of State PSUs which earned profits/ incurred losses during 2013-14 to 2017-18

Financial year	Total number of State PSUs	Number of PSUs which earned profits during the year	Number of PSUs which incurred losses during the year	Number of PSUs that had not submitted even first year of accounts
2013-14	84	37	47	-
2014-15	84	41	43	-
2015-16	82	40	42	-
2016-17	84	40	43	1
2017-18	86 ¹¹⁹	41	43	2

Return on the basis of historical cost of investment

3.13 Government of West Bengal infused funds in the form of equity and long term loans in 72 (including 16 inactive) out of 86 PSUs, aggregating to ₹ 8,439.26 crore (equity : ₹ 3,894.14 crore, long term loans ₹ 4,545.12 crore) as of 2017-18. The PSU-wise details may be seen at *Annexure-1*. The State Government did not infuse any funds directly in the remaining 14 State PSUs (active: 9, inactive: 5) as either equity or loans till 2017-18.

¹¹⁸ Figures are as per the latest finalised accounts during the respective years.

¹¹⁹ This included West Bengal Scheduled Castes, Scheduled Tribes Development and Other Backward Classes Development & Finance Corporation whose audit entrustment was received in December 2018.

The aggregate investment of State Government at the end of each year in the 72 PSUs mentioned above has been arrived at by considering (a) the equity including share application money and loans converted to equity, and (b) adding non-current component of interest free long-term loans, if any. The funds made available in the forms of the grants/ subsidy have not been reckoned as investment since they do not qualify to be considered as investment.

During the years 2013-14 to 2017-18, there were 65 to 68 working State PSUs (Non-Power Sector). However, in 2016-17 and 2017-18, one and two State PSUs, respectively, had not prepared accounts for even one year. Based on the latest available accounts for the respective years for the remaining working PSUs, the return on investment on historical cost¹²⁰ basis for the period 2013-14 to 2017-18 for working State PSUs (Non-Power) is detailed in **Table - 3.7**.

Table 3.7: Return on investment in working State PSUs on historical cost basis

(₹ in crore)

Financial year	Nos. of working State PSUs for which accounts available	Funds infused by the GoWB (including interest free loans) on historic cost basis	Investment by Central Government	Other financial institutions	Total Investment	Aggregate Loss (-) for the year	RoI (in per cent)
2013-14	67	2,854.56	77.92	1,051.09	3,983.57	(826.35)	(20.74)
2014-15	67	3,550.06	85.92	1,051.09	4,687.07	(697.68)	(14.89)
2015-16	64	3,054.95	112.11	38.15	3,205.21	(136.00)	(4.24)
2016-17	65	3,353.22	118.06	41.19	3,522.47	(106.73)	(3.03)
2017-18	63	3,692.84	7.31	25.12	3,725.27	(432.90)	(11.62)

Source: Latest available accounts for the respective years

The return on investment of the working State PSUs was negative during all five years from 2013-14 to 2017-18.

Erosion of Net worth

3.14 Net worth means the sum total of the paid-up capital, including share application money, free reserves and surplus minus accumulated losses and deferred revenue expenditure. Essentially, it is a measure of what an entity is worth to the owners. A negative net worth indicates that the entire investment by the owners has been wiped out by accumulated losses and deferred revenue expenditure. The aggregate equity, free reserves and accumulated losses as per latest finalised accounts received till September 2018 of 63 State working PSUs,¹²¹ in which GoWB had invested, were ₹ 3,581.42 crore, ₹ 58.71 crore and ₹ 6,956.91 crore, respectively leading to negative net-worth of ₹ 3,316.78 crore. Out of 63 working PSUs, net worth has been eroded in 30 Companies. Out of these, net worth eroded by 76 to 99 per cent in three PSUs, 51 to 75 per cent in four PSUs, 26 to 50 per cent in one PSU and 1 to 25 per cent in two PSUs. Further analysis of investment and by accumulated losses disclosed that in respect of 20 PSUs, their entire net worth had been eroded. The total accumulated losses of these 20 PSUs was ₹ 8,600.88 crore against their equity of ₹ 201.06 crore.

¹²⁰ Monetary value derived partly or wholly from original transaction or event giving rise to the investment but does not reflect changes in prices.

¹²¹ Accounts of two PSUs were not available since their formation.

The following table indicates the total paid up capital, total accumulated profit/loss and total net worth of working State PSUs where the GoWB had made investment in equity and/ or loans at the end of five years up to 2017-18:

Table 3.8: Net worth of State PSUs during 2013-14 to 2017-18

(₹ in crore)

Year	Nos. of working PSUs with GoWB investment	Paid up Capital at end of the year	Free reserves at the end of the year	Accumulated Profit/(Loss) at end of the year	Net Worth at the end of the year
(i)	(ii)	(iii)	(iv)	(v)	(vi) = (iii) + (iv)-(v)
2013-14	67	3,884.56	28.57	(6,300.02)	(2,386.89)
2014-15	67	4,573.34	35.97	(6,417.13)	(1,807.82)
2015-16	64	3,058.13	41.48	(4,298.77)	(1,199.16)
2016-17	65	3,376.62	46.27	(4,834.09)	(1,411.20)
2017-18	63	3,581.42	58.71	(6,956.91)	(3,316.78)

Source: Latest available accounts for the respective years

As can be seen, the combined net worth of these companies was negative for all five years from 2013-14 to 2017-18. The aggregate loss increased from ₹ 4,834.09 crore in 2016-17 to ₹ 6,956.91 crore in 2017-18. This was mainly due to accumulated losses of three¹²² State Transport Undertakings (STUs) by ₹ 2,374.51 crore.

Dividend Payout by State PSUs

3.15 Government of West Bengal does not have any stated dividend policy. Twenty seven working PSUs earned profits during the year 2017-18. Out of these, only four¹²³ PSUs paid dividend (excluding dividend distribution tax) of ₹ 0.71 crore during 2017-18. Dividend Payout by working State PSUs is shown in **Table 3.9**:

Table 3.9: Dividend declared/ paid out by State PSUs during 2013-14 to 2017-18

(₹ in crore)

Year	Total working PSUs with total equity infused by GoWB		Working PSUs which earned profits during the year		PSUs which declared/ paid dividend during the year		Dividend Payout Ratio (in per cent)
	Number* of PSUs	Equity infused by GoWB	Number of PSUs	Equity infused by GoWB	Number of PSUs	Dividend declared/paid by PSUs	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(7)/(5)*100
2013-14	67	2,755.55	22	1,165.52	6 ¹²⁴	0.87	0.07
2014-15	67	3,436.33	29	2,022.74	7 ¹²⁵	1.25	0.06

¹²² Calcutta and North Bengal State Transport Corporations (₹ 2,219.42 crore) as well as West Bengal Surface Transport Corporation Limited (₹ 155.09 crore).

¹²³ Saraswati Press Limited (₹ 0.33 crore), West Bengal Text Book Corporation (P) Limited (₹ 0.02 crore) a subsidiary of Saraswati Press Limited, Webel Technology Limited (₹ 0.30 crore) a subsidiary of WBEIDC Limited) and Mackintosh Burn Limited (₹ 0.06 crore).

¹²⁴ Saraswati Press Limited, West Bengal Text Book Corporation (P) Limited, West Bengal Forest Development Corporation Limited, Webel Technology Limited Mackintosh Burn Limited and New Town Telecom Infrastructure Development Company Limited (subsidiary of W.B. Housing Infrastructure Development Corpn. Ltd.).

¹²⁵ Saraswati Press Limited, West Bengal Text Book Corporation (P) Limited, West Bengal Forest Development Corporation Limited, Mackintosh Burn Limited, West Bengal State Warehousing Corporation Limited, Webel Technology Limited and New Town Telecom Infrastructure Development Company Limited.

Year	Total working PSUs with total equity infused by GoWB		Working PSUs which earned profits during the year		PSUs which declared/paid dividend during the year		Dividend Payout Ratio (in per cent)
	Number* of PSUs	Equity infused by GoWB	Number of PSUs	Equity infused by GoWB	Number of PSUs	Dividend declared/paid by PSUs	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(7)/(5)*100
2015-16	64	2,907.87	26	2,449.65	4 ¹²⁶	0.62	0.03
2016-17	65	3,217.37	26	1,939.92	6 ¹²⁷	0.63	0.03
2017-18	63	3,548.99	27	1,591.93	4	0.71	0.04

*Includes all working PSUs for which accounts were available.

Source: Based on latest available accounts for the respective years.

During the period 2013-14 to 2017-18, the numbers of PSUs which earned profits ranged between 22 and 29. During this period, number of PSUs which declared/paid dividend to GoWB or their holding companies ranged between four and seven. The Dividend Payout Ratio during 2013-14 to 2017-18 was less than nominal and ranged between 0.03 and 0.07 per cent only.

Analysis of Long Term Loans of the non-power PSUs

3.16 Analysis of the long term loans of the PSUs which had leverage during 2013-14 to 2017-18 was carried out to assess the ability of the companies to service their debts owed to the Government, banks and other financial institutions. This is assessed through the interest coverage ratio and debt turnover ratio.

Interest Coverage Ratio

3.17 Interest coverage ratio is used to determine the ability of a PSU to pay interest on outstanding debt and is calculated by dividing earnings before interest and taxes (EBIT) of a PSU by interest expenses of the same period. The lower the ratio, the lesser the ability of the PSU to pay interest on debt. An interest coverage ratio below one indicated that the PSU was not generating sufficient revenues to meet its expenses on interest. The details of positive and negative interest coverage ratio in respect of working PSUs which had interest burden during the period from 2013-14 to 2017-18 are given in table below:

Table 3.10: Interest Coverage Ratio relating to State PSUs

Year	Earnings before interest and tax (EBIT) (₹ in crore)	Interest (₹ in crore)	ICR	Working PSUs		
				Number of PSUs having liability of loans from Government, Banks and other financial institutions	Number of PSUs having interest coverage ratio more than one	Number of PSUs having interest coverage ratio less than one
2013-14	492.53	1,270.35	0.39:1	47	15	32
2014-15	495.82	1,245.03	0.40:1	48	21	27
2015-16	830.20	526.93	1.58:1	43	26	17
2016-17	413.47	593.76	0.70:1	42	18	24
2017-18	87.03	557.19	0.16:1	43	18	25

Source: Latest available accounts for the respective years

¹²⁶ West Bengal Forest Development Corporation Limited, Mackintosh Burn Limited, Webel Technology Limited and New Town Telecom Infrastructure Development Company Limited.

¹²⁷ Saraswati Press Limited, West Bengal Text Book Corporation (P) Limited, Mackintosh Burn Limited, West Bengal Forest Development Corporation Limited, Webel Technology Limited and New Town Telecom Infrastructure Development Company Limited.

Of the 43 working State PSUs having liability of loans from Government as well as banks and other financial institutions during 2017-18, 18 PSUs had interest coverage ratio of more than one whereas remaining 25 PSUs had interest coverage ratio below one.

Debt Turnover Ratio

3.18 During the last five years, the aggregate turnover of the working PSUs (with borrowings) recorded compound annual growth of 1.73 per cent and compound annual growth of debt was (-) 16.90 per cent¹²⁸ due to which the debt turnover ratio improved from 0.75:1 in 2013-14 to 0.38:1 in 2017-18 as given in table below:

Table 3.11: Debt Turnover Ratio relating to the State PSUs

(₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Debt from Government and others (Banks and Financial Institutions)	8,869.74	9,528.64	4,857.51	4,722.03	4,229.80
Turnover	11,857.00	12,883.63	4,276.43	4,285.30	11,058.04
Debt-Turnover Ratio	0.75:1	0.74:1	1.14:1	1.10:1	0.38:1

Source: Latest available accounts for the respective years

Comments on Accounts of State PSUs

3.19 During 2017-18, 77 companies forwarded 83 audited accounts for supplementary audit. The Audit Reports of Statutory Auditors and supplementary audit conducted by the CAG indicate that the quality of accounts needs to be improved substantially. The details of aggregate money value of the comments of Statutory Auditors and the CAG are as given in **Table 3.14**:

Table 3.12: Impact of audit comments on Companies (Non-Power Sector)

(₹ in crore)

Sl. No.	Particulars	2015-16		2016-17		2017-18	
		Number of accounts	Amount	Number of accounts	Amount	Number of accounts	Amount
1.	Decrease in profit	11	194.13	7	33.95	14	343.57
2.	Increase in profit	5	20.96	3	14.94	2	7.79
3.	Non-disclosure of material facts	5	163.07	2	75.15	6	123.68
4.	Errors of classification	1	14.51	6	172.69	2	44.57

Source: Compiled from comments of the Statutory Auditors/ C&AG in respect of Government Companies.

3.20 Eight working Statutory Corporations forwarded 12 accounts for audit during the year 2017-18. Of these, CAG was sole auditor for 10 accounts of four Statutory Corporations. The remaining two accounts were selected for supplementary audit. The Audit Reports of Statutory Auditors and the supplementary/sole audit of CAG indicate that the quality of accounts needs to be improved substantially. The details of aggregate money value of the comments of audit by the CAG in respect of Statutory Corporations are given below:

¹²⁸ Rate of Compound Annual Growth ((value of 2017-18/ value of 2013-14) ^ ((1/ 4years) -1) * 100) where debt for the year 2013-14 and 2017-18 was ₹ 8,869.74 crore and ₹ 4,229.80 crore respectively.

Table 3.13: Impact of audit comments on Statutory Corporations*(₹ in crore)*

Sl. No.	Particulars	2015-16		2016-17		2017-18	
		Number of accounts	Amount	Number of accounts	Amount	Number of accounts	Amount
1.	Decrease in profit	4	203.63	7	30.59	10	885.63
2.	Increase in profit	4	22.50	2	2.66	6	67.40
3.	Non-disclosure of material facts	2	1.81	2	1.20	7	1,612.75
4.	Errors of classification	2	154.56	4	11.69	6	118.77

Source: Compiled from comments of the C&AG in respect of Statutory Corporations.

Compliance Audit Paragraphs

3.21 For the Report of the Comptroller and Auditor General of India (Public Sector Undertakings) for the year ended 31 March 2018, five compliance audit paragraphs involving four departments were issued to the Principal Secretaries/ Secretaries of the respective Administrative Departments with request to furnish replies. Replies to three compliance audit paragraphs have been received from the State Government along with partial reply to one compliance audit paragraph, while reply to one compliance audit paragraph is awaited (August 2019).

Follow up action on Audit Reports

3.22 As per the Constitutional provisions vide Article 151(2), the Reports of the Comptroller and Auditor General (CAG) of India relating to the accounts of a State shall be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State. Further, under the legislative provisions vide Section 19 A (3) of CAG (Duties, Powers and Conditions of Service) Act 1971, the State Government shall cause every Report in relation to audit of accounts of a Government Company or a Corporation, to be laid before the Legislature of the State, as soon as may be after it is received.

The Reports of the CAG of India, in respect of accounts of the State, were not being laid before the Legislature in a timely manner. Audit noticed that Report for the year 2015-16 had been submitted to Governor in February 2017, which had been laid in the Assembly in March 2018. The Report for the year 2016-17 had been submitted to Governor in May 2018, which had been laid in the Assembly in July 2019.

The pattern indicates that laying of Reports of CAG before the Legislature has been at the convenience of the State Government. Such violation of Constitutional and Legislative obligations deprived the Legislature of the opportunity to exercise control over the Executive in respect of finances and its utilisation in the State.

Discussion of Audit Reports by CoPU

3.23 The status of discussion of Performance Audits and paragraphs related to State PSUs that appeared in Audit Reports (PSUs) by the COPU as on 30 September 2018 was as under:

Table 3.14: Performance Audits/Paragraphs appeared in Audit Reports *vis-a-vis* discussed as on 30 September 2018

Period of Audit Report	Number of Performance Audits/Paragraphs			
	Appeared in Audit Report		Paragraphs discussed	
	Performance Audit	Paragraphs	Performance Audit	Paragraphs
2005-06	2	20	Nil	11
2006-07	3	16	Nil	5
2007-08	2	14	1	4
2008-09	2	10	2	5
2009-10	1	13	1	4
2010-11	1	7	Nil	3
2011-12	1	9	1	5
2012-13	1	5	Nil	2
2013-14	1	8	Nil	8
2014-15	1	5	Nil	Nil
2015-16	1	6	Nil	Nil
Total	16	113	5	47

Source: Compiled based on the discussions of COPU on the Audit Reports.

Compliance to Reports of CoPU

3.24 According to rules of Procedure of CoPU, Action Taken Notes (ATNs) on the recommendation contains in the CoPU Reports are to be submitted by the Government within three months of their receipt. The statement in *Annexure-3* indicated the details of four CoPU reports where Action Taken Notes are yet to be received from the Departments as on 30 September 2018. These reports of CoPU contain 48 recommendations in respect of paragraphs pertaining to seven Departments, which had either appeared in the Reports of the CAG of India for the years 2003-04 to 2014-15 or were taken up for *suo-motu* study.

It is recommended that the Government may ensure: (a) submission of replies to Explanatory Notes/ Draft Paragraphs/ PAs and ATNs on the recommendations of COPU, as per the prescribed time schedule; (b) recovery of loss/ outstanding advances/ overpayment within the prescribed period; and (c) revamping of the system of responding to audit observations.

CHAPTER IV

COMPLIANCE AUDIT State Public Sector Undertakings (Non-Power Sector)

CHAPTER - IV

Compliance Audit of State PSUs (Non-Power Sector)

West Bengal Forest Development Corporation Limited and West Bengal Wasteland Development Corporation Limited

4.1 Detailed Compliance Audit of West Bengal Forest Development Corporation Limited and West Bengal Wasteland Development Corporation Limited in plantation activity

4.1.1 Introduction

The Forest Department (DoF), Government of West Bengal (GoWB) is responsible for management of forests and wildlife in West Bengal. The Directorate of Forests is an arm of DoF. In addition, two PSUs, viz. West Bengal Forest Development Corporation Limited (WBFDCCL) and West Bengal Wasteland Development Corporation Limited (WBWDCL) came into existence in 1974 and 1989 respectively, mainly to function as agencies of DoF.

West Bengal Forest Development Corporation Limited (WBFDCCL)

WBFDCCL was incorporated to expeditiously develop forests on lands belonging to it and to plant, re-plant, afforest and re-afforest such forest land, waste land or other land. At present, WBFDCCL harvests timber and firewood from the forests in North and South Bengal as an agent of the Directorate of Forests to sell them through e-auctions. It also runs timber saw mills, sells sawn timber, has joinery and carpentry units, and collects and sells non-timber forest produce. Besides, it operates eco-tourism lodges, undertakes greening of wasteland in South West Bengal and manages the forests in Kalimpong.

In West Bengal, there was short-supply¹²⁹ of 20 million cubic metres (mim³) of fuel-wood and 0.915 mim³ of wood other than fuel wood as of September 2011. So, there was requirement for commercial plantation for fuel-wood and other wood.

WBFDCCL's operational revenue peaked in 2007-08 (₹ 97.61 crore). Thereafter, it declined at an annual compound rate of 7.27 per cent as of 2017-18 (₹ 45.87 crore). Thus, despite demand for fuel wood and other wood, and the envisaged objectives of WBFDCCL for plantation, its volume of activities kept shrinking.

West Bengal Wasteland Development Corporation Limited (WBWDCL)

WBWDCL was to develop wastelands by raising plantation and to plant, re-plant, afforest and re-afforest such wasteland. The activities presently undertaken by WBWDCL are limited to felling and disposal of roadside trees from highways/ roads, as well as compulsory plantation of trees. Further, it undertakes landscaping, beautifying and planting of trees for other entities, e.g., Eastern Coalfields Limited (ECL) and Damodar Valley Corporation (DVC).

WBWDCL was inactive till 2007-08. Thereafter, WBWDCL's revenue from operations rose from ₹ 46.37 lakh (2008-09) to ₹ 4.57 crore (2011-12) then

¹²⁹ Source : Minutes of Discussion - West Bengal Forest and Biodiversity Conservation Project - Between Japan International Cooperation Agency And West Bengal Forest Department, Government of West Bengal, 18 October 2011.

dipped to ₹ 1.65 crore (2013-14) and again rose to ₹ 6.86 crore (2017-18). Thus, WBWDCL's revenue from operations has been fluctuating over time. Subsequently, WBWDCL was amalgamated¹³⁰ with Wbfdcl with effect from April 2018.

The Detailed Compliance Audit of West Bengal Forest Development Corporation Limited and West Bengal Wasteland Development Corporation Limited in plantation activity were conducted covering the period between 2014-15 to 2017-18:

Audit findings

West Bengal Forest Development Corporation Limited (Wbfdcl)

Plantation in non-forest wasteland in South West Bengal

4.1.2 Non-achievement of physical targets for plantation

From 2014-15, Wbfdcl took up projects for plantation of eucalyptus clones on privately-owned waste lands in rural Purulia, Bankura and Paschim Medinipur districts of South Bengal. This activity aimed at improving the socio-economic condition of poor land owners who were unable to derive benefits from their unused land and simultaneously to improve earnings of Wbfdcl. The entire investment for plantation and harvesting was to be borne by Wbfdcl and revenue of the produce was to be shared by Wbfdcl and the land owners in the ratio 3:1.

As per budget Wbfdcl planned to develop plantation over 4,490 ha from 2014-15 to 2017-18. Wbfdcl, however, achieved plantation over 2,616.63 ha only as detailed in the **Table 4.1**:

Table 4.1: Plantation Target vis-a-vis Achievement (figures in Ha)

	Purulia		Bankura		Medinipur		Total	
	Physical Target	Achievement	Physical Target	Achievement	Physical Target	Achievement	Physical Target	Achievement
2014-15	501.00	501.00	314.00	246.36	—	—	815.00	747.36
2015-16	1,000.00	1,099.00	1,000.00	64.20	1,000.00	204.73	3,000.00	1,367.93
2016-17	100.00	105.50	150.00	57.50	100.00	80.84	350.00	243.84
2017-18	150.00	152.40	125.00	105.10	50.00	—	325.00	257.50
Total	1,751.00	1,857.90	1,589.00	473.16	1,150.00	285.57	4,490.00	2,616.63

From the above table it may be seen that Wbfdcl could achieve only 58.28 per cent of the overall target for plantation. Although in Purulia the achievement exceeded the physical target by 6.11 per cent, for Bankura and Medinipur the achievement was 29.78 per cent and 24.83 per cent, respectively. Out of the above three divisions, records of two divisions were scrutinised and field inspections undertaken during audit. Deficiencies observed in implementation of the project in these two divisions¹³¹ are detailed in **Paragraph 4.1.3**.

¹³⁰ MCA note no 24/2/2017-CL-III dated 21.05.2019

¹³¹ Purulia and Bankura

4.1.3 Deficiencies in implementation of greening wastelands

WBFDCCL incurred expenditure of ₹ 17.88 crore¹³² (till March 2018) for greening of wastelands. There were significant deficiencies in implementation of this project, which was to be done in conjunction with the landowners, which rendered expenditure of ₹ 3.74 crore infructuous as detailed below:

4.1.3.1 Project commenced without preparing DPR

As per Project Implementation Manual of the Ministry of Statistics and Programme Implementation (June 2010), a DPR containing complete break up of all components of the project with specific time schedule and firmed up costs is required to be prepared in the first stage of a project. It is used as an instrument for controlling and monitoring the physical as well as financial progress of the project.

It was noted that the work of greening of wasteland in Purulia, Bankura and Medinipur districts, commenced from May 2014 without prior approval of the Board of Directors(BoD) and preparation of DPR. Preliminary approval was belatedly sought for and received in September 2015 *i.e.*, after 16 months of initiation of work. Further, in the BoD meeting of September 2015, it was decided to prepare a DPR. The DPR was finally prepared and approved (September 2016) after another 12 months. The delay of 28 months for preparation of DPR, which was to be done before initiation of work, indicated absence of planning.

In the DPR, plantation of “*Akashmoni*” trees was recommended for Purulia district, but because of unplanned implementation of plantation work, “*Eucalyptus*” trees had been planted on 1,857.90 ha of land. During physical verification by Audit in 118 ha of 10 patches, it was noticed that the survival rate was only 37.48 *per cent* compared to the target of 80 *per cent* survival. *Eucalyptus* is a hardy plant species. Despite that if the survival rate was poor, the reasons may need further investigation. GoWB needs to enquire into the reasons for selection of unsuitable species and should take up a study to ascertain the ecological impact of planting *eucalyptus*.

WBFDCCL stated (August 2018) that the work was undertaken without DPR due to insufficient time to prepare DPR. The fact, however, was the DPR had not been prepared even after lapse of more than two years, *i.e.*, two plantation periods.

4.1.3.2 Global Positioning System (GPS) Mapping

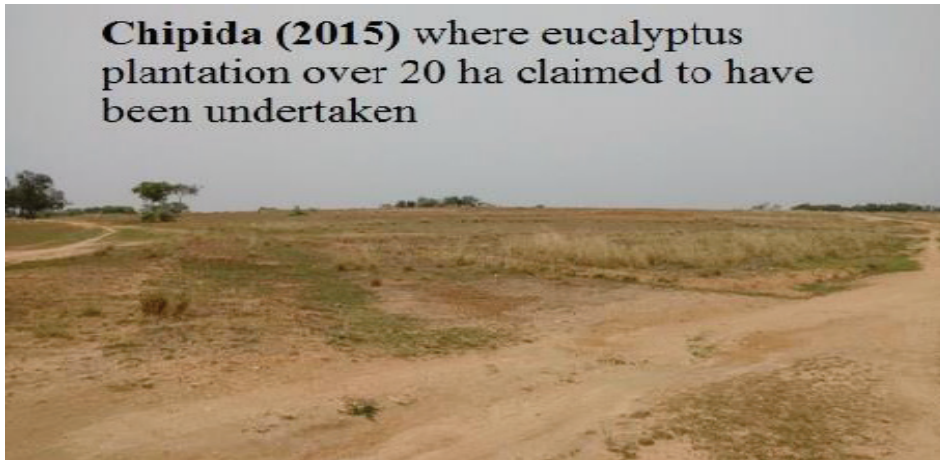
WBFDCCL directed (September 2015) Division offices to map all planted areas (including plantation raised in 2014-15 and 2015-16) with global positioning system (GPS) for the actual measurement of the planted areas. This was reiterated in the DPR also.

Funds for survey and demarcation by GPS were first provided only in 2017-18. No provision of fund was made for GPS in two years of implementation of this project, *i.e.* 2015-16 and 2016-17.

With the help of ‘*Google Earth Pro*’, Audit identified 14 plantation sites (184.30 ha) in Bankura (nine: 66.30 ha) (*Annexure-6*) and Purulia (five: 118 ha) (*Annexure-7*) for which GPS data was available with WBFDCCL. Joint visits of Audit and WBFDCCL were conducted in May 2018. Audit findings were as follows:

¹³² Purulia : ₹ 11.80 crore, Bankura : ₹ 3.66 crore and Medinipur : ₹ 2.42 crore

- The GPS images showed that the plantations on which planting was stated to have taken place included stretches of land with low survival (Bankura : 49 per cent, Purulia : 37 per cent). Besides, in nine¹³³ out of 27 patches over 46.76 ha there was no plantation.



- The plantation as stated to have been executed were found to be on land with water bodies (Deshra: 0.75 ha) etc. The presence of water bodies indicates low lying areas not recommended for plantation.

Pre-existing plantations, which were not planted by Wbfdcl, were shown as plantations developed on or after April 2014. These plantations spread over 9.65 ha were at Gosaidih (five ha) and Deshra (4.65 ha). Moreover, at Asrabad (3.50 ha) the plantation was taken up in areas where mature Palash trees already existed. The saplings sown were overshadowed by these matured trees, which hindered the growth of the new plantation.

- Test checked plantations at Gosaidih (two ha) and Jamthole (1.13 ha) had patches that overlapped with each other. Thus, overall plantation area as claimed by Wbfdcl was overstated.

Gosaidih (2015)



Before Plantation (March 2014)



After Plantation (December 2016)

Two patches overlapping each other and already having plantations (one patch) not planted by Wbfdcl

(Pictures courtesy: Image©2018 CNES/ Airbus, Image©2018 Digital Globe)

¹³³ (1) Chipida (one patch), (2) Gorsika (two patches), (3) Jamthole (three patches), (4) Penchra (one patch) and (5) Chhelia (two patches)

- Spontaneously growing *Akashmoni* trees overshadowed eucalyptus plantations due to lack of maintenance/ mulching.

In absence of GPS data in respect of the plantations executed during 2014-15 in Bankura Division, the monitoring of plantation work could not be done by Wbfdcl. Audit further noted that claims of plantation areas achieved were found to be overstated in both the divisions.

Wbfdcl stated (August 2018) that GPS mapping of all plantations will be completed shortly. Further, discrepancies in GPS with actual plantation were being verified.

4.1.3.3 Non-availability of agreements with beneficiaries/ landowners

As per the DPR, the most important component of the project was land agreement with landowners/ beneficiaries. These agreements were required to be legally sound and fully respected by all stakeholders during the project period. Further, Wbfdcl was required to maintain an online list of beneficiaries. Moreover, Wbfdcl was to share 25 per cent of the sale proceeds on harvesting with the land owners/ beneficiaries.

During 2015-17, Wbfdcl had undertaken plantation work covering 121.70 ha in Bankura and 1,204.50 ha in Purulia. Audit test checked agreements in Bankura and Purulia. The following defects were observed –

- List of beneficiaries/ agreements was not maintained in Bankura or Purulia. Audit was, therefore, unable to determine the total number of agreements/ beneficiaries.
- In Bankura, agreements for 24.50 ha were not available.
- Further, in Bankura, the agreements for 54.20 ha were incomplete. They consisted of the first page (stamp paper) or last page (signature page) or first and last pages only.
- None of the agreements had been registered in either Bankura or Purulia. It was noticed that the cost of registration of the agreements was not included in the DPR or estimates.

Wbfdcl belatedly approached (August 2015) the Forest Department for clarification regarding the registration requirement of the agreements but received no response.

Non-existent, incomplete or unregistered agreements can render their enforcement doubtful. Moreover, at the time of sharing the sale proceeds with the beneficiaries/ owners as per agreements, there can be legal disputes with beneficiaries/ owners regarding their share of revenue.

Wbfdcl stated (August 2018) that some of the agreements were misplaced. Besides, the beneficiaries were not willing to register the agreements as they were apprehensive regarding the intent of Wbfdcl with respect to the right over their lands. Wbfdcl, however, remained silent about incomplete agreements and non-preparation of list of beneficiaries/ land owners.

4.1.3.4 Low survival of seedlings due to their poor quality and belated planting as well as damage to clonal seedlings

According to the DPR, nursery work should start in January with planting materials to be ready by June/ July of the same calendar year. The requirement

was (a) 2,500 seedlings for each hectare, and (b) seedlings of at least, 18 inches in height. At the end of the first year, at least, 85 *per cent* of the seedlings should survive. Further, based on growth statistics of eucalyptus clones tested in South West Bengal, clones C3, C7 and C83 of ITC Bhadrachalam¹³⁴ had been found to be suitable for plantation in Bankura.

It was noticed that -

- During 2015-16, Wbfdcl had developed plantation on 1,070 ha in Purulia. It was noted that the Purulia division of Wbfdcl requisitioned (May 2016) for replacement seedlings to fill up the vacancies due to non-survival of seedlings planted. The percentage of non-survival after first year varied from 37.54 to 53.18 *per cent*. In addition, plantation on 29 ha at Durgapur was totally damaged within one year of plantation. Thus, after one year of plantation, the mortality exceeded the maximum of 15 *per cent* on account of factors which could have been avoided as mentioned below.

No information in respect of survival of seedlings planted by Bankura division of Wbfdcl was made available. From the records of the Purulia division of Wbfdcl, it was, however, noted that seedlings from the nursery were received in August 2015, which led to delayed planting. Further, the seedlings were stunted with height of 10 to 12 inches against the prescribed height of 18 inches. Such deficiencies led to the poor survival rates and resulted in rendering expenditure of ₹ 3.62 crore incurred on re-plantation of 530 ha in Purulia division infructuous.

Wbfdcl attributed (August 2018) low survival to prolonged extreme drought in Purulia. Their reply was not acceptable since annual rainfall data from the Indian Meteorological Department (IMD) for the years 2014 to 2017 indicated that in those years, there was no drought¹³⁵ in Purulia.

- Wbfdcl required 25 lakh seedlings (target: 1,000 ha) for plantation in 2015-16 at Bankura. Accordingly, it placed (July 2015) supply order for 25 lakh clonal seedlings on a private nursery in Andhra Pradesh. Wbfdcl received (July/ August 2015) seedlings which were not according to specifications, so after receipt of 5.11 lakh seedlings (₹ 36.97 lakh), the order was cancelled. The actual area planted was only 64.20 ha for which Wbfdcl could use only 1.60 lakh seedlings.

Remaining seedlings were kept in storage at Bankura and Chandrakona Nursery of Wbfdcl. Due to improper maintenance in storage at Bankura (lying in the open, without shade and watering) and transportation from Bankura to Chandrakona, 1.65 lakh¹³⁶ seedlings (value : ₹ 11.93 lakh) were damaged.

Wbfdcl replied (August 2018) that Bankura lacked storage facilities and trained staff. This indicated that the procurement was undertaken without creating the requisite infrastructure.

¹³⁴ Different types of Eucalyptus Clone Species.

¹³⁵ Defined by the Indian Meteorological Department as seasonal rainfall of less than 75 per cent of its long term value.

¹³⁶ At Bankura, 0.77 lakh seedlings were damaged in storage and 0.88 lakh in transit to Chandrakona Nursery of Wbfdcl.

4.1.3.5 Plantations damaged due to non-maintenance and improper protection

As per DPR, to ensure better survival of seedlings/ plantations (a) they required maintenance for two years following¹³⁷ their planting, and (b) proper fencing/ cattle trenching was to be erected for their protection. Moreover, their protection was the joint responsibility of Wbfdcl and beneficiaries. The seedlings which had not survived the first year were to be replanted in subsequent years. Further, if any trees were damaged due to negligence or default of the beneficiaries, Wbfdcl would recover the expenditure on replanting the patch, from the beneficiaries' share, i.e., 25 per cent of the sale proceeds on harvesting.



Animals grazing at plantation site

Audit inspection showed that records on expenses incurred for replanting the area (site-wise) were not maintained by the Divisions.¹³⁸ The Range Managers at Taldangra and Bishnupur had not submitted estimates for maintenance work to Divisional Manager of Wbfdcl at Bankura. This indicated that maintenance work of plantations following their planting for two years was not undertaken at Taldangra (145.22 ha in 2014-15) and at Bishnupur (18.20 ha in 2015-16).

Further, no cattle trenching was undertaken at any patch. During spot inspection, it was observed (May 2018) that the fencing at plantations was not robust.

Wbfdcl had not recorded status of plantation/ survival percentage in the plantation journal and not maintained records of expenditure on additional replanting. Hence, during audit, the impact of non-maintenance of/ grazing by cattle on plantation could not be arrived at. It had also been observed during spot inspection that due to poor fencing, livestock was grazing on plantations. This had led to lower survival of seedlings at Brindajam (45 per cent) in Bankura and Deshra (64 per cent) in Purulia.

Wbfdcl stated (August 2018) that plantations were damaged due to very low rainfall during the monsoon. The rainfall data from the IMD for the year 2014 showed that the average rainfall during monsoon (16 per cent less than long term average rainfall) was not "very low", with rainfall exceeding the long-term average rainfall¹³⁹ in two out of four months.

4.1.4 Compensatory Afforestation (CA)

The Forest (Conservation) Act, 1980 along with rules and regulations made there under embody a framework regulating indiscriminate exploitation of forests and diversion of forest land/ forest eco-systems. Compensatory Afforestation (CA)

¹³⁷ Year 1 and Year 2 maintenance.

¹³⁸ Bankura and Purulia

¹³⁹ June 2014: 85.7 mm (-60 per cent), July 2014: 313.7 mm (+3 per cent), August 2014: 323.4 mm (+11 per cent), September 2014: 164.1 mm (-32 per cent). Deviation from long term average indicated in brackets.

is an important condition stipulated¹⁴⁰ by the Government of India (GoI) while approving proposals for de-reservation or diversion of forest land to non-forest uses. For all such proposals, a comprehensive scheme for CA is to be formulated and submitted along with the cost of CA to Ministry of Environment, Forest and Climate Change (MoEFCC), Government of India (GoI).

As per Para 3.2(i) of the guidelines issued under The Forest (Conservation) Act, 1980, CA was to be done over equivalent area of non-forest land (NFL). If the non-forest land is not available in proximity of the diverted forest land, then CA was to be done on twice the area of degraded forest land (DFL).¹⁴¹ Forest Department (DoF), GoWB leased (November 1974) the management of forests under Kalimpong Division in North Bengal to Wbfdcl. According to the lease agreement (January 1976), Wbfdcl was to develop, extract forest produce and replant trees in Kalimpong, initially for 10 years. Thereafter, the agreement was renewed upto October 2011, with requests for extension up to October 2018. Scrutiny of records at Directorate of Forest, GoWB brought out diversion of 195.56 ha of forest land in Kalimpong for non-forest use¹⁴² and the status of CA as on March 2018 was shown in **Table 4.2**:

Table 4.2: Compensatory Afforestation by Wbfdcl

Particulars of compensatory afforestation (CA)	Area diverted for non-forest use	CA required to be done	Achievement	Shortfall	Percentage of achievement
	In hectares				
Equivalent area over NFL	183.49	183.49	92.89	90.60	50.62
Twice the area over DFL	12.07	24.14	Nil	24.14	Nil
Total	195.56	207.63	92.89	114.74	44.74

It was further noted that:

- Afforestation was to be completed within a period of one year from the deposit of money in the CA Fund by the agencies proposing diversion of forest land to non-forest uses. Even after one to fourteen years from the dates of MoEFCC approval for the diversion, only 44.74 per cent of CA requirement was met. The areas for raising CA on 24.14 ha of DFL were identified (September 2006 to September 2016) but no CA was raised till date (March 2018). It was found from records of the Directorate of Forest, relating to diversion of forest land in Kalimpong division, that Wbfdcl had not approached DoF to release necessary funds for CA.
- Out of 183.49 ha of NFL which was selected for CA, 90.60 ha was unsuitable for raising CA as the land was either rocky, sinking, prone to landslides or *jhora* (mountain stream) area or covered with vegetation. Thus, selection of 90.60 ha NFL, which was inherently unsuitable for raising CA, was faulty.

¹⁴⁰ Para 3.1(i) of the guidelines issued under the Forest (Conservation) Act, 1980

¹⁴¹ Degraded forest land (DFL) is formerly forested land severely impacted by intensive and/ or repeated disturbance like mining, repeated fires or overgrazing.

¹⁴² Teesta Lower Dam Project-III (183.49 ha), Teesta Stage-IV (0.6935 ha), laying of pipeline by Oil India Limited (6.6 ha), improvement of roads (2.776 ha) and construction of border outpost (two ha)

- For CA on NFL of 183.49 ha, Directorate of Forests sanctioned funds of ₹ 126.61 lakh during 2003-04 to 2008-09. Till October 2010, CA could be raised only on 92.89 ha of land. Against an amount of ₹ 64.09 lakh (proportionate sanctioned amount for 92.89 ha) Wbfdcl had expended (till October 2010) ₹ 103.31 lakh for this work. The details of cost overrun by ₹ 39.22 lakh were not provided by Wbfdcl, though called for by the DoF, GoWB in January 2011.

The funds for CA implementation were received during the period 2004 to 2016 based on the rates applicable at that time. However, due to delay in execution of work there was increase in the cost of raising CA ranging between 74.88 per cent and 387.36 per cent. As a result, the cost of raising CA over the balance 114.74 ha of NFL (90.60 ha) and DFL (24.14 ha) escalated by ₹ 1.02 crore.

Thus, Wbfdcl could not achieve 55.26 per cent of the targeted CA due to wrong selection of land and delay in plantation. Further, such delay resulted in cost escalation for CA by ₹ 1.02 crore, which cannot be recovered from the user agencies.

Wbfdcl stated (August 2018) that the fact of shortfall in CA had been “reported and brought to the knowledge of all concerned”. The actual expenditure of ₹ 1.03 crore incurred was reported to the DoF. So there was no question of intimating cost overrun to the Department in January 2011. However, the reply does not address the issues of the incomplete CA and the fact that increased costs due to delayed plantation cannot be claimed from user agencies.

West Bengal Wasteland Development Corporation Limited (WBWDCL)

4.1.5 Compulsory plantation (CP) for National Highways Authority of India (NHAI)

In August 2012, WBWDCL was appointed as the designated agency for compulsory plantation¹⁴³ (CP) in West Bengal under the West Bengal Trees (Protection and Conservation in Non-Forest areas) Act, 2006. Accordingly, the Divisional Forest Officers (DFOs) of the Directorate of Forests, GoWB were nominated as *ex-officio* managers of WBWDCL for undertaking such work.

WBWDCL received ₹ 4.17 crore (2012-13 to 2017-18) from National Highways Authority of India (NHAI) for CP including their maintenance for three years. WBWDCL allotted these amounts¹⁴⁴ to two DFOs *viz* Durgapur and Raiganj to undertake CP. From 2014-15 to 2017-18, WBWDCL had taken up compulsory plantation (CP) on 282 ha¹⁴⁵ on behalf of NHAI.

Following deficiencies in implementation of the projects on behalf of NHAI were noted:

¹⁴³ Compulsory plantation is the mandatory planting of prescribed numbers of saplings to supplant those mature trees cut down in non-forest areas of West Bengal

¹⁴⁴ After realising administrative charges of 12.50 per cent as decided by WBWDCL's BoD in December 2014

¹⁴⁵ DFO, Durgapur : 60 ha (2015-16), 72 ha (2016-17), 50 ha (2017-18); DFO, Raiganj : 100 ha (2016-17)

4.1.5.1 Compulsory plantation by DFO, Durgapur on 182 ha (2015-16 to 2017-18)

Between May 2015 and July 2017, WBWDCL released ₹ 137.04 lakh to DFO, Durgapur division, for creation and maintenance of 182 ha CP in Durgapur. This included 60 ha in 2015-16, 72 ha in 2016-17 and 50 ha in 2017-18.

It was noticed in audit from the records of WBWDCL that -

- The estimates submitted by WBWDCL to NHAI included cost of plantation and expenditure on three years' maintenance. For those plantations developed in 2015-16, WBWDCL released initial cost and the first-year maintenance cost for 60 ha of land. Thereafter, the DFO had not submitted requirement of fund towards maintenance cost for the second year, for reasons not found on record. WBWDCL had also not followed up with DFO.
- WBWDCL had excluded (April 2015) Eastern Coal Fields (ECL) area from CP, as plantation for ecological restoration on ECL land was covered under biological reclamation of mined out area through plantation activities for which ECL provided separate fund allotment. From the regeneration map of ECL plantation at Sonapur Bazari in Paschim Burdwan, it was noted that in 2015-16, DFO undertook CP plantation (five ha) in the overburden area¹⁴⁶ of ECL. Similarly, another five ha in 2015-16 was planted under CP at ECL's Kalidaspur area in Paschim Burdwan. Thus, out of total plantation of 60 ha under CP in 2015-16, 10 ha was on ECL land. WBWDCL stated (November 2018) that the failed plantation on 10 ha of ECL's land was restocked out of fund provided separately by ECL. The plantation journals for Sonapur Bazari (5 ha) and Kalidaspur (5 ha) maintained by WBWDCL however, showed that WBWDCL had taken up 10 ha of plantation in ECL land with NHAI fund.
- Of the balance 50 ha created in 2015-16, survival reports of plantation over 15 ha land at Kamalpur was not found on record.
- According to the joint inspection report (September 2017) of WBWDCL and DPL on plantation (2016-17) within command area of DPL, 65 ha plantation was undertaken at "Ash Pond (Piyali to Kalipur)" area of DPL. The report also stated that survival rate of plantation was at 90 per cent but the information on the number of saplings planted was left **blank**. Based on the GPS data, however, Audit observed that, between May 2015 and September 2018, location and dimensions of the ash pond area measuring 14.70 ha kept shifting. This indicated that no plantation was possible on 14.70 ha since the area comprised of a water body. An expenditure of ₹ 12.05 lakh¹⁴⁷ reportedly incurred thereon was, therefore doubtful. Management in their reply was silent about the reasons for leaving the sapling plantation information in the Joint Inspection Report as blank
- DFO initiated (June 2017) process of undertaking plantation (2017-18) on 50 ha at Sovapur but actual plantation was undertaken on 30 ha. WBWDCL stated (November 2018) that shortfall in plantation (2017-18) was due to

¹⁴⁶ Overburden area is where overlying materials generally having no commercial value, that lies above the area of mining, are dumped.

¹⁴⁷ Creation of plantation ₹ 67,000 per ha plus first year maintenance ₹ 15,000 per ha for 14.70 ha

inability to arrange land. WBWDCL, however, neither requested for the status report on the plantation programme for 2017-18 nor was the same submitted by DFO, for reasons not found on record. Therefore, WBWDCL was unaware that an advance amount of ₹ 12 lakh for 20 ha had remained unutilised. On being pointed out by Audit (May 2018), DFO refunded (May 2018) the amount of ₹ 12 lakh to WBWDCL.

4.1.5.2 Compulsory plantation of 100 ha at Raigunj during 2016-17

DFO, Raigunj proposed (July 2016) release of ₹ 85.30 lakh (including ₹ six lakh required additionally for mounting¹⁴⁸ against plantation in low lying area of 60 ha and purchase of tall seedlings) for plantation (2016-17) on 100 ha. During 2016, WBWDCL released ₹ 70 lakh in two instalments for CP. WBWDCL had, *inter alia*, not released ₹ six lakh required for mounting against plantation in low lying areas and purchase of tall seedlings.

It was noted that DFO submitted (August/September 2017) a report that mentioned damage of seedlings at Rupahar-Bangar check post (50 ha), Kalagochh to Nalbari (five ha) and Jamalgachi, Kasipur (five ha). The report further mentioned that 50 ha plantations at Rupahar-Bangar check post was completely damaged and maintenance amount was not sufficient to cover 50 ha towards infilling operation.¹⁴⁹ WBWDCL called for (October 2017) status report on survival of the plantations, hectare-wise and site-wise, after completion of maintenance and infilling work from the DFO. The status report was, however, not found on record.

WBWDCL concurred (November 2018) with the audit observation that the requisite mounting in low lying areas was not taken up for protection from flood. It added that the plantation site was selected after rejecting other sites as unsuitable during field inspection. Yet, damage occurred due to flood.

Thus, due to non-release of requisitioned fund required for mounting low-lying area and purchase of tall seedlings, 50 ha plantation valuing ₹ 35 lakh was completely damaged in flood.

This indicated that there was inadequate monitoring of CP by WBWDCL leading to non-achievement of target area for plantation and expenditure incurred on CP in unsuitable/ low-lying land becoming infructuous.

4.1.6 Deposit works for plantation projects

WBWDCL was also engaged in taking up deposit works for creation and maintenance of plantation projects from Eastern Coalfields Limited (ECL) and Damodar Valley Corporation (DVC). WBWDCL implemented these projects through DFO and *ex-officio* manager of WBWDCL. During 2014-15 to 2017-18, WBWDCL recovered administrative charges of ₹ 90.94 lakh¹⁵⁰ from ECL and DVC for such work.

¹⁴⁸ Mounting is the job to raise the level of land in low lying areas to prevent water logging so that the water logging could not damage the plantation.

¹⁴⁹ Infilling operation is part of maintenance work for replanting seedlings in the same pit where the sapling planted earlier year got damaged. It is done to replace casualties and enhance survival percentage of plantations.

¹⁵⁰ ECL: ₹ 89.29 lakh and DVC ₹ 1.65 lakh

4.1.6.1 Plantation at worked out collieries of Eastern Coalfields Limited

Eastern Coalfields Limited (ECL) *suo motu* approached (October 2010) WBWDCL to take up plantations on the overburden dump (OBD) areas of the worked out collieries in Burdwan. Accordingly, ECL and WBWDCL executed (July 2014) an agreement for developing plantation over five years as required by ECL. The work also included four years' maintenance from 2014-15 to 2017-18, WBWDCL developed plantations of over 306.50 ha¹⁵¹ and plantation for eight km on both sides of two¹⁵² roads.

- **Short realisation of revenue from ECL**

Under the agreement, WBWDCL was entitled¹⁵³ to 15 per cent of the total allocation by ECL as overhead, monitoring and evaluation charges for execution of the work. It was, however, observed that WBWDCL recovered only 12.5 per cent instead of 15 per cent. During 2014-15 to 2017-18, WBWDCL received ₹ 8.04 crore from ECL towards creation of plantation and maintenance. Thus, due to short claiming of charges from ECL, WBWDCL had forgone revenue of ₹ 17.86 lakh.

WBWDCL replied (November 2018) that it had forgone charges of 2.5 per cent to enable ECL to make payment to the Monitoring and Evaluation Cell of the Directorate of Forests towards monitoring and evaluation of the plantations. The reply contradicts the agreement under which WBWDCL was required to monitor and evaluate the work. Moreover, WBWDCL was not aware if monitoring and evaluation was conducted by the Directorate of Forests and did not requisition the monitoring reports. Thus, clearly there was no co-ordination between WBWDCL and Directorate of Forests for monitoring and evaluation of plantation work.

4.1.6.2 Damodar Valley Corporation (DVC)

Delays in raising plantation near ash ponds of Mejia thermal power station

WBWDCL had entered (October 2014 and February 2016) into two Articles of Agreement (AoA) with DVC for the development of plantations on seven ha at Mejia Thermal Power Station (MTPS). Initially, WBWDCL was to complete the work near ash pond between November 2014 to October 2015. So, DVC released (March 2015) ₹ five lakh for the work. Instead of utilising the fund for plantation, WBWDCL diverted (September 2016) the fund for landscaping and beautification works at MTPS. This delay did not help reduce air pollution in time as the dry ash got carried away and was deposited on nearby buildings, vegetation and water bodies.

WBWDCL stated (November 2018) that DVC had agreed to the diversion. No documents, however, in support were produced to Audit, though called for (December 2019).

4.1.7 Conclusion

The plantation work of WBFDCCL was adversely affected due to delay in preparation of DPR, selection of unsuitable patches, non- maintenance of

¹⁵¹ 2014-15: 35 ha; 2015-16: 100 ha; 2016-17: 82 ha and 2017-18 : 89.50 ha

¹⁵² Bankola (5.5 km) and Kunustoria (2.5 km)

¹⁵³ Clause 23 of the article of agreement with ECL

seedlings/ plantations, lack of protection of plantations and belated plantation. Plantation journals, where maintained, were incomplete and had not recorded data beyond the planting season. Defective agreements left scope for legal disputes with possibility of loss while sharing of revenue during harvesting. Despite passage of 14 years, WBFDC had not implemented compensatory afforestation (CA) in 114.74 ha due to selection of land inherently unsuitable for afforestation. The delay had led to cost escalation by ₹ 1.02 crore for raising CA.

WBWDCL had not released funds for development of lowlying areas to make them suitable for plantation. This had led to complete damage of compulsory plantation over 50 ha at Raiganj Division. Moreover, WBWDCL also delayed plantation work for DVC leading to shortfall in targeted plantation.

This matter was brought to the notice of the Government (July 2018); however, their reply was awaited (January 2019).

West Bengal Industrial Development Corporation Limited

4.2 Non-recovery of loan of ₹ 2.51 crore

West Bengal Industrial Development Corporation Limited disbursed loan without proper project appraisal which resulted in non-recovery of ₹ 2.51 crore advanced as loan.

West Bengal Industrial Development Corporation Limited (WBIDCL) provided financial assistance to large and medium scale eligible units by way of both long and short term credit. Disbursement of loan was made after execution of an agreement between WBIDCL and the borrower. In the event of default by the borrower, action under Section 29 of the State Financial Corporations Act, 1951 (Act) is to be initiated under which the unit is taken over by WBIDCL and recovery of the outstanding amount is made through sale of assets.

During the audit of records of WBIDCL for 2015-16, it was observed (April 2017) that WBIDCL had taken over (April 2003) 3.33 acres of leased land¹⁵⁴ from SS Brickfields Private Limited (SSBPL), a defaulting borrower. WBIDCL gave (June 2008) the land on sub-lease to Halder Nettings Private Limited¹⁵⁵ (HNPL) for setting up a manufacturing unit. The sub-lease was for balance period of lease, *i.e.*, for 105 months up to March 2017.

Subsequently, WBIDCL sanctioned (May 2009) a term loan (TL) of ₹ two crore to HNPL. The security for this loan was the same land given on sub-lease to HNPL by WBIDCL for setting up the project. The project was scheduled to commence operations within four months of sanction of loan, *i.e.*, September 2009. The loan was to be repaid in 16 quarterly installments ending on November 2014 (including moratorium of 18 months).

¹⁵⁴ Land at village – Amarpur, Hooghly district, along with the plant and machineries standing thereon. Initially this land was jointly leased (March 1992) by its four owners, *viz.*, Jagai Pal, Madhai Pal, Nanda Lal Pal and Aparna Pal to Subrata Sen for 25 years up to March 2017. Subrata Sen, Managing Director, SSBPL immediately leased it to SSBPL for the same term of 25 years. SSBPL then took (April 1992) a loan from WBIDCL by pledging this land and subsequently defaulted on repayment. WBIDCL took over (April 2003) possession of the leasehold land of SS Brickfields.

¹⁵⁵ Incorporated on 18 July 2006

Thereafter, as per the demand for disbursement placed by HNPL, WBIDCL disbursed (November 2010) ₹ 0.48 crore towards the first instalment of the loan to HNPL. HNPL defaulted in its first re-payment commitment (May 2012) and applied to WBIDCL (August 2012) for second and final disbursement. Simultaneously, it sought for extension of the moratorium period. Against this request of HNPL, WBIDCL disbursed ₹ 0.60 crore (September 2012) and ₹ 0.40 crore (from October 2012 to December 2012) directly to the machinery suppliers of the project.

Further, it was also seen that HNPL started its commercial operations only in December 2012 and WBIDCL disbursed (May 2013) the final instalment of ₹ 0.31 crore to HNPL. The total loan disbursed was ₹ 1.79 crore,¹⁵⁶ while the balance ₹ 0.21 crore remained undisbursed for reasons not on record. Meanwhile, WBIDCL rescheduled (December 2012) the loan repayment commitments to 13 quarterly instalments, from December 2012 to February 2016.

Upto May 2013, HNPL had paid only ₹ 0.69 crore only towards principal (₹ 0.50 crore) and interest (₹ 0.19 crore). Thereafter, HNPL did not make any payment, either towards principal or interest. An amount of ₹ 2.51 crore (principal: ₹ 1.29 crore, interest ₹ 1.22 crore) remained outstanding till February 2016. Finally, in July 2018, WBIDCL waived the interest and wrote off the outstanding principal of ₹ 1.29 crore (72 per cent of total loan).

In this regard, it was observed (April 2017) as follows:

- HNPL had approached (May 2008) WBIDCL for term loan. It was seen from WBIDCL's loan sanction proposal of March 2009 that "no other institution or bank is agreeable to provide finance for the project as only subleased rights are available on the property, which would expire after nine years." Hence, WBIDCL was well aware of the *lacunae* in the deal.
- The continuity of the project was always at risk due to short tenure of sub-leased land (upto March 2017). Yet, WBIDCL's sanctioning of the loan to HNPL, without any commitment towards extension of the lease was not justified, as effectively HNPL had five years to repay the loan. WBIDC did not consider the probability of the project being delayed and HNPL being unable to repay the loan within the period of lease.
- For creation of interest and enabling recovery of dues on the pledged security under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), it was necessary to register the pledged property with Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI).¹⁵⁷ It was seen that the property pledged (May 2009) by HNPL was not registered by WBIDCL with CERSAI. Thus, WBIDCL was not in a position to enforce SARFAESI Act on HNPL for recovery.

¹⁵⁶ November 2010: ₹ 48 lakh, September 2012: ₹ 60 lakh, October 2012 to December 2012: ₹ 40 lakh and May 2013: ₹ 31 lakh.

¹⁵⁷ CERSAI: The object of the company is to maintain and operate a Registration System for the purpose of registration of transactions of securitisation, asset reconstruction of financial assets and creation of security interest over property, as contemplated under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act). CERSAI is providing the platform for filing registrations of transactions of securitisation, asset reconstruction and security interest by the banks and financial institutions.

- WBIDCL was aware of the short tenure of lease completion period (March 2017). Despite this, the repayment schedule was extended upto February 2016.
- Even though the commercial operation of the HNPL only commenced in December 2012, WBIDCL had disbursed the second loan instalment in September 2012. Thus, WBIDCL did not initiate any action against HNPL for delay in commencement of commercial operations and for recovery of outstanding dues towards principal and interest. It could have initiated actions like invoking personal guarantees, demanded additional securities against the loan *etc.*

Government replied (April 2018) that WBIDCL was not aware of the fact that HNPL had approached different banks for project finance and all of them had rejected it due to sub-leasing of land. The reply is, however, contrary to facts as documents of HNPL available with WBIDCL clearly mentioned this. Further, the reply does not adduce reasons for under securitisation of loan made to HNPL. Moreover, the promoters of HNPL had to create a lien on fixed deposit (FD) as 10 *per cent* of the restructured loan to WBIDCL for strengthening the security on the loan. Regarding the creation of FD, it was, however, noted that no such FD was actually pledged by HNPL in favour of WBIDCL

Hence, WBIDCL failed to safeguard its financial interests while advancing a loan, which resulted in non-recovery and subsequent write off of ₹ 2.51 crore towards principal and interest.

West Bengal Infrastructure Development Finance Corporation Limited

4.3 Excess interest burden of ₹ 1.25 crore due to imprudent decision of investing through overdraft

West Bengal Infrastructure Development Finance Corporation Ltd (WBIDFCL) invested in lower yielding portfolios out of debt funds carrying higher interest cost for which it had to incur excess interest of ₹ 1.25 crore, which was avoidable.

West Bengal Infrastructure Development Finance Corporation Limited. (WBIDFCL) has been a forerunner in infrastructure financing in the State. It raises funds from the market and lends it to the State Government, State Public Sector Undertakings *etc.*, for development of various infrastructure activities in the State.

In order to carry out its operations, during 2016-17, WBIDFCL had maintained five Bank accounts (current accounts) offering overdraft facilities. During the compliance audit for 2016-17, it was observed that WBIDFCL had an overdraft account (OD) with the Punjab National Bank with interest rate of 9.60 *per cent* on overdrawn amount.

It was further observed that although WBIDFCL had an investment policy and Investment Committee that recommended on investments to be made by WBIDFCL, it had made two investment decisions (March 2016/ April 2016) out of funds from OD account that had resulted in excess burden of interest as stated below:

1. As on 31 March 2016, the balance of the OD account stood at ₹ 63 crore which was favourable to WBIDFCL. In order to meet its interest pay out obligation on the bonds issued, WBIDFCL decided (March 2016) to invest ₹ 250 crore in five fixed deposits of ₹ 50 crore each for seven days, which would yield interest at five *per cent per annum*. This increased the overdraft balance of ₹ 136.07 crore to ₹ 187.38 crore from the OD account, bearing interest at 9.60 *per cent*.
2. Though on 12 April 2016 the balance of the OD account stood at ₹ 136.10 crore (unfavorable), WBIDFCL invested¹⁵⁸ (April 2016) ₹ 148.22 crore for 91 days yielding 6.81 *per cent per annum*, thereby further increasing overdraft of ₹ 284.32 crore from the OD account.

The difference in rate of interest earned as against interest paid on overdraft for investments resulted in excess interest burden as depicted in the following table:

Period	Funds drawn from OD account for investment	Range of overdrawn balances in the OD account (₹ in crore) during the period		Interest on overdrawn balance		Interest on Investment made out of funds drawn from OD account		Excess of Interest paid over interest earned	
		Minimum	Maximum	Rate of Interest (in <i>per cent</i>)	Interest Paid (₹ in crore)	Rate of Interest (in <i>per cent</i>)	Interest earned (₹ in crore)	Rate of Interest (in <i>per cent</i>)	Interest Paid (₹ in crore)
31 March 2016 to 07 April 2016 (seven days)	250.00	136.07	187.38	9.60	0.38	5.00	0.22	4.60	0.16
12 April 2016 to 12 July 2016 (91 days)	148.22	192.45	437.36	9.60	3.59	6.81	2.50	2.79	1.09
TOTAL	398.22				3.97		2.72		1.25

Thus, due to lack of prudence on the part of WBIDFCL in making investments in lower yielding portfolios (five to 6.81 *per cent*) from borrowings carrying higher interest cost (9.60 *per cent*), led to it incurring excess interest burden of ₹ 1.25 crore¹⁵⁹.

Management in its reply (May 2018) stated that these investments were made to meet the interest pay out obligations on the issued (March 2010) bonds¹⁶⁰ and also stated that funds created for bond redemption were deposited in the OD account from which it withdrew funds to make investments as per the recommendation of its Investment Committee.

The Management's reply is, however, unacceptable as -

- (i) The investment policy of WBIDFCL had stated that the investments made by WBIDFCL should be cost effective, generating optimum return without erosion of principal value having judicious mix of both loans and investments., WBIDFCL, however, deviated from its own policy by injudiciously withdrawing funds from the OD account having higher interest cost to invest in portfolios with lower interest income.

¹⁵⁸ T- bill through ICICI Securities Primary Dealership Ltd

¹⁵⁹ (₹ 1.09 crore + ₹ 0.16 crore) = ₹ 1.25 crore

¹⁶⁰ The bonds yielding half-yearly interest at 9.80 *per cent* were issued in March 2010 with maturity after 10 years, *i.e.*, March 2020.

(ii) The half-yearly interest on bonds was due on 30 June 2016 and 31 December 2016 respectively, whereas the investments out of OD were due to mature on 12 April 2016 and 13 July 2016; thus there was a mismatch with the timeline of interest pay outs. This mismatch led to lower yielding fixed deposits maturing 79 to 171 days prior to interest on bonds becoming due, thereby not supporting the Management's contention that lower yielding investments were created out of high cost overdraft to meet interest outgo.

The fact still remains that even though WBIDFCL had to payout its obligation, this does not justify investing in lower yielding fixed deposits (five to 6.81 *per cent*) with funds having higher cost (9.60 *per cent*). This resulted in avoidable interest burden of ₹ 1.25 crore by WBIDFCL.

This matter was brought to the notice of the Government/ Management; however, reply was awaited (January 2020).

North Bengal State Transport Corporation

4.4 Loss of revenue of ₹ 1.60 crore due to unwarranted delay in finalisation of tender and acceptance of lower offer for leasing out the advertisement space on bus bodies

North Bengal State Transport Corporation (NBSTC) cancelled the tender for lease agreement for advertisement space on bus bodies without any justification. Moreover, when it finally accepted a bid after unwarranted delays of 64 months, the accepted rate was lower than the offer in the cancelled tender. As a result, NBSTC suffered a loss of revenue of ₹ 1.60 crore.

North Bengal State Transport Corporation (NBSTC), a state transport undertaking, renders bus services for the socio-economic development of the remote rural areas mainly in North Bengal. In a bid to generate revenue from alternative sources, for the first time, NBSTC had entered (June 2006) into an agreement, with M/s Pal Unique Enterprise, Coochbehar (PUE) for leasing out advertisement space on bus bodies. The agreement was for ₹ 10.56 lakh *per annum* for 500 buses for five years (*i.e.* up to 14 June 2011)

It was noted that, PUE expressed its interest (February 2011) to continue for another four years beyond the agreement expiry date (June 2011) with an annual enhancement of 10 *per cent i.e.* ₹ 11.62 lakh. NBSTC did not accept (August 2011) the offer on grounds that the payment history of the agency was not satisfactory. NBSTC finally extended (August 2011) the agreement upto October 2011.

Three months after expiry of extended period of the agreement with PUE, NBSTC issued NIT in February 2012, which was cancelled subsequently. Further, NBSTC floated (between March 2012 and January 2017) the tender five more times, inviting agencies for leasing of the space on bus bodies for advertisements as detailed below:

NIT	Month & Year	No. of bids	Highest bid	Remarks
1	February 2012	3	₹ 26.40 lakh	Tender was cancelled (March 2012) by NBSTC as they presumed that the rates offered by bidders were below the prevailing market rates. The highest bid, however, was 1,150 per cent above the earlier lease rate.
2	March 2012	1	₹ 39.00 lakh	Tenders were cancelled due to receipt of single bid/no bid against each NIT
3	August 2012	1	₹ 22.32 lakh	
4	February 2013	No bidders	Not applicable	
5	December 2016	1	Price bid not opened	
6	January 2017	3	₹ 20 lakh	Lease awarded for three years to the highest bidder with effect from July 2017.

Audit findings were as follows (July 2018):

- NBSTC cancelled (February 2012) the highest bid of ₹ 26.40 lakh received in the first NIT stating that the rates were nowhere near the prevailing market rate. No information relating to the comparison of the bids received with the prevailing market rates were, however, found on record.
- In July 2017, the highest bid for the NIT of January 2017 was accepted and the lease was awarded at ₹ 20 lakh per year for three years which was 32 per cent lower than the highest bid (₹ 26.40 lakh per year) received for the first NIT in February 2012 that was cancelled without adequate justification.
- Further, Finance Department, Government of West Bengal had directed¹⁶¹ (June 2012) that NITs valuing more than ₹ 10.00 lakh should be published in three daily newspapers, one each in Bengali (in case of hill areas of Darjeeling District in Nepali newspaper), English and Hindi for getting more prospective bidders. Except for the NIT dated 13 January 2017, NBSTC had, however, published its other five NITs in not more than two daily newspapers, thus restricting the scope of getting more number of prospective bidders.

The inordinate delay of five years in finalising the tender for leasing out the advertising space on buses resulted in NBSTC foregoing non-operating revenue. By not accepting highest bid of ₹ 26.40 lakh per year obtained in the first NIT, the loss of revenue over a period of five years and four months (from March 2012 to June 2017) amounted to ₹ 1.41 crore.¹⁶² Moreover, by accepting bid at reduced price of ₹ 20 lakh per year, it was earning lower revenue of ₹ 6.40 lakh annually, aggregating to ₹ 19.20 lakh over the contract period from July 2017 to June 2020. Thus, due to unwarranted delay in finalisation of tender and acceptance of lower rate, NBSTC had forgone aggregate revenue of ₹ 1.60 crore.

Department in their reply accepted the observation and stated (November/

¹⁶¹ Notification No.5400-F(Y) dated 25/06/2012 issued by Finance Department, GoWB.

¹⁶² ₹ 26.40 lakh per annum x five years and four months (64 months) i.e., ₹ 140.80 lakh (from March 2012 to June 2017) or ₹ 1.41 crore

September/ September 2018) that the NITs were cancelled since only one bidder participated in NIT. The fact was that the first NIT, received three bids and the highest bid was 150 *per cent* more than the earlier lease rate, but was cancelled on an unconfirmed presumption. Further, the poor response to subsequent NITs was due to non-compliance with the Finance Department's instructions regarding wide circulation of NITs. Finally, the lease awarded in July 2017 was for a lower rate than the bid received in February 2012 and as a consequence, NSBTC earned lower revenue since 2017.

West Bengal Transport Infrastructure Development Corporation Limited

4.5 Deficiencies in implementation of GATIDHARA scheme

Inherent deficiencies in 'GATIDHARA' scheme and deficiencies in its implementation led to disbursement of subsidy/excess subsidy amounting to ₹ 10.07 crore to inadmissible beneficiaries in violation of the scheme guidelines. Further, disbursed amount of ₹ 51.90 crore was misutilised as the amount was retained by the beneficiaries or dealers without purchasing and registering the vehicles within the stipulated time, as prescribed under the scheme.

To generate self-employment in transport services for unemployed youth of the State, the Labour Department, Government of West Bengal (GoWB) introduced (August 2014) a scheme¹⁶³ titled 'Gatidhara'. The scheme was transferred for implementation (November 2015¹⁶⁴), with revised guidelines, to the Transport Department (Department), GoWB. Under the revised guidelines, West Bengal Transport Infrastructure Development Corporation Limited (WBTIDCL)¹⁶⁵ was made the executing arm for implementing and monitoring the scheme. The scheme guidelines were again revised by the Transport Department in July 2017¹⁶⁶.

Under the scheme, unemployed youth with monthly income of less than ₹ 25,000 could avail of a subsidy to purchase a transport vehicle¹⁶⁷ for generating self-employment. The funds for the purchase of the vehicle was to be financed from (i) state subsidy/grant of 30 *per cent* of the project/vehicle cost,¹⁶⁸ subject to maximum limit of ₹ one lakh per unemployed youth¹⁶⁹ on application for purchase of vehicle (ii) initial down payment¹⁷⁰ to be made by an applicant to the dealer of the vehicle and (iii) the balance cost of vehicle to be provided as loan by the financier.¹⁷¹

¹⁶³ Vide notification no Emp./1M-9/2014 dated 18/08/2014 by Labour Department, GoWB.

¹⁶⁴ Notification no. 4001-WT/3M-15/2015 dated 2/11/2015 by Transport Department, GoWB.

¹⁶⁵ A State PSU under the Transport Department, GoWB responsible for sanctioning of the applications and disbursement of the subsidy.

¹⁶⁶ No. 3371-WT/3M-15/2015 dated 24/07/2017 by Transport Department.

¹⁶⁷ Transport vehicle as defined under section 2(47) of the Motor Vehicle Act, 1988.

¹⁶⁸ Project cost means price quoted by the dealer as total cost of the vehicle inclusive of all taxes and other charges but excluding registration charges, motor vehicle taxes, insurance premium, permit fees *etc.*

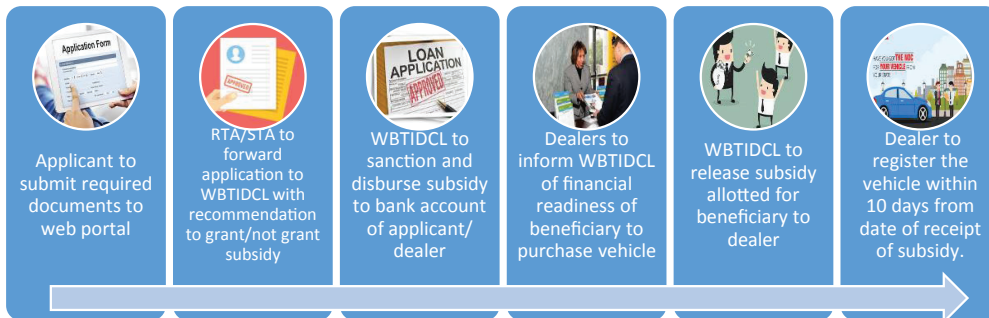
¹⁶⁹ Aged between 20 and 45 years.

¹⁷⁰ The initial down payment will be the difference of total vehicle cost less subsidy and loan to be provided by the financier.

¹⁷¹ Banks and other financial institutions that finances the balance loan after adjustment of subsidy and down payment for the vehicle procured.

It was noted from the administrative approvals of GoWB that during 2015-18, GoWB sanctioned ₹ 219.94 crore under this scheme. Against this, WBTIDCL approved 24,112 applications and disbursed subsidy of ₹ 216.39 crore to unemployed youth in 23 districts of the State. The process/grant of subsidy is depicted in the Chart below.

Chart 4.1: The process/grant of subsidy



Audit sampled 15¹⁷² out of the 23 districts of the State, covering 65 per cent (15,565 applications) of the total sanctions amounting to ₹ 138.89 crore made by the Department under this scheme. Further, in case of 6,875 sanctions, Audit also cross checked the vehicle registration data with those available in the Transport Department for seven¹⁷³ districts of the State.

Audit findings showed that there were some deficiencies in the scheme (November 2015) and also in the implementation of the scheme which led to non-achievement of the scheme objective. These deficiencies are detailed in the following paragraphs:

1. Weakness/lacunae in guidelines leading to disbursement criteria being violated

a) As per the guidelines of the Labour Department (August 2014) the applicants were required to submit income certificate issued by Member of Parliament / State Legislative Assembly or Municipal/Borough Chairperson or Zilla Parishad/ Panchyat Samity/ Gram Pradhan or any Group ‘A’ Government Officer. As per the revised guidelines (November 2015/ July 2017), however, the applicants were required to submit income certificate issued by Member of Parliament/State Legislative Assembly or Councillor / Zilla Parishad/ Panchyat Samity/ Gram Pradhan. The authority for certifying income certificate by Group ‘A’ Government Officer was omitted in the revised scheme and there was sole dependence on elected representatives to certify income of the applicants. This was at variance with the guidelines of financial institutions¹⁷⁴ (including Banks) which disburse car loans wherein income certificates are issued by District Magistrate/ Sub-Divisional Officer/ Block Development Officers/ Collector etc.

¹⁷² Kolkata (including State Transport Authority at Kolkata), 24 Parganas(S), Howrah, Hooghly, Nadia, Bankura, Purba-Medinipur, Purulia, Burdwan, Birbhum, Darjeeling, Alipurduar, Coochbehar and 24 Parganas (N)

¹⁷³ Kolkata (including STA), 24 Parganas(S), Nadia, Burdwan, Birbhum, Coochbehar and 24 Parganas (N)

¹⁷⁴ Guidelines issued by IDBI for income certificate issuing authority dated 7 May 2013.

Government stated (February 2019) that the elected members are more keenly associated with the villagers/ citizens, thus the scheme was drafted in a manner wherein the elected members were empowered to certify income. Such variance of certification by different authorities at different stages of the same scheme made it more difficult to administer and monitor the scheme.

b) The initial guidelines of the scheme issued by the Labour Department, (August 2014) *inter alia*, stipulated that five *per cent* of the project cost (*viz.* cost of vehicle to be purchased) should be provided by the applicant to the vehicle dealer. Thereafter, the bank would provide the residual amount of the cost of the vehicle after adjusting 30 *per cent* subsidy (subject to a maximum of ₹ one lakh) as bank loan to authentic and eligible applicants. While the revised scheme guidelines (November 2015/ July 2017) issued by Transport Department required the applicant to deposit part of the cost of vehicle as initial down-payment to the vehicle dealer, but the amount to be paid was not specified. As a result, it was seen that in none of the 15,565 application forms test checked¹⁷⁵ under the revised schemes (November 2015/ July 2017), any document in support of initial down payment by the applicant was enclosed. Failure of the Transport Department to stipulate the quantum of beneficiary contribution had allowed the beneficiaries not to contribute at all for the vehicle to be procured.

Government stated (February 2019) that the revised scheme (2017) included a declaration from the applicant about the down payment made, which was to be certified by dealers. The fact was that WBTIDCL did not crosscheck the correctness of the declaration as the documents in support of initial down payment by the applicant were not enclosed.

c) The initial scheme of 2014, *inter alia*, stipulated that the beneficiaries required a commercial driving license as an eligibility criterion under the scheme. This criterion was, however, omitted in the revised scheme of 2015/2017. Omission of this clause in the guidelines resulted in failure of ensuring procurement of vehicles by beneficiaries for commercial use, thereby vitiating the very objective of providing self-employment to unemployed youth.

Government stated (February 2019) that the revised scheme (2015/ 2017) did not include the criteria as it was intended to widen the scope of the scheme to applicants who did not hold any commercial license to procure and operate a ‘Transport vehicle’. This reply, however, is contrary to the fact that for operating a transport vehicle, holding a commercial license is compulsory. Further, the fact remains that such omission was bound to result in fund diversion as noticed during test audit as depicted later in the paragraph.

d) Further, with the help of data analysis tool (IDEA) the data of WBTIDCL for seven¹⁷⁶ districts along with registration database (e-Vahan) of the Transport Department, GoWB was analysed in audit and it was found that out of 6,875 sanctions, on two occasions the subsidy (₹ one lakh each) had been utilised for procuring non - commercial vehicles, in violation of the scheme guidelines.

¹⁷⁵ Out of 24,112 applications submitted by the applicants.

¹⁷⁶ Kolkata (including STA), 24 Parganas (South), Nadia, Burdwan, Birbhum, Coochbehar and 24 Parganas (North)

Transport Department may need to similarly examine all data for such incidence in other districts.

Government accepted (February 2019) the observation and assured to take appropriate steps.

Thus, above-mentioned deficiencies in the scheme predisposed the scheme for manipulation and illegal processes.

2. Deficiencies in Implementation

Audit noted violations of the scheme guidelines in 1,273 out of 15,565 sanctions. These 1,273 cases involved subsidy of ₹ 10.07 crore during the period from 2015-16 to 2017-18 in 15 test checked districts. This led to grant of subsidy by WBTIDCL to inadmissible applicants as detailed below:

a) During 2015-18, sanctions were given to 1,134 applicants in 15¹⁷⁷ districts who had higher income than that stipulated in the guidelines (*i.e.* more than ₹ 25,000 *per* month). Subsidy of ₹ 8.79 crore was disbursed to these ineligible applicants.

Government accepted (February 2019) the observation and assured to take up the matter with Regional Transport Authority (RTA)/ State Transport Authority (STA) to verify the income certificates. It was, however, the responsibility of WBTIDCL, which was the implementing and monitoring arm for the scheme.

b) During 2015-18, sanctions of subsidy amounting to ₹ 38.76 lakh were disbursed to 45 applicants not falling within the eligible age group of 20 years to 45 years in 13¹⁷⁸ of the 15 districts test checked. WBTIDCL did not check the age criteria for eligibility scrupulously. Further, only 13 applicants utilised the subsidy for purchasing vehicles and in the balance 32 cases, subsidy was not utilised for purchase of commercial vehicle.

Government accepted (February 2019) the observation and assured to take up the matter with RTA/ STA and National Information Centre (NIC) to verify the age certificates.

c) During 2015-18, it was noted in eight¹⁷⁹ out of 15 districts test checked, that either no income certificates were furnished or the income certificates furnished were certified by authorities¹⁸⁰ not competent to certify the income. Subsidies amounting to ₹ 84.50 lakh were sanctioned and disbursed to 90 such ineligible certificate holders.

¹⁷⁷ Bankura, Birbhum, Burdwan, Coochbehar, Darjeeling, East Midnapore, Hooghly, Howrah, Jalpaiguri, Kolkata, Nadia, North Dinajpur, West Midnapore, 24 Parganas (North) and 24 Parganas (South).

¹⁷⁸ Alipurduar, Bankura, Burdwan, Coochbehar, Darjeeling, East Midnapore, Howrah, Jalpaiguri, Kolkata, Nadia, Purulia, West Midnapore and 24 Parganas (South).

¹⁷⁹ Burdwan, Coochbehar, Darjeeling, Howrah, Hooghly, Jalpaiguri, Nadia and Purulia.

¹⁸⁰ Block Development Officers, Revenue Officer (BLRO), Head Master, Doctor, District Planning Officer, Asst. Professor *etc.*

Government accepted (February 2019) the observation and assured to take up the matter with RTA/ STA to verify the income certificates.

d) On vouching the application, in East Midnapore, Hooghly and 24 Parganas (South), subsidies amounting to ₹ four lakh were disbursed to more than one family member belonging to the same family in four cases. This was in deviation from eligibility criterion of rendering assistance to only one eligible member from a family.

Government accepted (February 2019) the observation and assured to take up the matter with RTA/ STA to verify the same and take corrective measures to stop occurrence of similar instances in future.

Therefore inadequate scrutiny of applications by WBTIDCL led to grant of inadmissible subsidy of ₹ 10.07 crore.

3. Non- achievement of intended scheme objectives

As a result of the deficiencies in the scheme guidelines as well as in implementation, the intended objective of the scheme of providing self-employment through government assistance to buy a commercial vehicle could not be achieved. The details are as discussed below:

a) The guidelines of the scheme (November 2015), *inter alia*, stipulate that WBTIDCL is required to monitor and verify that the sanctioned subsidy received by the applicant was actually deposited by the applicant with the dealer within seven days. WBTIDCL was also required to ensure that the vehicle was delivered and registration completed by the dealer within 30 days of payment of subsidy to the dealer. It was noted that during 2015-16 and 2016-17, these criteria were not adhered to across the 15 districts test checked, which led to retention of subsidy amount of ₹ 31.12 crore either with beneficiaries or with dealers. The year wise amount of subsidy retained is given in the table below:

Year	Total subsidy disbursement		Beneficiaries not purchasing/ registering vehicle	
	Number	Amount (₹ in crore)	Number	Amount (₹ in crore)
2015-16	3,826	34.00	1,460	14.56
2016-17	6,155	56.00	1,814	16.56
Total	9,981	90.00	3,274	31.12

The fact was that the subsidy amount of ₹ 31.12 crore retained with the beneficiaries or with dealers was susceptible to misappropriations either through diversion for other unintended purposes or to earn interest. Government assured (February 2019) to reconcile the issue in near future.

b) It was further noted in audit data analysis (mentioned above) that during 2015-16 and 2016-17 in 36 sanctions out of 6,875 sanctions the data of WBTIDCL showing vehicle registration did not match with the registration data

of Transport Department, GoWB (e-Vahan data). This confirmed mis-utilisation of subsidy amount ₹ 0.29 crore disbursed for these cases. Government did not offer any reply to this issue.

c) The revised guidelines of the scheme (July 2017) inter alia stipulate that WBTIDCL was required to monitor and verify that the dealer confirmed the delivery as well as registration of the vehicles within 10 days from the receipt of subsidy. The same was, however, not adhered to across 21 out of 23 districts. Test check revealed that 2,207 out of 5,584 beneficiaries (40 per cent) who applied through 17 dealers over 21 districts did not procure and register their vehicles (May 2018) even after disbursement of subsidy amounting to ₹ 20.49 crore (*Annexure-8*) during 2017-18.

Government stated (February 2019) that out of the 2,207 cases, 373 beneficiaries are in a process of completing registration and another 365 cases wherein subsidy allocated was cancelled and are in process of reallocation to fresh applicants. The management reply, however, implies that a complete reconciliation and recovery of subsidy disbursed is yet to be achieved.

d) Under the scheme guidelines (July 2017) the subsidy was being directly credited to the dealers and the unutilized subsidy wherein vehicles were not procured amounting to ₹ 20.49 crore was lying with dealers (May 2018). As per the scheme, this amount was required to be refunded to WBTIDCL within fifteen days from the date of disbursement of the subsidy. In case of non-refund, the dealer was liable to pay interest on the retained subsidy for the period of delay in making the refund at rates to be fixed by the State Government.

WBTIDCL/GoWB had, however, neither fixed any rate of interest nor charged any interest from the dealers for retaining the subsidy beyond 15 days in their corpus (May 2018). Thus, WBTIDCL/ GoWB extended undue benefit of ₹ 0.50 crore to the dealers by not charging any interest (*Annexure-9*), assuming interest at current Primary Lending Rate of SBI (April 2018) of 13.45 per cent. The Government did not offer any reply to this issue.

WBTIDCL failed to match the data regarding subsidy disbursed with database of Regional Transport Offices (RTO) which maintain the database of all registered vehicles. Since procurement and registration of the vehicles could not be ensured, it implied that the Department spent ₹ 51.90 crore¹⁸¹ without meeting the objective of generating self-employment in the urban and rural areas of the State through extending financial assistance in procuring vehicles.

Thus, inherent deficiencies in 'GATIDHARA' scheme and deficiencies in its implementation led to disbursement of subsidy amounting to ₹ 10.07 crore to inadmissible applicants/ beneficiaries in violation of the scheme guidelines.

¹⁸¹ Non-utilisation of subsidy by not procuring vehicle: 2015-17: ₹ 31.12 crore + 2017-18: ₹ 20.49 crore = ₹ 51.61 crore and mismatch of registration data as per the records of WBTIDCL and Transport Department: ₹ 0.29 crore; Total: ₹ 51.90 crore.

Further, disbursement of ₹ 51.90 crore was misutilised by allowing the funds to be retained with the beneficiaries as well as dealers even without purchasing and registering the vehicles in the name of the applicant within the stipulated time. There was also no provision in the scheme for monitoring or assessing whether the vehicles were actually in use and generating self-employment as intended.

KOLKATA
The

(REENA SAHA)
Principal Accountant General
(Audit-II)
West Bengal

Countersigned

NEW DELHI
The

(RAJIV MEHRISHI)
Comptroller and Auditor General of India

ANNEXURE

Annexure 1

(Referred to in paragraphs 8 and 3.4)

Statement showing particulars of up to date paid up capital, loans outstanding and Manpower as on 31 March 2018 in respect of Government Companies and Statutory Corporations

(Charts in columns 5 (a) to 6 (d) are ₹ in crore)

Sl.	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ⁵			Loans** outstanding as at the close of 2017-18			Manpower (No. of employees as on 31.03.2018)		
				State Government	Central Government	Others	Total	State Government	Central Government		Others	Total
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	9
A Power Sector												
Working Government Companies												
1	The Durgapur Projects Limited	Power & Non Conventional Energy Sources	Sep-61	1,301.00	0.00	0.00	1,301.00	275.57	0.00	2,671.81	2,947.38	2,689
2	The West Bengal Power Development Corporation Limited	Power & Non Conventional Energy Sources	Jul-85	6,817.53	0.00	0.00	6,817.53	0.00	0.00	6,179.90	6,179.90	4,284
3	New Town Electric Supply Company Limited(subsidiary of WBHIDCO Limited)	Power & Non Conventional Energy Sources	Sep-03	0.00	0.00	9.86	9.86	0.00	0.00	0.00	0.00	34
4	West Bengal State Electricity Distribution Company Limited	Power & Non Conventional Energy Sources	Feb-07	2,300.67	0.00	0.00	2,300.67	114.57	0.00	5,710.25	5,824.82	13,438
5	West Bengal State Electricity Transmission Company Limited	Power & Non Conventional Energy Sources	Feb-07	1,105.52	0.00	0.00	1,105.52	648.14	0.00	2,389.23	3,037.37	2,200

Sl.	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ^s				Loans** outstanding as at the close of 2017-18			Manpower (No. of employees as on 31.03.2018)	
				State Government	Central Government	Others	Total	State Government	Central Government	Others		Total
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	9
6	Bengal Birbhum Coalfields Limited	Power & Non Conventional Energy Sources	Sep-15	0.00	0.00	0.10	0.10	0.00	0.00	0.00	0.00	1
7	West Bengal Green Energy Development Corporation Limited	Power & Non Conventional Energy Sources	Dec-07	0.00	0.00	4.99	4.99	0.00	0.00	6.32	6.32	22
Total (a)				11,524.72	0.00	14.95	11,539.67	1,038.28	0.00	16,957.51	17,995.79	22,668
Inactive Government Companies												
1	DPL Coke Oven Limited	Power & Non Conventional Energy Sources	Mar-11	0.00	0.00	0.05	0.05	0.00	0.00	0.00	0.00	0
Total (b)				0.00	0.00	0.05	0.05	0.00	0.00	0.00	0.00	0
A	Power Sector Grand Total (a) + (b)			11,524.72	0.00	15.00	11,539.72	1,038.28	0.00	16,957.51	17,995.79	22,668
B	Other than Power Sector											
I	Social Sector											
Working Government Company												
1	The State Fisheries Development Corporation Limited	Fisheries	Mar-66	2.70	0.00	0.00	2.70	2.37	0.00	0.00	2.37	425
2	West Bengal Fisheries Corporation Limited	Fisheries	Mar-80	2.00	0.00	0.00	2.00	0.30	0.00	0.00	0.30	232

Sl.	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ^s				Loans** outstanding as at the close of 2017-18				Manpower (No. of employees as on 31.03.2018)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total	
	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	
3	West Bengal Agro Industries Corporation Limited	Water Resources Investigation & Development	Aug-68	8.41	0.00	0.00	8.41	15.23	0.00	0.00	15.23	322
4	West Bengal State Minor Irrigation Corporation Limited	Water Resources Investigation & Development	January 1974	11.65	0.00	0.00	11.65	0.00	0.00	0.00	0.00	255
5	West Bengal Dairy and Poultry Development Corporation Limited	Animal Resources Development	Feb-69	7.10	0.00	0.00	7.10	0.57	0.00	0.00	0.57	109
6	The West Bengal Livestock Development Corporation Limited	Animal Resources Development	Apr-74	3.50	0.00	0.00	3.50	0.00	0.00	0.00	0.00	122
7	West Bengal Forest Development Corporation Limited	Forest	Jul-74	5.53	0.70	0.00	6.23	0.00	0.00	0.00	0.00	709
8	West Bengal Wasteland Development Corporation Limited	Forest	Jul-89	0.24	0.00	0.10	0.34	0.00	0.00	0.00	0.00	26

Sl.	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ^s				Loans** outstanding as at the close of 2017-18				Manpower (No. of employees as on 31.03.2018)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total	
	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	
1	West Bengal State Food Processing and Horticulture Development Corporation Limited	Food Processing Industries and Horticulture	Apr-86	0.97	0.00	0.00	0.97	2.21	0.00	0.00	2.21	29
9	West Bengal State Seed Corporation Limited	Agriculture	Nov-80	2.50	0.00	0.00	2.50	0.00	0.00	0.00	0.00	161
10	Paschimbanga Agri Marketing Corporation Limited	Agricultural Marketing	Nov-11	4.62	0.00	0.00	4.62	33.00	0.00	0.00	33.00	7
11	West Bengal Biotech Development Corporation Limited	Bio-technology and Science & technology	Jun-09	0.05	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0
12	The West Bengal Small Industries Development Corporation Limited (WBSIDC Limited)	Micro & Small Scale Enterprises and Textiles	Mar-61	119.81	0.00	0.00	119.81	12.79	0.00	0.00	12.79	135
13	West Bengal Electronic Industry Development Corporation Limited (WBEIDC Limited)	Information Technology	Feb-74	233.96	0.00	1.71	235.67	33.22	0.00	0.00	33.22	132

Sl.	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital [§]				Loans** outstanding as at the close of 2017-18				Manpower (No. of employees as on 31.03.2018)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total	
	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	
1	West Bengal Police Housing & Infrastructure Development Corporation Limited	Home & Hill Affairs	Mar-93	10.40	0.00	0.00	10.40	0.00	0.00	0.00	0.00	9
15	West Bengal Transport Infrastructure Development Corporation Limited	Transport	Sep-96	7.60	0.00	0.00	7.60	0.00	0.00	8.11	8.11	65
16	West Bengal Housing Infrastructure Development Corporation Limited (WBHIDCO Limited)	Urban Development & Municipal Affairs	Apr-99	258.00	0.00	1.65	259.65	0.00	0.00	0.00	0.00	217
17	New Town Telecom Infrastructure Development Company Limited (Subsidiary of WBHIDCO Limited)	Urban Development & Municipal Affairs	May-06	0.00	0.00	1.05	1.05	0.00	0.00	3.25	3.25	7
18	Sundarban Infrastructure Development Corporation Limited	Sundarban Affairs	May-07	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	17

Sl.	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ^s				Loans** outstanding as at the close of 2017-18				Manpower (No. of employees as on 31.03.2018)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total	
				5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	9
20	Mackintosh Burn Limited	Public Works	Apr-13	0.16	0.00	0.15	0.31	1.57	0.00	0.03	1.60	559
21	West Bengal Highway Development Corporation Limited	Public Works	Apr-12	1,163.24	0.00	0.00	1,163.24	50.00	0.00	0.00	50.00	29
22	Webel Electronics Infrastructure Development limited	Information Technology & Electronics	May-15	0.00	0.00	0.05	0.05	0.00	0.00	0.00	0.00	0
Total (a)				1,843.44	0.70	4.71	1,848.85	151.26	0.00	11.39	162.65	3,638
Working Statutory Corporation												
23	West Bengal State Warehousing Corporation	Food & Supplies	Feb-58	3.81	0.00	3.80	7.61	0.00	0.00	0.00	0.00	104
24	West Bengal Industrial Infrastructure Development Corporation	Industries, Commerce and Enterprises	Nov-73	0.00	0.00	0.00	0.00	96.34	0.00	0.00	96.34	103
Total (b)				3.81	0.00	3.80	7.61	96.34	0.00	0.00	96.34	207
Inactive Government Companies												
25	West Bengal Tea Development Corporation Limited	Industries, Commerce and Enterprises	Aug-76	47.22	0.00	0.00	47.22	107.45	0.20	0.08	107.73	11
Total (c)				47.22	0.00	0.00	47.22	107.45	0.20	0.08	107.73	11
I	Sector Total (a) +(b) +(c)			1,894.47	0.70	8.51	1,903.68	355.05	0.20	11.47	366.72	3,856

Sl.	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital [§]			Loans** outstanding as at the close of 2017-18			Manpower (No. of employees as on 31.03.2018)		
				State Government	Central Government	Others	State Government	Central Government	Others		Total	
	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	
II	Competitive Sector											
	Working Government Company											
26	Westinghouse Saxby Farmer Limited	Public Works	May-23	7.74	0.00	0.00	7.74	61.99	0.00	13.00	74.99	193
27	Britannia Engineering Limited	Public Works	Apr-86	11.29	0.00	0.00	11.29	39.52	0.00	0.00	39.52	337
28	Gluconate Health Limited	Health & family Welfare	Jul-90	54.38	0.00	0.00	54.38	15.56	0.00	0.00	15.56	186
29	Durgapur Chemicals Limited	Industry, Commerce & Enterprises	Jul-63	214.23	0.00	0.00	214.23	3.00	0.00	0.00	3.00	216
30	West Bengal Mineral Development and Trading Corporation Limited	Industry, Commerce & Enterprises	Feb-73	4.43	0.00	0.00	4.43	81.85	0.00	0.00	81.85	199
31	West Bengal Pharmaceutical and Phytochemical Development Corporation Limited	Industry, Commerce & Enterprises	Mar-74	23.99	0.00	0.00	23.99	11.44	0.00	0.00	11.44	48
32	WEBFIL Limited	Industry, Commerce & Enterprises	May-79	0.00	0.00	8.53	8.53	7.58	0.00	3.76	11.34	129

Sl.	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ^s				Loans** outstanding as at the close of 2017-18				Manpower (No. of employees as on 31.03.2018)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total	
	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	
1	Greater Calcutta Gas Supply Corporation Limited	Industry, Commerce & Enterprises	Dec-87	41.15	0.00	0.00	41.15	165.55	0.00	0.00	165.55	245
34	The Shalimar Works (1980) Limited	Transport	Jan-81	1.25	0.00	0.00	1.25	131.20	0.00	10.98	142.18	156
35	Mayurakshi Cotton Mills (1990) Limited	Micro & Small Scale Enterprises and Textiles	Feb-90	10.75	0.00	0.00	10.75	38.61	0.00	0.00	38.61	158
36	The Electro Medical and Allied Industries Limited	Health & Family Welfare	Jun-61	16.40	0.00	0.00	16.40	36.37	0.00	0.00	36.37	24
37	Webel Mediatronics Limited (Subsidiary of WBEIDC Limited)	Information Technology & Electronics	Jan-81	0.00	0.00	4.04	4.04	0.00	0.00	0.77	0.77	19
38	Biswa Bangla Marketing Corporation Limited	Micro & Small Scale Enterprises and Textiles	Dec-14	0.01	0.00	0.00	0.01	0.00	0.00	0.00	0.00	12
39	Webel Electronic Communication Systems Limited (Subsidiary of WBEIDC Limited)	Information Technology & Electronics	Sep-81	0.00	0.00	0.84	0.84	0.00	0.00	0.00	0.00	51
40	Webel Informatics Limited (Subsidiary of WBEIDC Limited)	Information Technology & Electronics	Nov-81	0.00	0.00	0.40	0.40	0.00	0.00	2.61	2.61	24

Sl.	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital [§]			Loans** outstanding as at the close of 2017-18			Manpower (No. of employees as on 31.03.2018)		
				State Government	Central Government	Others	Total	State Government	Central Government		Others	Total
	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	
1	Webel Technology Limited (Subsidiary of WBEIDC Limited)	PAR & e-Governance	Feb-01	0.00	0.00	1.00	1.00	0.00	0.00	0.00	0.00	72
41	West Bengal Transport Corporation limited (Formerly The Calcutta Tramways Company (1978) Limited)	Transport	Oct-82	20.40	0.00	0.00	20.40	264.76	0.00	0.00	264.76	5,005
42	West Bengal Surface Transport Corporation Limited	Transport	Feb-89	1.01	0.00	0.00	1.01	292.59	0.00	0.00	292.59	886
43	West Bengal Trade Promotion Organisation (Subsidiary of WBIDC Limited)	Industries, Commerce and Enterprises	Nov-03	0.00	0.00	0.60	0.60	0.00	0.00	0.00	0.00	6
44	West Bengal Essential Commodities Supply Corporation Limited	Food & Supplies	Mar-74	1.08	0.00	0.00	1.08	96.00	0.00	215.29	311.29	162
45	West Bengal Tourism Development Corporation Limited	Tourism	Apr-74	9.99	0.00	0.00	9.99	0.38	0.00	0.70	1.08	337

Sl.	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ^s				Loans** outstanding as at the close of 2017-18				Manpower (No. of employees as on 31.03.2018)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total	
				5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	9
47	West Bengal Medical Services Corporation Limited	Health and Family Welfare	Jun-08	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	146
48	West Bengal Swarojgar Corporation Limited	Self Help Group and Self Employment	Nov-09	130.00	0.00	0.00	130.00	0.00	0.00	0.00	0.00	12
49	Webel Electronics Manufacturing Clusters Limited	Information Technology & Electronics	Apr-15	0.05	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0
50	West Bengal State Beverage Corporation Limited	Finance	January 2017	20.00	0.00	0.00	20.00	3.00	0.00	0.00	3.00	299
				578.15	0.00	15.41	593.56	1249.40	0.00	247.11	1,496.51	8,922
				Total (a)								
Working Statutory Corporation												
51	North Bengal State Transport Corporation	Transport	Apr-60	5.87	4.83	0.00	10.70	339.49	0.00	4.10	343.59	3,233
52	Calcutta State Transport Corporation	Transport	Jun-60	8.62	1.00	0.00	9.62	509.60	0.16	26.08	535.84	4,949
53	South Bengal State Transport Corporation	Transport	Aug-63	11.01	0.00	0.00	11.01	312.02	0.00	0.00	312.02	2,095
				25.50	5.83	0.00	31.33	1,161.11	0.16	30.18	1,191.45	10,277
				Total (b)								

Sl.	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital [₹]			Loans** outstanding as at the close of 2017-18			Manpower (No. of employees as on 31.03.2018)		
				State Government	Central Government	Others	Total	State Government	Central Government		Others	Total
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	9
	Inactive Government Company											
54	Neo Pipes and Tubes Company Limited	Industry, Commerce & Enterprises	Jan-83	2.20	0.00	0.00	2.20	12.29	0.00	0.00	12.29	45
55	National Iron and Steel Company (1984) Limited	Industry, Commerce & Enterprises	Jul-86	12.00	0.00	0.00	12.00	113.46	0.00	0.00	113.46	52
56	Eastern Distilleries and Chemicals Limited	Finance	Apr-86	0.20	0.00	0.00	0.20	27.49	0.00	0.00	27.49	37
57	The Kalyani Spinning Mills Limited	Micro & Small Scale Enterprises and Textiles	January 1960	14.63	0.00	0.00	14.63	416.20	0.00	0.00	416.20	942
58	The West Dinajpur Spinning Mills Limited	Micro & Small Scale Enterprises and Textiles	Aug-75	12.75	0.00	0.00	12.75	165.41	0.00	0.00	165.41	493
59	West Bengal Ceramic Development Corporation Limited	Micro & Small Scale Enterprises and Textiles	Mar-76	2.93	0.00	0.00	2.93	72.84	0.00	0.00	72.84	2
60	The West Bengal State Leather Industries Development Corporation Limited	Micro & Small Scale Enterprises and Textiles	Mar-76	3.95	0.00	0.00	3.95	2.34	0.00	0.00	2.34	3

Sl.	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ^s				Loans** outstanding as at the close of 2017-18				Manpower (No. of employees as on 31.03.2018)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total	
	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	
61	The West Bengal Projects Limited (subsidiary of WBSIDC Limited)	Micro & Small Scale Enterprises and Textiles	February 1984	0.78	0.00	1.11	1.89	0.00	0.00	0.00	0.00	3
62	Pulver Ash Projects Limited (subsidiary of WBSIDC Limited)	Micro & Small Scale Enterprises and Textiles	Aug-84	0.00	0.00	3.31	3.31	0.00	0.00	13.00	13.00	1
63	The Infusions (India) Limited	Industries, Commerce and Enterprises	Dec-76	7.98	0.00	0.02	8.00	7.27	0.00	0.00	7.27	39
64	West Bengal Sugar Industries Development Corporation Limited	Industries, Commerce and Enterprises	May-73	15.17	0.00	0.07	15.24	47.01	0.00	0.00	47.01	5
65	West Bengal Industrial Land Holding Private Limited (subsidiary of WBIDC Ltd)	Industries, Commerce and Enterprises	Oct-06	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0
66	Webel Electro-Optics Limited (subsidiary of WBEIDC Limited)	Information Technology	Apr-90	0.00	0.00	3.87	3.87	0.00	0.00	3.40	3.40	12
67	Webel Consumer Electronics Limited (subsidiary of WBEIDC Limited)	Information Technology	Jun-81	0.00	0.00	8.02	8.02	0.00	0.00	60.67	60.67	66

Sl.	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital [§]				Loans** outstanding as at the close of 2017-18				Manpower (No. of employees as on 31.03.2018)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total	
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	
68	The Carter Pooler Engineering Company Limited	Public Enterprises	Jun-87	0.95	0.00	0.00	0.95	20.69	0.00	0.00	20.69	0
69	West Bengal Plywood and Allied Products Limited	Public Enterprises	Oct-89	0.09	0.00	0.00	0.09	52.77	0.00	0.00	52.77	0
70	Krishna Silicates and Glass (1987) Limited	Public Enterprises	Oct-98	0.00	0.00	0.00	0.00	52.92	0.00	0.00	52.92	0
71	Lily Products Limited	Industries, Commerce and Enterprises	Apr-04	0.01	0.00	0.00	0.01	64.51	0.00	0.43	64.94	70
	Total (c)			73.64	0.00	16.41	90.05	1,055.20	0.00	77.50	1,132.70	1770
	Inactive Statutory Corporation											
72	Great Eastern Hotel Authority	Tourism	Jul-80	0.00	0.00	0.00	0.00	0.00	0.00	16.34	16.34	3
	Total (d)			0.00	0.00	0.00	0.00	0.00	0.00	16.34	16.34	3
II	Sector Total (a) + (b) + (c) + (d)											
				677.29	5.83	31.82	714.94	3,465.71	0.16	371.13	3,837.00	2,0972
III	Other Sector											
	Working Government Companies											
73	West Bengal Industrial Development Corporation Limited (WBIDC Limited)	Industry, Commerce & Enterprises	Jan-67	435.93	0.00	0.00	435.93	108.18	0.00	0.00	108.18	105

Sl.	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ^s				Loans** outstanding as at the close of 2017-18				Manpower (No. of employees as on 31.03.2018)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total	
	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	
74	West Bengal Handicrafts & Medium Enterprises Corporation Limited	Micro Small & Medium Enterprises and Textiles	Jun-76	40.82	0.78	0.00	41.60	4.90		0.00	4.90	88
75	West Bengal Film Development Corporation Limited	Information & Cultural Affairs	Jul-80	5.20	0.00	0.00	5.20	35.56	0.00	0.00	35.56	27
76	West Bengal Women Development Undertaking	Women & Child Development and Social Welfare	Aug-93	0.10	0.00	0.00	0.10	0.00	0.00	0.00	0.00	14
77	West Bengal Infrastructure Development Finance Corporation Limited	Finance	May-97	185.30	0.00	0.00	185.30	0.00	0.00	41.67	41.67	44
78	Webel Venture Capital Limited (Subsidiary of WBEIDC Limited)	Information Technology	Feb-07	0.00	0.00	0.05	0.05	0.00	0.00	0.00	0.00	1
79	Basumati Corporation Limited	Information and Culture Affairs	Feb-75	0.10	0.00	0.00	0.10	71.99	0.00	0.00	71.99	76
80	Silpabarta Printing Press Limited (subsidiary of WBSIDC Limited)	Micro & Small Scale Enterprises and Textiles	Sep-82	0.18	0.00	0.71	0.89	1.38	0.00	0.13	1.51	38

Sl.	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ^s				Loans** outstanding as at the close of 2017-18				Manpower (No. of employees as on 31.03.2018)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total	
	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	
81	Saraswati Press Limited	Industries, Commerce and Enterprises	January 1987	5.50	0.00	0.00	5.50	0.00	0.00	0.00	0.00	225
82	West Bengal Text Book Corporation (P) Limited (subsidiary of Saraswati Press Limited)	Industries, Commerce and Enterprises	Dec-06	0.00	0.00	0.10	0.10	0.00	0.00	1.00	1.00	0
	Total (a)			673.13	0.78	0.86	674.77	222.01	0.00	42.80	264.81	618
Working Statutory Corporation												
83	West Bengal Financial Corporation	Finance	Mar-54	275.01	0.00	0.34	275.35	494.08	0.00	0.00	494.08	112
84	West Bengal Scheduled Castes & Scheduled Tribes Development and Finance Corporation	Backward Classes Welfare	Sep-17	181.23	112.70	0.00	293.93	0.00	127.24	0.00	127.24	96
85	West Bengal Minorities Development & Finance Corporation	Minorities Development & Madrasah Education	Jan-96	150.00	0.00	0.00	150.00	0.00	0.00	523.96	523.96	64
	Total (b)			606.24	112.70	0.34	719.28	494.08	127.24	523.96	1,145.28	272

Sl.	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ^s				Loans** outstanding as at the close of 2017-18				Manpower (No. of employees as on 31.03.2018)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total	
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	9
Non-working Government companies												
86	West Bengal Handloom and Power loom Development Corporation Limited	Micro & Small Scale Enterprises and Textiles	Sep-73	43.01	3.73	0.02	46.76	8.27	0.00	0.00	8.27	9
	Total (c)			43.01	3.73	0.02	46.76	8.27	0.00	0.00	8.27	9
Sector Total (a) + (b) + (c)				1,322.38	117.21	1.22	1,440.81	724.36	127.24	566.76	1,418.36	899
Other Than Power sector Grand Total (I) + (II) + (III)				3,894.14	123.74	41.55	4,059.43	4,545.12	127.60	949.36	5,622.08	25,727
Grand Total (A) + (B)				15,418.86	123.74	56.55	15,599.15	5,583.40	127.60	17,906.87	23,617.87	48,395

Annexure 2

(Referred to in paragraphs 1.10, 1.11, 3.8 and 3.11)

Summarised financial position and working results of Government Companies and Statutory Corporations as per their latest finalised statements/ accounts

(Charts in columns (5) to (12) are ₹ in crore)

Sl. No.	Sector/ Name of the PSU	Period of Accounts	Year in which accounts finalised	Paid-up Capital	Loans outstanding at the end of year	Accumulated Profit (+)/ -Loss	Turnover	Net Profit (+) / Loss	Net impact of Audit Comments#	Free Reserve	Capital Employed ^(a)	Return on capital employed ^b	Percentage of return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Power Sector (I)													
A Working Government Companies													
1	The Durgapur Projects Limited	2016-17	2017-18	1,301.00	2,947.38	-2,394.88	1,010.20	-536.12	-1.30	0.00	1,853.50	-196.12	0.00
2	The West Bengal Power Development Corporation Limited	2017-18	2018-19	6,817.53	6,179.90	1,287.89	9,133.45	104.44	0.00	0.00	14,285.32	1,093.65	7.66
3	New Town Electric Supply Company Limited (subsidiary of WBHIDCO Limited)	2017-18	2018-19	9.86	0.00	19.92	10.32	2.91	0.00	0.00	29.78	2.91	9.77
4	West Bengal State Electricity Distribution Company Limited	2017-18	2018-19	2,300.67	5,824.82	-86.97	20,319.98	-40.3	0.00	0.00	8,038.52	1,502.53	18.70
5	West Bengal State Electricity Transmission Company Limited	2017-18	2018-19	1,105.52	3,037.37	-	1,298.54	367.74	0.00	2,700.95	6,843.84	612.84	8.95

Sl. No.	Sector/ Name of the PSU	Period of Accounts	Year in which accounts finalised	Paid-up Capital	Loans outstanding at the end of year	Accumulated Profit (+)/ -Loss	Turnover	Net Profit (+) / Loss	Net impact of Audit Comments#	Free Reserve	Capital Employed@	Return on capital employed\$	Percentage of return on capital employed	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	
6	West Bengal Green Energy Development Corporation Limited	2016-17	2017-18	4.99	6.32	-8.54	1.50	-1.78	0.00	0.00	2.77	-1.00	0.00	
7	Bengal Birbhum Coalfields Limited	2016-17	2018-19	0.10	0.00	1.19	0.00	0.13	0.00	0.00	1.29	0.13	10.08	
Sector wise total (A)				11,539.67	17,995.79	-1,181.39	31,773.99	-102.98	-1.30	2,700.95	31,055.02	3,014.94	9.71	
B Inactive Government Company														
8	DPL Coke Oven Limited	2016-17	2017-18	0.05	0.00	-0.14	0.00	0.00	0.00	0.00	-0.09	0.00	0.00	
Sector wise total (B)				0.05	0.00	-0.14	0.00	0.00	0.00	0.00	-0.09	0.00	0.00	0.00
(I) Grand Total Power Sector (A + B)				11,539.72	17,995.79	-1,181.53	31,773.99	-102.98	-1.30	2,700.95	31,054.93	3,014.94	9.71	
Other than Power Sector (II)														
A. Working Government companies														
Agriculture and Allied (Social Sector)														
1	West Bengal Dairy and Poultry Development Corporation Limited	2017-18	2018-19	7.10	0.57	12.60	62.00	1.26	0.00	0.00	20.27	1.31	6.46	
2	The West Bengal Livestock Development Corporation Limited	2016-17	2017-18	3.50	0.00	1.57	6.27	0.52	0.00	0.00	5.07	0.52	10.26	

Sl. No.	Sector/ Name of the PSU	Period of Accounts	Year in which accounts finalised	Paid-up Capital	Loans outstanding at the end of year	Accumulated Profit (+)/-Loss	Turnover	Net Profit (+) / Loss	Net impact of Audit Comments#	Free Reserve	Capital Employed [@]	Return on capital employed ^{\$}	Percentage of return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14
3	The State Fisheries Development Corporation Limited	2016-17	2017-18	2.70	2.37	1.14	17.48	0.07	0.00	0.00	6.21	0.07	1.13
4	West Bengal Agro Industries Corporation Limited	2017-18	2018-19	8.41	15.23	-153.26	134.56	-11.49	0.00	0.00	-129.62	9.99	0.00
5	West Bengal Fisheries Corporation Limited	2016-17	2017-18	2.00	0.30	0.24	42.47	-0.37	0.00	0.00	2.54	-0.37	0.00
6	West Bengal Forest Development Corporation Limited	2016-17	2017-18	6.23	0.00	105.74	52.65	-1.96	-8.34	0.00	111.97	-1.96	0.00
7	West Bengal Wasteland Development Corporation Limited	2016-17	2017-18	0.34	0.00	4.14	6.33	2.49	0.00	0.00	4.48	2.49	55.58
8	West Bengal State Seed Corporation Limited	2016-17	2017-18	2.50	0.00	115.61	240.68	28.68	0.00	0.00	118.11	30.74	26.03
9	Pachim Banga Agri Marketing Corporation Limited	2016-17	2018-19	4.62	33.00	0.21	0.02	0.54	0.00	0.00	37.83	0.54	1.43

Sl. No.	Sector/ Name of the PSU	Period of Accounts	Year in which accounts finalised	Paid-up Capital	Loans outstanding at the end of year	Accumulated Profit (+)/ -Loss	Turnover	Net Profit (+) / Loss	Net impact of Audit Comments#	Free Reserve	Capital Employed@	Return on capital employed\$	Percentage of return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14
10	West Bengal State Food Processing and Horticulture Development Corporation Limited	2014-15	2017-18	0.97	2.21	2.40	13.21	0.47	0.00	0.00	5.58	0.78	13.98
11	West Bengal State Minor Irrigation Corporation Limited	2016-17	2017-18	11.65	0.00	-100.80	1.22	-1.72	0.00	0.00	-89.15	-1.72	-
12	West Bengal Biotech Development Corporation Limited	Accounts from 2008-09 onwards were not submitted.											
Sector-wise total				50.02	53.68	-10.41	576.89	18.49	-8.34	0.00	93.29	42.39	45.41
Financing (Other Sector)													
13	West Bengal Infrastructure Development Finance Corporation Limited	2017-18	2018-19	185.30	41.67	813.68	204.12	35.29	0.00	0.00	1,040.65	192.74	18.52
14	Webel Venture Capital Limited (Subsidiary of WBEIDC Limited)	2017-18	2018-19	0.05	0.00	2.06	0.05	0.19	0.00	0.00	2.11	0.19	9.00

Sl. No.	Sector/ Name of the PSU	Period of Accounts	Year in which accounts finalised	Paid-up Capital	Loans outstanding at the end of year	Accumulated Profit (+)/ -Loss	Turnover	Net Profit (+) / Loss	Net impact of Audit Comments#	Free Reserve	Capital Employed [@]	Return on capital employed ^{\$}	Percentage of return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14
15	West Bengal Handicrafts Development Corporation Limited	2017-18	2018-19	41.60	4.90	-22.27	91.38	0.17	0.00	0.00	24.23	0.40	1.65
16	West Bengal Women Development Undertaking	2017-18	2018-19	0.10	0.00	0.85	0.12	-1.00	0.00	0.00	0.95	-1.00	0.00
17	West Bengal Industrial Development Corporation Limited (WBIDC Limited)	2017-18	2018-19	435.93	108.18	138.94	32.79	26.31	0.00	0.00	683.05	26.31	3.85
18	West Bengal Film Development Corporation Limited	2015-16	2017-18	5.20	35.56	-94.48	0.00	-7.86	0.00	0.00	-53.72	-3.12	0.00
Sector-wise total				668.18	190.31	838.78	328.46	53.10	0.00	0.00	1,697.27	215.52	12.70
Infrastructure (Social Sector)													
19	West Bengal Housing Infrastructure Development Corporation Limited (WBHIDCO Limited)	2017-18	2018-19	259.65	0.00	75.74	219.44	-39.33	0.00	0.00	335.39	-39.33	0.00

Sl. No.	Sector/ Name of the PSU	Period of Accounts	Year in which accounts finalised	Paid-up Capital	Loans outstanding at the end of year	Accumulated Profit (+)/ -Loss	Turnover	Net Profit (+) / Loss	Net impact of Audit Comments#	Free Reserve	Capital Employed@	Return on capital employed\$	Percentage of return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14
20	West Bengal Police Housing & Infrastructure Development Corporation Limited	2017-18	2018-19	10.40	0.00	17.32	172.74	5.99	0.00	0.00	27.72	5.99	21.61
21	New Town Telecom Infrastructure Development Company Limited (Subsidiary of WBHIDCO Limited)	2017-18	2018-19	1.05	3.25	14.62	6.21	2.71	0.00	0.00	18.92	3.04	16.07
22	Sundarban Infrastructure Development Corporation Limited	2016-17	2017-18	1.00	0.00	14.26	0.07	1.91	-3.81	0.00	15.26	1.91	12.52
23	West Bengal Highway Development Corporation Limited	2017-18	2018-19	1,163.24	50.00	8.93	0.00	-18.69	0.00	0.00	1,222.17	-17.75	0.00
24	West Bengal Transport Infrastructure Development Corporation Limited	2016-17	2017-18	7.60	8.11	0.53	0.00	4.30	0.00	0.00	16.24	4.30	26.48

Sl. No.	Sector/ Name of the PSU	Period of Accounts	Year in which accounts finalised	Paid-up Capital	Loans outstanding at the end of year	Accumulated Profit (+)/ -Loss	Turnover	Net Profit (+) / Loss	Net impact of Audit Comments#	Free Reserve	Capital Employed@	Return on capital employed\$	Percentage of return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14
25	The West Bengal Small Industries Development Corporation Limited (WBSIDC Limited)	2016-17	2018-19	119.81	12.79	4.98	129.47	9.74	0.00	0.00	137.58	10.97	7.97
26	West Bengal Electronics Industry Development Corporation Limited (WBEIDC Limited)	2016-17	2017-18	235.67	33.22	-54.70	104.19	5.49	0.00	0.00	214.19	8.90	4.16
27	Mackintosh Burn Limited	2016-17	2017-18	0.31	1.60	192.11	718.26	23.99	0.00	7.90	201.91	29.47	14.60
28	Webel Electronic Infrastructure Development Limited	2015-16	2017-18	0.05	0.00	-0.02	0.00	-0.01	0.00	0.00	0.03	-0.01	0.00
Sector wise total				1,798.78	108.97	273.77	1,350.38	-3.90	-3.81	7.90	2,189.42	7.49	0.34
Manufacturing (Competitive Sector)													
29	Britannia Engineering Limited	2016-17	2017-18	11.29	39.52	-63.19	34.67	-12.10	0.00	0.00	-12.38	-7.00	0.00
30	Gluconate Health Limited	2017-18	2018-19	54.38	15.56	-16.20	62.42	9.33	0.00	0.00	53.74	11.63	21.64
31	Durgapur Chemicals Limited	2017-18	2018-19	214.23	3.00	-197.08	56.86	7.73	0.00	0.00	20.15	8.18	40.60

Sl. No.	Sector/ Name of the PSU	Period of Accounts	Year in which accounts finalised	Paid-up Capital	Loans outstanding at the end of year	Accumulated Profit (+)/ -Loss	Turnover	Net Profit (+) / Loss	Net impact of Audit Comments#	Free Reserve	Capital Employed@	Return on capital employed\$	Percentage of return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14
32	West Bengal Mineral Development and Trading Corporation Limited	2017-18	2018-19	4.43	81.85	-72.35	139.55	0.07	0.00	0.00	13.93	8.31	59.66
33	WEBFIL Limited	2017-18	2018-19	8.53	11.34	-7.95	41.56	0.65	0.00	0.00	11.92	2.36	19.80
34	The Shalimar Works (1980) Limited	2016-17	2017-18	1.25	142.18	-309.67	17.98	-30.56	0.00	0.00	-166.24	-12.42	0.00
35	Mayurakshi Cotton Mills (1990) Limited	2017-18	2018-19	10.75	38.61	-71.92	1.70	-3.31	0.00	0.00	-22.56	-2.52	0.00
36	West Bengal Pharmaceutical and Phytochemical Development Corporation Limited	2016-17	2017-18	23.99	11.44	-27.95	7.02	-2.30	0.00	0.00	7.48	-1.12	0.00
37	Greater Calcutta Gas Supply Corporation Limited	2016-17	2017-18	41.15	165.55	-385.77	9.88	-25.84	-1.10	0.00	-179.07	-5.00	0.00
38	The Electro Medical and Allied Industries Limited	2016-17	2017-18	16.4	36.37	-92.98	15.13	-4.49	0.00	0.00	-40.21	-0.23	0.00
39	Westinghouse Saxby Farmer Limited	2016-17	2017-18	7.74	74.99	-79.55	70.52	-12.94	0.00	0.01	3.19	-5.63	0.00
Sector wise total				394.14	620.41	-1324.61	457.29	-73.76	-1.10	0.01	-310.05	-3.44	1.11

Sl. No.	Sector/ Name of the PSU	Period of Accounts	Year in which accounts finalised	Paid-up Capital	Loans outstanding at the end of year	Accumulated Profit (+)/ -Loss	Turnover	Net Profit (+) / Loss	Net impact of Audit Comments#	Free Reserve	Capital Employed@	Return on capital employed\$	Percentage of return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Service (Competitive Sector)													
40	Webel Mediatronics Limited (Subsidiary of WBEIDC Limited)	2017-18	2018-19	4.04	0.77	-12.52	13.63	-0.95	0.00	0.00	-7.71	-0.83	0.00
41	Webel Electronic Communication Systems Limited (Subsidiary of WBEIDC Limited)	2017-18	2018-19	0.84	0.00	-9.73	11.05	-0.60	0.00	0.00	-8.89	-0.60	0.00
42	Webel Informatics Limited (Subsidiary of WBEIDC Limited)	2017-18	2018-19	0.40	2.61	8.24	348.83	10.60	0.00	0.00	11.25	10.60	94.22
43	Webel Technology Limited (Subsidiary of WBEIDC Limited)	2017-18	2018-19	1.00	0.00	11.14	205.09	6.10	0.00	40.20	52.34	6.10	11.65
44	Webel Electronic Manufacturing Cluster Limited	2017-18	2018-19	0.05	0.00	-0.02	0.00	-0.01	0.00	0.00	0.03	-0.01	0.00

Sl. No.	Sector/ Name of the PSU	Period of Accounts	Year in which accounts finalised	Paid-up Capital	Loans outstanding at the end of year	Accumulated Profit (+)/ -Loss	Turnover	Net Profit (+) / Loss	Net impact of Audit Comments#	Free Reserve	Capital Employed [@]	Return on capital employed ^{\$}	Percentage of return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14
45	West Bengal Transport Corporation Limited {Formerly The Calcutta Tramways Company (1978) Limited}	2017-18	2018-19	20.40	264.76	-1,749.98	73.62	-51.64	0.00	0.00	-1,464.82	-3.66	0.00
46	West Bengal Medical Services Corporation Limited	2017-18	2018-19	10.00	0.00	72.46	22.22	8.53	0.00	0.00	82.46	8.56	10.38
47	West Bengal Trade Promotion Organisation (Subsidiary of WBIDC Limited)	2017-18	2018-19	0.60	0.00	27.06	1.42	4.86	0.00	0.00	27.66	4.86	17.57
48	West Bengal Swarojgar Corporation Limited	2015-16	2016-17	130.00	0.00	35.82	0.00	4.49	0.00	0.00	165.82	4.49	2.71
49	Biswa Bangla Marketing Corporation Limited	2017-18	2018-19	0.01	0.00	0.86	16.82	2.03	0.00	0.00	0.87	2.03	233.33
50	West Bengal Surface Transport Corporation Limited	2016-17	2017-18	1.01	292.59	-469.02	29.59	-60.49	0.00	0.00	-175.42	-32.94	0.00

Sl. No.	Sector/ Name of the PSU	Period of Accounts	Year in which accounts finalised	Paid-up Capital	Loans outstanding at the end of year	Accumulated Profit (+)/ -Loss	Turnover	Net Profit (+) / Loss	Net impact of Audit Comments#	Free Reserve	Capital Employed [@]	Return on capital employed ^{\$}	Percentage of return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14
51	West Bengal Tourism Development Corporation Limited	2015-16	2017-18	9.99	1.08	-0.37	39.98	0.62	0.00	0.00	10.70	0.65	6.07
52	West Bengal Essential Commodities Supply Corporation Limited	2013-14	2017-18	1.08	311.29	-16.34	1,683.38	-1.58	0.00	0.00	296.03	26.81	9.06
53	West Bengal State Beverage Corporation Limited	2017-18	2018-19	20.00	3.00	26.13	5,998.79	26.13	0.00	0.00	49.13	26.20	53.33
Sector wise total				199.42	876.10	-2076.27	8444.42	-51.91	0.00	40.20	-960.55	52.26	5.44
Miscellaneous (Other Sector)													
54	Basumati Corporation Limited	2016-17	2017-18	0.10	71.99	-170.43	4.81	-12.42	0.00	0.00	-98.34	-2.94	0.00
55	Silpabarta Printing Press Limited (subsidiary of WBSIDC Limited)	2016-17	2017-18	0.89	1.51	0.27	11.74	0.41	0.00	0.00	2.67	0.42	15.73
56	Saraswati Press Limited	2017-18	2018-19	5.50	0.00	40.22	98.94	12.56	0.00	2.09	47.81	12.62	26.40

Sl. No.	Sector/ Name of the PSU	Period of Accounts	Year in which accounts finalised	Paid-up Capital	Loans outstanding at the end of year	Accumulated Profit (+)/ -Loss	Turnover	Net Profit (+) / Loss	Net impact of Audit Comments#	Free Reserve	Capital Employed@	Return on capital employed\$	Percentage of return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14
	West Bengal Text Book Corporation												
57	(P) Limited (subsidiary of Saraswati Press Limited)	2017-18	2018-19	0.10	1.00	67.83	379.58	20.99	0.00	5.51	74.44	21.80	29.29
Sector wise total				6.59	74.50	-62.11	495.07	21.54	0.00	7.60	26.58	31.90	120.02
Total- A (All sector wise Government Companies)				3,117.18	1,923.97	-2,360.85	11,652.51	-36.44	-13.25	55.71	2,735.96	346.12	12.65
B. Working Statutory Corporations													
Agriculture and Allied (Social Sector)													
1	West Bengal State Warehousing Corporation	2014-15	2017-18	7.61	0.00	8.60	12.98	3.54	0.00	3.00	19.21	3.54	18.43
Sector wise total				7.61	0.00	8.60	12.98	3.54	0.00	3.00	19.21	3.54	18.43
Financing (Other Sector)													
2	West Bengal Financial Corporation	2017-18	2018-19	275.35	494.08	-128.00	57.13	-5.59	0.00	0.00	641.43	45.86	7.15
3	West Bengal Scheduled Castes, Scheduled Tribes Development and Other Backward Classes Development & Finance Corporation												

First Accounts for 2017-18 were not submitted

Sl. No.	Sector/ Name of the PSU	Period of Accounts	Year in which accounts finalised	Paid-up Capital	Loans outstanding at the end of year	Accumulated Profit (+)/ -Loss	Turnover	Net Profit (+) / Loss	Net impact of Audit Comments#	Free Reserve	Capital Employed@	Return on capital employed\$	Percentage of return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14
4	West Bengal Minorities Development & Finance Corporation	2014-15	2016-17	150.00	523.96	156.73	27.42	49.35	0.00	0.00	830.69	58.00	6.98
Sector wise total				425.35	1,018.04	28.73	84.55	43.76	0.00	0.00	1,472.12	103.86	7.06
Infrastructure (Social Sector)													
5	West Bengal Industrial Infrastructure Development Corporation	2016-17	2018-19	0.00	96.34	87.54	25.60	7.04	0.00	0.00	183.88	10.41	5.66
Sector wise total				0.00	96.34	87.54	25.60	7.04	0.00	0.00	183.88	10.41	5.66
Service (Competitive Sector)													
6	South Bengal State Transport Corporation	2016-17	2017-18	11.01	312.02	-606.07	118.52	-51.35	0.00	0.00	-283.04	-19.33	0.00
7	Calcutta State Transport Corporation	2017-18	2018-19	9.62	535.84	-3,255.38	108.08	-318.88	0.00	0.00	-2,709.92	-273.55	0.00
8	North Bengal State Transport Corporation	2015-16	2017-18	10.70	343.59	-859.48	123.89	-80.57	0.00	0.00	-505.19	-44.62	0.00
Sector wise total				31.33	1,191.45	-4,720.93	350.49	-450.80	0.00	0.00	-3,498.15	-337.5	0.00
Total - B (All sector-wise corporations)				464.29	2,305.83	-4,596.06	473.62	-396.46	0.00	3.00	-1,822.94	-219.69	0.00
Grand Total (A+B)				3,581.42	4,229.80	-6,956.91	12,126.13	-432.90	-13.25	58.71	913.02	126.43	13.85

Sl. No.	Sector/ Name of the PSU	Period of Accounts	Year in which accounts finalised	Paid-up Capital	Loans outstanding at the end of year	Accumulated Profit (+)/ -Loss	Turnover	Net Profit (+) / Loss	Net impact of Audit Comments#	Free Reserve	Capital Employed@	Return on capital employed\$	Percentage of return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14
C. Inactive Government Companies													
Agriculture and Allied (Social Sector)													
1	West Bengal Tea Development Corporation Limited	2017-18	2018-19	47.22	107.73	-375.02	0.00	-0.64	0.00	0.00	-220.07	-0.61	0.00
Sector wise total				47.22	107.73	-375.02	0.00	-0.64	0.00	0.00	-220.07	-0.61	0.00
Financing (Other Sector)													
2	West Bengal Handloom and Powerloom Development Corporation Limited	2013-14	2017-18	46.76	8.27	-55.70	0.00	-1.21	0.00	0.00	-0.67	-1.06	0.00
Sector wise total				46.76	8.27	-55.70	0.00	-1.21	0.00	0.00	-0.67	-1.06	0.00
Manufacturing (Competitive Sector)													
3	Neo Pipes and Tubes Company Limited	2016-17	2017-18	2.20	12.29	-134.77	0.00	-8.93	0.00	0.00	-120.28	-2.83	0.00
4	National Iron and Steel Company (1984) Limited	2016-17	2017-18	12.00	113.46	-350.77	0.56	-19.06	0.00	0.00	-225.31	-3.02	0.00
5	West Bengal Sugar Industries Development Corporation Limited	2017-18	2018-19	15.24	47.01	-182.72	0.00	0.13	0.00	0.00	-120.47	0.13	0.00
6	Lily Products Limited	2016-17	2017-18	0.01	64.94	-232.77	0.00	-13.26	0.00	0.00	-167.82	-2.63	0.00

Sl. No.	Sector/ Name of the PSU	Period of Accounts	Year in which accounts finalised	Paid-up Capital	Loans outstanding at the end of year	Accumulated Profit (+)/ -Loss	Turnover	Net Profit (+) / Loss	Net impact of Audit Comments#	Free Reserve	Capital Employed [@]	Return on capital employed ^{\$}	Percentage of return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14
7	Webel Electro-Optics Limited (subsidiary of WBEIDC Limited)	2017-18	2018-19	3.87	3.40	-5.89	0.00	0.24	0.00	0.00	1.38	0.24	17.39
8	Webel Consumer Electronics Limited (subsidiary of WBEIDC Limited)	2017-18	2018-19	8.02	60.67	-71.35	0.00	-1.88	0.00	0.00	-2.66	-1.82	0.00
9	The West Dinajpur Spinning Mills Limited	2017-18	2018-19	12.75	165.41	-372.36	0.00	-43.17	0.00	0.00	-194.20	-20.00	0.00
10	Pulver Ash Projects Limited (subsidiary of WBSIDC Limited)	2016-17	2018-19	3.31	13.00	-15.25	0.00	0.00	0.00	0.00	1.06	0.00	0.00
11	West Bengal Industrial Land Holding Private Limited (subsidiary of WBIDC Ltd)	2017-18	2018-19	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
12	The Kalyani Spinning Mills Limited	2016-17	2017-18	14.63	416.20	-901.50	0.00	-79.28	0.00	0.00	-470.67	-29.79	0.00
13	The Infusions (India) Limited	2013-14	2015-16	8.00	7.27	-19.11	0.00	-2.32	0.00	0.00	-3.84	-2.32	0.00

Sl. No.	Sector/ Name of the PSU	Period of Accounts	Year in which accounts finalised	Paid-up Capital	Loans outstanding at the end of year	Accumulated Profit (+)/ -Loss	Turnover	Net Profit (+) / Loss	Net impact of Audit Comments#	Free Reserve	Capital Employed@	Return on capital employed\$	Percentage of return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14
14	The West Bengal Projects Limited (subsidiary of WBSIDC Limited)	2013-14	2017-18	1.89	0.00	-2.56	0.00	-0.09	0.00	0.00	-0.67	-0.08	0.00
15	West Bengal Plywood and Allied Products Limited	2011-12	2013-14	0.09	52.77	-53.39	0.00	-0.10	0.00	0.00	-0.53	-0.10	0.00
16	The West Bengal State Leather Industries Development Corporation Limited	2008-09	2013-14	3.95	2.34	-21.15	0.00	-0.18	0.00	0.00	-14.86	-0.18	0.00
17	The Carter Pooler Engineering Company Limited	2007-08	2008-09	0.95	20.69	-49.76	0.00	-3.08	0.00	0.00	-28.12	-3.08	0.00
18	West Bengal Ceramic Development Corporation Limited	2006-07	2008-09	2.93	72.82	-64.31	0.00	-4.37	0.00	0.00	11.44	-4.37	0.00
19	Krishna Silicates and Glass (1987) Limited	2005-06	2008-09	0.00	52.92	-91.19	0.00	-7.28	0.00	0.00	-38.27	-7.28	0.00
20	Eastern Distilleries and Chemicals Limited	2012-13	2015-16	0.20	27.49	-5.33	41.75	-0.20	0.00	0.00	22.36	0.68	3.04
Sector wise total				90.05	1,132.68	-2,574.18	42.31	-182.83	0.00	0.00	-1,351.45	0.00	0.00

Sl. No.	Sector/ Name of the PSU	Period of Accounts	Year in which accounts finalised	Paid-up Capital	Loans outstanding at the end of year	Accumulated Profit (+)/ -Loss	Turnover	Net Profit (+) / Loss	Net impact of Audit Comments#	Free Reserve	Capital Employed [@]	Return on capital employed ^{\$}	Percentage of return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14
	Total C (All sector wise Government Companies)		Inactive	184.03	1,248.68	-3,004.90	42.31	-184.68	0.00	0.00	-1,572.19	0.00	0.00
D. Inactive Statutory Corporation													
Service (Competitive Sector)													
1	Great Eastern Hotel Authority	2016-17	2017-18	0.00	16.34	-37.08	0.00	0.00	0.00	0.00	-20.74	0.03	0.00
	Sector wise total			0.00	16.34	-37.08	0.00	0.00	0.00	0.00	-20.74	0.03	0.00
	Total D (All sector wise Inactive Statutory Corporations)			0.00	16.34	-37.08	0.00	0.00	0.00	0.00	-20.74	0.03	0.00
	Grand total(C+D)			184.03	1,265.02	-3,041.98	42.31	-184.68	0.00	0.00	-1,592.93	-78.09	0.00
	(II) Grand total Other than Power Sector (A+B+C+D)			3,765.45	5,494.82	-9,998.89	12,168.44	-617.58	-13.25	58.71	- 679.91	48.34	-
	Grand total (I + II)			15,305.17	23,490.61	- 11,180.42	43,942.43	-720.56	-14.55	2,759.66	30,375.02	3,063.28	10.08

[&]Net profit/Loss after tax include adjustment for prior period income/expenses.

[#]Net impact of audit comments is calculated and denoted by (+) increase in profit/ decrease in losses and (-) decrease in profit/ increase in losses. It comprised of the net impact of comments of Statutory Auditors and CAG.

[@] Capital Employed represents Shareholders' Funds plus Long Term Borrowings except in case of finance sector corporations where capital employed is worked out as a mean of aggregate of the opening and closing balances of shareholders' fund plus long-term borrowings.

^{\$} Return on Capital Employed has been worked out by adding net profit/ loss and interest charged to profit & loss account.

Annexure 3
(Referred to in paragraph 1.24 and 3.26)
Compliance to CoPU Reports

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Name of the Department/ Corporation/ Company/Board	Year of Audit Report (Commercial/ PSUs)	Para No.	No. of CoPU Report	Total No. of recommendations in CoPU Report	No. of recommendations where ATNs not received	Date of Presentation of Report to the Legislative Assembly	Due date of submission of ATNs
Industry, Commerce & Enterprises							
West Bengal Industrial Development Corporation Limited	2008-09	4.12	130	1	1	29 March 2012	29 June 2012
West Bengal Mineral Development & Trading Corporation Limited							
Haldia Petrochemicals Limited ¹⁹							
West Bengal Pharmaceutical & Phytochemical Development Corporation Limited	<i>Suo moto</i>		161	5	5	26 February 2016	26 May 2016
Saraswati Press Limited							
Durgapur Chemicals Limited							
National Iron & Steel Company Limited							
Neo Pipes & Tubes Company Limited							
Lily Products Limited							
Finance							
West Bengal Infrastructure Development Finance Corporation Limited	2007-08	2.2	153	2	2	2 March 2015	2 June 2015
	2008-09	4.17	132	3	3	29 March 2012	29 June 2012
	2009-10	3.9	148	3	3	27 August 2013	27 November 2013

Name of the Department/ Corporation/ Company/Board	Year of Audit Report (Commercial/ PSUs)	Para No.	No. of CoPU Report	Total No. of recommendations in CoPU Report	No. of recommendations where ATNs not received	Date of Presentation of Report to the Legislative Assembly	Due date of submission of ATNs
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Tourism							
West Bengal Tourism Development Corporation Limited	2005-06	4.17	93	3	3	17 July 2008	17 October 2008
	2003-04	4.13	97	2	2	2 December 2008	2 March 2009
	2011-12	2.2	163	5	5	8 December 2016	8 March 2017
Transport							
West Bengal Surface Transport Corporation Limited	2006-07	4.8	117	1	1	22 July 2010	22 October 2010
	2012-13	4.7	160	2	2	22 September 2015	22 December 2015
	2013-14	3.7	169	3	3	26 May 2017	26 August 2017
	2013-14	3.9	171	2	2	10 August 2017	10 November 2017
	2012-13	4.7	160	-	-	22 September 2015	22 December 2015
South Bengal State Transport Corporation	2013-14	3.7	169	-	-	26 May 2017	26 August 2017
	2013-14	3.8	172	1	1	10 August 2017	10 November 2017
	2011-12	3.14	152	3	3	18 November 2014	18 February 2015
Calcutta State Transport Corporation	2013-14	3.7	169	-	-	26 May 2017	26 August 2017
	2013-14	3.8	171	-	-	10 August 2017	10 November 2017
	2013-14	3.7	169	-	-	26 May 2017	26 August 2017
North Bengal State Transport Corporation	2013-14	3.7	169	-	-	26 May 2017	26 August 2017
	2013-14	3.7	169	-	-	26 May 2017	26 August 2017
West Bengal Transport Corporation Limited (formerly <i>The Calcutta Tramways Company (1978) Limited</i>)	2013-14	3.7	169	-	-	26 May 2017	26 August 2017

Name of the Department/ Corporation/ Company/Board	Year of Audit Report (Commercial/ PSUs)	Para No.	No. of CoPU Report	Total No. of recommendations in CoPU Report	No. of recommendations where ATNs not received	Date of Presentation of Report to the Legislative Assembly	Due date of submission of ATNs
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
West Bengal Transport Infrastructure Development Corporation Limited	2012-13	4.7	160	-	-	22 September 2015	22 December 2015
The Shalimar Works (1980) Limited	2010-11	3.7	147	3	3	27 August 2013	27 November 2013
Power and Non-Conventional Energy Sources							
West Bengal Power Development Corporation Limited	2010-11	3.4	150	2	2	19 February 2014	19 May 2014
West Bengal State Electricity Distribution Company Limited	2014-15	3.2	168	1	1	26 May 2017	26 August 2017
	2014-15	3.3	170	1	1	10 August 2017	10 November 2017
West Bengal State Electricity Distribution Company Limited (West Bengal Rural Energy Development Corporation Limited – amalgamated in November 2011)	<i>Suo moto</i>		162	1	1	26 February 2016	26 May 2016
West Bengal Green Energy Development Corporation Limited							
Public Works							
Mackintosh Burn Limited	2012-13	4.8	159	-	-	22 September 2015	22 December 2015
	2013-14	3.5	167	3	3	8 March 2017	8 June 2017
Sundarban Affairs							
The Sundarban Infrastructure Development Corporation Limited	2013-14	3.3	165	1	1	8 December 2016	8 March 2017
Health & Family Welfare							
The Gluconate Health Limited	<i>Suo moto</i>		161	-	-	26 February 2016	26 May 2016
Total			22	50	50		

Annexure 4

(Referred to in paragraph 3.8)

Statement showing investment made by GoWB whose accounts are in arrears

Sl No	Name of the PSUs	Period upto which accounts finalised	Period for which accounts are in arrears	Paid-up capital as per latest finalised accounts	Investment made by the State Government during the period for which accounts are in arrears (₹ in crore)			
					Paid-up capital	Loan	Grants & Subsidy	
1	The State Fisheries Development Corporation Limited	2016-17	2017-18	2.70	0.00	0.64	50.05	50.69
2	West Bengal Fisheries Corporation Limited	2016-17	2017-18	2.00	0.00	0.00	12.82	12.82
3	West Bengal State Minor Irrigation Corporation Limited	2016-17	2017-18	11.65	0.00	0.00	12.53	12.53
4	The West Bengal Livestock Development Corporation Limited	2016-17	2017-18	3.50	0.25	0.00	1.48	1.73
5	West Bengal Forest Development Corporation Limited	2016-17	2017-18	6.23	0.00	0.00	0.00	0.00
6	West Bengal Wasteland Development Corporation Limited	2016-17	2017-18	0.34	0.00	0.00	0.00	0.00
7	West Bengal State Food Processing and Horticulture Development Corporation Limited	2014-15	2015-16	0.97	0.00	0.00	0.00	0.00
			2016-17		0.00	0.00	0.00	0.00
			2017-18		0.10	0.00	0.00	0.10
8	West Bengal State Seed Corporation Limited	2016-17	2017-18	2.50	0.00	0.00	0.00	0.00
9	PachimBanga Agri Marketing Corporation Limited	2016-17	2017-18	4.62	0.37	23.00	0.69	24.06
10	West Bengal Film Development Corporation Limited	2015-16	2016-17	5.20	0.00	2.44	0.00	2.44
			2017-18		0.00	0.00	0.00	0.00
11	The West Bengal Small Industries Development Corporation Limited (WBSIDC Limited)	2016-17	2017-18	119.81	2.00	0.00	3.62	5.62
12	West Bengal Electronics Industry Development Corporation Limited (WBEIDC Limited)	2016-17	2017-18	235.67	0.00	0.40	0.00	0.40

SI No	Name of the PSUs	Period upto which accounts finalised	Period for which accounts are in arrear	Paid-up capital as per latest finalised accounts	Investment made by the State Government during the period for which accounts are in arrear (₹ in crore)			Total
					Paid-up capital	Loan	Grants & Subsidy	
13	West Bengal Transport Infrastructure Development Corporation Limited	2016-17	2017-18	7.60	0.00	0.00	0.00	0.00
14	Sundarban Infrastructure Development Corporation Limited	2016-17	2017-18	1.00	0.00	0.00	0.00	0.00
15	Mackintosh Burn Limited	2016-17	2017-18	0.31	0.00	0.00	0.00	0.00
16	Westinghouse Saxby Farmer Limited	2016-17	2017-18	7.74	0.00	13.81	0.00	13.81
17	Britannia Engineering Limited	2016-17	2017-18	11.29	0.00	2.98	0.00	2.98
18	Neo Pipes and Tubes Company Limited	2016-17	2017-18	2.20	0.00	1.82	0.00	1.82
19	National Iron and Steel Company (1984) Limited	2016-17	2017-18	12.00	0.00	2.88	0.00	2.88
20	West Bengal Pharmaceutical and Phytochemical Development Corporation Limited	2016-17	2017-18	23.99	2.24	2.30	0.00	4.54
21	Greater Calcutta Gas Supply Corporation Limited	2016-17	2017-18	41.15	0.00	0.86	0.00	0.86
22	The Shalimar Works (1980) Limited	2016-17	2017-18	1.25	0.00	8.52	0.00	8.52
23	Eastern Distilleries and Chemicals Limited		2013-14		0.00	0.00	0.00	0.00
			2014-15		0.00	0.00	0.00	0.00
			2015-16	0.20	0.00	0.00	0.00	0.00
			2016-17		0.00	0.00	0.00	0.00
			2017-18		0.00	0.00	0.00	0.00
24	The Electro Medical and Allied Industries Limited	2016-17	2017-18	16.40	0.00	0.83	0.00	0.83
25	West Bengal Surface Transport Corporation Limited	2016-17	2017-18	1.01	0.00	48.19	3.14	51.33
26	West Bengal Essential Commodities Supply Corporation Limited		2014-15		0.00	0.00	0.00	0.00
			2015-16	1.08	0.00	0.00	0.00	0.00
			2016-17		0.00	0.00	0.00	0.00
			2017-18		0.00	0.00	185.84	185.84

Sl No	Name of the PSUs	Period upto which accounts finalised	Period for which accounts are in arrear	Paid-up capital as per latest finalised accounts	Investment made by the State Government during the period for which accounts are in arrear (₹ in crore)			
					Paid-up capital	Loan	Grants & Subsidy	Total
27	West Bengal Tourism Development Corporation Limited	2015-16	2016-17	9.99	0.00	0.00	41.93	41.93
			2017-18		0.00	0.00	76.53	76.53
28	West Bengal Swarojgar Corporation Limited	2015-16	2016-17	130.00	0.00	0.00	0.95	0.95
			2017-18		0.00	0.00	0.00	0.00
29	Basumati Corporation Limited	2016-17	2017-18	0.10	0.00	3.40	0.00	3.40
30	Silpabarta Printing Press Limited (subsidiary of WBSIDC Limited)	2016-17	2017-18	0.89	0.00	0.00	0.19	0.19
			2015-16		0.00	0.00	0.00	0.00
31	West Bengal State Warehousing Corporation	2014-15	2016-17	7.61	0.00	0.00	0.00	0.00
			2017-18		0.00	0.00	0.00	0.00
			2015-16		0.00	0.00	0.00	0.00
32	West Bengal Scheduled Castes & Scheduled Tribes Development & Finance Corporation	2016-17	2017-18		181.23	153.72	334.95	669.90
33	West Bengal Minorities Development & Finance Corporation	2014-15	2015-16	150.00	15.00	0.00	1.69	16.69
			2016-17		9.00	0.00	1.82	10.82
			2017-18		0.00	0.00	2.90	2.90
34	West Bengal Industrial Infrastructure Development Corporation	2016-17	2017-18	0.00	0.00	31.12	31.12	
35	North Bengal State Transport Corporation	2015-16	2016-17	10.70	0.00	33.75	0.00	33.75
			2017-18		0.00	0.00	242.05	242.05
36	South Bengal State Transport Corporation	2016-17	2017-18	11.01	0.00	38.82	75.13	113.95
37	West Bengal Handloom and Powerloom Development Corporation Limited	2013-14	2014-15	46.76	0.00	0.00	0.00	0.00
			2015-16		0.00	0.00	0.03	0.03
			2016-17		0.00	0.00	0.21	0.21
38	The Kalyani Spinning Mills Limited	2016-17	2017-18	14.63	0.00	0.00	0.00	0.00
			2017-18		0.00	40.29	0.00	40.29

SI No	Name of the PSUs	Period upto which accounts finalised	Period for which accounts are in arrear	Paid-up capital as per latest finalised accounts	Investment made by the State Government during the period for which accounts are in arrear (₹ in crore)			
					Paid-up capital	Loan	Grants & Subsidy	Total
39	West Bengal Ceramic Development Corporation Limited	2006-07	2007-08	2.93	0.00	0.27	0.00	0.27
			2008-09		0.00	0.00	0.00	0.00
			2009-10		0.00	0.00	0.00	0.00
			2010-11		0.00	0.00	0.00	0.00
			2011-12		0.00	0.00	0.00	0.00
			2012-13		0.00	0.00	0.00	0.00
			2013-14		0.00	0.00	0.00	0.00
			2014-15		0.00	0.00	0.00	0.00
			2015-16		0.00	0.00	0.00	0.00
			2016-17		0.00	0.00	0.00	0.00
40	The West Bengal State Leather Industries Development Corporation Limited	2008-09	2009-10	3.95	0.00	0.00	0.00	0.00
			2010-11		0.00	0.00	0.00	0.00
			2011-12		0.00	0.00	0.00	0.00
			2012-13		0.00	0.00	0.00	0.00
			2013-14		0.00	0.00	0.00	0.00
			2014-15		0.00	0.00	0.00	0.00
			2015-16		0.00	0.00	0.00	0.00
			2016-17		0.00	0.00	0.00	0.00
			2017-18		0.00	0.00	0.00	0.00
			41		The West Bengal Projects Limited (subsidiary of WBSIDC Limited)	2013-14	2014-15	1.89
2015-16	0.00	0.00		0.00			0.00	
2016-17	0.00	0.00		0.01			0.01	
2017-18	0.00	0.00		0.05			0.05	
42	Pulver Ash Projects Limited (subsidiary of WBSIDC Limited)	2016-17	2017-18	3.31	0.00	0.00	0.00	0.00

SI No	Name of the PSUs	Period upto which accounts finalised	Period for which accounts are in arrear	Paid-up capital as per latest finalised accounts	Investment made by the State Government during the period for which accounts are in arrear (₹ in crore)			
					Paid-up capital	Loan	Grants & Subsidy	Total
43	The Infusions (India) Limited	2013-14	2014-15	8.00	0.00	1.30	0.00	1.30
			2015-16		0.00	2.00	0.00	2.00
			2016-17		0.00	1.90	0.00	1.90
			2017-18		0.00	1.20	0.00	1.20
44	The Carter Pooler Engineering Company Limited	2007-08	2008-09	0.95	0.00	0.00	0.00	0.00
			2009-10		0.00	0.00	0.00	0.00
			2010-11		0.00	0.00	0.00	0.00
			2011-12		0.00	0.00	0.00	0.00
			2012-13		0.00	0.00	0.00	0.00
			2013-14		0.00	0.00	0.00	0.00
			2014-15		0.00	0.00	0.00	0.00
			2015-16		0.00	0.00	0.00	0.00
			2016-17		0.00	0.00	0.00	0.00
			2017-18		0.00	0.00	0.00	0.00
45	West Bengal Plywood and Allied Products Limited	2011-12	2012-13	0.09	0.00	0.00	0.00	0.00
			2013-14		0.00	0.00	0.00	0.00
			2014-15		0.00	0.00	0.00	0.00
			2015-16		0.00	0.00	0.00	0.00
			2016-17		0.00	0.00	0.00	0.00
			2017-18		0.00	0.00	0.00	0.00

SI No	Name of the PSUs	Period upto which accounts finalised	Period for which accounts are in arrear	Paid-up capital as per latest finalised accounts	Investment made by the State Government during the period for which accounts are in arrear (₹ in crore)				
					Paid-up capital	Loan	Grants & Subsidy	Total	
46	Krishna Silicates and Glass (1987) Limited	2005-06	2006-07	0.00	0.00	0.00	0.00	0.00	
			2007-08		0.00	0.00	0.00	0.00	
			2008-09		0.00	0.00	0.00	0.00	
			2009-10		0.00	0.00	0.00	0.00	
			2010-11		0.00	0.00	0.00	0.00	
			2011-12		0.00	0.00	0.00	0.00	
			2012-13		0.00	0.00	0.00	0.00	
			2013-14		0.00	0.00	0.00	0.00	
			2014-15		0.00	0.00	0.00	0.00	
			2015-16		0.00	0.00	0.00	0.00	
			2016-17		0.00	0.00	0.00	0.00	
			2017-18		0.00	0.00	0.00	0.00	
			2017-18		0.01	0.00	2.63	0.00	2.63
			2017-18		0.00	0.00	0.00	0.00	0.00
47	Lily Products Limited	2016-17	2017-18	0.00	0.00	0.00	0.00	0.00	
			2017-18		0.00	0.00	0.00	0.00	
48	Great Eastern Hotel Authority	2016-17	2017-18	0.00	0.00	0.00	0.00		
49	West Bengal Biotech Development Corporation Limited	2008-09	2009-10	0.05	0.05	0.00	0.00	0.05	
			2010-11		0.00	0.00	0.00	0.00	
			2011-12		0.00	0.00	0.00	0.00	
			2012-13		0.00	0.00	0.00	0.00	
			2013-14		0.00	0.00	0.00	0.00	
			2014-15		0.00	0.00	0.00	0.00	
			2015-16		0.00	0.00	0.00	0.00	
			2016-17		0.00	0.00	0.00	0.00	
2017-18	0.00	0.00	0.00	0.00					
Total					210.24	387.95	1,079.73	1,677.92	

Annexure 5

(Referred to in Paragraph 3.9)

Status of placement of SARs in Legislature

Sl. No.	Name of Statutory Corporation	Year up to which SARs placed in Legislature	Years for which SARs not placed in Legislature		Reasons for delay in placement in Legislature
			Year of SAR	Date of issue to the Government	
1.	Calcutta State Transport Corporation	2013-14	2014-15	23.03.18	Not furnished by the Government
			2015-16	23.03.18	
			2016-17	13.09.18	
			2017-18	Audit in progress	
2.	North Bengal State Transport Corporation	2011-12	2012-13	Audit in progress	N.A
			2013-14		
			2014-15		
			2015-16		
3.	South Bengal State Transport Corporation	2015-16	2016-17	29.08.2018	Not furnished by the Government
4.	West Bengal Backward Classes Development and Finance Corporation	2013-14	2014-15	27.09.2017	Not furnished by the Government
			2015-16	27.09.2017	
			2016-17	26.02.2018	
5.	West Bengal Industrial Infrastructure Development Corporation	2011-12	2012-13	27.03.2014	Not furnished by the Government
			2013-14	10.04.2015	
			2014-15	20.04.2018	
			2015-16	20.04.2018	
			2016-17	Audit in progress	
6.	West Bengal Minorities Development and Finance Corporation	2012-13	2013-14	13.05.2015	Not furnished by the Government
7.	West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation	2015-16	2014-15	30.01.2018	Not furnished by the Government
			2016-17	07.09.2018	
8.	West Bengal State Warehousing Corporation	2013-14	2014-15	25.07.2018	Not furnished by the Government
			2016-17	Audit in Progress	
9.	West Bengal Electricity Regulatory Commission	2016-17	2017-18	Audit in Progress	N.A

Sl. No.	Name of Statutory Corporation	Year up to which SARs placed in Legislature	Years for which SARs not placed in Legislature		
			Year of SAR	Date of issue to the Government	Reasons for delay in placement in Legislature
10.	West Bengal Financial Corporation	2013-14	2014-15	07.10.2015	Not furnished by the Government
			2015-16	16.11.2016	
			2016-17	02.02.2018	
			2017-18	Audit in Progress	
					N.A

N.A: Not Applicable

Annexure 6

(Referred to in Paragraph 4.1.3.3)

Statement showing the outcome of the field visit along with the officials/staff of Bankura

Sl. No.	Range (Mouza)	GPS reading	Plantation Area as per Management (in ha)	Plantation Area as per GPS readings (in ha)	Year of plantation	Survival Percentage	Remarks
1	Beliatore (Gorsika)	23°29.132' N 86°51.539' E	7.50	4.785	2015	Survival was 55 per cent	Plantation were observed in this patch of land. No fencing was noticed in this site and infilling vacancy were not done. The tree required proper care (<i>viz.</i> mulching, manuring <i>etc.</i>)
	Beliatore (Gorsika)	23°29.194' N 86°50.940' E		1.555	2015	Nil	No Eucalyptus/ <i>Akashmoni</i> Plantation were observed in this patch of land. No fencing or signboard were noticed at the site.
	Beliatore (Gorsika)	23°29.120' N 86°50.588' E		1.498	2015	Nil	No Eucalyptus/ <i>Akashmoni</i> Plantation were observed in this patch of land. No fencing or signboard were noticed at the site.
2	Beliatore (Goalberia)	23°28.267' N 86°49.563' E	3.00	3.27	2015	Survival was 60 per cent	Plantation were observed over land measuring only 2.10 ha. Most of the plants over the area of 2.10 ha were from infilling done during the year 2016-17 & 2017-18. No fencing was noticed in this site.
	Beliatore (Chhelia)	23°28.121' N 86°48.631' E		0.73	2015	Nil	No Eucalyptus/ <i>Akashmoni</i> Plantation were observed in this patch of land. No fencing or signboard were noticed at the site.
3	Beliatore (Chhelia)	23°28.109' N 86°48.631' E	7.00	1.95	2015	Survival was one per cent	Very few Eucalyptus plants were noticed on this patch of land. No fencing or signboard was noticed in this site.
	Beliatore (Chhelia)	23°27.837' N 86°48.901' E		3.36	2015	Survival 80 per cent	Plantation was observed in this patch of land. No fencing was noticed.
	Beliatore (Chhelia)	23°27.774' N 86°48.724' E		1.25	2015	Nil	No Eucalyptus/ <i>Akashmoni</i> Plantation were observed in this patch of land. No fencing or signboard were noticed at the site.
4	Beliatore (Asrabad)	23°27.377' N 86°49.835' E	3.50	3.61	2015	Survival was 60 per cent	Eucalyptus was planted in between existing plantation of matured Palash Trees, Sign board was broken. No fencing was noticed in this site. The plants required proper care (<i>viz.</i> mulching, manuring <i>etc.</i>).
	Beliatore (Asrabad)	23°27.308' N 86°50.657' E		8.37	2017	Survival was 90 per cent	Satisfactory Plantation noticed. No fencing was noticed in this site.

Sl. No.	Range (Mouza)	GPS reading	Plantation Area as per Management (in ha)	Plantation Area as per GPS readings (in ha)	Year of plantation	Survival Percentage	Remarks
6	Beliatore (Jamthole)	23°26.794' N 86°51.613' E	9.50	8.05	2015	Nil	No Eucalyptus/ <i>Akashmoni</i> Plantation were observed in this patch of land. No fencing or signboard were noticed at the site. Though the management stated the plantation were over 9.50 ha, as per the GPS map given by the management the area was only 8.05 ha. Moreover, it had 1.13 ha common with the plantation area of 2016 land as per GPS maps given by the management.
7	Beliatore (Jamthole)	23°26.491' N 86°51.258' E	11.00	6.76	2016	Survival was 75 per cent	Satisfactory plantation observed in this patch of land except a few stretches.
	Beliatore (Jamthole)	23°26.603' N 86°51.240' E		1.52	2016	Survival was 15 per cent	Few Eucalyptus Plants observed in between spontaneous <i>Akashmoni</i> plants. <i>Akashmoni</i> plants over-shadowed Eucalyptus plantations. No fencing/ Sign board was noticed in this site and infilling vacancy were not done. The tree required proper care (viz. mulching, manuring etc.)
	Beliatore (Jamthole)	23°26.732' N 86°51.390' E		2.54	2016	Nil	No Eucalyptus/ <i>Akashmoni</i> Plantation was observed in this patch of land. No fencing or signboard were noticed at the site. Moreover it has 1.13 ha common with the plantation area of 2016 land as per GPS maps given by the management
	Beliatore (Jamthole)	23°26.751' N 86°51.587' E		1.34	2016	Nil	No Eucalyptus/ <i>Akashmoni</i> Plantation were observed in this patch of land. No fencing or signboard were noticed at the site.
8	Beliatore (Jorhira)	23°25.934' N 86°53.195' E	6.50	6.53	2015	Survival was 90 per cent	Satisfactory Plantation noticed.
9	Beliatore (Brindajam)	23°23.178' N 86°52.321' E	10.00	10.40	2016	Survival was 45 per cent	Plantation was observed in this site. However, this site includes waterbody and some scattered bigger patches of land within the site with nil survival of the plantation. Audit also observed that the cows and goats grazing at the site. Due to inadequate caring (viz. mulching, manuring etc.), Eucalyptus tree showed poor growth. It was observed that according to the signboard the plantation were over the area of 12 ha.
			66.30	67.52			

Annexure 7

(Referred to in Paragraph 4.1.3.3)

Statement showing the outcome of the field visit along with the officials/staff of Purulia

Sl. No	Range (Mouza)	GPS Reading	Plantation Area as per Management (in ha)	Plantation Area as per GPS readings (in ha)	Year of plantation	Survival Percentage	Remarks
1.	Balrampur (Penchra)	23°12.301' N 86°25.995' E	25 ha	11.20	2014	Survival percentage for six ha was 50 per cent.	Plantation was observed on six ha only and no plantation was observed over 5.20 ha.
		23°12.159' N 86°26.276' E					
	Balrampur (Penchra)	23°12.036' N 86°26.267' E		04.80	2014	Survival percentage for 4.10 ha was 65 per cent.	Plantation were observed on 4.10 ha only and no plantation was observed over 5.90 ha.
2.	Barabazar (Chipida)	23°13.726' N 86°25.013' E	20 ha	25.00	2015	Nil	No eucalyptus plantation was observed.
		23°14.475' N 86°22.998' E					
3.	Balrampur (Gosaidih)	23°14.270' N 86°22.853' E	29 ha	19.20	2015	Survival percentage for 13 ha was 60 per cent.	Plantation were observed on 13 ha only and remaining plantation over 6.20 ha was damaged.
		23°14.270' N 86°22.853' E					
	Balrampur (Gosaidih)			11.10	2015	Not Applicable	Out of 11.10 ha, two ha plantation was common with above patch (23°14.475' N /86°22.998'E) where no plantation was observed and remaining 9.10 ha were having matured <i>Akashmonitrees</i> which were planted before 2014/15, the plantation of which was not undertaken by WBFDC.

Sl. No	Range (Mouza)	GPS Reading	Plantation Area as per Management (in ha)	Plantation Area as per GPS readings (in ha)	Year of plantation	Survival Percentage	Remarks
4.	Raghunathpur (Deshra)	23°23.483' N 86°31.190' E	26 ha	8.50	2017	Survival percentage for 6.8 ha was 80 per cent.	Plantation were observed over 6.80 ha only with remaining 1.70 ha werewater bodies and existing plantation. Matured <i>Akashmoni</i> trees, not planted by WBFDC, were observed. Fencing were broken in this site and infilling vacancy were not done.
	Raghunathpur (Deshra)	23°23.311' N 86°31.159' E		17.20	2017	Survival percentage for 13.5 ha was 80 per cent.	Plantation were observed on 13.50 ha only and remaining 3.70 ha werewater bodies and existing plantation which were not planted by WBFDC. Fencing was broken in this site and infilling of vacancy was not done.
	Raghunathpur (Deshra)	23°23.328' N 86°31.037' E		0.60	2017	Survival percentage was 85 per cent.	Satisfactory plantation noticed
5.	Barabazar (Manpur)	23°06.207' N 86°21.492' E	18 ha	18.90	2016	Survival percentage was 75 per cent.	Satisfactory plantation noticed
			118 ha	126.50			

Annexure 8
(Referred to in Paragraph 4.5)
Non-Registration of vehicles under GATIDHARA Scheme during 2017-2018

Sl no	Particulars DEALER	Total		Un-registered	
		Number of beneficia- ries	Amount (₹ in crore)	Number of beneficiaries	Amount (₹ in crore)
1	BHANDARI AUTOMOBILES	659	6.59	179	1.79
2	DEWARS GARRAGE	917	9.18	497	4.97
3	MOHAN MOTORS	369	3.69	179	1.79
4	SANEI MOTORS	221	2.21	82	0.82
5	LEXUS	522	5.22	193	1.92
6	MACHINO TECHNO SALES LTD.	304	3.04	163	1.63
7	AUSTIN MOTORS	476	4.76	351	3.51
8	PREMIER CAR WORLD	421	4.18	56	0.56
9	KOLKATA AUTO PVT LTD	594	3.24	211	1.23
10	RUPSA MOTORS	209	1.05	46	0.23
11	COUNTRY MOTORS	332	2.27	111	0.77
12	AKSHADA MOTORS	77	0.36	13	0.06
13	KHOKAN MOTORS SILIGURI	200	1.80	21	0.21
14	OSL AUTOMOTIVES	171	1.69	74	0.73
15	GATI MOTORS	48	0.48	10	0.10
16	SALUJA MOTORS	18	0.18	6	0.06
17	GOKUL MOTORS	46	0.32	15	0.11
	TOTAL	5,584	50.26	2,207	20.49

Annexure 9

(Referred to in Paragraph 4.5)

Computation of interest not claimed from dealers for retaining the subsidy under GATIDHARA Scheme

Sl no	Name of dealer	Number of beneficiaries	Amount (₹ in crore)	Number of beneficiaries	Amount (₹ in crore)	Last subsidy received date	Cut-off date for Registration of vehicles	Days of unutilised subsidy (up to 29 May 2018)	Rate of PLR applicable by SBI since April 2018 (in per cent)	Interest chargeable to Dealers to Amount (₹ in crore)
1	BHANDARI AUTOMOBILES	659	6.59	179	1.79	23-03-2018	07-04-2018	52	13.45	0.034
2	DEWARS GARRAGE	917	9.18	497	4.97	20-03-2018	04-04-2018	55	13.45	0.101
3	MOHAN MOTORS	369	3.69	179	1.79	20-03-2018	04-04-2018	55	13.45	0.036
4	SANEI MOTORS	221	2.21	82	0.82	11-02-2018	26-02-2018	92	13.45	0.028
5	LEXUS MOTORS	522	5.22	193	1.92	22-11-2017	07-12-2017	173	13.45	0.122
6	MACHINO TECHNO SALES LTD.	304	3.04	163	1.63	23-03-2018	07-04-2018	52	13.45	0.031
7	AUSTIN MOTORS	476	4.76	351	3.51	23-03-2018	07-04-2018	52	13.45	0.067
8	PREMIER CAR WORLD	421	4.18	56	0.56	23-03-2018	07-04-2018	52	13.45	0.011
9	KOLKATA AUTO PVT LTD	594	3.24	211	1.23	28-02-2018	15-03-2018	75	13.45	0.034
10	RUPSA MOTORS	209	1.05	46	0.23	29-03-2018	13-04-2018	46	13.45	0.004
11	COUNTRY MOTORS	332	2.27	111	0.77	29-03-2018	13-04-2018	46	13.45	0.013
12	AKSHADA MOTORS	77	0.36	13	0.06	29-03-2018	13-04-2018	46	13.45	0.001
13	KHOKAN MOTORS SILIGURI	200	1.80	21	0.21	29-03-2018	13-04-2018	46	13.45	0.004
14	OSL AUTOMOTIVES	171	1.69	74	0.73	29-03-2018	13-04-2018	46	13.45	0.012
15	GATI MOTORS	48	0.48	10	0.10	20-03-2018	04-04-2018	55	13.45	0.002
16	SALUJA MOTORS	18	0.18	6	0.06	20-03-2018	04-04-2018	55	13.45	0.001
17	GOKUL MOTORS	46	0.32	15	0.11	20-03-2018	04-04-2018	55	13.45	0.002
	TOTAL	5,584	50.26	2,207	20.49					0.504

GLOSSARY OF ABBREVIATIONS

Glossary of Abbreviations

Sl. No.	Abbreviation	Description
1	ADB	Asian Development Bank
2	AFB	Annual Financial Budget
3	ATC	Aggregate Technical and Commercial
4	ATN	Action Taken Notes
5	BIL	M/s Bentec India Ltd
6	BPPL	Bristol Petroleum Private Limited
7	CA	Chartered Accountant
8	CAGR	Compounded Annual Growth Rate
9	CMD	Chairman and Managing Director
10	COPU	Committee On Public Undertaking
11	CP	Compulsory Plantation
12	CVC	Central Vigilance Commission
13	DFL	Degraded Forest Land
14	DFO	Divisional Forest Officers
15	DoF	Department of Forests
16	DPR	Detailed Project Report
17	DTR	Distribution Transformers
18	DVC	Damodar Valley Corporation
19	EBIT	Earnings Before Interest and Taxes
20	ECL	Eastern Coalfields Limited
21	ERP	Enterprise Resource Planning
22	FCA	Fuel Cost Adjustment
23	FPPCA	Fuel and Power Purchase Cost Adjustment
24	GoI	Government of India
25	GoWB	Government of West Bengal
26	GP	Guarantee Period
27	GPS	Global Positioning System
28	LGL	M/s Landis & Gyr Ltd
29	LOI	Letters of Intent
30	MAN	Material Arrival Note
31	MoEFCC	Ministry of Environment, Forest and Climate Change
32	MoP	Ministry of Power
33	NFL	Non-forest Land
34	NHAI	National Highway Authority of India
35	NIT	Notice Inviting Tender
36	O&M	Operation and Maintenance
37	OBD	Overburden Dump
38	PCD	Procurement and Contracts Department
39	PFCL	Power Finance Corporation Limited
40	PPMB	Pilfer Proof Meter Boxes
41	PRT	Progressive Revenue Technique
42	ROCE	Return on Capital Employed
43	ROE	Return on Equity
44	RPP	Revised Purchase Policy

Sl. No.	Abbreviation	Description
45	SAP	System Application Product
46	SDB	Sundarban Development Board
47	SDG	Sustainable Development Goals 2030
48	SIDCL	Sundarban Infrastructure Development Corporation Limited
49	SIT	Stocks – in – Transits
50	SLDC	State Load Despatch Centre
51	SOP	Standard Operating Procedures
52	SRV	Store Receipt Voucher
53	STC	Standing Tender Committee
54	WBDFP	West Bengal Development Finance Programme
55	WBERC	West Bengal Electricity Regulatory Commission
56	WBFDC	West Bengal Forest Development Corporation Limited
57	WBFR	West Bengal Financial Rules
58	WBPCB	West Bengal Pollution Control Board
59	WBPSFRS	West Bengal Power Sector Financial Restructuring Scheme
60	WBSEB.	West Bengal State Electricity Board
61	WBSEDCL	West Bengal State Electricity Distribution Company Limited
62	WBSETCL	West Bengal State Electricity Transmission Company Limited
63	WBWDCL	West Bengal Wasteland Development Corporation Limited