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

for the year ended 31 March 2014

Government of Bihar

Report No. 1 of 2015

TABLE OF CONTENTS

Particulars Refere		ence to	
	Paragraph (s)	Page (s)	
Preface	-	vii	
Overview	-	ix-xiv	
CHAPTER-1			
Overview of Government companies and Statutory corporations	1	-	
Introduction	1.1-1.3	1	
Audit Mandate	1.4-1.6	1-2	
Investment in State PSUs	1.7-1.9	2-3	
Budgetary outgo, Grants/Subsidies, Guarantees and Loans	1.10-1.11	3-5	
Reconciliation with Finance Accounts	1.12-1.13	5	
Performance of PSUs	1.14-1.18	5-6	
Arrears in finalisation of Accounts	1.19-1.24	6-8	
Winding-up of non-working PSUs	1.25-1.27	8-9	
Accounts Comments and Internal Audit	1.28-1.33	9-11	
Recoveries at the instance of audit	1.34	12	
Status of placement of Separate Audit Reports	1.35	12-13	
Disinvestment, Privatisation and Restructuring of PSUs	1.36	13	
CHAPTER – II			
Performance Audit relating to Government Company	2		
Performance Audit on the activities of Bihar State Tourism Development Corporation Limited		-	
Executive summary		15-17	
Introduction	2.1	17	
Organisational set-up	2.2	17	
Capital Structure	2.3	18	
Audit objectives	2.4	18	
Audit criteria	2.5	18-19	
Audit Scope and methodology	2.6	19	

Particulars	Reference to	
	Paragraph (s)	Page (s)
Audit Findings	2.7	19
State Tourism Policy and its Implementation	2.8	19-20
Finance and Accounts wing	2.9-2.9.6	20-22
Performance of Hotels	2.10-2.10.2	22-24
Performance of Catering Services	2.11	24-25
Transport Services	2.12-2.12.5	25-29
Travel-Trade and Ropeway	2.13-2.13.2	29-30
Infrastructure Development Projects	2.14 – 2.14.2	30-33
Internal control	2.15	33
Conclusion		33-34
CHAPTER – III		
Performance Audit relating to Statutory Corporation		
Performance Audit on Bihar State Road Transport Corporation	3	
Executive summary	-	35-36
Introduction	3.1	36-37
Organisational set-up	3.2	37
Audit objectives	3.3	37-38
Audit criteria	3.4	38
Audit Scope and methodology	3.5	38-39
Audit Findings		39
Financial Performance	3.6-3.6.2	39-41
Operational Performance	3.7-3.7.10	41-49
Public Private Partnership Scheme	3.8-3.8.2	50-51
Internal Control System and Monitoring by the Top Management	3.9	51-52
Conclusion		52

Particulars	Reference to		
	Paragraph (s)	Page (s)	
CHAPTER – IV			
Transaction Audit Observations			
Government Companies			
South Bihar Power Distribution Company Limited	d		
Long Paragraph on Billing and Collection of dues in respect of High Tension Specified Services Consumers	4.1	53-60	
Loss of revenue	4.2	60-61	
Short-assessment of Punitive Charges	4.3	61-62	
North Bihar Power Distribution Company Limite	d		
Short assessment of punitive charges	4.4	62-63	
Bihar State Power (Holding) Company Limited			
Undue benefit to the supplier	4.5	64-66	
Undue benefit to the supplier	4.6	66-67	
Bihar Urban Infrastructure Development Corpor	ation Limited		
Undue favour to the Consultant	4.7	67-69	
Bihar State Building Construction Corporation Limited			
Loss to the Company on account of non-claiming of refund of TDS	4.8	70-71	
Bihar State Educational Infrastructure Development Corporation Limited			
Irregular contribution to the Chief Minister's Relief fund	4.9	71-72	
Bihar State Electronics Development Corporation Limited			
Avoidable payment of Corporate Tax	4.10	72-73	
Wasteful Expenditure	4.11	73-74	
Avoidable Extra Expenditure	4.12	74-76	

Particular	rticulars Reference to		e to
		Paragraph (s)	Page (s)
Bihar Stat	te Hydroelectric Power Corporation Lin	nited	
Idle expen	diture	4.13	76-78
General			
_	to Inspection Reports, Draft Paragraphs mance Audit Reports	4.14	78-79
	ANNEXURES		
1.1	Statement showing particulars of up to date paid-up Capital, Loans outstanding and Manpower as on 31 March 2014 in respect of Government companies and Statutory corporations	1.7	81-86
1.2	Statement showing Grants and Subsidy received/receivable, Guarantees received, waiver of dues, Loans written off and Loans converted into Equity during the year and Guarantee commitment at the end of March 2014	1.10	87-88
1.3.	Summarised financial results of Government companies and Statutory corporations for the latest year for which accounts were finalised	1.14, 1.28, 1.29 and 1.33	89-96
1.4	Statement of financial position of Statutory corporations	1.14	97-98
1.5	Statement of working results of Statutory corporations	1.14	99-100
1.6	Statement showing investments made by the State Government in PSUs whose accounts were in arrears	1.22	101-102
2.1	Financial Position of Bihar State Tourism Development Corporation Limited for four years ending 31 March 2013	2.3	103
2.2	Statement showing shortages in bank accounts remaining unreconciled	2.9.1	104
2.3	Details of tourist inflow in the State alongwith details of tourists who availed accommodation facility of the Company during the year 2009-10 to 2013-14	2.10	105

Particulars		Reference to	
		Paragraph (s)	Page (s)
2.4	List of Self-managed hotels of Bihar State Tourism Development Corporation Limited	2.10.1	106
2.5	Deficiencies observed during joint inspection of Company's four self-managed hotels	2.10.1	107-108
3.1	Financial position and Working results of Bihar State Road Transport Corporation	3.1 and 3.6.1	109-110
3.2	Organisational chart of Bihar State Road Transport Corporation	3.2	111
3.3	Statement showing fixation of fares without considering all input costs	3.6.2	112
3.4	Fleet Strength and age profile	3.7.1	113
3.5	Statement showing non-utilisation of scheduled Kilometers	3.7.6	114
3.6	Statement showing manpower cost	3.7.7	115
3.7	Statement showing fuel consumption	3.7.8	116
4.1	Statement showing grant of irregular rebate under Industrial Policy	4.1.8	117
4.2	Statement showing avoidable expenditure on purchase of conductors	4.6	118
4.3	Statement showing details of projects under Master Service Agreement	4.7	119
4.4	Statement showing details of excess expenditure	4.12	120
4.5	Statement showing comparison of both the models of Desktop as replied by the Company and Audit observation thereon	4.12	121
4.6	Statement of department-wise outstanding Inspection Reports (IRs)	4.14	122
4.7	Statement of department-wise Draft Paragraphs/Performance Audits, reply to which are awaited	4.14	123