



**Report of the
Comptroller and Auditor General of India
on
Public Sector Undertakings
for the year ended March 2012**

The Report has been laid on the table of the State Legislature Assembly on 10-07-2014



Government of West Bengal
Report No. 3 of the year 2013

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Preface

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

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

2. This Report deals with the results of audit of Government companies and Statutory corporations and has been prepared for submission to the Government of West Bengal under Section 19A of the CAG (Duties, Powers and Conditions of Service) Act, 1971, as amended from time to time. The results of audit relating to departmentally managed commercial undertakings are included in other Reports of the Comptroller and Auditor General of India – Government of West Bengal.

3. Audit of the accounts of Government companies is conducted by the Comptroller and Auditor General of India under the provisions of Section 619 of the Companies Act, 1956.

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

5. The cases mentioned in this Report are those which came to notice in the course of audit during the year 2011-2012 as well as those which came to notice in earlier years but were not dealt with in the previous Reports. Matters relating to the period subsequent to 2011-2012 have also been included, wherever necessary.

6. The audit has been conducted in accordance with the Auditing Standards prescribed for the Indian Audit and Accounts Department issued by the Comptroller and Auditor General of India.

Overview

1 Overview of State Public Sector Undertakings

Audit of Government companies is governed by Section 619 of the Companies Act, 1956. The accounts of Government companies are audited by Statutory Auditors appointed by CAG. These accounts are also subject to supplementary audit conducted by CAG. Audit of Statutory corporations is governed by their respective legislations. As on 31 March 2012, the State of West Bengal had 74 working PSUs (65 companies and 9 Statutory corporations) and 15 non-working PSUs

(14 companies and one corporation), which employed 0.64 lakh employees. The 27 working PSUs registered a turnover of ₹ 29,457.81 crore as per their finalised accounts for 2011-12. This turnover was equal to 5.36 per cent of State GDP indicating an important role played by State PSUs in the economy.

Investments in PSUs

As on 31 March 2012, the investment (capital and long term loans) in 89 PSUs was ₹ 40,697.68 crore. It grew by over 15.17 per cent from ₹ 35,377.55 crore in 2006-07. Power and finance sectors accounted for nearly 81.56 per cent of total investment in 2011-12. The Government contributed ₹ 1,044.27 crore towards equity, loans and grants/ subsidies during 2011-12.

Performance of PSUs

Out of 74 working PSUs, 27 had prepared accounts for 2011-12. During the year 2011-12, 13 PSUs earned profit of ₹ 674.35 crore and 14 PSUs incurred loss of ₹ 968.58 crore. The major contributors to profit were West Bengal Power Development Corporation Limited

(₹ 380.30 crore), West Bengal State Electricity Transmission Company Limited (₹ 171.67 crore) and West Bengal State Electricity Distribution Company Limited (₹ 73.48 crore). Heavy losses were incurred by Haldia Petrochemicals Limited (₹ 746.39 crore), The Durgapur Projects Limited (₹ 87.49 crore) and The Calcutta Tramways Company (1978) Limited (₹ 52.58 crore).

Arrears in accounts, quality of accounts and winding up

The quality of accounts of PSUs needs improvement. Reports of Statutory Auditors on internal control of the companies indicated several weak areas.

The accounts of 46 working PSUs were in arrears for periods ranging from one to three years. There were 15 non-working PSUs of which one had finalised their accounts for the year 2011-12 while 14 PSUs had arrears of accounts for one to six years. As no purpose is served by keeping these PSUs in existence, they need to be wound up quickly.

Placement of SARs

There was delay in placement of SARs in State Legislature by three to 27 months in respect of 11 SARs. The Government should ensure prompt placement of SARs in the Legislature.

(Chapter 1)

2 Performance audits relating to Government Companies

Performance Audits relating to 'Performance of power transmission utility in West Bengal' in respect of West Bengal State Electricity Transmission Company Limited and 'Performance and workings for the period 2007-08 to 2011-12' of West Bengal Tourism Development Corporation Limited were conducted. Executive summary of audit findings of '*Performance of power transmission utility in West Bengal*' is given below:

Introduction

National Electricity Policy prepared by Government of India in February 2005 envisaged that transmission system required adequate and timely investment besides efficient and co-ordinated action to develop a robust and integrated power system for the country. Transmission of electricity and grid operations in West Bengal are managed and controlled by West Bengal State Electricity Transmission Company Limited, incorporated on 16 February 2007.

As on 31 March 2012, the Company had transmission network of 11,095.44 circuit kilometres and 103 sub-stations (SSs) (including three switching SS) with installed capacity of 19,236.10 Mega Volt Ampere (MVA). The Company's system availability in 2007-12 was 99.71 *per cent*.

Planning and Development

The National Electricity Plan (XI Plan) proposed construction of seven 400 KV and four 220 KV lines by the Company. Two out of seven 400 KV lines were completed by WBSEB and two lines were completed by WBPDC. None of the remaining projects could be completed by the Company during review period. Out of 32 projects envisaged (June 2006) in the Perspective Plan, only one project could be completed, 14 projects have been dropped; seven projects have been postponed to the XII Plan and one project is yet to be taken up. Land acquisition was pending for two projects, three projects were held up due to right of way and four projects were in progress.

The Company prepared a revised long term Perspective Plan in February 2011 and nine projects out of 11 projects envisaged for completion in this plan by 2011-12 were in progress. Two projects were completed.

In five years the Company had added 5,945 MVA of transformation capacity against planned addition of 9,535.50 MVA. Similarly against planned addition of 5,713.70 circuit KM of lines, the Company could add 1,467.50 circuit KM.

Project Management of Transmission System

Most projects were delayed during execution because of non availability of

Right of Way (ROW) from land owners. Projects were also delayed due to lapse of time between survey and execution of the project, changing of route alignment and absence of forest clearances.

Since the Company could not solve problem of non-availability of ROW from the land owners, it was unable to complete the transmission lines associated with the sub stations. As a result, the sub stations though completed could not be put to use to their full capacity.

Performance of Transmission System

The Company had excess transformation capacity in its system over potential maximum demand in the State after leaving 30 *per cent* as margin. At the same time these substations were inadequately and unevenly dispersed across the State. Consequently certain substations remained overloaded while others remained underloaded.

There were 1,222 instances of voltage being below Indian Electricity Grid Code norms and 955 instances when voltages were above the norm. 95 EHT lines were found to exceed the thermal loading limit. Violating Indian Electricity Grid Code norms, the Company operated five 220 KV substations with single bus bar. Nine 220 KV SS operated without bus bar protection panel of which seven SSs were highly loaded. 91 Current transformers failed during 2011-12 due to bursting, insulation problem, oil leakage and lightning. Company's transmission losses were normatively within CEA's prescribed limit. However, in the absence of 100 *per cent* boundary metering exact losses remained unascertained. The Company had system availability of over 99 *per cent*.

Grid Management

State Load Despatch Centre (SLDC) is networked with three out of four area load dispatch centers. Out of 103 substations and 16 power generating units, only 38 substations and nine generating units had Remote Terminal Unit (RTU) for efficient energy management system.

Despite improvement in overall grid frequency during 2009-12, instances of Grid Code violations were noticed. Although SLDC communicated 44 grid code violation messages on behalf of Eastern Region Load Despatch Centre, it

did not communicate any warning in 1,537 blocks for drawal of energy beyond schedule at low grid frequency. To prevent additional energy generation at times of high frequency, SLDC had lowered the scheduled generation, but failed to effectively reduce higher generation by operators in 15,617 blocks. During 2009-12, the State had injected 2,957.765 MU energy to the national grid as Unscheduled Interchange (UI) while it drew 2,506.337 MU from the national grid as UI.

The Company had not taken adequate steps for disaster management. Diesel Generating sets and synchronoscopes were not available at any critical substation.

Energy accounting and audit

The Company had installed boundary meters at 79 GT, 1,390 TD and 23 Interstate interface points for energy accounting. However, it was yet to install meters at 59 TD points. Also, 67 feeders of 11 KV embedded within Company's SS remained unmetered. Consequently, the Company was unable to accurately calculate the total outflow of energy from its system and thus the transmission loss in its system also could not be determined.

Financial Management

The Company's total profit increased by 132.89 *per cent* from ₹ 81.32 crore in 2007-08 to ₹ 189.39 crore in 2008-09 due to recovery of higher transmission charges and SLDC charges. Subsequently, profit declined to ₹ 171.67 crore (9.36 *per cent*) in 2011-12 due to increase in employee cost due to revision of pay and allowances. The debt-equity ratio remained at about two *per cent*. Employee costs, depreciation and interest and finance charges were the major expenditures while transmission charges were mainstay revenue.

In all the five years, the Company failed to file their tariff petition within the original due dates. Subsequently, West Bengal Electricity Regulatory Commission extended the due dates and condoned

delays. In 2007-08, West Bengal Electricity Regulatory Commission disallowed recovery of ₹ 3.50 crore through tariff on account of incentive allowed to its employees.

Material Management

Stock retained by the Company ranged from 105 to 351 times of its monthly consumption during 2007-12. The Company did not identify minimum/maximum stock requirement and purchases were not as per material requirement plans. The Company retained ₹ 4.27 crore of obsolete stock.

The Company had also not undertaken category wise physical verification of stores until December 2009 when there was an effort to identify and classify inventory. In January 2011, the Company appointed Pricewaterhouse Coopers to prepare a standardised inventory master list and codification of store items. The work was scheduled to be completed by July 2011 but remained incomplete (June 2012).

Monitoring and Control

Although operational and maintenance data was collected and MIS prepared, no action was taken on those data. However, between April 2009 and September 2009, the Company adopted manuals to standardise maintenance schedules, operating procedures and safety. Internal technical audit guidelines were prepared in September 2010 and technical audits were undertaken through corporate monitoring cell.

In March 2008, the Company adopted an Internal Audit Charter to incorporate the best standards in the Company's internal audit practices. However, audits conducted did not conform to these norms. An Internal Audit Manual was prepared through Ernst and Young but remained to be adopted by the Company. Audit Committee meetings were regularly held.

(Chapter 2.1)

Executive summary of audit findings of ‘**Performance and workings for the period 2007-08 to 2011-12**’ of West Bengal Tourism Development Corporation Limited is given below:

West Bengal Tourism Development Corporation Limited (Company) was incorporated on 29 April 1974 as a wholly owned Government Company to develop, promote and publicise tourism in the State.

The Company’s resources comprise 36 tourist lodges (25 under own management and 11 leased out), two tourists’ information bureaux, three vessels, six AC buses along with 429 employees as of March 2012 to provide facilities and services to the tourists. The Company implements various tourist infrastructure developmental projects with grants from the Government of India (GoI) and Government of West Bengal (GoWB).

Performance audit covered the period from 2007-08 to 2011-12 to assess the performance and workings of the Company.

Physical and financial performance

Tourist inflow in the State ranged between 204.48 lakh and 302.29 lakh during 2007-12. Despite being in operation for more than 38 years in the tourism sector, the overall share of the Company in the State’s tourism sector was negligible (0.44 *per cent*). The paid up share capital of the Company is ₹ 9.99 crore. However, 33 *per cent* of the paid up capital of the Company was eroded by March 2012.

Planning

The State Government did not clearly spell out the role of the Company in implementation of State Tourism Policy in terms of specific activities/ programmes. Besides, the Company had also not prepared strategic plan for development of tourism in the State. The Company had neither identified critical/ nodal areas for planning to augment tourism nor evolved clear milestones/ deliverables for overall development of tourism in the State.

Project management

Central and State Government together released ₹ 112.29 crore (GoI - ₹ 96.15 crore, GoWB - ₹ 16.14 crore) to seven agencies for development of 67 projects (including 57 to the Company) against total sanctioned cost of ₹ 159.56 crore.

Fifteen projects were completed in 2007-12 (expenditure: ₹ 10.10 crore), while 27 were ongoing for 13 to 54 months (expenditure: ₹ 43.42 crore) and the remaining 25 projects were not taken up as on March 2012. Out of 57 projects allocated to the Company for implementation, 13 projects were completed with delays of three to 46 months while 23 projects were in progress with delays of two to 30 months due to poor planning, lack of monitoring, and lack of co-ordination and non availability of land. Remaining 21 projects were not taken up.

Operational Performance

During 2007-12, the Company incurred operational losses of ₹ 9.52 crore from its 11 to 19 lodges. It had neither fixed standard occupancy ratio nor worked out break-even turnover to operate the lodges profitably.

Despite having spent ₹ 16.72 crore towards renovation of 19 lodges during 2007-08 to 2011-12, the Company failed to attract adequate number of tourists to its 10 newly renovated lodges. Moreover, the Company had not applied for Star category rating. The food-cost ratio at 10 out of 13 lodges exceeded the norm.

The Company leased out 11 lodges to private operators but failed to realise substantial revenue through execution of standard lease agreement.

Marketing management

The Company did not form an independent marketing cell to formulate a policy/ plan for marketing and promotion of tourism business. Although Tourist Reception Centres (TRCs) supplemented the marketing efforts, no targets for business of TRCs were fixed by the Company. Further, the Company did not chalk-out a well-defined marketing strategy to tap prospective tourists to its lodges.

Monitoring and internal control

The Company did not prepare any purchase policy/ manual and maintain records of land in its possession and the title deeds of immovable properties. It has

not reconstituted the Audit Committee since June 2009. The Company neither took remedial action on the irregularities pointed out by the internal auditors nor

was the matter reported to the Board of Directors for corrective action.
(Chapter 2.2)

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 are broadly of the following nature:

- Loss of ₹ 148.75 crore due to non-safeguarding of financial interests of organisation in six cases.
(Paragraphs 3.1, 3.3, 3.4, 3.6, 3.11 and 3.12)
- Defective/ deficient planning in three cases involving ₹ 34.78 crore.
(Paragraphs 3.2, 3.7 and 3.9)
- Non-compliance with rules / directives / procedures in two cases involving ₹ 1.68 crore.
(Paragraphs 3.5 and 3.13)
- Lack of fairness, transparency and competitiveness in operations in one case involving ₹ 1.58 crore.
(Paragraph 3.14)
- Inadequate/ deficient monitoring in two cases involving ₹ 4.07 crore.
(Paragraphs 3.8 and 3.10)

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

Three state power utilities (**West Bengal Power Development Corporation Limited, The Durgapur Projects Limited and West Bengal State Electricity Distribution Company Limited**) had not billed monthly variable/ fuel cost adjustment due to which additional interest of ₹ 113.04 crore was incurred. Further, **West Bengal Power Development Corporation Limited** incurred avoidable expenditure of ₹ 2.50 crore on repair of the generator transformer along with non-realisation of capacity charges of ₹ 29.19 crore.

(Paragraphs 3.1 and 3.2)

The Durgapur Projects Limited incurred extra expenditure of ₹ 22.57 crore on short term purchase of power at higher rates. They also lost revenue of ₹ 3.89 crore due to belated revision of rates for supply of water.

(Paragraphs 3.3 and 3.4)

West Bengal State Electricity Distribution Company Limited had given irregular appointment to 126 employees.

(Paragraph 3.5)

West Bengal Electronics Industry Development Corporation Limited suffered loss of additional rental income of ₹ 4.79 crore due to its failure to revise rate at par with market rent and ₹ 2.12 crore due to non-compliance with protocol along with non-billing of bandwidth used by clients. They also incurred infructuous expenditure of ₹ 1.81 crore by not ensuring the objective of spreading e-Governance to underprivileged rural citizens. Further, their poor monitoring mechanism had resulted in unfruitful expenditure of ₹ 0.97 crore.

(Paragraphs 3.6, 3.7, 3.8 and 3.9)

Chapter-I

1 Overview of State Public Sector Undertakings

1.1 Introduction

1.1.1 The State Public Sector Undertakings (PSUs) consist of State Government companies and Statutory corporations. The State PSUs are established to carry out activities of commercial nature while keeping in view the welfare of people. In West Bengal, the State PSUs occupy an important place in the state economy. The 27 working State PSUs¹ who had finalised their annual accounts for 2011-12 as of September 2012, registered a turnover of ₹ 29,457.81 crore during 2011-12, which was equal to 5.36 *per cent* of State Gross Domestic Product (GDP)² for 2011-12. These 27 PSUs incurred a loss of ₹ 286.23 crore in the aggregate for 2011-12. The State PSUs had employed an aggregate of 63,851³ employees as of 31 March 2012. The State PSUs do not include Departmental Undertakings (DUs), which carry out commercial operations but are a part of Government departments. Audit findings of these DUs are incorporated in other Audit Reports for the State.

1.1.2 As on 31 March 2012, there were 89 PSUs as per the details given below. Of these, only one Company⁴ was listed on the stock exchange(s).

Table 1.1 : Total number of PSUs

Type of PSUs	Working PSUs	Non-working PSUs ⁵	Total
Government companies ⁶	65	14	79
Statutory corporations	09	01	10
Total	74	15	89

1.1.3 During the year 2011-12, audit of West Bengal Swarojgar Corporation Limited, DPL Coke Oven Limited and Paschimbanga Agri Marketing Corporation Limited were added to our audit jurisdiction. Further, two⁷ companies were amalgamated during the year while three were wound up.

1.2 Audit Mandate

1.2.1 Audit of Government companies is governed by Section 619 of the Companies Act, 1956. According to Section 617, a Government company is one in which not less than 51 *per cent* of the paid up capital is held by the Government(s). A Government company includes a subsidiary of a Government company. Further, a Company in which 51 *per cent* of the paid

¹ Twenty six Government companies and one Statutory corporation.

² Advance Estimate at current prices - ₹ 5,49,876 crore.

³ As per the details provided by 76 PSUs. Remaining 13 PSUs did not furnish the details.

⁴ WEBFIL Limited.

⁵ Non-working PSUs are those which have ceased to carry on their operations.

⁶ Includes three 619-B companies.

⁷ West Bengal Rural Energy Development Corporation Limited was amalgamated with West Bengal State Electricity Distribution Company Limited from 13 October 2011.

up capital is held in any combination by the Government(s), Government companies and Corporations controlled by Government(s) is treated as if it were a Government company (deemed Government company) as per Section 619-B of the Companies Act.

1.2.2 The accounts of the Government companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors, who are appointed by the CAG as per the provisions of Section 619(2) of the Companies Act, 1956. These accounts are also subjected to supplementary audit conducted by the CAG as per the provisions of Section 619 of the Companies Act, 1956.

1.2.3 Audit of Statutory corporations is governed by their respective legislations. Out of 10 Statutory corporations, the CAG is the sole auditor for 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 Industrial Infrastructure Development Corporation and West Bengal Backward Classes Development and Finance Corporation. In respect of West Bengal State Warehousing Corporation and West Bengal Financial Corporation the audit is conducted by Chartered Accountants and supplementary audit by the CAG, while only transaction audit of Great Eastern Hotel Authority is undertaken by the CAG.

1.3 Investment in State PSUs

1.3.1 As on 31 March 2012, the investment (capital and long term loans)⁸ in 89 PSUs (including 619-B companies) was ₹ 40,697.68 crore as per details given below.

Table 1.2 : Aggregate investment in PSUs

Type of PSUs	Government companies			Statutory corporations			Grand Total
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	
Working PSUs	12,022.90	26,507.47	38,530.37	493.35	1,286.41	1,779.76	40,310.13
Non-working PSUs	94.59	292.40	386.99	-	0.56	0.56	387.55
Total	12,117.49	26,799.87	38,917.36	493.35	1,286.97	1,780.32	40,697.68

Source: Audited accounts of State PSUs for 2011-12 where available, or information furnished by the PSUs

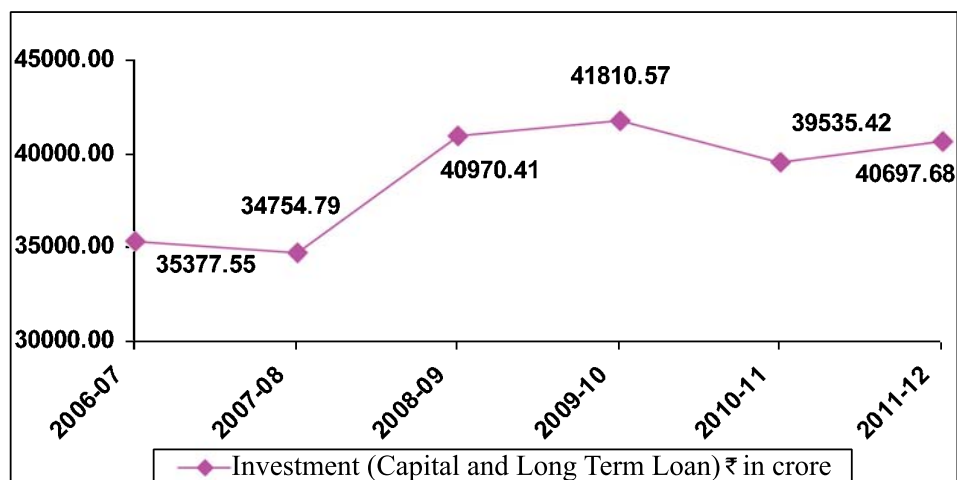
A summarised position of Government investment in State PSUs is detailed in **Annexure 1.1**.

1.3.2 As on 31 March 2012, of the total investment in State PSUs, 99 per cent was in working PSUs and the remaining one per cent was in non-working PSUs. This total investment consisted of 30.98 per cent towards capital and 69.02 per cent in long term loans. The investment has grown by

⁸Includes investment (capital and long-term loans) by the State Government, the Central Government and others.

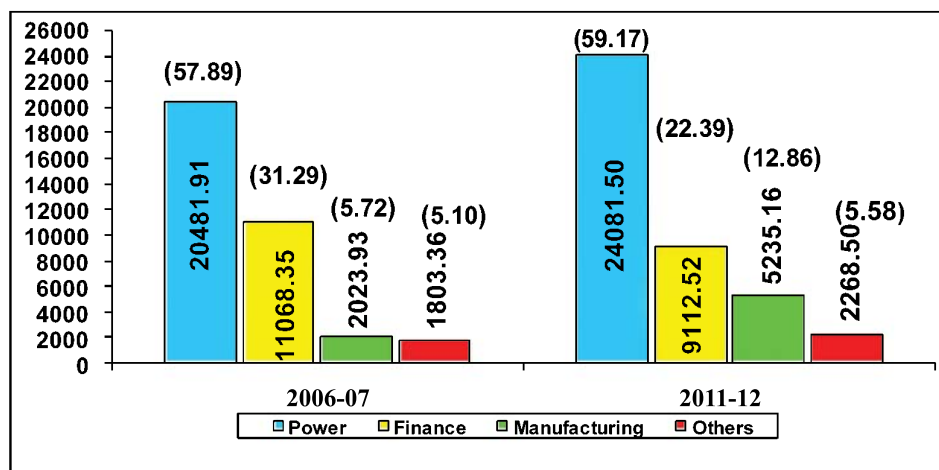
15.17 per cent from ₹ 35,377.55 crore in 2006-07 to ₹ 40,697.68 crore in 2011-12 as shown in the graph below.

Chart 1.1 : Total investment in State PSUs



1.3.3 Investment and percentage of investment out of total investment thereof in various important sectors at the end of 31 March 2007 and 31 March 2012 are indicated below in the bar chart. The investment in PSUs was concentrated in power and finance sectors which ranged between 57.89 to 59.17 per cent (power) and 31.29 to 22.39 per cent (finance) during the six years ending 31 March 2012.

Chart 1.2 : Sectorwise investment in State PSUs



(All figures are ₹ in crore except figures in brackets which show the percentage of total investment)

In absolute terms, investments rose by ₹ 3,599.59 crore in power sector while it declined by ₹ 1,955.83 crore in finance sector.

1.4 Budgetary outgo, grants/ subsidies, guarantees and loans

1.4.1 Details regarding budgetary outgo from the State Government towards equity, loans, grants/ subsidies, guarantees issued, loans written off, loans converted into equity and interest waived in respect of State PSUs are given in **Annexure 1.4**. The summarised details are given below for three years ended 2011-12.

Table 1.3 : Budgetary outgo to PSUs for three years

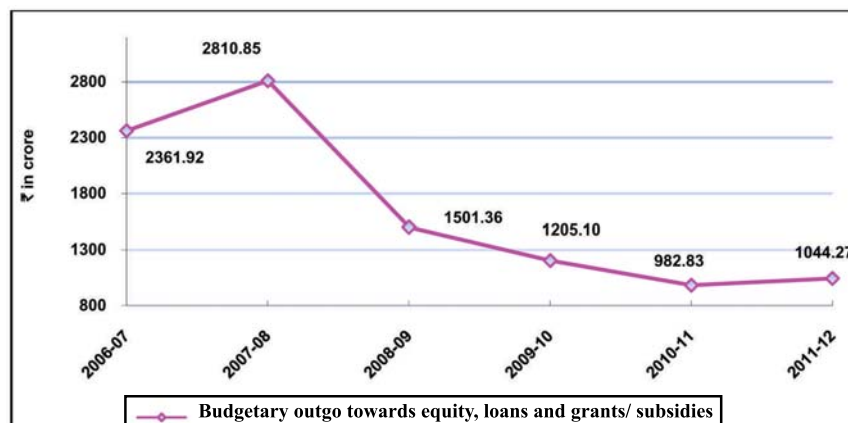
(Amount ₹ in crore)

Sl. No.	Particulars	2009-10		2010-11		2011-12	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1	Equity Capital outgo from budget	15	520.44	12	66.84	14	85.83
2	Loans outgo from budget	26	222.32	29	286.57	30	444.72
3	Grants/ Subsidy outgo ⁹	24	462.34	28	629.42	17	513.72
4	Total Outgo (1+2+3)	47 ¹⁰	1,205.10	52 ¹⁰	982.83	61 ¹⁰	1,044.27
5	Loans converted into Equity	1	508.72	-	-	1	15.23
6	Guarantees issued	11	3,361.33	7	578.21	3	400.56
7	Guarantee Commitment	21	26,327.22	19	24,438.60	17	24,232.98

Source: As provided by PSUs concerned.

1.4.2 Details regarding budgetary outgo towards equity, loans and grants/ subsidies for past six years are given in a graph below.

Chart 1.3 : Budgetary allocation towards equity, loans and grants/ subsidies in State PSUs



1.4.3 Budgetary outgo towards equity, loans and grants/ subsidies has declined from ₹ 2,361.92 crore in 2006-07 to ₹ 1,044.27 crore in 2011-12 due to increase in number of non-working companies and restructuring of PSUs. The significant beneficiaries of subsidy and grants from the State budget were the five State transport undertakings and financing sector, which received 80.80 per cent (₹ 415.10 crore) and 11.45 per cent (₹ 58.42 crore) of the total

⁹ Amount represents outgo from the State Budget only.

¹⁰ The figure represents number of PSUs which have received outgo from the budget under one or more heads i.e. equity, loans, grants/ subsidies.

amount of subsidy and grants (₹ 513.72 crore) respectively. The majority of loans given from the budget was to the State transport undertakings and manufacturing sector, which received 13.08 *per cent* (₹ 58.16 crore) and 77.34 *per cent* (₹ 343.95 crore) of the total amount of loans (₹ 444.72 crore) respectively.

1.4.4 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 liquidation of loan. During 2011-12, the State Government had guaranteed loans aggregating ₹ 400.56 crore to three PSUs. At the end of 2011-12, guarantee commitment by the Government was ₹ 24,232.98 crore in respect of 17 PSUs. During the year West Bengal State Electricity Transmission Company Limited paid guarantee commission of ₹ 0.39 crore to the State Government while ₹ 127.65 crore were outstanding from 19 PSUs.

1.5 Reconciliation with Finance Accounts

1.5.1 Figures in respect of equity, loans and guarantees outstanding as per records of State PSUs should agree with those 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 2012 is stated below:

Table 1.4 : Reconciliation of differences with Finance Accounts

(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs ¹¹	Difference
Equity	9,333.83	10,512.10	1,178.27
Loans	11,374.03	8,398.74	2,975.29
Guarantees	10,192.46	24,232.98	14,040.52

1.5.2 We observed such differences in respect of 56 PSUs and some of these 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.

1.5.3 The State Government did not formulate any dividend payment policy for PSUs. Though 34 PSUs had earned profits as per their latest finalised accounts, only six PSUs (West Bengal Forest Development Corporation Limited, Saraswaty Press Limited, New Town Telecom Infrastructure Development Company Limited, West Bengal Financial Corporation, Mackintosh Burn Limited and West Bengal Text Book Corporation Pvt. Limited) declared dividend of ₹ 2.92 crore for the financial year 2011-12. As there is no specific dividend policy, the State Government should formulate a dividend policy to yield reasonable return on the investment made in all the profit earning companies.

¹¹ Figures from annual accounts for 2011-12, where finalised, or information furnished by the State PSUs.

1.6 Arrears in finalisation of accounts

1.6.1 Accounts of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year under Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956. Similarly, in case of Statutory corporations, their accounts are finalised, audited and presented to the Legislature as per the provisions of their respective Acts. The table below provides details of progress made by working PSUs in finalisation of accounts by September immediately following the close of each financial year.

Table 1.5 : Arrears of Accounts of the State PSUs

Sl. No.	Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
1	Number of working PSUs	69	72	72	72	74
2	Number of accounts finalised during the year	77	67	74	69	73
3	Number of accounts in arrears	53	67 ¹²	62 ¹²	59 ¹²	69 ¹²
4	Average arrears per PSU (3/1)	0.77	0.93	0.86	0.82	0.89
5	Number of working PSUs with arrears in accounts	33	43	41	41	46
6	Extent of arrears (years)	1 to 4	1 to 5	1 to 6	1 to 7	1 to 3

1.6.2 It would be evident from the above table that in 2011-12, there was no improvement in arrears of accounts over the previous two years. It would be seen from **Annexure 1.3** that till September 2012, the accounts of 46 PSUs were in arrears, while accounts of a PSU¹³ were not yet due. Six¹⁴ PSUs had arrears in accounts for as much as three years aggregating to 18 arrear accounts. Three of these PSUs had each submitted arrears accounts for only one year during October 2011 to September 2012, the remaining three had not even submitted even one year's arrear accounts in the same period. The PSUs having arrears of accounts need to further take effective measures for early clearance of backlog of the remaining accounts and ensure that the same are up to date.

1.6.3 There were also arrears in finalisation of accounts by non-working PSUs. Out of 15 non-working PSUs, 14 PSUs had arrears of accounts for one to eight years. While no decision had as yet been taken about the continuation or closure of six non-working Government companies, the liquidation process in respect of the remaining eight had not started. The process of voluntary winding up under the Companies Act is much faster and needs to be adopted/pursued vigorously. After completion of voluntary winding up process, the names of the three¹⁵ companies were struck off from the Register of

¹² No. of arrear accounts at the end of each year may not tally with previous year due to addition (+) and deletion (-) of working PSUs arising from interchanging of status between working and non-working and new additions during the respective years. The net impact on each year are: 2008-09: No. of PSUs (+) 3, No. of accounts (+) 9; 2009-10: No. of accounts (-) 3; 2010-11: No. of accounts (-) 6; 2011-12: No. of accounts (+) 9.

¹³ Refer Serial No. A-10 of **Annexure 1.3**.

¹⁴ Refer Serial Nos. A-6, 12, 18, 33, 36 & B-7 of **Annexure 1.3**.

¹⁵ Webel Capacitors Limited, Webel Power Electronics Limited and Webel Toolsind Limited.

Companies by the Registrar of Companies, Government of India during the year. Delays in winding up of the remaining closed companies were attributed (September 2012) by the Government to the Government's nominee directors' unwillingness to furnish the requisite indemnity bond required for winding up of these companies. The sole closed corporation was not wound up as all accounts related to it were not yet closed. The Government may take a decision regarding winding up of non-working PSUs in view of their non functioning.

1.6.4 The State Government has invested ₹ 1,001.81 crore (equity: ₹ 76.24 crore, loans: ₹ 183.44 crore and grants/ subsidy: ₹ 742.13 crore) in 46 working PSUs during the years from 2004-05 to 2011-12 for which accounts have not been finalised as detailed in **Annexure 1.5**. In the absence of accounts and their subsequent audit, it can not be ensured whether the investments made and expenditure incurred have been properly accounted for and the purpose for which the amount was invested has been achieved or not. Thus, Government's investment in such PSUs remain outside the scrutiny of the State Legislature. Further, delay in finalisation of accounts also bears the risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 1956.

1.6.5 The administrative departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by these PSUs within the prescribed period. The concerned administrative departments and officials of the Government were informed every quarter by the PAG/ AG, of the arrears in finalisation of accounts, but no remedial measure was taken. As a result of this, the net worth of these PSUs could not be assessed in audit. Arrears in accounts were addressed to (July 2012) the Chief Secretary/ Finance Secretary by the AG to expedite clearance of backlog in accounts in a time bound manner.

1.6.6 *In view of above state of arrears, it is recommended that – the Government may monitor and ensure timely finalisation of Accounts with special focus on liquidation of arrears and comply with the provisions of the Companies Act, 1956.*

1.7 Performance of PSUs

1.7.1 Out of 74 working PSUs, 27 PSUs (Government companies : 26, Statutory corporation : one) had finalised their annual accounts for 2011-12 till September 2012. The investment (capital and long-term loans) in these 27 PSUs as on 31 March 2012 was ₹ 11,331.75 crore, which represented 28 per cent of the investment in all State PSUs.

1.7.2 The financial position and working results in respect of these 27 PSUs, who had finalised their annual accounts for 2011-12, are detailed in **Annexures 1.2, 1.6 and 1.8**. The table below provides the details of profit/ loss and turnover of these 27 PSUs and State GDP for 2010-11 and 2011-12:

Table 1.6 : Statement showing profit/ loss and turnover of 27 PSUs and State GDP

(₹ in crore)

Particulars	2010-11	2011-12
Turnover	25,071.80	29,457.81
State GDP ¹⁶	4,73,890	5,49,876
Percentage of Turnover to State GDP	5.29	5.36
Net profit (+)/ loss (-)	(-)322.49	(-) 286.23

1.7.3 Out of the 27 PSUs that had finalised their accounts for 2011-12, 13 PSUs earned an aggregate profit of ₹ 674.35 crore, while 14 PSUs incurred a loss of ₹ 960.58 crore. The major contributors to profit were West Bengal Power Development Corporation Limited (₹ 380.30 crore), West Bengal State Electricity Transmission Company Limited (₹ 171.67 crore) and West Bengal State Electricity Distribution Company Limited (₹ 73.48 crore). Heavy losses were incurred by Haldia Petrochemicals Limited (₹ 746.39 crore), The Durgapur Projects Limited (₹ 87.49 crore) and The Calcutta Tramways Company (1978) Limited (₹ 52.58 crore).

1.7.4 Some other key parameters pertaining to the 27 State PSUs who had finalised their accounts for 2011-12 are given below:

Table 1.7 : Statement of key parameters pertaining to 27 PSUs and State GDP

(₹ in crore)

Particulars	2010-11	2011-12
Return on Capital Employed (<i>per cent</i>)	2,003.95 (7.60)	2,472.26 (10.44)
Debt	23,837.52	25,408.89
Turnover ¹⁷	25,071.80	29,457.81
Debt/ Turnover Ratio	0.95:1	0.86:1
Interest Payments ¹⁸	2,347.32	2,758.49
Accumulated Losses (-)/ Profits (+)	(-) 817.70	(-) 1,123.38

1.7.5 Out of 74 working PSUs, 47 PSUs (including eight statutory corporations) had not finalised their accounts for 2011-12. The financial position and working results in respect of these 47 PSUs, based on the latest finalised annual accounts, are indicated in **Annexures 1.3, 1.7 and 1.9**. In view of the fact that the arrears in annual accounts varies from PSU to PSU, no comparison or analysis is being attempted.

1.8 Internal Audit and Internal Control System

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

¹⁶Quick estimates for 2010-11 and advance estimates for 2011-12 at current prices.

¹⁷ Turnover of working PSUs as per the latest finalised accounts as of 30 September of respective years.

¹⁸ As per latest finalised accounts as of 30 September of respective years.

internal audit/ internal control system in respect of 16 companies for the year 2011-12 are given below:

Table 1.8 : Deficiencies in internal control system

Sl. No.	Nature of comments made by Statutory Auditors	Number of companies where recommendations were made	Reference to Sl. No. of the companies as per Annexure 1.2
1	Non-fixation of minimum/ maximum limits of store and spares	5	A-1, A-8, A-13, A-14 & A-26.
2	Absence of internal audit system commensurate with the nature and size of business of the company	1	A-8.
3	Non maintenance of cost records	3	A-9, A-10 & A-13.
4	Non maintenance of proper records showing full particulars including quantitative details, situations, identity number, date of acquisitions, depreciated value of fixed assets and their locations	6	A-8, A-9, A-10, A-11, A-14 & A-26.
5	Absence of clear credit policy and policy for providing doubtful debts/ write off and liquidated damages.	6	A-7, A-8, A-9, A-10, A-22 & A-26.
6	Absence of security policy for software / hardware and backup of past records	3	A-8, A-14 & A-26.
7	Absence of effective system of monitoring of advances/ outstanding dues	5	A-7, A-8, A-9, A-10 & A-22.
8	Absence of vigilance department or existence/ effectiveness of delineated fraud policy.	9	A-1, A-7, A-8, A-9, A-11, A-13, A-14, A-22 & A-26.

Source: Statutory Auditors' report of respective PSUs

1.9 Comments of the CAG of India and Statutory Auditors on Accounts of PSUs

1.9.1 Some of the important comments of the CAG of India, under Section 619 (4) of the Companies Act, in respect of accounts finalised during the year, are as follows:

West Bengal Power Development Corporation Limited (2010-11)

- Profit for the year was overstated by ₹ 474.87 crore due to inclusion of claim towards Fuel and Power Purchase Cost Adjustment (₹ 149.06 crore), excess credit (₹ 324.30 crore) of return on equity in the profit and loss account and non-charging of depreciation (₹ 1.51 crore) on assets put to use but not capitalised.

The Durgapur Projects Limited (2011-12)

- Loss for the year 2011-12 was understated by ₹ 30.43 crore due to non inclusion of reserve for unforeseen exigencies (₹ 5.04 crore) required as per WBERC regulation and non provision of claim towards development of infrastructure (₹ 25.39 crore).

West Bengal Housing Infrastructure Development Corporation Limited (2010-11)

- Profit for the year 2010-11 was overstated by ₹ 23.34 crore due to non inclusion of compensation payable to the allottees for delayed delivery of plots while profit for the same year was understated by ₹ 10.92 crore due to non-provision of income from sale of land (₹ 8.89 crore), non-adjustment of cost price against sale of flats registered between August 2008 and March 2010 (₹ 0.42 crore) and overvaluation of cost of sales (₹ 11.61 crore).

Haldia Petrochemicals Limited (2011-12)

- Loss for the year was understated by ₹ 15.25 crore due to non provision of fixed assets retired from active use.

West Bengal Infrastructure Development Finance Corporation Limited (2010-11)

- Profit for the year 2010-11 was overstated by ₹ 14.00 crore due to non provision of guarantee commission claimed.

Kalyani Spinning Mills Limited (2009-10)

- Loss for the year was understated by ₹ 9.76 crore due to non- provision of liability against the dues of Cotton Corporation of India and arrear salary and wages of the employees of the Company for the period April 2008 to November 2009.

West Bengal Tourism Development Corporation Limited (2010-11)

- Profit for the year was overstated by ₹ 4.50 crore due to wrong booking of interest (earned on investment of project surplus funds) as income.

North Bengal State Transport Corporation (2008-09)

- Loss for the year was understated by ₹ 5.16 crore due to non provision of unadjusted receivables (₹ 2.81 crore), unrealised dues (₹ 1.55 crore) and miscellaneous expenditure (₹ 0.80 crore).

West Bengal Industrial Infrastructure Development Corporation (2009 - 10)

- Profit for the year was overstated by ₹ 1.24 crore due to wrong accounting of receipt against allotment of land and shed (₹ 0.89 crore) and non provision of unrecoverable water charges, maintenance and service charges (₹ 0.35 crore).

1.9.2 An important comment of the Statutory Auditors, in respect of accounts finalised during the year is as follows:

West Bengal Industrial Development Corporation Limited (2010-11)

- Profit for the year 2010-11 was overstated by ₹ 117.94 crore due to non provision of ‘doubtful assets’ classified as per RBI norms.

1.10 Placement of Separate Audit Reports (SARs)

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

Table 1.9 : Status of Separate Audit Reports

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	West Bengal State Warehousing Corporation	2007-08	2008-09 2009-10 2010-11	28.01.2010 11.05.2011 30.03.2012	Not furnished by the Government
2	West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation	2006-07	2007-08 2008-09 2009-10	10.01.2011 30.03.2012 Audit in progress	Not furnished by the Government
3	West Bengal Backward Classes Development and Finance Corporation	2008-09	2009-10 2010-11	21.10.2011 Audit in progress	Not furnished by the Government
4	South Bengal State Transport Corporation	2009-10	2010-11	Audit in progress	-
5	West Bengal Minorities Development and Finance Corporation	2007-08	2008-09 2009-10 2010-11	02.11.2010 26.08.2011 Audit in progress	Not furnished by the Government
6	Calcutta State Transport Corporation	2008-09	2009-10	Audit in progress	-
7	North Bengal State Transport Corporation	2007-08	2008-09	07.06.2012	Not furnished by the Government
8	West Bengal Financial Corporation	2010-11	2011-12	Audit in progress	-
9	West Bengal Industrial Infrastructure Development Corporation	2007-08	2008-09 2009-10 2010-11	09.11.2010 30.03.2012 Audit in progress	Not furnished by the Government
10	West Bengal Electricity Regulatory Commission	2010-11	2011-12	Audit in progress	-

Source: As provided by respective PSUs.

It would be observed from the table that 11 SARs were not placed for periods ranging from three months to 27 months though the matter was taken up earlier by the PAG with the Chief Secretary/ Principal Secretary.

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

1.11 Follow-up action on Audit Reports

1.11.1 Outstanding departmental replies on paragraphs appeared in the Audit Reports

Reports of the CAG contain observations arising out of scrutiny of accounts and transactions of various Government companies and Statutory corporations. Therefore, it is necessary that the executives give appropriate and timely response to them. Finance Department, Government of West Bengal instructed (October 2009) all the administrative departments to submit explanatory notes to the West Bengal Legislative Assembly with corrective/remedial action taken or proposed to be taken on the observations included in the Audit Reports within two months from the date of presentation of laying of the Audit Reports in the State Legislature.

Though the Audit Reports for the years 2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11 were presented to the State Legislature in August 2005, July 2006, March 2007, March 2008, July 2009, July 2010, September 2011 and September 2012 respectively, 14 departments, whose activities were commented upon did not submit their explanatory notes on 43 out of 196 paragraphs/ reviews as of September 2012, as indicated in **Annexure 1.10**. It would be seen from the annexure that the departments largely responsible for non-submission of explanatory notes were Power and Non-Conventional Energy Sources, Commerce and Industries, Public Enterprises, Transport, Information Technology and Water Investigation & Development. Government failed to respond to even paragraphs/ reviews highlighting important issues like misappropriation, fraud, system failure, mismanagement, non-adherence to extant provisions, etc.

1.11.2 Outstanding action taken notes on the Reports of the Committee of Public Undertakings (COPU)

Reports of the COPU presented to the Legislature contain recommendations and observations on which administrative departments are required to submit their Action Taken Notes (ATNs) within six weeks from the date of receipt of COPU recommendations. Even after lapse of two to 50 months, 10 departments did not furnish the ATNs on 42 recommendations relating to 19 COPU Reports presented (July 2008 - July 2012) to the State Legislature (**Annexure 1.11**).

1.11.3 Response to the Inspection reports, draft paragraphs and reviews

Irregularities/ shortcomings noticed during the periodical inspections of Government companies/ corporations and not settled on the spot are communicated through the Inspection Reports (IRs) to the respective heads of PSUs and the concerned departments of the State Government. The heads of PSUs are required to furnish their replies to the IRs through the respective heads of the departments within a period of six weeks. A half yearly report is

being sent to the Principal Secretary/ Secretary of the departments in respect of pending IRs to facilitate monitoring of the audit observations in those IRs.

Inspection Reports issued up to September 2012 pertaining to 41 PSUs disclosed that 102 paragraphs relating to 54 IRs remained outstanding at the end of September 2012. The department-wise break up of IRs and audit observations as of September 2012 is given in **Annexure 1.12**. In order to expedite settlement of the outstanding paragraphs, Audit Committees were constituted in 16 out of 23 departments. These Committees were to meet, at least, once every month. However, during October 2011 to September 2012, no such committee meeting was held.

Similarly, draft paragraphs and performance reviews on the working of PSUs are forwarded to the Principal Secretary/ Secretary of the administrative department concerned demi-officially seeking confirmation of the facts and figures and their comments thereon within a period of six weeks. It was, however, noticed that nine draft paragraphs forwarded to five departments during April to July 2012, as detailed in **Annexure 1.13** had not been replied so far (December 2012). Besides, two departments had not furnished separate replies to the performance audits (December 2012).

It is recommended that the Government should ensure that (a) procedure exists for action against the officials who failed to send replies to inspection reports/ draft paragraphs/ reviews and ATNs on recommendations of COPU, as per the prescribed time schedule; (b) action to recover loss/ outstanding advances/ overpayment is taken within the prescribed period and (c) system of responding to audit observations is revamped.

Chapter-II

Performance audit relating to Government Companies

West Bengal State Electricity Transmission Company Limited

2.1 Performance of power transmission utility in West Bengal

Executive Summary

Introduction

National Electricity Policy prepared by Government of India in February 2005 envisaged that transmission system required adequate and timely investment besides efficient and co-ordinated action to develop a robust and integrated power system for the country. Transmission of electricity and grid operations in West Bengal are managed and controlled by West Bengal State Electricity Transmission Company Limited, incorporated on 16 February 2007.

As on 31 March 2012, the Company had transmission network of 11,095.44 circuit kilometres and 103 sub-stations (SSs) (including three switching SS) with installed capacity of 19,236.10 Mega Volt Ampere (MVA). The Company's system availability in 2007-12 was 99.71 per cent.

Planning and Development

The National Electricity Plan (XI Plan) proposed construction of seven 400 KV and four 220 KV lines by the Company. Two out of seven 400KV lines were completed by WBSEB and two lines were completed by WBPDC. None of the remaining projects could be completed by the Company during review period. Out of 32 projects envisaged (June 2006) in the Perspective Plan, only one project could be completed, 14 projects have been dropped; seven projects have been postponed to the XII Plan and one project is yet to be taken up. Land acquisition was pending for two projects, three projects were held up due to right of way and four projects were in progress.

The Company prepared a revised long term Perspective Plan in February 2011 and nine projects out of 11 projects envisaged for completion in this plan by 2011-12 were in progress. Two projects were completed.

In five years the Company had added 5,945 MVA of transformation capacity against planned addition of 9,535.50 MVA. Similarly against planned addition of 5,713.70 circuit KM of lines, the Company could add 1,467.50 circuit KM.

Project Management of Transmission System

Most projects were delayed during execution because of non availability of Right of Way (ROW) from land owners. Projects were also delayed due to lapse of time between survey and execution of the project, changing of route alignment and absence of forest clearances.

Since the Company could not solve problem of non-availability of ROW from the land owners, it was unable to complete the transmission lines associated with the sub-stations. As a result the sub-stations though completed could not be put to use to their full capacity.

Performance of Transmission System

The Company had excess transformation capacity in its system over potential maximum demand in the State after leaving 30 per cent as margin. At the same time these sub-stations were inadequately and unevenly dispersed across the State. Consequently certain sub-stations remained overloaded while others remained underloaded.

There were 1,222 instances of voltage being below Indian Electricity Grid Code norms and 955 instances when voltages were above the norm. 95 EHT lines were found to exceed the thermal loading limit. Violating Indian Electricity Grid Code norms, the Company operated five 220 KV sub-stations with single bus bar. Nine 220 KV SSs were operated without bus bar protection panel of which seven SSs were highly loaded.

91 Current transformers failed during 2011-12 due to bursting, insulation problem, oil leakage and lightning. Company's transmission losses were normatively within CEA's prescribed limit. However in the absence of 100 per cent boundary metering exact losses remained unascertained. The Company had system availability of over 99 per cent.

Grid Management

State Load Despatch Centre (SLDC) is networked with three out of four area load despatch centres. Out of 103 sub-stations and 16 power generating units, only 38 sub-stations and 9 generating units had RTU for efficient energy management system.

Despite improvement in overall grid frequency during 2009-12, instances of Grid Code violations were noticed. Although SLDC communicated 44 grid code violation messages on behalf of Eastern Region Load Despatch Centre, it did not communicate any warning in 1,537 blocks for drawal of energy beyond schedule at low grid frequency. To prevent additional energy generation at times of high frequency, SLDC had lowered the scheduled generation, but failed to effectively reduce higher generation by operators in 15,617 blocks. During 2009-12, the State had injected 2,957.765 MU energy to the national grid as UI while it drew 2,506.337 MU from the national grid as UI.

The Company had not taken adequate steps for disaster management. Diesel Generating sets and synchrosopes were not available at any critical sub-station.

Energy accounting and audit

The Company had installed boundary meters at 79 Generation Transmission (GT), 1,390 Transmission Distribution (TD) and 23 Interstate interface points for energy accounting. However, it was yet to install meters at 59 TD points. Also, 67 feeders of 11 KV embedded within Company's SSs remained unmetered. Consequently, the Company was unable to accurately calculate the total outflow of energy from its system and thus the transmission loss in its system also could not be determined.

Financial Management

The Company's total profit increased by 132.89 per cent from ₹81.32 crore in 2007-08 to ₹189.39 crore in 2008-09 due to recovery of higher transmission charges and SLDC charges. Subsequently, profit declined to ₹171.67 crore (9.36 per cent) in 2011-12 due to increase in employee cost due to revision of pay and allowances. The debt-equity ratio remained at about two per cent. Employee costs, depreciation and interest and finance charges were the major expenditures while transmission charges were mainstay revenue.

In all the five years, the Company failed to file their tariff petition within the original due dates. Subsequently, West Bengal Electricity Regulatory Commission extended the due dates and condoned delays. In 2007-08, West Bengal Electricity Regulatory Commission disallowed recovery of ₹ 3.50 crore through tariff on account of incentive allowed to its employees.

Material Management

Stock retained by the Company ranged from 105 to 351 times of its monthly consumption during 2007-12. The Company did not identify minimum/maximum stock requirement and purchases were not as per material requirement plans. The Company retained ₹4.27 crore of obsolete stock.

The Company had also not undertaken category wise physical verification of stores until December 2009 when there was an effort to identify and classify inventory. In January 2011, the Company appointed Pricewaterhouse Coopers to prepare a standardised inventory master list and codification of store items. The work was scheduled to be completed by July 2011 but remained incomplete (June 2012).

Monitoring and Control

Although operational and maintenance data was collected and MIS prepared, no action was taken on those data. However, between April 2009 and September 2009, the Company adopted manuals to standardize maintenance schedules, operating procedures and safety. Internal technical audit guidelines were prepared in

September 2010 and technical audits were undertaken through corporate monitoring cell.

In March 2008, the Company adopted an Internal Audit Charter to incorporate the best standards in the Company's internal audit practices. However, audits

conducted did not conform to these norms. An Internal Audit Manual was prepared through Ernst and Young but remained to be adopted by the Company. Audit Committee meetings were regularly held.

Introduction

2.1.1 To supply reliable and quality power to all by 2012, the Government of India (GoI) prepared the National Electricity Policy (NEP) in February 2005 which stated that the transmission system required adequate and timely investment besides efficient and coordinated action to develop a robust and integrated power system for the country. It also, *inter-alia* recognised the need for development of National and State Grids in coordination with Central/ State Transmission Utilities. Transmission of electricity and Grid operations in West Bengal are managed and controlled by West Bengal State Electricity Transmission Company Limited (Company) which is mandated to provide efficient, adequate and properly coordinated grid management and transmission of energy. The Company was incorporated on 16 February 2007 under the Companies Act, 1956 and reported to the Department of Power and Non-conventional Energy Sources, Government of West Bengal (GoWB).

2.1.2 The Management of the Company is vested in a Board of Directors comprising eight members (March 2012), all appointed by the State Government. Day-to-day operations are carried out by the Managing Director who is the Chief Executive of the Company with the assistance of Director (Projects), Director (Finance & Accounts) and Director (Operations). During 2007-08, 19,550.40 MUs of energy was transmitted by the Company which increased to 33,499.09 MUs in 2011-12, *i.e.* an increase of 71.34 *per cent* during 2007-12. As on 31 March 2012, the Company had transmission network of 11,095.44 circuit kilometres (CKm) and 103 sub-stations (SSs) (including three switching SSs and eight 66 KV SSs) with installed capacity of 19,236.10 Mega Volt Ampere (MVA). The turnover of the Company was ₹ 751.87 crore in 2011-12, which was equal to 0.14 *per cent* of State Gross Domestic Product. It employed 2,755 employees as on 31 March 2012. The average system availability in this period was 99.71 *per cent*.

A Performance Audit on “Growth and development of transmission system of the erstwhile West Bengal State Electricity Board (WBSEB¹)” was included in the Report of the Comptroller and Auditor General of India (Commercial), GoWB for the year ended 31 March 2004. The Report has not yet been discussed by COPU (June 2012).

Audit Objectives

2.1.3 The objectives of the Performance Audit were to assess whether:

¹ WBSEB is the predecessor entity of the Company

Planning and Development

- ❖ The Perspective Plan was prepared in accordance with the guidelines of the National Electricity Policy/ Plan and West Bengal Electricity Regulatory Commission (WBERC) and assessment of impact of failure to plan, if any;

Project implementation and monitoring

- ❖ The transmission system was developed and commissioned in an economical, efficient and effective manner;

Operation and Maintenance of Transmission System

- ❖ Operation and maintenance of transmission system was carried out in an economical, efficient and effective manner;
- ❖ Disaster Management System was set up to safeguard its operations against unforeseen disruptions;
- ❖ Effective failure analysis system was set up;

Financial Management

- ❖ Effective and efficient Financial Management system with emphasis on timely raising and collection of bills and filing of Aggregate Revenue Requirement (ARR) for tariff revision in time;

Material Management

- ❖ Transparent and efficient system of procurement of material and inventory control mechanism;

Energy accounting and audit

- ❖ Efficient and effective energy conservation measures were undertaken in line with the NEP and establishment of Energy Audit System; and

Monitoring and control

- ❖ There was a monitoring system in place to review existing/ ongoing projects, take corrective measures to overcome deficiencies identified responded promptly and adequately to Audit/ Internal Audit observations.

Audit Criteria

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

- ❖ Provisions of NEP/ Plan and National Tariff Policy;
- ❖ Perspective Plan and Project Reports of the Company;
- ❖ Standard procedures for award of contracts with reference to principles of economy, efficiency, effectiveness, equity and ethics;

- ❖ ARR filed with West Bengal Electricity Regulatory Commission (WBERC) for tariff fixation, Circulars, Manuals and MIS reports;
- ❖ Manual of Transmission Planning Criteria (MTPC);
- ❖ Code of Technical Interface (CTI)/ Grid Code consisting of planning, operation, connection codes;
- ❖ Directions from State Government/ Ministry of Power (MoP);
- ❖ Norms/ Guidelines issued by WBERC/ Central Electricity Authority (CEA);
- ❖ Report of the Committee constituted by the Ministry of Power recommending the “Best Practices in Transmission”
- ❖ Report of the Task Force (TF) constituted by the MoP to analyse critical elements in transmission project implementation; and
- ❖ Reports of Eastern Regional Power Committee (RPC)/ State Load Despatch Centre (SLDC).
- ❖ Regulations and guidelines issued by WBERC.

Scope and Methodology of Audit

2.1.5 Performance Audit was conducted during April to June 2012 covering performance of the Company during 2007-08 to 2011-12. Audit examination involved scrutiny of records of different wings at the Head Office, State Load Despatch Centre (SLDC) at Howrah and 10² out of 22 area offices (including 36³ sub-stations) headed by the Superintending Engineers.

The Company constructed 20 new SSs (capacity: 3,329 MVA), upgraded voltage rating of four SSs (addition: 660 MVA), erected 26 lines (length: 1,467.5 CKm) as well as augmented existing transformation capacity by 1,956 MVA during the period under review. Out of these, we have examined 11⁴ completed SSs (capacity: 2,795.4 MVA) and five⁵ completed lines (length: 246 CKm) during this audit. Besides, four⁶ (capacity: 1,500 MVA) out of nine SSs and five⁷ (length: 238.5 Ckm) out of 30 lines under construction as of March 2012 were also examined.

² Jeerat, Kasba, Burdwan, Behala, Chandannagar, Purulia, Durgapur, Alipurduar, Arambag and Siliguri.

³ 400 KV: three; 220 KV: eight; 132 KV: 24 and 66 KV: one.

⁴ 132 KV SSs : Barjora, Kalna, Khatra, Lalgola, Mohispota, New Town, Subhasgram; 220 KV SSs : Bishnupur, New Town, Singur; and 400 KV SSs : Durgapur.

⁵ Satgachia-Kalna 132 KV line, LILO of 132 KV lines: Durgapur-Bishnupur at Barjora, Satgachia-Mankar at Mahachanda, Gokarna-Raghunathganj at Lalgola, Durgapur- Sainthia at Bolpur.

⁶ 132 KV SSs: Kurseong, Salt Lake; 220 KV SS : Hura; and 400 KV SS : Kharagpur.

⁷ 132 KV lines: Domjur-Chanditala, Jeerat-Mahispota, Domjur-KWIC; 220 KV lines : Teesta Low Dam Projects- III & IV.

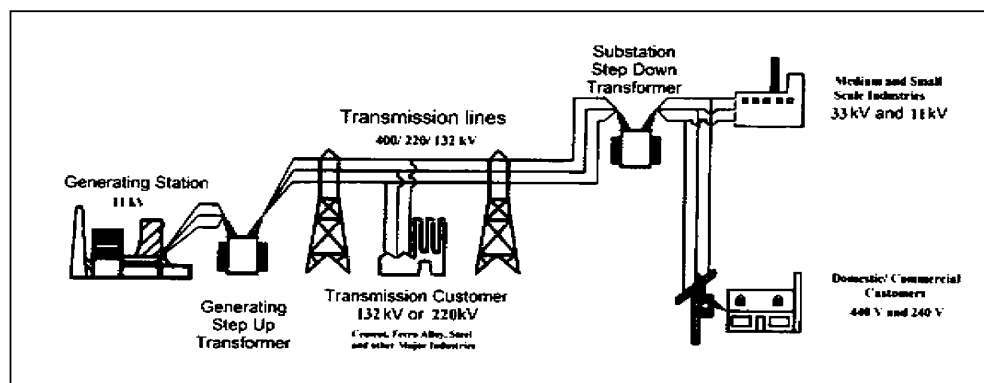
We selected a sample of 10 area offices to assess the Company's operational capabilities, 32 out of 102 purchase orders and 30 out of 98 internal audit reports on the basis of random sampling. The methodology adopted for attaining audit objectives with reference to audit criteria consisted of explaining audit objectives to the top management, scrutiny of records at the Head Office and selected units, interaction with the personnel, analysis of data with reference to audit criteria, raising of audit queries, discussion of audit findings with the Management and issue of draft review to the Management/ Government for comments.

We reviewed the Agenda notes and minutes of Company/ Board Committees/ ERPC, Annual Reports, accounts and scrutinised loan files, physical and financial progress reports and project execution; analysis of data from annual budgets and physical as well as financial progress with completion reports were undertaken and tariff fixed by WBERC was examined. We also discussed our findings with the Management.

Brief description of transmission process

2.1.6 Transmission of electricity is defined as bulk transfer of power over long distances at high voltages, generally at 132 KV and above. Electric power generated at relatively low voltages in power plants is stepped up to high voltage power before it is transmitted to reduce the loss in transmission and to increase efficiency in the Grid. Sub-stations (SSs) have facilities within the high voltage electric system used for stepping-up/ stepping down voltages from one level to another, connecting electric systems and switching equipment in and out of the system. The step up transmission SSs at the generating stations use transformers to increase the voltages for transmission over long distances.

Transmission lines carry high voltage electric power. The step down transmission SSs thereafter decreases voltages to sub transmission voltage levels for distribution to consumers. The distribution system includes lines, poles, transformers and other equipment needed to deliver electricity at specific voltages. A pictorial representation of the transmission process is given below:



Electrical energy cannot be stored; hence generation must be matched with the demand. Therefore, every transmission system requires a sophisticated system

of control called Grid management to ensure balancing of power generation closely with demand.

Audit Findings

2.1.7 We explained the audit objectives to the Company during an ‘Entry Conference’ held on 4 May 2012. Subsequently, audit findings were reported to the Company and the State Government in July 2012 and discussed in an ‘Exit Conference’ held on 5 October 2012. Exit Conference was attended by the Principal Secretary, Power and Non-conventional Energy Sources, GoWB and the Managing Director of the Company. The Company/ State Government replied to audit findings in September 2012. The views expressed by them have been considered while finalising this Performance Audit. The audit findings are discussed in the subsequent paragraphs.

Planning and Development

National Electricity Policy/ Plan

2.1.8 The Central Transmission Utility (CTU) and State Transmission Utilities (STUs) have the key responsibility of network planning and development based on the NEP in coordination with all the agencies concerned. At the end of X Plan (March 2007), the transmission system in the country at 765 HVDC/ 400/ 230/ 220 KV stood at 1.98 lakh CKm of transmission lines which was planned to increase to 2.93 lakh CKm by the end of the XI Plan i.e. March 2012. The NEP assessed the total inter-regional transmission capacity at the end of 2006-07 as 14,100 MW and further planned to add 23,600 MW in the XI plan bringing the total inter-regional capacity to 37,700 MW.

Similarly, the Company’s transmission network at the beginning of 2007-08 consisted of 82 Extra High Tension (EHT) SSs (including three switching sub-stations) with a transmission capacity of 13,291.10 MVA⁸ and 9,627.94 CKm of EHT transmission lines. The transmission network as on 31 March 2012 consisted of 103 EHT SSs (including three switching sub-stations) with a transformation capacity of 19,236.10 MVA and 11,095.44 CKm of EHT transmission lines.

The STU is responsible for planning and development of the intra-state transmission system. Assessment of demand is an important pre-requisite for planning capacity addition.

The State Government prepared (June 2006) a Perspective Plan for the period 2006 - 2030 which projected growth and intensification of energy consumption in the State and outlined transmission capacity requirement. Considering the load growth in the State, the Perspective Plan identified need for 32 transmission projects (**Annexure 2.1.1**) within March 2011. We observed that only one project was completed while three projects were held

⁸ There was no transformation capacity at the switching sub-stations.

up due to right of way⁹ (ROW) problems. Fourteen projects were dropped (July 2011) due to establishment of other SSs (six) or absence of demand (eight). Seven projects were postponed to the XII Plan due to non-availability of land (four) and delays in setting up of related generating stations (three). Four projects were in progress as of September 2012. Of the remaining three projects, in one project land was identified but could not be acquired, in another land was acquired but possession could not be taken due to public resistance while the third project for evacuation of power from the proposed Units 3 and 4 of Sagardighi thermal power station was revised but not yet taken up.

Further, the erstwhile WBSEB¹⁰ had communicated (August 2006) to the Ministry of Power, GoI Transmission Plans for 2006-07 and 2007-12 (XI Plan) consisting of 105 sub-stations (capacity: 8,836.4 MVA) and 97 lines (length: 3,634.5 CKm).

During the XI and XII Plans, 3,820 MW of generation capacity was projected to be added in West Bengal. To evacuate power from the generating stations, NEP proposed (April 2007) that one 400 KV SS, seven 400 KV and four¹¹ 220 KV lines were required to be constructed by the Company. Two of the seven 400KV lines were completed by WBSEB in January 2007 and West Bengal Power Development Company Limited (WBPDC) had completed another two lines at their own cost during the review period but was yet to transfer them to the Company. Further, three 220 KV lines were being constructed by National Hydroelectric Project Limited (NHPC) as discussed in **Paragraph 2.1.12**. Of the remaining four lines (220 KV : one, 400 KV : three), two were not taken up due to problems in acquiring land for the associated SS at Jagatballavpur, another not taken up as the related generating station at Katwa was yet to takeoff and the last was to be taken up by The Durgapur Projects Limited.

WBERC directed (February 2007¹²) the Company to prepare a State Perspective Plan (SPP) for 2007-11. However the Company started to prepare a Long Term Load Forecasting and Perspective Plan (LTLFP) for 2011-17 only in February 2011. The LTLFP envisaged 11 projects to be completed by 2011-12 (**Annexure 2.1.2**). However, only two¹³ projects together with their associated lines were completed till June 2012 and remaining nine projects were still in progress.

During Exit Conference, the Government agreed that in the initial years, the Company had not followed any particular plan. From the XII Plan period, the Company has adopted a perspective plan and an annual rolling plan.

⁹ Permission that the Company should obtain from the land owner to pass through his land to erect the transmission towers and lines.

¹⁰ WBSEB was the predecessor entity of the Company.

¹¹ Including three inter-regional lines.

¹² Regulation 31 of WBERC dated February 2007.

¹³ Khatra 132/ 33 KV SS and Kalna 132/ 33 KV SS with associated transmission lines.

Transmission network and its growth

2.1.9 Transmission capacity of the Company at EHT level during 2007-08 to 2011-12 is given below:

Table 2.1.1: Sub-stations, Transformation Capacity and Circuit Kilometres added during five years

Sl. No	Description	2007-08	2008-09	2009-10	2010-11	2011-12	Total
A. Number of Sub-stations (Numbers)							
1	At the beginning of the year	82	85	90	97	100	-
2	Additions planned for the year	4	23	9	6	9	51
3	Added during the year	3	5	7	3	2	20
4	Upgraded during the year ¹⁴	1	1	1	-	1	4
5	Asset transferred from WBSEDCL	0	0	0	0	1 ¹⁵	1
6	Total sub stations at the end of the year (1+3+5)	85	90	97	100	103	-
7	Shortfall in additions (2-3)	1	18	2	3	7	31
B. Transformers capacity (MVA)							
1	Capacity at the beginning of the year	13,291.10	14,366.10	15,380.10	16,933.60	18,218.10	-
2	Additions/ augmentation planned for the year	1,570.00	3,066.50	3,083.00	378.00	1,438.00	9,535.50
3	Capacity added during the year	546.00	315.00	1,402.00	903.00	163.00	3,329.00
4	Capacity augmented during the year	529.00	699.00	151.50	381.50	855.00	2,616.00
5	Asset transferred from WBSEDCL	-	-	-	-	20.00	20.00
6	Capacity at the end of the year	14,366.10	15,380.10	16,933.60	18,218.10	19,236.10	-
7	Shortfall in additions/ augmentation	495.00	2,052.50	1,529.50	(-)906.50	420.00	3,590.50

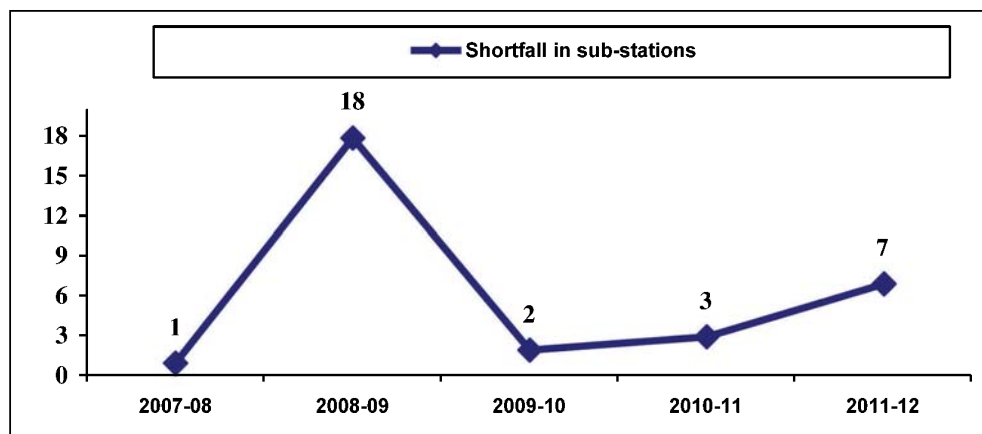
¹⁴ Voltage rating of four sub-stations was increased from either 66 KV to 132 KV or from 132 KV to 220 KV.

¹⁵ Although Bagmundi sub-station had been transferred from WBSEDCL to the Company during 2011-12 and included in the total number of sub-stations, its' transformer capacity (20 MVA) had not been added to the total capacity.

Sl. No	Description	2007-08	2008-09	2009-10	2010-11	2011-12	Total
C. Transmission lines (CKm)							
1	At the beginning of the year	9,627.94	10,137.74	10,540.94	10,899.34	10,903.14	-
2	Additions planned for the year	544.00	1,824.30	2,116.00	508.00	721.40	5,713.70
3	Added during the year	509.80	403.20	358.40	3.80	192.30	1,467.50
4	Total lines at the end of the year	10,137.74	10,540.94	10,899.34	10,903.14	11,095.44	
5	Shortfall in additions (2-3)	34.20	1,421.10	1,757.60	504.20	529.10	4,246.20

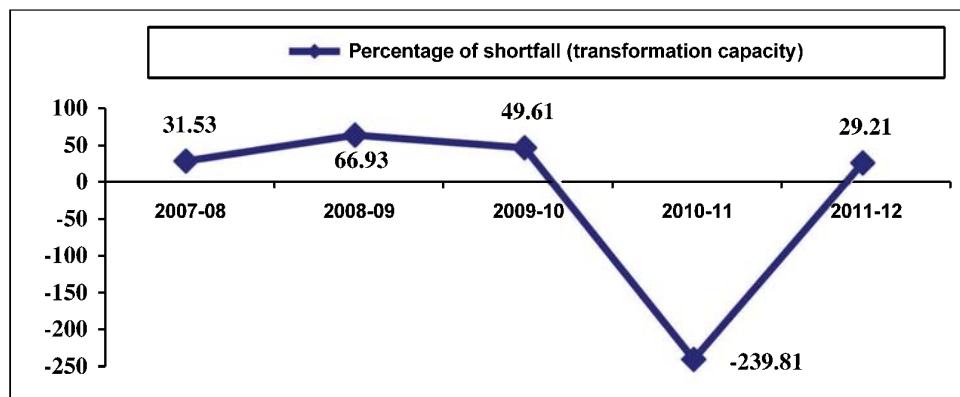
Source: Records of the Company.

Chart 2.1.1: Line Graph showing shortfall in addition of sub-stations vis-a-vis target.



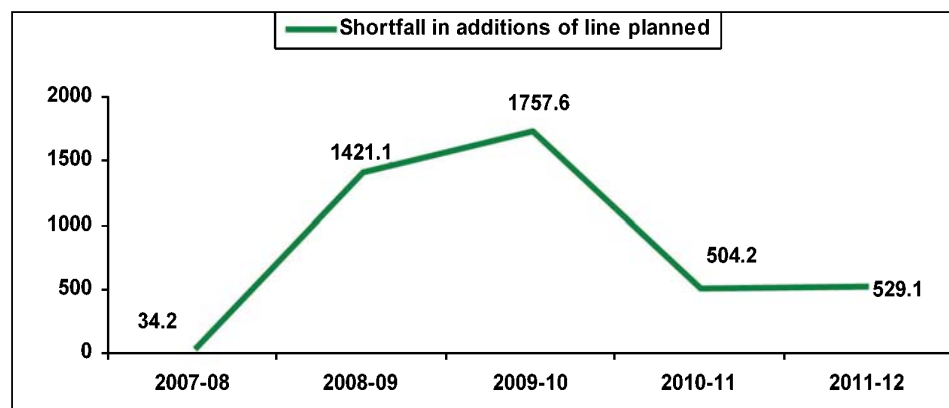
Source: Records of the Company.

Chart 2.1.2: Line Graph showing shortfall in percentage accretion to transformation capacity (MVA) vis-a-vis target.



Source: Records of the Company.

Chart 2.1.3: Line Graph: Trend in shortfall in addition of lines in Circuit Kilometres vis-a-vis target.



Source: Records of the Company.

Against the targeted construction of 51 EHT SSs and laying of 5,713.7 CKm of EHT lines, the Company constructed 20 EHT SSs and 1,467.5 CKm EHT lines during the five year period (achievement of 39.22 per cent and 25.68 per cent respectively). The transmission capacity added was 5,945 MVA (new SSs : 3,329 MVA, voltage upgrade : 660 MVA, augmentation : 1,956 MVA) for the five year period ending 2011-12.

The particulars of voltage-wise capacity additions planned, actual additions, shortfall in capacity, etc., during the review period are given in the **Annexure 2.1.3**.

These shortfalls resulted in overloading of lines (*paragraph 2.1.18*), voltage fluctuation (*paragraph 2.1.17*) and failure to cater to the increasing demand for power in vicinity of proposed projects (*paragraph 2.1.11*).

During Exit Conference (October 2012), Government as well as the Management stated that some planned projects had to be abandoned because of flaws in planning and some other *post facto* uncontrollable circumstances.

Project implementation and monitoring

2.1.10 A transmission project involves various activities from concept to commissioning. Major activities in a transmission project are (i) Project formulation, appraisal and approval phase and (ii) Project Execution Phase. For reduction in project implementation period, the Ministry of Power, GoI constituted (February 2005) a Task Force on transmission projects with a view to:

- ❖ analyse the critical elements in transmission project implementation,
- ❖ implement the best practices in CTU and STUs, and
- ❖ suggest a model transmission project schedule for 24 months' duration.

The Task Force suggested and recommended (July 2005) the following remedial action to accelerate the completion of transmission systems:

- ❖ Undertake various preparatory activities such as surveys, design and testing, processing for forest and other statutory clearances, tendering activities *etc.* in advance/ parallel to the project appraisal and approval phase and go ahead with construction activities once transmission line project sanction/ approval is received,
- ❖ Break-down the transmission projects into clearly defined packages such that the packages can be procured and implemented requiring the least coordination and interfacing and at same time it attracts competition facilitating cost effective procurement, and
- ❖ Standardise designs of tower fabrication so that six to 12 months can be saved in project execution.

2.1.11 We found that notwithstanding the elaborate guidelines given by the Task Force Committee for timely completion of the projects, the Company did not adhere to any of the guidelines. It failed to execute several SSs and Lines during 2007-12 within the time frame envisaged in their LOAs as detailed in the table below:

Table 2.1.2: Time overrun in test checked projects during 2007-12

Capacity in KV	Total No ¹⁶		No. test checked by Audit		Delay in construction (Numbers)		Time overrun ¹⁷ (range in months)	
	SSs	Lines	SSs	Lines	SSs	Lines	SSs	Lines
400	2	2	2	-	-	-	-	-
220	9	16	4	2	3	4	4-26	4- 41
132	22	38	9	8	3	5	13-17	22-39
Total	33	56	15	10	6	9	-	-

Source: Records of the Company.

We also observed that the Task Force on transmission projects (February 2005) had standardised the tenure for pre-award of works¹⁸ to 13 months for SSs and 11 months for lines. The Company's internal target for pre-award works was 160 days. However, the Company took between six and 114 months in awarding works for eight transmission projects (**Annexure 2.1.4**) to the contractors for execution. Due to delay between survey and actual execution of the projects, new and additional structures had come up across the proposed routes of the lines and thereby resulted in higher resistance in obtaining ROW and consequent route realignments.

Again, the standard time for execution of work for SSs and lines were 20 and 22 months respectively. However, the Company allowed between six to 36 months for execution of the projects. These additional time coupled with

¹⁶ Completed and ongoing projects as of March 2012.

¹⁷ Test checked in audit.

¹⁸ From approval of DPR to award of work to Contractors.

price variation allowed in the contracts and due to changes in BOQs from route realignments resulted in additional cost of ₹ 8.62 crore. Further, delay resulted in increase of interest burden by ₹ 16.15 crore.

Finally, because of delay in completion of the projects, resulting from continued higher transmission and transformation losses that these projects sought to reduce, additional benefits of ₹ 37.66 crore was foregone. Besides, there was envisaged loss of ₹ 11.75 crore in additional revenue due to failure to cater to the EHT consumers (**Annexure 2.1.4**).

The Management concurred (September/ October 2012) that there were severe Right of Way (ROW) problems. The Management/ Government proposed to solve this problem through increasing use of satellite imagery to reduce the time lag between the survey and actual execution. Besides, they were also considering mono-pole towers and multi-circuit towers at critical points which required less land. The Management's corrective actions, though delayed, were in right direction.

The implementation of three inter-state transmission lines is discussed below.

2.1.12 NHPC started construction of two hydro electric generation projects namely Teesta Low Dam Projects-III and IV with aggregate capacity of 292 MW and scheduled completion in 2006-07. Since the power would be used by West Bengal, NEP required the Company to construct three 220 KV transmission lines to evacuate power from these generation projects. Accordingly, the erstwhile WBSEB approved (February 2004) work for construction of these lines as 'deposit' works for evacuation of power, at an estimated cost of ₹ 50.21 crore with scheduled completion by 2006-07. However, WBSEB did not enter into a contract until August 2006. WBSEB signed (September 2006) an agreement with NHPC for construction of these lines as deposit work but no target completion date was envisaged in the agreement. NHPC periodically enhanced (March 2006/ July 2010/ May 2012) the cost of the lines to ₹ 148.99 crore, ₹ 222.54 crore and ₹ 247.50 crore respectively and the Company incurred ₹ 201.79 crore till May 2012. However, the lines were yet to be completed (September 2012).

The Report of the Task Force (February 2005) prescribed that in case of forest cover of more than 40 hectares, in the first step of proposal formulation tree enumeration would be done with Divisional Forest Officer. We observed (February 2011) the list of trees for felling, logging and transporting to depot across the 73.147 hectares of land was not prepared, thereby leading to delay.

The Management stated (September 2012) that the construction of lines was awarded to NHPC as a 'deposit' work to match the evacuation of power from the generation projects and relied upon the expertise of NHPC. The Company was bound by NHPC's terms.

We observed that the Company's agreement with NHPC did not specify any time limit for the construction of the lines. The Task Force recommended that lines in hilly/ mountainous terrain of route length exceeding 50 km may be completed within 31 to 35 months. After allowing 35 months from the

agreement (September 2006) for the completion of the line, the project was delayed by 36 months which resulted in the enhanced cost and the consequential interest burden of ₹ 26.83 crore.

Performance of transmission system

2.1.13 Performance of the Company mainly depends on efficient maintenance of its EHT transmission network for supply of quality power with minimum interruptions. In the course of operation of SS and lines, the supply-demand profile within the constituent sub-systems is identified and system improvement schemes undertaken to reduce line losses and ensure reliability of power by improving voltage profile. These schemes were meant for augmentation of existing transformer capacity, installation of additional transformers, laying of additional lines and installation of capacitor banks. Performance of the Company with regard to operations and maintenance of the system is discussed in the succeeding paragraphs.

Transmission capacity

2.1.14 According to Grid Code of WBERC (April 2007), 30 *per cent* extra capacity was to be created than the required capacity for secure and stable grid operation. Study of the transmission system of the Company was undertaken in order to access the installed capacity and its adequacy to handle the load demand of the system for the period 2007-08 to 2011-12 as depicted in the table below:

Table 2.1.3: Company's Transmission capacity and peak demand during 2007-12

Transmission capacity (in MVA)				
Year	Installed	After leaving 30 <i>per cent</i> towards margin	Peak demand including non- coincident demand	Excess/ Shortage (Cols. 3-4)
(1)	(2)	(3)	(4)	(5)
2007-08	14,366.10	10,056.27	8,989.69	1,066.58
2008-09	15,380.10	10,766.07	10,331.67	434.40
2009-10	16,933.60	11,853.52	12,094.23	(-) 240.71
2010-11	18,218.10	12,752.67	12,032.95	719.72
2011-12	19,236.10	13,465.27	12,673.20	792.07

Source: Records of the Company.

From the above table it could be inferred that the overall transmission capacity was in excess of the requirement every year except in 2009-10. The existing transmission capacity excluding redundancy worked out to an excess of 792.07 MVA at the end of March 2012 that worked out to ₹ 17.92 crore (₹ 3.62 crore per 160 MVA PTR) which was a burden passed on to the consumer.

The Management stated (September 2012) that the margin of redundancy should be at a particular voltage on case to case basis with inadequate capacity in certain areas due to non-implementation of the planned schemes.

We observed that there were instances where some of the sub-stations remained under-loaded whereas others were overloaded at the same time. Existence of extra/ idle capacity in the transmission network and prevalence of overloads, high voltages on certain places reflects unscientific planning in creation of transmission network, instances of which are discussed in paragraphs 2.1.15 and 2.1.16.

Sub-stations

Redundant Transmission Capacity in 220 KV sub-stations

2.1.15 We observed that nine out of the 19 SSs of 220 KV were under-loaded during the five years. Asansol SS had operated (2008-12) at 5.04 to 34.21 *per cent* of installed capacity while Kolkata Leather Complex (KLC) SS fell from 29.77 to 27.52 *per cent* over 2009-12 due to overestimated demand. Subhashgram SS operated (2009-12) at 4.04 to 5.25 *per cent* of capacity as it was energised without its associated transmission lines being completed due to non availability of ROW. No action was taken to optimise transformation capacity in line with demand.

Adequacy of sub-stations

2.1.16 Manual on Transmission Planning Criteria (MTPC) issued by CEA stipulates (June 1994) the permissible maximum capacity for different SSs i.e., 1000 MVA for 400 KV, 320 MVA for 220 KV and 150 MVA for 132 KV SSs. Indian Electricity Grid Code 2005 of Central Electricity Regulatory Commission (CERC) also adopted these stipulations. Grid Code issued by WBERC however stipulates that maximum capacities for different SSs were 1000 MVA (400 KV), 500 MVA (220 KV) and 250 MVA (132 KV).

Also, as per MTPC every SS of 132 KV capacity and above should have at least two transformers. We observed that as of March 2012 Bagmundi 132 KV SS did not meet this requirement.

The Management accepted (September 2012) the observation and planned to install the second 132/ 33 KV transformer.

Voltage management

2.1.17 Licensees using intra-state transmission system should make all possible efforts to ensure that grid voltage always remains within limits. As per Indian Electricity Grid code, STUs should maintain voltages ranging between 380-420 KV, 198-245 KV and 119-145 KV in 400 KV, 220 KV and 132 KV line respectively. WBERC's Grid Code restricts the range to 380-420 KV, 209-231 KV, 119-145 KV and 59-73 KV for 400 KV, 220 KV, 132 KV and 66 KV sub-stations respectively. The Company operates through three 400 KV SSs, nineteen 220 KV SSs, seventy 132 KV SSs and eight 66 KV SSs.

The tables below show instances of voltages being beyond the State norms and their distribution pattern over the months during 2007-12.

Table 2.1.4: Instances of Voltage being above or below WBERC norms

Years	400 KV		220 KV		132 KV	
	Voltage below WBERC norms	Voltage above WBERC norms	Voltage below WBERC norms	Voltage above WBERC norms	Voltage below WBERC norms	Voltage above WBERC norms
2007-08	9	19	61	160	218	24
2008-09	4	9	61	129	107	12
2009-10	4	6	92	158	164	31
2010-11	11	2	107	175	165	4
2011-12	3	20	86	185	130	21
Total	31	56	407	807	784	92

Source: Records of the Company.

An analysis of these voltage fluctuations across the years revealed a pattern in terms of months of the year when most voltage fluctuations occur. This is indicated in the table below where voltage dips below permissible limits were segregated into months of their occurrence.

Table 2.1.5: Distribution of Voltage violations across months during 2007-12

Month → Voltage ↓ (range)	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
400 KV (380-420 KV)	6	3	3	4	2	2	3	1	0	0	2	5	31
220 KV (209-231 KV)	42	40	38	42	40	32	41	16	9	22	30	55	407
132 KV (119-145 KV)	84	72	82	67	72	79	79	32	22	37	46	112	784
Per cent	10.80	9.41	10.07	9.25	9.33	9.25	10.07	4.01	2.54	4.83	6.38	14.08	

Source: Records of the Company.

We observed that voltage fluctuations were maximum in March, April, May and June which accounted for 14.08 per cent, 10.80 per cent, 9.41 per cent and 10.07 per cent respectively. These were outcome of peak demand in summer. October witnessed 10.07 per cent of all fluctuations due to demand of festive season.

The Management replied (September 2012) that to ensure quality power to the beneficiaries, the Company proposed to add 9,064 MVA during 2012-17 as well augment 36 SSs with Capacitor Bank (325 MVAR).

Lines

EHT lines

2.1.18 Manual for Transmission Planning Criteria (MTPC) stipulates that permissible line loading cannot normally be more than the Thermal Loading

Limit (TLL). The TLL limits the temperature attained by the energised conductors, restricts sag, loss of tensile strength and maximum power flow of the lines. Aluminum Conductors Steel Reinforced (ACSR) 210 sq mm conductors comprised 86 to 91 *per cent* of the aggregate 132 KV line length of the Company. As per MTPC the TLL of Panther conductor (at 45 degrees) was 366 amps. Our study of TLL of ACSR Panther conductor for the year 2007-12 revealed the following:

Table 2.1.6: Lines loaded above Thermal Loading Limit during 2007-12

Year	2007-08	2008-09	2009-10	2010-11	2011-12
No of Panther lines	94	128	133	141	141
Lines loaded above 366 AMPS	14	16	19	20	26
Lines overloaded above TLL on four or more occasions annually					
No. of lines	4	2	4	6	8
Aggregate number of instances	23	13	27	38	53
Maximum percentage over TLL	1,318	55	66	1,450	153
Minimum percentage over TLL	10	11	4	8	13
Maximum number of instances per line	10	7	12	12	12
Duration range (in hours)	2 to 58	40 to 688	1 to 732	1 to 704	1 to 137

Source: Records of the Company.

Despite increase in number of lines from 94 in 2007-08 to 141 in 2011-12, the number of overloaded lines increased from 14 (2007-08) to 26 (2011-12). In 2011-12 out of 26 violations of TLL norms, the maximum loading above TLL was 278 *per cent*. These 26 lines were overloaded for a total of 11,317 hours. Eight of 26 lines were overloaded four or more times of which 153 *per cent* is the maximum which was shown in the table above.

Loading of the lines beyond capacity resulted in voltage fluctuations, higher transmission losses and frequent interruptions/ breakdowns.

The Management stated (September 2012) that permissible line loading limit depended on factors like voltage regulation, stability and current carrying capacity (thermal capacity) while Surge Impedance Loading (SIL) gave a general idea of the loading capability of a line. Moreover, the aggregate line losses for panther conductors were within the overall transmission losses.

The MTPC stipulated that for lines whose permissible line loading as determined considering the SIL was higher than the TLL, the permissible loading limit would be restricted to TLL. Further, lower line losses would result in reduction in total transmission loss.

Bus Bar Protection Panel (BBPP)

2.1.19 Bus bar is used as an application for interconnection of the incoming and outgoing transmission lines and transformers at an electrical Sub-station. BBPP limits the impact of the bus bar faults on the entire power network

which prevents unnecessary tripping and result in selective tripping of only those breakers necessary to clear the bus bar fault.

Grid norms and Best Practices in Transmission lays that for 400 KV switchyard One & Half breaker scheme¹⁹ or Double Main and Transfer bus bar scheme²⁰, for 220 KV switchyard Double Main & Transfer scheme or Double Main with breaker by pass scheme and for 132 KV switchyard Main & Transfer scheme may be adopted. 400 KV bus bars are provided with two bus bar protections and 220 KV bus bars are provided with one bus bar protection. BBPP is to be kept in service for all 220 KV and 400 KV SSs to maintain system stability during Grid disturbances and to provide faster clearance of faults on 220 KV buses.

We observed that out of 19 numbers of 220 KV SSs five were single bus SSs and 14 were double bus SSs. Out of the five single bus sub-stations, we observed that four were commissioned between 2005 and 2009. The Company had not adhered to the recommendations of CEA and IEGC while planning the sub-stations thus putting the system to risk.

We observed that of the 70 number of 132 KV SSs (including 16 numbers constructed during 2007-12), none was fitted with BBPP. 10 out of 19, 220 KV SSs were equipped with BBPP while remaining nine SSs did not have BBPP. We also observed that seven (except KLC and Dalkhola) out of the nine 220 KV SSs not having BBPP were loaded between 77.29 and 98.19 *per cent*. The Company had not safeguarded the system and the equipments at the SSs.

The Management stated (September 2012) that the single bus SSs were constructed 25 years ago and erection of second main bus and protection panel would be time and cost intensive.

The reply did not, however, address the fact that four out of five SSs with single bus were constructed between 2005 and 2009.

Maintenance

Performance of Current transformers (CT)

2.1.20 Current transformers are one of the most important and cost-intensive components of electrical energy supply networks, thus it is of special interest to prolong their life span while reducing their maintenance expenditure. In order to gather detailed information about the operation conditions of CTs, various kinds of oil analysis like the standard oil Dissolved Gas Analysis (DGA) tests are generally conducted. For CT insulation a combination of an insulating liquid and a solid insulation impregnated therewith are used. For an evaluation of the actual condition of this insulating system usually a DGA is

¹⁹ Switchyard layout with protective mechanism built in the laid out structure with two circuits connected between three breakers i.e. devices which automatically disconnect a circuit in case of a fault thereby stopping flow of electrical currents preventing cascading effect in the system.

²⁰ In double main bus bar scheme each circuit is connected to both the buses.

used, as failures inside the CT leads to a degradation of the liquid insulation in such a way that the compound of the gases enables in identification of the cause of failure. The table below indicates status of failure of transformers during the year 2011-12:

Table 2.1.7: Failures of Transformers during 2011-12

Year	No. of transformers at the beginning of the year	No. of transformers failed	No. of transformers failed within guarantee period	No. of transformers failed within normal working life	Expenditure on repair and maintenance
2011-12 ²¹	2,154 ²²	91	NIL	81	NA

Source: Records of the Company.

Records revealed that 35 CTs failed due to bursting, insulation problems, oil leakage and lightning. Ten CTs failed due to aging and the reasons for failure in respect of 46 transformers were not on record. The Maintenance Schedule²³ of the Company stipulated that DGA of CT was to be done once in every four years. During field audit of 36 sub-stations under 10 area offices, we observed that none of the sub-stations had conducted DGA of CT and therefore there was no assessment of health of these CTs.

The Management, in its reply, stated that in 2011-12, only 21 out of more than 3,700 CTs had failed. It further added that since the CTs were hermetically sealed and therefore DGA could not be done. The Company, however, did not follow its own maintenance schedule.

Working of hot lines division/ sub-divisions

2.1.21 Regular and periodic maintenance of transmission system is of utmost importance for its uninterrupted operation. Apart from the scheduled patrolling of lines, for maintenance of lines the following techniques are prescribed in the Report of the Committee for updating the Best practices of Transmission in the country:

- ❖ Hot Line Maintenance
- ❖ Hot Line Washing.
- ❖ Hot line Puncture Detection of Insulators.
- ❖ Preventive Maintenance by using portable earthing hot line tools.
- ❖ Vibration Measurement of the line.
- ❖ Thermo-scanning.
- ❖ Pollution Measurement of the equipment.

²¹ Data for 2007-11 was not available.

²² Based on information of 36 sub-stations visited during field audit.

²³ Prepared by Pricewaterhouse Coopers in May/ June 2009 (Table 5, Serial No. 10).

The hot line technique (HLT) envisages attending to maintenance works like hot spots, tightening of nut and bolts, damages to the conductor, replacement of insulators etc. of SSs and lines without switching off. This includes thermo scanning of all the lines and SSs towards preventive maintenance. HLT was introduced in India in 1958. Despite this, the Company did not have any hot line division or sub division till March 2012. In absence of hot line maintenance, Company had to resort to Shut Down for maintenance.

We found that the Company did not have any trained manpower for hot line maintenance. The Committee for updating the best practices in the transmission system in the country recommended that power utilities may utilize the facilities of Hot Line Training Centre of CEA at Bangalore. We observed that Company did not utilise the facilities to update and armour itself with hot line monitoring and maintenance. However Line patrolling was shown as done regularly as per maintenance calendar. We observed that though thermo vision camera was available with the sub-stations, thermo scanning of lines was not done in any sub-station in any year. However, thermo scanning of equipments like isolator, breaker, and hot spots in CT was done with the help of thermo vision camera.

Transmission losses

2.1.22 While energy is carried from the generating station to the consumers through Transmission & Distribution (T&D) network, some energy is lost which is termed as T&D loss. Transmission loss is the difference between energy received from the generating station/ Grid and energy sent to DISCOM²⁴s. Details of transmission losses from 2007-08 to 2011-12 are given below:

Table 2.1.8: Power transmitted, Transmission losses and System availability during 2007-12

Particulars	Unit	Year				
		2007-08	2008-09	2009-10	2010-11	2011-12
Power received for transmission	MUs	20,365.000	23,446.264	29,166.131	31,695.901	34,750.097
Net power transmitted	MUs	19,550.400	22,531.860	28,057.818	30,523.153	33,499.094
Actual Transmission loss	MUs	814.600	914.404	1,108.313	1,172.748	1,251.003
	Per cent	4.00	3.90	3.80	3.70	3.60
Target Transmission loss as per the WBERC norm	Per cent	NA	3.90	3.80	3.70	3.60
Average System Availability	Per cent	99.87	99.00	99.81	99.92	99.93

Source: Records of the Company.

It may be seen from the above that percentage of losses had decreased from 2007-08 to 2011-12. However, the loss so computed is normative loss. The Company had not completed 100 *per cent* metering of its system boundary to determine exact outflow of energy to the DISCOM as discussed in *paragraph*

²⁴Power Distribution Companies

2.1.31. As a result it was not possible to determine the exact transmission loss between energy entering the Company's system and energy actually transmitted out of the Company's system.

While accepting the facts, the Management stated (September 2012) that 100 per cent metering had been taken up.

Grid Management

Maintenance of Grid and performance of SLDC²⁵

2.1.23 Transmission and Grid Management are essential functions for smooth evacuation of power from the generating stations to the DISCOMs/ consumers. Grid Management ensures moment-to-moment power balance in the interconnected power system to take care of reliability, security, economy and efficiency of the power system. Grid management in India is carried out in accordance with the standards/ directions given in the Grid Codes issued by the CEA and WBERC. National Grid consists of five regions viz. Northern, Eastern, Western, North Eastern and Southern Grids, each having a Regional Load Despatch Centre (RLDC), an apex body to ensure integrated operation of the power system in the concerned region. The West Bengal State Load Despatch Centre (SLDC), a constituent of Eastern Regional Load Despatch Centre (ERLDC), ensures integrated operation of power system in the State. The State Government notified (April 2007) that the SLDC would be operated by the Company. The SLDC was assisted by four²⁶ Area Load Despatch Centres (ALDCs) for data acquisition and transfer to SLDC and supervisory control of 132 KV and 33 KV equipments. ALDC-DPSC was not connected to SLDC and data acquisition was done through telephone.

The SLDC levies and collects fees and charges from the generating companies and licensees engaged in intra-state transmission of electricity as specified by the WBERC. Besides, WBERC permits SLDC to transfer requisite fund from the SLDC-Unscheduled Interchange Fund. The Management confirmed (September 2012) the facts.

Infrastructure for load monitoring

2.1.24 Remote Terminal Units/ sub-station Management Systems (RTUs/ SMSs) are essential for monitoring the efficiency of the transmission system and the loads during emergency in load despatch centres as per the Grid norms for all SSs. We observed that out of 103²⁷ SSs and 16 generators, RTUs were provided for recording real time data for efficient Energy Management System at two (67 per cent) 400 KV SSs, 12 (63 per cent) 220 KV SSs, 24 (34 per cent) 132 KV SSs, none (zero per cent) 66 KV SS and nine (64 per cent) generators. Though communication was done via ERLDC, SLDCs were not integrated among themselves and did not have any data storage or back up

²⁵ SLDC could provide data for three years only as it had migrated to a new database system three years back.

²⁶ ALDC-WBSEDCL, ALDC-CESC, ALDC-DPL, ALDC-DPSC.

²⁷ 3 nos 400 KV, 19 nos 220 KV, 70 nos 132 KV, 8 nos 66 KV substations and three switching substations.

facilities thus reducing them to mere observation centers. Moreover data prior to 2009-10 was not available and accordingly audit analysis was restricted to three years ending 2011-12.

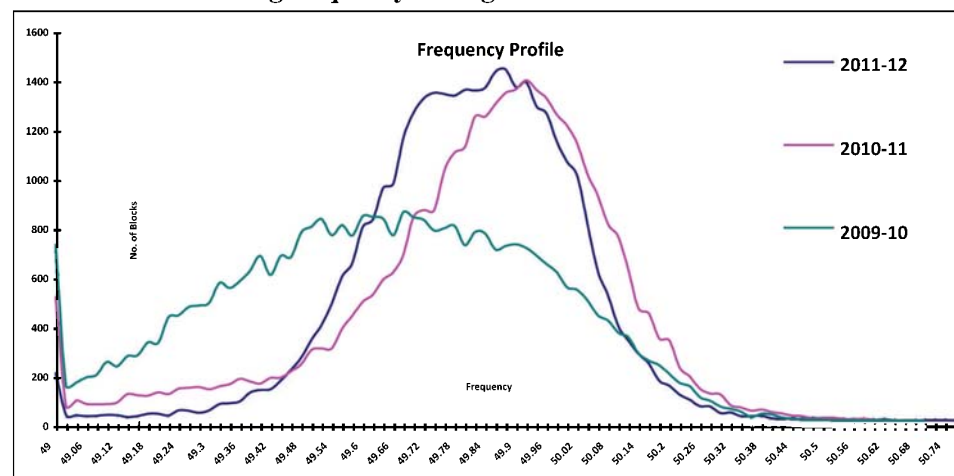
Management replied (September 2012) that they were in final stages of implementing through Power Grid Corporation of India Limited (PGCIL), install RTUs at 72 SSs. However, we found that during the period 2007-12 the system remained compromised.

Grid discipline by frequency management

2.1.25 As per Grid Code, the transmission utilities are required to maintain Grid discipline for efficient functioning of the Grid. All the constituent members of the Grid are collectively expected to maintain a system frequency between 49 and 50.5 Hertz (Hz) (49.2 and 50.3 Hz with effect from April 2008). For various reasons such as shortages in generating capacities, high demand, grid indiscipline in maintaining load generation balance, inadequate load monitoring and management, grid frequency goes below or above the permitted frequency levels.

The graph below shows the prevailing frequency and the number of blocks, each of 15 minutes' duration that had on average the given frequency during 2009-10 to 2011-12.

Chart 2.1.4: Prevailing frequency during 2009-12



Source: Data from SLDC

In 2009-10, grid frequency for 68.48 *per cent* of time had remained between 49.50 Hz and 50.50 Hz. In subsequent years this improved to 89.67 *per cent* (2010-11) and 94.71 *per cent* (2011-12) of time indicating better grid management with active co-operation from all its constituents. Nevertheless, there were instances of grid code violations from time to time as stated in the paragraphs 2.1.26 and 2.1.27.

Overdrawal from Grid

2.1.26 To enforce grid discipline, SLDC is required to issue three types of violation messages (A, B, C). Message A is issued when the frequency is less than 49.2 Hz and over-drawl is more than 50 MW or 10 *per cent* of schedule, whichever is less. Message B is issued when frequency is less than 49.2 Hz and over-drawl is between 50 and 200 MWs for more than ten minutes or 200 MW for more than five minutes. Message C (serious nature) is issued 15 minutes after the issue of message B when frequency continues to be less than 49.2 Hz and overdrawal is more than 100 MW or 10 *per cent* of the schedule, whichever is less. We observed that SLDC did not issue such violation messages on its own.

Our analysis of data²⁸ on functioning of the grid shows that there were instances of state grid violations for which SLDC should have issued messages of grid violations. However, neither there was an explicit provision in the State Grid Code to that effect, nor did SLDC issue any such message to correct imbalances of the grid. The table shows number of instances when constituents of the grid drew in excess of 10 *per cent* of their scheduled drawals despite the grid frequency falling below 49.2 Hz in a given block.

Table 2.1.9: Instances of grid violation* during 2009-12

Grid Constituents	2009-10	2010-11	2011-12
Sagardighi Thermal Power Plant	8	-	-
Philips Carbon Black Ltd.	13	-	-
Crescent Power Limited	161	-	-
WBSEDCL	30	4	7
CESC	385	240	69
DPL	555	6	59
Total	1,152	250	135

Source: Data from SLDC

* Where drawal in a given block was more than 10 *per cent* of scheduled drawal and the grid frequency remained below 49.2 Hz.

Again, in absence of specific provisions in the State Grid Code, SLDC did not impose any financial penalty against such violation of Grid discipline. However, it relayed messages received from ERLDC to its constituents in the State Grid. Twenty one Type 'A' messages were relayed from January 2010 to December 2010. It increased to 23 numbers during the period from January 2011 to December 2011.

Management while confirming the facts (September 2012) pointed out that these instances were not violation of the State Grid.

We observed that Provisions of the State Grid Code were divergent from the National Grid Code because unlike National Grid Code it did not empower SLDC to direct remedial action or impose penalty for overdrawal of energy by its constituents. This compromises the robustness and integrity of the State Grid.

²⁸ Using IDEA and Excel

Backing Down Instructions (BDI)

2.1.27 When the frequency exceeds the ideal limits i.e. situation where generation is more and drawal is less (at a frequency above 50 Hz) SLDC should take action by issuing Backing Down Instructions (BDI)²⁹ to the generators to reduce the generation for ensuring the integrated grid operations and for achieving maximum economy and efficiency in the operation of the power system in the State. Failure of the generators to follow the SLDC instructions would constitute violation of the Grid code and would entail penalties which include termination of connectivity agreement and de-linking from the State Grid. SLDC did not communicate any instruction for backing to the generators down when grid frequency remained above 50 Hz. However, the Management explained that depending on the demand-generation mismatch³⁰ schedule of the generation utilities³¹ are revised and therefore no separate instruction was required to be issued. SLDC had reduced generation of generating utilities by 1,532 MUs during 2008-09 to 2011-12.

We, however, observed that despite reduction of scheduled generation by SLDC, grid constituents continued to generate energy in excess of five *per cent* of their schedule even when the grid frequency remained above 50 Hz.

Table 2.1.10: Instances of grid violation* during 2009-12

Grid Constituents	2009-10	2010-11	2011-12
Bandel Thermal Power Station	836	1,373	838
Santaldhi Thermal Power Station	591	1,131	791
Kolaghat Thermal Power Station	78	95	142
Bakreswar Thermal Power Station	224	233	113
Sagardighi Thermal Power Station	347	440	512
Philips Carbon Black Ltd.	1,093	1,632	477
Tata Power (Haldia)	120	93	12
Crescent Power Limited	466	1,202	570
CESC	271	185	68
DPL	1,144	19	521
Total	5,170	6,403	4,044

Source: Data from SLDC

* Where injection of energy in a given block was more than five *per cent* of scheduled release and the grid frequency remained above 50 Hz.

Thus, revision of schedules alone was not sufficient to deter the generators from injecting energy into the grid when frequency remained above 50 Hz. Again, in the absence of specific provisions in the State Grid Code, SLDC did not impose any penalty on the generators.

²⁹ Instruction to Generating Units to reduce their generation.

³⁰ Where the generation is more than drawal leading to increase in grid frequency above norms.

³¹ This schedule indicates the volume of generation that a power plant may undertake in a given block.

The Management reiterated (September 2009) that there was no benchmark in the State Grid Code to term these actions as violations. Besides, commercially deterrent frequency based processes would discourage deviations.

The Enquiry Committee on Grid Disturbance in the Northern region on 30 July 2012 and in the Northern, Eastern and North eastern regions on 31 July 2012 observed (August 2012) that among the causes of grid collapse across large parts of India on 30 and 31 July 2012 was frequency control through commercial signals and non-compliance of instructions of RLDCs.

The following deficiencies were identified by the Enquiry Committee set up by the Government of India pursuant to the Grid Failures of 30th and 31st July 2012. Our Audit has also highlighted similar deficiencies within the STU.

- **Inadequate transmission lines and transmission capacity to meet power demand. (paragraph 2.1.9)**
- **Overloading of transmission lines, voltage in excess of norms. (paragraphs 2.1.17 and 2.1.18)**
- **Faulty protection system, non- functional power system stabilizers. (paragraph 2.1.19)**
- **Non-availability of RTUs, absence of transient stability studies. (paragraph 2.1.24)**
- **Lack of audit of power system's adequacy (paragraph 2.1.42)**
- **Non adherence to directives of Load Despatch Centers, failure to shed load or reduce generation (paragraphs 2.1.26 and 2.1.27)**

Planning for power procurement

2.1.28 The Company draws long term supply plan taking into account the contracted generation capacity, allocation from the central sector and “future committed projects” and evolves net additional requirement of power in consultation with the DISCOMs. It also draws “day ahead plan” for assessing its day to day power requirement. The details of total requirement of the State, total power supplied and shortage of power for the five years 2007-08 to 2011-12 are given below:

Table 2.1.11: Status of Power Demand and Supply during 2007-12

(Figures in MUs)

Sl.No.	Details ³²	2007-08	2008-09	2009-10	2010-11	2011-12
1	Total power requirement	28,087.19	30,538.46	33,298.655	36,242.552	37,900.477
2	Total power supplied ³³	27,464.967	29,991.68	32,441.291	35,501.164	37,389.839
3	Power short supplied	622.223	546.78	857.364	741.388	510.638
4	Percentage of shortage	2.22	1.79	2.57	2.05	1.35

Source: Data from SLDC

³² In respect of WBSEDCL, DPL and CESC. DVC and DPSC have their own transmission infrastructure.

³³ Including generation, short and long term purchases and drawal from Central Generating Stations.

The gap in demand supply position also leads to variation between actual generation or actual drawal and scheduled generation or scheduled drawal which is accounted through Unscheduled Interchange (UI)³⁴ charges, worked out by SLDC for each 15 minutes time block. UI charges are levied for the supply and consumption of energy in variation from the pre-committed daily schedule. This charge varies inversely with the system frequency prevailing at the time of supply/ consumption. Hence it reflects the marginal value of energy at the time of supply. The levying of UI charges acts as a commercial deterrent to curb overdrawals from CGS³⁵ during low frequency conditions.

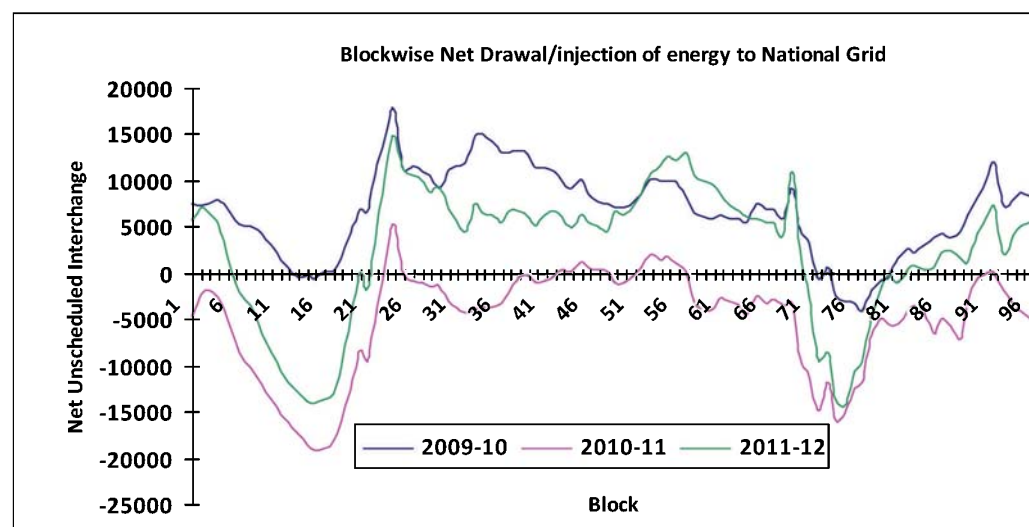
Table 2.1.12: Energy drawal and injection to national grid during 2009-12

Particulars	2009-10	2010-11	2011-12
No. of block when energy was consumed from National Grid	13,804	19,599	16,435
Total Energy Consumed from National Grid (MU)	403.777	1,117.994	984.565
No. of block when energy was released into National Grid	21,236	15,441	18,701
Total Energy released into National Grid (MU)	1,064.654	650.158	1,242.952
Net UI (MU)	660.877	(-)467.836	258.387

Source: Data from SLDC

In 2009-10 to 2011-12, the State Grid had provided 2,957.765 MU energy in 55,378 blocks (53 *per cent*) to the National Grid; while drawing from the National Grid 2,506.337 MU in 49,838 blocks (47 *per cent*). The graph below indicates net drawal or injection to the National Grid in each block of an average day during 2009-10 to 2011-12.

Chart 2.1.5: Net drawal or injection to the National Grid in each block of an average day during 2009-12



Source: Data from SLDC

³⁴ Generation or drawal of energy by utilities in the grid, beyond their schedules.

³⁵ Central Generating Stations.

The above graph indicated that the State generally consumed energy from the National Grid during 1-15 to 5-00 Hrs and 19-30 to 22-00 Hrs while at remaining time the State Grid generally injected energy to the National Grid. While consumption during 19-30 to 22-00 Hrs was to meet peak demand in the State, the consumption during 1-15 to 5-00 Hrs was largely to operate Purulia Pumped Storage Project. While some egress and ingress of power across the National Grid in UI mode was unavoidable, all constituents of the State Grid could work closely to avoid volatility of demand and supply leading to lower UI.

Disaster Management

2.1.29 Disaster Management (DM) aims at mitigating the impact of a major break down on the system and restoring it in the shortest possible time. As per the best practices, DM procedures should be set up by all power utilities for immediate restoration of transmission system in the event of a major failure. It is carried out by deploying Emergency Restoration System³⁶, DG sets, vehicles, fire-fighting equipment, skilled and specialised manpower.

Disaster Management Centre, National Load Despatch Centre, New Delhi is to act as a Central Control Room in case of disasters. We observed that mock drill for starting up generating stations during black start³⁷ operations as a part of DM programme was not carried out by the Company.

Inadequate facilities for DM

2.1.30 None of the 16 major generating stations in the State had black start facilities indicating inadequacy in the preparedness for DM.

Diesel Generating (DG) sets and synchronoscopes³⁸ form part of DM facilities at EHT SSs connecting major generating stations. We found that of 103 SSs, DG set was available only at Leborg SS and synchronoscopes were not available in any SS. Further, the Company did not identify vulnerable installations for provision of metal detectors and handing over the security of the sites to the Security Force to meet crisis arising due to terrorist attacks, sabotage and bomb threats.

The Management replied (September 2012) that decision had been taken for installation of DG sets with suitable ratings for all 400 KV SSs and in important 220 KV SSs to act as backup of auxiliary system under any exigency condition of total or partial failure of the grid. In order to combat any emergency situation arising out of failure of vital active and reactive components of any sub-station along with the associated 400/ 220/ 132 KV transmission line, adequate spares were always kept and maintained at different strategic locations of the network in order to set right and normalise the system with bare minimum time of power interruption. 400 KV SS had provisions for synchronization with the grid.

³⁶ Mechanism to restore power system to working condition.

³⁷ The procedure necessary to recover from partial or a total black out.

³⁸ In an AC electrical power system it is a device that indicates the degree to which two systems generators or power networks are synchronised with each other.

Management's reply indicated that DG sets were yet to be operationalised (September 2012)

Energy Accounting and Audit

2.1.31 Energy accounting and audit is necessary to assess and reduce the transmission losses. Transmission losses are calculated from the Meter Reading Instrument (MRI) readings obtained from Generation to Transmission (GT) and Transmission to Distribution (TD) Boundary metering points, as also between ingress and egress of energy at interstate transmission points. The Company had entrusted data collection, preparation of Reports and service maintenance to Secure Meters Limited at an expenditure of ₹ 1.71 crore (2007-12).

As on 31 March 2012, the Company had 1,492 interface Boundary metering points between TD (1,390) and GT (79), besides 23 meters accounting for interstate transmissions. While all the GT and interstate points were provided with 0.2 class meters, 293 TD points were provided with 0.2 class meters and balance 1,038 points were of 0.5 class meters, 59 points remained unmetered.

The Company also has 884.8 MVA of 33/ 11 KV transformation capacities which were retained as these capacities were embedded within the Company's SSs. However, we found that 67 feeders through which energy was provided to WBSEDCL at 11 KV had remained unmetered due to absence of interface points (July 2012). In absence of meters, the Company could not effectively ascertain total energy transmitted to the DISCOMs and consequently precise accounting for egress of energy was not possible.

Besides, data also showed instances where output exceeded input energy which were due to usage of different classes of meters at input and output points and replacement of meters without compatibility to CTs and PT consequently making energy accounting and transmission losses worked out un-realistic.

Further, 100 *per cent* metering of the Company's system for energy auditing was also not completed. The information and reports for March 2012 submitted by Secure Meters Limited were based on the 8,676.33 CKm and 14,239.45 MVA of installed transmission capacity whereas the actual transmission lines were of 11,095.44 CKm and transformation capacity was 19,236.10 MVA. Thus there was under-coverage of 2,419.11 CKm (27.88 *per cent*) of lines and 4,996.65 MVA (35.09 *per cent*) of transformer capacity which was not taken into account while calculating technical loss for energy audits.

Management stated (September 2012) that an IT wing was created in 2011 to develop infrastructure and technical expertise in-house. Further, 0.5 class meters in the system were installed by the erstwhile WBSEB while the Company had procured 0.2 class meters according to CEA guidelines. It was further stated that 100 *per cent* metering Project was a continuous process and was being implemented in the Company accordingly in phases with the addition of new transmission lines and sub-stations.

Financial Management

2.1.32 One of the major objectives of the NEP 2005 was ensuring financial turnaround and commercial viability of the power sector. The financial position of the Company for the five years ending 2011-12 is as under:

Table 2.1.13: Financial Position of the Company during 2007-12

	2007-08	2008-09	2009-10	2010-11	2011-12
(₹ in crore)					
A. Liabilities					
Paid up Capital	1,014.00	1,105.52	1,105.52	1,105.52	1,105.52
Reserves & Surplus (including Capital Grants)	5.91	104.09	278.76	458.39	630.06
Deferred Tax					
Borrowings (Loan Funds)	2,072.42	2,185.17	2,252.26	2,275.17	2,367.40
Current Liabilities & Provisions (CL)	359.54	432.23	357.99	474.47	516.55
Total	3,451.86	3,827.01	3,994.53	4,313.55	4,619.53
B. Assets					
Gross Block	3,156.83	3,483.20	4,186.64	4,434.09	4,671.08
Less: Depreciation	945.41	1,033.65	1,145.54	1,271.01	1,396.99
Net Fixed Assets	2,211.42	2,449.55	3,041.10	3,163.08	3,274.09
Capital Works-in-Progress (CWIP)	838.32	971.00	552.75	741.61	855.01
Current Assets, Loans and Advances (CA)	303.93	406.46	400.68	408.86	490.43
Accumulated Losses and Misc. Expenditure	98.19	0.00	0.00	0.00	0.00
Total	3,451.86	3,827.01	3,994.53	4,313.55	4,619.53
Debt equity ratio³⁹	2.02	1.95	2.04	1.99	2.14
Interest (net off IDC)	155.10	174.10	187.78	182.02	180.22
Profit	81.32	189.39	174.68	174.49	171.67
Return⁴⁰ on Capital Employed	236.42	363.49	362.46	356.51	351.89
Capital Employed	3,092.33	3,394.77	3,636.55	3,839.09	4,063.60
Percentage of Return on Capital Employed	7.65	10.78	10.21	9.31	9.72

Source: Annual Accounts of the Company

It may be seen from the above that the Company's profit increased by 132.89 *per cent* from ₹ 81.32 crore in 2007-08 to ₹ 189.39 crore in 2008-09 due to recovery of higher transmission charges and SLDC charges as determined by WBERC. Thereafter the profit decreased by 9.36 *per cent* from ₹ 189.39 crore in 2008-09 to ₹ 171.67 crore in 2011-12 due to increased employee costs resulting from revision of pay and allowances as well as decline in advance against depreciation, non revision of tariff and higher provision for income tax. The debt-equity ratio of the Company had increased during the period under audit.

³⁹ Debt to Equity ratio : Debt is principal of long term borrowings while Equity is Paid up Share Capital only.

⁴⁰ Total Return = Profit + Interest.

2.1.33 Details of working results like revenue realisation, net surplus/ loss and earnings and cost *per unit* of transmission are given below:

Table 2.1.14: Working results of the Company during 2007-12

(₹ in crore)

Sl.No	Description	2007-08	2008-09	2009-10	2010-11	2011-12
1	Income					
	Revenue (Transmission Charges)	428.04	666.44	721.28	748.53	724.11
	Other income including interest/ subsidy	8.90	7.59	8.28	17.01	27.76
	Total Income	436.94	674.03	729.56	765.54	751.87
2	Transmission					
(a)	Installed capacity (MVA)	14,366.10	15,380.10	16,933.60	18,218.10	19,236.10
(b)	Power received for transmission (MU)	20,365.00	23,446.26	29,166.13	31,695.90	34,750.10
(c)	Loss in transmission (MUs)	814.60	914.40	1,108.31	1,172.75	1,251.00
	Net power transmitted (b)-(c) in MUs	19,550.40	22,531.86	28,057.82	30,523.15	33,499.10
3	Expenditure					
(a)	Fixed cost					
(i)	Employees cost	55.03	108.20	93.06	115.01	119.77
(ii)	Administrative and General expenses	12.69	17.50	19.11	24.00	26.67
(iii)	Depreciation	81.70	89.75	111.89	120.01	125.13
(iv)	Interest and Finance charges (net after capitalisation)	155.14	176.73	196.68	182.87	180.22
(v)	Transmission Charges paid to WBPDC	35.31	42.37	66.13	58.87	56.98
	Total fixed cost	339.87	434.55	486.87	500.76	508.77
(b)	Variable cost	14.59	17.49	16.92	30.80	28.49
(c)	Total cost 3 (a) + 3(b)	354.46	452.04	503.79	531.56	537.26
4	Realisation (₹ per unit)	0.22	0.30	0.26	0.25	0.22
5	Fixed cost (₹ per unit)	0.17	0.19	0.17	0.16	0.15
6	Variable cost (₹ per unit)	0.01	0.01	0.01	0.01	0.01
7	Total cost (₹ per unit) (5+6)	0.18	0.20	0.18	0.17	0.16
8	Contribution (₹ per unit) (4-6)	0.21	0.29	0.25	0.24	0.21
9	Profit (+)/Loss(-) (₹ per unit) (4-7)	0.04	0.10	0.08	0.08	0.06

Source: Annual Accounts of the Company

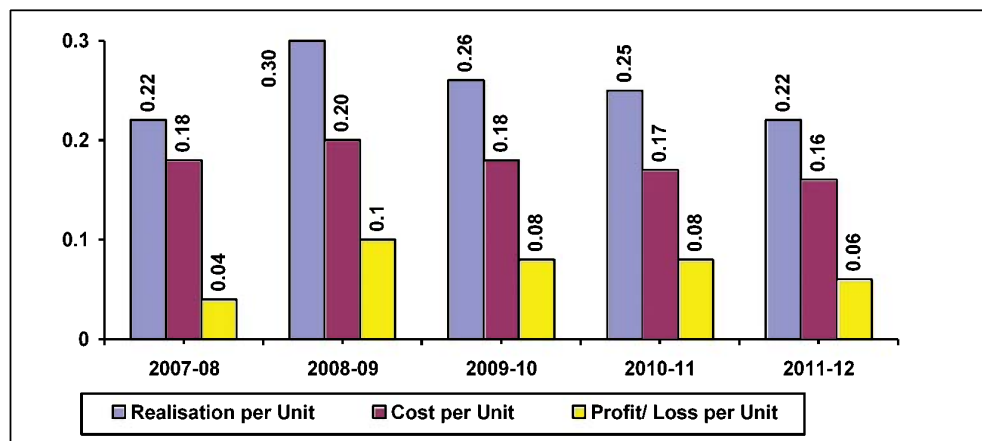
It may be seen from the above that though realisation per unit increased from ₹ 0.22 in 2007-08 to ₹ 0.30 in 2008-09 (36.36 *per cent*), it decreased thereafter to ₹ 0.22 (2011-12) (26.67 *per cent*). Similarly, cost per unit increased from ₹ 0.18 in 2007-08 to ₹ 0.20 in 2008-09 (11.11 *per cent*) and declined to ₹ 0.16 (20 *per cent*) in 2011-12.

It was also evident from the above table that employee cost, depreciation and interest and finance charges constituted the major elements of cost in 2011-12 which represented 23.54 *per cent*, 24.59 *per cent* and 35.42 *per cent* respectively of the total cost in that year. On the other hand, transmission charges which represented 96.31 *per cent* of the total revenue, constituted the major element of revenue in 2011-12.

Recovery of cost of operations

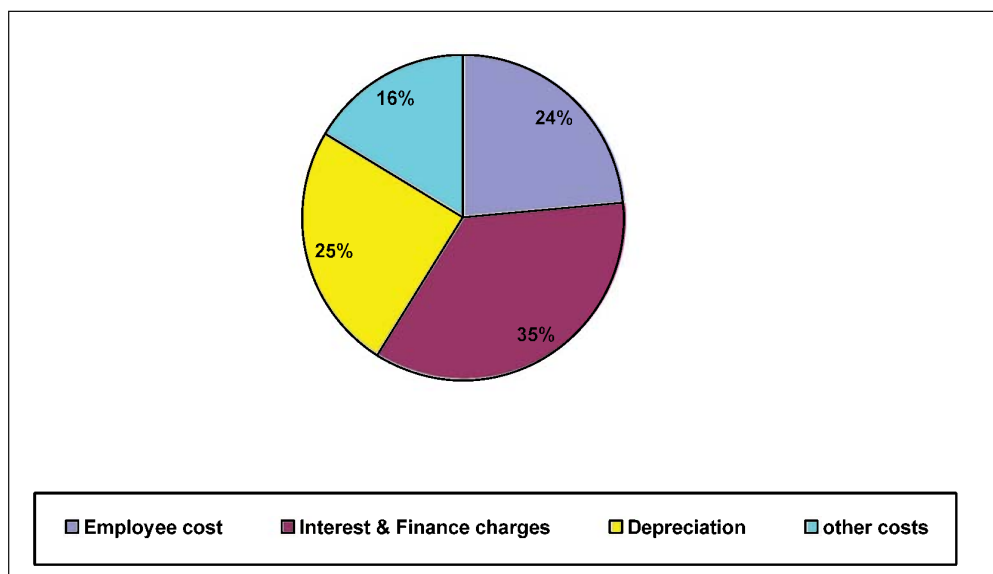
2.1.34 During the last four years ending 2011-12, the profit per unit has improved based on recovery of higher transmission charges approved by WBERC as given in the bar chart and pie diagrams below:

Chart 2.1.6: Bar Chart on Realisation, Cost and Profit per Unit



Source: Annual Accounts of the Company

Chart 2.1.7: Pie diagram on elements of cost

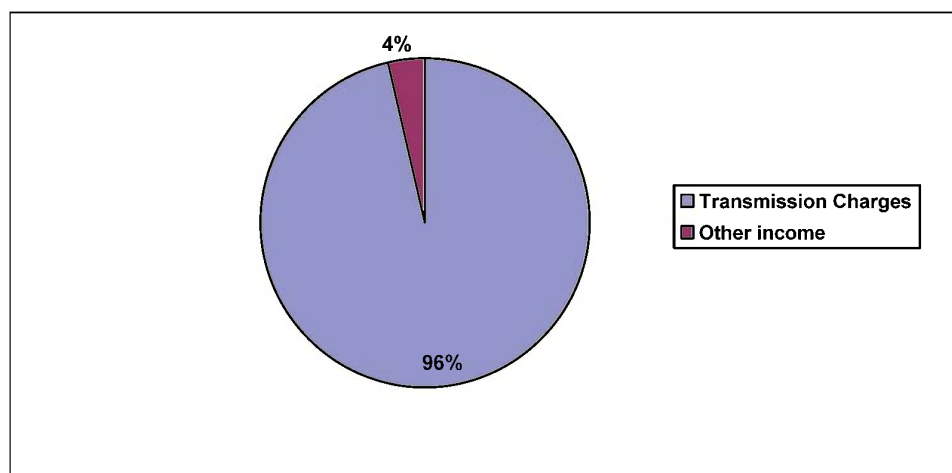


Source: Annual Accounts of the Company

Elements of revenue

2.1.35 Transmission charges constitute the major element of revenue. The percentage break-up of revenue for 2011-12 is given below in the pie chart.

Chart 2.1.8: Pie diagram on elements of revenue



Source: Annual Accounts of the Company

Collection of SLDC charges

2.1.36 SLDC charges were introduced from 2007-08 onwards and the Company levied charges amounting to ₹ 80.57 crore on generators/ Open Access (OA) users for 2007-08 to 2011-12.

Collection of surcharge from DISCOMs

2.1.37 The Company raises monthly transmission bills on West Bengal State Electricity Distribution Company Ltd (WBSEDCL) on the allocated capacities at rates specified in the Tariff Orders. The bills are to be paid within 30 days from the date of issue. The transmission agreement between the Company and WBSEDCL provided for opening of irrevocable revolving Letter of Credit (LoC) in favour of the Company. In the event of failure to make payment within 30 days from the due date the Company should invoke the LoC. We observed that WBSEDCL opened LoC from April 2008 and the Company was receiving payments in time.

Tariff Fixation

2.1.38 Financial viability of the Company depends upon generation of surplus (including fair returns) from the operations to finance their operating needs and future capital expansion programmes by adopting prudent financial practices. Revenue collection was the main source of generation of funds for the Company and the issues relating to tariff are discussed here under.

The tariff structure of the Company was subject to revision approved by WBERC after the objections, if any, received against Aggregate Revenue Requirement (ARR) petition filed by them within the stipulated date. WBERC introduced multi-year tariffs in February 2007. The first control period⁴¹ was 2007-08 with subsequent control period of three years each from 2008-09.

⁴¹ Period fixed by WBERC from time to time under the multi-year tariff framework for determination of tariff.

The Company was required to file the ARR for each control period 120 days before the commencement of the respective control period (seven days in case of first control period i.e 2007-08). WBERC accepted the application filed by the Company with such modifications/ conditions as may be deemed just and appropriate and after considering all suggestions and objections from public and other stakeholders. The table below shows the due date of filing ARR, actual date of filing, date of approval of tariff petition and the effective date of the revised tariff.

Table 2.1.15: Due Date vis-à-vis Actual Date of filing of tariff application and their approval

Year	Due date of filing	Extended due date of filing as approved by WBERC	Actual date of filing	Delay in days	Date of approval	Effective date
2007-08	25.03.2007	16.04.2007	16.04.2007	Nil	26.07.2007	April, 2007
2008-09	01.03.2008	31.05.2008	26.05.2008	Nil	23.09.2008	April, 2008
2009-10	01.03.2008	31.05.2008	26.05.2008	Nil	28.07.2009	April, 2009
2010-11	01.03.2008	31.05.2008	26.05.2008	Nil	29.07.2010	April, 2010
2011-12	29.05.2011	15.07.2011	15.07.2011	Nil	01.12.2012	April, 2011

Source: Tariff orders and Tariff Applications.

From the above it may be seen that the Company could not file their tariff petition within the original due dates on any occasion. However, WBERC had allowed extension of time each year to enable the Company to file their tariff petitions within such revised time frame. These delays were attributed to the Company's inexperience in preparation of a tariff petition as well as finalisation of the scheme of bifurcation of erstwhile WBSEB into DISCOM and TRANSCO (2007-08), preparation of first multi-year tariff (2008-11) and directive from the State Government to delay tariff petition (2011-12).

2.1.39 As per terms and conditions for determination of tariff for transmission activity⁴², the Company files for ARR with the WBERC for the revenue required to meet the cost pertaining to the transmission business for each financial year which would be permitted by the Commission to be recovered through tariffs and charges. Thus, the main source of revenue of the Company was transmission and SLDC charges.

The ARR proposals made by the Company and approved by the Commission are given below:

⁴² 31/WBERC dated 9 July 2007

Table 2.1.16: Tariff sought vis-à-vis tariff allowed by WBERC during 2007-12

Year	Transmission Tariff					
	TRANSCO			WBERC		
	Total Capacity for transmission (MW)	Revenue Requirement (₹ in crore)	Tariff, ₹/MW/ Month	Total capacity for transmission (MW)	Revenue Requirement (₹ in crore) excluding APR & other adjustments	Tariff, ₹/MW/ Month
2007-08	3,159.58	409.61	1,08,034	3,159.58	423.43	1,11,678
2008-09	3,475.83	611.62	1,46,639	3,475.83	646.75	1,55,058
2009-10	3,823.17	624.49	1,36,210	3,823.17	642.47	1,40,039
2010-11	4,205.42	658.25	1,30,437	4,205.42	655.15	1,29,823
2011-12	4,421.00	983.06	1,85,302	4,421.00	725.92	1,36,831

Source: Tariff Orders and Tariff Applications.

Further, as per the Regulation, the Company shall file before the Commission an Annual Performance Review (APR) for the year within November of the subsequent year. Whenever there is a gain or loss (excess/ short) in the controllable items (O&M, return on capital employed, depreciation and non tariff income) the Commission would review the same and make appropriate adjustments wherever required. Accordingly, the Company had filed APR claim for all the years as detailed below:

Table 2.1.17: APR petitions and their approvals by WBERC

APR for the year	2007-08	2008-09	2009-10	2010-11	2011-12
Date of filing APR	26.02.2009	27.11.2009	29.11.2010	29.11.2011	30.11.2012
Date of approval	28.05.2009	26.07.2010	30.08.2012	19.10.2012	NA ⁴³
Additional Amount claimed (₹ in crores)	65.55	98.77	96.78	94.72	158.58 ⁴⁴
Additional amount allowed for recovery (₹ in crores)	37.80	40.49	72.72	27.85	NA
Year of Adjustment as allowed by WBERC	2009-10	2013-14			NA

Source: Tariff orders and Tariff Applications.

The Commission however disallowed (May 2009) ₹ 3.50 crore paid during 2007-08 to the employees as performance incentive.

Material Management

2.1.40 The key functions in material management are laying down inventory control policy, procurement of materials and disposal of obsolete inventory. The Company had formulated a procurement policy for economical procurement (September 2009) after passage of two and half year of incorporation of the Company. The Company laid down (December 2009) inventory control mechanism indicating normal term moving inventory, medium term moving inventory, long term moving inventory and obsolete

inventory for efficient control over inventory and timely disposal of scrap.

⁴³ APR yet to be finalised by WBERC.

⁴⁴ The APR claim was filed before the tariff order for 2011-12 was finalised. The Tariff Order was finalized in December 2012.

The Management stated (September 2012) that the procurement policy was effected from May 2010.

The table below shows the stock position, and corresponding annual consumption during 2007-12.

Table 2.1.18: Stock position and annual consumption during 2007-12

(₹ in crore)

Year	Consumption (per annum)	Consumption (per month)	Net Closing stock ⁴⁵ (as per Balance sheet)	Closing stock in terms of months to consumption
2007-08	4.77	0.40	139.53	351.02
2008-09	5.59	0.47	127.39	273.47
2009-10	6.20	0.52	118.51	229.37
2010-11	5.96	0.50	104.00	209.40
2011-12	10.01	0.83	87.73	105.17

Source: Annual Accounts and records of the Company

It may be observed from the table above that the closing stock of inventory had remained high in all five years, but declining over the years. However, it was also observed that bulk of these inventories were carried forward from erstwhile WBSEB and made available to the Company under scheme of reorganisation of the WBSEB between the Distribution and Transmission Utilities. The Company did not make procurements according to Material Requirement Plans. Instead, purchases were made on the basis of requisitions from the user departments. It had not identified its minimum and maximum store levels. Besides, the requisitions did not indicate planned usage of the items.

The Management stated (September 2012) that since the Company was in the process of implementation of ERP Solutions, issues relating to stock accounting and management would be addressed.

Physical verification of stores

2.1.41 There were 66 stores under the control of the Company. Physical verification of these stores along with segregation and identification of the stores was undertaken from December 2009. The process was completed by May 2011 and the position of stores as of March 2011 was as follows:

Table 2.1.19: Value of store as on 31 March 2011

Sl. No.	Nature of store	Value (₹ in crore)
1.	Long Term Moving	19.08
2.	Medium Term Moving	17.91
3.	Normal Term Moving	37.87
4.	Obsolete	
i)	Maintenance Spares	0.85
ii)	Proposed Scrap	3.42
	Total	79.13

Source: Records of the Company.

⁴⁵ Only for O&M stock and excluding obsolete stock.

As per annual accounts of the Company for year ended 31 March 2011 the book value of stores was ₹ 104.11 crore. Thus, there was a difference of ₹ 24.98 crore with book stock as of March 2011. However, no reconciliation was undertaken (June 2012).

Management also engaged (January 2011) Pricewaterhouse Coopers (PwC) to prepare a standardised inventory master list and codification of the store items. The work was scheduled to be completed by July 2011 but remained incomplete (June 2012). Management also directed (May 2011) disposal of scrap through MSTC Ltd. However, the same was yet to be completed (September 2012).

In its reply, Management stated (September 2012) that the process of identification and codification of stores was yet to be completed. Moreover, an amount of ₹ 18.42 crore was realised from the sale of scrap during 2007-12.

Monitoring and Control

2.1.42 Performance of the SSs and lines of 400/ 220/ 132 KV on various parameters like Maximum and Minimum voltage levels, breakdowns, voltage profiles should be recorded/ maintained as per the Grid code standards. However, there was no standard requirement as to their preparation or submission until September 2009. Further, verification of MIS reports of TL&SS, revealed that details regarding programmed overhauls of equipments like CBs⁴⁶, due dates of the next oil change, OLTC⁴⁷ operations, dates of maintenance works, performance of SS batteries, performance of relays, cause-wise analysis of feeder breakdowns were not reported or subsequently analysed and followed up with corrective action.

The Management replied (September 2012) that all maintenance required was regularly carried out. However, in absence of appropriate MIS reports at regular interval Management could not verify that requisite maintenance was carried out.

Between April 2009 and September 2009, the Company adopted three manuals to standardise maintenance schedules, operating procedures and safety, all prepared by PwC as part of State Government's capacity building exercise for the Company. Compliance to these manuals was assessed through technical audits carried out by the Corporate Monitoring Cell headed by an Additional Chief Engineer. For efficient technical audits, PwC also prepared an Internal Technical Audit (ITA) Guideline which was adopted by the Company in September 2010. Between December 2011 and March 2012 ITAs were conducted by the Company at 45 SSs. The following shortcomings were recurrently highlighted in these reports.

- Absence of adequate safety equipment,
- Deficiencies in maintenance of equipments.

⁴⁶ Circuit Breaker.

⁴⁷ On Load Tap Changer.

- Partial compliance to standard operating procedures.

These indicate that despite lapse of over two years since adoption of various standard procedures on maintenance, operations and safety, most units were yet to adhere to them as there was deficient control procedures and enforcement.

The Management indicated (September 2012) that it was in process of building adequate safety equipment through their newly set up safety wing and that PwC's manuals were adhered in all sub-stations. Also periodical maintenance, pre-Puja maintenance and winter maintenance are being regularly done.

However, standardisation of maintenance schedules, operating procedures and safety were the core requirement of Company's business. Delayed implementation indicated lack of monitoring and control.

Internal Control and Internal Audit

2.1.43 Internal control is a process designed for providing reasonable assurance for efficiency of operations, reliability of financial reporting and compliance with applicable laws and statutes which is designed to ensure proper functioning as well as effectiveness of the internal control system and detection of errors and frauds.

The Company had adopted (March 2008) an Internal Audit Charter that sought to bring about a systematic approach to evaluation and suggest improvements to the effectiveness of the Company's processes. The internal audit processes were to be COSO/ COBIT⁴⁸ compliant and this required a risk based approach to Audit.

To meet these objectives, the Company appointed (May 2008) M/s Ernst & Young as consultant at cost of ₹ 10 lakh to prepare an Internal Audit model that would incorporate Business Process Risk Assessment, a three to five year internal audit plan, an internal audit manual, monitoring of internal audit execution and management reporting. Ernst & Young submitted their report in December 2010. However, the Company was yet (March 2012) to adopt the internal audit manual.

The Internal Audit Department of the Company was entrusted with the responsibility of conducting internal audit. However, due to lack of manpower, it merely acted as an intermediary between the Company and the Audit firm appointed to conduct the internal audit. The Company, however, appointed (May 2008) a firm of Chartered Accountants as Internal Auditors of the Company.

The table below indicates the units audited during each year and the fees.

⁴⁸ COSO/COBIT are internationally recognized audit frame work for financial and IS audit.

Table 2.1.20: Number of units audited and audit fees during 2007-12

	2007-08	2008-09	2009-10	2010-11	2011-12
Total auditable units	98	98	98	92	91
No. of Units Audited	Nil	36	33	82	72
Per cent of coverage	0.00	36.73	44.32	89.13	79.12
Fees paid (₹ in lakh)	Nil	3.19	5.53	7.18	13.54

Source: Tariff Orders and Tariff Applications.

Internal audit processes did not identify and report risks in Company's operations. Consequently internal audit was limited to verification of financial records and vouching of transactions.

Management replied (September 2012) that the scope of technical audit would be considerably increased from 2012-13.

Audit Committee

2.1.44 The Company constituted an Audit Committee (AC) as required under Section 292A of the Companies Act, 1956. As per the terms of reference of the AC, the AC should meet four times in a year. Thus, in a span of five years, the AC should have met for a minimum number of 20 times.

The Company's AC met on 25 occasions during 2007-12, out of which Internal Audit department participated in 24 meetings. However, the firm of Chartered Accountants undertaking Company's internal audit did not attend the AC meetings to offer their suggestions regarding remedial measures.

Management stated (September 2012) that attendance of Chartered Accountants undertaking Company's internal audit was not mandatory as per Companies Act but offered to place the proposal before the Audit Committee.

Conclusions and Recommendations

2.1.45 Conclusion

Though the Company was incorporated in February 2007, it had not formulated Annual Work Plans in harmonisation with Long Term Load Forecast and National Electricity Plan. The Company achieved 39.22 per cent and 25.68 per cent of target of sub-stations and lines respectively during the five years period. There were abnormal delays in execution of projects due to deficient planning and project management which resulted in time overrun of six to 114 months. The Company did not comply with the recommendations of the Task Force which resulted in delayed execution of work due to ineffective and improper contract management.

The Company constructed sub-stations and lines without proper load flow studies resulting in their under-utilisation. Quality of power was compromised due to voltage fluctuations while the Company did not

install adequate capacitor banks in the sub-stations to provide necessary reactive power. There were cases of abnormal overloading of transformers and 132 KV transmission lines than prescribed by State Grid Code. Bus bar protection systems in 220 KV to maintain system stability were not adequate. Standards of operation in the State Grid Code were more relaxed than Indian Electricity Grid code.

There were instances of over drawal of energy or over injection of energy but State Load Despatch Center lacked authority under State Grid code to effectively impose grid discipline. Disaster Management system was inadequate.

The Company had not completed 100 *per cent* boundary metering till March 2012. The Energy Audit and Accounting was reported on transmission capacity and length of transmission lines that were lesser than the actual capacity and length.

The Company had earned profits in all five years. However, the Company's profitability could have further improved if additional amounts recoverable through Annual Performance Review were released by West Bengal Electricity Regulatory Commission within time. The Company has been holding high volume of stock in all the five years. Stores management and control was inadequate. There were un-reconciled stores between book and physical balance. Management Information System was not adequate for decision making and corrective action. Internal audit process did not adhere to COSO/ COBIT framework.

2.1.46 Recommendations:

The Government/ Management should

- *Chalk out annual as well as rolling plans for addition and augmentation in line with National Electricity Plan and Long Term Load Forecast.*
- *Ensure that the recommendations of Task Force on Transmission Projects are followed scrupulously so as to avoid time overrun of the projects.*
- *Ensure installation of adequate number of capacitor banks and bus bar protection systems to protect the lines and SSs.*
- *Adhere to the standards/ norms fixed in MTPC/ Indian Electricity Grid Code and State regulations.*
- *Explore harmonisation of State and National Grid codes.*
- *Complete 100 per cent boundary metering at the earliest along with feeder metering to compute precise transmission losses.*

West Bengal Tourism Development Corporation Limited

2.2 Performance and workings for the period 2007-08 to 2011-12

Executive Summary

West Bengal Tourism Development Corporation Limited (Company) was incorporated on 29 April 1974 as a wholly owned Government Company to develop, promote and publicise tourism in the State.

The Company's resources comprise 36 tourist lodges (25 under own management and 11 leased out), two tourists' information bureaux, three vessels, six AC buses along with 429 employees as of March 2012 to provide facilities and services to the tourists. The Company implements various tourist infrastructure developmental projects with grants from the Government of India (GoI) and Government of West Bengal (GoWB).

Performance audit covered the period from 2007-08 to 2011-12 to assess the performance and workings of the Company.

Tourist inflow in the State ranged between 204.48 lakh and 302.29 lakh during 2007-12. Despite being in operation for more than 38 years in the tourism sector, the overall share of the Company in the State's tourism sector was negligible (0.44 per cent). The paid up share capital of the Company is ₹9.99 crore. However, 33 per cent of the paid up capital of the Company was eroded by March 2012.

Planning

The State Government did not clearly spell out the role of the Company in implementation of State Tourism Policy in terms of specific activities/ programmes. Besides, the Company had also not prepared strategic plan for development of tourism in the State. The Company had neither identified critical/ nodal areas for planning to augment tourism nor evolved clear milestones/ deliverables for overall development of tourism in the State.

Project Management

Central and State Government together released ₹112.29 crore (GoI - ₹96.15 crore, GoWB - ₹16.14 crore) to seven agencies for development of 67 projects (including 57 to the Company) against total sanctioned cost of ₹159.56 crore. Fifteen projects were completed in 2007-12 (expenditure: ₹10.10 crore), while 27 were ongoing for 13 to 54 months (expenditure: ₹43.42 crore) and the remaining 25 projects were not taken up as on March 2012. Out of 57 projects allocated to the Company for implementation, 13 projects were completed with delays of three to 46 months while 23 projects were in progress with delays of two to 30 months due to poor planning, lack of monitoring, lack of co-ordination and non-availability of land. Remaining 21 projects were not taken up.

Operational Performance

During 2007-12, the Company incurred operational losses of ₹9.52 crore from its 11 to 19 lodges. It had neither fixed standard occupancy ratio nor worked out break-even turnover to operate the lodges profitably.

Despite having spent ₹16.72 crore towards renovation of 19 lodges during 2007-08 to 2011-12, the Company failed to attract adequate number of tourists to its 10 newly renovated lodges. Moreover, the Company had not applied for Star category rating. The food-cost ratio at 10 out of 13 lodges exceeded the norm.

The Company leased out 11 lodges to private operators but failed to realise substantial revenue through execution of standard lease agreement.

Marketing Management

The Company did not form an independent marketing cell to formulate policy/ plan for marketing and promotion of tourism business. Although Tourist Reception Centres (TRCs) supplemented

the marketing efforts, no targets for business of TRCs were fixed by the Company. Further, the Company did not chalk-out a well-defined marketing strategy to tap prospective tourists to its lodges.

*Monitoring and internal control
The Company did not prepare any purchase policy/ manual and maintain*

records of land in its possession and the title deeds of immovable properties. It has not reconstituted the Audit Committee since June 2009. The Company neither took remedial action on the irregularities pointed out by the internal auditors nor was the matter reported to the Board of Directors for corrective action.

2.2.1 Introduction

West Bengal Tourism Development Corporation Limited was incorporated on 29 April 1974 as a wholly owned Government Company to develop, promote and publicise tourism in West Bengal, as well as to manage places of tourist interest, facilities for stay of the tourists, transport and travel services and develop tourism infrastructure.

As on 31 March 2012, the Company had 36 tourist lodges (25¹ under own management and 11 leased out) to provide accommodation and catering facilities to the tourists. Further, it operated three vessels and six AC - buses for the tourists and ran two tourists' information bureaux for dissemination of information relating to tourists' resorts, tour packages and associated services *etc.* The Company had 429 employees as on 31 March 2012.

We conducted a Performance Audit on the "Occupancy performance and catering services" of the Company, which was incorporated in the Report of the Comptroller and Auditor General of India for the year ended 31 March 1999 (Commercial), Government of West Bengal (GoWB). The Report was not selected for discussion by the Committee on Public Undertakings (COPU).

2.2.2 Organisation structure

The Company, under the aegis of the Tourism department of the State Government is managed by a Board of Directors (BOD) comprising of the Chairman, Managing Director (MD) and two Directors (Principal Chief Conservator of Forest and Managing Director, Floatel), all nominated by the State Government. The MD² is the Chief Executive of the Company who is assisted by four General Managers (*viz.* GM- Operation, GM- Technical, GM- Personnel, and GM- Finance and Accounts cum Secretary) and three Deputy General Managers in day-to-day operations. The Project Management Cell (PMC) of the Company is headed by the General Manager (Technical). The projects are executed through Project Management Consultants.

2.2.3 Audit objectives

We conducted the Performance Audit to ascertain whether:

- the Company had a proper plan for development of tourism in the State in consonance with State Tourism Policy;

¹Digha(Tented) Accommodation was completed in January 2012 but revenue inflow started from April 2012.

²Also ex-officio Joint Secretary of the Tourism department, Government of West Bengal.

- the Company had clearly laid down its objectives and implemented projects efficiently, economically and effectively;
- the Company operated tourist lodges and other services at an optimal level;
- there were adequate infrastructural facilities and amenities as well as quality services to the customers;
- there was well defined marketing policy to tap the prospective tourist; and
- the internal control mechanism was effective.

2.2.4 Scope and methodology of audit

We conducted a Performance Audit during January to August 2012, covering Head Office, Tourism Centres³ of the Company and the Tourism department, GoWB as well as 13⁴ out of 25 tourist lodges and 11 (out of 57) projects. Lodges and projects were selected on the basis of random sampling method.

Audit methodology involved scrutiny of records maintained at the Head Office, the Tourism Centres of the Company and the Tourism department. Site inspections alongwith the Company's officers and taking photographs *etc.* was also done.

An Entry Conference was held on 10 May 2012 when the objectives, scope and methodology of the Performance Audit were explained to the Principal Secretary, Managing Director who is also the ex-officio Joint Secretary of the Tourism department, GoWB and senior management of the Company.

Audit findings were reported to the Company and the Government in September 2012. An Exit Conference held on 24 September 2012, was attended by the Principal Secretary, Department of Tourism, GoWB and the Managing Director of the Company. Management's reply was received on 17 October 2012. Their views had duly been considered while finalising this Performance Audit Report.

2.2.5 Audit criteria

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

- Tourism Policies of the Government of India (GoI) and State Government, plans and performance benchmarks for the hotel industry;
- West Bengal Financial Rules, Works Manual (CPWD) and Detailed Project Reports;
- GoI criteria for classification of lodges with respect to their facilities; and
- Guidelines of Centrally Sponsored schemes.

³Located at Kolkata and Siliguri.

⁴Own control: Hill Top, Kalimpong, Darjeeling, Jaldapara, Mainak, Teesta, Behrampore, Santiniketan, Bakkhali, Digha, Diamond Harbour, Sajnekhali and Malancha.

2.2.6 Physical and financial performance

Physical performance

2.2.6.1 During 2007-11, growth of domestic and foreign tourists in India was 40.57 per cent and 34.67 per cent respectively. However, the share of the State in attracting domestic tourists declined from 3.67 per cent in 2007-08 to 2.95 per cent in 2010-11 and similarly, the share of foreign tourists dipped from 8.55 to 6.74 per cent during the same period.

A comparative analysis of growth of tourist traffic in the State and the Company alongwith the Company's share during last five years upto March 2012 is shown in the table below:

Table 2.2.1: Growth of tourist traffic

Year	Aggregate tourist traffic in India			Tourists who visited West Bengal			Tourists who stayed at Company's lodges			Percentage of tourists availing Company's facilities		
	Dom.	For.	Total	Dom.	For.	Total	Dom.	For.	Total	Dom.	For.	Total
	(Numbers in lakh)									(Percentage)		
2007 – 08	5,265.64	132.57	5,398.21	193.14	11.34	204.48	0.94	0.02	0.96	0.49	0.18	0.47
2008 – 09	5,630.34	143.81	5,774.15	205.29	11.80	217.09	0.90	0.02	0.92	0.44	0.17	0.42
2009 – 10	6,688.00	143.72	6,831.72	210.79	11.92	222.71	0.86	0.02	0.88	0.41	0.17	0.40
2010 – 11	7,402.14	178.53	7,580.67	218.49	12.03	230.52	1.19	0.02	1.21	0.54	0.17	0.52
2011 – 12	NA	NA	NA	286.61	15.68	302.29	1.23	0.02	1.25	0.43	0.13	0.41
Total				1,114.32	62.77	1,177.09	5.12	0.10	5.22	0.46	0.16	0.44

(Dom. - Domestic, For. - Foreign, NA - Not Available)

(Source: Annual reports of the Department of Tourism, GoWB and occupancy registers of respective lodges and Management information system reports of the Company)

It may be seen from the above table that tourist inflow in the State increased from 204.48 lakh to 302.29 lakh (47.83 per cent) during the period from 2007-08 to 2011-12. Further, the inflow of domestic tourists in the State had increased from 193.14 lakh to 286.61 lakh (48.39 per cent) and similarly, inflow of foreign tourists had increased from 11.34 lakh to 15.68 lakh (38.27 per cent). However, the Company could attract 0.46 per cent and 0.16 per cent of total inflow of domestic and foreign tourists in the State during the same period, which is quite negligible.

We observed that despite being in operation for more than 38 years, the overall share of the Company remained 0.44 per cent of total inflow of tourists in the State.

At the Exit Conference, the Government stated (September 2012) that although the Company was the torch bearer for tourism, it was not designed to cater to adequate share of the tourist traffic. However, the Government admitted the need to enhance the Company's tourist capacity.

Financial performance

2.2.6.2 The analysis of financial position and working results of the Company for last five years upto March 2012 brought out the following:

Table 2.2.2: Summarised working results of the company**(₹ in crore)**

Particulars	2007 - 08	2008 - 09	2009 - 10	2010 - 11	2011-12 (Provisional)
A. Total Income	21.44	29.27	39.30	45.96	50.97
B. Variable cost	7.65	7.99	9.50	13.77	15.19
C. Contribution (A – B)	13.79	21.28	29.80	32.19	35.78
D. Total Fixed cost	11.45	19.19	26.89	30.97	33.11
E. EBIDTA ⁵ (C-D)	2.34	2.09	2.91	1.22	2.67
Interest, Depreciation costs, Tax and prior period adjustment	0.42	1.10	0.70	0.95	1.74
F. EAT/ PAT ⁶	1.92	0.99	2.21	0.27	0.93
G. Paid up capital	9.99	9.99	9.99	9.99	9.99
H. Accumulated loss	7.70	6.71	4.50	4.23	3.31

(Source: Annual/ Provisional Accounts of the Company)

- Revenue increased from ₹ 21.44 crore in 2007-08 to ₹ 50.97 crore in 2011-12 showing a CAGR⁷ of 24.17 *per cent*. The reason for improvement in revenue realisation was upward revision of tariffs in the tourist lodges during 2007-12.
- Although the accumulated losses of the Company showed a decreasing trend during last five years, 33 *per cent* of the paid up capital of the Company was eroded by March 2012.
- The main reasons for rise in fixed costs were (i) higher employee cost attributable to pay hike as the effect of Fifth Pay Commission, especially from 2009-10, and (ii) expenditure on renovation/ repair works initiated during 2008-12.

2.2.7 Audit Findings

The Performance Audit revealed various deficiencies which are discussed in the succeeding paragraphs.

2.2.8 Planning

State Tourism Policy

2.2.8.1 National Tourism Policy of the Government of India (GoI) was adopted in May 2002 which declared tourism development as an activity of national priority.

In order to have a planned effort for development of tourism, the State Government adopted West Bengal Tourism Policy (WBTP) in April 2008. The basic objectives of WBTP were:

- to improve market share of the State in the inbound international tourism segment and also to have a dominant share in the domestic market.
- to promote responsible and sustainable tourism through integrated development of the infrastructure.
- to fully tap the direct and indirect benefits of tourism.

⁵ EBIDTA: Earning before interest, depreciation and tax adjustment.

⁶ EAT: Earning after tax, PAT: Profit after tax.

⁷ Compounded annual growth rate.

- to increase the revenue earnings of the State and the foreign exchange reserves in the country through tourism.

While examining the WBTP, we observed that the State Government did not clearly spell out role of the Company in implementation of WBTP. Moreover, physical and financial targets for implementation of WBTP in terms of specific activities/ programmes were not laid down.

The Company being the State's Public undertaking in tourism sector, incorporated specially to promote and develop tourism in the State, should have made great strides in developing tourist facilities in the State. However, we noticed that the Company had neither identified critical/ nodal areas for planning to augment tourism nor evolved clear milestones/ deliverables for overall development of tourism in the State.

The management stated (October 2012) that the Company played a small role under WBTP. Further, the 26⁸ lodges of the Company could not decide the future of the tourism in the State. The micro level planning for evolving destination specific milestones was the task of the Department. The activities of the Company were a part of this overall plan.

The reply is not acceptable since (i) the Company was incorporated as the nodal agency for promotion and development of tourism in the State on behalf of the State Government. (ii) During 2007-12, the State Government entrusted 85 *per cent* of the total number of tourism projects to the Company. As such the activities of the Company certainly affect the development of tourism in the State. (iii) Further, while the Government would look after the macro-level planning, the micro-level plans for implementation of the WBTP would have to be prepared by the Company with a view to fulfill the deliverables under the policy.

2.2.8.2 GoI had given thrust towards development of tourism projects from X Five Year Plan onwards. The WBTP (2008) envisioned that the State would become a preferred tourism and tourism related investment destination. In order to attract adequate number of tourists, tourism infrastructure/ facilities⁹ were required to be developed with the matching tourism services of reliable nature and quality. These included development of new destinations as well as renovation and development of the existing infrastructure.

The State Government appointed (2006-07) M/s Ernst & Young as Consultant to identify various sites and places for development of tourism infrastructure within the State. The Consultant identified 249 project ideas and recommended their development as integrated projects for product as well as product cum accommodation facilities by 2018-19. Aggregate expenditure on these "project ideas" had not been worked out by the Consultant.

We observed that the State Government selectively took-up 14 project ideas randomly out of 249 as suggested by the Consultant for implementation. This approach of the Government coupled with unplanned and delayed

⁸ Including Digha (Tented) Accommodation for which revenue inflow was from April 2012.

⁹ Tourism infrastructure / facilities mean not only special infrastructure for tourism such as tourism units used for servicing and hosting tourist during their stay in the State, but also related basic infrastructure such as roads, lighting etc. and repairs, renovation of tourist lodges.

implementation of tourism projects by the Company (as discussed in paragraph 2.2.9) led to a position where the State Government/ Company failed to tap the full potential of the State tourism prospects.

Strategic plan

2.2.8.3 A medium to long term strategic plan provides an organisation with a framework to develop goals and programmes strategies and work plans for implementing targeted programmes and deploying resources and setting performance indicators for quality assurance and measuring of progress towards goals. The COPU in its 93rd report (July 2008) had observed that tourism potential in the State was neglected for want of foresight and proper planning.

Our review of the Board Minutes and Agenda from 2007-08 to 2011-12 showed that in absence of strategic plan/ policy, no development of project ideas as well as development of tourism projects was taken by the Company's BOD. Further, the Company prepared only revenue budget without capital budget. Plans for development of tourism projects were prepared by the Government and allotted to the Company for implementation.

Restructuring exercise

2.2.8.4 As a part of restructuring exercise of loss-incurring State owned public sector enterprises, the State Government appointed (September 2007) Mott Mac Donald as consultant. The consultant identified (March 2009) various reasons for the Company's poor financial performance on a sustained basis as well as poor service quality at the Company's lodges and restaurants, uneconomic size of lodges, low occupancy levels and lack of market driven policies/ in-house talent. Accordingly, the consultant suggested following 12 broad recommendations for business, administrative and financial restructuring of the Company to be implemented by March 2012.

- i. Introducing tour packages in line with market demand.
- ii. Introducing self-operated road fleet.
- iii. Increasing tariffs based on benchmarking.
- iv. Promoting use of credit cards.
- v. Renovating and upgrading facilities like lodges, vessels *etc.* to compete with the private sector.
- vi. Implementing Decision Support System (DSS).
- vii. Operating lodges, conducted tours and bookings and water fleets as profit centres with delegation of authority and accountability to the managers.
- viii. Inducting independent Directors on the Board in line with the principles of good governance and creating Board level committee.
- ix. Appointing an external consultant for finalising the roles, responsibilities and key performance indicators of individual positions and updating the human resources related policies.
- x. Recruiting staff for core and support functions for existing sanctioned post.

- xi. Restructuring the organisational set up.
- xii. Converting accumulated loan and interest thereon to equity as well as adjusting the accumulated losses through capital reduction.

We observed that the BOD discussed (June 2009) these recommendations in detail but did not chalk out requisite implementation plans. Further, the Company did not implement six (sl. no. vii to xii) recommendations as of March 2012. The status of implementation of the restructuring process by the Company upto March 2012 is given in **Annexure 2.2.1**. No reasons/ grounds were adduced or were on record for such status.

2.2.9 Implementation of tourism projects

Project funding

2.2.9.1 The State Government conceives and monitors different projects for development of tourism in the State. Implementation/ execution of such projects are, however, assigned to different agencies/ authorities, not all of which were under the administrative control of the Tourism department or even the State Government. The projects involved development of specific destinations and tourist circuits *etc.* Summary of projects undertaken and funds may be seen from the following table.

Table 2.2.3 Summary of projects sanctioned and taken up during 2007-12
(Amount ₹ in crore)

Sl no.	Particulars	Sanctioned projects			Projects taken up during 2007-12			Projects covered in audit		
		No.	Sanctioned amount	Fund received	No.	Estimated cost	Exp. till March 2012	No.	Estimated cost	Exp. till March 2012
A.	State funded- completed- 11 (SFA)									
1	The Company	34	16.14	16.14	19	8.35	5.83	2	1.05	0.21
2	Other agencies	Nil	N.A.	N.A.	Nil	N. A.	N. A.	N.A.	N. A.	N.A.
	Sub-Total	34	16.14	16.14	19	8.35	5.83	2	1.05	0.21
B.	Centrally funded – completed- 4 (CFA)									
1	The Company	23	127.97	83.75	17	92.44	39.13	9	56.87	30.04
2	Other agencies	10	15.45	12.40	6	14.06	8.56	Nil	Nil	N.A.
	Sub-Total	33	143.42	96.15	23	106.50	47.69	9	56.87	30.04
C.	Aggregate- completed- 15									
1	The Company	57	144.11	99.89	36	100.79	44.96	11	57.92	30.25
2	Other agencies	10	15.45	12.40	6	14.06	8.56	Nil	Nil	Nil
	Total	67	159.56	112.29	42	114.85	53.52	11	57.92	30.25

(Note: Six spillover CFA projects from the X Five Years Plan, taken up in the XI Five Years Plan period are not included.)

It is evident from the above table that:

- The Government released ₹ 112.29 crore (GoI - ₹ 96.15 crore, GoWB - ₹ 16.14 crore) to seven¹⁰ agencies for 67 projects against total sanctioned cost of ₹ 159.56 crore (i.e.70.37 per cent).

¹⁰ Company (CFA : 23, SFA : 34); Darjeeling Gorkha Hill Council (CFA : 3); RIDDHI(CFA : 1); District Magistrate, Hooghly (CFA : 2);Ramkrishna Mission (CFA : 2), Howrah Zilla Parishad(CFA : 1) and Nadia Zilla Parishad(CFA : 1).

- Expenditure of ₹ 53.52 crore¹¹ incurred till March 2012 represented fund utilisation of 47.66 *per cent*. However, utilisation of fund (₹ 47.69 crore) against GoI funded projects was 49.60 *per cent* and that of projects funded by the State Government (₹ 5.83 crore) was 36.12 *per cent*.
- Fifteen projects were completed in 2007-12 (expenditure: ₹ 10.10 crore), while 27 were ongoing for 13 to 54 months (expenditure: ₹ 43.42 crore) as at March 2012. The remaining 25 projects were not taken up (as of July 2012). While fund (₹ 23.59 crore) in respect of 21 projects to be implemented by the Company were parked in term deposits with banks, the status of balance four¹² (₹ 1.16 crore) was not known as their progress reports had not been obtained from the implementing agencies by the Government.

Project management

2.2.9.2 Implementation of the projects¹³ envisages meticulous planning, effective execution and professional management to complete the projects in time within the cost and ensure performance. The State Government allocated implementation of 57 (CFA¹⁴-23 and SFA-34) out of 67 tourism projects (85.07 *per cent*) to the Company. Till March 2012, the Company completed 13 projects with delays of three to 46 months while 23 projects were in progress with delays of two to 30 months and remaining 21 projects were not taken up.

We analysed 11 CFA projects (**Annexure 2.2.2**) and observed that the slow pace of implementation of projects by the Company was attributable to poor planning, lack of monitoring/ co-ordination, land acquisition/ diversion problems. Out of 11 projects seen by audit, in five cases the Company had to drop project components from the approved project due to non-availability of land. Some of the cases are discussed hereafter.

Eco- tourism complex at Sajnekhali, Sunderban

2.2.9.3 In 1987, Sunderban was declared a world heritage site by the UNESCO. Consequently, with a view to minimise the adverse effect of mass tourism on the wildlife, Forest department, directed that no private hospitality



Vacant land available on the west of existing accommodation

firm could be allowed to construct any new lodge/ resort/ other tourist facilities within Sunderban. Sajnekhali eco-tourism complex of Sunderban is situated in the eco-sensitive zone of both the Sunderban Biosphere Reserve and Sunderban Tiger Reserve. Subsequently, the State Government proposed (October 2008) to develop the eco tourism complex at Sajnekhali. Accordingly, GoI sanctioned (February 2009) ₹ 4.58 crore

¹¹ 42 projects were taken up, while 25 were yet to be taken up.

¹² Darjeeling Gorkha Hill Council (CFA : 1); RIDDHI (CFA : 1); District Magistrate, Hooghly (CFA : 2)

¹³ Project includes tourism products/ destination as well as infrastructure facilities.

¹⁴ Central Financial Assistance

to the State for creation of additional facilities like improvement of the surroundings through landscaping, tourist jetty with revetment, water supply/ sewage/ storm water disposal systems, tourist reception/ information/ refreshment centres and budget accommodation (16 rooms) at the Company's existing facility at Sajnekhali. The GoI disbursed (March 2009) ₹ 3.66 crore for the project to be completed by February 2011. The Company engaged (August 2009) Bengal Srei Infrastructure Limited as Project Management Consultant (PMC). The entire work was awarded (October 2009) to P.B. Nirman Udyog Pvt. Ltd. for ₹ 1.64 crore, to be completed within nine months. The Company commenced the work without obtaining environmental clearance from the Forest department. Consequently, the Forest department stopped (July 2010) the work since the southern side was abutting the pasture frequented by wild life and human habitation at close proximity would be detrimental to them. However, by that time the Company incurred an expenditure of ₹ 1.29 crore towards landscaping and construction of jetty (₹ 87.06 lakh) and budget accommodations (₹ 41.76 lakh).

The Company prepared the DPR without obtaining requisite clearances from the Forest department. Consequently, the project remained incomplete and expenditure of ₹ 41.76 lakh on construction of budget accommodation became infructuous.

The management stated (October 2012) that the efforts were being made to execute the remaining work through the Forest department.

Ganga Heritage River Cruise

2.2.9.4 The State Government decided (July 2008) to set up jetty and other facilities at 12¹⁵ ferry *ghats* on the river Hooghly between Kolkata and Azimganj, Murshidabad district for the Ganga Heritage River Cruise. GoI sanctioned and released (September 2008) ₹ 10.21 crore for execution of 11 locations at an estimated project cost of ₹ 20.42¹⁶ crore. Works were to be executed through the Company by September 2010.

One ferry *ghat* (Behrampore) was completed (June 2011) while eight were in progress (as of March 2012) with aggregate expenditure of ₹ 5.37 crore towards erection of canopy structure, renovation of *ghats* and jetties *etc.* At Behrampore and Murshidabad-Lalbagh, the Company incurred a consolidated expenditure of ₹ 1.61 crore against sanctioned cost of ₹ 1.07 crore leading to excess expenditure of ₹ 54.16 lakh. This was attributable to the increase in component of works not approved by GoI. Although the State Government constructed a new jetty at Behrampore Ferry Ghat (prior to July 2008), the Company installed (December 2010) another gangway cum pontoon and fixed jetty platform (actual cost: ₹ 75.90 lakh) not included in the project for which no reasons were found on record.

¹⁵Belur Math, Behrampore, Lalbagh (Murshidabad), Serampore, Chinsura, Barrackpore, Chandannagar, Nabadwip, Mayapur, Plassey, Azimganj – Baranagar and Dakshineswar.

¹⁶Belur- ₹ 2.08 crore, Barrackpore- ₹ 1.64 crore, Serampore- ₹ 1.92 crore, Chandannagar- ₹ 2.14 crore, Hooghly – Chinsurah- ₹ 2.15 crore, Nabadwip- ₹ 71.78 lakh, Mayapur- ₹ 1.13 crore, Plassey- ₹ 3.20 crore, Behrampore- ₹ 75.35 lakh, Murshidabad – Lalbagh- ₹ 31.55 lakh, Azimganj – Baranagar- ₹ 4.37 crore.

We observed that the existing jetty was constructed by the Transport department, GoWB and additional jetty was not required in Berhampore as envisaged in the DPR. The Company constructed another jetty ignoring the above fact. Besides, the Company diverted (December 2011) ₹ five crore towards Kolkata Riverfront Beautification Project (a Kolkata Municipal Corporation project) for which no approval was taken from the GoI. However, on the other hand the Company could neither take up the scheduled work at two locations (Belur and Nabadwip) nor completed the work at eight other locations due to shortage of fund.

Circuit Tourism at Bakkhali, Fraserganj and Sagar Island

2.2.9.5 With a view to develop infrastructural activities for Circuit Tourism at Bakkhali, Fraserganj and Sagar Island, the Company had taken up (September 2007) a project at a sanctioned cost of ₹ 4.71 crore. The project components *inter alia* included landscaping, development of parks, illumination of the tourist area, construction of budgeted accommodation, tourist reception /interpretation centres and other activities directly related to tourism. The GoI released (September 2007) ₹ 3.77 crore to the Company for the project to be completed by September 2009.

Land acquisition at Sagar Island was initiated (October 2008) after a delay of 13 months but had not yet materialised as land transfer was not made. Landscaping work at Bakkhali was started in July 2010 after a delay of 33 months due to lack of co-ordination between the architect, PMC and management. The Company incurred an expenditure of ₹ 97.54 lakh on sanctioned components of work but had not created infrastructure such as improvement of solid waste and sewage management, wayside and other amenities *etc.* at Fraserganj and Sagar Island. Meanwhile, the Company diverted (January 2008) ₹ 2.94 crore towards construction of a new building (cost: ₹ 2.19 crore) at Bakkhali tourist lodge complex and ₹ 75.14 lakh for erection of shed at Sagar Island for which no approval was taken from the GoI.

The management stated (October 2012) that no diversion has been made for Bakkhali works. All the works have been taken up for creating a high class tourist complex at the specified location.

The reply is not acceptable as GoI sanctioned funds specifically to develop infrastructural activities for tourist circuit connecting Bakkhali, Fraserganj and Sagar Island taken up by the State. Instead of completing the works at these three destinations, the Company diverted funds for creation of high class tourist complex at Bakkhali. Development of other two locations (*viz.* Fraserganj and Sagar Island) of the circuit as included in the scheme was not taken up.

Eastern Dooars Tourism Circuit in Jalpaiguri,

2.2.9.6 In connection with Eastern Dooars Tourism Circuit in Jalpaiguri, GoI sanctioned (February 2007) ₹ 6.84 crore and released ₹ 4.47 crore for tourism related works. Components of the scheme, *inter alia*, included landscaping work, illumination of tourist destinations and other tourism related works at

four places (*viz.* Jaldapara Wild Life Sanctuary, Rajabhatkhawa, Jayanti-Buxaduar and Hatipota) to be completed by February 2009.

After taking 25 months for identifying land at Rajabhatkhawa, the Company approached (April 2009) the Forest department for approval of that project component but was not accorded (May 2009) permission under the revised guidelines of Wild Life Protection Act. Jayanti-Buxaduar and Hatipota components were dropped due to non-availability of land.

As of March 2012, expenditure of ₹ 1.70 crore was incurred for landscaping and other project works at Jaldapara. Components of the Project at Rajabhatkhawa, Jayanti and Hatipota could, thus, not be executed (January 2012) as they fell within the core area of Buxa Dooars Tiger Reserve. Ultimately, they were dropped (March 2012) by the GoI. Thus, lack of liaison with the Forest department while identifying land for the Project led to non-implementation of the project.

Other lacunae in Project Management

2.2.9.7 We noticed the following lacunae in formulation of estimates, award of tenders, monitoring progress *etc.*

- As per the Works Manual of Central Public Works Department (CPWD) the consultants' fees shall be included in the estimates as a distinct item of the project cost. Although the Company paid (2007-12) consultancy fees of ₹ 1.70 crore for implementation of 21¹⁷ projects funded by GoI, it could not raise claims from the GoI since such fees was not included in the estimates/ DPRs as a distinct item of cost.
- West Bengal Financial Rules (WBFR) specifies that all works exceeding ₹ one lakh are to be awarded through open tender. In all instances, the appointments of the consultants were not done either by inviting open tenders or obtaining quotations. In two cases, the terms of payments were modified by ₹ 3.40 lakh to the advantage of consultants (*viz.* SMG Design, Hyderabad and Chadha Design Pvt. Ltd.) after awarding of the contracts.
- Though the State Government was to set up (September 2006) State Level Monitoring and Convergence Committees under the chairmanship of the Secretary (Tourism) for monitoring of tourism projects, they were formed only in March 2010 after a delay of 42 months. Besides, a Committee headed by the Chief Secretary, to be constituted so that the issues relating to convergence of financial resources under different sectors and harmonious co-operation of various agencies could be taken up at the highest level by March 2012 had not yet been set-up.
- Besides, workings of PMCs were not regularly monitored by the Project Management Cell of the Company. The Company did not maintain Measurement Books of project works. Payments to the contractors were in all instances made on the basis of recommendations of the PMCs and the actual quantum of components of work were not cross checked on site by the Project Management Cell of the Company. Thus, the responsibility towards award and execution of contracts had been abdicated by the Company.

¹⁷Including four spillover projects.

In reply to the audit observations, the management stated (October 2012) that henceforth, fees of Project Management Consultant/ architects would be included in the DPR as direct costs. Regarding engagement of Project Management Consultants, they intimated that the Engineering cell of the Company was not able to supervise the work sites spread all over the State; therefore, Project Management Consultants were engaged to monitor the works.

The reply is silent about the lapses in engagement of the Project Management Consultants.

2.2.10 Operational performance

Operation of lodges under own control

2.2.10.1 The WBTP 2008 envisages renovation, expansion and upgradation to appropriate star categories of the Company's lodges. Besides, it recommends that private entrepreneurs be associated with the management and operation of lodges, especially, those incurring losses.

The Company operated 25 lodges (including one new lodge operational since May 2011) during 2007-12. Summarised operational performance of these lodges is given below, with annual profitability of 24¹⁸ lodges given at Annexure 2.2.3.

Table No. 2.2.4: Summarised operational performance of lodges during 2007-12

(Amount: ₹ in crore)

Year	Lodges/ hotels earning profit		Lodges/ hotels incurring losses		Operational profit/ loss (-)
	No.	Amount	No.	Amount	
2007-08	11	1.18	13	0.64	0.54
2008-09	8	1.31	16	1.30	0.01
2009-10	5	1.18	19	2.73	(-) 1.55
2010-11	8	1.86	16	2.82	(-) 0.96
2011-12	14	1.74	11	2.03	(-) 0.29
Total		7.27		9.52	(-) 2.25

(Source: Accounting statements of lodges of the Company)

We observed that the Company incurred operational losses of ₹ 9.52 crore from its 11 to 19 lodges (2007-12). Also, 28 percent of its lodges (seven¹⁹) incurred losses continuously aggregating to ₹ 5.45 crore during 2007-12. Our analysis showed that the main reasons for uneconomic operation of these lodges of the Company were (i) absence of long-term planning in improving occupancy/ business, (ii) delayed renovation of tourist lodges, (iii) lower occupancy due to inability to market its products at par with the private competitors, and (iv) fall in quality of services reflected in the rising trend of customers' complaints which are discussed in the succeeding paragraphs.

In reply, the management stated (October 2012) that fresh initiatives had been taken to remove these discrepancies.

¹⁸25 since the year 2011 – 12

¹⁹Rupnarayan (₹ 0.31 crore), Behrampore (₹ 0.28 crore), Teesta Paryatak Abas (₹ 0.65 crore), Mainak (₹ 1.82 crore), Raiganj (₹ 0.75 crore), Kalimpong (Morgan House) (₹ 0.98 crore) and Hill Top (₹ 0.66 crore).

Occupancy

2.2.10.2 The Company had neither fixed standard occupancy ratio²⁰ nor worked out break-even turnover to operate the lodges' profitably. All India Average (AIA)²¹ annual occupancy ratio during 2007-08 and 2008-09 was 59.60 and 55.30 *per cent* respectively. The Company had tied up (July 2009) with Karnataka Tourism Development Corporation Limited (KTDCL) for mutual business development. KTDCL had fixed norms of room occupancy at 57 *per cent*. **With 57 *per cent* occupancy** as benchmark, it was noted that 14 to 17 of the Company's lodges had not met the targets as given below:

Table No. 2.2.5: Average occupancy and achievement of occupancy norm during 2008-12

Year	Targeted income (at 57 per cent occupancy)	Actual income (percentage of targeted income)	Shortfall	No. of lodges achieving the target		No. of lodges not achieving the target		Average annual occupancy ratio
				No.	Percentage	No.	Percentage	
	(Amount ₹in lakh)			No.	Percentage	No.	Percentage	
2008 - 09	776.22	531.78 (68.51)	244.44	0 7	29	17	71	42.66
2009 - 10	1,003.31	672.11 (66.99)	331.20	0 7	29	17	71	41.83
2010 - 11	1,199.95	874.43 (72.87)	325.52	0 9	38	15	62	40.58
2011 - 12	1,309.88	971.85 (74.19)	338.03	1 1	44	14	56	44.15
Total	4,289.36	3,050.17	1,239.19					

(Source: Annual Budgets of the Company)

Note: - Targets for 2007-08 is not available. Figures in brackets indicate percentage of achievements to targets.

During 2007-08, the average occupancy ratio of lodges was 42.01 *per cent*. We observed that though overall occupancy percentage had declined over 2007-11, it improved in 2011-12 due to increase in inflow of tourists in Company's lodges for hill and adventure tourism in the State. There was nothing on record to indicate that the management had either analysed the reasons for low occupancy or taken corrective actions to increase revenue from the lodges. The Company fixed annual revenue targets for lodges after discussion with the respective Managers. In all five years, pre-budget discussions were held in June of the financial year and the revenue budgets were issued in July. Thus, four months elapse when the budget is allotted. Consequently, the Managers were apprised of the annual targets when only eight months in the year were left. This contributed to shortfall in targets in three out of four²² years as given in **Annexure 2.2.4**. The budget was never tabled in the BOD. Besides, the Company had not applied to the Hotels and Restaurants Approval and Classification Committee (HRACC) under the Department of Tourism, GoI for Star category rating to get benefit from the

²⁰ Occupancy ratio is a measure of the actual utilisation of lodging facilities and is expressed as a percentage of actual number of bed – days occupied to the total number of bed – days available in a year i.e. total number of beds multiplied by 365.

²¹ Ministry of Tourism, Government of India

²² Target in respect of 2007-08 is not available

inherent business advantage of star classification as recommended by the consultant (Mott Mac Donald).

While accepting the audit observations, management stated (October 2012) that possibilities were being explored to meet the target in future and mentioned that necessary steps would be taken to prepare the budget for 2012-13 within 31 March 2013. Further, necessary action would be taken to obtain star rating.

Renovation of tourist lodges

2.2.10.3 The WBTP 2008 proposed upgradation of tourism infrastructures/facilities and rectify deficiencies in accommodation and lodging. We observed that the Company had no mechanism for identification of assets in urgent need of repairs or maintenance. Moreover, there were no guidelines or policy fixing any target action plan for renovation and upgradation of assets.

During 2007-12, the Company had undertaken renovation of its' 19 lodges to make them 'commercially viable'. Of these 19 lodges, two²³ were still under renovation (July 2012). Details of all 19 lodges are given at **Annexure 2.2.5**. The following table summarises the impact of renovation of 17 tourist lodges:

Table No. 2.2.6 Impact on occupancy of 17 lodges after renovation

Occupancy Ratio (percentage)	Change in occupancy after renovation			
	Improvement		Fall	
	No. of lodges	Expenditure ²⁴ (₹ in crore)	No. of lodges	Expenditure ²⁴ (₹ in crore)
Up to five percentage points	Nil	N.A.	1	1.36
More than five up to ten percentage points	Nil	N.A.	3	3.13
More than ten up to twenty percentage points	3	2.41	2	0.48
More than twenty percentage points	4	2.68	4	4.48
Total	7	5.09	10	9.45

(Source: Occupancy register and expenditure statements of the lodges of the Company)

Audit scrutiny revealed that the management had not analysed reasons for this post-renovation decline in occupancy ratios in tourist lodges. Also, in four instances (as shown in the **Annexure 2.2.6**), diversion of fund (₹ 3.80 crore) from the central assistance, abnormal delays in taking up execution of renovation works and consequential loss of potential revenue (₹ 1.95 crore) by the Company were noted.

Operational Performance of Restaurants

2.2.10.4 During 2007-12, the Company operated 22 restaurants at 25 tourist lodges under its own control. The summarised position of operational performance of these restaurants showed that the restaurants had earned an aggregate profit of ₹ 8.70 crore (**Annexure 2.2.7**). The major component of cost was food.

2.2.10.5 The Company had fixed (July 2007) food cost norms at 40 *per cent* of catering turnover from 2007-08 and it was reduced (July 2011) to 35 *per cent* from 2011-12. Test check of catering records of 13 restaurants out of 22 showed that:

²³ Malancha and Rupnarayan.

²⁴ Expenditure relates to renovation of lodges.

- Except three lodges (*viz.* Sajnekhali, Berhampore and Jaldapara) the actual food cost percentage was in excess of norms and it ranged between 36 *per cent* and 88 *per cent*.
- Till April 2009, the Company calculated²⁵ food cost after considering raw materials and cooking fuel. Thereafter, the Company omitted cooking fuel and opening and closing stock of groceries/ fresh supplies while calculating percentage of food cost. This resulted in favourable depiction of food cost percentage.
- The Company had not framed any norm/ rule for raw materials procurement. The raw materials (*viz.* groceries) were procured locally without entering into rate contracts finalised through tenders, indicating ineffective control over the input cost by the Company.
- At four lodges, Teesta, Berhampore, Bakkhali and Malancha the value of free duty food per employee was enhanced in 2010-11 over 2009-10 by 114 *per cent*, 11.38 *per cent*, 36 *per cent* and 30 *per cent* respectively. By charging higher amounts towards free duty food, these lodges succeeded in presenting a lower percentage of food cost.

In reply to our observation, the management stated (October 2012) that the formula for ascertaining the food cost ratio was adopted from the guidelines of Indian Institute of Hotel Management (IIHM). Percentage of food cost was high due to less number of customers in the restaurants and rate contract could not be viable without specific minimum requirement of materials.

Reply of the management is not tenable as food cost per serving unit is fixed, irrespective of the number of customers in the restaurants. Despite revision of formula regarding percentage of food cost, the Company failed to bring down the food cost percentage within the norm by improving its operations. Moreover, periodical trend analysis of consumption of raw materials of restaurants helps to identify economic order quantity (EOQ) for procuring materials on rate contract basis which was not adopted by the Company even after 38 years of its operation.

Shortage of operational manpower

2.2.10.6 In a service industry such as tourism, availability of skilled and adequate manpower is critical. The staffing pattern at the Company's lodges showed that the bed-employee ratio was 2.95:1 as against industry norm of 1:2 representing short deployment of employee against each bed. All the test checked 13 lodges except Siliguri Tourism Centre were short staffed. There was shortage of manpower at all functional/ operational levels of the Company. These shortages were partly met by utilising the services of daily rated labour. Further, nine out of 25 lodges were managed by the personnel below the rank of Manager. Moreover, the Company had no dedicated Public Relations Officer to sort out customer-grievances.

²⁵ Formula for food cost (prior to April 2009): Raw materials consumed ***including*** fuel *divided by* (Sales *including* free duty food to kitchen staff, staff food, complimentary food etc.) *multiplied by* 100.

Formula for food cost (since April 2009 onwards): (Raw materials consumed ***excluding*** free duty food to kitchen staff, staff food, complimentary food etc.) *divided by* Sales *multiplied by* 100.

Further, the restructuring Consultant (Mott Mac Donald) had recommended (March 2009) total manpower of 722 (Lodges – 580, Head Office – 92 and Tourist Centres – 50) to be implemented by March 2012. However, no action has been taken on the recommendation of the consultant. Besides, the Company had outsourced manpower for sweeping, security and gardening work to the external agencies, without framing any outsourcing policy as recommended by the Consultant (Mott Mac Donald).

Inadequate essential facilities

2.2.10.7 Test check of essential services/ amenities at 13 lodges brought out that the Company did not conduct periodic medical checkup of the cooks and other employees. The quality of food was never tested by the food inspectors of the Public Health department. The Company had not displayed information on availability of medical facilities/ expertise at the reception counters of the lodges/ restaurants. A review of fire protection measures at 13 lodges revealed that in nine lodges the Company had not installed (July 2012) fire extinguishers or fire alarms.

Management accepted (October 2012) the audit observations and stated that necessary steps would be taken for periodic medical checkup of cooks and other employees and food testing by the food inspector of Public Health Department.

Assessment of customers' satisfaction

2.2.10.8 To assess the degree of satisfaction of the customers, with regard to accommodation, their upkeep/ maintenance/ service and quality of food, the lodges maintain suggestion/ complaint registers. Of the 13 lodges visited, Malancha and Mainak did not maintain registers while no complaints were recorded at Sajnekhali and Morgan House. During the period 2007-08 to 2011-12, 168 complaints were lodged by the customers in the remaining nine lodges with restaurants. The nature of complaints included deficiencies in services (including room service), maintenance, provision of basic amenities, poor quality of food and discourteous behavior towards customers by staff.

Scrutiny of action taken against complaints brought out that the managers of Santiniketan, Digba, Bakkhali, Darjeeling and Jaldapara tourist lodges did not take any action on the complaints during 2007-08 to 2011-12. However, the managers of Teesta and Diamond Harbour tourist lodges took action against only four complaints each out of total 10 and 63 complaints respectively. Though the Company's website was designed (November 2008) to register complaints online, it was noticed that the customers' feedback provision on the website had not been activated thereby defeating the purpose for which it was created.

2.2.10.9 The management neither reviewed the customers' complaints nor initiated remedial action to improve quality of services rendered by the employees. Instead the Company freely distributed ₹ 2.36 crore as honorarium to its employees without judging employees' performances against quality of services rendered out of the service charges collected (₹ 3.17 crore) from the customers for last five years upto March 2012.

The management assured (October 2012) to incorporate customers' feedback on the website while accepting the system deficiency.

Fixation of tariff for lodges and restaurants

2.2.10.10 The Company had not evolved a policy for fixation/ revision of tariff. The Company revised lodge tariffs twice (April and October) in a year based on discussion with the managers of the lodges and considering occupancy ratio of the respective lodges. Food tariffs were fixed by the respective lodges without any approval/ monitoring from the Company.

In this connection, it was noted that tariff was fixed without any analysis or comparison with the other operators. No systematic variance analysis of lodge wise tariff was attempted to manage the lodges commercially. Moreover, the rates of food items as offered to the customers were fixed locally by the lodge managers at mark up of cent *per cent* on direct costs.

Operational Performance of bars

2.2.10.11 Audit scrutiny revealed that liquor items were procured and the selling prices of the same were fixed locally by the lodge (having bars) authorities of the Company. There was no uniformity in fixing selling prices of such liquor items. The summarised profitability of the Company's bars was as follows:

Table No. 2.2.7: Summarised profitability of bars of the Company

Year	Number of working bars	Total operating profit (₹ in lakh)	Profit earning bars (₹ in lakh)			Loss incurring bars (₹ in lakh)		
			Number	Percentage	Amount	Number	Percentage	Amount
2007-08	14	28.26	12	85.71	30.19	2	14.29	1.93
2008-09	14	45.58	11	78.57	47.17	3	21.43	1.59
2009-10	14	78.51	12	85.71	78.97	2	14.29	0.46
2010-11	15	(13.29)	12	80.00	115.56	3	20.00	128.85
2011-12	15	38.59	10	66.67	112.17	5	33.33	73.58
Total		177.65			384.06			206.41

(Source: Annual statements of accounts of the bars of Company)

The percentage of loss incurring bars ranged from 14.29 to 33.33 during 2007 -12. At Malbazar and Mecheda, loss of ₹ 2.02 crore in 2010-12 was sustained on an aggregate turnover of ₹ 4.29 crore. Losses were attributable to (i) fixation of selling price of liquor items (*viz.* beer and spirits) without considering the cost of license fees, carrying cost of liquor items and other expenditure with their purchase price; (ii) discrepancies in the valuation of different items of bar stock by the lodge authorities and (iii) non-review of monthly returns of bar stock at HQ level of the Company.

Operation of Vessels and Air-conditioned Buses

2.2.10.12 The Company operates four vessels viz. Chitrarekha, Sarbajaya, Madhukar²⁶ and Sumangal for conducting package tours to Sunderbans and river cruises on Hooghly. Although all the four vessels are owned by the State Government, the entire income generated from operation of these vessels is treated as the Company's income.

We observed that the Company reflected an operating profit of ₹ 1.13 crore in the past three years up to 2011-12. This did not, however, include expenditure of ₹ 1.82 crore incurred on repairs and renovation in the same period. The Company, thus, incurred a loss of ₹ 0.69 crore.

2.2.10.13 The Company purchased (2009-10) six AC buses (cost: ₹ 1.22 crore) with seating capacity of 30 persons each for conducting city tours. These buses were manned through personnel on contract basis. During 2009-12, it utilised 41 to 50 *per cent* of the available seat capacity to earn revenue of ₹ 1.06 crore and generate profit of ₹ 33.50 lakh. Management has neither analysed the reasons for under utilisation of the buses, nor taken corrective action to maximise profit from operation of such buses.

The management admitted (October 2012) that there was need to improve the operation of vessels and AC buses.

Leasing out of lodges to management contractors

2.2.10.14 With a view to encourage private participation in tourism, the Company from time to time leases out lodges through tender. As of March 2012, the Company had leased (April 1995 to October 2009) out 11 tourist lodges covering 3.07 lakh sq.m of land of the Company on long term contracts of 15 to 33 years to private operators/ management contractors (MCs). The revenue of ₹ 2.63 crore realised from such private operators by the Company during last five years upto March 2012 is given in **Annexure 2.2.8**.

Deficiencies in leasing out two lodges at Shantiniketan (II) and New Digha (paragraph 4.13 of Audit Report Commercial 2003-04 and paragraph 4.17 of Audit Report Commercial 2005-06) were pointed out. The COPU had recommended (July 2008/ December 2008) in its 93rd and 97th reports that the Government/ Company should exercise caution before signing every management contract to avoid incorporation of ambiguous, undesirable and detrimental clauses. Besides, COPU also recommended a thorough enquiry into the affairs of new Digha tourist lodge to explore the dubious dealing of the valuer and the Company's management.

We observed that-

- The Company had still not formulated a policy for leasing out its lodges to MCs. In absence of leasing policy the Company could not fix upset price²⁷ systemically and pre-determine percentage increase in lease rentals while renewing leases.

²⁶ Transferred to the Department of Tourism in 25 July 2011.

²⁷ Upset price is the price below which the MC could not be engaged.

- The BOD of the Company decided (September 2007) to standardise the agreement with the MCs. Although the Company framed (June 2008) a standardised agreement for management contracts at an expenditure of ₹ nine lakh through Bengal Srei Infrastructure Development Limited, it discontinued (June 2009) the process of revision of agreements for reasons not on the records. Thereafter, none of the management contracts were revised (July 2012).
- Under lease agreements, the higher of minimum annual guaranteed revenue (MAGR) or pre-determined percentage of annual turnover was payable by the MCs to the Company over the entire lease period. However, the Company had never obtained certified Financial Statements from the MCs for arriving at the actual lease rentals payable on their turnover by the MCs. Consequently, the adequacy of the value of business (₹ 2.63 crore) collected by the Company could not be justified in audit.
- In the lease agreements with seven MCs, the Company had not incorporated the above clause and collected the MAGR. The original lease agreements (April 1995/ November 1995) with two of these MCs (viz. Mark Hotel & Resorts Pvt. Ltd. for Santiniketan 2nd Tourist Lodge and Larica Resorts Pvt. Ltd. for Digha 2nd Tourist Lodge) contained a clause on percentage of annual turnover. This clause had subsequently been deleted (September 2003/ September 2005) by the management from the revised agreements for reasons not on records. Loss of revenue on leasing out of tourist lodges to MCs cannot be ruled out.
- The Company did not maintain registers/ documents having details of annual lease rent recoverable, actual recoveries, shortfall in realisation/ recovery, interest chargeable on delayed payment and outstanding balance realisable. Hence, the unrealised rent was not ascertainable.
- Although the lease agreements with MCs permitted the management to inspect and survey the leased assets, it did not inspect the properties of these tourist lodges regularly.

The management assured (October 2012) to check MAGR or pre-determined percentage of annual turnover and to incorporate the clause of pre-determined percentage of annual turnover in future agreements. It further assured (October 2012) to consider the recommendation of COPU of enquiring into the affairs of New Digha Tourist Lodge regarding its valuation. The Tourism department, however, remained silent on the recommendation of COPU.

2.2.11 Marketing Management

Marketing Strategy

2.2.11.1 In order to define the marketing strategy and the likely way forward for the Tourism department, the State Government appointed (2006-07) Ernst & Young as consultant. The consultant recommended the following eight marketing strategies to be implemented in phased manner by March 2012.

- i. Set up organizational cell.
- ii. Initiate branding and sub-branding.
- iii. Conceptualise and develop website.

- iv. Identify and target priority market.
- v. Expand activities in all the target markets.
- vi. Set up marketing programmes and their local chapters for various countries.
- vii. Initiate the presence of the State in tourism fairs.
- viii. Engage marketing agency on annual basis.

We observed that the State Government had neither implemented these recommendations nor directed the Company to implement the same for development and promotion of tourism of the State.

2.2.11.2 We further observed following deficiencies with respect to marketing and promotion of tourism business:

- The Company did not form an independent marketing cell to formulate policy/ plan for marketing and promotion of tourism business. Although the Tourist Reception Centres (TRCs) supplemented the marketing efforts, no targets of business of TRCs were fixed by the Company.
- The Company did not chalk-out a well-defined marketing strategy of its own to tap prospective tourists to its lodges. The Tourist Guide published by the Company was not updated and was thus not fit for dissemination of information to prospective tourists.
- In spite of tie ups with some major corporate travel agencies (*viz.* Thomas Cook, Ezeego, Make My Trip and Cox & Kings), no major bookings had been received from them. Management of the Company, however, had not taken any initiative to increase the volume of business from such corporate travel agencies.
- Potential avenues of marketing like LTC packages, tour by reputed clubs, Co-operative Societies, Corporate Houses *etc.* had not been explored at the desired level. Consequently, the Company could not tap substantial revenues from such sources.
- The Company conducted/ participated in 126²⁸ fairs/ festivals with the aid of ₹ 17.12 crore²⁹ during the last five years up to March 2012. We found no record of detailed expenditures on fairs and festivals from the Company's documents despite our requisitions. Moreover, no tangible benefits from such fairs and festivals on promotion of tourism in the State were noted.
- The Company decided (June 2007) and appointed 36 sales/ marketing agents to appoint sales agencies for increasing business volumes. However, performance of such agents was not periodically assessed. The volume of business generated by these agents aggregated to ₹ 1.36 crore over 2009-12, with nine agents contributing 62 *per cent*. The total commission paid was ₹ 17 lakh (*i.e.* 12.5 *per cent*).

²⁸ 44 National, 15 International and 67 State Fairs/ Festivals.

²⁹ CFA : ₹ 1.20 crore, SFA : ₹ 15.92 crore.

In reply, the management stated (October 2012) that they would reassess the performance of the Sales/ Marketing agents.

Package tours

2.2.11.3 During last three years upto March 2012 the Company conducted 30 package tours on 16 circuits to facilitate the tourists in accessing various destinations in the State. The details for 2007-09 were not made available. During 2009-12, the revenue from these tours aggregated to ₹ 50.37 lakh against an expenditure of ₹ 36.99 lakh to earn profit of ₹ 13.38 lakh.

We observed that –

- Four circuits³⁰ were operated profitably in all three years, while two circuits³¹ incurred losses in two out of three years. However, the margin of profit fluctuated between 25.04 per cent and 30.80 per cent.
- One international circuit tour package (Jaldapara - Bhutan) was operated in 2009-10 with profit margin of 31.08 per cent. However, it was discontinued since 2010-11 without any recorded reason.

2.2.12 Internal Control Mechanism

2.2.12.1 Internal control is a process designed to provide reasonable assurance to an organisation regarding achievement of its performance goals. A built-in internal control system minimises the risk of errors, irregularities and ensures optimum utilisation of resources. The following deficiencies in internal control system were noticed by us.

Non formation of purchase committee and tender committee

2.2.12.2 The Company did not prepare any purchase policy/ manual. Besides, delegation of financial powers was not revised since January 2004. Moreover, as per the Government's directives (November 2004/ June 2012), all purchases/ tenders, for works exceeding ₹ one lakh were to be scrutinised by the tender committee and purchase committee. During the period 2007-12, the Company made bulk purchases of ₹ 8.32³² crore for execution of tourism projects without forming any tender and purchase committee.

The management stated (October 2012) that the basic norms of purchase and tender of the GoWB was being followed in the organisation.

The reply bypassed the fact that the Company did not form any tender/ purchase committee and made payments towards bulk purchases merely on the recommendations of the Project Management Consultants, thereby giving a complete go by to the due process envisaged in such areas.

Non maintenance of records of land

2.2.12.3 The Company did not maintain any record of land in its possession and the title deeds of immovable properties. Further, there was no system for identification of impaired assets³³ and adjusting their values in the

³⁰ Green Dooars, Hollong Chilapata, Poush Mela, Kenduli Mela.

³¹ Murshidabad, Tarapith, Sainthia.

³² Electrical – ₹ 5.66 crore, Furniture – ₹ 1.01 crore and Miscellaneous – ₹ 1.65 crore.

³³ e.g. Lalgah Tourist Lodge, Lalbandh Tourist Lodge, Coochbehar Victor Palace Tourist Lodge.

Company's books. Moreover, mutation of the land appurtenant to two³⁴ lodges in the possession of the Company was not done either by the State Government or by the Company since takeover of these lodges in 1975.

The management stated (October 2012) that action has been initiated to authenticate the records of land.

Under utilisation of Information Technology

2.2.12.4 The Company decided (2002) to computerise its' books and records. Partial computerisation (2010-11) of accounting at the Head office of the Company and manual maintenance of accounts in lodges *vis-à-vis* preparation of accounts and other statutory returns through outsourcing (accounting charges paid for last five years upto March 2012 was ₹ 21.32 lakh) delayed in compilation and finalisation of accounts.

Moreover, the media backup of server data taken at regular intervals was kept in the same server room. Besides, there was no business continuity and disaster recovery plan in the event of a disaster.

The management noted (October 2012) the audit observations for future guidance.

Non preparation of functional/ operational manual

2.2.12.5 A business or company operating manual contains all the policies, procedures and work instructions that make up the way a business carries out all the functions. The Company had not prepared any functional manual for operating lodges, bars, conference halls *etc.*

Internal audit

2.2.12.6 Internal audit of the Company was carried out by firms of Chartered Accountants. The Company had appointed five³⁵ firms on continuous basis for last five years upto 2011-12 and paid ₹ 11.36 lakh as audit fees. In this connection the following points were worth mentioning:

- The scope of works of the internal auditors included (i) certification/ verification of receipts and payments and (ii) preparation of exception report showing irregularities in activities and functioning of the Company which was not commensurate with the size of the Company and nature of its business.
- The Company neither took remedial action on the irregularities pointed out by the internal auditors nor was the matter reported to the Board of Directors for corrective action.
- As a measure of corporate governance, Audit Committee (AC) of the Company was last constituted in November 2005 with three Directors.

³⁴Morgan House-Tashiding, Kalimpong and Hill Top, Kalimpong.

³⁵ M/s Nirupam & Associates, M/s A.K. Sinha & Associates, M/s A. Dutta & Associates, M/s Halder & Dutta, Lahotia Roy & Associates and K.L. Banerjee & Co.

These Directors resigned between December 2006 and June 2009. Since then, AC was not reconstituted and it became defunct. Besides, no minutes of the Audit Committee meeting was found on record. Consequently, accountability of internal audit to the AC was not ensured.

The audit findings were reported to the Government in September 2012, their reply was awaited (December 2012).

Conclusion

The State Government did not define the specific role of the Company in implementation of State Tourism Policy. Besides, the Company had not prepared Strategic Plan for development of either project or its ideas. Consequently, its share of tourist traffic continued to remain negligible despite being in operation for more than 38 years. Slow progress of projects was due to poor planning, lack of monitoring/ co-ordination, land acquisition/ diversion problems, non-execution of works etc.

During 2007-12, 11 to 19 lodges incurred operational losses, including seven which incurred continuous losses. Post renovation occupancy of 10 lodges had fallen. Food cost was in excess of industry standards or norms due to poor operational practices. There was no policy for fixation/ revision of tariff. Lodges were leased out without ring-fencing the Company's revenues. Despite a rising trend in customer complaints, no review was undertaken to remedy the grievances.

The Company did not have an independent marketing cell to make policy/ plans for marketing and promotion of tourism business. Despite facing a negligible share of tourist traffic, the Company did not chalk out a well-defined marketing strategy to tap the increased inflow of tourist in the State. No tangible benefits were noted by the Company's participation in fairs/ festivals. Internal control mechanism in the Company was lacking in areas of purchases/ procurement, immovable assets management etc.

Recommendations

In order to improve efficiency and effectiveness of the West Bengal Tourism Development Corporation Limited, the Government/ Company may:-

- define the Company's role in implementation of WBTP and draw up a Strategic Plan with long term and short term deliverables to improve its performance accordingly.***
- constitute a Project Monitoring Committee with members from industry, engineering, finance, legal and administrative skills to concurrently monitor and report on progress to the Company's Board of Directors and the Government.***

- *fix occupancy targets for lodges and monitor occupancy regularly to improve revenue inflow and carry out impact analysis of tariff to ascertain reasons for dip in occupancy/ usage.*
- *implement leasing policy based on profitability, improve operational efficiency to realise value of its assets for which it is essential to complete records of all its immovable properties.*
- *set up a separate marketing cell with the professional expertise to improve its marketing.*
- *improve and strengthen internal control mechanism/ internal audit.*

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.

Government Companies

THE WEST BENGAL POWER DEVELOPMENT CORPORATION LIMITED, THE DURGAPUR PROJECTS LIMITED AND WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED

3.1 *Additional interest incurred due to non-billing of monthly variable/ fuel cost adjustment*

Contrary to regulations of West Bengal State Electricity Regulatory Commission, three state power utilities had not billed monthly variable/ fuel cost adjustment aggregating to ₹ 992.69 crore from their purchasers and consumers resulting in additional interest burden of ₹ 113.04 crore.

West Bengal Electricity Regulatory Commission (Commission) introduced¹ (April 2011) recovery of variances in actual fuel cost, power purchase cost and cost of unscheduled interchange of power for each month with reference to the admitted cost in the tariff orders based on the normative parameters laid down by the Commission. The amount of Monthly Fuel Cost Adjustment (MFCA)/ Monthly Variable Cost Adjustment (MVCA) on monthly sales of energy was recoverable since April 2011 by the generating companies and licensees respectively through energy bills from their purchasers and consumers of electricity under the purview of the Commission. The Regulations also provided that whenever there was a change in MFCA/ MVCA, the concerned power utility should publish the information through two daily newspapers in its area of operations.

Accordingly, in May 2011, the three State Power Utilities viz. The West Bengal Power Development Corporation Limited (WBPDC), The Durgapur Projects Limited (DPL) and West Bengal State Electricity Distribution Company Limited (WBSEDCL) published requisite notices intimating their intent to recover of MFCA/ MVCA from April 2011. WBPDC and WBSEDCL also notified their purchasers and consumers that for April 2011, MFCA recoverable by WBPDC² was ₹ 0.04 to ₹ 0.50 per Kilowatt hour (KWH³) while for WBSEDCL, MVCA was ₹ 0.38 per KWH. For the

¹ Through its Regulations (Terms and Conditions of Tariff) 2011.

² Kolaghat Thermal Power Station ₹ 0.06 per KWH, Bakreshwar Thermal Power Station ₹ 0.50 per KWH, Bandel Thermal Power Station ₹ 0.24 per KWH, Sagardighi Thermal Power Station ₹ 0.04 per KWH and Santaldih Thermal Power Station ₹ 0.42 per KWH.

³ One unit of energy

same month, DPL had arrived at MVCA at ₹ 1.02 per KWH (excluding power purchase cost variance) but had not notified its recovery.

WBPDCCL had recovered ₹ 48.75 crore from WBSEDCL towards MFCA for April 2011 but effected no further billing of MFCA from May to December 2011. Similarly, for April 2011, WBSEDCL billed MVCA of only ₹ 2.59 crore out of ₹ 56.38 crore. It also did not raise MVCA bill between May and December 2011. Both WBPDCCL and WBSEDCL resumed billing of MFCA/ MVCA from January 2012.

DPL did not claim MVCA from April to November 2011 and started billing from December 2011 onwards. DPL ascribed (June 2012) the delay to prudence in calculating the MVCA on stabilisation of Unit 7 with reduction of power purchase.

The Government endorsed (August/ September 2012) the replies of WBSEDCL and WBPDCCL stating that recovery of MVCA/ MFCA during the period from April/ May 2011 to December 2011 was kept in abeyance on the verbal request of the State Government. Subsequently, after continuous persuasion from the Management, the Government permitted (January 2012) resumption of MVCA/ MFCA realisation. In respect of DPL, the Government stated (June 2012) that MVCA bills were not raised because the concept was new to DPL and calculation required complex set of data. Further it added that due to outage of Unit 7 there was shortage of power and power procurement in substantial quantity were resorted to, therefore management preferred to wait till synchronisation of Unit 7.

The action of the managements of WBPDCCL/ WBSEDCL is not justified. The tariff regulations and the Electricity Act, 2003 (Act) stipulate that if the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the Commission, the Government should pay the amount, in advance, to the licensee. Further the Act clearly provides that no direction of the State Government for grant of subsidy would be operative if the payment is not made in advance. As the Government had not paid the subsidy in advance, the managements' decision to keep recovery of MFCA/ MVCA in abeyance at the verbal request from the State Government, for nine months, was detrimental to the interest of the Companies.

The reply of DPL is not justified as the Commission had introduced the concept of MVCA to compensate the fluctuation in fuel prices month-wise instead of after the closing of the financial period. However, despite its poor financial position, DPL did not avail this opportunity to recover the additional expenditure incurred on account of fuel cost concurrently. Any amount towards fuel and power purchase costs not recovered could have been realised subsequently through Fuel & Power Purchase Cost Adjustment (FPPCA) after the closing of the financial year with the approval of Commission.

Audit observed (May 2012) that unbilled and unrecovered MFCA/ MVCA by the three State Power Utilities aggregated to ₹ 992.69 crore as given in the table below.

Table 3.1 Details of MFCA/ MVCA not billed by State Power Utilities

Name of the State Power Utility	Period	Rate of MFCA/ MVCA (₹ per KWH)	No. of units sold (in million KWH)	Amount of MFCA/ MVCA (₹ in crore)	Rate of interest (in per cent) (Note 3)	Amount of interest loss (₹ in crore)
WBPDC	May - December 2011	0.04 to 0.50	13,085.81	330.21	10.75	45.73
DPL	April - November 2011	1.02 (Note 1)	1,078.22	109.98	13.35	20.40
WBSEDCL	April - December 2011	0.38	14,607.65	552.50 (Note 2)	10.25	46.91
Total				992.69		113.04

Notes: 1) Considering only fuel cost variance but excluding power purchase cost variance.

2) WBPDC had not raised invoices for MFCA of ₹ 330.21 crore, hence interest loss for WBSEDCL has been calculated on ₹ 222.29 crore.

3) Based on lowest prevailing rate of interest on cash credit during 2011-12.

This amount can subsequently be recovered through the tariffs for 2013-14 after annual accounts for 2011-12 are finalised and the Annual Performance Review (APR)/ FPPCA are approved by the Commission. Due to non-recovery of MFCA/ MVCA, these Utilities had taken recourse to cash credit from banks at rates of interest ranging from 10.25 to 13.35 per cent per annum to meet fuel and power purchase costs. The additional interest burden from April/ May 2011 to December 2012 worked out to ₹ 113.04 crore. Moreover, the interest burden would persist till March 2013.

Thus, the three State Power Utilities suffered additional interest of ₹ 113.04 crore due to non recovery of MFCA/ MVCA from the customers.

THE WEST BENGAL POWER DEVELOPMENT CORPORATION LIMITED

3.2 Avoidable expenditure

The generator transformer of the third unit at The West Bengal Power Development Corporation Limited sustained damage when asynchronously connected with the grid due to non-installation of automatic synchronisation facilities. As a result, this unit was under outage for 11,513 hours from June 2009 to October 2010 leading to non-realisation of capacity charges of ₹ 29.19 crore and avoidable expenditure of ₹ 2.50 crore on repair of the generator transformer.

Electricity generated at relatively low voltages in power plants is stepped up to high voltages of 132 KV and above before transmission through the grid to the load centres. The electricity is stepped up by the Generator Transformer (GT), functioning as the interface between the generator and the grid. However, for successful synchronisation to occur at commissioning, re-commissioning or resumption of generation, it is imperative that the generator and grid voltages should be of equal magnitude and have the same polarity⁴ with phase angle

⁴ Direction of flow of current,

between them being zero. Also their frequencies and phase sequences must coincide. If any of these five parameters is not fulfilled, it would cause asynchronous fault. This can lead to damage to generator windings, turbine and GT. Earlier, this synchronisation was performed manually under the vigil of the control engineer. Nowadays the process is automated through synchronisation relays to obviate human error/ response time lag. The Central Electricity Authority (CEA) had notified (February 2007) the technical standards for grid connectivity where it was mandatory for all new generating units to provide Automatic Synchronisation Facilities (ASF) while making it incumbent on the existing units to have standard protection from faults within the units, generating stations and transmission lines.

Bandel Thermal Power Station (BTPS) of West Bengal Power Development Corporation Limited (Company) operates five⁵ units commissioned between September 1965 and October 1982. While Units 1 to 4 were not equipped with ASF, Unit 5 which was commissioned in October 1982 was fitted with ASF since inception. At three⁶ other thermal power stations of the Company, ASF had also been fitted to all units since their commissioning between June 1984 and March 2009. The reason for not automating the synchronisation process of Units 1 to 4 was not on record.

Unit 3 of BTPS was forced into outage on 11 June 2009 due to electrical problem. While re-synchronising the unit on 17 June 2009, the control engineer on duty gave clearance to his counterpart in electrical operation for closing the breaker in due time. Though the frequency of the GT was very near to system frequency and generated voltage at near matching level, asynchronous fault occurred. This led to damage to the GT, with outage of the unit for 11,513 hours from 17 June 2009 to 10 October 2010.

An Enquiry Committee, set up (June 2009) by the Company concluded (July 2009) that since Units 1 to 4 lacked ASF, the possibility of asynchronous fault could have normally been averted through alertness of the engineer concerned. The Committee also concluded that the control engineer should have been more cautious during synchronisation. Besides, it recommended incorporation of ASF in closing circuits of all four generator breakers.

Acting on the Committee's recommendations, the Company purchased (November 2009) ASF known as Check Synchronisation Scheme (CSS) for these four units at a cost of ₹ 1.08 lakh. The CSS was installed (January 2010) at a cost of ₹ 0.25 lakh. The Company also placed (February 2010) order on ABB Limited for repair of the damaged GT for ₹ 2.50 crore to be completed within 136 days. ABB completed the repair after 288 days in October 2010.

Under the Availability Based Tariff, BTPS is entitled to capacity charges if it ensures that its plant is available for generation of electricity. For the time that a plant is unable to generate electricity due to outage, it does not earn capacity charge in proportion to the period of outage. The annual capacity charges for the entire BTPS was ₹ 86.18 crore and ₹ 151.95 crore for 2009-10 and 2010-11 respectively. Due to non-installation of CSS, Unit 3 was under outage

⁵ Units 1 to 4 of de-rated capacity of 60 MW each (original : 80 MW) and Unit 5 of 210 MW.

⁶ Kolaghat, Bakreswar and Sagardighi.

for 11,513 hours. As a result, the Company could not claim capacity charges of ₹ 29.19⁷ crore during 2009-10 and 2010-11 as well as incurred expenditure of ₹ 2.50 crore on repair of GT.

The Government/ Management in their reply stated (August 2012) that this unit was commissioned in 1966 and ASF was not available at that time. Hence the same could not be installed. Further, BTPS was an old power station and was not entitled to capacity charges due to non-achieving the prescribed Plant Availability Factor (PAF).

Although, ASF was not available at the time of commissioning of the units, the Company has subsequently installed ASF in units commissioned afterward. Therefore, it could have installed ASF later on in line with the CEA norms. Besides, the Company did not move ahead with the proposal to replace the existing units and belatedly installed ASF/ CSS.

The actual PAF of BTPS for the year 2008-09 was 63.21 *per cent* as against the target of 62 *per cent* prescribed by WBERC. Similarly, for the year 2009-10, actual PAF before outage was 69.72 *per cent* (April 2009) against the target PAF of 66 *per cent* which indicates that the plant could achieve the targeted PAF prescribed by WBERC and realise the capacity charges.

Thus, due to delay in installing the ASF/ CSS, the Company sustained a loss of ₹ 31.69 crore.

The Durgapur Projects Limited

3.3 *Extra expenditure on power purchased through short-term arrangements*

The Durgapur Projects Limited incurred extra expenditure of ₹ 22.57 crore on short term purchase of 254 MU power at higher rates from West Bengal State Electricity Distribution Company Limited instead of buying the same from Indian Energy Exchange at lower rates which ultimately led to consumers being burdened with higher tariff.

The tariff regulation⁸ of West Bengal Electricity Regulatory Commission provides that in case of a shortfall or failure in supply of electricity from the approved source, a distribution licensee may procure power under short-term arrangements or agreements under intimation to the Commission where tariff of power procured is determined in accordance with a transparent bidding process as well as prioritising procurement from those sources of power whose costs are lower. The distribution licensee should communicate details of these arrangements or agreements within a month to the Commission.

Indian Energy Exchange (IEX) provides a transparent, automated, online electricity trading platform for purchase of such short term energy by enabling

⁷ [$\{ ₹ 8,618.18 \text{ lakh} / (450 \text{ MW} \times 66 \text{ per cent of } 8,760 \text{ hours}) \} \times 60 \text{ MW} \times 6,891.42 \text{ hours} \} + [\{ ₹ 15,194.53 \text{ lakh} / (450 \text{ MW} \times 69 \text{ per cent of } 8,760 \text{ hours}) \} \times 60 \text{ MW} \times 4,621.52 \text{ hours}]$]

⁸ Regulation 31 of February 2007.

efficient price discovery and price risk management for participants of the electricity market including distribution licensee. Trading in 'day ahead market' of IEX required that the licensee would have to submit its bid (required quantum of energy and indicative price) to IEX between 10 AM and 12 Noon of the day prior to the date it would require the energy. The bid thus submitted would be the ceiling price at which the licensee would be allocated energy. Thereafter, IEX would be matching bids from suppliers and buyers to determine the equilibrium demand-supply price. If the equilibrium price (market clearing rate) is lower or equal to the licensee's bid, then energy would be allocated to that licensee. Thus, the licensees would be benefited from lower energy prices if they purchased short term power from IEX. Otherwise, as the trade would be finalised by 3 PM of previous day, the licensees have the option to schedule its' purchase from other sources for the residual quantity.

The Durgapur Projects Limited (Company) generates and supplies power to its consumers and thereafter sells the surplus to West Bengal State Electricity Distribution Company Limited (WBSEDCL). Due to de-commissioning (April 2010/ April 2011) of first and second units and forced outage of seventh unit between May 2010 and August 2011, the Company faced increasing difficulty to meet the demand of its consumers from its generation. Though per unit cost of power purchased from WBSEDCL was ₹ 3.71 to ₹ 4.65 during 2010-11 against their selling tariff of ₹ 3.26 per unit, the Company did not explore the possibility of sourcing power from IEX at cheaper rates. Instead the Company purchased (May 2010 to March 2011) 220.16 MU power from WBSEDCL at an average price of ₹ 4.32 per unit.

In March 2011, the Company received an offer from RPG Power Trading Company Limited (RPG), a licensed member of IEX, to trade power at IEX as its client on payment of four paisa per unit as professional charges with seven days credit, and IEX transaction fee of one paisa per unit. Besides, the Company had to bear transmission charges/ loss and operating charges of load despatch charges. In view of non-availability of required power from WBSEDCL in the ensuing summer months, the Company entered (April 2011) into an agreement with RPG for purchase of power from IEX for four months which was further extended (August 2011) for another four months.

During April 2011 to October 2011, we observed that the Company purchased 27.75 MU from IEX and 34.03 MU from WBSEDCL. The average price of purchase from IEX and WBSEDCL was ₹ 3.15 per unit and ₹ 4.44 per unit respectively during that period. As the Company's alternative source of procurement was from WBSEDCL, the Company should have determined its average price of power for submitting bid to IEX at a price not exceeding the average price of energy from WBSEDCL less associated variable costs⁹. We simulated¹⁰ the Company's energy purchase against possibility of bids between May 2010 and October 2011 and discovered that if the Company had acted prudently by opting to purchase energy from IEX during this period and

⁹ IEX transaction fees (one paisa), RPG's charges (four paisa), and transmission loss/ charges, charges for load despatch centres (13 paisa) aggregating 18 paisa per unit.

¹⁰Simulation is a decision making technique that explores 'what if' scenarios.

quoted appropriate bids, it would have saved ₹ 21 crore¹¹ on the purchase of 220.16 MU from WBSEDCL in 2010-11 and ₹ 2.78 crore¹² on 34.03 MU purchased during April to September 2011.

The Management stated (May 2012) that to meet the entire demand, the Company could not depend on IEX source totally because purchasing power from IEX required assessment of actual requirement which was difficult for them due to fluctuating demand-supply situation and non-availability of power from IEX at Company's bid rate when market rates go up. The Government added (May 2012) that the Company had considered the average selling price of ₹ 3.26 per unit to its consumers and accordingly quoted for purchasing power through IEX. Besides, the credit period for purchase through IEX was lower in comparison with the time taken by the Company to realise dues against sale of power to its consumers, requiring strong working capital support. The Government also agreed that there was scope for improvement and the audit observations would be helpful in future.

The contention overlooked the fact that the Company was complying with the State Grid Code¹³ where schedule of drawal for next day was submitted to State Load Despatch Centre showing projected demand in its area of supply for each 15 minutes' time block. Further, the Company had favourable trade-off between market clearing rates when IEX price did not exceed the energy price of WBSEDCL (less associated variable costs) ranging from ₹ 1.66 to ₹ 4.42 (2010-11) and ₹ 2.43 to ₹ 4.23 (2011-12) per unit compared to WBSEDCL rates of from ₹ 3.71 to ₹ 4.65 (2010-11) and ₹ 4.15 to ₹ 4.65 (2011-12) and option to purchase from WBSEDCL without advance intimation.

Moreover, the Company should have considered the purchase price of WBSEDCL less associated costs instead of Company's selling price since the purchase price from WBSEDCL was much more than the IEX average selling price. Besides, the additional interest on working capital at 10.5 per cent for an average of 51 days would have worked out to ₹ 1.21 crore.

Thus, by failing to explore the possibility of purchasing energy from 'day ahead' market of IEX until April 2011 and quoting lower price for power thereafter, the Company incurred an extra expenditure of ₹ 22.57 crore after adjusting for additional interest on working capital.

We recommend that the Government may issue directions to all state-owned distribution utilities to lay down a policy for procurement of power through short-term arrangements and agreements.

¹¹ Purchase price from WBSEDCL : ₹ 95.76 crore less lower purchase price from IEX : ₹ 74.76 crore.

¹² Purchase price from WBSEDCL : ₹ 10.21 crore less lower purchase price from IEX : ₹ 7.43 crore.

¹³ West Bengal Electricity Regulatory Commission (State Electricity Grid Code) Regulations, 2007.

3.4 Loss of revenue due to belated revision of rates for supply of water

The Durgapur Projects Limited belatedly revised rates for supply of processed water despite increase in input cost of raw water, leading to revenue loss of ₹ 3.89 crore.

The Durgapur Projects Limited (Company) processes raw water for industrial and drinking purpose. It utilises about 70 *per cent* of the water processed for captive consumption including water required for generation of electricity at the thermal power station. The balance 30 *per cent* is sold to municipal/ development authorities as well as industrial, commercial and domestic consumers at rates fixed by the Company. To this end, the Company signed (May 1964) an agreement with Damodar Valley Corporation (DVC) for drawing water through DVC's water supply canal. The agreement¹⁴ read with Damodar Valley Corporation Act¹⁵, 1948 empowered DVC to recover water charges at notified rates¹⁶ from the Company. Since November 2003, DVC was realising water charges at ₹ 2.57 per 1000 gallons¹⁷.

From October 2010, DVC enhanced (September 2010) this rate to ₹ 5.27 per 1000 gallons. Consequently, the Company's average cost of processed water rose from ₹ 2.58 to ₹ 4.30 per Kilolitre (Kl). In October 2010, with a view to recover the rise in cost, the General Manager (Finance & Accounts) proposed to increase the rates for both captive consumption and external supply by ₹ 0.75 to ₹ five per Kl, which was subsequently overlooked. Instead, the Company lodged (October 2010) a protest with DVC against increase in rate. Since DVC had statutory sanction for rate, it did not roll back the notified rates. The Company had continued to pay water charges to DVC at the old rate till November 2011 and decided in December 2011 to pay at the enhanced rate along with arrears from October 2010.

Meanwhile, the Committee on Public Undertaking had observed¹⁸ (December 2010) that the Company had not taken effective action to recover dues against water supplied. Yet, the Company had deferred (March 2011) revising the water rates on the reason of impending general elections. Ultimately, in September 2011, the Company's Board of Directors revised the water rates retrospectively since April 2011 for captive consumption and prospectively from October 2011 for industrial consumers. However, the Board had not taken any decision to revise the rate for drinking water. In February 2012, the Board decided to enhance the rates of drinking water supplied to municipal/ development authorities and domestic consumers from April 2012 onwards.

During October 2010 to March 2011, the Company's power station utilised 98.90 lakh Kl water with under recovery¹⁹ of ₹ 1.48 crore. In addition, the

¹⁴ Clause 2 of the agreement.

¹⁵ Section 15 of the Act.

¹⁶ Including special surcharge towards maintenance of Harbour Pond and Water Supply Canal.

¹⁷ 1,000 gallons = 3.785 kilolitres.

¹⁸ In its 120th Report on Paragraph 4.6 of the Audit Report (Commercial) 2008-09 relating to failure of The Durgapur Projects Limited to realise its dues from the consumers against the water supplied to them.

¹⁹ Under recovery of ₹ 1.50 per Kl/ ₹ 0.75 per Kl.

Company had not realised²⁰ ₹ 1.40 crore on 27.92 lakh KI water supplied (October 2010 to September 2011) to the industrial consumers and ₹ 1.01 crore on 134.64 lakh KI supplied (October 2010 to March 2012) to the municipal/ development authorities and domestic consumers.

Management in its reply stated (July 2012) that the Company tried to resist the abnormal increase in prices of water instead of accepting the unilateral decision of DVC towards raising of rates of water. However, the same was not materialised and the additional amount had to be borne by the Company. The Government endorsed (August 2012) the same.

The reply is not tenable since the Company had the experience that in earlier occasion also the request of the Company for roll back of rates was not accepted by DVC. Despite the Company protested again in the instant case also and delayed the decision to increase the sale price of water. DVC did not roll back its rates and the Company had to bear the loss.

Thus, the Company incurred revenue loss of ₹ 3.89 crore due to belated revision of rates for supply of water.

WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED

3.5 Appointment of employees in contravention of Government directives

West Bengal Rural Energy Development Corporation Limited appointed staff in contravention of Government directives.

The Government of West Bengal (Government) incorporated (August 1998) West Bengal Rural Energy Development Corporation Limited (Company) to undertake rural electrification (RE) works in the State, with funds provided by the Government. The Power and Non Conventional Energy Sources Department (PNCESD), Government of West Bengal had approved (April 1999) manpower strength of eight²¹ officials for the Company. The Company was also to frame recruitment rules for each category of posts and get it vetted by the Government. The Company however, never framed recruitment rules. The Company appointed (November 1999 to August 2003) 16 contractual employees as stenographers, assistants, peons *etc.* at its headquarters in Kolkata.

Meanwhile, the PNCESD decided (February 2000) that until the Company commenced operations in each district, actual execution of the works would be through Zilla Parishads (ZPs). For execution of RE works, the Panchayats and Rural Development Department (PRDD), Government of West Bengal authorised (July 2000) ZPs to engage supervisory officers, store assistants and office assistants on contract at consolidated pay. ZPs were to discontinue these contracts when the Company appointed appropriate officers at the

²⁰ Short recovery of rupees five per KI.

²¹ Excluding a Managing Director, an Executive Director and an Officer on Special Duty on deputation from the Civil Services as well as a Company Secretary.

districts. The Company had not assessed aggregate manpower required for execution of RE works in the districts. During November 2000 to September 2005, ZPs engaged 110 employees on contract. The ZPs had to meet the pay of these employees out of available contingency/ overhead component of funds provided by the Company.

The Company's Board of Directors decided (December 2005) to seek Government approval for their permanent absorption. In January 2006, the Managing Director (MD) sought Government's approval for permanent absorption of the 16 employees engaged by the Company and also the 110 employees engaged by ZPs. However, PNCESD rejected (November 2006) the Company's proposal to create posts and regularise these 126 contractual employees.

The Company's Board of Directors then proposed (June 2007) that all contractual employees appointed by the ZPs for execution of RE works be brought under the Company's direct control for execution of new RE works. Thereafter, the PNCESD requested (September 2008) PRDD to do the needful. The ZPs were directed (September 2008) to release these contractual employees for re-engagement on contractual basis by the Company.

The MD of the Company, with the approval of Chairman, appointed (July 2009) 124 employees²² on permanent basis. The Board of Directors approved (August 2009) for creation of 209 permanent vacancies without obtaining approval of the Government and accorded *post facto* approval for the decision of the MD for appointment of 124 employees from 1 July 2009. Subsequently, another two employees were also appointed in January 2010.

The Company's Articles of Association (AoA²³) specified that if any matter brought before the Board was in the opinion of the Company's Chairman or any Director fit to be reserved for the decision of the Governor through the Government, the Company should not take action on that proposal until approval had been obtained.

The Company paid (July 2009 to October 2011) ₹ 6.73 crore as salary to these 126 employees. Subsequently, on amalgamation of the Company with West Bengal State Electricity Distribution Company Limited (WBSEDCL), those 126 employees were absorbed by WBSEDCL in November 2011.

The Management replied (August 2012) that the Government had expressed (November 2006) its inability to absorb the employees within the ZPs and not by the Company. Further, the Company was authorised by Article 91(n) of AoA to appoint and remove or dismiss or discharge or suspend such employees. The Government endorsed (August 2012) the reply of the Management.

However, records show that the reference to the Government was made by the Chairman of the Company in January 2006 for permanent absorption of these

²² 61 Sub-Assistant Engineers, 36 Assistants, 26 Office Support hands and one sweeper.

²³ Article 72

employees by the Company. The proposal was scrutinised and rejected by the PNCESD of the Government and not by the PRDD.

Thus, the Company's decision to create the 209 posts and subsequent grant of permanent employment to these 126 employees without Government's approval particularly in the background of its rejection and not putting in place recruitment rules was in contravention of Government directives.

WEST BENGAL ELECTRONICS INDUSTRY DEVELOPMENT CORPORATION LIMITED

3.6 Loss of income due to non- enhancement of rental rate

The Company suffered loss of additional rental income of ₹ 4.79 crore due to its failure to revise rate at par with market rent.

In order to promote and develop electronics and information technology industries, West Bengal Electronics Industry Development Corporation Limited (Company) constructed (1994-95) plug and play infrastructure²⁴ namely 'Standard Design Factory' (SDF), 'Software Technology Park' (STP) etc. at Salt Lake Electronics Complex for long term leasing and letting out of industrial flats/ modules in those buildings, to different software export/ information technology enabled service/ electronics industrial units. Out of 192 modules in SDF, 70 were rented out (58 STP²⁵ and 12 non STP modules), 109 modules were leased out to different entrepreneurs for a period of 90 years, 10 were vacant and balance three were for its own use.

The rental agreement stipulated that the tenancy was initially for a period of three years which could be extended for another three years at an increased rent as per norms of the Company for which rent would be paid within seventh day of every month along with other charges. Since 1998 the Company had revised rent twice, with a hike of 20 to 25 *per cent*²⁶ and 11.11 to 13.33 *per cent*²⁷ during July 2003 and September 2006 respectively without referring to the prevailing market rates.

While reviewing the efficiency in determination of rental rates, audit observed that:

- The rates fixed in September 2006 were 33 to 43 *per cent* below the market rate²⁸ (₹ 30 per sq ft). Though at the time of last revision (September 2006) it was decided to review the enhancement after every three years as certain upgradations were made, the Company, however, did not revise the same even after a lapse of five years thereafter. The market rate of the rental property in Salt Lake varied between ₹ 40 and ₹ 49 per sq ft during 2008-09 to 2010-11.

²⁴ A fully constructed ready to move in premises, where the occupant has to only bring his equipments and start working

²⁵ Software Technology Park.

²⁶ From ₹ 12 to ₹ 15 per sq ft (STP modules) and ₹ 15 to ₹ 18 per sq ft (non STP modules).

²⁷ From ₹ 15 to ₹ 17 per sq ft (STP modules) and ₹ 18 to ₹ 20 per sq ft (non STP modules).

²⁸ Source: CBRE - India Office Market View

- In November 2010, a proposal for increase by 25 *per cent* over the existing rate for both the STP and non STP modules was placed before the Board who decided to form a Committee to review the proposal in the context of present commercial/ financing scenario in the IT sector. The Committee opined that the rental properties of the Company did not keep pace with the local market condition as the rental rate had not been revised for a long time and it recommended the base rate at ₹ 40 per sq ft. The Board, however, proposed (November 2011) to enhance the rentals from ₹ 17 to ₹ 21 per sq ft (STP modules) and ₹ 20 to ₹ 26 per sq ft (non STP modules) only and referred the matter to the Government. On receipt of necessary approval, the Company enhanced (January 2012) the rental rate accordingly.

Delay by the management to increase monthly rental and fixation of rates below prevailing market rates had resulted in loss of opportunity to earn additional rental income of ₹ 4.79 crore²⁹ during the period from September 2009 to March 2012.

In reply, the management stated (June 2012) that the market rate during 2009-11 varied between ₹ 40 and ₹ 49 per sq ft and the Company had revised the rent on the lower side with Government concurrence and also due to recession prevailing during that period. The management also stated that in order to meet social responsibility and financial capacity of the tenants to pay the hike they fixed the rent at a lower side. The reply of the management does not address the fact that the actual prevailing market rate during 2009-11 had increased sharply from ₹ 43 to ₹ 63 per sq ft and various up-gradations were made. Moreover, the Government had only approved the rates that were proposed by the Company. It was the Company's inability not to make proper assessment of the market as well as the tenants' financial credibility.

Thus, failure of the management to benchmark rental rate with prevailing market rate and delayed action for its revision led to a loss of additional income of ₹ 4.79 crore.

3.7 Loss due to non-compliance with protocol and non-billing of bandwidth used by clients

The Company incurred extra expenditure of ₹ 33.16 lakh due to failure to optimally arrange for bandwidth as well as lost potential revenue of ₹ 1.79 crore due to deficiencies in the control mechanism in billing of bandwidth charges.

West Bengal Electronics Industry Development Corporation Limited (Company) has been providing internet services since September 2003 to

²⁹ For 58 STP units: Differential rent of ₹ 23 (₹ 40 - ₹ 17) multiplied by 58,000 sq ft for 28 months plus for 12 non STP units: Differential rent of ₹ 20 (₹ 40 - ₹ 20) multiplied by 12,000 sq ft for 28 months (upto December 2011). And for 58 STP units: Differential rent of ₹ 19 (₹ 40 - ₹ 21) multiplied by 58,000 sq ft for 3 months plus for 12 non STP units: Differential rent of ₹ 14 (₹ 40 - ₹ 26) multiplied by 12,000 sq ft for 3 months (from January 2012 to March 2012)

corporate and individual clients in the State. The Company sourced internet bandwidth from three³⁰ basic service providers which was then sub-allocated to local user clients. As all the customers are not concurrent users, safety provision of additional bandwidth is required only over the maximum utilisation during Time Consistent Busy Hours³¹ (TCBH) to arrest lag.

For selling bandwidth, the Company entered into Memoranda/ agreements with all clients indicating bandwidth requirement and charges payable. Each of these clients was connected through separate ports of a switch which allocated bandwidth as per contractual agreement. The switch was also connected to a server where, Multi Router Traffic Grapher³² (MRTG) provided visual representations of traffic logs of bandwidth usage by each client, which was stored online in a 'word' file. While corporate clients were provided with internet service directly, individual clients were catered through networks of cable operators acting as local access providers³³ (LAPs). The Company purchased bandwidth based on speed and fixed tariff for its clients on the same principle.

In this connection audit noticed that:-

- As per the TRAI guidelines, if bandwidth utilisation exceeds 90 *per cent* during TCBH the internet service provider should make provision of additional bandwidth. This requirement of bandwidth was not fixed by the Company, although it was engaged in the business for more than eight years. Between April and September 2009, the Company had procured discrete bandwidth of 52.5 to 61.5 Mbps from Bharti Airtel. From October 2009, the Company procured block bandwidth of 155 Mbps without assessing future requirement. Scrutiny of records further revealed that during 2009-11, the Company actually utilised maximum bandwidth of 71.7 Mbps and 10.3 Mbps *per month* from Bharti Airtel (Bharti) and Tata Communications (Tata) respectively. Thus actual requirement of the Company was 89.6 Mbps and 12.9 Mbps, considering a provision of minimum speed of 80 *per cent* as prescribed under the TRAI guidelines³⁴ whereas the Company has contracted for 155/ 100³⁵ Mbps and 10³⁶ Mbps with Bharti and Tata respectively.

Besides, the Company had not created its own IP address pool. Instead, it was using the IP addresses of Bharti and Tata. Consequently, despite availability of surplus bandwidth from Bharti, the Company could not forgo the bandwidth procured (10 Mbps) from Tata due to non-maintenance of its own IP address pool. As a result, entire expenditure of ₹ 33.16 lakh incurred (2009-11) towards payment of cost of bandwidth to Tata could have been easily avoided had the flexibility

³⁰ Bharati Airtel , Tata Communication and Reliance.

³¹ Peak Hours

³² A software.

³³ Discontinued since January 2011.

³⁴ As per TRAI notification 11 of 2006, benchmark for connection speed from ISP node to user is >80 per cent.

³⁵ 155 Mbps from October 2009 to October 2010 and since reduced to 100 Mbps (November 2010).

³⁶ 10 Mbps from 2008-09.

of providing bandwidth to clients from any source been available to the Company.

The management stated (June 2012) that in September 2009 when the Company was having lesser bandwidth speed (i.e. 61.5 Mbps), it cost ₹ 9.66 lakh, whereas during October 2009, with increase in bandwidth to 155 Mbps, the cost had decreased to ₹ 8.04 lakh. Hence, even with increase in speed, the cost was lower. The reply was not tenable as the Company entered into agreement for payment of bandwidth at rate of *per* Mbps speed during October 2009. Had rational bandwidth been procured by the Company further savings could have been ensured.

- Test check of MRTG logs of 26 clients in 2009-10 and 38 clients in 2010-11 revealed that the Company had not limited bandwidth usage of 21 and 25 clients respectively to contracted bandwidth. The Company had merely raised bills on clients on the basis of contracted bandwidth as certified by network administrator, and not as per actual bandwidth utilised by them, as captured by the MRTG logs installed for that purpose. Besides, the agreements with the clients contained no provision for billing of bandwidth availed in excess of the contracted bandwidth. Thus, revenue loss on account of bandwidth charges not billed amounted to ₹ 1.79 crore³⁷. Audit analysis revealed that this loss was mainly attributable to absence of exception reports required to be generated by the system, lack of limit validation and scope of enhancing bandwidth without ratification of the competent authority, altogether indicating lack of control mechanism.

The management, however, attributed (September 2010) brief surges in traffic caused by abnormal occurrences like virus attack, different classes of spasm, brute force *etc.* at the clients' end as the major reason for over-utilisation of bandwidth. This was a normal phenomenon in Internet world and thus the Company has restricted billing to the contracted bandwidth speed. Further 50 *per cent* of committed bandwidth was being set as burstable for maintaining Quality of Service. The reply of the Management was not justified as the Company should have billed on actual bandwidth usage. Besides, traffic analysis recorded by MRTG in three months³⁸ showed that availing higher bandwidth speed by the clients was not occasional as the logs of 22 clients revealed that they had enjoyed bandwidth speed more than their contractual speed beyond 72 minutes each day for three to 27 days in each month. Moreover, burst could only happen if average rate of queue requirement for additional bandwidth for the last burst time seconds is smaller than burst threshold. Hence a block of data would be downloaded in lesser time than without burst.

Thus, due to failure in assessing requirement and optimising sourced bandwidth, the Company incurred an extra expenditure of ₹ 33.16 lakh on its excess procurement. Further, deficiencies in the control mechanism led to non-billing of bandwidth charges of ₹ 1.79 crore during 2009-11.

³⁷ Computed by multiplying excess bandwidth used with contracted rates of respective client in each month.

³⁸ September 2010, January 2011 and March 2011.

3.8 Unfruitful expenditure due to inadequate monitoring

West Bengal Electronics Industry Development Corporation Limited incurred an unfruitful expenditure of ₹ 1.81 crore by not ensuring the objective of spreading e-Governance to underprivileged rural citizens through expanding WBSWAN backbone upto *Gram Panchayats*.

State Wide Area Network (SWAN) facilitates exchange of data and other types of information between two or more locations at significant geographical distance. Depending upon feasibility, the medium of connectivity could be copper wire, optical fibre cable or wireless.

The Department of Information Technology, Government of India, sanctioned (March 2005) ₹ 4.96 crore as capital grant-in-aid for spreading e-Governance to underprivileged rural citizens by expanding WBSWAN up to *Gram Panchayats* (GPs) in Bardhaman district based on a proposal³⁹ submitted (2004) by the Government of West Bengal (GoWB). The operational cost was to be borne by the GoWB. The project would provide voice, video and data connectivity through two Mbps⁴⁰ leased line of Bharat Sanchar Nigam Limited from District Headquarters to 31 Block Headquarters (BHQ) and dial-up connectivity using PSTN⁴¹ line for facilitating data transfer from 31 BHQs to 277 GPs.

West Bengal Electronics Industry Development Corporation Limited⁴² (Company) was the implementing and consulting agency for the project. The Company observed (March 2006) that speed and reliability over legacy PSTN line was low for applications like Video Conferencing (VC) and proposed to discard dial-up connectivity between block and the GP. Accordingly, GoWB agreed to Company's proposal (March 2006) to establish dedicated robust wireless connectivity link of two Mbps between BHQ and GP using WBSWAN. The project was to be completed by March 2007.

The Company received (June 2006) offers from five⁴³ agencies for implementation of connectivity link for all BHQs and GPs and placed (August 2006) order on Saksham Technology Solutions (STS⁴⁴) for connectivity link valuing ₹ 40.62 lakh for only 14 BHQs and 128 GPs initially. In addition, for meeting uptime commitment of connectivity links at these BHQs and GPs, STS was appointed (July 2007) for maintenance operation at ₹ 0.30 lakh per month during warranty period of two years and ₹ 0.40 lakh per month after expiry of the warranty period. After completion of work, STS did not agree (August 2007) to continue working at the same rate for the remaining 17 BHQs and 149 GPs. Therefore, the Company awarded (August 2007) the remaining work to Adino Telecom Ltd. (ATL) at ₹ 48 lakh. No maintenance contract was entered into for these 17 BHQs and 149 GPs. Besides, the Company incurred ₹ 75.00 lakh on towers/ masts and antennae and ₹ two lakh towards site survey.

³⁹ Not available with the Co.

⁴⁰ Megabytes per second.

⁴¹ Public Switched Telephone Network

⁴² The project was originally entrusted to Webel Technology Ltd., a subsidiary of the Company and subsequently transferred to the Company from May 2009.

⁴³ Sanao Equipments Pvt. Ltd., Optilink Networks Pvt. Ltd., Tulip IT Services Ltd., Adino Telecom Ltd. and Motorola.

⁴⁴ The authorised sales & support partner of Sanao Equipments Pvt. Ltd.

The Company declared (February 2008) the project operational after incurring aggregate capital expenditure of ₹ 1.66 crore and ₹ 15.51 lakh towards maintenance. However, we noticed that the project failed to provide sustainable desired link mainly due to inadequate tower height and infirm structure resulting frequent change in alignment of antenna, inferior quality radio equipments, slack supervision by ISP division, congested frequency band *etc.* Despite these defects, the Company declared technical closure of the project in June 2008.

It was observed that none of the contractors had the capability, resources and logistics to achieve the desired level of service. Test results also depicted that transmissions were poor and much below the required rate of two Mbps. Further, concurrent transmission did not function and failed to support VC. The status⁴⁵ of hardware and connectivity links throughout Bardhaman district as of August 2009 showed that in 51 cases there were problems related to antenna, 111 cases related to radio and 145 cases related to computer. As a result, 232 out of 277 GPs had no connectivity. Failure of the project resulted in unfruitful expenditure of ₹ 1.81 crore by the Company.

In order to re-build the connectivity within three years comprehensive maintenance, the Company estimated expenditure of ₹ 8.50 crore. The Company selected Intek Infotec Pvt. Ltd (IIPL) on the basis of open tender and field trials. IIPL re-built connectivity in 31 blocks with 277 GPs at an expenditure of ₹ 3.40 crore.

Management accepting the fact that early closure of the project did not achieve the total target, stated (September 2012) that

- The project was a pilot project and first time in India, they had no other reference to consult and compare with.
- It was not correct to state that the total cost of ₹ 1.81 crore as unfruitful, as in the later stage many of the towers were modified and resorted to match with the advance technology used for the connectivity.

The reply is not convincing as

- Haryana became India's first state to implement SWAN by inaugurating the same in February 2008 while the technical closure of the project in West Bengal was declared in June 2008. Thus there was enough scope for the management to consult and compare various technologies available. Further, the deficiencies in implementation were outcome of poor contract management and lack of capability for implementation of the project.
- It could not utilise any of the equipments and the entire system was rebuilt by IIPL.

Thus, despite expenditure of ₹ 1.81 crore, the objective of spreading e-Governance to underprivileged rural citizens by expanding WBSWAN upto GP remained un-fulfilled due to faulty selection of the contractors and lack of supervision by the Company.

⁴⁵ Prepared by BDOs and GP personnel.

3.9 Additional expenditure for early completion of work

West Bengal Electronics Industry Development Corporation Limited incurred additional expenditure of ₹ 0.97 crore towards ‘round the clock’ execution and cost difference on construction of State Data Centre. Due to avoidable delays, the additional expenditure proved infructuous.

With a view to make all Government services accessible to the common man in his locality at an affordable cost, the National e-Governance Plan (NeGP) envisaged (May 2006) creation of physical and related infrastructure for storing various applications and data for the Government in an integrated manner including construction of State Data Centre (SDC). The infrastructure was to be made operational by March 2009 along with ancillary activities. The Government entrusted (January 2008) West Bengal Electronics Industry Development Corporation Limited (Company) for construction of a building for SDC in its office complex at Salt Lake. The Company appointed (March/ June 2008) West Bengal Consultancy Organisation Limited⁴⁶ (WEBCON) as architect for construction of G+3⁴⁷ building having foundation for G+7. Accordingly, the architect prepared (February 2009) an estimate of ₹ 4.55 crore⁴⁸ including civil work, sanitary/ plumbing, water supply, sewerage/ drainage and roads. The construction was to be completed within four months by working on ‘round the clock’ basis. The schedule of rates (SOR) provided that if works were to be done on emergency basis at night, additional 10 *per cent* would be applicable to items of night work.

Based on response to newspaper advertisements, the Company invited (February 2009) quotations from Mackintosh Burn Limited⁴⁹ (MBL), Braithwaite Burn & Jessop Construction Company Limited⁵⁰ and Civcon Construction Private Limited and subsequently, MBL was awarded (June 2009) the work at ₹ 5.38 crore with the approval of the Government. The construction was to be completed by October 2009. MBL completed the work in April 2010 after a delay of six months and was paid ₹ 5.37 crore.

Meanwhile, the Company decided (January 2010) to extend the building vertically upto G+7 for better utilisation of the land. The Government approved (April 2010) the proposal and the Company awarded (May 2010) the work for vertical extension at ₹ 7.04 crore at the existing rates for completion by October 2010. The work of vertical extension was completed in March 2011 at a cost of ₹ 7.01 crore.

We observed that under the applicable SOR, the estimated cost of the work for construction of G+3⁵¹ building having foundation for G+7 was ₹ 3.94 crore. Considering normal rates for the first shift and an additional 10 *per cent* on items of work to be executed during the second and third shift, the estimated cost worked out to ₹ 4.41 crore⁵². The Company had, however, awarded the work at ₹ 5.38 crore *i.e.* at an additional expenditure of ₹ 0.97 crore.

⁴⁶ A deemed Government company

⁴⁷ Ground floor car parking, 1st floor: SDC, 2nd: SDC future expansion, 3rd: Other e-Government project

⁴⁸ Based on Public Works Department (West Bengal) Schedule of Rates effective from 1 April 2007 with amendments.

⁴⁹ A State Government company.

⁵⁰ A Central Government company.

⁵¹ Ground floor car parking, 1st floor: SDC, 2nd: SDC future expansion, 3rd: Other e-Government project

⁵² Including additional five *per cent* towards service tax and cess.

Despite award of the work at higher rate, the anticipated benefit of the additional rate extended to MBL for completing the construction quickly did not materialise since the construction was not completed within the stipulated time. This delay was due to controllable factors such as revision of plans, delay in approval of design and drawings, labour crisis, non-availability of site for road and underground tank *etc.*

Awarding the work at higher rate of ₹ 5.38 crore was mainly due to loading of labour charges during second and third shifts at twice the PWD rate for the first shift as well as additional five *per cent* for hike in prices of cement and steel. This loading was not justified, since the SOR provided for an addition of 10 *per cent* only on items of work to be executed at night. Further, when preparing the estimates, tor⁵³/ mild steel utilised in structural works, the architect had considered the rate as ₹ 45,000⁵⁴ per MT, whereas from 16 February 2009, the rate was reduced to ₹ 40,000⁵⁵ per MT.

Management stated (September 2012) that the situation arising from time to time, which was not attributable to either MBL or the Company, compelled delayed completion of the project. These included problems such as shifting of existing underlying cables of WEBEL Bhavan; MBL not being the turnkey contractor, the Company's need to co-ordinate with other suppliers/contractors for electrical works, lifts *etc.*; subsequent changes in internal layout for the first and second floors of SDC; delayed decision on nature of glass for structural glazing; compliance of various statutory requirements; carrying out of construction at upper floor through only one staircase *etc.*

The contention of the Management cannot be accepted since the construction was located within the WEBEL Bhavan premises, the layout of the underlying cables was known to the Management making it a controllable factor. Further all other aspects including need for co-ordination of the construction could have been foreseen and necessary measures to obviate these delays could have been adopted. Change in decision at a later stage could be avoidable by proper planning and monitoring by the Company.

Thus, the benefit of early construction had not been realised since the work was delayed for avoidable causes. Consequently, additional expenditure of ₹ 0.97 crore⁵⁶ lakh incurred by the Company proved infructuous.

WEST BENGAL ESSENTIAL COMMODITIES SUPPLY CORPORATION LIMITED

3.10 Avoidable payment of interest due to ineffective cash management

Ineffective cash management by West Bengal Essential Commodities Supply Corporation Limited resulted in avoidable interest outgo of ₹ 2.26 crore on high cost of debt.

West Bengal Essential Commodities Supply Corporation Limited (Company)

⁵³ Most commonly used steel for concrete reinforcement.

⁵⁴ Based on enhanced rate of 40 *per cent* on SOR rate of ₹ 32,000 per MT, effective 15 May 2008.

⁵⁵ Based on enhanced rate of 25 *per cent* on SOR rate of ₹ 32,000 per MT.

⁵⁶ ₹ 5.38 crore less ₹ 4.41 crore.

maintained current accounts with various banks.⁵⁷ The Company received advances from the Food & Supplies Department (F&S), Government of West Bengal (Government) for the period 2002-2007⁵⁸ for procuring Custom Milled Rice (CMR) which was discontinued from KMS 2007-08 onwards. Consequently, the Company required additional funds for working capital.

With a view to ease the working capital crunch, the Government decided (March 2008) that the Company would approach West Bengal State Co-operative Bank (WBSCB) for cash credit facilities (CC) to be guaranteed by the Government. Subsequently, a CC account was opened (May 2008) with credit limit of ₹ 150 crore, with ₹ 40 crore exclusively for CMR operations, carrying interest at the rate of 11.50 (March 2009 - December 2009) and 10 per cent (January 2010 - February 2012). The Company also proceeded (May 2008) to open a savings account with Axis Bank (AB), Salt Lake. Thereafter, the Company had regularly transferred fund from CC with WBSCB and current account with SBI to AB for disbursement to suppliers and creditors.

We noticed (March 2012) that no reason for opening savings account with AB was on record. During March 2009 to February 2012, the daily closing balances in AB ranged between ₹ 46.37 lakh and ₹ 59.30 crore on which the Company had earned interest of ₹ 1.18 crore. By transferring fund from CC with WBSCB to savings bank with AB, the Company had, in the same period, incurred interest⁵⁹ of ₹ 3.44 crore on those amounts appearing as daily closing balances in the savings bank with AB. Had the Company not made these transfers, it could have avoided paying interest of ₹ 2.26 crore, after netting off interest earned of ₹ 1.18 crore.

The Management stated (July 2012) that they had preferred making payment to the suppliers from AB instead of WBSCB due to the constraints in banking facilities of the latter. They also stated that other banks had been approached but were not positively responded.

The reply is not acceptable as the Company had been transferring funds from WBSCB to AB using Real Time Gross Settlement (RTGS) facilities which could have been used for making payment to the suppliers from WBSCB directly. Moreover, instances about the Company approaching its existing bankers for CC facilities were not found on records.

Thus, the Company's failure to manage funds effectively led to avoidable interest of ₹ 2.26 crore on cash credit.

WEST BENGAL INDUSTRIAL DEVELOPMENT CORPORATION LIMITED

3.11 Loss due to incorrect fixation of land premium

West Bengal Industrial Development Corporation Limited incurred loss of ₹ 2.85 crore due to fixation of lease premium for land on 'ad-hoc' basis.

The Government of West Bengal received a proposal from Telco Construction

⁵⁷ State Bank of India, Punjab National Bank, Punjab & Sind Bank, United Bank of India, Union Bank of India, Syndicate Bank etc.

⁵⁸ i.e. KMS 2002-03 to KMS 2006-07 where the Khariff Marketing Season (KMS) starts from October and ends in September of subsequent calendar year.

⁵⁹ WBSCB had charged interest on daily outstanding balances of CC.

Equipment Company Limited⁶⁰ (TELCON) to establish a factory for manufacturing construction and mining equipment. Accordingly, the Government decided (May 2006) to acquire and lease out land near Kharagpur, Paschim Medinipur to West Bengal Industrial Development Corporation Limited (Company), for setting up an industrial estate viz. Vidyasagar Industrial Park (VIP). TELCON was to be the anchor investor⁶¹ at VIP.

Till March 2011, the Company had taken possession of 1,150.29 acres at a cost of ₹ 119.15 crore. Out of 1,150.29 acres, 977.75 acres was available for allotment while the remaining 172.54 acres (15 per cent) was required for development of common infrastructure.

The Company received possession (May to July 2007) of 439.001 acres land from the Government⁶² at a cost of ₹ 37.56 crore. Thereafter, it entered into an agreement (November 2007) with TELCON for sub-leasing out 250 acres land for 99 years⁶³ at a premium of ₹ 23.40⁶⁴ crore. After realising (November/ December 2007) the entire premium from TELCON, the Company entered (December 2007) into a sub-lease deed with them.

The Government notified (February 2006) that when land was given on lease for 99 years, 95 per cent of the market value was recoverable upfront as premium (salami). The market value would include acquisition cost of land as well as charges of and incidental to, such as administrative, management, legal and contingency charges. The Company had, however, fixed lease premium for sub-lease of land sub-leased to TELCON on 'ad-hoc' basis at an 'early bird rate'⁶⁵ of ₹ 9.36 lakh per acre, without reference to cost incurred.

Audit observed (November 2011) that the Company had received land premium from TELCON only in November/ December 2007. It had, therefore, envisaged interest of ₹ 3.49 crore at 10 per cent up to December 2007 as an element of cost on the initial investment of ₹ 37.56 crore towards cost of bare land. Besides, actual administrative expenditure incurred for the land was ₹ 17.39 lakh. Thus, acquisition cost of 439.001 acres aggregated to ₹ 41.22⁶⁶ crore. After setting aside 15 per cent of total area (439.001 acres) for common infrastructure facilities/ amenities, 373.151 acres was available for allotment. Consequently, effective cost of saleable land worked out to ₹ 11.05⁶⁷ lakh per acre. The lease premium at 95 per cent worked out to ₹ 10.50 lakh per acre.

The Management/ Government stated (August/ October 2012) that TELCON had developed its infrastructure at its own cost. Moreover, ₹ 40.93⁶⁸ crore was incurred to acquire 439.001 acres, the cost per acre worked out to ₹ 9.32 lakh. Since, the premium realised was ₹ 9.36 lakh per acre, there was no loss. Besides, not only would the presence of TELCON boost up the local economy, the local landowners would benefit from the increase in price of land due to implementation of VIP.

⁶⁰ A joint venture of the Tata and Hitachi groups

⁶¹ An investor whose presence would attract other investors.

⁶² Lease deed was executed by the Company with the Government in December 2007.

⁶³ For initial period of 99 years, renewable for another period of 99 years.

⁶⁴ At the rate of ₹ 9.36 lakh per acre for 250 acres.

⁶⁵ As the first applicant at a lower rate

⁶⁶ Land: ₹ 37.56 crore, interest: ₹ 3.49 crore and administrative expenses: ₹ 17.39 lakh

⁶⁷ Total expenditure: ₹ 41.22 crore for 373.151 acres of allocable land.

⁶⁸ Cost of bare land acquired: ₹ 37.56 crore, actual administrative expenditure: ₹ 17.39 lakh, interest : ₹ 2.72 crore, Company's administrative cost : ₹ 3.77 crore less proportionate refund of ₹ 3.29 crore.

The contention was not tenable as lease premium was fixed at 'ad-hoc' rates. Also, the lease deed for 439.001 acres registered in December 2007 was for actual amount and the refund received in June 2012 was not by way of reduction in cost. Moreover, out of 439.001 acres of land acquired, only 373.151 acres was allocable as proportionate 15 per cent of the land acquired was required for common infrastructure facilities/ amenities. Hence, cost per acre would be ₹ 11.05 lakh and not ₹ 9.32 lakh.

Thus, due to fixation of lease premium for land on 'ad-hoc' basis, the Company incurred loss of ₹ 2.85 crore⁶⁹ on allotment of land to TELCON.

THE ELECTRO MEDICAL & ALLIED INDUSTRIES LIMITED

3.12 Avoidable payment to contractual staff

Despite stoppage of production at its Blood Bag Division from June 2009, Electro Medical & Allied Industries Limited continued to incur idle wages of ₹ 1.61 crore upto December 2012, on manpower provided by external agencies on contract.

The Blood Bag Division (BBD) of Electro Medical & Allied Industries Limited (Company) was established in 2001 and started production in January 2002. In order to keep the fixed cost in tight control in the Blood Bag project, the Company decided (May 2000) to contract out services such as operations and maintenance of main plant, utilities, security, transport, sweeping/ cleaning etc. Accordingly, the Company engaged 45 employees through external agencies for housekeeping, production, maintenance and allied functional areas. It had also directly engaged seven employees on contract basis for production related activities.

During June 2009, a High Frequency Welding Machine (Machine) purchased (2001) from the Netherlands went out of order. The Company followed up (January 2010) with the original manufacturer for repair of the machine and imported (June 2010) spares of ₹ 19.95 lakh. When the Company, however, attempted to repair the machine with its employees, the imported spares did not match. The Company was unwilling to incur further expenditure of ₹ 8.03 lakh to get the manufacturer's technicians to re-commission the machine. Consequently, there was complete suspension of production since June 2009. Although BBD was non-operational since June 2009, the Company had not dispensed with the services of 44⁷⁰ individuals excluding eight security and housekeeping staff. The Company incurred (August 2009 and December 2012) ₹ 1.61 crore towards salaries and wages of these 44 individuals. The idle wage cost was met from its meagre resources and Government loan.

⁶⁹ ₹ 1.14 lakh per acre (10.50-9.36) × 250 = ₹ 2.85

⁷⁰ 37 individuals through external agency and seven on contract basis.

The Government stated (December 2012) that despite stoppage of production these contractual employees were retained on the payroll in view of the sustained efforts to rectify the defects of the machine. Further, M/s. Gluconate Health Limited, another State PSU, had proposed (May 2012) to restart production of blood bags and other allied products in the BBD as a joint venture with the Company. The matter was under process/ consideration of the Government. Gluconate Health Limited had also started preparing a techno-economic feasibility report.

Thus, the Company's decision to continue with the services of these contractual employees despite stoppage of production from August 2009 lack justification as the Company could re-employ the services of the contractual employees at the time of restarting the production and thereby avoid payment of idle wages of ₹ 1.61 crore.

WEST BENGAL STATE SEED CORPORATION LIMITED AND WEST BENGAL INDUSTRIAL INFRASTRUCTURE DEVELOPMENT CORPORATION

3.13 Payment of avoidable interest due to delayed finalisation of accounts

West Bengal State Seed Corporation Limited and West Bengal Industrial Infrastructure Development Corporation persistently failed to finalise their annual accounts on time and therefore could not estimate their annual income liable to tax. Consequently, they had to pay interest of ₹ 1.68 crore for short deposit of advance tax/ self assessment tax.

Under the provisions of Section 139 and 140A of the Income Tax Act, 1961 (Act), at the close of each financial year, every company must assess its tax liability for the year, adjust both advance tax paid and tax deducted at source, deposit balance tax payable on self assessment and file returns within 30 September of the assessment year⁷¹ (AY). Besides, as per Section 115JB of the Act, if tax payable on the total income is less⁷² than the book profit, the company is required to pay minimum alternative tax (MAT). Whereas delayed submission of returns attract interest at the rate of one *per cent* per month on assessed income/ amount of tax short deposited under Section 234A of the Act, Section 234C provides that if the total advance tax deposited during the year is less than 90 *per cent* of the assessed tax, then interest at one *per cent* per month or part thereof on unpaid amount of tax shall be payable from 1 April of the subsequent year till the entire tax was deposited.

The Act, *ibid*, also provides that the company has to estimate and deposit⁷³ four quarterly instalments of advance tax aggregating to 15 *per cent*, 45 *per cent*, 75 *per cent* and 100 *per cent* respectively of the assessed tax⁷⁴. If the aggregate advance tax deposited falls short of the instalments, the company would have to pay monthly interest at one *per cent* on the amount of shortfall under Section 234B.

⁷¹ As per Sec 2(9) of the Act, AY means the period of 12 months commencing on the 1st day of April every year, following completion of the financial year on 31 March immediately preceding.

⁷² 7.5 per cent for AY 2001-02 to 2006-07; 10 per cent for AY 2007-08 to 2009-10; 15 per cent for AY 2010-11

⁷³ On or before 15 June, 15 September, 15 December and 15 March of the financial year

⁷⁴ The total income tax liability for a financial year as reduced by tax deducted at source credits received.

Two PSUs earned profits *viz.* West Bengal State Seed Corporation Limited (WBSSCL) during the financial years 2005-06 to 2008-09 and West Bengal Industrial Infrastructure Development Corporation (WBIIDC) during the financial years 2002-03 to 2008-09. These PSUs had deposited quarterly payment of advance tax based on the projected income of each year. It is imperative that an entity prepare its financial statements within due time to ascertain their performance. WBSSCL finalised their annual accounts for the said financial years after delays of 255 to 438 days from the due date of the immediately following financial year. Similarly, WBIIDC delayed in finalising their annual accounts by 588 to 1,267 days and did not submit their annual return of income within the prescribed date.

These delays in finalisation of annual accounts resulted in both the PSUs being unable to accurately estimate their annual taxable income, which in turn led to short deposit of advance tax and self assessment tax. The shortfall in payment of advance tax was not made good even in the last quarter in March of each year by either PSU, thus attracting interest on such short deposit under Sections 234A, 234B and 234C of the Act. Consequently, WBSSCL and WBIIDC had to pay interest of ₹ 1.05 crore⁷⁵ on such short deposit for the AY 2006-07 to 2009-10 corresponding to financial years 2005-06 to 2008-09 and ₹ 0.63 crore⁷⁶ for the AY 2003-04 to 2009-10 corresponding to financial years 2002-03 to 2008-09 respectively. Assessment for the year 2010-11 had not yet been completed (June 2012).

While admitting that there had been delays in finalisation of accounts, WBSSCL attributed (June 2012) the shortfall in payment of advance tax to the sharp increase in profits and shortage of manpower. They further stated that they had resorted to outsourcing for preparation and finalisation of accounts from the year 2010-11.

These reasons are not tenable since the profits had not arisen from windfall gains or unforeseen income. These profits were the outcome of the normal business and hence should have been factored into the income estimates. Moreover, since the Company was aware of the manpower shortage and could have resorted to outsourcing at an earlier point of time.

According to WBIIDC (June 2012), as their activities were scattered across the entire State, the finalisation of accounts was time consuming. Further, WBIIDC also stated that earlier their income was exempt from tax under Section 10(20A) up to the assessment year 2002-03 and from the assessment year 2003-04 they claimed exemption under Section 80IA. WBIIDC had not deposited advance tax in anticipation of enjoying the tax exemption thereafter. Moreover, the amount of advance tax not deposited was parked in fixed deposits to earn interest.

WBIIDC had overlooked the fact that it was liable to MAT on its book profits since the tax on normal provisions was lower. Also the WBIIDC rules 1974 specified that WBIIDC was to submit to the State Government accounts upto the end of the quarter immediately preceding, in April, July, October and

⁷⁵ ₹ 2006-07 - ₹0.11 lakh; 2007-08 - ₹44.85 lakh; 2008-09 - ₹46.17 lakh, & 2009-10 - ₹13.44 lakh.

⁷⁶ 2003-04 - ₹ 0.23 crore; 2004-05 - not yet paid; 2005-06 - ₹ 0.02 crore; 2006-07 - ₹ 0.03 crore; 2007-08 - ₹ 0.05 crore; 2008-09 - ₹ 0.28 crore; & 2009-10 - ₹ 0.02 crore.

January of each year. Besides, withholding payment of statutory dues to retain the amount in interest-bearing term deposits is against the canons of prudent financial management.

The financial statements and accounts provide assurance not only on the financial strength of the Company but also on the efficiency of its operational strength. Delays in finalisation of annual accounts by WBSSCL and WBIIDC led to inaccurate estimation of their taxable incomes resulting in avoidable payment of interest of ₹ 1.68 crore (₹ 1.05 crore + ₹ 0.63 crore) for short deposit of advance tax and self assessment tax.

Statutory Corporation

CALCUTTA STATE TRANSPORT CORPORATION

3.14 Loss of revenue on hiring out of buses

Calcutta State Transport Corporation sustained loss of revenue of, at least, ₹ 1.58 crore due to fixation of rates for hiring out of buses below cost of operations, failure to assess actual charges recoverable based on retention of buses and recovery of hire charges below prescribed rates.

Under Road Transport Act 1950⁷⁷, Calcutta State Transport Corporation (Corporation) is to carry on its operations on sound business principles. Further, it could hire out vehicles for carriage of passengers with prior approval of the State Government. With a view to cover steep hike in price of high speed diesel and consequent rise in cost of operations, the Corporation decided (January 2000) that buses for city⁷⁸ and long distance services⁷⁹ (LDS) would be hired out on commercial terms and on “No Profit No Loss” basis. Thereafter, the Corporation intermittently revised hire charges, maximum retention time or maximum distance. The minimum hire charges and additional hire charges beyond maximum retention time as prescribed by the Corporation between April 2007 and March 2011 were as follows:

Table 3.2 : Summarised position of hire charges etc.

	Class of bus → Particulars ↓	City Service	LDS
1)	Maximum distance (Km)	100	250/300
2)	Minimum hire charges (₹)	2,750 - 4,500	4,550 - 6,000
3)	Maximum retention time (hours)	7.5	12
4)	Additional hire charges due to excess retention (₹ per hour)	390 to 700	390 to 700
5)	Security deposit (₹)	600	1,200

⁷⁷ Under section 19 (3) (iv) & 22 of Road Transport Act, 1950.

⁷⁸ Journeys within the city and suburban areas for round trip up to 100 Km.

⁷⁹ Journeys within the city or rural areas for round trip up to 250/300 Km.

Depot managers were to receive applications for hiring out of buses and after obtaining sanction from Director of Operations (DOP), realise prescribed hire charges in advance along with security deposits. Only after completion of journeys and recovery of actual hire charges based on movements, the Corporation was to refund these security deposits. Further, the Chairman of the Corporation, the Managing Director (MD) and the DOP were authorised to grant concessions to the students and the Corporation's employees. Besides, the Corporation's Board of Directors empowered (January 2002) the MD to extend concession up to 50 *per cent* on hire of buses for 'social purposes', but had not defined the parameters.

The Corporation had no Management Information System (MIS) for hiring out of buses. Hence, it was not possible to match the details like date-wise number of buses sanctioned for hire, advance hiring charges and security deposits received, actual duration of hire, distance travelled, total charges billed on completion of journey, adjustment of security deposit and actual release of security deposit *etc.* of buses operated on hire with payments realised. Further, at six⁸⁰ depots selected for test check, movement charts indicating instances of hire, duration of hire and distances travelled, though generated, were not available at every instance. Besides, class of bus *viz.* city service or LDS was not mentioned. As a result, hiring out of buses was susceptible to leakage of revenue.

During 2007-08 to 2010-11, the Corporation earned revenue of ₹ 1.66 crore⁸¹ from hiring out of buses. It was noticed (March/ April 2011) in audit that the Corporation had forgone revenue of at least, ₹ 1.58 crore⁸² due to fixation of rates for hiring out of buses below cost of operations, recovery of hire charges below prescribed rates and failure to assess actual charges recoverable based on retention of buses as detailed below:

Hiring out of buses below cost of operations

The basis of fixation of hiring charges and cost per Km for both class of services were not available. During 2007-08 to 2010-11, the Corporation revised hire charges on three occasions in January 2008, January 2009 and December 2009. Hiring charges fixed fell short of cost of operations by 28 to 46 *per cent*.

Examination of reports at the six selected depots recording daily distances covered by 905 buses hired out during April 2007 to March 2011, brought out that reports for seven buses were not available, while the remaining 898 buses were shown to have covered 1.60 lakh Km. Against the Corporation's recoverable cost of ₹ 109.67 lakh, it could realise ₹ 65.10 lakh only resulting in short recovery of ₹ 44.57 lakh due to fixing of hiring charges below cost of operations.

The Management stated (November 2012) that hiring charges were revised with approval of the then MDs, on the weighted average of fare revisions mainly due to price hike in high speed diesel. Based on approvals for two fare

⁸⁰ Out of the Corporation's 11 depots.

⁸¹ Revenue from bus reservation (A/C 310308): 2007-08: ₹ 45.78 lakh, 2008-09: ₹ 43.43 lakh, 2009-10: ₹ 39.89 lakh and 2010-11: ₹ 37.14 lakh (provisional).

⁸² Assuming that all the buses hired out were of city service class only as separate data for both types of services was not available.

revisions in 2009 made available by the Management, we observed that in January 2009, the charges fixed in 2008 were enhanced by 10.39 *per cent* for city service class against increase in cost of 10.33 *per cent*. However, since the rates fixed in 2007-08 were lower than actual cost, the enhanced rates were below cost by 38 *per cent*. Even the subsequent revision in December 2009 by 12.5 *per cent* for city service class was not adequate to bridge the gap between cost and revenue.

Failure to assess actual charges recoverable based on retention time

Analysis of payments received *vis-à-vis* actual movement of buses on hire brought out that on completion of journey; all six selected depots did not calculate hire charges recoverable based on actual retention time of buses. Test check of 905 buses cited earlier brought out that retention time of only

895 buses was on record. Out of 895 buses, 860 were retained for 30 minutes to 28.5 hours beyond maximum retention period of 7.5 hours. The retention charges not recovered by the Corporation worked out to ₹ 42.19 lakh.

Recovery of hire charges below prescribed rates

It was seen from the records made available at the Central Traffic Office (CTO) that during April 2007 and March 2011, the Corporation had hired out 3,241 buses on 192 instances earning ₹ 60.21 lakh. But the Management had not obtained security deposits since earlier delays in refunding these deposits to the hirers had led to serious resentment and the approved directions for hiring out of buses to different organisations/ individuals had not specified that security deposits had to be realised from the hirers. It was observed that —

- Out of 351 buses, in 42 instances the prescribed hire charges of ₹ 15.74 lakh had been realised.
- In 29 instances, 71 buses were hired out without recovering hire charges of ₹ 0.67 lakh. Besides, in another four instances, against hire charges of ₹ 1.67 lakh recoverable⁸³ for 44 buses, the actual amount realised was not ascertainable.
- In 61 instances, the DOP had, at the instance of the then Minister-in-Charge (MIC), Transport Department, Government of West Bengal, arbitrarily sanctioned hiring out⁸⁴ of 2,279 buses at discounts of 23 to 100 *per cent* to the prescribed rates without reference to distance covered or duration of hire. Against billable revenue of ₹ 95.41 lakh, the Corporation received only ₹ 38.46 lakh, thereby foregoing revenue of ₹ 56.95 lakh.
- Similarly, on remaining 56 occasions, 496 buses were hired out to Defence authorities, Memorial Committees, Welfare associations, MIC- Backward Classes Welfare *etc.* below the specified rates. The amount realised was only ₹ 6.01 lakh instead of ₹ 17.79 lakh resulting in revenue leakage of ₹ 11.78 lakh.

⁸³ From Sports & Youth Affairs Department, West Bengal; Committee for State School Games & Sports; & West Bengal Sports Association for the Deaf.

⁸⁴ To Communist Party of India (Marxist), Democratic Youth Federation of India, All India Forward Bloc, Socialist Unity Centre of India (Communist), Centre for Indian Trade Unions, West Bengal Housing Infrastructure Development Corporation Limited *etc.*

Resultantly, the Corporation earned only ₹ 60.21 lakh⁸⁵ against actual charges realisable of not less than ₹ 131.28 lakh⁸⁶ and sustained loss of ₹ 71.07 lakh.

On being pointed out (March 2011), the Corporation discontinued hiring out of buses from June 2011. However, no responsibility had been fixed for the loss sustained.

While accepting (August/ September/ November 2012) the audit observations, the Government/ management stated that vehicles were given on hire even 'free of cost' with approval of the Minister-in-Charge or Additional Chief Secretary, Transport Department, Government of West Bengal. The reply is not acceptable since concession up to a maximum of 50 *per cent* was allowed to be sanctioned by the Chairman. They also stated that in four instances retention charges of ₹ 7,000/- were recovered. However, the management remained silent about recovery of retention charges in the instances which were pointed out by Audit.

Thus, by fixing of hiring charges below cost of operations, failure to levy hire charges for retention of buses beyond maximum duration and hiring out of buses below the prescribed rates, the Corporation had forgone revenue of ₹ 1.58 crore⁸⁷.

**Kolkata
The**

**(MAUSUMI RAY BHATTACHARYYA)
Accountant General
(Economic and Revenue Sector Audit)
West Bengal**

Countersigned

**New Delhi
The**

**(VINOD RAI)
Comptroller and Auditor General of India**

⁸⁵ ₹ (15.74+38.46+6.01) lakh

⁸⁶ ₹ (15.74+0.67+1.67+95.41+17.79) lakh

⁸⁷ ₹ 44.57 lakh + ₹ 42.19 lakh + ₹ 71.07 lakh

ANNEXURES

Annexure 1.1
(Refer paragraphs 1.3.1)

Statement showing particulars of up to date paid up capital, loans outstanding and Manpower as on 31 March 2012 in respect of Government companies and statutory corporations

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ^s				Loans** outstanding as at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.03.2012)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
A. Working Government companies													
AGRICULTURE AND ALLIED													
1	West Bengal State Seed Corporation Limited	Agriculture	November 1980	2.50	0.00	0.00	2.50	22.00	0.00	0.00	22.00	8.80:1 (9.60:1)	182
2	West Bengal Tea Development Corporation Limited	Commerce & Industries	August 1976	40.24	0.00	0.00	40.24	99.61	0.20	0.00	99.81	2.52:1 (2.48:1)	2,922
3	West Bengal Agro Industries Corporation Limited	Water Resources Investigation & Development	August 1968	8.40	0.00	0.00	8.40	0.00	0.00	0.00	0.00	- (1.81:1)	220
4	West Bengal State Minor Irrigation Corporation Limited	Water Resources Investigation & Development	January 1974	11.65	0.00	0.00	11.65	0.00	0.00	0.00	0.00	- (-)	1,002
5	West Bengal State Food Processing and Horticulture Development Corporation Limited	Food Processing Industries & Horticulture	April 1986	0.97	0.00	0.00	0.97	2.21	0.00	0.00	2.21	2.28:1 (2.28:1)	25
6	West Bengal Dairy and Poultry Development Corporation Limited	Animal Resources Development	February 1969	7.09	0.00	0.00	7.09	0.57	0.00	0.00	0.57	0.08:1 (0.08:1)	131

(Figures in column 5(a) to 6(c) are ₹ in Crore)

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital [§]				Loans** outstanding as at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.03.2012)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
7	The State Fisheries Development Corporation Limited	Fisheries, Aquaculture, Aquatic Resources & Fishing Harbours	March 1966	2.70	0.00	0.00	2.70	1.73	0.00	0.00	1.73	0.64:1 (0.64:1)	851
8	West Bengal Fisheries Corporation Limited	Fisheries, Aquaculture, Aquatic Resources & Fishing Harbours	March 1980	2.00	0.00	0.00	2.00	0.30	0.00	0.00	0.30	0.15:1 (0.15:1)	167
9	The West Bengal Livestock Processing Development Corporation Limited	Animal Resources Development	April 1974	2.10	0.25	0.00	2.35	0.00	0.00	0.00	0.00	- (-)	12
10	West Bengal Forest Development Corporation Limited	Forest	November 1974	5.53	0.70	0.00	6.23	0.00	0.00	0.00	0.00	- (-)	965
11	Paschimbanga Agri Marketing Corporation Limited	Agri Marketing	November 2011	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	- (-)	-
	Sector wise total			83.18	0.95	0.00	84.13	126.42	0.20	0.00	126.62	1.52:1 (1.69:1)	6,477
FINANCING													
12	West Bengal Industrial Development Corporation Limited (WBIDC Limited)	Commerce & Industries	January 1967	435.93	0.00	0.00	435.93	41.45	0.00	300.93	342.38	0.79:1 (0.94:1)	121
13	West Bengal Infrastructure Development Finance Corporation Limited	Finance	May 1997	145.30	0.00	0.00	145.30	0.00	0.00	7,207.12	7,207.12	49,60:1 (40,10:1)	30
14	Webel Venture Capital Limited (subsidiary of WBIDC Limited)	Information Technology	February 2007	0.00	0.00	0.05	0.05	0.00	0.00	0.00	0.00	- (-)	2

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ^s				Loans** outstanding as at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.03.2012)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
15	West Bengal Handicrafts Development Corporation Limited	Micro & Small Scale Enterprises and Textiles	June 1976	19.52	0.78	0.00	20.30	1.30	0.00	0.00	1.30	0.06:1 (0.07:1)	123
16	West Bengal Women Development Undertaking	Women & Child Development and Social welfare	August 1993	0.10	0.00	0.00	0.10	0.00	0.00	0.00	0.00	- (-)	15
17	West Bengal Film Development Corporation Limited	Information & Cultural Affairs	July 1980	5.20	0.00	0.00	5.20	23.33	0.00	0.00	23.33	4.49:1 (4.05:1)	53
	Sector wise total			606.05	0.78	0.05	606.88	66.08	0.00	7,508.05	7,574.13	12.48:1 (10.34:1)	344
INFRASTRUCTURE													
18	The West Bengal Small Industries Development Corporation Limited (WBSIDC Limited)	Micro & Small Scale Enterprises and Textiles	March 1961	29.97	0.00	0.00	29.97	12.79	0.00	0.00	12.79	0.43:1 (0.48:1)	188
19	West Bengal Electronics Industry Development Corporation Limited (WBEIDC Limited)	Information Technology	February 1974	195.71	0.00	1.71	197.42	16.00	0.00	0.00	16.00	0.08:1 (0.07:1)	130
20	West Bengal Housing Infrastructure Development Corporation Limited (WBHIDCO Limited)	Urban Development and Town Planning	April 1999	16.00	0.00	1.65	17.65	0.00	0.00	0.00	0.00	- (-)	248
21	West Bengal State Police Housing Corporation Limited	Home	March 1993	0.12	0.00	0.00	0.12	0.00	0.00	0.00	0.00	- (-)	-

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ^{\$}				Loans** outstanding as at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.03.2012)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
22	West Bengal Industrial Land Holdings Private Limited (subsidiary of WBIDC Limited)	Commerce & Industries	October 2006	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	- (-)	-
23	New Town Telecom Infrastructure Development Corporation Limited (subsidiary of WBIDCO Limited)	Information Technology	May 2006	0.00	0.00	1.05	1.05	0.00	0.00	1.50	1.50	1.43:1 (2.38:1)	5
24	Sundarban Infrastructure Development Corporation Limited	Sundarban Affairs	May 2007	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	- (-)	31
25	West Bengal Transport Infrastructure Development Corporation Limited	Transport	September 1996	0.05	0.00	0.00	0.05	0.00	0.00	41.26	41.26	825.20:1 (830.40:1)	24
26	Mackintosh Burn Limited	Public Enterprises	April 1913	0.16	0.00	0.15	0.31	1.57	0.00	8.99	10.56	33.90:1 (28.23:1)	236
	Sector wise total			243.01	0.00	4.57	247.58	30.36	0.00	51.75	82.11	0.33:1 (0.33:1)	862
MANUFACTURING													
27	Greater Calcutta Gas Supply Corporation Limited	Commerce & Industry	December 1987	41.15	0.00	0.00	41.15	148.99	0.00	0.00	148.99	3.62:1 (3.56:1)	354
28	Neo Pipes and Tubes Company Limited	Public Enterprises	January 1983	2.20	0.00	0.00	2.20	32.69	0.00	0.00	32.69	14.86:1 (14.07:1)	76
29	Britannia Engineering Limited	Public Enterprises	April 1986	11.29	0.00	0.00	11.29	9.80	0.00	0.00	9.80	0.87:1 (0.04:1)	395
30	The Shalimar Works (1980) Limited	Public Enterprises	January 1981	1.26	0.00	0.00	1.26	98.38	0.00	9.64	108.02	86.42:1 (73.82:1)	132
31	The Electro Medical and Allied Industries Limited	Public Enterprises	June 1961	16.40	0.00	0.00	16.40	25.99	0.00	0.00	25.99	1.59:1 (1.51:1)	96
32	Westinghouse Saxby Farmer Limited	Public Enterprises	May 1923	7.74	0.00	0.00	7.74	20.15	0.00	0.00	20.15	2.60:1 (2.54:1)	457

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ^s				Loans** outstanding as at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.03.2012)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
33	The Kalyani Spinning Mills Limited	Micro & Small Scale Enterprises and Textiles	January 1960	14.63	0.00	0.00	14.63	261.73	0.00	0.00	261.73	17.89:1 (16.95:1)	1,117
34	Mayurakshi Cotton Mills (1990) Limited	Micro & Small Scale Enterprises and Textiles	February 1990	7.26	0.00	0.00	7.26	15.84	0.00	0.00	15.84	2.18:1 (2.13:1)	218
35	The West Dinaipur Spinning Mills Limited	Micro & Small Scale Enterprises and Textiles	August 1975	12.34	0.00	0.00	12.34	68.49	0.00	0.00	68.49	5.55:1 (5.34:1)	704
36	West Bengal Mineral Development and Trading Corporation Limited	Commerce & Industries	February 1973	4.43	0.00	0.00	4.43	67.95	0.00	0.00	67.95	15.34:1 (14.7:1)	399
37	Durgapur Chemicals Limited	Public Enterprises	July 1963	80.38	0.00	0.00	80.38	0.00	0.00	0.00	0.00	- (1.09:1)	276
38	West Bengal Pharmaceutical and Phytochemical Development Corporation Limited	Commerce & Industries	March 1974	20.14	0.00	0.00	20.14	2.74	0.00	0.00	2.74	0.07:1 (0.14:1)	90
39	Eastern Distilleries and Chemicals Limited	Public Enterprises	April 1986	0.20	0.00	0.00	0.20	6.61	0.00	0.00	6.61	33.05:1 (33.05:1)	170
40	Gluconate Health Limited	Public Enterprises	July 1990	3.01	0.00	0.00	3.01	8.67	0.00	0.00	8.67	1.44:1 (2.70:1)	281
41	Haldia Petrochemicals Limited	Commerce & Industries	September 1985	0.00	0.00	1,959.02	1,959.02	0.00	0.00	1,810.06	1,810.06	0.92:1 (1.09:1)	935
42	WEBFIL Limited	Commerce & Industries	May 1979	0.00	0.00	10.58	10.58	7.58	0.00	5.08	12.66	1.20:1 (1.42:1)	209
43	National Iron and Steel Company (1984) Limited	Public Enterprises	July 1980	12.00	0.00	0.00	12.00	90.89	0.00	1.03	91.92	7.66:1 (7.35:1)	100

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ⁸				Loans** outstanding as at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.03.2012)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
44	DPL Coke Oven Limited	Power and Non-Conventional energy sources	March 2011	0.00	0.00	0.05	0.05	0.00	0.00	0.00	0.00	- (-)	-
	Sector wise total			234.43	0.00	1,969.65	2,204.08	865.50	0.00	1,825.81	2,692.31	1.22:1 (1.33:1)	6,009
POWER													
45	West Bengal State Electricity Distribution Company Limited	Power and Non-Conventional energy sources	February 2007	2,558.40	0.00	0.00	2,558.40	2,199.42	0.00	3,645.15	5,844.57	2.28:1 (1.98:1)	17,511
46	West Bengal State Electricity Transmission Company Limited	Power and Non-Conventional energy sources	February 2007	1,105.52	0.00	0.00	1,105.52	939.09	0.00	1,308.84	2,247.93	2.03:1 (1.99:1)	2,755
47	The Durgapur Projects Limited	Power and Non-Conventional energy sources	September 1961	1,088.00	0.00	0.00	1,088.00	174.71	0.00	1,123.20	1,297.91	1.15:1 (1.10:1)	3,842
48	The West Bengal Power Development Corporation Limited	Power and Non-Conventional energy sources	July 1985	3,961.32	0.00	0.00	3,961.32	2,508.05	0.00	3,414.65	5,922.70	1.50:1 (1.65:1)	4,799
49	New Town Electric Supply Company Limited(subsidiary of WBHIDCO Limited)	Power and Non-Conventional energy sources	September 2003	0.00	0.00	6.63	6.63	0.00	0.00	24.95	24.95	3.76:1 (-)	36
50	West Bengal Green Energy Development Corporation Limited	Power and Non-Conventional energy sources	December 2007	0.00	0.00	9.00	9.00	0.00	0.00	14.57	14.57	1.62:1 (1.45:1)	12
	Sector wise total			8,713.24	0.00	15.63	8,728.87	5,821.27	0.00	9,531.36	15,352.63	1.75:1 (1.74:1)	28,955
SERVICE													
51	Webel Electronic Communication Systems Limited (subsidiary of WBEIDC Limited)	Information Technology	September 1981	0.00	0.00	0.84	0.84	0.00	0.00	10.08	10.08	12.00:1 (4.93:1)	51

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ^s				Loans** outstanding as at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.03.2012)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
52	Webel Mediatronics Limited (subsidiary of WBEIDC Limited)	Information Technology	January 1981	0.00	0.00	4.04	4.04	0.00	0.00	3.04	3.04	0.75:1 (0.33:1)	63
53	Webel Informatics Limited (subsidiary of WBEIDC Limited)	Information Technology	November 1981	0.00	0.00	0.40	0.40	0.00	0.00	4.20	4.20	10.61:1 (10.50:1)	37
54	Webel Technology Limited (subsidiary of WBEIDC Limited)	Information Technology	February 2001	0.00	0.00	1.00	1.00	0.00	0.00	0.00	0.00	- (0.65:1)	71
55	West Bengal Essential Commodities Supply Corporation Limited	Food & Supplies	March 1974	1.08	0.00	0.00	1.08	41.00	0.00	156.90	197.90	183.24:1 (183.24:1)	436
56	West Bengal Tourism Development Corporation Limited	Tourism	April 1974	10.00	0.00	0.00	10.00	0.53	0.00	0.55	1.08	0.11:1 (0.11:1)	444
57	The Calcutta Tramways Company(1978) Limited	Transport	October 1982	20.40	0.00	0.00	20.40	258.92	0.00	0.00	258.92	12.69:1 (12.70:1)	6,085
58	West Bengal Surface Transport Corporation Limited	Transport	February 1989	1.01	0.00	0.00	1.01	108.25	0.00	46.15	154.40	152.86:1 (144.15:1)	747
59	West Bengal Trade Promotion Organisation (Subsidiary of WBIDC Limited)	Commerce and Industries	November 2003	0.50	0.00	0.00	0.50	0.00	0.00	0.00	0.00	- (-)	8
60	West Bengal Medical Services Corporation Limited	Health & Family Welfare	June 2008	0.50	0.00	0.00	0.50	0.00	0.00	0.00	0.00	- (-)	28
61	West Bengal Swarojgar Corporation Limited	Self Help Group & Self Employment Department	November 2009	105.00	0.00	0.00	105.00	0.00	0.00	0.00	0.00	- (-)	8

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ^s				Loans** outstanding as at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.03.2012)
(1)	(2)	(3)	(4)	State Government	Central Government	Others	Total	State Government	Central Government	Others	Total	7	8
	Sector wise total			138.49	0.00	6.28	144.77	408.70	0.00	220.92	629.62	4.20:1 (15.57:1)	7978
MISCELLANEOUS													
62	Silpabarta Printing Press Limited (subsidiary of WBSIC Limited)	Micro & Small Scale Enterprises and Textiles	September 1982	0.18	0.00	0.71	0.89	3.08	0.00	0.13	3.21	3.59:1 (0.24:1)	54
63	Basumatil Corporation Limited	Information & Cultural Affairs	February 1975	0.10	0.00	0.00	0.10	46.84	0.00	0.00	46.84	468.40:1 (441.40:1)	162
64	Saraswati Press Limited	Public Enterprises	January 1987	5.50	0.00	0.00	5.50	0.00	0.00	0.00	0.00	- (-)	315
65	West Bengal Text Book Corporation (P) Limited (subsidiary of Saraswati Press Limited)	Public Enterprises	December 2006	0.00	0.00	0.10	0.10	0.00	0.00	0.00	0.00	- (-)	-
	Sector wise total			5.78	0.00	0.81	6.59	49.92	0.00	0.13	50.05	7.59:1 (6.73:1)	531
	Total- A (All sector wise Government companies)			10,024.18	1.73	1,996.99	12,022.90	7,369.25	0.20	19,138.02	26,507.47	0.20	51,156
B Working Statutory corporations													
AGRICULTURE AND ALLIED													
1	West Bengal State Warehousing Corporation	Public Enterprises	March 1958	0.00	3.81	3.81	7.62	0.00	0.00	0.00	0.00	- (-)	91
	Sector wise total			0.00	3.81	3.81	7.62	0.00	0.00	0.00	0.00	- (-)	91
FINANCING													
2	West Bengal Financial Corporation	Finance	March 1954	147.35	0.00	0.00	147.35	0.00	0.00	0.00	0.00	- (3.62:1)	215
3	West Bengal Scheduled Castes & Scheduled Tribes Development & Finance Corporation	Backward Classes Welfare	July 1976	110.52	66.94	0.00	177.46	0.00	0.00	68.75	68.75	0.39:1 (0.30:1)	250

SL. No	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ^s				Loans** outstanding as at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.03.2012)
(1)	(2)	(3)	(4)	State Government	Central Government	Others	Total	State Government	Central Government	Others	Total	7	8
4	West Bengal Minorities Development & Finance Corporation	Minorities Development & Madrasah Education	January 1996	112.86	0.00	0.00	112.86	0.00	0.00	337.28	337.28	2.99:1 (2.60:1)	36
5	West Bengal Backward Classes Development & Finance Corporation	Backward Classes Welfare	October 1995	16.74	0.00	0.00	16.74	0.00	0.00	23.19	23.19	1.39:1 (1.37:1)	5
	Sector wise total			387.47	66.94	0.00	454.41	0.00	0.00	429.22	429.22		506
INFRASTRUCTURE													
6	West Bengal Industrial Infrastructure Development Corporation	Commerce and Industries	November 1973	0.00	0.00	0.00	0.00	96.34	0.00	0.00	96.34	- (-)	183
	Sector wise total			0.00	0.00	0.00	0.00	96.34	0.00	0.00	96.34	- (-)	183
SERVICE													
7	Calcutta State Transport Corporation	Transport	August 1960	8.62	1.00	0.00	9.62	309.46	0.16	34.06	343.68	35.73:1 (34.50:1)	5866
8	North Bengal State Transport Corporation	Transport	December 1973	5.87	4.83	0.00	10.70	242.77	0.00	0.00	242.77	22.69:1 (25.04:1)	3546
9	South Bengal State Transport Corporation	Transport	August 1963	11.01	0.00	0.00	11.01	150.88	0.00	23.52	174.40	15.84:1 (15.85:1)	2305
	Sector wise total			25.50	5.83	0.00	31.33	703.11	0.16	57.58	760.85	24.29:1 (24.72:1)	11,717
	Total - B (All sector-wise Statutory corporations)			412.97	76.58	3.81	493.36	799.44	0.16	486.80	1,286.41	2.61:1 (3.70:1)	12,497
	Grand Total (A+B)			10,437.15	78.31	2,000.80	12,516.26	8,168.70	0.36	19,624.82	27,793.88		63653

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ^s				Loans** outstanding as at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.03.2012)
(1)	(2)	(3)	(4)	State Government	Central Government	Others	Total	State Government	Central Government	Others	Total	7	8
C Non-working Government companies													
AGRICULTURE AND ALLIED													
1	West Bengal Wasteland Development Corporation Limited	Forest	July 1989	0.34	0.00	0.00	0.34	0.00	0.00	0.00	0.00	- (-)	4
	Sector wise total			0.34	0.00	0.00	0.34	0.00	0.00	0.00	0.00	- (-)	4
FINANCING													
2	West Bengal Handloom and Power loom Development Corporation Limited	Micro & Small Scale Enterprises and Textiles	September 1973	43.01	3.73	0.02	46.76	1.12	0.00	0.00	1.12	0.02:1 (0.02:1)	-
	Sector wise total			43.01	3.73	0.02	46.76	1.12	0.00	0.00	1.12	0.00	-
MANUFACTURING													
3	West Bengal Plywood and Allied Products Limited	Public Enterprises	October 1989	0.09	0.00	0.00	0.09	26.78	0.00	0.00	26.78	297.56:1 (297.56:1)	-
4	Krishna Silicate & Glass (1987) Limited	Public Enterprises	October 1998	0.00	0.00	0.00	0.00	52.92	0.00	0.00	52.92	- (-)	-
5	Pulver Ash Projects Limited (Subsidiary of WBSIC Limited)	Micro & Small Scale Enterprises and Textiles	September 1989	0.00	0.00	3.31	3.31	0.00	0.00	13.00	13.00	3.93:1 (3.93:1)	-
6	West Bengal Ceramic Development Corporation Limited	Micro & Small Scale Enterprises and Textiles	March 1976	2.93	0.00	0.00	2.93	26.00	0.00	0.00	26.00	8.87:1 (8.87:1)	2

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ^{\$}				Loans** outstanding as at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.03.2012)
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
7	The West Bengal State Leather Industries Development Corporation Limited	Micro & Small Scale Enterprises and Textiles	March 1976	3.95	0.00	0.00	3.95	2.34	0.00	0.00	2.34	0.59:1 (0.59:1)	-
8	The Carter Pooler Engineering Company Limited	Public Enterprises	June 1987	0.95	0.00	0.00	0.95	20.69	0.00	0.00	20.69	21.78:1 (21.78:1)	-
9	Webel Electro-Optics Limited (subsidiary of WBEIDC Limited)	Information Technology	April 1990	0.00	0.00	3.37	3.37	0.00	0.00	3.80	3.80	1.13:1 (-)	12
10	Webel Consumer Electronics Limited (subsidiary of WBEIDC Limited)	Information Technology	June 1981	0.00	0.00	8.02	8.02	0.00	0.00	45.54	45.54	0.06:1 (3.91:1)	98
11	West Bengal Sugar Industries Development Corporation Limited	Commerce and Industries	May 1973	15.17	0.00	0.07	15.24	46.74	0.00	0.00	46.74	3.07:1 (3.06:1)	5
12	The West Bengal Projects Limited (subsidiary of WBSIDC Limited)	Micro & Small Scale Enterprises and Textiles	February 1984	0.77	0.00	1.12	1.89	0.10	0.00	0.15	0.25	0.13:1 (0.13:1)	-
13	The Infusions (India) Limited	Commerce & Industries	December 1976	7.73	0.00	0.00	7.73	4.72	0.00	0.00	4.72	- (0.43:1)	-
14	Lily Products Limited	Public Enterprises	April 2004	0.01	0.00	0.00	0.01	48.07	0.00	0.43	48.50	4.849,78:1 (97,88:1)	72
	Sector wise total			31.60	0.00	15.89	47.49	228.36	0.00	62.92	291.28	6.17:1 (4.72:1)	189
	Total C (All sector wise non working Government companies)			74.95	3.73	15.91	94.59	230.04	0.00	62.92	292.96	3.11:1 (2.58:1)	193

Sl. No	Sector & Name of the Company	Name of the Department	Month & year of Incorporation	Paid Up Capital ^{\$}				Loans** outstanding as at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.03.2012)
(1)	(2)	(3)	(4)	State Government	Central Government	Others	Total	State Government	Central Government	Others	Total	7	8
D	Non-working Statutory corporations												
SERVICE													
I	Great Eastern Hotel Authority	Tourism	July 1980	0.00	0.00	0.00	0.00	0.56	0.00	0.00	0.56	-	5
	Sector wise total			0.00	0.00	0.00	0.00	0.56	0.00	0.00	0.56	-	5
	Total D (All sector wise non working Statutory Corporations)			0.00	0.00	0.00	0.00	0.56	0.00	0.00	0.56	-	5
	Grand total(C+D)			74.95	3.73	15.91	94.59	230.04	0.00	62.92	292.96	3.11:1 (9.75:1)	198
	Grand total(A+B+C+D)			10,512.10	82.04	2,016.71	12,610.85	8,398.74	0.36	19,687.74	28,086.84	2.23:1 (2.18:1)	63,851

Above includes Section 619-B companies at Sr. No. A - 40, 41 and 49.

\$ Paid up Capital includes Share Application Money.

** Loans outstanding at the close of 2010-11 represent long-term Loans only.

Except in respect of Companies/ Corporations which finalised their accounts for 2011-12 (Serial Nos. A-10, 13, 14, 19, 23, 26, 28, 29, 32, 37, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 53, 54, 57, 59, 64, 65, B-2 and D-1) figures are provisional and as given by the companies / corporation.

Annexure 1.2
(Refer paragraphs 1.7.2)

Summarised financial results of Government companies and Statutory corporations that had finalised accounts for 2011-12

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

SL. No	Sector & name of the Company	Period of accounts	Year in which finalised	Net profit(+)/Loss(-)				Turnover	Impact of Accounts Comments ^d	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed @	Return on capital employed ⁸	Percentage of return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss ⁵							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
A Working Government companies														
AGRICULTURE AND ALLIED														
1	West Bengal Forest Development Corporation Limited	2011-12	2012-13	4.84	0.00	0.97	3.87	13.72	(-)2.00	6.23	46.90	51.91	3.87	7.46
				4.84	0.00	0.97	3.87	13.72	-	6.23	46.90	51.91	3.87	7.46
	Sector wise total													
	FINANCING													
2	West Bengal Infrastructure Development Finance Corporation Limited	2011-12	2012-13	694.15	680.58	1.21	12.36	719.41	(-)16.86	145.30	598.15	5,959.32	692.94	11.63
3	Webel Venture Capital Limited (subsidiary of WBIDC Limited)	2011-12	2012-13	0.17	0.00	0.00	0.17	0.46	0.00	0.05	0.73	3.88	0.17	4.38
	Sector wise total			694.32	680.58	1.21	12.53	719.87	-	145.35	598.88	5,963.20	693.11	11.63
	INFRASTRUCTURE													
4	West Bengal Electronics Development Corporation Limited (WBIDC Limited)	2011-12	2012-13	7.79	1.57	1.50	4.72	6.30	0.00	197.42	(-)81.28	203.81	6.29	3.09

Sl. No	Sector & name of the Company	Period of accounts	Year in which finalised	Net profit/(+)/Loss(-)				Turnover	Impact of Accounts Comments ^d	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed @	Return on capital employed ^s	Percentage of return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss ^s							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
5	New Town Telecom Infrastructure Development Corporation Limited (subsidiary of WBHDICO Limited)	2011-12	2012-13	1.67	0.17	0.39	1.11	2.20	0.00	1.05	3.88	15.63	1.28	8.19
6	Mackintosh Burn Limited	2011-12	2012-13	25.19	8.98	3.30	12.91	503.03	0.00	0.31	109.12	174.44	21.89	12.55
	Sector wise total			34.65	10.72	5.19	18.74	511.53	-	198.78	31.72	393.88	29.46	7.48
	MANUFACTURING													
7	Neo Pipes and Tubes Company Limited	2011-12	2012-13	(-)1.73	4.48	0.01	(-)6.22	0.00	0.00	2.20	(-)95.73	(-)90.24	(-)1.74	-
8	Britannia Engineering Limited	2011-12	2012-13	(-)6.35	1.54	0.69	(-)8.58	19.32	0.00	11.29	(-)10.05	19.48	(-)7.04	-
9	Westinghouse Saxby Farmer Limited	2011-12	2012-13	(-)2.66	3.09	0.18	(-)5.93	125.57	0.00	7.74	(-)34.18	(-)6.23	(-)2.84	-
10	Durgapur Chemicals Limited	2011-12	2012-13	(-)8.91	9.06	5.98	(-)23.95	67.67	0.00	80.38	(-)80.17	83.71	(-)14.89	-
11	Glucanate Health Limited	2011-12	2012-13	(-)5.90	1.52	0.52	(-)7.94	12.17	0.00	3.01	(-)20.25	(-)5.35	(-)6.42	-
12	Haldia Petrochemicals Limited	2011-12	2012-13	65.28	387.51	424.16	(-)746.39	8,134.45	(-)15.25	1,959.02	(-)506.20	3,042.91	(-)358.88	-

Sl. No	Sector & name of the Company	Period of accounts	Year in which finalised	Net profit(+)/Loss(-)				Turnover	Impact of Accounts Comments [#]	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed [@]	Return on capital employed ^{\$}	Percentage of return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss &							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
13	WEBFIL Limited	2011-12	2012-13	0.46	1.79	0.19	(-)1.52	17.73	0.00	10.58	(-)11.90	0.34	0.27	79.41
14	National Iron and Steel Company Limited (1984)	2011-12	2012-13	(-)3.81	13.18	0.34	(-)17.33	4.07	0.00	12.00	(-)255.05	(-)87.31	(-)4.15	-
15	DPL Coke Oven Limited	2011-12	2012-13	(-)0.14	0.00	0.00	(-)0.14	0.00	0.00	0.05	(-)0.14	(-)0.09	(-)0.14	-
	Sector wise total			36.24	422.17	432.07	(-)818.00	8,380.98	-	2,086.27	(-)1,013.67	2,957.22	(-)395.83	-
	POWER													
16	West Bengal State Electricity Distribution Company Limited	2011-12	2012-13	1,096.50	681.64	341.38	73.48	11,470.95	0.00	2,558.40	(-)212.32	14,759.60	755.12	5.11
17	West Bengal State Electricity Transmission Company Limited	2011-12	2012-13	477.02	180.22	125.13	171.67	724.11	0.00	1,105.52	546.40	4,062.06	351.89	8.66
18	The Durgapur Projects Limited	2011-12	2012-13	130.11	142.42	75.18	(-)87.49	1,163.74	(-)30.43	1,088.00	(-)860.92	1,944.93	54.93	2.82
19	The West Bengal Power Development Corporation Limited	2011-12	2012-13	1,336.38	559.15	396.93	380.30	6,212.38	9.26	3,961.32	994.96	8,505.35	939.45	11.05
20	New Town Electric Supply Company Limited (subsidiary of WBHIDCO Limited)	2011-12	2012-13	2.51	0.00	0.04	2.47	3.75	0.00	6.63	7.42	40.23	2.47	6.14
	Sector wise total			3,042.52	1,563.43	938.66	540.43	19,574.93	-	8,719.87	475.54	14,552.57	2,103.86	14.46

Sl. No	Sector & name of the Company	Period of accounts	Year in which finalised	Net profit/(+)/Loss(-)				Turnover	Impact of Accounts Comments	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed @	Return on capital employed ^{\$}	Percentage of return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss &							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
	SERVICE													
21	Webel Informatics Limited (subsidiary of WBEIDC Limited)	2011-12	2012-13	(-)0.34	0.00	0.04	(-)0.38	0.15	0.00	0.40	(-)6.26	1.20	(-)0.38	-
22	Webel Technology Limited (subsidiary of WBEIDC Limited)	2011-12	2012-13	2.23	0.05	0.37	1.81	50.24	0.00	1.00	7.83	4.48	1.86	41.52
23	The Calcutta Tramways Company(1978) Limited	2011-12	2012-13	(-)8.75	34.90	8.93	(-)52.58	43.81	0.00	20.40	(-)1,166.16	(-) 1,008.81	(-)17.68	-
24	West Bengal Trade Promotion Organisation	2011-12	2012-13	2.02	0.00	0.78	1.24	3.38	0.00	0.50	3.17	17.26	1.24	7.19
	Sector wise total			(-)4.84	34.95	10.12	(-)49.91	97.58	-	22.30	(-)1,161.42	(-)985.87	(-)14.96	-
	MISCELLANEOUS													
25	Saraswati Press Limited	2011-12	2012-13	7.30	0.12	1.47	5.71	70.72	0.00	5.50	13.33	26.56	5.83	21.95
26	West Bengal Text Book Corporation (P) Limited (subsidiary of Saraswati Press Limited)	2011-12	2012-13	2.53	0.00	0.00	2.53	19.14	0.00	0.10	2.50	2.60	2.53	97.31
	Sector wise total			9.83	0.12	1.47	8.24	89.86	-	5.60	15.83	29.16	8.36	28.67
	Total- A (All sector wise Government companies)			3,817.56	2,711.97	1,389.69	(-)284.10	29,388.47	-	11,184.40	(-)1,006.22	22,962.07	2,427.87	10.58
B.	Working Statutory corporations													
	FINANCING													
1	West Bengal Financial Corporation	2011-12	2012-13	44.46	46.52	0.07	(-)2.13	69.34	0.00	147.35	(-)117.16	738.48	44.39	6.01
	Sector wise total			44.46	46.52	0.07	(-)2.13	69.34	-	147.35	(-)117.16	738.48	44.39	6.01

Sl. No	Sector & name of the Company	Period of accounts	Year in which finalised	Net profit(+)/Loss(-)				Turnover	Impact of Accounts Comments [#]	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed [@]	Return on capital employed ^{\$}	Percentage of return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss ^{&}							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
	Total - B (All sector-wise Statutory corporations)			44.46	46.52	0.07	(-)2.13	69.34	-	147.35	(-)117.16	738.48	44.39	6.01
	Grand Total (A+B)			3,862.02	2,758.49	1,389.76	(-)286.33	29,457.81	-	11,331.75	(-)1,123.38	23,700.55	2,472.26	10.44
D.	Non-working Statutory corporations													
	SERVICE													
1	Great Eastern Hotel Authority	2011-12	2012-13	0.03	0.14	-	(-)0.11	-	-	-	(-)37.17	0.94	0.03	3.19
	Total D (All sector wise non working Statutory Corporations)			0.03	0.14	-	(-)0.11	-	-	-	(-)37.17	0.94	0.03	3.19
	Grand total (C+D)			0.03	0.14	-	(-)0.11	-	-	-	(-)37.17	0.94	0.03	3.19
	Grand total (A+B+C+D)			3,862.05	2,758.63	1,389.76	(-)286.34	29,457.81	-	11,331.75	(-)1,160.55	23,701.49	2,472.29	10.44

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

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

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

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

Annexure 1.3
(Refer paragraphs 1.6.2 & 1.7.5)

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

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

Sl. No	Sector & name of the Company	Period of accounts	Year in which finalised	Net profit(+)/Loss(-)				Turnover	Impact of Accounts Comments ^g	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed ^h	Return on capital employed ⁱ	Percentage of return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss ^j							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
A Working Government companies														
AGRICULTURE AND ALLIED														
1	West Bengal State Seed Corporation Limited	2009-10	2012-13	8.01	2.28	0.20	5.53	132.10	0.00	2.50	33.39	88.77	7.81	8.80
2	West Bengal Tea Development Corporation Limited	2010-11	2011-12	(-77.76)	14.20	0.28	(-22.24)	8.26	0.00	37.98	(-175.02)	(-43.35)	(-8.04)	-
3	West Bengal Agro Industries Corporation Limited	2010-11	2011-12	6.77	11.57	0.04	(-4.84)	86.42	0.00	8.40	(-74.70)	(-51.07)	6.73	-
4	West Bengal State Minor Irrigation Corporation Limited	2009-10	2012-13	(-13.33)	0.00	0.68	(-14.01)	3.16	(-0.34)	11.65	(-57.87)	(-27.70)	(-14.01)	-
5	West Bengal State Food Processing and Horticulture Development Corporation Limited	2009-10	2011-12	0.77	0.30	0.02	0.45	1.30	0.00	0.97	0.98	9.04	0.75	8.30
6	West Bengal Dairy and Poultry Development Corporation Limited	2008-09	2012-13	0.82	0.09	0.23	0.5	42.70	(-0.01)	7.09	(-3.78)	4.56	0.59	12.94
7	The State Fisheries Development Corporation Limited	2010-11	2011-12	(-0.92)	0.09	0.39	(-1.40)	9.03	0.00	2.70	(-3.33)	(-6.45)	(-1.31)	-

Sl. No	Sector & name of the Company	Period of accounts	Year in which finalised	Net profit(+)/Loss(-)				Turnover	Impact of Accounts Comments [#]	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed [@]	Return on capital employed ^{\$}	Percentage of return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss ^{&}							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
8	West Bengal Fisheries Corporation Limited	2010-11	2012-13	1.56	0.00	0.21	1.35	1.74	(-)0.40	2.00	(-)5.40	(-)3.33	1.35	0.00
9	The West Bengal Livestock Development Corporation Limited	2010-11	2012-13	0.08	0.00	0.03	0.05	0.45	0.00	2.35	(-)0.26	2.11	0.05	2.37
10	Paschimbanga Agri Marketing Corporation Limited													
	Sector wise total			(-)4.00	28.53	2.08	(-)34.61	285.16	-	75.66	(-)285.99	(-)27.42	(-)6.08	-
	FINANCING													
11	West Bengal Industrial Development Corporation Limited (WBIDC Limited)	2010-11	2012-13	30.49	25.69	1.92	2.88	52.09	(-)117.94	435.93	30.18	1,496.04	28.57	1.90
12	West Bengal Handicrafts Development Corporation Limited	2008-09	2011-12	(-)1.11	0.20	0.05	(-)1.36	12.06	(-)1.43	15.30	(-)20.43	(-)2.86	(-)1.16	-
13	West Bengal Women Development Undertaking	2009-10	2011-12	0.10	0.00	0.00	0.10	0.04	0.00	0.10	0.50	2.57	0.10	3.89
14	West Bengal Film Development Corporation Limited	2009-10	2011-12	(-)2.04	2.38	0.11	(-)4.53	0.17	(-)0.69	5.20	(-)55.73	0.00	(-)2.15	-
	Sector wise total			27.44	28.27	2.08	(-)2.91	64.36	-	456.53	(-)45.48	1,495.75	25.36	1.70

Sl. No	Sector & name of the Company	Period of accounts	Year in which finalised	Net profit(+)/Loss(-)				Turnover	Impact of Accounts Comments [§]	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed @	Return on capital employed [§]	Percentage of return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss &							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
	INFRASTRUCTURE													
15	The West Bengal Small Industries Development Corporation Limited (WBSIDC Limited)	2010-11	2012-13	4.41	1.22	0.65	2.54	22.98	(-)1.55	27.72	(-)28.21	38.33	3.76	9.80
16	West Bengal Housing Infrastructure Development Corporation Limited (WBHIDCO Limited)	2010-11	2012-13	8.45	0.00	1.13	7.32	139.14	(-)12.42	16.40	18.17	31.15	7.32	23.50
17	West Bengal State Police Housing Corporation Limited	2010-11	2011-12	0.92	0.83	0.00	0.09	4.65	0.00	0.12	0.06	0.12	0.92	766.67
18	West Bengal Industrial Land Holdings Private Limited (subsidiary of WBIDC Limited)	2008-09	2010-11	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.01	0.00	0.00
19	Sundarban Infrastructure Development Corporation Limited	2010-11	2012-13	0.42	0.00	0.04	0.38	0.95	0.00	1.00	1.24	2.22	0.38	17.12
20	West Bengal Transport Infrastructure Development Corporation Limited	2010-11	2011-12	8.03	4.29	13.47	(-)9.73	14.68	0.00	0.05	(-)9.26	68.33	(-)5.44	-
	Sector wise total			22.23	6.34	15.29	0.60	182.40	-	45.30	(-)18.00	140.16	6.94	4.96
	MANUFACTURING													
21	Greater Calcutta Gas Supply Corporation Limited	2010-11	2011-12	3.66	18.92	4.26	(-)19.52	45.34	(-)0.59	41.15	(-)274.77	(-)113.97	(-)0.60	-

Sl. No	Sector & name of the Company	Period of accounts	Year in which finalised	Net profit(+)/Loss(-)				Turnover	Impact of Accounts Comments ^a	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed @	Return on capital employed ^b	Percentage of return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss ^c							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
22	The Shalimar Works(1980) Limited	2010-11	2011-12	3.04	12.40	0.39	(-)9.75	6.30	0.00	1.25	(-)163.88	(-)666.96	2.65	-
23	The Electro Medical and Allied Industries Limited	2010-11	2012-13	(-)2.76	3.54	0.81	(-)7.11	6.02	0.00	16.40	(-)50.33	(-)8.84	(-)3.57	-
24	The Kalyani Spinning Mills Limited	2009-10	2011-12	(-)15.06	31.95	0.40	(-)47.41	30.55	(-)9.76	12.63	(-)443.38	(-)198.84	(-)15.46	-
25	Mayurakshi Cotton Mills (1990) Limited	2010-11	2012-13	(-)1.01	2.37	0.22	(-)3.60	5.93	0.00	6.76	(-)34.47	(-)0.33	(-)1.23	-
26	The West Dinajpur Spinning Mills Limited	2010-11	2012-13	(-)11.96	8.40	0.20	(-)20.56	12.56	0.00	11.34	(-)151.88	(-)79.27	(-)12.17	-
27	West Bengal Mineral Development and Trading Corporation Limited	2009-10	2011-12	(-)1.53	7.26	0.04	(-)8.83	11.29	(-)8.50	4.43	(-)116.81	(-)63.56	(-)1.69	-
28	West Bengal Pharmaceutical and Phytochemical Development Corporation Limited	2010-11	2011-12	(-)1.07	0.41	0.10	(-)1.58	6.75	0.00	18.50	(-)13.99	6.94	(-)1.17	-
29	Eastern Distilleries and Chemicals Limited	2009-10	2011-12	0.03	0.89	0.30	(-)1.16	35.43	(-)0.95	0.20	(-)4.19	3.97	(-)0.27	-
	Sector wise total			(-)26.66	86.14	6.72	(-)119.52	160.17	-	112.66	(-)1,253.70	(-)520.86	(-)33.51	-

Sl. No	Sector & name of the Company	Period of accounts	Year in which finalised	Net profit(+) / Loss(-)				Turnover	Impact of Accounts Comments [#]	Paid up Capital	Accumulated Profit (+) / Loss(-)	Capital employed [@]	Return on capital employed ^{\$}	Percentage of return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss ^{&}							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
	POWER													
30	West Bengal Green Energy Development Corporation Limited	2010-11	2012-13	3.17	0.57	2.31	0.29	4.99	0.00	4.64	(-0.32)	11.92	0.86	7.21
	Sector wise total			3.17	0.57	2.31	0.29	4.99	-	4.64	(-0.32)	11.92	0.86	7.22
	SERVICE													
31	Webel Electronic Communication Systems Limited (subsidiary of WBEIDC Limited)	2010-11	2012-13	(-1.80)	0.08	0.04	(-1.92)	2.80	0.00	0.84	(-5.63)	2.69	(-1.84)	-
32	Webel Mediatronics Limited (subsidiary of WBEIDC Limited)	2010-11	2012-13	(-5.67)	0.02	0.06	(-5.75)	6.12	0.00	4.04	(-3.47)	8.66	(-5.73)	-
33	West Bengal Essential Commodities Supply Corporation Limited	2008-09	2012-13	19.96	19.36	0.06	0.54	1,159.07	0.00	1.08	3.30	361.92	19.90	5.50
34	West Bengal Tourism Development Corporation Limited	2010-11	2011-12	1.04	0.03	0.74	0.27	23.46	0.00	10.00	(-4.23)	4.36	0.30	6.89
35	West Bengal Surface Transport Corporation Limited	2010-11	2011-12	(-4.53)	15.91	27.03	(-47.47)	14.22	(-0.05)	1.01	(-170.18)	47.99	(-31.56)	-
36	West Bengal Medical Service Corporation Limited	2008-09	2012-13	(-0.06)	0.00	0.00	(-0.06)	0.00	0.00	0.06	0.00	0.00	(-0.06)	-

Sl. No	Sector & name of the Company	Period of accounts	Year in which finalised	Net profit(+)/Loss(-)				Turnover	Impact of Accounts Comments ^d	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed ^e	Return on capital employed ^f	Percentage of return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss ^g							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
37	West Bengal Svarojgar Corporation Limited	2009-10	2011-12	1.20	0.00	0.00	1.20	2.46	0.00	105.00	1.20	2.54	1.20	47.25
	Sector wise total			10.14	35.40	27.93	(-)53.19	1,208.13	-	122.03	(-)179.01	428.16	(-)17.79	-
	MISCELLANEOUS													
38	Silpabarta Printing Press Limited (subsidiary of WBSIC Limited)	2010-11	2012-13	(-)0.67	0.04	0.05	(-)0.58	10.67	0.00	0.89	0.39	2.00	(-)0.54	-
39	Basumati Corporation Limited	2010-11	2012-13	(-)4.45	6.30	0.02	(-)10.77	0.85	0.00	0.10	(-)106.41	(-)32.32	(-)4.47	-
	Sector wise total			(-)5.12	6.34	0.07	(-)11.35	11.52	-	0.99	(-)106.02	(-)130.32	(-)5.01	-
	Total- A (All sector wise Government companies)			27.20	191.59	56.48	(-)220.69	1,916.73	-	817.81	(-)1,888.52	1,397.39	(-)29.23	-
B.	Working Statutory corporations													
	AGRICULTURE AND ALLIED													
1	West Bengal State Warehousing Corporation	2010-11	2012-13	1.98	0.00	0.19	1.79	7.90	0.00	7.61	2.61	11.09	1.79	16.15
	Sector wise total			1.98	0.00	0.19	1.79	7.90	-	7.61	2.61	11.09	1.79	16.15

SL No	Sector & name of the Company	Period of accounts	Year in which finalised	Net profit(+)/Loss(-)				Turnover	Impact of Accounts Comments ^g	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed @	Return on capital employed ^h	Percentage of return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss &							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
	FINANCING													
2	West Bengal Scheduled Castes & Scheduled Tribes Development & Finance Corporation	2009-10	2011-12	4.22	0.64	0.05	3.53	21.31	0.00	161.64	14.28	217.06	4.17	1.92
3	West Bengal Minorities Development & Finance Corporation	2010-11	2012-13	10.82	5.98	0.12	4.72	10.95	0.00	96.86	0.46	321.50	10.67	3.32
4	West Bengal Backward classes Development & Finance Corporation	2010-11	2012-13	0.58	0.71	0.01	(-)0.14	0.90	0.00	14.67	(-)0.82	36.13	0.57	1.58
	Sector wise total			15.62	7.33	0.18	8.11	33.16	-	273.17	13.92	574.69	15.41	2.69
	INFRASTRUCTURE													
5	West Bengal Industrial Infrastructure Development Corporation	2010-11	2012-13	4.31	2.86	0.12	1.33	9.12	0.00	0.00	27.87	86.68	4.19	4.84
	Sector wise total			4.31	2.86	0.12	1.33	9.12	-	-	27.87	86.68	4.19	4.84
	SERVICE													
6	Calcutta State Transport Corporation	2009-10	2012-13	(-)13.97	28.89	9.99	(-)52.85	73.66	0.00	9.62	(-)741.48	(-)380.48	(-)22.56	-

Sl. No	Sector & name of the Company	Period of accounts	Year in which finalised	Net profit(+)/Loss(-)				Turnover	Impact of Accounts Comments ⁸	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed @	Return on capital employed ⁹	Percentage of return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss ⁵							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
7	North Bengal State Transport Corporation	2008-09	2011-12	(-)5.33	27.51	7.66	(-)40.50	142.07	0.00	10.70	(-)480.39	(-)229.11	(-)12.99	-
8	South Bengal State Transport Corporation	2010-11	2012-13	3.31	19.66	10.30	(-)26.64	134.94	0.00	11.01	(-)379.61	(-)179.92	(-)6.98	-
	Sector wise total			(-)115.99	76.06	27.95	(-)119.95	350.67	-	31.33	(-)1,601.48	(-)789.51	(-)42.53	-
	Total - B (All sector-wise Statutory corporations)			5.92	86.25	28.44	(-)108.76	400.85	-	312.11	(-)1,557.08	(-)117.05	(-)21.14	-
	Grand Total (A+B)			33.12	277.84	84.92	(-)329.45	2,317.58	-	1,129.92	(-)3,445.60	1,280.34	(-)50.37	-
C.	Non-working Government companies													
	AGRICULTURE AND ALLIED													
1	West Bengal Wasteland Development Corporation Limited	2007-08	2010-11	0.00	0.00	0.00	0.00	0.03	0.00	0.34	0.13	0.04	0.00	-
	Sector wise total			-	-	-	-	0.03	-	0.34	0.13	0.04	-	-

Sl. No	Sector & name of the Company	Period of accounts	Year in which finalised	Net profit(+)/Loss(-)				Turnover	Impact of Accounts Comments [#]	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed @	Return on capital employed ^{\$}	Percentage of return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss ^{&}							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
	FINANCING													
2	West Bengal Handloom and Powerloom Development Corporation Limited	2009-10	2012-13	(-0.93)	0.09	0.00	(-1.02)	0.01	(-0.13)	46.76	(-55.67)	(-8.52)	(-0.93)	-
	Sector wise total			(-0.93)	0.09	-	(-1.02)	0.01	-	46.76	(-55.67)	(-8.52)	(-0.93)	-
	MANUFACTURING													
3	West Bengal Plywood and Allied Products Limited	2009-10	2010-11	11.83	0.00	0.00	11.83	0.00	0.00	0.09	(-53.28)	0.00	0.00	-
4	Krishna Silicate & Glass (1987) Limited	2005-06	2008-09	(-0.61)	6.63	0.04	(-7.28)	0.00	0.00	0.00	(-91.19)	(-46.30)	(-0.65)	-
5	Pulver Ash Projects Limited (Subsidiary of WBSIC Limited)	2010-11	2012-13	(-0.03)	0.00	0.64	(-0.67)	0.00	0.00	3.31	(-13.22)	3.10	(-0.67)	-
6	West Bengal Ceramic Development Corporation Limited	2006-07	2008-09	(-0.27)	3.98	0.12	(-4.37)	0.00	0.00	2.93	(-64.31)	(-36.59)	(-0.39)	-
7	The West Bengal State Leather Industries Development Corporation Limited	2007-08	2012-13	(-0.17)	0.28	0.01	(-0.46)	0.00	0.00	3.95	(-20.96)	(-2.02)	(-0.18)	-
8	The Carter Pooler Engineering Company Limited	2007-08	2008-09	(-0.08)	3.00	0.00	(-3.08)	0.00	0.00	0.95	(-49.76)	(-26.45)	(-0.08)	-
9	Webel Electro-Optics Limited (subsidiary of WBEIDC Limited)	2010-11	2012-13	0.36	0.00	0.07	0.29	0.00	0.00	3.37	(-3.24)	3.63	0.29	7.99

Sl. No	Sector & name of the Company	Period of accounts	Year in which finalised	Net profit(+)/Loss(-)				Turnover	Impact of Accounts Comments [#]	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed [@]	Return on capital employed ^{\$}	Percentage of return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss ^{&}							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
10	Webl Consumer Electronics Limited (subsidiary of WBEIDC Limited)	2010-11	2012-13	(-)4.77	0.17	0.02	(-)4.96	0.00	0.00	8.02	(-)55.04	(-)3.99	(-)4.79	-
11	West Bengal Sugar Industries Development Corporation Limited	2010-11	2012-13	(-)8.15	6.23	0.01	(-)14.39	5.24	0.00	15.24	(-)145.20	(-)74.41	(-)8.16	-
12	The West Bengal Projects Limited (subsidiary of WBSIC Limited)	2010-11	2012-13	(-)0.06	0.01	0.03	(-)0.10	0.00	0.00	1.89	(-)2.96	(-)0.10	(-)0.09	-
13	The Infusions (India) Limited	2010-11	2011-12	(-)1.16	0.36	0.07	(-)1.59	0.00	(-)0.14	7.73	(-)12.53	0.55	(-)1.23	-
14	Lily Products Limited													-
Final accounts for 2004-05 not yet submitted														
	Sector wise total			(-)3.11	20.66	1.01	(-)24.78	5.24	-	47.48	(-)511.69	(-)182.58	(-)15.95	-
	Grand total (C)			(-)4.04	20.75	1.01	(-)25.80	5.28	-	94.58	(-)567.23	(-)182.58	(-)15.95	-
	Grand total (A+B+C)			29.08	298.59	85.93	(-)355.25	2,322.86	-	1,224.50	(-)4012.83	1,097.76	(-)66.32	-

Annexure-1.4
(Refer paragraphs 1.4.1)

Statement showing equity/ loans received out of budget, 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 2012

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

Sl. No.	Sector & Name of the Company	Equity/loans received out of budget during the year		Grants and subsidy received during the year			Guarantees received during the year and commitment at the end of the year [@]		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
1	2	3 (a)	3 (b)	4(a)	4(b)	4 (c)	5(a)	5(b)	6(a)	6(b)	6 (c)	6(d)
A Working Government companies												
AGRICULTURE AND ALLIED												
1	West Bengal Tea Development Corporation Limited	2.26	5.78	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	West Bengal Dairy & Poultry Development Corporation Limited	0.00	0.00	0.00	2.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	The State Fisheries Development Corporation Limited	0.00	0.00	17.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	West Bengal Fisheries Corporation Limited	0.00	0.00	0.00	3.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	West Bengal Livestock Development Corporation Limited	0.00	0.00	0.00	0.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6	West Bengal Agro Industries Corporation Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.23	0.00	0.00
	Sector wise total	2.26	5.78	17.47	6.51	-	0.00	0.00	0.00	15.23	-	-
FINANCE												
7	West Bengal Industrial Development Corporation Limited	0.00	12.00	0.00	2.25	0.00	0.00	235.64	0.00	0.00	0.00	-
8	West Bengal Infrastructure Development Finance Corporation Limited	0.00	0.00	0.00	0.00	0.00	0.00	22,329.02	0.00	0.00	0.00	-

Sl. No.	Sector & Name of the Company	Equity/loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year [@]		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/penal interest waived	Total
1	2	3 (a)	3 (b)	4(a)	4(b)	4 (c)	4(d)	5(a)	5(b)	6(a)	6(b)	6 (c)	6(d)
9	West Bengal Women Development Undertaking	0.00	0.00	0.00	1.85	0.43	2.28	0.00	0.00	0.00	0.00	0.00	0.00
10	West Bengal Handicrafts Development Corporation limited	1.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	West Bengal Film Development Corporation Limited	0.00	2.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sector wise total	1.50	14.25	-	4.10	0.43	4.53	0.00	22564.66	-	-	-	-
INFRASTRUCTURE													
12	The West Bengal Small Industries Development Corporation Limited	1.26	0.00	0.00	25.71	0.00	25.71	0.00	0.00	0.00	0.00	0.00	0.00
13	West Bengal Electronics Industry Development Corporation Limited (WBEIDC Limited)	0.00	3.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14	West Bengal Housing Infrastructure Development Corporation Limited (WBHIDCO Limited)	1.25	0.00	0.00	0.75	0.00	0.75	0.00	0.00	0.00	0.00	0.00	0.00
15	West Bengal State Police Housing Corporation Limited	0.00	0.00	29.44	0.00	0.00	29.44	0.00	0.00	0.00	0.00	0.00	0.00
16	West Bengal Transport Infrastructure Development Corporation Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.59	0.00	0.00	0.00	0.00
	Sector wise total	2.51	3.50	29.44	26.46	-	55.90	-	0.59	-	-	-	-
MANUFACTURING													
17	Greater Calcutta Gas Supply Corporation Limited	0.00	2.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18	Neo Pipes & Tubes Company Limited	0.00	1.74	0.00	0.00	0.00	0.00	0.00	2.50	0.00	0.00	0.00	0.00

Sl. No.	Sector & Name of the Company	Equity/loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year [@]		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
1	2	3 (a)	3 (b)	4(a)	4(b)	4 (c)	4(d)	5(a)	5(b)	6(a)	6(b)	6 (c)	6(d)
19	Britannia Engineering Limited	0.00	4.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20	Westinghouse Saxby Farmer Limited	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21	The Electro Medical and Allied Industries Limited	0.00	1.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22	The Kalyani Spinning Mills Limited	0.00	13.68	0.00	0.00	0.00	0.00	0.00	1.96	0.00	0.00	0.00	0.00
23	Mayurakshi Cotton Mills Limited	0.50	1.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
24	West Bengal Pharmaceutical and Phytochemical Development Corporation Limited	1.64	0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
25	Gluconate Health Limited	3.00	0.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26	National Iron & Steel Company (1984) Limited	0.00	3.65	0.00	0.00	0.00	0.00	0.00	0.07	0.00	0.00	0.00	0.00
27	The West Dinajpur Spinning Mills Limited	1.00	7.97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
28	West Bengal Mineral Development and Trading Corporation Limited	0.00	5.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29	Haldia Petrochemicals Limited	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30	The Shalimar Works (1980) Limited	0.00	6.13	0.00	0.00	0.00	0.00	0.00	0.75	0.00	0.00	0.00	0.00
	Sector wise total	6.14	350.10	-	-	-	-	-	5.28	-	-	-	-

Sl. No.	Sector & Name of the Company	Equity/loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year [@]		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/penal interest waived	Total
1	2	3 (a)	3 (b)	4(a)	4(b)	4 (c)	4(d)	5(a)	5(b)	6(a)	6(b)	6 (c)	6(d)
POWER													
31	West Bengal State Electricity Distribution Company Limited	0.00	0.57	0.00	0.00	0.00	0.00	0.00	173.93	0.00	0.00	0.00	0.00
32	West Bengal State Electricity Transmission Company Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	287.90	0.00	0.00	0.00	0.00
33	The Durgapur Projects Limited	42.00	3.64	0.00	0.00	0.00	0.00	49.56	1,104.03	0.00	0.00	0.00	0.00
	Sector wise total	42.00	4.21	-	-	-	-	49.56	1,565.86	-	-	-	-
SERVICE													
34	Webel Mediatronics Limited (subsidiary of WBEIDC Limited)	0.00	0.00	0.03	1.00	0.32	1.35	0.00	8.00	0.00	0.00	0.00	0.00
35	The Calcutta Tramways Company (1978) Limited	0.00	11.00	0.00	153.57	0.00	153.57	0.00	12.87	0.00	0.00	0.00	0.00
36	West Bengal Trade Promotion Organisation	0.00	0.00	3.04	0.00	0.00	3.04	0.00	0.00	0.00	0.00	0.00	0.00
37	West Bengal Medical Services Corporation Limited	0.45	0.00	0.00	1.50	0.00	1.50	0.00	0.00	0.00	0.00	0.00	0.00
38	West Bengal Swarojgar Corporation Limited	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
39	West Bengal Surface Transport Corporation Limited	0.00	13.44	0.00	2.00	0.00	2.00	0.00	1.46	0.00	0.00	0.00	0.00
	Sector wise total	5.45	24.44	3.07	158.07	0.32	161.46	-	22.33	-	-	-	-
MISCELLANEOUS													
40	Basumati Corporation Limited	0.00	2.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
41	Slipabarta Printing Press Limited	0.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sector wise total	-	5.70	-	-	-	-	-	-	-	-	-	-
	Total- A	59.86	407.98	49.98	195.14	0.75	245.87	49.56	24,158.72	-	15.23	-	15.23

Sl. No.	Sector & Name of the Company	Equity/loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year [®]		Waiver of dues during the year			
		Equity	Loans	Central Govern ment	State Govern ment	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
1	2	3 (a)	3 (b)	4(a)	4(b)	4 (c)	4(d)	5(a)	5(b)	6(a)	6(b)	6 (c)	6(d)
B. Working Statutory corporations													
FINANCING													
1	West Bengal Financial Corporation	0.00	0.00	0.65	2.37	3.02	6.04	1.00	3.73	0.00	0.00	0.00	0.00
2	West Bengal Scheduled Castes & Scheduled Tribes Development & Finance Corporation	7.91	0.00	6.21	54.99	0.00	61.20	0.00	0.00	0.00	0.00	0.00	0.00
3	West Bengal Minorities Development and Finance Corporation	16.00	0.00	0.00	1.22	0.00	1.22	350.00	0.00	0.00	0.00	0.00	0.00
4	West Bengal Backward Classes Development & Finance Corporation	2.06	0.00	0.00	0.23	0.00	0.23	0.00	0.00	0.00	0.00	0.00	0.00
	Sector wise total	25.97	-	6.86	58.81	3.02	68.69	351.00	3.73	-	-	-	-
SERVICE													
5	Calcutta State Transport Corporation	0.00	15.12	0.00	127.11	0.00	127.11	0.00	50.64	0.00	0.00	0.00	0.00
6	North Bengal State Transport Corporation	0.00	8.68	0.00	74.20	0.00	74.20	0.00	0.30	0.00	0.00	0.00	0.00
7	South Bengal State Transport Corporation	0.00	9.92	0.00	58.22	0.00	58.22	0.00	19.59	0.00	0.00	0.00	0.00
	Sector wise total	-	33.72	-	259.53	-	259.53	-	70.53	-	-	-	-
	Total – B	25.97	33.72	6.86	318.34	3.02	328.22	351.00	74.26	-	-	-	-
	Grand Total (A+B)	85.83	441.70	56.84	513.48	3.77	574.09	400.56	24,232.98	-	15.23	-	15.23

Sl. No.	Sector & Name of the Company	Equity/loans received out of budget during the year		Grants and subsidy received during the year					Guarantees received during the year and commitment at the end of the year [@]		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total	
1	2	3 (a)	3 (b)	4(a)	4(b)	4 (c)	4(d)	5(a)	5(b)	6(a)	6(b)	6 (c)	6(d)	
C Non working Government companies														
MANUFACTURING														
1	The Infusions (India) Limited	0.00	1.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	Lily Products Limited	0.00	1.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3	West Bengal Sugar Industries Development Corporation Limited	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Total –C	-	3.02	-	-	-	-	-	-	-	-	-	-	
D	Non working Statutory Corporation													
1	Great Eastern Hotel Authority	0.00	0.00	0.00	0.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Total-D	-	-	-	0.24	-	-	-	-	-	-	-	-	
	Total-C+D	0.00	3.02	-	0.24	-	-	-	-	-	-	-	-	
	Grand Total (A+B+C+D)	85.83	444.72	56.84	513.72	3.77	574.09	400.56	24232.98	-	15.23	-	15.23	

Note: Except in Companies/ Corporations which furnished their accounts for 2010-11, figures are provisional and as given by the Companies/ Corporations.

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

Annexure 1.5
(Refer paragraph 1.6.4)

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

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 break up may be given separately)					Total
				Year	Equity	Loans	Grants & Subsidy		
Working Government Companies									
1	West Bengal State Minor Irrigation Corporation Limited	2009-10	11.65	2010-11	-	-	31.85	31.85	
		2011-12		-	-	-	-		
2	West Bengal Fisheries Corporation Limited	2010-11	2.00	2011-12	-	-	3.87	3.87	
3		West Bengal Dairy and Poultry Development Corporation Limited		2009-10	-	-	2.00	2.00	
	2010-11		-	-	1.69	1.69			
	2011-12		-	-	2.33	2.33			
4	West Bengal Livestock Development Corporation Limited	2010-11	2.35	2011-12	-	-	0.31	0.31	
5		West Bengal Industrial Development Corporation Limited		2010-11	435.93	2011-12	-	12.00	2.25
6	West Bengal Small Industries Development Corporation Limited		2010-11	27.72	2011-12	1.26	-	25.71	26.97
7		West Bengal Handicrafts Development Corporation Limited	2009-10		15.30	2009-10	1.50	-	-
	2010-11		2.00	2010-11	-	-	0.61	2.61	
	2011-12		1.50	2011-12	-	-	-	1.50	
8	West Bengal Women Development Undertaking	2009-10	0.10	2010-11	-	-	1.32	1.32	
		2011-12		-	-	1.85	1.85		
9	West Bengal Film Development Corporation Limited	2009-10	5.20	2010-11	-	2.15	-	2.15	
		2011-12		-	2.25	-	2.25		

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 break up may be given separately)				
				Year	Equity	Loans	Grants & Subsidy	Total
10	West Bengal Housing Infrastructure Development Corporation Limited	2010-11	16.40	2011-12	1.25	-	0.75	2.00
11	The Kalyani Spinning Mills Limited	2009-10	12.63	2010-11	2.00	15.53	-	17.53
				2011-12	-	13.68	-	13.68
12	Greater Calcutta Gas Supply Corporation Limited	2010-11	41.15	2011-12	-	2.50	-	2.50
13	The Shalimar Works Limited	2010-11	1.25	2011-12	-	6.13	-	6.13
14	Mayurakshi Cotton Mills (1990) Limited	2010-11	6.76	2011-12	0.50	1.54	-	2.04
15	The West Dinajpur Spinning Mills Limited	2010-11	11.34	2011-12	1.00	7.97	-	8.97
16	West Bengal Mineral Development and Trading Corporation Limited	2009-10	4.43	2010-11	-	5.00	5.00	10.00
				2011-12	-	5.60	-	5.60
17	West Bengal Medical Services Corporation Limited	2008-09	0.06	2009-10	-	-	-	-
				2010-11	-	-	-	-
				2011-12	0.45	-	1.50	1.95
18	Basumati Corporation Limited	2010-11	0.10	2011-12	-	2.70	-	2.70
19	Silpabarta Printing Press Limited	2010-11	0.89	2011-12	-	3.00	-	3.00
20	West Bengal State Seed Corporation Limited	2009-10	2.50	2010-11	-	-	-	-
				2011-12	-	-	-	-

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 break up may be given separately)				
				Year	Equity	Loans	Grants & Subsidy	Total
21	Sundarban Infrastructure Development Corporation Limited	2010-11	1.00	2011-12	-	-	-	-
22	The Electro-Medical & Allied Industries Limited	2010-11	16.40	2011-12	-	1.31	-	1.31
23	West Bengal Green Energy Development Corporation Limited	2010-11	4.64	2011-12	-	-	-	-
24	Webel Electronic Communication Systems limited	2010-11	0.84	2011-12	-	-	-	-
25	Webel Mediatronics Limited	2010-11	4.04	2011-12	-	-	1.00	1.00
26	West Bengal Essential Commodities Supply Corporation Limited	2008-09	1.08	2009-10	22.00	-	-	22.00
				2010-11	-	-	-	-
				2011-12	-	-	-	-
27	West Bengal Pharmaceutical and Phytochemical Development Corporation Limited	2010-11	18.50	2011-12	1.64	0.23	-	1.87
28	Eastern Distilleries and Chemicals Limited	2009-10	0.20	2010-11	-	-	-	-
				2011-12	-	-	-	-
29	West Bengal State Police Housing Corporation Limited	2010-11	0.12	2011-12	-	-	-	-
30	West Bengal Industrial Land Holdings Private Limited (subsidiary of WBIDC Limited)	2008-09	0.01	2009-10	-	-	-	-
				2010-11	-	-	-	-
				2011-12	-	-	-	-
31	West Bengal Transport Infrastructure Development Corporation Limited	2010-11	0.05	2011-12	-	-	-	-

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 break up may be given separately)				
				Year	Equity	Loans	Grants & Subsidy	Total
32	West Bengal Surface Transport Corporation Limited	2010-11	1.01	2011-12	-	13.44	2.00	15.44
33	West Bengal Swarojgar Corporation Limited	2009-10	105.00	2010-11	-	-	-	-
				2011-12	5.00	-	-	5.00
34	West Bengal Tea Development Corporation Limited	2010-11	37.98	2011-12	2.26	5.78	-	8.04
35	West Bengal Agro Industries Limited	2010-11	8.40	2011-12	-	-	-	-
36	West Bengal State Food Processing & Horticulture Development Corporation Limited	2009-10	0.97	2010-11	-	-	-	-
				2011-12	-	-	-	-
37	The State Fisheries Development Corporation Limited	2010-11	2.70	2011-12	-	-	-	-
38	West Bengal Tourism Development Corporation Limited	2010-11	10.00	2011-12	-	-	-	-
Total-A (Working Companies)					42.36	100.81	84.04	227.21
B.	Working Statutory Corporations							
39	West Bengal State Warehousing Corporation	2010-11	7.61	2011-12	-	-	-	-
40	West Bengal Minorities Development & Finance Corporation	2010-11	96.86	2011-12	16.00	-	1.22	17.22
41	West Bengal Backward Classes Development & Finance Corporation	2010-11	14.67	2010-11	1.07	-	0.21	1.28
				2011-12	2.06	0.00	0.23	2.29
42	West Bengal Scheduled Castes and Scheduled Tribes Development & Finance Corporation	2009-10	161.64	2010-11	7.91	-	-	7.91
				2011-12	7.91	-	54.99	62.90

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 break up may be given separately)				
				Year	Equity	Loans	Grants & Subsidy	Total
43	West Bengal Industrial Infrastructure Development Corporation	2010-11	-	2011-12	-	-	-	-
44	Calcutta State Transport Corporation	2009-10	9.62	2010-11	-	18.84	149.51	168.35
				2011-12	-	15.12	127.11	142.23
45	North Bengal State Transport Corporation	2008-09	10.70	2009-10	-	13.70	92.55	106.25
				2010-11	-	16.37	100.06	116.43
				2011-12	-	8.68	74.20	82.88
46	South Bengal State Transport Corporation	2010-11	11.01	2011-12	-	9.92	58.22	68.14
	Total-B		312.11		33.88	82.63	658.09	774.60
	Grand Total (A + B)		1,129.91		76.24	183.44	742.13	1,001.81

Annexure 1.6
(Refer paragraph 1.7.2)

Statement showing financial position of Statutory corporations

(Amount : ₹ in crore)

1.	West Bengal Financial Corporation			
	Particulars	2009-10	2010-11	2011-12
A.	Liabilities			
(i)	Paid-up capital	127.31	147.35	147.35
(ii)	Share application money	20.00	-	-
(iii)	Reserve fund and other reserves and surplus	21.37	24.14	26.77
(iv)	Borrowings:	-	-	-
(a)	Bonds and debentures	380.60	345.51	375.68
(b)	Small Industries Development Bank of India	151.95	186.71	187.69
(c)	Loan in lieu of share capital: State Government	0.91	12.55	
(d)	Others (including State Government)	-	11.64	23.21
(v)	Other liabilities and provisions	170.22	170.15	164.67
	Total-A	872.36	886.41	925.37
B.	Assets			
(i)	Cash and Bank balances	75.82	44.01	28.03
(ii)	Investments	0.21	0.17	0.16
(iii)	Loans and Advances	646.90	701.77	750.68
(iv)	Net fixed assets	0.29	0.32	1.22
(v)	Other assets	25.40	26.42	28.12
(vi)	Miscellaneous expenditure	123.74	113.72	117.16
	Total-B	872.36	886.41	925.37
C.	Capital employed*	692.02	709.20	738.48

*Capital employed represents the mean of the aggregate of opening and closing balances of paid-up capital, loans in lieu of capital, seed money, debentures, reserves (other than those which have been funded specifically and backed by investments outside), bonds, deposits and borrowings (including refinance).

Annexure 1.7
(Refer paragraph 1.7.5)

Statement showing financial position of Statutory corporations having arrears in accounts

(Amount : ₹ in crore)

1.	West Bengal State Warehousing Corporation			
	Particulars	2008-09	2009-10	2010-11
A.	Liabilities			
(i)	Paid up capital	7.61	7.61	7.61
(ii)	Reserve and surplus	2.60	3.66	5.45
(iii)	Trade dues and current liabilities (including provisions)	8.01	8.22	8.47
	Total - A	18.22	19.49	21.53
B.	Assets			
(i)	Gross block	11.61	11.63	11.63
(ii)	Less Depreciation	8.14	8.36	8.55
(iii)	Net fixed assets [B(i) – B (ii)]	3.47	3.27	3.08
(iv)	Investment	10.65	2.56	3.51
(v)	Current Assets, Loans and Advances	4.10	13.66	14.94
	Total - B	18.22	19.49	21.53
C.	Capital employed#	(-) 0.44	8.52	11.09

Capital employed represents net fixed assets plus working capital.

(Amount : ₹ in crore)

2.	West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation			
	Particulars	2007-08	2008-09	2009-10
A.	Liabilities			
(i)	Paid-up capital	148.14	154.51	161.64
(ii)	Reserves and surplus	7.85	10.75	14.28
(iii)	Borrowings:			
(a)	NSFDC	23.72	23.66	25.54
(b)	NSKFDC	0.14	0.43	4.95
(c)	Others	27.13	21.00	17.34
(iv)	Current liabilities and provisions			
(a)	Deposit	58.46	105.26	175.43
(b)	Other liabilities and provisions	185.57	266.13	298.34
	Total - A	451.01	581.74	697.52
B.	Assets			
(i)	Cash and Bank Balances	58.78	66.66	96.22
(ii)	Investments	196.00	311.44	389.26
(iii)	Loans and Advances	195.47	203.04	211.46
(iv)	Net fixed assets	0.40	0.37	0.35
(v)	Other Assets	0.36	0.23	0.23
	Total - B	451.01	581.74	697.52
C.	Capital employed#	201.73	208.36	217.06

Capital employed represents average of opening and closing liabilities excluding current liabilities and provision.

3. West Bengal Minorities Development & Finance Corporation				
	Particulars	2008-09	2009-10	2010-11
A.	Liabilities			
(i)	Paid-up capital	89.53	96.86	96.86
(ii)	Reserves and surplus	0.05	0.07	2.51
(iii)	Borrowings	150.02	192.67	281.04
(iv)	Other liabilities and provisions	30.52	82.89	124.34
	Total - A	270.12	372.49	504.75
B.	Assets			
(i)	Current Assets	145.33	209.3	289.95
(ii)	Investment	119.89	158.64	199.92
(iii)	Net fixed assets & CWIP	0.24	0.33	5.88
(iv)	Accumulated loss	4.66	4.22	-
	Total B	270.12	372.49	504.75
C.	Capital employed**	217.10	264.60	321.50

** Capital employed represents average of opening and closing liabilities excluding current liabilities and provision

(Amount: ₹ in crore)

4. West Bengal Backward Classes Development & Finance Corporation				
	Particulars	2008-09	2009-10	2010-11
A.	Liabilities			
(i)	Paid-up capital	11.11	12.98	14.67
(ii)	Reserves and surplus	-	-	-
(iii)	Borrowings	22.86	21.39	23.21
(iv)	Current liabilities and provisions	3.54	4.31	5.43
	Total - A	37.51	38.68	43.31
B.	Assets			
(i)	Cash and Bank balance	5.24	5.23	3.62
(ii)	Loans and Advances	28.8	29.46	35.23
(iii)	Net fixed assets	0.02	0.03	0.03
(iv)	Accumulated Loss	0.55	0.68	0.82
(v)	Other Assets	2.9	3.38	3.63
	Total-B	37.51	38.68	43.31
C.	Capital employed[∞]	32.98	34.17	36.13

[∞] Capital employed represents average of opening and closing liabilities excluding current liabilities and provision.

(Amount : ₹ in crore)

5.	West Bengal Industrial Infrastructure Development Corporation			
	Particulars	2008-09	2009-10	2010-11
A.	Liabilities			
(i)	Loan from Government	96.34	96.34	96.34
(ii)	Grant from Government	42.50	43.50	43.50
(iii)	Net balance of deposit for deposit work	38.86	40.74	51.31
(iv)	Receipt against allotment of land	80.66	83.13	79.98
(v)	Trade dues and current liabilities	40.05	44.29	49.07
(vi)	Surplus	21.15	26.54	27.87
	Total - A	319.56	334.54	348.07
B.	Assets			
(i)	Net fixed assets	30.37	28.08	32.46
(ii)	Capital work-in-progress	63.58	65.21	66.70
(iii)	Investment	213.20	221.67	233.52
(iv)	Current assets, loans and advances	12.41	19.58	15.39
	Total - B	319.56	334.54	348.07
C.	Capital employed*	66.31	68.44	86.68

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

(Amount : ₹ in crore)

6.	Calcutta State Transport Corporation			
	Particulars	2007-08	2008-09	2009-10
A.	Liabilities			
(i)	Capital (Including capital loan & equity capital)	9.62	9.62	9.62
(ii)	Borrowings (Government)	191.62	203.66	221.69
(iii)	Borrowings (Others)	78.71	92.57	104.39
(iv)	Funds*	39.21	40.42	1.40
(v)	Trade dues and other current liabilities (including provisions)	452.64	483.78	582.53
	Total-A	771.80	830.05	919.63
B.	Assets			
(i)	Gross Block	160.52	159.36	180.96
(ii)	Less : Depreciation	111.94	96.03	96.73
(iii)	Net fixed assets	48.58	63.33	84.23
(iv)	Capital work-in-progress (including cost of chassis)	-	-	0.16
(v)	Investments	12.71	14.29	15.35
(vi)	Current assets, loans and advances	61.66	63.81	78.41
(vii)	Accumulated losses	648.85	688.62	741.48
	Total-B	771.80	830.05	919.63
C.	Capital employed**	(-)342.40	(-)356.64	(-)380.48

(Amount : ₹ in crore)

7.	North Bengal State Transport Corporation			
	Particulars	2006-07	2007-08	2008-09
A.	Liabilities			
(i)	Capital (Including capital loan & equity capital)	10.70	10.70	10.70
(ii)	Reserve	-	12.14	12.12
(iii)	Borrowings (Government)	181.68	194.46	207.70
(iv)	Borrowings (Others)	18.04	13.22	20.35
(v)	Funds*	0.48	0.50	0.52
(vi)	Trade dues and other current liabilities (including provisions)	275.38	310.56	347.50
	Total-A	486.28	541.58	598.89
B.	Assets			
(i)	Gross Block	47.66	68.28	68.19
(ii)	Less : Depreciation	5.31	7.69	7.66
(iii)	Net fixed assets	42.35	60.59	60.53
(iv)	Capital work-in-progress (including cost of chassis)	8.11	3.12	3.12
(v)	Investments	0.11	0.11	0.11
(vi)	Current assets, loans and advances	28.40	37.51	54.39
(vii)	Other Assets	0.34	0.35	0.35
(viii)	Accumulated losses	406.97	439.90	480.39
	Total-B	486.28	541.58	598.89
C.	Capital employed**	(-) 196.52	(-) 209.35	(-) 229.11

(Amount : ₹ in crore)

8.	South Bengal State Transport Corporation			
	Particulars	2008-09	2009-10	2010-11
A.	A. Liabilities			
(i)	Capital (Including capital loan & equity capital)	11.01	11.01	11.01
(ii)	Reserves	-	11.22	11.22
(iii)	Borrowings (Government)	112.21	126.51	140.96
(iv)	Borrowings (Others)	28.09	34.50	33.95
(v)	Funds*	2.63	2.30	2.93
(vi)	Trade dues and other current liabilities (including provisions)	223.61	258.21	268.33
	Total-A	377.55	443.75	468.40
B.	Assets			
(i)	Gross Block	76.32	92.47	91.82
(ii)	Less : Depreciation	43.32	38.38	41.39
(iii)	Net fixed assets	33.00	54.09	50.43
(iv)	Capital work-in-progress (including cost of chassis)	0.40	0.80	0.40
(v)	Investments	0.38	0.38	0.38
(vi)	Current assets, loans and advances	18.94	35.58	37.58
(vii)	Accumulated losses	324.83	352.90	379.61
	Total-B	377.55	443.75	468.40
C.	Capital employed**	(-) 171.17	(-) 167.01	(-) 179.92

* Excluding depreciation funds.

** Capital employed represents net fixed assets (including work-in-progress) plus working capital

Annexure 1.8
(Refer paragraph 1.7.2)

Statement showing working results of Statutory corporations

(Amount : ₹ in crore)

1 West Bengal Financial Corporation				
	Particulars	2009-10	2010-11	2011-12
1	Income			
(a)	Interest on loans	59.60	66.98	69.34
(b)	Other income	3.18	6.12	7.43
	Total-1	62.78	73.10	76.77
2	Expenses			
(a)	Interest on long-term and short-term loans	40.83	42.36	46.52
(b)	Other expenses	15.92	18.63	20.23
	Total-2	56.75	60.99	66.75
3	Profit before tax (Total 1 – Total 2)	6.03	12.11	10.02
4	Prior period adjustments	0.29	0.02	0.57
5	Provision for tax	0.72	3.99	2.48
6	Profit/ Loss(-) after tax (3 - 4 - 5)	5.02	8.10	6.97
7	Provision for non-performing assets	6.83	4.85	6.44
8	Other appropriations	-	2.77	2.66
9	Amount available for dividend#	-	10.18	(-)2.13
10	Dividend paid/ payable	-	0.14	1.26
11	Total return on Capital employed	39.02	50.46	44.39
12	Percentage of return on Capital employed	5.63	7.11	6.01

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

Represents profit of the current year available for dividend after considering the specific reserves and provision for taxation.

Annexure 1.9
(Refer paragraph 1.7.5)

Statement showing working results of Statutory corporations

(Amount : ₹ in crore)

1	West Bengal State Warehousing Corporation			
	Particulars	2008-09	2009-10	2010-11
1	Income			
(a)	Warehousing charges	6.06	7.60	7.90
(b)	Other income	0.83	1.25	0.94
	Total - 1	6.89	8.85	8.84
2	Expenses			
(a)	Establishment charges	3.81	4.57	3.50
(b)	Other expenses	2.95	3.21	2.92
	Total - 2	6.76	7.78	6.42
3	Profit (+)/ Loss (-) before tax (Total -1 – Total- 2)	0.13	1.07	2.42
4	Provision for tax	0.02	-	0.63
5	Prior period adjustment	0.02	(-) 0.02	-
6	Profit/Loss(-) after tax (3-4-5)	0.11	1.05	1.79
7	Other appropriations	0.24	0.31	0.28
8	Amount available for dividend	-	-	-
9	Dividend for the year	-	-	-
10	Total return on capital employed	0.13	1.07	1.79
11	Percentage of total return on capital employed	-	12.55	16.14

(Amount : ₹ in crore)

2	West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation			
	Particulars	2007-08	2008-09	2009-10
1	Income			
(a)	Interest on loan	0.69	0.65	0.46
(b)	Interest on fixed deposit	13.48	17.28	20.85
(c)	Other income	4.04	4.56	5.08
	Total-1	18.21	22.49	26.39
2	Expenses			
(a)	Interest	0.83	0.72	0.64
(b)	Provision for other non performing assets	9.08	10.95	12.04
(c)	Other expenses	7.19	7.82	10.18
	Total-2	17.10	19.49	22.86
3	Profit / Loss (-) before tax (Total 1 – Total 2)	1.11	3.00	3.53
4	Provision for tax	-	-	-
5	Prior period adjustment	(-)0.48	(-)0.10	-
6	Other appropriations	-	-	-
7	Amount available for dividend	-	-	-
8	Dividend for the year	-	-	-
9	Total return on capital employed	1.46	3.62	4.17
10	Percentage of total return on capital employed	0.72	1.74	1.92

(Amount : ₹ in crore)

3	West Bengal Minorities Development and Finance Corporation			
	Particulars	2008-09	2009-10	2010-11
1	Income			
(a)	Interest on loan	6.48	9.33	10.95
(b)	Other income	4.04	5.79	7.89
	Total-1	10.52	15.12	18.84
2	Expenses			
(a)	Interest on loans	4.49	6.39	5.98
(b)	Other expenses	6.94	8.26	8.13
	Total-2	11.43	14.65	14.11
3	Surplus /Deficit (-) (Total 1 – Total 2)	(-) 0.91	0.47	4.72
4	Prior period adjustment	(-) 0.13	(-) 0.02	(-)0.03
5	Total return on Capital employed (3 + 4 + 2a)	3.45	6.84	10.67
6	Percentage of return on capital employed	1.59	2.58	3.32

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

(Amount : ₹ in crore)

4	West Bengal Backward Classes Development & Finance Corporation			
	Particulars	2008-09	2009-10	2010-11
1	Income			
(a)	Interest on loan	0.83	0.83	0.90
(b)	Other income	0.45	0.67	0.64
	Total-1	1.28	1.50	1.54
2	Expenses			
(a)	Interest on loans	0.80	0.83	0.71
(b)	Other expenses	0.63	0.79	0.97
	Total-2	1.43	1.62	1.68
3	Surplus /Deficit (-) (Total 1 – Total 2)	(-) 0.15	(-) 0.12	(-) 0.14
4	Total return on Capital employed	0.65	0.72	0.57
5	Percentage of return on capital employed	1.97	2.10	1.58

(Amount : ₹ in crore)

5	West Bengal Industrial Infrastructure Development Corporation			
	Particulars	2008-09	2009-10	2010-11
1	Income			
(a)	Annual rent of land & building	0.31	0.34	0.27
(b)	Recoveries of overheads on development work	0.73	2.07	0.42
(c)	Interest from Bank	9.24	11.33	11.09
(d)	Water supply and Electricity Supply charges	2.51	2.01	2.29
(e)	Miscellaneous income	4.01	4.35	6.15
	Total-1	16.80	20.10	20.22
2	Expenses			
(a)	Administrative expenses	7.39	9.93	12.50
(b)	Interest on loans	2.86	2.86	2.86
(c)	Depreciation & other expenses	0.79	0.82	1.01
	Total-2	11.04	13.61	16.37
3	Profit / Loss (-)before tax (Total 1 – Total 2)	5.76	6.49	3.85
4	Prior Period Adjustment	-	-	(-)0.89
5	Provision for tax	-	1.10	(-)1.63
6	Profit / Loss (-)after tax	5.76	5.39	1.33
7	Total return on capital employed	8.62	8.25	4.19
8	Percentage of total return on capital employed	12.99	12.05	4.83

(Amount : ₹ in crore)

6	Calcutta State Transport Corporation			
	Particulars	2007-08	2008-09	2009-10
1.	Operating			
(a)	Revenue including subsidy	161.92	161.13	185.40
(b)	Expenditure	188.51	185.94	213.35
(c)	Surplus/ Deficit(-) (1a – 1b)	(-) 26.59	(-) 24.81	(-) 27.95
2.	Non-operating			
(a)	Revenue	1.84	8.86	4.26
(b)	Expenditure	24.98	27.42	29.16
(c)	Surplus/ Deficit(-) (2a – 2b)	(-) 23.14	(-) 18.56	(-) 24.90
3.	Total			
(a)	Revenue (1a + 2a)	163.76	169.99	189.66
(b)	Expenditure (1b + 2b)	213.49	213.36	242.51
(c)	Net Profit / Loss(-)	(-) 49.73	(-) 46.98	(-) 52.85
4.	Interest on capital and loans	24.63	26.91	28.89
5.	Total return on Capital employed	(-) 22.37	(-) 20.07	(-) 22.56

(Amount : ₹ in crore)

7	North Bengal State Transport Corporation			
	Particulars	2006-07	2007-08	2008-09
1.	Operating			
(a)	Revenue	46.56	60.29	66.48
(b)	Expenditure	137.08	146.75	155.05
(c)	Surplus/ Deficit(-) (1a – 1b)	(-) 91.52	(-) 86.46	(-) 88.57
2.	Non-operating			
(a)	Revenue	79.28	78.91	75.59
(b)	Expenditure	20.44	25.38	27.52
(c)	Surplus/ Deficit(-) (2a – 2b)	58.84	53.53	48.07
3.	Total			
(a)	Revenue (1a + 2a)	124.84	139.20	142.07
(b)	Expenditure (1b + 2b)	157.52	172.13	182.57
(c)	Net Profit/ Loss(-)	(-) 32.68	(-) 32.93	(-) 40.50
4.	Interest on capital and loans	20.43	25.36	27.51
5.	Total return on Capital employed	(-) 12.25	(-) 7.57	(-) 12.99

Amount : ₹ in crore)

8	South Bengal State Transport Corporation			
	Particulars	2008-09	2009-10	2010-11
1.	Operating			
(a)	Revenue	51.72	57.58	63.38
(b)	Expenditure	95.43	110.94	131.62
(c)	Surplus/ Deficit(-) (1a – 1b)	(-) 43.71	(-) 53.36	(-) 68.24
2.	Non-operating			
(a)	Revenue	40.74	51.25	71.56
(b)	Expenditure	24.04	25.96	29.96
(c)	Surplus/ Deficit(-) (2a – 2b)	16.70	25.29	41.60
3.	Total			
(a)	Revenue (1a + 2a)	92.46	108.83	134.94
(b)	Expenditure (1b + 2b)	119.47	136.90	161.58
(c)	Net Profit/ Loss(-)	(-) 27.01	(-) 28.07	(-) 26.64
4.	Interest on capital and loans	17.41	19.33	19.66
5.	Total return on Capital employed	(-) 9.60	(-) 8.74	(-) 6.98

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

Annexure 1.10
(Refer paragraph 1.11.1)

Statement showing paragraphs/ reviews for which explanatory notes were not received

Particulars/ Name of the department who did not submit explanatory notes	Years of Audit Report (Commercial)								Total number of paras/ reviews in Audit Reports of 2003-2011	Total number of paras/ reviews for which explanatory notes not received From 2003-11
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11 ¹		
Total number of paras/ reviews in Audit Report	30	25	30	25	23	23	23	17 ²	196	43 ³
Power & Non- Conventional Energy Sources	-	-	-	-	1	-	1	9	-	11
Commerce and Industries	-	-	2	2	-	1	2	1	-	8
Public Enterprises	1	-	1	1	-	1	1	4	-	9
Transport	-	1	-	-	2	-	1	1	-	5
Finance	-	-	-	-	1	-	-	1	-	2
Information Technology	-	2	-	-	-	1	1	2	-	6
Water Investigation & Development	-	1	1	-	-	1	-	-	-	3
Agriculture	1	1	-	-	-	-	-	-	-	2
Forest	-	-	-	-	-	1	1	-	-	2
Home	-	-	-	-	-	-	1	-	-	1
Tourism	-	-	1	-	-	-	-	-	-	1
Information & Cultural Affairs	-	-	-	-	-	1	-	-	-	1
Micro & Small Scale Enterprises and Textile	-	-	-	-	-	-	1	1	-	2
Urban Development & Town Planning	-	-	-	-	-	-	-	1	-	1

¹ It was not due since the Report was tabled on 24 September 2012.

² One paragraph involving four departments has been treated as one paragraph in aggregate

³ Paragraphs involving more than one department have been treated as one paragraph in aggregate.

Annexure 1.11

(Refer paragraph 1.11.2)

Statement showing the position of COPU reports where ATN are yet to be received

Name of the Department / Corporation / Company / Board	Year of Audit Report (Commercial)	Para No.	No. of COPU Report	No. of recommendation	Date of presentation of report to the Legislative Assembly
(1)	(2)	(3)	(4)	(5)	(6)
<u>Commerce & Industries</u>					
West Bengal Industrial Development Corporation Limited	2008-09	4.12	130 th	1	29 March 2012
<u>Finance Department</u>					
West Bengal Infrastructure Development Finance Corporation Limited	2008-09	4.17	132 nd	3	29 March 2012
<u>Power & Non-conventional Energy Sources</u>					
West Bengal State Electricity Distribution Company Limited	2008-09	4.3	128 th	3	20 December 2011
West Bengal State Electricity Transmission Company Limited	2007-08	3.1	131 st	2	29 March 2012
<u>Urban Development & Town Planning</u>					
West Bengal Housing Infrastructure Development Corporation Limited	2002-2003	4.1	92 nd	2	17 July 2008
	2004-2005	4.1 to 4.1.5	102 nd	1	26 March 2009
	2008-09	2	135 th	1	4 July 2012
<u>Tourism</u>					
West Bengal Tourism Development Corporation Limited	2003-2004	4.13	97 th	2	2 December 2008
	2005-2006	4.17	93 rd	3	17 July 2008

Name of the Department / Corporation / Company / Board	Year of Audit Report (Commercial)	Para No.	No. of COPU Report	No. of recommendation	Date of presentation of report to the Legislative Assembly
(1)	(2)	(3)	(4)	(5)	(6)
<u>Food and Supplies</u>					
West Bengal Essential Commodities Supply Corporation Limited	2005-2006	4.2	109 th	4	15 December 2009
		4.3	110 th	4	15 March 2010
		4.4	111 th	3	26 March 2010
		4.5	112 th	1	26 March 2010
	2006-07	4.12	129 th	2	29 March 2012
	2009-10	3.18	134 th	2	4 July 2012
<u>Information Technology</u>					
West Bengal Electronics Industry Development Corporation Limited	2005-06	4.11	116 th	1	22 July 2010
<u>Transport</u>					
West Bengal Surface Transport Corporation Limited	2006-07	4.18	117 th	1	22 July 2010
<u>Food Processing Industries & Horticulture</u>					
West Bengal Food Processing Industries and Horticulture Development Corporation Limited	2008-2009	4.15	126 th	5	20 December 2011
<u>Fisheries Department</u>					
West Bengal Fisheries Corporation Limited	2007-2008	3.14	133 rd	1	4 July 2012
Total			19	42	

Annexure 1.12
(Refer paragraph 1.11.3)

Statement showing department-wise outstanding Inspection Reports (IRs)

Sl. No.	Name of department	No. of PSU	No. of outstanding IRs	No. of outstanding Paragraphs	Year from which paragraphs outstanding
1	Power	4	16	26	2008-10
2	Commerce and Industries	5	5	9	2011-12
3	Public Enterprises	6	6	14	2010-11
4	Transport	4	4	9	2010-11
5	Finance	2	2	4	2011-12
6	Micro & Small Scale Enterprise & Textile	4	4	7	2010-11
7	Agriculture	1	1	2	2011-12
8	Forest	1	1	3	2012-13
9	Information Technology	3	3	6	2010-11
10	Food & Supplies	1	1	3	2012-13
11	Fisheries, Aqua-culture, Aquatic, Resources & Fishing Harbours	2	2	4	2011-12
12	Water Investigation and Development	1	2	2	2011-12
13	Sundarban Affairs	1	1	3	2012-13
14	Self Help Group & Self Employment	1	1	2	2012-13
15	Animal Resources Development	1	1	1	2011-12
16	Tourism	1	1	1	2011-12
17	Urban Development	1	1	4	2010-11
18	Backward Classes Welfare	1	1	1	2010-11
19	Minorities Development & Madrasah Education	1	1	1	2010-11
	Total	41	54	102	

Annexure 1.13
(Refer paragraph 1.11.3)

Statement showing department-wise draft paragraphs/ reviews replies to which are awaited

Sl. No.	Name of the Department	No. of draft paragraphs	No. of performance Audit Reports	Period of issue
1	Information Technology	4	-	April-July 2012
2	Agriculture	1	-	April 2012
3	Commerce & Industries	1	-	April-June 2012
4	Public Enterprises	1	-	April 2012
5	Food & Supplies	2	-	June 2012
6	Power & Non-Conventional Energy Sources	-	1	July 2012
7	Tourism	-	1	September 2012
	Total	9	2	

Annexure-2.1.1
(Refer paragraph 2.1.8)

Statement showing proposed sub-stations and associated transmission lines planned for execution up to 2011-12 as per perspective plan of June 2006 prepared by the State Government

Sl. No	Name of the Project	Project cost (in ₹ crore)	Scheduled Project Completion Date	Status of Progress
1	Jagatballipur 440/220 KV SS	335.98	31/03/2011	Land identified but could not be acquired.
	Bakreswar-Jagatballipur 440 KV S/C Line			
	Gokarna (New)- Jagatballipur 440 KV D/C Line			
	LILO of Jeerat-Rishra 220 KV DC line at Jagatballipur			
2	Jagatballipur – Rubber park 220 KV DC line	149.09	31/03/2011	Land acquired but possession could not be taken due to public resistance. Gokarna- Sagardighi 220 KV double circuit line commissioned. Work order for Gokarna – Krishnanagar 220 KV DC line issued.
	Gokarno (New) 400/220 KV sub-station			
	Sagardighi TPP – Gokarno (new) 400 kv DC line			
	Gokarna – Gokarna (new) 220 kv DC line			
3	Gokarna (new)- Krishnanagar 220 kv DC line	156.96	31/03/2011	Not taken up
	Sagardighi TPP			
4	Sagardighi – Subhashgram PG 400 KV S/C line	47.60	30/09/2007	Sub-station completed with LILO Jeerut-Kasba 220 KV SC line, LILO of 132 KV lines at New Town AAIII completed. Rest under execution, could not be completed due to local resistance.
	New Town AA III 220/132 KV Sub-station			
	LILO of Jeerut-Kasba 220 KV S/C Line at New Town AA III			
	LILO of Jeerut-Subhashgram 220 KV S/C line at New Town AA III			
	LILO of Ashoknagar-New Town AA I 132 KV S/C line at New Town AA III			
	LILO of Ashoknagar-Salt Lake 132 KV S/C Line at New Town AA III			
5	New Town AA III-New Town AA I 132 KV S/C line	32.88	31/03/2010	Dropped
	New Town AA III-Salt Lake 132 KV S/C line			
6	Mahachanda 220/132 KV sub-station	45.00	31/03/2009	Dropped
	LILO of Bakreshwar-Satgachia 220 KV D/C line			
7	Rubber Park 220/132 KV Sub-station	42.92	31/03/2010	Dropped in connection with development of Kharagpur 400/220 KV SS.
	LILO of Domjur-Howrah 220 KV D/C line at Ruber Park			
8	Manikpara 220/132 KV Sub-station	67.70	31/03/2009	WIP
	Midnapur-Manikpara 220 KV D/C line			
9	Hura 220/132 KV Sub-station	29.94	31/03/2009	Dropped in connection with development of Kharagpur- Midnapore 220 KV DC line.
	LILO of STPS- Bishnupur (WBIDC) 220 KV D/C Line at Hura-Raghunathpur 132 KV D/C line			
10	KTPS-Midnapur 220 D/C Line	27.61	31/03/2010	Re-survey under progress.
	LILO of STPS-Durgapur 220 KV D/C Line at Asansol			
	Asansol - Ukhra 132 KV D/C Line			ROW problem

SL No	Name of the Project	Project cost (in ₹ crore)	Scheduled Project Completion Date	Status of Progress
11	Subhashgram-Subhashgram (PG) 220 KV D/C Line LILO of Jeerut-Laxmikantapur 220 KV S/C line at Subhashgram LILO of Kasba-Joka 132 S/C Line at Subhashgram	17.84	30/09/2007	Subhashgram-Subhashgram (PG) 220 KV DC and LILO of 220 KV line at Subhashgram completed. LILO of 132 KV lines under progress, could not be completed for ROW problem.
12	Tapping point of Jeerut-Laxmikantapur 220 KV S/C line LILO to Subhashgram 220 KV D/C line making Jeerut-Laxmikantapur Line through (To establish Kasba-Subhashgram 220 KV D/C Line).	11.57	31/03/2009	WIP
13	Foundry Park 132/33 KV Sub-station Rubber Park- Foundry Park 132 KV D/C Line	17.52	31/03/2009	Foundry park 220/132/33 KV SS is WIP, Rubber park – Foundry Park 132 KV line dropped.
14	Kaksa 132/33 KV Sub-station: Kaksa-Mankar 132 KV D/C Line	21.14	31/03/2010	Dropped
15	Jamuria 132/33 KV Sub-station: Jamuria-Asansol 132 KV D/C Line	22.66	30/06/2008	Dropped
16	Uttarbag 132/33 KV Sub-station: Uttarbag-Laxmikantapur 132 KV D/C line	27.16	31/03/2011	Dropped
17	Salt Lake II 132/33 KV Sub-station: New Town AA-III Salt Lake II 132 KV D/C Line	21.16	31/03/2009	Completed
18	Islampur 132/33 KV Sub-station: LILO of Dalkhola-TCF III 132 KV D/C Line at Islampur	18.32	31/03/2011	Dropped
19	Kalimpong 132/66 Sub-station: Chalsa-Kalimpong 132 KV D/C Line	29.34	31/03/2010	Postponed to XII Plan
20	Dubrajpur 132/33 KV Sub-station: LILO of Bolpur-Sainthia 132 KV D/C Line at Dubrajpur	29.12	31/03/2011	Dropped
21	Balarampur 132/33 KV SS: Hura-Balarampur 132KV D/C Line	36.12	31/03/2011	Dropped
22	Goalafatak 132/33KV SS:LILO of BTPS- Dharampur 132 KV D/C Line at Goalafatak	29.12	31/03/2010	Postponed to XII Plan as Shyamnagar 132/33 KV SS
23	Kulpi Port 132/33 KV SS: Laxmikantapur-Kulpi Port 132 KV D/C Line	25.66	31/03/2011	Dropped
24	Manabazar 132/33KV SS: Hura- Manabazar	25.62	31/03/2011	Postponed to XII Plan
25	Mohitnagar 132/33 KV Sub-station : NJP-Mohitnagar 132 KV D/C Line	27.16	31/03/2010	Postponed to XII Plan
26	New Town AA II 132/33 KV Sub-station: New Town AA-III New Town AA-II 132 KV D/C Line	22.06	31/03/2010	Administrative sanction
27	Subhashgram-Basirhat 132 KV D/C Line	12.96	31/03/2011	Dropped
28	LILO of Rangit-Rammam II 132 KV S/C Line at Rmm III : NJP-Rammam III 132 KV D/C Line	25.80	31/03/2010	Postponed to XII Plan
29	Titagarh-Mohispota 132 KV D/C Line	9.04	31/03/2009	Postponed to XII Plan
30	LILO of Midnapur-Bishnupur 132 KV S/C Line at Chandrakona Road	2.15	31/03/2010	Dropped
31	LILO of BTPS-Satgachia 132 KV S/C Line at Khanyan	1.55	31/03/2009	Dropped
32	LILO of NBU-Rammam II 132 KV S/C Line at Rammam I	3.00		Postponed to XII Plan

Annexure-2.1.2
(Refer paragraph 2.1.8)

Statement showing proposed sub-stations and associated transmission lines planned for execution up to 2011-12 as per perspective plan of February 2011 prepared by the Company

Sl no.	Substation at	Voltage level	Connectivity
1	Kharagpur	400/ 220/132 KV	1. LILO of Kolaghat to Baripada 400 KV cingle circuit line. 2. New 400 KV single circuit line to Kolaghat. 3. 220 KV double circuit line to Midnapur sub-station. 4. 132 KV double circuit line to Jhargram. 5. 132 KV double circuit line to existing Kharagpur Sub-station.
2	Dalkhola	220/132 KV	1. Addition of 220 KV reference in existing 132/33 KV sub-station. 2. New 220 KV double circuit line from Dalkhola PGCIL 220 KV switching sub-station.
3	Mohispota	132/33 KV	1. 132 KV double circuit line from Jeerat. 2. 132 KV double circuit line from Titagarh.
4	New Town AA I	132/33 KV	132 KV double circuit line from New Town AAI 220 KV
5	Salt Lake GIS	132/33 KV	132 KV double circuit line from New Town AAI 220 KV
6	Kakdwip	132/33 KV	132 KV double circuit line from Lakshmikantapur
7	Khatra	132/33 KV	132 KV double circuit line from Bishnupur
8	Kalna	132/33 KV	132 KV double circuit line from Satgachia
9	Kurseong	132/33 KV	LILO of Siliguri (PGCIL) to Rangit (NHPC) 132 KV double circuit line.
10	Bagnan GIS	132/33 KV	LILO of KTPS-Uluberia single circuit at Bagnan GIS. Intermediate arrangement till Foundry park 220 KV is commissioned.
11	Food Park	132/33 KV	LILO of Kolaghat (DVC) to Howra (DVC) 132 KV single circuit line. Intermediate arrangement till Foundry park 220 KV is commissioned.

Annexure- 2.1.3

(Refer paragraph 2.1.9)

Statement showing voltage-wise capacity additions planned, actual additions and shortfall during five years up to 2011-12

Sl. No.	Description	2007-08	2008-09	2009-10	2010-11	2011-12
(1)	(2)	(3)	(4)	(5)	(6)	(7)
400 KV Sub-Stations (Numbers)						
1	At the beginning of the year	2	2	2	3	3
2	Additions Planned for the year	1	0	3	0	0
3	Actual Additions during the year	0	0	1	0	0
4	At the end of the year (1+3)	2	2	3	3	3
5	Shortfall in Additions (2-3)	1	0	2	0	0
400 KV Transformers Capacity (MVA)						
1	At the beginning of the year	1,890	1,890	1,890	2,520	2,520
2	Additions/ augmentation Planned for the year	630	0	1,890	0	0
3	Actual Additions during the year	0	0	630	0	0
4	Capacity at the end of the year (1+3)	1,890	1,890	2,520	2,520	2,520
5	Shortfall in Additions/ Augmentation (2-3)	630	0	1,260	0	0
400 KV Lines (CKm)						
1	At the beginning of the year	1,546	1,546	1,546	1,546	1,546
2	Additions Planned for the year	0	0	1,120	0	320
3	Actual Additions during the year	0	0	0	0	0
4	At the end of the year (1+3)	1,546	1,546	1,546	1,546	1,546
5	Shortfall in Additions (2-3)	0	0	1,120	0	320
220 KV Sub-Stations (Numbers)						
1	At the beginning of the year	12	14	15	16	18
2	Additions Planned for the year	2	5	1	0	3
3	Actual Additions during the year	2	1	1	2	1
4	At the end of the year (1+3)	14	15	16	18	19
5	Shortfall in Additions (2-3)	0	4	0	(-2)	2
220 KV Transformers Capacity (MVA)						
1	At the beginning of the year	5,080	5,730	6,210	6,530	7,530
2	Additions/ augmentation Planned for the year	640	1,540	640	0	960
3	Actual Additions during the year	650	480	320	1,000	480
4	Capacity at the end of the year (1+3)	5,730	6,210	6,530	7,530	8,010
5	Shortfall in Additions/ Augmentation (2-3)	(-)10	1,060	320	(-)1,000	480
220 KV Lines (CKm)						
1	At the beginning of the year	2,399.8	2,489.4	2,501.4	2,503.4	2,507.2
2	Additions Planned for the year	458	354.5	586	0	124
3	Actual Additions during the year	89.6	12	2	3.8	0
4	At the end of the year (1+3)	2,489.4	2,501.4	2,503.4	2,507.2	2,507.2
5	Shortfall in Additions (2-3)	368.4	342.4	584	(-)3.8	320

Sl. No.	Description	2007-08	2008-09	2009-10	2010-11	2011-12
(1)	(2)	(3)	(4)	(5)	(6)	(7)
132 KV Sub-Stations (Numbers)						
1	At the beginning of the year	60	62	65	70	71
2	Additions Planned for the year	1	18	5	6	6
3	Actual Additions during the year	2	5	6	1	2
4	At the end of the year (1+3)	62	65	70	71	73
5	Shortfall in Additions (2-3)	(-)1	13	(-)1	5	4
132 KV Transformers Capacity (MVA)						
1	At the beginning of the year	5,217	5,642	6,176	6,779.5	7,064
2	Additions/ augmentation Planned for the year	300	1,526.5	553	378	478
3	Actual Additions during the year	425	534	603.5	284.5	538
4	Capacity at the end of the year (1+3)	5,642	6,176	6,779.5	7,064	7,602
5	Shortfall in Additions/ Augmentation (2-3)	(-)125	992.5	(-)50.5	93.5	(-)60
132 KV Lines (CKm)						
1	At the beginning of the year	5,261.14	5,681.34	6,072.54	6,428.94	6,428.94
2	Additions Planned for the year	86	146.9	410	508	277.4
3	Actual Additions during the year	420.2	391.2	356.4	0	192.3
4	At the end of the year (1+3)	5,681.34	6,072.54	6,428.94	6,428.94	6,621.24
5	Shortfall in Additions (2-3)	(-)334.2	1,078.7	53.6	508	85.1
66 KV Sub-Stations (Numbers)						
1	At the beginning of the year	8	8	8	8	8
2	Additions Planned for the year	0	0	0	0	0
3	Actual Additions during the year	0	0	0	0	0
4	At the end of the year (1+3)	8	8	8	8	8
5	Shortfall in Additions (2-3)	0	0	0	0	0
Other including 66 KV Transformers Capacity (MVA)						
1	At the beginning of the year	1,104.1	1,104.1	1,104.1	1,104.1	1,104.1
2	Additions/ augmentation Planned for the year	0	0	0	0	0
3	Actual Additions during the year	0	0	0	0	0
4	Capacity at the end of the year (1+3)	1,104.1	1,104.1	1,104.1	1,104.1	1,104.1
5	Shortfall in Additions/ Augmentation (2-3)	0	0	0	0	0
66 KV Lines (CKm)						
1	At the beginning of the year	421	421	421	421	421
2	Additions Planned for the year	0	0	0	0	0
3	Actual Additions during the year	0	0	0	0	0
4	At the end of the year (1+3)	421	421	421	421	421
5	Shortfall in Additions (2-3)	0	0	0	0	0

Annexure-2.1.4
(Refer paragraph 2.1.11)
Statement showing progress of projects during five years up to 2011-12

Sl. No.	Name of the Project	DPR approved	Administrative and Technical sanction	NIT	Price Bid opened	LoA issued (months between DPR to LOA)	Time allowed for completion	Completion (Months of delay)	Benefit forgone
1	Mohispota 132/33 KV SS and associated transmission lines.	June 2003	March 2004	November 2004	October 2005	January 2006 (31)	36 months	SS : August 2010(17) Lines: pending (39)	Barasat and Titagarh 132/33 KV SS continue to be overloaded due to non completion of associated lines. Resulting in high T&D loss valued at ₹ 8.91 crore.
2	Lalgola 132/33KV SS and associated transmission lines.	June 2003	April 2004	June 2005	February 2006	February 2007 (44)	28 months	SS : May 2010(13) Lines: pending (23)	Behrampur 132/33 KV SS continue to be overloaded with high T&D loss of ₹ 7.90 crore due to non completion of associated line.
3	New Town 220/132 KV SS and associated transmission lines.	January 2005	January 2005	June 2005	February 2006	August 2006 (19)	28 months	SS : April 2009(6) Lines: pending(41)	Saltlake 132/33 KV SS continue to be overloaded with high T&D loss of ₹ 9.43 crore due to non completion of associated lines.
4	Barjora 132/33KV SS and associated transmission lines.	October 2003	June 2004	November 2004	October 2005	January 2006 (27)	24 months	SS : January 2008 Lines : pending (39)	Unable to cater to EHT customers due to non completion of associated lines. Loss of additional revenue of ₹ 11.75 crore.
5	Singur 220/132 KV SS and associated transmission lines.	March 2007	July 2006	November 2006	January 2007	April 2007 (6)	16 months	SS : September 2010 (26) Lines: pending (44)	-NA-
6	Subhashgram 220/132 KV SS including transmission line and associated transmission lines.	February 1997	March 2005	September 2005	February 2006	August 2006 (114)	32 months	SS : August 2009 (4) Lines: pending (35)	Sonarpur 132/33 KV SS continue to be overloaded with T&D loss of ₹ 8.70 crore due to non completion of associated lines.
7	Salt Lake (II) 132/33 KV Gas Insulated SS and associated transmission lines.	November 2008	September 2008	March 2009	July 2009	December 2009 (13)	16 months	SS : June 2012 (22) Lines: pending (5)	Saltlake 132/33 KV SS continued to be overloaded with high T&D loss of ₹ 2.72 crore due to non completion of associated lines.
8	Kolkata West International City 132/33 KV D/C Transmission	DPR not available	August 2007	October 2007	February 2008	March 2008 (cancelled)	6 months	Closure of contract.	-NA-

Annexure-2.2.1

(Refer Paragraph 2.2.8.4)

West Bengal Tourism Development Corporation Limited
Statement on implementation of restructuring

Sl No.	Recommendations	Status of Implementation	Observations
1	Introduce tour packages in line with market demand.	New tour packages had been introduced.	The Company conducted 30 tour packages (value ₹ 0.50 crore) during 2009-12 and earned profit of ₹ 13.38 lakh from package tours.
2	Introduce self-operated road fleet.	Six new AC-buses had been purchased during 2009 - 10 and operated as part of package tour business.	The newly purchased buses were not operated at full (operated at 41.49 per cent to 50 per cent) capacity level.
3.	Increase tariff based on benchmarking.	Tariff for majority of the facilities had been increased in 2009-12.	The tariff was not fixed on any detailed benchmarking exercise vis-à-vis operating costing system.
4.	Promote use of credit cards.	Credit cards were accepted in all facilities and for payment of all types of services to customers.	On-line refund facilities with transfer of fund to customers' bank account on cancellation of bookings through credit cards were not introduced.
5.	Renovate and upgrade facilities like lodges, vessels etc. to compete with the private sector.	Out of 24 existing lodges, renovation of 17 lodges had been completed and that of two lodges were in progress so far (July 2012).	The Company renovated 17 lodges (₹ 14.53 crore) and 4 water vessels (₹ 2.67 crore) at an expenditure of ₹ 17.20 crore. However, the renovation works of two lodges for which ₹ 2.19 crore was incurred, not completed so far (July 2012).
6.	Implement Decision Support System (DSS).	Study for installation of Web based Management Information System (MIS) had been initiated.	The MIS of all tourist lodges, water fleets vis-à-vis package tours had not been fully implemented.
7.	Operate lodges, conducted tours and bookings and water fleets as profit centres with delegation of authority and accountability to the managers.	Not implemented.	Not implemented. Consequently, the overall working performance of each lodge was affected.
8.	Induct independent Directors on the Board in line with the principles of good governance and create Board level committees.	Not inducted till date (July 2012).	Management of the Company was vested with the Board of Directors (BOD) comprising of the Chairman, Managing Director and one independent Director (Principal Chief Conservator of Forest, GoWB). The Company did not induct fresh independent Directors from specialized areas like Hotel Management, Marketing, Research & Development, Projects & Engineering, Event Management,

				Law and Finance in its Board of Directors.
9.		Appoint an external consultant for finalizing the roles, responsibilities and KPIs of individual position and updating the HR related policies.	Not appointed.	The Company did not have a well-defined H.R. policy detailing clear allocation of duties, roles and responsibilities of key personnel (<i>viz.</i> General Managers), appointed on deputation basis at top-level management. Moreover, the Personnel Policy and Promotion Policy were not revised since August 1998.
10.		Recruit staff for core and support functions for existing sanctioned post.	The proposal for staff recruitment against existing sanctioned post was pending for approval of the Finance Department, GoWB since December, 2009.	The detailed analysis of manpower requirement at each functional level was not done by the Company so far (July 2012).
11.		Restructure the Organisational set up.	Not restructured.	10 lodges (out of total 25 lodges) of the Company were being managed by the personnel below the rank of Manager. Moreover, the Company had not created Senior Management post <i>viz.</i> General Manager (Marketing), Public Relation Officer, which may affect the overall performance of the Company in tapping revenue from lodge business.
12.	Financial Restructuring	Convert accumulated loan and interest thereon to equity	Proposal for financial restructuring was sent to the Tourism department by the Company in March 2010.	Although the Finance department directed the Tourism department (July 2011) to convert loan (₹ 37.55 lakh) into equity, the same was not carried out by the Company till March 2012.

Annexure-2.2.2
(Refer Paragraph-2.2.9.2)
West Bengal Tourism Development Corporation Limited
Statement showing the status of projects taken up by the Company for implementation under Central Financial Assistance during 2007-12

Sl. No.	Name of the project	Anticipated benefit as per DPR (Month and Year of DPR)	Sanctioned cost	Expenditure incurred		Scheduled date of completion	Actual date of completion	Status of Project
				Fund released (₹ in lakh)				
1.	Integrated Tea tourism circuit at North Bengal	Employment opportunities for 970 local people. (February 2006)	715.85 ¹ (June 2006/ March 2007)	513.59 ² (June 2006/ March 2007)	109.92	June 2008	WIP	Out of 10 components of work, three fully completed, one partially completed and six dropped. Project fund of ₹ 329.10 lakh diverted.
2.	Eco – tourism project at Buxaduar	Increase in tourist inflow by 10,000 annually. (September 2009)	394.00 (August 2010)	315.20 (August 2010)	N.A. ³	February 2012	N.A. ⁴	Executing Agency (Forest department) did not submit any work status report and expenditure statement.
3.	Eastern Dooars tourism circuit in Jalpaiguri	Development of infrastructure facilities.	683.58 (February 2007)	447.27 (February 2007)	170.29	February 2009	WIP	As discussed in paragraph-2.2.9.6
4.	Eco – tourism complex at Sajnekhali, Sunderbans	Flow of tourists to the area vis-à-vis generation of employment opportunities. (August 2008)	457.60 (February 2009)	366.00 (March 2009)	128.82	February 2011	Project work stopped (July 2010)	As discussed in paragraph-2.2.9.3.
5.	Kandi-Karnasubarna-Behrapore tourist circuit	Generation of employment opportunities for 10,969 local people. (September 2008)	685.41 (September 2009)	548.33 (September 2009)	86.11	September 2010	WIP	Out of 21 components, six components were not completed. Fund of ₹ 201.62 lakh was diverted for renovation of Behrapore Tourist Lodge, development of Natungram as well as illumination at Motijheel, Wasif Manieel and Katra Masjid.

¹ ₹ 388.98 lakh + ₹ 326.87 lakh² ₹ 409.65 lakh+ ₹ 103.94 lakh³ Not available.⁴ Work in progress

Sl. No.	Name of the project	Anticipated benefit as per DPR (Month and Year of DPR)	Sanctioned cost	Fund released (₹ in lakh)	Expenditure incurred	Scheduled date of completion	Actual date of completion	Status of Project
6.	Development of tourist circuit at Bolpur – Bakreswar – Nalhati	NA	649.60 (September 2007)	519.68 (September 2007)	421.44	September 2010	WIP	Out of 12 temples, seven were completed, one not taken up, two were partially restored and two were dropped
7.	Circuit Tourism at Bakkhali, Fraserganj and Sagar Island	Increase in tourist inflow by 50 per cent over 1.58 lakh in 2007. (January 2007)	470.69 (September 2007)	376.55 (September 2007)	97.54	September 2009	November 2010	As discussed in paragraph-2.2.9.5
8.	Ganga Heritage River Cruise	Increase in tourist inflow by 50 per cent over 42.54 lakh in 2007. (July 2008)	2,042.35 (September 2008)	1,021.18 (September 2008)	500.87	September 2010	WIP	As discussed in paragraph-2.2.9.4
9.	Beach tourism at Digha, Sankarpur and Mandarmoni	Inflow of tourists	598.02 (February 2007)	451.90 (February 2007)	260.23	February 2009	WIP	The project components at Digha almost complete. Without approval of the GoI, project components at Mandarmoni said (January 2012) to be relocated to Udaypur. Actually an amount of ₹ 145.17 lakh diverted for tented accommodation at Udaypur.
10.	Destination tourism at Barrackpore	Annual increase in tourist inflow by six lakh. Indirect employment for 10,000 people.	270.53 (July 2009)	216.42 (July 2009)	144.71	January 2011	WIP	The Company diverted ₹ 71.71 lakh for repair and renovation of Malancha Tourist lodge, Barrackpore
11.	Eco – tourism circuit around Jhargram	Increased tourist inflow to boost up local economy. (February 2007)	666.55 (August 2007)	533.24 (August 2007)	106.67	August 2009	WIP	Executing Agency (Forest department) had not submitted work status report and expenditure statement for works at Jhargram and Hatibari. Work at Belpahari not yet taken up.
	Total		7,634.18	5,309.36	2,026.60			Diversion - ₹ 1,853.57 lakh

Annexure-2.2.3
(Refer Paragraph 2.2.10.1)
West Bengal Tourism Development Corporation Limited
Statement of profitability and average occupancy of tourist lodges and associated tourism projects

Sl. No	Zone/ Name of lodges	2007-08		2008-09		2009-10		2010-11		2011-12		Total no. of rooms	Average (2007-12)		No. of projects (2007-12)	Estimated cost (₹ in lakh) (2007-12)
		Occupancy (%)	Surplus/Deficit (after depr.) (₹ in lakh)	Occupancy (%)	Surplus/Deficit (after depr.) (₹ in lakh)	Occupancy (%)	Surplus/Deficit (after depr.) (₹ in lakh)	Occupancy (%)	Surplus/Deficit (after depr.) (₹ in lakh)	Occupancy (%)	Surplus/Deficit (after depr.) (₹ in lakh)		Occupancy (%)	Surplus/Deficit (after depr.) (₹ in lakh)		
1.	North Bengal															
1.1	Hill Top	16.02	(-) 10.36	10.65	(-) 7.74	18.59	(-) 11.20	15.30	(-) 17.80	30.52	(-) 19.13	9	18.216	(-) 13.246	1	50
1.2	Kalimpong	17.80	(-) 11.95	11.12	(-) 18.18	9.95	(-) 24.86	25.56	(-) 21.57	34.98	(-) 21.18	12	19.882	(-) 19.548		
1.3	Raigunj	16.05	(-) 9.07	15.73	(-) 12.47	16.59	(-) 16.59	21.10	(-) 20.83	41.82	(-) 16.48	15	22.258	(-) 15.088		
1.4	Darjeeling	42.30	(-) 2.40	22.75	(-) 32.74	23.55	(-) 41.29	28.02	(-) 45.47	59.51	6.26	32	35.226	(-) 23.128	2	845.46
1.5	Jaldapara	36.60	13.95	47.54	7.04	51.43	1.53	59.22	23.04	61.33	(-) 33.18	23	51.224	2.476	2	1,174.53
1.6	Kurseong	29.71	3.33	23.37	(-) 8.29	19.35	(-) 16.51	18.69	(-) 26.38	30.39	6.17	16	24.302	(-) 8.336		
1.7	Mainak	35.80	(-) 8.52	26.22	(-) 23.63	40.66	(-) 48.46	34.51	(-) 59.45	28.41	(-) 42.29	43	33.12	(-) 36.47	1	322.36
1.8	Malbazar	63.43	0.36	62.44	(-) 5.16	49.35	(-) 9.54	55.75	(-) 11.88	53.92	1.61	11	56.978	(-) 4.922		
1.9	Malda	42.64	0.65	42.85	(-) 1.76	43.11	(-) 8.69	51.04	(-) 3.38	55.7	9.01	11	47.068	(-) 0.834		
1.10	Teesta	31.43	(-) 4.35	33.92	(-) 4.90	32.46	(-) 14.77	30.58	(-) 24.30	17.59	(-) 16.32	16	29.196	(-) 12.928		
2.	Central Bengal															
2.1	Behrampore	54.53	(-) 0.40	49.67	(-) 3.72	71.48	(-) 11.89	49.98	(-) 7.15	36.13	(-) 4.71	21	52.358	(-) 5.574	4	2,475.64
2.2	Santiniketan	42.35	1.64	47.50	6.51	56.61	(-) 10.87	56.44	33.92	60.92	5.02	38	52.764	7.244	1	649.60
2.3	Maithon	64.06	(-) 0.05	72.29	0.72	71.17	(-) 1.65	60.18	(-) 0.76	50.81	1.61	8	63.702	(-) 0.026		
2.4	Parik	36.56	3.40	43.62	6.31	31.77	4.89	27.21	(-) 4.09	29.36	2.86	26	33.704	2.674		
2.5	Bishnupur	36.46	(-) 4.30	39.66	(-) 2.72	33.09	(-) 2.83	33.08	1.80	47.46	(-) 11.63	27	37.95	(-) 3.936	2	68.30

Sl. No	Zone/ Name of lodges	2007-08		2008-09		2009-10		2010-11		2011 - 12		Total no. of rooms	Average (2007 - 12)		No. of projects (2007-12)	Estimated cost (₹ in lakh) (2007-12)
		Occupancy (%)	Surplus/ Deficit (after depr.) (₹ in lakh)	Occupancy (%)	Surplus/ Deficit (after depr.) (₹ in lakh)	Occupancy (%)	Surplus/ Deficit (after depr.) (₹ in lakh)	Occupancy (%)	Surplus/ Deficit (after depr.) (₹ in lakh)	Occupancy (%)	Surplus/ Deficit (after depr.) (₹ in lakh)		Occupancy (%)	Surplus/ Deficit (after depr.) (₹ in lakh)		
3	South Bengal															
3.1	Bakkhali	53.61	3.89	50.62	(-) 0.27	42.05	(-) 2.54	49.31	3.96	51.25	(-) 18.25	13	51.198	(-) 2.642	1	470.69
3.2	Digha	39.53	1.07	39.23	(-) 6.84	32.39	(-) 5.86	34.85	(-) 12.73	35.75	6.83	27	37.34	(-) 3.506	1	666.55
3.3	Diamond Harbour	39.25	(-) 1.30	51.34	(-) 0.47	53.08	(-) 18.56	61.36	(-) 2.46	63.69	9.20	25	53.91	(-) 2.718	1	500
3.4	Rani Shirmoni	38.18	(-) 7.23	50.56	(-) 0.73	36.58	(-) 8.63	24.41	(-) 14.62	38.50	2.33	12	37.913	(-) 5.776	1	485.00
3.5	Rupnarayan	26.05	(-) 2.00	30.05	(-) 0.49	41.14	(-) 12.10	31.94	(-) 9.07	32.02	(-) 7.00	32	30.015	(-) 6.132	2	696.20
3.6	Sajnekhali	14.10	(-) 2.63	21.98	1.38	20.07	(-) 5.51	20.07	3.94	22.74	(-) 13.09	25	19.723	(-) 3.182	3	1,446.13
3.7	Tarakeswar	58.63	4.09	65.50	8.73	44.86	8.62	40.57	4.84	41.68	1.21	18	51.595	5.498	3	89.00
3.8	Udayachal	98.67	83.56	69.06	94.42	58.72	101.51	47.72	113.14	39.52	116.51	30	63.743	101.828	4	814.03
3.9	Malancha	74.58	2.49	96.13	5.77	105.88	1.04	96.99	1.20	84.59	3.05	8	88.073	2.71	2	2,312.88
3.10	Kalighat	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	55.27	2.50	12	55.27	2.5	2	1,275.68
	Total	42.01	53.87	42.66	0.77	41.83	(-) 154.76	40.58	(-) 96.1	44.15	(-) 29.09	510	42.67	(-) 43.062	33	14,342.05

Annexure-2.2.4

(Refer Paragraph 2.2.10.2)

West Bengal Tourism Development Corporation Limited**Target and achievement of revenue from accommodation by lodges of WBTDCL**

(₹ in lakh)

Sl. No	Name of lodges	2007-08		2008-09		2009-10		2010-11		2011-12	
		Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target
1	Behrampore	19.68	21.00	17.72	20.00	20.85	30.00	29.83	36.00	33.41	36.00
2	Bakkhali	16.35	17.50	14.37	26.30	20.56	32.89	32.62	36.00	35.13	36.00
3	Darjeeling	38.10	42.00	17.86	60.00	28.75	58.17	33.88	40.00	77.75	40.00
4	Diamond Harbour	26.19	30.00	30.00	35.70	34.00	39.10	43.88	50.00	60.46	50.00
5	Digha	21.71	26.05	21.38	40.00	37.36	50.00	48.49	50.00	46.18	50.00
6	Hill top	2.45	4.50	1.80	3.50	2.82	5.50	3.58	5.00	6.27	5.00
7	Jaldapara	40.32	46.00	43.31	55.00	53.30	71.95	83.95	110.00	103.46	110.00
8	Kalimpong	9.72	14.97	5.79	15.24	5.61	9.50	10.36	13.00	13.29	13.00
9	Kurseong	15.12	16.00	13.00	20.00	17.83	23.30	17.40	22.00	25.66	22.00
10	Mainak	44.63	50.00	36.49	44.00	44.33	52.00	34.60	50.00	64.04	50.00
11	Maithon	7.85	9.00	8.69	11.00	13.02	19.00	17.06	20.00	18.54	20.00
12	Malancha	17.71	19.13	20.14	20.00	26.23	31.48	28.02	30.00	24.94	30.00
13	Malbazar	15.67	17.50	13.62	18.00	13.00	15.00	14.05	18.00	23.00	18.00
14	Malda	10.03	11.03	8.44	10.13	9.04	11.00	11.30	17.00	19.06	17.00
15	Pathik	23.98	27.58	29.33	35.20	30.95	35.59	29.08	32.60	31.58	32.60
16	Raigunj	4.61	6.00	5.76	7.49	6.05	6.80	5.71	6.50	8.40	6.50
17	Rani Shrimoni	6.29	7.24	10.12	12.64	10.67	14.00	8.00	10.48	10.44	10.48
18	Rupnarayan	10.82	11.90	13.05	15.00	18.06	20.00	23.71	28.00	23.95	28.00
19	Sajnekhali	7.77	10.00	9.24	11.09	8.58	12.00	10.19	14.00	17.99	14.00
20	Santiniketan	41.62	43.76	48.37	50.00	67.20	77.00	115.02	125.00	114.20	125.00
21	Tarakeswar	12.13	16.50	16.29	35.00	26.44	32.00	33.60	36.00	25.26	36.00
22	Teesta	13.81	15.20	14.72	11.00	9.92	11.00	13.70	15.00	14.58	15.00
23	Udyachal	88.15	100.00	116.07	150.00	137.04	161.00	193.20	210.00	116.80	210.00
24	Vishnupur	-	18.08	16.22	30.00	30.50	36.00	33.20	40.00	43.29	40.00
25	Kalighat	-	-	-	-	-	-	-	NA	14.17	NA
	Total	494.71	580.94	531.78	736.29	672.11	854.28	874.43	1,014.58	971.85	1,014.58

Note: Targets for 2007-08 is not available

Annexure-2.2.5

(Refer Paragraph 2.2.10.3)

West Bengal Tourism Development Corporation Limited
Statement showing occupancy ratio before and after renovation of tourist lodges

Sl. No.	Name of lodges	Capacity prior to renovation		Pre-renovation average occupancy ratio	Renovation cost (₹ in crore)	Year of renovation/ expansion	Renovated/ expanded capacity		Post-renovation average occupancy ratio
		No. of rooms	No. of beds				No. of rooms	No. of beds	
1.	Berhampore	19	42	56.42	1.84	2010-11	21	42	36.13
2.	Bakkhali	13	32	52.12	0.80	2008-09	13	32	47.54
3.	Darjeeling	20	45	29.53	0.69	2009-10	32	71	43.77
4.	Digha	27	64	36.50	1.36	2010-11	27	64	35.75
5.	Hill Top	09	28	15.09	0.02	2009-10	9	28	22.91
6.	Jaldapara	23	46	36.60	0.10	2007-08	23	46	54.88
7.	Kurseong	16	32	26.54	0.40	2008-09	16	32	22.81
8.	Mainak	29	58	34.23	2.15	2010-11	43	86	31.46
9.	Maithon	08	17	69.17	0.08	2009-10	8	18	55.50
10.	Malancha	08	16	91.63	1.48	2011-12	8	16	NOTE-1
11.	Malbazar	10	20	57.74	0.17	2010-11	11	22	53.92
12.	Malda	11	22	42.75	0.80	2008-09	11	22	49.95
13.	Pathik	26	54	37.32	0.76	2009-10	26	52	28.29
14.	Rupnarayan	32	68	32.24	0.71	2011-12	32	68	NOTE-1
15.	Sajnekhali	25	50	18.04	0.76	2008-09	25	50	20.96
16.	Santiniketan*	39	93	50.73	1.87	2010-11	38	76	60.92
17.	Teesta	16	32	32.60	0.08	2009-10	16	32	24.09
18.	Udayachal	30	60	83.87	1.80	2008-09	30	60	48.65
19.	Bishnupur	27	58	36.40	0.85	2009-10	27	54	40.27
	Total	388	837		16.72		416	871	

NOTE-1:- Renovation of two lodges viz. Malancha and Rupnarayan was continuing till July 2012.

* Bed Capacity decreased due to conversion of three bedded rooms and 13 bedded dormitory to double bedded rooms.

Annexure-2.2.6
(Refer Paragraph-2.2.10.3)
West Bengal Tourism Development Corporation Limited
Statement showing the status of renovation of four lodges by the Company during 2007-12

Sl. no	Lodge	Pre – renovation occupancy (percentage)	Total expenditure (₹ in crore)	Expenditure incurred (₹ in crore)	Name of the CFA project from where fund WIP diverted	Loss of potential revenue (₹ in crore)	Scheduled / Actual date of completion	Post renovation occupancy (percentage)	Audit observations
1.	Malancha Tourist Lodge, Barrackpore	91.63	2.67	1.85	0.82	Destination Tourism at Barrackpore	1.16	October 2009/ Work in progress	The Company awarded the contract for renovation of eight old rooms and construction of 14 new rooms after a delay of 10 months. Construction of rooms although completed but not put to use due to non completion of electrical works.
2.	Bakkhali Tourist Lodge, Bakkhali	52.12	3.87	0.80	1.72 ⁵	Circuit tourism at Bakkhali, Frasergunj and Sagar Island	0.32	July 2009/ November 2010	The Company did not renovate three dormitories of the lodge despite demand from the tourists. Instead, it had constructed two watch towers (including the installation of water reservoirs on one of the towers) for ₹ 50.70 lakh.
3.	Sajnekhali Tourist lodge, Sunderban	18.04	0.54	0.54	-	Not applicable	NA	Not available/ Incomplete	The Company without taking the concurrence from the Forest department, awarded (July 2009) the work at ₹ 2.26 crore to Modern Infra Projects (India) Limited. The work was stopped due to objection (July 2010) from the Forest department and the work order was cancelled by the Company. This was due to lack of co-ordination amongst the Lodge Manager (site officer), the AMC, PMC and the higher level management, while preparing the feasibility study report of the project as well as commencement of work.
4.	Behrampore Tourist Lodge, Murshidabad	56.42	1.93	0.67	1.26	Development of Kandi Karnasubarna – Behrampore Tourist Circuit	0.47	October 2009/ December 2010	We observed that despite not doing rectification work the contractor was paid the retention money in April 2012. The Management stated (October 2012) that the retention money was released after rectification of defects within the liability period. We, however, observed that the defects were partly rectified at the Company's cost subsequently in August 2012 as also confirmed by the lodge manager of the Company.
	Total		9.01	3.86+ 1.35	3.80		1.95		

⁵ The Company received ₹ 3.77 crore as CFA for Circuit Tourism at Bakkhali, Frasergunj and Sagar Island of which ₹ 1.35 crore was earmarked for renovation work..

Annexure – 2.2.7
(Refer paragraph 2.2.10.4)
Performance of restaurants of West Bengal Tourism Development Corporation Limited

Sl. No.	Name	2007-08			2008-09			2009-10			2010-11			2011-12			TOTAL		
		I	E	P / L	I	E	P / L	I	E	P / L	I	E	P / L	I	E	P / L	I	E	P / L
1.	Digha	15.05	9.25	5.80	13.17	8.68	4.49	17.90	10.90	7.00	24.31	14.79	9.52	25.73	17.26	8.37	96.16	60.88	35.18
2.	Bakkhali	10.43	7.01	3.42	7.81	5.53	2.28	9.88	6.34	3.54	14.59	8.79	5.80	18.33	10.48	7.85	61.04	38.15	22.89
3.	Darjeeling	13.52	7.85	5.67	6.65	4.26	2.39	11.00	6.97	4.03	11.60	8.74	2.86	23.84	14.40	9.44	66.61	42.22	24.39
4.	D.Harbour	24.11	12.98	11.13	26.61	13.53	13.08	30.78	14.83	15.95	36.91	16.29	20.62	39.52	19.21	20.31	157.93	76.84	81.09
5.	Hill top	1.41	0.74	0.67	0.85	0.63	0.22	1.35	0.69	0.66	1.60	0.78	0.82	2.92	1.19	1.73	8.13	4.03	4.10
6.	Jaldapara	12.49	8.73	3.76	11.17	8.78	2.39	22.87	12.52	10.35	43.45	18.96	24.49	26.23	19.26	6.97	116.21	68.25	47.96
7.	Kalimpong	2.67	2.26	0.41	1.62	1.35	0.27	1.64	1.29	0.35	2.89	1.74	1.15	4.00	2.19	1.81	12.82	8.83	3.99
8.	Kurseong	44.22	22.94	21.28	36.69	21.98	14.71	46.87	24.65	22.22	48.66	25.43	23.23	70.59	33.02	37.57	247.03	128.02	119.01
9.	Mamak	28.09	13.02	15.07	27.28	12.69	14.59	19.52	10.87	8.65	31.05	16.83	14.22	26.08	15.96	10.12	132.02	69.37	62.65
10.	Maithon	0.94	0.24	0.70	1.27	0.23	1.04	1.21	0.44	0.77	1.50	0.47	1.03	1.80	0.79	1.01	6.72	2.17	4.55
11.	Malbajar	13.42	8.73	4.69	14.66	9.43	5.23	18.02	10.88	7.14	23.78	13.9	9.88	31.93	16.24	15.69	101.81	59.18	42.63
12.	Malda	12.74	8.28	4.46	10.85	8.05	2.80	12.76	8.85	3.91	15.32	9.78	5.54	22.37	10.84	11.53	74.04	45.80	28.24
13.	Raiganj	9.43	7.17	2.26	10.00	8.78	1.22	14.72	9.48	5.24	11.62	8.65	2.97	15.70	10.48	5.22	61.47	44.56	16.91
14.	Rani Shirononi	3.64	2.56	1.08	6.65	4.28	2.37	7.69	4.71	2.98	6.57	4.53	2.04	6.25	4.14	2.11	30.8	20.22	10.58
15.	Sajnekhali	5.45	2.69	2.76	6.85	2.69	4.16	6.49	2.58	3.91	10.05	3.54	6.51	14.77	4.46	10.31	43.61	15.96	27.65
16.	Rupnarayan	12.13	6.59	5.54	14.65	7.30	7.35	15.38	7.92	7.46	17.99	8.33	9.66	18.95	7.56	11.39	79.10	37.70	41.40
17.	Santiniketan	22.32	13.86	8.46	25.99	17.86	8.13	41.89	22.99	18.9	57.84	29.40	28.44	66.49	33.64	32.85	214.53	117.75	96.78
18.	Tarakeswar	6.95	4.16	2.79	9.77	5.09	4.68	13.10	6.18	6.92	12.76	6.61	6.15	11.21	6.87	4.34	53.79	28.91	24.88
19.	Teesta	9.25	6.51	2.74	10.51	7.45	3.06	12.26	7.83	4.43	11.79	8.17	3.62	10.29	6.85	3.44	54.10	36.81	17.29
20.	Udaychal	46.72	25.69	21.03	46.56	25.13	21.43	62.22	29.96	32.26	38.61	20.57	18.04	44.32	25.61	18.71	238.43	126.96	111.47
21.	Bishnupur	12.67	6.60	6.07	13.83	7.39	6.44	17.69	9.29	8.40	18.04	11.33	6.71	25.36	13.43	11.93	87.59	48.04	39.55
22.	Malancha	2.05	1.04	1.01	3.00	1.87	1.13	4.25	2.49	1.76	4.11	2.50	1.61	4.32	3.07	1.25	17.73	10.97	6.76
TOTAL		309.70	178.90	130.80	306.44	182.98	123.46	389.49	212.66	176.83	445.04	240.13	204.91	511.00	276.95	234.05	1,961.67	1,091.62	870.05

(I- Income, E- Expenditure, P – Profit, L – (Loss))

Annexure-2.2.8

(Refer Paragraph 2.2.10.14)

West Bengal Tourism Development Corporation Limited
Statement showing business procured from private operators on leasing of tourist lodges by WBTDC

Sl. No.	Tourist lodge (T.L.)	Land (lakh sq.m)	Management contractor/ Private operators	Year					Total (₹ in lakh)
				2007-08	2008-09	2009-10	2010-11	2011 - 12	
1.	Santiniketan 2 nd T.L.	0.20	Mark Hotels & Resorts Pvt. Ltd.	4.99	5.12	6.24	6.24	6.24	28.83
2.	Digha 2 nd T.L.	0.11	Larica Resorts Pvt. Ltd.	27.63	8.47	9.32	9.32	21.05	75.79
3.	Durgapur T.L.	0.09	Jetex Tours & Travels Pvt. Ltd.	19.20	11.00	12.00	38.00	9.50	89.70
4.	Mukutmanipur T.L.	0.05	A.K.Dutta Hotels Pvt. Ltd.	1.60	0.85	2.55	NA	2.55	7.55
5.	Bankura T.L.	0.04	A.K.Dutta Hotels Pvt. Ltd.	4.77	5.51	8.03	2.76	5.01	26.08
6.	Kaikhali T.L.	0.15	Ramkrishna Ashram, Neempeeth	0.70	NA	5.00	1.00	0.54	7.24
7.	Bakreswar T.L.	1.09	Bengal Asansol Inn Pvt. Ltd.	-	-	1.66	NA	NA	1.66
8.	Asansol T.L.	0.04	Hotel Asansol Inn	-	-	-	7.20	8.00	15.20
9.	Mecheda Pathik Motel	0.05	Griham Food & Hotel Pvt. Ltd.	-	-	0.75	0.75	1.36	2.86
10.	Piyali T.L.	1.13	Metropolitan Engineers Co-operative Society Ltd.	-	1.50	NA	3.50	NA	5.00
11.	Sankarpur T.L.	0.12	Mark Hotels & Resorts Pvt. Ltd.	-	0.55	0.55	1.28	0.64	3.02
	Total	3.07		58.89	33.00	46.10	70.05	54.89	262.93

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