Report of the
Comptroller and Auditor General of India

on

Public Sector Undertakings

for the year ended 31 March 2013

The Report has been laid on the table of the State Legislature Assembly on 25-07-2014

GOVERNMENT OF GUJARAT

(Report No. 3 of the year 2014)

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Preface

This Report deals with the results of audit of Government Companies and Statutory Corporations and has been prepared for submission to the Government of Gujarat under Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, as amended from time to time.

2. Audit of the accounts of Government Companies is conducted by the Comptroller and Auditor General of India (CAG) under the provisions of Section 619 of the Companies Act, 1956.

3. In respect of Gujarat State Road Transport Corporation, which is a Statutory Corporation, the CAG is the sole auditor. As per the State Financial Corporations (Amendment) Act, 2000, CAG has the right to conduct the audit of accounts of Gujarat State Financial Corporation in addition to the audit conducted by the Chartered Accountants, appointed by the Corporation out of the panel of auditors approved by the Reserve Bank of India. In respect of Gujarat State Warehousing Corporation, CAG has the right to conduct the audit of accounts in addition to the audit conducted by the Chartered Accountants, appointed by the State Government in consultation with CAG. The audit of accounts of Gujarat Industrial Development Corporation was entrusted to the CAG under Section 19(3) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 for a period of five years from 1977-78 and has been extended from time to time up to the accounts for the year 2016-17. In respect of Gujarat Electricity Regulatory Commission, CAG is the sole auditor. The Audit Reports on the annual accounts of all these Corporations/Commission are forwarded separately to the State Government.

4. The cases mentioned in this Report are among those which came to notice in the course of audit during the year 2012-13 as well as those which came to notice in earlier years but were not dealt with in the previous Reports. Matters relating to the period subsequent to the period after 31 March 2013 have also been included, wherever necessary.

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

Overview

1 Overview of Government Companies and Statutory Corporations

Audit of Government Companies is governed by Section 619 of the Companies Act, 1956. The accounts of Government Companies are audited by Statutory Auditors appointed by the Comptroller and Auditor General of India (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 Gujarat had 69 working PSUs (65 companies and four Statutory Corporations) and 12 non-working PSUs (all companies). The working PSUs, which employed 1.12 lakh employees, registered a turnover of ₹91,309.63 crore during 2012-13, as per their latest finalised accounts as of 30 September 2013. This turnover was equal to 13.09 per cent of State GDP indicating an important role played by State PSUs in the State economy. During 2012-13, the working PSUs earned an overall aggregate profit of ₹4,041.06 crore as per their latest finalised accounts as of 30 September 2013. The aggregate accumulated profits of all PSUs were ₹2,865.09 crore as per their latest finalised accounts.

Investments in PSUs

As on 31 March 2013, the investment (capital and long-term loans) in 81 PSUs was ₹97,472.56 crore. It grew by 91.90 per cent from ₹50,793.35 crore in 2007-08. Besides the other sector, the thrust of PSU investment was mainly in power sector in which share of investment increased from 30.34 per cent in 2007-08 to 31.12 per cent in 2012-13. The Government contributed ₹15,340.87 crore towards equity, loans and grants/subsidies to State PSUs during 2012-13.

Performance of PSUs

During the year 2012-13, out of 69 working PSUs, 42 PSUs earned profit of ₹4,468.00 crore and 19 PSUs incurred loss of ₹426.94 crore. Major contributors to the profit were Gujarat State Petroleum Corporation Limited (₹1,247.14 crore), Gujarat Mineral Development Corporation Limited (₹924.07 crore) and Gujarat State Petronet Limited (₹825.72 crore). Heavy losses were incurred by Gujarat State Road Transport Corporation (₹141.99 crore) and Gujarat State Financial Corporation (₹113.17 crore) and Alcock Ashdown (Gujarat) Limited (₹76.48 crore).

Though the PSUs were earning profits, there were instances of various deficiencies in the functioning of PSUs. A review of three years' Audit Reports of the CAG shows that in the State PSUs' losses of ₹4,891.92 crore and infructuous investment of ₹24.52 crore were controllable with better management. Thus, there is tremendous scope to improve the functioning and enhance profits/minimise losses. The PSUs can discharge their role efficiently only if they are financially self-reliant. There is a need for greater professionalism and accountability in the functioning of PSUs.

Quality of accounts

The quality of accounts of PSUs needs improvement. Twenty-seven out of 68 accounts of working companies finalised during October 2012 to September 2013 received qualified certificates. There were 39 instances of non-compliance with Accounting Standards in 19 accounts. Reports of Statutory Auditors on internal control of the companies indicated several weak areas.

Arrears in accounts

Thirty PSUs had arrears of 42 accounts as of September 2013. These arrears need to be cleared. (Chapter 1)

2. Performance audit relating to Government Company

Performance audit relating to Power Purchase Agreements entered into with Independent Power Producers by Gujarat Urja Vikas Nigam Limited was conducted.

Executive summary of performance audit on '**Power Purchase Agreements with Independent Power Producers'** is given below:

The Electricity Supply Act was amended (1991) to open up generation of power to the private sector, as State Electricity Boards (SEBs) began to suffer huge losses and fresh investments in the power sector were not forthcoming. The Independent Power Producers (IPPs) were to operate on a cost plus model and enter into Power Purchase Agreements (PPAs) with the SEBs who were responsible for transmission and distribution.

PPAs with IPPs both private and State owned were entered into under cost plus approach up to January 2006, after which competitive bidding was made compulsory for all new generation plants set up under the private sector. In respect of State owned IPPs, cost plus approach based on GERC tariff orders was allowed up to January 2011, after which competitive bidding was made compulsory for them also. The Ministry of Power, in January 2005, issued guidelines for determination of tariff by bidding process for procurement of power.

Planning

During the period 2008-09 to 2012-13, the gap between actual installed capacity of Government of Gujarat (state as a whole) and capacity required to meet the registered unrestricted demand changed from a deficit of 4,020 MW to a surplus of 6,822 MW due to the capacity addition made by the GUVNL.

Finalisation and signing of MOUs/PPAs for purchase of Non-Renewable Energy (NRE)

The GUVNL executed 22 PPAs for 9,265.07 MW with its generating subsidiary, Gujarat State Electricity Corporation Limited (GSECL). Besides, the GUVNL also entered into 20 PPAs with IPPs other than GSECL for a capacity of 12,089 MW.

The increase in capital cost of the PPA entered into with Bhavnagar Energy Company Limited would increase the levelised tariff by ₹0.13 per Kwh leading to an annual burden of ₹ 38 crore on public.

Deviation from standard bidding guidelines in respect of provisional bills led to monthly loss of rebate ranging from ₹16.60 lakh to ₹3.31 lakh related to three IPPs.

Provisions in PPAs for NRE

Fixing of delivery point subsequent to finalisation of PPA led to passing of undue benefit to Essar Power Gujarat Limited for ₹587.50 crore during the tenure of the PPA.

Incentive payments made to three IPPs on their Deemed Generation declared on Naphtha prior to September 2002 disregarding the GoI Notification of November 1995 coupled with belated legal action for recovering the erroneous payments led to a loss of ₹396.39 crore.

Operationalization of PPAs for NRE

Non-compliance with the provisions of PPA as regards to the date of operationalising the tariff parameters led to excess expenditure of ₹5.36 crore.

The GUVNL incurred an interest loss of ₹3.17 crore due to non- adherence to provisions of PPA with Essar Power Gujarat Limited regarding Liquidated damages.

Monitoring mechanism

Inadequate monitoring of commercial operation of 250 MW expansion plant of Gujarat Industrial Power Company Limited led to belated recovery of Liquidated Damages of ₹11.37 crore and consequential loss of interest for ₹2.11 crore.

Renewable energy

Contracting excess capacity under solar policy by the GUVNL led to excess burden of ₹473.20 crore on the consumers of the state.

Reduction in levelised tariff by ₹0.21 per unit on account of availment of excise duty and customs duty benefit by solar power developers was not passed on to the GUVNL and the same was not monitored by Gujarat Energy Development Agency.

Conclusion

Instances of losses or passing of undue benefits to IPPs were noticed due to non-adherences to Standard Bidding Guidelines, GoI notifications, GERC orders and terms of PPA and also due to weak monitoring mechanism with the GUVNL/GEDA.

Recommendations

The GUVNL may consider consulting STU in planning evacuation of power well in advance. Adherence to the provisions of GOI notifications/guidelines, GERC orders and terms of PPAs should be ensured and the GUVNL should also refrain from contracting excess capacity from costlier sources.

(Chapter 2)

3. Compliance Audit Observations

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 ₹5.11 crore in one case due to non-compliance with rules, directives, procedures and terms and conditions of contracts.

(Paragraph 3.2)

Loss of ₹ 141.89 crore in ten cases due to non-safeguarding the financial interests of organisation.

(Paragraphs 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11and 3.12)

Loss of ₹10.61 crore in two cases due to defective/deficient planning

(Paragraphs 3.1 and 3.13)

Gist of the major observations is given below:

Gujarat State Electricity Corporation Limited passed an undue benefit of ₹ 10.71 crore to the washery contractor by allowing him to retain the washery rejects at a lower price.

(Paragraph 3.3)

Gujarat State Petronet Limited passed an undue benefit to Essar Steel Limited by waiver of ship and pay charges and also to Torrent Power Limited by taking an imprudent decision to reduce the contracted quantity and suffered loss of revenue of ₹ 92.34 crore.

(Paragraphs 3.6 and 3.7)

GSPC Gas Company Limited did not revise the selling price of gas as per the contractual terms of the agreement entered with industrial customers and consequently suffered loss of revenue of ₹ 25.37 crore**.**

(Paragraph 3.8)

Chapter I

Overview of State Public Sector Undertakings

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Overview of State Public Sector Undertakings

Introduction

1.1 The State Public Sector Undertakings (PSUs) consists of the Government of Gujarat (GoG) Companies and the Statutory Corporations. The State PSUs are established to carry out the activities of commercial nature while keeping in view the welfare of people. The State PSUs occupy an important place in the economy of Gujarat. The working State PSUs registered a turnover of ₹ 91,309.63 crore during 2012-13 as per their latest finalised accounts as of September 2013. This turnover was equal to 13.09 *per cent* of State Gross Domestic Product (GDP) for 2012-13. Major activities of the Gujarat State PSUs are concentrated in power sector. The working State PSUs earned an overall aggregate profit of ₹ 4,041.06 crore during 2012-13 as per their latest finalised accounts as of September 2013. They had employed 1.12 lakh[1] employees as on 31 March 2013.

1.2 As on 31 March 2013, there were 81 PSUs as per the details given below. Of these, three PSUs[2] were listed on the stock exchange(s).

Type of PSUs	Working PSUs	Non-working PSUs[3]	Total
Government Companies[4]	65	12	77
Statutory Corporations	4	0	4
Total	**69**	**12**	**81**

1.3 During the year 2012-13, three companies GSPC Marginal Fields Limited, BISAG Satellite Communication and Gujarat Medical Services Corporation Limited were incorporated.

Audit Mandate

1.4 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 Government(s), Government Companies and Corporations controlled by Government(s) is treated as if it were a Government Company (deemed Government Company) as per Section 619-B of the Companies Act.

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[1] As per the details provided by 65 PSUs (except PSUs at Sl. No. A-12, A- 30, A-48 and A-56 of Annexure -1)

[2] Sl No.A-27, A-51 of and B-2 of Annexure-1.

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

[4] Includes 619-B companies.

1.5 The accounts of the State Government Companies (as defined in Section 617 and 619-B of the Companies Act, 1956) are audited by the 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 the Section 619 (4) of the Companies Act, 1956.

1.6 Audit of Statutory Corporations is governed by their respective legislations. Out of four Statutory Corporations, the CAG is the sole auditor for Gujarat Industrial Development Corporation and Gujarat State Road Transport Corporation. In respect of Gujarat State Warehousing Corporation, the statutory auditors are appointed by the State Government in consultation with the CAG and the supplementary audit is conducted by the CAG. In respect of Gujarat State Financial Corporation, the statutory auditors are appointed by the Corporation out of the panel approved by the Reserve Bank of India and supplementary audit is conducted by the CAG.

Investment in State PSUs

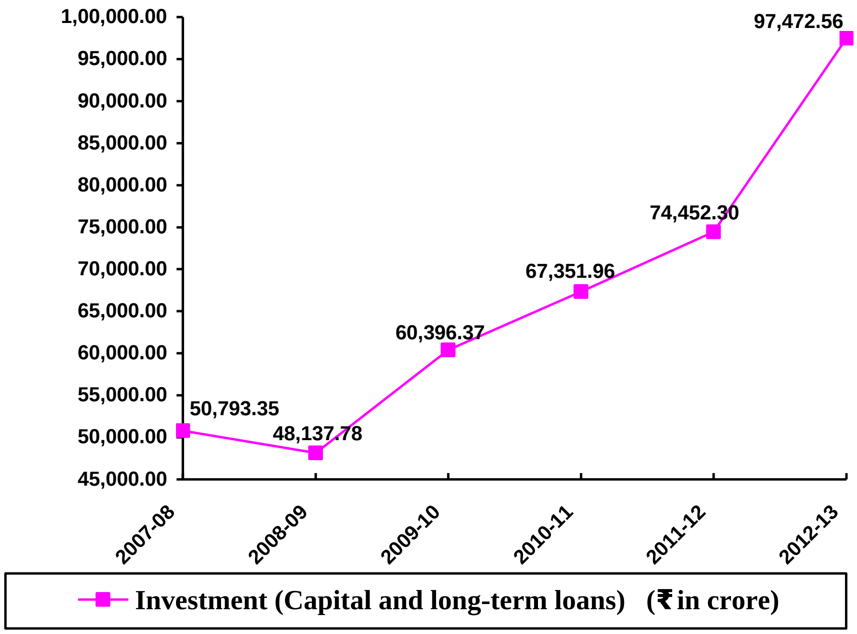
1.7 As on 31 March 2013, the investment (Capital and Long-term loans) in 81 PSUs (including 619-B Companies) was ₹ 97,472.56 crore as per details given below:

(₹ in crore)

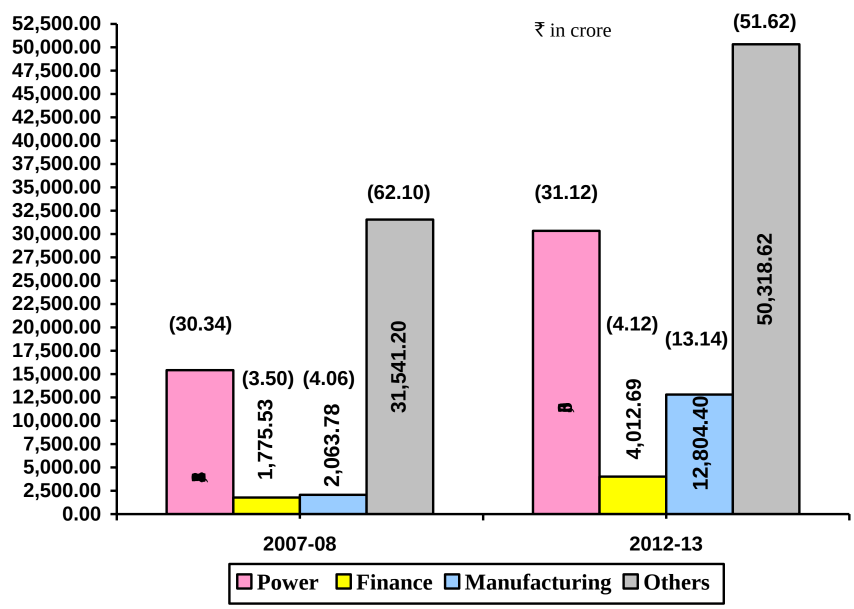
Type of PSUs	Government Companies			Statutory Corporations			Grand Total
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	
Working PSUs	51,701.94	41,078.86	92,780.80	852.45	3,045.03	3,897.48	96,678.28
Non-working PSUs	82.57	711.71	794.28	-	-	-	794.28
Total	51,784.51	41,790.57	93,575.08	852.45	3,045.03	3,897.48	97,472.56

A summarised position of government investment in the State PSUs is detailed in ***Annexure* 1**.

1.8 As on 31 March 2013, of the total investment in State PSUs, 99.19 per *cent* was in working PSUs and the remaining 0.81 *per cent* in non-working PSUs. This total investment consisted of 54 *per cent* towards capital and 46 *per cent* in long-term loans. The investment has grown by 91.90 *per cent;* from ₹ 50,793.35 crore in 2007-08 to ₹ 97,472.56 crore in 2012-13 as shown in the graph as follows:



9 The investment in various important sectors and percentage thereof at the end of 31 March 2008 and 31 March 2013 are indicated below in the bar chart.



(Figures in brackets show the percentage of total investment)

It can be observed from the above chart that the main thrust of investment was in Power and 'Others' sectors. As against 2007-08, there was an increase in investment in 2012-13 by 96.83 *per cent*, 126 *per cent*, 520.43 *per cent* and 59.53 *per cent* in power, finance, manufacturing and others sectors respectively. Major change in emphasis was seen in the manufacturing sector whose share in total investment increased from 4.06 *per cent* in 2007-08 to 13.14 *per cent* in 2012-13. The increase was mainly attributable to increased investment of ₹ 10,935.94 crore in the Gujarat State Petroleum Corporation

Limited. The increase in 'Finance' sector was attributable to investment of ₹ 1,784.27 crore in Gujarat State Investments Limited and ₹ 431.52 crore in Gujarat Minorities Finance and Development Corporation Limited. The increase in power sector was mainly attributable to increased investment of ₹ 4,205.65 crore and ₹ 4,022.51 crore in Gujarat State Electricity Corporation Limited and Gujarat Energy Transmission Corporation Limited respectively. The increase in 'Others' sector was on account of increase in investment in Sardar Sarovar Narmada Nigam Limited by ₹ 11,618.76 crore.

Budgetary outgo, grants/subsidies, guarantees and loans

1.10 The details regarding budgetary outgo towards equity, loans, grants/ subsidies, guarantees issued, loans written off, loans converted into equity and interest waived in respect of State PSUs are given in ***Annexure* 3**. The summarised details are given below for three years ended 2012-13.

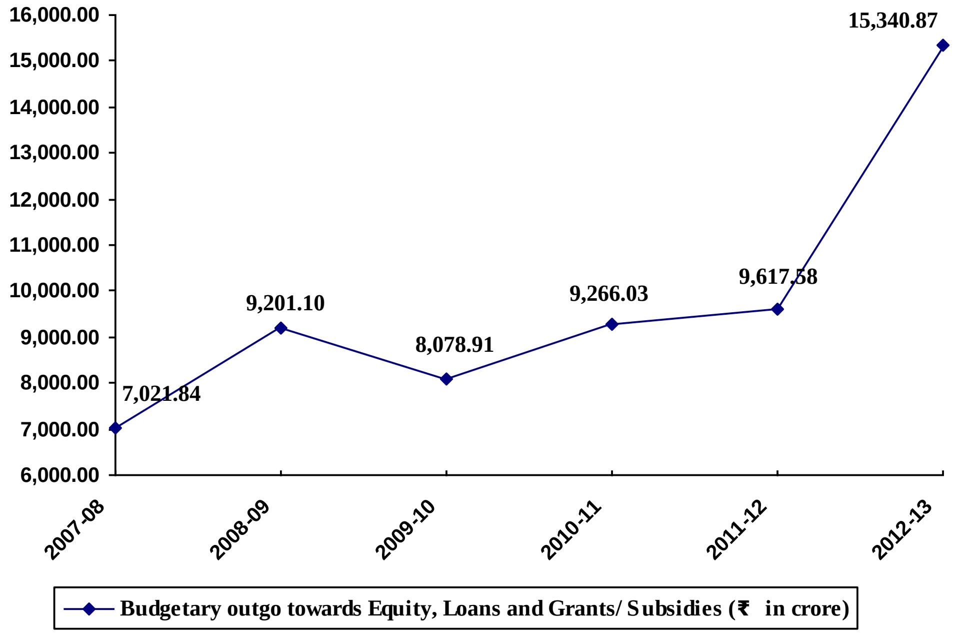
(Amount: ₹ in crore)

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	11	2,909.95	15	3,970.14	17	7,952.92
2.	Loans given from budget	8	1,006.52	7	1,129.68	4	610.34
3.	Grants/Subsidy	29	5,349.56	29	4,517.76	31	6,777.61
4.	**Total Outgo (1+2+3)**	**--**	**9,266.03**	**--**	**9,617.58**	**--**	**15,340.87**
5.	Loans converted into equity	--	--	--	--	-	--
6.	Loans written off	1	7.00	--	--	-	--
7.	Interest/Penal interest written off	1	2.31	--	--	-	--
8.	**Total Waiver (6+7)**	--	**9.31**	**--**	**--**	**-**	**--**
9.	Guarantees issued	--	--	1	5.00	1	8.00
10.	Guarantee Commitment	12	4,960.25	7	3,376.31	6	2,718.74

Out of ₹ 7,952.92 crore of equity capital outgo during the year 2012-13, the major portion i.e. ₹ 4,827.96 crore was given to Sardar Sarovar Narmada Nigam Limited and ₹ 1,050.00 crore to Gujarat Urja Vikas Nigam Limited. Out of loans of ₹ 610.34 crore given from budget, ₹ 590.00 crore was given to Gujarat State Road Transport Corporation. Likewise, out of ₹ 6,777.61 crore of grants and subsidy given during the year 2012-13, ₹ 4,409.45 crore was given to nine power sector PSUs[5] and ₹ 600.00 crore to Gujarat State Road Transport Corporation, ₹ 322.75 crore to Gujarat State Police Housing Corporation Limited and ₹ 256.76 crore to Gujarat State Land Development Corporation.

1.11 The details regarding budgetary outgo towards equity, loans and grants/ subsidies for past six years are given in a graph as follows:

[5] Sl No. A-19 to A-27 of Annexure-3



It can be observed that after recording an all-time low of ₹ 7,021.84 crore (2007-08) during the preceding six years period, the budgetary outgo to State PSUs gradually increased (except in 2009-10) each year and registered the highest outgo of ₹ 15,340.87 crore in 2012-13.

1.12 In order to enable PSUs to obtain financial assistance from Banks and Financial Institutions, State Government gives guarantee under Gujarat State Guarantee Act, 1963 subject to the limits prescribed by the Constitution of India, for which the guarantee fee is being charged. This fee varies from 0.25 *per cent* to one *per cent* as decided by the State Government depending upon the loanees. The guarantee commitment decreased to ₹ 2,718.74 crore during 2012-13 from ₹ 4,960.25 crore during 2010-11. The State Government issued guarantee to one PSU[6] amounting to ₹ 8.00 crore during 2012-13. Further, eight PSUs[7] paid guarantee fee[8] to the tune of ₹ 32.95 crore. Guarantee fee of ₹ 35.60 crore was yet to be paid by one PSU[9] for the year 2012-13 to the State Government.

[6] Sl. No. A-13 of Annexure 3.

[7] Sl. No. A-36, A-38, A-39, A-40, A-41, A-42, A-43 and A-64 of Annexure 1.

[8] The Guarantee outstanding in respect of six (A-36, A-38, A-39, A-40, A-41 and A-42) subsidiary PSUs of Power sector is shown under holding Company at Sl. No. A-43 of Annexure 1 as the same has not been allocated to its subsidiaries. The details of Guarantee fees as allocated by the holding Company (GUVNL) has been considered.

[9] Sl No.B-2 of Annexure 1.

Reconciliation with Finance Accounts

1.13 The amount of equity, loans and guarantees outstanding as per records of State PSUs should agree with that of the amount 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.

(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	46,797.06	45,434.99	1,362.07
Loans	3,727.62	5,910.03	2,182.41
Guarantees	5,046.43	2,718.74	2,327.69

1.14 Audit observed that the differences occurred in respect of 52 PSUs. The Accountant General (AG) brought (January 2014) the matter to the notice of the Finance Department, concerned administrative Department and the respective PSUs about the differences in figures indicated in the Audit Report (PSUs) and Finance Accounts for the year 2012-13. The Government and the PSUs should take concrete steps to reconcile the differences at the earliest.

Performance of PSUs

1.15 The financial results of PSUs, financial position and working results of Statutory Corporations are detailed in ***Annexure*-2, 5 and 6** respectively. A ratio of PSU turnover to State GDP shows the extent of PSU activities in the State economy. Table below provides the details of working PSU's turnover and State GDP for the period 2007-08 to 2012-13.

(₹ in crore)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Turnover[10]	40,632.57	50,289.48	58,451.76	63,008.20	79,641.86	91,309.63
State GDP	2,80,086	3,61,846	3,81,028	5,14,750	5,91,175	6,97,298[11]
Percentage of Turnover to State GDP	14.51	13.90	15.34	12.24	13.47	13.09

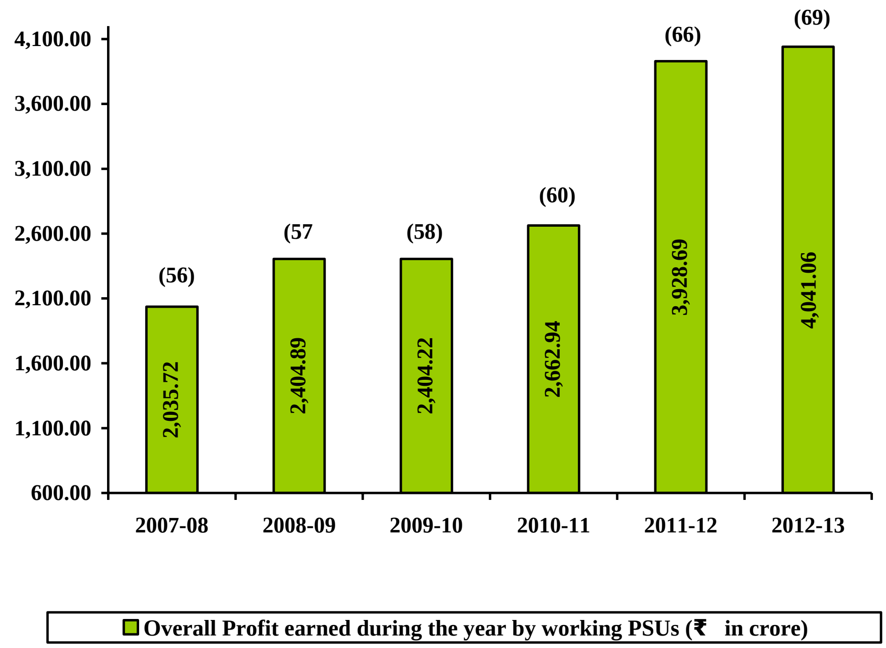
It can be seen from the above that the turnover gradually increased from ₹ 40,632.57 crore in 2007-08 to ₹ 91,309.63 crore in 2012-13. The ratio remained between 12.24 and 15.34 *per cent*.

1.16 Details of profit[12] earned by working State PSUs during 2007-08 to 2012-13 are given in a bar chart, which follows.

[10] Turnover of working PSUs as per the latest finalised accounts as of 30 September 2013.

[11] As per Statements prepared under the Gujarat Fiscal Responsibility Act, 2005, Budget Publication No. 30.

[12] Represents net profit before tax.



(Figures in brackets show the number of working PSUs in respective years)

It can be observed from the above that the working of PSUs improved over the period. During the year 2012-13, out of 69 working PSUs, 42 PSUs earned profit of ₹ 4,468.00 crore and 19 PSUs incurred loss of ₹ 426.94 crore. One working PSU[13] had shown neither profit nor loss as grants relating to expenditure on works completed are transferred to 'Income and Expenditure Account', four PSUs[14] are under construction and one PSU[15] had transferred excess of expenditure over income to non-plan grant. Two Companies[16] had not finalised their first accounts. The major contributors to the profit were Gujarat State Petroleum Corporation Limited (₹ 1,247.14 crore), Gujarat Mineral Development Corporation Limited (₹ 924.07 crore) and Gujarat State Petronet Limited (₹ 825.72 crore). Heavy losses were incurred by Gujarat State Road Transport Corporation (₹ 141.99 crore), Gujarat State Financial Corporation (₹ 113.17 crore) and Alcock Ashdown (Gujarat) Limited (₹ 76.48 crore).

1.17 Though the PSUs were earning profits, there were instances of deficiencies in financial management, planning, implementation of projects, running their operations and monitoring. A review of the three latest Audit

[13] Sl. No.A-19 of Annexure 2.
[14] Sl No. A-25, A-32, A-56 and A-64 of Annexure 2.
[15] Sl. No. A-8 of Annexure 2.
[16] Sl No.A-29 and A-55 of Annexure 2.

Reports of the CAG shows that the working State PSUs incurred losses to the tune of ₹ 4,891.92 crore and infructuous investment of ₹ 24.52 crore, which were controllable with better management. Year wise details from Audit Reports are stated as follows:

(₹ in crore)

Particulars	2010-11	2011-12	2012-13	Total
Net Profit	2,662.94	3,928.69	4,041.06	10,632.69
Controllable losses as per CAG's Audit Report	2,344.56	894.70	1,652.66	4,891.92
Infructuous Investment	2.86	11.05	10.61	24.52

1.18 The above losses pointed out in the Audit Reports of the CAG are based on test check of records of the PSUs. The actual controllable losses would be much more. The above table shows that with better management, the controllable losses could be minimised and the profits could be enhanced substantially. The PSUs can discharge their role efficiently only if they are financially self-reliant. The above situation points towards a need for professionalism and accountability in the functioning of PSUs.

1.19 Some other key parameters pertaining to the State PSUs are given below.

(₹ in crore)

Particulars	**2007-08**	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**
Return on Capital Employed (*per cent*)	5.43	3.95	5.24	5.24	6.97	6.40
Debt	20,564.74	13,048.33	23,734.37	26,862.15	30,253.60	44,835.60
Turnover[17]	40,632.57	50,289.48	58,451.76	63,008.20	79,641.86	91,309.63
Debt/ Turnover Ratio	0.51:1	0.26:1	0.41:1	0.43:1	0.38:1	0.49:1
Interest Payments	1,702.33	2,021.74	2,255.99	2,423.60	2,935.83	3,390.99
Accumulated Profits/ (Losses)	(524.66)	(814.56)	(595.03)	169.34	1,693.73	2,865.09

(Above figures pertain to all PSUs except for turnover which is for working PSUs).

1.20 The turnover of PSUs had increased gradually from ₹ 40,632.57 crore in 2007-08 to ₹ 91,309.63 crore in 2012-13. The Debt-turnover ratio improved during 2008-09 as compared to various other years. The Debt-turnover ratio for 2012-13 increased to 0.49:1 from 0.38:1 in 2011-12 because of significant increase in the turnover and debt during 2012-13. Accumulated losses increased from ₹ 524.66 crore in 2007-08 to ₹ 814.56 crore in 2008-09 which reduced to ₹ 595.03 crore in 2009-10. In the year 2012-13, accumulated profits were ₹ 2,865.09 crore because of increase in quantum of profits during the last three years.

1.21 The State Government had not formulated any dividend policy regarding payment of minimum return by the PSUs on paid-up share capital contributed by the State Government. As per their latest finalised accounts as on 30 September 2013, 42 PSUs earned aggregate profit of ₹ 4,468 crore and

[17] Turnover of working PSUs as per the latest finalised accounts as of 30 September 2013.

nine PSUs[18] declared dividend of ₹ 306.67 crore of which the State Government's share was ₹ 203.38 crore.

Arrears in finalisation of accounts of PSUs

1.22 The 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 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 the details of progress made by working PSUs in finalisation of accounts by September 2013.

Sl. No.	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
1.	Number of Working PSUs	57	58	60	66	69
2.	Number of accounts finalised during the year	58	73	58	58	71
3.	Number of accounts in arrears	51	36	38	47	42[19]
4.	Average arrears *per* PSU (3/1)	0.89	0.62	0.63	0.71	0.61
5.	Number of Working PSUs with arrears in accounts	34	25	27	35	30
6.	Extent of arrears (numbers in years)	1 to 6	1 to 4	1 to 4	1 to 4	1 to 3

1.23 It can be observed that the number of accounts in arrears has decreased from 51 (2008-09) to 42 (2012-13) with corresponding reduction in average arrears per PSU from 0.89 (2008-09) to 0.61 (2012-13). The number of accounts in arrears has decreased from 47 (2011-12) to 42 (2012-13).

1.24 In addition to above, there were arrears in finalisation of accounts by non-working PSUs. Out of 12 non-working PSUs, seven were in the process of liquidation. Of the remaining five non-working PSUs, one PSU had arrears of accounts for the last 14 years.

1.25 The State Government had invested ₹ 5,267.66 crore in 20 PSUs {equity: ₹ 599.10 crore (7 PSUs), loans: ₹ 1,312.80 crore (3 PSUs) and grants ₹ 3,355.76 crore (18 PSUs)} during the years for which accounts have not been finalised as detailed in ***Annexure* 4**.

1.26 The Administrative Departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by these PSUs within the prescribed period. Though Audit had informed the concerned Administrative Departments and officials of the State Government about the arrears in finalisation of accounts on quarterly basis, adequate remedial measures were not taken. As a result of this, the net worth of these PSUs could not be assessed in Audit. Further, the delay in finalisation

[18] Sl. No. A-1, A-2, A-9, A-10, A-27, A-28, A-51, A-53 and A-63 of Annexure-2.
[19] Includes arrears of three accounts in respect of IFCG which was taken over by GIDC.

of accounts may result in fraud and leakage of public money apart from violation of the provisions of the relevant Acts.

Non-working PSUs

1.27 There were 12 non-working Companies as on 31 March 2013. Of these, seven PSUs have commenced liquidation process while the decision of the GoG regarding closure of remaining five PSUs was awaited. During 2012-13, three non-working PSUs[20] incurred an expenditure of ₹ 0.47 crore towards establishment expenditure. This expenditure was financed by borrowings (₹ 0.23 crore[21]) and through interest received on their investments (₹ 0.24 crore[22]).

1.28 The stages of closure in respect of non-working PSUs as on 30 September 2013 are given below.

Sl. No.	Particulars	No. of PSUs
1.	Total number of non-working PSUs	12
2.	Of (1.) above, the number under:	
(a)	Liquidation by Court (liquidator appointed)	6[23]
(b)	Voluntary winding up (liquidator appointed)	1[24]
(c)	Closure, *i.e.* closing orders/ instructions not issued.	5[25]

Comments on Accounts and Internal Audit

1.29 Fifty seven working Companies forwarded 68 accounts to AG during the year 2012-13 for the purpose of supplementary audit. The audit reports of Statutory Auditors appointed by the CAG and the supplementary audit of the CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments[26] of the Statutory Auditors and the CAG are given below.

[20] Sl.No-C-2, C-5 and C-7 of Annexure 2.

[21] Sl. No. C-2 (₹ 0.17 crore) and C-7 (₹ 0.06 crore) of Annexure 2

[22] Sl.No. C-2 (₹ 0.10 crore) and C-5 (₹ 0.14 crore) of Annexure 2

[23] Sl.No. C-4, C-6, C-8, C-10, C-11 and C-12 of Annexure 2.

[24] Sl.No. C-3 Annexure 2.

[25] Sl.No. C-1, C-2, C-5, C-7 and C-9 of Annexure 2.

[26] For the purpose of CAG comments only those comments actually issued during October 2012 to September 2013 have been considered including accounts of previous period for which comments were issued in the current period.

(Amount: ₹ in crore)

Sl. No.	Particulars	2010-11		2011-12		2012-13	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	9	20.41	10	14.79	5	56.54
2.	Increase in loss	1	0.35	1	0.35	2	135.57
3.	Non-disclosure of material facts	6	71.99	5	159.32	2	17.31
4.	Errors of classification	7	4,913.43	3	22,917.62	1	23,885.27

1.30 It can be observed from the above that money value objections for decrease in profit increased from ₹ 20.41 crore in 2010-11 to ₹ 56.54 crore in 2012-13. The cases of increase in loss increased from ₹ 0.35 crore in 2010-11 to ₹ 135.57 crore in 2012-13. However, cases of non-disclosure of material facts decreased from ₹ 71.99 crore in 2010-11 to ₹ 17.31 crore in 2012-13. The one error of classification in 2012-13 was in respect of SSNNL which has been repeated since 2007-08.

1.31 During the year, the Statutory Auditors had given unqualified certificates for 41 accounts, qualified certificates for 27 accounts. The compliance of Companies with the Accounting Standards (AS) remained poor as there were 39 instances of non-compliance in 19 accounts during the year.

Some of the important comments in respect of accounts of Companies are stated below:

1.32 Gujarat Water Resource Development Corporation Limited (2011-12)

The Company received an adhoc Maintenance and Repairs subsidy of ₹ 572.60 crore for the period 1997-98 to 2011-12 from GoG and also accounted additional receivables of ₹ 131.71 crore as on 31 March 2012 based on Committee recommendations. The Company, also suo motu adjusted payables (GoG loans and interest accrued thereon and guarantee fees payable) to GoG of ₹ 79.47 crore and arrived at a net receivable amount of ₹ 52.24 crore under Current Assets. The Company, in violation of paragraph 6 of AS-12, recognised an amount of ₹ 131.71 crore as 'Grants Receivable' as its collection was not reasonably certain resulting in overstatement of 'Grants Receivable by ₹ 52.24 crore, understatement of payables to GoG by ₹ 79.47 crore and understatement of accumulated loss by ₹ 131.71 crore.

1.33 Uttar Gujarat Vij Company Limited (2011-12)

In violation of requirement of Revised Schedule VI of the Companies Act, 1956 the Company wrote off a balance of ₹ 20.96 crore which was outstanding under "Deferred Revenue Expenditure on Energy Efficient Pump Set Scheme" against General Reserve instead of charging the same to Profit and Loss resulting in overstatement of profit by the same amount. Consequently, a profit of ₹ 12.45 crore would turn into loss of ₹ 8.51 crore.

1.34 Sardar Sarovar Narmada Nigam Limited (2011-12)

The qualification by the Statutory Auditor was deficient to the extent of non-quantification of the impact of non-capitalisation of works in progress citing the absence of relevant details as regards completed dam & appurtenant works, irrigation and water work which could be operated independently. Since, the expenditure amounting to ₹ 23,885.27 crore was incurred on the completed assets which were put to use but were not capitalised, it resulted in overstatement of Capital Work in Progress and understatement of Fixed Assets to the same extent.

1.35 Similarly, three working Statutory Corporations forwarded one account each to AG during the year which pertained to 2009-10, 2011-12 and 2012-13. Of these, one account of Statutory Corporations (Sl. No B-4 of ***Annexure 2***) pertained to sole audit by CAG wherein Separate Audit Report was issued for that account (2009-10) during the year. Of the remaining two accounts pertaining to other two Statutory Corporations (Sl. No B-1 and B-2 of ***Annexure 2***), comments were issued to Gujarat State Warehousing Corporation (2011-12) and audit was under progress in respect of Gujarat State Financial Corporation (2012-13) as on 30 September 2013. The details of aggregate money value of comments of statutory auditors and the CAG are given below.

(Amount: ₹ in crore)

Sl. No.	Particulars	2010-11		2011-12		2012-13	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	2	16.44	1	4.81	2	1.49
2.	Increase in loss	1	55.98	1	243.51	2	120.05
3.	Non-disclosure of material facts	1	123.72	2	247.73	1	896.59
4.	Errors of classification	1	70.98	1	46.96	1	115.73

It can be observed from the above that the money value objection for decrease in profit reduced from ₹ 16.44 crore in 2010-11 to ₹ 1.49 crore in 2012-13; increase in loss of ₹ 55.98 crore in 2010-11 went up to ₹ 120.05 crore in 2012-13 and non-disclosure of material facts increased from ₹ 123.72 crore in 2010-11 to ₹ 896.59 crore in 2012-13. Likewise, the cases of error of classification increased from ₹ 70.98 crore in 2010-11 to ₹ 115.73 crore in 2012-13.

During the year, one account[27] received qualified certificate.

[27] Gujarat State Warehousing Corporation (Sl.No.B-1 of Annexure 2).

Some of the important comments in respect of accounts of Statutory Corporations are stated below.

1.36 Gujarat Industrial Development Corporation (2011-12)

- The Corporation allotted (September 2009) a plot to Gujarat State Fertilizers and Chemicals Limited (GSFC) at Dahej II Industrial Estate at the cost of ₹ 80.99 crore. As the land allotted was not suitable for operations, GSFC requested (August 2010) the Corporation to cancel its earlier allotment and refund the amount. However, the Corporation did not provide for the liability for refund to GSFC resulting in understatement of Current Liabilities and overstatement of Capital Receipts by ₹ 80.99 crore.

- The Corporation instead of showing the total expenditure of ₹ 106.60 crore incurred up to March 2012 under Capital Work in Progress showed only the balance amount of ₹ 71.86 crore payable to the contractor resulting in the understatement of Capital Work in Progress and overstatement of Maintenance expenditure under the head Miscellaneous expenditure by ₹ 34.74 crore.

1.37 Gujarat State Financial Corporation (2011-12)

An appeal preferred by the Corporation with Sales Tax Commissioner (Litigation II) (April 2001) against the demand of ₹ 56.58 crore raised by Sales Tax Department towards Sales Tax, Interest and Penalty for non-remittance of Sales Tax on Hire Purchase transactions entered into (1995) with 197 units by the Corporation was rejected. The Corporation however, had not provided for this liability in the accounts resulting in understatement of Current Liabilities and Provisions and Loss by ₹ 56.58 crore.

1.38 Gujarat State Road Transport Corporation (2009-10)

- Though, the Corporation before finalisation of accounts accepted (May 2011) the damages of ₹ 33.96 crore demanded by Regional Provident Fund Commissioner, Ahmedabad under Employment Pension Yojana (2008), it did not provide for the same in the books of accounts resulting in understatement of expenses and liabilities to the same extent.

- As per regulations approved by the State Government, for the purpose of calculating depreciation on the buses, the estimated life of buses was considered to be 7 lakh kms. However, the Corporation without the approval of State Government, increased the estimated life of buses to 8 lakh kms resulting in understatement of expenses - depreciation and depreciation fund by ₹ 11.06 crore.

- The Corporation had given lease rights to construct commercial properties in its bus terminals at six different places. The Corporation received concession fees of ₹ 4.42 crore that has been credited to revenue account instead of keeping it separately in a fund account. This has resulted in understatement of loss by ₹ 4.42 crore.

Audit by Statutory Auditors under the directions of the CAG

1.39 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 one Company[28] for the year 2008-09, two Companies[29] for the year 2010-11, 15 Companies[30] for the year 2011-12 and 14 Companies[31] for the year 2012-13 are given below:

Sl. No.	Nature of comments made by Statutory Auditors	Number of Companies where recommendations were made	Reference to serial number of the Companies as *per Annexure 2*
1.	Non-fixation of minimum/ maximum limits of store and spares	09	A-6, A-28, A-30, A-32, A-44, A-46, A-47, A-53, A-63
2.	Internal Audit required to be strengthened	06	A-6, A-16, A-21,A-24, A-26, A-30
3.	Non maintenance of cost records	07	A-5, A-6, A-21, A-24, A-32, A-46, A-63
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	06	A-6, A-8, A-17, A-47, A-64, A-65
5.	Absence of credit policy for providing doubtful debts, write-off of liquidated damages	07	A-6, A-21, A-28, A-47,A-48, A-53, C-5
6.	Non evolution of security policy for software/ hardware and backup of past records	09	A-5, A-6, A-9, A-25, A-30, A-35, A-47, A-63 , C-7
7	Ineffective system of monitoring advances/ outstanding dues	09	A-6, A-28, A-32, A-46, A-47, A-51, A-53, C-5, C-7
8	Non-existence of separate vigilance department and effectiveness of delineated fraud policy	26	A-5, A-6, A-9, A-16, A-20,A-21, A-22, A-23, A-24, A-26, A-28, A-30, A-31, A-32, A-35, A-37, A-44, A-47, A-48, A-51, A-53, A-57, A-58, A-63, A-65, C-5

[28] Sl. No. A-20 of Annexure 2.

[29] Sl.No. A-6 and A-8 of Annexure 2.

[30] Sl.No. A-5 A-16, A-21, A-23, A-24, A-25, A-30, A-35, A-37, A-46, A-47, A-48, A-57, A-63, A-64 of Annexure 2.

[31] Sl.No. A-9, A-17, A-22, A-26, A-28, A31, A-32, A-44, A-51, A-53, A-58, A-65 , C-5 and C-7 of Annexure 2.

Recoveries at the instance of Audit

1.40 During the course of compliance audit in 2012-13, Audit pointed out recoveries of ₹ 446.56 crore to the Management of various PSUs, of which recoveries of ₹ 0.11 crore were admitted and recovered by PSUs during the year 2012-13. The progress of recovery is very slow.

Status of placement of Separate Audit Reports

1.41 The following table shows the status of placement of various Separate Audit Reports (SARs) issued by the CAG (up to 30 September 2013) on the accounts of Statutory Corporations in the Legislature by the Government.

Sl. No.	Name of Statutory Corporation	Year up to which SARs placed in Legislature	Year for which SARs not placed in Legislature		
			Year of SAR	Date of issue to the Government	Reasons for delay in placement in Legislature
1.	Gujarat State Warehousing Corporation	2010-11	2011-12	31 July 2013	--
2.	Gujarat State Financial Corporation	2011-12	2012-13	Draft SAR issued on 20 September 2013	--
3.	Gujarat Industrial Development Corporation	2011-12	-	-	--
4	Gujarat State Road Transport Corporation	2008-09	2009-10	16 September 2013	--

Audit recommends that the Government should ensure timely placement of SARs in the Legislature**.**

Disinvestment, Privatisation and Restructuring of PSUs

1.42 During the year 2012-13, the State Government had neither disinvested nor privatised any of its PSUs.

Reforms in Power Sector

1.43 The Gujarat Electricity Regulatory Commission (GERC) was formed in November 1998 under Section 17 of the Electricity Regulatory Commission Act 1998 with the objective of rationalisation of electricity tariff, advising in matters relating to electricity generation, transmission and distribution in the State and issue of licences. During 2012-13, GERC issued 64 orders (10 on tariff, one on renewable energy and 53 on petitions).

1.44 Memorandum of Understanding (MoU) was signed in (January 2001) between the Union Ministry of Power and the State Government as a joint commitment for implementation of reforms programme in power sector with identified milestones. The progress achieved so far in respect of important milestones is stated below:

Sl. No.	Milestone	Achievement as at March 2013
1.	Reduction in T&D losses (No target fixed)	The T&D losses increased from 20.13 *per cent* in 2001-02 to 21.28 *per cent* during 2012-13.
2.	100 *per cent* electrification of all villages.	99.81 *per cent* achieved (March 2013).
3.	100 *per cent* metering of all distribution feeders.	Achieved (March 2013).
4.	100 *per cent* metering of agriculture consumers	Only 60.11 *per cent* metering of agriculture consumers was completed (March 2013).
5.	Securitise outstanding dues of Central Public Sector Undertakings (CPSUs).	The dues of CPSUs were reconciled and bonds of ₹ 1,628.71 crore were issued by State Government against the dues.

Chapter II

Performance Audit relating to Government Company

Chapter II

Performance Audit relating to Government Company

Gujarat Urja Vikas Nigam Limited

2 Performance Audit of Power Purchase Agreements entered into with Independent Power Producers

Executive Summary

The Electricity Supply Act was amended (1991) to open up generation of power to the private sector, as State Electricity Boards (SEB) began to suffer huge losses and fresh investments in the power sector were not forthcoming. The Independent Power Producers (IPPs) were to operate on a cost plus model and enter into Power Purchase Agreements (PPAs) with the SEBs who were responsible for transmission and distribution.

PPAs with IPPs both private and State owned were entered into under cost plus approach up to January 2006, after which competitive bidding was made compulsory for all new generation plants set up under the private sector. In respect of State owned IPPs, cost plus approach based on GERC tariff orders was allowed up to January 2011, after which competitive bidding was made compulsory for them also. The Ministry of Power, in January 2005, issued guidelines for determination of tariff by bidding process for procurement of power.

Planning

During the period 2008-09 to 2012-13, the gap between actual installed capacity of Government of Gujarat (State as a whole) and capacity required to meet the registered unrestricted demand changed from a deficit of 4,020 MW to a surplus of 6,822 MW due to the capacity addition made by the GUVNL.

Finalisation and signing of MOUs/PPAs for purchase of Non Renewable Energy (NRE)

The GUVNL executed 22 PPAs for 9,265.07 MW with its generating subsidiary, Gujarat State Electricity Corporation Limited (GSECL). Besides, the GUVNL also entered into 20 PPAs with IPPs other than GSECL for a capacity of 12,089 MW.

The increase in capital cost of the PPA entered into with Bhavnagar Energy Company Limited will increase the levelised tariff by ₹0.13 per Kwh leading to an annual burden of ₹38 crore on public.

Deviation from standard bidding documents in respect of provisional bills led to monthly loss of rebate ranging from ₹16.60 lakh to ₹3.31 lakh related to three IPPs.

Provisions in PPAs for NRE

Change of delivery point subsequent to finalisation of PPA led to passing of undue benefit to Essar Power Gujarat Limited for ₹587.50 crore during the tenure of the PPA.

Incentive payments made to three IPPs on their Deemed Generation declared on Naphtha prior to September 2002 disregarding the GoI Notification of November 1995 coupled with belated legal action for recovering the erroneous payments led to a loss of ₹396.39 crore.

Operationalization of PPAs for NRE

Non-compliance with the provisions of PPA as regards to the date of operationalising the tariff parameters led to excess expenditure of ₹5.36 crore.

The GUVNL incurred an interest loss of ₹3.17 crore due to non-adherence to provisions of PPA with Essar Power Gujarat Limited regarding Liquidated damages.

Monitoring mechanism

Inadequate monitoring of commercial operation of 250 MW expansion plant of Gujarat Industrial Power Company Limited led to belated recovery of Liquidated Damages of ₹11.37 crore and consequential loss of interest for ₹ 2.11 crore.

Renewable energy

Contracting excess capacity under solar policy by the GUVNL led to excess burden of ₹473.20 crore on the consumers of the state.

Reduction in levelised tariff by ₹0.21 per unit on account of availment of excise duty and customs duty benefit by solar power developers was not passed on to the GUVNL and the same was not monitored by Gujarat Energy Development Agency.

Conclusion

Instances of losses or passing of undue benefits to IPPs were noticed due to non-adherences to Standard Bidding documents, GoI notifications, GERC orders and terms of PPA and also due to weak monitoring mechanism with the GUVNL/GEDA.

Recommendations

The GUVNL may consider consulting STU in planning evacuation of power well in advance. Adherence to the provisions of GOI notifications/guidelines, GERC orders and terms of PPAs should be ensured and the GUVNL should also refrain from contracting excess capacity from costlier sources.

Introduction

2.1 The Electricity (Supply) Act, 1948 established the Central Electricity Authority (CEA) for coordinated development of power sector and State Electricity Boards (SEBs) were formed at the state level to look after generation, transmission and distribution of electricity in the State in an integrated fashion. In 1991, the Electricity (Supply) Act was amended to open up generation of power to the private sector; as SEBs began to suffer huge losses and fresh investments in the power sector were not forthcoming. The Independent Power Producers (IPPs) were to operate on a cost plus model and enter into Power Purchase Agreements (PPAs) with the SEBs who were responsible for transmission and distribution. The Electricity Act, 2003 replaced all the existing Electricity Laws and provided a legal framework for reforming and restructuring the power sector. Besides, the Act liberalised captive power policy, allowed open access to transmission and distribution lines, introduced stringent penalties for power theft and made setting up of Electricity Regulatory Commissions mandatory. The Ministry of Power also issued (January 2005) guidelines for determination of tariff by bidding process for procurement of power.

Power Scenario in Gujarat

2.2 Prior to the commencement of the reform process in India in 1991, the electricity scenario in Gujarat (Generation, Transmission and

Distribution) was mainly controlled by the Gujarat Electricity Board (GEB). GEB started entering into PPAs with IPPs in February 1994 soon after the opening up of the generation sector for the private parties by Government of India (GoI) in 1991. As a part of Power Reform Process, the Gujarat Electricity Industry (Reorganisation & Regulation) Act, 2003 was passed by the Government of Gujarat (GoG) to restructure the electricity sector in the State. Accordingly, erstwhile GEB was reorganised from 01 April, 2005 in to seven Companies[1] with functional responsibilities of Trading, Generation, Transmission and Distribution.

The GUVNL purchases power from its generating subsidiary, other IPPs, captive power producers and central sector and allocates various sources of power supply to the DISCOMs based on the category of consumers they cater to. The power so procured is sold to them and other purchasers through the transmission network of GETCO. This system has been approved by GERC. The glossary of terms used in the performance audit report has been given in ***Annexure 7***.

The PPAs entered into by the erstwhile Gujarat Electricity Board (GEB) were earlier reviewed and reported in the C&AG's Audit Report (Commercial), Government of Gujarat for the year ended 31 March 1996 and 31 March 1999. The Reports (February 2000 January 2004) were discussed by the Committee on Public Undertakings, however, no recommendations were made.

Power Generation at a Glance

2.2.1 The particulars of installed capacity in the State are given below:

Table 1: Sector wise and Fuel wise installed capacity in the State

Fuel	Installed Capacity (in MW) (As of March 2013)				
	State Sector	Private Sector	Central Sector	Total	Percentage of total Capacity
Non Renewable Energy (NRE)					
Coal	3,930	5,105	2,385	11,420	51.31
Lignite	1,040	0	0	1,040	4.67
Gas	1,546	2,502	424	4,472	20.09
Hydro	547	0	232	779	3.50
Nuclear	0	0	559	559	2.51
Renewable Energy (RE)					
Solar	23	834	0	857	3.85
Wind	265	2,828	0	3,093	13.90
Biomass	0	31	0	31	0.14
Mini Hydel	0	6	0	6	0.03
Total	**7,351**	**11,306**	**3,600**	**22,257**	
Percentage	**33.03**	**50.80**	**16.17**		

(**Source:** Information furnished by GUVNL)

[1] GUVNL- Gujarat Urja Vikas Nigam Limited (Holding Company), GSECL- Gujarat State Electricity Corporation Limited (Generation), GETCO- Gujarat Energy Transmission Corporation Limited (Transmission) and four Distribution Companies *i.e.* PGVCL- Paschim Gujarat Vij Company Limited, UGVCL- Uttar Gujarat Vij Company Limited, MGVCL- Madhya Gujarat Vij Company Limited, DGVCL- Dakshin Gujarat Vij Company Limited.

Organisational set-up of the GUVNL

2.3 The GUVNL is under the administrative control of the Energy and Petrochemicals Department of the GoG. The Management is vested with a Board of Directors (BoD) comprising of the Chairman, Managing Director (MD) and three other Directors appointed by the GoG. Out of three other Directors, one Director was Principal Secretary (Expenditure) Finance Department, GoG and two were appointed as independent Directors. The MD is assisted by functional heads *viz*., General Manger (Commerce) and General Manager (Finance and Accounts).

Audit Objectives

2.4 The objectives of performance audit were to ascertain as to whether:

- The State Government planned the creation of generating capacities under IPP mode in accordance with the National Electricity Plan and National Tariff Policy and implementation thereof was monitored in an effective manner.
- The MOUs/PPAs entered into by the GUVNL were in line with the established guidelines/rules/ regulations, the provisions in the PPAs entered were in the interest of the power utilities and were operationalised as per the terms and conditions of the agreement.
- An effective monitoring mechanism was in place.
- The PPA imposed any obligation on the purchaser to fulfil responsibilities related to creation of infrastructure and whether it envisaged any implicit or explicit penalties in case of failure to deliver on any of the obligation and *vice versa* for the producers.

Audit Criteria

2.5 The audit criteria derived from the following were adopted for assessing the achievement of the audit objectives:

- Electricity Act, 2003 and related Rules, Regulations and Policies; National Electricity Plan and National Tariff Policy;
- Tariff orders for generating stations of IPPs issued by Central Electricity Regulatory Commission (CERC) and Gujarat Electricity Regulatory Commission (GERC) from time to time;
- Standard bidding documents including model power purchase agreement issued by Ministry of Power in March 2009;
- Regulations issued from time to time by the GERC regarding power purchase and adjudication matters;

- Tender and bidding documents, Request for Quotation (RFQ), Request for Proposal (RFP), Detailed Project Report (DPR) etc., in relation to PPAs. Power exchange quotes and rates obtained in the bid, Monthly Information System (MIS) reports from Regional Load Dispatch Center, Electrical Utilities, Generators (IPPs), *etc.*;

- Power Purchase Agreements entered into by the GUVNL with various IPPs and supplementary PPAs if any entered into. Decisions of Board of Directors (BODs) and MIS reports submitted to Board;

- Documents regarding planning of IPPs and its time schedules, targets for commissioning / addition of projects, *etc*.

Scope and Methodology of Audit

2.6 The Performance Audit of PPAs with IPPs by GUVNL was conducted during January 2013 to June 2013. The scope of the performance audit was the examination of selected PPAs entered into by the GUVNL during the period 2008-09 to 2012-13. The GUVNL had entered into 42 PPAs comprising of 22 PPAs for 9,265.07 MW for NRE with its generating subsidiary Gujarat State Electricity Corporation Limited (GSECL) and 20 PPAs with IPPs other than GSECL for a capacity of 12,089 MW. The details of these PPAs are given in ***Annexure 8***. In case of RE based on solar and wind power, 436 PPAs (77 for Solar and 359 for Wind) with contracted capacity of 2,651 MW (Solar 823.50 MW and Wind 1,827.50 MW) were entered into with power producers. Of the 20 PPAs entered into with IPPs other than GSECL, 10 PPAs[2] for a capacity of 6,080 MW (28.47 *per cent* of total NRE capacity), 28 PPAs for a Capacity of 575 MW (69.82 *per cent* of contracted solar power) and 16 PPAs for a capacity of 616.90 MW (33.76 *per cent* of contracted wind power) were selected. The NRE sample has been selected so as to cover the PPAs entered prior to and after unbundling of GEB, based on two part tariff and competitive bidding and projects which are operational and in progress. In respect of RE, the number of PPAs being large in number, the sample selection has been made of PPAs with higher capacity from those entered into during the review period. We have discussed our findings for Non-Renewable energy and Renewable energy separately.

The methodology adopted for attaining the audit objectives with reference to audit criteria consisted of explaining audit objectives to top Management, scrutiny of the records at the GUVNL Head Office, Vadodara and the Gujarat Energy Development Agency[3](GEDA), Gandhinagar, interaction with the audited entity personnel, analysis of data based on audit criteria, raising of audit queries, discussion of audit findings with the Management and issue of draft Performance Audit Report to the Management and the concerned Department for comments.

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[2] PPA referred at Sl. no. 23, 24, 25, 28, 32, 33, 34, 35, 36 and 40 in Annexure 8**.**

[3] Sponsors, co-ordinates and promotes research programmes and provide technical and financial assistance for formulation of projects in renewable sources of energy in the State.

We explained our objectives, scope and methodology for the performance audit during an entry conference held on 09 April 2013 at the level of Principal Secretary Energy and Petrochemicals Department (E&PD) and Managing Director of the GUVNL. Subsequently the audit findings were reported to the Company and the State Government in August 2013 and discussed in an 'Exit conference' held on 14 October 2013, which was also attended by the Principal Secretary E&PD and Managing Director of GUVNL. The views of the Management have been incorporated in the Report.

Trading Activities of the GUVNL

Purchase of Power by GUVNL

2.7.1 The cost of power purchase of the GUVNL from different sources during the period 2008 to 2013 as given in the **table 2** as follows:

Table 2: Cost of power purchase

Particulars		2008-09	2009-10	2010-11	2011-12	2012-13
(a) Power purchased from Central/State sector						
Central Sector	Mus	16,371.35	18,072.08	16,872.01	18,171.98	19,400.36
	₹ Per unit	2.36	2.00	2.19	2.64	2.56
GSECL	Mus	25,998.26	26,137.39	25,163.88	25,951.18	21,416.76
	₹ Per unit	2.73	2.81	3.01	3.21	3.74
IPP (State own)	Mus	4,913.01	5,314.46	5,398.79	5,070.23	5,169.67
	₹ Per unit	2.84	2.47	2.72	3.13	3.04
Percentage to total purchase		**84.78**	**82.89**	**78.44**	**74.73**	**62.78**
Total power purchase from Central/State sector (Mus)		47,282.62	49,523.93	47,434.68	49,193.39	45,986.79
Cost per unit (₹)		**2.61**	**2.48**	**2.68**	**2.99**	**3.17**
(b) Power purchased from private sector						
IPP (Private)	Mus	5,653.24	6,857.06	11,243.81[4]	13,880.67	22,562.17
	₹ Per unit	4.99	3.68	3.16	3.16	3.02
Bilateral and Trade	Mus	985.40	31.82	0.00	0.00	0.00
	₹ Per unit	6.60	6.99	0.00	0.00	0.00
Power Exchange	Mus	2.67	21.67	0.00	7.67	0.00
	₹ Per unit	8.19	6.47	0.00	4.36	0.00
Others (Renewable)	Mus	1,847.29	2,785.34	1,793.49	2,744.96	4,704.51
	₹ Per unit	3.43	3.48	3.37	4.07	5.95
Unscheduled Interchange	Mus	0.00	526.31	0.00	0.00	0.00
	₹ Per unit	0.00	3.90	0.00	0.0	0.00
Percentage to total purchase		**15.22**	**17.11**	**21.56**	**25.27**	**37.22**
Total power purchase from private sector (Mus)		8,488.60	10,222.20	13,037.30	16,633.30	27,266.68
Cost per unit (₹)		4.84	3.65	3.19	3.31	3.53
Total power purchase (a+ b)	Mus	55,771.22	59,746.13	60,471.98	65,826.69	73,253.47
	₹ Per unit[5]	**3.12**	**2.87**	**3.05**	**3.36**	**3.61**

(Source*:* Annual Accounts of the Company and data furnished by the GUVNL***)***

[4] The increased purchase of power from Private IPPs was mainly due to supply of power from APL.
[5] Inclusive of Transmission charges paid to PGCIL and wheeling charges paid to GETCO.

The above table shows that, the purchase of power from the private sector increased to 37.22 *per cent* (2012-13) from 15.22 *per cent* (2008-09). Of this increase, the share of Private IPPs in power purchased from private sector, increased to 82.75 *per cent* (*i.e.* 22,562.17 Mus) in 2012-13 from 66.59 *per cent (i.e.* 5,653.24 Mus*)* indicating an increase of 300 *per cent* in purchase of power from them during 2008-09 to 2012-13. The power purchase cost of the 5,005[6] MW of capacity commissioned during 2010-11 to 2012-13 through competitive bidding, ranged from ₹ 2.25 to ₹ 2.89 per unit, which significantly reduced the unit cost of purchase from private IPPs from ₹ 3.16 per unit (2010-11) to ₹ 3.02 per unit (2012-13). During the year 2010-11, the power purchased from central sector reduced to16,872.08 Mus from 18,072.08 Mus in 2009-10 due to availability of cheaper power tied up from Adani Power Limited and therefore the costlier power from NTPC Kawas and Gandhar and other central generating stations was scheduled only when required. Similarly, the purchase of power from GSECL was also reduced by 937.51 Mus during the year 2010-11.

The table also shows that per unit purchase cost from GSECL and State owned IPPs increased during 2008-09 to 2012-13 from ₹ 2.73 to ₹ 3.74 and ₹ 2.84 to ₹ 3.04 respectively, which resulted in reduction of units purchased from them. The reason attributable for this was (i) the increased variable cost of GSECL plants due to ageing effect (ii) usage of indigenous coal and reduction in the allocation of cheaper gas in respect of gas based State owned IPPs and consequent higher variable cost. As merit order purchase is decided based on variable cost, the above increase in per unit variable cost pulls down these generating stations in merit order leading to lesser dispatch instructions from State Load Despatch Centre (SLDC).

[6] 2,000 MW from Adani Power Limited , 1,000 MW from Essar Power Gujarat Limited, 1,805 MW from Coastal Power Gujarat Limited and 200 MW from Aryan Coal Beneficiation Private Limited.

Sale of power by GUVNL

2.7.2 The details of units sold to different categories of consumers are as shown below:

Table 3: Summary of units sold to different categories of consumers

(Rate per unit in ₹)

Year	**2008-09**		**2009-10**		**2010-11**		**2011-12**		**2012-13**	
Name of Consumers	**Units sold (Mus)**	**Rate per unit**	**Units sold (Mus)**	**Rate per unit**	**Units sold (Mus)**	**Rate per unit**	**Units sold (Mus)**	**Rate per unit**	**Units sold (Mus)**	**Rate per unit**
DGVCL	10,323.98	3.83	11,248.06	3.59	11,463.24	3.84	12,539.18	4.31	13,228.70	4.71
UGVCL	13,512.43	2.75	15,601.78	2.55	15,622.59	2.92	16,235.35	3.20	18,400.60	3.33
PGVCL	19,188.69	2.50	21,066.41	2.31	21,045.12	2.63	22,777.72	2.92	25,771.75	3.09
MGVCL	6,667.51	3.37	7,176.93	3.17	8,108.19	3.30	8,431.42	3.57	8,682.97	3.83
Total of DISCOMs[7]	**49,692.61**	**2.96**	**55,093.18**	**2.75**	**56,239.14**	**3.06**	**59,983.67**	**3.37**	**66,084.02**	**3.56**
Licensees	4,564.95	3.74	903.81	3.95	41.36	5.73	27.82	6.13	21.93	7.07
Unscheduled Interchange	553.28	6.03	1,852.48	4.53	0.00	0.00	0.00	0.00	0.00	0.00
Trading in Exchange	313.34	7.95	827.28	5.02	3,514.78	3.66	1,580.38	2.99	1,934.66	3.26
Bilateral	462.25	7.71	924.79	5.69	676.70	5.05	4,234.82	4.04	5,212.86	4.12
Miscellaneous[8]	184.79		144.59		-		-		-	-
Total Sale	**55,771.22**	**3.12**	**59,746.13**	**2.90**	**60,471.98**	**3.11**	**65,826.69**	**3.41**	**73,253.47**	**3.61**

(Source: Information furnished by GUVNL***)***

The rate per unit of electricity sold to DISCOMs is fixed on the basis of the consumer profile of the DISCOMs. From the above table it could be seen that the rate of electricity sold to DGVCL ranged between ₹ 3.83 per unit to ₹ 4.71 per unit and as regards MGVCL the same ranged from ₹ 3.37 per unit to ₹ 3.83 per unit. The per unit rate of DGVCL and MGVCL were higher than the average rate of electricity charged to DISCOMs. However, the rate per unit of electricity charged to PGVCL ranged from ₹ 2.50 per unit to ₹ 3.09 per unit and the same as regards UGVCL, ranged from ₹ 2.75 per unit to ₹ 3.33 per unit which were lower than the average rate per unit of electricity due to larger number of agricultural consumers in PGVCL and UGVCL.

Audit Findings

Planning

2.8 The CEA publishes Electric Power Survey (EPS) report estimating electric demand for a period of five years as per directives of Ministry of Power (MoP), Government of India. The projection made in the EPS

[7] These were all distribution companies of the holding Company GUVNL.

[8] Represents the difference of 184.79 and 144.59 Mus during the year 2008-09 and 2009-10 respectively between purchase and sales of number of units by the Company which was on account of the delivery point of sales being different from that of purchase, accounting of transmission losses of the energy sold through bilateral agreement as per terms of agreement.

forms the basis for the States/State utilities to plan and prepare for augmentation of the power requirement on both short and long term basis to meet their future demand. The comparative picture of maximum/peak demand as estimated in the EPS, as registered in the State and actually catered to is shown below:

Table 4: Maximum demand catered in the State

Sl. No	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
1	Actual installed capacity of the State including RE (MW)	11,348	13,792	15,430	18,832	22,257
2	Unrestricted demand registered in the State (MW)	12,294	10,848	11,296	11,401	12,348
3	Demand catered (MW)	9,437	9,883	10,461	11,209	12,348
4	Installed capacity required to meet Unrestricted Demand registered (In MW) (At 80 *per cent* availability)	15,368	13,560	14,120	14,251	15,435
5	Gap/(Surplus) (1-4) in installed capacity to meet Unrestricted Demand (MW)	4,020	(232)	(1,310)	(4,581)	(6,822)
6	Gap/(Surplus) (2-3) in catering demand(MW)	2,857	965	835	192	0
7	Peak demand as per 17th EPS (In MW) (For Gujarat State)	12,422	13,042	13,692	14,374	15,305

(**Source:** Information furnished by GUVNL)

The above table shows that the actual installed capacity of the State increased from 11,348 MW (2008-09) to 22,257 MW (2012-13). However, there was a gap of 4,020 MW (2008-09) in the installed capacity required to meet unrestricted demand of the State, which turned into a surplus of 6,822 MW in 2012-13 due to capacity addition of 10,909 MW during the period 2008-09 to 2012-13. Though, there was addition of capacity of 10,909 MW as stated above, the State was not able to cater to the demand and the gap ranged from 2,857 MW to 192 MW. The reasons attributed to such gap was that out of 4,172 MW of gas based capacity, 3,000 MW was lying idle for want of gas, generation from renewable sources with capacity of 3,987 MW is infirm with 20 *per cent* capacity utilisation factor and hydro capacity is bound to irrigation programme. Besides, the unrestricted demand of the State was much lower than that estimated in 17th EPS due to operationalization of open access, increasing contribution of service sector, increased awareness among various class of consumers towards usage of energy efficient devices, establishment of captive power plant and wind projects for their own consumption for un interrupted supply and economic benefit leading to low demand.

Non Renewable Energy

Finalisation and Signing of PPAs

2.9 PPAs with IPPs (Private as well as State owned) were entered into under cost plus approach under MOU route up to January 2006 and after which competitive bidding was made compulsory for all new generation plants set up under the private sector. In respect of State owned IPPs, cost plus approach was allowed up to January 2011 and after which competitive bidding was made compulsory for them also. All PPAs entered into by the GUVNL were to be approved by the GERC.

In case of cost plus PPAs, tariff is determined by the GERC under Section 62 of the Electricity Act, 2003 whereas in case of competitive bidding PPAs the tariff as determined by transparent bidding process is adopted by the GERC under Section 63 of the Act. The typical process involved in execution of PPAs under competitive bidding is as under:

Preparation of bidding documents as per MOP Guidelines

↓

Approval of bidding documents by the Gujarat Electricity Regulatory Commission

↓

Adoption of the two stage bidding process comprising of Request for Quotation (RFQ) and Request for Proposal (RFP)

↓

Issuance of RFP to qualified bidders

↓

Obtaining approval of Gujarat Electricity Regulatory Commission to the deviations, if any

↓

Constitution of Committee for evaluation of the bids

↓

Award of the contract to the lowest bidder

↓

Submission of final PPA to Gujarat Electricity Regulatory Commission for adoption of tariff under section 63 of the Electricity Act, 2003

The deficiencies in finalisation and signing of PPAs are discussed in succeeding paragraphs:

Purchase of power at a high cost

2.9.1 The GUVNL executed (November 2010) PPA with Bhavnagar Energy Company Limited[9] (BECL) for purchase of 500 MW (250 MW x 2 Units) of power from their lignite based power plant at village Padva, District Bhavnagar. This was based on a capital cost of ₹ 3,615 crore and a levelised tariff of ₹ 3.32 per Kwh (cost *plus* approach), as accepted by the GoG in January 2010. As per the PPA, the Scheduled Commercial

[9] A Government of Gujarat Company.

Operation Date (SCOD) for Unit-I was 18 February 2013 and for Unit-II was 18 May 2013. The BECL sought (April 2012), extension of six months for the SCOD due to delay in civil work on account of geological variance in sub-soil strata of the project land which necessitated redesign of piles and pile caps. The same not being event under "*Events of Force Majeure*" as provided in PPA, GUVNL decided (August 2012) to levy liquidated damages.

However, considering the above factors put forth by BECL, GoG agreed (May 2012) to increase the project cost from ₹ 3,615 crore, as given in the PPA, to ₹ 3,800 crore. The revision in SCOD by six months will increase the project cost to ₹ 3,950 crore (Revised project cost ₹ 3,800 crore *plus* Capitalisation of interest for ₹ 150 crore[10] during the extended construction period). Notwithstanding the higher levelised tariff of ₹ 3.32 per Kwh already agreed to by the GUVNL as compared to tariff (₹ 2.34 per Kwh to ₹ 2.89 per Kwh) of competitive bidding PPAs, the increase in the project cost will result in increasing levelised tariff by ₹ 0.13 per Kwh. Such increased levelised tariff will burden the GUVNL with an extra purchase cost of ₹ 38 crore[11] per annum.

The Management/Government replied (November 2013) that audit had worked out the losses on the assumption that the GUVNL will agree for the enhancement of project cost and revision of SCOD, but in this regard, the GUVNL had not yet taken any decision. The reply was not acceptable as the increased cost of project had already been approved by the GoG. GUVNL has no other option but to accept the revised cost with applicable liquidated damages. As such, the implication as pointed out by Audit will remain, irrespective of the fact that the GUVNL had not taken any decision so far (November 2013).

Deviation from standard bidding guidelines

2.9.2 The Standard Bidding Documents issued (March 2009) by Ministry of Power for 'Determination of Tariff by Bidding process for Procurement of Power by Distribution Licensees', contained an enabling clause for raising provisional bills by the seller on the last day of the billing month. Such a provisional bill would comprise of the capacity charges based on the declared capacity for the entire month and energy charges for the energy scheduled up to 25th of the month as per Regional Load Despatch Centre (RLDC)/SLDC data. The payment of provisional bills so raised within five days entitled the buyer to a rebate of 2.25 *per cent* of the amount due under the provisional bill, which would reduce at the rate of 0.05 *per cent* for each day, up to fifth day of the month. At the time of final bill, rebate of two *per cent* would be available if payment of differential amount is made on the next day and thereafter it would reduce by 0.033 *per cent* for each day. In case, the above provision did not exist, payment of normal bills within seven days of its raising only entitled the buyer to a maximum rebate of two *per cent*. Thus, the provisional bills

[10] Calculated at 10 *per cent* per annum for six months on the admissible debt component of ₹ 3,000 crore.
[11] 500 MW X 8,760 X 1,000 X 75 *per cent* PLF less 11*per cent* auxiliary consumption x ₹ 0.13 = ₹ 38 crore.

entitled the buyer to an additional rebate of 0.25 to 0.05 *per cent* depending on the date of payment of provisional bill.

The GUVNL entered (May/June 2010) into three PPAs for 25 years with three IPPs under Case-I competitive bidding for procurement of power of 2,610 MW without provisional bill clause. GERC approved (November 2009) deviations taken by GUVNL in the bid documents of these PPAs stating that the deviations proposed by GUVNL would not make any substantial change in the billing and payment procedure between seller and procurer. The PPAs were approved by the GERC in August 2011.

The details of these Long Term PPAs are given in the **Table 5** as follows:

Table 5: The Long Term PPAs signed with the bidders without provisional bill clause

Name of Bidder	Capacity (in MW)	Levelised Tariff per Kwh (in ₹)	Date of signing
			Scheduled COD
KSK Mahanadi Power Company Limited	1,010	2.345	3 June 2010
			June 2015
Shapoorji Pallonji Energy (Gujarat) Private Limited	800	2.800	15 May 2010
			May 2015
Essar Power Gujarat Limited	800	2.800	15 May 2010
			May 2015

(**Source**: As per the information furnished by GUVNL)

Audit observed that the non-insertion of the clause for raising provisional bills deprived the GUVNL of the possibility of earning an additional rebate ranging from 0.25 to 0.05 *per cent* for each month. The loss per month on account of the deletion would amount to ₹ 16.60 lakh to ₹ 3.31 lakh from the first day to the fifth day considering capacity and energy charges at normative availability of 85 *per cent* and also considering interest of 10.60 *per cent* on borrowed funds.

The Management/Government replied (November 2013) that the standard bidding documents allowed the buyer to deviate from the prescribed conditions. Further, the provision for rebate on provisional bills payment, being a commercial condition, had been deleted with the approval of GERC before inviting bids. Hence, the bidders had quoted their tariff considering the same. The reply is not acceptable as the above provision is only an enabling clause which will not get factored into the tariff calculation as it is up to the selected bidder whether or not he wants to raise the provisional bill. Moreover, GUVNL has been availing of such rebates on provisional bills from Adani Power Limited and Essar Power Gujarat Limited for capacity of 1,000 MW each without any reported financial difficulties. Lastly, GUVNL does not lose anything by keeping the enabling provision for provisional bill.

Provisions in Power Purchase Agreements

Undue benefit due to change in delivery point

2.10.1 The GUVNL invited (February 2006) Request For Quotation (RFQ) for three bids[12] for 2,000 MW each for procurement of power on long term basis wherein "Delivery Point" was stated as "generator switch yard bus-bar" if the project was Gujarat based and connected to the State Transmission Utilities (STU) grid and in other cases the "nearest Central Transmission Utility (CTU) interconnection point". In the pre-bid meeting organised (May 2006) for all the three bids, the GUVNL agreed to change the delivery point from generator switch yard bus-bar to the nearest transmission substation of STU for projects located in Gujarat State for sake of uniformity with outside Gujarat parties and the same was modified and incorporated (July 2006) in the bid documents as well. GUVNL instructed (July 2006) the bidders to indicate the nearest existing 220 KV or 400 KV substation as the inter connection point or to approach the STU immediately for determination of the nearest point of interconnection.

The RFP bid by Essar Power Gujarat Limited (EPGL) was submitted on 03 January 2007 wherein Delivery point, without consulting STU *i.e.* Gujarat Energy Transmission Corporation Limited (GETCO), was fixed as "220 KV Vadinar substation". EPGL being the lowest bidder, PPA was signed (February 2007) with them for purchase of 1,000 MW of power at the levelised tariff of ₹ 2.4006 per Kwh for 25 years which was worked out by considering delivery point as 220 KV substation of GETCO at Vadinar and the same was approved by GERC in December 2007. In view of fixation of delivery point as 220 KV Vadinar substation, GUVNL requested (March 2007) GETCO to initiate necessary action for evacuating 1,000 MW power from 220 Vadinar substation. However, GETCO intimated (March 2007) that no 220 KV substation existed at Vadinar. In view of non-existence of 220 KV substation at Vadinar, EPGL in the meeting with GETCO agreed (March 2007) to set up 400 KV switch yard in place of the originally planned 220 KV switch yard from where GETCO would directly evacuate power to its 400 KV Hadala substation. Therefore, the delivery point of EPGL was changed from 220 KV Vadinar substation of GETCO to 400 KV switch yard bus bar of EPGL. The change in delivery point was approved by GERC in November 2009.

As a result of the change in delivery point from 220 KV Vadinar substation of GETCO to 400 KV switchyard bus bar of EPGL post signing of PPA, there was a saving to EPGL of ₹ 52 crore[13] as they were not required to construct the transmission lines from switchyard to Vadinar substation of GETCO. Further, the change in delivery point also resulted in saving in line losses of 89.26 Mus worth ₹ 21.42 crore per annum to EPGL. The above saving was not passed on to GUVNL as the tariff had

[12] No.01//LTPP/2006, No 02/LTPP/2006 and No.03/LTPP/2006.

[13] Capital cost of 220 KV switch yard including transmission line ₹ 132 crore *less* Capital cost for setting up 400 KV switch yard bus bar as worked out by GETCO was ₹ 80 crore.

been quoted based on the higher cost of delivery and there was no enabling provisions in the PPA to pass on such saving at later stage.

As a result of the bidder quoting a delivery point and GUVNL accepting the same without consulting GETCO, there was an undue benefit to EPGL to the extent of ₹ 587.50 crore[14] during the tenure of PPA.

The Management/Government replied (November 2013) that for supply of power at 400 KV level EPGL was required to construct 400 KV switchyard bus bar with much higher investment as compared to evacuation of power at 220 KV level. It was also stated that as quantum of power to be delivered at bus bar was creating problem for outside Gujarat parties, the bidders were asked to identify on their own or in consultation with STU, the substation where power could be supplied.

The reply was not acceptable as the selection of appropriate substation was possible had GETCO been consulted before inviting bids. Further, the loss commented by Audit is the net loss after comparing both the capital cost and other costs involved under both the scenarios as submitted by GETCO. Thus, the fact remains that non consultation with GETCO before inviting bids led to undue benefit to the seller due to change in delivery point post execution of PPA.

Payment of incentive in contravention to statutory notification

2.10.2 Under Section 43A of the Electricity (Supply) Act, 1948, the GoI issued the Notification dated 30 March 1992, which *inter alia* stipulated the factors in accordance with which the tariff for sale of electricity by IPPs to the Board/other persons was required to be determined. The above Notification was amended in November 1995 whereby in case of Naphtha based plant deemed generations was not to be considered for incentive payment [15].

However, the GUVNL (erstwhile GEB) continued to make the payments towards incentive on Deemed Generation (DG) of Naphtha based plants of power generators with whom PPAs were entered into either prior to or after November 1995. The payments of ₹ 653.90 crore were made during the period from 1998-99 to 2005-06 related to three PPAs as given in **Table 6**. Belatedly, GUVNL filed (September 2005) petition to GERC for recovery of incentive payments made on DG for naphtha based plants and allowing them to adjust the future tariff payable to the power generators. GERC ordered (February 2009) that the claims for ₹ 396.39 crore of the GUVNL for the period before September 2002 were barred by limitation and the decision was also upheld by the Appellate Tribunal for Electricity in January 2010 and Honourable Supreme Court in September 2011. Hence, the claims for ₹ 257.51 crore only were admitted for adjusting

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[14] ₹ 21.42 crore per annum for 25 years *plus* ₹ 52 crore.

[15] The incentive payment is to be made upon the power plant achieving generation level including deemed generation and excluding non-deemed generation beyond agreed normative PLF of 68.5 *per cent* in any year.

against the future tariff payable to the power generators as shown below in **Table 6**:

Table 6: Details of claims and Disallowance of incentive claims

Sl. No.	PPA with name of IPPs	Date of PPA	Total amount of incentive claimed by GUVNL (₹ in crore)	Period of claim	Claim allowed (₹ in crore)	Claim disallowed (₹ in crore)
1	Essar Power Limited (EPoL)- 300 MW	30 May 1996	119.50	1998-99 to June 2005	37.40	82.10
2	Gujarat Industrial Power Company Limited (GIPCL)- 160 MW	01 August 1996	8.71	2000-01 to 2002-03	1.08	7.63
3	Gujarat Paguthan Energy Corporation Private Limited (GPECL)- 655 MW	03 February 1994	525.69	1997-98 to September 2005	219.03	306.66
Total			**653.90**		**257.51**	**396.39**

(**Source**: -Information furnished by GUVNL)

Audit observed that GUVNL was aware about the inadmissibility of payment of incentive on deemed generation to Naphtha based plants in October 1999 however, took belated legal action for the recovery of payments made leading to a loss of ₹ 396.39 crore.

The Management/Government replied (November 2013) that erstwhile GEB had raised the issue relating to payment of incentive on DG of Naphtha based plants with power generators as early as October 1999. It was only on recommendation of High Level Committee in July 2005; the matter was referred to GERC for adjudication. The reply was not acceptable in view of the fact that the GUVNL having realised the unacceptability of the incentive payments as early as in October 1999, should have registered its claim as per PPA provisions immediately in order to avoid claims barred by limitation.

Irregular reimbursement of tax

2.10.3 The GoI under Section 43A of the Electricity (Supply) Act, 1948, issued the notification on 30 March 1992, which *inter alia* stipulated the factors in accordance with which the tariff for sale of electricity by IPPs to the Board/other persons was required to be determined. As per the notification, the two part tariff (*i.e.* cost plus basis) for sale of electricity from thermal power generating stations comprised of the recovery of annual fixed charges (interest on loan, depreciation, operation and maintenance, taxes on income, return on Equity and interest on working capital) and variable charges. As per the notification dated 30 March 1992, the tax on income, if any was to be computed as expense at actuals. The said notification was amended on 9 June 1998 wherein it was clarified that the tax on return on equity (ROE) and extra rupee liability on account of foreign exchange rate variation only should be considered for reimbursement purpose and tax on other income streams if any accruing to the generating company was not to be considered for reimbursement of tax.

GUVNL (erstwhile GEB) entered (February 1994) into a PPA with Gujarat Paguthan Energy Corporation Private Limited (GPECL) for purchase of 655 MW of power for a period of 20 years. As per PPA, taxes on income was payable with respect to operating the power station or otherwise with respect to GPECL's business related to the power station. Further, as per Article 6.5 of the PPA any amendment to the GoI Notification dated 30 March 1992 was to be taken into account for tariff calculation.

Audit observed that, the GUVNL, while calculating amount to be reimbursed towards tax, included the component of incentive as a part of RoE. This resulted in excess reimbursement of Income tax on incentive amounting to ₹ 43.04 crore during the period 2007-12.

The Management/Government replied (November 2013) that the GoI Notification was only a guideline and power generation being a new business for private parties at that time, the deviation from guideline must have been agreed by the GUVNL. The reply was not acceptable as the Article 6.5 of the PPA clearly provides that any amendment in the notification was also to be considered for tariff calculation. Hence, the fact remains that the reimbursement of tax on incentive to GPECL was in violation of the notification.

Operationalisation of Power Purchase Agreements

Payment of higher tariff

2.11.1 The GUVNL signed PPA (26 February 2007) with Aryan Coal Beneficiation Private Limited (ACB) for supply of 200 MW power on long term basis from their power plant at Chhattisgarh with the Scheduled Commercial Operation Dates (SCOD) for Unit-I and II as 26 February 2010 and 26 August 2010 respectively. From the date of signing of PPA, the PPA came into effect. As per the terms of PPA, ACB was required to deliver the contracted power at inter-connection point of GETCO and Central Transmission Utility (CTU). Accordingly, Sipat Pooling substation of Power Grid Corporation of India Limited (PGCIL) was declared (June 2008) as inter-connection point by PGCIL. The Sipat Pooling substation was expected to be commissioned by December 2010, however, the same was delayed and was put under commercial operation only on 01 April 2012. In the meantime, as the long term open access was not available due to non-completion of Sipat pooling substation, it was decided (December 2010) to evacuate power from ACB through alternate arrangements[16] under Short Term Access (STOA). GUVNL agreed (April 2011) to off-take power in varying quantum to the extent of availability of

[16] Loop in Loop Out (LILO) from existing PGCIL Korba-Bhatpur 400 KV Single circuit line of PGCIL with dedicated transmission line of ACB under Short Term Access

transmission corridor till commercial commissioning of Sipat pooling substation, not to levy liquidated damages for availability below 75 *per cent* and to apply provisions of PPA only after the commissioning of Sipat pooling substation. ACB commercially commissioned its Unit I on 13 December 2011 and started supplying power under alternate arrangement to GUVNL. The Unit II was declared commercially operational on 21 June 2012.

As per PPA, for the purpose of payment of purchase of power, the contract year was defined as the period commencing from COD and ending on immediate succeeding March 31 and thereafter each period of 12 months beginning on 1 April and ending on 31 March. As ACB commercially commissioned its Unit I on 13 December 2011 without commissioning of Sipat pooling substation the provisions of PPA should have been applied from that date. However, GUVNL paid first year consolidated tariff of ₹ 2.0718 per Kwh on scheduled generation for the period January 2012[17] to April 2012. After commercial commissioning of Sipat Pooling substation in April 2012, GUVNL again paid first contract year tariff (being higher than second year tariff) for the period May 2012 to March 2013. GUVNL should have made the payment for power at consolidated tariff of ₹ 2.0718 per Kwh for the period January 2012 to March 2012 (being the financial year ending immediately following the commercial operation date) and second contract year tariff (*i.e*. ₹ 2.0183 *per* Kwh) for the period April 2012 to March 2013 as per the terms of PPA. Not doing so has resulted in excess payment of ₹ 5.36 crore due to the difference between the first year tariff and second year tariff for the period April 2012 to March 2013. Besides, GUVNL did not recover an amount of ₹ 3.69 crore towards liquidated damages for shortfall in availability of power as per the provision of PPA.

The Management/Government replied (November 2013) that as per terms of PPA, ACB had the option not to supply power up to 01 May 2012, and they agreed to supply whatever quantum of power as was available under STOA. PGCIL put Sipat pooling station under COD from 01 April 2012 and accordingly the SCOD was modified to 01 May 2012 for the purpose of this agreement. Thus, as per PPA the 1st contract year was 01 May 2012 to 31 March 2013.

The reply was not acceptable since the COD was 13 December 2011 and therefore the provisions of PPA were to be made applicable from the date of COD as per Article 6.4 of PPA. Further, by declaring commercial commissioning of Unit I, ACB had secured its interests and became entitled to energy and capacity charges without being liable to supply the contracted quantity under STOA.

Loss due to non- adherence to provisions of PPA

2.11.2 The GUVNL entered into PPA with Essar Power Gujarat Limited (EPGL) for purchase of 1,000 MW of power at Delivery point from their

[17] 14 to 31 December 2011, the billing was done for variable cost for the infirm power supplied.

2 X 600 MW Salaya Power Project. As per PPA, the SCOD for Unit I was 26 February 2011 and for Unit II was 26 August 2011 which was extended up to 23 November 2011 for both the Units as the switch yard of EPGL could not be charged due to high voltage witnessed on the transmission lines. As against the extended SCOD as stated above, the Unit I and II commenced commercial operation on 1 April 2012 and 15 June 2012 respectively. Due to delay in providing contracted capacity by EPGL, the GUVNL under Article 4.6[18] of PPA, worked out ₹ 221.25 crore[19] towards Liquidated Damages (LD). The LD was adjusted from the invoices of EPGL for supply of power for the period November 2011 to September 2012 for ₹ 262.62 crore which was not allowed under Article 11 of PPA. Aggrieved by the deduction of LD of ₹ 221.25 crore from the monthly energy bills, EPGL filed (January 2013) petition with GERC seeking direction of GERC requiring GUVNL to refund the amount already deducted from the monthly energy bills in contravention of PPA terms.

GERC directed (31 January 2013) the GUVNL to refund 90 *per cent* of the deducted amount of LD immediately to EPGL and to deduct 10 *per cent* of the amount so refunded to EPGL from the monthly bills raised by EPGL till the refunded amount is recovered entirely. In view of the order of GERC, the GUVNL refunded (February 2013) LD of ₹ 199.13 crore (being 90 *per cent* of ₹ 221.25 crore) to EPGL.

Audit observed that, the GUVNL, under Article 4.6.3 of PPA was empowered to recover LD of ₹ 221.25 crore within ten days of the commencement of commercial operation. In case of failure by EPGL to make the necessary payment, the GUVNL had right to invoke the available bank guarantee (BG), in this case ₹ 75 crore, and recover the balance amount from EPGL immediately. However, the GUVNL instead of following the above provisions, deducted LD of ₹ 221.25 crore from the monthly bills of EPGL which was held as inappropriate and invalid by GERC. The non-compliance of Article 4.6 of PPA, led to refund of ₹ 199.13 crore in February 2013 resulting in interest loss of ₹ 3.17 crore[20].

The Management/Government replied (November 2013) that EPGL was in process of discussion with the GUVNL as regards recovery of LD from energy bills but contested the same after expiry of the bank guarantee. It was further stated that the GUVNL had not incurred any loss as they have recovered interest at the rate of 12 *per cent* on the 50 *per cent* of LD amount which was simultaneously paid as an advance to EPGL as sought by them. The reply was not acceptable as GUVNL should have first invoked the provisions of the PPA and sufficiently documented the same before recovering the LD from the monthly bills. Had the required procedure been followed, the action of GUVNL could not be set aside.

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[18] Liquidated Damages for delay in providing contracted Capacity.

[19] For unit I for the delay 130 days ₹ 82.50 crore and for the unit II for the delay 205 days ₹ 138.75crore.

[20] The interest loss represents the difference between the interests earned during November 2011 to September 2012 on the amount of liquidated damaged recovered from the bills till the refund of the said amount in February 2013; with the interest that could have been earned up to February 2013 by compliance to Article 4.6.

The above order for refund has arisen because of PPA provisions not being followed before the recovery from bills. Further, the interest earned on the advances given by the GUVNL has already been factored in the loss calculation.

Monitoring mechanism

2.12 To ensure compliance of the applicable guidelines and PPA clauses, a separate wing was created in the GUVNL consisting of professionally qualified people. GERC also plays an important role to ensure compliance of various rules and regulations and adjudicates disputes between parties. However, there were certain instances noticed of weak monitoring. One such case is detailed below:

Belated recovery of Liquidated Damages

2.12.1 The GUVNL entered (October 2009) into PPA with Gujarat Industrial Power Company Limited (GIPCL) for purchase of 250 MW power from the expansion plant of Surat Lignite Power Project. As per PPA, the SCOD for Unit I was 31 December 2009 and for Unit II was 31 March 2010 which was achieved on 19 April 2010 and 28 April 2010 respectively. The total LD to be recovered from the GIPCL as per PPA worked out to ₹ 11.62 crore. As per Article 4.7.3 of PPA, the recovery of LD was to commence from the first monthly bill raised by the seller and entire amount to be recovered not later than 60 days (*i.e.* on or before 26 June 2010) from the date on which the Unit actually achieved COD.

Audit observed that the GUVNL belatedly recovered (April 2012) ₹ 11.37 crore of LD from the invoice of February 2012. Delay in recovery of LD of ₹ 11.37 crore for 21 months resulted in loss of interest of ₹ 2.11 crore[21].

The Management/Government replied (November 2013) that the payments made to GIPCL towards monthly invoices were on *ad hoc* basis as the project cost was not finalised by GERC. It was further stated that GUVNL had already retained an amount of ₹ 80 crore which was more than the LD amount of ₹ 11.37 crore. After reconciliation based on GERC order, GUVNL paid about ₹ 27 crore over and above the refund of retained amount of ₹ 80 crore. As such GUVNL has not suffered any interest loss. The reply was not acceptable as the withholding of ₹ 80 crore and subsequent release thereof, after reconciliation, was due to difference in perception as regards cost of project, disbursement of loan and interest payment there against, ascertainment of Debt-Equity ratio, lack of clarity as to application of norms and price of lignite to be considered for payment and were not in any way connected with levy of LD.

[21] Calculated at ₹ 11.37 crore (₹ 11.62 crore liquidated damages less ₹ 0.25 crore recovered from sale of infirm power) X 10.60 *per cent* (average borrowing rate for the year 2010-11) X 21 Months = ₹ 2.11 crore.

Renewable Energy

2.13 The deficiencies observed in respect of PPAs based on Renewable Energy are discussed in succeeding paragraphs.

Award of solar projects to ineligible bidders

2.13.1 In order to promote green and clean power in the State using solar energy, the GoG declared (06 January 2009) Solar Policy 2009 under which Solar power generators (SPGs) installed and commissioned up to 31 March 2014 were eligible for the incentive declared under this policy for a period of 25 years from the date of commissioning or for the life span of the SPG, whichever was earlier. The tariff was fixed at ₹ 15 per unit and ₹ 11 per unit for the Solar Photovoltaic Project (SPV) and Solar Thermal (ST) projects respectively for the initial 12 years starting from the date of COD and thereafter at ₹ 5 per unit and ₹ 4 per unit for SPV and ST projects respectively from 13th year to 25th year. As per the policy, the developers desirous to set up solar power project were to submit requisite details to the Gujarat Energy Development Agency (GEDA)[22], and to satisfy the financial and technical criteria prescribed in the policy. Thereafter, the details submitted by the developers were scrutinised at GEDA for allocation of solar capacity.

Audit observed that in respect of 10 cases (***Annexure 9***), even though project developers did not fulfil either financial/technical criteria or both the criteria, they were allocated solar capacity by GOG. Further, in four out of 10 cases, the object clause of Memorandum of Association (MoA) of developer who were registered under the Companies Act, 1956 did not envisage power generation activity to be pursued by them.

The Management/Government stated (November 2013) that all the solar project developers had implemented and commissioned their solar projects and thereby Government was able to achieve objective of the Solar Policy, 2009. The fact, however, remains that the award of solar capacity to the developers in violation of criteria prescribed in solar policy 2009 vitiates the very purpose of such criteria.

Excess capacity creation under solar power

2.13.2 As per the Solar Policy 2009, a maximum of 500 MW solar power generation was envisaged up to 31 March 2014. The quantum of power that could be injected in the grid from all renewable resources (purchase by distribution licensees, captive power consumption and third party sale) was to be restricted to a maximum of 10 *per cent* of the procurement of power. Further, within the limit of 10 *per cent*, GERC was to decide the sub-limit for procurement of power from each renewable source.

[22] A Nodal agency to Sponsors, co-ordinates and promotes research programmes and provide technical and financial assistance for formulation of projects in renewable sources of energy in the state.

Against the ceiling of 500 MW, capacity of 958 MW was setup by developers till November 2010, for which the GUVNL signed PPAs on the directives of the GoG. However, the subsidy support of ₹ 2,016 crore for 2012-13 sought by GUVNL (November 2010) to cover up the additional burden due to higher cost of solar power was rejected (January 2011) by GoG.

GERC *vide* order dated 17 April 2010 stipulated minimum Renewal Purchase Obligation (RPO) in respect of renewable sources. The **Table 7** below shows the quantity of renewable power under different sources that the GUVNL should have purchased *vis-à-vis* actual purchase of power.

Table 7: Purchase of renewable power from different sources

Particulars		2010-11	2011-12	2012-13
Purchase of power excluding renewable and book adjustments (In Mus)		58,906.65	63,250.84	68,622.98
Wind Power Purchase	As per RPO (in per cent)	4.50	5.00	5.50
	As per RPO(in Mus)	2,650.80	3,162.54	3,774.26
	Actual purchase(in Mus)	1,543.94	2,325.30	3,414.52
	Actual purchase(in per cent)	2.62	3.68	4.98
	Average Purchase price per unit	3.39	3.42	3.37
Solar Power Purchase	As per RPO (in per cent)	0.25	0.50	1.00
	As per RPO(in Mus)	147.27	316.25	686.23
	Actual purchase(in Mus)	2.39	163.03	1,139.92
	Actual purchase(in per cent)	0.004	0.26	1.66
	Average Purchase price per unit	15.00	15.00	14.04
Bio Mass, Bagasse and Others	As per RPO (in per cent)	0.25	0.50	0.50
	As per RPO(in Mus)	147.27	316.25	343.12
	Actual purchase(in Mus)	19.00	87.52	76.05
	Actual purchase(in per cent)	0.03	0.14	0.11
	Average Purchase price per unit	3.68	3.97	3.89

(**Source**: - Information furnished by GUVNL)

The above table shows that GERC while laying down the minimum RPO had sought to achieve an economical mix of the various sources of renewable power to put the least burden on the consumer. The solar power component had been kept at the bare minimum in view of its high fixed cost.

However, the GUVNL/the GoG in disregard to this economical mix as proposed by GERC, had approved development of solar projects far in excess resulting in purchase of 1,139.92 Mus of solar power in 2012-13 against the stipulated 686.23 Mus. This excess purchase of 453.69 Mus led to excess burden of ₹ 473.20 crore[23] and consequently passing of the burden to consumers through increased average cost of power of the GUVNL.

The Management/Government stated (November 2013) that the RPO specified by GERC was minimum percentage of total power purchase. Further, the solar power tie up by GUVNL was in line with the policies of State as well as Central Government for accelerated development of renewable energy sources. The reply was not acceptable as by exceeding the maximum limit in respect of solar power, GUVNL had not achieved the minimum limit prescribed in respect of other sources and consequently passed on additional burden to the consumers.

Excess tariff payment due to not considering available exemptions

2.13.3 As per Clause 10 (Sale of Energy) of Solar Policy 2009, any subsidy/incentive received by SPGs from any source should be reduced from the rate for purchase of power from SPG developers except the benefit of accelerated depreciation under the Income Tax Act.

GERC issued (January 2010) tariff order for procurement of solar power by the distribution licensees and others from SPGs for a period of 25 years. The tariff was worked out after reckoning the benefit of accelerated depreciation under the Income Tax Act and the then prevailing applicable duties and taxes.

Audit observed that the GoI *vide* notification no.15/2010/Excise dated 27 February 2010, exempted components required for initial setting up of a solar power generation project or facility from levy of excise duty under Central Excise Tariff Act, 1985. Similarly, *vide* notification no.30/10-custom dated 27 February 2010, GoI granted custom duty exemption on items on which excise duty exemption as stated above was granted, in excess of five *per cent* ad valorem duty[24]. Accordingly, Ministry of New and Renewable Energy (MNRE) was authorised to issue the exemption certificate and the application for availing such exemption was required to be routed through the concerned State Department/Designated Agency[25].

A test check of 27 cases (***Annexure 10***) out of 77 SPG cases allotted revealed that the application for seeking excise duty exemption for ₹ 70.51 crore and customs duty exemption for ₹ 83.52 crore had been forwarded to MNRE. However, GEDA had not compiled data regarding exact amount of exemption actually availed by respective developers and forwarded the same to the GERC for working out its impact on the levelised tariff as the notional capital cost of ₹ 16.50 crore per MW and ₹ 13 crore per MW for Solar Photovoltaic and Solar Thermal Projects respectively was without considering the above exemptions. The levelised

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23 Calculated at ₹ 10.43 per unit (₹ 14.04 *less* ₹ 3.61) x 453.69 Mus = ₹ 473.20 crore.

24 Vide notification dated 06-01-2011, further exemption from whole of the additional duty of customs leviable under section 3 of Customs Act was also granted.

25 Gujarat Energy Development Agency was designated as State Agency by GERC *vide* notification no.4 of 2010.

tariff of the 27 SPGs listed in ***Annexure 10*** would reduce by ₹ 0.21 per unit due to consequent reduction in capital cost. The issue of availment of exemption of Excise and Customs duty by the SPGs was not taken up by GEDA and GUVNL before GoG. Due to this the benefit of such exemption has not been passed on to the GUVNL till date by SPGs.

The Management/Government stated (November 2013) that the GERC had set aside a petition for revision in solar tariff filed by GUVNL based on improved parameters. The reply was not acceptable as the non-consideration of exemptions in the capital cost of the project led to passing of undue benefit on to developers and burdens the consumers of the State.

Conclusion

While finalising PPAs with IPPs, the GUVNL did not consider the requirements of Standard Bidding Documents as regards to provisional bills. Provisions in the PPA regarding non-payment of deemed generation on Naphtha based generation and non-reimbursement of tax on incentive payments were violated. An instance of change in delivery point after execution of PPA to the disadvantage of the GUVNL was also noticed. In the operationalisation of PPAs, tariff rates higher than applicable rates were paid and liquidated damages for delay in commissioning were belatedly levied. Capacity under costlier solar power was created in excess of what was required by GERC Orders and many developers selected did not satisfy the technical and financial criteria prescribed under Solar Policy. There was no mechanism at Government level to monitor that incentives availed by solar power developers under Customs and Excise at a later stage were passed on through lower tariff to the GUVNL.

Recommendations

For better management of PPAs the GUVNL may consider:

- **Consulting STU in planning evacuation of power well in advance to avoid subsequent change in evacuation system;**
- **Seeking immediate legal advice in the cases involving interpretation of terms and conditions and huge financial implications;**
- **Adhering to the provisions of GoI notifications and PPAs in letter and spirit so as to avoid any loss arising on that account; and**
- **Refraining from contracting excess capacity from costlier sources.**

The GoG may also consider:

- **Setting up a mechanism to ensure compliance of required parameters by developers.**

Chapter III

Compliance Audit Observations

Chapter III

Compliance Audit Observations

Important audit findings that emerged from the test check of transactions of the Government of Gujarat Companies and Statutory Corporations are included in this Chapter.

Government Companies

Gujarat Agro Industries Corporation Limited

3.1 Idle investment in Banana Pack House

Failure to cross check the reliability of the project report before taking investment decision led to an idle investment of ₹ 6.11 crore.

The Gujarat Agro Industries Corporation Limited (Company) got a feasibility study conducted (July 2004) by M/s. Global Agri Systems Private Limited (Consultant) for setting up of a dedicated Banana Pack House (BPH)[1] in Gujarat. As per the project report submitted by the Consultant and approved (December 2005) by the Company for onward transmission to Agriculture and Processed Food Products Export Development Authority (APEDA[2]), the estimated cost of the project was ₹ 6.24 crore. The project sought to construct a BPH at Jhagadia (Bharuch) and two collection centres at Achalia (Jhagadia) and Vavdi (Mehsana). Based on the project report, APEDA and GoG sanctioned (October 2006 and March 2007/March 2010) grants of ₹ 4.42 crore and ₹ 2.72 crore respectively to the Company.

The project report contained statistical details on banana production, current export scenario and potential export markets besides analysis of profitability based on estimated project cost and capacity utilisation. The report estimated profits from the second year of operation and capacity utilisation at 90 *per cent* from the third year onwards. The sanctioned grants of ₹ 7.14 crore was released by the APEDA and GoG between March 2008 and April 2011.

The Company awarded (February 2009) the work of construction of the BPH including two collection centres to a firm[3] and the same were completed in June 2010 and December 2010 respectively for ₹ 6.11 crore. Further, the Company executed (June 2010) a license agreement with M/s. Cargo Service Center India Private Limited (firm C) for the Operation and Maintenance (O&M) of the BPH and collection centres. The same were handed over to firm C in July 2010 and April 2011 respectively. As per the terms of license agreement, firm C was to operate, maintain and manage BPH and collection centres for a period of five years and to pay license fee (including Service

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[1] A pack house is a place where products are brought after harvesting to prepare them as per market requirement in terms of washing, brushing, waxing, grading, cooling, storing and transporting without any injury to the product.

[2] Agency established by Government of India, which provides financial assistance to exporters, growers, trade associations, Governmental Agencies etc for promotion and development of agri-exports.

[3] M/s Rinac India Limited, Ahmedabad

Tax) of ₹ 3.10 crore[4] during the period to the Company. The license fee was payable biannually in advance.

The firm C paid the first biannual instalment of ₹ 20.47 lakh in July 2010. Thereafter, firm C requested (March 2011) for deferment of license fees payable and also expressed (May 2011) its apprehension in running the project viably due to limited availability of bananas in the region. The Company constituted (July 2011) a Committee comprising of its representative, Director of Horticulture, GoG and firm C to analyse the prevailing market and arrive at an appropriate decision.

The Committee's findings (August 2011) revealed that i) banana being a very low value fruit and extremely competitive, it was difficult to absorb the processing cost through pack house; ii) banana's availability in Bharuch and surrounding areas was limited for six to seven months; and iii) the Farm Gate Price[5] in Gujarat was higher in comparison to other States. Therefore, for minimising procurement cost, traders/exporters preferred completion of all process at the farms by using mobile pack houses.

Further, the stake holders[6] in the banana trade in the meeting held in September 2011 also expressed concern that the export of bananas was not viable considering the low price realisation and absence of minimum guaranteed price. The Company terminated (December 2011) the O&M agreement and firm C paid the balance license fees of ₹ 46.44 lakh due up to December 2011. As the Company was exploring the possibility for running the BPH, firm C was engaged to attend the maintenance work of BPH till November 2012 for a fixed remuneration. Thereafter, the Company was maintaining BPH and the centres on its own. The BPH and the centres had remained idle since December 2011, because an alternate agency could not be identified for running it (March 2013). The Company had incurred ₹ 17.26 lakh till March 2013 on electricity, maintenance and miscellaneous items.

Audit observed (November 2012) that the project report of December 2005 did not study and reflect on whether bananas were available throughout the year in Bharuch region. No analysis was made on the pricing of bananas at the farm stage reckoning the cost of processing through BPH and the viability of this cost to the exporter in the light of normally prevailing low selling price of bananas. Further, the projection made by the Consultant regarding utilisation of the BPH at 90 *per cent* capacity from the third year onwards, which would be sufficient to cover the entire export targeted for the year 2010 from India to the Middle East, was not supported by any authenticated and rational study report. Audit also observed that though the Company approved forwarding of the project report to financing agencies, it was not scrutinised/cross checked for reliability resulting in deficiencies going unnoticed and an unfruitful investment decision being taken.

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[4] 1st year ₹ 47.51 lakh, 2nd year ₹ 54.08 lakh, 3rd year ₹ 61.57 lakh, 4th year ₹ 69.89 lakh and 5th year ₹ 77.17 lakh.

[5] Price for direct sale from farm.

[6] Exporters/Co-operatives/Farmers.

The Management in its reply (July 2013) stated that due to the lower cost and competitive market of banana, the additional cost was not viable to the traders. Hence the project did not pick up as envisaged in the project report. The reply was not acceptable as the bottlenecks cited by the Management in its reply should have been factored in before making an investment of ₹ 6.11 crore. Thus, relying on the project report of the third party without verification of the facts contained therein led to an idle investment of ₹ 6.11 crore.

The matter was reported to the Government (May 2013); their reply had not been received (December 2013).

3.2 Idling of assets and non-achievement of objectives

Non adherence to the conditions of license agreement led to idling of assets worth ₹ 5.11 crore.

The Board of Directors (BoD) of Gujarat Agro Industries Corporation Limited (Company) decided (December 2006) to set up a Centre for Perishable Cargo (CPC)[7] with the facilities for handling and transit storage of perishable products at the International Airport, Ahmedabad. The project was to be set up on land to be allotted by Airport Authority of India (AAI) at a token price of ₹ one per annum and using funds sanctioned under Rashtriya Krishi Vikas Yojana (RKVY). It was also decided that after construction, CPC would be handed over to a private party to run on contract basis so that the Company would get regular income and not incur additional staff liability. An allocation of ₹ 8.23 crore (estimated cost) was sanctioned under RKVY for the year 2008-09 to the Company for setting up of CPC.

AAI allotted (May 2009) 3,685 square meters (Sqmtrs) of land for seven years at a license fee of ₹ one per annum for setting up of CPC and a license agreement was entered (May 2009) into with the Company by AAI. The terms and conditions of the license agreement stipulated that the Company should not, create a sub-contract of any description with regard to the license or any part thereof, nor transfer or assign this license or any part thereof except with the written consent of AAI. On the expiry of license period of seven years or if the Company ceases to be a Government Company during the period of seven years, license fees on commercial terms and a percentage of gross turnover as per AAI policy in vogue was to be charged. Further, AAI policy for establishing CPC at airports stipulated that if the State Government enterprise wanted to set up and run CPC on joint venture (JV) basis with private participation on AAI's leased land, then the State enterprise should hold not less than 51 *per cent* of equity shares of the JV Company. The Company awarded (July 2009) the contract for construction of CPC at a tendered cost of ₹ 4.59 crore to be completed within a period of 180 days from 12 June 2009.

[7] As per the project feasibility report (December 2006) the handling volume of CPC was 40 Metric Tonne per day and within three to five years the profit from CPC would stabilise with the achievement of 100 *per cent* volume operation

Audit observed (November 2012) that, disregarding the above stipulations made by AAI, the BoD of the Company approved (August 2009) appointment of Cargo Service Center India Private Limited (CSC), Mumbai as the licensee to operate, maintain and manage CPC. Accordingly, a license agreement was entered (June 2010) with CSC. As per the terms of agreement, CSC would pay to the Company license fees of ₹ 3.33 crore[8] over the lease period of five years and would have the freedom to fix charges to be recovered from the users of CPC except Terminal Storage and Process charges, which could not exceed ₹ 0.70 per kilogram. The agreement would come into force from the date of commercial operation of CPC or receipt of approvals from i) Bureau of Civil Aviation of Security, ii) AAI, and iii) Commissioner of Customs, whichever was later. The construction of CPC was completed in September 2010 at a cost of ₹ 5.11 crore.

The Company applied (September 2010) to AAI seeking their permission for the sub-licensing of CPC to CSC. After a prolonged correspondence, AAI objected (May 2012) to the license agreement executed by the Company with CSC and called it a violation of spirit of AAI license and various guidelines of the Government of India. AAI further stated that the agreement made with CSC transformed the project into commercial (revenue yielding for the Company) and severely limited the core purpose *i.e.*, subsidised service for Agro Product Promotion. Further, AAI directed the Company to restrain from operationalising the CPC without showing reasonable and acceptable cause for the above violation. Further progress was awaited (June 2013).

The Management stated (June 2013) that the Operation & Maintenance (O&M) of CPC was a highly specialised job requiring trained professionals and the Company did not have expertise in it. Therefore, the O&M contract was entered into with CSC incorporating all the conditions set forth in the license agreement between AAI and the Company. It was also stated that this did not amount to sub-letting as it did not create any direct or indirect rights in favour of CSC. As required by the Customs Authorities, even the custodianship of the CPC was retained with the Company and an application was made to AAI to grant the No Objection Certificate for commissioning the CPC. However, AAI has neither denied nor given the consent (June 2013).

The reply was not acceptable as the license agreement entered into with AAI clearly stipulated that licensee shall not create a sub-contract of any description except with prior permission from AAI. The Company was aware of these stipulations when it entered into the O&M contract with CSC. Further, the O&M contract entered by the Company transferred all risks and rewards to CSC, a private party, in return for a fixed remuneration. Thus, non adherence to the stipulation of AAI resulted in blocking of ₹ 5.11 crore for a period of 33 months (from October 2010 to June 2013) and non achievement of the objectives of Government spending.

The matter was reported to the Government (May 2013); their reply had not been received (December 2013).

[8] Year – I - ₹ 37.50 lakh, Year II - ₹ 48.75 lakh, Year III - ₹ 65.00 lakh, Year – IV - ₹ 80.93 lakh and Year - V- ₹ 100.91 lakh = ₹ 333.09 lakh *i.e* ₹ 3.33 crore.

Gujarat State Electricity Corporation Limited

3.3 Undue benefit to Contractor

Passing of undue benefit of ₹ 10.71 crore to the washery contractor by allowing retention of washery rejects at a lower price.

A thermal power station (TPS) runs on coal. The coal delivered from the mine to the coal preparation plant is called run off mines (RoM). This RoM consists of coal, rocks, middlings, minerals and contamination and beneficiation[9] before its use increases its calorific value. The Gujarat State Electricity Corporation Limited (Company) awarded contracts to washery contractors for lifting of RoM from its allocated coal fields, their beneficiation and the transportation of the washed coal to its various TPS at pre-decided rates. The Company also awarded separate contracts for retaining washery rejects[10] or lifting the rejects from other washeries; as these rejects were the property of the Company.

The Company invited (December 2009) tenders for beneficiation of 12 lakh Metric Tonne (MT) RoM coal per month to be lifted from the Korba Coal fields and supplied to the Gandhinagar, Sikka, Ukai and Wanakbori TPS of the Company. The Company placed (May 2010) work orders on four bidders[11] viz., M/s. Aryan Coal Beneficiations (ACB), Spectrum Coal and Power Limited, (SCPL), Maruti Clean Coal and Power Limited (MCCPL) and S V Power Private Limited (SVPL) based on their capacity.

ACB had also set up its own power plant in Chhattisgarh based on a blend of washery rejects and raw coal. For this, it had entered (June 2007) into a long term Fuel Supply Agreement (FSA) with the Company for lifting all the washery rejects generated in the beneficiation contracts entered into by the Company in the Korba region at ₹ 107 per MT. As the above plant was to supply power to Gujarat Urja Vikas Nigam Limited, the holding company of the company, concessional rate was offered in the FSA.

ACB's power plant which was scheduled to be commissioned in October 2009 was delayed and actually commissioned in December 2011. Meanwhile, the Company issued (April 2010) separate work orders to SVPL for lifting the washery rejects of ACB[12] and for retaining its own rejects at ₹ 306 per MT. Similar work order was also issued to MCCPL for lifting the washery rejects of ACB at ₹ 400 per MT and retaining its own rejects at ₹ 500 per MT. SCPL was allowed to retain its own rejects at ₹ 306 per MT. No work order was placed on ACB as they quoted rates as per their FSA.

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[9] Beneficiation is process of washing raw coal of inferior quality at washery in order to remove coal dust, stones and shells and cutting the coal into proper size.

[10] Around 20 *per cent* of the RoM coal become washery rejects during the beneficiation process.

[11] ACB for 7.5 lakh MT per month at ₹ 120.37 per MT, SCPL for 4.5 lakh MT per month at ₹ 142.83 per MT, MCCPL and SVPL for 2 lakh MT per month each at ₹ 120.37 per MT.

[12] ACB had four washeries *viz.*, Dipka, Gevra, Chakabura and Binghri. SVPL was to lift rejects other than Dipka washery and MCCPL was to lift only from Dipka washery.

ACB did not allow the other washery contractors to lift its washery rejects on the pretext of seeking clarifications regarding issue of royalty paid transit pass[13] to the transporters of washery contractors till August 2010. Meanwhile, the work orders issued for washery and sale of washery rejects to SVPL and MCCPL were terminated (July 2010) as they failed to commence the main work of beneficiation of coal.

In September 2010, ACB requested the Company to allow them to retain the washery rejects at the rate of ₹ 118.38 per MT for the period from 1 April 2010 to 31 August 2010 and at ₹ 306 per MT for the period from 1 September 2010. The Company agreed (November 2010) to the request of ACB.

Audit observed (December 2012) that as per terms of the FSA, the washery rejects were to be made available to ACB at FSA rate for using it as fuel in the power plant for generation of power. The FSA was to come into effect from the commissioning date of ACB's power plant. As the power plant could be commissioned only in December 2011, charging of the reduced rate of ₹ 118.38 per MT instead of the applicable rate of ₹ 306 per MT[14] for the period 1 May 2010 to 31 August 2010 was not justified or warranted. By agreeing to the request of ACB, the Company passed an undue benefit of ₹ 10.71[15] crore to ACB.

The Government stated (August 2013) that the washery rejects of ACB could not be lifted by MCCPL and SVPL as the Authority for issuing the transit pass for the lifting coal rejects could be finalised only by October 2010. ACB agreed to retain the rejects up to August 2010 at the FSA rate of ₹ 118.38 per MT only and agreed to pay the tender rate of ₹ 306 per MT only from September 2010. As creating a dispute in this regard could have hampered the supply of washed coal to the TPS by ACB, the proposal was accepted.

The fact remains that even SCPL for retention of its own rejects paid the tender rate of ₹ 306 per MT. As such, there was no reason to allow ACB to retain its rejects at the rate of ₹ 118.38 per MT when the FSA had not become effective.

3.4 Improper award of contract

Loss of ₹ 4.10 crore due to award of work to an incompetent contractor.

The Kutch Lignite Thermal Power Station (KLTPS) of Gujarat State Electricity Corporation Limited (Company), invited (November 2009) tenders for the work of manual removal of ash from the bottom ash hoppers of the boilers of its three units (Unit 1, 2 and 3) for a period of two years by means of

[13] Transit passes are issued after payment of royalty to every lease holder or permit holder by the competent authority and is countersigned either by the District Mining Officer / Concern SDO / Tehsildar. Such passes show the details of the lease holder / permit holder, date, vehicle number transporting the material, quantity, time *etc.*

[14] SVPL and MCCPL orders were terminated and hence the highest available rate for washery rejects was ₹ 306 per MT agreed by SCPL.

[15] Quantity of rejects (570,793 MT) X difference in rate (₹187.62).

manual efforts, loaders and dumpers and disposing the same outside the power station site. One of the technical requirements stipulated in the tender was that the bidder should have experience of same/similar type of work at power station of the Company/erstwhile Gujarat Electricity Board/or any Government Organisation and should have executed at least one work order having value of ₹ 35 lakh in the last two years.

The tenders were received (January 2010) from three firms[16] out of which one was declared as technically not acceptable as it had not submitted the required documents. Firm S was regarded as technically acceptable though it had quoted for the first time for the Company. One of the bidders (firm K) had not satisfactorily executed a similar order awarded by the Company to it in January 2006 and thus was not considered for the subsequent tender of the Company in October 2007. Despite this fact, KLTPS regarded firm K as technically acceptable subject to their price being the lowest and their agreeing to placement of order in a phased manner of three months at a time. An undertaking was obtained from firms S and K, who were declared technically qualified (February 2010) that they would agree to placement of orders in a phased manner and then their price bids were opened. Firm K was the lowest bidder at ₹ 90.29 lakh. Firm K was awarded the work (April 2010) for a period of two years up to 31 March 2012, though Corporate office of the Company approved placement of the order in a phased manner. The reasons for placing the work order for two years were not on record. The performance of firm K was not satisfactory from the beginning as it failed to mobilise sufficient manpower and machinery. The KLTPS invited (April 2011) another tender for the same work. The single bidder that qualified was firm S who quoted ₹ 1.38 crore for the biennial contract. The contract was placed with firm S for two years from December 2011 after short closing the contract with firm K.

Audit observed (January 2013) that despite the poor performance of firm K being known to KLTPS, it was declared technically qualified and its price bid was opened. The decision of the Company to open the price bid of firm K and consider award of the contract if its price was the lowest vitiated the sanctity of the tendering process. Though a specific undertaking had been taken from firm K for placement of order in a phased manner and approval from the Corporate office of the Company had also been obtained on those terms, the order was placed by KLTPS for the full period of two years; thereby violating approval conditions.

As the performance of firm K was unsatisfactory, penalty of ₹ 13.44 lakh for the reasons such as non-mobilisation of adequate resources and non removal of ash was levied by KLTPS during the period April 2010 to April 2011. Further, the non-mobilisation of adequate resources by firm K led to excess accumulation of ash and forced shutdown of power plant during March and April 2011. Consequently, there was a loss of generation of 14.93 million

[16] M/s. K.B. Jadeja, Panandhro (Firm K), M/s. Swaminarayan Vijay Carry Trade Pvt. Limited, Bhuj (Firm S) and M/s. Ganji Ramji, Bhuj (Firm G).

units of power leading to loss of ₹ 3.97 crore[17] as worked out by the Company. Audit also observed that KLTPS refunded the recovered penalty of ₹ 8.41 lakh in June 2011 and also firm K's Security Deposit of ₹ 4.51 lakh in August 2012 based on the plea of firm K that it was unable to continue the work with the present rates of the order and financial constraints.

Thus, awarding of the contract to a firm whose performance was known to be poor and also by showing undue favour to the firm by refunding the penalty and Security Deposit led to avoidable loss of ₹ 4.10 crore to the Company.

The Government stated (September 2013) that firm K was considered as technically qualified as there was no other option with the Company as the other technically qualified bidder was new to the Company. Also, KLTPS being at a remote place was having a typical and extreme climate where usually contractors were not ready to work. Hence, in the interest of the TPS, it was difficult to enforce stringent tender conditions. The reply of the Government was not acceptable as the contract was awarded to firm S in December 2011 despite receiving only the bid of firm S which was considered to be new to the Company in January 2010. The injudicious decision of the Company led to loss of ₹ 4.10 crore.

3.5 Avoidable payment

Avoidable payment of ₹ 74.59 lakh towards freight charges to the contractor due to non-insertion of a suitable clause in the work order.

The Gujarat State Electricity Corporation Limited (Company) awarded (January 2010), the work of inland handling and transportation of 14.8 lakh Metric Tonnes (MTs) of imported coal from discharge port at Mundra to Wanakbori and Gandhinagar Thermal Power Stations (TPS) to M/s. Adani Enterprises Limited, Ahmedabad (Contractor).

The scope of work for the contractor included coordination for the safe berthing of the vessel at discharge port, liaising with Port and Customs authorities for clearance of cargo, coordination for the rail/road transportation of the coal from port to TPS and monitoring so as to minimise handling and transit losses from port to TPS. For the above work, the contractor was entitled to Inland Handling Charges of ₹ 296 per MT plus the normative railway freight charges as applicable at the time of supply on the quantity of coal actually received at the TPS. The contract further stipulated that the quantity and quality of coal received at the TPS end was to be as per the quantity and quality of coal received[18] at the discharge port. In case of shortage of quantity and deficiency in quality, recoveries from the contractor as per prescribed formula were to be made. In the execution of the contract (January 2010 to November 2011), the contractor handled 18,94,646 MTs of coal at the

[17] Generation loss of ₹ 3.02 crore calculated at the fixed cost rate of ₹ 2.02 per unit on the 14.93 MUs lost and oil cost for start up of machine from shut down ₹ 0.95 crore.

[18] At discharge port, Independent Inspection Agency (IIA) appointed by the Company was to determine the quantity and quality of coal by draught survey/stack survey and by sampling analysis respectively. At TPS, the quantity of coal was to be determined as per weighbridge readings and the quality was to be determined as per samplings of IIA and joint analysis of both IIA and TPS officials.

discharge port, received through 26 ships, and delivered 18,93,745 MTs of coal at the TPS with a shortage of 901 MTs.

Audit observed (December 2011) that in respect of 18 out of 26 ships, the discharge quantity at port was 13,52,860 MTs, the quantity delivered by the contractor to the Railways as per railways receipt (RR) was 13,35,139 MTs and quantity received at TPS was 13,52,215 MTs. There was a nominal shortage of 645 MTs in the quantity received at the TPS as compared to the quantity discharged from the port. However, there was a transit gain of 17,076 MTs when the quantity received at the TPS was compared to the quantity loaded by the contractor in the wagons at the railway end. The above abnormal gain of 17,076 MTs of coal during its transportation resulted in an undue benefit of ₹ 74.59 lakh to the contractor as freight charges were reimbursed on 13,52,215 MTs received at TPS, whereas the contractor had paid freight charges for 13,35,139 MTs to the Railways.

The Government stated (September 2013) that the contractor had to deliver entire quantity from the discharge port to the TPS without any shortage so the RR quantity should not be compared with the quantity of coal received at TPS. The Government further stated that the contractor was paid normative railway freight on the quantity measured at the TPS end and it was not a reimbursement of the actual freight paid as then the Company would end up paying higher amount in terms of idle freight and penal freight in case of overloading. They also stated that the difference in weight may be due to instrument errors in the measurement at Railway weighbridge.

However, the observation of Audit was not on the shortage of quantity of coal between discharge port and TPS or the payment of freight based on the coal received at TPS, but on the excess payment made to the contractor because the Company had reimbursed the freight charges on the quantity which was higher than what was exhibited in the RRs.

It is recommended that the Company should insert a clause in such future agreements restricting payment of freight charges to the contractor on the quantity for which actual payment is made to the railways.

Gujarat State Petronet Limited

3.6 Loss of revenue due to waiver of ship or pay charges

Loss of revenue of ₹ 73.70 crore due to waiver of ship or pay charges in favour of Essar Steel Limited.

The Gujarat State Petronet Limited (Company) entered (March 2004) into a Gas Transmission Agreement (GTA) with Essar Steel Limited (ESL) for transporting maximum daily quantity (MDQ) of 72,010 MMBTU[19] of gas in two capacity tranche (CT)[20] from Dahej entry point to ESL's plant located at Hazira. The validity of GTA was upto December 2008. As per the requirements of ESL, amendments to GTA were made in January 2009 and March 2010 for extending the validity period and increasing the number of CTs for transmission of gas, respectively. In the amendment of GTA (March 2010), the Company reserved two additional CTs viz., D-6 CT 1 and D-6 CT 2 of 1,06,071 MMBTU each for transporting gas to ESL. The additional reserved capacity was for the period up to March 2014.

As per the terms of GTA, the transmission of gas through D-6 CT 2 would start only after the Company created its pipeline network with an entry point at Damka. The same has not yet been operationalised (September 2013). The transportation of gas through D-6 CT 1 from Atakpardi entry point of the Company's network to ESL plant at Hazira started from April 2010. As per the GTA (March 2010), ESL was to pay transmission charges on the actual MDQ or the contracted capacity whichever was higher (called Ship or Pay charges in common parlance). The applicable transmission charges were ₹ 19.74 per MMBTU.

The Company recovered Ship or Pay charges of ₹ 6.28 crore[21] per month from ESL on MDQ of 1,06,071 (for 30 days) in respect of D-6 CT 1 for the period from April 2010 to March 2012. ESL requested (December 2011/ February 2012) the Company to waive Ship or Pay charges on D-6 CT 1 or defer the payment by one year stating that its business had been adversely affected due to falling prices of steel, high price of spot gas and non-availability of D-6 gas as supplies from D-6 fields were curtailed as per the Government of India decision (September 2011). The Company accepted (March 2012) the request and decided that there would be no Ship or Pay charges on D-6 CT 1 for one year from 1 April 2012 to 31 March 2013 and extended the validity period of CT by one year up to March 2015.

ESL transported 8,42,191 MMBTU of gas on D-6 CT 1 against the monthly contracted quantity of 31,82,130 MMBTU (1,06,071 MMBTU x 30 days) from Atakpardi Entry Point in April 2012. The Company raised invoices of ₹ 1.66 crore for the month of April 2012. Thereafter, ESL did not transmit

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[19] Million Metric British Thermal Unit.

[20] Capacity tranche: A quantity of transmission capacity reserved by transporter for a particular purpose of the shipper. The two CTs reserved were: Indian Oil Corporation Limited (IOC) - CT of 58,660 MMBTU and Bharat Petroleum Corporation Limited (BPCL) – CT of 13,350 MMBTU).

[21] ₹ 19.74 x 1,06,071 MMBTU x 30 days = ₹ 6.28 crore.

any gas during the period from May 2012 to March 2013 and hence, the Company did not raise any invoice towards transmission charges.

Audit observed (February 2013) that the Company's decision to forgo Ship or Pay charges for the period from April 2012 to March 2013 based on the request of ESL is not only a violation of the terms of amended GTA of March 2010 but also provided undue benefit to ESL. The terms agreed in the GTA categorically stated that for the purpose of levy of transmission charges, *force majeure* shall not include financial constraints of shipper or any Government action resulting in reduction or cancellation of allocation of gas by the sellers to shipper. Thus, the decision to forgo Ship or Pay charges led to loss of revenue of ₹ 73.70 crore[22] to the Company.

The Management stated (June 2013) that ESL requested waiver or deferment of Ship or Pay charges under D-6 CT 1 due to reduction of gas supplies from D-6 fields of Reliance. The Company did not agree to ESL's request for waiver but deferred the recovery of Ship or Pay charges by extending the GTA by one year up to 31 March 2015 for the same capacity. Further even the Petroleum and Natural Gas Regulatory Board's (PNGRB) 'Guidelines on Development of Model GTA' considers events caused by actions of Central/State Governments as an event of *force majeure* and there is no requirement to amend the existing GTA on account of such directives.

The reply was not acceptable as the Company by extending the GTA for one year will recover Ship or Pay charges for 2014-15 for the capacity reserved during that period and this will not compensate the Company for the non-recovery of Ship or Pay charges for 2012-13 for the capacity made available during that year. Further, the PNGRB Guidelines categorically stated that all contracts/agreements, wherever necessary, shall be suitably modified to ensure compliance with the Guidelines, which has not yet been done in the GTA with ESL (June 2013).

The matter was reported to the Government (May 2013); their reply had not been received (December 2013).

3.7 Loss due to imprudent decision to reduce contracted quantity

Imprudent decision to reduce contracted capacity of Torrent Power Limited resulted in revenue loss of ₹ 18.64 crore.

The Gujarat State Petronet Limited (Company) entered (February 2006) into a Gas Transmission Agreement (GTA) with Torrent Power Limited (TPL) for transporting gas to its SUGEN power plant at Akhakhol, Surat. In the GTA, TPL booked different Capacity Tranches (CTs) as follows:

[22] ₹ 4.62 crore (₹ 6.28 crore – ₹ 1.66 crore recovered) for April 2012 *plus* ₹ 69.08 crore (₹ 6.28 crore x 11 months) from May 2012 to March 2013 = ₹ 73.70 crore.

Sl. No.	Name of Capacity Tranche	Volume (in MMBTUD)	Effective period
1	Panna-Mukti-Tapi (PMT CT)	35,003	31 October 2007 to 31 October 2010
2	Indian Oil Corporation Limited (IOCL CT)	64,694	15 January 2010 to 31 December 2024
3	D6 from gas fields of Reliance Industries Limited (D6 CT)	1,18,097	April/December 2009 to 31 March 2014
	Total booking or Maximum Daily Quantity (MDQ) [23]	**2,17,794**	

According to the GTA, capacity charges, commodity charges and unutilised capacity charges were payable by the shipper (*i.e.*, TPL) as per the rates prescribed for each CT. In respect of IOCL CT, capacity charges of ₹ 225 per 1000 SCM[24] on the actual allocated capacity and ₹ 5.10 per MMBTU on the unutilised capacity of the CT up to 90 *per cent* of the MDQ was payable. Before commencement of supply through IOCL CT, TPL requested (January/February 2010) the Company for reduction in MDQ under IOCL CT as under in view of the reduced plant load factor (PLF).

From	To	IOCL CT MDQ (in MMBTU)
21 January 2010	31 March 2010	32,933.04
01 April 2010	30 June 2010	23,523.60
01 July 2010	30 June 2013	14,823.09
01 July 2013	31 December 2013	37,075.23
01 January 2014	31 December 2024	40,763.50

The Company retrospectively reduced (February 2011) the MDQ in the IOCL-CT from 64,694 MMBTUD[25] to 40,982 MMBTUD for the period from January 2010 to October 2010[26] based on PLF of 100 *per cent* of TPL. The TPL not satisfied with this reduction, requested the Company for further reduction in MDQ in view of the uncertain future gas supply and likely operation of its plant at 80 to 90 *per cent* PLF.

The BoD of the Company accepted (July 2012) the above request of TPL for reduction of MDQ under IOCL CT retrospectively from 15 January 2010 and the Company amended (September 2012) the GTA of February 2006 with the reduced MDQ as requested shown in the table below:

From	To	IOCL CT MDQ (in MMBTU)
15 January 2010	31 March 2010	32,933.04
1 April 2010	30 June 2010	23,523.60
1 July 2010	30 June 2013	14,823.09
1 July 2013	31 December 2024	43,110.05[27]

[23] It is the maximum quantity of gas measured in MMBTU which transporter (The word transporter means the company itself viz. GSPL which provides pipelines and other ancillary equipment to enable transportation of gas by the shipper) is obliged to accept from shipper, {The shipper in this case (TPL) is one who uses the facilities of the transporter for transporting gas purchased by him from the entry point to the exit point as his requirements} per day.

[24] Standard Cubic Meter.

[25] Million Metric British Thermal Unit per day.

[26] The PMT CT was to come up for review on that date.

[27] Of the 64,694 MMBTU under IOCL CT, MDQ of 21,584 MMBTU had been transferred to UNOSUGEN GTA with effect from 1 July 2013.

Audit observed (February 2013) that the Company, in February 2011 had taken into account the excess capacities entered into by TPL considering PLF at 100 *per cent* and reduced the IOCL MDQ up to October 2010 accordingly. When the PMT CT expired and was renewed from November 2010, the capacity was reduced to 25,000 MMBTUD, against original capacity of 35,003 MMBTUD. With this action, the total capacity reduced to 1,84,079 MMBTUD, which did not allow TPL to function at 100 *per cent* and in total deviation of the Company's decision of February 2011. The IOCL CT could have increased from 40,982 (as agreed by the Company up to October 2010) to 50,982 MMBTUD from November 2010 to June 2013 thereby meeting the total capacity of 1,94,082 MMBTUD as on 30 October 2010. The decision of the Company in February 2011 did not constitute an event of force majeure but resulted in undue benefit to TPL due to the Company not being able to recover unutilised capacity charges of ₹ 18.64 crore[28].

The Management stated (July 2013) that TPL, is bankable customer and by considering TPL's request for reduction in MDQ, the Company secured the future business opportunities with TPL. The reply of Management is not acceptable as the Company reserved the capacity in its pipeline separately for each shipper for which the shipper has to pay charges as per the provision of GTA. The inconsistent decision by the Company to reduce MDQ from retrospective date without any event of force majeure led to loss of revenue of ₹ 18.64 crore to the Company and an undue benefit to TPL.

The matter was reported to the Government (June 2013); their reply had not been received (December 2013).

GSPC Gas Company Limited

3.8 Loss of revenue due to non revision of gas price

Loss of revenue of ₹ 25.37 crore due to non-revision of selling price of gas as per the terms of the agreement entered with industrial customers.

The GSPC Gas Company Limited (Company) distributes natural gas to industrial, commercial, transportation and residential customers in three regions of Gujarat *i.e.*, South Gujarat, Central Gujarat and Saurashtra. For distribution of the natural gas, the Company entered into (June 2007/April 2011) three gas supply agreements of which two were with Gujarat State Petroleum Corporation Limited[29] (GSPC) and one with GSPC-NIKO[30] (a joint venture of GSPC and Niko Resources Limited, Canada).

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[28] Calculated based on the MDQ of 40,982 MMBTUD up to October 2010 and thereafter at 50,982 MMBTUD from November 2010 to 30 June 2013 as against the actual reduction given and applying the unutilised capacity rate of ₹ 5.10 per MMBTU on 90 *per cent* of the difference.

[29] Holding Company I) Gas Sales Contract with GSPC (April 2011) for Daily Contract Quantity (DCQ) of 2.4 MMSCMD based on weighted average price (II) Supply Framework Agreement with GSPC (April 2011) for DCQ of 1.1 MMSCMD based on settlement price of monthly futures contract for natural gas found in international exchange.

[30] Gas Supply Contract with GSPC Niko (June 2007/July 2011) for a DCQ of 2000 SCMD.

The Company's revenue from sale of piped natural gas (PNG) to industrial customers constituted 97 *per cent* of the total revenue earned during 2011-12. The Company had entered into Gas Sales Agreements (GSAs) with various industrial customers for supply of PNG. The terms of GSAs stipulate that any change (increase or decrease) in the purchase price of the gas to the Company shall be passed on to the industrial customers who would be liable to pay the revised price so passed on.

Audit observed (March 2013) that the monthly weighted average price and applicable transmission cost in respect of the gas purchased from GSPC and GSPC NIKO by the Company ranged from ₹ 15.86 per SCM[31] to ₹ 26.52 per SCM during April 2011 to March 2013. The increase in the purchase and transmission cost was, however, not passed on to the industrial customers on monthly basis as provided in the GSAs. Though the weighted average price of gas procured and transported by the Company had increased 17 times[32] and decreased seven times[33], the Company increased its selling price only four times[34] and reduced it two times[35]. By not passing the increase in monthly weighted average procurement price of gas on month to month basis to the industrial customers, the Company delayed its revenue recovery by three to seven months on different occasions and consequently, suffered the loss of ₹ 25.37 crore during the period even after considering the impact of price reductions.

The Government stated (July 2013) that the cost of gas procurement includes cost of gas purchase and cost of gas transmission[36] and the reduction in transmission tariff which was announced in February 2013 came into effect from July 2012. Further, it was stated that in September 2012 and May 2013 certain credits for gas prices were also received from the gas suppliers which if considered by Audit would wipe out the loss pointed out.

The loss of revenue has been worked out in Audit after taking into consideration the reduction in gas transmission price. As far as the credit and debit notes are concerned, the Company has considered the same only for seven out of 24 months and not made any mention of the adjustments, if any, received during the remaining period. Further, the impact of debit and credit notes received in September 2012 and May 2013 can be passed on to consumers only in subsequent months by suitable adjustment to selling price. Till such time the amount of ₹ 25.37 crore is recovered, the Company will sustain loss.

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31 Standard Cubic Metre.

32 April 2011 to January 2012 (excluding August 2011) and April 2012 to June 2012, October 2012 to March 2013.

33 August 2011, February 2012 to March 2012 and July 2012 to September 2012.

34 In July 2011, November 2011, June 2012, January 2013.

35 In September 2012 and October 2012.

36 Gas Transmission cost is an element in the cost of gas procurement which has been considered by Audit as per reply of the Management.

Statutory Corporations

Gujarat State Road Transport Corporation

3.9 Loss of revenue

Rejection of an eligible bidder in award of contract without proper justification and authority led to loss of ₹ 1.34 crore.

The Gujarat State Road Transport Corporation (Corporation) invited (June 2010) tenders to award the contract for transportation of parcel, courier and allied services through its buses to eligible bidders in return for agreed revenue in monthly installments. The upset (reserve) price for the tender was fixed at ₹ 20.10 crore[37] which was to be received for a three year period. Of the two firms who responded to the tender, only one firm satisfied the turnover eligibility criteria of ₹ three crore per annum. Hence, the tender was cancelled without opening of financial bids.

The Corporation reduced the turnover criterion to ₹ two crore per annum and invited tender (July 2010) for the second time. The same two firms, who had responded to the earlier tender, submitted their bids. Though, both the firms were now technically eligible, the tender was cancelled as the firms had quoted below the upset price of ₹ 20.10 crore.

While inviting (September 2010) the tender for third time, the tender condition was further relaxed by fixing the upset price at ₹ 20.14 crore for five years instead of three years without altering the turnover criteria. Five firms quoted, from which, one firm viz. M/s. Ashapura Trade and Transport Company Limited, Ahmedabad (firm AA) was found ineligible and out of the remaining four eligible firms, one firm viz. M/s. Ashapura Transport Company Limited, Amreli (firm A) quoted ₹ 20.42 crore, which was above the upset price fixed. The tender was again cancelled without approval of the Board of Directors (BoD) of the Corporation on the plea that the price quoted was marginally higher than the upset price and that a non-participating party had shown interest in the matter with the possibility of higher fees to the Corporation.

The turnover criterion was further lowered to ₹ five crore in three years and tender was invited (November 2010) for the fourth time. This time again, five firms (Four of whom were the same as in the previous tenders) quoted their price. Of this, four firms were declared eligible. Only firm AA quoted ₹ 20.51 crore while all others quoted below the upset price. The Chairman, however, did not approve the proposal for award of contract and directed that retendering should be done by prominently showing in the advertisement that the purpose of the contract was for parcel service so that it would attract offers with substantially high value.

In the tender invited (March 2011) for the fifth time with same terms and conditions of fourth tender, only three firms responded. After obtaining the

[37] Calculated taking the previous year's upset price as basis and escalating it by 30 *per cent* and adding the upset value of office and godown and depot charges.

approval of the Board of Directors (April 2011), the work was awarded (May 2011) to the highest bidder, firm AA at the price of ₹ 22.57 crore and the execution of the contract commenced from July 2011.

As per General Standing Orders (GSO) 1030 of 1995 issued by the Corporation, all powers of tender finalisation in respect of revenue contracts are vested with the BoD. However, in the present case while inviting/re-inviting tenders (June 2010 to March 2011), the conditions regarding turnover and upset price were changed on the pretext of encouraging competition which was irregular as it was without the approval of the BoD. As per the third tender, though firm A was eligible in all respects, it was not awarded the contract and also the BoD was not informed of this action.

Audit observed (December 2012) that, had the offer of firm A been accepted in September 2010 at ₹ 20.42 crore for five years and the contract commenced from December 2010, the Corporation could have avoided carrying out the work departmentally during December 2010 to June 2011 at a meagre revenue of ₹ 27.30 lakh. Notwithstanding the higher price of ₹ 22.57 crore offered in the fifth tender by firm AA, the total earnings to the Corporation for the period December 2010 to June 2016 will be higher by ₹ 1.34 crore[38] had the contract been awarded to firm A in December 2010 as given in ***Annexure* 11**.

Thus, the Corporation exceeded its delegated authority in changing tender conditions and rejecting the eligible offer of firm A in the third tender and thereby lost revenue of ₹ 1.34 crore.

The Government (August 2013) reiterated the reasons for retendering and justified its action by stating that by re-inviting the tenders for the fifth time, it earned more revenue to the tune of ₹ 24.05 lakh instead of incurring loss of ₹ 1.34 crore as pointed out by Audit.

The reply was not acceptable. The Corporation while calculating the interest that will be earned under the two different scenarios pointed out by Audit had considered the revenue period wrongly resulting in the loss of revenue of ₹ 1.34 crore. Further, the constant change of the terms and conditions of the tender without the approval of the competent authority showed that there was no fair play, unfair and opaque conditions in the tendering process thus leading to a non –level playing field.

[38] Loss of revenue= Anticipated earnings (considering interest at the Corporation's borrowing rate of 12 *per cent* per annum on the annual cash inflow under the contract) from December 2010 to June 2016 if contract awarded to Firm A (₹ 33.00 crore) *less* actual earnings from December 2010 to June 2011 and contractual earnings from Firm AA from July 2011 to June 2016 (₹ 31.66 crore) = ₹ 1.34 crore**.**

3.10 Loss of interest

Non insertion of a suitable clause in the lease deed for charging interest on increased valuation of land led to loss of interest of ₹ 89.98 lakh.

The Gujarat State Road Transport Corporation (Corporation) had leased land at 10 different locations to five Gas Distribution Companies[39] for lease period ranging from 25 to 90 years for setting up CNG stations. According to the terms of the lease agreement, the CNG stations were either dedicated for the buses of the Corporation or were common for all vehicles. If CNG stations were dedicated for the Corporation, no premium was recovered for the said land but a discount of ₹ one per Kilogram for gas filled by the Corporation was availed from the Gas Companies. If the CNG stations were common for use of all vehicles, a premium based on the market value/City Town Planning (CTP) value of land was recovered by the Corporation from the Gas Companies at the time of handing over possession of the land.

Audit observed (April 2013) that in case of two CNG stations; one set up by Adani Energy Limited (AEL) at Chandola, Ahmedabad and the other set up by Gujarat Gas Company Limited (GGCL) at Lambe Hanuman, Surat; adhoc premium was recovered at the time of handing over possession to the allottees and the differential amount was recovered after valuation by CTP but without interest for the intervening period as tabulated and discussed below:

Name of the Company	Location of the station and area	Month of Board approval	Date of land allotment	Adhoc value (in ₹)	Date of adhoc payment	Final price (in ₹)	Date of final payment
Adani Energy Limited	Chandola, Ahmedabad 1,500 Sqmtrs	January/ May 2006	26 April 2006	5,800 per Sqmtr	13 March 2006	11,445 per Sqmtr	17 July 2009
Gujarat Gas Company Limited	Lambe Hanuman, Surat 1,000 Sqmtrs	January 2007	13 March 2007	15,000 per Sqmtr	28 February 2007	36,450 per Sqmtr	14 April 2010

In case of both AEL and GGCL, the Corporation handed over the possession of land based on an adhoc premium of ₹ 87 lakh (₹ 5,800 per Sqmtr x 1,500 Sqmtrs) and ₹ 1.50 crore (₹ 15,000 per Sqmtr x 1,000 Sqmtrs) in April 2006 and March 2007 respectively. It was observed that though the Board resolution approving the lease and the lease agreement mentioned about the recovery of differential premium upon receipt of CTP valuation, no provision existed for recovery of interest on the differential amount from the date of handing over the possession till the date of final payment.

The differential amount of ₹ 84.68 lakh[40] in respect of AEL was recovered in July 2009 and ₹ 2.15 crore[41] in respect of GGCL was recovered in March 2010. The Corporation recovered interest of only ₹ 32.37 lakh[42] for the delay in payment from the date of intimation of differential premium instead of

[39] Sabarmati Gas Company Limited, GSPC Gas Company Limited, Adani Energy Limited, GAIL India Limited and Gujarat Gas Company Limited.

[40] ₹ 5645/Sq.mtr. x 1500 Sq,mtr = ₹ 84.68 lakh.

[41] (₹ 36,450-₹ 15,000) x 1,000 Sq. mtr = ₹ 2.15 crore.

[42] GGCL ₹ 26.32 lakh and AEL ₹ 6.05 lakh at the rate of 9 *per cent.*

interest of ₹ 1.22 crore[43] from the date of handing over possession. This result in short recovery of interest of ₹ 89.98 lakh[44].

Further, Section 28 of the Land Acquisition Act, 1894 stipulates for the payment of interest on enhanced compensation of land at the rate of nine *per cent* per annum for a period of one year from the date of handing over of possession of land and thereafter at the rate of 15 *per cent* per annum till the increased amount is deposited by the allottee. The State Government has an established practice of recovering the interest from the allottees[45] of Government land for the period from the date of handing over possession to the date of depositing the allotment price by them. By not following this practice the Corporation had lost ₹ 89.98 lakh.

The Government accepted (August 2013) the observation and the Management issued (July 2013) notice to both the Gas Companies for recovery of differential amount of interest from the date of handing over of possession of land till the date of final payment.

It is recommended that in future the Corporation should insert a suitable clause in the lease agreement clearly stating that the interest on the differential amount would be charged from the date of handing over possession of the land till the date of final payment by the allottee to protect the financial interest of the Corporation.

3.11 Loss of discount due to delay in commissioning of CNG stations

Loss of ₹ 51.02 lakh due to the delay in commissioning of CNG stations at Vapi and Halol.

The Gujarat State Road Transport Corporation (Corporation) had leased land at 10 different locations to five Gas Distribution Companies[46] for lease period ranging from 25 to 90 years for setting up CNG stations. Of the above, the Corporation allotted (August 2008) on lease 1,740 square metres (Sqmtrs) of land at Halol and 1,200 Sqmtrs of land at Vapi bus depots to GSPC Gas Company Limited (lessee) for setting up CNG stations for a 35 years lease period. In both the sites an area of 400 Sqmtrs was to be used for setting up a dedicated CNG station for the Corporation's buses where ₹ one per Kilogram discount on the CNG prices was to be given to the Corporation. The remaining land of 1,340 Sqmtrs in Halol and 800 Sqmtrs in Vapi could be utilised by lessee for setting up CNG stations for use of private vehicles. The Corporation's Board of Directors while approving (August 2008) the allotment considered the fact that the discount of ₹ one per Kilogram in the

[43] GGCL ₹ 86.47 lakh and AEL ₹ 35.88 lakh

[44] Calculated @ 9 *per cent* for the first 365 days and thereafter @15 *per cent* from the date of handing over possession till date of payment of differential amount) *less* amount recovered.

[45] To facilitate the State Power Sector Companies to start their project activities advance possession of government lands are given to them before the completion of due process in the determination of valuation of land by the competent authority.

[46] Sabarmati Gas Company Limited, GSPC Gas Company Limited, Adani Energy Limited, GAIL India Limited and Gujarat Gas Company Limited.

two dedicated filling stations would result in a benefit to the Corporation of ₹ 12.78 lakh per station per annum.

The allotment was made on the basis of market value of the land adjusted[47] for the land to be set aside for the dedicated CNG station. Accordingly, the Corporation received (October 2008) ₹ 1.34 crore for Halol (₹ 7,701 x 1,740 Sqmtrs) and ₹ 1.20 crore for Vapi (₹ 10,000 x 1,200 Sqmtrs). The land in Vapi and Halol was handed over to the lessee on 24 March 2009 and 26 March 2009 respectively.

Audit observed (February 2013) that the CNG station (including the dedicated station) in Vapi started from October 2010 after a period of 18 months from the date of handing over of possession of land. Similarly, in Halol, the CNG station started from January 2011 after a period of 21 months from the date of handing over of possession of land. Though the lease deed did not fix any time limit for completion of the construction of the CNG station, the task force meeting held (May 2006) under the Chairmanship of the Chief Secretary, Government of Gujarat, had laid down a period of 90 days for completion of CNG stations. A period of three months for construction of CNG station was stipulated in other orders placed by the lessor (the Corporation) for similar work. Considering an allowable period of three months for the commissioning of the CNG stations from the date of handing over possession of land, there was a delay of 15 months in case of Vapi and 18 months in case of Halol during which the Corporation lost the benefit of earning a discount of ₹ one per kilogram. As per the records of Godhra division of the Corporation, 45.60 lakh kilogram of CNG was filled in Halol depot during July 2009 to January 2011 and 5.42 lakh kilogram of CNG was filled in Vapi depot during July 2009 to October 2010 from private CNG stations without discount.

The Government attributed (August 2013) the delay to the time taken by the lessee in obtaining permission for construction from concerned authorities and the time taken in getting its name registered in the revenue records. The justification given by the Corporation was not acceptable as it was the responsibility of the lessee to obtain the requisite permission and registration. Further, the possession of land was handed over to the lessee in March 2009 and hence, there was sufficient time of three months for the lessee to invite tenders before placement of orders for construction of CNG stations. In similar instances, two lessees *viz*., Gujarat Gas Company Limited and Adani Gas Company Limited could set up the CNG stations on the land allotted by the Corporation within three months and five months of handing over of possession of land respectively. Had the Corporation stipulated the time limit for completion of construction of the CNG stations in the lease agreement, the delay could have been avoided and the decision of the task force meeting would also have been adhered to.

Thus, non-stipulation of any time limit for setting up the CNG stations by the lessee and the absence of any clause for the recovery of penalty in the event of

[47] The market value of land at Halol was ₹ 10,000 per Sqmtr and at Vapi was ₹ 15,000 per Sqmtr. These were adjusted to ₹ 7,701 per Sqmtr and ₹ 10,000 per Sqmtr considering the dedicated CNG station to be set up in 400 Sqmtrs of land in both the places for which no cost was to be recovered.

non-adherence to the time limit in the lease deed resulted in loss of ₹ 51.02 lakh (51,02,153 kilograms x ₹ one per kilogram).

Gujarat Industrial Development Corporation

3.12 Undue benefit to a firm

Allowing a firm to use a plot transferred for industrial activity for commercial purpose led to an undue benefit of ₹ 5.87 crore.

The Gujarat Industrial Development Corporation (Corporation) allots plots/sheds on lease basis for 99 years to allottees for taking up industrial/commercial activities in the Industrial Estates and recovers Allotment Price (AP) from them. The rate of allotment per square meter (Sqmtr) applicable on the plots allotted for commercial activity was always higher than the AP of the plots allotted for industrial activity. The Corporation had declared (February 1995) a list of 56 activities as 'Commercial activities' wherein the higher rates would be applicable. The policy of the Corporation also provided for transfer of industrial plots under utilisation to another person/firm upon payment of prescribed transfer fees and also conversion of industrial plots to commercial plots subject to fulfillment of conditions and payment of higher rate. However, there was no policy of verification of actual activity being carried out by the allottee.

The Corporation allotted (July 1981) six sheds totaling 10,875 Sqmtrs to firm N for manufacture of chemicals in Vapi Industrial Estate. The firm N applied (April 2010) for transfer of the above sheds in favour of firm V for undertaking industrial activity *i.e.* Machinery Engineering Works. The firm N paid (April 2010) transfer fees of ₹ 13.05 lakh at the time of application based on the rates applicable at that time. The Corporation approved (June 2010) the transfer of sheds with effect from 02 June 2010. The Corporation also took an undertaking from firm V that the transferred sheds would not be utilised for any commercial activity.

Audit observed (October 2012) that firm V was engaged in the business of transportation of goods, provider of logistics services such as freight transportation needs, cargo services, warehousing and inventory management solutions. On being enquired during the course of Audit, the Executive Engineer of Vapi Industrial Estate verified and certified (September 2012) that the present occupant (firm V) of the above sheds was engaged in transport business.

It was further observed that as per Corporation's circular dated 20 April 2005, any allottee who wishes to change the object of his allotment from industrial to commercial can do so only by taking prior approval of the Corporation and paying three times the allotment price applicable for industrial sheds in that estate. The circular was kept in abeyance from 24 June 2010 to 21 August 2012 after which it was again made effective (*vide* circular dated 21 August 2012) for applications under process. The firm V without taking any such approval or paying the increased allotment price was utilising the above sheds for commercial purpose. At the time of transfer of the sheds in June 2010, the policy of the Corporation for conversion of industrial sheds to commercial sheds by paying three times the allotment price was in effect. Thus, by not verifying the activities undertaken by the firm V and thereby not insisting on payment of conversion charges applicable from industrial to commercial use, the Corporation passed an undue benefit of ₹ 5.87 crore[48] to firm V and lost interest of ₹ 1.36 crore[49].

The Management in its reply stated (August 2013) that the sheds were transferred for industrial activity to firm V and the rate was charged accordingly and firm V had violated the purpose of allotment without the permission of the Corporation. As on 3 August 2013, the Corporation had taken a "*Site Panchnamu*[50]" and issued a show cause notice to the firm V for cancellation of the license agreement. Also, the Corporation's Circular of August 2012 regarding conversion of an industrial plot to a commercial plot by charging three times the allotment price, was applicable only to those cases which were under process when the circular of 20 April 2005 was kept in abeyance from 24 June 2010 and the Corporation, thus, did not incur any financial loss.

However, the Corporation issued (August 2013) notice in this case only after the case was reported by the Audit. At the time of transfer, the industrial sheds could have been converted into commercial sheds by paying three times the allotment price, which was not done. The corporation's contention that the Corporation's circular of August 2012 was applicable only to applications in pipeline when the conversion circular was kept in abeyance from 24 June 2010 was not acceptable as in this case the transfer was made prior to 24 June 2010.

It is recommended that the Corporation should provide for periodic field/ physical inspection of the allottees. The matter was reported to the Government (July 2013); their reply had not been received (December 2013).

3.13 Unfruitful investment

Acquisition of encumbered land for development of industrial estate in Dahej led to unfruitful investment of ₹ 4.50 crore.

The Gujarat Industrial Development Corporation (Corporation) obtained the approval (April 2007) of the State Government for acquisition of Government and private land aggregating to 4,220 hectares (ha) in six villages of Vagra taluka under Bharuch District for the expansion of industrial estate in Dahej Phase II (the estate). The State Government issued (July 2009) the declaration under Section 6 of the Land Acquisition Act, 1894 that the land was required for public purpose.

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[48] 10,875 Sqmtrs x ₹ 5,400 per Sqmtr (three times of industrial rate of ₹ 1,800 per Sqmtr).

[49] Interest @ 7.75 per annum (as per Inter Corporate Deposit Rate of Gujarat State Financial Services Limited) from June 2010 to June 2013 *i.e.* 3 years ₹ 5.87 crore *7.75 *per cent* *3 = ₹1.36 crore.

[50] Site verification report

ONGC[51] had been engaged in the exploration activities in the area since the grant of Petroleum Exploration License (PEL) by Government of India (GoI) in April 1994. Further, ONGC had Petroleum Mining Lease (PML) on the stretch of land beneath which it also had laid pipelines for flow of gas/ oil. Prior to the declaration made under Section 6, ONGC brought to the notice of the Corporation (March/June 2009) that in some pockets of the land identified for setting up of the estate, ONGC had 46 producing wells[52]. Further, ONGC informed (October 2009) the Corporation that an area of 1.7 ha surrounding each well[53] which were scattered throughout the land were required to be kept open (*i.e.* cumulative area of 83 ha as per the Corporation's own estimate). The Corporation was aware of the complications involved in the acquisition for which a joint meeting was held (November 2009) with ONGC to sort it out amicably.

However, the Corporation, went ahead with the acquisition of 3,107 ha land from private land owners at the rate of ₹ 17.50 lakh per ha and also made the payments to the land owners between September 2008 and January 2011. Further, ONGC did not agree (March 2010) to the Corporation's suggestion for realigning of underground pipelines to facilitate development of the estate on the plea that such realignment of pipelines would not be possible due to technical reasons and also expressed its opinion that allowing major industries in the mining lease area might hamper their future exploration activities. The Corporation, however, allotted 1,710.56 ha of land to various industrial allottees up to February 2012.

Audit observed (August 2011) that without sorting out this issue with ONGC of its right on the land, the Corporation acquired 102.50 ha of land which included 25.71 ha of land where it had PEL/PML for exploration activities. Out of 25.71 ha of land, ONGC had permanently acquired 6.94 ha of land on which the Corporation again paid ₹ 1.21 crore (October 2008 to January 2011) to farmers which led to double payment. For the remaining 18.77 ha of land which was encumbered by Right of Use (ROU) of ONGC and on which ONGC was regularly paying annual rent, the Corporation paid ₹ 3.29 crore. Thus, the Corporation paid ₹ 4.50 crore for 25.71 ha of land already in the possession of ONGC through ownership or ROU.

Further, the ONGC's requirement of leaving 1.7 ha land surrounding each well will adversely affect the development of the estate in the area. An instance was noticed in which the Corporation allotted (December 2009) plots of 223.32 ha to an allottee[54] for ₹ 129.65 crore. But the allottee deducted (July 2010) ₹ 13.93 crore for the area of 24 ha on the plea that the underground gas pipelines of ONGC was passing through the plot area. However, the overall implication of the acquisition of above encumbered land will be known only when the allottees start making payments by excluding land having wells and pipelines. Thus, the Corporation's decision to purchase

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[51] Oil and Natural Gas Corporation Limited.

[52] Wells used to retrieve petroleum or gas from underground reservoirs.

[53] Towards the provisions for approach road to well/collection station and passage on the land along the route of underground gas/oil pipeline.

[54] M/s. Adani Power Dahej Limited, Ahmedabad (plots no D II/2 and D II/5).

land in an area where ONGC had mining and exploration license, resulted in unfruitful investment of ₹ 4.50 crore.

The Government stated (August 2013) that the Corporation was aware of the PEL and PML granted to ONGC when the acquisition was planned and the No Objection Certificate for acquisition of land had been applied to ONGC in March 2006 itself. However, the same was not granted by ONGC in spite of series of correspondence. Meanwhile, as the Government of India policy for Petroleum Chemical and Petrochemical Investment region (PCPIR) created immediate need for land, the acquisition was done in July 2009. Further, the Corporation did not acquire the land which was already acquired by ONGC for its wells. In respect of pipelines, as the mode of acquisition by ONGC was not clear from revenue records, the same was acquired by the Corporation. Notwithstanding the above, 70 *per cent* of the total acquired land would be allocable which is reasonable for development of the estate.

The reply was not acceptable since the Corporation could have avoided the acquisition of encumbered land. Further, the above observation of Audit is restricted only to those survey numbers of ONGC's wells which are overlapping as per Corporation's acquisition records. The total area that cannot be developed will be much higher if the area occupied by the pipelines of ONGC is considered and the impact of the same will be known only when the allottees will demand the refund.

General

3.14 Follow-up action on Audit Reports

Outstanding action taken notes

3.14.1 Reports of the Comptroller and Auditor General of India represent the culmination of the process of scrutiny starting with initial inspection of accounts and records maintained by various public sector undertakings (PSUs). It is, therefore, necessary that they elicit appropriate and timely response from the Executive.

As per Rule 7 of the Rules of Procedure (Internal Working) of Committee on Public Undertakings (COPU), Gujarat Legislative Assembly, all the administrative departments of PSUs should submit, within three months of their presentation to the Legislature, explanatory notes indicating the corrective/ remedial action taken or proposed to be taken on paragraphs and performance audits included in the Audit Reports.

Though, the Audit Reports for the year 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 were presented to the State Legislature on 28 July 2009, 30 March 2010, 30 March 2011, 30 March 2012 and 02 April 2013 respectively, eight departments, which were commented upon, did not submit explanatory notes on 18 out of 93 paragraphs/ performance audits as on 30 September 2013 as indicated below:

Year of the Audit Report (Commercial/PSUs)	Total Paragraphs/ Performance audits in the Audit Report	Number of Paragraphs/Performance audits for which explanatory notes were not received
2007-08	21	3
2008-09	25	3
2009-10	18	2
2010-11	17	2
2011-12	12	8
Total	**93**	**18**

Department-wise analysis is given in ***Annexure* 12.**

Compliance to Reports of Committee on Public Undertakings outstanding

3.14.2 The COPU of 12th Assembly had presented its First, Fourteenth Seventeenth and Eighteenth Reports to the State Legislature on 19 February 2009, 29 March 2011, 29 March 2012 and 19 July 2012 respectively. The Reports in all contained 55 recommendations on 43 paragraphs and eight performance audits related to 12 PSUs falling under eight administrative departments included in the Audit Report for the years 1993-94 to 2006-07 (Commercial), Government of Gujarat.

As per Rule 32 of the Rules of Procedure (Internal Working) of COPU, Gujarat Legislative Assembly, the administrative departments of PSUs should submit the Action Taken Notes (ATNs) on the recommendations within a period of three months from the date of its presentation. ATNs on eleven recommendations pertaining to four PSUs[55] falling under two[56] Administrative Departments had not been received for vetting by Accountant General as on 30 September 2013.

Response to Inspection Reports, Draft Paragraphs and Performance Audits

3.14.3 The observations noticed during audit and not settled on the spot are communicated to the heads of the respective PSUs and the concerned departments of the Government of Gujarat through Inspection Reports. The heads of PSUs are required to furnish replies to the Inspection Reports through the respective heads of departments within a period of four weeks.

Review of Inspection Reports issued up to March 2013 pertaining to 54 PSUs revealed that 1,499 paragraphs relating to 410 Inspection Reports remained outstanding as on 30 September 2013. Department-wise break-up of Inspection Reports and audit observations outstanding as on 30 September 2013 is given in ***Annexure* 13.** 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 facts and figures and their comments thereon within a period of six weeks.

[55] Gujarat State Financial Corporation, Tourism Corporation of Gujarat Limited, Gujarat Industrial Investment Corporation Limited and Gujarat Women Economic Development Corporation Limited.

[56] Industries and Mines Department and Women and Child Development Department.

Audit noticed that five draft paragraphs forwarded to the various departments during May to July 2013 as detailed in ***Annexure* 14** had not been replied to so far (December 2013).

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

AHMEDABAD **(H K DHARMADARSH)**
The Accountant General
(Economic and Revenue Sector Audit), Gujarat

Countersigned

NEW DELH **(SHASHI KANT SHARMA)**
The Comptroller and Auditor General of India

Annexures

Annexure 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

(Referred to in paragraph 1.7)
(Figures in columns 5(a) to 6(d) are ₹ in Crore)

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital[$]				Loans[**] outstanding at the close of 2012-13				Debt equity ratio for 2012-13 (Previous year)	Man power (Number of employees)
				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 & Allied													
1	Gujarat Agro Industries Corporation Limited	Agriculture and Co-operation	5 September 1969	8.08	0.00	0.00	**8.08**	0.00	0.00	20.00	**20.00**	2.48:1 (2.48:1)	174
2	Gujarat State Seeds Corporation Limited	Agriculture and Co-operation	16 April 1975	3.75	0.18	0.00	**3.93**	0.00	0.00	0.00	**0.00**	0.00	166
3	Gujarat State Land Development Corporation Limited	Agriculture and Co-operation	28 March 1978	5.89	0.00	0.00	**5.89**	13.13	0.00	0.00	**13.13**	2.23:1 (2.23:1)	830
4	Gujarat Sheep and Wool Development Corporation Limited	Agriculture and Co-operation	10 September 1979	2.28	1.89	0.14	**4.31**	0.00	0.00	0.00	**0.00**	0.00	213
Sector wise Total				**20.00**	**2.07**	**0.14**	**22.21**	**13.13**	**0.00**	**20.00**	**33.13**	**1.49:1 (1.5:1)**	**1383**
Finance													
5	Gujarat Industrial Investment Corporation Limited	Industries and Mines	12 August 1968	256.97	0.00	0.00	**256.97**	60.50	0.00	0.00	**60.50**	**0.24:1 (0.24:1)**	71
6	Gujarat State Handloom and Handicrafts Development Corporation Limited	Industries and Mines	10 August 1973	10.23	1.81	0.02	**12.06**	13.32	2.70	0.00	**16.02**	1.33:1 (1.48:1)	152
7	Gujarat State Investments Limited	Finance	29 January 1988	1,042.76	0.00	0.00	**1,042.76**	1,184.71	0.00	0.00	**1,184.71**	1.14:1 (2.66:1)	4
8	Gujarat Women Economic Development Corporation Limited	Women and Child Development	16 August 1988	5.32	1.70	0.00	**7.02**	0.00	0.00	0.00	**0.00**	0.00	20
9	Gujarat State Financial Services Limited	Finance	20 November 1992	86.28	0.00	0.00	**86.28**	0.00	0.00	0.00	**0.00**	0.00	16
10	GSFS Capital and Securities Limited	Finance	03 March 1998	0.00	0.00	5.00	**5.00**	0.00	0.00	0.00	**0.00**	0.00	1

(Figures in columns 5(a) to 6(d) are ₹ in Crore)

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital$				Loans** outstanding at the close of 2012-13				Debt equity ratio for 2012-13 (Previous year)	Man power (Number of employees)
				State Govern ment	Central Government	Others	Total	State Govern ment	Central Govern ment	Others	Total		
1	**2**	**3**	**4**	**5 (a)**	**5 (b)**	**5 (c)**	**5 (d)**	**6 (a)**	**6 (b)**	**6 (c)**	**6 (d)**	**7**	**8**
11	Gujarat Minorities Finance and Development Corporation Limited	Social Justice and Empowerment	24 September 1999	10.00	0.00	0.00	**10.00**	10.02	0.00	449.96	**459.98**	46:1 (4.33:1)	15
12	Infrastructure Finance Company Gujarat limited ¥ ℵ	Finance	3 February 2000	0.00	0.00	2.50	**2.50**	0.00	0.00	0.00	**0.00**	0.00	0
13	Gujarat Gopalak Development Corporation Limited	Social Justice and Empowerment	18 May 2001	6.50	0.00	0.00	**6.50**	0.00	0.00	12.14	**12.14**	1.87:1 (16:1)	10
14	Gujarat Safai Kamdar Vikas Nigam Limited	Social Justice and Empowerment	24 October 2001	5.00	0.00	0.00	**5.00**	0.00	0.00	72.81	**72.81**	14.56:1 (16.09:1)	13
15	Gujarat Thakor and Koli Vikas Nigam Limited	Social Justice and Empowerment	19 September 2003	5.05	0.00	₹ 700 Only	**5.05**	2.75	0.00	14.66	**17.41**	3.45:1 (3.38:1)	16
16	Gujarat Livelihood Promotion Company Limited	Panchayat Rural Housing and Rural Development	21 April 2010	0.05	0.00	0.00	**0.05**	0.00	0.00	0.00	**0.00**	0.00	1489
	Sector wise Total			**1,428.16**	**3.51**	**7.52**	**1,439.19**	**1,271.30**	**2.70**	**549.57**	**1,823.57**	**1.27:1 (1.76:1)**	**1,807**
	Infrastructure												
17	Gujarat State Rural Development Corporation Limited	Panchayat Rural Housing and Rural Development	07 July 1977	0.58	0.00	0.00	**0.58**	0.00	0.00	0.00	**0.00**	0.00	128
18	Gujarat Ports Infrastructure and Development Company Limited	Ports and Transport	27 August 1982	0.00	0.00	18.00	**18.00**	0.00	0.00	0.00	**0.00**	0.00	6
19	Gujarat State Police Housing Corporation Limited	Home	01 November 1988	50.00	0.00	0.00	**50.00**	0.00	0.00	0.00	**0.00**	0.00	239
20	Gujarat Growth Centres Development Corporation Limited µ	Industries and Mines	11 December 1992	15.00	21.35	0.00	**36.35**	0.00	0.00	0.00	**0.00**	0.00	#
21	Gujarat State Road Development Corporation Limited	Roads and Building	12 May 1999	5.00	0.00	0.00	**5.00**	0.02	0.00	3.14	**3.16**	0.63:1 (0.63:1)	37

(Figures in columns 5(a) to 6(d) are ₹ in Crore)

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital$				Loans** outstanding at the close of 2012-13				Debt equity ratio for 2012-13 (Previous year)	Man power (Number of employees)
				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	Gujarat Urban Development Company Limited	Urban Development and Urban Housing	27 May 1999	26.00	0.00	0.00	**26.00**	0.00	0.00	0.00	**0.00**	0.00	46
23	Gujarat Industrial Corridor Corporation Limited	Industries and Mines	30 March 2009	10.00	0.00	0.00	**10.00**	0.00	0.00	0.00	**0.00**	0.00	2
24	Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Limited	Urban Development and Urban Housing	04 February 2010	550.00	0.00	0.00	**550.00**	0.00	0.00	250.00	**250.00**	0.45:1 (0.00)	77
25	Gujarat State Aviation Infrastructure Company Limited	Industries and Mines	07 July 2010	0.05	0.00	0.00	**0.05**	0.00	0.00	0.00	**0.00**	0.00	6
26	Dholera International Airport Company Limited	Industries and Mines	20 January 2012	35.00	0.00	2.35	**37.35**	0.00	0.00	0.00	**0.00**	0.00	0
	Sector wise Total			**691.63**	**21.35**	**20.35**	**733.33**	**0.02**	**0.00**	**253.14**	**253.16**	**0.35:1 (0.02:1)**	**541**
	Manufacture												
27	Gujarat Mineral Development Corporation Limited	Industries and Mines	15 May 1963	47.06	0.00	16.54	**63.60**	0.00	0.00	0.00	**0.00**	0.00 (0.00)	1920
28	Gujarat State Petroleum Corporation Limited	Energy and Petrochemicals	29 January 1978	206.89	0.00	428.89	**635.78**	0.00	0.00	11,151.84	**11,151.84**	17.54:1 (25.84:1)	350
29	GSPC Marginal Fields Limited	Energy and Petrochemicals	21 February 2012	0.00	0.00	5.01	**5.01**	0.00	0.00	0.00	**0.00**	0.00	0
30	Alcock Ashdown (Gujarat) Limited ℵ	Industries and Mines	5 September 1994	15.50	0.00	35.50	**51.00**	93.00	0.00	0.00	**93.00**	1.82:1 (1.82:1)	169
31	GSPC (JPDA) Limited	Energy and Petrochemicals	13 October 2006	0.00	0.00	90.71	**90.71**	0.00	0.00	0.00	**0.00**	0.00	0
32	GSPC LNG Limited	Energy and Petrochemicals	27 February 2007	0.00	0.00	52.43	**52.43**	0.00	0.00	0.00	**0.00**	0.00	9
33	Naini Coal Company Limited	Industries and Mines	09 October 2009	0.00	0.00	0.05	**0.05**	0.00	0.00	0.00	**0.00**	0.00	0
34	Gujarat State Mining and Resources Corporation Limited	Industries and Mines	19 April 2010	0.00	0.00	0.05	**0.05**	0.00	0.00	0.00	**0.00**	0.00	0
	Sector wise Total			**269.45**	**0.00**	**629.18**	**898.63**	**93.00**	**0.00**	**11,151.84**	**11,244.84**	**12.51:1 (12.47:1)**	**2,448**

(Figures in columns 5(a) to 6(d) are ₹ in Crore)

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital[$]				Loans[**] outstanding at the close of 2012-13				Debt equity ratio for 2012-13 (Previous year)	Man power (Number of employees)
				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
Power													
35	Gujarat Power Corporation Limited	Energy and Petrochemicals	28 June 1990	279.52	0.00	19.30	**298.82**	147.00	0.00	77.37	**224.37**	0.75:1 (0.54:1)	43
36	Gujarat State Electricity Corporation Limited	Energy and Petrochemicals	12 August 1993	0.00	0.00	1,891.82	**1,891.82**	0.00	0.00	6,868.86	**6,868.86**	3.63:1 (2.93:1)	8,007
37	Gujarat State Energy Generation Limited	Energy and Petrochemicals	13 December 1998	0.00	0.00	348.38	**348.38**	0.00	0.00	671.00	**671.00**	1.93:1 (2.11:1)	18
38	Gujarat Energy Transmission Corporation Limited	Energy and Petrochemicals	19 May 1999	12.50	0.00	512.92	**525.42**	80.86	0.00	5,834.12	**5,914.98**	11.26:1 (8.74:1)	12,270
39	Dakshin Gujarat Vij Company Limited	Energy and Petrochemicals	15 September 2003	0.00	0.00	497.36	**497.36**	32.89	59.02	145.99	**237.90**	0.48:1 (0.8:1)	5,559
40	Madhya Gujarat Vij Company Limited	Energy and Petrochemicals	15 September 2003	0.00	0.00	285.06	**285.06**	0.00	0.00	329.21	**329.21**	1.15:1 (1.13:1)	6,572
41	Paschim Gujarat Vij Company Limited	Energy and Petrochemicals	15 September 2003	0.00	0.00	790.44	**790.44**	250.16	109.23	918.28	**1,277.67**	1.62:1 (0.75:1)	12,989
42	Uttar Gujarat Vij Company Limited	Energy and Petrochemicals	15 September 2003	0.00	0.00	405.65	**405.65**	67.33	48.42	113.16	**228.91**	0.56:1 (1.24:1)	7,382
43	Gujarat Urja Vikas Nigam Limited	Energy and Petrochemicals	22 December 2004	5601.80	0.00	0.00	**5,601.80**	253.77	0.00	98.63	**352.40**	0.06:1 (0.09:1)	282
44	GSPC Pipavav Power Company Limited	Energy and Petrochemicals	22 February 2006	0.00	0.00	42.27	**42.27**	0.00	0.00	1,622.92	**1,622.92**	38.39:1 (33.12:1)	25
45	Bhavnagar Energy Company Limited	Energy and Petrochemicals	26 July 2007	0.00	0.00	385.55	**385.55**	0.00	0.00	1536.06	**1,536.06**	3.98:1 (1.95:1)	63
Sector wise Total				**5,893.82**	**0.00**	**5,178.75**	**11,072.57**	**832.01**	**216.67**	**18,215.60**	**19,264.28**	**1.74:1 (1.58:1)**	**53,210**
Service													
46	Gujarat Water Resources Development Corporation Limited	Narmada, Water Resources, Water Supply and Kalpsar	03 May 1971	31.49	0.00	0.00	**31.49**	0.00	0.00	0.00	**0.00**	0.00	2902

(Figures in columns 5(a) to 6(d) are ₹ in Crore)

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital$				Loans** outstanding at the close of 2012-13				Debt equity ratio for 2012-13 (Previous year)	Man power (Number of employees)
				State Govern ment	Central Government	Others	Total	State Govern ment	Central Govern ment	Others	Total		
1	**2**	**3**	**4**	**5 (a)**	**5 (b)**	**5 (c)**	**5 (d)**	**6 (a)**	**6 (b)**	**6 (c)**	**6 (d)**	**7**	**8**
47	Tourism Corporation of Gujarat Limited	Industries and Mines	10 June 1975	20.00	0.00	0.00	**20.00**	0.00	0.00	0.00	**0.00**	0.00	300
48	Gujarat State Forest Development Corporation Limited ℵ	Forest and Environment	20 August 1976	3.93	2.39	0.00	**6.32**	0.00	0.00	0.00	**0.00**	0.00	222
49	Gujarat Industrial and Technical Consultancy Limited	Industries and Mines	08 December 1978	0.00	0.00	0.20	**0.20**	0.00	0.00	0.00	**0.00**	0.00	33
50	Gujarat State Civil Supplies Corporation Limited	Food, Civil Supplies and Consumer Affairs	26 September 1980	10.00	0.00	0.00	**10.00**	0.00	0.00	0.00	**0.00**	0.00	1498
51	Gujarat State Petronet Limited	Energy and Petrochemicals	23 December 1998	0.00	0.00	562.71	**562.71**	0.00	0.00	1609.66	**1,609.66**	2.86:1 (2.48:1)	269
52	Gujarat Informatics Limited	Science and Technology	19 February 1999	17.06	0.00	1.45	**18.51**	8.59	0.00	0.00	**8.59**	0.46:1 (0.58:1)	67
53	GSPC Gas Company Limited	Energy and Petrochemicals	11 March 1999	0.00	0.00	84.61	**84.61**	0.00	0.00	998.18	**998.18**	11.8:1 (1.4:1)	448
54	Guj Info petro Limited	Science and Technology	15 January 2001	0.00	0.00	0.05	**0.05**	0.00	0.00	0.00	**0.00**	0.00	118
55	BISAG Satellite Communication	Science and Technology	23 August 2012	30.00	0.00	0.00	**30.00**	0.00	0.00	0.27	**0.27**	0.01:1	0
56	Gujarat Foundation for Mental Health and Allied Sciences ℵ	Health and Family Welfare	29 April 2003	0.02	0.00	0.00	**0.02**	0.00	0.00	0.00	**0.00**	0.00	1
57	Dahej SEZ Limited	Industries and Mines	21 September 2004	0.00	0.00	46.05	**46.05**	0.00	0.00	0.00	**0.00**	0.00	30
58	Guj-Tour Development Company Limited	Industries and Mines	07 April 2011	0.01	0.00	18.39	**18.40**	0.00	0.00	0.00	**0.00**	0.00	0
59	GSPL India Gasnet Limited	Energy and Petrochemicals	13 October 2011	0.00	0.00	69.91	**69.91**	0.00	0.00	0.00	**0.00**	0.00	9
60	GSPL India Transco Limited	Energy and Petrochemicals	13 October 2011	0.00	0.00	52.02	**52.02**	0.00	0.00	0.00	**0.00**	0.00	3
61	GSPC Distribution Networks Limited	Industries and Mines	21 February 2012	0.00	0.00	348.05	**348.05**	0.00	0.00	1500.00	**1,500.00**	**4.31:1 (0:0)**	0
62	Gujarat Medical Services Corporation Limited	Health and Family Welfare	23 August 2012	2.50	0.00	0.00	**2.50**	0.00	0.00	0.00	**0.00**	**0.00**	91

(Figures in columns 5(a) to 6(d) are ₹ in Crore)

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital$				Loans** outstanding at the close of 2012-13				Debt equity ratio for 2012-13 (Previous year)	Man power (Number of employees)
				State Govern ment	Central Government	Others	Total	State Govern ment	Central Govern ment	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
Sector wise Total				**115.01**	**2.39**	**1,183.44**	**1,300.84**	**8.59**	**0.00**	**4,108.11**	**4,116.70**	**3.16:1 (1.75:1)**	**5,991**
Miscellaneous													
63	Gujarat Rural Industries Marketing Corporation Limited	Industries and Mines	16 May 1979	9.17	0.00	0.00	**9.17**	0.00	0.00	0.00	**0.00**	0.00	52
64	Sardar Sarovar Narmada Nigam Limited	Narmada, Water Resources, Water Supply and Kalpsar	24 March 1988	36095.88	0.00	0.00	**36,095.88**	0.00	0.00	3,011.09	**3,011.09**	0.08:1 (0.1:1)	4239
65	Gujarat Water Infrastructure Limited	Narmada, Water Resources, Water Supply and Kalpsar	25 October 1999	130.12	0.00	0.00	**130.12**	0.00	0.00	1,332.09	**1,332.09**	10.24:1 (0.0:0)	0
Sector wise Total				**36,235.17**	**0.00**	**0.00**	**36,235.17**	**0.00**	**0.00**	**4,343.18**	**4,343.18**	**0.12:1 (0.1:1)**	**4,291**
Total A (All sector wise working Government Companies)				**44,653.24**	**29.32**	**7,019.38**	**51,701.94**	**2,218.05**	**219.37**	**38,641.44**	**41,078.86**	**0.79:1 (0.63:1)**	**69,671**
B	**Working Statutory Corporations**												
Agriculture & Allied Sector													
1	Gujarat State Warehousing Corporation	Agriculture and Co-operation	05 December 1960	2.00	0.00	2.00	**4.00**	0.00	0.00	0.00	**0.00**	0.00	126
Sector wise Total				**2.00**	**0.00**	**2.00**	**4.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**126**
Finance													
2	Gujarat State Financial Corporation	Industries and Mines	01 May 1960	49.09	0.00	40.02	**89.11**	630.19	0.00	0.00	**630.19**	7.07:1 (7.1:1)	104
Sector wise Total				**49.09**	**0.00**	**40.02**	**89.11**	**630.19**	**0.00**	**0.00**	**630.19**	**7.07:1 (7.1:1)**	**104**
Infrastructure													
3	Gujarat Industrial Development Corporation	Industries and Mines	04 August 1962	0.00	0.00	0.00	**0.00**	0.00	0.00	0.00	**0.00**	0.00	1241
Sector wise Total				**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1241**

(Figures in columns 5(a) to 6(d) are ₹ in Crore)

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital[$]				Loans[**] outstanding at the close of 2012-13				Debt equity ratio for 2012-13 (Previous year)	Man power (Number of employees)
				State Govern ment	Central Government	Others	Total	State Govern ment	Central Govern ment	Others	Total		
1	**2**	**3**	**4**	**5 (a)**	**5 (b)**	**5 (c)**	**5 (d)**	**6 (a)**	**6 (b)**	**6 (c)**	**6 (d)**	**7**	**8**
Service													
4	Gujarat State Road Transport Corporation	Ports and Transport	01 May 1960	653.06	106.28	0.00	759.34	2,396.98	17.86	0.00	2,414.84	3.18:1 (2.49:1)	40,370
Sector wise Total				**653.06**	**106.28**	**0.00**	**759.34**	**2,396.98**	**17.86**	**0.00**	**2,414.84**	**3.18:1 (2.49:1)**	**40,370**
Total B (All sector wise working Statutory Corporations)				**704.15**	**106.28**	**42.02**	**852.45**	**3,027.17**	**17.86**	**0.00**	**3,045.03**	**3.57:1 (2.97:1)**	**41,841**
Grand Total (A + B)				**45,357.39**	**135.60**	**7,061.40**	**52,554.39**	**5,245.22**	**237.23**	**38,641.44**	**44,123.89**	**0.84:1 (0.67:1)**	**1,11,512**
C	**Non working Government Companies**												
Agriculture & Allied													
1	Gujarat Fisheries Development Corporation Limited ℵ	Agriculture and Co-operation	17 December 1971	1.94	0.00	0.00	**1.94**	2.29	0.00	0.00	**2.29**	1.18:1 (1.18:1)	0
2	Gujarat Dairy Development Corporation Limited	Agriculture and Co-operation	29 March 1973	10.46	0.00	0.00	**10.46**	53.77	0.00	20.00	**73.77**	7.05:1 (7.05:1)	4
Sector wise Total				**12.40**	**0.00**	**0.00**	**12.40**	**56.06**	**0.00**	**20.00**	**76.06**	**6.13:1 (6.13:1)**	**4**
Finance													
3	Gujarat Small Industries Corporation Limited (under liquidation) ℵ	Industries and Mines	26 March 1962	3.79	0.00	0.21	**4.00**	8.65	0.00	14.42	**23.07**	5.77:1 (5.77:1)	0
4	Gujarat Leather Industries Limited (under liquidation) ℵ	Industries and Mines	18 April 1978	0.00	0.00	1.50	**1.50**	2.06	0.00	0.00	**2.06**	1.37:1 (1.37:1)	0
Sector wise Total				**3.79**	**0.00**	**1.71**	**5.50**	**10.71**	**0.00**	**14.42**	**25.13**	**4.57:1 (4.57:1)**	**0**
Infrastructure													
5	Gujarat State Construction Corporation Limited	Roads and Buildings	16 December 1974	5.00	0.00	0.00	**5.00**	9.26	0.00	0.00	**9.26**	1.85:1 (1.85:1)	0
Sector wise Total				**5.00**	**0.00**	**0.00**	**5.00**	**9.26**	**0.00**	**0.00**	**9.26**	**1.85:1 (1.85:1)**	**0**

(Figures in columns 5(a) to 6(d) are ₹ in Crore)

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital$				Loans** outstanding at the close of 2012-13				Debt equity ratio for 2012-13 (Previous year)	Man power (Number of employees)
				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
	Manufacture												
6	Gujarat State Textile Corporation Limited (under liquidation) ℵ	Industries and Mines	13 November 1968	46.46	0.00	0.00	**46.46**	587.88	0.00	0.67	**588.55**	12.67:1 (12.67:1)	0
7	Gujarat State Machine Tools Limited	Industries and Mines	15 February 1974	0.00	0.00	0.52	**0.52**	0.00	0.00	2.54	**2.54**	4.88:1 (4.75:1)	0
8	Gujarat Communications and Electronics Limited (under liquidation) ℵ	Industries and Mines	30 May 1975	12.45	0.00	0.00	**12.45**	0.90	0.00	8.69	**9.59**	0.77:1 (0.77:1)	0
9	Gujarat Trans-Receivers Limited	Industries and Mines	26 March 1981	0.00	0.00	0.24	**0.24**	0.00	0.00	0.55	**0.55**	2.29:1 (2.29:1)	0
10	Gujarat Fintex Limited (under liquidation, subsidiary of GSTC) ℵ	Industries and Mines	20 September 1992	0.00	0.00	₹ 200 Only	₹ 200 Only	0.00	0.00	0.01	**0.01**	0.00	0
11	Gujarat Siltex Limited (under liquidation, subsidiary of GSTC) ℵ	Industries and Mines	20 September 1992	0.00	0.00	₹ 200 Only	₹ 200 Only	0.00	0.00	0.01	**0.01**	0.00	0
12	Gujarat Texfeb Limited (under liquidation, subsidiary of GSTC) ℵ	Industries and Mines	20 September 1992	0.00	0.00	₹ 200 Only	₹ 200 Only	0.00	0.00	0.01	**0.01**	0.00	0
Sector wise Total				**58.91**	**0.00**	**0.76**	**59.67**	**588.78**	**0.00**	**12.48**	**601.26**	**10.08:1 (10.08:1)**	**0**
Total C (All sector wise non working Government Companies)				**80.10**	**0.00**	**2.47**	**82.57**	**664.81**	**0.00**	**46.90**	**711.71**	**8.62:1 (8.62:1)**	**4**
Grand Total (A + B + C)				**45,437.49**	**135.60**	**7,063.87**	**52,636.96**	**5,910.03**	**237.23**	**38,688.34**	**44,835.60**	**0.85:1 (0.68:1)**	**1,11,516**

Figures included in the Annexure are as furnished by the PSUs.

Above includes 12 section 619-B Companies at Sl. No. A-18, A-30, A-33, A-37, A-45, A-49, A-53, A-54, A-56, A-57, C-4 and C-7.

ℵ Information as furnished by Company in earlier years

\# Employees transferred to GIDC with effect from 01 January 2009.

** Loan outstanding at the close of 2012-13 represents long term loans only.

(Figures in columns 5(a) to 6(d) are ₹ in Crore)

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorporation	Paid-up Capital[$]				Loans[**] outstanding at the close of 2012-13				Debt equity ratio for 2012-13 (Previous year)	Man power (Number of employees)
				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

$ Paid-up Capital includes Share Application Money.

¥ Taken over by GIDC

µ Assets Transferred to GIDC and Valuations is under progress

The increase in debt equity ratio in respect of A-28 is because of conversion of share application money into share capital at a premium and in respect of A-44 is because of withdrawal of share application money by Swan Energy Limited.

Annexure 2

Summarised financial results of Government Companies and Statutory Corporations for the latest year for which accounts were finalised up to 30 September 2013.

(Referred to in paragraph 1.15)

(Figures in Col 5(a) to 11 are in ₹ in Crore))

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover (D)	Impact of Accounts Comments (A)	Paid up Capital#	Accumulated Profit (+)/ Loss(-) (E)	Capital employed (B)	Return on capital employed (C)	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss (F)							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12
A	**Working Government Companies**													
Agriculture & Allied														
1	Gujarat Agro Industries Corporation Limited	2011-12	2012-13	7.75	0.35	0.16	7.24	367.59	--	8.08	21.07	86.33	7.59	8.79
2	Gujarat State Seeds Corporation Limited	2012-13	2013-14	47.41	0.00	0.37	47.04	244.66	0.00	3.93	0.00	112.98	47.04	41.64
3	Gujarat State Land Development Corporation Limited	2011-12	2013-14	2.24	1.77	0.59	-0.12	503.34	--	5.89	-111.23	-48.58	1.65	NA
4	Gujarat Sheep and Wool Development Corporation Limited	2010-11	2011-12	1.33	0.00	0.06	1.27	2.53	0.00	4.31	-0.21	7.52	1.27	16.89
Sector wise Total				**58.73**	**2.12**	**1.18**	**55.43**	**1,118.12**	**0.00**	**22.21**	**-90.37**	**158.24**	**57.55**	**36.37**
Finance														
5	Gujarat Industrial Investment Corporation Limited	2012-13	2013-14	5.95	0.00	0.31	5.64	16.11	0.00	256.98	-146.32	228.25	5.64	2.47
6	Gujarat State Handloom and Handicrafts Development Corporation Limited	2010-11	2012-13	0.89	3.94	0.11	-3.16	19.77	0.00	12.06	-50.66	1.80	0.78	43.33
7	Gujarat State Investments Limited	2012-13	2013-14	121.48	49.77	0.01	71.70	121.55	0.00	1042.77	417.62	2097.11	121.47	5.79
8	Gujarat Women Economic Development Corporation Limited	2010-11	2013-14	$	$	$	0.00	0.00	--	7.02	--	7.02	--	--
9	Gujarat State Financial Services Limited	2012-13	2013-14	1,504.53	1,375.19	0.14	129.20	1,522.67	0.00	86.28	412.03	1,173.81	1,504.39	128.16
10	GSFS Capital and Securities Limited	2012-13	2013-14	1.13	0.00	0.01	1.12	1.42	--	5.00	8.36	14.40	1.12	7.78

(Figures in Col 5(a) to 11 are in ₹ in Crore))

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover (D)	Impact of Accounts Comments (A)	Paid up Capital[#]	Accumulated Profit (+)/ Loss(-) (E)	Capital employed (B)	Return on capital employed (C)	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss (F)							
1	**2**	**3**	**4**	**5 (a)**	**5 (b)**	**5 (c)**	**5 (d)**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
11	Gujarat Minorities Finance and Development Corporation Limited	2010-11	2011-12	-0.43	1.34	0.09	-1.86	4.39	--	10.00	-12.33	54.35	-0.52	NA
12	Infrastructure Finance Company Gujarat limited	2009-10	2010-11	0.19	0.00	0.00	0.19	--	--	2.50	-0.75	2.50	0.19	7.60
13	Gujarat Gopalak Development Corporation Limited	2011-12	2012-13	1.32	0.21	0.02	1.09	0.51	--	5.50	1.89	20.87	1.30	6.23
14	Gujarat Safai Kamdar Vikas Nigam Limited	2011-12	2012-13	4.72	1.03	0.05	3.64	5.07	--	4.50	14.49	91.55	4.67	5.10
15	Gujarat Thakor and Koli Vikas Nigam Limited	2011-12	2012-13	0.75	0.19	0.01	0.55	0.87	--	3.70	2.12	19.55	0.74	3.79
16	Gujarat Livelihood Promotion Company Limited	2011-12	2012-13	-0.20	0.00	0.00	-0.20	0.00	--	0.05	-0.14	-0.09	-0.20	NA
Sector wise Total				**1,640.33**	**1,431.67**	**0.75**	**207.91**	**1,692.36**	**0.00**	**1,436.36**	**646.31**	**3,711.11**	**1,639.58**	**44.18**
Infrastructure														
17	Gujarat State Rural Development Corporation Limited	2012-13	2013-14	-0.75	0.00	0.01	-0.76	0.00	0.21	0.58	-1.47	-0.89	-0.76	NA
18	Gujarat Ports Infrastructure and Development Company Limited	2012-13	2013-14	1.70	0.00	0.04	1.66	0.05	--	18.00	5.52	23.52	1.66	7.06
19	Gujarat State Police Housing Corporation Limited	2011-12	2012-13	##	##	##	0.00	0.00	--	50.00	--	50.00	--	--
20	Gujarat Growth Centres Development Corporation Limited	2009-10	2013-14	-0.05	0.00	0.00	-0.05	0.00	--	36.35	-0.20	36.14	-0.05	NA
21	Gujarat State Road Development Corporation Limited	2012-13	2013-14	0.23	0.12	0.09	0.02	10.48	0.00	5.00	6.77	12.79	0.14	1.09
22	Gujarat Urban Development Company Limited	2012-13	2013-14	4.95	0.00	0.04	4.91	3.02	--	26.00	18.82	44.82	4.91	10.95
23	Gujarat Industrial Corridor Corporation Limited	2011-12	2012-13	0.06	0.00	0.00	0.06	0.00	0.00	10.00	0.01	9.95	0.06	0.60
24	Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Limited	2011-12	2012-13	-1.14	0.01	0.18	-1.33	0.00	0.00	50.00	-2.82	7.18	-1.32	NA
25	Gujarat State Aviation Infrastructure Company Limited	2012-13	2013-14	***	***	***	0.00	0.00	0.00	0.05	0.00	7.69	--	--

(Figures in Col 5(a) to 11 are in ₹ in Crore))

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover (D)	Impact of Accounts Comments (A)	Paid up Capital#	Accumulated Profit (+)/ Loss(-) (E)	Capital employed (B)	Return on capital employed (C)	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss (F)							
1	**2**	**3**	**4**	**5 (a)**	**5 (b)**	**5 (c)**	**5 (d)**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
26	Dholera International Airport Company Limited	2012-13	2013-14	-0.63	0.00	0.00	-0.63	0.00	0.00	37.35	-0.80	11.20	-0.63	NA
Sector wise Total				**4.37**	**0.13**	**0.36**	**3.88**	**13.55**	**0.21**	**233.33**	**25.83**	**202.40**	**4.01**	**1.98**
Manufacture														
27	Gujarat Mineral Development Corporation Limited	2012-13	2013-14	1,041.45	0.00	117.38	924.07	1,674.68	0.00	63.60	245.65	2,534.96	924.07	36.45
28	Gujarat State Petroleum Corporation Limited	2012-13	2013-14	1,430.47	65.15	118.18	1,247.14	10,239.95	0.00	635.78	512.85	16,751.35	1,312.29	7.83
29	GSPC Marginal Fields Limited	α	α	α	α	α	α	α	α	α	α	α	α	--
30	Alcock Ashdown (Gujarat) Limited	2011-12	2012-13	-22.57	52.58	1.33	-76.48	0.00	0.00	51.00	-252.05	-105.13	-23.90	NA
31	GSPC (JPDA) Limited	2012-13	2013-14	0.16	0.00	0.18	-0.02	0.00	0.00	90.71	-1.09	45.77	-0.02	NA
32	GSPC LNG Limited	2012-13	2013-14	***	***	***	0.00	0.00	0.00	52.43	--	11.98	--	--
33	Naini Coal Company Limited	2011-12	2013-14	0.10	0.00	0.00	0.10	0.00	32.50	0.05	0.05	0.10	0.10	106.35
34	Gujarat State Mining and Resources Corporation Limited	2012-13	2013-14	-0.01	0.00	0.00	-0.01	0.00	0.00	0.05	-0.01	0.04	-0.01	NA
Sector wise Total				**2,449.61**	**117.73**	**237.07**	**2,094.81**	**11,914.63**	**32.50**	**893.62**	**505.40**	**19,239.07**	**2,212.54**	**11.50**
Power														
35	Gujarat Power Corporation Limited	2011-12	2012-13	26.25	0.10	2.58	23.57	29.94	0.00	292.57	384.42	829.37	23.67	2.85
36	Gujarat State Electricity Corporation Limited	2012-13	2013-14	1,292.62	402.56	668.68	221.38	8,049.09	0.00	1,891.82	1,097.39	10,377.03	623.94	6.01
37	Gujarat State Energy Generation Limited	2011-12	2012-13	-9.49	4.07	30.49	-44.05	312.17	0.00	348.38	25.07	1,076.88	-39.98	NA
38	Gujarat Energy Transmission Corporation Limited	2012-13	2013-14	1,370.02	500.11	523.02	346.89	1,743.08	0.00	525.42	940.23	8,860.11	847.00	9.56
39	Dakshin Gujarat Vij Company Limited	2012-13	2013-14	245.39	92.77	120.77	31.85	6,628.95	0.00	278.67	220.85	1,984.27	124.62	6.28
40	Madhya Gujarat Vij Company Limited	2012-13	2013-14	219.17	76.33	119.92	22.92	4,259.87	0.00	285.06	139.89	1,665.44	99.25	5.96

(Figures in Col 5(a) to 11 are in ₹ in Crore))

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover (D)	Impact of Accounts Comments (A)	Paid up Capital[#]	Accumulated Profit (+)/ Loss(-) (E)	Capital employed (B)	Return on capital employed (C)	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss (F)							
1	**2**	**3**	**4**	**5 (a)**	**5 (b)**	**5 (c)**	**5 (d)**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
41	Paschim Gujarat Vij Company Limited	2012-13	2013-14	531.87	202.34	318.89	10.64	9,312.60	0.00	790.44	73.45	3,872.13	212.98	5.50
42	Uttar Gujarat Vij Company Limited	2012-13	2013-14	314.87	145.43	149.72	19.72	7,379.38	20.96	405.65	48.99	1,760.67	165.15	9.38
43	Gujarat Urja Vikas Nigam Limited	2012-13	2013-14	157.56	47.07	29.09	81.40	28,816.28	0.00	5,601.80	-442.57	5,727.95	128.47	2.24
44	GSPC Pipavav Power Company Limited	2012-13	2013-14	9.91	2.89	9.80	-2.78	12.74	0.00	42.27	-9.17	1,518.80	0.11	0.01
45	Bhavnagar Energy Company Limited	2012-13	2013-14	-4.64	0.00	0.01	-4.65	0.00	0.00	385.55	-4.65	1901.07	-4.65	NA
Sector wise Total				**4,153.53**	**1,473.67**	**1,972.97**	**706.89**	**66,544.10**	**20.96**	**10,847.63**	**2,473.90**	**39,573.72**	**2,180.56**	**5.51**
Service														
46	Gujarat Water Resources Development Corporation Limited	2011-12	2012-13	-8.34	0.00	0.72	-9.06	50.54	135.36	31.49	-28.70	181.05	-9.06	NA
47	Tourism Corporation of Gujarat Limited	2011-12	2013-14	35.66	0.00	0.95	34.71	9.87	0.00	19.99	33.80	307.13	34.71	11.30
48	Gujarat State Forest Development Corporation Limited	2012-13	2013-14	5.90	0.03	0.30	5.57	53.58	0.71	6.32	26.48	39.40	5.60	14.21
49	Gujarat Industrial and Technical Consultancy Limited	2012-13	2013-14	0.19	0.00	0.04	0.15	4.09	0.00	0.20	0.77	0.97	0.15	15.46
50	Gujarat State Civil Supplies Corporation Limited	2012-13	2013-14	8.39	6.75	0.90	0.74	1,918.14	0.51	10.00	3.17	13.17	7.49	56.87
51	Gujarat State Petronet Limited	2012-13	2013-14	1,137.68	125.85	186.11	825.72	1,160.29	0.00	562.71	2,061.35	4,279.45	951.57	22.24
52	Gujarat Informatics Limited	2011-12	2012-13	25.10	3.84	0.08	21.18	7.69	0.00	18.51	45.63	89.54	25.02	27.94
53	GSPC Gas Company Limited	2012-13	2013-14	215.32	57.99	59.40	97.93	4,173.39	0.00	84.62	389.82	1,028.08	155.92	15.17
54	Guj Info petro Limited	2012-13	2013-14	9.74	0.00	0.39	9.35	28.18	0.00	0.05	3.62	23.67	9.35	39.50
55	BISAG Satellite Communication	α	α	α	α	α	α	α	α	α	α	α	α	α
56	Gujarat Foundation for Mental health and Allied Sciences	2009-10	2011-12	***	***	***	0.00	0.00	--	0.02	0.00	0.02	0.00	NA
57	Dahej SEZ Limited	2011-12	2012-13	42.24	6.62	18.24	17.38	37.30	0.00	46.05	31.21	77.26	24.00	31.07

(Figures in Col 5(a) to 11 are in ₹ in Crore))

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover (D)	Impact of Accounts Comments (A)	Paid up Capital[#]	Accumulated Profit (+)/ Loss(-) (E)	Capital employed (B)	Return on capital employed (C)	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss (F)							
1	**2**	**3**	**4**	**5 (a)**	**5 (b)**	**5 (c)**	**5 (d)**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
58	Guj-Tour Development Company Limited	2012-13	2013-14	1.58	0.00	0.00	1.58	0.00	0.00	1.84	0.66	0.67	1.58	235.82
59	GSPL India Gasnet Limited	2012-13	2013-14	0.95	0.00	0.00	0.95	0.00	0.00	69.90	0.67	68.46	0.95	1.39
60	GSPL India Transco Limited	2012-13	2013-14	1.23	0.00	0.00	1.23	0.00	0.00	52.02	0.89	49.45	1.23	2.49
61	GSPC Distribution Networks Limited	2012-13	2013-14	0.06	3.24	0.00	-3.18	0.00	0.00	348.05	-3.86	1496.19	0.06	0.00
62	Gujarat Medical Services Corporation Limited	2012-13	2013-14	0.06	0.00	0.00	0.06	0.00	0.00	2.50	0.05	2.55	0.06	2.35
Sector wise Total				**1,475.76**	**204.32**	**267.13**	**1,004.31**	**7,443.07**	**136.58**	**1,254.27**	**2,565.56**	**7,657.05**	**1,208.63**	**15.78**
Miscellaneous														
63	Gujarat Rural Industries Marketing Corporation Limited	2011-12	2012-13	3.69	0.00	0.19	3.50	87.59	1.86	9.17	2.29	18.82	3.50	18.60
64	Sardar Sarovar Narmada Nigam Limited	2012-13	2013-14	***	***	***	0.00	0.00	0.00	36,095.89	0.00	33,604.96	NA	NA
65	Gujarat Water Infrastructure Limited	2012-13	2013-14	9.80	0.00	33.25	-23.45	231.19	0.00	129.99	-15.09	3628.02	-23.45	NA
Sector wise Total				**13.49**	**0.00**	**33.44**	**-19.95**	**318.78**	**1.86**	**36,235.05**	**-12.80**	**37,251.80**	**-19.95**	**NA**
Total A (All sector wise working Government Companies)				**9,795.81**	**3,229.64**	**2,512.90**	**4,053.28**	**89,044.61**	**192.12**	**50,922.47**	**6,113.83**	**1,07,793.39**	**7,282.92**	**6.76**
B	**Working Statutory Corporations**													
Agriculture & Allied														
1	Gujarat State Warehousing Corporation	2011-12	2012-13	1.19	0.00	0.16	1.03	3.73	0.28	4.00	1.02	8.94	1.03	11.52
Sector wise Total				**1.19**	**0.00**	**0.16**	**1.03**	3.73	**0.28**	**4.00**	**1.02**	**8.94**	**1.03**	**11.52**
Finance														
2	Gujarat State Financial Corporation	2012-13	2013-14	32.74	145.71	0.20	-113.17	29.55	56.92	89.11	-2027.13	770.87	32.54	4.22
Sector wise Total				**32.74**	**145.71**	**0.20**	**-113.17**	**29.55**	**56.92**	**89.11**	**-2,027.13**	**770.87**	**32.54**	**4.22**

(Figures in Col 5(a) to 11 are in ₹ in Crore))

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover (D)	Impact of Accounts Comments (A)	Paid up Capital#	Accumulated Profit (+)/ Loss(-) (E)	Capital employed (B)	Return on capital employed (C)	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss (F)							
1	**2**	**3**	**4**	**5 (a)**	**5 (b)**	**5 (c)**	**5 (d)**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Infrastructure														
3	Gujarat Industrial Development Corporation*	2011-12	2012-13	301.27	0.04	59.32	241.91	380.80	1.21	0.00	971.58	6972.91	241.95	3.47
Sector wise Total				**301.27**	**0.04**	**59.32**	**241.91**	**380.80**	**1.21**	**0.00**	**971.58**	**6,972.91**	**241.95**	**3.47**
Service														
4	Gujarat State Road Transport Corporation	2009-10	2013-14	-10.32	11.10	120.57	-141.99	1850.94	63.13	704.34	-1845.81	-27.48	-130.89	NA
Sector wise Total				**-10.32**	**11.10**	**120.57**	**-141.99**	**1,850.94**	**63.13**	**704.34**	**-1,845.81**	**-27.48**	**-130.89**	**NA**
Total B (All sector wise working Statutory Corporations)				**324.88**	**156.85**	**180.25**	**-12.22**	**2,265.02**	**121.54**	**797.45**	**-2,900.34**	**7,725.24**	**144.63**	**1.87**
Grand Total (A + B)				**10,120.69**	**3,386.49**	**2,693.15**	**4,041.06**	**91,309.63**	**313.66**	**51,719.92**	**3,213.49**	**115,518.63**	**7,427.55**	**6.43**
C	**Non working Government Companies**													
Agriculture & Allied														
1	Gujarat Fisheries Development Corporation Limited	1998-99	2002-03	-0.87	0.15	0.03	-1.05	28.13	--	1.94	4.01	0.87	-0.90	NA
2	Gujarat Dairy Development Corporation Limited	2012-13	2013-14	-0.18	0.00	0.00	-0.18	0.00	0.00	10.46	-121.54	-1.20	-0.18	NA
Sector wise Total				**-1.05**	**0.15**	**0.03**	**-1.23**	**28.13**	**0.00**	**12.40**	**-117.53**	**-0.33**	**-1.08**	**NA**
Finance														
3	Gujarat Small Industries Corporation Limited (under liquidation)	2006-07	2007-08	-0.31	3.31	0.00	-3.62	0.00	--	4.00	-74.93	3.21	-0.31	NA
4	Gujarat Leather Industries Limited (under liquidation)	2001-02	2002-03	0.00	0.00	0.00	0.00	0.00	--	1.50	-6.67	0.00	0.00	--
Sector wise Total				**-0.31**	**3.31**	**0.00**	**-3.62**	**0.00**	**0.00**	**5.50**	**-81.60**	**3.21**	**-0.31**	**NA**
Infrastructure														
5	Gujarat State Construction Corporation Limited	2012-13	2013-14	0.03	1.04	0.00	-1.01	0.00	0.00	5.00	-41.68	15.06	0.03	0.20
Sector wise Total				**0.03**	**1.04**	**0.00**	**-1.01**	**0.00**	**0.00**	**5.00**	**-41.68**	**15.06**	**0.03**	**0.20**

(Figures in Col 5(a) to 11 are in ₹ in Crore))

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover (D)	Impact of Accounts Comments (A)	Paid up Capital#	Accumulated Profit (+)/ Loss(-) (E)	Capital employed (B)	Return on capital employed (C)	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss (F)							
1	**2**	**3**	**4**	**5 (a)**	**5 (b)**	**5 (c)**	**5 (d)**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Manufacture														
6	Gujarat State Textile Corporation Limited (under liquidation)	1996-97	1997-98	0.00	0.00	0.00	0.00	0.00	--	46.46	0.00	0.00	0.00	--
7	Gujarat State Machine Tools Limited	2012-13	2013-14	-0.06	0.00	0.00	-0.06	0.00	0.00	0.54	-2.84	0.24	-0.06	NA
8	Gujarat Communications and Electronics Limited (under liquidation)	2000-01	2001-02	-34.13	0.00	0.00	-34.13	5.57	--	12.45	-104.74	0.00	-34.13	--
9	Gujarat Trans-Receivers Limited	2011-12	2012-13	0.00	0.00	0.00	0.00	0.00	--	0.29	-6.05	-2.17	0.00	--
10	Gujarat Fintex Limited (under liquidation, subsidiary of GSTC)	1994-95	1995-96	0.00	0.00	0.00	0.00	0.00	--	₹ 200 only	0.00	0.00	0.00	--
11	Gujarat Siltex Limited (under liquidation, subsidiary of GSTC)	1994-95	1995-96	0.00	0.00	0.00	0.00	0.00	--	₹ 200 only	0.00	0.00	0.00	--
12	Gujarat Texfeb Limited (under liquidation, subsidiary of GSTC)	1994-95	1995-96	0.00	0.00	0.00	0.00	0.00	--	₹ 200 only	6.04	0.00	0.00	--
Sector wise Total				**-34.19**	**0.00**	**0.00**	**-34.19**	**5.57**	**0.00**	**59.74**	**-107.59**	**-1.93**	**-34.19**	**NA**
Total C (All sector wise non working Government Companies)				**-35.52**	**4.50**	**0.03**	**-40.05**	**33.70**	**0.00**	**82.64**	**-348.40**	**16.01**	**-35.55**	**NA**
Grand Total (A + B + C)				**10,085.17**	**3,390.99**	**2,693.18**	**4,001.01**	**91,343.33**	**313.66**	**51,802.56**	**2,865.09**	**1,15,534.64**	**7,392.00**	**6.40**

(A) Impact of accounts comments include the comments of Statutory Auditors and CAG indicating decrease in profit/ increase in losses for the year for which final comments of CAG have been issued up to 30 September 2013.

(B) Capital employed in case of Companies preparing their Accounts based on Revised Schedule VI is the sum of "Shareholders' Funds" and "Long Term Borrowings". However, the Shareholders' Funds here do not include share application money. Also, Long Term Borrowings do not include debts maturing within 12 months.

In case of Companies preparing their accounts based on old schedule VI, Capital employed is "Net fixed Assets including Capital work in progress plus working capital". In case of Financial Companies/Corporation the capital employed represents the mean of the aggregate of opening and closing balances of paid capital, loans in lieu of capital, seed money, debentures, reserves(other than those which have been funded specifically and backed by investments outside), bonds, deposits and borrowing(including refinance).

(C) Return on Capital Employed has been worked out by adding profit/loss and interest charged to profit and loss account.

(D) The Turnover of the Company represents the main source of income of the PSU based on the nature of activity undertaken.

(E) Accumulated Profit/Loss represents the surplus/deficit of Statement of P & L as depicted in the B/S

(F) Net Profit/Loss represents Profit/Loss Before Tax as depicted in statement of Profit and Loss of the entity

Paid-up Capital includes Share Application Money

(Figures in Col 5(a) to 11 are in ₹ in Crore))

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover (D)	Impact of Accounts Comments (A)	Paid up Capital#	Accumulated Profit (+)/ Loss(-) (E)	Capital employed (B)	Return on capital employed (C)	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss (F)							
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6	7	8	9	10	11	12

$ Excess of expenditure over income transferred to Non-plan grant by Company (Sl. No. A-8)

Neither profit nor loss is shown by the Company as grant relating to expenditure on works completed are transferred to Income and Expenditure Account

*** Indicates PSU under construction

* State Government made capital contribution in the form of loan; hence, paid-up capital is Nil.

Ψ The Companies at Sl No. A-4, 11, 12,23,56,57 and B-3 did not submit any accounts during 1st October 2012 to 30 September 2013. Hence, figures as per last year report have been incorporated. As regards Non-Working Companies, except the Companies at Sl No. C-2, 5 and 7 no accounts were submitted during the above period. Only the Capital Employed figures of the Companies at SL.No.A-23, 57 and C-9 have been reworked as their Balance Sheet is as per revised Schedule VI.

α The First Accounts of the Company have not been received

Annexure 3

Statement showing grants and subsidy received/receivable, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March 2013

(Referred to in paragraph 1.10)

(Figures in columns 3(a) to 6(d) are ₹ in Crore)

Sl. No.	Sector and 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)
A	**Working Government Companies**												
Agriculture & Allied													
1	Gujarat Agro Industries Corporation Limited	0.00	0.00	4.19	216.96	3.04	224.19	0.00	0.00	0.00	0.00	0.00	0.00
2	Gujarat State Seeds Corporation Limited	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	Gujarat State Land Development Corporation Limited $	0.00	0.00	0.00	256.76	0.00	256.76	0.00	0.00	0.00	0.00	0.00	0.00
4	Gujarat Sheep and Wool Development Corporation Limited	0.00	0.00	1.03	9.85	0.00	10.88	0.00	0.00	0.00	0.00	0.00	0.00
Sector wise Total		**0.10**	**0.00**	**5.22**	**483.57**	**3.04**	**491.83**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Finance													
5	Gujarat State Handloom and Handicrafts Development Corporation Limited	0.00	0.00	0.00	6.31	0.00	6.31	0.00	0.00	0.00	0.00	0.00	0.00
6	Gujarat State Investments Limited	600.00	7.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	Gujarat Women Economic Development Corporation Limited	0.00	0.00	0.00	14.27	0.00	14.27	0.00	0.00	0.00	0.00	0.00	0.00
8	Gujarat Minorities Finance and Development Corporation Limited	0.00	0.00	0.08	0.35	0.00	0.43	0.00	31.22	0.00	0.00	0.00	0.00
9	Gujarat Gopalak Development Corporation Limited	1.00	0.00	0.00	0.73	0.00	0.73	0.00	12.10	0.00	0.00	0.00	0.00
10	Gujarat Safai Kamdar Vikas Nigam Limited	0.50	0.00	0.00	7.88	0.00	7.88	0.00	0.65	0.00	0.00	0.00	0.00
11	Gujarat Thakor and Koli Vikas Nigam Limited	1.35	0.30	0.00	0.42	0.00	0.42	8.00	14.66	0.00	0.00	0.00	0.00

(Figures in columns 3(a) to 6(d) are ₹ in Crore)

Sl. No.	Sector and 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)
12	Gujarat Livelihood Promotion Company Limited	0.00	0.00	41.20	178.16	0.00	219.36	0.00	0.00	0.00	0.00	0.00	0.00
Sector wise Total		**602.85**	**7.58**	**41.28**	**208.12**	**0.00**	**249.40**	**8.00**	**58.63**	**0.00**	**0.00**	**0.00**	**0.00**
Infrastructure													
13	Gujarat State Rural Development Corporation Limited	0.00	0.00	20.17	20.28	0.00	40.45	0.00	0.00	0.00	0.00	0.00	0.00
14	Gujarat State Police Housing Corporation Limited	0.00	0.00	44.70	322.75	0.00	367.45	0.00	0.00	0.00	0.00	0.00	0.00
15	Gujarat State Road Development Corporation Limited	0.00	0.00	0.00	143.12	0.00	143.12	0.00	0.00	0.00	0.00	0.00	0.00
16	Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Limited	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Dholera International Airport Company Limited	25.00	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		**525.00**	**0.00**	**64.87**	**486.15**	**0.00**	**551.02**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Manufacture													
18	Gujarat State Petroleum Corporation Limited	500.00	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		**500.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Power													
19	Gujarat Power Corporation Limited	11.25	0.00	0	28.13	37.02	65.15	0.00	0.00	0.00	0.00	0.00	0.00
20	Gujarat State Electricity Corporation Limited	378.05	0.00	0.00	0.31	0.00	0.31	0.00	0.00	0.00	0.00	0.00	0.00
21	Gujarat Energy Transmission Corporation Limited	0.00	12.76	0.00	143.70	0.00	143.70	0.00	0.00	0.00	0.00	0.00	0.00
22	Dakshin Gujarat Vij Company Limited	0.00	0.00	0.00	310.86	0.00	310.86	0.00	0.00	0.00	0.00	0.00	0.00
23	Madhya Gujarat Vij Company Limited	0.00	0.00	0.00	331.70	0.00	331.70	0.00	0.00	0.00	0.00	0.00	0.00

(Figures in columns 3(a) to 6(d) are ₹ in Crore)

Sl. No.	Sector and 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)
24	Paschim Gujarat Vij Company Limited	0.00	0.00	0.00	1,564.66	0.00	1,564.66	0.00	0.00	0.00	0.00	0.00	0.00
25	Uttar Gujarat Vij Company Limited	0.00	0.00	0.00	2,025.12	0.00	2,025.12	0.00	0.00	0.00	0.00	0.00	0.00
26	Gujarat Urja Vikas Nigam Limited	1,050.00	0.00	0.00	3.67	0.00	3.67	0.00	1,016.63	0.00	0.00	0.00	0.00
27	Bhavnagar Energy Company Limited	0.00	0.00	0.00	1.30	0.00	1.30	0.00	0.00	0.00	0.00	0.00	0.00
Sector wise Total		**1,439.30**	**12.76**	**0.00**	**4,409.45**	**37.02**	**4,446.47**	**0.00**	**1,016.63**	**0.00**	**0.00**	**0.00**	**0.00**
Service													
28	Gujarat Water Resources Development Corporation Limited	0.00	0.00	0.00	50.09	0.00	50.09	0.00	0.00	0.00	0.00	0.00	0.00
29	Tourism Corporation of Gujarat Limited	0.00	0.00	0.53	340.00	13.37	353.90	0.00	0.00	0.00	0.00	0.00	0.00
30	Gujarat State Civil Supplies Corporation Limited	0.00	0.00	0.00	1.72	0.00	1.72	0.00	0.00	0.00	0.00	0.00	0.00
31	Gujarat Informatics Limited	0.00	0.00	13.92	24.96	0.00	38.88	0.00	0.00	0.00	0.00	0.00	0.00
32	BISAG Satellite Communication	30.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
33	Guj Tour Development Company Limited	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
34	Gujarat Medical Services Corporation Limited	2.50	0.00	0.00	14.44	0.00	14.44	0.00	0.00	0.00	0.00	0.00	0.00
Sector wise Total		**32.51**	**0.00**	**14.45**	**431.21**	**13.37**	**459.03**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Miscellaneous													
35	Gujarat Rural Industries Marketing Corporation Limited	0.00	0.00	0.00	0.44	0.00	0.44	0.00	0.00	0.00	0.00	0.00	0.00
36	Sardar Sarovar Narmada Nigam Limited	4,827.96	0.00	0.00	0.00	0.00	0.00	0.00	1,643.48	0.00	0.00	0.00	0.00
37	Gujarat Water Infrastructure Limited	0.20	0.00	352.02	93.67	70.00	515.69	0.00	0.00	0.00	0.00	0.00	0.00
Sector wise Total		**4,828.16**	**0.00**	**352.02**	**94.11**	**70.00**	**516.13**	**0.00**	**1,643.48**	**0.00**	**0.00**	**0.00**	**0.00**

(Figures in columns 3(a) to 6(d) are ₹ in Crore)

Sl. No.	Sector and 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)
Total A (All sector wise working Government Companies)		**7,927.92**	**20.34**	**477.84**	**6,112.61**	**123.43**	**6,713.88**	**8.00**	**2,718.74**	**0.00**	**0.00**	**0.00**	**0.00**
B	**Working Statutory Corporations**												
Infrastructure													
1	Gujarat Industrial Development Corporation	0.00	0.00	64.00	65.00	0.00	129.00	0.00	0.00	0.00	0.00	0.00	0.00
Sector wise Total		**0.00**	**0.00**	**64.00**	**65.00**	**0.00**	**129.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Service													
2	Gujarat State Road Transport Corporation	25.00	590.00	0.00	600.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00
Sector wise Total		**25.00**	**590.00**	**0.00**	**600.00**	**0.00**	**600.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Total B (All sector wise working Statutory Corporations)		**25.00**	**590.00**	**64.00**	**665.00**	**0.00**	**729.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Grand Total (A + B)		**7,952.92**	**610.34**	**541.84**	**6,777.61**	**123.43**	**7,442.88**	**8.00**	**2,718.74**	**0.00**	**0.00**	**0.00**	**0.00**

Figures included in the Annexure are as furnished by the PSUs.

@ Figures indicate guarantee at the end of the year.

Annexure 4

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

(Referred to in paragraph 1.25)

(Figures in columns 4and 6 to 8 are ₹ in Crore)

Sl. No.	Name of the Public Sector Undertaking	Year upto which accounts finalised	Paid up capital	Period of accounts pending finalisation	Investment made by State Government during the year of which accounts are in arrear		
					Equity	Loans	Grants
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A	**Working Government Companies**						
1	Gujarat Agro Industries Corporation Limited	2011-12	8.08	2012-13	0.00	0.00	216.96
2	Gujarat State Land Development Corporation Limited	2011-12	5.89	2012-13	0.00	0.00	256.76
3	Gujarat Sheep and Wool Development Corporation Limited	2010-11	4.31	2012-13	0.00	0.00	9.85
				2011-12	0.00	0.00	8.63
4	Gujarat State Handloom and Handicrafts Development Corporation Limited	2010-11	12.06	2012-13	0.00	0.00	6.31
				2011-12	0.00	0.00	9.35
5	Gujarat Women Economic Development Corporation Limited	2010-11	7.02	2012-13	0.00	0.00	14.27
				2011-12	0.00	0.00	10.01
6	Gujarat Minorities Finance and Development Corporation Limited	2010-11	10.00	2012-13	0.00	0.00	0.35
				2011-12	0.00	1.50	0.01
7	Gujarat Gopalak Development Corporation	2011-12	5.50	2012-13	1.00	0.00	0.73
8	Gujarat Safai Kamdar Vikas Nigam Limited	2011-12	4.50	2012-13	0.50	0.00	7.88
9	Gujarat Thakor and Koli Vikas Nigam Limited	2011-12	3.70	2012-13	1.35	0.30	0.42
10	Gujarat Livelihood Promotion Company Limited	2011-12	0.05	2012-13	0.00	0.00	178.16
11	Gujarat State Police Housing Corporation Limited	2011-12	50.00	2012-13	0.00	0.00	322.75
12	Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Limited	2011-12	50.00	2012-13	500.00	0.00	0.00
13	Gujarat Water Resource Development Corporation Ltd	2011-12	31.49	2012-13	0.00	0.00	50.09
14	Gujarat Power Corporation Limited	2011-12	292.57	2012-13	11.25	0.00	28.13
15	Tourism Corporation of Gujarat Limited	2011-12	19.99	2012-13	0.00	0.00	340.00
16	Gujarat Informatics Limited	2011-12	18.51	2012-13	0.00	0.00	24.96
17	Gujarat Rural Industries Marketing Corporation Limited	2011-12	9.17	2012-13	0.00	0.00	0.44
18	BISAG Satellite Communication	$$		2012-13	30.00	0.00	0.00
Total A (Working Government Companies)			**532.84**		**544.10**	**1.80**	**1,486.06**
B	**Working Statutory Corporations**						
1	Gujarat State Road Transport Corporation	2009-10	704.34	2012-13	25.00	590.00	600.00
				2011-12	15.00	425.00	703.70
				2010-11	15.00	296.00	501.00
2	Gujarat Industrial Development Corporation	2011-12	0.00	2012-13	0.00	0.00	65.00
Total B(Working Statutory Corporations)			**704.34**		**55.00**	**1,311.00**	**1,869.70**
Grand Total (A + B)			**1,237.18**		**599.10**	**1,312.80**	**3,355.76**

Information was not furnished by two working Companies (Alcock Ashdown (Gujarat) Limited and Gujarat State Rural Development Corporation Limited which have arrears of accounts in 2012-13.
$$ The first accounts of the Company have not been received.

Annexure 5

Statement showing financial position of Statutory Corporations

(Referred to in paragraph 1.15)

1. Gujarat State Road Transport Corporation

(₹ in Crore)

Particulars	2007-08	2008-09	2009-10
A . Liabilities			
Paid-up capital	674.34	689.34	704.34
Capital loan	17.87	17.87	17.87
Borrowings (Government.:-)	704.78	850.28	1,085.98
(Others:-)	147.65	82.55	1.96
Funds*	3.33	3.35	8.18
Trade dues and other current liabilities (including provisions)	912.78	966.77	1,120.97
Total - A	**2,460.75**	**2,610.16**	**2939.30**
B. Assets			
Gross Block	924.14	921.33	990.51
Less:Depreciation	481.64	558.28	621.11
Net fixed assets	442.50	363.05	369.40
Capital works-in-progress (including cost of chassis)	--	--	--
Investments	--	--	--
Current assets, loans and advances	474.17	543.30	724.09
Accumulated losses	1,544.08	1,703.81	1,845.81
Total - B	**2,460.75**	**2,610.16**	**2,939.30**
C. Capital employed ##	**3.89**	**(-) 60.42**	**(-) 27.48**

2. Gujarat State Financial Corporation

Particulars	2010-11	2011-12	2012-13
A. Liabilities			
Paid-up capital	89.11	89.11	89.11
Forfeited Shares	4.61	4.61	4.60
Reserve fund and other reserves and surplus	273.37	273.37	273.37
Borrowings:			
(i) Bonds and debentures	7.22	2.35	0
(ii) Small Industries Development Bank of India	0.01	0.01	0.01
(iii) Loan in lieu of share capital:			
(a) State Government	6.03	6.03	6.03
(iv) Other (including State Government)	651.82	655.65	655.65
Other liabilities and provisions	713.66	935.13	1,081.49
Total – A	**1,745.83**	**1,966.26**	**2,110.26**
B. Assets			
Cash and Bank balances	22.52	39.05	68.61
Investments	4.84	4.84	4.84
Loans and Advances	0.97	0.70	2.00
Net fixed assets	1.85	2.90	2.96
Other assets	10.59	4.80	4.72
Accumulated losses	1,705.05	1,913.97	2,027.13
Total – B	**1,745.82**	**1,966.26**	**2,110.26**
C. Capital employed**	**769.53**	**772.57**	**770.87**

3. Gujarat State Warehousing Corporation

(`₹ in Crore))

Particulars	2009-10	2010-11	2011-12
A. Liabilities			
Paid-up-capital	4.00	4.00	4.00
Reserves and surplus	4.76	4.11	4.94
Trade dues and current liabilities (including provisions)	1.74	2.07	1.74
Total – A	**10.50**	**10.18**	**10.68**
B. Assets			
Gross Block	8.45	8.45	8.45
Less: Depreciation	4.25	4.41	4.55
Net fixed assets	4.20	4.04	3.90
Capital works-in-progress	0.00	0.00	0.00
Current assets, loans and advances	6.30	6.14	6.78
Total – B	**10.50**	**10.18**	10.68
C. Capital employed ##	**8.76**	**8.11**	**8.94**

4 Gujarat Industrial Development Corporation

Particulars	2009-10	2010-11	2011-12
A. Liabilities			
Loans	4.57	0.44	0.00
Subsidy from Government	426.99	466.37	505.69
Reserves and surplus	1,021.66	1,096.63	1,293.17
Receipts on capital account	3,510.87	4,056.14	5,421.66
Current liabilities and provisions (including deposits)	859.05	897.69	1,262.62
Total – A	**5,823.14**	**6,517.27**	**8,483.14**
B. Assets			
Gross block	34.14	67.55	38.17
Less:Depreciation	16.67	18.18	20.79
Net fixed assets	17.47	49.37	17.38
Works-in-progress	64.57	64.40	71.86
Capital expenditure on development of industrial estates etc.	2,402.24	3,560.63	5,408.46
Investments	217.09	204.60	247.61
Other assets	3,121.77	2,638.27	2,737.83
Total – B	**5,823.14**	**6,517.27**	**8,483.14**
C. Capital employed##	**4,747.00**	**5,414.98**	**6,972.91**

* Excluding depreciation funds

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

** Capital employed represents the mean of the aggregate of opening and closing balances of paid-up capital, loans in lieu of capital, seed money, debentures, reserves (other than those which have been funded specifically and backed by investments outside), bonds, deposits and borrowings (including refinance).

Annexure 6

Statement showing working results of Statutory Corporations

(Referred to in paragraph 1.15)

(₹ in Crore)

1. Gujarat State Road Transport Corporation

SI. No.	Particulars	2007-08	2008-09	2009-10
1	**Operating**			
	(a) Revenue	1,626.35	1,708.32	1,850.94
	(b) Expenditure	1,781.81	1,915.16	2,029.63
	(C) Surplus (+)/ Deficit (-)	(-)155.46	(-) 206.84	(-)178.69
2	**Non -Operating**			
	(a) Revenue	87.89	65.91	48.20
	(b) Expenditure	27.00	18.81	11.50
	(C) Surplus (+)/ Deficit (-)	60.89	47.10	36.70
3	**Total**			
	(a) Revenue	1,714.24	1,774.23	1,899.14
	(b) Expenditure	1,808.81	1,933.97	2,041.13
	(C) Net Profit (+) / Loss(-)	**(-) 94.57**	**(-) 159.74**	**(-) 141.99**
4	**Interest on capital and loans**	**26.04**	**18.16**	**11.10**
5	**Total return on capital employed $$**	**(-) 68.53**	**(-) 141.58**	**(-) 130.89**
6	**Percentage of return on Capital employed**	**-**	**-**	**-**

2. Gujarat State Financial Corporation

SI. No.	Particulars	2010-11	2011-12	2012-13
	Income			
1	(a) Interest on loans	24.41	28.08	29.55
	(b) Interest-sacrifice on restructuring	0	0	0
	(c) Other income	39.80	28.63	34.89
	Total - 1	64.21	56.71	64.44
	Expenses			
2	(a) Interest on long-term and short-term loans	187.25	220.37	145.71
	(b) Other expenses	33.87	45.02	31.90
	Total-2	221.12	265.39	177.61
3	Profit before tax (1-2)	**(-) 156.91**	**(-) 208.68**	**(-) 113.17**
4	Provision for tax	0	0	0
5	Profit(+)/ Loss (-) after tax	(-)156.91	(-)208.68	(-)113.17
6	Provision for non performing assets	0	0	0
7	**Total return on capital employed $$**	**30.34**	**11.69**	**32.54**
8	**Percentage of return on Capital employed**	**3.94**	**1.51**	**4.22**

(₹ in crore)

3. Gujarat State Warehousing Corporation

SI. No.	Particulars	2009-10	2010-11	2011-12
	Income			
1	(a) Warehousing charges	4.08	2.47	3.73
	(b) Other income	1.28	1.44	1.73
	Total-1	5.36	3.91	5.46
2	**Expenses**			
	(a) Establishment charges	3.17	3.78	3.63
	(b) Other expenses	1.90	0.78	0.80
	Total-2	5.07	4.56	4.43
3	Profit(+)/ Loss (-) before tax	**0.29**	**(-) 0.65**	**1.03**
4	Provision for tax	0.09	0.00	0.19
5	Prior period adjustments	0.01	0.01	0
6	Other appropriations	(-) 0.07	0.02	0.02
7	Amount available for dividend	0.26	0.00	0.82
8	Dividend for the year	0.06	0.00	0
9	**Total return on capital employed $$**	**0.29**	**(-) 0.65**	1.03
10	**Percentage of return on capital employed**	**3.31**	**--**	11.52

Gujarat Industrial Development Corporation

SI. No.	Particulars	2009-10	2010-11	2011-12
1	Revenue Receipts	537.43	358.89	465.53
2	Net expenditure after capitalisation	389.95	330.88	223.62
3	Excess of income over expenditure	147.48	28.01	241.91
4	Provision for replacement, renewals and for additional liability	--	--	--
5	Net surplus	147.48	28.01	241.91
6	Total interest charged in Profit & Loss account	0.31	0.24	0.04
7	**Total return on capital employed $$**	**147.79**	**28.25**	**241.95**
8	**Percentage of return on capital employed**	**3.11**	**0.52**	**3.47**

$$ The return on Capital Employed has been worked out by adding profit/loss and interest charged to Profit and Loss Account.

Annexure 7

(Referred to in paragraph 2.2)

Glossary of Technical Terms

Sl. No.	Terminology	Description
1	Capacity charge	Indicates element of fixed charges included as capacity charges in the composite tariff rate.
2	Case-I	The mechanisms of competitive bidding where the location, technology, or fuel is not specified by the procurer.
3	Case-2	The mechanisms of competitive bidding for hydro projects, load centre projects or other locations specific projects where the location, technology, or fuel is specified by the procurer.
4	Commercial Operation Date (COD)	The date on which the power generation plant is put to commercial operation after completing successful trial run operation for achieving stabilisation of different elements of plants.
5	Cost Plus	Cost plus model ensures pass through of all fixed and variable expenditure of the IPP to the power purchaser and also ensures a reasonable return to the IPP.
6	Central Transmission Utility	The utility notified by the Central Government under Section 38 of the Electricity Act, 2003.
7	Consolidated/Composite tariff	Consisting of energy and capacity charges.
8	Contracted Capacity	Net capacity at the delivery point or such capacities as may be determined in accordance with the PPA.
9	Declared Capacity/Generation	The net capacity upto the unit or the contracted capacity at the relevant time(expressed in MW at the Delivery point) as declared by seller in accordance with the grid code and dispatching procedures as per Availability based tariff)
10	Deemed Generation (DG)	The quantum of shortfall, due to any directive, message or dispatch instructions issued by the Buyer, in the electrical output as compared to that declared by to be available as per the provisions of PPA which could otherwise have been generated.
11	Demand	Drawl of energy by the consumers from the distribution system at a given point of time during the year.

Sl. No.	Terminology	Description
12	Infirm Power	The power that is supplied prior to the commercial commissioning of a power plant.
13	Installed Capacity	Rated or designed capacity of generating power station to ideally generate maximum level of power or electrical energy specified in terms of MW.
14	Levelised Tariff	Levelised tariff is weighted mean of all yearly tariffs with discounting factors as weights for all years which is calculated for the life of the plant.
15	Mega Watt (MW)	Measure of Electrical Energy termed as Watt. One Mega Watt is equal to 1000 Kilo Watt or ten lakh Watt.
16	Merit Order	Organising purchase of power in such a manner that the maximum power is purchased from the cheapest source and the next requirement is made from the next cheapest source and so on.
17	Million Units (Mus)	Measure of Electrical Energy during a given a period of time. One unit is equal to one thousand watt hour or one kilo watt hour (KWH) and one million unit is equal to ten lakh KWH.
18	MNRE	Ministry of New and Renewable Energy.
19	Normative Availability	Means equal agreed percent availability at the Delivery point on contract year basis to cover the full capacity charges.
20	Renewable Energy (RE)	Source of generation of electrical energy that does not deplete on its usage. Example Wind, Solar and Biomass *etc*.
21	Request for Proposal (RFP)	A proposal submitted by the tenderer along with documents such as PPA, Default Escrow Agreement *etc.* after being declared technically and technologically qualified.
22	Request for Quotation (RFQ)	Inviting the prospective tenderers to submit their expression of interest by giving details of their technical and technological capabilities, past experience *etc.* with a view to establish a desired project or plant in infrastructural development.
23	RLDC/SLDC	Regional Load Despatch Centre /State Load Despatch Centre.
24	Short Term Open Access (STOA)	Open access for a period up to one month at a time, but not exceeding a period of six months in a calendar year
25	State Transmission Utilities	The Board or the Government Company specified as such by the State Government under sub-section (1) of Section 39 of the Act.

Sl. No.	Terminology	Description
26	Two part tariff	It represents cost plus tariff consisting of fixed cost and variable cost, parameters for which are decided from time to time by the competent authority.
27	Unscheduled Interchange	'Unscheduled Interchange' in a time-block for a generating station or a seller means its total actual generation minus its total scheduled generation and for a beneficiary or buyer means its total actual drawal minus its total scheduled drawal.

Annexure 8

Statement showing PPAs entered into by the Gujarat Electricity Board/Gujarat Urja Vikas Nigam Limited

(Referred to in paragraph 2.6)

Sl. No.	IPPs	Unit	Date of Signing PPAs	Installed Capacity (In MW)	COD (operational plant) SCOD (WIP – plant)	Remarks	Fuel	Status
1	GSECL UKAI	1 to 5	1-Apr-05	850.00	19 March 1976 to 30 Jan 1985	Transferred Stations from GEB	Coal	Operational
2	GSECL UKAI Extension		1-Jan-11	500.00	10-Jun-2012	PPA BASED	Coal	Operational
3	GSECL GANDHINAGAR	1 to 4	1-Apr-05	660.00	13 March 1977 to 20 July 1991	Transferred Stations from GEB	Coal	Operational
4	GSECL GANDHINAGAR	5	22-Jan-97	210.00	-Oct-1998	PPA BASED	Coal	Operational
5	GSECL WANAKBORI	1 to 6	1-Apr-05	1,260.00	23 March 1982 to 18 November 1987	Transferred Stations from GEB	Coal	Operational
6	GSECL WANAKBORI	7	22-Jan-97	210.00	2-Apr-1999	PPA BASED	Coal	Operational
7	GSECL WANAKBORI	8	1-Jan-11	800.00	N A	PPA BASED	Coal	WIP
8	GSECL SIKKA	1 to 2	1-Apr-05	240.00	26 March 1988 to 31 March 1993	Transferred Stations from GEB	Coal	Operational
9	GSECL SIKKA Expansion		1-Jan-11	500.00	N A	PPA BASED	Coal	WIP
10	GSECL KLTPS	1 to 3	1-Apr-05	215.00	29 March 1990 to 31 March 1993	Transferred Stations from GEB	Lignite	Operational

Sl. No.	IPPs	Unit	Date of Signing PPAs	Installed Capacity (In Mw)	COD (operational plant) SCOD (WIP – plant)	Remarks	Fuel	Status
11	GSECL KLTPS	4	1-Jan-11	75.00	20 December 2009	PPA BASED	Lignite	Operational
12	GSECL – Sinor		1-Jan-11	1,600.00	N A	PPA BASED	Coal	WIP
13	DHUVARAN OLD	1 to 4		254.00	17 Dec 1964 to 01 Nov 2007	NOT OPERATIONAL	Coal/Oil	Retired
14	GSECL DHUVARAN	5 to 6	1-Apr-05	220.00	10 sep 1972 to 27 May 1992	NOT OPERATIONAL	Coal/Oil	Retired
15	GSECL DHUVARAN Stage I &II	7 to 8	29-Jan-07	106.62	22-Sep-2003	PPA BASED	Gas	Operational
				112.45	1-Nov-2007		Gas	Operational
16	GSECL DHUVARAN CCPP III		1-Jan-11	395.00	N A	PPA BASED	Gas	WIP
17	GSECL UKAI Hydro	1 to 4	1-Apr-05	300.00	8 July 1974 to 04 March 1976	Transferred Stations from GEB	Hydel	Operational
18	GSECL UKAI Left Bank Canal	1 to 2	1-Apr-05	5.00	8 December 1987 to 10 Feb 1988		Hydel	Operational
19	GSECL UTRAN GAS	1 to 3	22-Jan-97	135.00	N A	Transferred Stations from GEB	Gas	Operational
20	GSECL UTRAN Extension	1	25-Feb-08	375.00	N A	PPA Based on Mutual Agreement	Gas	Operational
21	GSECL KADANA HYDRO	1 to 4	1-Apr-05	240.00	31 March 1990 to 27 May 1998	Transferred Stations from GEB	Hydel	Operational
22	GSECL PANAM	1 to 2	1-Apr-05	2.00	24 to 31 March 1994		Hydel	Operational
	Total GSECL(A)			**9,265.07**				
23	ESSAR Power Limited		30-May-96	300.00	30-May-1996	PPA Based on Mutual Agreement	Gas/Naphtha	Operational

Sl. No.	IPPs	Unit	Date of Signing PPAs	Installed Capacity (In Mw)	COD (operational plant) SCOD (WIP – plant)	Remarks	Fuel	Status
24	Gujarat Industrial Power Company Limited (GIPCL) Vadodora		1 Aug 96	165.00	18 Nov 1997	PPA Based on Mutual Agreement	Gas	Operational
25	Gujarat Paguthan Energy Corporation Private Limited		3 Feb 94	655.00	10 Dec 1997	PPA Based on Mutual Agreement	Gas	Operational
26	GIPCL SLPP		15 Apr 97	250.00	15 Feb 2000	PPA Based on Mutual Agreement	Lignite	Operational
27	Gujarat State Energy Generation Limited (GSEG)		28 Feb 00	156.00	1 Dec 2001	PPA Based on Mutual Agreement	Gas	Operational
28	Gujarat Mineral Development Corporation Limited	1 to 2	19 Feb 00	250.00	1 May 2006 to 12 March 2007	PPA Based on Mutual Agreement	Lignite	Operational
29	GIPCL - SLPP Expansion		1 Oct 09	250.00	19 Apr 2010 to 28 Apr 2010	PPA Based on Mutual Agreement	Lignite	Operational
30	GIPCL - SLPP Station II		3 Jan 11	500.00	N A	PPA Based on Mutual Agreement	Lignite	WIP
31	GSEG – Expansion		18 Jun 08	351.00	23 Jul 2010	PPA Based on Mutual Agreement	Gas	Operational
32	Bhavnagar Energy Company Limited		17 Nov 10	500.00	18 Feb 2013 to 18 May 2013	PPA Based on Mutual Agreement	Lignite	WIP
33	Adani Power Limited, Mundra	1 to 4	6 Feb 07	1,000.00	04 Aug 2009 to 20 Dec 2012	PPA through Competitive bidding case I	Imported Coal	Operational
34	Adani Power Limited, Mundra	5 to 6	2 Feb 07	1,000.00	1 March 2011 to 3 Feb 2011	PPA through Competitive bidding case I	Imported Coal	Operational
35	Aryan Coal Beneficiations Private Limited	1 to 2	2 Feb 07	200.00	13 Dec 2011 to 21 June 2012	PPA through Competitive bidding case I	Linkage Coal	Operational

Sl. No.	IPPs	Unit	Date of Signing PPAs	Installed Capacity (In Mw)	COD (operational plant) SCOD (WIP – plant)	Remarks	Fuel	Status
36	Essar Power Gujarat Limited – Salaya	1 to 2	22 Apr 07	1,000.00	Unit 1: 01 Apr 2012 Unit 2: 15 June 2012	PPA through Competitive bidding case I	Imported Coal	Operational
37	Essar Power Gujarat Limited		15 May 10	800.00	May 2015	PPA through Competitive bidding case I	Imported Coal	WIP
38	Mundra UMPP	1 to 5	N A	1,900.00	6 March 2012 to 27 Oct 2012	Central Allocation	Coal	Operational
39	Shaaporji Pallonji Energy (Gujarat) Private Limited		15 May 10	800.00	May 2015	PPA through Competitive bidding case I	Coal	WIP
40	KSK Mahanadi Power Company Limited		3 Jun 10	1,010.00	Jun 2015	PPA through Competitive bidding case I conditional fuel supply agreement	Domestic Coal	WIP
41	Jharkhand Integrated Power Limited		10 Sep 08	300.00	N A	Central Allocation	Coal	WIP
42	Gujarat Pipapav Power Company Limited		22 Feb 08	702.00	N A	PPA Based on Mutual Agreement	Gas	Operational but not accepted by GUVNL
	Total others IPPs(B)			12,089.00				
	GSECL(A)			**9,265.07**				
	Grand total (A+B)			**21,354.07**				

Note: The IPPs referred at Sl no. 31 and 42 are the state owned IPPs, pending decision regarding fixing of the fuel price by the Government of Gujarat, the GUVNL did not accept the supply of power from the IPPs.
Selected PPA for sample referred at Sl. no. 23, 24, 25, 28, 32, 33, 34, 35, 36 and 40

Annexure 9

Statement showing allocation of solar capacity to the developers in violation of criteria set out in Solar Policy 2009

(Referred to in paragraph 2.13.1)

Sl. No.	Name of developers	Capacity (in MW)	Developed any project in last 10 years	Object clause	Financial criteria (₹ in crore) per MW						Remarks
					Annual Turnover		Internal Resource Generation		Net Worth		
					Criteria	Actual	Criteria	Actual	Criteria	Actual	
1	Rasna Marketing Services Private Limited	1	No	No	4.80	1.36	1.20	1.09	Complied		The Company was allotted solar capacity though it did not fulfill financial and technical criteria.
2	Jayhind Projects Limited	5	No	No	Complied						The company was incorporated to pursue the objectives relating to construction, fabrication, erection, execution, equipment installation, and other civil and mechanical works.
3	Alex Asatral Power Private Limited	25	No	Yes	Complied						No documents were furnished by the developers to support the experience as stipulated in the criteria.

Sl. No.	Name of developers	Capacity (in MW)	Developed any project in last 10 years	Object clause	Financial criteria (₹ in crore) per MW						Remarks
					Annual Turnover		Internal Resource Generation		Net Worth		
					Criteria	Actual	Criteria	Actual	Criteria	Actual	
4	Ganga Entertainment Private Limited	25	No	Yes	Complied						No documents were furnished by the developers to support the experience as stipulated in the criteria.
5	Som Shiva (Impex) Limited	1	No	Yes	Complied				2	5	Net worth of the Company for the period 2007-08 and 2008-09 was not adequate. Provisional figures for the year 2009-10 were submitted.
6	Responsive SUTIP Limited	25	No	No	Complied						The holding Company was engaged in the business of PVC fabrication work.
7	NKG Infrastructure Limited	10	Yes	No	Complied						The Company was formed to act as contractors for any person or Governmental authorities for construction of building of all description, roads, bridges and other related civil work.

Sl. No.	Name of developers	Capacity (in MW)	Developed any project in last 10 years	Object clause	Financial criteria (₹ in crore) per MW						Remarks
					Annual Turnover		Internal Resource Generation		Net Worth		
					Criteria	Actual	Criteria	Actual	Criteria	Actual	
8	Konark Gujarat Private Limited	5	No	Yes	Complied		6.00	3.45	Complied		The internal resources generation was not adequate as per financial criteria.
9	Sand Land Real Estates Private Limited	25	No	No	Complied						The Company was formed to carry out function of builders and general construction work and to own, purchase, sell, process, develop property in general.
10	Sun Clean Renewable Power Limited	25	No	Yes	120	111.40	30	9.19	Complied		The turnover of the Company for any of the last three years (2007-08- to 2009-10) as mentioned in the application was not fulfilling the financial criteria.

Annexure 10

Statement showing the Developer wise Application for claims of exemption in Excise and Customs Duty forwarded to MNRE by GEDA under Solar Policy, 2009

(Referred to in paragraph 2.13.3)

Sl. No.	Name of Generator	Commercial Operation Date	Capacity (In MW)	Excise Duty exemption claimed (In ₹)	Customs Duty Exemption claimed (In ₹)
1	M/s Alex Astral Power Private Limited	4-March-12	25	58,16,233	3,27,59,899
2	Roha Dyechem Private Limited	4-March-12	25	4,33,58,334	4,56,45,066
3	M/s Tata Power Renewable Energy Limited	25-Jan-11	25	2,05,17,923	1,33,31,958
4	Lanko Infrtech Limited	23-Oct-11	15	51,54,550	3,38,35,841
5	SEI Solar Power Gujarat Private Limited	4-Mar-12	25	4,25,98,376	2,09,18,795
6	Sunborn Energy Gujarat One Private . Limited	8-June-12	15	1,17,01,671	1,06,70,633
7	M/s Adani Enterprise Limited	23-Dec-11	40	9,91,72,124	15,27,87,863
8	M/s AES Solar Energy Gujarat Private Limited	12-April-12	15	--	96,42,036
9	M/s Welspun Urja Gujarat Private Limited	8-Nov-11	15	43,29,781	5,08,03,252
10	M/s Solar Semiconductor Power Company Private Limited	30 April-12 and 26 June-12	20	2,43,68,361	2,34,07,801
11	Ghi Energy Private Limited	31-Dec-11	10	63,73,276	2,24,13,304
12	Moser Baer Energy & Development Limited .	2-April-12	15	2,57,83,661	4,09,90,464
13	Sand land Real Estate Private Limited	1-April-12	25	3,90,29,513	4,87,46,938
14	Lourous Bio Energies Limited	19-Jan -12 and 28-Jan -12	25	1,45,03,819	7,82,14,015
15	M/s Responsive SUTIP Limited	29-Dec-12	25	4,09,31,588	4,49,25,974
16	PLG Photovoltaic	26-Jan-12	20	1,56,93,780	1,71,54,688
17	M/s Precious Energy Services Private Limited	1-June-12	15	2,87,55,042	1,08,80,387
18	M/s Solitaire Energies Private Limited	12-Oct-11 and 03-Mov-11	15	3,00,78,601	80,60,274

Sl. No.	Name of Generator	Commercial Operation Date	Capacity (In MW)	Excise Duty exemption claimed (In ₹)	Customs Duty Exemption claimed (In ₹)
19	M/s ACME Solar Technologies Private Limited	13-March-12	15	220,35,101	2,83,42,528
20	Dreisatz My Solar 24 Private Limited	6-Dec-12	15	2,45,80,119	33,51,592
21	M/s Hiraco Renewable Energy Private Limited	18-April-12	20	2,38,26,807	3,41,72,145
22	M/s Palace Solar Energy Private Limited	4-March-12	15	1,15,67,011	1,20,72,990
23	M/s Visual Percept Solar Project Private Limited	16-Jan-12	25	2,47,19,175	90,83,484
24	MI My Solar	10-Nov-12 and 03-Dec-12	15	1,86,48,859	33,68,656
25	Chattel Constructions Private Limited	30-Dec-12	25	3,70,26,121	2,40,28,738
26	Ganges Green Private Limited	3-March-12	25	3,92,63,418	2,42,73,084
27	Solarfeild Energy Private Limited	4-March-12	20	4,52,79,823	3,13,16,823
Total			**545**	**70,51,13,067**	**83,51,99,228**

Annexure 11

Statement showing loss of revenue due to delay in finalisation of courier contracts

(Referred to in paragraph 3.9)

(Amount in ₹)

Table- A (Actual revenue of Corporation)

Year	Opening Balance (1)	Revenue for the year (2)	Total (1)+(2)=(3)	Interest @ 12 *per cent* (4)	Total (3)+(4)=(5)
December 2010 to June 2011	27,30,000(#)	0	27,30,000	1,91,100	29,21,100
July 2011 to June 2012	29,21,100	3,52,66,647	3,81,87,747	45,82,530	4,27,70,277
July 2012 to June 2013	4,27,70,277	3,87,66,647	8,15,36,924	97,84,431	9,13,21,354
July 2013 to June 2014	9,13,21,354	4,26,66,647	13,39,88,001	1,60,78,560	15,00,66,562
July 2014 to June 2015	15,00,66,562	4,69,66,647	19,70,33,209	2,36,43,985	22,06,77,194
July 2015 to June 2016	22,06,77,194	6,20,00,059	28,26,77,253	3,39,21,270	31,65,98,523

Table- B (analyzed by audit)

Year	Opening Balance (1)	Revenue for the year (2)	Total (1)+(2)=(3)	Interest @ 12 *per cent* (4)	Total (3)+(4)=(5)
December 2010 to Nov 2011	0	3,40,00,000	3,40,00,000	40,80,000	3,80,80,000
December 2011 to Nov 2012	3,80,80,000	3,70,00,000	7,50,80,000	90,09,600	8,40,89,600
December 2012 to Nov 2013	8,40,89,600	4,00,00,000	12,40,89,600	1,48,90,752	13,89,80,352
December 2013 to Nov 2014	13,89,80,352	4,40,00,000	18,29,80,352	2,19,57,642	2,04,93,7994
December 2014 to Nov 2015	20,49,37,994	4,91,66,666	25,41,04,660	3,04,92,559	2,84,59,7219
December 2015 to June 2016	28,45,97,219	2,38,19,444($)	30,84,16,663	2,15,89,166	33,00,05,829

Saving if the work was carried out departmentally = No. of months for which work was carried out departmentally * saving for one month.
Saving if the work was carried out departmentally = Seven months * ₹ 3.90 lakh= ₹ 27.30 lakh.
Loss of revenue= Revenue earned by the corporation *less* Revenue that could have been earned as per audit observation.
Loss of revenue= ₹ 3,16,59,85,23 *less* ₹ 33,00,05,829= - (-) ₹ 1,34,07,306.
#) Net revenue earned through departmental service.
($) Revenue for the period if contract renewed at average rate= Total of Revenue from December 2010 to November 2015 / months₹ 20,41,66,666 / 60 months* Seven months = ₹ 2,38,19,444

Annexure 12

Statement showing paragraphs/performance audit reports for which explanatory notes were not received as on 30 September 2013

(Referred to in paragraph 3.14.1)

Sl. No.	Name of the Department	2007-08	2008-09	2009-10	2010-11	2011-12
1.	Narmada, Water Resources, Water Supply and Kalpsar		1^			
2.	Energy and Petrochemicals		1	2		2
3.	Industries and Mines	1	1^		2	1
4.	Urban Development and Urban Housing	2				1
5.	Finance		1*			
6.	Ports and Transport					2
7	Health and Family Welfare					1
8	Agriculture and Co-operation					1
	Total	**3**	**3**	**2**	**2**	**8**

* Includes one paragraph no. 4.22 (Common paragraph) for which reply was awaited from one department.

^ Includes one paragraph no. 4.23 (Common paragraph) for which replies were awaited from two departments.

Annexure 13

Statement showing the department-wise outstanding Inspection Reports (IRs) and paragraphs as 30 September 2013

(Referred to in paragraph 3.14.3)

Sl. No.	Name of Department	Number of PSUs	Number of outstanding IRs	Number of outstanding paragraphs	Years from which paragraphs outstanding
1	Industries and Mines	10	44	157	2004-05
2	Agriculture & Co-operation	7	16	44	2006-07
3	Science & Technology	2	8	21	2006-07
4	Roads & Buildings	1	7	24	2008-09
5	Panchayat, Rural Housing and Rural Development	1	1	3	2011-12
6	Women and Child Development	1	3	9	2006-07
7	Forest and Environment	1	5	11	2004-05
8	Home	1	4	08	2006-07
9	Finance	2	4	7	2008-09
10	Social Justice and Empowerment	4	11	46	2005-06
11	Food, Civil Supplies and Consumer Affairs	1	06	27	2007-08
12	Narmada, Water Resources and Water Supply and Kalpsar	3	136	504	2004-05
13	Energy and Petrochemicals	16	126	446	2004-05
14	Urban Development and Urban Housing	1	7	30	2004-05
15	Ports and Transport	2	31	155	2006-07
16	Health and Family Welfare	1	1	7	2011-12
	Total	**54**	**410**	**1,499**	

Annexure 14

Statement showing the department-wise draft paragraphs/performance audit reports reply to which are awaited as on 31 December 2013

(Referred to in paragraph 3.14.3)

Sl. No.	Name of the Department	Number of draft paragraphs	Number of draft performance audit reports	Period of issue
1.	Agriculture & Co-operation	2	-	May 2013
2.	Energy and Petrochemicals	2	-	May/June 2013
3.	Industries and Mines	1	--	July 2013