



सत्यमेव जयते

**Report of the
Comptroller and Auditor General of India
on
Public Sector Undertakings
For the year ended 31 March 2015**



Government of West Bengal
Report No. 2 of the year 2016

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PREFACE

This report deals with results of audit of Government Companies and Statutory Corporations for the year ended March 2015.

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 Section 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.

Reports in relation to the accounts of a Government Company or Statutory Corporation are submitted to the Government of West Bengal by CAG for laying before State Legislature of West Bengal under the provisions of Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

CAG is sole auditor for seven Statutory Corporations, *i.e.*, West Bengal Industrial Infrastructure Development Corporation, West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation, West Bengal Minorities Development and Finance Corporation, West Bengal Backward Classes Development and Finance Corporation, Calcutta State Transport Corporation, North Bengal State Transport Corporation and South Bengal State Transport Corporation.

The instances mentioned in this Report are those, which came to notice in course of test audit for the period 2014-15 as well as those which came to notice in earlier years, but could not be reported in previous Audit Reports; matters relating to the period subsequent to 2014-15 have also been included, wherever necessary.

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

OVERVIEW

OVERVIEW

1 Functioning of State Public Sector Undertakings

As on 31 March 2015, there were 91 State PSUs in West Bengal which comprised of 73 working PSUs (including nine Statutory Corporations) and 18 non-working PSUs (including one Statutory Corporation). During 2014-15, the working PSUs registered a turnover of ₹ 39,795.16 crore which was equal to 4.97 *per cent* of Gross State Domestic Product (GSDP). They also had employed 0.52 lakh employees as of March 2015.

Investments in PSUs

As on 31 March 2015, total investment in 91 PSUs was ₹ 44,508.24 crore. Power sector accounted for 65.90 *per cent* of total investment in 2014-15. During 2014-15, State Government provided financial support of ₹ 1,675.16 crore to PSUs towards equity, loans and grants/ subsidies.

Performance of PSUs

Out of 73 working PSUs, only 33 PSUs prepared accounts for 2014-15 as of September 2015. During 2014-15, 23 PSUs earned profit of ₹ 541.83 crore and 10 PSUs incurred loss of ₹ 588.42 crore. Major contributors to profit were West Bengal State Electricity Transmission Company Limited, West Bengal Housing Infrastructure Development Corporation Limited and West Bengal Infrastructure Development Finance Corporation Limited. Heavy losses were incurred by The Durgapur Projects Limited and The Calcutta Tramways Company (1978) Limited.

Arrears in accounts and placement of Separate Audit Reports (SARs)

The accounts of 40 working PSUs were in arrears for periods ranging from one to five years. There were 18 non-working PSUs of which 14 PSUs had arrears of accounts for one to nine years.

There were seven Separate Audit Reports on the accounts of Statutory Corporations which were yet to be placed before the State Legislature. Of these, the earliest SAR was issued to the State Government on 18 April 2013.

Follow up action on Audit Reports

Explanatory notes to 40 paragraphs/ performance audits appearing in Audit Reports (Commercial/ PSUs) relating to 14 departments are yet to be received. Action Taken Notes on the recommendations contained in 18 reports of the Committee on Public Undertakings (COPU) were yet to be received from the departments as on 30 September 2015.

2 Performance Audit relating to Government Company

A Performance Audit was conducted on 'Production and distribution of seeds' by West Bengal State Seed Corporation Limited (WBSSCL). The highlights of audit findings are as follows:

WBSSCL was incorporated in November 1980 as a wholly owned Government Company. Its primary objective was production, procurement and marketing of seeds for farmers at affordable prices. The accumulated profit of the Company, as on March 2014, stood at ₹ 58.82 crore.

Contribution of WBSSCL to seed production in the State

WBSSCL was able to achieve only 15 to 33 *per cent* of the seed production targets envisaged for it in the 11th five year plan. WBSSCL's contribution to the total seed production in the State was only four *per cent* as against the target of 20 *per cent* envisaged in the 11th five year plan.

Production and procurement of seeds

WBSSCL did not place any indent on Seed Certification Agency for allotment of breeder seeds. As a result the allotment fell short of requirement by 80 *per cent*. During 2010-15, shortfalls in production of foundation seeds from the breeder seeds distributed by WBSSCL to its registered growers for paddy, lentil and mustard were 50, 42 and 59 *per cent* respectively. The shortfall in production of foundation seeds had a cascading effect and led to shortfall in production of certified seeds.

Out of the total procurement of certified seeds, only 34 *per cent* was met by procurement from registered growers and Government farms. WBSSCL delayed in fixing the procurement prices of seeds payable to registered growers. The purchases made from private growers were 38 *per cent*, but at rates which were much higher than the rates paid to registered growers.

Distribution of certified seeds to dealers and to Government schemes through marketing network

WBSSCL did not evolve any marketing strategy. It had not reviewed the performance of its marketing activities so far. Due to complete reliance on Government orders, WBSSCL neglected to strengthen its dealer base. As a result, sales through dealers constituted only one *per cent* of the total sales. Although the selling price of seeds of WBSSCL was less than that of the private producers, sales through dealers decreased due to inadequate publicity, unattractive packaging, failure to create brand name and absence of direct interaction with farmers. WBSSCL failed to fulfill its primary objective of supplying quality seeds to farmers at reasonable prices.

3 Compliance Audit

Compliance audit observations included in this Report highlight deficiencies in the management of PSUs, which resulted in serious financial implications. The irregularities pointed out include:

- Loss of ₹ 35.64 crore due to non-safeguarding of financial interests of organisation in four cases.

(Paragraphs 3.2, 3.3, 3.5 and 3.8)

- Loss of ₹ 18.69 crore due to non-compliance with statutes/ rules/ directives/ procedures in three cases.
(Paragraphs 3.1, 3.4 and 3.7)
- Loss of ₹ 2.02 crore due to inadequate/ deficient monitoring in two cases.
(Paragraphs 3.6 and 3.10)
- Loss of ₹ 1.05 crore due to defective/ deficient planning in one case.
(Paragraph 3.9)

Gist of the important audit observations is given below:

West Bengal Power Development Corporation Limited (WBPDC), the largest state-owned power generating company in West Bengal, generated 34.82 million tonnes (mt) of ash during 2010-15. Due to its failure to contain pollution emissions by its units within the permissible limits, WBPDC had to pay a fine of ₹ 35 lakh imposed by the Pollution Control Board. To meet Central Government norms and reduce incidence of ash, WBPDC was required to use 38.09 mt washed coal but it used only 1.86 mt. Audit observed that since WBPDC had not installed any clarriflocculator so far, water from the ash pond flowed into the river Chandrabhaga carrying the ash particles, thereby polluting the river. The National Green Tribunal issued a show cause notice to WBPDC for causing pollution, in response to which WBPDC had to spend ₹ 4.64 crore to clean up the confluence of Chandrabhaga and Bakreswar rivers.

(Paragraph 3.1)

West Bengal State Electricity Distribution Company Limited had entered into an agreement to supply power to a private distribution company without including availability based tariff clauses, in deviation of policies and regulations, leading to loss of ₹ 15.80 crore. It sustained a loss of ₹ 11.54 crore in violation of statutory and regulatory provisions, *i.e.*, by supplying power after termination of letters of credit. It also failed to generate monthly energy bills of centralised bulk consumers within the time provided in the regulations, resulting in avoidable payment of interest of ₹ 7.90 crore on cash credit. Further, it had violated Government of India guidelines by not including a clause in the long term power purchase agreement with a power trader, to prevent short/ non-supply of power, resulting in avoidable expenditure of ₹ 7.55 crore on purchase of power from other sources at higher rates.

(Paragraphs 3.2, 3.3, 3.4 and 3.5)

Mackintosh Burn Limited paid additional income tax of ₹ 1.25 crore by not claiming admissible expenditure of ₹ 3.85 crore towards interest on advance.

(Paragraph 3.6)

Saraswati Press Limited and West Bengal Mineral Development and Trading Corporation Limited had contributed ₹ 1.25 crore to the Chief Minister's Relief Fund without obtaining prior approval of its shareholders as required.

(Paragraph 3.7)

West Bengal Mineral Development and Trading Corporation Limited paid avoidable interest of ₹ 0.75 crore on short/ non-deposit of advance tax and self-assessment tax due to lack of mechanism for quarterly computation of taxable income.

(Paragraph 3.8)

Sundarban Infrastructure Development Corporation Limited incurred excess expenditure of ₹ 1.05 crore for construction of five Industrial Training Institutes due to incorrect adoption of rates.

(Paragraph 3.9)

West Bengal Infrastructure Development Finance Corporation Limited had delayed in communicating instructions to banks for credit of maturity value of deposits in two overdraft accounts, leading to payment of avoidable interest of ₹ 0.77 crore.

(Paragraph 3.10)

CHAPTER I

CHAPTER I

1. Functioning of State Public Sector Undertakings

Introduction

1.1 The State Public Sector Undertakings (PSUs) comprise the State Government Companies and Statutory Corporations. The State PSUs are established to carry out activities of commercial nature keeping in view the welfare of people; they occupy an important place in the State economy. As on 31 March 2015, in West Bengal there were 91 PSUs. Of these, one PSU¹ was listed on the Calcutta Stock Exchange. During the year 2014-15, no PSU was added to the audit jurisdiction or closed down. The details of the State PSUs in West Bengal as on 31 March 2015 are as follows:

Table 1.1: Total number of PSUs as on 31 March 2015

Type of PSUs	Working PSUs	Non-working PSUs ²	Total
Government Companies ³	64	17	81
Statutory Corporations	9	1	10
Total	73	18	91

The working PSUs registered total turnover of ₹ 39,795.16 crore during the year 2014-15 as per their latest finalised accounts as of September 2015. This turnover was equal to 4.97 *per cent* of Gross State Domestic Product (GSDP)⁴ for 2014-15. The working PSUs incurred aggregate loss of ₹ 709.98 crore as per their latest finalised accounts as of September 2015. They had employed 52,380 employees as at the end of March 2015.

As on 31 March 2015, there were 18 non-working PSUs functioning for the last one to nine years, with total investment of ₹ 911.12 crore.

Accountability framework

1.2 The process of audit of Government Companies is governed by respective provisions of Section 139 and 143 of the Companies Act, 2013 (Act). According to Section 2 (45) of the Act, Government Company means any company in which not less than fifty one *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

¹ WEBFIL Limited.

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

³ Government PSUs includes other Companies referred to in Section 139(5) and 139(7) of the Companies Act 2013.

⁴ Gross State Domestic Product at current prices : ₹ 8,00,868 crore. (Source : Report of State Planning Board of NITI AAYOG).

includes a company which is a subsidiary company of such a Government company.

Further, as per Section 143(7) of the Act, the CAG may, in case of any company covered under sub-Section (5) or sub-Section (7) of Section 139, if he considers necessary, by an order, cause test audit to be conducted on the accounts of such Company and 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 test audit. Thus, a Government Company or any other Company owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments or partly by Central Government and partly by one or more State Governments is subject to audit by the CAG. 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

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

Audit of Statutory Corporations is governed by their respective legislations. Out of nine working Statutory Corporations, CAG is the sole auditor for seven Corporations⁵. In respect of West Bengal State Warehousing Corporation and West Bengal Financial Corporation, the audit is conducted by Chartered Accountants and supplementary audit by CAG. In case of one non-working corporation, *i.e.*, Great Eastern Hotel Authority, only compliance audit is undertaken by the CAG.

Role of Government and Legislature

1.4 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.

⁵ Calcutta State Transport Corporation, South Bengal State Transport Corporation, North Bengal State Transport Corporation, West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation, West Bengal Minorities Development and Finance Corporation, West Bengal Backward Classes Development and Finance Corporation and West Bengal Industrial Infrastructure Development Corporation.

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 Act 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

1.5 The State Government has a financial stake in these PSUs. This stake is of mainly 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 with interest availed by the PSUs from Financial Institutions.

Investment in State PSUs

1.6 As on 31 March 2015, the investment (capital and long-term loans) in 91 PSUs was ₹ 44,508.24 crore as per details as follows:

Table 1.2: Total investment in PSUs

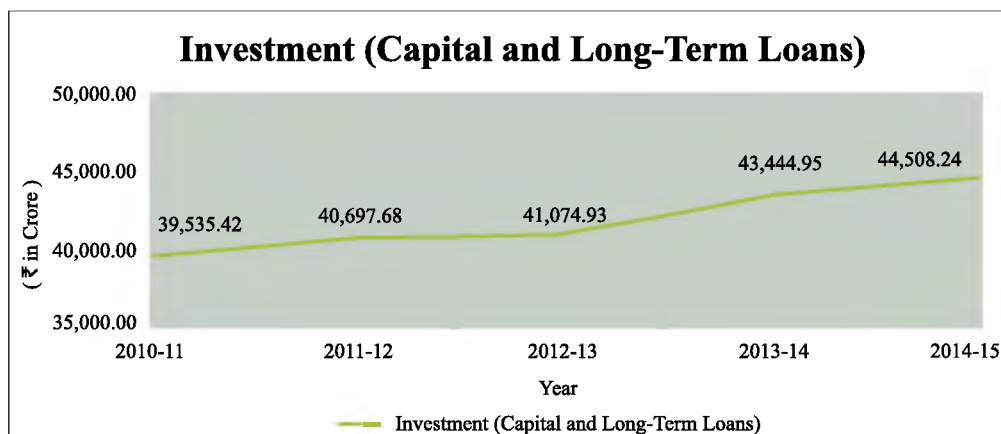
(₹ in crore)

Type of PSUs	Government Companies			Statutory Corporations			Grand Total
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	
Working PSUs	13,743.86	26,785.54	40,529.40	693.01	2,374.71	3,067.72	43,597.12
Non-working PSUs	121.70	773.08	894.78	-	16.34	16.34	911.12
Total	13,865.56	27,558.62	41,424.18	693.01	2,391.05	3,084.06	44,508.24

As on 31 March 2015 of the total investment in State PSUs, 97.95 per cent was in working PSUs and the remaining 2.05 per cent in non-working PSUs. This total investment consisted of 32.71 per cent towards capital and 67.29 per cent in long-term loans. The investment has grown from ₹ 39,535.42 crore in

2010-11 to ₹ 44,508.24 crore in 2014-15 at an annual average compound rate of 2.40 per cent, as shown in **Chart 1.1** as follows:

Chart 1.1: Total investment in PSUs



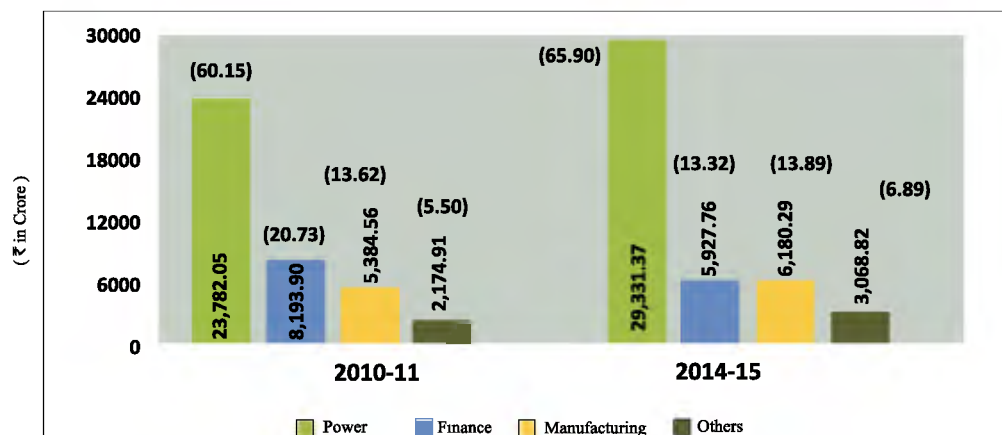
1.7 The sector wise summary of investments in the State PSUs as on 31 March 2015 is given in **Table 1.3**.

Table 1.3 : Sector-wise investment in PSUs

Name of Sector	Government Companies		Statutory Corporations		Total Investment (₹ in crore)
	Working	Non-Working	Working	Non-Working	
Power	29,331.37	-	-	-	29,331.37
Manufacturing	5,337.40	842.89	-	-	6,180.29
Finance	3,837.81	51.89	2,038.06	-	5,927.76
Service	822.71	-	925.71	16.34	1,764.76
Infrastructure	883.49	-	96.34	-	979.83
Agriculture & Allied	249.52	-	7.61	-	257.13
Miscellaneous	67.10	-	-	-	67.10
Total	40,529.40	894.78	3,067.72	16.34	44,508.24

The investment in different sectors and percentage thereof at the end of 31 March 2011 and 31 March 2015 are indicated in **Chart 1.2**.

Chart 1.2: Sector-wise investment in PSUs



The thrust of PSU investment was mainly in power sector which increased from 60.15 per cent to 65.90 per cent during 2010-11 to 2014-15. In absolute terms, investments rose by ₹ 5,549.32 crore in power sector during the period 2010-15 while it declined by ₹ 2,266.14 crore in Finance sector during the same period.

Disinvestment, Restructuring and Privatisation of PSUs and any reforms in power sector

1.8 West Bengal Tea Development Corporation Limited (WBTDCL), incorporated in August 1976, operated five tea gardens in Darjeeling and Jalpaiguri districts. In November 2014, WBTDCL invited Request for Proposal (RfP) for transfer of all five tea gardens. After approval (January 2015) by the Standing Committee of the Cabinet on Industry, Infrastructure and Employment, WBTDCL transferred all five tea gardens in March 2015 to two successful bidders. Approval for winding up of WBTDCL is awaited (October 2015).

Special support and returns during the year

1.9 The State Government provides financial support to PSUs in various forms through annual budget. The summarised details of budgetary outgo towards equity, loans, grants/ subsidies, loans written off and interest waived in respect of State PSUs for three years ended 2014-15 are given in *Table 1.4*.

Table 1.4: Details regarding budgetary support to PSUs (₹ in crore)

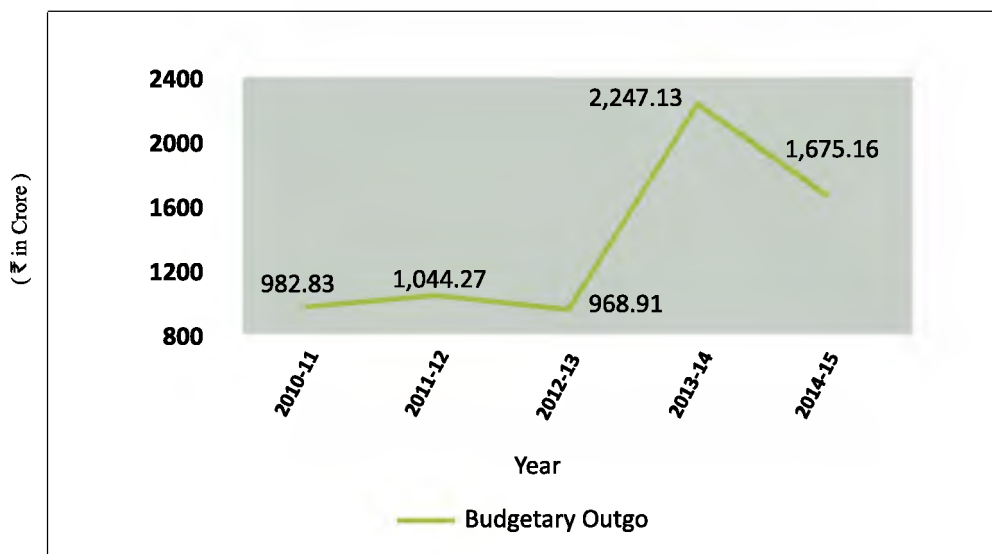
Sl. No.	Particulars	2012-13		2013-14		2014-15	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity Capital outgo from budget	12	210.22	12	761.75	15	236.90
2.	Loans given from budget	27	201.80	29	538.00	29	490.07
3.	Grants/Subsidy from budget ⁶	22	556.89	28	947.38	24	948.19
4.	Total Outgo (1+2+3)	45	968.91	50	2,247.13	48⁷	1,675.16
5.	Loans converted into Equity	1	0.50	1	380.00	1	500.00
6.	Guarantees issued	3	685.72	2	1,309.73	-	-
7.	Guarantee Commitment	17	6,999.01	15	6,542.76	19	8,060.49

The details regarding budgetary outgo towards equity, loans and grants/ subsidies for past five years are given in *Chart 1.3*.

⁶ Amount represents outgo from the State Budget only.

⁷ The figure represents number of PSUs which have received outgo from the State Budget under one or more heads, i.e., equity, loans and grants & subsidies

Chart 1.3: Budgetary outgo towards Equity, Loans and Grants/ Subsidies



1.9.1 Budgetary outgo towards equity, loans and grants/ subsidies increased from ₹ 982.83 crore in 2010-11 to ₹ 1,675.16 crore in 2014-15. Significant beneficiaries of equity, loans and subsidy/ grants from the State budget were Calcutta State Transport Corporation (₹ 225.54 crore), The Calcutta Tramways Company (1978) Limited (₹ 213.48 crore), West Bengal Scheduled Castes and Scheduled Tribes Development & Finance Corporation (₹ 197.79 crore), The West Bengal Power Development Corporation Limited (₹ 169.38 crore) and North Bengal State Transport Corporation (₹ 158.79 crore). Majority of loans given from the budget was to the power sector which received 52.93 *per cent* (₹ 259.41 crore) of the total loans (₹ 490.07 crore) during 2014-15.

1.9.2 PSUs are liable to pay guarantee commission at the rate of one *per cent per annum* to the State Government on the maximum amount of loan guaranteed irrespective of the amount availed or outstanding as on 1 April of each year till the liquidation of loans. At the end of 2014-15, guarantee commitment by the Government was ₹ 8,060.49 crore in respect of 19 PSUs. During the year West Bengal State Electricity Transmission Company Limited paid guarantee commission of ₹ 0.08 crore to the State Government while ₹ 117.35 crore were outstanding from 16 PSUs. The Government waived guarantee fee of ₹ 42.99 crore from The West Bengal Power Development Corporation Limited as it had fully repaid the loans.

Reconciliation with Finance Accounts

1.10 The figures in respect of equity, loans and guarantees outstanding as per records of State PSUs should agree with that of the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the concerned

PSUs and the Finance Department should carry out reconciliation of differences. The position in this regard as at 31 March 2015 is as follows:

Table 1.5 : Equity, loans, guarantees outstanding as per finance accounts vis-à-vis records of PSUs

(₹ in crore)			
Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	11,313.24	13,373.83	2,060.59
Loans	11,724.88	6,912.74	4,812.14
Guarantees	7,888.77	8,060.49	171.72

Audit observed that the differences occurred in respect of various PSUs and some of the differences were pending reconciliation since many years. No action has been taken for reconciliation even though the matter was brought to the notice of the concerned administrative departments and the managements of the concerned PSUs earlier. The Government and the PSUs should take concrete steps to reconcile the differences in a time-bound manner.

Arrears in finalisation of accounts

1.11 The financial statements of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year *i.e.* by September end in accordance with the provisions of Section 96 (1) of the Act. Failure to do so, may attract penal provisions under Section 99 of the Act. Similarly, in case of statutory corporations, their accounts are finalised, audited and presented to the Legislature as per the provisions of their respective Acts.

Table 1.6 provides the details of progress made by working PSUs in finalisation of accounts as of 30 September 2015.

Table 1.6: Position relating to finalisation of accounts of working PSUs

Sl. No.	Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
1.	Number of Working PSUs	72	74	74	74	73
2.	Number of accounts finalised during the year	69	73	74	83	69
3.	Number of accounts in arrears	59	69	67	60	64
4.	Number of Working PSUs with arrears in accounts	41	46	43	36	40
5.	Extent of arrears (numbers in years)	1 to 7	1 to 3	1 to 4	1 to 5	1 to 5
6.	Number of PSUs having up to date accounts in respective years.	31	28	31	38	33

It can be observed that the number of accounts in arrears has increased from 59 (2010-11) to 64 (2014-15). It would be seen from *Annexure 1* that till

September 2015 the accounts of 40 working PSUs were in arrears. Two PSUs had arrears in accounts of five years⁸. One PSU⁹ had arrears in accounts for four years while four PSUs¹⁰ had arrears in accounts for three years. These PSUs need to take effective measures to bring their accounts up to date.

Administrative departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by these PSUs within the prescribed period. The concerned administrative departments and officials of the Government were informed at regular intervals by the Principal Accountant General (PAG)/ Accountant General (AG), of the arrears in finalisation of accounts, but there was no improvement in position of arrears in accounts of working PSUs. The issue was pursued on a regular basis and also intimated to the Chief Secretary to the Government of West Bengal (February 2015 and July 2015). Subsequently the issue was highlighted at a meeting chaired (August 2015) by the Chief Secretary, without any improvement.

1.12 The State Government had invested ₹ 2,048.77 crore in 40 working PSUs {equity: ₹ 29.76 crore, loans: ₹ 288.51 crore and grants : ₹ 1,730.50 crore} during the years for which accounts have not been finalised as detailed in *Annexure 1*. In the absence of finalisation of accounts and their subsequent audit, it could not be ensured whether the investments and expenditure incurred have been properly accounted for and the purpose for which the amount was invested was achieved or not. Thus Government's investment in such PSUs remained outside the control of State Legislature.

1.13 In addition to above, as on 30 September 2015, there were arrears from one year to nine years in finalisation of accounts by 14 out of 18 non-working PSUs as given at *Table 1.7*.

Table 1.7: Position relating to arrears of accounts in respect of non-working PSUs

Period for which accounts were in arrears	No. of years for which accounts were in arrears	No. of non-working companies
2006-07 to 2014-15	Nine	1
2007-08 to 2014-15	Eight	1
2008-09 to 2014-15	Seven	1
2009-10 to 2014-15	Six	2
2011-12 to 2014-15	Four	1
2012-13 to 2014-15	Three	4
2013-14 and 2014-15	Two	1
2014-15	One	3

⁸ Sl. No. 1 and 38 of *Annexure 1*.

⁹ Sl. No. 39 of *Annexure 1*.

¹⁰ Sl. No. 6, 22, 26 and 27 of *Annexure 1*.

Placement of Separate Audit Reports

1.14 The status of placement of Separate Audit Reports (SARs) issued by the CAG (up to 30 September 2015) on the accounts of Statutory Corporations in the Legislature was as follows :

Table 1.8: 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		
			Year of SAR	Date of issue to the Government	Reasons for delay in placement in Legislature
1.	Calcutta State Transport Corporation	2008-09	2009-10	18.04.2013	Not furnished by the Government
			2010-11	Audit in Progress	N.A
2.	North Bengal State Transport Corporation	2008-09	2009-10	Audit in Progress	N.A
3.	South Bengal State Transport Corporation	2011-12	2012-13	26.08.2014	Not furnished by the Government
			2013-14	Audit in Progress	N.A
4.	West Bengal Backward Classes Development and Finance Corporation	2011-12	2012-13	05.08.2014	Not furnished by the Government
			2013-14	Audit in Progress	N.A
5.	West Bengal Industrial Infrastructure Development Corporation	2011-12	2012-13	27.03.2014	Not furnished by the Government
			2013-14	10.04.2015	Not furnished by the Government
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	2012-13	2013-14	16.06.2015	Not furnished by the Government
8.	West Bengal State Warehousing Corporation	2012-13	2013-14	Audit in Progress	N.A
9.	West Bengal Electricity Regulatory Commission	2013-14	2014-15	Audit in Progress	N.A
10.	West Bengal Financial Corporation	2013-14	2014-15	Audit in Progress	N.A

N.A. : Not applicable

Impact of non-finalisation of accounts

1.15 As pointed out above (*paragraphs 1.11 to 1.13*), the delay in finalisation of accounts may also result in risk of fraud and wastage of public money apart from violation of the provisions of the relevant statutes. In view of the above state of arrears of accounts, the actual contribution of PSUs to the State GDP for the year 2014-15 could not be ascertained and their contribution to State exchequer was also not reported to the State Legislature.

Performance of PSUs as per their latest finalised accounts

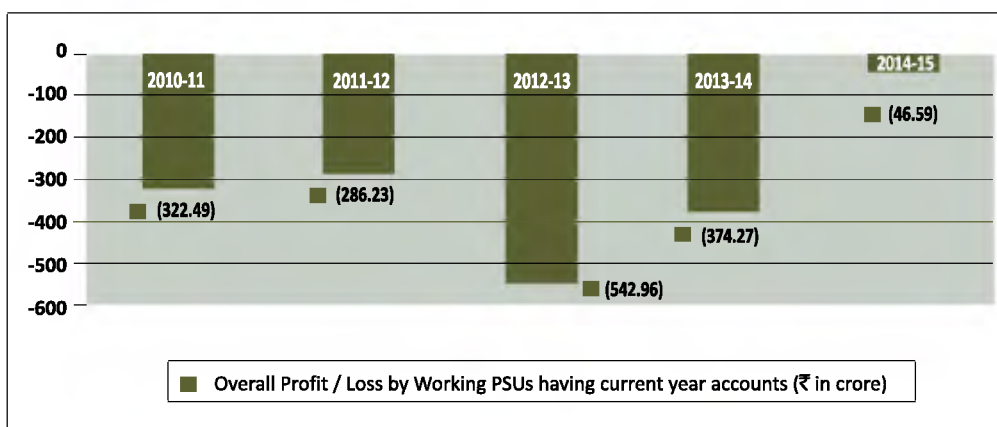
1.16 The financial position and working results of Government companies and Statutory Corporations are detailed in *Annexure 2*. A ratio of PSU turnover to State GDP shows the extent of PSU activities in the State economy. The details of turnover of working PSUs with up-to-date accounts and State GDP for a period of five years ending 2014-15 were as follows :

Table 1.9: Details of working PSUs turnover *vis-à-vis* State GDP (₹ in crore)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Turnover ¹¹ (No. of working PSUs having up-to-date accounts)	25,072 (32)	29,458 (27)	36,755 (31)	37,213 (38)	28,079 (33)
State GDP	4,73,890	5,49,876	5,76,865	7,07,848	8,00,868
Percentage of Turnover to State GDP	5.29	5.36	6.37	5.26	3.51

1.17 Overall losses incurred by State working PSUs with up-to-date accounts in respective years during 2010-11 to 2014-15 are as follows :

Chart 1.4: Profit/ (Loss) of working PSUs having up-to-date accounts



During the year 2014-15, there were 33 working PSUs with up-to-date accounts, of which 23 PSUs earned profit of ₹ 541.83 crore and 10 PSUs incurred loss of ₹ 588.42 crore. The major contributors to profit were West Bengal State Electricity Transmission Company Limited (₹ 269.26 crore), West Bengal Housing Infrastructure Development Corporation Limited (₹ 96.98 crore) and West Bengal Infrastructure Development Finance Corporation Limited (₹ 77.13 crore). Heavy losses were incurred by The Durgapur Projects Limited (₹ 324.60 crore) and The Calcutta Tramways Company (1978) Limited (₹ 203.61 crore).

¹¹ Turnover as per the current finalised accounts as of 30 September of respective year.

1.18 Some other key parameters of working PSUs having up-to-date accounts in respective years during 2010-11 to 2014-15 are as follows :

Table 1.10: Key Parameters of State PSUs (₹ in crore)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Return on Capital Employed (Per cent)	2,003.95 (7.60)	2,472.26 (10.44)	2,412.78 (6.44)	2,769.55 (6.51)	2,984.14 (7.40)
Debt	23,837.52	25,408.89	25,296.12	26,232.94	23,604.19
Turnover ¹²	25,071.80	29,457.81	36,755.18	37,212.69	28,079.44
Debt/ Turnover Ratio	0.95:1	0.86:1	0.69:1	0.70:1	0.84:1
Interest Payments	2,347.32	2,758.49	2,957.97	3,143.82	3,029.73
Accumulated Profits/ (-)losses	(-)817.70	(-) 1,123.38	(-) 1,751.90	(-)2,644.97	(-)190.07

1.19 In respect of those PSUs having arrears in accounts, 19 working PSUs earned profit of ₹ 188.65 crore while 21 working PSUs incurred losses of ₹ 852.04 crore as per their latest finalised accounts as on 30 September 2015. Nine PSUs declared dividend of ₹ 4.06 crore.

Winding up of non-working PSUs

1.20 There were 18 non-working PSUs (17 Companies and one Statutory Corporation) as on 31 March 2015. Of these, the details of PSUs, which have commenced liquidation process are not known, although sought for in August 2014 and December 2015. It was, however, observed, that according to the Registrar of Companies, West Bengal, names of three non-working PSUs viz. The Carter Pooler Engineering Company Limited, West Bengal Plywood and Allied Products Limited and Krishna Silicate and Glass (1987) Limited had been struck off while one PSU viz. West Bengal Ceramic Development Corporation Limited was under the process of striking off. The number of non-working companies at the end of each year during past five years are as follows :

Table 1.11: Non working PSUs

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
No. of non-working companies	17	14	16	16	17
No. of non-working corporations	1	1	1	1	1
Total	18	15	17	17	18

¹² Turnover of working PSUs as per their accounts for the current financial year as of 30 September of that year.

1.21 Since the non-working PSUs are not contributing to the State economy, these PSUs may be considered either to be closed down or revived. During 2014-15, 12 non-working PSUs incurred an expenditure of ₹ 34.69 crore towards employees' cost¹³. This expenditure was financed by the State Government through non-plan loans to these PSUs. The stages of closure in respect of non-working PSUs are given at **Table 1.12**.

Table 1.12: Closure of Non working PSUs

Sl. No.	Particulars	Companies	Statutory Corporations	Total
1.	Total No. of non-working PSUs	17	1	18
2.	Of (1) above, the No. under			
(a)	liquidation by Court (liquidator appointed)	Not available	Not available	Not available
(b)	Voluntary winding up (liquidator appointed)	Not available	Not available	Not available
(c)	Closure, i.e. closing orders/ instructions issued but liquidation process not yet started	Not available	Not available	Not available

As mentioned in **paragraph 1.20**, the information had not been furnished.

Comments on Accounts

1.22 Sixty-four working companies forwarded their audited 61 accounts to PAG/ AG during the year 2014-15. The audit reports of statutory auditors appointed by CAG and the supplementary audit of CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of statutory auditors and CAG are as follows :

Table 1.13: Impact of audit comments on working Companies

(₹ in crore)

Sl. No.	Particulars	2012-13		2013-14		2014-15	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Increase in profit	7	31.53	11	103.43	6	176.64
2.	Decrease in profit	21	266.62	18	422.70	16	327.92
3.	Errors of classification	4	240.02	5	44.23	5	134.83
4.	Non-disclosure of material facts	5	281.15	5	157.33	7	194.39

Note: Increase in Profit includes Decrease in Loss and vice-versa.

During the year, the Statutory Auditors did not give unqualified certificates on any accounts.

¹³ Six non-working PSUs did not submit requisite information

1.23 Similarly, nine working Statutory Corporations forwarded their eight accounts to PAG/AG during the year 2014-15. Of these, six accounts of six Statutory Corporations pertained to sole audit by CAG. Of the remaining, two accounts were selected for supplementary audit. The Audit Reports of Statutory Auditors and the sole/ supplementary audit of CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of statutory auditors and CAG are as follows :

Table 1.14: Impact of audit comments on Statutory Corporations

(₹ in crore)

Sl. No.	Particulars	2012-13		2013-14		2014-15	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Increase in profit	6	47.43	6	96.55	4	34.35
2.	Decrease in profit	4	56.23	3	136.79	3	15.25
3.	Errors of classification	-	-	2	16.23	-	-
4.	Non-disclosure of material facts	1	13.81	1	10.57	-	-

Note: Increase in Profit includes Decrease in Loss and vice-versa.

Response of the Government to Audit

Performance Audits and Paragraphs

1.24 For the Report of the Comptroller and Auditor General of India for the year ended 31 March 2015, one Performance Audit and 10 Audit Paragraphs involving seven departments were issued to the Additional Chief Secretaries/ Principal Secretaries of the respective Departments with request to furnish replies within six weeks. Replies in respect of seven compliance audit paragraphs were awaited from the State Government (December 2015).

Follow up action on Audit Reports

Replies outstanding

1.25 The Report of the Comptroller and Auditor General (CAG) of India represents the culmination of the process of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the executive. The Finance Department, Government of West Bengal issued instructions (October 2009) to all Administrative Departments to submit replies/ explanatory notes to paragraphs/ performance audits included in the Audit Reports of the CAG of India within a period of two months of their presentation to the Legislature, in the prescribed format without waiting for any questionnaires from the COPU.

Table 1.15: Explanatory notes not received (as on 30 September 2015)

Year of the Audit Report (Commercial/ PSUs)	Date of placement of Audit Report in the State Legislature	Total Performance audits (PAs) and paragraphs in the Audit Report		Number of PAs/ Paragraphs for which explanatory notes were not received	
		PAs	Paragraphs	PAs	Paragraphs
2003-04	01.08.2005	3	27	-	2
2004-05	24.07.2006	4	21	-	2
2005-06	29.03.2007	4	26	-	2
2006-07	27.03.2008	4	21	-	2
2007-08	16.07.2009	3	20	-	1
2008-09	30.07.2010	2	21	-	2
2009-10	01.09.2011	2	21	-	6
2010-11	24.09.2012	2	15	-	4
2011-12	10.07.2014	2	14	1	8
2012-13	10.07.2014	2	10	2	8
2013-14	<i>Yet to be laid before the Legislature</i>	2	9	NA	NA
Total		30	205	3	37

From **Table 1.15**, it could be seen that out of 235 paragraphs/ performance audits, explanatory notes to 40 paragraphs/ performance audits in respect of 14 departments, which were commented upon, were awaited (September 2015).

Discussion of Audit Reports by COPU

1.26 The status as on 30 September 2015 of Performance Audits (PAs) and paragraphs that appeared in Audit Reports (PSUs) and discussed by the Committee on Public Undertakings (COPU) was as follows :

Table 1.16 : PAs/ Paragraphs appeared in Audit Reports vis-à-vis discussed as on 30 September 2015

Period of Audit Report	Number of PAs/ Paragraphs			
	Appeared in Audit Report		Paras discussed	
	PAs	Paragraphs	PAs	Paragraphs
2005-06	4	26	-	14
2006-07	4	21	-	6
2007-08	3	20	1	6
2008-09	2	21	2	9
2009-10	2	21	-	6
2010-11	2	15	-	6
2011-12	2	14	-	6
2012-13	2	10	-	2
2013-14 (<i>Yet to be laid before the Legislature</i>)	2	9	NA	NA
Total	23	157	3	55

Compliance to Reports of Committee on Public Undertakings (COPU)

1.27 According to Rules of Procedure of COPU, Action Taken Notes (ATNs) on the recommendations contained in the COPU Reports are to be submitted by the Government within three months of their receipt. The following statement indicated the position of COPU reports where Action Taken Notes are yet to be received from the departments as on 30 September 2015.

Table 1.17: Compliance to COPU Reports

Name of the Department/ Public Sector Undertaking	Year of Audit	Para No.	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
Tourism/ West Bengal Tourism Development Corporation Limited	2005-06	4.17	93rd	3	3	17 July 2008	17 October 2008
Tourism/ West Bengal Tourism Development Corporation Limited	2003-04	4.13	97th	2	2	2 December 2008	2 March 2009
Transport/ West Bengal Surface Transport Corporation Limited	2006-07	4.8	117th	1	1	22 July 2010	22 October 2010
Food Processing Industries & Horticulture/ West Bengal State Food Processing Industries and Horticulture Development Corporation Limited	2008-09	4.15	126th	5	5	20 December 2011	20 March 2012
Commerce & Industries/ West Bengal Industrial Development Corporation Limited	2008-09	4.12	130th	1	1	29 March 2012	29 June 2012

Audit Report (PSUs) for the year ended 31 March 2015

Name of the Department/ Public Sector Undertaking	Year of Audit	Para No.	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
Finance / West Bengal Infrastructure Development Finance Corporation Limited	2008-09	4.17	132nd	3	3	29 March 2012	29 June 2012
Public Works/ The Britannia Engineering Limited	<i>Suo Moto</i>		136th	10	10	11 December 2012	11 March 2013
Public Enterprises & Industrial Reconstruction/ The Gluconate Health Limited							
Sundarban Affairs/ Sundarban Infrastructure Development Corporation Limited	2009-10	3.11	142nd	4	4	19 March 2013	19 June 2013
Sundarban Affairs/ Sundarban Infrastructure Development Corporation Limited	2009-10	3.12	143rd	1	1	19 March 2013	19 June 2013
Transport/ The Shalimar Works (1980) Limited	2010-11	3.7	147th	3	3	27 August 2013	27 November 2013
Finance / West Bengal Infrastructure Development Finance Corporation Limited	2009-10	3.9	148th	3	3	27 August 2013	27 November 2013
Information Technology/ Webel Mediatronics Limited	2010-11	3.13	149th	3	3	19 February 2014	19 May 2014
Power and Non-Conventional Energy Sources/ West Bengal Power Development Corporation Limited	2010-11	3.4	150th	2	2	19 February 2014	19 May 2014
Power and Non-Conventional Energy Sources/ The Durgapur Projects Limited	2011-12	3.1	151st	2	2	18 November 2014	18 February 2015
Power and Non-Conventional Energy Sources/ West Bengal Power Development Corporation Limited							
Power and Non-Conventional Energy Sources/ West Bengal State Electricity Distribution Company Limited							
Transport/ Calcutta State Transport Corporation	2011-12	3.14	152nd	3	3	18 November 2014	18 February 2015
Finance / West Bengal Infrastructure Development Finance Corporation Limited	2007-08	2.2	153rd	2	2	2 March 2015	2 June 2015

Name of the Department/ Public Sector Undertaking	Year of Audit	Para No.	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
Commerce & Industries/ West Bengal Industrial Infrastructure Development Corporation	2012-13	4.8	159th	2	2	22 September 2015	22 December 2015
Public Works/ Mackintosh Burn Limited							
Transport/ West Bengal Surface Transport Corporation Limited							
Transport/ South Bengal State Transport Corporation	2012-13	4.7	160th	2	2	22 September 2015	22 December 2015
Transport/ West Bengal Transport Infrastructure Development Corporation Limited							
Total			18	52	52		

These reports of COPU contain 52 recommendations in respect of paragraphs pertaining to 10 departments, which had either appeared in the Reports of the CAG of India for the years 2003-04 to 2012-13 or were taken up for study *suo-moto*.

It is recommended that the Government ensure: (a) sending of replies to explanatory Notes/ draft paragraphs/ performance audits and ATNs on the recommendations of COPU as per the prescribed time schedule; (b) recovery of loss/ outstanding advances/ overpayments within the prescribed period; and (c) revamping of the system of responding to audit observations.

Coverage of this Report

1.28 This Report contains one Performance Audit and 10 Compliance Audit observations involving financial effect of ₹ 58.02 crore.

CHAPTER II

CHAPTER II

Performance audit relating to Government Company

WEST BENGAL STATE SEED CORPORATION LIMITED

2. Production and distribution of seeds

Executive Summary

Introduction

West Bengal State Seed Corporation Limited (WBSSCL) was incorporated in November 1980, as a wholly owned Government Company under Directorate of Agriculture (DoA), Government of West Bengal (GoWB) with the primary objective of production and procurement of seed and marketing it at reasonable prices to the farmers. It also trades in agricultural inputs viz. fertilizers, pesticides and agricultural implements. It had earned profit consistently over the years and accumulated profit, as on March 2014, stood at ₹ 58.82 crore which included ₹ 36.65 crore earned during 2010-11 to 2013-14.

Contribution of WBSSCL to seed production in the State

WBSSCL was able to meet only 15 to 33 *per cent* of the seed production targets envisaged for it in the 11th five year plan. As a result, WBSSCL's production of seeds was only four *per cent* of the total production in the State, which was much below the requirement of 20 *per cent* envisaged in the 11th five year plan.

Production and procurement of seeds

WBSSCL did not place any indent on Seed Certification Agency (SCA) for allotment of breeder seed. As a result the allotment fell short of requirement by 80 *per cent*. Further, during 2010-11 to 2014-15, shortfalls in production of foundation seeds from breeder seeds distributed by WBSSCL to its registered growers for paddy, lentil and mustard were 50, 42 and 59 *per cent* respectively.

The shortfall of production of foundation seeds had a cascading effect and led to shortfall in production of certified seeds.

Out of the total requirement of seed, only 34 *per cent* was met by procurement from registered growers and Government farms under DoA. Twenty eight and 38 *per cent* of purchase was made from other PSUs like state seed corporations of other states and private growers respectively, at rates which were higher than rates for registered growers.

Distribution of certified seeds to dealers and to government schemes through marketing network

WBSSCL did not evolve any marketing strategy. It had not reviewed the performance of its marketing activities so far. Due to complete reliance on Government orders, WBSSCL neglected to maintain and strengthen its dealer

base. As a result, sales through dealer network were only one *per cent* of the total sales. During interactions it was revealed that although the price of seed of WBSSCL was less compared to that of private producers, it had failed to penetrate the market due to inadequate publicity, unattractive packaging, failure to create brand name, absence of direct interaction of WBSSCL's representatives with farmers, absence of credit facilities *etc.*

Conclusion

WBSSCL did not coordinate with DoA to ascertain the requirement of seeds under different government schemes sufficiently in advance to achieve desired seed production through registered growers. Also WBSSCL had not fixed procurement prices of seeds from registered growers in time. As a result, procurement from registered growers, which was the most cost effective, was sub-optimal. Due to weak marketing network, WBSSCL failed to fulfil its primary objective to supply quality seeds to farmers at reasonable prices.

Recommendations

There are four recommendations - WBSSCL should assess seed requirement and draw up a production plan and procurement plan, in line with requirement of seeds in the state. It should undertake activities to increase production of foundation seed/ certified seed, incentivise production by registered growers and fix procurement prices timely in keeping with the prevailing prices. WBSSCL should strengthen its dealer network to supply quality seeds to the farmers at reasonable price.

2.1 Introduction

Seed is a critical and basic input for enhancing agricultural production and productivity in different agro-climatic¹ regions. Efficacy of other agricultural inputs such as fertilizers, pesticides, micro nutrients and irrigation is largely determined by the quality of seed. Seed quality² is estimated to account for 20-25 *per cent* of productivity. It is, therefore, important that quality seeds are made available to farmers.

West Bengal State Seed Corporation Limited (WBSSCL) was incorporated in November 1980, as a wholly owned Government Company with the primary objective of production and procurement of seed and marketing it at reasonable prices to the farmers. WBSSCL also acts as a facilitator of infrastructural support to the Directorate of Agriculture (DoA), Government of West Bengal (GoWB) for execution of Government sponsored programmes. It also trades in agricultural

¹ Agro-climatic conditions mainly refer to soil types, rainfall, temperature and water availability which influence the type of vegetation.

² State of Indian Agriculture 2012-13; Department of Agriculture, GoI.

inputs viz. fertilizers, pesticides and agricultural implements like power tillers, low capacity tractors etc.

WBSSCL had earned profit consistently over the years and the accumulated profit, as on March 2014, stood at ₹ 58.82 crore which included ₹ 36.65 crore earned during 2010-11 to 2013-14. Out of the total profit earned during 2010-14, income from investments in fixed deposits contributed 63 per cent of profits.

2.2 Audit objectives

This Performance Audit was undertaken to assess whether WBSSCL had:

- 2.2.1 Formulated plans in accordance with plans and policies of DoA;
- 2.2.2 Produced quality seeds and procured seeds efficiently to meet the demand and;
- 2.2.3 Set up effective marketing network for seeds.

The principal constraints faced while conducting the audit were absence of reliable management information system and non-reconciliation of records of WBSSCL with that of DoA.

Management agreed (October 2015) on the need to improve its Management Information System and take steps for reconciliation of records with DoA.

2.3 Scope and methodology of audit

The performance audit was undertaken between April and July 2015. It covered activities of WBSSCL relating to production, procurement and marketing of seeds during 2010-11 to 2014-15 of paddy, wheat, lentils and mustard seeds. Selection of division offices and crops were done on the basis of purposive sampling, mainly based on volume of production programme. Audit methodology involved scrutiny of records maintained at the head office and five³ division offices as well as DoA. Besides, at the five division offices selected, 37 registered growers and 21 dealers out of 167 registered growers and 72 dealers respectively were interviewed by Audit in the presence of management and their response recorded for the purpose of framing conclusions in the Performance Audit Report. Entry Conference was held on 22 April 2015, where objectives, scope and methodology of the performance audit was explained to Managing Director and senior management of WBSSCL and Secretary, DoA, GoWB. Exit Conference was held on 13 October 2015, attended by Managing Director, other senior management of WBSSCL and Commissioner, Agriculture Department and Special Secretary, GoWB.

³ Barasat, Burdwan, Hooghly, Midnapore and Raigunj.

2.4 Audit criteria

Audit criteria adopted for assessing achievement of audit objectives were derived from:

- 2.4.1 Policies, programmes and plans of DoA and WBSSCL.
- 2.4.2 Seed Multiplication programme (SMP).
- 2.4.3 Seed Act 1966 and rules.
- 2.4.4 Board agenda and minutes of WBSSCL.
- 2.4.5 Issue of audit enquiry and interaction with management.

2.5 Audit Findings

Audit findings are discussed in the succeeding paragraphs.

2.6 Formulation of plans in accordance with Agricultural plans/ policies of the department

In West Bengal, agriculture contributes 17 *per cent* to Gross State Domestic Product. Although 60 *per cent* of the land is under agriculture with 180 *per cent* cropping intensity⁴, self-sufficiency in food production is yet to be achieved. This is due to high population density of 1,029 *per sq. km.* and continual shortfall of quality seeds.

It was observed that DoA, GoWB did not frame any agricultural policy which would have laid down a vision for augmenting agricultural production in the state. In the Exit Conference, the Department accepted the need for a proper agricultural policy.

Against crop requirement⁵ of 181.39 lakh MT (LMT) of cereals, 12.98 LMT of pulses and 16.69 LMT of oilseeds, West Bengal had a shortage of five, 82 and 44 *per cent* in case of cereals, pulses and oilseeds respectively. Moreover, the annual average growth rate in foodgrain production was three *per cent* against the desired rate of four *per cent*, as per State Agricultural Plan. Audit observed that low production of quality seed was one of the factors that contributed to the shortfall as discussed in the succeeding paragraphs.

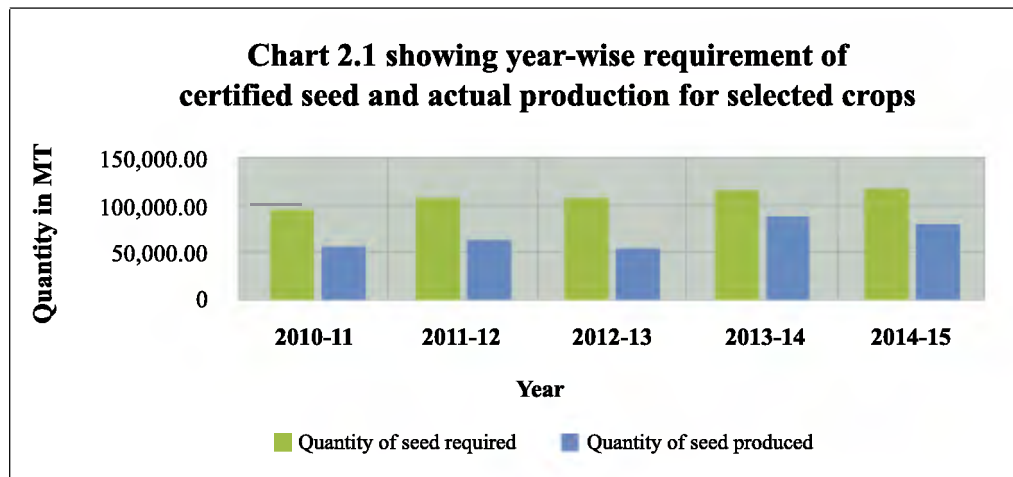
2.6.1 Seed production in the State and contribution of WBSSCL

Chart 2.1 indicates the year-wise requirement of seed and actual production of certified seeds for four⁶ major crops during the period 2010-11 to 2014-15.

⁴ The number of times the land is cultivated in a year.

⁵ Twelfth five Year plan, Government of West Bengal and production data with DoA, GoWB.

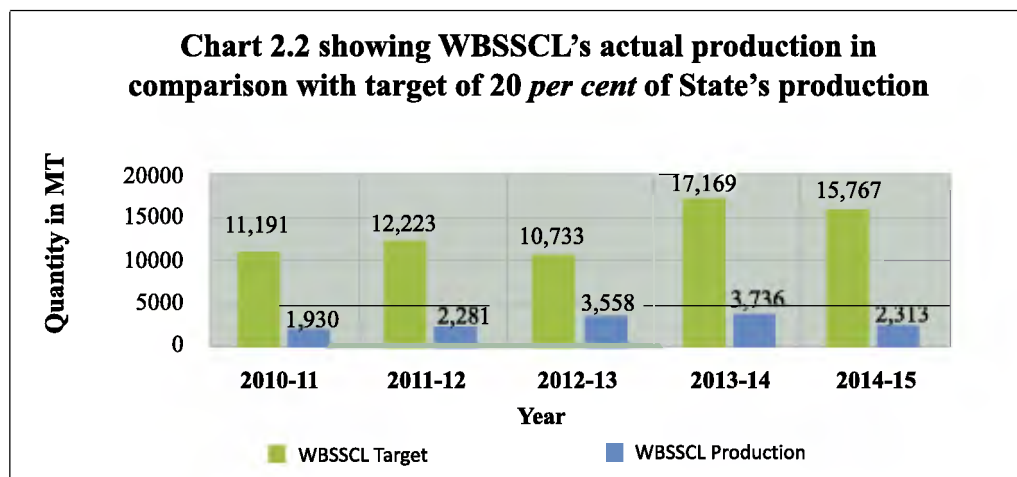
⁶ Paddy, Wheat, Lentil and Mustard.



Source : DoA, GoWB and West Bengal Seed Certification Agency.

There was a shortfall in the production of seeds every year during the period 2010-15.

Year-wise total seed production target for WBSSCL as per the 11th five year plan *vis-à-vis* actual production achieved during 2010-11 to 2014-15, are given in *Chart 2.2* below.



Source : Production targets are based on the 11th five year Plan while actual production data are taken from the departmental records.

The Chart shows that WBSSCL was able to meet only 15 to 33 per cent of the seed production targets envisaged for it in the 11th five year plan. As a result, WBSSCL's production of seeds was only four per cent⁷, much below the requirement of 20 per cent envisaged in the 11th five year plan. Thus, WBSSCL failed to make significant improvement in market share as discussed in the subsequent paragraphs.

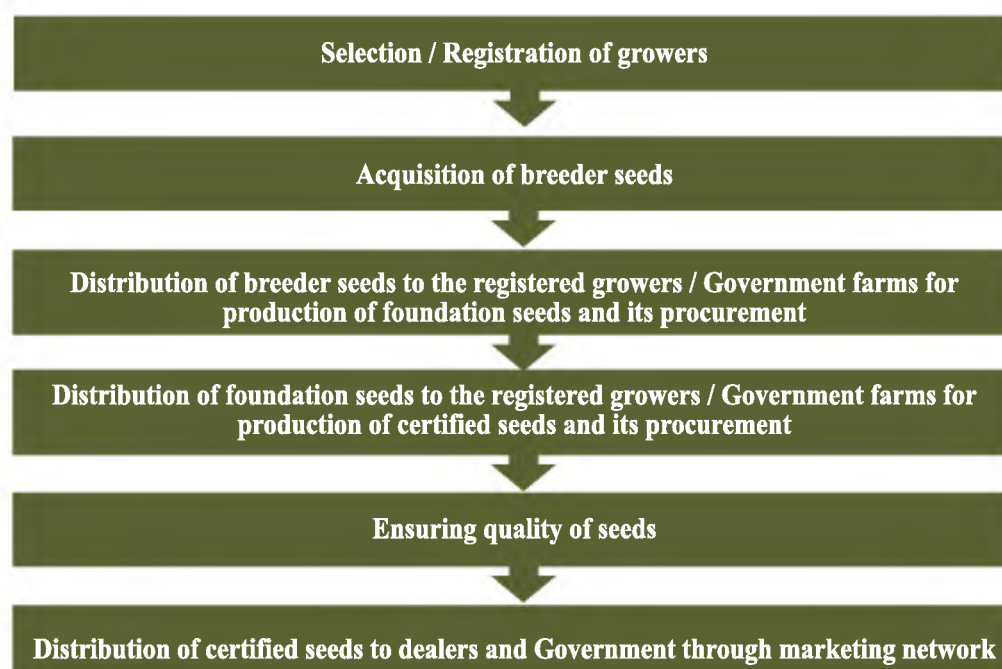
⁷ Of the total production of seed in the State.

Management noted (October 2015) the observations and stated that requirement of seeds as ordered by GoWB was fulfilled by WBSSCL. The reply is not tenable as WBSSCL was able to fulfil GoWB's requirement from other sources like private seed producers, seeds corporations of other states rather than its own production *etc.* In the Exit Conference, Department stated that non-availability of advance indent from DoA was a constraint for WBSSCL to undertake commensurate production plan at optimal levels and assured that this would be reviewed in future.

2.7 Production and procurement of seeds

Research institutes and agricultural universities produce nucleus seed⁸ and multiply this seed into first generation seed *i.e.* breeder seeds. To increase production of quality seeds, Government as well as the private sector undertakes seed multiplication activities. This is a two-step process whereby (i) registered seed producers convert breeder seeds to foundation seeds to expand the volume of seeds; and (ii) these foundation seeds are made available to the farmers/seed producers for production of certified seeds which are then made available to general farmers by Government agencies and private players for cultivation of food crops.

The process of seed multiplication followed by WBSSCL is given in the flowchart as follows:



⁸ Nucleus seeds are the basic seed class used for further multiplication.

Audit findings for each step of Seed Multiplication programme (SMP) depicted in the flowchart is discussed as follows:

2.7.1 Absence of agreement with registered growers and inadequate number of registered growers

WBSSCL is registered as a seed producing agency with Seed Certification Agency (SCA)⁹. To produce seeds, WBSSCL selects farmers from among those having their own agricultural land who agree to carry out seed multiplication from seeds provided by WBSSCL. These farmers obtain registration from SCA as growers and are known as registered growers. Unlike other government seed producers¹⁰, it was observed that WBSSCL did not enter into agreements with its registered growers. As a result, the registered growers were not contractually required to supply the entire quantity of seeds produced by them.

During 2010-11 to 2014-15, in five sample division offices, there were 167 registered growers of which only 10 were new inclusions during the period. It was observed that there was no evidence of any initiative taken by WBSSCL to increase the strength of its registered growers which was one of the reasons why production levels had remained low. Non-expansion of registered growers over the years had also resulted in dependence on procurement from other sources at higher rates as discussed in *paragraph 2.7.5*.

Management noted (October 2015) the observation for future guidance. In the Exit Conference, WBSSCL stated that entering into agreements with registered growers, although necessary, would bind it to procure the entire produce by them, irrespective of the orders in hand. The contention is not valid as during 2010-15, WBSSCL had procured only 23 *per cent* of its seed requirement from registered growers and 38 *per cent* from private growers to meet the orders in hand (*Table 1, paragraph 2.7.5*).

2.7.2 Inadequate and unplanned acquisition of older varieties of breeder seeds

On the basis of demand/past requirement of seeds by producers like WBSSCL, Government farms, co-operative societies, private growers *etc.*, SCA places indents on Agricultural Department, GoI¹¹ for procurement of breeder seeds. GoI allots breeder seeds to SCA for re-allotment to seed producers registered with the latter. It was observed that:

- i. Breeder seed is the key input in production of foundation seeds and certified seeds. Ascertainment of requirement of breeder seeds by WBSSCL was

⁹ Agencies (State Governments or Autonomous Bodies), notified under Section 8 of the Seeds Act, which are authorised for certification of seeds.

¹⁰ National Seed Corporation.

¹¹ Government of India.

necessary to meet production targets (20 per cent of total seed production in the 11th five year plan), farmers' demand and variety-wise quantities required under different Government schemes. It was observed that WBSSCL did not place any indent on SCA with regards to its requirement of breeder seeds. As a result it had to be content with allotment made by SCA.

- ii. Analysis revealed that to meet its production target of 67,083 MT of certified seeds for four sample crops (based on 20 per cent share of total seed production of the State) for 2010-11 to 2014-15, WBSSCL required 54.47 MT breeder seeds for four¹² crops. WBSSCL had received only 10.94 MT breeder seeds, which was inadequate and fell short of requirement by 80 per cent. This occurred since WBSSCL had not placed indent on the SCA indicating the quantum of breeder seeds required for its seed multiplication programme.
- iii. The emphasis of National Seed Policy 2002 was on replacing older varieties of seed by newer varieties. It was noticed that 84 per cent of breeder seeds allotted to WBSSCL during these years were for varieties notified more than 10 years earlier. Varieties, which were 10-years-old, are subject to genetic erosion and need to be replaced by newer varieties having special traits. Thus, the production programme of WBSSCL did not emphasise adequately on newer notified varieties of seeds as required under National Seed Policy. In three¹³ division offices, there was a stock of 126.22 MT paddy seeds of more than 10 year old notified variety remaining unsold (March 2015). This was attributable to WBSSCL not placing any indent on SCA for the varieties of seeds required *i.e.* those notified in the past 10 years.

Management accepted the audit observation regarding non-placement of indent on SCA, and assured that it would emphasise on lifting of newer varieties of breeder seed in future. In the Exit Conference, WBSSCL stated that the placing of indents of breeder seed to SCA was under process.

2.7.3 Deficiencies in distribution of breeder seeds resulted in under-production of foundation seeds

Once WBSSCL acquires breeder seed from SCA, it distributes the same to its registered growers for undertaking seed multiplication through production of foundation seeds. It was observed as follows:

i. Non-distribution of breeder seeds

WBSSCL distributed nine MT breeder seeds of four crops to registered growers during 2010-11 to 2013-14. However, it was observed that it failed to distribute 1.18 MT of breeder seeds in nine division offices which was kept as left over stock since March 2014. As per the norms of SCA, seed certification is to be

¹² Paddy, wheat, mustard and lentil.

¹³ Malda: 9.94 MT, Midnapore : 32.06 MT and Raigunj : 77.03 MT.

valid for a period of nine months. However, WBSSCL did not maintain records showing the validity of certification of this left over stock, and the productive use of the same is now doubtful.

Management, while accepting the audit observation (October 2015), stated in the Exit Conference, deficiencies in the distribution of breeder seed had arisen since the nominated research institutions had supplied breeder seeds after the scheduled sowing season. However, WBSSCL could have avoided accumulation of breeder seeds with proper follow-up with the supplying agencies to get the seeds before the sowing season.

ii. Shortfall in production of foundation seed from breeder seed impacting production of certified seed

In West Bengal, the area coverage of selected crops during 2014-15 was paddy: 64 *per cent*, mustard: five *per cent*, wheat: four *per cent* and lentil: one *per cent* of the total cultivable area in the state. The ratio of production of foundation seeds from breeder seeds, as fixed by WBSSCL, takes into account agro-climatic conditions. It was observed that from 2010-11 to 2014-15, shortfalls in production of foundation seeds from the breeder seeds distributed by WBSSCL to its registered growers for paddy, lentil and mustard were 50, 42 and 59 *per cent* respectively. The shortfall of production of foundation seed would have a cascading effect and lead to shortfall in production of certified seeds.

Management assured (October 2015) that it would take necessary steps to augment the production of foundation seeds.

iii. Research and training

Although the objectives of WBSSCL included undertaking research and training activities in seed production, it did not undertake any research activity. As a result, it failed to encourage its registered growers to adopt better technologies for increased production.

2.7.4 Non distribution of new varieties of foundation seeds

Distribution of foundation seeds of desired quantity and variety is the *prima-facie* requirement in achieving desired production of certified seeds.

The emphasis of National Seed Policy 2002 was on replacing older varieties of seed by newer varieties. It was observed that WBSSCL had distributed 80 *per cent* foundation seeds during 2010-11 to 2013-14, of varieties which were more than 10 years old. As such, it failed to emphasise on newer seed varieties for distribution of foundation seed.

Further, GoI had made it mandatory to utilise only those seeds in central sector schemes which are notified within 10 years prior to the cropping season 2014-15. It was observed that this criteria was followed only for 47 *per cent* of the total foundation seeds distributed in 2014-15 for the four crops analysed in audit.

Management accepted (October 2015) the facts and noted them for future guidance.

2.7.5 Procurement of certified seeds from registered growers and other sources

i. Non-augmentation of network of registered growers

As production of seeds by registered growers is very low in relation to requirement of certified seeds under various Government schemes, WBSSCL has to purchase seeds from Government farms, National and State level seed producing organisations as-well-as private and co-operative seed-producers of the State.

Table 2.1 indicates the year-wise procurement of seeds from different sources.

Table 2.1 : Year-wise procurement of seeds from different sources

Year	Production by registered growers		Procurement from Government Farms		Purchase from other states		Purchase from private growers	
	QTY (MT)	Value (₹ in crore)	QTY (MT)	Value (₹ in crore)	QTY (MT)	Value (₹ in crore)	QTY (MT)	Value (₹ in crore)
2010-11	1,784.65	4.33	505.84	1.04	5,585.60	14.65	1,789.78	10.66
2011-12	2,210.98	4.74	983.91	2.18	2,507.87	7.88	3,281.51	16.79
2012-13	3,377.91	6.73	1,531.32	3.91	3,511.93	8.97	4,882.71	16.82
2013-14	4,134.97	10.90	1,857.67	5.05	3,401.11	10.02	6,973.25	21.91
2014-15 ¹⁴	3,596.99	10.15	2,428.93	7.90	2,823.61	12.33	8,060.97	31.12
Total	15,105.50	36.85	7,307.67	20.08	17,830.12	53.85	24,988.22	97.30
Percentage of total	23	18	11	10	28	26	38	46
Avg. cost (₹ per MT)	24,395.08		27,477.97		30,201.70		38,938.34	

Out of the total requirement of seed, only 34 per cent was met from Registered Growers and Government farms¹⁵. Purchase was made from other PSUs like state seed corporations of other states and private growers which was 28 per cent and 38 per cent respectively. Further, analysis of procurement rates revealed that average cost of seeds from registered growers was the cheapest¹⁶ compared to other sources like private agencies and other state seed corporations. Thus, the cheapest source of procurement of seeds was left untapped due to non-expansion of network of registered growers and lack of procurement plan.

While accepting audit observation, Government stated (October 2015) that WBSSCL would ascertain from DoA their anticipated requirement of seeds at least a year in advance. The reasons for not augmenting the network of registered growers were not given.

¹⁴ Provisional figures.

¹⁵ Run by DoA.

¹⁶ By 37 per cent in comparison to rates of private seed producers.

Observations on procurement of certified seed from different sources are discussed as follows:

ii. Procurement of certified seed from registered growers

Procurement rates from registered growers were significantly lesser than the rates offered by private or other national and state level seed producing agencies. The procurement rates from registered growers were fixed by district Price Fixation Committee (PFC) based on the prevailing food grain price, cost of high value seeds, roughing, registration fees, transport cost and processing loss. An additional bonus was paid as an incentive for seed production to these registered growers.

It was observed by Audit that procurement from registered growers was low despite being cost-effective due to the following factors:

- **Non-revision of bonus :** WBSSCL decided (March 2006) to offer flat bonus rate of ₹ 1 and ₹ 2 *per* kg for certified seeds of Cereals, Pulses and Oilseeds and ₹ 1.25 and ₹ 2.50 *per* kg for foundation seeds to make their prices competitive. These rates were not enhanced even after nine years. Fixing the rates of bonus needs to be reviewed periodically, to induce the registered growers to offer most of their produce to WBSSCL.

Management noted (October 2015) the observation and assured to review the issue.

- **Delay in price fixing:** As per standard practice, the rates of procurement should be fixed within 15 days of crop harvest. Out of 18 PFC meetings held for fixing the procurement price, two meetings were held immediately subsequent to harvesting time and 16 meetings were held at delays ranging between one to five months. Such delayed fixing of rates had prevented WBSSCL to purchase the optimum quantity at economical rates.

Management stated (October 2015) in case of advance intimation of assured requirement by DoA, attempts would be made for procurement immediately after harvesting. However, WBSSCL had not made any attempts to assess the seed requirement from DoA.

iii. Procurement of certified seeds from Government farms

As of March 2015, there were 194 district/block seed farms under DoA, with 4,844 acres land engaged in Seed Multiplication Program (SMP). The certified seeds produced was sold through gate sales and through WBSSCL. Records revealed that Government farms neither intimated the expected varieties of seeds available for sale to WBSSCL nor did WBSSCL ask these farms about availability before going for procurements from private suppliers. It was observed from

records of Government farms that 218 MT unsold seeds at five division offices became unfit for use during 2010-11 to 2014-15 which could have been utilised by WBSSCL. This wastage was due to absence of co-ordination.

Further, it was observed that the selling rate of Government farm was lesser than the rates offered to WBSSCL by sources, other than registered growers, like other seed corporations and private producers. Thus, WBSSCL incurred an additional expenditure of ₹ 30 lakh on purchases made from other sources due to its failure to lift the cheaper stocks available with Government farms. In the Exit Conference, WBSSCL admitted that better co-ordination would have increased procurement of certified seed from Government farms.

2.7.6 Seed processing and storing

The harvested seeds need to be processed before their storage and distribution for ensuring the necessary physical purity before certification. Normally, shelf life of the certified seed is nine months and seeds have to be distributed before that period. Deficiencies are discussed as follows:

i. Poor infrastructure of seed processing facilities

Audit physically inspected processing units of five division offices which revealed that the processing plant at Hooghly was defunct and processings was being done manually by using fans. The capacity of processing machines at Midnapore and Burdwan needed augmentation. Further, there was no seed processing plant in division offices at Purulia, Diamond Harbour and Jalpaiguri. Due to poor infrastructure of seed processing facilities, WBSSCL had to adopt such un-scientific methods of seed processing thereby increasing the chance of decline in the quality of seeds.

Management assured (October 2015) to take necessary steps to improve seed processing facilities, in a phased manner.

ii. Delay in disposal of damaged stock

During test check of records of five division¹⁷ offices, it was revealed that during 2010-11 to 2014-15, auction of the Not Recommended (NR)/ damaged seeds was done after one to eight years from the year of production/ purchase of seeds and agriculture inputs. During the period division offices¹⁸ had sold 107 MT of NR/ damaged seeds and other agriculture inputs but 408 MT of similar stock relating to 2010-11 to 2012-13 were still lying in godowns. No action was taken by WBSSCL to dispose of this damaged stock. Further, the chance of contamination of fresh stock remains a possibility.

¹⁷ Burdwan, Hooghly, Barasat, Raigunj and Midnapore.

¹⁸ Burdwan, Midnapore, Barasat and Raigunj.

2.8 Distribution of certified seeds to dealers and to Government schemes through marketing network

WBSSCL had no system for collecting market information like demand, availability, price *etc.*, to evolve an effective marketing strategy. As a result, it had no database of the total requirement of seeds in the State as well as in neighbouring States, its market share, and its competitors' pricing, quality, *etc.* WBSSCL also had not reviewed the performance of its marketing activities so far (July 2015). Deficiencies in marketing system are discussed in following paragraphs.

2.8.1 Delay/ non-supply of seeds under Government schemes

Scrutiny revealed that under BGREI¹⁹ scheme, in the crop season 2013-14 (Boro paddy), 85 Demonstration Centres (DCs) could not be conducted in seven division offices as WBSSCL failed to supply 425 MT seeds in time. In the absence of crop cutting report, the impact of non-supply/ belated supply could not be assessed in audit.

An instance of delayed supply resulting in loss due to prolonged storage is as follows:

Based on orders of DoA for supply of 150 MT paddy in nine division offices under BGREI scheme within 30 November 2011, WBSSCL placed order on NERAMAC for supplying the same at ₹ 89.90 *per* kg. NERAMAC supplied 143 MT paddy (certified seed), of which 51.11 MT was not accepted by Deputy Directors Agriculture (DDA) Burdwan, Hooghly and Birbhum. Non-acceptance was due to belated delivery of seed and hence, it could not be used for conducting Demonstration Centre under BGREI Rabi 2011-12. The seeds were preserved in a rented de-humidified godown for supply in pre-Kharif season 2011-12. In February 2012, WBSSCL distributed 15 MT to DDA Jalpaiguri without conducting any test. However, test conducted in March 2012 on the remaining seed revealed that the seeds contained excessive other distinguishable varieties and were insect damaged. As a result, 36.11²⁰ MT seeds valuing ₹ 32.46²¹ lakh were declared 'Not Recommended (NR)' and remained in the godown.

2.8.2 Sales by dealer network

For meeting local demand, division offices of WBSSCL had appointed dealers to market its products. During 2001-02, the sales by dealers was 20 *per cent* of total sales which reduced to two *per cent* in 2010-11 and to less than one *per cent* in 2011-12, 2012-13 and 2013-14. It was observed that:

¹⁹ Bringing Green Revolution to Eastern India (BGREI).

²⁰ 51.11 MT less 15 MT.

²¹ 36.11 MT at ₹ 89.90/kg.

- WBSSCL had no system to fix targets for sale by dealers. It did not fix minimum lifting quantity by the dealers along with rewards based on the scale of lifting. One of the reasons for this was non-fixing of production targets of registered growers.
- It had no system of reviewing performance of dealers periodically, so as to take corrective measures for increasing sales.
- Due to complete reliance on orders from the Government, WBSSCL neglected to maintain and strengthen its dealer base, as a result the dealer sales fell from ₹ 2.50 crore in 2010-11 to ₹ 0.50 crore in 2014-15. Scrutiny of records of five selected division offices revealed that the number of dealers had also dipped from 148 to 72 and that there were only 13 new entrants during 2010-11 to 2014-15.
- Thus, WBSSCL was not able to reach out to farmers and supply them good quality seed at reasonable prices. The importance of strengthening the dealer network cannot be ignored as it is the only source of good quality and reasonably priced seeds to farmers.

2.9 Interaction with registered growers and dealers

Audit interacted with 37 registered growers and 21 dealers in the five²² selected division offices of WBSSCL. The following points emerged from the discussion:

- i. Delay in certification and payment to registered growers:** During interactions (May 2015) with registered growers it was revealed that they had to bring their produce to WBSSCL's division offices at their own risk and cost. These seeds were tested by SCA before acceptance by WBSSCL. There were considerable delays ranging from three months to six months in obtaining certificates from SCA and getting payment thereafter from WBSSCL. Management noted (October 2015) the observation and assured that they would review the issue.
- ii. Lower rates for lentil and mustard hampered purchases from registered growers:** During interview (May 2015) with registered growers in the presence of representatives of WBSSCL, it was revealed that the rate fixed in case of Pulses and Oil seeds were not attractive to registered growers compared to the prices offered by private seed producers. This prevented them from offering their entire produce to WBSSCL. During 2010-11 to 2014-15, WBSSCL could procure 676 MT and 704 MT Lentil and Mustard seeds respectively which were 79 per cent and 89 per cent of targeted procurement.

²² Barasat, Midnapore, Burdwan, Hooghly and Raigunj.

Management noted (October 2015) the observation and assured that they would review the issue.

- iii. **Failure to establish brand name and attractive packaging:** Brand name and good packaging plays an important role on reliability of the product by the customer and creates a unique identity of the product to attract the customer. WBSSCL had a brand name in the style 'Bengal Seed' but it was not registered under the Trade Mark Act 1999. WBSSCL did not emboss its brand name on seed packages. As a result, it has failed to create its distinctiveness and customer base. During interview in the presence of management, all six out of six dealers of Burdwan division office stated (May 2015) that packaging of seed was not attractive compared to other seed producers. Further, WBSSCL did not introduce different packaging for seeds under Government subsidy schemes and for non-subsidised seeds. The interviewed dealers complained that as the farmers could not differentiate between these seeds due to identical packaging, the dealers were accused by the farmers of charging higher prices for non-subsidised seeds.

Management assured (October 2015) to take effective steps for registering the trademark and also noted the audit suggestion for improved packaging.

- iv. **Inadequate publicity and marketing strategy:** All 21 dealers had also stated (May/June 2015) that the products suffered from inadequate publicity, absence of direct interaction of WBSSCL's representatives with farmers, absence of credit facilities and facility to return the unsold stock (allowed by private producers), late entry in the market well after the sowing time, failure to address quality concerns *etc.* As a result, although the price of WBSSCL was less compared to that of private producers, it had failed to penetrate the open market.

Management stated (October 2015) that it would take necessary steps to strengthen the dealer network.

- v. **Inadequate supply of seed to dealers:** Fifteen dealers in four²³ division offices stated that they had received meagre quantities of seeds from WBSSCL, although there was good demand. In most cases, they stated that the prices of seed of private seed producers were more than the rates of WBSSCL. It was observed in one instance at Midnapore division office for five varieties of Paddy seeds that the Truthful Labelled²⁴ seed prices of private seed producers were 14 *per cent* more

²³ Barasat, Midnapore, Hooghly and Raigunj.

²⁴ This type of seeds does not come under the purview of the Department of Seed Certification. These kind of seeds are tested only for its physical purity and germination. By this method, any farmer can produce seeds and market it as truthfully labelled seeds. Labelling is compulsory but certification is voluntary.

than the prices of certified seeds of WBSSCL. However, its lack of enthusiasm to increase the market share had led to WBSSCL gradually conceding the market to private growers.

Conclusion

WBSSCL did not coordinate with DoA to ascertain the requirement of seeds under different Government schemes sufficiently in advance to prepare seed production plans. It did not take steps to increase its network of registered growers and as a result, the desired seed production was not achieved. Consequently, the requirement had to be met by procurement at higher prices from private seed producers and seed corporations belonging to the other states.

WBSSCL did not revise bonus payable to registered growers and also regularly failed in fixing procurement prices timely. As a result, procurement from registered growers, which was the most cost effective, was sub-optimal. It had a weak marketing network and as result it failed to supply quality seeds to farmers at reasonable price which was its primary objective.

Recommendations

1. *WBSSCL should assess seed requirement and draw up a production plan and procurement plan, in line with its requirement.*
2. *WBSSCL should undertake activities to increase production of foundation seed/ certified seed like increasing registered growers and signing contracts with them for supply of seeds and bring entire registered area under certification. Further, the Seed Multiplication Ratio should be as per GoI standards.*
3. *WBSSCL should improve its procurement practices by revising rates frequently to incentivise production by registered growers and fix procurement prices timely in keeping with the prevailing prices.*
4. *WBSSCL should strengthen its dealer network to supply quality seeds to the farmers at reasonable price by marketing activities like incentives, better packaging, branding and publicity activities.*

CHAPTER III

CHAPTER III

3 Compliance Audit

Important audit findings arising out of test check of transactions made by the State Government Companies/Corporations are included in this chapter.

WEST BENGAL POWER DEVELOPMENT CORPORATION LIMITED

3.1 *Evacuation and disposal of ash at thermal power stations*

3.1.1 Introduction

About 70 *per cent* of total electricity generation in India¹ is from coal-based thermal power stations (TPS). Ash is generated by thermal power plants from combustion of pulverised coal. Average ash content of lower grades of Indian coal is 40 *per cent* in comparison to 10 to 12 *per cent* for imported coal². The quantum of ash generated depends on the quality of coal used and the operating conditions of TPS. Government of India (GoI) has projected³ that fly ash generation would reach 450 million tonnes (mt) by the year 2021-22. This poses problems⁴ for health and environment, if its generation is not minimised and ash not utilised. Recognising the threat posed by fly ash, the Ministry of Environment, Forests and Climate Change, GoI (MoEFCC) and Central Pollution Control Board (CPCB) have issued orders/ directives from time to time regarding utilisation and minimisation of generation of fly ash.

West Bengal Power Development Corporation Limited (WBPDC), is the largest state-owned power generating company in West Bengal and operates five⁵ TPS (aggregate installed capacity: 3,860 MW). WBPDC had generated 34.82 mt of ash in the past five years from 2010-11 to 2014-15, which was 4.37 *per cent* of total ash generated by all coal-fired thermal power stations in India.

3.1.2 Audit objectives

The audit was carried out to assess whether:

- adequate measures were taken to minimise generation of ash;
- its evacuation was managed efficiently as per norms; and

¹ Report of Journal of Scientific and Industrial Research Vol. 67, January 2008, pp.11-18.

² Paragraph 5.5, Page 58 of Report (Part 1) of the Expert Committee on Road Map for Coal Sector Reforms (December 2005).

³ Fly Ash Utilisation Programme.

⁴ International Journal of Innovative Research in Science, Engineering and Technology, Vol.2, Issue 10, October 2013.

⁵ Bandel Thermal Power Station (BTPS), Kolaghat Thermal Power Station (KTPS), Bakreswar Thermal Power Station (BkTPS), Sagardighi Thermal Power Station (SgTPS) and Santaldih Thermal Power Station (STPS).

- efficient mechanism was in place for disposal and utilisation of fly and bottom ash.

3.1.3 Scope and methodology of Audit

Audit of ash management system of all five TPS of West Bengal Power Development Corporation Limited (WBPDC) between 2010-11 and 2014-15 was taken up during April 2015 to July 2015. Audit examined records at WBPDC Headquarters, five TPS and West Bengal Pollution Control Board (WBPCB).

3.1.4 Audit criteria

The criteria for assessing the ash management system were derived from norms fixed by MoEFCC/ CPCB/ MoP⁶ / WBPCB/ CEA⁷; Environment (Protection) Act, 1986; Environmental Impact Analysis (EIA) Reports; Industrial best practices *etc.*

Audit findings

During 2010-15, WBPDC consumed 87.20 mt of coal and generated 34.82 mt of ash (39.93 *per cent*) against all India average of 33.18 *per cent*.

Audit observations with regard to minimisation, evacuation and utilisation of fly ash are discussed in subsequent paragraphs.

3.1.5 Planning for management of fly ash

As required by MoEFCC (January 1994/ September 2006), WBPDC prepared (September 2002 to May 2007) Rapid Environmental Impact Assessment (EIA) Study Reports for STPS⁸, BkTPS⁹ and SgTPS¹⁰. These reports provided for preparation of Environment Management Plans (EMPs) by the management to mitigate the effects of pollution arising from suspended particulate matter (SPM) in stack emissions as well as their effects on ambient air, fugitive ash¹¹, waste water from ash handling systems, leachates¹² from ash ponds, water and ash run-off, along with ash. The EIA also provided that WBPDC was to periodically test ambient air quality, stack emissions, water quality for discharges from ash water reservoir and ash slurry pond, ground water and soil. While issuing environmental clearance to WBPDC for implementation of TPS, MoEFCC had stipulated¹³ that effluents with regard to new plants should meet the prescribed standards which include safe ash dyke¹⁴ design to prevent ground water contamination, ash disposal within identified areas, limiting the amount of fugitive dust and complete ash utilisation within four years. Old thermal power stations are required to achieve 100 *per cent* use of fly ash within five years

⁶ Ministry of Power.

⁷ Central Electricity Authority.

⁸ Units 5 and 6.

⁹ Units 4 and 5.

¹⁰ Units 1 and 2.

¹¹ Fugitive dust is small airborne particulate matter emitted from open air operations.

¹² Water carrying dissolved solids that percolates into sub-soil and ground water.

¹³ September 2002, July/ November 2006, May 2007 and November 2009.

¹⁴ Raising of ash dyke in line with guidelines where alternate layers of ash and earth are to be compacted.

from the date of issue of the regulation. Further, the Bureau of Indian Standards requires (February 2005) every organisation to define an appropriate environmental policy with respect to the nature, scale and environmental impacts of the organisation's activities, products and services.

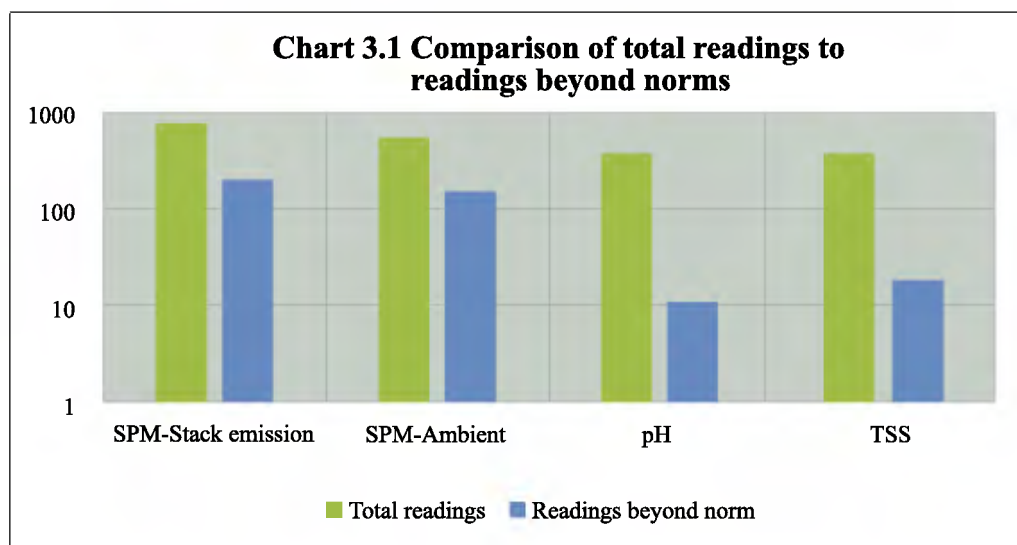
It was observed that WBPDCCL had not laid down an environmental policy so far (July 2015) during its 29 years of existence. It had, however, formulated an ash management policy only in May 2015. Further, it was observed that EMPs were not prepared for safe management of the effluents at any TPS, although prescribed in EIA reports for BkTPS (Unit Nos 4 and 5) and STPS (Unit No. 6). In the absence of EMPs, frequency and periodicity for testing of various environmental parameters had not been prescribed for any of the TPS.

Management in its reply stated that both WBPCB and WBPDCCL conducted tests by WBPCB-approved-laboratories as per scheduled frequency of sampling for monitoring of environmental parameters of stack, ambient air and liquid effluent of the thermal power plants on quarterly basis as well as water sampling on monthly basis.

Management's reply is not tenable as Audit has duly observed that the EMPs had not been prepared by WBPDCCL and included in the EIA reports. Further the frequency of testing of various environmental parameters was not specifically mentioned in the EIA reports, though management is conducting the test at regular, prescribed intervals.

3.1.6 Violation of Environmental parameters

WBPCB and empanelled agencies had taken readings of suspended particulate matter (SPM) emissions from stack, particulate matter (PM) for Ambient Air, Total Suspended Solids (TSS) and pH level of water discharged during the period 2010-15 at five power stations of WBPDCCL. **Chart 3.1** gives the total number of readings with regard to all five TPS *vis-à-vis* readings beyond norms of CPCB.



The Chart shows that in respect of SPM (Stack) and SPM (Ambient) 26.32 per cent and 27.19 per cent respectively of readings exceeded norms.

It was observed that due to failure to maintain SPM and PM emissions within permissible limits at KTPS, STPS and SgTPS, WBPCB recovered (May 2011 to July 2012) fines of ₹ 35 lakh from WBPDCCL. Further WBPDCCL paid (June 2010/ April 2011) an amount of ₹ 4.22 lakh as compensation to the farmers for damage of crops due to leakage in pipe line carrying the ash slurry and unplanned water discharged, apart from environment damage caused by violation of environment norms, the value of which cannot be quantified.

While accepting the audit observations the management stated (September 2015) that no fines were imposed in the last two years; further, KTPS and BTPS were old plants and electrostatic precipitators were not designed with stringent standards. Also, due to inferior quality of coal with higher percentage of ash content, it was difficult to maintain the environmental norms. They attributed the pollution level as negligible and impact on aquatic life was not so serious.

The fact remains that WBPDCCL did not take initiative to reduce emissions by adopting coal beneficiation technologies as discussed in the following paragraphs which would have reduced ash generation and consequent air pollution. Moreover, WBPCB had imposed penalty for violation of environmental parameters relating to air and water pollution, which showed that the violations were severe.

3.1.7 Minimisation of Generation of ash

Beneficiation of coal is processing of raw coal to improve quality by reducing extraneous matter from the mined coal or by reducing the associated ash or both. It includes sizing, handling and washing of the coal. MoEFCC had specified (November 1997) the use of beneficiated coal with ash content not exceeding 34 per cent with effect from June 2002 by any thermal plant located in an urban area. Among the **industry best practices**, Satpura Thermal Power Station of Madhya Pradesh State Electricity Board¹⁵ had used 100 per cent washed coal for a month. Among other benefits, this had led to reduction in emissions by 78.25 per cent.

To meet the MoEFCC norm and reduce incidence of ash, KTPS and BTPS (located in urban area) were required to use 38.09 mt¹⁶ washed coal. Instead, they used only 1.61 mt (5.22 per cent) and 0.25 mt (3.51 per cent) respectively of washed coal. Further, in November 2013, these two TPS, in violation of the requirement, had stopped using washed coal due to non-participation of the bidders in the tender process. No further efforts were made by WBPDCCL to purchase washed coal, despite being directed to do so by the Chairman and Managing Director. This resulted in generation of 39.93 per cent of ash during 2010-2015, which was higher than the norm set by MoEFCC.

¹⁵ Source : Highlights of Research COAL S&T PROGRAMME published by CMPDIL, Ranchi.

¹⁶ KTPS : 30.91 mt, BTPS : 7.18 mt.

Management in their reply stated that the washed coal which they had received from private washeries was not of proper quality. The moisture content was very high which caused operational problem and increased oil consumption. Accordingly, use of washed coal was stopped.

Management's reply is not tenable since use of washed coal was stopped due to non-participation of bidders in the tender process and now, Management is contemplating procuring washed coal from Mahanadi Coalfields Limited.

3.1.8 Evacuation and disposal of ash

Fly ash is transported by the flue gases¹⁷ and collected by electrostatic precipitators (ESP). It is transported to storage silos where it is kept dry, pending utilisation for further processing. A part of the ash (around 20 per cent) is collected as 'Bottom Ash' at the bottom of the furnace of the steam generator which is mixed with water and transported as slurry through pipe and disposed of in ash ponds or in specified dumping areas near the plants. Observations relating to evacuation and disposal of ash are discussed in the succeeding paragraphs.

(i) Failure to evacuate ash from ash pond led to pollution of Chandrabhaga river

At BkTPS there was only one ash pond with capacity to store 13.20 mt ash. Till March 2010, no ash had been evacuated from the ash pond and accumulation of ash reached 12.04 mt. During 2010-15, 10.69 mt of ash was generated, of which 4.39 mt was utilised. The rest 6.30 mt flowed into the ash pond from which only 4.45 mt were evacuated. Meanwhile, during 2013-14, the ash pond was filled to 95 per cent of capacity. Thereafter, WBPDCCL increased the height of ash pond dyke at an expenditure of ₹ 1.33 crore during May 2014 to July 2015. Audit observed that since BkTPS had not installed any clarriflocculator (discussed in the next paragraph) so far, water from the ash pond flowed into the river Chandrabhaga carrying the ash particles, thereby polluting the river. It was observed that National Green Tribunal (NGT) issued a show cause notice to WBPDCCL asking them reasons for polluting the river and why they should not be charged ₹ 5 crore. In response to the show cause notice, WBPDCCL incurred an expenditure of ₹ 4.64 crore to clean up the confluence of Chandrabhaga and Bakreswar rivers (11 km).

(ii) Non-installation of ash water treatment plant led to increase in ash pond water

Ash water treatment plants called clarriflocculator have to be installed to treat the waste water from ash slurry for removing particulate impurities. After treatment, the ash water recovered can be reused in the TPS. Till March 2015, WBPDCCL had not installed clarriflocculators for ash water recovery at 13¹⁸ out

¹⁷ Combustion exhaust gas from steam generator that is released into the atmosphere through stack.

¹⁸ KTPS (Units 1 to 3), BkTPS (Units 4 and 5), SgTPS (Units 1 and 2), STPS (Unit 6) and BTPS (Units 1 to 5).

of 20 generating plants of the five TPS. As a result, the ash slurry flowed into the ash pond, causing increase in the accumulation of ash in the ash pond. In addition, due to non-installation of clarriflocculators, during 2011-15, STPS had to procure extra 2.39 million kilolitres (kl) of water at a cost of ₹ 1.24 crore¹⁹ since ash pond water could not be reused. Similarly, during November 2012 to December 2014, BkTPS procured 5.94 million kl for which additional water cess at the rate of ₹ 0.10 per kl amounting to ₹ 5.94 lakh was paid, due to non-completion of the clarriflocculator.

Management in its reply (September 2015) accepted the audit observation.

(iii) Failure to complete decantation pond led to higher TSS levels of water discharged from ash pond

Total Suspended Solids (TSS) are present in water discharged from ash ponds. To reduce pollution of the river Hooghly from discharged water carrying ash from BTPS, WBPDCCL placed (December 2005) a work order on a contractor for construction of Effluent Treatment Plant (ETP) including a decantation pond²⁰. The work order provided that quality²¹ of the final treated water would contain TSS below 20 mg per litre (mgl). Audit observed that construction of decantation pond did not take place as envisaged by the management. As a result, the TSS levels could not be brought down and ranged from 140 mgl to 526 mgl during December 2010 to August 2014, against the norm of 20 mgl. Consequently, WBPCB penalised (May 2012) WBPDCCL ₹ five lakh, for exceeding norms of TSS levels.

Management in its reply (September 2015) accepted the audit observation.

(iv) Non-installation of device led to failure in evacuating fly ash

Fly ash can be sold directly after collection from the silos by use of fly ash evacuation equipment like telescopic nozzles *etc.*, which are to be installed by TPS on the silos. It was observed that BTPS placed (March 2010) order on an exporter for sale of at least 2.70 lakh tonnes of fly ash²² by March 2011. Audit observed that during the period of contract, the contractor failed to lift even a single tonne of fly ash from the silos due to the fact that the silos were not fitted with requisite equipment (telescopic nozzles) for loading ash onto the contractor's trucks.

Thus, due to failure to install the requisite equipment, during this period, BTPS had to transfer this ash into the ash pond. This resulted in failure to realise ₹ 2.97 crore from the contracted sale of the fly ash. Further, BTPS had to pay ₹ 18.90 lakh on ash evacuation from ash pond which could have been avoided if the sale of fly ash during this period, had taken place as contracted.

While accepting the audit observation, Management stated (September 2015) that there was no telescopic chute at the silos in the original design but provided

¹⁹ STPS : 7,96,800 kl *per annum* × three years × ₹ 5.20 per kl.

²⁰ A structure for settlement of solids suspended in waste water.

²¹ Rule 50 of the Michigan Water Quality Standards (Part 4 of Act 451).

²² Upto a maximum of 3.60 lakh tonnes.

with NUVA feeder for loading of fly ash into open trucks, causing severe air pollution in the surroundings.

However, the Management was silent on non lifting of dry fly ash after construction of telescopic chute from October 2011 to January 2012.

3.1.9 Utilisation of fly ash by WBPDCCL

In West Bengal, there are 15 TPS, with seven in the state-sector, four each in the central and private sectors as of March 2015. **Table 3.1** below compares the performance of TPS run by WBPDCCL with the all India averages as well as the averages for West Bengal in terms of the percentage of fly ash utilisation.

Table 3.1 : Percentage utilisation of fly ash (2010-15)

Year	2010-11	2011-12	2012-13	2013-14	2014-15
All India	55.79	58.48	61.37	57.63	55.69
West Bengal	77.23	88.58	92.63	70.15	77.52
WBPDCCL	64.36	66.94	68.74	56.84	50.13

The table indicates that the percentage ash utilisation by WBPDCCL has been below that of West Bengal. Moreover, while WBPDCCL had improved utilisation of ash from 64.36 to 68.74 *per cent* during 2010-13, it had come down during the subsequent years. Fly ash is used as an ingredient for building materials such as fly ash bricks, cement, precast solid and hollow core slabs, doors, window frames/ doors, distemper as well as in agriculture, mine fills, road construction *etc.* Audit observations relating to utilisation of fly ash generated by WBPDCCL are discussed below.

Shortfall in brick utilisation

(i) MoEFCC stipulated (December 2009) that all TPS must supply 20 *per cent* of dry fly ash free of charge to manufacturers of bricks or blocks or tiles using fly ash. As per GoWB direction (August 2008) all TPS in West Bengal had to establish fly ash brick manufacturing units to utilise 25 *per cent* of fly ash generated by December 2010. However, WBPDCCL had not established any fly ash brick manufacturing unit so far, but supplied fly ash to brick industries. Audit observed that from 2010-11 to 2014-15, WBPDCCL supplied 1.80 mt of dry fly ash for brick manufacturing against the requirement of 5.80 mt, calculated at the rate of 20 *per cent* (69 *per cent* shortfall). Test check revealed that 199 out of 211 brick manufacturers in eight²³ blocks did not use fly ash despite being within 100 km of TPS, showing significant scope for utilisation of ash in the manufacture of bricks. Among the **industry best practices**²⁴, NTPC has manufactured more than 54 crore ash bricks in its various thermal power stations and utilised them in its construction activities.

²³ Singur, Serampore, Chanditala - I and II, Jangipara, Chinsurah and Dhaniakhali in Hooghly district being within 100 km of KTPS and BTPS while Raniganj in Burdwan district is about 60 km from BkTPS.

²⁴ Source: NTPC Brochure: 'Fly Ash Bricks - A useful & Environment Friendly Building Product'.

MoEFCC notification of November 2009 also required development of infrastructure or facilities, promotion and facilitation for use of fly ash. In December 2014, WBDCL accepted need to promote use of fly ash bricks in construction and other public works. Audit observed that WBDCL did not undertake the required activities among brick manufacturers or prepare budget for such activities, although there was scope to increase ash utilisation.

Management in their reply (September 2015) stated that an initiative had been taken for establishing a model brick manufacturing unit at all its plants; however no timelines had been specified.

Lack of promotional activities for utilisation of fly ash

(ii) MoEFCC notified (November 2009) that the amount collected from sale of fly ash by TPS should be kept in a separate account head to be used only for development of infrastructure/ facilities, promotion and facilitation activities for fly ash, until 100 per cent fly ash utilisation is achieved. During 2011-12 to 2014-15, WBDCL realised ₹ 41.80 crore on sale of fly ash. Instead of putting the amount in a separate account, WBDCL had treated it as income under 'Other Operating Revenue'. Since WBDCL had not achieved 100 per cent fly ash utilisation, it cannot treat this amount as income.

Management had replied that they had spent ₹ nine crore on silos at SgTPS, ₹ 3.03 crore on restoration of ESP at Unit 5 of STPS (2010-11), manpower costs and maintenance of road to facilitate removal etc.

However, due to non maintenance of a separate account, as stipulated, the promotional activities for utilisation of fly ash viz. awareness programme/ campaign, advertisement etc. which were required to be undertaken as per rules, were not initiated.

3.1.10 Conclusions

WBDCL had -

- **Not framed an environment policy or prepared environment management plans. Ash utilisation policy was approved only in May 2015.**
- **Not used washed coal in adequate quantity.**
- **Not installed clarriflocculators and not constructed ash decantation pond which led to discharge of ash into adjacent rivers as well as high TSS levels of ash pond water.**
- **Not made adequate efforts to utilise fly ash generated.**
- **Not promoted use of ash and ash based products.**

WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED

3.2 Loss due to defective agreement with a private distribution company

West Bengal State Electricity Distribution Company Limited had entered into an agreement to supply power to a private distribution company without including availability based tariff clauses, in deviation of policies and regulations, leading to loss of ₹ 15.80 crore.

The National Electricity²⁵ and Tariff²⁶ policies notified (February 2005/ January 2006) by the Ministry of Power, Government of India (MoP) under section 3 of the Electricity Act 2003 provide that States would implement, by April 2006, Availability Based Tariff (ABT) in long term power purchase agreements (PPAs). ABT includes a two-part tariff structure for supply of power, comprising of fixed charges²⁷ and variable charges²⁸. ABT also involves clauses of penalty for short drawal/ non drawal and rebate for excess drawal from schedule for drawing of power. Accordingly, Regulations²⁹ of West Bengal Electricity Regulatory Commission (WBERC) issued instruction in February 2007 and April 2011 that every entity purchasing power from any other entity within the jurisdiction of WBERC should have PPAs.

CESC Limited, a private-sector distribution company in Kolkata entered (December 2010/ September 2011) into a long-term PPA with West Bengal State Electricity Distribution Company Limited (WBSEDCL) for purchase of 599.25 MW of power. With a view to plan WBSEDCL's scheduled supply to CESC Limited, the PPA stipulated that WBSEDCL was to receive from it, one year in advance, its daily requirement of power on each day for the next financial year. Further, the daily requirement of power for each day must again be communicated one day in advance. Accordingly, WBSEDCL determines its annual requirement of power after considering the CESC Limited's requirement. In the event of shortfall, WBSEDCL would meet the requirement through short term power purchases from other sources. However, while finalising PPAs in December 2010/ September 2011, the ABT concept was not considered by WBSEDCL and it did not include clauses of penalty for short drawal/ non-drawal of power.

It was noticed in audit that during the three years from April 2011 to March 2014, CESC Limited had drawn less power from WBSEDCL than the contracted quantity of power in all 36 months. It was also noticed in audit that in five³⁰ months, WBSEDCL had purchased³¹ power through short term agreements with

²⁵ Clause 5.7.1.

²⁶ Clauses 6.2 and 8.4.

²⁷ Interest on loan, return on equity, depreciation, O&M expenses, insurance, taxes, interest on working capital etc. which are generally fixed in nature.

²⁸ Fuel cost *i.e.* coal and oil in case of thermal plants which are always flexible/ variable.

²⁹ Clause 5.3.1 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2007 (No. 31/ WBERC dated 9 February 2007) and Clause 7.3.1 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2011 (No. 48/ WBERC dated 25 April 2011).

³⁰ March 2012, April 2012, March 2013, April 2013 and March 2014.

³¹ Agreements entered in November, December 2011, January, December 2012 and February 2014.

other³² power supply companies to supply the quantity of power required by CESC Limited. The rates at which WBSEDCL purchased short-term power ranged from ₹ 25.50 lakh to ₹ 56 lakh per million units (MU). As CESC Limited had drawn less power, WBSEDCL had to sell 232.579 MU of surplus power through Indian Electricity Exchange at average prevailing market rates that were less than purchase prices contracted one month to four months earlier. This led to loss of ₹ 15.80 crore in these five months.

Government replied (November 2015) that it was unable to revise its PPA with CESC Limited within the stipulated time as the latter had not agreed on the same.

The reply was not acceptable due to the fact that WBSEDCL had failed to revise the agreement within the time stipulated by WBERC. Moreover, CESC Limited had also expressed its willingness in February 2014 and May 2015 to revise the agreement.

Thus, WBSEDCL's failure to incorporate ABT clauses of penalty for short drawal/ non drawal in the PPA for supply of power to CESC Limited led to loss of ₹ 15.80 crore. This has resulted in undue benefit to CESC Limited.

3.3 Non-realisation of outstanding dues

West Bengal State Electricity Distribution Company Limited sustained loss of ₹ 11.54 crore by supplying power even after termination of letters of credit in violation of statutory and regulatory provisions.

Under³³ the Electricity Act 2003 and regulations³⁴ made thereunder, conditions for supply of power by a power distribution company (Discom) to a consumer are, *inter alia*, as follows :

- Discom may require reasonable security from the consumer towards supply of power.
- If the security given by the consumer becomes invalid or insufficient, the Discom may serve a thirty days' notice, requiring the consumer to give reasonable security for payment of all dues towards power supplied. If the consumer fails to provide the requisite security, the Discom can discontinue power supply.
- If power is supplied to a High Voltage/ Extra High Voltage³⁵ (HV/ EHV) consumer, against a Letter of Credit (LC), no security deposit is required.

³² PTC India Ltd., NTPC Vidyut Vyapar Nigam Ltd., Tata Power Trading Co. Ltd. and National Energy Trading & Services Ltd.

³³ Sections 47 and 56 (1).

³⁴ West Bengal Electricity Regulatory Commission (WBERC) (Miscellaneous Provisions) Regulations 2005 and 2013 effective from 19 October 2005 and 2 April 2013 respectively.

³⁵ Supply of power directly to the consumer at 33 kilovolt/ 132 kilovolt.

The LC should be valid for at least 12 months and equivalent in value to one month's estimated bill. If the consumer does not extend validity of the LC three months prior to expiry, the Discom may refuse to supply power.

- The Discom can, after giving not less than fifteen clear days' notice in writing to the consumer, cut off power supply for non-payment of dues.

Therefore, the Discom should monitor both timely collection of dues from consumers as well as the validity and sufficiency of their security towards payment of power bills to avoid non-realisation of dues.

West Bengal State Electricity Distribution Company Limited (WBSEDCL), a Discom, renewed (May 2009/ July 2010) agreements for supply of power to two HV/ EHV private consumers viz. Devi Ispat Limited and Viswarupa Steel Limited. Both the consumers paid their power bills through LCs issued by State Bank of India³⁶ (SBI). WBSEDCL raised monthly bills on both consumers for power consumption and sent the bills to its banker, Punjab National Bank (PNB) for their collection from SBI against the LCs. It was observed in audit that -

(A) Till May 2013, one consumer had not paid WBSEDCL ₹ 3.35 crore towards power consumed from January to March 2013. But WBSEDCL had not ascertained from the Bank (*i.e.* PNB) the reasons for non-receipt of payments against LC. It was seen from the records that SBI³⁷ had advised (March/ May 2013) WBSEDCL to disconnect power supply to the consumer as the credit facilities to this consumer had turned into non-performing asset (NPA)³⁸ and SBI would not pay energy bills raised under the LC. WBSEDCL had continued supplying of power to the consumer without any security. It finally disconnected power supply in December 2013 and terminated the agreement in March 2014, but by that time, ₹ 9.53 crore had become outstanding from the consumer. It remained unrecovered (March 2015).

(B) Similarly, in respect of another consumer, SBI had intimated (October 2012) to WBSEDCL that it was withdrawing the LC facility. WBSEDCL did not communicate the outstanding dues as requested by SBI. Instead, it continued to supply power to this consumer in November and December 2012 without security and instructed (November 2012 to January 2013) PNB to recover the dues against the cancelled LC. Consequently, the power bills of this consumer from October 2012 to December 2012 aggregating to ₹ 2.01 crore also remained unrealised. Ultimately, WBSEDCL disconnected power supply in December 2012 and terminated the agreement in June 2013. The amount of ₹ 2.01 crore remained outstanding with no possibility of realisation (March 2015). Thus, failure to exercise proper monitoring over the security led to loss of ₹ 11.54 crore to WBSEDCL.

³⁶ Trade Finance CPC branch, Kolkata.

³⁷ Specialised Chowringhee SME branch, Kolkata.

³⁸ A credit facility that in respect of which the interest and/ or instalment of principal had remained unpaid for a specified period of time beyond due dates and ceased to generate income for the bank.

The matter was brought to the notice of Government/ WBSEDCL in June 2015, their replies are awaited (December 2015).

3.4 Undue delay in raising energy bills

Delay in raising monthly energy bills on centralised bulk consumers due to belated transmission of meter readings and other avoidable delays resulted in payment of avoidable interest amounting to ₹ 7.90 crore on cash credit.

The WBERC (West Bengal Electricity Regulatory Commission) Regulations³⁹ provide that West Bengal State Electricity Distribution Company Limited (WBSEDCL) should raise energy bills on centralised bulk consumers⁴⁰ every month. It allows staggering of the due dates for payment of bills, but these due dates have to be within 30 days of the close of the respective billing month. The bills have to reach the consumers at least seven days before due date of payment. All Regional Offices of WBSEDCL were instructed (July 2012) to take meter readings of the centralised bulk consumers in their area on the first day of each month and send them to the Chief Engineer (Commercial) on the following day, so as to raise bills as early as possible.

During April 2012 to March 2015, WBSEDCL raised 28,186 bills aggregating ₹ 14,455.04 crore on centralised bulk consumers. Out of these bills, 8,628 bills (31 *per cent*) aggregating ₹ 3,571.52 crore, were raised after delays of one day to 88 days (after allowing 30 days from the close of the billing month). The aggregate avoidable delay was 59,759 days.

To analyse the reasons for delay, audit reviewed 837 bills aggregating ₹ 433.14 crore for the period December 2013 to February 2015. There was a total delay of 4,954 days in raising these 837 bills, which was avoidable. The reasons for these avoidable delays were as follows :

- Belated transmission of meter reading data by eight⁴¹ Regional Offices – 3,115 days;
- Time lag in raising of bills after receipt of meter reading data – 1,655 days; and
- Extension of due dates (in violation of regulations) for payment of bills at the request of centralised bulk consumers – 184 days.

During the period 2012-13 to 2014-15, WBSEDCL had availed cash credit facilities bearing interest rate of 11 to 12.25 *per cent per annum* from 12 banks to meet its working capital requirements. Due to delays in raising the bills, the due dates for receipt of payments were also extended which delayed the realisation of income. This delayed realisation meant that WBSEDCL had to pay avoidable interest⁴² of ₹ 7.90 crore on cash credit availed from the banks. The payment

³⁹ WBERC (Electricity Supply Code) Regulation no. 36 of 2007 and 55 of 2013.

⁴⁰ High voltage (HV) and extra high voltage (EHV) consumers.

⁴¹ Howrah, Midnapore, Hooghly, Burdwan, 24-Parganas (N), Bidhannagar, Bankura and Jalpaiguri.

⁴² Interest at the rate of 11 *per cent per annum*.

of interest could have been avoided if bills were raised on time and also staggered as stipulated in the Regulations. Further, interest on working capital claimed by WBSEDCL was disallowed by WBERC in its tariff orders⁴³ for the years 2006-07 to 2012-13⁴⁴. Thus, WBSEDCL could not realise this expenditure in its tariff. It should have been more proactive in raising and collecting dues from centralised bulk consumers to maximise its revenue so as to avoid undue payment of interest on cash credit.

While accepting the audit observation, Government stated (September 2015) that the bills were delayed as a result of communication problem leading to belated receipt of meter readings. WBSEDCL had assured that it would take suitable corrective action. However, the loss incurred in past years cannot be recovered.

Thus, WBSEDCL's failure to raise bills in time as per the Regulations led to payment of avoidable interest of ₹ 7.90 crore on cash credit during 2012-15.

3.5 Additional Expenditure on purchase of power

West Bengal State Electricity Distribution Company Limited had not included any clause in the long term power purchase agreement with Power Trading Corporation Limited to prevent short/ non-supply of power in violation of the Government of India guidelines, resulting in avoidable expenditure of ₹ 7.55 crore on purchase from other sources at higher rates.

The Ministry of Power, Government of India (MoP) revised⁴⁵ (July 2010) the standard power purchase agreement for procurement of power by distribution companies (Discoms). Accordingly, any standard agreement between Discom and seller has to include clauses providing that -

- Discom shall have the exclusive right to purchase the entire contracted quantity of power from the seller. The seller shall not sell the contracted quantity of power to any third party, unless the Discom foregoes the contracted quantity of power.
- If the seller is unable to provide power to the Discom up to the contracted quantity, the seller is free to supply power up to the contracted quantity from an alternative generation source. Such power shall be supplied to the Discom at the same rate specified in the agreement. In case the transmission and other incidental charges are higher than the contractually applicable charges, the seller would be liable to bear such additional charges.

West Bengal State Electricity Distribution Company Limited (WBSEDCL) entered (January 2011) into a 25 year agreement to purchase 100 MW power

⁴³ WBERC had issued Tariff orders (Annual Performance Review) till 2012-13.

⁴⁴ Except for the year 2010-11.

⁴⁵ Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees along with Standard Bidding Documents of January 2005 and March 2009 respectively, modified in July 2010, issued under the provisions of Section 63 of the Electricity Act 2003.

each hour through Power Trading Corporation Limited⁴⁶ (PTC). According to the agreement, PTC would procure power from Adhunik Power and Natural Resources Limited, a private power generating company, for supply to WBSEDCL starting from April 2013. The agreement provided that if WBSEDCL did not avail the contracted quantity, it is liable to pay capacity charges⁴⁷ to PTC. But the agreement did not stipulate that in case PTC was unable to provide power to WBSEDCL up to the contracted quantity, it would have to supply power from alternate sources and bear any additional charges incurred, as was stipulated in the revised standard power purchase agreement issued by MoP in 2010.

It was observed that PTC commenced supply of power from July 2013. During 2013-14 and 2014-15 (upto November 2014), it supplied power at rates ranging from ₹ 3.125 per unit to ₹ 3.154 per unit. Thereafter, till April 2015, one of the two units of the private power generating company was under shut down.

It was noticed that from April to November 2014, PTC had failed to supply the agreed quantity of power to WBSEDCL. The shortfall ranged between eight and 75 per cent as given in *Annexure 3*. To meet this shortfall, WBSEDCL had to purchase 70.57 MU⁴⁸ of short-term power from Indian Energy Exchange at higher rates and it incurred additional expenditure of ₹ 7.55 crore on these purchases.

The Government accepted (August 2015) the observation and stated that the private generating company had agreed to schedule additional power to WBSEDCL to make up for short supply up to 30 MU from March 2015.

The reply of the Government needs to be seen in the light of the fact that between March and July 2015, no additional power was supplied by the private power generating company through PTC which led to non recovery of losses already incurred. Also the reply did not explain the reasons for non inclusion in the power purchase agreement of standard clauses prescribed by MoP.

Thus, due to non-inclusion of a clause for reimbursement by PTC of additional expenditure incurred in the event of short/ non-supply of power, WBSEDCL had to incur additional expenditure of ₹ 7.55 crore on power purchases.

⁴⁶ A Central PSU.

⁴⁷ Capacity charge is towards recovery of fixed costs.

⁴⁸ Million units or million kilowatt hours.

MACKINTOSH BURN LIMITED**3.6 Additional outgo towards income tax**

Mackintosh Burn Limited paid additional income tax of ₹ 1.25 crore by not claiming admissible expenditure of ₹ 3.85 crore towards interest on advance.

Mackintosh Burn Limited (MBL) entered (November 2008) into two agreements with Damodar Valley Corporation⁴⁹ (DVC) for supply and construction of plant water system for Raghunathpur Thermal Power Project at total contract price of ₹ 196 crore. Under these agreements, MBL received (February 2009) mobilisation and material advances of ₹ 18.92 crore⁵⁰, carrying interest at 12 per cent per annum from DVC. DVC was to proportionately recover these advances from the progressive payments payable to MBL. As per agreements, DVC would also recover interest on advances from these payments, to be calculated from the date of release of advance payments upto either the actual date of release of payments or expiry of the contractual time frame for release of the payments, whichever was earlier. Between November 2009 and December 2014, DVC had recovered ₹ 7.85 crore towards interest on advances from MBL.

Notification⁵¹ of the Government of India under the Income Tax Act 1961 (Act) clearly stipulated (October 1970) that no tax should be deducted on interest paid to any corporation established by a Central, State or Provincial Act. Hence, no deduction of tax at source was required on interest recovered by DVC, since it was a corporation established under a Central Act.

It was noticed in audit (December 2012) that MBL filed (September 2012) return under self-assessment⁵² for the financial year 2011-12 (assessment year 2012-13), in which it had not claimed deduction of ₹ 3.85 crore towards interest on advance from DVC on the ground that no tax had been deducted at source. As a result, MBL paid additional income tax of ₹ 1.25 crore⁵³ on the interest amount.

The Act also stipulates⁵⁴ that a revised return may be filed within one year from the end of assessment year or the completion date of initial assessment for the said assessment year, whichever was earlier. In this case, since MBL did not file a revised return within the time limit specified in the Act, *i.e.* 31 March 2014, for claiming refund of ₹ 1.25 crore, it had to pay additional income tax of ₹ 1.25 crore.

⁴⁹ A corporation established under a Central Act, *viz.* Damodar Valley Corporation Act, 1948.

⁵⁰ ₹ 10.17 crore for supply and ₹ 8.75 crore for construction.

⁵¹ Notification No. 3489 dated 22 October 1970 under Section 194A (3)(iii)(f) of the Act.

⁵² Section 139.

⁵³ At 32.445 per cent on ₹ 3.85 crore.

⁵⁴ Sections 139(5) and 143(1).

MBL stated (November 2015) that deduction of tax at source on interest paid to DVC is not exempt under the provisions of Income Tax Act 1961 since DVC was not established under any State/ Provincial Act, but by a Specific Act. The reply does not address the fact that DVC being a Corporation established under a Central Act is also exempt from TDS on interest payable to it.

Thus, by not claiming admissible expenditure of ₹ 3.85 crore towards interest on advances, MBL had paid additional income tax of ₹ 1.25 crore which was a loss to the Company.

SARASWATY PRESS LIMITED AND WEST BENGAL MINERAL DEVELOPMENT AND TRADING CORPORATION LIMITED

3.7 Payment to Chief Minister's Relief Fund in violation of statutory provisions

Two public sector undertakings had contributed ₹ 1.25 crore to the Chief Minister's Relief Fund without obtaining prior approvals of the shareholders in General Meetings in violation of the provisions of the Companies Act 1956 and Companies Act 2013.

According⁵⁵ to the Companies Act 2013, the Board of Directors (BoDs) of all classes of companies may contribute, in any financial year, to *bona fide* charitable and other funds an aggregate amount not exceeding the prescribed statutory limit. The prescribed limit is five *per cent* of the company's average profit during the three financial years immediately preceding. If the aggregate amount exceeds the prescribed limit, prior permission of the shareholders in a General Meeting is required.

Audit noticed that during the financial year 2013-14, Saraswaty Press Limited (SPL), a public sector undertaking (PSU) had contributed ₹ 75 lakh to Chief Minister's Relief Fund (CMRF), a fund established for charitable purposes. SPL's contribution was in excess of the prescribed statutory limit of ₹ 40.19 lakh. The BoD of SPL had decided⁵⁶ to contribute to CMRF, but did not obtain⁵⁷ prior permission of the shareholders for donation of the amount.

Government in its reply stated (June 2015) that SPL donated the amount as part of Corporate Social Responsibility⁵⁸ (CSR). It also stated that the General Meeting was not called as ownership of SPL was vested fully in the Government of West Bengal and the BoD comprised Government representatives only. Further, the donation would be taken up in the next General Meeting for *post-facto* approval of shareholders.

⁵⁵ Section 181 applicable from 12 September 2013.

⁵⁶ SPL – November 2011, March 2013 and September 2013.

⁵⁷ Annual General Meetings - 25 AGM (24 December 2012) and 26 AGM (20 January 2014).

⁵⁸ Activities undertaken in pursuance of normal course of business of a company are excluded.

The reply of the Government is not acceptable since SPL's BoD had not constituted requisite Corporate Social Responsibility Committee or formulated CSR policy. Moreover, prior approval of the shareholders was required for donation exceeding ₹ 40.19 lakh with no provision of *post facto* ratification.

Similarly, another PSU, West Bengal Mineral Development and Trading Corporation Limited (WBMDTCL) had contributed ₹ 50 lakh to CMRF. Since, WBMDTCL incurred losses in the two preceding years, the prescribed limit was nil. Yet the BoD of WBMDTCL had decided⁵⁹ to contribute to CMRF, but had not obtained⁶⁰ prior permission of the shareholders for donation of the amount.

WBMDTCL in its reply stated (August 2015) that it was constituted as private limited company and there was no necessity to obtain shareholders' approval. The reply, however, did not address the observation that WBMDTCL having incurred losses in two of the three preceding years, was not eligible to donate. Moreover the reply is not acceptable, since it is mandatory for all classes of companies including private limited companies to obtain shareholders' approval.

Thus, the decision of the BoDs of these two PSUs to contribute ₹ 1.25 crore to CMRF without obtaining prior approval of shareholders in General Meetings was in contravention of the provisions of the Companies Act 2013. In respect of WBMDTCL, the matter was reported to Government (June 2015); their reply is still awaited (December 2015).

WEST BENGAL MINERAL DEVELOPMENT AND TRADING CORPORATION LIMITED

3.8 *Payment of avoidable interest*

West Bengal Mineral Development and Trading Corporation Limited paid avoidable interest of ₹ 75.24 lakh on short/ non-deposit of advance tax and self assessment tax due to lack of mechanism for quarterly computation of taxable income.

According to provisions of Sections 208 and 211 of Income Tax Act, 1961 (Act), every company is required to pay for each financial year, quarterly instalments of advance tax within their due dates at rates⁶¹ prescribed in the Act, if the amount of income tax payable during the financial year is ₹ 10,000 or more. If instalments of advance tax deposited are less than the prescribed percentages, the assessee company is liable to pay interest under provisions of section 234B⁶² and 234C⁶³

⁵⁹ WBMDTCL – February 2014.

⁶⁰ Annual General Meeting - 40 AGM (27 September 2013).

⁶¹ 15 per cent, 45 per cent, 75 per cent and 100 per cent of assessed tax by 15 June, 15 September, 15 December and 15 March respectively.

⁶² If advance tax paid was less than 90 per cent of the assessed tax, interest was payable at the rate of one per cent per month or part thereof on the amount by which the advance tax paid falls short of assessed tax.

⁶³ Interest at the rate of one per cent per month or part thereof on the amount short deposited against cumulative instalments of advance tax for the period of three months.

of the Act. This interest is to be calculated and deposited with the balance tax determined on self-assessment. Therefore, to avoid payment of interest, an assessee company is required to prepare quarterly accounts to compute advance tax payable in each quarter.

It was, however, noticed in audit that West Bengal Mineral Development and Trading Corporation Limited (WBMDTCL) paid aggregate avoidable interest⁶⁴ of ₹ 75.24 lakh on total income tax⁶⁵ of ₹ 14.50 crore (net of tax deducted at source) for the Assessment years 2013-14 and 2014-15, due to its failure to institute an effective mechanism for preparing quarterly accounts to compute taxable income. Consequently, it could neither assess nor deposit any advance/self-assessment tax instalments in the six quarters from June 2012 to September 2013. For the quarters ending December 2013 and March 2014, it deposited only 37 and 75 per cent of tax payable⁶⁶ against the requirement of 75 and 100 per cent respectively under the Act.

WBMDTCL in its reply has accepted (August 2015) the audit observation.

Thus, absence of a mechanism for quarterly estimation of taxable income resulted in short/ non-deposit of advance tax in eight quarters during 2012-13 and 2013-14, which led to payment of avoidable interest aggregating to ₹ 75.24 lakh by WBMDTCL.

This matter was brought to notice of Government in June 2015, their reply is awaited (December 2015).

SUNDARBAN INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

3.9 Excess expenditure of ₹1.05 crore due to incorrect adoption of rates

Sundarban Infrastructure Development Corporation Limited incurred excess expenditure of ₹ 1.05 crore for construction of five Industrial Training Institutes due to incorrect adoption of rates.

Guidelines for public works⁶⁷ require that estimates be prepared on the basis of Schedule of Rates (SOR) maintained by public works organisations.

Audit observed that Sundarban Infrastructure Development Corporation Limited (SIDCL) had prepared (September 2008 to April 2010) estimates for construction of five Industrial Training Institutes (ITIs) buildings in four districts outside Kolkata, based on the SOR for Kolkata (Presidency) circle which did not apply to those districts. This resulted in excess rates for 18 items of work in all the five ITIs and payment according to those rates, leading to excess expenditure of ₹ 1.05 crore as follows:

⁶⁴A.Y. 2013-14 : ₹ 12.84 lakh, A.Y. 2014-15 : ₹ 62.40 lakh.

⁶⁵A.Y. 2013-14 : ₹ 1.16 crore, A.Y. 2014-15 : ₹ 13.34 crore.

⁶⁶Calculated on actual advance tax deposited divided by tax payable(net of tax deducted at source).

⁶⁷ Issued in August 2006 by the Ministry of Finance, Government of India.

Table 3.2 : Details of excess expenditure on ITIs

Sl No.	I.T.I.	CIRCLE	NIT Date	Net Excess Payment (₹ in lakh)
1	Rampurhat	Western - I	19.04.10	0.68
2	Malda	Central	15.09.08	20.42
3	Egra	South Western	01.01.09	25.52
4	Birsingha	South Western	19.05.09	26.04
5	Bankura	South Western	16.02.09	31.96
	Total			104.62

SIDCL accepted the audit observation in its reply (October 2015). The reply from the Government was awaited (December 2015).

WEST BENGAL INFRASTRUCTURE DEVELOPMENT FINANCE CORPORATION LIMITED

3.10 Loss of interest

West Bengal Infrastructure Development Finance Corporation Limited had delayed in communicating instructions to banks for credit of maturity value of deposits to overdraft accounts, leading to payment of avoidable interest of ₹ 77.05 lakh.

West Bengal Infrastructure Development Finance Corporation Limited (WBIDFCL) had raised their funds through bonds floated from time to time, besides securing overdraft (OD) facilities. It obtained OD facilities from five banks⁶⁸ which carried interest of 10 to 10.25 *per cent* on their outstanding balances. To repay the maturity value of the bonds, it opened term deposits (TDs) and recurring deposits (RDs) with banks. On maturity of the deposits, WBIDFCL credited their net proceeds⁶⁹ to the OD accounts.

During 2013-14, WBIDFCL had credited net maturity proceeds of 15 TDs/RDs for total amount of ₹ 1,104.96 crore⁷⁰ to OD accounts. It was observed that there were avoidable delays for periods ranging from one to 23 days in crediting the maturity proceeds for eight of these deposits. This led to avoidable payment of interest of ₹ 77.05 lakh.

WBIDFCL replied (July 2015) that these delays in credit of maturity proceeds of TDs/ RDs occurred due to procedures to be followed for creation of fresh deposits on maturity of existing deposits.

The reply is not acceptable since maturity and renewal of deposits are normal business activities of WBIDFCL and it should have taken steps to avoid delays in the credit of maturity proceeds.

⁶⁸Bank of Baroda, Union Bank of India, Bank of India, Indian Bank and Punjab National Bank.


⁶⁹Principal and interest *less* of tax deducted at source.

⁷⁰Ten TDs (₹ 730.09 crore) and five RDs (₹ 374.87 crore).

Thus, lack of monitoring over timely credit of maturity proceeds led to payment of avoidable interest of ₹ 77.05 lakh.

This matter was brought to notice of Government in June 2015, their reply is awaited (December 2015).

KOLKATA
The 25 February 2016


(NAMEETA PRASAD)
Accountant General
(Economic & Revenue Sector Audit)
West Bengal

Countersigned

NEW DELHI
The 29 February 2016


(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

ANNEXURES

Annexure 1
(Referred to in paragraph 1.12)

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

(₹ in crore)

Sl. No.	Name of PSU	Year upto which Accounts finalised	Paid up capital as per latest finalised accounts	Investment made by Government during the years for which accounts are in arrears (Year wise)				
				Year	Equity	Loans	Grants & Subsidy	Total
(1)	(2)	(3)	(4)	(5a)	(5b)	(5c)	(5d)	(5e)
A. Working Government Companies								
1	West Bengal State Minor Irrigation Corporation Limited	2009-10	11.65	2010-11	-	-	31.85	31.85
				2011-12	-	-	-	-
				2012-13	-	-	43.73	43.73
				2013-14	-	-	46.95	46.95
				2014-15	-	-	41.33	41.33
2	West Bengal Dairy and Poultry Development Corporation Limited	2012-13	7.10	2013-14	-	-	5.04	5.04
				2014-15	-	-	5.39	5.39
3	West Bengal Forest Development Corporation Limited	2013-14	6.23	2014-15	-	-	-	-
4	West Bengal Wasteland Development Corporation Limited	2013-14	0.34	2014-15	-	-	-	-
5	West Bengal Tea Development Corporation Limited	2013-14	45.36	2014-15	1.86	7.65	-	9.51

Sl. No.	Name of PSU	Year upto which Accounts finalised	Paid up capital as per latest finalised accounts	Investment made by Government during the years for which accounts are in arrears (Year wise)				
				Year	Equity	Loans	Grants & Subsidy	Total
(1)	(2)	(3)	(4)	(5a)	(5b)	(5c)	(5d)	(5e)
6	West Bengal State Food Processing and Horticulture Development Corporation Limited	2011-12	0.97	2012-13	-	-	-	-
				2013-14	-	-	-	-
				2014-15	-	-	-	-
7	West Bengal State Seed Corporation Limited	2013-14	2.50	2014-15	-	-	-	-
8	Paschimbanga Agri Marketing Corporation Limited	2012-13	0.50	2013-14	0.50	-	0.73	1.23
				2014-15	0.75	10.00	-	10.75
9	West Bengal Industrial Development Corporation Limited	2013-14	435.93	2014-15	-	4.50	4.77	9.27
10	West Bengal Film Development Corporation Limited	2012-13	5.20	2013-14	-	2.40	-	2.40
				2014-15	-	4.25	-	4.25
11	West Bengal Women Development Undertaking	2012-13	0.10	2013-14	-	-	1.44	1.44
				2014-15	-	-	2.85	2.85
12	The West Bengal Small Industries Development Corporation Limited	2013-14	36.93	2014-15	1.65	-	6.74	8.39
13	Mackintosh Burn Limited	2013-14	0.31	2014-15	-	-	-	-
14	West Bengal Electronics Industry Development Corporation Limited	2013-14	197.42	2014-15	-	4.50	-	4.50
15	West Bengal Transport Infrastructure Development Corporation Limited	2013-14	3.10	2014-15	-	-	-	-
16	Westinghouse Saxby Farmer Limited	2013-14	7.74	2014-15	-	3.06	-	3.06

Sl. No.	Name of PSU	Year upto which Accounts finalised	Paid up capital as per latest finalised accounts	Investment made by Government during the years for which accounts are in arrears (Year wise)				
				Year	Equity	Loans	Grants & Subsidy	Total
(1)	(2)	(3)	(4)	(5a)	(5b)	(5c)	(5d)	(5e)
17	National Iron and Steel Company (1984) Limited	2013-14	12.00	2014-15	-	4.11	0.11	4.22
18	West Bengal Mineral Development and Trading Corporation Limited	2013-14	4.43	2014-15	-	-	-	-
19	Haldia Petrochemicals Limited	2013-14	1,959.02	2014-15	-	-	-	-
20	Greater Calcutta Gas Supply Corporation Limited	2013-14	41.15	2014-15	-	-	-	-
21	The Shalimar Works (1980) Limited	2013-14	1.26	2014-15	-	4.06	-	4.06
22	Eastern Distilleries and Chemicals Limited	2011-12	0.20	2012-13	-	-	-	-
				2013-14	-	-	-	-
				2014-15	-	-	-	-
23	Mayurakshi Cotton Mills (1990) Limited	2013-14	8.76	2014-15	-	-	-	-
24	The Electro Medical and Allied Industries Limited	2013-14	16.40	2014-15	-	2.77	-	2.77
25	Webel Electronic Communication Systems Limited (subsidiary of WBEIDC Limited)	2013-14	0.84	2014-15	-	-	-	-
26	West Bengal Surface Transport Corporation Limited	2011-12	1.01	2012-13	-	19.77	2.00	21.77
				2013-14	-	24.69	2.00	26.69
				2014-15	-	27.50	2.00	29.50
27	West Bengal Essential Commodities Supply Corporation Limited	2011-12	1.08	2012-13	-	-	-	-
				2013-14	-	-	-	-
				2014-15	-	-	-	-

Sl. No.	Name of PSU	Year upto which Accounts finalised	Paid up capital as per latest finalised accounts	Investment made by Government during the years for which accounts are in arrears (Year wise)					
				Year	Equity	Loans	Grants & Subsidy	Total	
(1)	(2)	(3)	(4)	(5a)	(5b)	(5c)	(5d)	(5e)	
28	West Bengal Tourism Development Corporation Limited	2012-13	10.00	2013-14	-	-	-	-	
				2014-15	-	-	-	-	
29	West Bengal Medical Services Corporation Limited	2013-14	8.00	2014-15	-	-	-	-	
30	West Bengal Swaroggar Corporation Limited	2013-14	105.00	2014-15	-	-	-	-	
31	Basumati Corporation Limited	2013-14	0.10	2014-15	-	4.84	-	4.84	
32	Silpabarta Printing Press Limited	2013-14	0.89	2014-15	-	-	0.10	0.10	
	Total- A (All sector wise Government Companies)					4.76	124.10	197.03	325.89
B.	Working Statutory Corporations								
33	West Bengal State Warehousing Corporation	2013-14	7.61	2014-15	-	-	-	-	
34	West Bengal Scheduled Castes & Scheduled Tribes Development & Finance Corporation	2013-14	194.78	2014-15	-	-	197.79	197.79	
35	West Bengal Backward Classes Development and Finance Corporation	2013-14	29.49	2014-15	-	-	0.48	0.48	
36	West Bengal Minorities Development & Finance Corporation	2013-14	181.25	2014-15	25.00	-	1.60	26.60	
37	West Bengal Industrial Infrastructure Development Corporation	2013-14	-	2014-15	-	-	-	-	

Sl. No.	Name of PSU	Year upto which Accounts finalised	Paid up capital as per latest finalised accounts	Investment made by Government during the years for which accounts are in arrears (Year wise)				
				Year	Equity	Loans	Grants & Subsidy	Total
(1)	(2)	(3)	(4)	(5a)	(5b)	(5c)	(5d)	(5e)
38	North Bengal State Transport Corporation	2009-10	10.70	2010-11	-	16.37	100.06	116.43
				2011-12	-	8.68	74.20	82.88
				2012-13	-	8.51	100.45	108.96
				2013-14	-	0.23	232.71	232.94
				2014-15	-	24.54	134.25	158.79
39	Calcutta State Transport Corporation	2010-11	9.62	2011-12	-	15.12	127.11	142.23
				2012-13	-	17.84	151.34	169.18
				2013-14	-	23.75	152.45	176.20
				2014-15	-	29.00	196.54	225.54
40	South Bengal State Transport Corporation	2013-14	11.01	2014-15	-	20.37	64.49	84.86
Total - B (All sector-wise Statutory Corporations)					25.00	164.41	1,533.47	1,722.88
Grant Total (A + B)					29.76	288.51	1,730.50	2,048.77

Annexure 2
(Referred to in paragraph 1.16)

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

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

Sl. No.	Sector/ Name of the Company	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 [#]	Capital Employed [@]	Return on capital employed [§]	Percentage of return on capital employed	Manpower (No. of employees as on 31.03.2015)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
A. Working Government companies													
AGRICULTURE AND ALLIED													
1	The State Fisheries Development Corporation Limited	2014-15	2015-16	2.70	2.44	1.00	10.54	1.80	(-) 0.25	22.53	1.80	7.99	425
2	West Bengal Fisheries Corporation Limited	2014-15	2015-16	2.00	0.30	(-) 0.21	18.89	1.16	(-) 9.70	2.09	1.16	55.50	166
3	West Bengal Agro Industries Corporation Limited	2014-15	2015-16	8.41	15.23	(-) 113.11	126.28	(-) 6.50	(-) 5.33	(-) 89.47	9.93	-	173
4	West Bengal State Minor Irrigation Corporation Limited	2009-10	2012-13	11.65	-	(-) 57.87	3.16	(-) 14.01	(-) 0.30	(-) 27.70	(-) 14.01	-	565
5	West Bengal Dairy and Poultry Development Corporation Limited	2012-13	2015-16	7.10	0.57	4.04	52.29	6.42	0.75	11.71	6.47	55.25	101
6	West Bengal Livestock Development Corporation Limited	2014-15	2015-16	2.35	-	0.75	3.70	0.30	-	3.12	0.31	9.94	43
7	West Bengal Forest Development Corporation Limited	2013-14	2014-15	6.23	-	63.54	50.00	12.22	-	70.40	12.22	17.36	904
8	West Bengal Wasteland Development Corporation Limited	2013-14	2014-15	0.34	-	1.02	1.65	0.70	-	1.36	0.70	51.47	18

Sl. No.	Sector/ Name of the Company	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(-) ^Δ	Net impact of Audit Comments [#]	Capital Employed ^ψ	Return on capital employed [§]	Percentage of return on capital employed	Manpower (No. of employees as on 31.03.2015)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
9	West Bengal Tea Development Corporation Limited	2013-14	2014-15	45.36	117.90	(-) 254.63	6.06	(-) 28.72	-	(-) 91.22	(-) 11.86	-	18
10	West Bengal State Food Processing and Horticulture Development Corporation Limited	2011-12	2014-15	0.97	2.33	1.60	10.19	0.28	-	4.90	0.58	11.84	24
11	West Bengal State Seed Corporation Limited	2013-14	2015-16	2.50	-	57.25	177.77	9.51	-	61.32	11.55	18.84	179
12	Paschimbanga Agri Marketing Corporation Limited	2012-13	2014-15	0.50	-	(-) 0.04	-	(-) 0.04	-	0.46	(-) 0.04	-	1
	Sector wise total			90.11	138.77	(-) 296.66	460.53	(-) 16.88	(-) 14.83	(-) 30.50	18.81	-	2,617
	FINANCING												
13	West Bengal Industrial Development Corporation Limited (WBIDC Limited)	2013-14	2014-15	435.93	165.26	61.76	19.58	6.41	-	1,431.21	14.25	1.00	138
14	West Bengal Handicrafts Development Corporation Limited	2014-15	2015-16	24.60	5.31	(-) 27.83	14.56	(-) 0.96	-	1.97	(-) 0.76	-	88
15	West Bengal Film Development Corporation Limited	2012-13	2013-14	5.20	32.63	(-) 73.45	0.01	(-) 5.83	-	(-) 6.41	(-) 2.54	-	35
16	West Bengal Women Development Undertaking	2012-13	2015-16	0.10	-	0.92	0.82	0.33	-	0.86	0.33	38.37	14
17	West Bengal Infrastructure Development Finance Corporation Limited	2014-15	2015-16	175.30	2,993.43	741.93	470.77	77.13	(-) 186.09	4,272.56	462.59	10.83	41
18	Webel Venture Capital Limited (Subsidiary of WBEIDC Limited)	2014-15	2015-16	0.05	-	1.44	0.06	0.24	-	1.37	0.24	17.52	2
	Sector wise total			641.18	3,196.63	704.77	505.80	77.32	(-) 186.09	5,701.56	474.11	8.32	318

Sl. No.	Sector/ Name of the Company	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 [#]	Capital Employed [@]	Return on capital employed ^s	Percentage of return on capital employed	Manpower (No. of employees as on 31.03.2015)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
INFRASTRUCTURE													
19	The West Bengal Small Industries Development Corporation Limited (WBSIDC Limited)	2013-14	2015-16	36.93	-	(-) 21.31	60.15	5.48	22.17	128.74	6.70	5.20	169
20	West Bengal Electronics Industry Development Corporation Limited (WBEIDC Limited)	2013-14	2014-15	197.42	21.65	(-) 69.27	41.59	5.65	-	145.30	7.55	5.20	134
21	West Bengal Police Housing & Infrastructure Development Corporation Limited	2014-15	2015-16	5.20	-	3.35	17.28	1.03	-	8.85	1.03	11.64	26
22	Kolkata Police Housing and Infrastructure Development Corporation Limited	2014-15	2015-16	5.20	-	0.40	1.73	0.05	-	6.05	0.05	0.83	8
23	West Bengal Transport Infrastructure Development Corporation Limited	2013-14	2014-15	3.10	46.70	(-) 45.33	13.89	(-) 36.30	-	59.34	(-) 32.20	-	28
24	West Bengal Housing Infrastructure Development Corporation Limited (WBHIDCO Limited)	2014-15	2015-16	34.65	0.30	104.40	443.83	96.98	-	149.63	96.98	64.81	256
25	New Town Telecom Infrastructure Development Company Limited (Subsidiary of WBHIDCO Limited)	2014-15	2015-16	1.05	8.94	7.15	3.92	2.00	-	18.09	2.25	12.44	7
26	Sundarban Infrastructure Development Corporation Limited	2014-15	2015-16	1.00	108.18	9.53	0.42	3.32	-	118.71	3.32	2.80	13
27	Mackintosh Burn Limited	2013-14	2014-15	0.31	1.60	140.10	545.16	16.44	(-) 0.22	147.20	20.34	13.82	493
28	West Bengal Highway Development Corporation Limited	2014-15	2015-16	505.00	-	15.07	-	7.00	-	520.07	58.88	11.32	30

Sl. No.	Sector/ Name of the Company	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 [#]	Capital Employed [@]	Return on capital employed ^s	Percentage of return on capital employed	Manpower (No. of employees as on 31.03.2015)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Sector wise total			789.86	187.37	144.09	1,127.97	101.65	21.95	1,301.98	164.90	12.67	1,164
	MANUFACTURING												
29	Westinghouse Saxby Farmer Limited	2013-14	2015-16	7.74	45.27	(-) 53.31	179.80	(-) 11.31	-	(-) 44.68	16.24	-	415
30	Britannia Engineering Limited	2014-15	2015-16	11.29	30.36	(-) 38.91	53.57	(-) 8.39	-	38.14	(-) 4.15	-	384
31	Gluconate Health Limited	2014-15	2015-16	27.31	21.98	(-) 36.38	25.40	(-) 5.04	-	11.78	(-) 3.00	-	215
32	Durgapur Chemicals Limited	2014-15	2015-16	123.18	67.64	(-) 163.30	90.75	(-) 27.66	(-) 0.42	37.49	(-) 14.96	-	243
33	Neo Pipes and Tubes Company Limited	2014-15	2015-16	2.20	11.14	(-) 116.47	0.30	(-) 7.43	-	(-) 103.13	(-) 1.98	-	63
34	National Iron and Steel Company (1984) Limited	2013-14	2014-15	12.00	98.75	(-) 291.14	11.22	(-) 18.37	-	(-) 117.28	(-) 4.10	-	64
35	West Bengal Mineral Development and Trading Corporation Limited	2013-14	2014-15	4.43	44.71	(-) 106.18	272.98	26.23	-	(-) 54.66	35.71	-	330
36	West Bengal Pharmaceutical and Phytochemical Development Corporation Limited	2014-15	2015-16	20.90	5.22	(-) 22.82	4.11	(-) 2.36	-	3.42	(-) 1.39	-	70
37	WEBFIL Limited	2014-15	2015-16	10.58	3.05	(-) 8.45	26.05	2.63	-	5.07	3.88	76.53	172
38	Haldia Petrochemicals Limited	2013-14	2014-15	1,959.02	2,420.53	(-) 1,930.94	8,129.83	(-) 464.63	49.65	1,892.04	(-) 9.83	-	768
39	Greater Calcutta Gas Supply Corporation Limited	2013-14	2014-15	41.15	156.42	(-) 332.72	42.42	(-) 18.01	1.14	(-) 135.15	1.99	-	273
40	The Shalimar Works (1980) Limited	2013-14	2014-15	1.26	110.54	(-) 219.87	27.44	(-) 17.06	-	(-) 107.88	(-) 1.16	-	122
41	Eastern Distilleries and Chemicals Limited	2011-12	2013-14	0.20	6.61	(-) 5.13	34.80	0.30	-	(-) 4.88	1.19	-	112
42	Mayurakshi Cotton Mills (1990) Limited	2013-14	2014-15	8.76	32.56	(-) 53.33	4.62	(-) 6.92	-	(-) 13.01	(-) 2.41	-	180

Sl. No.	Sector/ Name of the Company	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#	Capital Employed@	Return on capital employed ^s	Percentage of return on capital employed	Manpower (No. of employees as on 31.03.2015)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
43	The Electro Medical and Allied Industries Limited	2013-14	2015-16	16.40	30.68	(-) 72.54	6.41	(-) 7.40	-	(-) 25.46	(-) 3.28	-	46
	Sector wise total			2,246.42	3,052.90	(-) 3,451.49	8,909.70	(-) 565.42	50.37	1,381.81	12.75	0.92	3,457
POWER													
44	The Durgapur Projects Limited	2014-15	2015-16	1,251.63	2,144.14	(-) 1,496.02	1,028.38	(-) 324.60	-	1,963.44	(-) 109.29	-	3,341
45	The West Bengal Power Development Corporation Limited	2014-15	2015-16	5,183.83	7,389.14	1,199.03	7,094.10	22.83	116.37	13,990.24	651.25	4.66	4,404
46	New Town Electric Supply Company Limited (subsidiary of WBHIDCO Limited)	2014-15	2015-16	9.86	4.66	15.55	5.97	2.26	-	27.81	2.26	8.13	42
47	West Bengal State Electricity Distribution Company Limited	2014-15	2015-16	2,256.74	7,596.65	(-) 130.71	16,907.04	19.82	89.18	14,822.65	1,381.84	9.32	15,848
48	West Bengal State Electricity Transmission Company Limited	2014-15	2015-16	1,105.52	2,368.50	1,460.84	1,020.79	269.26	-	5,081.63	501.80	9.87	2,462
49	West Bengal Green Energy Development Corporation Limited	2014-15	2015-16	4.99	15.71	(-) 6.42	0.35	(-) 1.87	-	14.28	(-) 0.63	-	14
	Sector wise total			9,812.57	19,518.80	1,042.27	26,056.63	(-) 12.30	205.55	35,900.05	2,427.23	6.76	26,111
SERVICE													
50	Webel Mediatronics Limited (Subsidiary of WBEIDC Limited)	2014-15	2015-16	4.04	0.77	(-) 11.69	15.89	0.52	-	(-) 7.07	1.13	-	31
51	Webel Electronic Communication Systems Limited (Subsidiary of WBEIDC Limited)	2013-14	2014-15	0.84	-	(-) 7.79	11.93	(-) 0.85	(-) 0.78	(-) 6.95	(-) 0.85	-	55
52	Webel Informatics Limited (Subsidiary of WBEIDC Limited)	2014-15	2015-16	0.40	4.61	(-) 4.00	41.56	1.06	-	1.01	1.06	104.95	28

Sl. No.	Sector/ Name of the Company	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 [#]	Capital Employed [@]	Return on capital employed ^s	Percentage of return on capital employed	Manpower (No. of employees as on 31.03.2015)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
53	Webel Technology Limited (Subsidiary of WBEIDC Limited)	2014-15	2015-16	1.00	-	6.44	150.20	6.38	2.12	32.64	6.38	19.55	74
54	The Calcutta Tramways Company (1978) Limited	2014-15	2015-16	20.40	145.75	(-) 1,512.15	49.11	(-) 203.61	-	(-) 1,491.75	(-) 158.68	-	5,689
55	West Bengal Surface Transport Corporation Limited	2011-12	2013-14	1.01	187.71	(-) 222.21	17.63	(-) 52.03	(-) 0.61	(-) 144.17	(-) 34.17	-	913
56	West Bengal Trade Promotion Organisation (Subsidiary of WBIDC Limited)	2014-15	2015-16	0.60	-	14.82	4.04	3.61	-	19.15	3.61	18.85	8
57	West Bengal Essential Commodities Supply Corporation Limited	2011-12	2015-16	1.08	311.00	(-) 9.19	1,467.21	(-) 4.67	143.78	302.89	15.48	5.11	278
58	West Bengal Tourism Development Corporation Limited	2012-13	2015-16	10.00	1.08	(-) 3.25	33.54	0.98	1.95	8.33	1.01	12.12	278
59	West Bengal Medical Services Corporation Limited	2013-14	2014-15	8.00	174.76	8.10	4.07	5.91	0.93	22.15	5.91	26.68	90
60	West Bengal Swarojgar Corporation Limited	2013-14	2014-15	105.00	-	28.20	-	5.93	0.20	133.20	5.93	4.45	10
	Sector wise total			152.37	825.68	(-) 1,712.72	1,795.18	(-) 236.77	147.59	(-) 1,130.57	(-) 153.19	-	7,454
	Miscellaneous												
61	Basumati Corporation Limited	2013-14	2014-15	0.10	11.02	(-) 134.68	2.73	(-) 10.47	-	(-) 123.56	(-) 3.13	-	122
62	Silpabarta Printing Press Limited (subsidiary of WBSIDC Limited)	2013-14	2014-15	0.89	3.21	(-) 0.17	7.50	(-) 0.14	(-) 0.12	3.93	(-) 0.07	-	39
63	Saraswaty Press Limited	2014-15	2015-16	5.50	-	25.43	70.45	2.27	-	38.40	2.69	7.00	248
64	West Bengal Text Book Corporation (P) Limited (subsidiary of Saraswaty Press Limited)	2014-15	2015-16	0.10	-	18.57	293.53	8.72	-	20.19	9.03	44.73	-

Sl. No.	Sector/ Name of the Company	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 [#]	Capital Employed [@]	Return on capital employed ^s	Percentage of return on capital employed	Manpower (No. of employees as on 31.03.2015)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Sector wise total			6.59	14.23	(-) 90.85	374.21	0.38	(-) 0.12	(-) 61.04	8.52	-	409
	Total- A (All sector wise Government companies)			13,739.10	26,934.38	(-) 3,660.59	39,230.02	(-) 652.02	224.42	43,063.29	2,953.13	6.86	41,530
B.	Working Statutory Corporations												
	AGRICULTURE AND ALLIED												
1	West Bengal State Warehousing Corporation	2013-14	2015-16	7.61	-	7.50	8.43	2.66	-	19.96	2.66	13.33	104
	Sector wise total			7.61	-	7.50	8.43	2.66	-	19.96	2.66	13.33	104
	FINANCING												
2	West Bengal Financial Corporation	2014-15	2015-16	202.35	660.74	(-) 127.30	85.87	11.46	15.97	759.22	75.51	9.95	170
3	West Bengal Scheduled Castes & Scheduled Tribes Development & Finance Corporation	2013-14	2014-15	194.78	66.12	70.39	52.79	26.81	-	305.66	27.91	9.13	164
4	West Bengal Backward Classes Development & Finance Corporation	2013-14	2015-16	29.49	17.86	(-) 2.80	0.30	(-) 0.70	-	39.95	(-) 0.10	-	4
5	West Bengal Minorities Development & Finance Corporation	2013-14	2015-16	181.25	466.88	107.38	21.74	44.01	9.17	697.99	50.47	7.23	64
	Sector wise total			607.87	1,211.60	47.67	160.70	81.58	25.14	1,802.82	153.79	8.53	402
	Infrastructure												
6	West Bengal Industrial Infrastructure Development Corporation	2013-14	2014-15	-	96.34	58.44	29.55	12.38	(-) 43.29	230.75	15.75	6.83	177
	Sector wise total			-	96.34	58.44	29.55	12.38	(-) 43.29	230.75	15.75	6.83	177

Sl. No.	Sector/ Name of the Company	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 [#]	Capital Employed [@]	Return on capital employed [^]	Percentage of return on capital employed	Manpower (No. of employees as on 31.03.2015)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	SERVICE												
7	North Bengal State Transport Corporation	2009-10	2015-16	10.70	239.89	(-) 495.75	163.55	(-) 15.36	-	233.05	13.33	5.72	3,426
8	Calcutta State Transport Corporation	2010-11	2015-16	9.62	331.31	(-) 850.96	63.33	(-) 98.87	-	(-) 467.17	(-) 66.96	-	4,597
9	South Bengal State Transport Corporation	2013-14	2015-16	11.01	201.36	(-) 481.17	139.58	(-) 40.35	24.93	(-) 257.41	(-) 17.62	-	2,144
	Sector wise total			31.33	772.56	(-) 1,827.88	366.46	(-) 154.58	24.93	(-) 491.53	(-) 71.25	-	10,167
	Total - B (All sector-wise Statutory corporations)			646.81	2,080.50	(-) 1,714.27	565.14	(-) 57.96	6.78	1,562.00	100.95	6.46	10,850
	Grand Total (A+B)			14,385.91	29,014.88	(-) 5,374.86	39,795.16	(-) 709.98	231.20	44,625.29	3,054.08	6.84	52,380
C.	Non-working Government companies												
	FINANCING												
1	West Bengal Handloom and Powerloom Development Corporation Limited	2011-12	2014-15	46.77	5.12	(-) 56.09	0.10	(-) 0.22	-	(-) 4.10	(-) 0.12	-	10
	Sector wise total			46.77	5.12	(-) 56.09	0.10	(-) 0.22	-	(-) 4.10	(-) 0.12	-	10
	MANUFACTURING												
2	The Kalyani Spinning Mills Limited	2010-11	2013-14	14.63	322.48	(-) 504.37	31.49	(-) 60.99	-	(-) 8.94	(-) 26.62	-	1,007
3	The West Dinajpur Spinning Mills Limited	2013-14	2015-16	12.72	94.32	(-) 221.18	-	(-) 24.25	-	(-) 113.97	(-) 12.73	-	494
4	West Bengal Ceramic Development Corporation Limited	2006-07	2008-09	2.93	26.00	(-) 64.31	-	(-) 4.37	-	(-) 35.60	(-) 0.39	-	2
5	The West Bengal State Leather Industries Development Corporation Limited	2008-09	2013-14	3.95	2.34	(-) 21.15	-	(-) 0.18	-	(-) 15.07	0.11	-	3

Sl. No.	Sector/ Name of the Company	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 [#]	Capital Employed [@]	Return on capital employed [§]	Percentage of return on capital employed	Manpower (No. of employees as on 31.03.2015)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
6	The West Bengal Projects Limited (subsidiary of WBSIDC Limited)	2011-12	2014-15	1.89	0.10	(-) 3.08	-	(-) 0.13	-	(-) 1.09	(-) 0.12	-	3
7	Pulver Ash Projects Limited (subsidiary of WBSIDC Limited)	2013-14	2014-15	3.31	13.00	(-) 15.11	-	(-) 0.64	-	1.20	(-) 0.64	-	1
8	The Infusions (India) Limited	2012-13	2014-15	8.00	4.88	(-) 16.79	-	(-) 2.11	-	(-) 3.91	(-) 1.35	-	39
9	West Bengal Sugar Industries Development Corporation Limited	2014-15	2015-16	15.24	46.87	(-) 170.42	-	(-) 6.35	-	(-) 107.06	(-) 0.07	-	5
10	West Bengal Industrial Land Holding Private Limited (subsidiary of WBIDC Ltd)	2008-09	2010-11	0.01	-	-	-	-	-	0.01	-	-	-
11	Webel Electro-Optics Limited (subsidiary of WBEIDC Limited)	2014-15	2015-16	3.37	3.80	(-) 2.20	-	0.27	-	4.97	0.27	5.43	12
12	Webel Consumer Electronics Limited (subsidiary of WBEIDC Limited)	2014-15	2015-16	8.02	53.50	(-) 66.13	-	(-) 3.24	-	(-) 4.63	(-) 3.18	-	84
13	The Carter Pooler Engineering Company Limited	2007-08	2008-09	0.95	20.69	(-) 49.76	-	(-) 3.08	-	(-) 26.45	(-) 0.08	-	-
14	West Bengal Plywood and Allied Products Limited	2011-12	2013-14	0.09	52.77	(-) 53.39	-	(-) 0.10	-	(-) 0.51	(-) 0.10	-	-
15	Krishna Silicates and Glass (1987) Limited	2005-06	2008-09	-	52.92	(-) 91.19	-	(-) 7.28	-	(-) 9.17	(-) 0.65	-	-
16	Lily Products Limited	2011-12	2015-16	0.01	48.45	(-) 119.11	-	(-) 9.98	-	(-) 87.73	(-) 1.98	-	84
17	DPL Coke Oven Limited	2014-15	2015-16	0.05	-	(-) 0.15	-	-	-	(-) 0.10	-	-	-
	Sector wise total			75.17	742.12	(-) 1,398.34	31.49	(-) 122.43	-	(-) 408.05	(-) 47.53	-	1,734
	Total C (All sector wise non-working Government companies)			121.94	747.24	(-) 1,454.43	31.59	(-) 122.65	-	(-) 412.15	(-) 47.65	-	1,744

Sl. No.	Sector/ Name of the Company	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 [#]	Capital Employed [@]	Return on capital employed ^{\$}	Percentage of return on capital employed	Manpower (No. of employees as on 31.03.2015)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
D.	Non-working Statutory corporations												
	SERVICE												
1	Great Eastern Hotel Authority	2013-14	2014-15	-	16.34	(-) 37.09	-	-	-	1.65	0.04	2.42	4
	Sector wise total			-	16.34	(-) 37.09	-	-	-	1.65	0.04	2.42	4
	Total D (All sector wise non-working Statutory Corporations)			-	16.34	(-) 37.09	-	-	-	1.65	0.04	2.42	4
	Grand total(C+D)			121.94	763.58	(-) 1,491.52	31.59	(-) 122.65	-	(-) 410.50	(-) 47.61	-	1,748
	Grand total(A+B+C+D)			14,507.85	29,778.46	(-) 6,866.38	39,826.75	(-) 832.63	231.20	44,214.79	3,006.47	6.80	54,128

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

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

[@] Capital Employed represents Shareholders' Funds *plus* Long Term Borrowings except in case of finance sector companies and 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
(Refer Paragraph 3.5)

Statement showing additional expenditure incurred by WBSEDCL on purchase of power during 2014 - 15

Month	Short term Purchase by WBSEDCL from IEX due to short supply by PTC (in MU)	Percentage of shortfall	Rates in excess of PTC for purchase from IEX		Rate for power from PTC (₹ per unit)	Loss (in ₹)
			Minimum (₹ per unit)	Maximum (₹ per unit)		
1	2	3	4	5	6	7
April	6.81	23.25	3.18	3.92	3.13	29,08,019
May	11.60	75.18	3.32	4.24	3.14	86,63,651
June	4.70	59.73	3.19	4.48	3.14	43,32,997
July	6.48	40.88	3.51	5.89	3.15	65,59,306
August	18.46	39.34	3.23	7.43	3.15	2,60,86,498
September	14.07	55.30	3.27	7.00	3.15	1,28,25,049
October	8.04	48.02	3.45	8.67	3.14	1,39,47,600
November	0.42	8.06	3.15	4.50	3.14	1,79,764
Total:	70.57					7,55,02,884

Glossary of Abbreviations

Sl. No.	Abbreviation	Description
1.	ABT	Availability Based Tariff
2.	AG	Accountant General
3.	ATN	Action Taken Notes
4.	BGREI	Bringing Green Revolution to Eastern India
5.	BkTPS	Bakreswar Thermal Power Station
6.	BOD	Board of Directors
7.	BTPS	Bandel Thermal Power Station
8.	CAG	Comptroller and Auditor General of India
9.	CEA	Central Electricity Authority
10.	CMRF	Chief Minister's Relief Fund
11.	COPU	Committee on Public Undertakings
12.	CPCB	Central Pollution Control Board
13.	CSR	Corporate Social Responsibility
14.	DCs	Demonstration Centres
15.	DDA	Deputy Directors Agriculture
16.	DIL	Devi Ispat Limited
17.	DISCOM	Distribution Company
18.	DoA	Directorate of Agriculture
19.	DVC	Damodar Valley Corporation
20.	EHV	Extra High Voltage
21.	EIA	Environmental Impact Assessment
22.	EMP	Environment Management Plans
23.	ESP	Electrostatic Precipitators
24.	ETP	Effluent Treatment Plant
25.	GoI	Government of India
26.	GoWB	Government of West Bengal
27.	GSDP	Gross State Domestic Product
28.	HV	High Voltage
29.	ITIs	Industrial Training Institutes
30.	KTPS	Kolaghat Thermal Power Station
31.	LC	Letter of credit
32.	MBL	Mackintosh Burn Limited
33.	MoEFCC	Ministry of Environment, Forests and Climate Change
34.	MoF	Ministry of Finance
35.	MoP	Ministry of Power
36.	MPL	mg per litre
37.	MT	Metric tonnes
38.	mt	Million Tonnes
39.	MU	Million Units
40.	NGT	National Green Tribunal
41.	NR	Not Recommended

Sl. No.	Abbreviation	Description
42.	NSC	National Seed Corporation Limited
43.	OD	Overdraft
44.	PAG	Principal Accountant General
45.	PAs	Performance audits
46.	PFC	Price Fixation Committee
47.	PM	Particulate Matter
48.	PNB	Punjab National Bank
49.	PPA	Power Purchase Agreements
50.	PSUs	Public Sector Undertakings
51.	PTC	Power Trading Corporation Limited
52.	PWD	Public Works Department
53.	RD	Recurring Deposits
54.	SARs	Separate Audit Reports
55.	SBI	State Bank of India
56.	SCA	Seed Certification Agency
57.	SgTPS	Sagardighi Thermal Power Station
58.	SIDCL	Sundarban Infrastructure Development Corporation Limited
59.	SMP	Seed Multiplication Programme
60.	SOR	Schedule of Rates
61.	SPL	Saraswaty Press Limited
62.	SPM	Suspended Particulate Matter
63.	STPS	Santaldih Thermal Power Station
64.	TD	Term Deposits
65.	TPS	Thermal Power Stations
66.	VSPL	Viswarupa Steel Private Limited
67.	WBERC	West Bengal Electricity Regulatory Commission
68.	WBIDFCL	West Bengal Infrastructure Development Finance Corporation Limited
69.	WBMDTCL	West Bengal Mineral Development and Trading Corporation Limited
70.	WBPCB	West Bengal Pollution Control Board
71.	WBPDCCL	West Bengal Power Development Corporation Limited
72.	WBSEDCL	West Bengal State Electricity Distribution Company Limited
73.	WBSSCL	West Bengal State Seed Corporation Limited
74.	WBTDCCL	West Bengal Tea Development Corporation Limited

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