

Preface

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

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

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

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

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

The Audit observations featured in this Report are those, which came to notice in course of test audit for the period 2017-18, as well as those, which came to notice in earlier years, but were not dealt with in the previous Reports. Matters relating to the period after 31 March 2018 have also been included, wherever necessary.

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