



**Report of the
Comptroller and Auditor General of India
on
Public Sector Undertakings
for the year ended March 2013**

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Government of West Bengal
Report No. 3 of the year 2014

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Preface

Government commercial concerns, 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 results of audit of Government companies and Statutory corporations and has been prepared for submission to Government of West Bengal under Section 19A of the CAG (Duties, Powers and Conditions of Service) Act, 1971, as amended from time to time. Results of audit relating to departmentally managed commercial undertakings are presented separately.

3. Audit of accounts of Government companies is conducted by the CAG under 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 CAG is sole auditor. The CAG also audits accounts of West Bengal Electricity Regulatory Commission, as sole auditor. As per the State Financial Corporations (Amendment) Act 2000, the CAG has the right to conduct audit of accounts of West Bengal Financial Corporation (WBFC) in addition to audit conducted by Chartered Accountants appointed by WBFC out of a panel of auditors approved by the Reserve Bank of India. In respect of West Bengal State Warehousing Corporation, the CAG has the right to conduct audit of their accounts in addition to audit conducted by the Chartered Accountants appointed by State Government in consultation with the CAG. Audit Reports on annual accounts of all these corporations/commission are forwarded separately to State Government.

5. Cases mentioned in this Report are those, which came to notice in course of audit during the year 2012-2013 as well as those which came to notice in earlier years but were not dealt with in previous Reports. Matters relating to period subsequent to 2012-2013 have also been included, wherever necessary.

6. Audit has been conducted in accordance with Auditing Standards 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. Accounts of Government companies are audited by Statutory Auditors appointed by the CAG. These accounts are also subject to supplementary audit conducted by the CAG. Audit of Statutory corporations is governed by their respective legislations. As on 31 March 2013, the State of West Bengal had 74 working PSUs (65 companies and nine Statutory corporations) and 17 non-working PSUs (16 companies and one corporation), which employed 0.65 lakh employees. The 31 working PSUs that finalised accounts for 2012-13 registered a turnover of ₹ 36,755.18 crore. This turnover was equal to 6.37 *per cent* of State GDP.

Investments in PSUs

As on 31 March 2013, investment (capital and long term loans) in 91 PSUs was ₹ 41,074.93 crore. It grew over ₹ 34,754.79 crore in 2007-08, at a compound annual growth rate of 3.4 *per cent*. Power sector accounted for nearly 65.11 *per cent* of total investment in 2012-13. Government contributed ₹ 968.91 crore towards equity, loans and grants/ subsidies during 2012-13.

Performance of PSUs

Out of 74 working PSUs, 31 prepared accounts for 2012-13. During the year 2012-13, 19 PSUs earned profit of ₹ 688.28 crore and 11 PSUs incurred loss of ₹ 1,231.24 crore. Major contributors to profit were West Bengal State Electricity Transmission Company Limited

(₹ 333.02 crore), The West Bengal Power Development Corporation Limited (₹ 131.66 crore), West Bengal State Electricity Distribution Company Limited (₹ 81.72 crore) and West Bengal Housing Infrastructure Development Corporation Limited (₹ 62.36 crore). Heavy losses were incurred by Haldia Petrochemicals Limited (₹ 960.11 crore), The Calcutta Tramways Company (1978) Limited (₹ 137.02 crore) and The Durgapur Projects Limited (₹ 68.03 crore).

Arrears in accounts and quality of accounts

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

The accounts of 43 working PSUs were in arrears for periods ranging from one to four years. There were 17 non-working PSUs of which three finalised their accounts for the year 2012-13 while 14 PSUs had arrears of accounts for one to seven years. State Government needs to take appropriate action to clear arrears in a time bound manner.

Placement of SARs

There was delay in placement of SARs in State Legislature in respect of Statutory Corporations. The Government should ensure prompt placement of SARs in the Legislature.

(Chapter 1)

2 Performance audits relating to Government Company

Performance Audit relating to ‘*Implementation of Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)*’ in respect of West Bengal State Electricity Distribution Company Limited was conducted. Executive summary of audit findings is given next:

Introduction

Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) was launched (April 2005) by Government of India (GoI) as a flagship programme to provide access to electricity to all rural households by 2009. As on March 2013, 12,594 villages with 9.92 lakh BPL rural households (RHHs) were electrified by West Bengal State Electricity Distribution Company Limited (WBSEDCL) under RGGVY scheme against the target of 14,113 villages with 15.39 lakh BPL RHHs by 2009. Out of ₹ 997.98 crore provided by Government of India, for electrification of nine districts and one Mahakuma Parishad (Siliguri), WBSEDCL spent ₹ 923.63 crore till March 2013.

Planning and Preparation of Detailed Project Reports (DPRs)

WBSEDCL prepared DPRs without adequate field survey. One hundred fifty six villages that did not qualify under RGGVY were included in DPRs and ₹11.49 crore was estimated for their electrification.

Inclusion of sales tax and sundries which should not be included in estimates increased the project cost by ₹ 37.79 crore for 10 projects.

Contract Management

Estimates put to tender were inflated by ₹ 62.36 crore due to inclusion of sales tax, sundries, franchisee charges and overhead charges which were not payable to the contractors. WBSEDCL allowed different rates for ex-works price of same material to same contractors working on different packages in the same or adjoining districts. This resulted in extra expenditure of ₹ 18.92 crore.

WBSEDCL released ₹ 145.43 crore as interest free mobilisation advance to contractors. Due to delay in completion of works ₹19.63 crore remained unadjusted which led to loss of interest of ₹ 1.51 crore.

Sales tax of ₹ 8.32 crore was paid to contractors in- spite of exemption of sales tax on materials used in RGGVY. Similarly, excise duty of ₹ 97.40 lakh and service tax of ₹ 74.79 lakh were paid to contractors in excess of prevailing rates of taxation.

Project execution

Despite delays in execution of works, liquidated damages of ₹ 57.86 crore were not levied as per terms of Letters of Award for work.

In 217 villages of six districts, service connections could not be provided to 15,433 BPL RHHs inspite of creating infrastructure at a cost of ₹ 6.25 crore.

Scheme impact

WBSEDCL energised 2,412 villages after delays of 16 to 829 days from creation of required infrastructure.

Delays in billing beyond 90 days resulted in accumulation of dues. As a result 14,513 consumers with aggregate dues of ₹ 1.95 crore had defaulted in payment and consequently supply was disconnected defeating objective of the scheme.

Financial operation

Due to delayed opening of a separate RGGVY bank account by nine to 25 days, interest of ₹ 0.39 crore could not be earned and credited to RGGVY account. Further, ₹ 1.99 crore as interest could not be earned as RGGVY fund of ₹ 5.86 crore was retained (2009-13) in corporate account of WBSEDCL.

Project monitoring

Third party inspection agencies (TPIAs) inspected 4,939 villages and reported 42,677 defects against which only 12,679 defects were rectified till March 2013. At SMP, Birbhum and Nadia 96, 41 and 30 villages out of 127, 91 and 124 villages respectively were inspected by TPIAs after completion of guarantee period of one year, defeating the purpose of inspection.

Conclusion and recommendations

DPRs were prepared without drawing up RE plan or conducting field surveys leading to omission of BPL RHHs and inclusion of electrified/ unsuitable villages. Tenders were floated without due diligence leading to variations in prices of the same materials and excess payment of taxes and duties. Work had been delayed on account of belated delivery of materials, inadequate deployment of manpower, lack of co-ordination etc. leading to shortfall in the numbers of BPL RHHs electrified. Progress of work was not commensurate with the quantum of fund received. Moreover, monitoring was ineffective.

There are four recommendations - DPRs need to be prepared with proper field surveys, appropriate clauses be incorporated in contracts to safeguard the interest of WBSEDCL, applicability of correct rate of taxes and duties be ensured and system of monitoring needs to be strengthened.

(Chapter 2)

3 Performance audits relating to Statutory Corporation

Another Performance Audit relating to '*Financial Assistance to entrepreneurs and recovery of loans*' of West Bengal Financial Corporation was conducted. Executive summary of audit findings is given below:

Introduction

West Bengal Financial Corporation (WBFC) was set up in 1954 under the State Financial Corporations Act, 1951. It is the key state level lending institution for the Micro, Small and Medium Enterprises (MiSME), with a Head Office at Kolkata, Regional Offices at Siliguri, Durgapur and Kolkata and 11 Branch Offices throughout the State.

WBFC is managed by a Board of Directors consisting of 10 Directors including Managing Director and four directors nominated by financial institutions. The Managing Director of WBFC is the chief executive.

Operational and financial performance

Despite being the key state level lending institution for financing MiSME, WBFC financed only 2.10 *per cent* of new units that had come up in last five years. WBFC became increasingly dependent on bonds as SIDBI, being its source of finance, had gradually phased out re-finance loans. WBFC's equity base of ₹ 147.35 crore was almost wiped out due to accumulated losses of ₹ 128.42 crore. Its non-performing assets remained above 26 *per cent* at the end of 2012-13. It had to bear avoidable interest burden due to absence of proper planning for redemption of bonds.

Sanction and disbursement of loan

WBFC had framed (February 2008) an entrepreneur evaluation policy which seemed to discourage sanction of loan to first time entrepreneurs. WBFC also did not subscribe to the Credit Guarantee Fund Trust Scheme for Micro and Small Enterprises (MiSE). This was another obstacle for new MiSEs to receive loans.

WBFC did not prepare industry-wise appraisal manual. It did not rate credit risk or subscribe to Credit Information Bureau (India) Limited for credit history of borrowers until January 2013.

Instances of deficient appraisal, absence of due diligence, incorrect assessment of working capital and acceptance of flawed security in appraisal, sanction and disbursement of loans were noticed in audit.

Audit also observed high concentration of credit to defaulting sectors and loans to ineligible borrowers.

Monitoring and recovery performance

WBFC had adopted monitoring and follow up guideline in January 2008. However, it did not ask for progress report of the projects or the annual accounts from the borrowers.

Low number of inspections coupled with failure to verify books of accounts of borrowers resulted in default in repayment of loans.

WBFC failed to invoke the provisions of the State Financial Corporations Act, 1951 as also adopt the procedures specified in the recovery manual to promptly recover its dues from defaulting borrowers.

Internal Control and Internal Audit

Allocation of duties and responsibilities was diffused. Besides, the requirement of having updated information on borrowers as per 'Know your client' prescribed by Reserve Bank was not followed.

Conclusion and Recommendations

WBFC was not a significant source of financing for MiSME units in the State. Its appraisal mechanism was inadequate. WBFC did not follow its own monitoring and follow-up guideline. Internal control processes were weak.

There are three recommendations – Government may review the objectives and viability of WBFC. Further WBFC should strengthen its appraisal mechanism and ensure greater compliance with its monitoring and follow-up guidelines.

(Chapter 3)

4 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 ₹ 190.10 crore due to undue favour/ benefit to contractors in two cases.
(Paragraphs 4.1 and 4.5)
- Loss of ₹ 42.85 crore due to non-safeguarding of financial interests of organisation in two cases.
(Paragraphs 4.7 and 4.9)
- Defective/ deficient planning in one case involving ₹ 19.58 crore.
(Paragraph 4.2)
- Non-compliance with statutes/ rules/ directives/ procedures in three cases involving ₹ 17.20 crore.
(Paragraphs 4.3, 4.8 and 4.10)
- Inadequate/ deficient monitoring in two cases involving ₹ 2.78 crore.
(Paragraphs 4.4 and 4.6)

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

The West Bengal Power Development Corporation Limited (WBPDC) and The Durgapur Projects Limited selected a private-sector partner, to set up a joint venture (JV) company for operation of captive coal mines, without open tender. Moreover, there were contractual drawbacks in terms and conditions. Further, **WBPDC** pursued with Ministry of Coal for allotment of coking coal block without ascertaining the suitability of the coal available therein and incurred avoidable expenditure of ₹ 6.68 crore.

(Paragraphs 4.1 and 4.2)

West Bengal State Electricity Distribution Company Limited (WBSEDCL) incurred additional interest of ₹ 1.83 crore on avoidable cash credit availed arising from lack of monitoring of daily remittances of total collections by banker. Further, **WBSEDCL** determined service charges for collection of bills at a higher rate on account of calculation on incorrect data leading to excess expenditure of ₹ 1.25 crore.

(Paragraphs 4.4 and 4.5)

Mackintosh Burn Limited and West Bengal Industrial Infrastructure Development Corporation persistently failed to bill service tax on recipients of their services and had to incur avoidable expenditure of ₹ 7.98 crore towards service tax and interest thereon.

(Paragraph 4.8)

Calcutta State Transport Corporation paid excess incentive of ₹ 1.44 crore to its crew members on long distance routes.

(Paragraph 4.9)

West Bengal State Warehousing Corporation suffered loss of warehousing charges of ₹ 3.30 crore due to inadequacies in recovery system.

(Paragraph 4.10)

Chapter I

1 Overview of State Public Sector Undertakings

1.1 Introduction

1.1.1 The State Government's Public Sector Undertakings (PSUs) comprise 81 Government Companies and 10 Statutory Corporations. As on 31 March 2013, there were 91 PSUs as per the details given in table 1.1. Of these, only one Company¹ was listed on the stock exchange(s). They employed a total of 64,996 employees as of 31 March 2013².

Table 1.1 : Total number of PSUs

Type of PSUs	Working PSUs	Non-working PSUs ³	Total
Government companies ⁴	65	16	81
Statutory corporations	09	01	10
Total	74	17	91

1.1.2 Out of total 91 PSUs, among the working PSUs, 31 State PSUs⁵ had finalised their annual accounts for 2012-13 as of September 2013, registering a turnover of ₹ 36,755.18 crore, which was equal to 6.37 *per cent* of State Gross Domestic Product (GDP)⁶ for 2012-13.⁷ Besides the State PSUs, there were also 10 Departmental Undertakings (DUs) which carried out commercial operations. Audit findings in respect of these DUs are incorporated in other Audit Reports for the State under the respective departments.

1.1.3 During the year 2012-13, audit of West Bengal Highway Development Corporation Limited and Kolkata Police Housing Infrastructure Development Corporation Limited were added to audit jurisdiction.

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

¹ WEBFIL Limited.

² As per the details provided by 85 PSUs. Remaining six PSUs (five non-working, one working) did not furnish the details till December 2013.

³ Non-working PSUs are those which have ceased to carry on their operations.

⁴ Includes three 619-B companies.

⁵ Thirty Government companies and one Statutory corporation.

⁶ Advance Estimates at Current Prices- ₹ 5,76,865 crore.

⁷ The working results of all 91 PSUs in the State based on their latest finalised accounts show a total turnover of ₹ 39,118.49 crore (6.78 *per cent* of GSDP) and net loss of ₹ 882.45 crore.

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 Comptroller and Auditor General of India (CAG) as per the provisions of Section 619(2) of the Companies Act, 1956. These accounts are also subject 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 nine working Statutory corporations, the CAG is the sole auditor for seven⁸. In respect of West Bengal State Warehousing Corporation and West Bengal Financial Corporation, the audit is conducted by Chartered Accountants and supplementary audit is done by the CAG. In case of one non-working corporation, *i.e.*, Great Eastern Hotel Authority, only Compliance audit is undertaken by the CAG.

1.3 Investment in State PSUs

1.3.1 As on 31 March 2013, the investment (capital and long term loans)⁹ in 91 PSUs (including 619-B companies) amounted to ₹ 41,074.93 crore as per details given below.

Table 1.2 : Aggregate investment in PSUs

Type of PSUs	Government companies			Statutory corporations			(₹ in crore)
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	Grand Total
74 Working PSUs	11,963.50	25,659.55	37,623.05	532.11	2,088.02	2,620.13	40,243.18
17 Non-working PSUs	121.63	693.78	815.41	-	16.34	16.34	831.75
Total	12,085.13	26,353.33	38,438.46	532.11	2,104.36	2,636.47	41,074.93

Source: Audited accounts of State PSUs for 2012-13 where available, or information furnished by the PSUs except one working and five non-working that had not furnished information.

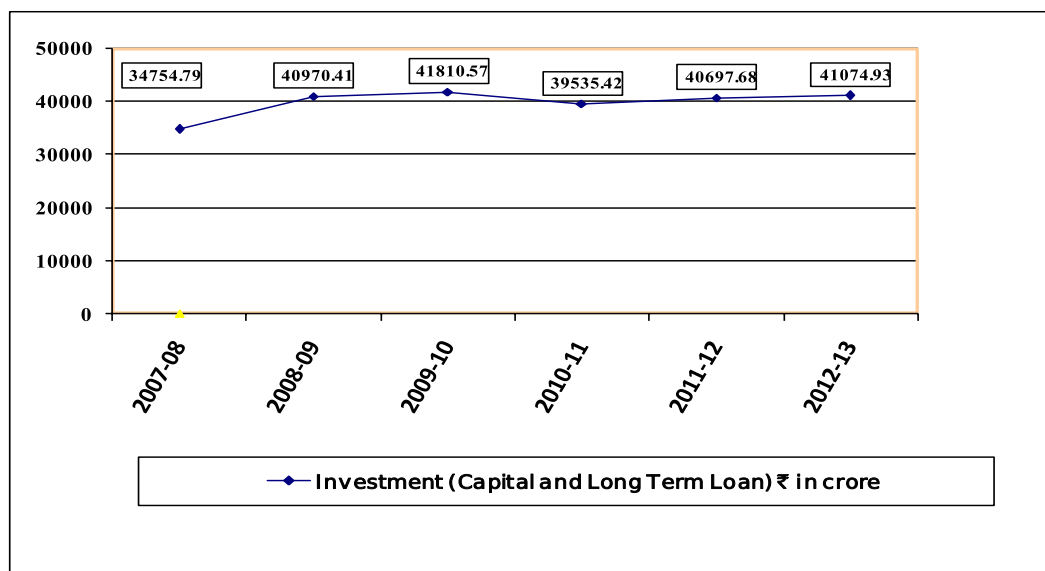
A summarised position of Government investment in State PSUs is detailed in **Annexure 1.1**.

1.3.2 As on 31 March 2013, of the total investment in State PSUs, 97.98 *per cent* was in working PSUs and the remaining 2.02 *per cent* was in non-working PSUs. This total investment consisted of 30.72 *per cent* towards capital and 69.28 *per cent* in long term loans. The investment had grown from ₹ 34,754.79 crore in 2007-08 to ₹ 41,074.93 crore in 2012-13 as shown in **Chart 1.1**, at an annual average compound rate of 3.4 *per cent*.

⁸ Calcutta State Transport Corporation, South Bengal State Transport Corporation, North Bengal State Transport Corporation, West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation, West Bengal Minorities Development and Finance Corporation, West Bengal Backward Classes Development and Finance Corporation and West Bengal Industrial Infrastructure Development Corporation.

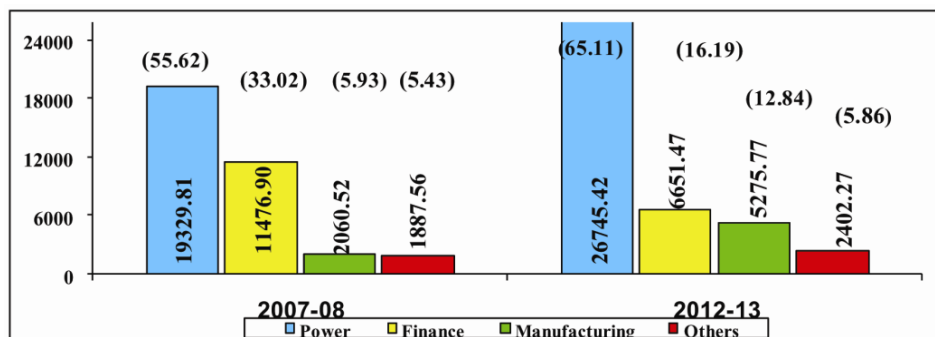
⁹ Includes investment (capital and long-term loans) by the State Government, the Central Government and others.

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 2008 and 31 March 2013 are indicated below in **Chart 1.2**. The investment in PSUs was concentrated in power sector (between 55.62 to 65.11 *per cent* during the five years ending 31 March 2013).

Chart 1.2 : Sectorwise investment in State PSUs



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

In absolute terms, investments rose by ₹ 7,415.61 crore and ₹ 3,215.25 crore in power and manufacturing sectors respectively during the period 2007-13 while it declined by ₹ 4,825.43 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 converted into equity and interest waived in respect of State PSUs are given in **Annexure 1.4**. The summarised details are given in **Table 1.3** for three years ended 2012-13.

Table 1.3: Budgetary outgo to PSUs for three years

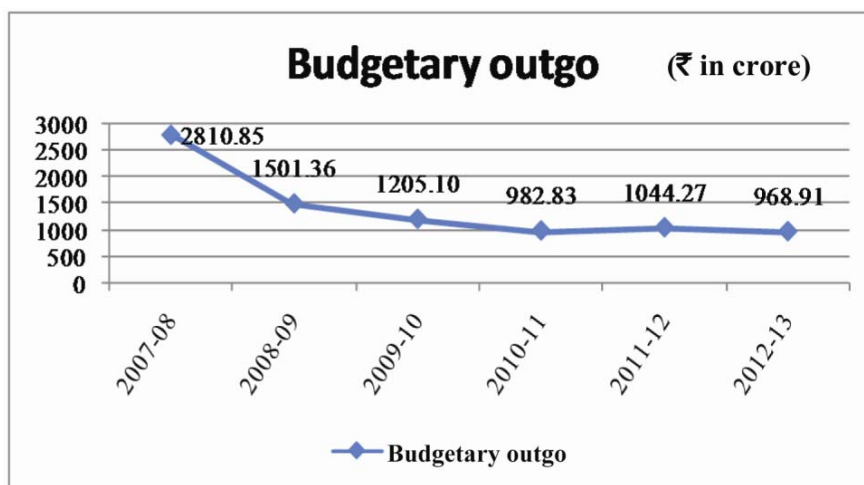
(Amount ₹ in crore)

Sl. No.	Particulars	2010-11		2011-12		2012-13	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1	Equity Capital outgo from budget	12	66.84	14	85.83	12	210.22
2	Loans outgo from budget	29	286.57	30	444.72	27	201.80
3	Grants/Subsidy outgo ¹⁰	28	629.42	17	513.72	22	556.89
4	Total outgo (1+2+3)	52 ¹¹	982.83	61 ¹¹	1,044.27	45 ¹¹	968.91
5	Loans converted into Equity	-	-	1	15.23	1	0.50
6	Guarantees issued	7	578.21	3	400.56	3	685.72
7	Guarantee Commitment	19	24,438.60	17	24,232.98	17	6,999.01

Source: As provided by PSUs concerned.

1.4.2 **Chart 1.3** shows the total budgetary outgo towards equity, loans and grants/ subsidies for past six years.

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 declined from ₹ 2,810.85 crore in 2007-08 to ₹ 968.91 crore in 2012-13 due to increase

¹⁰ Amount represents outgo from the State Budget only.

¹¹ The figures represent number of PSUs which have received outgo from the Budget under one or more heads i.e. equity, loans, grants and subsidies.

in number of non-working companies and restructuring of PSUs. Significant beneficiaries of subsidy and grants from the State budget were The Calcutta Tramways Company (1978) Limited (₹ 152.16 crore), Calcutta State Transport Corporation (₹ 151.34 crore) and North Bengal State Transport Corporation (₹ 100.45 crore). Majority of loans given from the budget was to the manufacturing and service sectors which received 31.63 *per cent* (₹ 63.83 crore) and 37.20 *per cent* (₹ 75.07 crore) of the total amount of loans (₹ 201.80 crore) respectively during 2012-13.

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 the liquidation of loans. During 2012-13, the State Government had guaranteed loans aggregating ₹ 685.72 crore to three PSUs. At the end of 2012-13, guarantee commitment by the Government was ₹ 6,999.01 crore in respect of 17 PSUs. During the year West Bengal State Electricity Transmission Company Limited paid guarantee commission of ₹ 0.16 crore to the State Government while ₹ 76.64 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 2013 is stated below:

Table 1.4: Reconciliation of differences with Finance Accounts

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs ¹²	(₹ in crore)
			Difference
Equity	10,291.34	11,456.61	1,165.27
Loans	16,286.45	8,794.57	7,491.88
Guarantees	8,739.18	6,999.01	1,740.17

1.5.2 Audit observed such differences in respect of 55 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 As per their latest finalised accounts 39 PSUs had earned profits, only seven PSUs¹³ declared dividend of ₹ 1.94 crore for the financial year 2012-13.

¹² Figures from annual accounts for 2012-13, where finalised, or information furnished by the State PSUs. One working and five non-working PSUs did not furnish information.

¹³ New Town Telecom Infrastructure Development Company Limited, New Town Electric Supply Company Limited, Mackintosh Burn Limited, Webel Technology Limited, West Bengal Forest Development Corporation Limited, Saraswati Press Limited and West Bengal State Seed Corporation Limited.

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	2008-09	2009-10	2010-11	2011-12	2012-13
1	Number of working PSUs	72	72	72	74 ¹⁴	74
2	Number of accounts finalised during the year	67	74	69	73	74
3	Number of accounts in arrears	67	62	59	69	67 ¹⁵
4	Average arrears per PSU (3/1)	0.93	0.86	0.82	0.89	0.91
5	Number of working PSUs with arrears in accounts	43	41	41	46	43
6	Extent of arrears (years)	1 to 5	1 to 6	1 to 7	1 to 3	1 to 4

1.6.2 It would be evident from the above table that in 2012-13, there was no improvement in arrears of accounts over the previous two years. It would be seen from **Annexure 1.3** that till September 2013, the accounts of 41 PSUs were in arrears, while first accounts of two PSUs¹⁶ were overdue. Two¹⁷ PSUs had arrears of accounts for as much as four years each; of them one PSU had submitted arrear accounts for only one year during October 2012 to September 2013, the other PSU had not submitted even one year's arrear account in the same period. Five¹⁸ PSUs also had arrears of accounts for three years each. The PSUs having arrears of accounts need to take effective measures to bring their accounts up to date.

1.6.3 There were also arrears in finalisation of accounts by non-working PSUs. Out of 17 non-working PSUs, 14 PSUs had arrears of accounts for one year to seven years. While no decision had as yet been taken about the continuation or closure of six non-working Government companies, the

¹⁴ Three PSUs viz. West Bengal Svarojgar Corporation Limited, DPL Coke Oven Limited and Paschimanga Agri Marketing Corporation Limited were added while West Bengal Rural Energy Development Corporation Limited was amalgamated with West Bengal State Electricity Distribution Company Limited.

¹⁵ No. of arrear accounts as at 30 September 2013 does not tally with corresponding position for previous year due to interchange (+) of one PSU (arrear accounts : four) from non-working to working and transfer (-) of three PSUs (arrear accounts : six) from working to non-working and two new additions during the years. Similar interchange in status between working and non-working had occurred in earlier years.

¹⁶ Refer Serial No. A-10 and A-17 of **Annexure 1.3**.

¹⁷ Refer Serial No. A-8 and B-7 of **Annexure 1.3**.

¹⁸ Refer Serial No. A-3, 5, 12, 28 and B-6 of **Annexure 1.3**.

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. 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 only closed corporation could not be wound up as all the accounts related to it were not yet closed. The Government may take a decision regarding revival/ winding up of non-working PSUs.

1.6.4 The State Government invested ₹ 1,443.80 crore (Equity: ₹ 60.95 crore, Loans: ₹ 194.84 crore and Grants/ Subsidy: ₹ 1,188.01 crore) in 42 working PSUs during the years from 2008-09 to 2012-13 for which accounts have not been finalised as detailed in **Annexure 1.5**. In the absence of accounts and their subsequent audit, it cannot be ensured whether investments made and expenditure incurred has been properly accounted for and the purposes of investments have been achieved or not. Hence Government's investment in such PSUs remains outside the scrutiny of the State Legislature. Moreover, 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 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 Principal Accountant General (PAG)/ Accountant General (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 of accounts were addressed to (April, July and December 2013) 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 of the PSUs with special focus on liquidation of arrears and compliance with the provisions of the Companies Act, 1956.*

1.7 Performance of PSUs

1.7.1 Out of 74 working PSUs, 31 PSUs (Government companies: 30, Statutory corporation : one) had finalised their annual accounts for 2012-13 till September 2013. The investment (capital and long-term loans) in these 31 PSUs as on 31 March 2013 was ₹ 37,047.69 crore¹⁹, which represented 90.20 per cent of the investment in all State PSUs.

1.7.2 Financial position and working results in respect of these 31 PSUs, who finalised their annual accounts for 2012-13, are detailed in

¹⁹ Capital : ₹ 11,751.57 crore, loans : ₹ 25,296.12 crore.

Annexures 1.2 and 3.1. Table below provides details of profit/ loss and turnover of these 31 PSUs and State GDP for 2011-12²⁰ and 2012-13 :

Table 1.6 : Statement showing profit/ loss and turnover of 31 PSUs and State GDP

(₹ in crore)

Particulars	2011-12	2012-13
Turnover	29,457.81	36,755.18
State GDP ²¹	5,49,876	5,76,865
Percentage of Turnover to State GDP	5.36	6.37
Net profit (+)/ loss (-)	(-)286.23	(-)542.96

Source: Accounts of PSUs.

1.7.3 Out of the 31 PSUs that had finalised their accounts for 2012-13, 19 PSUs earned an aggregate profit of ₹ 688.28 crore, while 11 PSUs incurred a loss of ₹ 1,231.24 crore and one company had not yet started any operations.²² Major contributors to profit were West Bengal State Electricity Transmission Company Limited (₹ 333.02 crore), The West Bengal Power Development Corporation Limited (₹ 131.66 crore), West Bengal State Electricity Distribution Company Limited (₹ 81.72 crore) and West Bengal Housing Infrastructure Development Corporation Limited (₹ 62.36 crore). Heavy losses were incurred by Haldia Petrochemicals Limited (₹ 960.11 crore), The Calcutta Tramways Company (1978) Limited (₹ 137.02 crore) and The Durgapur Projects Limited (₹ 68.03 crore).

1.7.4 Some other key parameters pertaining to the 31 working PSUs that had finalised their accounts for 2012-13 are given below: -

Table 1.7 : Statement of key parameters pertaining to 31 PSUs and State GDP

(₹ in crore)

Particulars	2011-12	2012-13
Return on Capital Employed (<i>per cent</i>)	2,472.26 (10.44)	2,412.78 (6.44) ²³
Debt	25,408.89	25,296.12
Turnover ²⁴	29,457.81	36,755.18
Debt/ Turnover Ratio	0.86:1	0.69:1
Interest Payments ²⁵	2,758.49	2,957.97
Accumulated Losses (-)/ Profits (+)	(-) 1,123.38	(-) 1,751.90

Source: Accounts of PSUs.

1.7.5 Out of 74 PSUs, 43 PSUs (including eight statutory corporations) did not finalise their accounts for 2012-13. Financial position and working results in respect of these 43 PSUs, based on the latest finalised annual accounts, are indicated in **Annexures 1.3, 1.6 and 1.7.**

²⁰ Up to September 2012, 27 PSUs finalised accounts for 2011-12. Of these 27 PSUs, four did not finalise accounts for 2012-13, while eight pulled up arrear and current accounts. Hence, figures for 2011-12 and 2012-13 are not comparable.

²¹ Advance Estimates for 2011-12 and 2012-13 at Current Prices.

²² Serial No. A-20 of **Annexure 1.2.**

²³ Return on Capital Employed for 2012-13 is based on the revised formula of 'Capital Employed' being Shareholders' Fund + Long Term Borrowings.

²⁴ As per the accounts as of 30 September 2013.

²⁵ As per the accounts as of 30 September 2013.

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 internal audit/ internal control system in respect of 18 companies for the year 2012-13 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	10	A-1, A-4, A-10, A-12, A-13, A-18, A-21, A-22, A-23 & A-30.
2	Absence of internal audit system commensurate with the nature and size of business of the company	1	A-14.
3	Non maintenance of cost records	3	A-1, A-4 & A-9.
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	3	A-1, A-14 & A-16
5	Absence of clear credit policy and policy for providing doubtful debts/ write off and liquidated damages	6	A-6, A-12, A-13, A-18, A-26 & A-30.
6	Absence of security policy for software / hardware and backup of past records	8	A-1, A-4, A-6, A-17, A-19, A-21, A-23 & A-30.
7	Absence of effective system of monitoring of advances/ outstanding dues	5	A-6, A-14, A-16, A-21 & A-26.
8	Absence of vigilance department or absence of existence/ effectiveness of delineated fraud policy	15	A-1, A-4, A-6, A-9, A-10, A-13, A-14, A-16, A-17, A-18, A-19, A-21, A-25, A-26, & A-30.

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: -

THE DURGAPUR PROJECTS LIMITED (2012-13)

- Prior Period Items did not include an amount of ₹ 14.28 crore being the value of assets capitalised due to exchange differences arising on the settlement of monetary items contrary to Accounting Standard-11.

Loss for the year was understated by ₹ 14.28 crore with corresponding over-statement of Fixed Assets.

THE WEST BENGAL POWER DEVELOPMENT CORPORATION LIMITED (2012-13)

- Capital Work-in-Progress (CWIP) was overstated by amount of ₹ 66.77 crore incurred towards railway siding at Sagardighi Thermal Power Plant which was completed and put to use during March 2013 but was not capitalised, with corresponding understatement of fixed assets by ₹ 63.86 crore, depreciation and profit by ₹ 2.91 crore each.

WEST BENGAL TRADE PROMOTION ORGANISATION (2011-12)

- Both Other Current Liabilities and Capital Work-in-Progress were understated by ₹ 1.39 crore respectively due to non-provision of escalation cost of construction of Milan Mela complex (Phase-I).

THE WEST BENGAL SMALL INDUSTRIES DEVELOPMENT CORPORATION LIMITED (2011-12)

- Both Current Liabilities and Accumulated Loss were understated by ₹ 2.98 crore as Service Tax of ₹ 2.98 crore on long term lease rentals from 2007-08 to 2011-12 was not charged by the Company.

WEST BENGAL INDUSTRIAL DEVELOPMENT CORPORATION LIMITED (2011-12)

- Lease premium of ₹ 87.87 crore accrued upto March 2012 had not been booked to revenue with related cost of acquisition of land and development expenditure (₹ 73.50 crore) thereon shown as expenses in the Profit & Loss account. This resulted in understatement of profit by ₹ 14.37 crore.

MACKINTOSH BURN LIMITED (2011-12)

- Plant & Machinery was overstated by ₹ 2.55 crore due to non charging of depreciation on plant and machinery for items valuing below ₹ 5,000 added during the year (2011-12).

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

WEST BENGAL HOUSING INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED (2012-13)

- The Company had revised accounts at the instance of the CAG's draft comments and debited royalty on earth work (₹ 3.62 crore), expenditure on township street lighting (₹ 3.74 crore) and reversed excess cost of sale of EWS flats (₹ 7.99 crore) leading to increase in profit by ₹ 15.35 crore.

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	Calcutta State Transport Corporation	2008-09	2009-10	18.04.2013	Not furnished by the Government
2	North Bengal State Transport Corporation	2008-09	Accounts are not furnished since 2009-10.		
3	South Bengal State Transport Corporation	2009-10	2010-11 2011-12	04.10.2012 27.08.2013	Not furnished by the Government
4	West Bengal Backward Classes Development and Finance Corporation	2009-10	2010-11 2011-12	16.11.2012 19.07.2013	Not furnished by the Government
5	West Bengal Electricity Regulatory Commission	2011-12	2012-13	26.09.2013	Not furnished by the Government
6	West Bengal Financial Corporation	2011-12	2012-13	Audit in progress	Not furnished by the Government
7	West Bengal Industrial Infrastructure Development Corporation	2008-09	2009-10 2010-11 2011-12	30.03.2012 04.01.2013 26.08.2013	Not furnished by the Government
8	West Bengal Minorities Development and Finance Corporation	2007-08	2008-09 2009-10 2010-11 2011-12	29.10.2010 25.08.2011 10.01.2013 03.06.2013	Not furnished by the Government
9	West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation	2008-09	2009-10 2010-11	26.10.2012 Audit in progress	Not furnished by the Government
10	West Bengal State Warehousing Corporation	2007-08	2008-09 2009-10 2010-11 2011-12	28.01.2010 11.05.2011 30.03.2012 24.07.2013	Not furnished by the Government

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 encompass 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 responses to them. Finance Department, Government of West Bengal instructed (October 2009) all the administrative departments to submit

illustrative 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 30 out of 196 paragraphs/ Performance audits as of September 2013 (**Annexure 1.8**).

1.11.2 Outstanding action taken notes on the Reports of the Committee on 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 one month to 62 months, 10 departments did not furnish the ATNs on 70 recommendations relating to 26 COPU Reports presented (July 2008 - August 2013) to the State Legislature (**Annexure 1.9**).

1.11.3 Response to the Inspection reports, draft paragraphs and Performance audits

Anomalies/ deficiencies noticed during the periodical inspections of Government companies as well as Statutory 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 four 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 2013 pertaining to 44 PSUs disclosed that 148 paragraphs relating to 55 IRs remained outstanding at the end of September 2013. The department-wise break up of IRs and audit observations as of September 2013 is given in **Annexure 1.10**. 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 2012 to September 2013, two audit committee meetings were held by the Power and Non-Conventional Energy Sources department.

Similarly, draft paragraphs and Performance audits 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 two draft paragraphs forwarded to two departments during July to August 2013, as detailed in **Annexure 1.11** had not been replied so far (December 2013).

It is recommended that the Government should ensure that **(a)** procedure exists for action against the officials who fail to submit replies to inspection reports/ draft paragraphs/ Performance audit reports 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 Company

West Bengal State Electricity Distribution Company Limited

Implementation of Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)

Executive Summary

Introduction

Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) was launched (April 2005) by Government of India (GoI) as a flagship programme to provide access to electricity to all rural households by 2009. As on March 2013, 12,594 villages with 9.92 lakh BPL rural households (RHHs) were electrified by West Bengal State Electricity Distribution Company Limited (WBSEDCL) under RGGVY scheme against the target of 14,113 villages with 15.39 lakh BPL RHHs by 2009. Out of ₹997.98 crore provided by Government of India, for electrification of nine districts and one Mahakuma Parishad (Siliguri), WBSEDCL had spent ₹923.63 crore till March 2013.

Planning and Preparation of Detailed Project Reports (DPRs)

WBSEDCL prepared DPRs without adequate field survey. One hundred fifty six villages that did not qualify under RGGVY were included in DPRs and ₹11.49 crore was estimated for their electrification.

Inclusion of sales tax and sundries which should not be included in estimates increased the project cost by ₹37.79 crore for 10 projects.

Contract Management

Estimates put to tender were inflated by ₹62.36 crore due to inclusion of sales tax, sundries, franchisee charges and overhead charges which were not payable to the contractors. WBSEDCL allowed different rates for ex-works price of same material to same contractors working on different packages in the same or adjoining districts. This resulted in extra expenditure of ₹18.92 crore.

WBSEDCL released ₹145.43 crore as interest free mobilisation advance to contractors. Due to delay in completion of works ₹19.63 crore remained unadjusted which led to loss of interest of ₹1.51 crore.

Sales tax of ₹8.32 crore was paid to contractors inspite of exemption of sales tax on materials used in RGGVY. Similarly, excise duty of ₹97.40 lakh and service tax of ₹74.79 lakh were paid to contractors in excess of prevailing rates of taxation.

Project execution

Despite delays in execution of works, liquidated damages of ₹57.86 crore were not levied as per terms of Letters of Award for work.

In 217 villages of six districts, service connections could not be provided to 15,433 BPL RHHs inspite of creating infrastructure at a cost of ₹6.25 crore.

Scheme impact

WBSEDCL energised 2,412 villages after delays of 16 to 829 days from creation of required infrastructure.

Delays in billing beyond 90 days resulted in accumulation of dues. As a result 14,513 consumers with aggregate dues of ₹1.95 crore had defaulted in payment and consequently supply was disconnected defeating objective of the scheme.

Financial operation

Due to delayed opening of a separate RGGVY bank account by nine to 25 days, interest of ₹0.39 crore could not be earned and credited to RGGVY account. Further, ₹1.99 crore as interest could not be earned as RGGVY fund of ₹5.86 crore was retained

(2009-13) in corporate account of WBSEDCL.

Project monitoring

Third party inspection agencies (TPIAs) inspected 4,939 villages and reported 42,677 defects against which only 12,679 defects were rectified till March 2013. At SMP, Birbhum and Nadia 96, 41 and 30 villages out of 127, 91 and 124 villages respectively were inspected by TPIAs after completion of guarantee period of one year, defeating the purpose of inspection.

Conclusion and recommendations

DPRs were prepared without drawing up RE plan or conducting field surveys leading to omission of BPL HHs and inclusion of

electrified/ unsuitable villages. Tenders were floated without due diligence leading to variations in prices of the same materials and excess payment of taxes and duties. Work had been delayed on account of belated delivery of materials, inadequate deployment of manpower, lack of co-ordination, etc. leading to shortfall in the numbers of BPL RHHs electrified. The progress of work was not commensurate with the quantum of fund received. Moreover, monitoring was ineffective.

There are four recommendations - DPRs need to be prepared with proper field surveys, appropriate clauses be incorporated in contracts to safeguard the interest of WBSEDCL, applicability of correct rate of taxes and duties be ensured and system of monitoring needs to be strengthened.

2.1 Introduction

Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) was launched (April 2005) by the Government of India (GoI) as a flagship programme to provide access to electricity to all rural households (RHHs) by 2009 as envisaged in the Rural Electrification Policy (REPOL, August 2006). It provided for creation of Rural Electricity Distribution Backbone (REDB¹), village electrification infrastructure and rural household electrification of below poverty line (BPL) households free of cost. It also contained provisions for appointment of franchisees for distribution of electricity in the rural areas and ensuring revenue sustainability.

RGGVY was to be implemented through the Rural Electrification Corporation Limited (REC), a Central PSU. GoI was to provide 90 per cent capital subsidy to the State Government to meet overall cost of the projects, while the rest 10 per cent was to be borne by the implementing State.

The erstwhile WBSEB² was envisaged as project implementing agency of RGGVY in West Bengal and was entrusted (June 2005) with the responsibility for formulation, development and implementation of the projects in ten³ districts of the state. The projects involved system planning, design and engineering in line with REC's guidelines, specifications and construction

¹ REDB includes creation of 33 KV Sub-Station in those blocks where it does not exist. Village rural infrastructure includes drawing of HT and LT line, installation of Distribution transformer and rural household includes free connection to BPL households (one CFL bulb of 11 watt, one meter and internal wiring).

² West Bengal State Electricity Board, a precursor entity of West Bengal State Electricity Distribution Company Limited, which was incorporated in February 2007 and operational since April 2007.

³ Coochbehar, Darjeeling (SMP), Dakshin Dinajpur, Malda, Nadia, Hooghly, Howrah, Birbhum, Burdwan and South 24 Parganas.

standards, wherever applicable, and procurement in accordance with agreed competitive bidding procedures. WBSEB was also required to construct/ implement/ commission the sub-transmission and distribution works under the projects on behalf of the Government of West Bengal (GoWB).

In April 2007, WBSEB's hydro-electric generation and distribution activities were transferred to a new Government company viz. West Bengal State Electricity Distribution Company Limited (WBSEDCL), consequent to the restructuring of the power sector. Thereafter, WBSEDCL took over implementation of RGGVY⁴.

2.2 Organisation structure

The Executive Director (Rural Electrification) of WBSEDCL, who reports to the Chairman and Managing Director (CMD), is in overall charge of Rural Electrification (RE) including implementing RGGVY. Day-to-day management of the wing and execution are looked after by the Chief Engineer (RE), assisted by 19 Project Managers in different districts. Besides, a State-Level co-ordination committee was formed (December 2008) to co-ordinate RGGVY works while District Rural Energy Committees were constituted (May 2009) to supervise Rural Electrification (RE) works at the district and block levels. Similarly, the Distribution wing under the Director (Distribution), is managed by the Chief Engineer (Distribution) through five Zonal Offices, 17 Regional Offices, 60 Divisions and 476 Customer Care Centres as at March 2013. On completion of the RGGVY works and energisation of BPL Rural Households (RHHs), the infrastructure is transferred to the Distribution wing.

2.3 Audit objectives

The Performance Audit was undertaken to assess whether:

- Planning was in line with the RGGVY guidelines;
- Contracts were managed efficiently and economically;
- the projects were effectively implemented to fulfil the objectives of RGGVY;
- the funds were utilised prudently and economically; and
- effective internal control system for monitoring the award of contracts, execution of projects, and ensuring timely supply of quality power to RHHs was in place.

2.4 Scope and methodology of audit

The Performance Audit was undertaken between April and August 2013. It covered the activities of WBSEDCL with regard to RGGVY works executed during the period from 2008-09 to 2012-13. The records at the head office of

⁴ excluding Hill areas of Darjeeling district.

WBSEDCL and eight⁵ out of the total 10 project offices of WBSEDCL in corresponding districts were examined by audit⁶.

Audit methodology included scrutiny of Detailed Project Reports (DPR), project files and MIS reports. It also included beneficiary surveys of 519⁷ BPL RHH. Audit also examined correspondences and directives from the Government and REC and minutes/ agenda papers of the Board meetings/ Review meetings of WBSEDCL. Further, Audit has cross checked data with the master lists of BPL Rural Households prepared by the Department of Panchayat and Rural Development, GoWB, whenever required.

Audit explained its objectives, criteria and methodology to WBSEDCL and the State Government during an 'Entry Conference' held on 20 March 2013, attended by the Principal Secretary to the Government of West Bengal, Power and Non-Conventional Energy Sources Department, the Chairman and Managing Director, WBSEDCL and senior management. The findings were discussed at an 'Exit Conference' held on 10 December 2013.

2.5 Audit criteria

The main sources of audit criteria for the performance audit were:

- Rural Electrification Policy 2006.
- Scheme guidelines issued by the Ministry of Power, the GoI and additional guidelines issued by REC regarding Quality control and Procurement of goods and services etc.
- Tripartite agreement among REC, GoWB and WBSEB of June 2005.
- Instructions/ circulars/ orders issued by the Ministry of Power, the GoI and REC regarding the scheme.

2.6 Audit Findings

Under X Plan (2002-07) RGGVY was launched in West Bengal (2005) and was extended under XI Plan (2007-12) for intensification in those villages of ten districts of West Bengal where the population exceeds 100. The implementing agency was WBSEDCL. Apart from that, RGGVY was to be implemented in four districts by Central PSUs. As on March 2013, 12,594 villages with 9.92 lakh BPL RHHs were electrified by WBSEDCL under RGGVY scheme against the target of 14,113 villages covering 15.39 lakh RHHs by 2009. The remaining 1,519 villages and 5.47 lakh RHHs were yet to be electrified.

⁵Project offices at Birbhum, Burdwan, Coochbehar, Hooghly, Malda, Nadia, South 24 Parganas and Darjeeling (Siliguri Mahakuma Parishad).

⁶ The rest two districts were covered in the earlier years.

⁷ Not more than five BPL RHHs in 75 villages which were supplied power under RGGVY were surveyed in audit.

GoI had provided ₹ 997.98 crore to WBSEDCL for implementation of the project in 10 districts⁸ under RGGVY during February 2009 to March 2012. WBSEDCL had incurred an expenditure of ₹ 923.63 crore till March 2013 as mentioned in **Table 2.1** below.

Table 2.1: Statement of fund received and expenditure thereof under RGGVY for the years 2008-09 to 2012-13

(₹ in crore)

Year	Receipt	Expenditure
2008-09	382.49	Nil
2009-10	185.25	184.50
2010-11	368.49	321.23
2011-12	61.75	264.82
2012-13	Nil	153.08
Total	997.98	923.63

Source: Data provided by REC and WBSEDCL

It was observed that though the entire fund of ₹ 997.98 crore was received and the scheme was to be completed by March 2012, an amount of ₹ 227.43 crore still remained to be utilised as of March 2012. Subsequently, ₹ 153.08 crore was expended in the year 2012-13. Till March 2013, work had been completed in only one district.

2.7 Planning and preparation of Detailed Project Reports (DPRs)

Planning involves identification of beneficiaries, choices of technology, arrangements for management, preparation of cost estimates, setting of time frame and success criteria and mechanism for ensuring revenue sustainability of rural electricity supply.

2.7.1 Rural Electrification Plan

According to REPOL with its basic aim of providing access to electricity to all rural households (RHHs) by 2009, GoWB⁹ had to prepare a Rural Electrification Plan (REP) in consultation with GoI by February 2007. The REP would map and detail the delivery mechanism in respect of electrification, considering the available technologies based on the available sources of energy. It would identify the number of non-electrified RHHs and their distance from the existing grid¹⁰ and estimate the required cost of rural electrification (RE). The REPs would in turn be linked with District Development Plans as and when such plan became available.

⁸ Birbhum, Burdwan, Coochbehar, Dakshin Dinajpur, Hooghly, Howrah, Malda, Nadia, South 24 Parganas and Darjeeling {Siliguri Mahakuma Parishad (SMP)}

⁹WBSEDCL was entrusted to prepare the REP.

¹⁰Power network from which energy may be delivered to these RHHs.

Audit observed that the State Government had prepared the REP in consultation with the GoI in September 2008 after a delay of 18 months. The DPRs were already under preparation on the basis of inputs from the *Zilla Parishads* without any reference of REP and those were finalised by WBSEDCL between December 2005 and January 2008 and approved by REC in April 2008. REP should provide inputs for the preparation of DPRs, but due to the delay in preparation of REP, this was not possible. Audit observed that there were deviations between the numbers of BPL RHHs included in the REP and the DPRs and in three out of the ten districts the deviation was significant (reference **Table 2.2**) which resulted in 1.91 lakh BPL RHHs remaining outside RGGVY coverage due to their exclusion from the DPRs.

Table 2.2: Statement showing difference in estimation of BPL RHHs in REP and DPR

District	As per DPR (April 2008)	As per REP (September 2008)	Difference {Col. (3) – Col. (2)}
(1)	(2)	(3)	(4)
Coochbehar	2,43,700	2,82,687	38,987
Malda	2,61,304	3,86,829	1,25,525
Dakshin Dinajpur	1,67,661	1,93,798	26,137
	6,72,665	8,63,314	1,90,649

Source: REP of the State and DPR prepared by WBSEDCL

Management stated (November 2013) that the number of BPL RHHs as stated in the REP was subsequently reduced in the DPR, considering the budget allocation and paucity of funds. The balance work was taken up through other schemes like WBREP¹¹, BRGF¹², RGGVY (XII Plan – 2012-17) as well as normal connections to BPL RHHs provided directly by the Distribution Wing of WBSEDCL.

However, funds were to be released based on number of BPL RHHs as mentioned in the approved DPRs and audit scrutiny revealed that during 2008-2012, ₹ 997.98 crore was received against which ₹ 227.43 crore could not be utilised by WBSEDCL. Therefore, paucity of fund was unlikely to be the ground for reduction in the number of BPL RHHs in the DPR.

2.7.2 Detailed Project Reports

Preparation of DPRs for RGGVY required intensive field survey to identify the BPL RHHs who would have access to electricity to the extent that their homes would be provided with an energy meter, requisite wiring within the RHHs and installation of one CFL¹³ with required fittings. This in turn entailed that the necessary source of energy be identified from the distribution

¹¹ West Bengal Rural Electrification Programme, funded by the Government of West Bengal.

¹² Backward Region Grant Fund, a centrally sponsored scheme.

¹³ Compact Fluorescent Light bulb, provision for which was introduced subsequently in 2008.

network¹⁴ within that village. Further, if the required distribution network was not available, the same was to be created under RGGVY. The distribution infrastructure thus created would also benefit the above poverty line (APL) RHHs as the infrastructure would also be equally available to them for obtaining electricity connections.

The WBSEDCL prepared the DPRs without adequate field survey. Audit observed¹⁵ that in the absence of any field survey, the DPR included 156 villages not falling under RGGVY scheme, *e.g.*, 55 villages where there was no scope for further electrification as existing infrastructure was already available and capable of catering to the existing demand. It also included 16 un-inhabited (*non-abadi*) villages and 20 villages which were non-existent. Further, it included 16 villages which were under municipal jurisdiction (*i.e.* urban areas) and therefore beyond the ambit of RGGVY. Besides, 49 villages within the command areas of Eastern Coalfields Limited (ECL), CESC Limited (CESC) and Sriniketan and Santiniketan Development Authority area which were not to be included were found included, as a result of inadequate field survey.

Inclusion of 156 non-eligible villages in the DPRs where RGGVY works could not be executed led to overestimation of project cost by ₹ 11.49 crore¹⁶. Moreover, those 26 villages within CESC's command area would continue to remain outside the ambit of any RE scheme.

Management accepted (November 2013) the audit observation and attributed the mistake to preparation of field surveys by outside agencies who in turn depended on the assistance of the local representatives and also on the absence of demarcation between villages and habitations as well as command zones of ECL and CESC.

2.7.3 Delays in approval of DPRs

The DPRs for RGGVY were to be prepared in compliance with the detailed guidelines formulated (June 2005) by REC, which is the central agency for approval of the DPRs and release of central funds. Test check showed that REC rejected (December 2005 to March 2007) eight DPRs prepared in respect of eight districts, whose details are given in **Annexure 2.1**. They were finally approved in April 2008 after a delay of up to 27 months.

Audit observed that the delays in approvals of DPRs were due to inclusion of cost of service connection charges for APL RHHs, inclusion of 63 KVA distribution transformers (DTRs) instead of within 25 KVA, incomplete information mentioned in the DPRs, wide variation in cost of electrification per village ranging between ₹ 6.40 lakh and ₹ 40.26 lakh against an average of

¹⁴ A network of power conductors (lines), transformers, poles and associated equipment together enabling delivery of energy to consumers.

¹⁵ On the basis of data provided by different Project Managers (RE) of WBSEDCL

¹⁶ Calculation was based on the average cost of electrification per village in the respective DPRs.

₹ 7.61 lakh ultimately approved *etc.* These had resulted in delays in issue of tenders, award of contracts to the contractors and finally execution of projects and delivery of benefits to the target beneficiaries. Detail is given in **Annexure 2.2.**

Management replied that delay in approval of DPRs was due to efforts made for inclusion of more BPL RHHs and infrastructure under the scheme. Audit, however, observed that reasons as mentioned above were, in fact, more relevant.

2.7.4 Inflated budgets in the DPRs

State Government had exempted (June 2006) material inputs for RGGVY from sales tax. However, test check by audit revealed that the DPRs submitted for RGGVY mentioned the cost of material inclusive of sales tax.

Similarly, RGGVY guidelines required that cost of individual items should not include sundry charges¹⁷ while calculating project cost. The DPRs submitted for RGGVY, however, were found to have included sundry charges.

Thus, inclusion of these items in the DPR was against the prescribed norms and hence resulted in enhancing the cost by ₹ 37.79 crore in case of the 10 projects.

Management stated (November 2013) that it was the standard norm of WBSEDCL to prepare estimates at landed cost of materials inclusive of taxes and duties as well as to add sundries to the supply cost of materials.

Reply is not acceptable as the projects were being undertaken under the RGGVY and since specific directions/ guidelines for RGGVY were available, the same should have been applied while preparing DPRs of these projects instead of following the standards norms of WBSEDCL.

2.8 Contract Management

Contract Management involves preparation of realistic estimates, public notification of tenders and selection and award of tenders in competitive and transparent manner. During implementation of RGGVY, WBSEDCL had to undertake construction works where private contractors were involved. The audit observations in this respect are given in the succeeding paragraphs.

2.8.1 Inflated estimates

As mentioned in Paragraph 2.7.4, DPR budget included cost towards sales tax and sundries. These costs were also included in the estimates prepared (April 2008) and put to tender for execution of the works under RGGVY. The estimates further included 'overhead charges' which were in

¹⁷ All the items necessary for creation of infrastructure were included at the rate of five *per cent* in sundries.

the nature of administrative costs to be retained by WBSEDCL and 'franchisee charges' to be paid to the franchisees¹⁸. This led to over estimation of costs to the extent of ₹ 62.36 crore¹⁹ in the estimates put to tender.

Management reiterated (November 2013) that it was the standard norm of WBSEDCL to prepare estimates at landed cost of materials inclusive of taxes and duties as well as to add sundries with supply cost of materials. Besides, overhead and franchisee charges were included to arrive at the tentative unit cost of any job for comparison with the lowest rate quoted for that work.

However, elements of sales tax and sundries charges were not to be included in the estimate as per REC's observation, 2006, as already stated. Franchisee charges were to be paid to the franchisee to be appointed for revenue collection only after creation of the infrastructure whereas overhead charges which were in the nature of administrative charges were to be retained by the implementing agency and not to be included in the estimates and put to tenders.

2.8.2 Lack of prudence in award of tenders

Audit observed that WBSEDCL had divided the total work under RGGVY into two or three packages in all the test checked districts, during January/ February 2009, on turnkey basis by inviting open tenders. Audit noticed that the specification of the materials used like PCC poles, ACSR conductors, Distribution transformers etc. was alike in all the works. The ex-works²⁰ rates of these materials were, however, different for packages in the same district. Details of impact of ex-works cost on all works are given in **Annexure 2.3**. Allowing different rates for the same materials in different packages in the same districts by the same contractor resulted in extra expenditure of ₹ 7.86 crore in nine packages.

Similarly, it was seen that works were awarded (January/ February 2009) in adjoining districts and that the ex-works rates of the same materials were different for packages. Details of impact of ₹ 11.06 crore on ex-works cost is given in **Annexure 2.4**. Allowing different rates for the same material resulted in extra expenditure of ₹ 18.92 crore (₹ 7.86 crore + ₹ 11.06 crore) in these cases.

Management stated in September 2013 that the electrification work under RGGVY scheme was divided into packages in different districts and each package had been considered as one project and tenders for such packages/ projects had been invited on turnkey concept. Different rates were quoted in tenders by different agencies for different locations in a district for a particular

¹⁸ Franchisees would be appointed for billing and revenue collection on creation of infrastructure and energisation of BPL RHHs.

¹⁹ Due to inclusion of sales tax (₹ 14.32 crore), sundries (₹ 23.47 crore), franchisees charges (₹ 0.52 crore) and overhead charges (₹ 24.05 crore).

²⁰ Ex-works rate excludes all taxes, duties, freight and insurance.

item of supply which was acceptable in turnkey contracts. Management further added (November 2013) that each package was put to tender as a separate project on turnkey concept.

However, audit had examined the contract documents and found that the tender documents were made item wise and the payments were also released item wise.

2.8.3 Failure to safeguard WBSEDCL's interest

Mobilisation advance is released to a contractor for mobilising materials and labour at the work site and is recovered within a fixed time frame irrespective of the progress of the work.

The terms of tender notified (April/ September 2008) for RGGVY contracts allowed for release of mobilisation advance of 15 *per cent* and 10 *per cent* respectively on supply and erection of the components. There was, however, no stipulation of interest chargeable on the advance and there was no time frame fixed for the recovery of these advances. WBSEDCL had disbursed (April 2009 to March 2011) ₹ 145.43 crore as interest free mobilisation advance to the contractors against 23 packages.

These advances were adjusted at the rate of “10 *per cent* in case of erection” and “15 *per cent* in case of supply of materials” from the bills submitted by the contractors. The initial completion target for these 23 packages was August 2010 but the work had not been completed till March 2013. As of March 2013, mobilisation advance of ₹ 19.63 crore remained unadjusted with nine contractors implementing 17 packages, resulting in blocking up of funds for a period ranging from 21 months to 31 months with consequent loss of interest²¹ of ₹ 1.51 crore.

Management observed (November 2013) that the guideline²² issued (February 2008) by the Central Vigilance Commission (CVC) stated that decision to stipulate interest free mobilisation advance in the tender document rests on the level of Board (with concurrence of Finance) in the organisations and the Letters of Award (LOAs) had been awarded after approval from the Board Committee.

The CVC guidelines, while delegating the decision to stipulate interest free mobilisation advance, required clear stipulation in the tender document for time based recovery not linked to the progress of work to reduce scope of misuse of such advance by the contractor.

2.8.4 Non-installation of pilfer-proof (PP) meter box

RGGVY guidelines provide for provision of service connections at a cost of ₹ 1,900 per BPL RHH including materials supply, erection and commissioning. It also specifies procurement of goods and services as per REC Manual. REC Manual²³ prescribes service connections to consumers

²¹ At 3.5 *per cent* per annum for 21 to 31 months.

²² Circular No. 5/2/2008, OM No. 4CC-1-CTE-2 dated 05 February 2008.

²³ 4/1975.

should be made theft proof. Since 2007-08, WBSEDCL has been installing pilfer proof (PP) meter boxes procured at ₹ 93.81 each, when providing new connections to consumers (including BPL RHHs). But while floating tenders for service connections under RGGVY in April/ September 2008, WBSEDCL had tendered for service connections including supply of meters but without indicating requirement of PP meter boxes.

The contractors supplied and installed service connections without PP meter boxes at ₹ 1,900 per connection. Thus, award of work for installation at ₹ 1,900 per connection without inclusion of PP meter box as stipulated in the guidelines, resulted in extra benefit of ₹ 9.30 crore (₹ 93.81 per PP meter box for 9.91 lakh service connections effected in 10 districts) to contractors and also put the meters at risk of being tampered.

Management contended (November 2013) that REC guideline had nowhere required inclusion of pilfer proof boxes in the erection charges of service connections.

The contention overlooked the fact that REC Manual requires service connections to be made theft proof which is done by installing meters in PP boxes.

2.8.5 Excess payment of tax

The terms and conditions of the tender provided that price bids were to be quoted exclusive of all taxes and duties *viz.*, sales tax, excise duty, local taxes, service tax as well as other taxes and levies applicable in West Bengal. All applicable taxes and duties were to be indicated separately in the bid. Further, as per LOA, WBSEDCL shall have to pay or realise from the contractors any upward/ downward variations in rates of excise duty, sales tax etc. on direct items prevailing at the time of delivery.

However Audit observed that in 10 out of 24 packages, sales tax at the rate of two to four *per cent* was included in ex-works price. It was observed that despite sales tax not being applicable in RGGVY, WBSEDCL paid ₹ 8.32 crore (**Annexure 2.5**) towards sales tax on the above packages. REC did not reimburse amount of sales tax paid by WBSEDCL as it was not indicated separately in the bid as required under RGGVY guidelines.

Moreover in six out of 24 packages, excise duty at the then applicable rate was included in the bids. However at the time of supply of materials rate of excise duty had reduced. WBSEDCL did not get the advantage of reduced excise duty and paid the contractors ₹ 97.40 lakh towards higher excise duty mentioned in the bids as per details given in **Annexure 2.6**.

Similarly, in eight out of 24 packages, the contractor submitted price bids for erection and energisation inclusive of taxes and duties at the then prevailing rate. During execution the rate of service tax had reduced, but WBSEDCL paid service tax to the contractors at quoted rate without considering the lower rate prevailing at the time of execution. As a result, excess payment of ₹ 74.79 lakh towards service tax as given in **Annexure 2.7** was made to the contractors.

WBSEDCL admitted and stated (April 2013) that recovery of the excess amount of tax would be effected. However, no recoveries had been made till the close of audit (August 2013).

2.9 Project execution

Project execution requires a close vigil over the progress of the work ensuring that it is executed as envisaged in the DPR, within the stipulated time frame to the fulfilment of the scheme objectives.

2.9.1 Delay in completion of works

Initially, the projects under RGGVY were to be completed by June 2010. These were delayed up to 27 months in obtaining approval for the DPRs from REC. After the DPRs were approved, the tenders for execution of the works under RGGVY were notified in April/ September 2008 and letters of awards (LOA) for execution were issued in January/ February 2009 and December 2010 after competitive bidding.

The LOAs required the execution of the projects to be completed by July/ August 2010/ June 2011 *i.e.* 18 months from date of award. However, out of eight districts scrutinised by audit, work in only one district was completed as of March 2013.

Table 2.3 below shows the target and achievement of RGGVY works against eight districts:-

Table 2.3: Targets and achievement of key parameters under RGGVY

Particulars	Unit	Target	Status as of March 2013
Village electrified	Nos.	11,922	10,502
Service connections effected to BPL rural households	Nos. in lakh	13.66	8.65
33/11 Kv Substations	Nos.	4	1
33/11 Kv Transformation capacity	Mva	25.20	6.30
Distribution transformers	Nos.	14,840	9,618
DTR capacity installed	Mva	183.60	134.76
High tension (11 Kv) line	Ckm	4,767.148	3,552.247
Low tension (440 v/ 220 v) line			
- Three phase	Ckm	13,770.336	4,823.939
- Single phase	Ckm	4,300.761	16,727.118

Source: LOA and progress reports prepared by WBSEDCL.

Notes: 1) Targets are based on LOAs up to March 2013.

2) Status is where energisation had occurred.

Management agreed that there were delays and stated (November 2013) that this was due to various elections during implementation of RGGVY, introduction of GPS survey for RE works, belated receipt of revised BPL list from District authorities, difficulty in pole procurement due to a rush of orders

to the PCC pole manufacturers, and obstruction raised by the villagers during execution, demanding of more poles, additional BPL coverage, higher capacity DTR, three phase L.T O.H line and land dispute for erection of poles.

Audit, however, observed from the minutes of review meetings and reply of the Project Manager that the slow progress of the projects was due to other reasons such as “delay of mobilisation of materials”, “failure of material procurement plan by turnkey contractor”, “delay in supply of material”, “less engagement of manpower for field activities” (erection of poles, stringing of conductors as well as providing BPL service connections). A letter issued by the Chief Engineer (RE) in April 2011 also attributed the delay to “lack of co-ordination between the contractors and WBSEDCL” and “passive attitude towards electrification of BPL HH by RE and Operations and Maintenance (O&M) wing of WBSEDCL”.

2.9.2 Non-levy of liquidated damages

All contracts awarded for RGGVY works had provision to levy liquidated damages (LD) for delay in completion of the project. LD was to be charged at 0.5 *per cent* per week up to a maximum of five *per cent* of the total value of the contract. Due to delay in execution of the project in 10 districts where RGGVY had been executed by WBSEDCL, ₹ 57.86 crore in LD was leviable but not levied by WBSEDCL.

Management while accepting the audit observation stated (November 2013) that LD would be finalised at the time of closure of contracts. It further informed that provisional deductions were now being made from the contractors’ bills.

2.9.3 Non-provision of connections to BPL RHHs

The BPL RHHs were to be provided with service connection and energized under the RGGVY scheme within August 2010. However, audit observed²⁴ that in 217 villages of six districts²⁵ inspite of creating the requisite infrastructure (like lines and installation of DTRs) at a cost of ₹ 6.25 crore and declaration of energisation of villages between April 2010 to January 2013, WBSEDCL could not provide service connection to 15,433 BPL RHHs. Management in their reply (November 2013) admitted that in some districts the number of BPL connection effected was far less than the LOA quantity and attributed this to different reasons like ROW²⁶ problem, connection already effected and beyond infrastructure. However, ROW problem would not be relevant as infrastructure had already been created.

²⁴ Ref : Monthly Progress Reports of the Project Managers

²⁵ South 24 Parganas, Birbhum, Malda, Burdwan, SMP, Hooghly

²⁶ Right Of Way

2.9.4 Creation of infrastructure backbone

For creation of Rural Electricity Distribution Backbone (REDB), RGGVY envisaged village electrification infrastructure and rural household electrification of BPL RHHs free of cost. However, audit found some deficiencies in creation of infrastructure.

2.9.4.1 Inadequate distribution transformer capacity

In the eight districts, total of 18.59 lakh RHHs (BPL : 13.66 lakh, APL : 4.93 lakh) were proposed to be electrified as per DPR. WBSEDCL considered only 11 watt (0.006875 KVA) load per BPL household against a load of 60 watt (0.0375 KVA) specified in RGGVY guideline. It ignored load requirement of 500 watts (0.3125 KVA) meant to be provided to each APL RHHs as per guidelines. Moreover, under the guidelines, DTRs should also have loads up to a maximum of 90 *per cent* of their capacity, or 228.148 MVA. However, WBSEDCL had fixed load targets of only 183.605 MVA. WBSEDCL stated (November 2013) that capacity of DTRs was selected considering estimated load to BPL RHHs only.

In the minutes of capital work progress review meetings of WBSEDCL held in August, September and October 2011, it was stated by management that large number of DTRs were burnt due to overloading at places where RGGVY works were completed with transformers having lower load capacity that could not cope up with higher loads actually drawn by the consumers. It was seen that 559 out of 2,571 DTRs were burnt out. In September 2011, WBSEDCL decided that these burnt DTR would be repaired and would be utilised elsewhere. It was further decided that O&M wing of WBSEDCL would assess the number of consumers and their load and if the capacity of DTR was found insufficient to meet total requirement, then higher capacity DTR would be installed. WBSEDCL had itself noticed that there were instances of hooking also which increased the load further on the DTRs.

Avoidable repair cost incurred on DTRs was ₹ 53 lakh. Management did not contest the audit observation, and it was seen by audit that in September 2011 WBSEDCL itself had decided to reassess the number of consumers and the higher load requirement in order to augment the capacity of DTRs.

Subsequently, in seven districts, 722 DTRs of 10 KVA load each were replaced by 25 KVA or 63 KVA DTRs; however, the contractors had not returned the 10 KVA DTRs and associated equipment worth ₹ 55.80 lakh to WBSEDCL so far (October 2013). It was also seen that in 164 DTRs out of these 722 cases, the DTR energy accounting meters had become non-functional since they were not compatible with higher capacity DTRs.

2.9.5 Scheme impact

Once requisite infrastructure has been created and BPL RHHs were provided with connections, RE wing of WBSEDCL hands over the infrastructure to O&M wing of WBSEDCL which energises the lines and arranges for delivery

of energy to HH. It is also responsible for billing and realisation of revenue from the consumers. Audit scrutiny of billing process revealed the following:

- WBSEDCL had resorted to minimum billing of ₹ 38 per month (minimum consumption charges) per consumer in respect of 2,941 BPL consumers for three to 24 months the total consumption charges of ₹ 20.17 lakh were not realised from the RHHs which were 'untraceable'.
- WBSEDCL had raised bills on 11,898 BPL consumers, who were not even provided with any electricity connection.
- As per orders of Chief Engineer, RE, WBSEDCL (April 2010) every connection had to be energised within 15 days of completion of infrastructure. In six districts, 2,412 villages where infrastructure was provided with energy connections to BPL RHHs were given after a delay of 16 to 829 days.
- WBSEDCL is to raise bills on BPL RHHs once every quarter as per Tariff Order of the WBSEDCL. However, meter reading of 3.51 lakh BPL RHHs was recorded after delays of one month to 39 months as shown in the **Table 2.4** below:

Table 2.4: Delay in generation of first bill from the date of energisation

Number of BPL RHHs with delays				
Upto six months (beyond 90 days)	Above six months and upto one year	Above one year and upto 2 years	Delay above 2 years	Total
2,45,551	76,674	27,742	988	3,50,955

Source: Data provided by C.E, Distribution (WBSEDCL)

- But it was seen that in respect of 1.98 lakh BPL RHHs, first bill had been raised for two to eight quarters together, imposing undue burden on the BPL RHHs for paying large amounts at a time, leading to inevitable default. It was noticed that 14,513 BPL RHHs with aggregate dues of ₹ 1.95 crore had defaulted leading to disconnection of these consumers and defeating the very objective of the scheme. Besides, bills had not yet been raised on 10,354 BPL RHHs even after delays from one to three years since connections were given.

Management had accepted (November 2013) audit findings.

2.10 Financial operations

RGGVY scheme is financed by GoI (90 *per cent* of project cost) through REC and 10 *per cent* contributed by the State Government through own resources. Out of total project cost of ₹ 1,239.95 crore sanctioned (January 2009) to WBSEDCL for implementation of scheme in respect of provision of connections to BPL RHHs, entire expenditure was to be covered by way of 90 *per cent* capital subsidy and 10 *per cent* loan. The financial assistance was to be released in four instalments depending on the progress of work. REC had released ₹ 997.98 crore to WBSEDCL between February 2009 and March 2012 against which total expenditure up to March 2013 was ₹ 923.63 crore (93 *per cent*) (refer to Table 2.1).

As per REC circular issued in April 2008, funds provided to WBSEDCL were required to be retained in a dedicated interest-bearing bank account and interest earned thereon till March 2013 was to be ploughed back into RGGVY and to be adjusted against the last instalment. Audit scrutiny revealed that on receipt of first instalment of ₹ 382.47 crore in February/ March 2009, WBSEDCL delayed opening of separate bank account for RGGVY funds by nine to 25 days, till which time the funds were lying with WBSEDCL without earning any interest. As a result interest amounting to ₹ 0.39 crore could not be earned and credited to the RGGVY account. Besides, ₹ 5.86 crore earmarked for RGGVY was retained in corporate account of WBSEDCL (2009-2013) instead of the dedicated account of RGGVY which deprived it of ₹ 1.99 crore as interest. However, at the instance of audit WBSEDCL reconciled it in 2013 and transferred it to its dedicated account.

Management stated (November 2013) that delay in opening a new account was due to processing time and retention of RGGVY funds in non-designated account was attributed to non-availability of release advices initially.

But, management was well aware of the fact that a separate dedicated account was to be opened for RGGVY fund, which was notified in April 2008. Further, due to periodical non-reconciliation of RGGVY funds received from REC from time to time, Management was unable to trace the funds kept in separate account other than the dedicated RGGVY account.

2.11 Project monitoring

Success of any project depends on timely and effective monitoring. The monitoring of RGGVY projects were at the level of WBSEDCL and REC. While REC appointed (January 2009) a private company as third party inspection agency (TPIA), WBSEDCL had appointed (June/ August 2009) REC Power Distribution Company Ltd. and RITES for the same purpose.

2.11.1 Belated inspection

The TPIAs inspected 4,939 villages between November 2010 and February 2013 and had reported 42,677 defects.²⁷ Although all these defects were required to be rectified within one month as per the LOA, only 12,679 defects were rectified till March 2013. At SMP, Birbhum and Nadia, 96, 41 and 30 villages out of 127, 91 and 124 villages respectively were inspected by the TPIAs after completion of guarantee period of one year. This had defeated the purpose of inspection in rectification of the defects free of cost by the contractors.

Management agreed (November 2013) with the audit observation.

²⁷The nature of defects included improper binding, loose stay, tilted pole, absence of tree clearance etc.

2.11.2 Meetings of monitoring committees

GoI had directed (May 2008) that WBSEDCL must regularly monitor the physical and financial progress of work by holding bi-monthly meetings of State Level Co-ordination Committee (SLCC). GoWB had constituted the SLCC to monitor the implementation of the scheme in December 2008. However, during the period 2008-2013, only sixteen SLCC meetings were held against the required number of 26.

Similarly, District Level Co-ordination Committees (DLCCs), constituted in May 2009, were to meet once a month. Against 48 meetings required to be held in each district during the period 2009-13, 12 to 27 meetings were held during the same period in all eight districts.

2.11.3 Non-receipt of village electrification certificates

After electrification of each village under RGGVY, a village certificate was to be issued by the *Gram Panchayat (G.P.)* indicating the date of electrification, number of BPL RHHs provided with electricity connections and the number and aggregate capacity of DTR installed in the village.

Till March 2013, out of 12,594 villages reported as electrified, village electrification certificate was available for only 3,572 villages (28 per cent). The district-wise numbers of *panchayat* certificates received are shown in the table below (**Table 2.5**) from which it will be seen that in two districts, more than 90 per cent of the certificates were received (August 2013):

Table 2.5: Statement of Gram Panchayat certificate received as on 31 March 2013

Sl. No.	Name of Districts	No of village energised	No of energised villages for which Panchayat certificate received	Percentage of energisation
1	Coochbehar	959	374	40
2	Darjeeling (SMP)	255	254	99.60
3	Dakshin Dinajpur	1,336	1,226	91.77
4	Malda	1,403	651	46.40
5	Nadia	1,203	278	23.11
6	Hooghly	1,166	13	1.11
7	Howrah	756	342	45.24
8	Birbhum	1,826	30	1.64
9	Burdwan	2,307	132	5.73
10	South 24 Parganas	1,383	272	19.67
	Total	12,594	3,572	

Source: Data provided by C.E, R.E (WBSEDCL)

The reason for less receipt of *panchayat* certificates was due to *Gram Panchayat Pradhans* not being satisfied with coverage of RGGVY scheme in their villages.

While accepting audit observation, Management stated (November 2013) that *panchayat* certificates for 5,915 out of 13,166 villages had been received till November 2013, however, this was still less than 50 *per cent* of villages energised.

Conclusion

1. **DPRs were prepared without preparing the RE plan or conducting field surveys. Consequently, BPL HHs had been omitted from the DPRs, while villages not requiring or facing statutory/ physical constraints in electrification had been included in the DPRs.**
2. **Tenders were floated without inserting clauses to ensure reasonability of prices of materials to be supplied leading to varying ex-works prices for the same materials supplied by the same contractor in different packages; while excise duty, sales tax and service tax were paid in excess of the prevailing rates in deviation of tender provisions. Execution of works and creation of infrastructure had been delayed on account of belated delivery of materials, inadequate deployment of manpower, lack of co-ordination, etc leading to shortfall in the numbers of BPL RHHs electrified. Besides, liquidated damages were not imposed on the contractors.**
3. **Although adequate fund were received, the progress of works was not commensurate with disbursements. Further, the receipt of funds had not been reconciled.**
4. **Monitoring was ineffective with belated third party inspection.**

Recommendations

1. ***DPRs to be prepared with proper field survey.***
2. ***Appropriate clauses to be incorporated in contracts to safeguard the interest of WBSEDCL.***
3. ***Applicability of correct rate of taxes and duties be ensured.***
4. ***System of monitoring needs to be strengthened.***

Chapter III

Performance audit relating to Statutory Corporation

West Bengal Financial Corporation

Financial Assistance to entrepreneurs and recovery of loans

Executive Summary

Introduction

West Bengal Financial Corporation (WBFC) was set up in 1954 under the State Financial Corporations Act, 1951. It is the key state level lending institution for the Micro, Small and Medium Enterprises (MiSME), with a Head Office at Kolkata, Regional Offices at Siliguri, Durgapur and Kolkata and 11 Branch Offices throughout the State.

WBFC is managed by a Board of Directors consisting of 10 Directors including Managing Director and four directors nominated by financial institutions. The Managing Director of WBFC is the chief executive.

Operational and financial performance

Despite being the key state level lending institution for financing MiSME, WBFC financed only 2.10 per cent of new units that had come up in last five years. WBFC became increasingly dependent on bonds as SIDBI, being its source of finance had gradually phased out re-finance loans. WBFC's equity base of ₹147.35 crore was almost wiped out due to accumulated losses of ₹128.42 crore. Its non-performing assets remained above 26 per cent at the end of 2012-13. It had to bear avoidable interest burden due to absence of proper planning for redemption of bonds.

Sanction and disbursement of loan

WBFC had framed (February 2008) an entrepreneur evaluation policy which seemed to discourage sanction of loan to first time entrepreneurs. WBFC also did not subscribe to the Credit Guarantee Fund

Trust Scheme for Micro and Small Enterprises (MiSE). This was another obstacle for new MiSEs to receive loans.

WBFC did not prepare industry-wise appraisal manual. It did not rate credit risk or subscribe to Credit Information Bureau (India) Limited for credit history of borrowers until January 2013.

Instances of deficient appraisal, absence of due diligence, incorrect assessment of working capital and acceptance of flawed security in appraisal, sanction and disbursement of loans were noticed in audit.

Audit also observed high concentration of credit to defaulting sectors and loans to ineligible borrowers.

Monitoring and recovery performance

WBFC had adopted a monitoring and follow up guideline in January 2008. However, it did not ask for progress report of the projects or the annual accounts from the borrowers. Low number of inspections coupled with failure to verify books of accounts of borrowers resulted in default in repayment of loans.

WBFC failed to invoke the provisions of the State Financial Corporations Act, 1951 as also adopt the procedures specified in the recovery manual to promptly recover its dues from defaulting borrowers.

Internal Control and Internal Audit

Allocation of duties and responsibilities was diffused. Besides, the requirement of having updated information on borrowers as per 'Know your client' prescribed by Reserve Bank was not followed.

Conclusion and Recommendations

WBFC was not a significant source of financing MiSME units in the State. Its appraisal mechanism was inadequate. WBFC did not follow its own monitoring

and follow-up guideline. Internal control processes were weak.

There are three recommendations – Government may review the objectives and

viability of WBFC. Further WBFC should strengthen its appraisal mechanism and ensure greater compliance with its monitoring and follow-up guidelines.

3.1 Introduction

West Bengal Financial Corporation (WBFC) was set up in 1954 under Section 3(1) of the State Financial Corporations Act, 1951 (the Act). Its principal objectives were to promote and develop industrial growth in the State by providing financial assistance to Micro, Small and Medium Enterprises (MiSMEs). WBFC is the key state level lending institution for MiSMEs under the control of the Finance Department, Government of West Bengal. It has its head office at Kolkata, three Regional Offices at Siliguri, Durgapur and Kolkata and 11 Branch Offices¹ throughout the State.

A Performance Audit on the “Development of SSI Units in West Bengal” by WBFC was incorporated in the Report of the Comptroller and Auditor General of India for the year ended 31 March 2001 (Commercial), Government of West Bengal (GoWB).

3.2 Organisation Structure

Management of WBFC is vested in a Board of Directors (BoD) consisting of 10 Directors (as of March 2013) including the Managing Director (MD) and four Directors nominated by three financial institutions². MD of WBFC is chief executive working under superintendence of the BoD. There is an Executive Committee constituted by the Board in terms of Section 18 of the Act and other Committees constituted under Section 21 of the Act, for discharging functions as prescribed / delegated by Board for the purpose of assisting it for efficient discharge of its functions.

3.3 Audit Objectives

As per XI Plan of the State Government, MiSME is to play a pivotal role in industrial resurgence of the country. At present over 90 *per cent* of industrial units in the State are in micro and small scale industrial sector. This sector provides the second highest employment opportunities to people after agriculture sector. Nearly 60 *per cent* of industrial output in the State is from cottage and small scale industries and it accounts for 50 *per cent* of the State’s overall exports. This sector also provides the first generation entrepreneurs their first exposure to entrepreneurship and industrial activities. However, despite being identified as a priority sector for lending by the Reserve Bank of India (RBI), business suffers from shortage of finance from time to time.

¹ Coochbehar, Raigunj, Malda, Berhampore, Suri, Purulia, Bankura, Mednipur, Barasat, Krishnanagar and Chinsurah.

² State Bank of India, Small Industries Development Bank of India and Life Insurance Corporation of India.

In the recent past Commercial Banks have forayed into this sector with greater resources and diversified products at their disposal. WBFC's performance had increasingly conceded its competitive space to the Commercial Banks and its profitability has been on the decline.

In order to understand why WBFC was losing its market share and what factors affected its operations and resultant profitability, performance audit was undertaken with following objectives:

- Whether operations and financial performances of WBFC were profitable and fulfilled the objective of promoting MiSMEs in the State;
- Whether policies adopted by WBFC were adequate and procedures for appraisal, sanction and disbursement of loans were effective;
- Whether processes for monitoring and timely recovery of loans were efficient; and
- Whether an adequate system of internal control was in place and was operative.

3.4 Scope and Methodology of Audit

Performance Audit was undertaken between February and June 2013. It covered activities of WBFC with regard to financial assistance extended during 2008-09 to 2012-13. Records at the head office of WBFC and four³ out of 14 field offices were test checked by audit. Selection of units was done on the basis of random sampling method of probability proportionate to size without replacement (PPSWOR). Size-measure was the aggregate principal outstanding as at 31 December 2012⁴ against loans disbursed. In addition Siliguri Branch cum Regional Office, was included in the sample on suggestion of the management due to the office having large number of borrowers.

Audit methodology included scrutiny of loan files, cases of compromise settlement and sale of assets, analysis of WBFC's Annual Reports and SQL queries upon the WBFC's database. Audit also examined correspondence and directives from the State Government and Small Industries Development Bank of India (SIDBI), minutes and agenda papers of the Board meetings of WBFC.

Audit explained its objectives, criteria, scope and methodology to WBFC during an 'Entry Conference' held on 4 April 2013. The draft report was discussed in the 'Exit Conference' held on 19 November 2013 which was attended by the Managing Director and senior management of WBFC.

³ Two regional offices at Kolkata and Durgapur which function as larger branch offices and two smaller branch offices at Midnapore and Barasat.

⁴ At the time of drawing of sample in March 2013, data up to December 2012 were available.

3.5 Audit Criteria

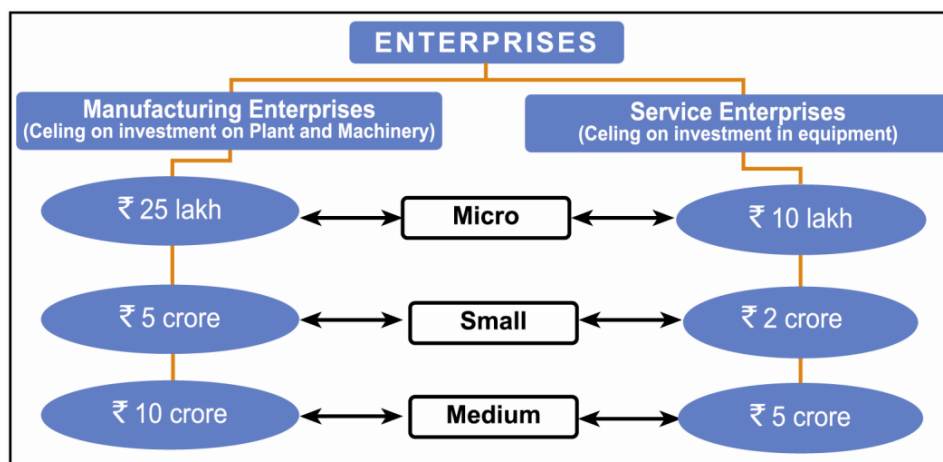
WBFC's performance was assessed with respect to the following:

- State Financial Corporations Act, 1951;
- Laid down procedures for sanction, disbursement, monitoring and recovery along with policies on resource mobilisation; and
- Tripartite Memorandum of Understanding between State Government, SIDBI and WBFC.

Audit Findings

3.6 Operational and Financial Performance

WBFC operates as a prime lending institution of the State Government for financing micro, small and medium scale industries and services. The enterprises, categorised under micro, small or medium scale in terms of investment are depicted in the following flow chart.



Source: Micro Small and Medium Enterprises Act, 2006

For extending sustained financial help to such sectors for industrial development, WBFC needs to have sound financial health with prudent business plans. However, Audit observed that WBFC could neither meet increasing demand for loans by Micro and Small enterprises (MiSE) sector nor were its operations profitable, as discussed in the succeeding paragraphs.

3.6.1 Operational Performance

The growth of new MiSEs (excluding medium size industries) set up and those financed by WBFC in the State during 2008-09 to 2012-13 is given in **Table 3.1:**

Table 3.1: Growth of new MiSE and units financed by WBFC

Year	New MiSE in the State (in Nos.)	Units financed by WBFC (in Nos.)	Percentage of new MiSE financed by WBFC
2008-09	5,355	107	1.99
2009-10	3,558	132	3.71
2010-11	4,528	147	3.25
2011-12	9,903	104	1.05
TOTAL	23,344	490	2.10

Source: State Economic Review and WBFC's database. 2012-13 data for full year are yet to be finalised by the Department

The small percentage of 2.10 *per cent* MiSE financed by WBFC indicates that even though WBFC was the State's principal agency for financing the MiSEs in the State, its share of financing new units was minimal due to lack of business promotion plans and competition from banks.

The financing of the MiSME sector by WBFC during the period 2008-09 to 2012-13 in the State is shown in **Table 3.2**.

Table 3.2 : Loan extended by WBFC to MiSME

Particulars	Loans disbursed by WBFC to MiSME units (₹ in crore)	No. of MiSME Units financed by WBFC
2008-09	166.68	187
2009-10	186.88	273
2010-11	200.22	245
2011-12	200.82	215
2012-13	222.37	171

Source: WBFC's Annual report

The table shows that number of units financed by WBFC had actually fallen from 2009-10, with steepest decline in 2012-13 (20.5 *per cent*). Even in terms of volume of financing, total amount disbursed increased at a compound annual average rate of only 7.5 *per cent* over the five years period. Thus it is seen that WBFC could hardly contribute to the growth of MiSMEs within the State during five years as its financing either in terms of quantum of loans disbursed or in attracting more MiSME units for financing had remained virtually stagnant over this period. Audit observed that failure of WBFC to expand its level of activity and thereby promote the growth of this sector can be attributed to a variety of structural and operational deficiencies as explained in the subsequent paragraphs.

3.6.2 Financial Performance

WBFC prepares annual Business Plan and Resource Forecast (BPRF) at the behest of SIDBI wherein it sets targets for its loan sanction and disbursement. It submits BPRF to SIDBI stating extent of loan sought from SIDBI, who sanctions loans based on its availability of funds and WBFC raises remaining funds through issue of bonds. Accordingly, WBFC issues bonds through

private placement⁵ with competitive interest rates prevailing in the market. These bonds carry a maturity period of eight/ ten years with ‘put and call’⁶ option for their redemption at the end of six/ eight years. Besides these two sources of financing, it also generates internal resources from recovery of past loans and also from its revenues that comprise interest receipts on loans and other receipts like interest on deposits and miscellaneous income. It also receives subsidies from Central and State Governments. Finally it takes overdrafts from banks from time to time to fill any gap in its financing requirements.

Respective shares of resources raised from different sources by WBFC during the last five years are shown in **Table 3.3** from which it is seen that proportion of resources raised from SIDBI had declined from 31.06 *per cent* in 2008-09 to only 10.34 *per cent* in 2012-13, which had to be made up by corresponding increases in share of resources raised through bonds. In 2010-11, it did not issue any bond since substantial resources were generated from recovery of loans (₹ 142.18 crore), which was the case in 2011-12 also, though bonds had to be issued in that year to compensate for the steep decline in SIDBI financing. However, in 2012-13, even though ₹ 172.49 crore came from recovery of past loans, the net internal resources after repayment of loans to SIDBI became negative and WBFC had to issue fresh bonds for ₹ 224.88 crore for raising required resources.

This shows that there was no consistent pattern in raising of loans and their repayment. An efficient system of managing assets and liabilities includes creation of adequate quality assets to meet liabilities towards long-term borrowings. WBFC has, however, not planned for redemption of bonds and repayment of loans from SIDBI by way of measures such as regularly setting aside fund to avoid putting its finances to stress.

Table 3.3: Mobilisation of resources (₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Total loan disbursed:	166.68	186.88	200.22	200.82	222.37
<i>Percentage of growth over previous year</i>	<i>14.66</i>	<i>12.12</i>	<i>7.14</i>	<i>0.30</i>	<i>10.73</i>
Financed by:					
Equity from State Government	25.00 (15.00)	25.77 (13.79)	0.04 (0.01)	Nil (Nil)	Nil (Nil)
SIDBI Loan ⁷	51.77 (31.06)	54.81 (29.33)	65.41 (32.67)	33.00 (16.43)	23.00 (10.34)
Bonds	29.89 (17.93)	70.11 (37.52)	Nil (Nil)	72.55 (36.13)	224.88 (101.13)

⁵ A private placement is offering of securities to a limited number of institutional investors instead of a public offering.

⁶ ‘Put and call’ is an option to prematurely redeem a bond before its due date by the investor and issuer of the bond respectively.

⁷ Loan from SIDBI includes Normal Refinance Scheme (NRS) loans as well as other short-term loans.

	2008-09	2009-10	2010-11	2011-12	2012-13
Net Overdraft from Bank	0.19 (0.12)	Nil (Nil)	11.64 (5.81)	10.68 (5.32)	(-) 18.13 (N.A. ⁸)
Internal Resources ⁹	59.83 (35.89)	36.19 (19.37)	123.13 (61.50)	84.59 (42.12)	(-) 7.38 (N.A. ¹⁰)

Source: WBFC's Annual Accounts. Figures in brackets indicate percentage to total

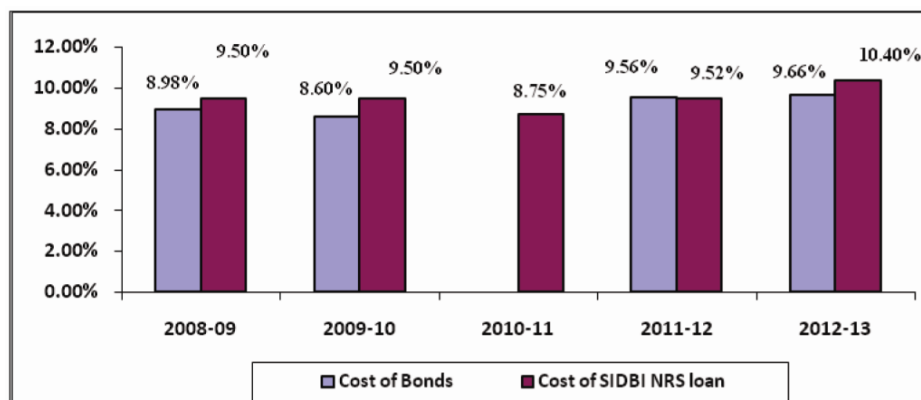
Audit analysis of WBFC's financing decisions revealed that due to absence of a system of asset liability management, WBFC had to obtain funds from costlier sources for redemption of its bonds at maturity and exposed itself to avoidable risks as discussed in the following paragraphs.

3.6.2.1 Extra interest burden on costlier loans

As a lending institution, WBFC should procure funds from cheapest sources and ensure matching of the tenure of loans given to borrowers with tenure of its sources. WBFC's long term sources of funds were either from bonds or Normal Refinance Scheme¹¹ (NRS) loans from SIDBI. The tenure of both these sources is seven/ eight years¹² which matched average tenure of loans sanctioned by WBFC. Short term requirements are met through short term loans from SIDBI for period upto three years under the Special Refinance Scheme (SRS) of SIDBI.

The **Chart 3.1** below shows the comparative costs of long term loans during the period from 2008-09 to 2012-13.

Chart 3.1: Comparison of long term sources of funds¹³



Source: Annual Accounts and other data provided by WBFC

⁸ Not applicable.

⁹ Net of principal recovery from borrowers, profit/loss, and repayment towards SIDBI refinance, bonds, short term borrowings.

¹⁰ Not applicable.

¹¹ NRS loans are given by SIDBI as re-finance of projects to which loans have already been sanctioned by WBFC.

¹² With call/ put option on bonds.

¹³ There was no issue of bonds in 2010-11.

It is seen that except in 2011-12, SIDBI financing was always costlier compared to financing through bonds. This resulted in extra interest burden of ₹ 1.34 crore as of 31 March 2013 due to higher costs of NRS loans¹⁴ from SIDBI. Besides, WBFC would carry interest burden of ₹ 87.83 lakh on these SIDBI loans till their complete liquidation at maturity.

In reply to audit query, management stated (July 2013) lower drawal of NRS loans from SIDBI in any particular year would affect NRS loans in subsequent years. However, management added (October 2013) that SIDBI indicated its intention to reduce loan limits progressively and intended to liquidate the entire outstanding within 2022.

Thus on one hand WBFC mentioned its compulsion of availing NRS loan from SIDBI to avoid reduction of NRS loans in future, on the other hand indicated SIDBI's intention to reduce loan limits progressively and liquidate the entire outstanding by 2022. It is clear from the reply that SIDBI loans would be reduced over time irrespective of quantum of loan availed annually by WBFC in previous year.

3.6.2.2 Avoidable interest due to absence of proper planning

Due to its failure to set aside fund for redemption of its bonds, WBFC was unable to insulate itself against risks due to fluctuation in market rate of interest and also to take advantage of the falling rate of interest in the market as discussed in following paragraphs.

- In 2008-09, WBFC's cost of funds was 8.98 *per cent*¹⁵ which further declined to 8.60 *per cent* in 2009-10. In 2008-09, WBFC had ₹ 40.24 crore worth of bonds maturing in 2010-11 carrying interest rate at 9.50 *per cent* which was higher than prevailing market rate of interest. But WBFC in absence of fund at its disposal, could not call back these high cost bonds from the market by exercising call option and thus substitute these high cost bonds with lower-cost bonds at prevailing lower market rates. The high cost bonds could only be redeemed in 2010-11. In the process, WBFC lost opportunity to save interest of ₹ 31.90 lakh during 2008-09 and 2009-10.
- Again, during 2011-12 WBFC raised ₹ 72.55 crore by issuing bonds redeemable in 2020-21 at an average cost of 9.56 *per cent* and used part of these proceeds to repay ₹ 42.38 crore of bonds which had average cost of 8.19 *per cent* as it had no resources at its disposal to redeem them. Thus low cost bonds were redeemed with funds from

¹⁴ Loans are repaid in equal instalments across seven years.

¹⁵ Calculated by the weighted average interest rate of bonds issued during the year.

high cost bonds and WBFC was burdened with avoidable additional annual interest burden of ₹ 58.16 lakh till 2020-21.

- Similarly, during 2012-13, WBFC issued ₹ 224.88 crore in bonds redeemable in 2021-22 at interest rates ranging between 9.52 *per cent* to 9.70 *per cent*, part of which was used to redeem bonds of ₹ 47 crore which carried interest at 7.75 *per cent* to 8.50 *per cent*. As a result, WBFC was burdened with additional annual interest costs of ₹ 81.78 lakh till 2021-22.

Management replied (October 2013) that fund set aside to repay borrowings, can be utilised for specific purpose only and therefore would remain idle. Further, liquidity had been maintained by investing surplus fund in fixed deposit receipts to fetch handsome returns.

However, setting aside of fund does not mean that it would remain idle. They could have been invested in instruments of adequate safety and liquidity as well as matching with tenure for repayment of borrowings.

3.6.2.3 Financial results and profitability

Some indicators of financial performance of WBFC for last five years ending 2012-13 are given in **Table 3.4**. Working results and financial position during these years are given in **Annexure 3.1**. From **Table 3.4**, it is seen that the debt equity ratio of WBFC had increased from 3.94 *per cent* to 4.78 *per cent* over this period, indicating increasing interest charges that was affecting its profits negatively. While capital employed increased by 42 *per cent* during the period, return on capital employed practically remained at the same level. Net worth of WBFC also remained at the same level during the last four years. Except in 2010-11, the WBFC did not earn any profit, yet paid dividends in 2010-11 as well as 2011-12. At the end of 2012-13, its equity base of ₹ 147.35 crore had almost been wiped out by the accumulated losses of ₹ 128.42 crore. WBFC, however, could not bring down the share of its NPA in total loan assets which remained above 26 *per cent* at the end of 2008-09, 2011-12 as well as 2012-13, which was far above the desired level of 10 *per cent* as dictated by the terms of MoU agreed with the SIDBI which refinanced the loans given by WBFC.

From the expense ratios, it is seen that more than 60 *per cent* of its cost were only due to interest and finance charges. WBFC raised its finances from SIDBI and also through private placement of bonds. Employee cost which accounted for 15 *per cent* of total costs in 2008-09, increased to as much as 24 *per cent* in 2010-11 due to payment of arrears of pay revision. Administrative and general expenses varied between four *per cent* and 14 *per cent* of total costs during the period.

Table 3.4: Financial Performance of WBFC

(₹ in crore)

Description	2008-09	2009-10	2010-11	2011-12	2012-13
Debt equity ratio ¹⁶	3.94	3.62	3.62	3.83	4.78
Return on Capital Employed ¹⁷ (in per cent)	5.18	5.49	7.19	5.61	5.40
NPA to Total Loan Assets	26.58	22.54	23.88	29.09	26.03
Expense Ratios (in per cent)					
Variable Cost to Total Cost	81	75	62	73	80
Employee Cost to Total Cost	15	21	24	18	14
Administrative and General Expenses to Total Cost	4	4	14	9	6
Interest and Financial Charges to Total Cost	65	64	70	60	61
Working Results					
Capital Employed ¹⁸	626.99	710.35	728.45	669.40	893.04
Equity	121.54	147.31	147.35	147.35	147.35
Reserves ¹⁹	21.37	21.37	24.14	26.77	28.90
Net Worth	20.98	44.94	57.77	57.00	47.83
Accumulated Losses	121.93	123.74	113.72	117.12	128.42
Profit/ (Loss) before appropriation	(6.32)	(1.81)	4.54	(0.16)	(9.07)
Dividend Paid	Nil	Nil	0.15	1.08	Nil

Source: WBFC's Annual Accounts

Management stated (October 2013) that it was empowered under Section 35(2) of the Act to declare dividend out of current profit and that decision to declare dividend was approved by the Board and shareholders.

However under the Act, WBFC could only declare dividend after making provision for bad and doubtful debts, depreciation of assets and all other matters which are usually provided for by banking companies. Banking companies are prohibited²⁰ from declaring dividend until all capitalised expenses²¹ have been completely written off.

It would not be out of place to mention that the problems highlighted above were also identified earlier in the Report of the Working Group on

¹⁶ Debt to Equity ratio: Debt is principal of long term borrowings while Equity is Paid up Share Capital only.

¹⁷ Return on Capital Employed= {Profit/ (Loss) before appropriation + interest expense}/ Capital employed.

¹⁸ Capital Employed = Total liabilities – Current liabilities and Provisions.

¹⁹ Reserves includes Special Reserve Fund under Sec 35 A of SFC Act, 1951 and Reserves under Sec 36(1)(VIII) of Income Tax Act, 1961 to be created out of profits generated from the business of providing long term finance.

²⁰ Section 15 of Banking Regulation Act, 1949.

²¹ Including amounts of losses incurred or other item of expenditure not represented by tangible assets.

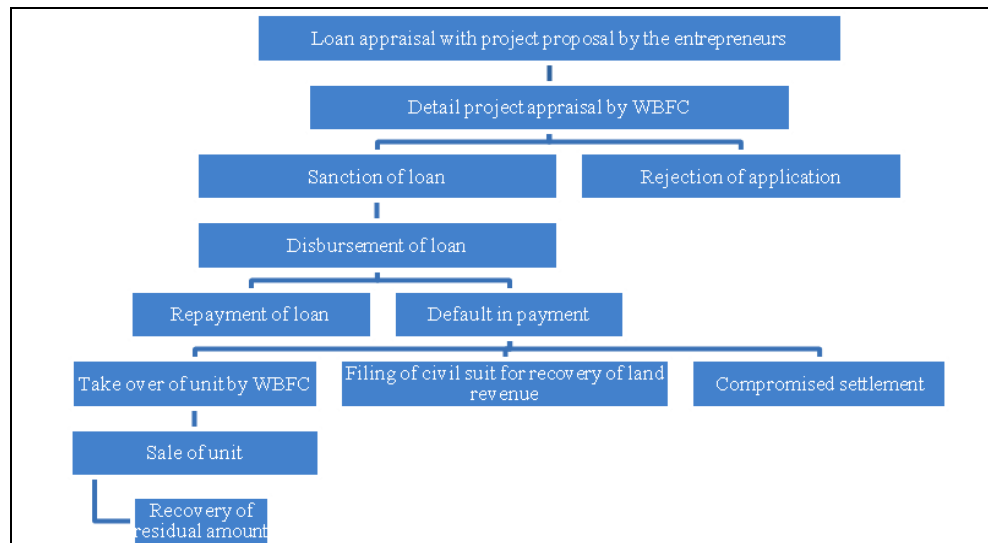
Development Financial Institutions (May 2004) appointed by the Reserve Bank of India on the future of SFCs. The report had categorically stated:

“State Financial Corporations (SFCs) had been established as state level institutions for meeting the financial requirements of small and medium scale industries under State Financial Corporations Act, 1951. SFCs have, however, even after their long existence remained largely "single product" provider extending term loans assistance to SSIs. They have not been able to diversify products and services to ward off the competition from banks..... SFCs have lost their relevance and banks are today in a position to perform all those functions being done by the SFCs.....In the final analysis the SFCs have outlived their utility in the present context and should be phased out within a definite timeframe. The credit gap, if any, created by the exit of the SFCs from the market can be filled by banks and also by suitably repositioning SIDBI.”

In the context of WBFC’s financial performance, there is a need for a relook at some of the structural issues as pointed in paragraph 3.6.2 above.

3.7 Appraisal, Sanction and Disbursement of loans

WBFC extends financial assistance upto ₹ 20 crore to a single borrower at fixed interest rates ranging from 10.25 to 14 *per cent per annum* depending upon the type of scheme, tenor and size of finance. A flow chart indicating the process of sanction, disbursement and recovery of loans is indicated below:



3.7.1 Appraisal

Appraisal of any loan proposal involves an analysis of the project proposal to assess its viability. It is also an assessment of the borrower’s ability to bring in required fund into the project as promoter’s contribution. WBFC does not have a defined appraisal guideline but adopts practices prevalent in the industry. It had however adopted a lending policy that lays out in broad terms which borrowers / industries are eligible for loan. Audit observations on the appraisal process are discussed in the succeeding paragraphs.

3.7.1.1 Lending policy

The lending policy of WBFC framed in January 2007 is revised annually and approved by its BoD. The lending policy also lays down WBFC's fair practice norms.

Policy addresses sectoral exposure norms and prescribes credit rating policy, entrepreneur appraisal policy, fair practice norms and puts emphasis on developing industries in the backward regions. It also emphasises requisite security and necessity for obtaining collaterals for sanction of loans. Audit observed that policy was silent on financing 'innovative schemes' identified by the SIDBI²². Efficacy of lending policy and its compliance are discussed in following paragraphs.

3.7.1.2 Impediment in promoting first time entrepreneurs

WBFC had put in place (February 2008) an entrepreneur evaluation policy for fresh borrowers whereby it assigns grade points to criteria in respect of each of the attributes like experience, net worth of promoters and prior exposure to institutional finance (**Annexure 3.2**). Attributes are then assigned the following weightages : 40 *per cent* for prior business experience, 40 *per cent* for net worth of promoters and 20 *per cent* for previous exposure to institutional finance and weighted total is calculated for all attributes. A borrower qualifies if he scores 50 *per cent* of the maximum grade points.

Since the borrower must obtain a minimum qualifying weighted grade point of 50 *per cent*, an entrepreneur desiring to undertake a business venture for the first time would not qualify for loan from WBFC as his grade point under prior business experience and exposure to institutional finance would be 'nil'.

Thus, WBFC's entrepreneur evaluation policy seems to discourage promotion of first time entrepreneurs.

Management stated (October 2013) that the entrepreneur evaluation policy was approved by Board comprising experienced Banking officials as well as Government representatives. It also stated that WBFC was not averse to provide loan assistance to new entrepreneurs within the guidelines of extant lending policy. They further pointed out that financing new entrepreneurs was more risky than financing their existing good clients.

However, the limitations could be mitigated by securing membership of Credit Guarantee Fund Trust Scheme as discussed in the next section to encourage new entrepreneurs yet some more.

²² Schemes which are energy efficient, schemes for environmental protection, etc.- Source SIDBI Annual report 2010-11.

3.7.1.3 Credit Guarantee Fund Trust Scheme for MiSE

WBFC had not subscribed to Credit Guarantee Fund Trust Scheme for MiSE operated by Central Government jointly with SIDBI. With subscription to this scheme, WBFC could have provided credit facility up to ₹ one crore without collaterals and third-party-guarantees to MiSE purely on the primary security of the assets financed, based on viability of a project.

Absence of subscription to Credit Guarantee Fund Trust Scheme is another obstacle to assist first time entrepreneurs and MiSEs who may not have adequate collaterals or obtain third party guarantee to secure a loan from WBFC.

Management contended (October 2013) that no State Financial Corporation was allowed to be covered under the above scheme of SIDBI.

However, State Financial Corporations of some other States (e.g. Andhra Pradesh, Delhi and Kerala) are members of Credit Guarantee Fund Trust Scheme. Hence, that option could have been explored by WBFC.

3.7.2 Absence of industry wise appraisal manual

Even after an existence of over sixty years, WBFC had not prepared industry-wise appraisal manual. Although the MoU with SIDBI required implementation of Credit Appraisal Rating Tool (CART) for loan proposals up to ₹ one crore, it was not implemented. WBFC did not rate credit risk of any project and provided finance at uniform rates.

Management stated (October 2013) that it had decided not to implement CART as its success rate was yet to be reviewed by SIDBI.

This implied that Management had agreed in MoU to implement untested appraisal procedures. WBFC also did not subscribe²³ to credit default data from Credit Information Bureau (India) Limited (CIBIL) or similar agency until January 2013. Consequently, it was unable to ascertain the credit history of its borrowers.

Management stated (October 2013) that WBFC had started incorporating default data from CIBIL in the Appraisal Memo.

3.7.3 Sanction and Disbursement of Loans

3.7.3.1 WBFC sanctions term loans as well as working capital loans to new entrepreneurs and existing entrepreneurs on the basis of their loan proposals. During 2008-09 to 2012-13 WBFC received 1,283 applications for loan of ₹ 1,301.05 crore of which it had approved/ sanctioned 1,239 loan applications having financial assistance of ₹ 1,149.02 crore as shown in **Annexure 3.3**. WBFC sanctions loans for new projects as well as for expansion/

²³ In terms of Credit Information Regulation Act, 2005.

diversification of existing projects. During 2008-09 to 2012-13, 56 per cent of the total loans were sanctioned for new projects and rest for diversification, expansion and modernisation of the existing units.

3.7.3.2 Appraisal of loan involves independent assessment of the project proposal to assess viability of project and also to ascertain whether the project would earn adequate revenue to enable repayment of the loan along with interest. Audit observed that WBFC's appraisal, sanction and disbursement mechanism seldom had independent inputs and was prepared solely based on project reports provided by borrower. There was no prescribed methodology to be applied in respect of such appraisal. This led to improper assessment of viability of projects followed by a large number of default accounts which are shown in **Annexure 3.4** and discussed in the following paragraphs.

3.7.3.3 Deficient Appraisal

- For setting up of two hostels for lady boarders at Kalighat (100 beds) and Bakul Bagan (38 beds), Kolkata, a term loan of ₹ two crore was sanctioned (October 2009) to a firm by WBFC, Kolkata branch.

Audit observed that the appraisal on profitability of project was made on bed strength declared by the promoter which was not assessed independently by WBFC. After disbursement (December 2009) of ₹ 1.20 crore, WBFC learnt that the property at Bakul Bagan could not be purchased by promoter due to price escalation. The loan proposal was reassessed for the hostel at Kalighat only and was reduced to ₹ 1.60 crore. Subsequently, WBFC revised (December 2010) the sanction to ₹ 1.98 crore to cover additional costs of renovation as sought by the borrower. Even at such later stage of sanction of loan, the feasible bed strength was not assessed by WBFC. Audit further observed that the Kalighat ladies' hostel could only accommodate 48 beds against 100 beds as declared by the promoter. The loan account of the said promoter was in default as it could not service the loan with such lower capacity. This made project unviable which in turn, rendered the loan bad.

- WBFC, Barasat branch sanctioned (March 2009) a term loan of ₹ one crore to a firm. The project was based on client based orders placed by only one customer. WBFC disbursed (October 2009 to March 2010) ₹ 79.97 lakh to the borrower. However, before the project could be completed, the sole customer of borrower shifted base to Baroda. As the product of the project was customer specific, the project failed to take off in absence of demand. The loan account remained in default *ab-initio*.

Management stated (October 2013) that it considered inputs/ data submitted by the applicants, which were subsequently verified and validated with due diligence during appraisal process. Besides, it had recently incorporated improvements in the appraisal system based on SIDBI's periodic evaluation. However, no specific improvements were mentioned.

WBFC did not verify the information submitted by the prospective borrowers about their financial requirements independently from alternative sources like suppliers of machinery *etc.* required to be purchased for the proposed

industrial units/ projects. Inter-firm comparisons within the same industry were not observed in any appraisal note of the 206 sample²⁴ loan files scrutinised by Audit.

3.7.3.4 Absence of due diligence process while appraising projects

Success of a project is dependent on availability of working capital to finance business operations. While appraising projects, WBFC did not conduct market survey to assess authenticity of the cost of the raw material and other inputs. Thus viability of the projects was not assessed objectively in the first place and requirements of working capital and long term financing could also not be estimated correctly, which inevitably led to projects ultimately becoming non-starters/ running into losses. As a result, borrowers could not generate resources to repay loans and became defaulters, as discussed in the following case studies.

3.7.3.5 Incorrect assessment of working capital

The loan sanctioned (August 2008) to a company by WBFC, Head Office, was based on profitability assessed by considering value of raw material consumption at 65.86 *per cent* of the value of output leaving a contribution margin of 34.14 *per cent* with inventory, debtors and running expenses estimated to be held for one month. Audit observed that while the project was put into operation, actual raw material consumption to value of output worked out to 86 *per cent*, while, inventory and debtors were held for four months. This had resulted in reduction of contribution and shortage of working capital, which made the project unviable. The account is in default due to working capital shortage.

In respect of above case, Management stated (October 2013) that increase in price of raw materials was due to delay in completion of project and change in the industry norm for holding period of inventory. However, changed norm, reasons thereof and reasons for delay were not explained.

3.7.3.6 Absence of statutory compliance

Clearances from various statutory authorities are essential for a project to take-off. In absence of these clearances, delay in project completion and commercial production results in fund shortage and consequently borrowers default in repayment of interest and loan. Test check revealed two cases of absence of statutory compliances leading to acceptance of flawed security :-

Acceptance of flawed security

- WBFC had sanctioned (October 2005) a term loan of ₹ 4.80 crore to a company to build a nine storied hotel with basement. The borrower had approved plan for the said hotel from its Municipality. However, in

²⁴ Selected as random samples out of 631 loans.

September 2006, the borrower decided to expand its hotel to 12 floors and submitted revised plan for sanction to the Municipality. The plan remained unapproved till date (May 2013). Despite this, WBFC disbursed (August 2010 and July 2011) ₹ 4.75 crore for the said project.

In absence of sanctioned building plan the borrower is unable to commence commercial operation. The loan account is in default.

Management replied (July 2013) that loan was disbursed in anticipation of the unit getting the necessary completion certificate. WBFC failed to verify availability of the requisite approval/ sanctions before releasing the loan.

- WBFC had sanctioned (December 2009) a term loan of ₹ 90 lakh to a rice mill firm, which was secured by first charge on all fixed assets of the mill including land. Mutation of land in favour of the borrower and conversion of land for industrial usage were pre-disbursement terms. However, ₹ 58.17 lakh was disbursed (September 2011) to the borrower without fulfilment of either of these conditions.

Subsequently, WBFC discovered (April 2012) that the borrower had meanwhile sold the land while it was still mortgaged with WBFC. The loan account remains in default.

3.7.3.7 Disbursement of loan without verifying pre-conditions

Once sanctioned, loans were disbursed after compliance with pre-disbursement requirements such as ensuring promoter's contribution to project, physical inspection of the project by WBFC and mortgage/hypothecation of collateral and primary security. In most cases, Audit observed that average time taken to fulfil these pre-disbursement conditions was two months. Audit also observed that WBFC, however, did not maintain any register indicating details of compliance of each pre-disbursement condition met by borrowers.

In audit it was seen that in eight²⁵ of 206 cases examined, loans were disbursed within a day after sanction of loans. This indicated that the basic checks for such loans, such as fulfilment of promoter's obligation prior to loan disbursement etc., were not applied. Audit obtained from Registrar of Companies, annual financial statements of 15 corporate borrowers who had defaulted in repayment of loans. It was noticed in respect of three of these borrowers that information furnished by them to WBFC was not in agreement with their financial statements as discussed at Paragraphs 3.7.3.8, 3.8.4 and 3.9.4.1. The deficiencies in test checked cases are discussed in the succeeding paragraphs:

²⁵ Loanee codes: LRTBA07, LTDO07, LTRA48, LRTKR01, LRTSA24, LRTMA17, LRTSA25, LRTSU03.

3.7.3.8 Failure to ensure promoter's contribution

- A company was sanctioned (3 December 2009) ₹ 75 lakh by the WBFC, Kolkata branch for expansion of its existing hotel at Bakkhali. The entire loan of ₹ 75 lakh was disbursed on the next day (4 December 2009). Audit observed that terms of sanctioning the loan envisaged that the shareholder's equity was to be raised to ₹ 22 lakh and unsecured loans raised to ₹ six lakh over and above the capital base of 31 March 2009 prior to release of the loan. The Company submitted a certificate by a chartered accountant (CA) vouchsafing fulfilment of these obligations.

Audit noticed that the company's annual accounts for the years 2008-09 to 2010-11 filed with Registrar of Companies showed that it had neither brought requisite equity nor the unsecured loan (**Annexure 3.5**). Further the veracity of the certificate furnished also could not be vouchsafed in audit. The mandatory requirement of liquid collateral security was also waived by WBFC without any recorded reasons. The loan account is in default.

- Similarly, a hotel owned by promoters of above company, was disbursed (September 2009/ March 2010) ₹ two crore loan based on a chartered accountant's (CA) certificate showing fulfilment of promoters' obligation prior to the disbursement of loans. Veracity of the certificate could not be vouchsafed in audit as the registration number and name of the CA did not match with the data available on the Institute of Chartered Accountants of India website. Subsequent Tax Audit report of hotel revealed (September 2010) that it had brought in only ₹ 5,305.92 as promoter's capital contribution to the project as against ₹ 1.24 crore envisaged in sanction approval. Moreover, the loan to the hotel was sanctioned by waiving the mandatory requirement of liquid collateral security.

WBFC failed to carry out due diligence of documents submitted by borrowers. These projects remain incomplete and in default as of May 2013.

Management stated (July 2013) that out of eight loans (which were disbursed on the next day after sanction), six were small loans where sanction and disbursement activities were undertaken simultaneously. Remaining cases were "their old and good clients".

However, verification of pre-disbursement conditions cannot be overlooked for either small loans or large loans. Moreover, since Management intimated the pre-disbursement conditions to the borrower only in the sanction letter, it follows that these pre-disbursement conditions were made known only on sanction. Thus sanction and disbursement cannot be concurrent as disbursement can only be made only after fulfilment of pre-disbursement condition mentioned in the sanction letter.

Management accepted (October 2013) the observation and stated that due diligence would be undertaken in future.

3.7.3.9 Exposure to defaulting sectors and credit concentration

Prudential norms require that a financial institution does not make bulk of its investment in one type of industry or one business house.

The lending policy (June 2012) of WBFC capped exposure to any given sector at 10 *per cent*, except for Metal, Plastics and Textile industry for which WBFC adopted a higher exposure of up to 25 *per cent* of outstanding advances.

However, Audit observed (**Annexures 3.6 and 3.7**) that amongst WBFC's investments in various sectors, wood, paper, rubber and transport sectors, had high degree of non-performing assets with both the number of accounts as well as principal outstanding each exceeding 50 *per cent* rate of default. Despite these trends, WBFC did not impose any restriction on lending to the defaulting sectors. Test check revealed the following:

3.7.3.10 Failure to diversify risk

During October 2007 to July 2009 WBFC sanctioned eight term loans, six additional term loans and six working capital loans aggregating ₹ 43.42 crore to a group of seven companies for seven cold storages in Midnapore and Bankura and one hotel at Burdwan. The loans were provided for renovation of an existing cold storage, taking over and renovation of six closed cold storage units and one unfinished hotel. Audit observed that in past five years there was no increase in cold storage charges notified by the State Government. Yet increasing revenues were justified in appraisal memoranda by projecting reduction in costs and future increases in cold storage charges for each subsequent loan. Test check further showed that the machineries were purchased from a firm owned by principal promoter. Further, the loan sanctioned to the hotel was ineligible in terms of lending policy as the borrower's grade was below the minimum requirements as discussed in paragraph 3.7.1.2.

Group had defaulted in payment of interest and repayment of principal for all these loans. Consequently, as of March 2013, recovery of all loans from the group had become doubtful. The current outstanding position is given at **Annexure 3.4**. Thus heavy exposure to a single group and same business resulted in concentration of credit risk.

Management did not refute the above point but stated (July 2013) that portfolio analysis had since been introduced in respect of bigger loan proposals or proposals of the same nature regarding further credit exposure in that sector.

3.7.3.11 Finance to ineligible borrowers

Section 25 of the Act provides that WBFC can only extend loan to industrial concerns. Educational institutions are not industrial concerns defined under the Act. Yet WBFC had extended five loans²⁶ to four educational institutions amounting to ₹ 5.10 crore during the period under review. Without prior reference to SIDBI, these five loans were approved by the Managing Director

²⁶ LBA100 (₹ 0.40 crore), LCO40 (₹ 0.90 crore), LGE80 (₹ two crore), LINC2 (₹ 0.80 crore), LINC6 (₹ one crore).

who was authorised to sanction loan of up to ₹ two crore under delegated authority.

Management replied (July 2013) that in some cases financial assistance was allowed as the borrower was found eligible and support worthy. SIDBI had also earlier given clearance for financing technical training institute.

The fact remains that SIDBI had turned down WBFC's proposals to refinance the above loans citing lack of provision in the Act. Financing of these entities was against the provisions of the Act.

Above instances show that appraisal mechanism needs to be vastly improved to ensure credibility and creditworthiness of the borrowers.

3. 8 Monitoring

WBFC adopted (January 2008) SIDBI approved guidelines for follow up and monitoring. The objectives of guidelines were to ensure utilisation of loans for intended purposes, timely completion of projects without major deviations and compliance to terms and conditions of sanctions while ensuring adequate security, besides effective management of credit risks.

Above guidelines also required obtaining regular progress reports in respect of project implementation, prescribed inspection of units, analysis of annual accounts of loanee units including inter-firm comparisons in case of larger units, discussion with unit's bankers, etc.

Instances of non-adherence to these guidelines and deviations therefrom as noticed by audit are discussed in the following paragraphs.

3.8.1 Insurance of primary security

WBFC requires insurance of all primary securities²⁷ at replacement value of those assets. However, audit observed that WBFC only enforced insurance of primary security against loan accounts which are not in default. Once an account runs into default, the insurance of its assets was not renewed. WBFC could not provide consistent data in this regard for the past five years in respect of the value of its assets for which it maintained no records, though it intimated that in 2012-13, out of 2,332 insurable units, only 488 units had adequate insurance cover, while insurance in respect of 1,687 units was not renewed during the last three years. Absence of insurance exposed WBFC to financial risks because in case of loss of these assets, WBFC would not be able to realise any claim from insurance.

Management agreed (July 2013) with the audit observations.

²⁷ Mortgaged/ Hypothecated assets.

3.8.2 Progress Reports

As per follow up and monitoring guideline, WBFC was required to obtain Progress Report from borrowers, quarterly in case of projects under implementation and half-yearly for projects under operation. Progress Reports were to be compared with original project proposals on the basis of which loans were sanctioned. However, WBFC did not obtain Progress Report from borrowers once the project was put into operation. Thus it remained unaware of proper implementation or progress of projects financed by it. As found from records of WBFC, Siliguri branch, an illustrative instance of such non-compliance is given below:

3.8.2.1 Poor monitoring of project implementation

A unit in Siliguri was sanctioned (September 2008) a term loan of ₹ one crore for developing a resort in Jalpaiguri with built up area of 11,348 sq ft. The loan was disbursed between March 2009 and January 2010. In February 2010, the borrower further sought ₹ 60 lakh to finance cost over-run due to increase in constructed area by 7,446 sq ft. not envisaged earlier in the approved project. Audit observed that the increase in capacity was effected without even completing and commencing operation of the resort covering the area of 11,348 sq ft. as originally envisaged. However, instead of invoking section 30 of the Act for violating terms of the loan, WBFC sanctioned (August 2010) and disbursed (October 2010/ March 2011) ₹ 60 lakh as an additional term loan. Even after sanction of term loan for the expansion, the unit did not create required infrastructure for full fledged operation of the resort. The account went into default in March 2011.

This indicated that progress of project was not known to WBFC in the absence of regular and periodic progress reports. The fact that the borrower expanded the resort without even constructing the infrastructure as initially envisaged and finally could not create infrastructure needed for the resort, indicated poor monitoring of the project by WBFC.

Management replied (July 2013) that while implementing the project, the unit could not restrict the construction area as per approved scheme. The account remains in default (October 2013).

Regarding absence of regular progress report, management replied (July 2013) that post disbursement progress/ status report was sought on case to case basis. However, audit had scrutinised 206 loan accounts and there was no case where the Progress Report was either sought by WBFC or submitted by the borrower. Management accepted the audit observations (October 2013).

3.8.3 Inspection of Assisted units

WBFC's policy stipulates quarterly inspection of units during project implementation stage and half yearly inspection at project operation stage. Audit observed that post-disbursement inspections were not undertaken for all units. Out of 2,421 units, WBFC intimated that only 779 units (32 per cent)

were inspected in 2012-13 and out of the remaining 1,642 units, 1,208 units (50 *per cent*) were not inspected for over two years.

In absence of regular inspection, WBFC could not assess the successful completion of the project and its operational performance. Thus, it could not take timely action to prevent default of the account.

3.8.3.1 Failure to identify assets

In course of the present review, Audit Team physically inspected 10 units, financed by WBFC, along with their officers. Out of these only one unit had a sign board indicating that its assets were mortgaged/ hypothecated to WBFC. Display of mortgage sign enabled quick identification of mortgaged assets and was a pre-condition of loan disbursement.

In one unit, it was noticed that the assets were mixed with other assets of another sister entity under the same group. WBFC, despite having inspected the same unit earlier, failed to identify the assets that were financed by it. In respect of another unit in the business of food products, it was noticed that the premises were not clearly demarked and it shared facilities with another unit in similar line of business.

In reply management stated (July 2013) that post disbursement inspection was carried out as and when necessary, on case to case basis and depending on situation. It was, however, observed by audit that WBFC carried out post disbursement inspections only in respect of defaulting units.

Management accepted (October 2013) the observation.

3.8.4 Failure to inspect books of accounts

WBFC's monitoring guideline and terms of sanction of loan require that the borrower submit its Annual Accounts regularly and promptly to WBFC. However, WBFC did not obtain or check all Annual Accounts of borrowers after disbursement of loans. An instance is given below:

A company was disbursed (March 2009 and April 2010) ₹ 82 lakh on the basis of Annual Accounts for 2007-08 and subsequent certificates of the CA vouchsafing that the borrower had met the pre-disbursement conditions of raising equity capital of ₹ 62 lakh and unsecured loan of ₹ 20 lakh. Audit observed from annual financial statements filed with Registrar of Companies that the borrower had raised equity capital of ₹ 9.40 lakh only (**Annexure 3.8**). WBFC failed to check the veracity of the certificates or claims made by the borrower. The unit was inspected twice in April 2010 and February 2012 but the books of accounts were not inspected by WBFC. It was seen that the first inspection report indicated procurement of 38 items of plant and machinery, but the second inspection report mentioned that these items could not be found.

Management accepted (July 2013) the audit observations.

3.8.5 Appointment of nominee director

As per terms of sanction of loan, WBFC was entitled to nominate directors on the Board of financed units and appoint verification auditors. Borrower was required to insure mortgaged assets and submit financial statements to WBFC. Failure of these conditions attracted two *per cent* penal interest. However, WBFC did not enforce these clauses during 2008-09 to 2012-13.

WBFC did not appoint nominee directors on the Board of the assisted units. Management replied (October 2013) that nominee directors faced legal harassment, hence they were not appointed. However, WBFC's terms of sanction of loan provide for such appointment.

3.9 Recovery of Loans

3.9.1 Recovery Manual

WBFC had adopted (February 2008) a Recovery Manual to implement uniform recovery procedure. The Manual specified norms for asset classification and recovery procedure for each class of asset. It also laid down norms for revision of repayment terms for borrowers, creation of second charge on primary security, prepayment of loans by borrowers, compromise settlement with borrowers including one-time settlements, enforcement of recovery provisions of the Act enabling takeover of assets of the defaulters, invoking personal guarantees, issue of 'no due certificate' and release of security documents etc.

Non-implementation of procedures mentioned in Recovery Manual is one of the main reasons for increase in non-performing assets of WBFC. Irregularities observed during 2008-09 to 2012-13 are discussed in following paragraphs.

3.9.2 Classification of Assets

Loan accounts are classified according to the asset classification guidelines of SIDBI. Loans are classified as per extant guidelines, depending upon the payments made by the loanees.

Details of loan assets and their classification can be seen in **Table 3.5**. Standard assets are assets held by non-defaulting accounts. The non-performing assets included assets classified as sub-standard, doubtful and loss assets.²⁸

²⁸ Sub-standard assets are those loan accounts which are in default for three to 15 months. Doubtful assets are the loans in default for more than 15 months. Loss assets are loans that do not have primary security back-up.

Table 3.5: Classification of loan assets (₹ in crore)

Year	Standard	Sub-standard	Doubtful	Loss	NPA	Total	NPA percentage
2008-09	431.07	27.79	39.26	89.00	156.05	587.12	26.58
2009-10	493.00	20.11	52.45	70.91	143.47	636.47	22.54
2010-11	526.78	53.22	45.19	66.81	165.22	692.00	23.88
2011-12	532.18	94.10	62.44	61.81	218.35	750.53	29.09
2012-13	589.93	35.90	115.02	56.70	207.62	797.55	26.03

Source: WBFC's Annual Reports

It is seen that WBFC could reduce NPA only marginally from 26.58 *per cent* in 2008-09 to 26.03 *per cent* in 2012-13. As per the MoU with SIDBI (June 2009), WBFC was required to reduce its NPA to 10 *per cent* within five years. Management attributed (July 2013) the “higher than standard NPA” to stringent norms of income recognition and mentioned that efforts were on to contain the sub-standard assets within the norms.

3.9.3 Overdue analysis

Analysis of amount of overdue principal, overdue interest, amount due for recovery and amount recovered during the period from 2008-09 to 2012-13 as depicted at **Annexure 3.9** revealed the following facts:

Target for recovery was fixed on an *ad-hoc* basis. It was seen that targets fixed during the last five years varied from 49 *per cent* to 65 *per cent* for recoverable dues in respect of principal amounts, while in respect of interest, recovery was from nine *per cent* to 15 *per cent*. Low targets were kept only to inflate their performance artificially, since as per terms of its MoU with SIDBI, the actual recovery (principal and interest) for standard assets should not be less than 90 *per cent* of the targets, excluding pre-payments. Actual rate of recovery of the principal by WBFC varied between 51 *per cent* and 60 *per cent* while recovery of interest varied only between eight *per cent* to 15 *per cent* of the total dues.

In its reply, Management stated (October 2013) that recovery target was fixed on category of loans and not over the entire loan portfolio. Reply was silent about fixation of target at a low level.

3.9.4 Rescheduling of Loans

As per the recovery manual of WBFC, revision of repayment terms under standard or sub-standard accounts are allowed in deserving cases which are sustainable and viable. **Table 3.6** shows details of loans rescheduled during 2009-13²⁹.

²⁹ Data for 2008-09 was not available.

Table 3.6: Re-scheduled Loan

Year	No. of accounts rescheduled	Total Loan rescheduled (₹ in crore)
2009-10	29	19.40
2010-11	35	44.94
2011-12	21	56.89
2012-13	13	8.38
Total	98	

Source: WBFC's Records

Audit noticed that out of the 98 instances of rescheduling mentioned above, loans of eight borrowers aggregating ₹ 21.33 crore were restructured twice. Twenty two of these borrowers remained defaulters for periods ranging between three months to 27 months even after rescheduling of their loans with ₹ 27.66 crore³⁰ becoming recoverable from them as of March 2013. Audit observed that the rescheduling of loan accounts was done by WBFC without any systematic reassessment of the viability of the project, an illustrative instance of which is given below:

3.9.4.1 Rephasement of loan without assessment

A company was sanctioned (January 2010) a term loan of ₹ 3.15 crore by Head Office of WBFC to manufacture HDPE/ PVC pipes at Jalpaiguri. Between March 2010 and August 2010, WBFC had disbursed ₹ 1.92 crore to the unit. By July 2011, the unit was in default and sought additional loan as well as rescheduling of the existing loans. WBFC did not analyse either the viability of the project at that stage, or the cause for delay in completion of the project. In September 2011, WBFC rescheduled the loan and disbursed additional ₹ 42.15 lakh out of which ₹ 6.74 lakh was adjusted with outstanding interest and thereby upgrading the default account to a standard account.

Audit observed that the project remained incomplete due to Promoter's failure to contribute ₹ 1.52 crore towards share capital and ₹ 50.01 lakh towards unsecured loan (**Annexure 3.10**). The Promoter's contribution was a pre-requisite for disbursement of loan from WBFC. The account remains in default.

Further, restructured accounts require additional five *per cent* provisioning in the books of WBFC, which was also not done.

No specific reply was given by Management in this case which merely stated (July 2013) that sometime in order to hasten implementation of the project and after allowing a second charge on the fixed assets in favour of the banker of the unit, loans were rescheduled. No data, however, could be found in respect of second charges.

³⁰ Principal : ₹ 23.57 crore, Interest: ₹ 4.09 crore.

3.9.5 Recovery of dues by invoking SFC Act

WBFC is empowered by the Act to enforce immediate repayment of loan for violation of terms of sanction (Section 30), taking over of the assets and selling them to recover its dues (Section 29) and approach the District Judge for enforcement of its rights (Section 31). Besides these, WBFC can also invoke personal guarantees, encash liquid collateral securities and adjust that against its dues.

Instances of departure from these provisions under the Act as observed by audit are given below:

3.9.5.1 Failure to invoke Sections 29 and 30 of SFC Act

- WBFC had disbursed (May and September 2009) a loan of ₹ 12 lakh to a firm against hypothecation of its assets. In October 2010, WBFC learnt that the borrower had sold off an asset worth ₹ six lakh for ₹ 2.50 lakh and appropriated the proceeds. However, only in March 2011 WBFC invoked the provisions of Sections 29 and 30 and took over the business. Further, instead of disposing the business through open sale, WBFC handed it over to another entrepreneur recommended by the borrower. Even after the handover, the loan account remained in default.

- In August 2011, Punjab National Bank (PNB) had informed WBFC that a Company had mortgaged the same piece of land measuring 4.43 acres at Mejia under Bankura district to both PNB and WBFC to obtain term loan of ₹ five crore from WBFC. WBFC on further scrutiny found (June 2012) that the title deed submitted by the borrower was fake. However no action was taken by WBFC to invoke provisions of section 30 of the Act which allows recall of the loan in case of submission of misleading information by the borrower. The loan account remained in default.

In the course of performance audit, 12 cases³¹ were noticed (May to June 2013) by audit where the borrowers had submitted incorrect/false Chartered Accountant's certificate to state that they had brought in their share of promoter's contribution. In none of the cases, had WBFC invoked Section 30 (July 2013) on this ground nor initiated any legal action for furnishing false certificates.

Although WBFC was empowered by the Act to take quick action for recovery of default loans by taking physical possession of the assets, audit observed that there were 41 loan accounts in default against which Management had not initiated any action under the Act.

³¹ LTDO 07, LHO 81 & 83, LMTAN044, 45 & 42, LAN 58, 59, 61 & 62, LBR 35, 38 & 39, LMTSR 224, 225, 227 & 228, LMT0H 010 & 011, LMTJA 031 & 32, LMTAN 050, LDR 09, LSTSR 01, LDI 28.

In its reply, Management stated (October 2013) that if it invoked Section 29 too early in respect of a defaulting unit, there would be no further scope for negotiation and repayment of the loans by the borrower. The loan account would remain in default. But action as provided in the Act should have been taken.

3.10 Internal Control

3.10.1 Absence of allocation of duties

WBFC did not prepare allocation of duties and responsibilities. Consequently, the duties and responsibilities of employees or consultants were not classified, in the absence of which it would be difficult to fix responsibility.

3.10.2 Failure to comply with norms

Audit also observed that WBFC failed to adhere to RBI's "Know Your Customer" (KYC) and anti-money laundering (AML) norms to some extent. The KYC was not updated annually. Also WBFC did not examine the sources of interest-free unsecured loans brought by the promoters.

3.10.3 Lack of internal check in WBFC's accounting system

Audit scrutiny³² of vouchers passed during 2008-09 to 2012-13 in the computerised accounting system of WBFC showed that out of 51,222 vouchers, 718³³ vouchers (1.4 per cent) were prepared and approved by the same individual indicating violation of principle of segregation of duties. Audit also observed that in 237 vouchers (including 123 vouchers pertaining to instalments of principal and interest payments on loan vouchers) during 2008-09 to 2012-13, the dates of approval of the vouchers preceded their corresponding dates of preparation. WBFC's computerised accounting system accepted such entries which indicated lack of validation control in the system. In the absence of such controls, accounting data manipulation and attendant risks cannot be ruled out.

Management agreed (July 2013) with the audit observations and noted it for future guidance.

3.10.4 Failure to form Audit Committee

Till December 2011, WBFC did not have any audit committee which was then constituted with three independent directors. Since then it had met only twice.

³² Using IDEA.

³³ Aggregating to ₹ 630.82 crore.

WBFC did not have an internal audit charter and the audit committee did not review the internal audit reports. Also, it did not approve the internal audit programmes for the year. The internal audit department was headed by a General Manager who also held charge of Accounts and Operations. Thus it did not work independently.

Conclusion

- 1. WBFC was not a significant source of financing MiSME units in the State.**
- 2. WBFC's appraisal mechanism was inadequate. It did not seem to encourage first generation entrepreneurs.**
- 3. WBFC did not follow its own monitoring and follow-up guideline.**
- 4. WBFC's internal control processes were weak.**

Recommendations:

- 1. Government may review the objectives and viability of operations of WBFC.***
- 2. WBFC should strengthen its appraisal mechanism.***
- 3. It should ensure greater compliance with its monitoring and follow-up guidelines.***

4 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 AND THE DURGAPUR PROJECTS LIMITED

4.1 *Undue benefit to a private- sector joint venture partner*

The West Bengal Power Development Corporation Limited selected a private-sector partner, to set up a joint venture (JV) company for operation of captive coal mines, without open tender. Moreover, there were contractual drawbacks in terms and conditions.

The West Bengal Power Development Corporation Limited (WBPDC) was set up (5 July 1985) with primary objective of electricity generation. Ministry of Coal (MoC) had allotted seven¹ coal blocks to West Bengal State Electricity Board (WBSEB)/ WBPDC between July 1995 and February 2009, out of which one² block was surrendered (October 2011) by WBPDC as it was not found suitable for power generation.

Audit reviewed records of Department of Power and Non Conventional Energy Sources, Government of West Bengal (GoWB) and WBPDC covering the period from April 2003 to March 2012 to assess whether -

- selection of joint venture partner for development and operation of allotted blocks was done following due processes;
- mines were operationalised within the stipulated time schedule; and
- contractual terms and conditions for extraction of coal were properly drawn up to safeguard interests of WBPDC.

Audit findings are discussed in the subsequent paragraphs.

4.1.1 Selection of joint venture (JV) partner on nomination basis

WBSEB in April 1995 selected an Agency, in the private sector, as JV partner on nomination basis and entered into an agreement for operation of captive

¹ Tara (East) to WBSEB and Tara (West), Barjore, Gangaramchak, Gangaramchak – Bhadulia, Pachwara (North) and Kalyaneswari to WBPDC.

² Kalyaneswari coal block.

coal mines allotted to WBSEB. In January 1996, WBPDCCL also joined the agreement to set up a JV company for mining of coal from captive coal blocks at Tara (East) and Tara (West) allotted to WBSEB and WBPDCCL. Accordingly, in February 1996, a JV company viz. Bengal EMTA Coalmines Limited (BECML) was incorporated with WBSEB, WBPDCCL and the private agency holding 14 *per cent*, 12 *per cent* and 74 *per cent* of the paid up capital respectively. BECML, as per the agreement, entrusted the private agency with the sole responsibility of operation, control, management and safety aspect of captive mines. Agreement also provided that WBSEB/ WBPDCCL would obtain requisite leases of the mines from GoI/ GoWB and concerned authorities.

In April 2002, the agreement was revised and The Durgapur Projects Limited (DPL- a State PSU) became a shareholder in BECML instead of WBSEB. BECML was informed in July 2003 about the State Government's decision to let BECML operate subsequent coal blocks as and when allotted to WBPDCCL. Consequently, BECML continued to hold the four subsequently allotted blocks³ with the private agency operating, controlling and managing all coal blocks of WBPDCCL.

No proposals containing evaluation of commercial expediency, techno economic parameters, quantification of likely benefits and risk factors, if any, for selection of private agency as JV partner and continuation of BECML for operation of coal blocks through agency were presented to WBPDCCL's Board of Directors. Consequently, justification for proposal was not on record.

Guidelines issued by the Ministry of Finance mention that a JV, wherein more than 50 *per cent* shareholding is held by a private partner, must be treated at par with other private companies and any procurement of goods and services from such a JV must follow the normal tendering process as per GFR.

As per West Bengal Financial Rules (WBFR), open tender should invariably be invited for execution of works worth ₹ 20,000 or more. The Central Vigilance Commission (CVC) also stated that tendering process is a basic requirement for the award of contract by any government agency *etc.*

Government accepted (August 2013) that BECML was appointed on nomination basis. It further stated that arrangement was favourable to WBPDCCL/ DPL as it provided for invoicing of coal based on (i) actual quantity received and (ii) analysis of grade of coal at recipient's end.

The reply does not address awarding of works to a private sector company by a government agency without open tender. As regards terms being favourable, the same could also have been achieved through open tender.

³ Barjore, Gangaramchak, Gangaramchak-Bhadulia and Pachwara (North).

4.1.2 Delay in commencement of mining

MoC's guidelines provide that coal production should commence within 36 months (42 months in case forest land is involved) from the date of allocation in respect of open cast mines. Audit observed that in respect of all four blocks allotted between April 2003 and March 2012, delay in commencement of production ranged between 26 to 80 months as detailed at **Annexure 4.1**. Some significant delays are discussed below.

4.1.2.1 Barjore block, allotted by MoC on 23 June 2003, was expected to commence production from 23 December 2006. The mine was ready to commence production only in March 2009 after a delay of 26 months out of which 13 months delay was subsequent to receipt of the Coal Controller's permission (February 2008) to open the mine. Extraction of coal, however, could not commence till June 2009 due to evacuation constraints arising from lack of follow-up with railways for permission to load coal from BECML's Hazrathpur siding. Further in June 2012 production had to be stopped as adjacent land required for mining and allied activities was not available to BECML as yet. It was seen in audit that 17.64 ha of vested land applied for in March and May 2005 had not been transferred by GoWB as it exceeded the land ceiling and required special approval for the same. Finally, BECML, in August 2013 applied for requisite approvals to hold land in excess of statutory ceiling to the Department of Land and Land Reforms.

Government responded (August 2013) that supply from this coal block had commenced in 2010-11 but offered no explanation for intervening period of delay from February 2008 (receipt of requisite permission from Coal Controller) to actual commencement in 2010-11. Besides, reason for BECML's belated application for holding of land in excess of ceiling was also not clarified by WBPDC.

4.1.2.2 Gangaramchack and Gangaramchack-Bhadulia blocks (IGGB) allotted on 23 June 2003, were being developed in an integrated manner. Production was yet to commence (August 2013) against scheduled date of 23 December 2006. Delay of 80 months was mainly attributable to non-receipt of approval for forest clearance, sought in November 2005. Delay in forest clearance was due to the fact that BECML had identified land for compensatory afforestation, which as per Forest department, GoWB was 'protected forest land'. Consequently, Forest department had not forwarded the proposal to the Ministry of Environment and Forests, GoI till September 2012.

Government stated (August 2013) that in May 2013, Regional Conservator of Forests (Central), GoI had intimated that all new proposals for forest clearance in West Bengal had been put on hold till compensatory afforestation (CA) lands procured in lieu of forest land for earlier approved projects were notified as Reserve Forest/ Protected Forest. Government further added that one lakh

tonnes of coal had already been exposed⁴ but evacuation was not possible because of inaccessibility from the mine to railway siding due to a canal of Irrigation department. It was anticipated that Irrigation department would accord 'No Objection' Certificate (NOC) by end of August 2013 to construct, within four months from date of issue of order, a bridge on the canal as well as strengthen and widen the causeway. Coal was expected to be dispatched within one month of construction.

The reply indicated that delay in production was not only due to non receipt of forest clearance but also to non availability of requisite infrastructure. Delay occurred due to identifying unsuitable land for compulsory afforestation and failure to create requisite infrastructure to evacuate coal by BECML.

4.1.2.3 Panchwara (North) block was allotted on 26 April 2005 and scheduled to come into production from 28 May 2011. Though pre-mining activities were completed, production could not commence even 27 months beyond scheduled date due to delayed transfer of land (August 2013). Although application for land was submitted in August 2008 i.e. one year ahead of schedule, the land was transferred to BECML only in June 2013. Besides, due to non-receipt of Stage-II forest clearance, the Jharkhand Pollution Control Board had not issued necessary "Consent to operate" for the mine (August 2013).

Government added (August 2013) that delays in commencement of production from IGGB and Panchwara (North) coal blocks were in some cases beyond control and unavoidable.

Delay in production of coal from its captive mines compelled WBPDCCL to purchase/ import 26.53 lakh tonnes of coal during three years from 2009-10 to 2011-12 at an average price ranging between ₹ 4,314 and ₹ 4,781 per tonne to meet its coal requirements resulting in avoidable expenditure amounting to ₹ 435.51⁵ crore.

Thus failure to plan properly and liaise with various authorities resulted in stoppage of production from captive mines thereby compelling WBPDCCL to purchase/ import coal at an additional cost.

4.1.3 Drawbacks in contractual terms and conditions

The JV agreement (January 1996/ April 2002) between three partners till 2001 and then DPL as replacement for one partner reflected the following infirmities in terms and conditions :

⁴ Ready for excavation.

⁵ ₹ 217.11 crore {7,52,541 tonnes × (₹ 4,781 - ₹ 1,896)} + ₹ 199.16 crore {8,72,064.13 tonnes × (₹ 4,742 - ₹ 2,459)} + ₹ 19.24 crore {10,28,110 tonnes × (₹ 4,314 - ₹ 4,127)}.

4.1.3.1 Linking sale price of coal extracted from captive mines with Coal India Limited (CIL) sale price

Captive mines ensure that coal received would be at the least cost. Coal requirements of power sector should be supplied at prices determined strictly on a cost-to-produce basis subject to benchmark efficiency norms as per The Expert Committee on Road Map for Coal Sector Reforms⁶. The terms of JV, however, stipulated that in respect of Tara (East and West) blocks, coal would be transferred to WBPDC/ DPL at a price of 19.5 *per cent* below the prevailing base price of CIL for respective grades on the date of supply. For subsequent blocks, the discount was enhanced to 21 *per cent* with the statutory levies⁷ to be borne by WBPDC.

Audit observed that BECML in turn awarded extraction contract to the private agency. The extraction contract price was linked to CIL price instead of actual cost of extraction, which had increased the coal cost for WBPDC.

Government stated (August 2013) that in respect of the Tara blocks, as concept was new, the agreement provided for this clause. It added that in respect of subsequent blocks, the coal purchase agreement would be modified to determine coal prices on 'cost plus' basis.

Linking sale price/ extraction price with CIL would burden WBPDC/ DPL, the owners and benefit the private agency in case of increase in CIL coal prices.

In 2008-09 the mining cost⁸ of coal was ₹ 427.82 per tonne in open cast mines against which the average transfer price to BECML was ₹ 584 per tonne and average sale price to WBPDC was ₹ 725.57 per tonne. Audit observed that during 2008-09, WBPDC purchased coal from its captive mine at ₹ 725.57 per tonne as against the extraction cost of ₹ 427.82 per tonne incurred by agency as illustrated in the following flowchart.

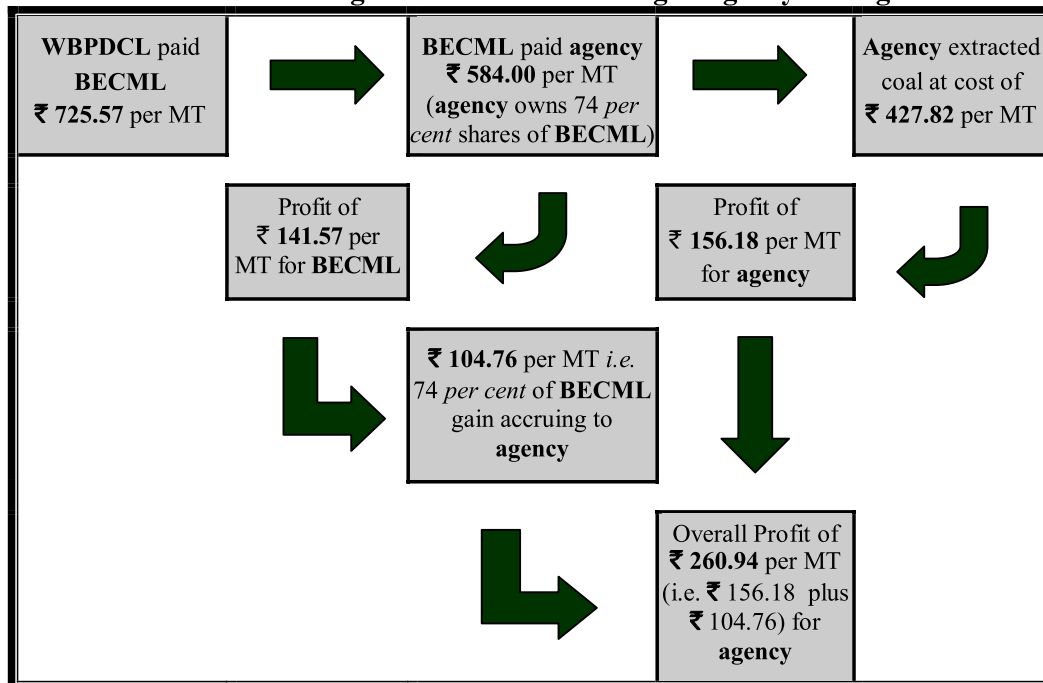
⁶ Paragraph 5.17 (page-65) of Report (Part-I), December 2005.

⁷ Other statutory levies include four kinds of cesses, royalty, fees, excise duty *etc.*

⁸ According to information submitted by the agency to Ministry of Finance, GoI in November 2010 for abatement in taxable value on mining service. Information relating to 2007-08 and 2009-10 also submitted then was not available in records made available to Audit by GoWB.

Chart 4.1

Flowchart showing undue benefit accruing to agency during 2008-09



This led to undue benefit of ₹ 107.83 crore to the agency (₹ 64.54 crore⁹ on account of extraction and ₹ 43.29 crore¹⁰ on account of sale to WBPDCCL) on production and sale of 41.32 lakh tonnes of coal sold to WBPDCCL and DPL during the year 2008-09. Average sale price of coal to WBPDCCL/ DPL during the three years 2009-10 to 2011-12 had increased substantially and ranged between ₹ 1,020 per tonne and ₹ 1,256 per tonne. The benefit earned during the period by agency could not be worked out since the data relating to cost of extraction by it for 2007-08 and 2009-10 to 2011-12 was not made available to audit.

4.1.3.2 Avoidable expenditure towards sales tax/ value added tax

The JV agreement stipulates that WBPDCCL and DPL would buy coal and all applicable taxes and duties including sales tax would be payable at actuals by WBPDCCL and DPL. The said clause in the JV agreement was deficient as the nature of transaction involved was not that of sales but of providing services by way of extraction and supply of coal by BECL to the mine owners viz. WBPDCCL and DPL. This was also confirmed by clarification issued by MoC in September 2008 stating that transfer of coal from a JV/ SPV mining company to the block allocatees cannot be treated as sale of coal from the mining company to the end use company. No amendment was, however, made in the agreement and WBPDCCL continued to pay sales tax on the coal

⁹ On 41,32,101 tonnes (WBPDCCL : 34,05,236 tonnes, DPL : 7,26,865 tonnes) at the rate of ₹ 156.18 per tonne.

¹⁰ Seventy four per cent of ₹ 58.50 crore on 41,32,101 tonnes to WBPDCCL and DPL at the rate of ₹ 141.57 per tonne.

supplied by BECML. It was noticed in audit that during the period between 2009-10 and 2011-12, WBPDCCL had paid an amount of ₹ 52.78 crore towards sales tax liability.

Government while not refuting the point of applicability of service tax, stated (August 2013) that if the supplies of coal from captive coal blocks were not considered as sale, the same would attract service tax, rates of which were higher than the rate of sales tax. However, audit point is on non-compliance with provisions of Acts.

4.1.3.3 Grade slippage¹¹ claims forgone

As per clause 36 of JV agreement, quality would be tested and assessed as per joint sampling at the power station end. Further as per the accounting policy of BECML in 2008-09 to 2010-11, invoice would be raised on the basis of 'C' grade coal and in case of deviation of quality found later, revenue would be adjusted on the basis of claims raised by the power plants. Audit observed that for the 2009-10 and 2010-11, WBPDCCL raised grade slippage claims of ₹ 230.97 crore which, however, was settled at ₹ 152.45 crore by BECML, thereby forgoing claims amounting to ₹ 78.52 crore. Reasons for the same, though called for, were not furnished to audit.

For the year 2011-12, Government intimated that against grade slippage claims of ₹ 57.62 crore raised by WBPDCCL, BECML had settled the claim at ₹ 55.12 crore on the basis of joint sampling as per agreement. As WBPDCCL was raising the grade slippage claims based on the joint sampling, settlement of claims for lower amount needed clarification.

4.1.3.4 Creation of assets in the name of BECML

As per clause 20 of the JV agreement, WBSEB and WBPDCCL will obtain necessary lease of the mines from GoI/ GoWB and concerned authorities and the mines will be operated by BECML. The agreement also provided that WBSEB/ WBPDCCL would render assistance in respect of acquisition of private land and allotment of vested lands by GoWB required for mining operation. WBPDCCL in August 2008 sought a legal opinion on acquisition of land for the project. As per the legal opinion it was a better option to acquire immovable assets like land in the name of WBPDCCL as acquiring it in the name of the BECML could lead to dichotomy as mining rights rest with WBPDCCL. It also mentioned that in case of termination of the arrangement it would facilitate allocation of mine and its operation to another operator if the assets are acquired in the name of WBPDCCL. However WBPDCCL allowed BECML to continue to acquire/ lease assets like land, mines and railway sidings in the name of the JV company.

¹¹ Difference in the base price of declared grade and analysed grade of coal.

Government responded (August 2013) that so far, WBPDCCL had not made any investment for acquisition of any asset. Cost of all the assets have been invested by BECML and accordingly held in its name in the books of the Joint Venture Company.

By allowing BECML to acquire immovable assets in its name, WBPDCCL has put itself in a disadvantageous position which may restrict it from the option of selecting another operator through competitive bidding, as it would have to depend on BECML, for utilising these fixed assets.

Conclusion

WBPDCCL selected a JV partner on nomination basis without open tendering. In addition, WBPDCCL also continued to operate subsequent coal blocks through BECML. Benefit of having its own captive mines was passed on to JV partner. WBPDCCL had incurred additional expenditure due to delays in extraction of coal, stoppage of mining operations, payment of sales tax/ VAT and non-recovery of grade slippage as per the terms of the contract.

In addition, WBPDCCL had compromised its interest by acquiring the fixed assets like land, railway siding etc. in the name of BECML.

THE WEST BENGAL POWER DEVELOPMENT CORPORATION LIMITED

4.2 *Avoidable expenditure on acquisition of an unsuitable coal block*

The West Bengal Power Development Corporation Limited incurred avoidable expenditure of ₹ 6.68 crore besides blocking up of capital amounting to ₹ 12.90 crore in acquiring a coal block which was subsequently surrendered due to its unsuitability.

The West Bengal Power Development Corporation Limited (WBPDCCL), a wholly owned Government company operates five¹² thermal power stations for which the principal fuel is non-coking coal. WBPDCCL applied (May 2005) for Kalyaneswari (East of Damagoria) coal block within the command areas of Bharat Coking Coal Limited (BCCL), to partly meet the coal requirement for capacity addition of 3,000 MW. Coal India Limited (CIL) in February 2006 had informed Government of West Bengal (GoWB) that there was a possibility of the block turning to be of coking variety which could be confirmed only from the final Geological Report (GR), expected to be ready by June 2006. CIL also added that it would not be possible for CIL to recommend allocation of that block to WBPDCCL if the final GR confirmed that the reserves were primarily of coking coal which was not suitable for

¹²Thermal power stations at Kolaghat, Bandel, Bakreshwar, Santaldih and Sagardighi.

power generation and mentioned that the block would involve a lot of rehabilitation efforts because of likely dislocation of three villages and diversion of GT Road bye pass, power lines *etc.*

WBPDCCL, however without ascertaining the grade of coal, continued to pursue with Ministry of Coal (MoC) for allotment of the coal block and also agreed (August 2007¹³) to transfer all grades of coking coal from this block to BCCL at mutually agreed transfer price which would be reviewed after five years. Finally, MoC allotted (February 2009) the block to WBPDCCL with the condition that all coking coal obtained from the block would be handed over to BCCL at discounts¹⁴ to the notified prices prevailing as on 8 November 2008. WBPDCCL submitted (May 2010) bank guarantee¹⁵ for ₹ 114.38 crore towards annual royalty to MoC. Thereafter it obtained a copy of the Geological Report prepared by Central Mine Planning & Design Institute Limited (CMPDIL) in June 2006 which confirmed that all proven coal reserves at Kalyaneswari were of coking grade.

Meanwhile WBPDCCL, at its end, appointed a consultant in April 2010 to prepare pre-feasibility report of mining and other allied works¹⁶. The Consultant recommended (July 2010) handing over the block to BCCL on account of the fact that (a) GR report had confirmed that all the proven coal reserves were of coking grade and (b) an estimated expenditure of ₹ 1,263.91 crore would have to be incurred towards pre-development clearances including resettlement, rehabilitation, land acquisition *etc.*

WBPDCCL, in January 2011, decided to proceed for mining of the block on the presumption that the transfer price¹⁷ of coking coal would be reviewed in November 2014 thereby enhancing the viability of the proposal to sell coal to BCCL and released ₹ 12.90 crore to BCCL for supplying geological data and exploration report for the block.

Finally, in September 2011, WBPDCCL, on the direction of GoWB, decided to return the block. MoC cancelled the allocation in October 2011. WBPDCCL had, by then, incurred aggregate expenditure of ₹ 19.58 crore towards Geological Report (₹ 12.90 crore) and bank guarantee charges (₹ 6.68 crore).

Thus, WBPDCCL's pursuit for an unsuitable coal block, overlooking the Consultant's advice and the opinion of CIL, led to avoidable loss of ₹ 6.68 crore as bank charges paid against bank guarantee and blocking up of investment of ₹ 12.90 crore on the Geological Report.

¹³ At a meeting with Committee members of BCCL.

¹⁴ The transfer price would be at discount to notified prices of i) 38 per cent for all grades i.e. Steel I and II, Washery I, II, III and IV of falling under "Coking Coal – Listed Collieries"; ii) 30 per cent for II, Washery I and II grades falling under "Coking Coal – NLW Collieries"; and iii) 26 per cent for Washery III and IV grades falling under "Coking Coal – NLW Collieries".

¹⁵ Bank guarantee charges paid ₹ 6.68 crore.

¹⁶ Preparation of various project structures, financial model, draft tender document, notice inviting tender and related activities involved till selection of Mine Developer cum Operator.

¹⁷ The price at which WBPDCCL would transfer the coal to CIL.

WBPDCCL stated (April 2012) that it expected to recover the cost of the GR once the block was re-allocated while accepting (October 2012) that bank guarantee charges of ₹ 6.68 crore was a loss.

Government, while endorsing the reply of WBPDCCL, stated (August 2013) that the Company became aware that the block contained coking coal only after receiving the Consultant's report based on the Geological Report obtained in May 2010.

CIL had in February 2006 indicated the possibility of the block turning to be of coking variety and hence WBPDCCL could have undertaken due diligence to ascertain the nature of the block from CMPDIL, especially when it was aware in February 2006 that the Geological Report would be ready by June 2006.

**THE WEST BENGAL POWER DEVELOPMENT CORPORATION
LIMITED, SARASWATY PRESS LIMITED AND WEST BENGAL
TEXT BOOK CORPORATION (P) LIMITED**

**4.3 *Avoidable payment of interest due to short deposit of advance
income tax***

Three PSUs paid avoidable interest of ₹ 5.92 crore due to short deposit of advance tax and self assessment tax arising out of incorrect estimation of taxable income.

According to provisions of section 208 read with section 211 of Income Tax Act, 1961 (Act), every company is required to pay for each financial year, quarterly instalments of advance tax within their due dates at rates¹⁸ prescribed in the Act, if the amount of income tax payable during the financial year is or exceeds ₹ 10,000. If instalments of advance tax deposited were less than the prescribed percentages, the assessee company is liable to pay interest under provisions of section 234B¹⁹ and 234C²⁰ of the Act. This interest is to be calculated and deposited with the balance tax determined on self assessment.

It was incumbent on assessee companies to fairly assess taxable income to avoid the incidence of interest. It is standard practice of all business entities to compute advance tax payable in each quarter and every company is required to prepare quarterly accounts to determine taxable income and actual tax thereon.

Audit examined the system of estimating incomes of those PSUs that had earned profits in the financial years 2009-2012 with regard to tax deposited on

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

¹⁹ If advance tax paid was less than 90 per cent of the assessed tax, interest was payable at the rate of one per cent per month or part thereof on the amount by which the advance tax paid falls short of assessed tax.

²⁰ Interest at the rate of one per cent per month or part thereof on the amount short deposited against cumulative instalments of advance tax for the period of three months.

income within the due dates, income tax returns, challans, assessment orders, demand notices *etc.* It was noticed that seven PSUs²¹ had either overestimated or underestimated their tax liability in one or more years. Three PSUs mentioned in **Table 4.1** below underestimated their income for the year 2011-12 leading to short deposit of advance tax and self assessment tax as a result of which they had to pay avoidable interest under the provisions of the Act *ibid*.

Table 4.1 : Payment of interest due to short deposit of advance tax and self assessment tax by PSUs during 2011-12

(₹ in crore)

Sl No	Name of PSU	Actual Tax Payable	Actual Tax Deposited ²²	Short Deposit	Interest Paid
1.	The West Bengal Power Development Corporation Limited (WBPDCCL)	95.08	43.25	51.83	5.56
2.	Saraswaty Press Limited (SPL)	3.69	1.58	2.11	0.24
3.	West Bengal Text Book Corporation (P) Limited (WBTbCL) (subsidiary of SPL)	1.21	0.11	1.10	0.12
Total					5.92

Test check revealed the following:

- None of the three PSUs had a system of preparing quarterly accounts. Consequently, advance tax deposit was *ad hoc* without any relation to annual income.
- In case of WBPDCCL, an interest of ₹ 5.56 crore was paid under section 234B and 234C on short/ delayed deposit of tax. It was noticed that no tax was paid in the first quarter (June 2011). In addition, tariff for realisation of ₹ 210.46 crore, approved in December 2011 had not been considered even while depositing advance tax in the last quarter (March 2012).
- SPL failed to deposit quarterly advance tax for the first two quarters i.e. June and September 2011. Further, for subsequent two quarters it did not deposit adequate tax. Short deposit attracted interest of ₹ 0.24 crore under section 234B and 234C of the Act *ibid*.
- WBTbCL also had to pay interest of ₹ 0.12 crore under section 234B and 234C of the Act *ibid* for default in payment of advance tax and deferment of advance tax as well.

Paragraph 4.8 of the Report of the Comptroller and Auditor General of India (Commercial), Government of West Bengal for the year 2003-04 had also

²¹ The West Bengal Power Development Corporation Limited, West Bengal State Electricity Distribution Company Limited, West Bengal State Electricity Transmission Company Limited, Saraswaty Press Limited, West Bengal Text Book Corporation (P) Limited, West Bengal Infrastructure Development Finance Corporation Limited and West Bengal Industrial Infrastructure Development Corporation.

²² Instalments of Advance Tax and Tax Deducted at Source.

highlighted failure of WBPDCCL to deposit advance tax which led to payment of avoidable interest. In this connection, the Committee on Public Undertakings (COPU) had observed (December 2008) that this issue was a serious managerial deficiency and recommended need to improve efficiency and financial management. It is thus observed that deficiencies in the estimation of income have continued to persist since then and PSUs had not evolved a system of preparing quarterly accounts so far. Besides, there was non-deposit of advance tax in one or more quarters. Consequently, these PSUs had incurred avoidable interest aggregating ₹ 5.92 crore.

While accepting the findings, Government stated (September 2013) that WBPDCCL could not estimate its profit for the financial year 2011-12 as it received tariff order for 2008-09 and 2009-10 for new units as late as on 30 December 2011.

In case of SPL and WBTbCL, Managements in their replies (October 2013) attributed non-payment of advance income tax to critical cash flow problem arising out of delayed release of their dues by Government departments. They also stated that the nature of their business did not allow them to estimate their income in advance properly. However, both companies had been engaged in the printing industry for long and should have been in a position to estimate income to a reasonable degree of certainty.

WEST BENGAL STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED

4.4 Additional interest due to failure to monitor remittance of fund by bank

Absence of monitoring by WBSEDCL with regard to daily remittance of total collections by its banker between April 2011 and March 2013 had resulted in additional interest of ₹ 1.83 crore on avoidable cash credit availed during the same period.

The erstwhile West Bengal State Electricity Board, the precursor to the West Bengal State Electricity Distribution Company Limited (WBSEDCL), appointed (January 2005) New Town Electric Supply Company Limited²³ (NTESCL) as its franchisee for New Town, Rajarhat adjoining Kolkata. NTESCL was to carry out all works in connection with distribution of electricity including raising of bills relating to the supply of electricity, collection of dues from the consumers and remitting the same to WBSEDCL in a timely manner²⁴. The agreement was renewed²⁵ from time to time.

²³ A joint venture company of WBSEDCL with West Bengal Housing Infrastructure Development Corporation Limited in which effective control was with the Company.

²⁴ Initially twice a week and then on a daily basis w.e.f. July 2009.

²⁵ The contract was extended annually till 2008 and thereafter bi-annually up to 2014.

As per the agreement between the two companies signed in April 2010, the NTESCL was required to remit with effect from 1 April 2010, the collections on a daily basis through their banker *viz.* United Bank of India (UBI). Earlier NTESCL, with the consent of WBSEDCL, had opened (November 2009) a non-operating Current (Collection) Account with UBI, Rajarhat branch to transfer the cash collections to the account of WBSEDCL at UBI, Mayukh Bhavan branch.

Audit noticed from the bank account statements from April 2010 to March 2013 that –

- The provision of daily transfer of cash was not followed during the period. The bank had actually remitted funds only on 192 days during these years. During 10 months, funds were transferred only once or twice. In one month (June 2012), there was not even a single transfer. In one instance, it took as many as 49 days to transfer funds (19 May to 7 July 2012).
- Even on those occasions when remittances were made, the entire balance was never transferred. Instead, on 161 days out of 192, the bank had remitted between 0.53 to 89.80²⁶ *per cent* only of the available balance, while in the remaining 31 instances, 90.02²⁷ *per cent* or more was remitted. Consequently, amounts ranging from ₹ 0.06 lakh (1 May/ 2 May 2010) to ₹ 34.85 crore (29 August 2012) remained idle in the current account with the remitting bank, clearly indicating absence of a system of monitoring and reconciliation between the two PSUs regarding remittance of collections.
- Meanwhile WBSEDCL was continuously facing large cash deficits and financial crisis, leading to enhancement of its overall cash credit limits/ short term loans from ₹ 300 crore to ₹ 2,500 crore with their different bankers in several stages²⁸. To meet the working capital requirements, it obtained, between 2010-11 and 2012-13, cash credit facilities from eight²⁹ scheduled commercial banks including same branch of UBI to whom they paid interest on their cash credit balances at the rate of 12.25 and 11.90 *per cent* during 2011-12 and 2012-13 respectively.

Delays in transferring the funds by UBI, Rajarhat was one reason for the enhanced borrowings by WBSEDCL to fulfil their working capital requirements to the extent of funds lying idle in non-interest bearing current account with the bank, which otherwise would have saved them interest³⁰ of ₹ 1.83 crore on avoidable cash credit availed between April 2011 and March 2013, besides mitigating the problems they were facing in respect of liquidity. The idle minimum balances exceeded ₹ one crore on 633 days between

²⁶ 9 April and 16 April 2010.

²⁷ 3 May 2010.

²⁸ March 2010, May 2011, September 2011, May 2012

²⁹ Punjab National Bank (PNB), Dena Bank, Indian Overseas Bank, ICICI Bank, UCO Bank, Allahabad Bank, United Bank of India (UBI) and Canara Bank.

³⁰ Calculated at 12.25 *per cent* and 11.90 *per cent* in 2011-12 and 2012-13 respectively charged by the UBI on Cash Credit limits.

2010-11 and 2012-13, and the maximum balance lying idle in the bank on a day was ₹ 34.85 crore during this period.

While accepting the facts, the Government³¹ stated (September 2013) that NTESCL had approached the bank authorities on four occasions to compensate for the interest loss on delayed remittance. Besides, the bank had described that the entire balance of fund displayed to the credit of the bank statement also includes shadow balance³². Further, the Government added that bank's performance was being monitored and there was improvement in remittance of funds.

However, regarding shadow balance process of clearances would defer interest by a day while keeping the overall numbers intact.

Thus, absence of monitoring by WBSEDCL with regard to daily remittance of total collections by its banker between April 2011 and March 2013 had resulted in additional interest of ₹ 1.83 crore on avoidable cash credit availed during the same period.

4.5 Additional expenditure on bill collection charges

West Bengal State Electricity Distribution Company Limited determined service charges for collection of bills at a higher rate on account of calculation on incorrect data as well as allowing variable components at higher rates, leading to excess expenditure of ₹ 1.25 crore between November 2011 and March 2013.

West Bengal State Electricity Distribution Company Limited (WBSEDCL) entered (February 2008) into a tripartite agreement with West Bengal State Rural Development Agency (WBSRDA) and a private agency and awarded (June 2008) to the private agency work of collection and transfer to WBSEDCL-payments against electricity bills from consumers at a service charge of ₹ five per transaction (money receipt issued). The payments were to be collected through service centres operated by village level entrepreneurs³³ (VLEs). The agreement was valid from July 2008 to June 2010 and was extended (October 2010) till June 2011. The agreement provided for review of the rate of service charge in July 2009. A fresh agreement was signed in July 2011, which was valid up to June 2013.

WBSEDCL did not review the service charge in July 2009 as provided in the agreement. Instead the private agency sought (October 2010/ March 2011) enhancement of service charge from ₹ five to ₹ nine per transaction with breakup of cost components. Although the then Chairman and Managing Director of WBSEDCL had approved (February 2011) ₹ 6.52 per transaction,

³¹ Department of Power and NES, the controlling authority of WBSEDCL.

³² The notional balance which is shown in the bank statement yet could only be drawn after Reserve Bank of India (RBI) clearance which is normally accorded on the **next day** of credit.

³³ An individual identified and retained by private agency for day to day management, operations and maintenance of the Common Service Centres.

in the fresh agreement (July 2011) rate was enhanced to ₹ 7.52 from November 2011. The revised rate was approved (November 2011) by the Standing Tender Committee. Reason for enhancement of rate was not on record. Subsequently, Management intimated (May 2013) to Audit that rate of ₹ 7.52 per transaction was arrived at based on available data of 2,457 authorised VLEs and 3.20 lakh bills.

In July 2011, data relating to actual number of VLEs operated and actual number of bills collected through the private agency was available for May and June 2011. Audit observed from list of operational VLEs that average number of VLEs actually operated in May and June 2011 was 1,660 and average number of bills collected by the private agency was 3.24 lakh. Based on the actual average number of VLEs and bills for May and June 2011 for determining fixed cost per transaction as well as variable costs and mark-up of 13 *per cent* claimed (March 2011) by the private agency, rate worked out to ₹ 5.83. **Table 4.2** presents comparison of rates allowed by WBSEDCL and rate worked out.

Table 4.2

Sl. No.	Particulars	WBSEDCL's rate	Rate worked out
A)	Average no. of VLEs on the date of Proposal	2,457	1,660
B)	Average no. of footfall (i.e. bills collected)	3,20,000	3,24,466
	Item-wise cost of collection (Amount in ₹)		
C)	Fixed cost		
i)	Advertisement Cost – ₹ 200 per month per VLE {Sl. No. (A) × ₹ 200}	4,91,400	3,32,000
ii)	Others- application development, data centre installation and maintenance, employee salaries <i>etc.</i>	1,15,556	1,15,556
iii)	Total for the month {Sl. Nos. (C)(i) + (C)(ii)}	6,06,956	4,47,556
iv)	Average fixed cost per bill collected {Sl. No. (C)(iii) ÷ Sl. No. (B)}	1.90	1.38
D)	Variable cost per bill collected		
i)	Stationery and printing cost – cost per bill	1.50	1.00
ii)	Infrastructure cost – bandwidth, electricity, rental, maintenance <i>etc.</i>	2.50	2.00
iii)	Miscellaneous charges – Labour, Fund transfer	0.30	0.30
iv)	Total variable cost per bill collected {Sl. Nos. (D)(i) + (D)(ii) + (D)(iii)}	4.30	3.30
E)	Total cost per bill collected {Sl. Nos. (C)(iv) + (D)(iv)}	6.20	4.68
F)	Mark – up {at 10 and 13 <i>per cent</i> respectively of Sl. No. (E)}	0.62	0.61
G)	Total cost for reimbursement {Sl. Nos. (E) + (F)}	6.82	5.29
H)	Service tax {at 10.3 <i>per cent</i> of Sl. No. (G)}	0.70	0.54
I)	Net cost to be billed {Sl. Nos. (G) + (H)}	7.52	5.83

Thus, due to fixation of a higher rate of ₹ 7.52 per transaction against reasonable rate of ₹ 5.83 per transaction arising from incorrect data regarding number of VLEs and bills collected in a month, as well as allowing variable components above those sought by the private agency, WBSEDCL incurred excess expenditure of ₹ 1.25 crore³⁴ between November 2011 and March 2013 and it continued to incur this additional expenditure (June 2013).

In reply, Government stated (August 2013) that the numbers of VLEs and transactions per month were ever changing and therefore one single number cannot be taken and that considering the inflationary effect of the economy, upward revision of rates was considered reasonable.

However, fact remains that the inputs were considered on the higher side, with 2,169 VLEs operating even in March 2013. This was much below 2,457 authorised VLEs agreed to be operated by the private agency that had been considered by WBSEDCL when the rate was revised upward in July 2011. Since the figures change over time, it was incumbent on WBSEDCL to consider latest available data. Further, original tripartite agreement of February 2008 envisaged rollout of services at 4,937 service centres, indicating that concept of authorised VLEs was an afterthought. Besides, it is pertinent to add that WBSEDCL was also collecting bills through West Bengal Postal Circle and collection charges of ₹ five per bill remained constant from April 2008 to date (July 2013).

WEST BENGAL INDUSTRIAL DEVELOPMENT CORPORATION LIMITED

4.6 *Loss due to defective project appraisal and acceptance of flawed security*

West Bengal Industrial Development Corporation Limited incurred loss of ₹ 95 lakh due to defective project appraisal and release of short term loan against flawed security.

West Bengal Industrial Development Corporation Limited (WBIDC) sanctioned (May 2005) and released (July 2005/ March 2006) equity assistance of ₹ 45 lakh to a private sector company (the company) for setting up an export oriented pineapple processing project at Siliguri, Darjeeling district, the largest pineapple growing area in India. In terms of the share subscription agreement (June 2005) with it, on completion of three years from the date of commencement of commercial production, investee company's Principal Promoter and holding company would jointly buy back the entire shares of the company held by WBIDC. The private sector company also

³⁴ For 74.09 lakh bills collected between November 2011 and March 2013 on the additional rate of ₹ 1.69 per transaction (₹ 7.52 minus ₹ 5.83).

availed (2005-06 and 2006-07) loans from the banks against hypothecation of fixed assets, land and building and entire current assets.

Audit observed that pineapple cultivation is seasonal³⁵ in West Bengal with harvesting from June to November and arrivals peaking in July and August. The Company did not consider the need to ensure continuous supply of pineapples of requisite size and quality throughout the year and WBIDC, while appraising the feasibility of the project overlooked the need for the Company to tie up with pineapple farmers/ traders to ensure continued supply.

The Company faced shortage of pineapples of requisite quality and size and could not run the unit for more than three months in a year i.e. August to October since commissioning in June 2006. Consequently, its working capital facilities with the banks became irregular, repayment of loans was re-scheduled (July 2009) and it was unable to obtain further working capital from the banks. As a final chance for revival of the unit by targeting a larger share of the domestic market, it then approached (July 2009) WBIDC for a short term loan of ₹ 50 lakh to purchase raw materials.

WBIDC sanctioned (August 2009) and disbursed (September/ October 2009) short term loan of ₹ 50 lakh to the company. The loan³⁶, secured against personal guarantee³⁷ of Principal Promoter-Director of the Company, was repayable in three instalments between November 2009 and May 2010. Moreover, as provided in the share subscription agreement, Principal Promoter and the Company's holding company were to jointly buy back shares held by WBIDC on completion of three years from the commencement of commercial production. Instead of enforcing the agreement, WBIDC allowed Principal Promoter and holding company to defer buy-back of those shares from contractual date of June 2009 to September 2010/ February 2011. Further, instead of buy-back of those shares by Principal Promoter and holding company, WBIDC now sought buy-back by the company. This was contrary to provision of the agreement (June 2005) which amounted to undue favour to Principal Promoter and holding company.

While evaluating the proposal, WBIDC obtained company's VAT registration certificate along with other registration certificates. WBIDC did not verify the validity of the registration certificates obtained. Audit observed that its VAT registration was cancelled in April 2009. Yet, WBIDC not only sanctioned (August 2009) loan but had extended the buyback period without proper checks. In June and September 2010, the banks took over³⁸ the assets of the private sector company.

³⁵ Source : Indian Horticulture Database-2011 (March 2011), National Horticulture Board.

³⁶ Carrying interest of 13.5 *per cent per annum*.

³⁷ On property at Bangalore valued at ₹ 1.53 crore, jointly held with spouse.

³⁸ Under Section 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act 2002 (SARFAESI).

WBIDC could not attach and sell the immovable property on security of which loan had been released since it was jointly owned by Principal Promoter and a director of the Company.

In September 2009, WBIDC received five post-dated cheques³⁹ (PDCs) aggregating to ₹ 1.11 crore⁴⁰ from the company, all of which bounced for 'insufficient fund'. Ultimately, WBIDC initiated (August/ September 2011) three⁴¹ criminal cases against dishonour of three cheques aggregating to ₹ 74.67 lakh, while no case was filed in respect of remaining two cheques. Finally, WBIDC had written off its investment in shares in the accounts of 2009-10 and classified the loan as doubtful.

Thus, due to defective project appraisal as well as disbursement of loan against flawed security, WBIDC sustained loss of ₹ 95 lakh.

While confirming the facts and figures, the Government/ Management stated (August/ November 2013) that WBIDC decided to take up the issue with one of the lending banks.

WEST BENGAL TRANSPORT INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED, WEST BENGAL SURFACE TRANSPORT CORPORATION LIMITED AND SOUTH BENGAL STATE TRANSPORT CORPORATION

4.7 Non-recovery of dues from the franchisees/ private bus operators

Three transport undertakings had outstanding dues of ₹ 41.41 crore towards equated monthly instalments from private operators and franchisees. Recovery of this amount had become remote due to inadequate security and failure to include escrow clause in the agreement.

Under the JnNURM⁴² Scheme funding for purchase of buses for urban transport system was included in January 2009. The Ministry of Urban Development, Government of India (MoUD) provided (February 2009) central assistance under the Scheme to purchase new buses for the improvement of the urban transport system in Kolkata and Asansol in West Bengal.

West Bengal Transport Infrastructure Development Corporation Limited (WBTIDCL), West Bengal Surface Transport Corporation Limited

³⁹ Drawn on State Bank of India, N.S. Road branch and ING Vysya Bank, N.S. Road branch, Kolkata.

⁴⁰ Share contribution : ₹ 45 lakh, share premium : ₹ 13.50 lakh, loan repayment : ₹ 50 lakh, interest : ₹ 2.89 lakh.

⁴¹ Under Section 138 of Negotiable Instruments Act 1881.

⁴² With the aim to encourage reforms and fast track planned development of identified cities, the Government of India (GoI) launched (December 2005) Jawaharlal Nehru National Urban Renewal Mission (JnNURM).

(WBSTCL) and South Bengal State Transport Corporation (SBSTC) purchased 869 buses (**Table 4.3**) against the total sanction of 1,300 buses⁴³ by MoUD as detailed below:-

Table 4.3: Details of buses received under JnNURM

Sl.	Particulars	WBTIDCL	WBSTCL	SBSTC	Total
1)	Own Operation	-	25	8	33
2)	Franchisees ⁴⁴	-	239	85	324
3)	Private operators ⁴⁵	512	-	-	512
	Total	512	264	93	869⁴⁶

Source: Information submitted by PSUs

Scrutiny of records showed that the Central Sanctioning and Monitoring Committee (CSMC), MoUD decided⁴⁷ (February 2009) that in case of private operators, 15 *per cent* of the cost of a bus as contributed by the Government of West Bengal (GoWB) had to be paid by the private operators as their equity. This worked out to ₹ 2.99 lakh, ₹ 8.27 lakh and ₹ 12.19 lakh for 727 SLF⁴⁸, 49 ALF⁴⁹ and 60 AULF⁵⁰ respectively. Ownership of these buses would remain with the PSUs. The buses were leased out between September 2009 and May 2013 to the franchisees/ operators against security deposit and equated monthly instalments (EMI) with details of amounts due and realised as shown in **Annexure 4.2**.

WBTIDCL could lease out only 496 out of 512 SLF buses to the private bus operators. Department of Transport (DoTr), GoWB had directed (January 2010) WBTIDCL to collect ₹ 1.50 lakh as one-time interest-free security deposit from the operators while WBTIDCL had recovered ₹ two lakh for each SLF bus instead of 15 *per cent* as equity as prescribed in the Scheme. Similarly, WBSTCL and SBSTC leased out 117 out of 130 and 34 out of 85 SLF buses respectively to the franchisees against security deposit of ₹ two lakh. Besides, WBSTCL had, with approval (November 2010) of DoTr, given 17 ALF buses to a franchisee against security deposit of ₹ 1.10 crore and obtained a bank guarantee for ₹ 39.26 lakh. The Scheme had no provision for obtaining bank guarantees.

⁴³ WBTIDCL: 630, WBSTCL: 325, SBSTC: 125, Calcutta State Transport Corporation: 100, The Calcutta Tramways Company (1978) Limited: 100, West Bengal Housing Infrastructure Development Corporation Limited: 20.

⁴⁴ Where both the bus and the permit are provided by the State Transport Undertaking (STU).

⁴⁵ Where the agency (WBTIDCL) provides the bus and the permit belongs to the private operator.

⁴⁶ WBTIDCL purchased 512 semi-low floor (SLF) buses. WBSTCL purchased 25 SLF buses for own operation whereas 60 air-conditioned ultra low floor (AULF) buses, 49 air-conditioned low floor (ALF) buses and 130 SLF buses were for franchisees. SBSTC purchased 93 SLF buses, with division based on break-up indicated in GoWB decision.

⁴⁷ Sixty-ninth meeting.

⁴⁸ Semi-low floor non-air-conditioned buses (cost: ₹ 19.94 lakh) – WBTIDCL (512), WBSTCL (130) and SBSTC (85).

⁴⁹ Air-conditioned low floor buses - Tata Motors Marco Polo (cost: ₹ 55.15 lakh each), all WBSTCL.

⁵⁰ Air-conditioned ultra low floor “Volvo” make (cost: ₹ 81.24 lakh each), all WBSTCL.

To ensure timely and regular recovery of EMI from the operators/ franchisees, the proposal envisaged opening of Escrow Accounts⁵¹ in banks by the private operators/ franchisees into which the daily collections of ticket sale would be deposited. The surplus in the Escrow Account would become payable only after discharging the equated monthly instalments (EMI) towards the buses. However, audit, while examining the agreements with the operators/ franchisees did not find any such provision for opening of these escrow accounts. Besides WBTIDCL, WBSTCL and SBSTC had not developed any other mechanism to realise the EMIs from the operators/ franchisees including obtaining of post dated cheques. Consequently, the arrears of EMI due from operators/ franchisees accumulated since 2009-10 and stood at ₹ 41.41 crore as on 31 March 2013 as calculated in **Annexure 4.2**.

The agreement with the franchisees/ operators, provide that if the EMIs and other dues remain outstanding, PSUs have option of issuing demand notices to pay dues within 30 days. In event of continuing non-payment of dues within notice period of 30 days, PSUs can terminate agreements and retake possession of buses. Despite accumulation of arrears towards EMIs, PSUs issued notices to defaulting operators/ franchisees only in February and March 2013 for clearing entire arrear EMIs within notice period, without any results. The vehicles had not even been seized by WBTIDCL and WBSTCL from operators as provided in the agreements.

In reply to the inspection reports (WBSTCL & WBTIDCL), Government stated (July 2013) that in respect of WBSTCL, operators were unable to operate the buses because of their high cost of operation and maintenance. The operators had approached Government for reducing monthly EMI. Regarding WBTIDCL, the response (August 2013) was that “Escrow Accounts” could have been reviewed if the question had arisen earlier.

Thus, due to inadequate security and failure to include escrow clause in the agreement, possibility of recovery of ₹ 41.41 crore towards EMI had become remote.

This issue was brought to the notice of the Government/ Management, their replies were awaited (November 2013).

⁵¹ An Escrow Account is a tripartite arrangement by a lease financier and lease operator with banks to ensure that the financier is able to realise dues from the cash collected and thereafter the operator can utilise the balance to meet expenses.

MACKINTOSH BURN LIMITED AND WEST BENGAL INDUSTRIAL INFRASTRUCTURE DEVELOPMENT CORPORATION

4.8 *Avoidable expenditure towards payment of service tax and interest thereon*

Mackintosh Burn Limited and West Bengal Industrial Infrastructure Development Corporation persistently failed to bill service tax on the recipients of their services and had to incur avoidable expenditure of ₹ 7.98 crore towards service tax and interest thereon without possibility of recovering the amount from the recipients.

According to Section 68 of Chapter V of the Finance Act 1994, every person providing taxable service to any person shall pay service tax⁵² at the rate prescribed in such a manner and within such period as may be prescribed. Default in payment of service tax attracts interest as well as penalty. Further, service tax paid on service inputs for taxable services was eligible for claim of Cenvat credit⁵³.

A) With a view to improve drainage and flood protection, the Irrigation and Waterways Directorate, Government of West Bengal (GoWB) awarded (February 2005) to Mackintosh Burn Limited (MBL) the work of 're-sectioning' of Ichamati river in the district of North 24-Parganas.

Subsequently, dredging⁵⁴ work was liable to service tax from 16 June 2005 onwards. However, the work order contained no clause regarding liability of service tax.

MBL then sought and received (February 2006) clarification from the service tax authorities (STA) that the work was taxable under the category 'dredging service'. However, instead of depositing service tax in time to STA, MBL raised (March 2006) a claim on the GoWB for ₹ one crore⁵⁵ towards service tax due. It also filed an appeal to the Appellate Authority *i.e.* CESTAT⁵⁶, Kolkata against the demand (June 2007) from STA for service tax of ₹ 2.58 crore along with interest and penalties.

However, CESTAT, Kolkata (June 2010) and subsequently the Supreme Court of India upheld (October 2010) the demand and MBL deposited ₹ 7.64 crore towards service tax (₹ 2.20 crore), interest (₹ 1.11 crore) and penalty

⁵² Sections 65(95), 65(105) and 66.

⁵³ Rule 3 of Cenvat Credit Rules 2004.

⁵⁴ "Dredging" includes removal of material including silt, sediments, rocks, sand, refuse, debris, plant or animal matter in any excavating, cleaning, deepening, widening or lengthening, either permanently or temporarily, of any river, port, harbour, backwater or estuary. [Sec. 65(36a)]

⁵⁵ On gross value of work of ₹ 9.83 crore executed since 16 June 2005.

⁵⁶ Customs, Excise & Service Tax Appellate Tribunal.

(₹ 4.33 crore) to the STA between March 2008 to August 2011 without any recovery from GoWB.

In March 2010, MBL got another work of 'desilting' of Ichamati river in a different stretch in the district of North 24-Parganas. It sub-contracted this work to four contractors. Despite being aware about taxability of service, MBL while bidding (February 2010), had not considered service tax ostensibly on the assurance of GoWB that the service being of a different nomenclature⁵⁷ was not liable to service tax. Moreover, in case MBL had to pay service tax, there was no clause for reimbursement by GoWB.

In April 2012, STA issued show cause notice to MBL. Meanwhile, to avoid further interest, MBL decided to discharge liability of ₹ 3.84 crore⁵⁸ through input service tax credit of ₹ 3.25 crore paid to four sub-contractors and deposited (November 2011- April 2012) the balance due.

Thus, despite being aware of the statutory provisions, MBL failed to safeguard its financial interests in relying on an assurance not backed by agreement and also delayed in depositing the statutory dues, which resulted in avoidable expenditure of ₹ 5.84 crore *i.e.* interest (₹ 1.51 crore) and penalty (₹ 4.33 crore).

MBL stated (September 2013) that they had received work order of second phase of de-silting of river Ichamati before final verdict of the Hon'ble Supreme Court of India. Further Irrigation & Waterways Department assured them that if the job came under purview of service tax, the same would be reimbursed. Government while accepting the facts stated (November 2013) that following order of the Hon'ble Supreme Court of India regarding incidence of service tax on dredging activities, MBL was to include a clause relating to service tax in such work orders in future.

Audit observed that MBL had not received the amount of service tax deposited from GoWB. Moreover, MBL continued to rely on the assurance and did not safeguard its financial interest despite failure to recover any amount from GoWB in the first instance.

B) West Bengal Industrial Infrastructure Development Corporation (WBIIDC) establishes industrial areas or estates by constructing roads, water supply and other amenities; leases out plots for industrial purposes; manages and maintains these estates to earn revenue by way of rent, water and service charges, maintenance charges *etc.* These services are liable⁵⁹ to service tax under the categories of maintenance or repair service, commercial or industrial construction, renting of immovable property and supply of tangible goods and services since 1 July 2003, 10 September 2004, 1 June 2007 and 16 May 2008

⁵⁷'Desilting' instead of 'dredging'

⁵⁸ Service tax: ₹ 3.44 crore, interest on delayed payment: ₹40.46 lakh.

⁵⁹Sections 65(64), 65(25b), 65(90a) and 105(zzzzj).

respectively. Section 66 of the Finance Act 2006 extended the liability⁶⁰ to services provided 'by any other person'. WBIIDC got registered with the STA only in August 2011. Since it did not pay any service tax before that, the DGCEI⁶¹ initiated investigation (February 2011) on its non-payment. WBIIDC, however, decided (August 2011) to charge service tax from the quarter ending June 2011. To avoid the imposition of penalty, it had to deposit (October 2011) ₹ 2.14 crore towards service tax (₹ 1.51 crore) and interest (₹ 0.63 crore) for the period from April 2006 to March 2011 from its own resources.

Thus, WBIIDC's lack of knowledge of statutory provisions led to non-recovery of service tax of ₹ 1.51 crore and interest of ₹ 0.63 crore on delayed deposit *i.e.* avoidable expenditure of ₹ 2.14 crore.

WBIIDC stated (November 2011) that non-payment of service tax was due to their lack of proper knowledge of rules. Audit observed (February 2013) that WBIIDC had charged service tax only from the quarter ending September 2011 for reasons not on record. WBIIDC accepted that service tax for the arrear period could not be recovered and assumed all collections made till September 2011 to be inclusive of service tax. WBIIDC accepted (July 2013) the observation and added that since possibility of recovery was remote, the service tax was paid to reduce the total arrear tax liability, which would otherwise have been higher.

Government while endorsing the views of WBIIDC accepted (November 2013) the observation and added that the services rendered by it had become liable to tax since 2006-07. But, this amendment had not been brought to their notice although correspondence was resting with STA. Service tax was calculated and paid on claims raised between 2006-11, considering them inclusive of tax. This had reduced the arrear service tax demand and interest thereon.

WBIIDC had made reference to STA in January 2005 itself and received clarification in February 2005 while it had become liable to service tax from 2006-07.

Thus, in both PSUs, avoidable expenditure of ₹ 7.98 crore on service tax, interest thereon and penalty was incurred due to lack of adherence to statutory provisions.

⁶⁰ From 1 May 2006.

⁶¹ Directorate General of Central Excise Intelligence, Kolkata Zonal Unit.

CALCUTTA STATE TRANSPORT CORPORATION

4.9 Excess payment of incentive to crew members of buses on long-distance service routes

Calcutta State Transport Corporation continued to pay incentives on LDS routes based on erroneous formula which led to excess payment of incentive to its crews.

Calcutta State Transport Corporation (CSTC) operates long distance services (LDS) of buses in the State through its depots in and around Kolkata. In January 2002, CSTC's Board of Directors (BoD) revised the existing incentive scheme for certain categories of employees including bus crew (drivers and conductors) making incentives applicable only on productivity above 60 per cent load factor⁶². The scheme envisaged a floor or base level of earnings per kilometre⁶³ (EPKM) and fixation of incentive slabs depending on actual EPKM achieved on each trip. Subsequently, to encourage employees to achieve higher productivity, CSTC decided (January 2003) that Higher Productivity Reward (HPR) would be paid in addition to incentive, if EPKM actually earned exceeded maximum EPKM slab. HPR would be paid as a multiple of actual EPKM earned.

As of February 2013, CSTC's incentive slabs for crew members⁶⁴ of LDS routes are depicted in **Table 4.4**.

Table 4.4: Incentive slabs for drivers and conductors of LDS routes
(Amount in ₹)

EPKM on 60 per cent load factor	Rates of incentive
12.00	50.00
12.50	60.00
13.00	75.00
13.50	100.00

Source: Incentive order issued by CSTC

HPR would be applicable when EPKM exceeds ₹ 13.50. Maximum permissible outgo towards incentive and HPR was ₹ 225 for every scheduled trip completed.

Since incentive was based on EPKM, sales of tickets are a significant aspect. CSTC has three ways of issuing tickets for LDS viz. "agents' sales"⁶⁵, "advance/ counter sales"⁶⁶ and "route/ conductor sales"⁶⁷. As per CSTC's decisions, incentives are payable only on sales by conductors on LDS, as no

⁶² Load factor is the capacity utilisation of a bus measured as the percentage of passengers carried to seating capacity.

⁶³ Total sales divided by effective kilometres run.

⁶⁴ Drivers and conductors.

⁶⁵ Tickets issued by agents at commission of around five per cent.

⁶⁶ Tickets issued from CSTC's booking counters.

⁶⁷ Tickets issued by the conductor during a trip to passengers boarding enroute.

additional effort are being put by crew members for issuing/ selling tickets through agents and counters.

Audit observed⁶⁸ (April 2013) that between January 2010 and February 2013, CSTC had earned total revenue of ₹ 48.25 crore⁶⁹ on LDS ticket sales. Of this, 66 per cent was “conductor sales”, 31 per cent “agents’ sales” and three per cent “advance/ counter sales”. During the period, incentive paid to employees was ₹ 1.96 crore calculated on the basis of total sales (₹ 48.25 crore), instead of entitlement on route/ conductor sales (₹ 31.67 crore).

Thus, incentive to crew members under EPKM scheme was paid in excess by ₹ 1.44 crore (**Annexure 4.3**).

After being pointed out by audit, CSTC accepted (August 2013) the audit observation and assured to “take steps to arrest this excess payment”. Management further stated that process of reviewing of incentive pattern had already started and matter would be put up to BoD at next meeting to revise incentive pattern/ formula to prevent drainage on account of extra payment. Government endorsed the reply in November 2013.

WEST BENGAL STATE WAREHOUSING CORPORATION

4.10 *Inadequacies in recovery system resulting in loss of warehousing charges*

West Bengal State Warehousing Corporation did not raise warehousing charges on importers in time and seek permission from Customs Authority to sell goods before expiry of bonding period resulting in loss of warehousing charges of ₹ 3.30 crore.

Under Section 49 of Customs Act, 1962 (Act), where in case of any imported goods, whether dutiable or not, entered for home consumption, Customs Authority (CA) is satisfied on application of importer that goods cannot be cleared within a reasonable time, the goods may, pending clearance, be permitted to be stored in a public warehouse.

Under Section 63 of Act *ibid*, the owner of warehoused goods shall pay to the warehouse-keeper, rent and warehouse charges at specified rates and if any rent or warehouse charges are not paid within ten days from the date when they become due, the warehouse-keeper may after notice to owner of the

⁶⁸ Monthly total sales report of LDS routes.

⁶⁹ Conductor sales: ₹ 31.67 crore, agent sales : ₹ 14.95 crore, counter sales : ₹ 1.63 crore.

warehoused goods and with permission of CA sell sufficient portion of goods to recover rent. Period of warehousing of such goods is one year⁷⁰.

Further, **under Section 72(2) of Act *ibid***, if any owner fails to pay any amount demanded against duties, penalties, rent, interest *etc.* for goods un-removed or un-cleared from warehouse after expiration of warehousing period, CA may sell such goods after giving notice to owner. The manner of allocation of sale proceeds for abandonment/ confiscated goods sold by CA would be adjusted first against its entire duties and balance, if any, towards warehouse-keeper as rent and thereafter to owner as recommended by the Public Accounts Committee⁷¹.

West Bengal State Warehousing Corporation (WBSWC) maintains five⁷² Custom Bonded Warehouses⁷³ in Kolkata zone for storage of imported goods. Audit observed that WBSWC had not formulated any policy to safeguard its interest for realisation of warehouse charges by way of taking guarantee or security from owner, in case of possible default. There was neither any system of regular persuasion with owners by raising of bills nor seeking permission in time from CA for selling sufficient portion of stocks to realise arrear rent within the warehousing period as per Act.

Audit scrutiny revealed that there were 106 consignments consisting mostly of old synthetic rags lying in two⁷⁴ custom bonded warehouses of WBSWC since January 2004 to March 2012 which remained either un-cleared or stored beyond warehousing period resulting in accumulation of arrear warehouse charges of ₹ 3.30 crore up to March 2012 (**Annexure 4.4**).

These consignments were stored by WBSWC on advance receipt of warehousing charges for one month from owners and no follow up action was taken thereafter. Recovery of warehousing charges was remote as with passage of time the goods had become damaged, un-identifiable and had lost their intrinsic value. Even if the goods were sold by CA, after adjustment of its dues there would be little left, if any, for WBSWC to meet its dues.

Government stated (November 2013) that existing rules of WBSWC allow them to realise storage charges from the importer depositor only at time of delivery after clearing customs duty. Hence, WBSWC was unable to frame separate policy/ legal bindings regarding realisation of storage charges from non-moving stocks and added that they continuously pursued the

⁷⁰ Capital goods/ other than capital goods intended for hundred *per cent* export oriented undertakings can be stored for five/ three years.

⁷¹ 28th Report of 3rd Lok Sabha.

⁷² Taratala I, Taratala II, Hide Road, Paharpur and Beliaghata

⁷³ A public or privately owned warehouse where dutiable goods are stored pending payment of duty or removal under bond. Storage or delivery of goods are under supervision of Customs officers and if warehouse is privately owned the keeper has to enter into a bond as indemnity in respect of the goods deposited which may not be delivered without release from Customs.

⁷⁴ Warehouse at Taratala II was gutted, Taratala I was not storing custom bonded goods and there is dispute between owner and WBSWC for Beliaghata warehouse.

matter with CA and the latter failed to dispose off old stocks on the plea of the goods being associated with court cases.

However, Sec. 63 of Customs Act specifies action to be taken by warehouse-keeper in case of non-receipt of warehouse charges within due date. It was observed that for these consignments stored in WBSWC's godowns, CA did not accord permission to WBSWC to sell the goods as those had become 'time-expired'. CA had also stated (July 2007) that position would have been different if WBSWC had sought permission to sell the goods before those had become 'time-expired'.

Thus, WBSWC failed to realise warehousing charges of ₹ 3.30 crore from importers in time or seek permission from Customs Authorities to sell goods before expiry of warehousing period.

KOLKATA
The 4 April 2014


(MAUSUMI RAY BHATTACHARYYA)
Accountant General
(Economic & Revenue Sector Audit)
West Bengal

Countersigned

NEW DELHI
The 9 April 2014


(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

ANNEXURES

Annexure 1.1
(Referred to in paragraph 1.3.1)

Statement showing particulars of up to date paid up capital, loans outstanding and manpower as on 31 March 2013 in respect of Government companies and statutory corporations

(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 ^s				Loans** outstanding as at the close of 2012-13				Debt equity ratio for 2012-13 (Previous year)	Manpower (No. of employees as on 31.03.2013)
				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 (8.80:1)	181
2	West Bengal Tea Development Corporation Limited	Commerce & Industries	August 1976	43.45	0.00	0.00	43.45	106.13	0.20	0.00	106.33	2.45:1 (2.52:1)	3,003
3	West Bengal Agro Industries Corporation Limited	Water Resources Investigation & Development	August 1968	8.41	0.00	0.00	8.41	15.23	0.00	0.00	15.23	1.81:1 (1.81:1)	187
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	0 (0.00)	818
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)	32
6	West Bengal Dairy and Poultry Development Corporation Limited	Animal Resources Development	February 1969	7.10	0.00	0.00	7.10	0.57	0.00	0.00	0.57	0.08:1 (0.08:1)	125

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 2012-13				Debt equity ratio for 2012-13 (Previous year)	Manpower (No. of employees as on 31.03.2013)
				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	2.20	0.00	0.00	2.20	0.73:1 (0.64:1)	473
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)	135
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	0.00 (0.00)	9
10	West Bengal Forest Development Corporation Limited	Forest	July 1974	5.53	0.70	0.00	6.23	0.00	0.00	0.00	0.00	0.00 (0.00)	917
11	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	0.00 (0.00)	4
12	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	0.00 (0.00)	0
	Sector wise total			86.75	0.95	0.00	87.70	148.64	0.20	0.00	148.84	1.69:1 (1.52:1)	5,884
FINANCING													
13	West Bengal Industrial Development Corporation Limited (WBIDC Limited)	Commerce & Industries	January 1967	435.93	0.00	0.00	435.93	82.70	0.00	99.33	182.03	0.42:1 (0.79:1)	114
14	West Bengal Infrastructure Development Finance Corporation Limited	Finance	May 1997	165.30	0.00	0.00	165.30	0.00	0.00	4,067.48	4,067.48	24.61:1 (49.60:1)	34

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 2012-13				Debt equity ratio for 2012-13 (Previous year)	Manpower (No. of employees as on 31.03.2013)
				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	Webel Venture Capital Limited (subsidiary of WBEIDC Limited)	Information Technology	February 2007	0.00	0.00	0.05	0.05	0.00	0.00	0.00	0.00	0.00 (0.00)	2
16	West Bengal Handicrafts Development Corporation Limited	Micro & Small Scale Enterprises and Textiles	June 1976	21.02	0.78	0.00	21.80	1.30	0.00	0.00	1.30	0.06:1 (0.06:1)	102
17	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	0.00 (0.00)	12
18	West Bengal Film Development Corporation Limited	Information & Cultural Affairs	July 1980	5.20	0.00	0.00	5.20	25.99	0.00	0.00	25.99	5:1 (4.49:1)	47
	Sector wise total			627.55	0.78	0.05	628.38	109.99	0.00	4,166.81	4,276.80	6.81:1 (12.48:1)	311
INFRASTRUCTURE													
19	The West Bengal Small Industries Development Corporation Limited (WBSIDC Limited)	Micro & Small Scale Enterprises and Textiles	March 1961	34.23	0.00	0.00	34.23	12.79	0.00	0.00	12.79	0.37:1 (0.43:1)	192
20	West Bengal Electronics Industry Development Corporation Limited (WBEIDC Limited)	Information Technology	February 1974	195.71	0.00	1.71	197.42	17.76	0.00	0.00	17.76	0.09:1 (0.08:1)	126
21	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	0.00 (0.00)	227

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 2012-13				Debt equity ratio for 2012-13 (Previous year)	Manpower (No. of employees as on 31.03.2013)
				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 State Police Housing Corporation Limited	Home	March 1993	0.12	0.00	0.00	0.12	0.00	0.00	0.00	0.00	0.00 (0.00)	11
23	New Town Telecom Infrastructure Development Corporation Limited (subsidiary of WBHIDCO Limited)	Information Technology	May 2006	0.00	0.00	1.05	1.05	0.00	0.00	0.53	0.53	0.50:1 (1.43:1)	5
24	Sundarban Infrastructure Development Corporation Limited	Sundarban Affairs	July 2007	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00 (0.00)	11
25	West Bengal Transport Infrastructure Development Corporation Limited	Transport	September 1996	3.10	0.00	0.00	3.10	0.00	0.00	43.50	43.50	14.03:1 (825.20:1)	26
26	West Bengal Highway Development Corporation Limited	Public Works	April 2012	5.00	0.00	0.00	5.00	0.00	0.00	0.00	0.00	0.00 (0.00)	0
27	Mackintosh Burn Limited	Public Enterprises	April 1913	0.16	0.00	0.15	0.31	1.57	0.00	0.03	1.60	5.16:1 (33.90:1)	389
28	Kolkata Police Housing Infrastructure Development Corporation Limited	Home	February 2011	5.20	0.00	0.00	5.20	0.00	0.00	0.00	0.00	0.00 (0.00)	0
	Sector wise total			260.52	0.00	4.56	265.08	32.12	0.00	44.06	76.18	0.29:1 (0.33:1)	987
MANUFACTURING													
29	Greater Calcutta Gas Supply Corporation Limited	Commerce & Industry	December 1987	41.15	0.00	0.00	41.15	151.84	0.00	0.00	151.84	3.69:1 (3.62:1)	329
30	Neo Pipes and Tubes Company Limited	Public Enterprises	January 1983	2.20	0.00	0.00	2.20	34.75	0.00	0.00	34.75	15.80:1 (14.86:1)	75
31	Briannia Engineering Limited	Public Enterprises	April 1986	11.29	0.00	0.00	11.29	12.60	0.00	9.29	21.89	1.94:1 (0.87:1)	514

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 2012-13				Debt equity ratio for 2012-13 (Previous year)	Manpower (No. of employees as on 31.03.2013)
				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
32	The Shalimar Works (1980) Limited	Public Enterprises	January 1981	1.26	0.00	0.00	1.26	102.42	0.00	9.64	112.06	88.94:1 (86.42:1)	129
33	The Electro Medical and Allied Industries Limited	Public Enterprises	June 1961	16.40	0.00	0.00	16.40	27.49	0.00	0.00	27.49	1.68:1 (1.59:1)	80
34	Westinghouse Saxby Farmer Limited	Public Enterprises	May 1923	7.74	0.00	0.00	7.74	24.51	0.00	0.00	24.51	3.17:1 (2.60:1)	430
35	Mayurakshi Cotton Mills (1990) Limited	Micro & Small Scale Enterprises and Textiles	February 1990	7.26	0.00	0.00	7.26	18.14	0.00	0.00	18.14	2.50:1 (2.18:1)	198
36	West Bengal Mineral Development and Trading Corporation Limited	Commerce & Industries	February 1973	4.43	0.00	0.00	4.43	68.85	0.00	0.00	68.85	15.54:1 (15.34:1)	398
37	Durgapur Chemicals Limited	Public Enterprises	July 1963	96.58	0.00	0.00	96.58	0.00	0.00	102.44	102.44	1.06:1 (1.09:1)	285
38	West Bengal Pharmaceutical and Phytochemical Development Corporation Limited	Commerce & Industries	March 1974	20.15	0.00	0.00	20.15	3.54	0.00	0.00	3.54	0.18:1 (0.14:1)	87
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)	150
40	Gluconate Health Limited	Public Enterprises	July 1990	14.31	0.00	0.00	14.31	10.12	0.00	0.00	10.12	0.71:1 (1.44:1)	270
41	Haldia Petrochemicals Limited	Commerce & Industries	September 1985	946.08	0.00	1,012.94	1,959.02	0.00	0.00	1,617.84	1,617.84	0.83:1 (0.92:1)	889
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 (1.20:1)	197
43	National Iron and Steel Company (1984) Limited	Public Enterprises	July 1986	12.00	0.00	0.00	12.00	94.14	0.00	1.03	95.17	7.93:1 (7.66:1)	91

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 2012-13				Debt equity ratio for 2012-13 (Previous year)	Manpower (No. of employees as on 31.03.2013)
				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	0.00 (0.00)	0
	Sector wise total			1,181.05	0.00	1,023.57	2,204.62	562.59	0.00	1,745.32	2,307.91	1.05:1 (1.22:1)	4,122
POWER													
45	West Bengal State Electricity Distribution Company Limited	Power and Non-Conventional energy sources	February 2007	2,256.74	0.00	0.00	2,256.74	2,096.12	0.00	4,001.42	6,097.54	2.70:1 (2.28:1)	16,940
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	1,371.74	2,310.83	2.09:1 (2.03:1)	2,738
47	The Durgapur Projects Limited	Power and Non-Conventional energy sources	September 1961	1,132.00	0.00	0.00	1,132.00	180.36	11.81	1,615.09	1,807.26	1.60:1 (1.15:1)	3,819
48	The West Bengal Power Development Corporation Limited	Power and Non-Conventional energy sources	July 1985	4,113.33	0.00	0.00	4,113.33	2,828.05	0.00	5,039.03	7,867.08	1.91:1 (1.50:1)	4,484
49	New Town Electric Supply Company Limited (subsidiary of WBHIDCO Limited)	Power and Non-Conventional energy sources	September 2003	0.00	0.00	9.86	9.86	0.00	0.00	26.92	26.92	2.73:1 (3.76:1)	37
50	West Bengal Green Energy Development Corporation Limited	Power and Non-Conventional energy sources	December 2007	0.00	0.00	5.00	5.00	0.00	0.00	13.34	13.34	2.67:1 (1.62:1)	9
	Sector wise total			8,607.59	0.00	14.86	8,622.45	6,043.62	11.81	12,067.54	18,122.97	2.10:1 (1.75:1)	28,027
SERVICE													
51	Weibel Electronic Communication Systems Limited (subsidiary of WBEIDC Limited)	Information Technology	September 1981	0.00	0.00	0.84	0.84	0.00	0.00	12.37	12.37	14.73:1 (12:1)	53

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 2012-13				Debt equity ratio for 2012-13 (Previous year)	Manpower (No. of employees as on 31.03.2013)
				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	15.03	15.03	3.72:1 (0.75:1)	31
53	Webel Informatics Limited (subsidiary of WBEIDC Limited)	Information Technology	November 1981	0.00	0.00	0.40	0.40	0.00	0.00	4.61	4.61	11.53:1 (10.61:1)	31
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	0.00 (0.00)	72
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)	375
56	West Bengal Tourism Development Corporation Limited	Tourism	April 1974	10.00	0.00	0.00	10.00	0.38	0.00	0.00	0.38	0.04:1 (0.11:1)	444
57	The Calcutta Tramways Company(1978) Limited	Transport	October 1982	20.40	0.00	0.00	20.40	263.84	0.00	10.72	274.56	13.46:1 (12.69:1)	6,087
58	West Bengal Surface Transport Corporation Limited	Transport	February 1989	1.01	0.00	0.00	1.01	128.02	0.00	41.30	169.32	167.64:1 (152.86:1)	937
59	West Bengal Trade Promotion Organisation (Subsidiary of WBIDC Limited)	Commerce and Industries	November 2003	0.00	0.00	0.60	0.60	0.00	0.00	0.00	0.00	0.00 (0.00)	6
60	West Bengal Medical Services Corporation Limited	Health & Family Welfare	June 2008	4.31	0.00	0.00	4.31	0.00	0.00	0.00	0.00	0.00 (0.00)	26
61	West Bengal Swarojgar Corporation Limited	Self Help Group & Self Employment	November 2009	105.00	0.00	0.00	105.00	0.00	0.00	0.00	0.00	0.00 (0.00)	9
	Sector wise total			141.80	0.00	6.88	148.68	433.24	0.00	240.93	674.17	4.53:1 (4.20:1)	8,071

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 2012-13				Debt equity ratio for 2012-13 (Previous year)	Manpower (No. of employees as on 31.03.2013)
(1)	(2)	(3)	(4)	State Government	Central Government	Others	Total	State Government	Central Government	Others	Total	7	8
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	3.61:1 (3.59:1)	49
63	Basumatil Corporation Limited	Information & Cultural Affairs	February 1975	0.10	0.00	0.00	0.10	49.47	0.00	0.00	49.47	494.70:1 (468.40:1)	143
64	Saraswati Press Limited	Public Enterprises	January 1987	5.50	0.00	0.00	5.50	0.00	0.00	0.00	0.00	0.00 (0.00)	282
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	0.00 (0.00)	0
	Sector-wise total			5.78	0.00	0.81	6.59	52.55	0.00	0.13	52.68	7.99:1 (7.59:1)	474
	Total- A (All sector-wise Government companies)			10,911.04	1.73	1,050.73	11,963.50	7,382.75	12.01	18,264.79	25,659.55	2.14:1 (0.20:1)	47,876
B Working Statutory corporations													
AGRICULTURE AND ALLIED													
1	West Bengal State Warehousing Corporation	Public Enterprises	March 1958	3.81	0.00	3.81	7.62	0.00	0.00	0.00	0.00	0.00 (0.00)	74
	Sector-wise total			3.81	0.00	3.81	7.62	0.00	0.00	0.00	0.00	0.00 (0.00)	74
FINANCING													
2	West Bengal Financial Corporation	Finance	March 1954	135.42	11.88	0.05	147.35	0.91	0.00	707.79	708.70	4.81:1 (0.00)	217
3	West Bengal Scheduled Castes & Scheduled Tribes Development & Finance Corporation	Backward Classes Welfare	July 1976	112.02	66.94	0.00	178.96	0.00	0.00	35.80	35.80	0.20:1 (0.39:1)	225

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 2012-13				Debt equity ratio for 2012-13 (Previous year)	Manpower (No. of employees as on 31.03.2013)
				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
4	West Bengal Minorities Development & Finance Corporation	Minorities Development & Madrasah Education	January 1996	148.24	0.00	0.00	148.24	0.00	0.00	434.63	434.63	2.93:1 (2.99:1)	44
5	West Bengal Backward Classes Development & Finance Corporation	Backward Classes Welfare	October 1995	18.61	0.00	0.00	18.61	0.00	21.83	0.00	21.83	1.17:1 (1.39:1)	4
	Sector-wise total			414.29	78.82	0.05	493.16	0.91	21.83	1,178.22	1,200.96	2.44:1 (0.00)	490
INFRASTRUCTURE													
6	West Bengal Industrial Infrastructure Development Corporation	Commerce and Industries	November 1973	0.00	0.00	0.00	0.00	41.34	0.00	55.00	96.34	0.00 (0.00)	188
	Sector-wise total			0.00	0.00	0.00	0.00	41.34	0.00	55.00	96.34	0.00 (0.00)	188
SERVICE													
7	Calcutta State Transport Corporation	Transport	June 1960	8.62	1.00	0.00	9.62	327.30	0.16	27.24	354.70	36.87:1 (35.73:1)	5,496
8	North Bengal State Transport Corporation	Transport	April 1960	5.87	4.83	0.00	10.70	251.27	0.00	0.00	251.27	23.48:1 (22.69:1)	6,576
9	South Bengal State Transport Corporation	Transport	August 1963	11.01	0.00	0.00	11.01	162.86	0.00	21.89	184.75	16.78:1 (15.85:1)	2,240
	Sector-wise total			25.50	5.83	0.00	31.33	741.43	0.16	49.13	790.72	25.24:1 (24.29:1)	14,312
	Total - B (All sector-wise Statutory corporations)			443.60	84.65	3.86	532.11	783.68	21.99	1,282.35	2,088.02	3.92:1 (2.61:1)	15,064
	Grand Total (A+B)			11,354.64	86.38	1,054.59	12,495.61	8,166.43	34.00	19,547.14	27,747.57	2.22:1 (2.22:1)	62,940

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 2012-13				Debt equity ratio for 2012-13 (Previous year)	Manpower (No. of employees as on 31.03.2013)
(1)	(2)	(3)	(4)	State Government	Central Government	Others	Total	State Government	Central Government	Others	Total	7	8
C Non-working Government companies													
FINANCING													
1	West Bengal Handloom and Powerloom Development Corporation Limited	Micro & Small Scale Enterprises and Textiles	September 1973	43.01	3.73	0.03	46.77	5.40	0.00	0.00	5.40	0.12:1 (0.02:1)	11
Sector wise total				43.01	3.73	0.03	46.77	5.40	0.00	0.00	5.40	0.12:1 (0.02:1)	11
MANUFACTURING													
2	West Bengal Plywood and Allied Products Limited	Public Enterprises	October 1989	0.09	0.00	0.00	0.09	52.77	0.00	0.00	52.77	586.33:1 (297.56:1)	0
3	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	0.00 (0.00)	0
4	Pulver Ash Projects Limited (Subsidiary of WBSIC Limited)	Micro & Small Scale Enterprises and Textiles	August 1984	0.00	0.00	3.31	3.31	0.00	0.00	13.00	13.00	3.93:1 (3.93:1)	1
5	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
6	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)	3
7	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)	0

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 2012-13				Debt equity ratio for 2012-13 (Previous year)	Manpower (No. of employees as on 31.03.2013)
				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
8	Webel Electro-Optics Limited (subsidiary of WBIDC Limited)	Information Technology	April 1990	0.00	0.00	3.37	3.37	0.00	0.00	3.80	3.80	1.13:1 (1.13:1)	12
9	Webel Consumer Electronics Limited (subsidiary of WBIDC Limited)	Information Technology	June 1981	0.00	0.00	8.02	8.02	0.00	0.00	48.01	48.01	5.99:1 (0.06:1)	93
10	West Bengal Sugar Industries Development Corporation Limited	Commerce and Industries	May 1973	15.17	0.00	0.07	15.24	46.68	0.00	0.15	46.83	3.07:1 (3.07:1)	5
11	The West Bengal Projects Limited (subsidiary of WBSIDC Limited)	Micro & Small Scale Enterprises and Textiles	February 1984	0.78	0.00	1.12	1.90	0.00	0.00	0.25	0.25	0.13:1 (0.13:1)	3
12	The Kalyani Spinning Mills Limited	Micro & Small Scale Enterprises and Textiles	January 1960	14.63	0.00	0.00	14.63	283.50	0.00	0.00	283.50	19.38:1 (17.89:1)	1,076
13	The West Dinajpur Spinning Mills Limited	Micro & Small Scale Enterprises and Textiles	August 1975	12.72	0.00	0.00	12.72	83.87	0.00	0.00	83.87	6.59:1 (5.55:1)	774
14	The Infusions (India) Limited	Commerce & Industries	December 1976	7.73	0.00	0.00	7.73	5.90	0.00	0.00	5.90	0.76:1 (0.61:1)	0
15	Lily Products Limited	Public Enterprises	April 2004	0.01	0.00	0.00	0.01	48.07	0.00	0.43	48.50	4,850:1 (4,850:1)	72
16	West Bengal Industrial Land Holding Private Limited (subsidiary of WBIDC Ltd.)	Commerce & Industries	October 2006	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00 (0.00)	0
	Sector-wise total			58.96	0.00	15.90	74.86	622.74	0.00	65.64	688.38	9.20:1 (6.17:1)	2,041
	Total C (All sector-wise non-working Government companies)			101.97	3.73	15.93	121.63	628.14	0.00	65.64	693.78	5.70:1 (3.11:1)	2,052

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 2012-13				Debt equity ratio for 2012-13 (Previous year)	Manpower (No. of employees as on 31.03.2013)
(1)	(2)	(3)	(4)	State Government	Central Government	Others	Total	State Government	Central Government	Others	Total	7	8
D	Non-working Statutory corporations												
SERVICE													
1	Great Eastern Hotel Authority	Tourism	July 1980	0.00	0.00	0.00	0.00	0.00	0.00	16.34	16.34	0.00 (0.00)	4
	Sector-wise total			0.00	0.00	0.00	0.00	0.00	0.00	16.34	16.34	0.00 (0.00)	4
	Total D (All sector-wise non-working Statutory Corporations)			0.00	0.00	0.00	0.00	0.00	0.00	16.34	16.34	0.00 (0.00)	4
	Grand total(C+D)			101.97	3.73	15.93	121.63	628.14	0.00	81.98	710.12	5.84:1 (3.11:1)	2,056
	Grand total(A+B+C+D)			11,456.61	90.11	1,070.52	12,617.24	8,794.57	34.00	19,629.12	28,457.69	2.26:1 (2.23:1)	64,996

Above includes Section 619-B companies at Sl. No. A - 41, 42 and 50.

^{\$} Paid up Capital includes Share Application Money.

** Loans outstanding at the close of 2012-13 represent long-term Loans only.

Except in respect of Companies/ Corporations which finalised their accounts for 2012-13 (Serial Nos. A-3, 10, 13, 14, 15, 20, 21, 22, 23, 25, 26, 30, 31, 36, 37, 38, 40, 41, 42, 44, 45, 46, 47, 48, 49, 53, 54, 57, 59, 64, B-2, C-8, 10 and D-1) figures are provisional and as given by Companies/ Corporations

Annexure 1.2
(Referred to in paragraph 1.7.2)

Summarised financial results of Government companies and Statutory corporations that had finalised accounts for 2012-13

(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 [#]	Paid up Capital	Accumul-ated Profit (+)/ Loss(-)	Capital employed @	Return on capital employed ^{\$}	Percentage of return on capital employed	
1	2	3	4	Net profit/ Loss before Interest & Depreciation	Interest	Depreci-ation	Net Profit/ Loss &	5 (d)	6	7	8	9	10	11	12
A Working Government companies															
AGRICULTURE AND ALLIED															
1	West Bengal Agro Industries Corporation Limited	2012-13	2013-14	3.82	13.74	0.05	(-)9.97		54.10	0.00	8.41	(-)97.86	(-)74.22	3.77	0.00
2	West Bengal Forest Development Corporation Limited	2012-13	2013-14	5.92	0.00	0.67	5.25		13.28	0.00	6.23	51.39	58.27	5.25	9.01
	Sector-wise total			9.74	13.74	0.72	(-)4.72		67.38	0.00	14.64	(-)46.47	(-)15.95	9.02	0.00
FINANCING															
3	West Bengal Industrial Development Corporation Limited	2012-13	2013-14	49.51	23.23	2.20	24.08		42.98	0.00	435.93	55.76	1,168.05	47.31	4.05
4	West Bengal Infrastructure Development Finance Corporation Limited	2012-13	2013-14	620.35	605.48	1.40	13.47		659.04	(-)17.00	165.30	611.63	4,844.41	618.95	12.78
5	Webel Venture Capital Limited (subsidiary of WBEIDC Limited)	2012-13	2013-14	0.24	0.00	0.01	0.23		0.49	0.00	0.05	0.96	7.01	0.23	3.28
	Sector-wise total			670.10	628.71	3.61	37.78		702.51	(-)17.00	601.28	668.35	6,019.47	666.49	11.07
INFRASTRUCTURE															
6	West Bengal Electronic Industry Development Corporation Limited	2012-13	2013-14	9.86	1.86	1.65	6.35		39.69	0.00	197.42	(-)74.92	151.13	8.21	5.43

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 ^s	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
7	West Bengal Housing Infrastructure Development Corporation Limited	2012-13	2013-14	66.25	0.00	3.89	62.36	266.83	0.00	17.65	86.96	114.40	62.36	54.51
8	West Bengal State Police Housing Corporation Limited	2012-13	2013-14	0.59	0.00	0.00	0.59	19.81	0.00	0.12	0.70	0.75	0.59	78.67
9	New Town Telecom Infrastructure Development Company Limited (subsidiary of WBHIDCO Limited)	2012-13	2013-14	1.78	0.09	0.42	1.27	2.50	0.00	1.05	5.32	6.91	1.36	19.68
10	West Bengal Transport Infrastructure Development Corporation Limited	2012-13	2013-14	10.42	4.01	6.30	0.11	4.14	0.00	3.10	(-9.03)	93.99	4.12	4.38
11	West Bengal Highway Development Corporation Limited	2012-13	2013-14	9.87	9.99	0.00	(-0.12)	0.00	0.00	5.00	(-0.12)	4.88	9.87	202.25
	Sector-wise total			98.77	15.95	12.26	70.56	332.97	0.00	224.34	8.91	372.06	86.51	23.25
MANUFACTURING														
12	Brihannia Engineering Limited	2012-13	2013-14	(-7.30)	2.45	0.74	(-10.49)	26.38	0.00	11.29	(-20.55)	24.54	(-8.04)	0.00
13	Neo Pipes & Tubes Company Limited	2012-13	2013-14	(-1.29)	4.77	0.01	(-6.07)	2.61	0.00	2.20	(-101.80)	(-92.43)	(-1.30)	0.00
14	West Bengal Mineral Development and Trading Corporation Limited	2012-13	2013-14	15.72	9.20	0.10	6.42	106.41	0.00	4.43	(-132.41)	(-71.27)	15.62	0.00
15	Durgapur Chemicals Limited	2012-13	2013-14	(-4.64)	10.22	6.05	(-20.91)	78.86	0.00	96.58	(-101.08)	44.23	(-10.69)	0.00

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 ^s	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
16	West Bengal Pharmaceutical & Phytochemical Development Corporation Limited	2012-13	2013-14	(-)11.85	0.45	0.09	(-)2.39	3.93	0.00	20.15	(-)17.90	6.00	(-)1.94	0.00
17	Glucanate Health Limited	2012-13	2013-14	(-)4.59	2.07	0.40	(-)7.06	17.48	0.84	14.31	(-)27.30	1.69	(-)4.99	0.00
18	Haldia Petrochemicals Limited	2012-13	2013-14	(-)98.68	433.66	427.77	(-)960.11	8,660.13	0.00	1,959.02	(-)1,466.31	1,707.90	(-)526.45	0.00
19	WEBFIL Limited	2012-13	2013-14	2.43	1.80	0.17	0.46	21.10	0.00	10.58	(-)11.45	2.18	2.26	103.67
20	DPL Coke Oven Limited	2012-13	2013-14	0.00	0.00	0.00	0.00	0.00	0.00	0.05	(-)0.14	(-)0.09	0.00	0.00
	Sector-wise total			(-)100.20	464.62	435.33	(-)1,000.15	8,916.90	0.84	2,118.61	(-)1,878.94	1,622.75	(-)535.53	0.00
POWER														
21	West Bengal State Electricity Distribution Company Limited	2012-13	2013-14	1,290.65	812.71	396.22	81.72	16,242.97	0.00	2,256.74	(-)160.83	11,675.55	894.43	7.66
22	West Bengal State Electricity Transmission Company Limited	2012-13	2013-14	658.36	188.34	137.00	333.02	1,010.28	3.56	1,105.52	856.64	4,203.10	521.36	12.40
23	The Durgapur Projects Limited	2012-13	2013-14	118.53	109.15	77.41	(-)68.03	1,081.25	18.13	1,132.00	(-)928.95	2,048.16	41.12	2.01
24	The West Bengal Power Development Corporation Limited	2012-13	2013-14	1,173.19	626.99	414.54	131.66	8,021.28	2.91	4,113.33	1,119.96	11,671.77	758.65	6.50
25	New Town Electric Supply Company Limited(subsidiary of WBHIDCO Limited)	2012-13	2013-14	4.14	0.01	0.05	4.08	5.85	0.00	9.86	10.36	47.14	4.09	8.68
	Sector-wise total			3,244.87	1,737.20	1,025.22	482.45	26,361.63	24.60	8,617.45	897.18	29,645.72	2,219.65	7.49
SERVICE														
26	Webel Informatics Limited	2012-13	2013-14	0.45	0.00	0.03	0.42	10.41	0.00	0.40	(-)5.84	(-)0.83	0.42	0.00

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
27	Webel Technology Limited	2012-13	2013-14	6.18	0.00	0.38	5.80	109.18	0.00	1.00	5.34	23.54	5.80	24.64
28	The Calcutta Tramways Company (1978) Limited	2012-13	2013-14	(-)89.98	38.08	8.96	(-)137.02	49.90	0.00	20.40	(-)1,303.18	(-)1,134.89	(-)98.94	0.00
29	West Bengal Trade Promotion Organisation	2012-13	2013-14	4.86	0.00	0.27	4.59	4.13	0.00	0.60	11.76	12.36	4.59	37.14
	Sector-wise total			(-)78.49	38.08	9.64	(-)126.21	173.62	0.00	22.40	(-)1,291.92	(-)1,099.82	(-)88.13	0.00
MISCELLANEOUS														
30	Saraswati Press Limited	2012-13	2013-14	7.92	0.14	1.38	6.40	120.49	0.00	5.50	19.41	32.72	6.54	19.99
	Sector-wise total			7.92	0.14	1.38	6.40	120.49	0.00	5.50	19.41	32.72	6.54	19.99
	Total - A (All sector-wise Government companies)			3,852.71	2,898.44	1,488.16	(-)533.89	36,675.50	8.44	11,604.22	(-)1,623.48	36,576.95	2,364.55	6.46
B. Working Statutory corporations														
FINANCING														
1	West Bengal Financial Corporation	2012-13	2013-14	50.54	59.53	0.08	(-)9.07	79.68	0.00	147.35	(-)128.42	893.04	48.23	5.40
	Sector-wise total			50.54	59.53	0.08	(-)9.07	79.68	0.00	147.35	(-)128.42	893.04	48.23	5.40
	Total - B (All sector-wise Statutory corporations)			50.54	59.53	0.08	(-)9.07	79.68	0.00	147.35	(-)128.42	893.04	48.23	5.40
	Grand Total (A+B)			3,903.25	2,957.97	1,488.24	(-)542.96	36,755.18	8.44	11,751.57	(-)1,751.90	37,469.99	2,412.78	6.44
C. Non-working Government Companies														
MANUFACTURING														
1	Webel Electro Optics Limited	2012-13	2013-14	0.38	0.00	0.07	0.31	0.00	0.00	3.37	(-)2.82	4.35	0.31	7.13
2	West Bengal Sugar Industries Development Corporation Limited	2012-13	2013-14	(-)0.08	6.25	0.01	(-)6.34	0.00	0.00	15.24	(-)157.90	4.47	(-)0.09	0.00

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 ^s	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
	Sector-wise total			0.30	6.25	0.08	(-)6.03	0.00	0.00	18.61	(-)160.72	8.82	0.22	2.49
	Total - C (All sector-wise Government companies)			0.30	6.25	0.08	(-)6.03	0.00	0.00	18.61	(-)160.72	8.82	0.22	2.49
D. Non-working Statutory corporations														
SERVICE														
1	Great Eastern Hotel Authority	2012-13	2013-14	0.04	0.04	0.00	0.00	0.00	0.00	0.00	(-)37.09	1.65	0.04	2.42
	Total D (All sector-wise non working Statutory Corporations)			0.04	0.04	0.00	0.00	0.00	0.00	0.00	(-)37.09	1.65	0.04	2.42
	Grand total(C+D)			0.34	6.29	0.08	(-)6.03	0.00	0.00	18.61	(-)197.81	10.47	0.26	2.48
	Grand total(A+B+C+D)			3,903.59	2,964.26	1,488.32	(-)548.99	36,755.18	8.44	11,770.18	(-)1,949.71	37,480.46	2,413.04	6.44

[#] 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 Shareholders' Funds plus Long Term Borrowings

^s 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
(Referred to in 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 #	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed @	Return on capital employed %	Percentage of return on capital employed
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	2010-11	2012-13	6.19	2.14	0.22	3.83	131.42	(+)0.10	2.50	37.22	59.08	5.97	10.10
2	West Bengal Tea Development Corporation Limited	2011-12	2012-13	(-)10.59	14.85	0.25	(-)25.69	7.84	(+)0.06	40.24	(-)200.70	(-)60.38	(-)10.84	0.00
3	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	50.58
4	West Bengal State Food Processing Horticulture and Development Corporation Limited	2010-11	2012-13	0.74	0.03	0.37	0.34	4.24	0.00	0.97	1.32	4.50	0.37	8.22
5	West Bengal Dairy and Poultry Development Corporation Limited	2009-10	2012-13	1.27	0.05	0.26	0.96	44.00	0.00	7.10	(-)2.82	12.52	1.01	8.07
6	The State Fisheries Development Corporation Limited	2011-12	2012-13	1.68	0.09	0.34	1.25	7.60	(+)2.10	2.70	(-)12.74	(-)1.92	1.34	0.00
7	West Bengal Fisheries Corporation Limited	2011-12	2012-13	0.88	0.00	0.21	0.67	1.45	0.00	2.00	(-)4.64	(-)2.34	0.67	0.00

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 Wasteland Development Corporation Limited	2008-09	2012-13	(-)0.13	0.00	0.00	(-)0.13	0.49	0.00	0.34	0.00	0.34	(-)0.13	0.00
9	The West Bengal Livestock Development Corporation Limited	2011-12	2012-13	0.27	0.00	0.02	0.25	0.64	0.00	2.35	(-)0.01	2.34	0.25	10.68
10	Paschimbanga Agri Marketing Corporation Limited													
	Incorporated in November 2011. First accounts for 2011-13 due.													
	Sector wise total			(-)13.02	17.16	2.35	(-)32.53	200.84	-	69.85	(-)240.24	(-)13.56	(-)15.37	0.00
FINANCING														
11	West Bengal Handicrafts Development Corporation Limited	2010-11	2013-14	(-)0.68	0.20	0.05	(-)0.93	23.11	0.00	13.80	(-)23.63	23.05	(-)0.73	0.00
12	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	0.55	0.10	18.18
13	West Bengal Film Development Corporation Limited	2010-11	2012-13	(-)3.53	2.64	0.10	(-)6.27	0.21	0.00	5.20	(-)62.00	(-)6.07	(-)3.63	0.00
	Sector wise total			(-)4.11	2.84	0.15	(-)7.10	23.36	-	19.10	(-)85.13	17.53	(-)4.26	0.00
INFRASTRUCTURE														
14	The West Bengal Small Industries Development Corporation Limited (WBSIDC Limited)	2011-12	2012-13	5.07	1.22	0.61	3.24	28.70	(+)2.98	31.23	(-)24.97	66.15	4.46	6.74
15	Mackintosh Burn Limited	2011-12	2012-13	25.19	8.98	3.30	12.91	503.03	(+)4.60	0.31	109.12	117.53	21.89	18.63
16	Sundarban Infrastructure Development Corporation Limited	2011-12	2012-13	0.84	0.00	0.05	0.79	0.84	0.00	1.00	2.03	3.03	0.79	26.07

Incorporated in November 2011. First accounts for 2011-13 due.

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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														
26	Webel Electronic Communication Limited (subsidiary of WBEIDC Limited)	2011-12	2012-13	(-)0.67	0.00	0.03	(-)0.70	4.10	0.00	0.84	(-)6.42	(-)5.60	(-)0.70	0.00
27	Webel Mediatronics Limited (subsidiary of WBEIDC Limited)	2011-12	2013-14	(-)2.91	1.01	0.10	(-)4.02	8.16	0.00	4.04	(-)7.49	(-)2.68	(-)3.01	0.00
28	West Bengal Essential Commodities Supply Corporation Limited	2009-10	2012-13	10.97	11.28	0.06	(-)0.37	847.34	0.00	1.08	2.93	379.64	10.91	2.87
29	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	7.35	0.30	4.08
30	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	52.14	(-)31.56	0.00
31	West Bengal Medical Service Corporation Limited	2011-12	2013-14	0.69	0.00	0.00	0.69	1.54	0.00	0.06	0.62	3.73	0.69	18.50
32	West Bengal Swarojgar Corporation Limited	2011-12	2012-13	5.78	0.00	0.01	5.77	0.00	0.00	105.00	14.61	119.61	5.77	4.82
	Sector-wise total			10.37	28.23	27.97	(-)45.83	898.82	-	122.03	(-)170.16	554.19	(-)17.60	0.00
MISCELLANEOUS														
33	Silpabarta Printing Press Limited (subsidiary of WBSIC Limited)	2011-12	2012-13	0.06	0.04	0.04	(-)0.02	12.07	0.00	0.89	0.37	4.47	0.02	0.45
34	Basumaty Corporation Limited	2011-12	2012-13	(-)1.05	6.31	0.01	(-)7.37	4.63	0.00	0.10	(-)113.78	(-)104.22	(-)1.06	0.00

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	Accumul-ated Profit (+)/ Loss(-)	Capital employed @	Return on capital employed %	Percentage of return on capital employed
				Net profit/ Loss before Interest & Depreciation	Interest	Depreci-ation	Net Profit/ Loss &							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
35	West Bengal Text Book Corporation (P) Limited (subsidiary of Saraswati Press Ltd.)	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			1.54	6.35	0.05	(-4.86	35.84	-	1.09	(-110.91	(-)97.15	1.49	0.00
	Total- A (All sector-wise Government companies)			18.31	122.56	42.72	(-)146.97	1,910.69	-	335.25	(-)1,387.80	612.50	(-)24.41	0.00
B. Working Statutory corporations														
AGRICULTURE AND ALLIED														
1	West Bengal State Warehousing Corporation	2011-12	2013-14	2.57	0.00	0.17	2.40	8.98	0.00	7.61	(-)4.23	16.49	2.40	14.55
	Sector-wise total			2.57	0.00	0.17	2.40	8.98	-	7.61	(-)4.23	16.49	2.40	14.55
FINANCING														
2	West Bengal Scheduled Castes & Scheduled Tribes Development & Finance Corporation	2010-11	2013-14	4.54	0.71	0.06	3.77	22.74	0.00	169.54	18.05	243.65	4.48	1.84
3	West Bengal Minorities Development & Finance Corporation	2011-12	2012-13	37.00	5.70	0.10	31.20	12.73	0.00	101.86	32.49	479.06	37.73	7.88
4	West Bengal Backward Classes Development & Finance Corporation	2011-12	2013-14	0.26	0.65	0.01	(-)0.40	0.27	0.00	16.74	(-)1.22	40.29	0.25	0.62
	Sector-wise total			41.80	7.06	0.17	34.57	35.74	-	288.14	49.32	763.00	42.46	5.56
INFRASTRUCTURE														
5	West Bengal Industrial Infrastructure Development Corporation	2011-12	2013-14	8.26	2.86	0.15	5.25	24.09	0.00	0.00	33.12	175.96	8.11	4.61
	Sector-wise total			8.26	2.86	0.15	5.25	24.09	-	0.00	33.12	175.96	8.11	4.61

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
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
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	(-)364.96	(-)22.56	0.00
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	(-)229.51	(-)12.99	0.00
8	South Bengal State Transport Corporation	2011-12	2013-14	(-)6.45	20.70	10.23	(-)37.38	124.96	0.00	11.01	(-)416.99	(-)215.80	(-)16.68	0.00
	Sector-wise total			(-)25.75	77.10	27.88	(-)130.73	340.69	-	31.33	(-)1,638.86	(-)810.27	(-)52.23	0.00
	Total - B (All sector-wise Statutory corporations)			26.88	87.02	28.37	(-)88.51	409.50	-	327.08	(-)1,560.65	145.18	0.74	0.51
	Grand Total (A+B)			45.19	209.58	71.09	(-)235.48	2,320.19	-	662.33	(-)2,948.45	757.68	(-)23.67	0.00
C. Non-working Government companies														
FINANCING														
1	West Bengal Handloom and Powerloom Development Corporation Limited	2010-11	2012-13	(-)0.10	0.10	0.00	(-)0.20	0.00	0.00	46.76	(-)55.87	(-)7.89	(-)0.10	0.00
	Sector-wise total			(-)0.10	0.10	0.00	(-)0.20	0.00	-	46.76	(-)55.87	(-)7.89	(-)0.10	0.00
MANUFACTURING														
2	West Bengal Plywood and Allied Products Limited	2010-11	2013-14	0.00	0.00	0.00	0.00	0.00	0.00	0.09	(-)53.27	(-)26.40	0.00	0.00
3	Krishna Silicate and Glass (1987) Limited	2005-06	2008-09	(-)0.61	6.63	0.04	(-)7.28	0.00	0.00	0.00	(-)91.19	(-)9.17	(-)0.65	0.00
4	Pulver Ash Projects Limited (Subsidiary of WBSIC Limited)	2011-12	2012-13	0.02	0.00	0.64	(-)0.62	0.00	0.00	3.31	(-)13.84	2.48	(-)0.62	0.00
5	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	(-)35.60	(-)0.39	0.00

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
6	The West Bengal State Leather Industries Development Corporation Limited	2008-09	2013-14	0.12	0.29	0.01	(-0.18)	0.00	0.00	3.95	(-21.15)	(-15.07)	0.11	0.00
7	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)	0.00
8	Webel Consumer Electronics Limited (subsidiary of WBIDC Limited)	2011-12	2012-13	(-3.26)	0.06	0.02	(-3.34)	0.01	0.00	8.02	(-58.39)	(-4.83)	(-3.28)	0.00
9	The West Bengal Projects Limited	2010-11	2012-13	(-0.06)	0.01	0.03	(-0.10)	0.00	0.00	1.89	(-2.96)	(-0.82)	(-0.09)	7.99
10	The Infusions (India) Limited	2011-12	2013-14	(-1.56)	0.53	0.06	(-2.15)	0.00	0.00	8.00	(-14.68)	(-2.85)	(-1.62)	0.00
11	Lily Products Limited	2009-10	2013-14	(-1.24)	7.32	0.13	(-8.69)	0.00	0.00	0.01	(-99.25)	(-40.49)	(-1.37)	0.00
12	West Bengal Industrial Land Holding 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
13	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)	(-193.38)	(-15.46)	0.00
14	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)	(-79.53)	(-12.17)	0.00
	Sector-wise total			(-33.96)	62.17	1.65	(-97.78)	43.12	-	53.13	(-1,064.06)	(-432.10)	(-35.62)	0.00
	Grand total (C)			(-34.06)	62.27	1.65	(-97.98)	43.12	-	99.89	(-1,119.93)	(-439.99)	(-35.72)	0.00
	Grand total (A+B+C)			11.13	271.85	72.74	(-333.46)	2,363.31	-	762.22	(-4,068.38)	317.69	(-59.39)	0.00

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 Shareholders' Funds plus Long Term Borrowings

§ 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-1.4

(Referred to in paragraph 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 2013

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				(Figures in column 3(a) to 6(d) are ₹ in crore)
		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)		
A Working Government companies															
AGRICULTURE AND ALLIED															
1	West Bengal Tea Development Corporation Limited	3.21	6.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	West Bengal State Minor Irrigation Corporation Limited	0.00	0.00	0.00	43.73	0.00	43.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3	The State Fisheries Development Corporation Limited	0.00	0.43	0.00	1.88	0.00	1.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4	West Bengal Dairy and Poultry Development Corporation Limited	0.00	0.00	0.00	4.66	0.00	4.66	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	0.25	0.00	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	Sector-wise total	3.21	6.94	0.00	50.52	0.00	50.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
FINANCE															
6	West Bengal Industrial Development Corporation Limited	0.00	41.25	0.00	2.63	0.00	2.63	0.00	66.14	0.00	0.00	0.00	0.00	0.00	
7	West Bengal Infrastructure Development Finance Corporation Limited	20.00	0.00	0.00	0.00	0.00	0.00	0.00	4837.34	0.00	0.00	0.00	0.00	0.00	
8	West Bengal Women Development Undertaking	0.00	0.00	0.00	1.40	0.75	2.15	0.00	0.00	0.00	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)
9	West Bengal Film Development Corporation Limited	0.00	2.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sector-wise total	20.00	43.90	0.00	4.03	0.75	4.78	0.00	4,903.48	0.00	0.00	0.00	0.00
INFRASTRUCTURE													
10	The West Bengal Small Industries Development Corporation Limited	3.00	0.00	1.89	29.61	0.00	31.50	0.00	0.00	0.00	0.00	0.00	0.00
11	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
12	West Bengal State Police Housing Corporation Limited	0.00	0.00	45.30	0.25	0.00	45.55	0.00	0.00	0.00	0.00	0.00	0.00
13	West Bengal Transport Infrastructure Development Corporation Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.33	0.00	0.00	0.00	0.00
14	Kolkata Police Housing Infrastructure Development Corporation Limited	5.20	0.00	0.00	0.40	0.00	0.40	0.00	0.00	0.00	0.00	0.00	0.00
	Sector-wise total	8.20	3.50	47.19	30.26	0.00	77.45	0.00	0.33	0.00	0.00	0.00	0.00
MANUFACTURING													
15	Greater Calcutta Gas Supply Corporation Limited	0.00	2.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16	Neo Pipes & Tubes Company Limited	0.00	2.06	0.00	0.00	0.00	0.00	0.00	2.50	0.00	0.00	0.00	0.00
17	Britannia Engineering Limited	0.00	2.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18	Westinghouse Saxby Farmer Limited	0.00	4.35	0.00	0.00	0.00	0.00	0.00	0.00	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	The Shalimar Works (1980) Limited	0.00	4.04	0.00	0.00	0.00	0.00	0.00	0.75	0.00	0.00	0.00	0.00
20	The Electro Medical and Allied Industries Limited	0.00	1.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21	Mayurakshi Cotton Mills (1990) Limited	0.50	2.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.50
22	West Bengal Pharmaceutical and Phytochemical Development Corporation Limited	0.00	0.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23	Gluconate Health Limited	8.30	1.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
24	Durgapur Chemicals Limited	16.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
25	National Iron and Steel Company (1984) Limited	0.00	3.25	0.00	0.00	0.00	0.00	0.00	0.07	0.00	0.00	0.00	0.00
	Sector-wise total	24.80	25.42	0.00	0.00	0.00	0.00	0.00	3.32	0.00	0.50	0.00	0.50
POWER													
26	West Bengal State Electricity Distribution Company Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	138.14	0.00	0.00	0.00	0.00
27	West Bengal State Electricity Transmission Company Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	283.92	0.00	0.00	0.00	0.00
28	The Durgapur Projects Limited	44.00	5.65	0.00	0.00	0.00	0.00	533.72	1,556.49	0.00	0.00	0.00	0.00
29	The West Bengal Power Development Corporation Limited	70.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sector-wise total	114.00	5.65	0.00	0.00	0.00	0.00	533.72	1,978.55	0.00	0.00	0.00	0.00
SERVICE													
30	Weibel Mediatronics Limited (subsidiary of WBEDC Limited)	0.00	0.00	0.00	0.04	0.00	0.04	0.00	4.50	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 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)
31	The Calcutta Tramways Company (1978) Limited	0.00	16.97	0.00	152.16	0.00	152.16	0.00	13.02	0.00	0.00	0.00	0.00
32	West Bengal Medical Services Corporation Limited	4.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
33	West Bengal Surface Transport Corporation Limited	0.00	19.77	0.00	2.00	0.00	2.00	0.00	0.18	0.00	0.00	0.00	0.00
	Sector-wise total	4.25	36.74	0.00	154.20	0.00	154.20	0.00	17.70	0.00	0.00	0.00	0.00
MISCELLANEOUS													
34	Basumat Corporation Limited	0.00	2.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sector-wise total	0.00	2.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total- A	174.46	124.78	47.19	239.01	0.75	286.95	533.72	6,903.38	0.00	0.50	0.00	0.50
B. Working Statutory corporations													
FINANCING													
1	West Bengal Financial Corporation	0.00	0.00	5.00	4.00	0.00	9.00	2.00	5.51	0.00	0.00	0.00	0.00
2	West Bengal Scheduled Castes & Scheduled Tribes Development & Finance Corporation	0.00	0.00	107.84	7.01	0.00	114.85	0.00	0.00	0.00	0.00	0.00	0.00
3	West Bengal Minorities Development and Finance Corporation	35.38	0.00	0.00	1.38	0.00	1.38	150.00	0.00	0.00	0.00	0.00	0.00
4	West Bengal Backward Classes Development & Finance Corporation	0.00	0.00	0.00	0.17	0.00	0.17	0.00	19.48	0.00	0.00	0.00	0.00
	Sector-wise total	35.38	0.00	112.84	12.56	0.00	125.40	152.00	24.99	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 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)
INFRASTRUCTURE													
5	West Bengal Industrial Infrastructure Development Corporation	0.00	0.00	0.00	1.60	0.00	1.60	0.00	0.00	0.00	0.00	0.00	0.00
	Sector-wise total	0.00	0.00	0.00	1.60	0.00	1.60	0.00	0.00	0.00	0.00	0.00	0.00
SERVICE													
6	Calcutta State Transport Corporation	0.00	17.84	0.00	151.34	0.00	151.34	0.00	50.64	0.00	0.00	0.00	0.00
7	North Bengal State Transport Corporation	0.00	8.51	0.00	100.45	0.00	100.45	0.00	0.00	0.00	0.00	0.00	0.00
8	South Bengal State Transport Corporation	0.00	11.98	0.00	51.69	0.00	51.69	0.00	17.87	0.00	0.00	0.00	0.00
	Sector-wise total	0.00	38.33	0.00	303.48	0.00	303.48	0.00	68.51	0.00	0.00	0.00	0.00
	Total - B	35.38	38.33	112.84	317.64	0.00	430.48	152.00	93.50	0.00	0.00	0.00	0.00
	Grand Total (A+B)	209.84	163.11	160.03	556.65	0.75	717.43	685.72	6,996.88	0.00	0.50	0.00	0.50
C Non working Government companies													
FINANCING													
1	West Bengal Handloom and Powerloom Development Corporation Limited	0.00	0.28	0.00	0.06	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00
	Sector-wise total	0.00	0.28	0.00	0.06	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00
MANUFACTURING													
2	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

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)
3	The Kalyani Spinning Mills Limited	0.00	21.77	0.00	0.00	0.00	0.00	0.00	2.13	0.00	0.00	0.00	0.00
4	The West Dinajpur Spinning Mills Limited	0.38	15.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	The Infusions (India) Limited	0.00	1.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Sector-wise total	0.38	38.41	0.00	0.00	0.00	0.00	0.00	2.13	0.00	0.00	0.00	0.00
	Total – C	0.38	38.69	0.00	0.06	0.00	0.06	0.00	2.13	0.00	0.00	0.00	0.00
D	Non working Statutory Corporation												
SERVICE													
1	Great Eastern Hotel Authority	0.00	0.00	0.00	0.18	0.00	0.19	0.00	0.00	0.00	0.00	0.00	0.00
	Total – D	0.00	0.00	0.00	0.18	0.00	0.19	0.00	0.00	0.00	0.00	0.00	0.00
	Grand Total (C+D)	0.38	38.69	0.00	0.24	0.00	0.24	0.00	2.13	0.00	0.00	0.00	0.00
	Grand Total (A+B+C+D)	210.22	201.80	160.03	556.89	0.75	716.67	685.72	6,999.01	0.00	0.50	0.00	0.50

Note: Except for PSUs which furnished their accounts for 2012-13, figure are provisional and as given by the PSUs.

[@] Figures indicate total guarantees outstanding at the end of the year.

Annexure 1.5

(Referred to in paragraph 1.6.4)

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

(₹ in crore)

Sl. No.	Name of PSU	Year upto which Accounts finalised	Paid up Capital as per latest finalised accounts	Investment made by Government during the years for which accounts are in arrears (Year wise break up given separately)				
				Year	Equity	Loans	Grants & Subsidy	Total
A. Working Government Companies								
1	West Bengal Tea Development Corporation Limited	2011-12	40.24	2012-13	3.21	6.51	0.00	9.72
2	West Bengal State Minor Irrigation Corporation Limited	2009-10	11.65	2010-11	0.00	0.00	31.85	31.85
				2011-12	0.00	0.00	0.00	0.00
				2012-13	0.00	0.00	43.73	43.73
3	West Bengal State Food Processing and Horticulture Development Corporation Limited	2010-11	0.97	2011-12	0.00	0.00	0.00	0.00
				2012-13	0.00	0.00	0.00	0.00
4	West Bengal Fisheries Corporation Limited	2011-12	2.00	2012-13	0.00	0.00	0.00	0.00
5	West Bengal Dairy and Poultry Development Corporation Limited	2009-10	7.10	2010-11	0.00	0.00	1.69	1.69
				2011-12	0.00	0.00	2.33	2.33
				2012-13	0.00	0.00	4.66	4.66
6	West Bengal Livestock Development Corporation Limited	2011-12	2.35	2012-13	0.00	0.00	0.25	0.25
7	West Bengal Handicrafts Development Corporation Limited	2010-11	13.80	2011-12	1.50	0.00	0.00	1.50
				2012-13	0.00	0.00	0.00	0.00

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 given separately)				
				Year	Equity	Loans	Grants & Subsidy	Total
8	The State Fisheries Development Corporation Limited	2011-12	2.70	2012-13	0.00	0.43	1.88	2.31
9	West Bengal Women Development Undertaking	2009-10	0.10	2010-11	0.00	0.00	1.32	1.32
				2011-12	0.00	0.00	1.85	1.85
				2012-13	0.00	0.00	1.40	1.40
10	West Bengal Essential Commodities and Supply Corporation Limited	2009-10	1.08	2010-11	0.00	0.00	0.00	0.00
				2011-12	0.00	0.00	0.00	0.00
				2012-13	0.00	0.00	0.00	0.00
11	West Bengal Tourism Development Corporation Limited	2010-11	10.00	2011-12	0.00	0.00	0.00	0.00
				2012-13	0.00	0.00	0.00	0.00
12	West Bengal Surface Transport Corporation Limited	2010-11	1.01	2011-12	0.00	13.44	2.00	15.44
				2012-13	0.00	19.77	2.00	21.77
13	Mackintosh Burn Limited	2011-12	0.31	2012-13	0.00	0.00	0.00	0.00
14	West Bengal Small Industries Development Corporation Limited	2011-12	31.23	2012-13	3.00	0.00	29.61	32.61
15	West Bengal Film Development Corporation Limited	2010-11	5.20	2011-12	0.00	2.25	0.00	2.25
				2012-13	0.00	2.65	0.00	2.65
16	Greater Calcutta Gas Supply Corporation Limited	2011-12	41.15	2012-13	0.00	2.85	0.00	2.85
17	The Shalimar Works (1980) Limited	2011-12	1.25	2012-13	0.00	4.04	0.00	4.04

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 given separately)				
				Year	Equity	Loans	Grants & Subsidy	Total
18	Mayurakshi Cotton Mills (1990) Limited	2011-12	7.26	2012-13	0.50	2.30	0.00	2.80
19	Silpabarta Printing Press Limited	2011-12	0.89	2012-13	0.00	0.00	0.00	0.00
20	West Bengal State Seed Cororation Limited	2010-11	2.50	2011-12	0.00	0.00	0.00	0.00
				2012-13	0.00	0.00	0.00	0.00
21	Sundarban Infrastructure Development Corporation Limited	2011-12	1.00	2012-13	0.00	0.00	0.00	0.00
22	The Electro-Medical & Allied Industries Limited	2011-12	16.40	2012-13	0.00	1.49	0.00	1.49
23	West Bengal Green Energy Development Corporation Limited	2011-12	4.64	2012-13	0.00	0.00	0.00	0.00
24	Webel Mediatronics Limited	2011-12	4.04	2012-13	0.00	0.00	0.04	0.04
25	West Bengal Medical Services Corporation Limited	2011-12	0.06	2012-13	4.25	0.00	0.00	4.25
26	Basumati Corporation Limited	2011-12	0.10	2012-13	0.00	2.63	0.00	2.63
27	Westinghouse Saxby Farmer Limited	2011-12	7.74	2012-13	0.00	4.35	0.00	4.35
28	National Iron and Steel Company (1984) Limited	2011-12	12.00	2012-13	0.00	3.25	0.00	3.25
29	West Bengal Text Book Corporation (P) Limited (Subsidiary of Saraswati Press Ltd.)	2011-12	0.10	2012-13	0.00	0.00	0.00	0.00

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 given separately)			
				Year	Equity	Loans	Grants & Subsidy
30	Webel Electronic Communication Systems Limited	2011-12	0.84	2012-13	0.00	0.00	0.00
31	Eastern Distilleries and Chemicals Limited	2010-11	0.20	2011-12	0.00	0.00	0.00
				2012-13	0.00	0.00	0.00
32	West Bengal Wasteland Development Corporation Limited	2008-09	0.34	2009-10	0.00	0.00	0.00
				2010-11	0.00	0.00	0.00
				2011-12	0.00	0.00	0.00
				2012-13	0.00	0.00	0.00
33	West Bengal Swarojgar Corporation Limited	2011-12	105.00	2012-13	0.00	0.00	0.00
34	Kolkata Police Housing Infrastructure Development Corporation Limited	Incorporated in February 2011. First accounts for 2011-13 is due		2012-13	5.20	0.00	0.00
Total-A (Working Companies)					17.66	65.96	124.61
B. Working Statutory Corporations							208.23
35	West Bengal State Warehousing Corporation	2011-12	7.62	2012-13	0.00	0.00	0.00
36	West Bengal Minorities Development & Finance Corporation	2011-12	101.86	2012-13	35.38	0.00	1.38
37	West Bengal Backward Classes Development & Finance Corporation	2011-12	16.74	2012-13	0.00	0.00	0.17

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 given separately)				
				Year	Equity	Loans	Grants & Subsidy	Total
38	West Bengal Scheduled Castes and Scheduled Tribes Development & Finance Corporation	2010-11	169.54	2011-12	7.91	0.00	54.99	62.90
				2012-13	0.00	0.00	7.01	7.01
39	West Bengal Industrial Infrastructure Development Corporation	2011-12	0.00	2012-13	0.00	0.00	1.60	1.60
40	Calcutta State Transport Corporation	2009-10	9.62	2010-11	0.00	18.84	149.51	168.35
				2011-12	0.00	15.12	127.11	142.23
				2012-13	0.00	17.84	151.34	169.18
41	North Bengal State Transport Corporation	2008-09	10.70	2009-10	0.00	13.70	92.55	106.25
				2010-11	0.00	16.37	100.06	116.43
				2011-12	0.00	8.68	74.20	82.88
				2012-13	0.00	8.51	100.45	108.96
42	South Bengal State Transport Corporation	2011-12	11.01	2012-13	0.00	11.98	51.69	63.67
Total-B (Working Statutory Corporations)			327.09		43.29	128.88	1,063.40	1,235.57
Grand Total (A + B)			662.03		60.95	194.84	1,188.01	1,443.80

Annexure 1.6
(Referred to in 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	2009-10	2010-11	2011-12
A.	Liabilities			
(i)	Paid up capital	7.61	7.61	7.61
(ii)	Reserve and Surplus	3.66	5.45	7.50
(iii)	Trade dues and current liabilities (including provisions)	8.22	8.47	11.20
(iv)	Reserve for Bad and Doubtful Debt	0.00	0.00	8.95
	Total A	19.49	21.53	35.26
B.	Assets			
(i)	Gross block	11.63	11.63	11.64
(ii)	Less Depreciation	8.36	8.55	8.72
(iii)	Net fixed assets [B (i) – B (ii)]	3.27	3.08	2.92
(iv)	Investment	2.56	3.51	3.86
(v)	Current Assets, Loans and Advances	13.66	14.94	28.48
	Total B	19.49	21.53	35.26
C	Capital employed	8.52[#]	11.09[#]	16.49*

Capital employed represents net fixed assets plus working capital.

* Capital employed in 2011-12 represents Shareholders' Funds Plus Long term borrowings

(Amount: ₹ in crore)

2.	West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation			
	Particulars	2008-09	2009-10	2010-11
A.	Liabilities			
(i)	Paid-up capital	154.51	161.64	169.54
(ii)	Reserves and surplus	10.75	14.28	18.05
(iii)	Borrowings			
(a)	NSFDC	23.66	25.54	35.41
(b)	NSKFDC	0.43	4.95	0.30
(c)	Others	21.00	17.34	20.34
(iv)	Current Liabilities and Provisions			
(a)	Deposits	105.26	175.43	181.49
(b)	Other liabilities and provisions	266.13	298.34	280.17
	Total A	581.74	697.52	705.30
B.	Assets			
(i)	Cash and Bank Balances	66.66	96.22	498.76
(ii)	Investment	311.44	389.26	0.00
(iii)	Loans and Advances	203.04	211.46	205.40
(iv)	Net fixed assets	0.37	0.35	1.14
(v)	Other assets	0.23	0.23	0.00
	Total B	581.74	697.52	705.30
C.	Capital employed	208.36[#]	217.06[#]	243.65*

Capital employed represents average of opening and closing liabilities excluding current liabilities and provision.

* Capital employed in 2010-11 represents Share Capital, Reserve & Surplus and Long-term Borrowings

(Amount: ₹ in crore)

3. West Bengal Minorities Development & Finance Corporation				
	Particulars	2009-10	2010-11	2011-12
A.	Liabilities			
(i)	Paid-up capital	96.86	96.86	101.86
(ii)	Reserves and surplus	0.07	2.51	34.54
(iii)	Borrowings	192.67	281.04	342.66
(iv)	Other Liabilities and provisions	82.89	124.34	368.84
	Total A	372.49	504.75	847.90
B.	Assets			
(i)	Current Assets, Loans and Advances	209.30	298.95	808.27
(ii)	Investment	158.64	199.92	30.94
(iii)	Net fixed assets & CWIP	0.33	5.88	8.69
(iv)	Accumulated Loss	4.22	-	-
	Total B	372.49	504.75	847.90
C.	Capital employed	264.60**	321.50**	479.06@

** Capital employed represents average of opening and closing liabilities excluding current liabilities and provision

@ Capital employed in 2011-12 represents Share Capital, Reserve & Surplus and Long-term Borrowings

(Amount: ₹ in crore)

4. West Bengal Backward Classes Development & Finance Corporation				
	Particulars	2009-10	2010-11	2011-12
A.	Liabilities			
(i)	Paid-up capital	12.98	14.67	16.74
(ii)	Reserves and surplus	-	-	-
(iii)	Borrowings	21.39	23.21	24.77
(iv)	Current Liabilities and provisions	4.31	5.43	6.36
	Total A	38.68	43.31	47.87
B.	Assets			
(i)	Cash and Bank balance	5.23	3.60	4.69
(ii)	Loans and Advances	29.36	35.23	38.30
(iii)	Net fixed assets	0.03	0.03	0.03
(iv)	Accumulated Loss	0.68	0.82	1.22
(v)	Other Assets	3.38	3.63	3.63
	Total B	38.68	43.31	47.87
C.	Capital employed	34.17[∞]	36.13[∞]	40.29**

∞ Capital employed represents average of opening and closing liabilities excluding current liabilities and provision.

** Capital employed represents balances of Share Capital, Long-term Borrowings and Accumulated Losses

(Amount: ₹ in crore)

5.	West Bengal Industrial Infrastructure Development Corporation			
	Particulars	2009-10	2010-11	2011-12
A.	Liabilities			
(i)	Loan from Government	96.34	96.34	138.57
(ii)	Grant from Government	43.50	43.50	46.50
(iii)	Net balance of deposit for deposit work	40.74	51.31	52.55
(iv)	Receipts against allotment of land	83.13	79.98	82.70
(v)	Trade dues and current liabilities	44.29	49.07	10.26
(vi)	Surplus	26.54	27.87	33.12
	Total A	334.54	348.07	363.70
B.	Assets			
(i)	Net fixed assets	28.08	32.46	32.34
(ii)	Capital work in progress	65.21	66.70	71.04
(iii)	Investment	221.67	233.52	238.26
(iv)	Current assets, loans and advances	19.58	15.39	22.06
	Total B	334.54	348.07	363.70
C.	Capital employed	68.44*	86.68*	175.96**

* Capital employed represents net fixed assets (including work-in-progress) plus working capital.

** Capital employed in 2011-12 represents Shareholders' Funds *plus* Long term borrowings

(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)	0.00	0.00	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	(-)364.96*

* Capital employed represents Shareholders' Fund, Long term borrowings, Funds (except Dep. Fund) and Accumulated losses

(Amount: ₹ in crore)

7.	North Bengal State Transport Corporation			
	Particulars	2007-08	2008-09	2009-10
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	(-) 229.51

(Amount: ₹ in crore)

8.	South Bengal State Transport Corporation			
	Particulars	2009-10	2010-11	2011-12
A.	Liabilities			
(i)	Capital (Including capital loan & equity capital)	11.01	11.01	11.01
(ii)	Reserves	11.22	11.22	11.36
(iii)	Borrowings (Government)	126.51	140.96	150.88
(iv)	Borrowings (Others)	34.50	33.95	27.94
(v)	Funds*	2.30	2.93	3.28
(vi)	Trade dues and other current liabilities (including provisions)	258.21	268.33	294.53
	Total A	443.75	468.40	499.00
B.	Assets			
(i)	Gross Block	92.47	91.82	91.07
(ii)	Less : Depreciation	38.38	41.39	48.37
(iii)	Net fixed assets [B(i) – B(ii)]	54.09	50.43	42.70
(iv)	Capital work-in-progress (including cost of chassis)	0.80	0.40	0.40
(v)	Investments	0.38	0.38	0.38
(vi)	Current assets, loans and advances	35.58	37.58	38.53
(vii)	Accumulated losses	352.90	379.61	416.99
(viii)	Total B	443.75	468.40	499.00
C.	Capital employed**	(-) 167.01[#]	(-) 179.92[#]	(-) 215.80^{**}

* Excluding depreciation funds.

Capital employed represents net fixed assets (including work-in-progress) plus working capital.

** Capital employed in 2011-12 represents Shareholders' Fund, Long term borrowings and Accumulated losses.

Annexure 1.7
(Referred to in paragraph 1.7.5)

**Statement showing working results of Statutory corporations that
had not finalised accounts for 2012-13**

(Amount: ₹ in crore)

1	West Bengal State Warehousing Corporation			
	Particulars	2009-10	2010-11	2011-12
1	Income			
(a)	Warehousing charges	7.60	7.90	8.98
(b)	Other income	1.25	0.94	1.52
	Total 1	8.85	8.84	10.50
2	Expenses			
(a)	Establishment charges	4.57	3.50	3.63
(b)	Other expenses	3.21	2.92	3.29
	Total 2	7.78	6.42	6.92
3	Profit (+)/ Loss (-) before tax (Total 1- Total 2)	1.07	2.42	3.58
4	Provision for tax	0.00	0.63	1.16
5	Prior period adjustment	(-)0.02	0.00	0.02
6	Profit (+)/ Loss (-) after tax (3-4-5)	1.09	1.79	2.40
7	Other appropriation	0.31	0.28	0.44
8	Amount available for dividend	0.00	0.00	1.96
9	Dividend for the year	0.00	0.00	0.34
10	Total return on capital employed	1.07	1.79	2.40
11	Percentage of total return on capital employed	12.55	16.14	14.55

(Amount : ₹ in crore)

2	West Bengal Scheduled Castes and Scheduled Tribes Development and Finance Corporation			
	Particulars	2008-09	2009-10	2010-11
1	Income			
(a)	Interest on loan	0.65	0.46	0.41
(b)	Interest on fixed deposit	17.28	20.85	22.33
(c)	Other income	4.56	5.08	5.61
	Total 1	22.49	26.39	28.35
2	Expenses			
(a)	Interest	0.72	0.64	0.71
(b)	Provision for other non performing assets	10.95	12.04	7.60
(c)	Other expenses	7.82	10.18	16.27
	Total 2	19.49	22.86	24.58
3	Profit (+)/ Loss (-) before tax (Total 1- Total 2)	(+) 3.00	(+) 3.53	(+)3.77
4	Provision for tax	-	-	-
5	Prior period adjustment	(-)0.10	-	-
6	Other appropriations	-	-	-
7	Amount available for dividend	-	-	-
8	Dividend for the year	-	-	-
9	Total return on capital employed	(+) 3.62	(+) 4.17	(+)4.48
10	Percentage of total return on capital employed	1.74	1.92	1.84

(Amount: ₹ in crore)

3	West Bengal Minorities Development and Finance Corporation			
	Particulars	2009-10	2010-11	2011-12
1	Income			
(a)	Interest on loan	9.33	10.95	12.73
(b)	Other income	5.79	7.89	36.87
	Total 1	15.12	18.84	49.60
2	Expenses			
(a)	Interest on loans	6.39	5.98	5.70
(b)	Other expenses	8.26	8.13	12.70
	Total 2	14.65	14.11	18.40
3	Surplus (+)/ Deficit (-)	0.47	4.72	31.20
4	Prior period adjustment	(-) 0.02	(-) 0.03	0.83
5	Total return on capital employed	6.84	10.67	37.73
6	Percentage of return on capital employed	2.58	3.32	7.88

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	2009-10	2010-11	2011-12
1	Income			
(a)	Interest on loan	0.83	0.90	0.27
(b)	Other income	0.67	0.64	0.56
	Total 1	1.50	1.54	0.83
2	Expenses			
(a)	Interest on loans	0.83	0.71	0.65
(b)	Other expenses	0.79	0.97	0.58
	Total 2	1.62	1.68	1.23
3	Surplus (+)/ Deficit (-)	(-) 0.12	(-) 0.14	(-)0.40
4	Total return on capital employed	0.72	0.57	0.25
5	Percentage of return on capital employed	2.10	1.58	0.62

(Amount: ₹ in crore)

5	West Bengal Industrial Infrastructure Development Corporation			
	Particulars	2009-10	2010-11	2011-12
1	Income			
(a)	Annual rent of land & building	0.34	0.27	0.25
(b)	Recoveries of overheads on development work	2.07	0.42	0.00
(c)	Interest from Bank	11.33	11.09	14.50
(d)	Water supply and Electricity Supply charges	2.01	2.29	8.65
(e)	Miscellaneous income	4.35	6.15	0.69
	Total-1	20.10	20.22	24.09
2	Expenses			
(a)	Administrative expenses	9.93	12.50	10.18
(b)	Interest on loans	2.86	2.86	2.86
(c)	Depreciation & other expenses	0.82	1.01	4.37
	Total-2	13.61	16.37	17.41
3	Profit (+)/ Loss (-) before tax (Total 1-Total2)	6.49	3.85	6.68
4	Prior period adjustments	-	(-)0.89	1.43
5	Provision for tax	1.10	(-)1.63	-
6	Profit (+)/ Loss (-) after tax	(+) 5.39	(+) 1.33	(+)5.25
7	Total return on capital employed	8.25	4.19	8.11
8	Percentage of total return on capital employed	12.05	4.83	4.61

(Amount: ₹ in crore)

6	Calcutta State Transport Corporation			
	Particulars	2007-08	2008-09	2009-10
1	Operating			
(a)	Revenue	161.92	161.13	185.40
(b)	Expenditure	188.51	185.94	213.35
(c)	Surplus(+)/ Deficit(-)	(-) 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(-)	(-) 23.14	(-) 18.56	(-) 24.90
3	Total			
(a)	Revenue	163.76	169.99	189.66
(b)	Expenditure	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)	(-)90.52	(-)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)	125.84	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	2009-10	2010-11	2011-12
1	Operating			
(a)	Revenue	57.58	63.38	63.05
(b)	Expenditure	110.94	131.62	131.42
(c)	Surplus (+)/ Deficit (-) (1a-1b)	(-)53.36	(-)68.24	(-)68.37
2	Non-operating			
(a)	Revenue	51.25	71.56	61.91
(b)	Expenditure	25.96	29.96	30.92
(c)	Surplus (+)/ Deficit (-) (2a-2b)	25.29	41.60	30.99
3	Total			
(a)	Revenue (1a+2a)	108.83	134.94	124.96
(b)	Expenditure (1b+2b)	136.90	161.58	162.34
(c)	Net Profit (+)/ Loss(-)	(-) 28.07	(-) 26.64	(-)37.38
4	Interest on capital and loans	19.33	19.66	20.70
5	Total return on capital employed	(-) 8.74	(-) 6.98	(-) 16.68

Note: Total return on capital employed represents net surplus/ deficit plus total interest charged to profit and loss account (less interest capitalised).

Annexure 1.8
(Referred to in 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		
Total number of paras/ reviews in Audit Report	30	25	30	25	23	23	23	17 ¹	196	30 ²
Power & Non- Conventional Energy Sources	-	-	-	-	1	-	-	4	-	5
Commerce and Industries	-	-	5	3	-	1	2	-	-	11
Public Enterprises	1	-	3	1	-	1	1	3	-	10
Transport	-	-	-	-	2	-	1	1	-	4
Finance	-	-	-	-	-	-	-	-	-	-
Information Technology	-	2	-	-	-	1	1	-	-	4
Water Investigation & Development	-	1	2	-	-	1	-	-	-	4
Agriculture	1	1	-	-	-	-	-	-	-	2
Forest	-	-	-	-	-	1	1	-	-	2
Home	-	-	-	-	-	-	-	-	-	-
Tourism	-	-	1	-	-	-	-	-	-	1
Information & Cultural Affairs	-	-	-	-	-	1	-	-	-	1
Micro & Small Scale Enterprises and Textile	-	-	-	-	-	-	1	-	-	1
Urban Development & Town Planning	-	-	-	-	-	-	-	1	-	1

¹ One paragraph involving four departments has been treated as one paragraph in aggregate.

² Paragraphs involving more than one department have been treated as one paragraph in aggregate.

Annexure 1.9

(Referred to in paragraph 1.11.2)

Statement showing the position of COPU reports where Action Taken Notes are yet to be received from the departments as on 30 September 2013

Name of the Department / Corporation / Company / Board	Year of Audit Report (Commercial)	Para No.	No. of COPU Report	No. of recommendations	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
West Bengal Infrastructure Development Finance Corporation Limited	2009-10	3.9	148 th	3	27 August 2013
<u>Power & Non-conventional Energy Sources</u>					
West Bengal State Electricity Distribution Company Limited	2008-09	4.3	128 th	3	20 December 2011
	2009-10	3.4	141 st	1	14 March 2013
West Bengal State Electricity Transmission Company Limited	2007-08	3.1	131 st	2	29 March 2012
Durgapur Projects Limited	2010-11	3.1	144 th	2	27 July 2013
<u>Housing & Urban Development</u>					
West Bengal Housing Infrastructure Development Corporation Limited	2002-03	4.1	92 nd	2	17 July 2008
	2004-05	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	2003-04	4.13	97 th	2	2 December 2008
	2005-06	4.17	93 rd	3	17 July 2008
<u>Food and Supplies</u>					
West Bengal Essential Commodities Supply Corporation Limited	2005-06	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
		4.6	138 th	3	11 December 2012
	2006-07	4.12	129 th	2	29 March 2012
		4.13	137 th	3	11 December 2012
	2009-10	3.18	134 th	2	4 July 2012
<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	2008-09	4.15	126 th	5	20 December 2011
<u>Public Enterprises</u>					
The Britannia Engineering Limited and Gluconate Health Limited	<i>Suo Moto</i>		136 th	10	11 December 2012
Shalimar Works Limited	2010-11	3.7	147 th	3	27 August 2013
<u>Sundarban Affairs</u>					
Sundarban Infrastructure Development Corporation Limited	2009-10	3.11	142 nd	4	19 March 2013
		3.12	143 rd	1	19 March 2013
Total			26	70	

Annexure 1.10

(Referred to in 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	5	15	27	2012-13
2	Commerce and Industries	6	6	11	2011-12
3	Public Enterprises	6	6	18	2008-09
4	Finance	2	2	4	2009-10
5	Micro and Small Scale Enterprises and Textiles	3	3	5	2008-09
6	Agriculture	-	-	-	-
7	Forest	1	1	3	2008-09
8	Information Technology	3	3	6	2011-12
9	Food Processing Industries and Horticulture	-	-	-	-
10	Fisheries	1	1	1	2011-12
11	Water Investigation and Development	2	2	2	2010-11
12	Sundarban Affairs	1	1	3	2011-12
13	Animal Resources and Development	-	-	-	-
14	Tourism	1	1	1	2009-10
15	Urban Development	1	1	8	2011-12
16	Backward Classes Welfare Development	2	2	10	2010-11
17	Minorities Development	1	1	8	2011-12
18	Information and Cultural Affairs	2	3	17	2007-08
19	Self Employment	1	1	6	2011-12
20	Food Supplies	1	1	10	2011-12
21	Transport	5	5	8	2011-12
	Total	44	55	148	

Annexure 1.11
(Referred to in 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	-	-	
2	Agriculture	-	-	
3	Commerce & Industries	-	-	
4	Public Enterprises	1	-	August 2013
5	Food & Supplies	-	-	
6	Power & Non-Conventional Energy Sources	-	-	
7	Tourism	-	-	
8	Finance	-	-	
9	Transport	1	-	July 2013
	Total	2	-	

Annexure 2.1

(Referred to in paragraph 2.7.3)

Statement showing details of reasons for delays in approval of DPRs

Sl. No.	Name of district	Dates of submission/ approval	Reasons for delays in approval
1	Coochbehar	27.12.2005/ 4.4.2008	Details of ongoing schemes were not considered in DPR and cost per village was too high. Cost of computer hardware, APL service connection charge included in DPR which was against the guideline.
2	Siliguri Mahakuma Parishad	02.03.2006/ 4.4.2008	Estimate of cost per village was too high, Computer hardware cost included, APL service connection charges had been included against the guideline. Deletion of inhabited villages without any justification, unreconciled data was submitted, detail estimate in respect of 33/ 11 kv substation was not submitted. Area distribution maps for individual area was not submitted.
3	Malda	18.03.2006/ 4.4.2008	Cost of village too high. Sub-Station was considered in those blocks where sub-station already existed. APL service connection charges and commercial service connection charge was included in the DPR in deviation of the RGGVY guideline. The DPR had not been prepared as per Census 2001. DPR considered habitations with less than 300 households (without certifying deserts/ forests/ hills/ tribal areas) i.e. omitted habitations with more than 100 but less than 300 households.
4	Nadia	24.05.2006/ 4.4.2008	APL service connection charges were included which against the guidelines. Justification for 33/ 11 KV substations were not given. Sub-station was considered where already sub-station exists. Duplication of villages, considering of wrong Census code. Cost per village was very high, cost of computer hardware was included. 33 KV line diagram and block power map was not included in DPR.

Sl. No.	Name of district	Dates of submission/ approval	Reasons for delays in approval
5	Birbhum	16.12.2005/ 4.4.2008	63 kva DTR was considered in the DPR which was against the RGGVY guidelines. Cost of DTR metering was considered on higher side. Unreconciled population figure was given. Detailed cost of augmentation of 33/ 11 kv substation with the depreciated value was not given. Ongoing projects had not been submitted. Urban villages were included, mismatch of BPL and habitation data.
6	Burdwan	22.06.2006/ 4.4.2008	Cost of village was too high. Cost of metering APL consumers, cost towards computerisation was included in DPR against guideline. Substations were included in DPR at locations where substations already existed. Inclusion of urban/ uninhabited villages.
7	Hooghly	05.09.2006/ 4.4.2008	Cost of per village was too high, cost of APL consumers was included. Computer hardware cost were also included in DPR. Substations were included in DPR at locations where substations already existed.
8	South 24 Parganas	09.11.2006/ 4.4.2008	Cost of village was too high, commercial connection included, 33/ 11 KV substation was proposed in a block where substation already exists which was against the guideline. Computer hardware was included in DPR, APL service connection charge was considered. Blockwise power map was not properly drawn up.

Annexure 2.2
(Referred to in paragraph 2.7.3)
Statement showing details of delays in approval of DPRs

Sl. No	Name of districts	Date of submission of DPRs	Date of approval of DPRs	Delay	Date of NIT	Delay	Date of award of contract	Delay	Scheduled date of completion	Actual completion date	Delay	Date of delivery of targeted beneficiaries
1	Coochbehar	27.12.05	04.04.08	27	04.04.08	0	29.01.09	5	29.07.10	Not yet completed	32	Not yet completed
2	SMP	09.01.07	04.04.08	15	04.04.08	0	07.02.09	6	07.08.10	Mar-11	8	8
3	D. Dinajpur	17.01.07	04.04.08	14	02.09.08	5	07.02.09	1	07.08.10	Not yet completed	32	Not yet completed
4	Malda	20.07.06	04.04.08	20	02.09.08	5	07.02.09	1	07.08.10	Not yet completed	32	Not yet completed
5	Nadia	05.07.06	04.04.08	21	02.09.08	5	07.02.09	1	07.08.10	Not yet completed	32	Not yet completed
6	Hooghly	05.09.06	04.04.08	19	02.09.08	5	07.02.09	1	07.08.10	Not yet completed	32	Not yet completed
7	Howrah	05.06.09	04.04.08	19	02.09.08	5	07.02.09	1	07.08.10	Not yet completed	32	Not yet completed
8	Birbhum	02.06.06	04.04.08	22	02.09.08	5	07.02.09	1	07.08.10	Not yet completed	32	Not yet completed
9	Burdwan	22.06.06	04.04.08	21	04.04.08	0	29.01.09	5	29.07.10	Not yet completed	32	Not yet completed
10	South 24 Parganas	09.11.06	04.04.08	16	02.09.08	5	07.02.09	1	07.08.10	Not yet completed	32	Not yet completed

Annexure 2.3
(Referred to in paragraph 2.8.2)

Statement showing variation in costs of identical materials supplied by same contractor in same and adjoining districts

Sl. No.	Name of District	Comparison between packages (identified by package number)	Total Items supplied (Numbers)	No. of Items where variance was observed.	Total excess expenditure (₹)
Same District					
1	Coochbehar	2 & 3	152	150	19,00,547.86
2	Dakshin Dinajpur	5 & 6	183	177	2,57,92,294.83
3	Malda	7, 8 & 9	132	132	3,77,58,757.99
4	Burdwan	19 & 20	157	157	1,31,06,123.41
Total					7,85,57,724.09

Annexure 2.4
(Referred to in paragraph 2.8.2)

Sl. No.	Name of District	Comparison between packages (identified by package number)	Total Items supplied (Numbers)	No. of Items where variance was observed	Total excess expenditure (₹)
Adjoining Districts					
1	Nadia & Hooghly	10, 11, 12 & 13	132	124	2,05,08,939.72
2	Birbhum & Burdwan	16 & 21	139	138	9,01,10,027.77
Total					11,06,18,967.49

Source: Revised bill of Quantity of related packages.

Annexure 2.5
(Referred to in paragraph 2.8.5)

Calculation of excess payment of Sales Tax to Contractors

Sl. No.	Package No.	Whether Sales Tax included in LOA price	Sales Tax Rate (in per cent)	Contract amount of Supply as per LOA (₹)	Sales Tax payable (in ₹) {Col.(5)×4/104}	Actual Bill paid(₹ in lakh)	Excess Sales tax paid (in ₹) {Col.(7)×4/104}
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	4	Inclusive	4.00	16,06,01,105	61,76,965.58	1,358.69	52,25,712.88
2	10	Inclusive	4.00	21,81,75,186	83,91,353.31	1,906.22	73,31,525.39
3	11	Inclusive	4.00	22,24,57,182	85,56,045.46	2,093.73	80,52,949.99
4	12	Inclusive	4.00	27,48,01,706	1,05,69,296.38	2,748.01	1,05,69,296.38
5	13	Inclusive	4.00	31,50,02,201	1,21,15,469.27	2,127.02	81,80,364.85
6	14	Inclusive	4.00	37,00,27,683	1,42,31,833.96	2,260.94	85,95,650.55
7	17	Inclusive	4.00	36,58,15,037	1,40,69,809.12	2,745.86	1,05,60,798.73
8	19	Inclusive	2.00	36,93,81,063	72,42,765.94	3,263.24	63,98,259.43
9	20	Inclusive	2.00	45,45,25,931	89,12,273.16	4,248.76	83,31,192.95
10	21	Inclusive	2.00	66,46,81,315	1,30,32,966.96	5,081.79	99,63,703.24
			TOTAL		10,32,98,779.14		8,32,09,454.39

Annexure 2.6

(Referred to in paragraph 2.8.5)

XI Plan Calculation of payment of Excise duty to Contractors

Statement showing amount of Excess Excise Duty (ED) claimed by Turnkey Contractors in RGGVY Scheme (Phase - II)

Year	Package No.	Details	Rate (in ₹)	2009-10		2010-11		2011-12		2012-13	
				Quantity supplied (in units)	Excess Excise Duty claimed (in ₹)	Quantity supplied (in unit)	Excess Excise Duty claimed (in ₹)	Quantity supplied (in unit)	Excess Excise Duty claimed (in ₹)	Quantity supplied (in unit)	Excess Excise Duty claimed (in ₹)
I	II	III	IV	V	VI	VII	VIII	IX	X	XI	
1	A.A.C 25SQ.MM.	16,058.25	-	-	1796.98	1039050.68	-	-	-	-	-
	30 SQ.MM. ACSR CONDUCTOR	22,600.50	-	-	371.99	3,02,722.42	214.99	1,74,957.10	-	-	-
	P.V.C. CABLE 4 CORE 1.1 KV GR. 16 SQ.MM.	89.67	-	-	2,910.00	9,395.84	4,357.00	14,067.92	-	-	-
	P.V.C. CABLE 3 .1/2 CORE 1.1 KV GR. 25 SQ.MM.	112.55	-	-	843.00	3,416.40	117.00	474.16	-	-	-
	FLAT ARMOUR TAPE	297.38	-	-	968.00	10,365.31	-	-	-	-	-
	ALUMINUM TIE WIRE	297.38	-	-	137.00	1,466.99	-	-	-	-	-
	Package total		-	-		13,66,417.64		1,89,499.18	-	-	-
5	50 SQ.MM. ACSR CONDUCTOR	39,614.85	53.09	1,13,594.49	55.96	79,823.54	-	-	-	-	-
	30 SQ.MM. ACSR CONDUCTOR	39,614.85	54.80	1,17,253.30	413.10	5,89,262.06	129.39	1,84,566.97	-	-	-

Year	Package No.	Details	Rate (in ₹)	2009-10		2010-11		2011-12		2012-13	
				Quantity supplied (in units)	Excess Excise Duty claimed (in ₹)	Quantity supplied (in unit)	Excess Excise Duty claimed (in ₹)	Quantity supplied (in unit)	Excess Excise Duty claimed (in ₹)	Quantity supplied (in unit)	Excess Excise Duty claimed (in ₹)
I		II	III	IV	V	VI	VII	VIII	IX	X	XI
		A.A.C 25SQ.MM.	16,646.24	404.50	3,63,681.49	1,560.73	9,35,490.11	137.24	82,260.65	-	-
		P.V.C. CABLE 4 CORE 1.1 KV GR. 16 SQ.MM.	108.84	510.00	2,998.09	5,364.00	21,021.93	3,169.00	12,419.56	-	-
		P.V.C. CABLE 3 .1/2 CORE 1.1 KV GR. 25 SQ.MM.	160.06	75.00	648.38	4,819.00	27,773.78	-	-	-	-
		Package total			5,98,173.08						
6		50 SQ.MM. ACSR CONDUCTOR	41,505.75	73,483	1,64,733.40	274.64	4,10,456.68	-	-	-	-
		30 SQ.MM. ACSR CONDUCTOR	24,903.45	68.48	92,110.64	210.04	1,88,346.17	247.51	2,21,946.11	-	-
		A.A.C 25SQ.MM.	17,440.80	467.982	4,40,841.11	1,196.03	7,51,110.35	695.89	4,37,020.96	-	-
		P.V.C. CABLE 4 CORE 1.1 KV GR. 16 SQ.MM.	114.04	684.00	4,213.08	4,333.00	17,792.67	5,184.00	21,287.15	-	-
		P.V.C. CABLE 3 .1/2 CORE 1.1 KV GR. 25 SQ.MM.	167.70	241.00	2,182.91	4,742.00	28,634.52	1,498.00	9,045.66	-	-
		Package total			7,04,081.16		13,96,340.39		6,89,299.87	-	-
16		11KV M.S. ' V ' BRACKET	1,056.00	-	-	631	23,993.22	1,626.00	61,827.22	-	-
		11KV. M.S. 'TOP' ADAPTER	330.00	-	-	694	8,246.48	1,422.00	16,896.97	-	-
		M.S. CHANNEL 100X50MM.	72.00	-	-	3,629.3	9,409.16	4,383.41	11,364.23	-	-
		M.S. CHANNEL 75X40MM.	72.00	-	-	33,076.77	85,753.30	60,813.77	1,57,662.97	-	-
		M.S ANGLE 50X50X6MM.	72.00	-	-	14,046.34	36,415.89	43,043.78	1,11,593.31	-	-
		M.S. FLAT 65X6MM/50X6MM	67.00	-	-	36,569.16	88,223.66	1,54,308.47	3,72,271.54	-	-

Year	Package No.	Details	Rate (in ₹)	2009-10		2010-11		2011-12		2012-13	
				Quantity supplied (in units)	Excess Excise Duty claimed (in ₹)	Quantity supplied (in unit)	Excess Excise Duty claimed (in ₹)	Quantity supplied (in unit)	Excess Excise Duty claimed (in ₹)	Quantity supplied (in unit)	Excess Excise Duty claimed (in ₹)
I		II	III	IV	V	VI	VII	VIII	IX	X	XI
		M.S ANGLE 65X65X6MM.	72.00	-	-	44,891.62	1,16,383.94	2,12,287.17	5,50,365.90	-	-
		SHACKLE STRAP WITH NUT & BOLTS	29.00	-	-	8,000	8,353.78	10,300.00	10,755.50	-	-
		CI REEL	20.00	-	-	20,300	14,619.12	25,500.00	18,363.92	-	-
		"D" IRON CLAMP	26.00	-	-	18,000	16,851.60	79,809.00	74,717.18	-	-
		<i>Package total</i>					<i>4,08,250.15</i>		<i>13,85,818.75</i>		
18A		11KV M.S. 'V' BRACKET	871.95	-	-	-	-	505.00	15,855.44	-	-
		11KV. M.S. 'TOP' ADAPTER	262.49	-	-	-	-	567.00	5,359.09	-	-
		M.S. CHANNEL 100X50MM.	75.43	-	-	-	-	2,956.51	8,030.06	-	-
		M.S. CHANNEL 75X40MM.	75.43	-	-	-	-	32,545.19	88,394.69	-	-
		M.S ANGLE 50X50X6MM.	75.43	-	-	-	-	25,684.44	69,760.48	-	-
		M.S. FLAT 65X6MM/50X6MM	75.43	-	-	-	-	75,686.77	2,05,569.82	-	-
		M.S ANGLE 65X65X6MM.	75.43	-	-	-	-	94,334.90	2,56,219.26	-	-
		SHACKLE STRAP WITH NUT & BOLTS	48.73	-	-	-	-	14,000.00	24,565.17	-	-
		CI REEL	32.06	-	-	-	-	25,872.00	29,866.81	-	-
		"D" IRON CLAMP	32.06	-	-	-	-	13,000.00	15,007.29	-	-
		<i>Package total</i>							<i>7,18,628.10</i>		
21		11 KV M.S. 'V' BRACKET	1,288.00	-	-	873.00	40,487.91	360.00	16,696.05	-	-
		11 KV. M.S. 'TOP' ADAPTER	402.00	-	-	1,109.00	16,052.88	205.00	2,967.40	-	-

Year	Package No.	Details	Rate (in ₹)	2009-10		2010-11		2011-12		2012-13	
				Quantity supplied (in units)	Excess Excise Duty claimed (in ₹)	Quantity supplied (in unit)	Excess Excise Duty claimed (in ₹)	Quantity supplied (in unit)	Excess Excise Duty claimed (in ₹)	Quantity supplied (in unit)	Excess Excise Duty claimed (in ₹)
I		II	III	IV	V	VI	VII	VIII	IX	X	XI
		M.S. CHANNEL 100X50MM.	88.00	-	-	3,052.22	9,671.50	2,623.15	8,311.90	1,231.94	1,951.81
		M.S. CHANNEL 75X40MM.	88.00	-	-	17,940.12	56,846.44	44,199.78	1,40,054.81	8,345.8	13,222.57
		M.S. ANGLE 65X65X6MM.	88.00	-	-	46,465.23	1,47,233.30	2,76,343.80	8,75,644.19	38,905.06	61,638.78
		M.S. ANGLE 50X50X6MM.	88.00	-	-	8,531.07	27,032.20	37,964.48	1,20,297.17	2,245.5	3,557.63
		M.S. FLAT 65X6MM/50X6MM	82.00	-	-	24,367.49	71,948.20	1,94,320.70	5,73,757.26	13,362.49	19,727.25
		Package total					3,69,272.43		17,37,728.78		1,00,098.04
		Grand Total							1,15,96,228.80		

Notes 1) Letters of award were issued in January/ February 2009, when the prevailing rate of excise duty was 14.42 per cent.

- 2) Actual excise duty rates in 2009-10 were 8.24 per cent, 2010-11: 10.30 per cent, 2011-12 - 10.30 per cent and 2012-13 - 12.36 per cent.
 3) Percentage of excise duty claimed in excess was (14.42 per cent-8.24 per cent)=6.18 per cent, (14.42 per cent-10.30 per cent)=4.12 per cent, (14.42 per cent- 10.30 per cent)=4.12 per cent and (14.42 per cent-12.36 per cent)=2.06 per cent in 2009-10, 2011-12 and 2012-13 respectively.

Method of calculation:- Say, in 2009-10, excess excise duty claimed = {quantity supplied × unit rate as per LOA × (14.42-8.24)/(14.42)}. Since, the aggregate payments made were 84 per cent of total bills, the excess payment made on account of excise duty = excess excise duty claimed × 0.84.

Expenditure incurred on excess payment of excise duty = ₹ 1,15,96,228.80 × 0.84 i. e. = ₹ 97,40,832.19

Source: Price bid of contractor, Letter of Award, and material supply of contractors, Govt. notification

Annexure 2.7
(Referred to in paragraph 2.8.5)

Statement showing excess payment of service tax

Package No.	Rate at time of award of LOA	Revised Rate	Total Payment inclusive of tax at 12.36 per cent	Exclusive of Tax (in ₹)	Payable as per revised tax (in ₹)	Difference (in ₹)
Pk-10	12.36	10.3	2,52,20,568.80	2,24,46,216.45	2,47,58,176.74	4,62,392.06
Pk-11	12.36	10.3	2,62,76,964.66	2,33,86,405.00	2,57,95,204.71	4,81,759.95
Pk-12	12.36	10.3	2,67,65,418.78	2,38,21,127.43	2,62,74,703.55	4,90,715.23
Pk-13	12.36	10.3	2,79,30,251.99	2,48,57,824.84	2,74,18,180.79	5,12,071.20
Pk-14	12.36	10.3	2,18,85,152.80	1,94,77,708.08	2,14,83,912.01	4,01,240.79
Pk-16	12.36	10.3	5,93,00,781.60	5,27,77,484.51	5,82,13,565.41	10,87,216.19
Pk-17	12.36	10.3	3,60,32,233.28	3,20,68,559.34	3,53,71,620.95	6,60,612.33
Pk-21	12.36	10.3	6,51,29,604.00	5,79,65,115.70	6,39,35,522.61	11,94,081.39
					Total	52,90,089.14

Annexure 2.7 (contd.)
(Referred to in paragraph 2.8.5)

Statement showing excess payment of service tax for BPL service connections to contractors

Pkg.	Erection rate (₹)	No of BPL SC effected as on 31.03.2012	Excess Service tax charged (Nos of BPL × ₹ 3.30)
1	615.34	21,662	71,484.60
2	975.38	17,583	58,023.90
3	968.64	16,890	55,737.00
4	850.00	8,600	28,380.00
5	1,900.00	28,822	95,112.60
6	1,900.00	27,020	89,166.00
7	1,900.00	34,904	1,15,183.20
8	1,900.00	35,855	1,18,321.50
9	1,900.00	34,240	1,12,992.00
10	1,800.00	43,630	1,43,979.00
11	1,800.00	40,804	1,34,653.20
12	1,800.00	38,090	1,25,697.00
13	1,800.00	17,534	57,862.20
14	1,800.00	14,621	48,249.30
15A	1,900.00	46,244	1,52,605.20
16	1,900.00	34,521	1,13,919.30
17	1,066.57	20,413	67,362.90
18A	292.02	8,972	29,607.60
19	1,119.00	43,602	1,43,886.60
20	1,098.00	34,278	1,13,117.40
21	900.00	42,539	1,40,378.70

Pkg.	Erection rate (₹)	No of BPL SC effected as on 31.03.2012	Excess Service tax charged (Nos of BPL × ₹ 3.30)
22	1,900.00	14,479	47,780.70
23	1,900.00	25,675	84,727.50
24A	1,900.00	12,252	40,431.60
TOTAL (a)		6,63,230	21,88,659.00

Effective rate of service tax	12.36%
Effected rate of service tax	10.30
Difference	2.06%
Net excess on per BPL(160*2.06%)= 3.30 per BPL	

<u>Service tax</u>	
BPL connection (in ₹)	21,88,659.00
Erection Work (in ₹)	<u>52,90,089.10</u>
Total (in ₹)	<u>74,78,748.10</u>

Annexure 3.1

(Referred to in paragraphs 1.7.2 & 3.6.2.3)

Financial position of West Bengal Financial Corporation (₹ in crore)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
A. Liabilities					
Paid up Capital	121.54	147.31	147.35	147.35	147.35
Reserves & Surplus	21.37	21.37	24.14	26.77	28.90
Bonds	343.12	380.60	345.51	375.68	550.53
Borrowings (Loan Funds)	135.66	152.87	187.62	188.59	153.98
Other borrowings	0.20	0.00	11.64	22.32	4.19
Deposits	5.10	8.20	12.19	8.69	8.09
Current Liabilities & provisions	33.38	34.26	38.46	41.05	46.64
Total	660.37	744.61	766.91	810.45	939.68
B. Assets					
Loans to Borrowers	587.81	646.90	701.73	750.72	800.29
Less: Provision for NPA	124.44	127.76	119.49	114.94	131.19
Performing Assets	463.37	519.14	582.24	635.78	669.10
Investment in Shares	0.22	0.22	0.21	0.18	0.18
Current Assets	74.54	101.22	70.43	56.15	140.69
Net Fixed Assets	0.31	0.29	0.31	1.22	1.29
Accumulated Losses	121.93	123.74	113.72	117.12	128.42
Total	660.37	744.61	766.91	810.45	939.68

Statement of Profit or Loss

(₹ in crore)

Description	2008-09	2009-10	2010-11	2011-12	2012-13
Income					
Interest Income	48.46	57.19	66.98	69.34	79.68
Other Income	5.84	5.59	6.12	7.43	9.56
Total Income	54.30	62.78	73.10	76.77	89.24
Expenditure					
Variable cost					
Interest and Finance charges	39.06	40.83	42.36	46.52	59.53
Provision for NPA	7.52	6.83	(4.85)	6.44	16.82
Write Offs	2.23	0.12	0.00	3.02	2.29
Total Variable Cost	48.81	47.78	37.51	55.98	78.64
Fixed Costs					
Employees cost	8.97	13.47	14.36	14.00	13.85
Administrative and General expenses	2.27	2.34	8.44	6.95	5.82
Total Fixed Cost	11.24	15.81	22.80	20.95	19.67
Total Cost	60.05	63.58	60.31	76.93	98.31
Contribution	5.49	15.00	35.59	20.79	10.60
Other Adjustments	(0.57)	(1.00)	(8.25)	0.00	0.00
Profit/(Loss) before appropriation	(6.32)	(1.81)	4.54	(0.16)	(9.07)

Annexure 3.2*(Referred to in paragraph 3.7.1.2)***West Bengal Financial Corporation's Entrepreneur evaluation policy for eligibility of loan finance to fresh borrowers**

Attribute	Criterion	Grade	Weightage
Experience	Manufacturing experience for more than 3 years in similar line	7	0.40
	Manufacturing experience for 2 years or more but less than 3 years in similar line	6	
	Manufacturing experience for 1 year or more but less than 2 years in similar line	5	
	Manufacturing experience for more than 3 years in other line	6	
	Manufacturing experience for 2 years or more but less than 3 years in other line	5	
	Manufacturing experience for 1 year or more but less than 2 years in other line	4	
	Trading/Service experience for more than 3 years in similar line	4	
	Trading/Service experience for 2 years or more but less than 3 years in similar line	3	
	Trading/Service experience for 1 year or more but less than 2 years in similar line	2	
	Trading/Service experience for more than 3 years in other line	3	
	Trading/Service experience for 2 years or more but less than 3 years in other line	2	
	Trading/Service experience for 1 year or more but less than 2 years in other line	1	
Aggregate net worth of all promoters	Aggregate net worth equal to or more than 75 % of the loan applied for.	4	0.40
	Aggregate net worth less than 75 % but equal to or more than 60 % of the loan applied for.	3	
	Aggregate net worth less than 60 % but equal to or more than 50 % of the loan applied for.	2	
	Aggregate net worth less than 50 % but equal to or more than 40 % of the loan applied for.	1	
Prior exposure to institutional finance with satisfactory record	Yes	2	0.20
	No	0	

Source: WBFC's Records

Annexure 3.3
(Referred to in paragraph 3.7.3.1)
Analysis of proposal and Sanction of Loan by West Bengal Financial Corporation for the years 2008-09 to 2012-13
Loan Proposals and Sanctions

Particulars	2008-09		2009-10		2010-11		2011-12		2012-13		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
PROPOSALS												
Micro & small Sector	212	133.31	260	154.77	268	168.37	211	227.83	151	136.29	1102	820.57
Medium	37	75.40	47	120.04	35	64.62	47	146.52	15	73.90	181	480.48
Total	249	208.71	307	274.81	303	232.99	258	374.35	166	210.20	1283	1,301.05
SANCTIONS												
Micro & small Sector	205	123.03	257	134.37	266	177.33	199	152.79	137	128.62	1064	716.14
Medium	36	66.17	51	101.90	27	46.34	46	144.82	15	73.65	175	432.88
Total	241	189.20	308	236.27	293	223.67	245	297.61	152	202.27	1239	1,149.02

Purpose wise sanction of loan

Particulars	2008-09		2009-10		2010-11		2011-12		2012-13		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
New Projects												
M&SSE	80	72.25	102	55.92	127	97.31	96	109.76	51	82.45	456	417.69
SRTO	27	0.86	30	1.68	20	2.76	8	0.48	5	1.01	90	6.79
MSE	14	38.44	23	52.92	7	19.61	20	72.47	4	38.00	68	221.44
Sub-Total	121	111.55	155	110.52	154	119.68	124	182.71	60	121.46	614	645.92
Expansion/Diversification /Modernisation/Replacement												
M&SSE	95	49.81	125	76.76	115	77.10	93	42.45	80	45.11	508	291.23
SRTO	3	0.12	0	-	4	0.17	2	0.10	1	0.05	10	0.44
MSE	22	27.72	28	48.99	20	26.72	26	72.35	11	35.65	107	211.43
Sub-Total	120	77.65	153	125.75	139	103.99	121	114.90	92	80.81	625	503.10
Total	241	189.20	308	236.27	293	223.67	245	297.61	152	202.27	1239	1149.02

Source: WBFC's Annual Reports

Region-wise sanction of loan (₹ in crore)

Sanctions		2008-09		2009-10		2010-11		2011-12		2012-13		Total	
Category	District	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount
A	KMDA Area	36	30.47	30	16.72	26	21.66	22	22.97	19	36.57	133	128.40
B	N & S 24 Parganas, Howrah, Hooghly, Bardhaman, Nadia & E Medinapur	70	102.14	161	163.19	150	157.37	126	194.37	66	113.45	573	730.52
C	Murshidabad, Birbhum, Malda, Jalpaiguri & Darjeeling	58	15.34	60	24.2	64	22.13	50	14.80	29	21.13	261	97.60
D	Purulia, Bankura, W Medinapur, North & South Dinajpur, Coochbehar & Sunderban	77	41.25	57	32.16	53	22.51	47	65.46	38	31.12	272	192.50
Total		241	189.20	308	236.27	293	223.67	245	297.61	152	202.27	1,239	1,149.02

Source: WBFC's Annual Reports

Annexure 3.4
(Referred to in paragraphs 3.7.3.2 and 3.7.3.10)

Outstanding dues against loan accounts as on 31 May 2013 (₹ in crore)

CODE	UNIT	Paragraph reference	Sanction DATE	Sanction Amount	Total Disbursement	Principal outstanding	Default since	Principal default	Interest outstanding and in default	Others outstanding and in default	Total default
LTSI12	FIRM	3.7.3.3	30-10-2009	1,98,00,000	1,97,84,000	1,87,84,000	Mar-12	50,95,000	53,87,640	630	1,04,83,270
LBTUN13	FIRM	3.7.3.3	16-03-2009	1,00,00,000	79,97,000	79,97,000	Mar-11	52,25,000	20,29,933	66,591	73,21,524
LDI29	COMPANY	3.7.3.5	29-08-2008	3,00,00,000	3,00,00,000	2,71,25,038	Mar-11	1,01,25,038	0	175	1,01,25,213
LTFI04	COMPANY	3.7.3.6	28-09-2005	4,80,00,000	4,75,00,000	4,75,00,000	Jan-13	76,80,000	31,76,969	500	1,08,57,469
LBTMO03	RICE MILL	3.7.3.6	30-12-2009	90,00,000	52,35,000	43,79,024	Jan-13	4,28,024	6,86,741	52,925	11,67,690
LTD007	COMPANY	3.7.3.8	03-12-2009	75,00,000	75,00,000	74,50,000	Mar-11	34,50,000	(431)	0	34,49,569
LHO81	HOTEL	3.7.3.8	25-03-2009	1,40,00,000	1,40,00,000	1,32,83,063	Mar-11	45,47,063	0	0	45,47,063
LHO83	HOTEL	3.7.3.8	03-03-2010	60,00,000	60,00,000	60,00,000	Mar-11	21,60,000	0	0	21,60,000
LMTAN044	COLD STORAGE	3.7.3.10	16-02-2010	90,00,000	90,00,000	90,00,000	Mar-12	90,00,000	29,98,769	0	1,19,98,769
LMTAN045	COLD STORAGE	3.7.3.10	03-03-2010	1,35,00,000	1,35,00,000	1,35,00,000	Mar-12	27,50,000	38,72,272	0	66,22,272
LMTAN040	COLD STORAGE	3.7.3.10	01-10-2007	3,15,00,000	3,15,00,000	1,63,35,018	Mar-12	55,35,018	55,75,330	81,864	1,11,92,212
LMTAN042	COLD STORAGE	3.7.3.10	16-12-2008	95,00,000	95,00,000	79,50,000	Mar-12	24,00,000	24,57,969	1,337	48,59,306
LAN58	COLD STORAGE	3.7.3.10	16-12-2008	3,00,00,000	3,00,00,000	2,50,00,000	Mar-12	70,00,000	77,19,437	3,77,500	1,50,96,937
LAN59	COLD STORAGE	3.7.3.10	16-12-2008	92,00,000	92,00,000	63,20,000	Mar-12	41,00,000	12,90,955	3,581	53,94,536
LAN61	COLD STORAGE	3.7.3.10	22-02-2010	80,00,000	80,00,000	80,00,000	Mar-12	80,00,000	27,61,215	0	1,07,61,215
LAN62	COLD STORAGE	3.7.3.10	08-04-2010	1,25,00,000	1,25,00,000	1,25,00,000	Mar-12	30,10,000	29,66,461	0	59,76,461
LAN65	COLD STORAGE (FR.LAN58)	3.7.3.10	-	0	0	0	Mar-12	0	16,53,114	0	16,53,114
LAN66	COLD STORAGE (FR.LAN59)	3.7.3.10	-	0	0	0	Mar-12	0	6,55,277	0	6,55,277
LAN67	COLD STORAGE (FR.LAN61)	3.7.3.10	-	0	0	0	Mar-12	0	7,39,665	0	7,39,665
LAN68	COLD STORAGE (FR.LAN62)	3.7.3.10	-	0	0	0	Mar-12	0	10,73,200	2,185	10,75,385
LBR35	COLD STORAGE	3.7.3.10	04-01-2008	70,00,000	70,00,000	0	NA	0	0	0	0

CODE	UNIT	Paragraph reference	Sanction DATE	Sanction Amount	Total Disbursement	Principal outstanding	Default since	Principal default	Interest outstanding and in default	Others outstanding and in default	Total default
LBR38	COLD STORAGE	3.7.3.10	07-12-2009	75,00,000	75,00,000	31,99,284	NA	3,99,284	0	0	3,99,284
LBR39	COLD STORAGE	3.7.3.10	21-01-2010	60,00,000	60,00,000	0	NA	0	0	0	0
LMTSR224	COLD STORAGE	3.7.3.10	05-05-2008	1,15,00,000	1,15,00,000	60,55,000	Mar-12	60,55,000	13,06,987	0	73,61,987
LMTSR225	COLD STORAGE	3.7.3.10	20-02-2009	1,25,00,000	1,25,00,000	1,06,99,999	Mar-12	68,49,000	23,72,795	0	92,21,795
LMTSR227	COLD STORAGE	3.7.3.10	16-02-2010	1,50,00,000	1,50,00,000	1,40,00,000	Mar-12	38,50,000	28,64,070	47,200	67,61,270
LMTSR228	COLD STORAGE	3.7.3.10	16-03-2010	85,00,000	85,00,000	85,00,000	Mar-12	85,00,000	20,52,296	0	1,05,52,296
LMTOH010	COLD STORAGE	3.7.3.10	07-07-2009	4,75,00,000	4,75,00,000	4,46,00,069	Mar-12	87,00,069	1,28,09,925	42,808	2,15,52,802
LMTOH011	COLD STORAGE	3.7.3.10	26-03-2010	90,00,000	90,00,000	85,00,000	Mar-12	85,00,000	26,60,461	0	1,11,60,461
LMTJA031	COLD STORAGE	3.7.3.10	07-07-2009	4,70,00,000	4,70,00,000	4,41,00,000	Mar-12	87,00,000	1,26,73,856	1,44,888	2,15,18,744
LMTJA032	COLD STORAGE	3.7.3.10	26-03-2010	90,00,000	90,00,000	90,00,000	Mar-12	90,00,000	29,13,518	285	1,19,13,803
LMTAN050	HOTEL	3.7.3.10	27-08-2010	4,75,00,000	4,00,00,000	1,37,20,793	NA	(2,02,39,207)	1,34,01,957	9,500	-
LSTAR06	FIRM	3.8.2.1	28-08-2008	1,00,00,000	1,00,00,000	85,31,797	Mar-11	32,61,797	4,27,692	7,049	36,96,538
LSTAR07	FIRM	3.8.2.1	27-08-2010	60,00,000	60,00,000	60,00,000	Mar-11	16,80,000	9,24,235	9,401	26,13,636
LSTDA06	COMPANY	3.8.3.1	27-02-2009	4,80,00,000	1,10,00,000	58,99,979	Mar-12	0	0	0	0
LSTDA07	COMPANY	3.8.3.1	14-03-2011	3,07,00,000	2,27,78,227	2,01,70,630	Mar-12	43,92,402	863	140	43,93,405
LPRD9	COMPANY	3.8.3.1	13-07-2010	1,35,00,000	1,07,50,000	1,07,50,000	Mar-12	64,84,000	9,80,261	1,438	74,65,699
LDRO9	COMPANY	3.8.4	07-11-2008	98,00,000	82,00,000	78,08,000	Mar-11	47,04,000	16,99,179	930	64,04,109
LSTSR01	COMPANY	3.9.4.1	30-12-2009	3,15,00,000	2,34,52,942	2,10,00,057	Jan-13	38,47,116	32,14,328	3,488	70,64,932
LNE43	FIRM	3.9.5.1	13-04-2009	12,00,000	12,00,000	9,29,847	Mar-11	6,39,847	1,18,750	358	7,58,955
LDI28	COMPANY	3.9.5.1	01-10-2007	5,00,00,000	2,45,00,000	2,22,02,552	Mar-12	57,02,552	33,57,234	175	90,59,961

Source: WBFC's Records

Annexure - 3.5

(Referred to in paragraph 3.7.3.8)

Balance Sheet of Company for 2008-09 to 2010-11 as disclosed in form 23AC¹ filed by the Company with Registrar of Companies

(Amount in ₹)

Particulars	2008-09	2009-10	2010-11
Sources of Funds			
Paid-up Capital	1,00,000.00	1,00,000.00	1,00,000.00
Share Application Money	0.00	0.00	0.00
Reserve and Surplus	2,57,301.73	3,82,880.00	4,88,511.00
Secured Loan	42,13,271.19	1,02,48,307.00	1,08,52,371.00
Unsecured Loan	8,37,183.31	51.00	0.00
Deferred Tax Liabilities	96,722.00	86,426.00	1,02,708.00
Others	0.00	0.00	0.00
TOTAL	55,04,478.23	1,08,17,664.00	1,15,43,590.00
Application of Funds			
Gross Fixed Assets (including intangible assets)	80,20,709.04	1,03,68,005.00	1,21,38,505.00
Less: Depreciation and Amortisation	22,94,251.00	29,45,437.00	35,70,529.00
Net Fixed Assets	57,26,458.04	74,22,568.00	85,67,976.00
Capital Work-in-progress	0.00	0.00	0.00
Investments	0.00	0.00	0.00
Deferred Tax Assets.	0.00	0.00	0.00
Current Assets loans and Advances			
(a) Inventories	0.00	0.00	0.00
(b) Sundry Debtors	6,72,804.60	0.00	3,31,927.00
(c) Cash and Bank Balances	40,074.52	31,288.00	6,372.00
(d) Other Current Assets	0.00	88,040.00	2,13,563.00
(e) Loans and advances	10,30,852.60	48,62,330.00	37,22,564.00
Less: Current liabilities and Provisions			
(a) Liabilities	17,86,636.53	13,63,176.00	10,44,476.00
(b) Provisions	1,79,075.00	2,23,386.00	2,54,336.00
Net Current Assets	(-) 2,21,979.81	33,95,096.00	29,75,614.00
Miscellaneous Expenditure to the extent not written off or adjusted	0.00	0.00	0.00
Profit and Loss Account	0.00	0.00	0.00
Others	0.00	0.00	0.00
TOTAL	55,04,478.23	1,08,17,664.00	1,15,43,590.00

Source: Ministry of Corporate Affairs -MCA21 website

¹Under Section 220 of the Companies Act, 1956

Annexure 3.6
(Referred to in paragraph 3.7.3.9)

West Bengal Financial Corporation's exposure (Principal) to various sectors as of end of 2008-09 to 2012-13

Sl. No	Industry	31 March 2009		31 March 2010		31 March 2011		31 March 2012		31 March 2013	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	Mining	0	0.00		0.00	0	0.00	0	0.00	0	0.00
2	Food & Food products	763	5,424.83	656	5,031.47	547	5,043.72	475	5,734.84	423	7437.70
3	Textiles (including jute)	831	6,615.61	747	8,346.10	671	9,417.41	754	11,249.44	745	12,604.37
4	Wood & wood products	328	629.87	268	532.65	190	331.29	161	260.64	135	305.16
5	Paper & paper products	76	590.51	75	692.76	65	556.02	62	669.88	52	637.70
6	Leather & leather products	189	1,612.08	163	1,532.09	133	1,277.63	117	1,039.01	84	758.02
7	Chemical & chemical products	189	581.53	175	542.90	145	457.70	130	474.05	110	469.22
8	Fertilisers	3	286.87	7	493.14	9	417.84	9	299.64	11	162.47
9	Rubber & rubber products	44	92.23	48	73.79	40	60.35	36	52.17	33	75.78
10	Non-metallic mineral products	60	186.05	63	287.05	52	238.57	47	297.47	42	295.18
11	Cement	94	2,199.86	89	2,016.81	78	2,366.20	69	2,306.85	63	1,646.86
12	Iron & steel	143	11,850.25	126	7,993.25	110	8,683.99	111	9,155.28	104	10,283.16
13	Non-ferrous metals	40	102.87	40	76.63	47	634.92	35	743.22	38	1,007.60
14	Metal products	43	1,142.95	45	1,145.64	42	990.07	38	1,322.89	38	1,329.04
15	Machinery	470	885.69	406	1,195.40	341	1,287.94	313	1,609.31	289	1,971.63
16	Electrical equipment	147	371.31	124	385.79	93	557.25	86	796.68	85	1,063.20
17	Electronic equipment	76	178.79	62	173.12	56	143.15	53	297.59	47	237.28
18	Transport equipment	399	542.58	316	561.88	266	624.44	240	611.18	217	588.01
19	Electricity generation	1	7.18	3	7.18	3	7.18	3	7.18	3	7.18
20	Hotels	173	1,428.93	152	2,113.77	138	3,272.86	96	3,473.99	118	4,446.72
21	Hospitals	162	1,554.15	114	2,818.75	99	3,101.15	133	3,884.54	88	3,508.39
22	Construction/Rice Mill (31-3-10)	196	1,919.57	36	7,785.83	0	0.00	-	-	130	1,843.97
23	Real Estate /Cold storage (31-3-10)	107	5,100.01	35	325.75	15	548.00	17	560.00	78	4,455.19
24	Others	8,025	15,066.29	5,507	19,516.02	4,687	29,181.46	4,128	30,207.57	3,523	24,621.74
	TOTAL	12,559	58,370.00	9,257	63,647.77	7,827	69,199.14	7,113	75,953.42	6,456	79,755.57

Source: BPRF prepared by WBFC.

Annexure 3.7
(Referred to in paragraph 3.7.3.9)
West Bengal Financial Corporation's non-performing assets exposure (Principal) in various sectors as of 2008-09 to 2012-13

Sl.	Industry	31 March 2009		31 March 2010		31 March 2011		31 March 2012		31 March 2013	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	Mining	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
2	Food & Food products	613	997.50	559	926.24	450	788.57	402	847.74	356	1,065.28
3	Textiles (including jute)	712	780.60	626	981.29	519	881.60	589	1,092.40	569	1,412.93
4	Wood & wood products	300	512.39	250	433.15	172	273.66	148	237.54	122	205.24
5	Paper & paper products	50	244.58	64	290.12	49	201.00	47	449.61	40	458.23
6	Leather & leather products	163	201.12	141	285.83	110	279.70	101	631.99	75	551.41
7	Chemical & chemical products	165	523.51	162	427.27	133	429.45	127	412.88	107	425.22
8	Fertilisers	2	18.87	5	18.87	5	18.85	7	32.61	8	31.92
9	Rubber & rubber products	33	51.94	42	47.28	32	25.30	31	29.99	29	32.49
10	Non-metallic mineral products	45	74.08	45	69.16	32	110.27	29	58.61	30	66.22
11	Cement	69	350.08	68	283.44	59	467.40	56	322.01	53	189.92
12	Iron & steel	78	1,002.77	78	673.71	72	928.83	70	2,333.09	69	795.22
13	Non-ferrous metals	28	18.39	45	21.01	39	19.34	28	16.78	27	16.58
14	Metal products	37	36.56	38	35.30	36	484.79	32	435.16	31	419.65
15	Machinery	400	570.12	361	532.02	291	487.52	278	655.22	257	645.70
16	Electrical equipment	128	226.09	113	210.78	77	258.55	75	248.94	74	304.10
17	Electronic equipment	62	98.37	56	98.38	46	88.06	47	100.87	43	89.55
18	Transport equipment	326	467.73	264	111.12	204	263.38	188	495.40	175	385.35
19	Electricity generation	1	7.18	3	7.18	3	7.18	3	7.18	3	7.18
20	Hotels	85	67.23	76	433.76	64	841.30	59	1,418.48	54	1,627.34
21	Hospitals	56	397.50	56	592.66	46	426.08	49	657.47	43	914.36
22	Construction/Rice Mill (31-3-10)	143	945.35	33	4,138.30	0	0	-	-	110	1,558.10
23	Real Estate /Cold storage (31-3-10)	21	171.74	31	145.35	3	85.00	4	92.00	56	3,586.45
24	Others	5,599	6,938.30	4,884	3,544.24	4,085	9,155.76	3,741	11,259.36	3,184	5,974.08
	TOTAL	9,116	15,262.00	8,000	14,306.46	6,527	16,521.59	6,111	21,835.33	5,515	20,762.52

Source: BPRF prepared by WBFC.

Annexure 3.8*(Referred to in paragraph 3.8.4)*

Extract from Sources of Funds for Company for 2008-09 to 2010-11 as disclosed in form 23AC² filed by the Company with Registrar of Companies.

(Amount in ₹)

Particulars	2007-08	2008-09	2009-10	2010-11
Sources of Funds				
Paid-up Capital	4,00,000	13,40,000	13,40,000	13,40,000
Share Application Money	26,00,000	-	16,00,000	16,00,000
Reserve and Surplus	13,34,231	56,76,304	65,96,626	69,16,384
Unsecured Loan	20,51,921	57,10,990	49,03,541	42,92,841

(Source: Ministry of Corporate Affairs -MCA21 website)

²Under Section 220 of the Companies Act, 1956

Annexure - 3.9
(Referred to in paragraph 3.9.3)
Table showing Overdue Analysis

Sl. No.	Particulars	2008-09		2009-10		2010-11		2011-12		2012-13	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
1	Arrears at the beginning of the year	105.21	526	104.66	523.88	105.16	498.15	94.86	462.04	104.06	439.23
2	Less: Amount re-scheduled	0	0	4.02	31.19	9.47	38.82	12.50	29.82	6.57	29.19
3	Sub-Total	105.21	526	100.64	492.69	95.69	459.33	82.36	432.22	97.49	410.04
4	Add: Demand raised during the year	109.55	46.21	129.37	61.86	141.35	70.11	159.11	76.34	187.87	90.89
5	Total Recoverable	214.76	572.21	230.01	554.55	237.04	529.44	241.47	508.56	285.36	500.93
	Recovered										
6	For current year	100.61	45.80	116.56	53.61	130.72	62.51	127.28	65.15	157.89	74.49
7	For earlier year	9.49	2.53	8.29	2.79	11.46	4.88	10.13	4.19	14.60	2.72
8	Total Recovered	110.1	48.33	124.85	56.4	142.18	67.39	137.41	69.34	172.49	77.21
	Overdue										
9	For earlier year	95.72	523.47	92.35	489.90	84.23	454.45	72.23	428.03	82.89	407.32
10	For current year	8.94	0.41	12.81	8.25	10.63	7.60	31.83	11.19	29.98	16.40
11	Over dues at the end of the year	104.66	523.88	105.16	498.15	94.86	462.05	104.06	439.22	112.87	423.72
12	Percentage of Recovery on total recoverable	51	8	54	10	60	13	57%	14	60	15
13	Target of Recovery	105	49	114	51	130	60	135	67	185	75
14	Percentage of actual Recovery on target Recovery	105	99	110	111	109	112	102	103	93	1035
15	Percentage of Recovery Target to total recoverable	49	9	50	9	55	11	56	13	65	15
16	Percentage of Recovery to total recoverable	51	8	54	10	60	13	57	14	60	15

Source: WBFC's Annual Reports

Annexure - 3.10
(Referred to in paragraph 3.9.4.1)

Balance Sheet of Company for 2008-09 to 2010-11 as disclosed in form 23AC³ filed by the Company with Registrar of Companies

(Amount in ₹)

Particulars	2008-09	2009-10	2010-11
Sources of Funds			
Paid-up Capital	1,00,000.00	30,00,000.00	30,00,000.00
Share Application Money	1,00,000.00	53,50,000.00	-
Reserve and Surplus		-	-
Secured Loan		25,01,000.00	1,97,81,566.54
Unsecured Loan		-	-
Deferred Tax Liabilities		-	-
Others		-	-
TOTAL	2,00,000.00	1,08,51,000.00	2,27,81,566.54
Application of Funds			
Gross Fixed Assets (including intangible assets)	1,69,149.00	28,36,549.00	1,96,01,080.54
Less: Depreciation and Amortisation	-	-	-
Net Fixed Assets	1,69,149.00	28,36,549.00	1,96,01,080.54
Capital Work-in-progress	-	-	-
Investments	-	-	-
Deferred Tax Assets.	-	-	-
Current Assets loans and Advances			
(a) Inventories	-	-	-
(b) Sundry Debtors	-	-	-
(c) Cash and Bank Balances	4,800.00	2,78,256.00	2,01,557.46
(d) Other Current Assets			5,27,894.00
(e) Loans and advances	-	76,67,894.00	
Less: Current liabilities and Provisions			
(f) Liabilities	-	18,500.00	10,000.00
(g) Provisions	4,500.00	-	-
Net Current Assets	300.00	79,27,650.00	7,19,451.46
Miscellaneous Expenditure to the extent not written off or adjusted	26,051.00	66,351.00	192,375.00
Profit and Loss Account	4,500.00	20,450.00	2,268,659.54
Others			
TOTAL	2,00,000.00	1,08,51,000.00	2,27,81,566.54

Source: Ministry of Corporate Affairs -MCA21 website

³Under Section 220 of the Companies Act, 1956.

Annexure 4.1
(Referred to in Paragraph 4.1.2)

Comparative statement of milestones dates of blocks with actual dates

	Particulars	Time in months	Barjore			IGGB			Pachwara (North)		
			Normative from allocation	Actual	Delay from allocn.	Normative from allocation	Actual	Delay from allocn.	Normative from GR ¹	Actual	Delay from GR
1)	Date of allocation/ Date of Gazette notification in favour of BECML	Zero date	-	23-Jun-03	-	-	23-Jun-03-	-	-	26-Apr-05	-
2)	Purchase of Geological Report (GR)	1.5	7-Aug-03	16-Sep-04	13	7-Aug-03	16-Apr-04	8	10-Jun-05	28-Nov-07	-
3)	Submission of Mining lease application	3	23-Sep-03	28-Nov-05	26	23-Sep-03	19-Sep-05	24	26-Feb-08	25-Aug-08	6
4)	Mining plan submission	6	23-Dec-03	22-Jan-05	13	23-Dec-03	22-Jan-05	13	28-May-08	3-Mar-08	No delay
5)	Mining plan approval	8	23-Feb-04	27-Jun-05	16	23-Feb-04	27-Jun-05	16	28-Jul-08	18-Jul-08	No delay
6)	Previous approval application	10	23-Apr-04	27-Oct-06	30	23-Apr-04	27-Oct-06	30	26-Sep-08	Not available	Not applicable
7)	Previous approval	11	23-May-04	4-Jun-07	37	23-May-04	4-Jun-07	37	26-Oct-08	16-Aug-11	34
8)	Forest clearance	12	23-Jun-04	28-Sep-06	27	23-Jun-04	28-Nov-05	17	26-Nov-08	8-Nov-08	No delay

¹ According to information furnished by the Office of the Coal Controller, Kolkata in June 2013; the period of 42 months is from receipt of GR.

	Particulars	Time in months	Barjore			IGGB			Pachwara (North)		
			Normative from allocation	Actual	Delay from allottn.	Normative from allocation	Actual	Delay from allottn.	Normative from GR ¹	Actual	Delay from GR
	application										
9)	Grant of forest clearance	18	23-Dec-04	13-Jan-11 ²	73	23-Dec-04	Not received	Not applicable	26-May-09	15-Mar-12 ³	34
10)	Environment clearance application	12	23-Jun-04	14-Oct-06	28	23-Jun-04	19-Sep-05	15	26-Nov-08	13-May-08	No delay
11)	Environment clearance	18	23-Dec-04	12-Apr-07	28	23-Dec-04	31-Jul-07	31	26-May-09	23-Sep-09	4
12)	Grant of mining lease	24	23-Jun-05	12-Jul-07	25	23-Jun-05	12-Jul-07	25	26-Nov-09	29-Sep-12	34
13)	Application for Land acquisition	19	23-Jan-05	07-Mar-05/ 03-May-05 ⁴	No delay	23-Mar-05	Not available	Not applicable	26-Aug-09	18-Aug-08	No delay
14)	Land acquisition	36	23-Jun-06	Not available	Not applicable	23-Jun-06	Not available	Not applicable	26-Nov-10	13-Jun-13 ⁵	31
15)	Opening permission application	40	23-Oct-06	14-Jan-08	15	23-Oct-06	15-Nov-09	37	26-Aug-08	11-Oct-12	50
16)	Opening permission grant	41	23-Nov-06	18-Feb-08	15	23-Nov-06	28-Mar-13	74	26-Sep-08	28-Mar-13	54
17)	Production	42	23-Dec-06	Mar-09	26	23-Dec-06	Not yet commenced	Not applicable	26-Oct-08	Not yet commenced	Not applicable

² Stage I clearance³ Stage I clearance⁴ Date of application for grant of long term settlement⁵ Date of declaration of award by District Commissioner, Pakur.

Annexure 4.2
(Referred to in Paragraph 4.7)

Statement showing under realisation of security deposit and outstanding dues from bus operators/ franchisees as on 31 March 2013

(1)	(2)	Security Deposit Recoverable (15 per cent of cost of buses)	Security Deposit obtained	Short realisation of security deposit	Equated monthly instalment (EMI) per bus (in ₹)	Total EMI Accrued	Amount received	Outstanding Amount
		(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Amount ₹ in crore						
a) AC Ultra Low floor (Volvo) {AULF}	24 ¹	2.44	2.44	Nil	75,000 to 81,500	5.38	3.90	1.48
b) AC Marcopolo {ALF}	17	1.41	1.10	0.31	54,000	0.38	0.29	0.09
c) Semi Low Floor {SLF}	647	19.35	12.94	6.41	22,000 to 17,000	50.05	10.21	39.84
Total	688	23.20	16.48	6.72		55.81	14.40	41.41

Notes : 1) WBSTCL's Board of Directors had decided that from 1 April 2012, EMI would be collected at ₹ 10,000 per month per SLF bus.

2) WBSTCL had obtained bank guarantee of ₹ 39.26 lakh in respect of 17 ALF i.e. AC Marcopolo buses.

3) The break-up of SLF buses leased out was WBSTCL (496), WBSTCL (117) and SBSTC (34).

¹ Out of 24 buses, services of four buses stopped due to Kolkata High Court's order dated 20.09.2011. Hence, the same has not been considered in calculating the total amount.

Annexure 4.3
(Referred to in Paragraph 4.9)

Excess payment of incentive to crew members of long distance services at Calcutta State Transport Corporation

(Amount in ₹)

Sl. No.	Depot name	Agents' sales	Conductors' Sale	Advance Sale	Total sale	Aggregate incentive paid	Actual incentive payable	Excess incentive paid
1	Belghoria	1,64,32,912	1,49,88,468	15,39,639	3,29,61,019	17,56,429	93,257	16,63,172
2	Garia	2,98,98,912	4,49,23,761	44,02,989	7,92,25,662	39,70,667	2,29,231	37,41,436
3	Howrah	73,91,250	2,44,38,450	2,12,249	3,20,41,949	9,73,119	3,99,777	5,73,342
4	Kasba	1,85,52,040	4,39,71,452	6,04,031	6,31,27,523	25,85,884	8,91,439	16,94,445
5	Lake	61,73,620	2,02,31,297	41,085	2,64,46,002	12,24,440	6,02,225	6,22,215
6	Manicktala	1,70,99,268	3,27,62,962	10,66,634	5,09,28,864	16,35,962	4,83,251	11,52,711
7	Nilgunje	86,88,248	1,64,07,963	18,796	2,51,15,007	9,26,954	2,42,145	6,84,809
8	Paikpara	1,04,21,307	2,13,85,056	5,11,001	3,23,17,364	13,35,828	2,16,856	11,18,972
9	Salt Lake	1,71,43,896	3,83,96,637	51,18,519	6,06,59,052	24,10,463	5,90,610	18,19,853
10	Taratata	63,08,527	3,11,37,179	3,86,549	3,78,32,255	13,58,234	8,99,232	4,59,002
11	Thakurpukur	1,13,80,147	2,80,08,457	24,43,649	4,18,32,253	14,63,529	6,14,300	8,49,229
TOTAL		14,94,90,127	31,66,51,682	1,63,45,141	48,24,86,950	1,96,41,509	52,62,323	1,43,79,186

Annexure 4.4
(Referred to in Paragraph 4.10)

West Bengal State Warehousing Corporation

Statement showing calculation of warehousing charges

A) PAHARPORE WAREHOUSE

Sl. No.	Go-down No.	Date of Entry of Goods	Date of warehousing charges accumulated up to	Period of Storage (in days)	Rate/ MT/ month	Weight in kg	Weight in MT/ Carton/ Sft	Warehousing charges
(1)	(2)	(3)	(4)	(5)={ (4)-(3) }	(6)	(7)	(8)	(9)=[(5)×(6)×(8)]/30 days
					₹			₹
1	2	09/01/2012	31/03/2012	82	363	6,504	6.504	6,453
2	2	10/02/2012	31/03/2012	50	363	5,109.6	5.1096	3,091
3	2	13/03/2012	31/03/2012	18	363	3,252	3.252	708
4	5	22/06/2006	31/03/2012	2,109	12 sqft	100 sqft	100 sqft	84,360
5	5	10/11/2008	31/03/2012	1,237	330	52,416	52.416	7,13,225
6	5	10/11/2008	31/03/2012	1,237	330	52,416	52.416	7,13,225
7	5	10/11/2008	31/03/2012	1,237	330	25,285	25.285	3,44,053
8	5	20/11/2008	31/03/2012	1,227	330	25,250	25.25	3,40,799
9	5	22/11/2008	31/03/2012	1,225	330	25,118	25.118	3,38,465
10	5	22/11/2008	31/03/2012	1,225	330	23,593	23.593	3,17,916
11	5	22/11/2008	31/03/2012	1,225	330	24,689	24.689	3,32,684
12	5	22/11/2008	31/03/2012	1,225	330	24,980	24.98	3,36,606
13	5	26/11/2008	31/03/2012	1,221	330	25,138	25.138	3,37,628
14	5	26/11/2008	31/03/2012	1,221	330	25,210	25.21	3,38,596
15	5	01/12/2008	31/03/2012	1,216	330	22,760	22.76	3,04,438
16	5	24/06/2011	31/03/2012	281	325	7,454	7.454	22,691
17	5	07/12/2011	31/03/2012	115	406	21,300	21.3	33,150
18	4	09/01/2004	31/03/2012	3,004	312.5	2,927	2.927	91,591
19	4	09/01/2004	31/03/2012	3,004	312.5	104	0.104	3,254
20	4	26/02/2004	31/03/2012	2,956	390.6	1,500	1.5	57,731
21	4	26/02/2004	31/03/2012	2,956	390.6	13,730	13.73	5,28,428
22	4	05/10/2007	31/03/2012	1,639	281.25	2,199	2.199	33,789
23	4	04/02/2008	31/03/2012	1,517	330	23,890	23.89	3,98,652
24	4	04/12/2008	31/03/2012	1,213	330	23,180	23.18	3,09,291
25	4	05/12/2008	31/03/2012	1,212	330	25,206	25.206	3,36,046
26	4	05/12/2008	31/03/2012	1,212	330	25,520	25.52	3,40,233
27	4	05/12/2008	31/03/2012	1,212	330	21,595	21.595	2,87,905
28	4	05/12/2008	31/03/2012	1,212	330	24,000	24	3,19,968
29	4	11/12/2008	31/03/2012	1,206	330	44,320	44.32	5,87,949

Sl. No.	Go-down No.	Date of Entry of Goods	Date of warehousing charges accumulated up to	Period of Storage (in days)	Rate/ MT/ month	Weight in kg	Weight in MT/ Carton/ Sft	Warehousing charges
(1)	(2)	(3)	(4)	(5)={ (4)-(3)}	(6)	(7)	(8)	(9)=[(5)×(6)×(8)]/30 days
					₹			₹
30	4	11/08/2009	31/03/2012	963	938	10case	10case	3,01,098
31	4	01/11/2011	31/03/2012	151	406	21,500	21.5	43,936
32	4	02/11/2011	31/03/2012	150	406	24,799	24.799	50,342
33	4	04/11/2011	31/03/2012	148	406	25,042	25.042	50,157
34	4	16/11/2011	31/03/2012	136	406	21,860	21.86	40,234
35	4	08/12/2011	31/03/2012	114	406	21,600	21.6	33,324
36	4	22/02/2012	31/03/2012	38	1,500	6 carton	6 carton	9,000
37	4	19/03/2012	31/03/2012	12	513	6,234	6.234	1,279
38	6	22/03/2005	31/03/2012	2,566	250	24,733	24.733	5,28,874
39	6	06/04/2005	31/03/2012	2,551	250	25,119	25.119	5,33,988
40	6	24/09/2007	31/03/2012	1,650	330	25,300	25.3	4,59,195
41	6	11/05/2007	31/03/2012	1,786	344	9,800	9.8	2,00,699
42	6	25/03/2008	31/03/2012	1,467	330	27,225	27.225	4,39,330
43	6	16/07/2008	31/03/2012	1,354	330	26,005	26.005	3,87,318
44	6	03/09/2008	31/03/2012	1,305	330	22,305	22.305	3,20,188
45	6	01/09/2008	31/03/2012	1,307	330	25,924	25.924	3,72,709
46	6	24/09/2008	31/03/2012	1,284	330	22,819	22.819	3,22,296
47	6	24/09/2008	31/03/2012	1,284	345.75	22,072	22.072	3,26,624
48	6	14/10/2008	31/03/2012	1,264	330	19,626	19.626	2,72,880
49	6	14/11/2008	31/03/2012	1,233	330	21,925	21.925	2,97,369
50	6	10/10/2008	31/03/2012	1,268	330	25,320	25.32	3,53,163
51	6	21/10/2008	31/03/2012	1,257	330	24,919	24.919	3,44,555
52	6	17/12/2008	31/03/2012	1,200	330	21,649	21.649	2,85,767
53	6	01/12/2008	31/03/2012	1,216	330	24,494	24.494	3,27,632
54	6	05/02/2009	31/03/2012	1,150	330	22,839	22.839	2,88,913
55	6	26/09/2008	31/03/2012	1,282	390	484	0.484	8,066
56	6	05/11/2008	31/03/2012	1,242	330	21,391	21.391	2,92,244
57	6	16/06/2009	31/03/2012	1,019	31.25/ carton	230	0.23	2,44,135
58	6	27/07/2009	31/03/2012	978	344	11,275	11.275	1,26,442
59	6	10/08/2009	31/03/2012	964	406	10,173	10.173	1,32,718
60	6	13/07/2011	31/03/2012	262	47.5/ carton	115	0.115	47,706
61	6	17/10/2011	31/03/2012	166	406	21,650	21.65	48,637
62	6	10/10/2011	31/03/2012	173	406	22,230	22.23	52,046
63	6	10/10/2011	31/03/2012	173	406	20,250	20.25	47,411

Sl. No.	Go-down No.	Date of Entry of Goods	Date of warehousing charges accumulated up to	Period of Storage (in days)	Rate/ MT/ month	Weight in kg	Weight in MT/ Carton/ Sft	Warehousing charges
(1)	(2)	(3)	(4)	(5)={ (4)-(3) }	(6)	(7)	(8)	(9)=[(5)×(6)×(8)] /30 days
					₹			₹
64	6	21/10/2011	31/03/2012	162	406	22,460	22.46	49,241
65	6	17/09/2011	31/03/2012	196	406	8,870	8.87	23,528
66	6	04/11/2011	31/03/2012	148	406	22,500	22.5	45,066
						Total (A)		1,55,71,037

B) HIDE ROAD WAREHOUSE

Sl. No.	Go-down No.	Date of Entry of Goods	Date of warehousing charges accumulated up to	Period of Storage (in days)	Rate/ MT/ month	Weight in kg	Weight in MT/ Carton/ Sft	Warehousing charges
(1)	(2)	(3)	(4)	(5)={ (4)-(3) }	(6)	(7)	(8)	(9)=[(5)×(6)×(8)] /30 days
					₹			₹
1	2E	20/08/2006	31/03/2012	2,050	250	21,806	21.806	3,72,519
2	2E	08/09/2006	31/03/2012	2,031	250	24,821	24.821	4,20,095
3	2E	07/11/2006	31/03/2012	1,971	250	23,280	23.28	3,82,374
4	2E	10/11/2006	31/03/2012	1,968	250	22,880	22.88	3,75,232
5	2E	28/11/2006	31/03/2012	1,950	250	24,240	24.24	3,93,900
6	2E	10/01/2007	31/03/2012	1,907	250	24,852	24.852	3,94,940
7	2E	27/12/2006	31/03/2012	1,921	250	26,309	26.309	4,21,163
8	2E	23/02/2007	31/03/2012	1,863	250	25,450	25.45	3,95,111
9	2E	23/03/2007	31/03/2012	1,835	250	23,240	23.24	3,55,378
10	2E	28/04/2006	31/03/2012	2,164	250	25,200	25.2	4,54,440
11	2E	08/08/2009	31/03/2012	966	313	58	0.058	585
12	2E	04/09/2009	31/03/2012	939	344	16,532	16.532	1,78,003
13	2	08/04/2005	31/03/2012	2,549	250	23,500	23.5	4,99,179
14	2	21/04/2005	31/03/2012	2,536	250	23,968	23.968	5,06,524
15	2	24/05/2005	31/03/2012	2,503	250	26,351	26.351	5,49,638
16	2	10/07/2006	31/03/2012	2,091	250	22,645	22.645	3,94,589
17	2	21/08/2006	31/03/2012	2,049	250	23,057	23.057	3,93,698
18	2	16/10/2006	31/03/2012	1,993	250	21,062	21.062	3,49,805
19	2	15/11/2006	31/03/2012	1,963	250	22,684	22.684	3,71,072
20	2	04/12/2006	31/03/2012	1,944	250	22,930	22.93	3,71,466
21	2	07/03/2007	31/03/2012	1,851	250	23,390	23.39	3,60,791
22	2	28/10/2005	31/03/2012	2,346	250	24,255	24.255	4,74,185
23	2	10/05/2006	31/03/2012	2,152	250	24,520	24.52	4,39,725
24	2	17/10/2005	31/03/2012	2,357	250	24,836	24.836	4,87,820

Sl. No.	Go-down No.	Date of Entry of Goods	Date of warehousing charges accumulated up to	Period of Storage (in days)	Rate/ MT/ month	Weight in kg	Weight in MT/ Carton/ Sft	Warehousing charges
(1)	(2)	(3)	(4)	(5)={ (4)-(3)}	(6)	(7)	(8)	(9)=[(5)×(6)×(8)]/30 days
					₹			₹
25	2	13/07/2005	31/03/2012	2,453	250	21,931	21.931	4,48,306
26	2	13/07/2005	31/03/2012	2,453	250	24,627	24.627	5,03,417
27	2	01/09/2006	31/03/2012	2,038	250	23,600	23.6	4,00,807
28	2	14/12/2005	31/03/2012	2,299	250	43,676	43.676	8,36,759
29	2	14/12/2005	31/03/2012	2,299	250	41,409	41.409	7,93,327
30	2	01/09/2006	31/03/2012	2,038	281.25	11,009	11.009	2,10,341
31	2	07/03/2007	31/03/2012	1,851	250	44,200	44.2	6,81,785
32	2	13/09/2007	31/03/2012	1,661	282.25	37,816	37.816	5,90,960
33	2	01/02/2007	31/03/2012	1,885	250	24,054	24.054	3,77,848
34	2	20/01/2006	31/03/2012	2,262	250	21,031	21.031	3,96,434
35	2	02/08/2005	31/03/2012	2,433	250	23,889	23.889	4,84,349
36	2	23/02/2007	31/03/2012	1,863	250	44,478	44.478	6,90,521
37	2	23/08/2005	31/03/2012	2,412	250	23,755	23.755	4,77,476
38	2	07/03/2007	31/03/2012	1,851	250	25,425	25.425	3,92,181
39	2	07/03/2007	31/03/2012	1,851	250	24,000	24	3,70,200
40	2	28/06/2006	31/03/2012	2,103	250	22,033	22.033	3,86,128
						Total (B)		1,73,83,074
					Grand Total (A+B)			3,29,54,110

Glossary of Abbreviations

Sl. No.	Abbreviation	Description
1.	ALF	Air-conditioned low floor buses - Tata Motors Marco Polo
2.	AML	Anti-money laundering
3.	APL RHHs	Above poverty line rural households
4.	AULF	Air-conditioned ultra low floor “Volvo” make
5.	BCCL	Bharat Coking Coal Limited
6.	BECML	Bengal EMTA Coalmines Limited
7.	BoD	Board of Directors
8.	BPL	Below poverty line
9.	BPL RHHs	Below poverty line rural households
10.	BPRF	Business Plan and Resource Forecast
11.	BRGF	Backward Region Grant Fund
12.	CA	Chartered Accountant
13.	CA	Compensatory afforestation
14.	CA	Customs Authority
15.	CAG	The Comptroller and Auditor General of India
16.	CART	Credit Appraisal Rating Tool
17.	CESC	CESC Limited
18.	CESTAT	Customs, Excise & Service Tax Appellate Tribunal
19.	CFL	Compact Fluorescent Light bulb
20.	CIBIL	Credit Information Bureau (India) Limited
21.	CIL	Coal India Limited
22.	CMD	Chairman and Managing Director
23.	CMPDIL	Central Mine Planning & Design Institute Limited
24.	COPU	Committee on Public Undertakings
25.	CSMC	Central Sanctioning and Monitoring Committee
26.	CSTC	Calcutta State Transport Corporation
27.	CVC	Central Vigilance Commission
28.	CWIP	Capital Work-in-Progress
29.	DGCEI	Directorate General of Central Excise Intelligence, Kolkata Zonal Unit
30.	DLCCs	District Level Co-ordination Committees
31.	DoTr	Department of Transport, Government of West Bengal
32.	DPL	The Durgapur Projects Limited
33.	DPRs	Detailed Project Reports
34.	DTR	Distribution transformer
35.	DUs	Departmental Undertakings
36.	ECL	Eastern Coalfields Limited
37.	ED	Excise duty
38.	EMI	Equated monthly instalments
39.	EPKM	Earnings per kilometre
40.	EWS	Economically Weaker Sections
41.	G.P.	<i>Gram Panchayat</i>
42.	GDP	State Gross Domestic Product
43.	GoI	Government of India

Sl. No.	Abbreviation	Description
44.	GoWB	Government of West Bengal
45.	GR	Geological Report
46.	GT Road	Grand Trunk Road
47.	HDPE	High density polyethylene
48.	HPR	Higher Productivity Reward
49.	ICAI	Institute of Chartered Accountants of India
50.	IGGB	Integrated Gangaramchack and Gangaramchack-Bhadulia blocks
51.	IRs	Inspection Reports
52.	<i>JnNURM</i>	Jawaharlal Nehru National Urban Renewal Mission
53.	JV	Joint venture
54.	KVA	Kilo volt ampere
55.	KYC	Know Your Customer
56.	L.T O.H	Low tension overhead
57.	LD	Liquidated damages
58.	LDS	Long distance services
59.	LOAs	Letters of Award
60.	MBL	Mackintosh Burn Limited
61.	MD	Managing Director
62.	MiSE	Micro and Small Enterprises
63.	MiSME	Micro, Small and Medium Enterprises
64.	MoC	Ministry of Coal
65.	MoU	Memorandum of Understanding
66.	MoUD	Ministry of Urban Development, Government of India
67.	MVA	Mega volt ampere
68.	NOC	'No Objection' Certificate
69.	NPA	Non-performing assets
70.	NRS	Normal Refinance Scheme
71.	NTESCL	New Town Electric Supply Company Limited
72.	O&M	Operations and Maintenance
73.	PCC	Pre-stressed cement concrete
74.	PNB	Punjab National Bank
75.	PP	Pilfer proof
76.	PPSWOR	Probability proportionate to size without replacement
77.	PSUs	Public Sector Undertakings
78.	PVC	Poly vinyl chloride
79.	RBI	Reserve Bank of India
80.	RE	Rural Electrification
81.	REC	Rural Electrification Corporation Limited
82.	REDB	Rural Electricity Distribution Backbone
83.	REP	Rural Electrification Plan
84.	REPOL	Rural Electrification Policy
85.	RGGVY	Rajiv Gandhi <i>Grameen Vidyutikaran Yojana</i>
86.	RHHs	Rural households
87.	SARs	Separate Audit Reports
88.	SBSTC	South Bengal State Transport Corporation
89.	SFCs	State Financial Corporations

Sl. No.	Abbreviation	Description
90.	SIDBI	Small Industries Development Bank of India
91.	SLCC	State Level Co-ordination Committee
92.	SLF	Semi-low floor non-air-conditioned buses
93.	SPL	Saraswaty Press Limited
94.	SQL	Structured query language
95.	SRS	Special Refinance Scheme
96.	STA	Service tax authorities
97.	TPIA	Third party inspection agency
98.	UBI	United Bank of India
99.	VAT	Value added tax
100.	VLEs	Village level entrepreneurs
101.	WBFC	West Bengal Financial Corporation
102.	WBIDC	West Bengal Industrial Development Corporation Limited
103.	WBIIDC	West Bengal Industrial Infrastructure Development Corporation
104.	WBPDC	The West Bengal Power Development Corporation Limited
105.	WBREP	West Bengal Rural Electrification Programme
106.	WBSEB	West Bengal State Electricity Board
107.	WBSEDCL	West Bengal State Electricity Distribution Company Limited
108.	WBSRDA	West Bengal State Rural Development Agency
109.	WBSTCL	West Bengal Surface Transport Corporation Limited
110.	WBSWC	West Bengal State Warehousing Corporation
111.	WBTbCL	West Bengal Text Book Corporation (P) Limited
112.	WBTIDCL	West Bengal Transport Infrastructure Development Corporation Limited

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