सत्यमेव जयते

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

Government of Assam

Report No. 1 of 2013

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PREFACE

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

- Government companies,
- Statutory corporations, and
- Departmentally managed commercial undertakings.

2. This Report deals with the results of audit of Government companies and Statutory corporations including Assam State Electricity Board and has been prepared for submission to the Government of Assam under Section 19 A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, as amended from time to time. The results of audit relating to departmentally managed commercial undertakings are included in the Report of the Comptroller and Auditor General of India on Social, General and Economic (Non-PSUs) Sectors, Government of Assam.

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

4. As regards the audit of the Statutory corporations, the Comptroller and Auditor General of India (CAG) is the sole auditor in respect of Assam State Transport Corporation and the Assam State Electricity Board. In respect of Assam Financial Corporation, CAG reserves the right to conduct audit of its accounts 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 Assam State Warehousing Corporation, CAG has the right to conduct audit of their accounts in addition to the audit conducted by the Chartered Accountants appointed by the State Government in consultation with CAG. Further, CAG is the sole auditor in respect of Assam State Electricity Regulatory Commission. The Audit Reports on the annual accounts of all these corporations/commission are forwarded separately to the State Government.

5. The cases mentioned in this Report are those, which came to notice in the course of audit during the year 2011-12 as well as those, which came to notice in earlier years, but were not dealt with in the previous Reports. Matters relating to the period subsequent to 2011-12 have also been included, wherever considered necessary.

6. Audits have been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Overview

1. Overview of State Public Sector Undertakings

Audit of Government companies is governed by Section 619 of the Companies Act, 1956. The accounts of Government companies are audited by Statutory Auditors appointed by CAG. These accounts are also subject to supplementary audit conducted by CAG. Audit of Statutory corporations is governed by their respective legislations. As on 31 March 2012, the State of Assam had 41 working PSUs (37 companies and 4 Statutory corporations) and 10 non-working PSUs (all companies), which employed 36,069 employees. The State working PSUs registered a turnover of ₹ 2,879.21 crore for 2011-12 as per their latest finalised accounts as of September 2012. This turnover was equal to 2.49 *per cent* of State GDP indicating an important role played by State PSUs in the economy. The State working PSUs incurred an aggregate loss of ₹ 575.68 crore for 2011-12 as per their latest finalised accounts as on 30 September 2012.

Investment in PSUs

As on 31 March 2012, the investment (Capital and long term loans) in 51 PSUs was ₹ 3,312.69 crore. It increased by 14.65 *per cent* from ₹ 2,889.28 crore in 2007-08. Power Sector accounted for 51.70 *per cent* of total investment in 2011-12. The Government contributed ₹ 927.07 crore towards loans and grants/subsidies to 14 PSUs during 2011-12.

Performance of PSUs

During the year 2011-12, out of 41 working PSUs, 15 PSUs earned profit of ₹ 78.57 crore and 22 PSUs incurred loss of ₹ 654.25 crore as per their latest finalised accounts as on 30 September 2012. The major contributors to profit were Assam Gas Company Limited (₹ 49.77 crore) and Assam State Minor Irrigation Development Corporation Limited (₹ 14.32 crore). Heavy losses were incurred by Assam Power Distribution Company Limited (₹ 495.43 crore), Assam Electricity Grid Corporation Limited (₹ 54.12 crore), Assam Power Generation Corporation Limited (₹ 49.64 crore) and Assam State Transport Corporation (₹ 24.34 crore).

The losses are attributable to various deficiencies in the functioning of PSUs. A review of three years' Audit Reports of CAG shows that the State PSUs' losses of ₹ 1,831.01 crore and infructuous investments of ₹ 3.21 crore were controllable with better management.

Thus, with better management, losses can be minimised/profits can be enhanced substantially. The PSUs can discharge their role efficiently only if they are financially self-reliant. There is a need for professionalism and accountability in the functioning of PSUs.

Quality of accounts

The quality of account of PSUs needs to be improved. Out of 62 accounts (including six accounts of four Statutory corporations) finalised during October 2011 to September 2012, 54 accounts (including five accounts of four corporations) received qualified certificates and seven accounts (all companies) received disclaimers. The audit of one year accounts of one corporation was in progress. There were 145 instances of non-compliance with Accounting Standards in 22 accounts. Reports of Statutory Auditors on internal control of the companies indicated several weak areas.

Arrears in accounts and winding up

Thirty seven working PSUs had arrears of 322 accounts as of September 2012. The arrears ranged between 1 and 25 years. Government should monitor and ensure timely finalisation of accounts in conformity with the provisions of the Companies Act, 1956. As no purpose is served by keeping 10 non-working PSUs in existence, they need to be wound up quickly.

Placement of SARs

There was delay in placement of one SAR in the State Legislature, which was issued to Government in June 2012. This weakens legislative control over Statutory corporation and dilutes latter's financial accountability. The Government should ensure prompt placement of SARs in the State Legislature.

(Chapter-I)

2. Performance audit relating to Government company

Performance audit relating to Assam Electricity Grid Corporation Limited was conducted. Executive Summary of Audit findings is given below:

Assam Electricity Grid Corporation Limited (Company) incorporated on 22 October 2003 under the Companies Act 1956 was mandated to provide an efficient, adequate and properly coordinated transmission of energy. As on 31 March 2012, the Company had 48 substations (SSs) with installed capacity of 3,549.30 Mega Volt Ampere (MVA) and transmission lines of 4,633.36 Circuit Kilometers (CKM). The present performance audit was conducted to assess the economy, efficiency and effectiveness of the Company in operations as well as execution of its projects during the period from 2007-08 to 2011-12.

Capacity addition

Against the targeted capacity addition of SSs (2990 MVA) and TLs (1635.92 CKM) under 11th Five Year Plan (2007-12), the Company added SSs (1341 MVA) and TLs (456.25 CKM) during the plan period However, the entire capacity addition excepting augmentation of two SSs (43 MVA) was made by completing the spillover works of previous five year plans. As the execution of transmission projects was undertaken without synchronization with actual progress of execution of generating plans of generating companies, facilities so created remained underutilized.

Project Management

While implementing the projects, Company took excessive time in completing the preparatory works and other pre-award activities. Even after award of works, the execution of projects delayed due to various reasons, like changes in scope of work, drawings/designs, Right of Way problems, slow progress of works by contractors, etc.
As a result, the projects were completed with significant delays as against the scheduled dates of completion. Instances of mismatch were observed in creation of the infrastructure relating to SSs and TLs resulting in blockage of funds.

Performance of transmission system

The Company provided 30 capacitor banks having reactive energy of 205 MVAR at its 17 Grid SSs. During the period from April to May 2012, the State received ₹ 9.83 lakh as reactive energy compensation charges from the north-eastern pool of reactive energy accounts for maintaining the voltage stability. The Company was yet to establish any Hot Line Division/procure thermo-vision cameras for timely and effective maintenance of transmission system.

The transmission losses of the Company exceeded the norms prescribed by Assam Electricity Regulatory Commission (AERC) in all five years thereby causing aggregate energy loss of 121.64 MUs during 2007-08 to 2011-2012.

Grid management

As the functioning of the Remote Terminal Unit (RTU) system in providing the real time data was not satisfactory, State Load Dispatch Centre of the Company failed to exercise control function at the desired level to effectively maintain Grid discipline. North Eastern Regional Load Dispatch Centre imposed Unscheduled Interchange (UI) charges of ₹ 41.74 crore on state power distribution company during April 2010 to February 2012 due to drawal of power at low frequency level (below 49.50 Hz) in violation of grid discipline. This was also indicative of Company's failure in maintaining effective Grid management system.

Financial management

Increase in revenue of the Company was not commensurate with the increase in its expenditure resulting in losses per unit of energy transmitted in all the five years except in 2008-09 causing adverse impact on its financial position. The Company delayed filing of Annual Revenue Requirement for tariff revision. As a result, the effective date applicable for tariff hike was also delayed. The Company also did not claim the entitled incentives for providing weighted annual system availability as well as delayed payment surcharge from the power distribution company. This was indicative of lack of prudence in financial management.

Material Management

The Company had not formulated any procurement policy and inventory control mechanism for economical procurement and efficient control over inventory. Neither any system of ABC analysis nor the levels of minimum, reordering and maximum stock holdings were fixed.

Energy accounting and audit

In the absence of proper metering at the feeder ends, energy accounting as well as transmission loss data were unreliable. Though 309 interface boundary metering points were provided with Availability Based Tariff (ABT) meters for correct and accurate assessment of energy consumption, the ABT meters so installed were not functioning in 8 out of 15 test checked SSs. This was indicative of improper accounting of transmission loss.

Monitoring and Control

The functioning of RTUs/ABT systems installed for online data transfer to SLDC for monitoring of activities of SSs was not satisfactory. The flow of information under MIS introduced for effective monitoring of the SSs was also not regular and accurate. Besides, there was lack of proper follow up action on the discrepancies reported under MIS reports. Thus, the monitoring and control system of the Company needs to be strengthened.

(Chapter – II)

3. Transaction audit observations

Transaction audit observations included in the 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 ₹ 4.39 crore in three cases due to non-compliance with rules, directives, procedures and terms and conditions of the contracts.

(Paragraphs 3.2, 3.4 and 3.9)

Loss of ₹ 3.16 crore and doubtful recovery of dues of ₹ 18.73 crore in two cases due to non-safeguarding the financial interests of the organisation.

(Paragraphs 3.1 and 3.5)

Loss of ₹ 4.60 crore in two cases due to defective/deficient planning.

(Paragraphs 3.3 and 3.8)

Loss of ₹ 1.06 crore in two cases due to inadequate/deficient monitoring.

(Paragraphs 3.6 and 3.7)

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

Decision of **Assam Gas Company Limited** to supply gas beyond contractual period had resulted in doubtful recovery of dues of ₹ 18.73 crore besides loss of interest of ₹ 2.40 crore

(Paragraph 3.1)

Incorporation of clauses in the agreement by **Assam Gas Company Limited** in deviation with the existing policy led to loss of revenue of ₹ 3.07 crore.

(Paragraph 3.2)

Decision of **Assam Petrochemicals Limited** to defer the procurement process without approval of the Board resulted in loss of production of 16,034 MT of Methanol with consequent loss of revenue of ₹ 3.16 crore.

(Paragraph 3.5)

Non-revision of the gas transportation agreement by **Assam Petrochemicals Limited** in consonance with the gas supply agreement resulted in avoidable expenditure of ₹ 0.82 crore.

(Paragraph 3.6)

CHAPTER-I

1. Overview of State Public Sector Undertakings

Introduction

1.1 The State Public Sector Undertakings (PSUs) consist of State Government companies and Statutory corporations. The State PSUs are established to carry out activities of commercial nature while keeping in view the welfare of people. In Assam, the State PSUs occupy an important place in its economy. The working State PSUs registered a turnover of ₹ 2,879.21 crore for 2011-12 as per their latest finalised accounts as of September 2012. This turnover was equal to 2.49 *per cent* of State Gross Domestic Product (GDP) of ₹ 1,15,408 crore for 2011-12. Major activities of State PSUs are concentrated in the Power sector. The State working PSUs incurred a loss of ₹ 575.68 crore in aggregate for 2011-12 as per their latest finalised accounts as on 30 September 2012. They had employed 36,069[♣] employees as on 31 March 2012.

1.2 As on 31 March 2012, there were 51 PSUs as per the details given below. Of these, one Company[§] was listed on the stock exchange.

Type of PSUs	Working PSUs	Non-working PSUs[Ψ]	Total
Government companies	37**	10	47
Statutory corporations	04	-	04
Total	41	10	51

Audit Mandate

1.3 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 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.

♣ As per the details provided by 45 PSUs. Remaining six PSUs did not furnish the details and hence the manpower position for the previous year was taken wherever applicable.

§ Assam Petrochemicals Limited

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

**A new company i.e. Assam Minorities Development and Finance Corporation Limited added during the year (incorporated 27 February 1997 under section 25 of the Companies Act, 1956).

* There is no deemed Government Company under the purview of section 619 B of the Companies Act,1956 in Assam as on 30 September 2012.

1.4 The accounts of the State Government companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors, who are appointed by the Comptroller and Auditor General of India (CAG) as per the provisions of Section 619(2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by CAG as per the provisions of Section 619 of the Companies Act, 1956.

1.5 Audit of Statutory corporations is governed by their respective legislations. Out of four Statutory corporations in Assam, CAG is the sole auditor for Assam State Electricity Board and Assam State Transport Corporation. In respect of Assam State Warehousing Corporation and Assam Financial Corporation, the audit is conducted by Chartered Accountants and supplementary audit by CAG.

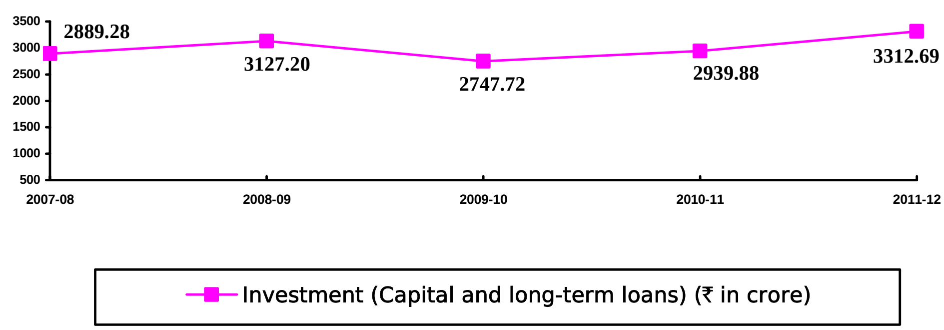
Investment in State PSUs

1.6 As on 31 March 2012, the investment (capital and long-term loans) in 51 PSUs was ₹ 3,312.69 crore as *per* details given below:

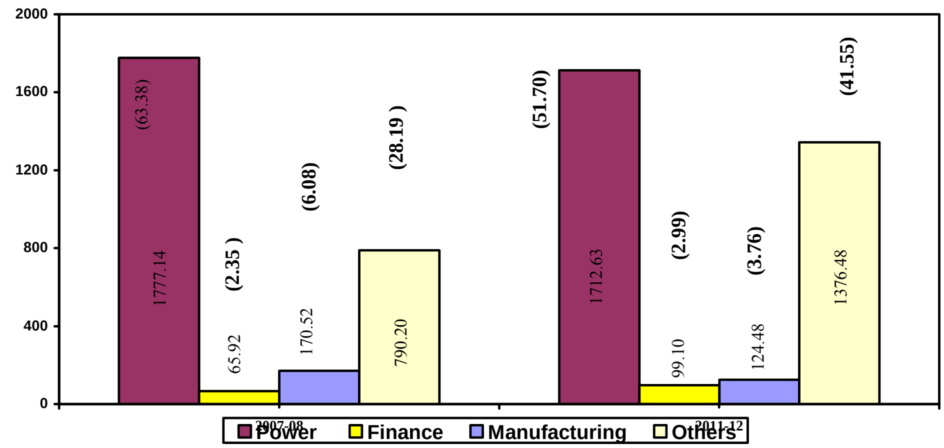
Type of PSUs	Government companies			Statutory corporations			Grand Total
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	
	(₹ in crore)						
Working PSUs	1258.32	1477.16	2735.48	522.58	14.00	536.58	3272.06
Non-working PSUs	26.70	13.93	40.63	-	-	-	40.63
Total	**1285.02**	**1491.09**	**2776.11**	**522.58**	**14.00**	**536.58**	**3312.69**

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

1.7 As on 31 March 2012, of the total investment in State PSUs, 98.77 *per cent* was in working PSUs and the remaining 1.23 *per cent* in non-working PSUs. This total investment consisted of 54.57 *per cent* towards capital and 45.43 *per cent* in long-term loans. The investment had grown up by 14.65 *per cent* from ₹ 2889.28 crore in 2007-08 to ₹ 3312.69 crore in 2011-12 as shown in the graph below:



1.8 The total investment in various important sectors and percentage thereof at the end of 31 March 2008 and 31 March 2012 are indicated below in the bar chart. As compared to the investment in 2007-08, investment in 2011-12 has increased in the finance (₹ 33.18 crore) and other sectors (₹ 586.67 crore) whereas investment in manufacturing and power sector has decreased by ₹ 46.04 crore and ₹ 64.51 crore respectively. Despite said decrease in the investment, the power sector remained the major sector of the State PSUs with 51.70 *per cent* of total investments in this sector.



(₹ in crore)
(Figures in brackets show the percentage of total investment)

Budgetary outgo, grants/subsidies, guarantees and loans

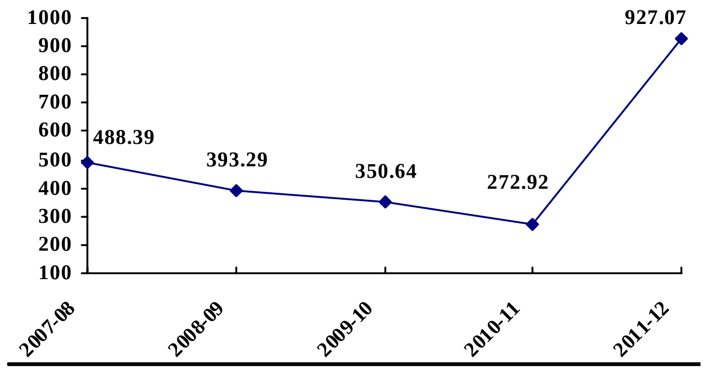
1.9 The details regarding budgetary outgo towards equity, loans, grants/ subsidies, guarantee commitment and loans written off in respect of State PSUs are given in ***Annexure 3***. The summarised details for three years ended 2011-12 are given below:

(Amount ₹ in crore)

Sl. No.	Particulars	2009-10		2010-11		2011-12	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity Capital outgo from budget	-	-	2	39.54	3	86.17
2.	Loans given from budget	8	220.98	6	152.06	2	316.58
3.	Grants/Subsidy	8	129.66	12	81.32	13	524.32
4.	Total Outgo (1+2+3) *	13	350.64	17	272.92	14	927.07
5.	Loans written off	6	155.79	-	-	1	3.77
6.	Interest/Penal Interest written off	-	-	-	-	1	2.43
7.	Total Waiver	6	155.79	-	-	1	6.20
8.	Guarantee Commitment	3	46.93	4	45.53	3	38.90

* Actual number of companies, which received equity, loans, grants/subsidies from the State Government.

1.10 The details regarding budgetary outgo towards equity, loans and grants/subsidies for past five years are given in a graph below:



Budgetary outgo towards Equity, Loans and Grants/Subsidies
(₹ in crore)

It may be observed that the budgetary outgo to the state PSUs in the form of equity, loans, grants/subsidies, etc. gradually decreased from ₹ 488.39 crore (2007-08) to ₹ 272.92 crore (2010-11). The budgetary outgo, however, increased significantly to ₹ 927.07 crore in 2011-12 mainly due to extension of loan (₹ 315.09 crore) and grants (₹ 454.79 crore) by the State Government to three State power sector PSUs during the year.

1.11 The amount of Guarantees outstanding had also decreased from ₹ 46.93 crore (2009-10) to ₹ 38.90 crore (2011-12).

Reconciliation with Finance Accounts

1.12 The figures in respect of equity, loans and guarantees outstanding as per records of State PSUs should agree with that of the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of differences. The position in this regard as at 31 March 2012 is stated below:

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
	(₹ in crore)		
Equity	2062.12[†]	1626.41	435.71
Loans	69.14[Ψ]	961.24	892.10
Guarantees	134.52[µ]	38.90	95.62

[†] Amount outstanding against equity was for 29 PSUs.
Ψ In absence of company wise details of loans distributed in finance accounts, figures appeared under the major head Loans to Public Sector and other Undertakings has been taken into account.
µ Amount shown against guarantee outstanding was against six PSUs.

1.13 Audit observed that the differences existed in respect of all the 51 PSUs. Some of the differences were pending reconciliation since 1986-87. The Principal Accountant General (PAG) had also written (June 2011 and May 2012) to the Chief Secretary, Principal Secretaries to Government of Assam (GoA), Public Enterprise Department (GoA) and to the concerned State PSUs highlighting the issue of long pending differences for early reconciliation. No significant progress was, however, noticed in this direction. The Government and the PSUs should take concrete steps to reconcile the differences in a time bound manner.

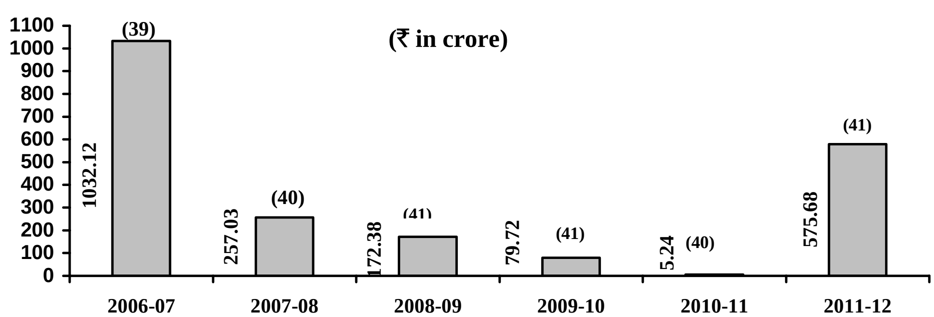
Performance of PSUs

1.14 The financial results of PSUs, financial position and working results of working Statutory corporations as per their latest finalised accounts as on 30 September 2012 are detailed in ***Annexure 2, 5 and 6*** respectively. A ratio of working State PSU turnover to State GDP shows the extent of PSU activities in the State economy. Table below provides the details of working PSU turnover and State GDP for the period 2006-07 to 2011-12.

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	(₹ in crore)					
Turnover[∝]	1,153.83	2,036.24	2,766.90	3,519.57	2,644.44	2879.21
State GDP	65,033	72,700	77,506	88,023	1,04,218	1,15,408
Percentage of Turnover to State GDP	1.77	2.80	3.57	4.00	2.54	2.49

The State GDP showed continuous growth during the years from 2006-07 to 2011-12. The turnover of State working PSUs correspondingly showed an increasing trend during the period except during the year 2010-11 and 2011-12. As a result, the percentage of the turnover to State GDP increased upto the year 2009-10 from 1.77 *per cent* (2006-07) to 4 *per cent* (2009-10) and reduced thereafter to 2.49 *per cent* during 2011-12.

1.15 Profits earned/losses incurred by State working PSUs during 2006-07 to 2011-12 are given below in a bar chart.



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

Overall Losses incurred by working PSUs as per their latest finalised accounts.

Overall profits earned by working PSUs as per their latest finalised accounts.

∝ Turnover of working PSUs as per the latest finalised accounts as of 30 September 2012.

The overall losses of the State working PSUs showed decreasing trend since 2006-07 and turned into profit of ₹ 5.24 crore during 2010-11. This improvement was mainly because of decrease in overall losses of the power sector from ₹ 1,011.28 crore in 2006-07 to ₹ 11.33 crore in 2010-11. The overall working result of the State working PSUs had again shown losses of ₹ 575.68 crore during 2011-12 mainly due to losses of ₹ 599.19 crore incurred by three power sector companies. During the year 2011-12, out of 41 working PSUs, 15 PSUs earned profit of ₹ 78.57 crore and 22 PSUs incurred loss of ₹ 654.25 crore. Further, out of remaining four State PSUs, two PSUs[‡] have not started commercial activities, while one company[§] had not finalised its first accounts. One PSU[**] had shown no profit/loss in its latest finalised accounts as its activities were transferred to newly formed companies. The major contributors to profit were Assam Gas Company Limited (₹ 49.77 crore) and Assam State Minor Irrigation Corporation Limited (₹ 14.32 crore). Heavy losses were incurred by Assam Power Distribution Company Limited (₹ 495.43 crore), Assam Electricity Grid Corporation Limited (₹ 54.12 crore), Assam Power Generation Corporation Limited (₹ 49.64 crore) and Assam State Transport Corporation (₹ 24.34 crore).

1.16 The losses of PSUs were mainly attributable to deficiencies in financial management, planning, implementation of project, running their operations, and monitoring. A review of latest Audit Reports of CAG shows that the State PSUs incurred losses to the tune of ₹ 1,831.01 crore and infructuous investment of ₹ 3.21 crore which were controllable with better management. Year-wise details from Audit Reports are stated below:

Particulars	**2009-10**	**2010-11**	**2011-12**	**Total**
	(₹ in crore)			
Net loss (-)/ Net Profit	(-)79.72	5.24	(-)575.68	(-)650.16
Controllable losses as per C&AG's Audit Report	976.42	666.40	188.19	1831.01
Infructuous Investment	-	3.21	-	3.21

1.17 The above losses pointed out by the Audit Reports of CAG are based on test check of records of PSUs. The actual controllable losses might be much more. With better management, losses can be minimized (or eliminated or the profits can 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.

[‡] Assam Powerloom Development Corporation Limited and Pragjyotish Fertilisers and Chemicals Limited (Sl. No. A-17 and 29 of ***Annexure-2***)

[§] Assam Minorities Development and Finance Corporation Limited (Sl. No. A-10 of ***Annexure-2***)

[**] Assam State Electricity Board (ASEB)

1.18 Some other key parameters pertaining to State PSUs are given below:

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
	(₹ in crore)					
Return on Capital Employed (*Per cent*)	(-) 64.80	(-) 5.94	(-) 2.11	(+) 2.82	(+) 2.97	(-)7.43
Debt	1421.16	1579.94	1554.31	1433.45	1217.87	1505.09
Turnover[ϒ]	1153.83	2036.24	2766.90	3519.57	2644.44	2879.21
Debt/ Turnover Ratio	1.23:1	0.78:1	0.56:1	0.41:1	0.46:1	0.52:1
Interest Payments	101.55	111.48	112.84	201.81	105.13	166.49
Accumulated losses (-)	(-) 6485.11	(-) 1122.44[⊕]	(-) 1102.85	(-)1278.52	(-)1091.09	(-)2248.10

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

1.19 From the table, it may be noticed that the percentage of returns on capital employed continuously improved till 2010-11 when it reached (+) 2.97 *per cent.* The percentage of returns, however, deteriorated to (-) 7.43 *per cent* during 2011-12. This was mainly due to variations in the working results of the State power sector PSUs during the corresponding periods. It could also been seen from the above table that the accumulated losses have significantly reduced from ₹ 6,485.11 crore (2006-07) to ₹ 2,248.10 crore (2011-12).

The debt turnover ratio had improved gradually from 1.23:1 in 2006-07 to 0.41:1 in 2009-10 but increased thereafter and reached to 0.52:1(2011-12) due to increase in debt by ₹ 287.22 crore during 2011-12.

1.20 The matter regarding the payment of minimum dividend by the State PSUs and the policy of the GoA in this regard had been taken up with the Secretary of Finance Department and the Principal Secretary and Commissioner of Public Enterprises Department of the GoA. No response was, however, received from these Departments on the issue. As per their latest finalised accounts as on 30 September 2012, 15 working PSUs earned an aggregate profit of ₹ 78.57 crore and only one[*] PSU declared dividend of ₹ 1.27 crore.

Arrears in finalisation of accounts

Working State Government PSUs

1.21 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 Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956.

ϒ Turnover of working PSUs as per the latest finalised accounts as of 30 September 2012.

⊕ Decrease in accumulated loss in 2007-08 compared to 2006-07 was mainly due to financial restructuring of ASEB.

* Assam Gas Company Ltd.

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 2012.

Sl. No.	Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
1.	Number of Working PSUs	40	41	39[♣]	40	41
2.	Number of accounts finalised during the year	43	36	51	57	62
3.	Number of accounts in arrears	352	357	345	328	322[††]
4.	Average arrears *per* PSU (3 ÷1)	8.80	8.71	8.85	8.20	7.85
5.	Number of Working PSUs with arrears in accounts	39	41	38	39	37
6.	Extent of arrears	1 to 23 years	1 to 24 years	1 to 25 years	1 to 24 years	1 to 25 years

1.22 It could be seen from the above table that average arrear per PSU has decreased from 8.80 in 2007-08 to 7.85 in 2011-12. It was mainly due to continuous increase in the number of accounts finalised each year during 2007-08 (43 accounts) to 2011-12 (62 accounts). There were, however, still arrears of 322 accounts of 37 PSUs as on 30 September 2012. Thus, concrete steps should be taken by the companies for preparation of accounts as per the statutory requirements with special focus on clearance of arrears in time bound manner.

Non-working State Government PSUs

1.23 In addition to above, there was also arrears in finalisation of accounts by non-working PSUs. None of the 10 non-working PSUs (all companies), has started the process of liquidation. The 10 non-working PSUs had arrears of accounts ranging from 1 to 29 years.

1.24 The State Government had invested ₹ 875.17 crore (Equity: ₹ 93.30 crore, loans: ₹ 174.73 crore, grants: ₹ 607.14 crore) in 17 PSUs during the years for which accounts have not been finalised as detailed in ***Annexure 4***. Delay in finalisation of accounts may also result in risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 1956.

1.25 The administrative departments of the State Government have the responsibility to oversee the activities of these entities and to ensure that the

[♣] Three companies have merged into one company in 2009-10 and hence the total number of companies has reduced by two in comparison to the previous year 2008-09.
[††] This includes 15 arrear accounts of newly added Company i.e. Assam Minorities Development and Finance Corporation Limited.

accounts are finalised and adopted by these PSUs within the prescribed period. Though the concerned administrative departments and officials of the Government were informed every quarter by the Audit, regarding the arrears in finalisation of accounts, no remedial measures were taken. As a result of this the net worth of these PSUs could not be assessed in audit. The matter of arrears in accounts was also taken up (December 2011/May 2012) with the Chief Secretary, Government of Assam for clearing the backlog of arrears in accounts in a time bound manner, no significant development was, however, noticed in this direction.

1.26 **In view of above state of arrears it is recommended that the Government should monitor and ensure timely finalisation of accounts in conformity with the provisions of the Companies Act, 1956.**

Winding up of non-working PSUs

1.27 There were 10 non-working PSUs (all companies) as on 31 March 2012. The non-working PSUs are required to be closed down, as their existence is not going to serve any purpose. During 2011-12, four non-working PSUs incurred expenditure of ₹ 0.22 crore towards establishment expenditure. This expenditure was financed by the State Government. Information of expenditure in respect of remaining six PSUs was not furnished to Audit.

Accounts Comments and Internal Audit

1.28 Twenty five working companies forwarded their 56 audited accounts to PAG during the period October 2011 to September 2012. Of these, 43 accounts were selected for supplementary audit and audit of 39 accounts was completed while audit of remaining four accounts was in progress (October 2012). The audit reports of Statutory Auditors appointed by CAG and the supplementary audit of CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of statutory auditors and CAG are given below:

(Amount ₹ in crore)

Sl. No.	Particulars	2009-10		2010-11		2011-12	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	2	16.01	3	41.30	9	6.01
2.	Increase in loss	7	31.31	13	11.12	15	174.41
3.	Non-disclosure of material facts	--	--	3	11.20	--	--
4.	Errors of classification	10	23.75	7	49.40	6	16.76
	Total	**-**	**71.07**	**-**	**113.02**	**-**	**197.18**

1.29 During the year, the statutory auditors had given qualified certificates for 49 accounts and disclaimer (meaning the auditors are unable to form an opinion on accounts) has been given in respect of seven accounts in respect of working Government companies. The compliance of companies with the

Accounting Standards remained poor as there were 145 instances of non-compliance in 22 accounts during the year.

1.30 Gist of some of the important comments in respect of accounts of companies is stated below:

Assam Electricity Grid Corporation Limited (2010-11)

Liability against interest accrued and due on Government Loan amounting to ₹ 6.63 crore during the year 2010-11 was not accounted resulting in understatement of loss for the year to that extent.

Assam Petrochemicals Limited (2010-11)

(i) The Company provided a liability of ₹ 0.52 crore towards Gratuity Cash Accumulation Fund as against the actual liability of ₹ 4.64 crore. This resulted in understatement of provisions as well as the loss for the year by ₹ 4.12 crore each.

(ii) As against actuarial valuation of Group Leave Encashment liabilities of ₹ 1.84 crore, the Company provided only ₹ 0.81 crore resulting in understatement of Current liabilities as well as loss for the year by ₹ 1.03 crore each.

Assam Power Generation Corporation Limited (2010-11)

(i) During 2010-11, Company did not account for the efficiency incentive of 25 paisa per unit receivable by it. This has resulted in understatement of receivable as well as profit for the year by ₹ 6.24 crore each.

(ii) Short accounting of income by the Company against accrued interest (₹ 3.68 crore) on Fixed Deposits resulted in understatement of profit for the year to the same extent.

Assam Power Distribution Company Limited (2009-10)

The Company did not recognise supplementary power purchase bills amounting to ₹ 107 crore claimed by different parties for the year 2009-10 which was inconsistent with AS-4 resulting in understatement of loss as well as Current Liabilities by ₹ 107 crore each.

Assam Police Housing Corporation Limited (2007-08)

The Company did not account for commission at the rate of 12 *per cent* on completed works of ₹ 22.25 crore during the year. This correspondingly resulted in understatement of profit for the year by ₹ 2.67 crore.

1.31 Similarly, four[Φ] working Statutory corporations forwarded six accounts to PAG during the period from October 2011 to September 2012. Of these, three accounts of two Statutory corporations pertained to sole audit by

[Φ] Sl. No.B-1,2,3 and 4 of ***Annexure-2.***

CAG, which was completed. Remaining three accounts of other two corporations were selected for supplementary audit and audit of two accounts was completed (September 2012). The audit reports of Statutory Auditors and the sole/ supplementary audit of CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of statutory auditors and CAG are given below:

(Amount ₹ in crore)

Sl. No.	Particulars	2009-10		2010-11		2011-12	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	1	10.56	-	-	-	-
2.	Increase in loss	3	16.02	2	15.99	2	16.62
3.	Non-disclosure of material facts	-	-	1	4.08	-	-
4.	Errors of Classification	2	33.33	-	-	-	-
Total		**-**	**59.91**	**-**	**20.07**	**-**	**16.62**

1.32 During the year, all three accounts of two Statutory corporations for which CAG is the sole auditor as well as two accounts of two Statutory corporations for which the CAG conducts supplementary audit were issued qualified certificates.

1.33 Some of the important comments in respect of the accounts of Statutory corporations are stated below:

Assam State Transport Corporation (2009-10)

While reconciling ONGC's balances, an amount of ₹ 0.55 crore was accounted twice by the Company as receivable from ONGC. This resulted in overstatement of Sundry Debtors with corresponding understatement of Loss by ₹ 0.55 crore each.

Assam Financial Corporation (2010-11)

The Corporation received a sum of ₹ 74.26 crore received from GoA as guarantee money for redemption of SLR Bond and accounted the same as revenue income in violation of the provisions of the SFC Act, 1951. The amount so received by the Corporation should have been prudently accounted as 'Capital Reserve'.

1.34 The Statutory Auditors (Chartered Accountants) are required to furnish a detailed report on various aspects including internal control/ internal audit systems in the companies audited in accordance with the directions issued by the CAG 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 15 companies[µ] for the year 2011-12 are given in the table 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.	Absence of internal Control system commensurate with the nature and size of business of the company	5	A-1, 3, 25, 36 and C-7
2.	Absence of internal audit system commensurate with the nature and size of business of the company	12	A-2, 3, 12, 13, 16, 18, 22, 23, 31, 32, 33 and 36
3.	Non-maintenance of cost record	2	A-13 and 32
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	11	A-1, 2, 3, 13, 16, 18, 22, 23, 31, 33 and C-7

Recoveries at the instance of audit

1.35 During the course of transaction audit in 2011-12, recoveries of ₹ 0.80 crore were pointed out to the Management of various PSUs, which were admitted by PSUs. An amount of ₹ 0.42 crore was recovered during the year 2011-12.

Status of placement of Separate Audit Reports

1.36 The following table shows the status of placement of various Separate Audit Reports (SARs) issued by the CAG 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.	Assam State Transport Corporation	2008-09	2009-10	29 June 2012	Delay in printing of Annual Report.

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

Disinvestment, Privatisation and Restructuring of PSUs

1.37 The audit is not aware of any disinvestment or privatisation programme in any of the State PSUs.

[µ] Serial No. A-1, 2, 3, 12, 13, 16, 18, 22, 23, 25, 31, 32, 33, 36 and C-7 of ***Annexure 2***

Reforms in Power Sector

1.38 The State has Assam Electricity Regulatory Commission (AERC) formed in August 2001 under Section 17 of 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 the year 2011-12, AERC issued two tariff orders of which one relates to private projects.

1.39 Memorandum of Understanding (MoU) was signed in March 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 as shown below:

Sl. No.	Milestone	Achievement as at March 2012
1.	Reduction of Transmission and Distribution losses to 22 *per cent*	29.72 *per cent*
2.	100 *per cent* electrification of all villages	93.83 *per cent*
3.	100 *per cent* metering of all Distribution Feeder	Target achieved in 2007-08
4.	100 *per cent* metering of all consumers	99.70 *per cent* consumers are metered.
5.	Securitisation of outstanding dues of Central Public Sector Undertakings	Done in 2004–05
6.	Online computerized billing in all major towns	Pilot project of Nagaon District under progress and expected to be completed by January 2013.
7.	To bring down the level of ASEB's receivable to 60 days billing	ASEB's receivables were equivalent to 82 days billing.

From the table above, it may be noticed that even after lapse of more than 12 years of signing the MoU, the milestones set under the power sector reforms programme could not be fully achieved in five out of seven identified areas.

CHAPTER-II

2. Performance Audit relating to Government company

Assam Electricity Grid Corporation Limited

Performance Audit on the working of Assam Electricity Grid Corporation Limited

Executive Summary

Assam Electricity Grid Corporation Limited (Company) incorporated on 22 October 2003 under the Companies Act 1956 was mandated to provide an efficient, adequate and properly co-ordinated transmission of energy. As on 31 March 2012, the Company had 48 substations (SSs) with installed capacity of 3,549.30 Mega Volt Ampere (MVA) and transmission lines of 4,633.36 Circuit Kilometers (CKM). The present performance audit was conducted to assess the economy, efficiency and effectiveness of the Company in operations as well as execution of its projects during the period from 2007-08 to 2011-12.

Capacity addition

Against the targeted capacity addition of SSs (2990 MVA) and TLs (1635.92 CKM) under 11th Five Year Plan (2007-12), the Company added SSs (1341 MVA) and TLs (456.25 CKM) during the plan period. However, the entire capacity addition excepting augmentation of two SSs (43 MVA) was made by completing the spillover works of previous five year plans. As the execution of transmission projects was undertaken without synchronization with actual progress of execution of generating plans of generating companies, facilities so created remained underutilized.

Project Management

While implementing the projects, Company took excessive time in completing the preparatory works and other pre-award activities. Even after award of works, the execution of projects delayed due to various reasons like, changes in scope of work, drawings/designs, Right of Way problems, slow progress of works by contractors, etc.

As a result, the projects were completed with significant delays as against the scheduled dates of completion. Instances of mismatch were observed in creation of the infrastructure relating to SSs and TLs resulting in blockage of funds.

Performance of transmission system

The Company provided 30 capacitor banks having reactive energy of 205 MVAR at its 17 Grid SSs. During the period from April to May 2012, the State received ₹ 9.83 lakh as reactive energy compensation charges from the north-eastern pool of reactive energy accounts for maintaining the voltage stability. The Company was yet to establish any Hot Line Division/procure thermo-vision cameras for timely and effective maintenance of transmission system.

The transmission losses of the Company exceeded the norms prescribed by Assam Electricity Regulatory Commission (AERC) in all five years thereby causing aggregate energy loss of 121.64 MUs during 2007-08 to 2011-2012.

Grid management

As the functioning of the Remote Terminal Unit (RTU) system in providing the real time data was not satisfactory, State Load Dispatch Centre of the Company failed to exercise control function at the desired level to effectively maintain Grid discipline. North Eastern Regional Load Dispatch Centre imposed Unscheduled Interchange (UI) charges of ₹ 41.74 crore on state power distribution

company during April 2010 to February 2012 due to drawal of power at low frequency level (below 49.50 Hz) in violation of grid discipline. This was also indicative of Company's failure in maintaining effective Grid management system.

Financial management

Increase in revenue of the Company was not commensurate with the increase in its expenditure resulting in losses per unit of energy transmitted in all the five years except in 2008-09 causing adverse impact on its financial position. The Company delayed filing of Annual Revenue Requirement for tariff revision. As a result, the effective date applicable for tariff hike was also delayed. The Company also did not claim the entitled incentives for providing weighted annual system availability as well as delayed payment surcharge from the power distribution company. This was indicative of lack of prudence in financial management.

Material Management

The Company had not formulated any procurement policy and inventory control mechanism for economical procurement and efficient control over inventory. Neither any system of ABC analysis nor the levels of minimum, reordering and maximum stock holdings were fixed.

Energy accounting and audit

In the absence of proper metering at the feeder ends, energy accounting as well as transmission loss data were unreliable. Though 309 interface boundary metering points were provided with Availability Based Tariff (ABT) meters for correct and accurate assessment of energy consumption, the ABT meters so installed were not functioning in 8 out of 15 test checked SSs. This was indicative of improper accounting of transmission loss.

Monitoring and Control

The functioning of RTUs/ABT systems installed for online data transfer to SLDC for monitoring of activities of SSs was not satisfactory. The flow of information under MIS introduced for effective monitoring of the SSs was also not regular and accurate. Besides, there was lack of proper follow up action on the discrepancies reported under MIS reports. Thus, the monitoring and control system of the Company needs to be strengthened.

Introduction

2.1 With a view to supply reliable and quality power to all by 2012, the Government of India (GoI) prepared the National Electricity Policy (NEP) in February 2005 which stated that *the transmission system required adequate and timely investment besides efficient and coordinated action to develop a robust and integrated power system for the country*. It also, *inter-alia* recognised the need for development of National and State Grid with the co-ordination of Central/State Transmission Utilities (CTUs/STUs). Transmission of electricity and Grid operations in Assam are managed and controlled by Assam Electricity Grid Corporation Limited (Company) which is mandated to provide an efficient, adequate and properly coordinated Grid management and transmission of energy. Prior to October 2003, the activities of generation, transmission and distribution were carried out by Assam State Electricity Board (ASEB). However, after incorporation (22 October 2003) of the Company the activities relating to transmission of power were entrusted to it.

2.1.1 The Management of the Company is vested with a Board of Directors comprising not less than six members and not more than nine members appointed by the Government of Assam (GoA). The day-to-day operations are carried out by the Managing Director (MD) who is the Chief Executive of the

Company with the assistance of Chief General Manager (CGM), Transformation and Transmission (T&T), CGM, State Load Despatch Centre (SLDC), CGM (Finance & Accounts) and Company Secretary.

During 2007-08, 3,970 million units (MUs) of energy were transmitted by the Company which increased to 5,747.69 MUs in 2011-12, *i.e*. an increase of 44.78 *per cent* during 2007-12. As on 31 March 2012, the Company had transmission lines (TLs) network of 4,633.36 circuit kilometres (Ckm) and 48 sub-stations (SSs) with installed capacity of 3,549.30 Mega Volt Ampere (MVA), capable of annually transmitting 17,195.05 MUs[1] at 132 Kilo Voltage (kV) and 66 kV. The turnover of the Company was ₹ 391.14 crore in 2011-12, which was equal to 0.34 *per cent* State Gross Domestic Product (₹ 1,15,408 crore). It employed 1841 employees as on 31 March 2012.

Scope of Audit

2.2 The present Performance Audit conducted during January to June 2012 covers performance of the Company during 2007-08 to 2011-12. Audit examination involved scrutiny of records of different wings at the Company's head office, SLDC and 15 out of 48 Grid SSs as well as 34 TLs (out of 97 TLs) relating to these SSs under the seven T&T circles headed by Deputy General Managers. These T&T circles were grouped under two Zones (Upper Assam and Lower Assam zone), headed by General Managers. The sample selection for assessing the operational performance of the Company was made after considering the geographic location as well as the load handled by each SS.

Further, Company completed projects relating to 19 new SSs (capacity: 631 MVA), 13 new TLs (456.25 Ckm) and capacity augmentation of existing 25 SSs (710 MVA) under various schemes during 2007-12. Out of the above mentioned works, projects relating to construction of 15 new SSs (517 MVA), 12 new TLs (429.83 Ckm) and augmentation of 16 existing SSs (558.50 MVA) were selected for examining the project management related issues. The sample selection was made based on the contract value of the projects.

Audit Objectives

2.3 The objectives of the performance audit were to assess whether:

- Perspective Plan was prepared in accordance with the guidelines of the National Electricity Policy/Plan and State Electricity Regulatory Commission and assessment of impact of failure to plan, if any;
- The transmission system was developed and commissioned in an economical, efficient and effective manner;
- Operation and maintenance of transmission system was carried out in an economical, efficient and effective manner;

[1] 2309.30x0.85x24x365 =17195.05 MUs

- Effective failure analysis system was set up;
- Disaster Management System was set up to safeguard Company's operations against unforeseen disruptions;
- Effective and efficient Financial Management system existed with emphasis on timely raising and collection of bills and filing of Annual Revenue Requirement (ARR) for tariff revision in time;
- Efficient and effective system of procurement of material and inventory control mechanism were in place;
- Efficient and effective energy conservation measures were undertaken in line with the NEP and establishment of Energy Audit System; and
- There is a monitoring system in place to review completed/ongoing projects, take corrective measures to overcome deficiencies identified and respond promptly and adequately to Audit/Internal Audit observations.

Audit Criteria

2.4 The audit criteria for assessing the achievement of the audit objectives were derived from the following sources:

- Provisions of NEP/Plan and National Tariff Policy;
- Perspective Plan and Project Reports of the Company;
- Standard procedures for award of contracts with reference to principles of economy, efficiency, effectiveness, equity and ethics;
- ARR filed with AERC for tariff fixation, Circulars, Manuals and MIS reports;
- Manual of Transmission Planning Criteria (MTPC);
- Code of Technical Interface (CTI)/Grid Code consisting of planning, operation, connection codes;
- Directions from Government of Assam (GoA)/Ministry of Power (MoP);
- Norms/Guidelines issued by AERC/CEA;
- Report of the Committee constituted by the MoP recommending the "Best Practices in Transmission";
- Report of the Task force constituted by the MoP to analyse critical elements in transmission project implementation; and
- Reports of North-Eastern Regional Power Committee (NERPC)/North-Eastern Regional Load Dispatch Centre (NERLDC).

Audit Methodology

2.5 Audit followed the following mix of methodologies:

- Review of Agenda notes and minutes of Company/Board, annual reports, accounts and regional energy accounts (REA);
- Scrutiny of loan files, physical and financial progress reports;
- Analysis of data from annual budgets and physical as well as financial progress with completion reports;
- Scrutiny of records relating to project execution, procurement receipt of funds and expenditure; and
- Interaction with the Management during entry and exit conferences.

The above methodology was adopted for attaining audit objectives with reference to audit criteria consisted of explaining audit objectives to top management, scrutiny of records at Company's head office and selected units, interaction with the personnel of the audited entity, analysis of data with reference to audit criteria, raising of audit queries, discussion of audit findings with the Management and issue of draft report to the Management/GoA for comments.

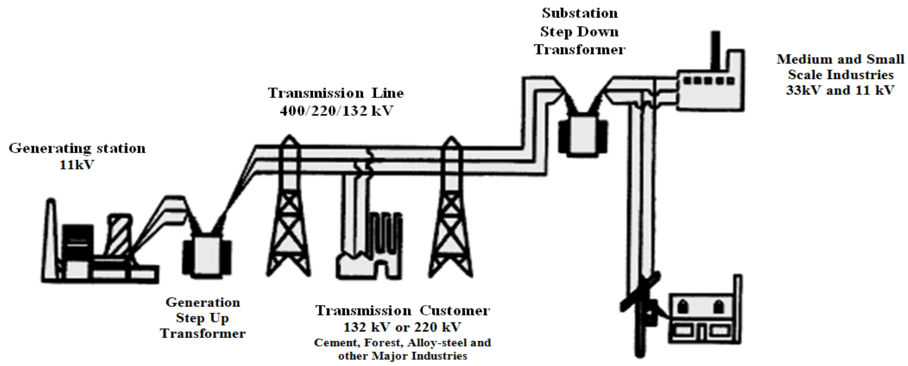
Brief description of transmission process

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

Transmission Lines (TLs) carry high voltage electric power. The step-down transmission SSs thereafter decrease voltages to sub-transmission voltage levels for distribution to consumers. The distribution system includes lines, poles, transformers and other equipment needed to deliver electricity at specific voltages.

Electrical energy cannot be stored; hence, generation must be matched to need. Therefore, every transmission system requires a sophisticated system of control for effective Grid management to ensure balancing of power generation closely with demand. A pictorial representation of the transmission process is given in the ***Diagram 1***.

Diagram-1



Audit Findings

2.7 Audit objectives were explained to the Company during an 'Entry Conference' held on 3 February 2012. Subsequently, audit findings were reported (August 2012) to the Company and GoA and were also discussed in an 'Exit Conference' held on 14 September 2012. The Exit Conference was attended by the Secretary, Power Department, Government of Assam and Chief General Manager (T&T) of the Company. The Company/GoA, however, were yet to provide written replies to audit findings (November 2012). The views of the GoA and the Management expressed in the Exit Conference have been taken into consideration while finalising the performance audit. The audit findings are discussed in succeeding paragraphs.

Planning and Development

National Electricity Policy/Plan

2.8 The Central Transmission Utilities (CTUs) and State Transmission Utilities (STUs) have the key responsibility of network planning and development based on National Electricity Plan (NEP) in coordination with all concerned agencies. At the end of 10th Plan (March 2007), the transmission system in the country at 765/HVDC/400/230/220/ kV stood at 1.98 lakh Ckm of TLs which was planned to be increased to 2.93 lakh Ckm by end of 11th Plan *i.e*. March 2012. The NEP assessed the total inter-regional transmission capacity at the end of 2006-07 as 14,100 mega watt (MW) and further planned to add 23,600 MW in 11th plan thus, bringing the total inter-regional capacity to 37,700 MW.

STU is responsible for planning and development of intra-state transmission system.

Similarly, STU is responsible for planning and development of the intra-state transmission system. Assessment of demand is an important pre-requisite for planning capacity addition. The transmission network of the Company at the beginning of 2007-08 consisted of 29 Extra High

Tension (EHT) SSs with a transmission capacity of 2,208.30 MVA and 4,177.11 Ckm of EHT TLs. The transmission network as on 31 March 2012 consisted of 48 EHT SSs with a transformation[2] capacity of 3,549.30 MVA[3] and 4,633.36 Ckm of EHT TLs.

The Company prepared 11th Five Year Project Plan for the years from 2007-08 to 2011-12 based on the future load growth as anticipated after studying the load demand conditions, as well as the 16th and 17th Electric Power Survey Reports prepared by CEA and the power generation potentiality of the North Eastern Region. Under the 11th Five Year Plan, Company proposed construction of 26 new TLs and 17 new SSs along with augmentation of four existing SSs. The Company proposed to execute these projects phase-wise on yearly basis considering the urgency involved for each project. Accordingly, the required project costs were incorporated in the annual budget of the corresponding year for GoA's approval.

As on May 2007 the total power flow from Assam Power Generation Corporation Limited (APGCL) and GoA's share from the Central Generating stations (CGS) was 788.95 MW. The Company had assessed the net power availability from APGCL and CGS of 2,426.15 MW (788.95 + 1637.20 MW) by the end of March 2012 taking into consideration the completion schedule of the power generation projects as given in ***Table 1.***

Table 1

Sl. No	Name of the Project	Power generation potential (MW)	Status of completion	Implementing Agency
1.	Karbi Langpi Hydro Electric Project	100	Completed in 2007-08	APGCL
2.	LTPS Waste Heat Recovery Project	37.20	Completed in January 2012	APGCL
3.	OTPC Palatana	100	Commissioned in September 2012.	OTPC
4.	Bongaigaon Thermal Power Project	200	Original Target July 2011, Revised target March 2013	NTPC
5.	Kamang Hydro Electric Project	300	NA	NEEPCO
6.	Amguri CCGT	100	To be completed by 12th Five Year Plan	APGCL
7.	Subansiri Hydro Electric Project	600	To be completed by December 2016	NHPC
8.	Namrup Thermal Power Project	200	1st Phase of 100 MW scheduled to be completed by August 2012 is still in progress.	APGCL
Total		**1637.20**		

[2] It is the capacity of a substation to step up/step down the voltage level of power
[3] Includes transformation capacity in respect of 220 kV transformers (1,240 MVA) as well as 132 kV and 66 kV transformers (2,309.30 MVA)

Audit scrutiny revealed that as against total eight projects of 1637.20 MW considered by the Company to assess the net power availability at the end of 11th Five Year Plan, only two[4] generation projects of 137.2 MW capacity were completed/commissioned at the end of March 2012. It was further observed that out of six incomplete generation projects, two projects[5] (700 MW) were scheduled to be commissioned by the end of 12th Five Year Plan only.

The Company had transformation capacity of 1962.91 MW against actual requirement of 1204 MW as on March 2012.

During the 11th Five Year Plan period (2007-12), the Company added 1,341 MVA (1,139.85 MW) transformation capacity against the overall actual requirement of 1,204 MW[6]. Thus, the Company had a transformation capacity of 1,962.91[7] MW at the end of March 2012 indicating an excess of 758.91 MW (1,962.91 – 1,204 MW) of handling capacity. The Company did not revise infrastructure development plans to match the rescheduled dates of commissioning of the related generation plants resulting in under-utilisation of the transmission infrastructure.

Transmission network and its growth

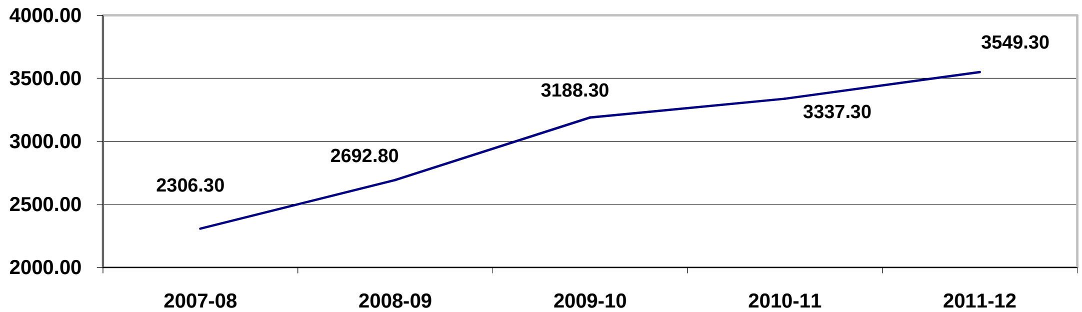
2.8.1 The transmission capacity of the Company at EHT level during 2007-08 to 2011-12 is given in ***Table 2***.

Table 2

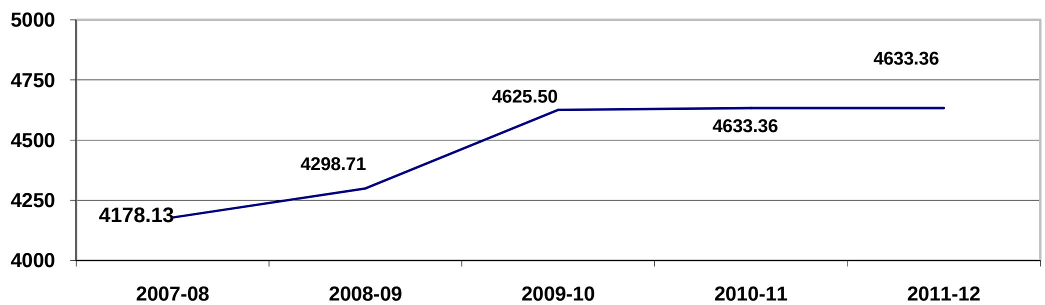
Sl. No	Description	2007-08	2008-09	2009-10	2010-11	2011-12	Total
A.	**Number of Sub-stations (Numbers)**						
1	At the beginning of the year	29	29	34	43	44	-
2	Additions planned for the year	-	-	9	-	8	17
3	Added during the year	0	5	9	1	4	19
4	At the end of the year (1+3)	29	34	43	44	48	-
5	Shortfall in additions (2-3)	-	-	-	-	4	-
B.	**Transformers capacity (MVA)**						
1	Capacity at the beginning of the year	2208.30	2306.30	2692.80	3188.30	3337.30	-
2	Additions/ augmentation planned for the year	-	91.00	723.00	-	2176.00	2990.00
3	Capacity added during the year	98.00	386.50	495.50	149.00	212.00	1341.00[8]
4	Capacity at the end of the year **(1+3)**	2306.30	2692.80	3188.30	3337.30	3549.30	-
5	Shortfall in additions/ augmentation (2-3)	-	-	227.50	-	1964.00	-
C.	**Transmission lines (CKM)**						
1	At the beginning of the year	4177.11	4178.13	4298.71	4625.50	4633.36	-
2	Additions planned for the year	-	131.50	251.00	-	1253.42	1635.92[9]
3	Added during the year	1.02	120.58	326.79	7.86	-	456.25
4	At the end of the year (1+3)	4178.13	4298.71	4625.50	4633.36	4633.36	-
5	Shortfall in additions (2-3)	-	10.92	-	-	1253.42	-

[4] Sl. No. 1 and 2 of Table-1
[5] Sl. Nos. 6 and 7 of Table-1
[6] 926.15 MW (788.95 MW + 137.20 MW) + 30 per cent of 926.15 MW towards margin = 1204 MW.
[7] For calculation of transformation capacity only substations of 132 kV and 66 kV have been considered *i.e* 0.85 of 2309.30 MVA.
[8] All additions pertain to spill over works of previous five year plans excepting augmentation of two SSs of 43 MVA
[9] All additions pertain to spill over works of previous five year plans

Graph I: Trend in addition of transformation capacity in MVA



Graph-II: Trend in addition of lines in Ckm.



Barring augmentation of two SSs, entire capacity addition completed during 2007-12 pertained to spill over works of earlier five year plans.

As could be noticed from ***Table 2***, the Company targeted construction of 17 EHT SSs (2899 MVA), augmentation of 4 SSs (91 MVA) and laying of 1,635.92 Ckm of EHT lines under the 11th Five Year Plan. As against this, the Company constructed 19 EHT SSs (631 MVA), augmented 25 SSs (710 MVA) and laid 456.25 Ckm EHT lines during 2007-12. The entire capacity addition was, however, pertained to the spill over works of earlier Five Year Plans except augmentation of two SSs[10], which were under 11th Five Year Plan.

Thus, works pending execution under 11th Five Year Plan (2007-12) would correspondingly be spilled over for execution in subsequent five year plan periods necessitating the time and cost overrun in execution of works besides deferment of intended objectives of these projects.

The particulars of voltage-wise capacity additions planned, actual additions, shortfall in capacity additions, etc., during the period covered in audit are given in ***Annexure 7***. The broad reasons for non-achievement of targets as observed in audit were delay in completion of projects on account on non-commencement of preparatory activities in advance/parallel to project appraisal stage, increase in volume/scope of works due to change in design/drawings, delays in resolving Right of Way (RoW) issues and delays in

[10] Jorhat SS 25 MVA (ADB funded) and Panchgram SS 18 MVA (other than ADB funded).

obtaining statutory clearances, besides slow progress of work on part of the contractors. The case study on the project management has been presented under ***paras 2.9.1*** to ***2.9.2.2.***

Project management of transmission system

2.9 A transmission project involves various activities from conceptualisation to commissioning. Major activities involved in a transmission project are (i) Project formulation, appraisal and approval phase and (ii) Project execution phase. For reduction in project implementation period, MoP, GoI constituted a Task Force on transmission projects (February 2005) with a view to:

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

The Task Force recommended (July 2005) the following remedial actions to accelerate the completion of Transmission systems.

- Undertake various preparatory activities such as surveys, design and testing, processing for forest and other statutory clearances, tendering activities etc. in advance/parallel to project appraisal and approval phase and go ahead with construction activities once TLs Project sanction/approval is received;
- Break-down the transmission projects into clearly defined packages in such a manner that the packages can be procured and implemented requiring least coordination and interfacing and at the same time attracting competition to facilitate cost effective procurement; and
- Standardise designs of tower fabrication, so that 6-12 months are saved in project execution.

Due to non-adherence to the recommendations of the Task Force, works could not be completed within stipulated time thereby causing time and cost overrun.

The project management related aspects were test checked in the performance audit in respect of 43 projects (15 new SSs, 12 new TLs and augmentation of 16 SSs) out of total 57 projects (19 new SSs, 13 new TLs and augmentation of 25 SSs) completed during 2007-12. It was observed that the Company was not able to adhere to the detailed steps recommended by the Task Force for speedy and timely completion of the projects right from project formulation to implementation. None of the works were completed within the stipulated time mentioned in the work orders as delays occurred at various stages resulting in time and cost overrun as well as blockade of funds due to mismatch in creation of related facilities. Besides, there was deferment of intended benefits of the projects on account of these delays as discussed in succeeding paragraphs.

The Company undertook projects under different schemes to enhance its transformation and transmission capacity. These projects were taken up under the following funding mechanisms:

(i) Assam Power Sector Development Programme (APSDP) under Asian Development Bank (ADB) funding; and

(ii) Other schemes *viz.*, North Eastern Council (NEC), Non-Lapsable Central Pool of Resources (NLCPR), Assam Bikash Yojna (ABY) and Assam Priority Sector.

Projects under Assam Power Sector Development Programme (ADB funded)

2.9.1 Assam Power Sector Development Programme (APSDP) was introduced by GoA with the objectives to improve transmission capacity, efficiencies and improvement of transmission and distribution system, increase in availability of electricity in rural areas. For financial arrangements to implement the APSDP, tripartite agreements were entered (December 2003, February 2010 and January 2011) between GoA, erstwhile ASEB and ADB. Accordingly, ADB agreed to provide a loan of 250 million US Dollars for implementing the APSDP through Government of India (GoI) in the form of loans. GoI, on the other hand, provided the project funds to the GoA in the form of loan (10 *per cent*) and grants (90 *per* cent) with stipulation that GoA will pass on the said funds to erstwhile ASEB[11] in the same proportion. The loan component (10 *per cent*) was repayable in 20 years along with interest of 10.5 *per cent* per annum. The project costs in excess of the amount approved by ADB were to be borne by GoA.

Against ₹ 684.40 crore received (2005-10) from ADB, the Company could utilise only ₹ 603.30 crore.

During 2005-10, funds amounting to ₹ 684.40 crore (₹ 428 crore from ADB and ₹ 256.40 crore from GoA) were sanctioned for APSDP works. As against this, an amount of ₹ 603.30 crore was incurred on projects leaving an unspent amount of ₹ 81.10 crore (11.85 *per cent*) at the end of March 2012. This unspent balance could not be utilised mainly due to delay in completion of the projects against respective schedules.

During January 2011 to November 2012, funds amounting to ₹ 120.53 crore were further sanctioned (₹ 43.89 crore from ADB and ₹ 76.64 from GoA) for implementing the APSDP projects. The Company could, however, utilise only ₹ 60.22 crore (49.96 *per cent*) on these projects so far (October 2012).

Implementation of projects (ADB Funded) under 10th and earlier plans

2.9.1.1 To ensure completion of project works within the targeted period, it is essential that all preparatory activities like, surveys, design, testing, processing for forest and other clearances, and tendering activities, *etc* are taken up in advance/parallel to project appraisal/approval stage and the work orders are issued well in time after the approval of Detailed Project Reports (DPRs). For timely completion of above activities, necessary mechanism was

[11]After unbundling of ASEB in 2003, the activities relating to transmission of power in the State were carried out by the Company incorporated on 23 October 2003.

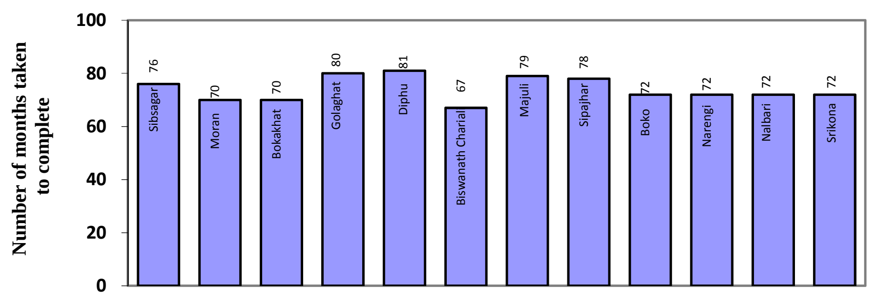
required to be evolved by fixing completion time for the pre award activities. The Company however, had not formulated any policy in this regard.

Out of construction of 20 TLs, 19 SSs and augmentation of 18 SSs undertaken during 2007-12 under previous plans, the Company could complete only 12 TLs, 12 SSs and augmentation of 18 SSs upto March 2012.

During 2007-12 the Company undertook construction of 20 TLs, 19 SSs and augmentation of 18 SSs pertaining to previous plans. The Company completed works of 12 TLs, 12 SSs and augmentation of 18 SSs under the 10th Plan period. For the remaining eight TLs and seven SSs, orders were placed during September-December 2012 and the works were at different stages of execution.

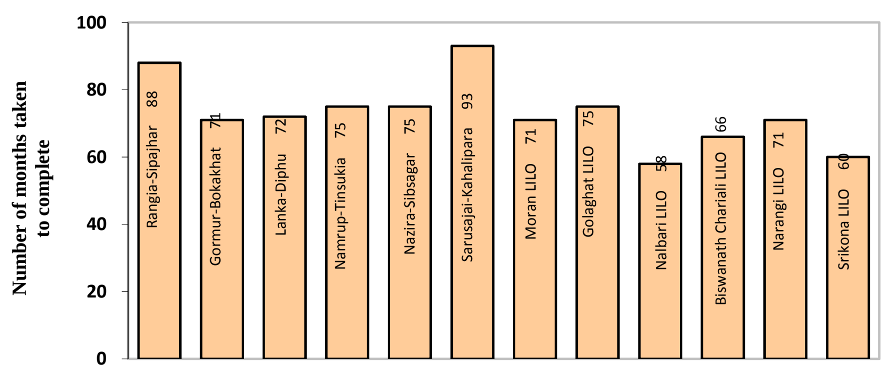
The details of overall time taken from the date of preparation of DPR to the date of commissioning of 12 new SSs and 12 new TLs are depicted in ***Graph IV and V*** respectively.

Graph IV



Construction of 12 New SSs completed during 2007-12

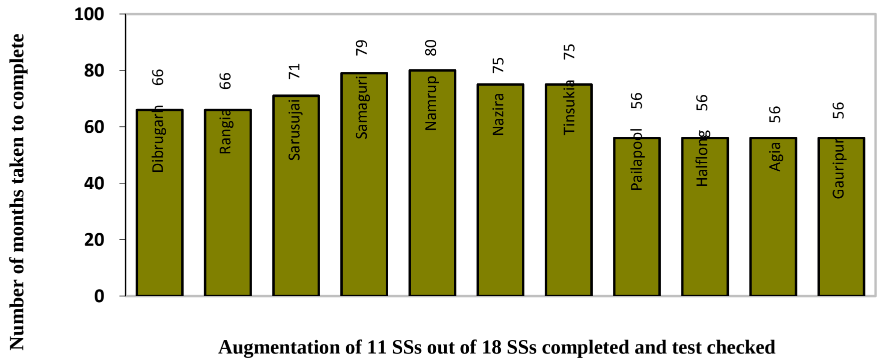
Graph V



Construction of 12 New TLs completed during 2007-12

Similarly the details of overall time taken by the Company in completing the augmentation of 11 out of 18 SSs test checked from the date of preparation of DPRs are depicted in ***Graph VI***.

Graph VI



It may be observed from ***Graph IV*** and ***V*** that the Company took overall time ranging from 67 months to 81 months and from 58 months to 93 months, in completing 12 SSs (***Graph IV***) and 12 TLs (***Graph V***) respectively.

Similarly, as depicted in ***Graph VI***, the Company took a period ranging from 56 months to 80 months in completing the augmentation work of 11 SSs out of 18 SSs selected for examination.

The stage wise analysis of reasons attributable for the delays in completion of above projects is given in succeeding paragraphs.

Delay in award of works

2.9.1.2 Stage wise details of time taken in pre and post work award activities of the projects relating to 12 new SSs, 12 new TLs and augmentation of 11 SSs completed during 2007-12 and test checked in audit are tabulated in ***Table-3***.

Table 3

Sl. No.	Name of the Project	Date of preparation of DPR	Date of sanction of DPR	Total no. of packages	Date of Notice Inviting Tenders (NIT)	Date of work order	Schedule date of completion	Actual date of completion
1	Construction of 12 new SSs	February 2003	December 2003	5	February 2005	March 2006	September 2007	September 2008-November 2009.
2	Constructions of 12 new Transmission Lines	February 2003	December 2003	4	January 2005	June 2006	December 2007	December 2007[12]-November 2010
3	Augmentation of 11 SSs [13]	February 2003	December 2003	2	February 2005	March 2006	September 2007	October 2007-October 2009

As can be noticed from ***Table 3***, the Company took 10 months in obtaining approval of DPRs for all 35 projects. The delay in approval of DPRs was mainly due to the time lost in submission of satisfactory clarifications on the

[12] One TL namely, LILO for Nalbari SS was commissioned within scheduled completion date.
[13] Out of augmentation works of 18 SSs completed during 2007-12, works relating to 11 SSs were test checked in audit.

doubts and queries raised by the approving authority. However, the major portion of time consumed in completion of projects, *viz.* to the extent of 27 months in case of 12 SSs and 30 months in case of 12 TLs and 27 months in case of augmentation of 11 SSs, were taken in issuing the work orders by the Company from the date of approval of DPRs. These delays were mainly due to excessive time taken (13 to 14 months) in issuing Notice Inviting Tenders (NIT) on account of abnormal time taken in the preparation of tender documents and finalisation of tenders. The issue of the work orders after NITs was further delayed (13 to 17 months) due to delays in finalisation of resettlements plans and completion of the census of the affected population.

The delays at various stages in release of award letters for the works as stated above, had correspondingly pushed back the scheduled dates of project completion.

Execution of new projects

2.9.1.3 With a view to accelerate the works relating to transmission infrastructure projects, the Task Force constituted by MoP had suggested (July 2005) several remedial actions, which include taking up the preparatory activities in advance/parallel to project appraisal phase, awarding the work after splitting the projects into clearly defined packages, standardising the design of tower fabrication etc. It was observed that the Company failed to comply with the suggestions while executing the new transmission projects. Resultantly, out of total 24 projects (12 new SSs and 12 new TLs) completed during 2007-12, 23 projects (12 SSs and 11 TLs) were delayed considerably leading to significant cost overrun as detailed in ***Table 4*** below:

Table 4

Capacity in kV	Total Constructed (Numbers)		Delay in construction (Numbers)		Time overrun (range in months)		Cost overrun (₹ in crore)	
	SSs	Lines	SSs	Lines	SSs	Lines	SSs	Lines
400								
220	-	1	-	1		24	22.30	16.32
132	12	11	12	10	12-26	8-35		
Total	**12**	**12**	**12**	**11**			**22.30**	**16.32**

There was delay in completion of SSs and TLs by 12 to 26 months and 18 to 35 months respectively.

It may be noticed that against the time of 18 months (*i.e.* by September 2007 for SS and December 2007 for TLs) stipulated for completing the projects from the date of the work orders, there was delay in completion of all the 12 new SSs and 11 new TLs by 12 to 26 months and 8 to 35 months respectively.

The main bottlenecks in timely completion of works were increase in the volume of works, change in design and drawings, 'Right of Way' (RoW) problems due to inadequate initial survey, delays in acquisition of land, delays in finalising resettlement plans and payment of compensation to the affected people, delay in obtaining clearance from the forest department, *etc*. The delays in project execution were occurred due to Company's failure in initiating the above mentioned preparatory activities in advance/parallel to project appraisal/approval stage contrary to the recommendations of the Task Force. Besides, slow progress of works on the part of contractors had also contributed towards delays in project completion.

Impact of delay

2.9.1.4 According to the financial arrangements for ADB funded projects, the ADB loans received by GoI were to be transferred to GoA to the extent of the projects costs approved by ADB, in the form of grants (90 *per cent*) and loans *(*10 *per cent).* The project costs in excess of the amount approved by ADB, if any, were to be borne by the GoA. Details of the financial burden passed on to the GoA due to Company's failure to restrict the project costs within the costs approved by ADB are given in ***Table 5***.

Table 5

(₹ in crore)

Project	**Original contract cost**	**Revised Cost**	**Price escalation**	**Completed cost**	**Expenditure approved by ADB**	**Additional financial burden on the GoA**
Construction of transmission lines	69.00	96.79	12.50	109.29	89.10	20.19
Construction of SSs	101.12	103.46	30.10	134.16	111.86	22.30
Total	**170.12**	**200.25**	**42.60**	**243.45**	**200.96**	**42.49**

It can be observed from the above that the GoA had to bear additional costs of ₹ 42.49 crore in respect of new SSs and TLs projects on account of the project costs incurred in excess of the expenditure approved by the ADB. This was mainly on account of the cost overrun caused due to delays in completion of the said projects as detailed in the ***Table 4*** under ***para 2.9.1.3*** *supra*.

2.9.1.5 Case study of delayed projects further revealed that most of the projects were delayed on account of not taking up the preperatory activities in advance/parallel to the project appraisal stage. This led to land acquisition/RoW problems, non-finalisation of resettlement plans, changes in the scope of work due to frequent revision of designs and drawings, *etc*, which ultimately caused significant variations in the originally approved project cost as well as non-achievement of intended benefits as summarised in ***Table 6*** in respect of four such individual cases.

Table-6

Sl. No	Name of Project	Original contract value (₹ in crore)	Final contract value (₹ in crore)	Scheduled date of completion (Actual date of completion)	Delay in months	Major reasons for delay	Impact of delay	
							Variation in contract value (₹ in crore)	Physical impacts.
1	132 kV Nazira – Sivsagar TL	1.86	2.53	December 2007 (May 2009.)	17	Delays in taking up the preparatory activities; significant changes in the scope of works due to land acquisition problems, delay in finalisation of resettlement plans and resolving RoW issues etc. This led to significant changes in design layout, height and alignment of the towers in the later stage of execution.	0.67	Non achievement of targets of reduction of line loss, failure to cope up with the increased demand of power during the period of delay and loss of potential revenue there against.
2.	2x16 MVA Sivasagar SS	7.12	9.77	September 2007 (June 2009)	21		2.65	
3	2x25 MVA 132/33 kV Srikona and Narengi SSs.	21.52	26.39	September 2007 (February 2009)	17		4.87	Non creation of additional capacity to cope up with the increasing demand of Silchar town and adjoining areas by 17 months. Failure to reduce line loss and improve the voltage profile for 17 months.
4	132/33 kV Gormur-Bokakhat TL.	16.08	23.06	December 2007 (January 2009)	13		6.98	Non-reduction of distance between grid SSs for reduction of line loss and to meet the increasing load demand of Bokakhat area for delayed period.

Mismatch in creation of transmission infrastructure

2.9.1.6 The Company planned (February 2003) for creation of new TLs as well as SSs to cope up with the growing load demand as well as to reduce transmission losses. To avoid any mismatch in creation of the transmission infrastructure, it is essential that the transmission projects (*viz*. TLs and SSs projects), which are inter-dependent are planned and executed in a synchronised manner. It was observed that due to lack of synchronization in issue of award letters as well as in execution of works of inter-dependent projects, SSs were completed well before completion of connecting lines and *vice versa*. The major cases of mismatch in construction of new SSs and the corresponding TLs by the Company are discussed below**.**

Due to lack of synchronisation in execution of inter-dependent projects, the SSs were completed well before completion of connecting TLs and *vice versa*.

132 kV Rangia – Sipajhar – Rowta – Depota TL and 132 kV Sipajhar SS

2.9.1.7 With a view to reduce the line losses and increase reliability and quality of power supply, the Company proposed (February 2003) to construct the 132 kV Rangia-Sipajhar-Rowta-Depota TL against ADB funding for replacement of old overloaded line. The Company simultaneously proposed (February 2003) to construct 132 kV Sipajhar SS to be connected with the new line. The construction of Sipajhar SS was completed by the Company in August 2009 at a cost of ₹ 13.01 crore.

The work of construction of TL was awarded (June 2006) at ₹ 23 crore with scheduled completion period of 18 months (December 2007). The Company took 17 months in issue of award letter from the date of issue of NIT (January 2005) due to abnormal time taken in finalizing the tenders. As execution of works was taken up based on the field survey report of 2004, which was prepared prior to commencement (2007) of check survey, progress of work suffered due to numerous RoW problems resulting in increase in quantity, change in scope and design of works. The TL could finally be completed at a cost of ₹ 36.59 crore only in June 2010 *viz.* after 10 months of completing (August 2009) the construction of corresponding new SS.

Thus, due to mismatch in execution of two transmission projects by the Company, the intended benefits of the projects could not be availed for 10 months besides blocking of funds (₹ 13.01 crore) incurred on construction of new SS for said period.

132 kV Lanka – Diphu TL and 2x16 132/33 kV Diphu SS.

2.9.1.8 NIT for design, engineering supply and erection, testing and commissioning of the 132 kV Lanka-Diphu TL was issued in January 2005. The work was completed in March 2009 at a cost of ₹ 22.43 crore.

The work related to design, engineering, supply, erection, testing and commissioning of related 132 kV SS with provision of 2x16 MVA transformer was, however, awarded in March 2006 at estimated cost of ₹ 6.96 crore to be completed within 18 months from the date of allotment of works. The allotment of works of the SS was delayed due to non finalisation of resettlement plans, payment of compensation to the affected people and obtaining clearance from forest department etc. SS could be completed only in November 2009 *i.e.* eight months after the completion (March 2009) of the related TL. Thus, mismatch in creation of the transmission facilities caused delay of eight months in the delivery of intended benefits of the projects besides blocking of huge investment of ₹ 22.43 crore incurred on construction of TL for the said period.

Mismatch between Generation capacity and Transmission facilities

Failure to provide transmission facilities as per the generation plans resulted in loss of generation.

2.9.1.9 NEP envisaged augmenting transmission capacity taking into account the plans for new generation capacities so as to avoid mismatch between generation capacity and transmission facilities. It was observed in one case that the Company was not able to provide transmission facilities to match the generation plan of the generating company. Resultantly, the additional power generated against the augmented generating capacity had to be evacuated through existing overloaded TLs of the Company thereby causing evacuation problems and loss of generation as discussed in next page.

Assam Power Generation Corporation Limited (APGCL) had planned to enhance the capacity of Lakwa Thermal Power Station (LTPS) from 120 MW to 157.2 MW by installing Lakwa Waste Heat Recovery Project (LWHRP) of 37.2 MW. APGCL completed the augmentation of LTPS by commissioning the LWHRP in January 2012.

Evacuation of power from the LTPS was done through four 132 kV and three 33 kV feeders belonging to the Company. As existing feeders were already overloaded, the Company decided (September 2008) to construct one 132/33 kV SS with two transformers of 40 MVA at Sonari and one 132/33 kV TL from Nazira to Gormur along with one 132/33 SS at Nazira to ease power evacuation problems of LTPS.

It was however noticed that against the targeted works of construction of the above two SSs (at Sonari and Nazira) and one TL (from Nazira to Gormur) Company could complete only one SS at Nazira (January 2011) before commissioning (January 2012) of LWHRP. The works relating to SS at Sonari and TL from Nazira to Gormur were yet to be completed (October 2012). The reasons for delay in completion of these two works have been analysed as under.

SS at Sonari

The work order for construction of Sonari SS under ADB funding at a cost of ₹ 10.95 crore was placed (January 2011) by the Company after abnormal delay of 13 months from the date of issuing (December 2009) the NIT. The delay was caused mainly due to excessive time taken in bid evaluation process and in obtaining approval of ADB. The works were still pending for completion (October 2012) against the scheduled completion date of August 2012.

132/33 kV TL from Nazira to Gormur

The NIT for the construction of 63.2 KM 132/33 kV Nazira–Gormur TL was originally called on Sepember 2008. However the NIT was cancelled (August 2009) for technical reasons. After calling (August 2009) the fresh NIT the work order was finally issued (January 2010) at a cost of ₹ 13.75 crore. The execution of the project suffered on account of RoW problems, revisions in scope of works and designs of the project besides inclusion of new items. Resultantly, the deadline to complete the work (December 2010) lapsed long back and the project was still pending for completion (October 2012). The awarded cost had already been revised to ₹ 21.08 crore (October 2012) on account of the delay in completion of work.

Generation unit was kept under forced shut down due to evacuation constraint resulting in loss of generation aggregating 243.73 MUs.

Thus, the evacuation problem of LTPS could not be eased due to Company's failure in providing the required transmission infrastructure in time mainly on account of excessive time taken in completing the tendering process, obtaining ADB's approval, and completing preparatory activities, which could have been avoided with better planning and co-ordination. Because of constraints in evacuation system, LTPS had to limit its operations and place its units under forced shut down by rotation leading to avoidable loss of generation aggregating 243.73[14] MUs during the period of commissioning (January 2012) of LTPS till October 2012.

Execution of new SSs projects without assessing load requirements

2.9.1.10 Anticipated load growth and probable increase in future demand along with permissible limit of voltage regulations are required to be considered before taking up new SS projects so as to avoid creation of excess transformation capacity. The load forecast for the proposed transmission projects should also consider the anticipated physical and financial benefits to be derived against the new projects.

Based on the load flow analysis done in February 2003, the Company constructed 12 132/33 kV new SSs under first phase of ADB funded APSDP during 2008-10 at an aggregate cost of ₹ 134.16 crore.

Installed capacity of newly constructed SSs, their utilisation compared to load demand and investments made in construction of SSs and connected TLs are given in ***Annexure 8.***

It would be observed that 9 out of 12 new SSs were not utilised as per their respective installed capacities, which shows that the load flow analysis carried out by the Company in February 2003 was not realistic. After considering 30 *per cent* redundancy of load capacity, the percentage of underutilisation of the said nine SSs ranged between 2.52 and 92.12 *per cent.* Further, as average load demand was much lower than the peak demand, capacity utilisation during normal conditions would be much less. On the other hand, the load pressure at remaining three SSs exceeded the transformer capacity ranging from 7.01 to 32.77 *per cent* which was indicative of deficient planning in creation of new SSs without properly assessing actual load requirements.

Execution of augmentation projects (ADB Funded) under previous plans

2.9.1.11 During the period 2007-08 to 2011-12, 18 SSs pertaining to 10th and previous plans were augmented under ADB funded schemes. The work order for augmentation was issued in March 2006 to NEECON (contractor) on single tender basis. There was delay ranging from 1 to 25 months in augmentation of the SSs compared to the stipulated period of completion (September 2007). Test check of 11 out of 18 augmented SSs revealed that though four SSs were completed with marginal delay of one month, the delay in remaining seven SSs ranged between 11 and 25 months. The reason analysis in respect of delays is given in ***Table 7.***

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[14] (37.2 MW x 24 hrs x 273 days)

Table 7

Sl. No.	Substation Name	Scheduled Completion date	Completion date	Delay in months	Major Reasons for delay
1	Dibrugarh SS	September 2007	August 2008	11 months	Four months time taken by the contractor to rectify the defective valves of the transformer supplied.
2	Rangia SS	September 2007	August 2008	11 months	The trailers carrying the transformers were stranded for one month due to delay in taking up bridge strengthening matter with PWD .
3	Sarusujai SS	September 2007	January 2009	16 months	Four months taken in fixing the rate of earth filling, not in the original scope of the contractor.
4	Samaguri SS	September 2007	September 2009	24 months	Delay of four months in overhauling old transformer at Sarusujai GSS and transporting it to Samaguri GSS.
5	Namrup SS	September 2007	October 2009	25 months	Due to belated taking up of road construction and other preliminary work, there was delay in finalisation of design. The contractor did not commence work till one year, from the date of award.
6	Nazira SS	September 2007	May 2009	20 months	
7	Tinsukia SSs	September 2007	May 2009	20 months	

Apart from the above reasons, the execution of works also suffered considerably due to slow progress of work by the contractor. The contractor attributed the slow progress and delay in completion of work on uncontrollable reasons like hampering of construction activities for eight months due to monsoon season, bandhs and acute law and order problems in the region. The reasons given for the delay were not convincing as project works relating to 4 out of 11 SSs test checked in audit were completed by the contractor with a marginal delay of one month only despite the above constraints.

The Company, however, could not verify the claims of the contractor as no registers were maintained for recording the reasons of delays in completion of works on regular basis. Thus, in absence of complete documentation of the reasons for delay for each work, the Company had no other option but to accept the claims of the Contractor.

Due to delay in completion of augmentation works intended benefits of the projects could not be availed besides, the cost of works also increased by ₹ 11.73 crore. As ADB had accepted to reimburse the works costs only to the extent of approved project costs, an amount of ₹ 15.79 crore (including taxes other than excise duties) incurred in excess of the approved costs turned out to be an additional financial burden on GoA.

Implementation of projects (ADB funded) planned under 11th Plan

2.9.1.12 During 11th Five Year Plan, the Company planned 18 projects (seven new SSs, eight TLs and three SSs augmentation) for execution. As against this only one project[15] was completed during the period 2007-12. The status of completion of the remaining 17 projects is tabulated below:

Table 8

Particulars	No. of projects	Date of sanction of DPR	Date of Work Order	Scheduled date of completion	Status (as of October 2012)
New SSs	7	March 2009	December 2010 to September 2012	October 2012 to March 2014	Three projects were at initial stages. Completion of balance four projects ranged from 62 to 78 *per cent.*
TLs	8	-do-	November 2010 to August 2011	January to November 2013	Erection of towers was at initial stages.
SSs (Augmentation)	2	-do-	September 2012	March 2014	Works at initial stages.

Implementation of projects under other schemes (other than ADB funding)

2.9.2 Apart from the projects financed by the ADB, the Company also executed projects financed by North Eastern Council (NEC), Non Lapsable Central Pool of Resource (NLCPR) and schemes of GoA such as under Assam Bikash Yojna (ABY) and other State Priority schemes.

Against total fund of ₹ 455.96 crore received for projects under other than ADB funding, the Company could utilise only ₹ 172.24 crore.

During 11th Five year plan, the Company planned to take up 29 projects under other than ADB funded projects. During 2007-12, the Company took up 26 projects (including 10 projects of 11th Five Year Plan and 16 projects under previous plans) for execution under various schemes. Out of 16 projects belonging to previous plans, the Company could complete only 13 projects (seven SSs, one TL and augmentation of five SSs) while the works relating to remaining three projects were in progress. As regards execution of 10 projects under 11th plan, Company could complete only one project[16] and works relating to remaining nine projects were at different stages of execution. The details of nine projects[17] completed during 2007-12 and 12 projects under execution (including 3 projects[18] belonging to previous plans) are summarised in ***Annexure 9.*** The cost of these 21 projects (other than five completed projects for which details not available) was to be funded by NLCPR, NEC and GoA. Out of total fund of ₹ 455.96 crore received under this schemes, an aggregate amount of ₹ 172.24 crore (38 *per cent*) was utilised on nine

[15] Jorhat (Gormur) SS
[16] augmentation of SS (Panchgram 18 MVA)
[17] Complete details in respect of five projects (220 kV Balipara-Depota TL, Bokajan SS, Dispur SS, 220 kV Boko SS augmentation, BTPS 132 KV SS) completed under previous plans not available.
[18] Sl No.14, 16 and 18 of ***Annexure-9***

completed projects (₹ 53.23 crore) and 12 ongoing projects (₹ 119.01 crore) (July 2012) as detailed in ***Annexure 9.***

Further, out of remaining 19 projects planned under 11th Five year plan, two projects were handed over to Power Grid Corporation of India (PGCIL) for execution while four projects were dropped. The remaining 13 projects (four SSs and nine TLs) were yet to be taken up by the Company. (October 2012) The delays in taking up these projects were mainly because of non-settlement of RoW issues and delay in arrangements of funds.

An overview of works revealed that except in three[19] out of nine projects completed during 2007-12, delays ranging from 2 to 12 months were noticed in completion of works. As regards 12 ongoing works, it may be noticed that delays ranging from 6 to 22 months had already occurred (October 2012).

Broad reasons for time overrun may be further categorised as:

- delay in providing technical clarifications and obtaining approval on DPRs from competent authorities (2 to 19 months);
- excessive time taken in floating and processing tender papers, negotiating with bidders and obtaining approval of appropriate authorities (4 to 19 months from the date of NIT); and
- delay in execution due to land acquisition problem, change in scope and design of works, RoW problems, delayed delivery of materials and slow progress of construction

The issues relating to project implementation by the Company were test checked in 6 out of 9 completed projects and 4 out of 12 ongoing projects. The adverse impact of delays noticed in terms of the utilisation of the facilities created, funds invested and matching of interdependent infrastructure in two cases are reported below.

Stringing of 220 kV Second Circuit BTPS–Agia–Sarusajai (GoA)

2.9.2.1 GoA accorded sanction of ₹ 13.41 crore (February 2010) against the estimated cost of ₹ 14.69 crore, for completion of the left over works of restoration and re-stringing of 220 kV Second Circuit BTPS-Agia-Sarusajai together with enhancing the transmission capacity by around 200 MW (1036 MU).

The works were divided in two packages *viz.* (i) Package-A: BTPS-Agia section and (ii) Package-B: Agia-Boko section and repairing a part of Sarusajai-Boko section. The execution of works under two packages was awarded (August 2010) at a firm price of ₹ 10.82 crore with stipulated completion time of eight months (April 2011).

Scrutiny of records revealed that the execution of work suffered due to delayed manufacture and supply of material and delays in replacing the sub-standard quality of insulators supplied by the contractor. Though the Company granted extension upto March 2012, the contractor could complete only 90 *per*

[19] Sl. No. 1,3 and 6 of ***Annexure 9***

cent of the works of Package B, while the works of Package-A were yet to be taken up (October 2012). It was observed that though the delay in completion of the work was attributable to the contractor, no penal action was initiated so far against the contractor for the delay (October 2012).

Thus, the project remained incomplete even after a lapse of one and half years from the original scheduled date of completion (April 2011) because of the lapses on part of the contractor. Consequently, the Company was not able to achieve the intended benefits of the scheme.

400/220 kV Kukurmara SS and LILO from 400 kV Palatana–Bongaigaon TL

2.9.2.2 In order to draw Assam's share of 240 MW out of 726 MW of electricity to be generated from the upcoming gas based power generation project of ONGC-Tripura Power Company (OTPC) at Palatana, Tripura, a DPR was prepared (September 2006) by the Company for construction of Kukurmara SS and LILO from Palatana-Bongaigaon. DPR envisaged that power from OTPC project would reduce the precarious power situation of the State. A modified DPR, with estimated cost of ₹ 199.53 crore and completion period by December 2011, matching the target date of completion of 1st Phase of OTPC project, was submitted (2008) by the Company to the State Government. The scheme was to be implemented under Assam Bikash Yojna (ABY).

The date of planned completion month of the project was extended from December 2011 to December 2013 due to delayed handing over (December 2010) of required land by District Commissioner, Kamrup which correspondingly delayed the issue of NIT (December 2010) for different components and works related to SS items.

Execution of the project suffered due to excessive time taken in issuing (August 2011) the work order for supply of material and completing other developmental activities. The work order for LILO works was also issued (October 2011) belatedly, which necessitated deferment of scheduled date of completion of the project from December 2011 to December 2013.

An expenditure of ₹ 24.47 crore had been incurred upto July 2012 on the project against ₹ 200 crore received for the project.

The first phase of the 726 MW OTPC Power Plant is already completed and the inter-state transmission line had been charged upto 400/220 kV Silchar SS, whereas the Company had deferred completion of its evacuation project to December 2013. Thus, delay in taking up project implementation activities may prevent the Company from drawing State's share of 240 MW immediately on commissioning of OTPC's Plants.

Performance of transmission system

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

Transmission capacity

2.10.1 The Company constructs TLs and SSs at different EHT voltages in order to evacuate the power from the Generating Stations and to meet the load growth in different areas of the State. A Transformer converts AC voltage and current to a different voltage and enables supply of current at a very high efficiency. The voltage levels can be stepped up or down to obtain an increase and decrease of AC voltage with minimum loss in process. The evacuation in Assam is done by 220 kV/132 kV/66 kV SSs. Details of transmission capacity (66kV and 132 kV) created vis-à-vis the transmitted capacity (peak demand met) at the end of each year, by the Company, during five years ending March 2012 are given in ***Table 9.***

Table 9

Year	Installed[20] (MVA)	After leaving 30 *per cent* towards margin(MW)	Peak demand including non- coincident demand (MW)	Excess/ (shortage) (MW)
I	**II**	**III (II× 0.70×0.85[21])**	**IV**	**V (III-IV)**
2007-08	1396.30	830.80	868.9	(-38.10)
2008-09	1700.80	1011.98	892.6	119.38
2009-10	2078.30	1236.59	984.1	252.49
2010-11	2227.30	1325.24	1065.5	259.74
2011-12	2309.30	1374.03	1134.8	239.23

In comparison to the peak demand, the transmission capacity was in excess by 239.23 MW at the end of March 2012.

From the table, it is evident that the overall transmission capacity created was in excess of the requirement except in 2007-08. Existing transmission capacity, excluding 30 *per cent* towards redundancy, was in excess by 239.23 MW (281.45 MVA) at the end of March 2012 compared to peak demand. The investment on this account worked out to ₹ 38.00 crore (₹ 1.35 crore per 10 MVA power transformer) which was a burden passed on to consumers in the form of depreciation on the capital assets included in the cost of wheeling charges.

Sub-stations

Adequacy of Sub-stations

2.10.2 Manual on Transmission Planning Criteria (MTPC) of the CEA stipulates the permissible maximum capacity for different SSs *i.e.*, 320 MVA for 220 kV SSs and 150 MVA for 132 kV SSs. Every SS of capacity 132 kV and above should have at least two transformers. Scrutiny of records revealed

[20] For calculation the capacity of only 132 kV and 66 kV system has been considered as the power from 220 kV SSs ultimately enters the 132 kV level transformers.
[21] 0.85 has been assumed as the power factor upto which a transformer can be loaded.

that none of the SSs of the Company had exceeded the maximum capacity as stipulated in MTPC and all the SSs had been equipped with at least two power transformers.

Voltage management

2.10.3 The licensees using intra-state transmission system should make all possible efforts to ensure that grid voltage always remain within limits. As per Indian Electricity Grid code, STUs should maintain voltage ranges between 380-420 kV (in 400 kV line), 198-245 kV (in 220 kV line) and 119-145 kV (in 132 kV line) so that reliable power is supplied to consumers by the State power distribution company (*i.e.* APDCL). Scrutiny of records of 220 kV bus voltages in four out of nine[22] SSs of two Zones test checked for the period March 2010 to March 2012 revealed that in all four 220 kV SSs, voltage recorded ranged between 206.4 and 237.9 kV while in 11 out of the 37 132 kV SSs test checked, voltage ranged between 124.1 kV and 138 kV indicating adequate voltage management by the Company.

It was, further, observed that the Company provided 30 capacitor banks having reactive energy[23] of 205 MVAR at its 17 Grid SSs. During the period April to May 2012, the State received ₹ 9.83 lakh as reactive energy compensation charges from the north-eastern pool of reactive energy accounts for maintaining the voltage stability.

Lines

EHT lines

2.10.4 As per MTPC, permissible line loading cannot normally be more than the Thermal Loading Limit (TLL). TLL limits the temperature attained by energized conductors and restricts sag and loss of tensile strength of the lines. TLL also limits the maximum power flow of the lines. As per MTPC, TLL of 132 kV line with ACSR[24] Panther 210 sq. mm. conductor was 366 amps. Loading of the lines beyond capacity resulted in voltage fluctuations, higher transmission losses and frequent interruptions/breakdowns. Scrutiny of the line loadings on the 23 out of 70 132 kV feeders test checked, however, revealed that only one TL[25] was loaded above 366 amps. The forced shut down in this feeder during four years from 2008-09 to 2011-12 had been 137 hours, 85 hours, 76 hours, 87 hours respectively as against the average annual forced outage of 43.48 hours.

Bus Bar Protection Panel (BBPP)

2.10.5 Bus bar is used as an application for inter-connection of the incoming and outgoing TLs and transformers at SSs. BBPP limits the impact of the bus bar faults on the entire power network which prevents unnecessary tripping and restricting trips only to those breakers as necessary to clear the bus bar fault. As per Grid norms and Best Practices in Transmission System, BBPP is to be kept in service for all 220 kV SSs to maintain system stability during Grid disturbances and to provide faster clearance of faults on 220 kV buses.

[22] Agia, Balipara, Boko, Mariani, Namrup, Salakhati, Samaguri, Sarusujai and Tinsukia Grid SS
[23] Reactive energy is required to maintain the steady voltage level
[24] Aluminum conductor steel-reinforced
[25] Lakwa-Mariani feeder line in Upper Assam Zone

On test check of five out of nine SSs of 220 kV, it was observed that the Company had provided double bus bars (main bus and transfer bus) without bus bar protection panel on those buses. The protection of the buses was being ensured only through circuit breaker and bus coupler protection.

Maintenance

Performance of Current transformers (CT)

2.10.6 CTs are one of the most important and cost-intensive components of electrical energy supply networks. Thus, it is of special interest to prolong their life while reducing maintenance expenditure. In order to gather detailed information about the operational conditions of CTs and to prevent outages due to insulation failure, various kinds of oil analysis like standard oil, Dissolved Gas Analysis (DGA) tests are generally conducted. The Maintenance Manual of SSs adopted (May 2005) by the Company specified that test of oil samples, including DGA test, was required in every two years. It also specified such oil test as an important post monsoon maintenance procedure. ***Table 10*** below indicates the sub-station wise details of various checks conducted, numbers of CTs failed and causes of failure of the CTs during 2007-12 in 11 out of 15 SSs selected for test check.

Table 10

SL No.	Name of the Grid SS	Total No. of CT	Whether DGA Tests conducted	Whether maintenance done and recorded in maintenance registers	If there is a system of regular formal inspections of CTs	Total No of CT failure during the period 2007-08 and 2011-12	Reasons for failure
1.	Sarusujai	17	No	Yes	Yes	3	Insulation failure
2.	Rangia	54	No	Yes	Yes	1	-do-
3.	Kahilipara	44	No	Yes	No	2	-do-
4.	Dibrugarh	27	No	Yes	No	1	-do-
5.	Gormur	36	No	Yes	No	3	-do-
6.	Mariani	75	No	Yes	Yes	2	NA
7.	Chandrapur	20	No	Yes	No	1	Insulation Failure
8.	Sisugram	54	No	Yes	No	1	NA
9.	Panchgram	45	No	Not Updated	No	3	NA
10.	Pailapool	16	No	Yes	Yes	1	Insulation failure
11.	Bokajan	21	No	Yes	No	1	-do-

It may be noticed from the above table that DGA test was not conducted in any of the test checked SSs during the last five years although the test was a prerequisite of the oil analysis to be done regularly in every two years as per the Maintenance Manual of the Company. Even, the formal regular inspections of oil level and proper recording thereof were not done in 7 out of 11 SSs during 2007-12. Compliance to the prescribed maintenance schedule could have prevented insulation failure in 13 CTs and saved an expenditure of ₹ 20.73 lakh[26] incurred on replacing the damaged CTs.

Working of hot lines division/sub-divisions

2.10.7 Regular and periodic maintenance of transmission system is of utmost importance for its un-interrupted operation. Apart from scheduled patrolling of lines, application of 'hot line technique' was also recommended in the Report of the Committee constituted by CEA in November 2001, for bridging the gap between best practices and average industry practices in both Government and private sectors. The technique envisaged detecting 'hot spots' in SSs and TLs by using thermo-vision cameras, which was otherwise not possible with naked eyes and attending maintenance works like tightening of nuts and bolts, replacing of insulation, etc., without switching off the system. The technique enables to take preventive maintenance works before the 'hot spots' cause damage to the equipment and also leading to loss of energy.

CEA, in its Regulation (June 2010) had prescribed once a year thermo-vision scanning of all overhead TLs and SSs equipment, at voltage level of 220 kV and above, which was essential to identify 'hot spots' in time.

It was noticed that the Company was yet to establish any Hot Line Division or procure thermo-vision cameras though an incident had occurred at Sarusajai SS resulting in outage of 100 MVA, 220 kV transformer for three days. As the Company had not evolved any system to record hours of shutdown on account of 'hot spots', it could not effectively monitor the adverse impact in terms of loss of energy or damage of equipment.

Transmission losses

2.10.8 While energy is carried from the generating station to consumers through the Transmission & Distribution (T&D) network, some energy is lost which is termed as T&D loss. Transmission loss is the difference between energy received from the generating station/Grid and energy sent to power distribution companies. The details of transmission losses from 2007-08 to 2011-12 are given in ***Table 11***.

Table 11

Particulars	Unit	2007-08	2008-09	2009-10	2010-11	2011-12
Power received for transmission	MUs	3970.00	4270.32	4678.84	5354.96	5747.69
Net power transmitted	MUs	3654.00	4016.31	4383.19	5097.52	5501.36
Actual Transmission loss	MUs	316.00	254.01	295.65	257.44	246.33
	Percentage	7.96	5.95	6.32	4.81	4.29
Target Transmission loss as per the CEA norm	Percentage	4.00	4.00	4.00	4.00	4.00
Target Transmission loss as per AERC norms	Percentage	6.10	5.82	5.81	4.50	4.25
Transmission loss in excess of AERC norm (Valued at realisation per unit as at ***Table 13***)	MUs	73.83	5.48	23.81	16.47	2.05
	Rate per unit in ₹	0.59	0.84	0.69	0.67	0.71
	₹ in crore	4.36	0.46	1.64	1.10	0.15
Transmission loss in excess of CEA norm	MUs	157.20	83.20	108.50	43.24	16.42
	In crore	9.27	6.99	7.49	2.90	1.17

[26] ₹ 159448 x 13 = ₹ 2072824

Transmission loss was in excess by 121.64 MUs valuing ₹ 7.71 crore compared to the AERC norms.

Though the transmission losses showed decreasing trend during 2007-12 (except during 2009-10), these losses exceeded CEA as well as AERC norms, in all the five years. The aggregate transmission losses suffered by the Company in excess of the norm fixed by AERC for the period 2007-08 to 2011-12, were to the extent of 121.64 MUs valued at ₹ 7.71 crore. The DPR for ADB funded projects envisaged reduction in transmission losses by 81.67 MUs for the first two years (*i.e.* 32.70 MUs and 48.97 MUs) after the completion of the project. Though 30 of the 43 projects were completed in 2008-09, the actual reduction in transmission loss during 2010-11 and 2011-12 with reference to the losses of 2009-10 was only 49.32 MUs indicating achievement of the envisaged objectives to the extent of 60.39 *per cent* only.

Grid Management

Maintenance of Grid and performance of SLDC

2.11 Transmission and Grid Management are essential functions for smooth evacuation of power from generating stations to the power distribution companies/consumers. Grid Management ensures moment-to-moment power balance in the inter-connected power system to take care of reliability, security, economy and efficiency of the power system. Grid management in India is carried out in accordance with the standards/directions given in the Grid Code issued by CEA. SLDC, Assam, a constituent of North Eastern Regional Load Dispatch Centre (NERLDC), Shillong ensures integrated operation of power system in the State. The GoA notified (August 2005) that SLDC shall be operated by the Company.

Infrastructure for load monitoring

2.11.1 Remote Terminal Units/Sub-station Management Systems (RTUs/SMSs) are essential for monitoring the efficiency of the transmission system and the loads during emergency in load dispatch centres as per the Grid norms for all SSs. It was observed that out of total 48 SSs of the Company and three[27] generating stations of Assam Power Generation Corporation Limited (APGCL), RTUs for real time data for effective energy management system were installed in 44 SSs (92 *per cent*) and in all the generating stations.

Grid discipline by frequency management

2.11.2 As per Grid Code, the transmission utilities are required to maintain Grid discipline for efficient functioning of the Grid. All the constituent members of the Grid are expected to maintain a system frequency between 49 and 50.5 Hertz (Hz) (49.2 and 50.3 Hz with effect from April 2010). To enforce Grid discipline, NERLDC issues three types of violation messages (A, B and C). Message-A is issued when the frequency is less than 49.2 Hz and overdrawal is more than 50 MW or 10 *per cent* of schedule whichever is less.

[27] Namrup Thermal Power Station (NTPS), Lakwa Thermal Power Station (LTPS), Karbi Langpi Hydro Electric Power Station (KLHEP)

Message-B is issued when frequency is less than 49.2 Hz and overdrawal is between 50 and 200 MWs for more than ten minutes or 200 MW for more than five minutes. Message-C (serious nature) is issued 15 minutes after the issue of Message-B when frequency continues to be less than 49.2 Hz and overdrawal is more than 100 MW or 10 *per cent* of the schedule whichever is less. It was observed that 91 'B Messages' were received in 2010-11 which decreased to 26 in 2011-12. SLDC did not receive any 'C' messages during 2009-12[28].

Grid discipline

2.11.3 For maintenance of Grid discipline, CERC takes up *suo motu* petition on overdrawal of power from the Grid at a lower frequency thus putting the Grid to the risk. Such overdrawal from the Grid beyond the scheduled demand of power as specified by SLDC at low frequency {which is known as Unscheduled Interchange (UI)}, may lead to the collapse of the entire Grid. To maintain Grid discipline, CERC vide its notification[29] dated 28 April 2010 had notified penal rates for overdrawal of power during low frequency 49.5 to 49.2 Hz and additional charges for overdrawal of power below 49.2 Hz. Protection of Grid by maintaining grid discipline is the responsibility of SLDC. SLDC discharged this function by issuing adequate and timely instructions to down-stream SSs. It was observed that on account of failure of SLDC to exercise adequate control on the downstream SSs, the State power distribution company drew excess power at low frequency level (below 49.20 Hz) in violation of Grid discipline. No penalty was, however, levied by CERC on the Company as there was no violation in the nature of 'C' Messages.

The main reasons for uncontrolled drawal of power were delay in installation and mal/non-functioning of the newly installed communication system as discussed below.

Revamping of the Communication System

2.11.4 In order to have a better operational efficiency the Company revamped the communication system with funding from ADB. This would improve monitoring and control of inter-regional power exchange including management of Unscheduled Interchange (UI) by installing Remote Terminal Units (RTUs) for transmitting data directly from SSs to SCADA[30] at SLDC.

The works for installation 51 RTUs along with Power Lines Communication Cables (PLCC) were awarded (November 2007) to AREVA T&D Systems Limited at a cost of ₹ 22.30 crore with the scheduled completion date as December 2008. The Company also engaged (2004) SMEC as consultant for monitoring the execution of the project till December 2008.

Test check of records revealed that the contractor could complete installation of PLCC in April 2011 and installation of 47 out of 51 RTUs in January 2012 as against the scheduled date of completion of projects by December 2008. The broad reasons for delay in completion of works were late submission of

[28] Data prior to 2009-10 was not available
[29] number L-I (I)/2009-CERC
[30] Supervisory Control and Data Acquisition Apparatus

drawings/documents, delay in dispatch of RTUs and slow pace of work on the part of the contractor. The balance four RTUs were, however, still pending (October 2012) for installation due to non-commissioning of control room in related four SSs[31] by the Company.

Scrutiny of records further revealed that 14 out of total 47 RTUs supplied and installed, were not providing the real time data to SCADA since installation. The functioning of PLCC and reporting of remaining 33 RTUs were also found unsatisfactory due to poor and slow data reporting process. This resulted in partial reporting of real time data to the SCADA causing adverse impact on the flow of precise information, which was essential to monitor and maintain grid discipline. Thus, due to unsatisfactory performance of the RTUs SLDC could not exercise the control function at the desired level to effectively maintain the grid discipline leading to drawal of power at low frequency by the power distribution company as discussed in ***para 2.11.6*** *infra*.

Backing Down Instructions (BDI)

2.11.5 When the frequency exceeds the ideal limits i.e. situation where generation is more and drawal is less (at a frequency above 50 Hz) SLDC takes action by issuing Backing Down Instructions (BDI) to the generators to reduce generation for ensuring integrated grid operations and for achieving maximum economy and efficiency in the operation of the power system in the State. Failure of the generators to follow SLDC's instructions would constitute violation of the grid code. The SLDC issued 16 BDIs for 1,547 MUs for compliance which were complied by the generators.

Planning for power procurement

2.11.6 The Company draws long term supply plan taking into account the contracted generation capacity, allocation from Central sector and future committed projects and evolves net additional requirement of power in consultation with power distribution companies. It also draws "day ahead plan" for assessing its 'day-to-day' power requirement. The details of total requirement of the State, total power supplied and shortage of power for the period 2007-08 to 2011-12 are given in ***Table 12.***

Table 12

(Figures in MUs)

Sl. No.	Details	2007-08	2008-09	2009-10	2010-11	2011-12
1	Total power requirement	4858	5,166	5,466	5,967	6,513
2	Total power supplied[32]	3,654.00	4,016.31	4,383.19	5,097.52	5,501.36
3	Power short supplied	1,204.00	1,149.69	1082.81	869.48	1,011.64
4	Percentage of shortage	24.78	22.25	19.81	14.57	15.53

The percentage of shortage of power showed a decreasing trend i.e., from 24.78 *per cent* in 2007-08 to 14.57 *per cent* by 2010-11 which marginally increased to 15.53 in 2011-12.

[31] Chandrapur SS, Old Diphu SS, Lanka SS and Panchgram Old SS
[32] Including generation, short and long term purchases and drawal from Central Generating Stations.

The gap in demand and supply position also leads to variation between actual generation (or actual drawal) and scheduled generation or scheduled drawal which is accounted through UI charges, worked out by NERLDC for each 15 minutes time block. UI charges are levied for the supply and consumption of energy in variation from the pre-committed daily schedule. This charge varies inversely with the system frequency prevailing at the time of supply/consumption. Hence, it reflects the marginal value of energy at the time of supply. The levying of UI charges acts as a commercial deterrent to curb drawal of power from CGS[33] during low frequency conditions.

Audit scrutiny revealed that unscheduled charges of ₹ 41.74 crore was imposed by NERLDC on State power distribution company during the April 2010 to February 2012 as shown in ***Annexure 10*** on account of drawal (63,290 MUs) of energy by power distribution company at low frequency below the permissible limit of 49.50 Hz. Out of the said drawal, 11011.13 MU was drawn at frequency below than 49.2 Hz for which UI charges of ₹ 9.33 crore and additional charge of ₹ 4.28 crore was levied. This indicated that the SCADA system of the Company was not fully effective in providing the real time data for maintaining grid discipline as discussed in ***para 2.11.4*** *supra*.

UI charges of ₹ 41.74 crore were imposed on the power distribution company by NERLDC due to drawal of power at low frequency.

Disaster Management

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

DM Centre, National Load Dispatch Centre, New Delhi acts as a Central Control Room in case of disasters. As a part of DM programme, mock drill for starting up generating stations during black start[34] operations is done every week by APGCL. This mock drill exercise includes checking the health of the diesel generators, cable breakers, auxiliary power transformers, etc. However, no mock drill exercise for restoration of the transmission system was carried out at the SSs of the Company.

Inadequate facilities for DM

2.12.1 SLDC identified three major generating stations[35] in the State belonging to APGCL out of which black start facilities were available only in two generating stations.

Diesel generating (DG) sets and synchroscopes[36] form part of DM facilities at EHT SSs connecting major generating stations. During test check of five out

[33] Central Generating Stations
[34] The procedure necessary to recover from partial or a total black out.
[35] Lakwa Thermal Power Station (LTPS) Namrup Thermal Power Station (NTPS), Karbi Langpi Hydro Electric Project (KLHEP)

of nine 220 kV SSs[37], it was observed that DG sets were available only in one SS[38] while synchroscopes were available only in three 220 kV[39] SSs. Further, the Company did not identify vulnerable installations for providing metal detectors and handing over the security of the sites to the Security Force to meet crisis arising due to terrorist attacks, sabotage and bomb threats. The Company, however, maintained fire extinguishers at all its 15 grid SSs test checked to combat loss on account of fire.

Financial Management

2.13 One of the major objectives of the NEP 2005 was to ensure financial turnaround and commercial viability of Power Sector. The financial position of the Company for the five years period ending 2011-12 is given in ***Table 13***.

Table 13

(₹ in crore)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
A. Liabilities					
Paid up Capital	99.93	99.93	99.93	99.93	99.93
Reserves & Surplus(including Capital Grants)	338.96	441.71	446.39	557.14	801.75
Deferred Tax	-	-	-	-	-
Borrowings (Loan Funds)[40]	268.72	292.46	401.08	443.07	462.12
Current Liabilities & Provisions (CL)	346.36	398.92	432.85	505.28	543.19
Total	**1053.97**	**1233.02**	**1380.25**	**1605.42**	**1906.99**
B. Assets					
Gross Block	640.13	647.17	713.57	1057.74	1180.20
Less: Depreciation	541.90	572.18	590.65	638.11	712.44
Net Fixed Assets	98.23	74.99	122.92	419.63	467.76
Capital Works-in-Progress (CWIP)	324.48	449.71	428.13	137.34	211.56
Investments	54.96	NIL	35.46	45.56	25.01
Current Assets, Loans and Advances (CA)	459.45	612.32	655.23	795.85	928.12
Assets not in use	0.03	0.02	0.01	0.3	0.18
Profit and Loss Account	116.82	95.98	138.5	206.74	274.36
Total	**1053.97**	**1233.02**	**1380.25**	**1605.42**	**1906.99**
Profit/ Loss before Tax	(63.55)	19.64	(27.09)	(54.11)	(67.57)
Interest (net of IDC[41]capitalised)	24.52	28.08	29.84	28.10	24.15
Total return	(39.03)	47.72	2.75	(26.01)	(43.42)
Capital Employed (*NFA + CWIP+CA-CL)*	535.80	738.10	773.43	847.54	1064.25
% Return on Capital Employed	(7.28)	6.47	0.36	(3.07)	(4.08)

NB:Figures in Bracket represent negative figures

Loss before tax of the Company increased by six *per cent* from ₹ 63.55 crore in 2007-08 to ₹ 67.57 crore in 2011-12. This was primarily due to the increase of

[36] In an AC electrical power system it is a device that indicates the degree to which two systems generators or power networks) are synchronised with each other.
[37] Agia, Balipara, Boko, Mariani, Namrup, Salakhati, Samaguri, Sarusujai and Tinsukia Grid SS
[38] Boko SS
[39] Boko, Mariani and Tinsukia Grid SSs
[40] Loan funds include long term liabilities against General Provident Fund and Pension Trust
[41] Interest during construction

only ₹ 206.98 crore in the revenue during 2007-08 to 2011-12 which was not commensurate with increase of ₹ 211.00 crore in the total expenditure during the said period. Negative Return on Capital Employed of (-) 7.28 *per cent* in 2007-08 improved to 6.47 *per cent* in 2008-09 which again gradually deteriorated to (-) 4.08 *per cent* in 2011-12. The Company earned profit in 2008-09 while the losses gradually increased during 2009-10 to 2011-12.

2.13.1 The major variations in the financial position of the Company during 2007-12 are analysed below:

- The Company earned profit in 2008-09 mainly due to approval of transmission charge of ₹ 335.43 crore by AERC against total expenditure of ₹ 328.96 crore.
- There was an increase of ₹ 193.40 crore in borrowings from ₹ 268.72 crore (2007-08) to ₹ 462.12 crore (2011-12) which was mainly due to increase of loans from GoA from ₹ 146.89 crore (2007-08) to ₹ 212.75 crore (2011-12) received for implementation of projects.
- Current Assets increased from ₹ 459.45 crore in 2007-08 to ₹ 928.12 crore in 2011-12 mainly due to increase in fixed deposits by ₹ 324.92 crore made out of grants and loans received from GoA during the period.

2.13.2 Details of working results like revenue realisation, net surplus/loss and earnings and cost *per* unit of transmission are given in ***Table 14***.

Table 14

(₹ in crore)

Sl.No	Description	2007-08	2008-09	2009-10	2010-11	2011-12
1	**Income :**					
(i)	Revenue	216.15	335.43	301.47	341.21	391.14
(ii)	Other income including interest /subsidy	6.06	13.17	13.62	7.02	38.05
	Total Income (i) + (ii)	**222.21**	**348.60**	**315.09**	**348.23**	**429.19**
2	**Transmission :**					
(i)	Installed capacity (MVA)	2306.30	2660.80	3188.30	3337.30	3549.30
(ii)	Power received from generation units (MUs)	1510.64	1635.23	1659.85	1644.60	1742.27
(iii)	Power purchased (MUs)	2459.36	2635.09	3019.00	3710.36	4005.42
Total units at AEGCL periphery (ii)+(iii)		**3970.00**	**4270.32**	**4678.85**	**5354.96**	**5747.69**
(iv)	Loss in transmission (MUs)	316.00	254.01	295.65	257.44	246.33
Net power transmitted (ii)+(iii)-(iv) in MUs		**3654.00**	**4016.31**	**4383.20**	**5097.52**	**5501.36**
3	**Expenditure :**					
(a)	**Fixed cost :**					
(i)	Employees cost	47.43	92.13	64.45	81.42	100.82
(ii)	Administrative and General Expenses	2.18	5.24	4.80	3.69	1.10
(iii)	Depreciation	33.30	33.44	16.66	30.33	60.25
(iv)	Interest and Finance charges (net after capitalisation)	24.52	28.08	29.84	28.10	24.15
	Total fixed cost	**107.43**	**158.89**	**115.75**	**143.54**	**186.32**
(b)	**Variable cost :**					
(i)	Repairs & Maintenance	12.85	8.72	7.90	7.35	18.72
(ii)	Transmission Charges to PGCIL	126.32	116.16	170.16	178.34	209.58
(iii)	Bulk Supply tariff	38.76	45.13	48.26	72.92	82.14
(iv)	Other Debits	0.40	0.06	0.11	0.19	Nil

	Total variable cost	**178.33**	**170.07**	**226.43**	**258.8**	**310.44**
(c)	**Total cost 3 (a) + (b)**	**285.76**	**328.96**	**342.18**	**402.34**	**496.76**
4	Realisation (₹ per unit)	0.59	0.84	0.69	0.67	0.71
5	Fixed cost (₹ per unit)	0.29	0.4	0.26	0.28	0.34
6	Variable cost (₹ per unit)	0.49	0.42	0.52	0.51	0.56
7	Total cost (₹ per unit) (5+6)	0.78	0.82	0.78	0.79	0.90
8	Contribution (₹ per unit) (4-6)	0.10	0.42	0.17	0.16	0.15
9	**Profit (+)/Loss(-) (4-7) (₹ per unit)**	**-0.19**	**0.02**	**-0.09**	**-0.12**	**-0.19**

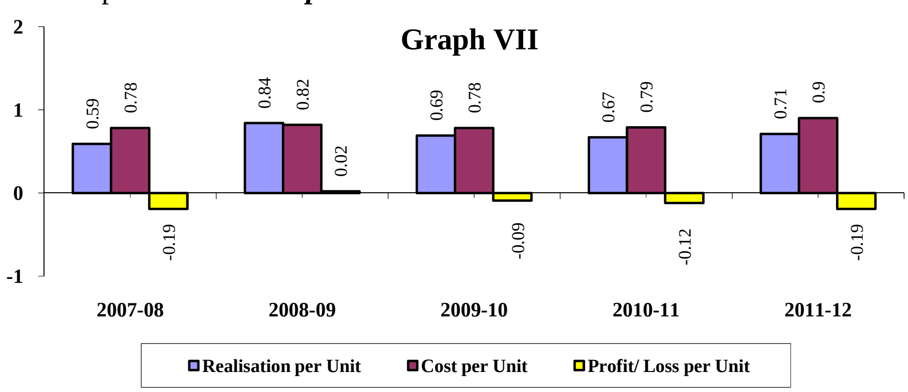
The realisation per unit increased from ₹ 0.59 in 2007-08 to ₹ 0.71 (20.34 *per cent*) resulting increase of contribution by 50 *per cent* from ₹ 0.10 (2007-08) to ₹ 0.15 (2011-12) despite increase in per unit variable cost from ₹ 0.49 (2007-08) to ₹ 0.56 (2011-12). As, however, the Cost per unit also correspondingly increased by 15.38 *per cent* during the period from ₹0.78 (2007-08) to ₹ 0.90 (2011-12), the overall per unit loss of ₹ 0.19 (2007-08) remained unchanged during 2011-12.

The major cost elements for the year 2011-12 include transmission charges (TC) (₹ 209.58 crore), employees cost (₹ 100.82 crore) and bulk supply tariff, (₹ 82.14 crore) representing 42 *per cent*, 20 *per cent* and 17 *per cent* of the total cost for the year. There was a significant increase of more than 112 *per cent* in the employee costs during five years period from ₹ 47.43 crore (2007-08) to ₹ 100.82 crore (2011-12) mainly due to revision of pay and allowances of staff during 2008-09.

On the other hand, the transmission charges (₹ 391.14 crore) of the Company was the major element of revenue during 2011-12 representing 91 *per cent* of the total revenue for the year.

Recovery of cost of operations

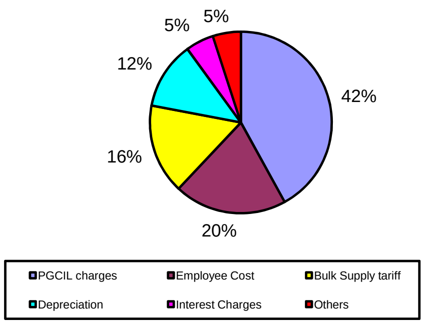
2.13.3 Details of profit/loss per unit during the last five years ending 2011-12 are depicted in the ***Graph VII***



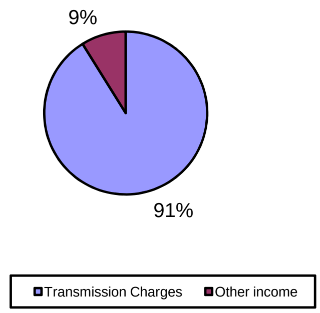
Elements of Cost and revenue

2.13.4 Component-wise major elements of costs as well as revenue for 2011-12 were as given in ***Graph VIII and IX***.

Graph-VIII
(Elements of cost)



Graph-IX
(Elements of revenue)



Non-claiming of surcharge from power distribution company

2.13.5 As per clause 96 and 97 of terms and condition for determination of tariff regulation of AERC, 2006 monthly transmission charges (TC) bills required to be raised by the company to power distribution companies. As per the terms and conditions/clause of tariff regulations, a late payment surcharge at the rate of 1.25 *per cent* per month shall be levied in case the payment of dues is made with a delay beyond one month from the date of bill. Records revealed that the State power distribution company was very irregular in payment of dues and at the end of every year there remained a huge outstanding amount ranging between ₹ 53.22 crore and ₹ 242.43 crore during 2007-08 to 2011-12. Scrutiny of records relating to 2011-12 revealed that the Company did not claim delayed payment surcharge amounting to ₹ 32.45 crore despite the existence of the enabling clause in the tariff regulation in this regard.

The Company did not claim delayed payment surcharge amounting to ₹ 32.45 crore despite enabling provisions in the tariff regulations.

Non-Claiming of incentive

2.13.6 As per clause 86, read with clause 95 of AERC's Terms and Conditions of Determination of Tariff Regulation 2006, a transmission licensee was entitled to get incentive on achieving weighted annual availability of the transmission system ranging between 98 and 99.75 *per cent.*

Scrutiny of records revealed that during 2007-12 the Company was entitled to get incentive of ₹ 13.84 crore according to the said rule as it made the transmission system available within the stipulated range. However, no claim was lodged on power distribution company to recover the incentive amount without any recorded reasons.

The Company did not claim incentive of ₹ 13.84 crore despite the enabling clause stipulated in the tariff regulation.

Management of surplus fund

2.13.7 Constant and close monitoring of funds is necessary to avoid idling of funds without yielding any return. Further, investment of surplus fund in most profitable and risk-free ventures after proper assessment of requirement of funds is an integral part of sound financial management system. Before arriving at the decision to invest in short-term deposits (STDs) in banks, thorough comparison of rates offered by the different banks should be made.

Scrutiny of records revealed that the decision to invest in STDs of various banks were neither taken by the Board of Directors nor the authority was delegated to group of directors in violation of guidelines of Department of Public Enterprises, GoI (DPE). It was observed that investments in STDs were made in different banks without comparison of interest rates. As a result, investment in banks, at times were fetching lower interest in comparison to the higher rates offered by other banks. This imprudent practice of *ad hoc* investment decisions highlights lack of transparent and effective investment policy in the Company, besides foregoing the interest income of ₹ 1.10 crore during 2009-12 on this account.

2.13.8 The Company had also not specified maximum balance to be kept in Current Accounts (CA) without any returns. It was observed that average monthly balance in CA of Lower Assam T&T Circle, Narengi ranged between ₹ 57.73 lakh and ₹ 361.03 lakh during 2009-12 against actual monthly average expenditure of ₹ 14.59 lakh to ₹ 23.70 lakh. Similarly, average monthly balance in CA of LDC, Kahilipara and Tezpur T&T division was ₹ 17.40 lakh (2009-10) and ₹ 27.90 lakh (2010-11) against average monthly expenditure of ₹ 10.06 lakh and ₹ 9.69 lakh respectively. Parking of fund in excess of requirement in the absence of fixation of any limit had rendered loss of interest income of ₹ 33.39 lakh to the Company by not investing the amount in STDs.

Non-assessment of fund position before opting for loan

2.13.9 For renovation and restoration of 220 kV Langpi-Sarusajai TL, the Company obtained loan of ₹ 20.30 crore (₹ 12.39 crore disbursed in August 2006 and ₹ 7.91 crore in March 2007) from Power Finance Corporation Limited (PFCL). The project works were taken up (October 2005) and completed in March 2007.

To repay the outstanding PFC loan amount of ₹ 16.35 crore, the Company applied (October 2009) further loan of equivalent amount from SBI at annual interest rate of 10.75 *per cent* despite having ₹ 42.49 crore in Fixed Deposits (between April 2009 and June 2010) as well as bank balances of ₹ 167 crore as on 31st March 2010. It was, further, observed that before disbursement of loan of ₹ 16.27 crore by SBI (₹ 5 crore in Feb 2010 and ₹ 11.27 crore in March 2010), the Company had already repaid (October 2009) the PFC loan of ₹ 16.35 crore along with interest of ₹ 1.40 crore out of own resources. Out of ₹ 16.35 crore loan received from SBI, ₹ 15.30 crore was invested (February 2010 / April 2010) in short-term deposits at annual interest rates ranging from 6 to 6.50 *per cent.* The Company paid off principal loan (SBI) amounting to ₹ 16.35 crore along with interest of ₹ 1.78 crore during the period April 2010 to March 2011.

The Company paid interest of ₹ 0.79 crore because of imprudent decision to avail bank loan.

It transpired from the above facts that there was no need to obtain loan from SBI since PFC loan amount was already repaid from its own fund and also the

Company had huge amount of surplus funds at banks. Parking the loan amount of SBI in fixed deposit established the fact further.

Thus, the imprudent decision of the Company to avail bank loan without assessing its own fund position resulted in net avoidable expenditure of ₹ 0.79 crore[42] towards payment of interest on loan.

Tariff Fixation

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

The tariff structure of the Company is subject to revision approved by the AERC after the objections, if any, received against ARR petition filed by them within the stipulated date. The Company was required to file ARR for each year 120 days before commencement of the respective financial year *i.e. 1st December* of preceding year. AERC accepts the application filed by the Company with such modifications/conditions as may be deemed just and appropriate and after considering all suggestions and objections from public and other stakeholders. The ***Table 15*** shows the due date of filing ARR, actual date of filing, date of approval of tariff petition and the effective date of the revised tariff.

Table 15

Year	Due date of filing	Initial date of filing	Date of admittance	Delay in days	Date of approval	Effective date
2007-08	1/12/2006	22/02/2007	11/05/2007	83	12/09/2007	20/09/2007
2008-09 2009-10	1/12/2007	17/10/2008	15/12/2008	321	24/07/2009	01/08/2009
2010-11 2011-12	1/12/2009	15/02/2010	21/08/2010	76	16/05/2011	24/05/2011

It is seen from the ***Table 15*** that delay ranging from 76 to 321 days took place in filing ARR petition and as a result effective date applicable for tariff also got correspondingly deferred.

2.13.11 As per the clause 78 of Regulations of terms and conditions for determination of tariff for transmission activity 2006, the Company files ARR with AERC for the revenue required to meet the cost pertaining to the transmission business for each financial year which would be permitted to be recovered by way of tariffs and charges after approval by AERC. Thus, the main source of revenue of the Company is the transmission and SLDC charges.

ARR proposals made by the Company and approved by AERC are given in ***Table 16.***

[42] Interest paid on loan ₹ 1.78 crore - ₹ 0.99 crore of interest earned for fixed deposit

Table 16

Transmission Tariff						
	Proposal by the Company			Approved by AERC		
Year	Total transmission Capacity (MW)	Annual Revenue Requirement (₹ in crore)	Tariff, ₹/kW/ Month	Total transmission Capacity (MW)	Annual Revenue Requirement (₹ in crore)	Tariff, ₹/kW/ Month
2007-08	1396.30	302.39	180.47	1396.30	209.4	124.94
2008-09	1700.80	507.12	248.47	1700.80	333.61	163.46
2009-10	2078.30	546.05	218.95	2078.30	299.21	119.97
2010-11	2227.30	418.72	156.66	2227.30	341.21	127.66
2011-12	2309.30	525.53	150.53	2309.30	391.14	112.04

Delayed capitalisation of commissioned assets led to non-claiming of depreciation of ₹ 12.55 crore in the ARR.

Further, as per the Regulation, whenever there was a gain or loss (excess/short) in the controllable items (O&M, Return on capital employed, depreciation and non-tariff income) the Company was required to file the details of the said gain or loss before AERC. The AERC, after reviewing the said details as furnished by the Company was to make appropriate adjustments in the tariff wherever required.

On scrutiny it was noticed that the expenditure approved in ARR by AERC was less than the expenditure incurred. Instances of short claim of expenditure by the Company and disallowance of expenditures by AERC are analysed below:

(i) Depreciation: scrutiny of records revealed that the Company could not claim depreciation totalling ₹ 12.55 crore in ARR during 2007-11 due to delayed capitalisation of commissioned assets; and

(ii) Repairs and maintenance : AERC disallowed an actual expenditure of ₹ 6.21 crore on repairs and maintenance for the year 2007-08 as major portion of the expenditure pertained to repairs of roads & buildings and vehicles and AERC was of the view that these could have been controlled by the Company.

Material Management

2.14 The key functions in material management are laying down inventory control policy, procurement of materials and timely disposal of obsolete inventory. It was observed that the Company had not formulated any procurement policy and inventory control mechanism for economic procurement and efficient control over inventory. Further, the Company had neither devised any system of ABC analysis of stock for prioritising the stock items based on their value/specification nor had established the levels of minimum, re-ordering and maximum stock holdings for ensuring stock availability as per requirement and avoiding excess stock holding situations. As a result, year ending value of closing stock did not commensurate to the value of yearly consumption of stock.

The year-wise details of annual and monthly stock consumptions, opening and closing stock position and closing stock in terms of monthly consumption for preceding five years ending 2011-12 are given in ***Table 17***.

Table 17

Year	Consumption per annum (₹ in Crore)	Consumption per month (₹ in Crore)	Net Closing Stock (as per Balance Sheet) (₹ in Crore)	Closing stock in terms of months of consumption.
2007-08	19.58	1.63	71.31	44
2008-09	9.75	0.81	74.76	92
2009-10	7.64	0.64	80.79	127
2010-11	2.25	0.19	113.31	597
2011-12	141.68	11.80	29.07	2

It would be evident from the ***Table 17*** that compared to monthly consumption of stores of ₹ 0.19 crore to ₹ 1.63 crore during 2007-11, value of stock holding of the Company during 2007-11 was sufficient to meet the requirements for the periods ranging from 44 months to 597 months which was indicative of huge investment in surplus stock. During 2011-12, however, the availability of closing stock drastically reduced to two months consumption due to sudden increase in annual consumption of stock from ₹ 2.25 crore (2010-11) to ₹ 141.68 crore (2011-12). This huge increase in stock consumption was mainly due to the unaccounted stores issued to field offices during previous six years (2005-06 to 2010-11), which were accounted during 2011-12. This indicated absence of efficient and effective material management system.

Non-conducting of physical verification of stocks in the stores

2.14.1 As per manual of the Company, a plan for periodical verification of stores covering all the items therein was to be prepared and periodical verification was to be conducted by counting the stocks physically available without reference to bin cards. On preparation of Physical Verification Reports (PVR), the same should be checked by a person not attached to the store.

There were 31 Area Stores under the control of the Company. On verification of records of field divisions/ SSs stores, it was found that annual PVR was prepared upto 2011-12. It was, however, noticed that the PVRs so prepared simply reflect the quantity and value of stores as mentioned in Price Store Ledgers (PSLs) without physical count/verification. On scrutiny of PSLs it was further observed that there were cases of double accounting of receipts as well as non-accounting of inter-unit transfer of stores. As such a difference of ₹ 80.35 crore was noticed in recording of materials in the PSLs compared to the amount shown in the annual accounts for the year 2010-11. This difference was, however, reconciled in 2011-12 by the Company. Thus, in the absence of effective procedure of physical verification of stores, authenticity of the figures reflected in the PVRs was doubtful.

Inefficient Management of Store

2.14.2 Scrutiny of records relating to stores of grid SSs revealed that stores relating to SSs equipments (other than tools and plants) amounting to ₹ 1.99 crore were lying idle for a period ranging from 5 to 30 years in 6 out of 15 grid SSs selected for field visit. The Company did not assess whether balance stores are still in usable condition or got deteriorated in quality which would need to be declared as scrap. Thus, idle stock blocked the available storage space causing hurdle in store management. One instance of procurement of store items without considering the immediate requirement and the future planning of the Company was noticed, which contributed towards space constraints besides blocking of huge investments, as discussed below.

Case Study

The Company procured (January 2007), 88 Current Transformers (CTs) and 24 Potential Transformers (PTs) costing ₹ 1.28 crore and issued the same to seven Grid SSs for use in 66 kV lines.

On test check of five out of seven such grid SSs, it was found that all CTs and PTs valuing ₹ 1.02 crore were lying unused in test checked SSs as there was no case of failure of CTs and PTs in these SSs for past 10 years. Further, the Company had already started discarding 66 kV system in a phased manner by replacing them with 220 and 132 kV systems rendering all the said CTs and PTs obsolete/surplus.

Thus, procurement of CTs and PTs by the Company without assessing the present need and potentialities of using in future remained unfruitful.

Energy Accounting and Audit

2.15 Energy accounting and audit are necessary to assess and reduce transmission losses, which are arrived at from readings of Meter Reading Instrument (MRI) obtained from Generation to Transmission (GT) and Transmission to Distribution (TD) boundary metering points. There were 309 interface boundary metering points between 282 TD and inter-transmission points and 27 GT points as on 31 March 2012. All the points were provided with 0.2 class accuracy trivector Availability Based Tariff (ABT) meters.

Analysis of data for the month of January to March 2012 of 16 out of 21 feeders (220/132/66 kV) indicated normal transmission loss[43] in one feeder, existence of high percentage of transmission loss in three feeders, non-availability of meters on either end of five feeders and negative or no losses due to defective meters in remaining seven feeders. Thus, absence of proper metering at feeders end rendered energy accounting and recording of transmission loss data unreliable.

[43] Transmission loss below the norm prescribed by AERC

Work of installation of ABT meters.

2.15.1 In order to enable the Company to accurately estimate transmission losses as well as effectively manage UI of electricity, AERC accorded (August 2005) approval to utilise an amount of ₹ 4.73 crore out of the AERC's development fund as per the provision of the tariff order for 2005-06 to install ABT meters at the interface of GT, TD and also inter-State energy exchange points. Accordingly, the Company identified (April 2007) requirement of 309 meters for 48 Grid SSs and 3 generating stations.

After cancellation of two Tenders on account of technical flaws in the tender document, Larsen & Tourbo Limited (L&T) was awarded (technical bids opened in December 2006) the contract (April 2007) for supply and installation of 309 ABT meters at ₹ 2.90 crore. As per Program Evaluation and Review Technique (PERT) chart of L&T, entire work was scheduled to be completed by October 2007. However, due to delay by the Company in completion of pre-commissioning activities such as completion of civil works, bringing electrical panels of the SSs into working condition and providing Meter-Relay and Testing (MRT) team, there was time overrun ranging from 15 to 33 months in completion of installation of meters. ABT metering system was not synchronised with RTUs for "online data flow" as envisaged in the contract. The main reason for this was that RTUs were not ready, when ABT metering was completed. Later, when RTUs were installed, it was found that L&T had not installed the data concentrators properly which was an important component for storing the data of ABT meters. RTUs thus could not acquire the data from ABT meters for online transmission. Presently the data from ABT meters are downloaded through a Common Meter Reading Instrument (CMRI) and sent to the SLDC using a compact disc, thus, diluting the objective of the management of UI with ABT meters.

On test check of 15 out of 48 SSs including five SSs having inter-State interface for transfer of energy, it was noticed that in eight SSs including five inter-State interface where ABT metering was installed at a cost of ₹ 38.17 lakh were not working properly as detailed in ***Annexure 11.*** This indicated that accounting of transmission loss and management of UI of energy was far from satisfactory.

Monitoring and Control

2.16 The performance of SSs and TLs of 400/220/132 kV on various parameters like maximum and minimum voltage levels, breakdown, voltage profiles should be recorded/maintained as per Grid Code standards. The Company, however, earlier did not introduce any system to get feedback from its SSs and lines on status of equipment and performances of SSs and lines. Besides, the functioning of the RTU and the ABT systems installed for online data transfer from different SSs to the SLDC for monitoring their activities was also not found to be satisfactory.

With the view to introduce effective monitoring system on the functions of the SSs, instructions were issued (December 2009) to all circles/Grid SSs to submit half-yearly status report of equipment along with their performance and maintenance commencing from July 2009. It was found from records that excepting two SSs[44], remaining 46 SSs did not adhere to the instructions and were not regular in sending the complete and accurate status reports of equipments/feeders.

It was further noticed that on receipt of feedback on defective equipments from different SSs in certain cases, no action were taken by the Corporate Office of the Company to timely repair/rectify the defective equipment. As a result, in three SSs[45] equipments like RTUs, ABT Meters, PLCC panels, *etc*., were lying in defective condition since the feedback given by SSs (October 2012).

Internal Controls and Internal Audit (IA)

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

Non operation of Internal Audit

2.16.2 The Company had one IA wing headed by General Manager. However, neither the wing was properly manned nor any report of IA was made available to audit for verification. The Statutory Auditors in their reports on the annual accounts of the Company for the years 2007-08 to 2009-10 had repetitively commented that the IA system did not commensurate with the size and nature of the business of the Company. The aspect of not conducting any IA in 2010-11 was also pointed out (March 2012) by ADB Consultative Mission. The wing was reconstituted (October 2011) with one Assistant. Manager (Audit) , two Accounts Officers, one Deputy Accounts Officer, one Accounts Trainee and two Article Clerks headed by Deputy General Manager (Audit). Out of 31 accounting units, 27 units were audited (October 2012) by IA wing. As a normal practice, complete Internal Audit Reports were not placed in Audit Committee meeting for discussion but only cases involving heavy monetary value were placed. However, copies of reports were forwarded to Managing Director and Chief General Manager (Finance & Accounts) of the Company.

Further, it was observed that no Internal Audit reports were placed before the Board of Directors for discussion and necessary remedial action. Thus, in the absence of structured and well defined IA system, the important financial affairs and transactions of the Company mostly remained unverified and unchallenged.

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[44] Narengi and Panchgram (New) SSs
[45] Srikona. Durlavecherra and Pailapool SSs

Audit Committee

2.16.3 Pursuant to section 292 A of the Companies Act, 1956 an Audit Committee (committee) was constituted (June 2007) by the Company to hold periodical discussions on internal control system, to review the annual financial statements of the Company before submission to the Board and to ensure compliance of internal audit observations. The committee consists of five member directors with MD as Chairman and CGM (F & A) as special invitee. As per the terms of reference of the committee, it should meet minimum four times in a year. Thus, in a span of five years (2007-12), the committee should have met for minimum 20 times. It was, however, noticed that during 2007-12, committee had only one meeting in March 2012. Thus, due to not holding of the minimum number of meetings of the committee, the intended objectives could not be achieved. Consequently, the Company remained unaware about the deficiencies, if any, in its functioning and internal control system.

Conclusions and Recommendations

Conclusions

Against capacity addition of substations (2990 MVA) and transmission lines (1635.92 CKM) planned under 11th Five year plan (2007-12) the Company could complete only two project (43 MVA) and rest of the capacity additions of substations (1298 MVA) and transmission lines (456.25 CKM) completed during 2007-12 pertained to spillover works of previous five year plans. As the execution of transmission projects was undertaken without synchronization with the actual progress of execution of generating plans of generating companies, facilities so created remained underutilised. Pre and post award activities of project implementation suffered with various deficiencies causing considerable delays in completing the projects.

Though the transmission losses during 2007-12 showed decreasing trend (excepting 2009-10), the Company could not achieve the AERC norms of transmission loss in any of the five years. The State power distribution company paid huge unscheduled interchange charges to NERLDC during April 2010 to February 2012 due to drawal of power at low frequency, which was indicative of Company's failure in maintaining the Grid discipline effectively. The financial management system of the Company was also deficient as it delayed filing Annual Revenue Requirement (ARR) for tariff revision and had foregone claiming delayed payment surcharges/incentives from State power distribution company causing adverse impact on its financial position.

No scientific system was in place for management of inventory. The Energy accounting and audit system of the Company was also unreliable in the absence of proper metering arrangements and authentic estimation of transmission loss. Monitoring mechanism in the Company was weak as implementation and following up of MIS was not satisfactory.

Recommendations

- **Capacity additions should be planned and executed in synchronization with the plans as well as progress of execution of projects of generating companies.**
- **Company should overcome the deficiencies in pre and post award activities by adhering to the recommendations of the Task Force for speedy completion of works.**
- **Company should identify the factors responsible for high transmission losses through proper metering and effective energy accounting and take necessary corrective action to restrict the losses within AERC norms.**
- **The Company should ensure proper functioning of its communication system so as to maintain effective Grid discipline.**
- **An effective mechanism should be put in place for timely raising of bills for recovery of dues and for filing of ARR within due dates.**
- **A scientific system of Inventory Management needs to be put in place for proper accounting of stores. Specific instructions should be issued to field offices for regular submission of MIS reports and prompt remedial action should be taken by higher authorities on the discrepancies noticed.**

CHAPTER-III

3. Transaction Audit Observation

Important audit findings emerging from test check of transactions made by the State Government companies/Statutory corporations are included in this Chapter.

Government companies

Assam Gas Company Limited

3.1 Non-recovery of dues

Decision to supply gas beyond contractual period had resulted in doubtful recovery of dues of ₹ 18.73 crore besides loss of interest of ₹ 2.40 crore

The Assam Gas Company Limited (Company) entered (19 October 1995) into an agreement with Eastern India Powertech Limited (EIPL), for supply and transportation of 0.10 million standard cubic metre per day (mmscmd) and 0.05 mmscmd of natural gas to EIPL's Baskandi and Adamtila power plants from off-take points of Oil and Natural Gas Corporation Limited (ONGC) for a period of 15 years. The agreement, *inter-alia*, stipulated that EIPL would open and maintain an Irrevocable Revolving Letter of Credit[1] (IRLC) covering the value of one month's booked quantity of gas. Payment of monthly bills raised by the Company would be made against IRLC on presentation of bills at the designated bank. Further, in case of any default or failure on EIPL's part to keep the IRLC operative, the Company should be at liberty to stop supply of gas till clearance of all payments and restoration of IRLC. EIPL would also be liable to pay interest at pre-determined rates on delayed payment amount. For supply of gas to EIPL, the Company also entered (17 October 1995) into a back-to-back gas purchase agreement with ONGC for identical period. However, due to inadequate gas pressure and depletion of gas at ONGC's off-take point, the Company stopped (September 2010) supply of gas to EIPL's Adamtila plant.

Meanwhile, as the agreement with the Company was to expire in October 2010, EIPL requested (December 2009) the Company to make necessary arrangements for extension of existing agreement for Baskandi plant for a further period of 20 years. Accordingly, the Company sought (January 2010) extension of the earlier agreement with ONGC for further 20 years. ONGC, however, expressed (April 2010) its inability to supply required quantity of gas (0.10 mmscmd) for 20 years and offered (November 2010) to supply much lesser quantity of gas (0.04 mmscmd) for three years only. While responding to ONGC's offer, EIPL commented (April 2011) that the offered quantity of gas was insufficient to meet the requirement of its Baskandi plant and the proposed extension of the agreement (*viz.* three years) was also not

[1] IRLC is a bank guarantee for payment for goods and services issued on behalf of one requesting for the same IRLC cannot be cancelled or modified in any way without explicit consent of the affected parties involved. It is for a specified time period and expires at a pre-determined point.

commensurate with its existing parallel power purchase agreement with Assam State Electricity Board (ASEB) to be expired in 2030. Thereafter, EIPL did not take any initiative (February 2012) to renew the agreement despite repeated requests of the Company.

It was, however, noticed that the Company without obtaining firm and written commitment from EIPL continued supply of gas to Baskandi plant of EIPL even after expiry (October 2010) of the existing agreement. The Company also did not get the IRLC re-validated resulting in refusal of payment of EIPL's bills by the Bank on expiry (16 November 2010) of the tenure of IRLC.

EIPL had not shown any interest to renew the agreement or to re-validate the IRLC and also continued to default in payment of bills since October 2010. It was observed that the Company, instead of lawfully binding EIPL to honour the bills by invoking stoppage of supply clause, continued supply of gas to EIPL by merely issuing few ‘closure of supply notices’. EIPL had defaulted payment of bills since October 2010 after the expiry of the agreement. The Company also did not report the matter to its Board of Directors (BoD) till December 2011. Finally, BoD in its meeting decided (15 March 2012) to stop gas supply to EIPL after 31 March 2012. It was, however, noticed that despite clear instructions of BoD to stop gas supply, the Company continued to supply gas to EIPL even after March 2012.

Scrutiny of records (February 2012) of the Company revealed that out of the total amount of ₹ 20.48 crore billed during the period November 2010 to September 2012, EIPL had paid a meagre amount of ₹ 1.75 crore and linked payment of balance amount with receipt of arrear payment from ASEB to whom EIPL had supplied power.

Further, out of total interest of ₹ 2.40 crore due on the outstanding amount (from November 2010 to September 2012), the Company claimed (December 2011) interest of ₹ 0.79 crore upto the period September 2011. EIPL, however, had refused (December 2011) to admit the claim in absence of any contractual obligation.

Thus, the decision to continue supply of gas beyond agreement period without informing BoD and not ensuring recovery of dues as well, had not only made realisation of ₹ 18.73 crore (₹ 20.48 crore - ₹ 1.75 crore) uncertain, but the Company had also lost the opportunity to realise interest of ₹ 2.40 crore on unpaid dues.

It is recommended that the Company should ensure that all business transactions are backed by lawfully enforceable agreements so that the financial interests of the Company are not jeopardized. Further, the Company should ensure that transportation of gas are not made without any valid agreement or if required, the same may be resorted to only after making an interim arrangement in line with the earlier agreement for a short period till the agreement is entered into. The Company should also put up all matters of importance to the BoD in time so that the decisions are not delayed. The BoD may also fix responsibility for the injudicious decision leading to loss to the Company.

The Management while accepting the fact, stated (June 2012) that in a meeting convened (April 2012) by the Power Minister, GoA, EIPL was asked to clear the outstanding dues of the Company immediately. The decision of the BoD to discontinue gas supply to EIPL after 31 March 2012 was, however, kept in abeyance considering the grim power scenario of the State. The fact, however, remained that the decision to continue gas supply was against the financial interest of the Company. Also the Company was yet to receive the amount and had also failed to enter into any agreement or re-validate the IRLC to ensure recovery of its dues.

The matter was reported to the Government (April 2012); their replies had not been received (November 2012).

3.2 Loss of revenue

Incorporation of clauses in the agreement in deviation with the existing policy led to loss of revenue of ₹ 3.07 crore

The Assam Gas Company Limited (Company) was engaged in the business of supply and transportation as well as only transportation of gas to its customers. In order to ensure optimum utilisation of its transportation system, it was a standard practice of the Company to recover transportation charges (TC) for actual quantum of gas transported or at least to the extent of 80 *per cent* of monthly committed quantity. The terms and conditions of recovery of TC in the agreements entered into by the Company with its customers[♣] were similar to its standard practice.

The Company, however, entered (5 December 2008) into an agreement with Assam Power Generation Corporation Limited (APGCL) for transportation of 0.5 million standard cubic meters per day (mmscmd) of gas to be supplied by Oil India Limited (OIL) on firm-basis (supply based on committed quantum) to APGCL's Lakwa Thermal Power Station under a separate agreement between OIL and APGCL. The terms and conditions of the agreement *inter-alia* stipulated that:

(i) The Company would be entitled to claim TC for transportation of gas supplied by OIL;

(ii) For supply of any quantity of gas by the Company to APGCL from other sources, over and above the quantity of gas supplied by OIL, APGCL should also pay the cost of gas at the rate charged by the producers together with TC.

(iii) Subject to 'force majure' clauses, if in a calendar month, the total consumption of gas by APGCL fell below 80 *per cent* of the monthly committed consumption on the basis of daily booked quantum (*i.e*. 0.5 mmscmd), APGCL shall pay TC for the minimum 80 *per cent* of the monthly minimum guaranteed quantum (MMGQ) of gas. APGCL shall not be required to pay any TC for gas consumption between 81 and 100 *per cent* of the booked quantum.

[♣] Assam Petrochemical Limited, DLF and various tea gardens

Scrutiny of records (February 2012) of the Company relating to gas supplied during the period December 2008 to July 2012 revealed that except in October 2010, December 2010 and April 2011, OIL failed to supply MMGQ of gas to APGCL. The Company, however, supplied gas to APGCL from its own sources on regular basis as per the terms of the agreement. Though the supply of gas from combined sources exceeded MMGQ in each month, TC bills were restricted to the extent of MMGQ (*i.e*. 80 *per cent* of 0.5 mmscmd of gas to be supplied by OIL) only since there was no provision in the agreement for TC on gas transported beyond MMGQ (80 *per cent* of 0.5 mmscmd) to 100 *per cent* of the booked quantum from OIL. Departure from the standard clauses of agreement resulted in short recovery of TC of ₹ 3.07 crore.

Thus, due to incorporation of clauses in the agreement which were contrary to existing practice/policy, the Company suffered loss of ₹ 3.07 crore by foregoing TC on supply of gas.

It is recommended that the Company may amend the present agreement to avoid further losses and future agreements may be entered based on its existing policy/practice and any deviation from the existing policy, if required, should be carried out only after safeguarding its own financial interests.

In reply, the Management stated (June 2012) that TC was fixed considering Minimum Demand Charges (MDC) volume as the divisor and hence, the rate of TC fixed was equal to the rate applicable for total booked quantity. The reply is not tenable, as verification of records revealed that TC rate to cover the total operating costs including return on investment for 2008-09 should have been ₹ 695 per 1000 standard cubic meter (scum) from the effective date of agreement. However, the Company charged ₹ 565.70 per 1000 scum as TC from APGCL.

The matter was reported (March 2012) to the Government; their replies had not been received (November 2012).

3.3 Avoidable payment of penal interest

Absence of planning and ensuring proper estimation of income for payment of advance tax led to an avoidable expenditure of ₹ 1.45 crore as penal interest

Section 208 of the Income Tax Act, 1961 (Act), made it obligatory on the part of an assessee to pay in each quarter advance tax at prescribed rates on or before the specified due dates*, where quarterly tax payable amount has been assessed more than ₹ 10,000. Sections 234B & 234C of the Act also stipulate levy of penal interest for delay/shortfall in payment of advance tax amount.

*

Due date of payment	Amount of advance tax
On or before 15 June of the financial year	15 *per cent* of total tax payable
On or before 15 September of the financial year	30 *per cent* of total tax payable
On or before 15 December of the financial year	30 *per cent* of total tax payable
On or before 15 March of the financial year	25 *per cent* of total tax payable

To avoid payment of penal interest, not only timely payment was required but also its realistic estimation of the advance tax was equally important. In this exercise, it is essential to appropriately take into account the trend analysis of the previous years working results as well as the other known factors having direct bearing on the income and expenditure of the Company.

Scrutiny (February 2012) of records of Assam Gas Company Limited (Company) revealed that the Company estimated its taxable income for the financial years 2009-10 and 2010-11 by making 'lump sum' adjustments to its previous years' income and expenditure components. It was, further, observed that while estimating the taxable income for computing the advance tax, the Company did not consider the known factors having direct impact on its income and expenditure, such as, decrease in the interest liability due to repayment of loans, reduction in the quantum of depreciation due to decrease in the net book value of assets and not considering the profits against trading of natural gas. Resultantly, there was a shortfall in payment of quarterly advance tax thereby causing avoidable payment of penal interest of ₹ 1.45[♣] crore by the Company under Sections 234B and 234C of the Act for the period 2009-11.

The shortfall in payment of advance tax was mainly due to the following deficiencies in arriving at estimated taxable income for the period 2009-11:-

a) Trading profit on purchase and sales of natural gas was a regular source of operating income of the Company. During the years 2008-09 to 2010-11, income from this source ranged from ₹ 2.88 crore to ₹ 17.11 crore. The Company, however, did not consider the same while estimating the total income. Based on the immediately preceding year's figures of actual trading profit and percentage increase, it was ascertained in audit that the Company should have considered additional total income of ₹ 2.24 crore and ₹ 15.26 crore by way of trading profit for the years 2009-10 and 2010-11 respectively while determining its advance tax liability.

b) Yearly regular operating income in the form of Transmission charges (TC) of natural gas had registered increase of 14.89 *per cent* (2008-09), 10.12 *per cent* (2009-10) and 9.55 *per cent* (2010-11) over the previous year. It was, however, noticed that while estimating the taxable income, the Company considered marginal increase over last year's actual income on lump sum basis completely ignoring the actual percentage increase over previous year. This had resulted in under estimation of income by ₹ 12.22 crore and ₹ 8.14 crore in the financial years 2009-10 and 2010-11 respectively.

c) During the year 2008-09 and 2009-10 the Company had secured loans of ₹ 71.35 crore and ₹ 44.20 crore respectively as an opening balance and paid an interest at the rate of 7.35 *per cent* amounting to ₹ 5.88 crore and ₹ 1.14 crore respectively. Though the Company repaid loans amounting to ₹ 27.15 crore (2008-09) and ₹ 19.83 crore (2009-10), consequential fall in interest liability by ₹ 3.24 crore[≈] during 2009-11 was not considered while estimating the operating expenses for arriving at the taxable income for 2009-10 and

[♣] ₹ 0.72 crore and ₹ 0.73 crore for the year 2009-10 and 2010-11 respectively.

[≈] Net fall in interest in two years *i.e.* ₹ 3.33 crore (2009-10) and (-) ₹ 0.09 crore (2010-11)

2010-11. On the contrary, Company considered a lump sum increase of 11.88 *per cent* and 48.79 *per cent* to the total expenses for estimating the taxable income for 2009-10 and 2010-11 respectively.

d) The Company had been charging depreciation on Fixed Assets under written-down value method. As such, there had been constant decrease in the amount of yearly depreciation to be provided. It was ascertained in audit that the estimated amount of depreciation for the years 2009-10 and 2010-11 based on the opening balances of Net Fixed Assets worked out to ₹ 15.09 crore and ₹ 12.78 crore which were less than the actual depreciation of the previous year by ₹ 2.62 crore and ₹ 2.42 crore respectively. However, the decrease in depreciation was not considered while anticipating operating expenses as all actual expenditures of previous year were inflated on a lump sum basis.

It was observed in audit that the estimated income would have been higher by ₹ 20.41 crore and ₹ 25.73 crore in 2009-10 and 2010-11 had the factors stated in the preceding paragraphs were considered and the Company would have to deposit additional tax of ₹ 6.87 crore and ₹ 8.66 crore respectively. This would have enabled the Company to reduce payment of penal interest amount by ₹ 0.72 crore for the year 2009-10 and totally eliminate payment of penal interest amount of ₹ 0.73 crore for the year 2010-11. Thus, the unscientific and unrealistic approach of the Company in estimation of taxable income by ignoring the various known factors, having direct impact on the income, had resulted in avoidable expenditure of ₹ 1.45 crore (₹ 0.72 crore *plus* ₹ 0.73 crore) towards penal interest for short payment of advance income-tax.

It is recommended that the Company should be realistic in its approach while estimating its annual income by adequately analysing the previous trends and other known factors relating to the income and expenditure so as to minimise the possibilities of such avoidable expenditure.

In reply the Management stated (June 2012) that the assessment of advance tax was made on the basis of available records with the Company. The reply is not tenable as available records were not analysed logically considering the past trends and the known factors to estimate the taxable income.

The matter was reported (April 2012) to the Government; their replies had not been received (November 2012).

3.4 Undue allowance of rebate and loss of revenue

Inaction against the consumer for violating the terms and conditions of the agreement resulted in extension of undue benefit and loss of revenue of ₹ 1.06 crore

Assam Gas Company Limited (Company) entered (22 March 2003) into an agreement with Assam State Electricity Board, erstwhile entity of Assam Power Generation Corporation Limited (APGCL) for transportation of gas from Oil India Limited’s off-take point at Duliajan to APGCL’s Namrup Thermal Power Station, Namrup. The terms and conditions of the agreement relating to raising of invoices for transmission charges (TC), realisation of dues and allowance of rebate *inter-alia* stipulated the following:

(i) The Company shall raise invoice for gas TC within 10^{th} day after the end of every month.

(ii) The APGCL shall directly deposit the amount of invoice in the Company's bank account (SBI, Duliajan) by 14^{th} of each month (or next working day if 14^{th} happens to be holiday).

(iii) APGCL shall open and maintain at its own cost, a 'standby' Irrevocable Revolving Letter of Credit (IRLC) in favour of the Company for ₹ 64 lakh only.

(iv) APGCL shall be allowed a rebate of 2.5 *per cent* if payment of the invoiced amount was made within the due date. Further, for non-payment of dues within 30 days from invoice date, APGCL would be liable to pay surcharge at the rate of 1.25 *per cent* per month or part thereof.

(v) If for any reason, the payment was delayed or any disallowance was made from the invoice, the Company shall have the right to invoke the IRLC for realising the payment on the same day. The Company also reserved the right to suspend transportation of gas, in case payment was not made within 30 days of presentation of invoice.

Scrutiny of records (February 2012) of the Company relating to billing and realisation of TC revealed that during the period 2008-09 to 2011-12 (up to 31 March 2012)[♦], the Company raised 48 monthly invoices aggregating ₹ 38.67 crore against which APGCL paid ₹ 37.81 crore after deducting rebate of ₹ 0.86 crore on all the invoices. Out of those 48 invoices, APGCL made payment within the due dates against 12 invoices only on which a total rebate of ₹ 0.21 crore was admissible. The payment against remaining 36 invoices was, however, made with delays ranging from 1 to 143 days. Thus, against allowable rebate of ₹ 0.21 crore, APGCL inspite of default in payment of the invoices within due dates, unilaterally retained rebate of ₹ 0.65 crore (₹ 0.86 crore *less* ₹ 0.21 crore) in excess. The Company did not take up the matter of irregular retention of rebate with the APGCL for recovery, except making some sporadic supplementary claims amounting to ₹ 0.24 crore for 13 months, which were also not paid by APGCL (October 2012). The Company was also entitled to recover the surcharge of ₹ 0.41 crore from APGCL for delays in making payment (including the surcharge recoverable on excess rebate retained) within 30 days from the invoice date. The Company, however, did not lodge the claim for the same with APGCL.

It was also noticed that though APGCL opened (3 October 2005) an IRLC (valid upto 3 October 2007) the Company did not insist for its revalidation so as to ensure timely realisation of dues.

[♦] For bills after March 2012, APGCL has been depositing the gross amount without deducting the rebate.

Thus, failure to safeguard its financial interest and inaction against APGCL for violation of terms and conditions of the agreement tantamount to extension of undue benefit with resultant loss of revenue of ₹ 1.06 crore (*i.e.* ₹ 0.65 crore *plus* ₹ 0.41 crore) to the Company.

It is recommended that for allowance of rebate, the Company may consider raising the bill initially for gross amount and may allow rebate for timely payment, if any, by way of credit notes or through adjustment from the next bill. The Company should also insist APGCL for revalidating the IRLC to ensure prompt recovery of its dues.

In reply the Management, while accepting the facts stated (June 2012) that it had sent letter to APGCL for release of undue amount of rebate retained by it. The fact remained that the loss of revenue could have been avoided but for the lapse on the part of the Company in getting the IRLC revalidated in time and ensure recovery of its dues. Fact, further, remained that though Company requested for release of undue rebate amount, no recoveries in this regard were made from APGCL (October 2012).

The matter was reported to the Government (March 2012); their replies had not been received (November 2012).

Assam Petrochemicals Limited

3.5 Loss of revenue

Decision of the Company to defer the procurement process without approval of the Board resulted in loss of production of 16,034 MT of Methanol with consequent loss of revenue of ₹ 3.16 crore.

Production of Methanol by Assam Petrochemicals Limited (Company) required help of Reformer Tubes (RTs) and inlet and outlet Pigtails. RTs, in ideal conditions, had a life span of one lakh operational hours and nine months of lead-time for procurement. The longevity of RTs gets adversely affected due to frequent thermal shocks caused by erratic supply of power. To ensure un-interrupted production, advanced procurement planning and scheduled annual maintenance were essential to avoid major operational hazards.

Scrutiny of records (February 2012) revealed that damages in 8 out of 42 RTs were noticed (April 2008) by the Company during annual maintenance of the Methanol plant. Abnormalities were also observed (May 2009) by the Company in functioning of these eight RTs as well as six other RTs, due to frequent thermal shocks and ageing[*]. The damages in these RTs were rectified (June 2009) with some patch works and the plant was operated at a restricted capacity of 90 *per cent* considering the safety of the RTs. Anticipating the requirement of replacement of RTs and Pigtails, the Company issued (July 2009) tenders for purchase of RTs and Pigtails. Though on opening (September 2009) of technical bids, offers of four firms were found technically suitable, the offer of Manoir Petro India Limited (MPIL) for RTs was not recommended by the Tender Committee (TC) on the ground that their

[*] RT were operated for 70,000 hours as on May 2009 against 1,00,000 hours of expected life.

supply points were located in China. In turn, TC requested (September 2009) MPIL to change their supply point from China, which was not accepted by MPIL. TC also did not obtain any approval of the Board before rejecting (September 2009) the offer of MPIL. The decision (November-December 2009) to replace the RTs and Pigtails during health study of the plant and planned shut down was deferred further till July 2010 as procurement of Reformer bricks[**] was delayed due to delay in finalisation (December 2009) of the deal. The Company, despite noticing deterioration in the health and life of RTs continued to operate the plant without scheduled maintenance and health check-up for two years from its last annual maintenance in April 2008. As a result, all the RTs were damaged and a major breakdown occurred on 22 July 2010 in the plant, thereby, paralyzing the production process completely. On receipt (August 2010) of Reformer bricks and repairing 25 RTs out of 42 damaged RTs, the plant was put into operation from 13 September 2010 at 50 *per cent* of its installed capacity.

As no decision on purchases could be taken, price validity of the first offer expired and as such fresh enquiry letters were issued (July 2010) for purchase of RTs and Pigtails by the Company. On receipt (August 2010) of offers, orders for supply of RTs on MPIL and those for Pigtails on Cronite-Scomark Engineering Limited were placed (September 2010) at a value of ₹ 1.77 crore and ₹ 0.54 crore respectively. It was observed that TC, consisting of the same officials which had earlier rejected (September 2009) the offer of MPIL, recommended the offer of MPIL for approval by the Board. The Board selected (August 2010) MPIL on the ground that neither the tender document nor any law enacted by the Government of India debarred transaction with a firm having its manufacturing unit in China. RTs were supplied in June 2011 and all old/damaged RTs were replaced (July 2011) and the plant was put to operation from August 2011.

It was observed that faulty and injudicious decision of the Company to defer the procurement of RTs and Pigtails without approval of its Board despite noticing incremental deterioration in the health and life of RTs and operating the Plant for two years without health check up had caused major damage to RTs and stoppage/scaling down of production capacity.

It is concluded that the TC should have obtained Board’s decision for selection of suppliers at the first instance (September-December 2009) before rejecting (September 2009) the offer of MIPL. The Company could have replaced the damaged RTs and operate the plant at its full capacity from October 2010 considering the delivery period of nine months after issue of supply order. Failure of the Company to ensure timely procurement of RTs resulted in loss in production of 16,034 MT of Methanol with a realisable value of ₹ 21.79 crore[♣] in operating the plant at half of its capacity during the period October 2010 to July 2011.

[**] An essential proprietary item required during shutdown maintenance works.

[♣] Calculated at ₹ 13590.66 *per* MT being the average realisable value of Methanol during 2010-11.

Thus, the injudicious decision of the Company to defer purchase initiatives, without obtaining Board's approval, even after floating tender and obtaining qualified bids resulted in loss of net revenue of ₹ 3.16 crore* after considering the cost of production.

It is recommended that the Company may assess the health of important equipment at pre-determined intervals and complete the scheduled maintenance of the plant in time so as to avoid adverse consequences including loss of production. Further, requirement of critical store items may be assessed periodically and procurement process planned, initiated and completed keeping in view the requirement and lead-time of delivery. A minimal stock of some critical items may also be kept.

The Management in its reply (August 2012) accepted the audit observations. The matter was reported (April 2012) to the Government, their replies had not been received (November 2012).

3.6 Avoidable expenditure

Non-revision of the gas transportation agreement in consonance with the gas supply agreement resulted in avoidable expenditure of ₹ 0.82 crore.

Assam Petrochemicals Limited (Company) was receiving Natural Gas (NG) from Oil India Limited (OIL) to manufacture Methanol in its Methanol Plant-I and Methanol Plant-II. Though, no formal supply agreement was entered with OIL, the Company had booked quantity of 0.15 million standard cubic meter per day (mmscmd) of NG which was transported to the Company's intake point through the pipelines of Assam Gas Company Limited (AGCL) under a separate agreement of April 1976.

After closure (20 February 1998) of Methanol Plant-I due to ageing, the requirement of NG in the Company went down to maximum 0.11 mmscmd. Accordingly, on the request (November 2002) of the Company, the OIL revised the quantity of NG to be supplied from 0.15 mmscmd to 0.138 mmscmd.

It was observed that despite reduction in quantity of NG to be drawn from OIL, the Company did not take any step for corresponding revision in the quantity of NG to be transported from existing 0.15 mmscmd to 0.138 mmscmd while renewing (May 2003) the transportation agreement with AGCL. Further, as per clause 5.04 of the renewed (May 2003) transportation agreement with AGCL, the Company was also liable to pay Minimum Demand Charges (MDC) with effect from the date of completion (24 May 2005) of new pipeline of AGCL if total consumption in a calendar month falls short of 80 *per cent* of month's committed quantity (0.15 mmscmd).

Since, maximum requirement of NG was only 0.11 mmscmd and there was a mismatch between the quantities of supply (0.138 mmscmd) and transportation (0.15 mmscmd) of NG, actual consumption in each month fell

* Realisable value (₹ 13590.66) per MT *less* Cost of sales (₹ 11621.16) per MT multiplied by loss of production of 16034 MT.

short of 80 *per cent* of monthly committed quantity as agreed with AGCL. After more than four years, the Company requested (December 2007) AGCL, for reducing the quantity of transportation of NG from 0.15 mmscmd to 0.138 mmscmd. This request was not acted upon by AGCL and the terms of agreement were yet to be modified (October 2012).

Scrutiny of records (February 2012) of the Company for the period May 2005 to September 2012 revealed that as the actual consumption was less than 80 *per cent* of the monthly committed quantity, AGCL enforced the MDC clause and recovered an amount of ₹ 1.75 crore as transportation charges over and above the actual drawal by the Company.

In the absence of new/modified agreement specifying the quantity of NG in consonance with the supplied quantity (0.138 mmscmd) from OIL, the Company incurred avoidable expenditure of ₹ 0.82 crore[♣] during the period from May 2005 to September 2012.

It is recommended that the Company may take immediate steps to modify the existing agreement to avoid any further loss to the Company on this account. Further, agreements that were inter-related/dependent should be executed/renewed only after safeguarding the interests of the Company.

The Management in its reply (August 2012) stated that the Company had requested (June 2003) the Government of Assam to intervene in the matter for revision in MDC clause based on the reduced quantum. The reply is not tenable as the Management should have identified its requirement of natural gas during conceptual stage of the agreement.

The matter was reported (April 2012) to the Government; their replies had not been received (November 2012).

Assam Trade Promotion Organisation

3.7 Avoidable expenditure

The management did not take required action to reduce the excess connected load of the trade centre which led to avoidable expenditure of ₹ 24.07 lakh to the Company.

A trade promotion centre[∞] (Centre) was constructed (April 2007) by Central Public Works Department (CPWD) at the behest of Indian Trade Promotion Organisation and Ministry of Commerce, Government of India. Sanctioned load of 940 KW and connected load of 870 KW (1024 KVA) were obtained by CPWD in November 2005 to meet requirement of electricity during construction and operational periods. The Centre was initially handed over (April 2007) to Assam Industrial Development corporation Limited (AIDC) for completing the balance works and making the Centre ready for operations. After formation (17 February 2009) of Assam Trade Promotion Organisation

[♣] After netting of ₹ 0.93 crore which was payable as MDC charges even after considering the committed quantity as 0.138 mmscmd.

[∞] Maniram Dewan Trade Centre

(the Company), management of the Centre was transferred (May 2009) to the Company and the Centre started commercial operations with effect from May 2009.

Perusal of records (July 2011) of the Company revealed that on taking over (April 2007) physical possession of the Centre, AIDC had noticed that actual requirement of power for the Centre ranged between 29 KVA and 41 KVA against the connected load of 1024 KVA. AIDC, however, instead of submitting application for load reduction duly supported with the test report prepared on the basis of re-assessment of connected load, approached (May 2007) the Assam State Electricity Board (ASEB) to allow payment of demand charges on the basis of actual connected load. As ASEB had not responded to the request and the matter was not pursued thereafter by AIDC.

Scrutiny of records further revealed that the actual requirement of electricity for the Centre did not improve much even after commencement of its commercial operations. It was noticed that the recorded demand of power during the period from June 2009 to September 2012 ranged from minimum 30 KVA to maximum 105 KVA whereas the payments were made throughout the period at fixed rate applicable for the connected load of 1024 KVA. Alike AIDC, the Company also did not take any initiative to minimise the burden of monthly extra expenditure on electricity charges. After the issue being pointed out (July 2011) and followed up by audit, the Company re-assessed (March 2012) the connected load and found it higher by 278 KW (327 KVA). Accordingly, the Company submitted (June 2012) application for reduction of load to 592 KW, on which the action by Assam Power Distribution Company Limited was pending (October 2012).

As the management of AIDC was aware (April 2007) of the excess load, they should have applied for reduction in connected load as per laid down procedure after assessing the existing connected load. This would have enable the Centre to avoid payment of monthly fixed charges on excess load of 278 KW (327 KVA) from June 2007 onwards, considering one month's period allowed by Assam Electricity Regulatory Commission to distribution companies to finalise application on reduction of connected load. Thus, lack of appropriate action on the part of AIDC as well as the Company to reduce the connected load led to an avoidable expenditure of ₹ 24.07 lakh[*] towards payment of excess fixed charges during the period from June 2007 to September 2012.

It is recommended that the Company should urgently review all its needs for electricity with reference to test reports so that burden on account of avoidable payment can be avoided.

AIDC, the custodian of the centre upto April 2009, in its reply (06 June 2012) stated that reassessment and reduction of load was not resorted to since the exercise involved huge expenditure towards major alterations of existing electrical system, which was not in their scope. The reply is not tenable in view of the fact that AIDC was not mere caretaker of the property, but was

[*] 327 KVA @ ₹ 115 per month for 64 months

also vested with the prudent management of the Centre. The AIDC should have taken appropriate action for reducing the connected load considering the long term financial benefits to the Company. As regards the huge expenditure on alteration works, AIDC could have got reimbursement of said expenditure from the Company in the same manner as it had received reimbursement of expenditure (₹ 1.60 crore) incurred during June 2007 to April 2009 towards looking after the affairs of the Company. The Company, presently managing the Centre, though started (March 2012) the process of reduction of load and filed (June 2012) the application, the same is yet (October 2012) to materialise.

The matter was reported (May 2012) to the Government; their replies had not been received (November 2012).

Assam Gas Company Limited
Assam Petrochemicals Limited
Assam Police Housing Corporation Limited
Assam Power Distribution Company Limited

3.8 Loss of interest

Loss of aggregate interest income of ₹ 3.15 crore to four State Public Sector Undertakings due to imprudent investment of surplus funds

3.8.1 As an integral part of prudent financial management system of Public Sector Undertakings (PSUs) it is the duty of the officials managing the financial affairs of PSUs to maximise the revenue by prudently investing the surplus funds in low risk profitable ventures with due compliance of the Government's guidelines issued from time to time.

3.8.2 To avoid the situation of surplus funds lying idle or yielding low returns it is essential that:

- the PSUs make a correct assessment of requirement of funds in a scientific manner both for the present and in immediate future, so as to decide the amount and duration of investments.
- a system was in place for constant monitoring of the available cash balances which would help to avoid idling of surplus funds.
- investments in Short-Term Deposits (STDs) were made after due comparison of interest rates offered by various banks so as to maximise the interest income.

3.8.3 STDs in the nationalised commercial banks are among the safe investment options commonly preferred availed by the PSUs as the same assure fixed returns with maximum safety/security and easy liquidity.

3.8.4 To assess the state of soundness of management of surplus funds by PSUs, investment of surplus funds by four* PSUs during the year 2009-10 to 2011-12 in STDs of various Nationalised and Private Commercial banks were test checked (February to March 2012). During the course of audit, certain deficiencies in the system of investment of funds in STDs by these PSUs were noticed while placing the bulk deposits with the bank(s) with whom these PSUs had regular course of business resulting in loss of interest income as detailed below:

3.8.5 Investment without comparison of interest of other bank(s)

Prior to selection of any particular bank for investment in STDs, a thorough comparison of interest rates offered on identical terms for similar durations was essential so as to secure maximum returns. Investment in STDs by APHCL, APL and AGCL were, however, made without comparison of rates offered by other nationalised banks with whom these PSUs already had STDs accounts. This had resulted in loss of interest income as summarised in the following table:

Table 1

Sl. No.	**Year**	**Name of company**	**Amount invested (₹ in crore)**	**Period of investment**	**Interest rates availed (*per cent*)**	**Interest rate foregone (*per cent*)**	**Loss of interest income (₹ in lakh)**
1.	2009-10	APHCL	5.00	1 year	6.5	7	2.50
		APL	6.48	1 year	5.75	6.5	4.86
			0.21	181 days	6	6.5	0.05
		AGCL	14.34	1 year	5 to 7.5	6.5 to 7.5	6.32
2.	2010-11	APL	20.75	1 year	5.5 to 8.75	6 to 9	6.43
			14.44	1 year	6 to 8.75	6.5 to 9	12.16
3.	2011-12	AGCL	13.99	1 year	7.30 to 9.5	9 to 9.5	6.21
Total							**38.53**

3.8.6 Investments by not splitting the amount to lower values

At the time of taking decision for investing in STDs, interest rates offered by various banks on the amount of single investment need to be considered as the same, at times, varied from bank to bank depending upon the amount of single investment. In such cases, it would be more beneficial for the investors to make multiple investments by splitting the amount to lower values. It was, however, observed that no such mechanism was evolved by the four PSUs and despite higher interest rates on single investment of less than ₹ 1 crore offered either by the same bank or by other banks, single investment in STDs of more than ₹ 1 crore were made at lower interest rates resulting in loss of interest income as discussed below:

3.8.7 Not availing the higher rates of other banks

Following were the instances of interest loss suffered by three PSUs due to investment in higher value STDs at lower interest rates ignoring the higher

* Assam Gas Company Limited (AGCL), Assam Power Distribution Company Limited (APDCL), Assam Petrochemicals Limited (APL) and Assam Police Housing Corporation Limited (APHCL)

interest offered on low value STDs by other banks where these PSUs already had STD accounts:

Table 2

Sl. No.	Year	Name of company	Amount invested (₹ in crore)	Period of investment	Interest rates availed (*per cent*)	Interest rate foregone (*per cent*)	Loss of interest income (₹ in lakh)
1	2009-10	APHCL	16.00	1 year	6	6.25	4.00
		APDCL	11.54	1 year	5	6.5	17.31
		AGCL	11.97	1 year	5 to 6	6.5 to 7.25	19.51
2	2010-11	APHCL	15.00	1 year	4.5 to 6	5 to 6.5	7.50
		APDCL	132.21	1 year	5 to 6	6.5 to 7.5	143.66
			15.11	181 days	5	7.5	18.74
		AGCL	21.15	1 year	6	6.5	10.58
3	2011-12	AGCL	1.28	1 year	9	9.25	0.32
Total							**221.62**

3.8.8 Not availing higher rates of same bank

Following were the instances where investment in higher value STDs were made by three PSUs at low interest rates without comparing the higher interest rates offered by the same banks in low value STDs:

Table 3

Sl. No.	Year	Name of company	Amount invested (₹ in crore)	Period of investment	Interest rates availed (*per cent*)	Interest rate foregone (*per cent*)	Loss of interest income (₹ in lakh)
1	2009-10	AGCL	18.44	1 year	5.75 to 6	6.5 to 7.25	19.69
2	2010-11	AGCL	1.06	1 year	8.5	8.75	0.26
		APL	6.68	1 year	6	6.5	3.34
		APDCL	10.68	1 year	6	6.75	8.01
			11.10	181 days	6	7.5	8.26
Total							**39.56**

3.8.9 Delay in investment in STDs

Lack of close monitoring and proper assessment of requirement of fund, delay ranging between 8 and 29 days in 2009-10 and 5 and 110 days in 2010-11 had occurred in shifting ₹ 48 crore (2009-10) and ₹ 32.5 crore (2010-11) from savings bank account to STD account by APHCL resulted in loss of interest income of ₹ 15.59 lakh in those two years.

3.8.10 Thus, due to systemic deficiencies in investment of surplus funds as discussed in preceding paragraphs, four PSUs sustained loss of interest income aggregating ₹ 3.15 crore during the period 2009-12.

To avoid loss of returns from investments in STDs, it is recommended that before taking investment decisions, the PSUs should make a comparative study of interest rates offered by various banks applicable on identical amount and period of investment. Further, the amount of investment in single STD may be decided only after comparison of interest rates applicable on different slabs of investment. Constant monitoring of deployment of funds would avoid their idling or parking in low income generating investments.

APDCL in its reply (August 2012) stated that it had preferred SBI as premier bank. AGCL had also stated (July 2012) that it preferred the banks where it maintained operational accounts. The replies are not tenable as the audit observation is based on the interest rates offered by the nationalised commercial banks where these PSUs had similar types of accounts. APDCL further stated (August 2012) that splitting of investment would require deployment of additional manpower. The plea, is, however, not sustainable considering the significant financial benefit that would have derived by the PSUs by splitting the investments to low value STDs.

AGCL in its reply (27 July 2012) stated that due to remoteness of branches the rates before investment were not available. The reply is not tenable as the interest rates offered by the banks were available in public domain and the Company needed to be more proactive while taking investment decision.

APHCL had replied (16 July 2012) that loss was due to procedural delays. The reply is not acceptable as the Company failed to follow the decision (September 2008) of its Board of Directors for mandatorily considering interest rates offered by different banks before arriving at investment decisions.

APL in its reply while assuring (July 2012) to consider the audit recommendations for future investments stated that the bank wise comparative evaluation of interest rates could not be done due to non disclosures of rates by banks and other operational constraints. This reply is also not acceptable as our observation is based on the interest rates offered by the banks where the PSUs already had STDs and no such problems had been reported by other state PSUs.

The matter were reported (June 2012) to the Government. While the Government had endorsed the replies of APDCL and APHCL, their replies in respect of other two PSUs (AGCL and APL) had not been received (November 2012).

Statutory Corporation

Assam State Transport Corporation

3.9 Irregular use of Government fund

Non-adherence to the stipulated conditions of the Dharmajyoti scheme resulted in loss of ₹ 25.56 lakh to the State exchequer.

For the benefit of the pilgrims/group of pilgrims for pilgrimage of the prominent religious places/sites of Assam as well as other parts of the Country, a scheme, namely, ‘Dharmajyoti’ was launched at the initiative of Government of Assam (GoA) in February 2004 under the administrative control of Assam State Transport Corporation (Corporation). The scheme, inter alia, provided that the total cost of journey was to be shared on 50:50 basis by GoA and the Pilgrims.

Scrutiny (August-September 2011) of records for the period April 2007 to March 2011 revealed that during the period, 2,509 pilgrimage parties consisting of 1,08,531 pilgrims availed the services rendered by the

Corporation under 'Dharmajyoti' Scheme. However, in violation of the scheme provisions regarding realization of the pilgrims' share of 50 per cent of journey cost in advance, the Corporation did not realise the same amounting to ₹ 25.56 lakh from 72 pilgrimage parties. It was further observed that the Corporation furnished inflated certificates for utilisation of scheme funds after irregularly adjusting the un-realised amount from the said pilgrimage parties. Thus, non-adherence of the stipulated conditions of the scheme led to loss of ₹ 25.56 lakh to the State exchequer.

The Management stated (December 2012) that waiver was allowed in case of Haj pilgrims of Assam and in case of other special category of pilgrims, who are socially and economically weak. Further, it stated that such waiver has the approval of Honorable Transport Minister, GoA (December 2012) and the Board of Directors has also accorded (March 2012) approval for the same.

Reply of the Management is untenable due to the following reasons:

(1) The Board has approved the waiver in March 2012 citing the order of Honorable Transport Minister, GoA. However, the approval of the Honorable Minister has been obtained in December 2012.

(2) The waiver of beneficiaries' share of journey cost by the Board of Directors was irregular as there was no stipulation in the terms and conditions of the scheme in this regard.

It is recommended that the Corporation should abide by the scheme conditions so that there is no loss to the State exchequer.

The matter was reported (March 2012) to the Government. Reply of the Government had not been received (November 2012).

General

Public Enterprises Department

3.10 Follow-up action on Audit Reports

3.10.1 Outstanding Explanatory Notes

The Comptroller and Auditor General of India's Audit Reports represent 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. Finance (Audit & Fund) Department, Government of Assam issued (May 1994) instructions to all administrative departments that immediately on receipt of Audit Reports, the concerned departments would prepare an explanatory note on the paragraphs and performance audits included in the Audit Reports indicating the corrective/remedial action taken or proposed to be taken and submit the explanatory notes to the Assam Legislative Assembly with a copy to the Principal Accountant General/Accountant General within 20 days from the date of receipt of the Reports. Besides this, the department would ensure submission of written Memorandum as called for on the para(s) concerning the department within the time limit prescribed by the Assam Legislative Assembly from time to time.

Though the Audit Reports presented to the Legislature for the period from 2006-07 to 2010-11 contained 73 paragraphs/performance audits, explanatory notes on none of these paragraphs/performance audits were received till September 2012 as indicated below:

Year of Audit Report (Commercial)	Date of presentation to the State Legislature	Total paragraphs/ performance audits in Audit Report	No. of paragraphs/ performance audits for which explanatory notes were not received
2006-2007	March 2008	15	15
2007-2008	March 2009	18	18
2008-2009	March2010	16	16
2009-2010	February 2011	15	15
2010-2011	March2012	09	09
Total		**73**	**73**

Department wise analysis of paragraphs/performance audits for which explanatory notes are awaited is given in ***Annexure 12.*** Departments of Power, Industries & Transport were largely responsible for non-submission of explanatory notes.

3.10.2 Action Taken Notes on Reports of Committee on Public Undertakings (COPU)

Action Taken Notes (ATNs) on the recommendations of the COPU are required to be furnished within six weeks from the date of presentation of the Report by the COPU to the State Legislature. Replies to 134 recommendations pertaining to 18 Reports of the COPU, presented to the State Legislature between August 1997 and September 2012 had not been received as on September 2012 as detailed below:

Year of the COPU Report	Total number of Reports involved	Number of recommendations where ATNs replies not received
1997-98	1	01
2002-03	1	09
2003-04	2	18
2004-05	1	10
2007-08	3	06
2008-09	6	65
2009-10	2	10
2010-11	1	09
2011-12	1	06
Total	**18**	**134**

3.10.3 Response to inspection reports, draft paragraphs and performance audits

Audit observations noticed during audit and not settled on the spot are communicated to the heads of PSUs and concerned departments of the State Government through inspection reports. The heads of PSUs are required to furnish replies to the inspection reports through respective heads of departments within a period of four weeks. A review of inspection reports issued up to March 2012 pertaining to 32 PSUs disclosed that 1024 paragraphs relating to 210 inspection reports remained outstanding at the end of September 2012; of these, 153 inspection reports containing 749 paragraphs had not been replied to for more than one year. Department-wise break-up of inspection reports and audit observations outstanding as on 30 September 2012 are 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. It was, however, observed that against nine draft paragraphs and one performance audit report forwarded (March to August 2012) to various departments, only two departments (Home and Power) submitted part replies to one draft paragraph and replies to the remaining draft paragraphs and performance audit report has not been furnished till date as detailed in ***Annexure 14***. It is recommended that the Government should ensure that (a) procedure exists for action against the officials who failed to send replies to inspection reports and ATNs on the recommendations of COPU as per the prescribed time schedule; (b) action to recover loss/outstanding advances/overpayment is taken within the prescribed period and (c) the system of responding to audit observations is revamped.

GUWAHATI	**(C H Kharshiing)**
THE	**Accountant General (Audit), Assam**

Countersigned

NEW DELHI	**(VINOD RAI)**
THE	**Comptroller and Auditor General of India**

ANNEXURE-1

Statement showing particulars of up to date paid-up capital, loans outstanding and manpower as on 31 March 2012 in respect of Government companies and Statutory corporations

(Referred to in paragraph 1.6)

(Figures in column 5(a) to 6 (d) are ₹in crore)

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorpo-ration	Paid-up Capital$				Loans** outstanding at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.3.2012)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	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	Assam Seeds Corporation Limited	Agriculture	27-01-67	1.46	0.00	0.00	1.46	7.19	0.00	0.00	7.19	4.92:1 (2.66:1)	245
2	Assam Agro-Industries Development Corporation Limited	Agriculture	27-01-75	1.10	1.10	0.00	2.20	6.76	0.00	0.50	7.26	3.30:1 (9.01:1)	1
3	Assam State Minor Irrigation Development Corporation Limited	Irrigation	15-10-80	17.35	0.00	0.00	17.35	45.65	0.00	0.00	45.65	2.63:1	0
4	Assam Fisheries Development Corporation Limited	Fisheries	01-03-77	0.49	0.00	0.00	0.49	0.00	0.00	0.00	0.00	-	90

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorpo-ration	Paid-up Capital[$]				Loans[**] outstanding at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.3.2012)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	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
5	Assam Livestock and Poultry Corporation Limited	Animal Husbandry	02-06-84	0.07	2.12	0.00	2.19	0.00	0.10	0.00	0.10	0.05:1 (0.05:1)	15
6	Assam Tea Corporation Limited	Industries & Commerce	02-04-72	29.54	0.00	0.00	29.54	158.41	0.00	2.59	161.00	5.45:1 (6.45:1)	16694
7	Assam Plantation Crop Development Corporation Limited	Soil Conservation	11-01-74	5.00	0.00	0.00	5.00	7.92	0.00	0.00	7.92	1.58:1 (1.58:1)	99
Sector wise total				**55.01**	**3.22**	**0.00**	**58.23**	**225.93**	**0.10**	**3.09**	**229.12**	**3.93:1 (3.80:1)**	**17144**
FINANCE													
8	Assam Plains Tribes Development Corporation Limited	Welfare of Plains Tribes & Backward Classes	29-03-75	2.57	0.75	0.00	3.32	0.00	0.00	22.75	22.75	6.85:1 (6.81:1)	197
9	Assam State Development Corporation for Other Backward Classes Limited	Welfare of Plains Tribes & Backward Classes	08-06-75	3.00	0.00	0.00	3.00	0.00	0.00	4.98	4.98	1.66:1 (1.24:1)	72

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorpo-ration	Paid-up Capital$				Loans** outstanding at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.3.2012)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	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**
10	Assam Minorities Development and Finance Corporation Ltd.	Welfare of Minorities	27-02-97	2.00	0.00	0.00	2.00	0.00	0.00	7.09	7.09	3.55:1	0
11	Assam State Development Corporation for Scheduled Castes Limited	Welfare of Plains Tribes & Backward Classes	18-01-75	5.59	4.51	0.00	10.10	0.00	0.00	9.32	9.32	0.92:1 (1.12:1)	126
12	Assam State Film (Finance & Development) Corporation Limited	Cultural Affairs	09-04-74	0.10	0.00	0.00	0.10	0.04	0.00	0.00	0.04	0.4:1 (0.4:1)	9
Sector wise total				**13.26**	**5.26**	**0.00**	**18.52**	**0.04**	**0.00**	**44.14**	**44.18**	**2.39:1 (2.32:1)**	**404**
INFRASTRUCTURE													
13	Assam Hills Small Industries Development Corporation Limited***	Hill Areas Development	30-03-64	2.00	0.00	0.00	2.00	16.49	0.00	0.00	16.49	8.25:1 (7.15:1)	56
14	Assam Industrial Development Corporation Limited	Industries & Commerce	21-04-65	125.42	0.00	0.00	125.42	36.92	0.00	0.00	36.92	0.29:1 (0.40:1)	139

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorpo-ration	Paid-up Capital$				Loans** outstanding at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.3.2012)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Government	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
15	Assam Small Industries Development Corporation Limited	Industries & Commerce	27-03-62	6.51	0.00	0.00	6.51	1.04	0.00	0.00	1.04	0.16:1 (0.16:1)	138
16	Assam Electronics Development Corporation Limited	Information Technology	04-04-84	9.51	0.00	0.00	9.51	0.77	0.00	4.90	5.67	0.60:1 (0.19:1)	129
17	Assam Powerloom Development Corporation Limited	Industries & Commerce	03-05-90	3.54	0.00	0.00	3.54	0.00	0.00	0.00	0.00	-	11
18	Assam Mineral Development Corporation Limited	Mines and Minerals	19-05-83	4.89	0.00	0.00	4.89	0.00	0.00	0.00	0.00	-	111
19	Assam Police Housing Corporation Limited	Home	11-05-80	0.04	0.00	0.00	0.04	0.00	0.00	0.00	0.00	-	185
20	Assam Government Construction Corporation Limited	PWD (R&B)	24-03-64	2.00	0.00	0.00	2.00	0.00	0.00	0.00	0.00	-	7

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorpo-ration	Paid-up Capital[$]				Loans[**] outstanding at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.3.2012)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	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**
21	Assam Trade Promotion Organisation	Industries & Commerce	17-02-10	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	-	3
Sector wise total				**163.91**	**0.00**	**0.00**	**163.91**	**55.22**	**0.00**	**4.90**	**60.12**	**0.37:1 (0.41:1)**	**779**
MANUFACTURING													
22	Assam Petrochemicals Limited	Industries & Commerce	22-04-71	0.00	0.00	9.13	9.13	0.00	0.00	0.00	0.00	-	363
23	Ashok Paper Mill (Assam) Limited	Industries & Commerce	06-07-91	0.01	0.00	0.00	0.01	8.94	0.00	0.00	8.94	894.00:1 (745.00:1)	225
24	Assam Hydro-Carbon and Energy Company Limited	Industries & Commerce	02-05-06	21.00	0.00	0.00	21.00	0.00	0.00	0.00	0.00	-	0
25	Assam Conductors and Tubes Limited	Industries & Commerce	22-06-64	1.54	0.00	0.00	1.54	4.33	0.00	0.00	4.33	2.81:1 (2.81:1)	4
26	Amtron Informatics (India) Limited	Information Technology	27-03-02	0.01	0.00	0.00	0.01	0.00	0.00	1.20	1.20	120:1 (120:1)	16
27	Assam State Textiles Corporation Limited	Industries & Commerce	26-02-80	15.76	0.00	0.00	15.76	6.07	0.00	0.00	6.07	0.39:1 (0.74:1)	0

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorpo-ration	Paid-up Capital$				Loans** outstanding at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.3.2012)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	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
28	Assam State Fertilizers and Chemicals Limited	Industries & Commerce	30-03-88	0.00	0.00	4.56	4.56	8.97	0.00	0.00	8.97	1.97:1 (1.97:1)	49
29	Pragjyotish Fertilizers and Chemicals Limited	Industries & Commerce	27-02-04	0.00	0.00	2.33	2.33	0.00	0.00	0.00	**0.00**	--	2
Sector wise total				**38.32**	**0.00**	**16.02**	**54.34**	**28.31**	**0.00**	**1.20**	**29.51**	**0.54:1 (0.62:1)**	**659**
POWER													
30	Assam Power Generation Corporation Limited	Power	23-10-03	455.86	0.00	0.00	455.86	104.84	0.00	239.58	344.42	0.76:1 (0.68:1)	1320
31	Assam Electricity Grid Corporation Limited	Power	23-10-03	99.93	0.00	0.00	99.93	212.75	0.00	33.14	245.89	2.46:1 (2.92:1)	1841
32	Assam Power Distribution Company Limited	Power	23-10-03	250.81	0.00	0.00	250.81	315.09	0.00	0.00	315.09	1.26:1	10311
Sector wise total				**806.60**	**0.00**	**0.00**	**806.60**	**632.68**	**0.00**	**272.72**	**905.40**	**1.12:1 (0.75:1)**	**13472**

Annexure

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorpo-ration	Paid-up Capital$				Loans** outstanding at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.3.2012)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	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
SERVICES													
33	Assam Tourism Development Corporation Limited***	Tourism	06-06-88	0.39	0.00	0.00	0.39	0.00	0.00	0.00	0.00	-	60
Sector wise total				**0.39**	**0.00**	**0.00**	**0.39**	**0.00**	**0.00**	**0.00**	**0.00**	**-**	**60**
MISCELLANEOUS													
34	Assam Government Marketing Corporation Limited	Handloom, Textile & Sericulture	16-12-59	2.15	1.34	0.00	3.49	0.00	0.00	0.00	0.00	-	78
35	Assam State Text Book Production and Publication Corporation Limited	Education	03-03-72	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	-	105
36	Assam Gas Company Limited	Industries & Commerce	31-03-62	16.91	0.00	0.00	16.91	0.00	0.00	14.83	14.83	0.88:1 (1.19:1)	366
37	DNP Limited	Industries & Commerce	15-06-07	0.00	0.00	134.93	134.93	0.00	0.00	194.00	194.00	1.12:1 (1.49:1)	0
Sector wise total				**20.06**	**1.34**	**134.93**	**156.33**	**0.00**	**0.00**	**208.83**	**208.83**	**1.41:1**	**549**
Total A (All sector wise working Government companies)				**1097.55**	**9.82**	**150.95**	**1258.32**	**942.18**	**0.10**	**534.88**	**1477.16**	**1.17:1 (0.96:1)**	**33067**

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorpo-ration	Paid-up Capital$				Loans** outstanding at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.3.2012)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	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
B. Working Statutory corporations													
FINANCE													
1	Assam Financial Corporation	Finance	04-01-54	16.85	0.00	5.55	22.40	14.00	0.00	0.00	14.00	0.63:1 (0.76:1)	161
Sector wise total				**16.85**	**0.00**	**5.55**	**22.40**	**14.00**	**0.00**	**0.00**	**14.00**	**-**	**161**
POWER													
2	Assam State Electricity Board	Power	01-01-75	0.63	0.00	0.00	0.63	0.00	0.00	0.00	0.00	-	0
Sector wise total				**0.63**	**0.00**	**0.00**	**0.63**	**0.00**	**0.00**	**0.00**	**0.00**	**-**	**0**
SERVICE													
3	Assam State Transport Corporation	Transport	03-01-70	484.41	0.00	0.00	484.41	0.00	0.00	0.00	0.00	- (1.39:1)	2185
4	Assam State Warehousing Corporation	Co-operation	08-01-58	13.47	0.00	1.67	15.14	0.00	0.00	0.00	0.00	- (0.74:1)	435
Sector wise total				**497.88**	**0.00**	**1.67**	**499.55**	**0.00**	**0.00**	**0.00**	**0.00**	**-**	**2620**
Total B (All sector wise working Statutory corporations)				**515.36**	**0.00**	**7.22**	**522.58**	**14.00**	**0.00**	**0.00**	**14.00**	**0.03:1 (0.03:1)**	**2781**
Grand Total (A + B)				**1612.91**	**9.82**	**158.17**	**1780.90**	**956.18**	**0.10**	**534.88**	**1491.16**	**0.84:1 (0.70:1)**	**35848**

Sl. No.	Sector & Name of the Company	Name of the Departm-ent	Month and year of incorpo-ration	Paid-up Capital$				Loans** outstanding at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.3.2012)
				State Govern-ment	Central Govern-ment	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**
C. Non-working Government Companies													
MANUFACTURE													
1	Assam Tanneries Limited***	Industries & Commerce	28-09-61	0.02	0.00	0.01	0.03	0.00	0.00	0.00	0.00	-	0
2	Industrial Papers (Assam) Limited	Industries & Commerce	09-06-74	0.00	0.00	0.40	0.40	0.00	0.00	0.00	0.00	-	2
3	Amtron Sen Electronics Limited***	Industries & Commerce	25-10-85	0.00	0.00	0.02	0.02	0.00	0.00	0.00	0.00	-	0
4	Assam Spun Silk Mills Limited***	Industries & Commerce	31-03-60	1.70	0.00	0.00	1.70	4.36	0.00	0.20	4.56	2.68:1 (2.68:1)	212
5	Assam Polytex Limited***	Industries & Commerce	29-05-82	0.00	0.00	5.62	5.62	0.00	0.00	6.30	6.30	1.12:1 (1.12:1)	0
6	Assam Syntex Limited	Industries & Commerce	04-01-85	0.00	0.00	5.12	5.12	0.00	0.00	0.00	0.00	-	2
7	Assam State Weaving and Manufacturing Company Limited	Industries & Commerce	29-11-88	8.20	0.00	0.00	8.20	0.29	0.00	0.00	0.29	0.04:1 (1.36:1)	3
8	Assam and Meghalaya Mineral Development Corporation Limited***	Mines & Minerals	08-10-64	0.20	0.00	0.03	0.23	0.00	0.00	0.00	0.00	-	0

Sl. No.	Sector & Name of the Company	Name of the Department	Month and year of incorpo-ration	Paid-up Capital$				Loans** outstanding at the close of 2011-12				Debt equity ratio for 2011-12 (Previous year)	Manpower (No. of employees as on 31.3.2012)
				State Govern-ment	Central Govern-ment	Others	Total	State Government	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
9	Cachar Sugar Mills Limited	Industries & Commerce	30-03-72	3.38	0.00	0.00	3.38	0.41	0.00	0.00	0.41	0.12:1 (4.93:1)	0
10	Fertichem Limited	Industries & Commerce	29-03-74	0.00	0.00	2.00	2.00	0.00	0.00	2.37	2.37	1.19:1 (14.28:1)	2
Sector wise total				**13.50**	**0.00**	**13.20**	**26.70**	**5.06**	**0.00**	**8.87**	**13.93**	**0.52:1 (1.34:1)**	**221**
Total C (All sector wise non working Government companies)				**13.50**	**0.00**	**13.20**	**26.70**	**5.06**	**0.00**	**8.87**	**13.93**	**0.52:1 (1.34:1)**	**221**
Grand Total (A + B + C)				**1626.41**	**9.82**	**171.37**	**1807.60**	**961.24**	**0.10**	**543.75**	**1505.09**	**0.83:1 (0.71:1)**	**36069**

All figures are provisional and as provided by the companies/corporations.

$ Paid-up capital includes share application money.

** Loans outstanding at the close of 2011-12 represent long-term loans only.

***Figures taken from previous year due to non furnishing of information

ANNEXURE-2

Summarised financial results of Government companies and Statutory corporations for the latest year for which accounts were finalised

(Referred to in paragraph 1.14)

(Figures in column 5(a) to (11) are ₹in crore)

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed @	Return on capital employed$	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss							
1	**2**	**3**	**4**	**5(a)**	**5(b)**	**5 (c)**	**5 (d)**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
A. Working Government Companies														
AGRICULTURE & ALLIED														
1	Assam Seeds Corporation Limited	2007-08	2012-13	-2.04	0.00	0.05	-2.09	36.13	0.00	1.46	-24.70	-5.91	-2.09	-
2	Assam Agro-Industries Development Corporation Limited	2005-06	2011-12	-1.41	0.64	0.02	-2.07	6.53	0.00	2.20	-30.69	-8.96	-1.43	-
3	Assam State Minor Irrigation Development Corporation Limited	2006-07	2012-13	14.32	0.00	0.00	14.32	14.34	0.00	17.35	-55.54	10.05	14.32	142.49
4	Assam Fisheries Development Corporation Limited	2010-11	2012-13	1.40	0.00	0.13	1.27	3.46	0.00	0.49	1.18	9.96	1.27	12.75
5	Assam Livestock and Poultry Corporation Limited	1990-91	2010-11	0.08	0.00	0.00	0.08	0.08	0.00	0.07	0.00	0.19	0.08	42.11
6	Assam Tea Corporation Limited	1998-99	2010-11	5.39	5.76	1.15	-1.52	48.90	-1.06	27.54	-55.10	37.02	4.24	11.45
7	Assam Plantation Crop Development Corporation Limited	1987-88	1995-96	0.15	0.59	0.00	-0.44	0.22	-0.08	5.00	-1.80	9.21	0.15	1.63
Sector wise total				**17.89**	**6.99**	**1.35**	**9.55**	**109.66**	**-1.14**	**54.11**	**-166.65**	**51.56**	**16.54**	**32.08**

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed @	Return on capital employed$	Percentage return on capital employed
				Net Profit/ Loss before Interest & Deprec-iation	Interest	Deprecia-tion	Net Profit/ Loss							
1	2	3	4	5(a)	5(b)	5 (c)	5 (d)	6	7	8	9	10	11	12
FINANCE														
8	Assam Plains Tribes Development Corporation Limited	1987-88	2003-04	-0.18	0.00	0.16	-0.34	0.01	0.00	0.94	-2.07	-1.14	-0.34	-
9	Assam State Development Corporation for Other Backward Classes Limited	1990-91	2005-06	-0.09	0.01	0.02	-0.12	0.00	0.00	1.23	-0.10	-0.52	-0.11	-
10	Assam Minorities Development and Finance Corporation Ltd.	First Accounts for the year 1996-97 not yet finalised												
11	Assam State Development Corporation for Scheduled Castes Limited	2009-10	2012-13	-1.17	0.49	0.02	-1.68	-	0.00	9.85	-23.74	-2.33	-1.19	-
12	Assam State Film (Finance & Development) Corporation Limited	1999-2000	2011-12	-0.21	0.00	0.01	-0.22	0.01	0.00	0.10	-0.04	0.29	-0.22	-75.86
Sector wise total				**-1.65**	**0.50**	**0.21**	**-2.36**	**0.02**	**0.00**	**12.12**	**-25.95**	**-3.70**	**-1.86**	**-**
INFRASTRUCTURE														
13	Assam Hills Small Industries Development Corporation Limited	1990-91	2011-12	-0.37	0.00	0.04	-0.41	0.29	0.00	2.00	-3.03	4.04	-0.41	-10.15

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed @	Return on capital employed$	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Deprecia-tion	Net Profit/ Loss							
1	**2**	**3**	**4**	**5(a)**	**5(b)**	**5 (c)**	**5 (d)**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
14	Assam Industrial Development Corporation Limited	2010-11	2011-12	4.14	0.00	0.18	3.96	12.00	1.18	93.10	-123.94	131.50	3.96	3.01
15	Assam Small Industries Development Corporation Limited	1992-93	2005-06	0.16	0.17	0.07	-0.08	10.71	-0.04	5.50	-3.45	3.60	0.09	2.50
16	Assam Electronics Development Corporation Limited	2006-07	2012-13	2.14	0.50	0.30	1.34	2.80	-1.08	8.77	-7.49	21.89	1.84	8.41
17	Assam Power Loom Development Corporation Limited	1993-94	2001-02	0.00	0.00	0.00	0.00	0.00	0.00	1.47	0.00	1.28	0.00	-
18	Assam Mineral Development Corporation Limited	2005-06	2012-13	-0.41	0.00	0.20	-0.61	2.60	-0.74	4.89	-5.58	1.60	-0.61	-38.13
19	Assam Police Housing Corporation Limited	2007-08	2011-12	2.52	0.00	0.07	2.45	1.69	2.38	0.04	3.29	3.32	2.45	73.80
20	Assam Government Construction Corporation Limited	2010-11	2012-13	0.26	0.00	0.04	0.22	0.82	0.00	2.00	-9.85	1.97	0.22	11.17
21	Assam Trade Promotion Organisation	2010-11	2012-13	0.50	0.00	0.04	0.46	1.15	-0.24	10.00	0.70	35.72	0.46	1.29
Sector wise total				**8.94**	**0.67**	**0.94**	**7.33**	**32.06**	**1.46**	**127.77**	**-149.35**	**204.92**	**8.00**	**3.90**
MANUFACTURE														
22	Assam Petrochemicals Limited	2010-11	2011-12	-9.34	0.06	1.25	-10.65	34.81	-5.42	9.13	-10.24	74.41	-10.59	-14.23
23	Ashok Paper Mill (Assam) Limited	2010-11	2011-12	-1.24	0.98	4.82	-7.04	0.17	0.00	0.01	-68.50	67.63	-6.06	-8.96

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed @	Return on capital employed$	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss							
1	2	3	4	5(a)	5(b)	5 (c)	5 (d)	6	7	8	9	10	11	12
24	Assam Hydro-Carbon and Energy Company Limited	2010-11	2012-13	0.79	0.00	0.00	0.79	0.00	0.00	21.00	2.78	23.45	0.79	3.37
25	Assam Conductors and Tubes Limited	1994-95	2012-13	-0.32	0.00	0.01	-0.33	0.75	0.00	1.54	-3.37	1.42	-0.33	-23.24
26	Amtron Informatics (India) Limited	2005-06	2012-13	-0.90	0.00	0.08	-0.98	0.28	0.00	0.01	-1.29	-0.03	-0.98	-
27	Assam State Textiles Corporation Limited	2010-11	2012-13	0.84	0.00	0.51	0.33	0.00	0.00	15.76	-53.61	-4.49	0.33	-7.35
28	Assam State Fertilizers and Chemicals Limited	2005-06	2011-12	0.43	0.00	0.07	0.36	2.09	-0.50	4.56	-9.30	0.40	0.36	90.00
29	Pragjyotish Fertilizers and Chemicals Limited	2007-08	2011-12	0.00	0.00	0.00	0.00	0.00	0.00	2.33	0.00	1.76	0.00	-
Sector wise total				**-9.74**	**1.04**	**6.74**	**-17.52**	**38.10**	**-5.92**	**54.34**	**-143.53**	**164.55**	**-16.48**	**-10.02**
POWER														
30	Assam Power Generation Corporation Limited	2011-12	2012-13	7.48	26.05	31.07	-49.64	443.05	0.00	455.86	-80.56	1112.46	-23.59	-2.12
31	Assam Electricity Grid Corporation Limited	2010-11	2011-12	4.31	28.10	30.33	-54.12	348.23	-4.20	99.93	-206.73	847.54	-26.02	-3.07
32	Assam Power Distribution Company Limited	2010-11	2012-13	-356.62	74.51	64.30	-495.43	1584.57	0.00	250.81	-1053.88	2419.92	-420.92	-17.39
Sector wise total				**-344.83**	**128.66**	**125.70**	**-599.19**	**2375.85**	**-4.20**	**806.60**	**-1341.17**	**4379.92**	**-470.53**	**-10.74**

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed @	Return on capital employed$	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Deprecia-tion	Net Profit/ Loss							
1	2	3	4	5(a)	5(b)	5 (c)	5 (d)	6	7	8	9	10	11	12
SERVICES														
33	Assam Tourism Development Corporation Limited♣	2010-11	2012-13	1.33	0.00	0.11	1.22	2.23	0.26	0.39	4.71	141.18	1.22	0.86
Sector wise total				**1.33**	**0.00**	**0.11**	**1.22**	**2.23**	**0.26**	**0.39**	**4.71**	**141.18**	**1.22**	**0.86**
MISCELLANEOUS														
34	Assam Government Marketing Corporation Limited	1986-87	2011-12	-0.24	0.00	0.01	-0.25	2.31	0.48	1.46	-0.85	2.84	-0.25	-8.80
35	Assam State Text Book Production and Publication Corporation Limited	1990-91	2005-06	1.31	0.39	0.01	0.91	7.61	-0.01	1.00	2.12	7.64	1.30	17.02
36	Assam Gas Company Limited	2011-12	2012-13	62.96	1.78	11.41	49.77	201.89	0.00	16.91	282.85	295.22	51.55	17.46
37	DNP Limited	2011-12	2012-13	34.49	18.60	16.10	-0.21	62.08	-1.41	134.93	0.83	299.61	18.39	6.14
Sector wise total				**98.52**	**20.77**	**27.53**	**50.22**	**273.89**	**-0.94**	**154.30**	**284.95**	**605.31**	**70.99**	**11.73**
Total A (All sector wise)				**-229.54**	**158.63**	**162.58**	**-550.75**	**2831.81**	**-10.48**	**1209.63**	**-1536.99**	**5543.74**	**-392.12**	**-7.07**
B. Working Statutory corporations														
FINANCE														
1	Assam Financial Corporation	2011-12	2012-13	1.40	0.20	0.11	1.09	2.38	0.00	22.40	0.58	37.51	1.29	3.44
Sector wise total				**1.40**	**0.20**	**0.11**	**1.09**	**2.38**	**0.00**	**22.40**	**0.58**	**37.51**	**1.29**	**3.44**

♣The Company opted for the scheme of Government of India for preparing the accounts of most recent two years (*viz.* 2009-10 and 2010-11) and backward preparation of all previous years' accounts in a time-bound manner. The Company, accordingly prepared its accounts for 2009-10 and 2010-11, while accounts for 2006-07 to 2008-09 and 2011-12 were pending, which have been considered as arrears in respect of the Company.

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed @	Return on capital employed$	Percentage return on capital employed
				Net Profit/ Loss before Interest & Deprec-iation	Interest	Deprecia-tion	Net Profit/ Loss							
1	2	3	4	5(a)	5(b)	5 (c)	5 (d)	6	7	8	9	10	11	12
POWER														
2	Assam State Electricity Board	2010-11	2012-13	0	0	0	0	0	0	0.63	0	0.63	0	-
Sector wise total				**0**	**0**	**0**	**0**	**0**	**0**	**0.63**	**0**	**0.63**	**0**	**-**
SERVICE														
3	Assam State Transport Corporation	2009-10	2012-13	-12.08	6.19	6.07	-24.34	39.09	15.31	398.59	-569.76	-100.02	-18.15	-
4	Assam State Warehousing Corporation	2007-08	2012-13	-0.54	0.57	0.57	-1.68	5.93	0.00	11.54	-9.50	14.92	-1.11	-7.44
Sector wise total				**-12.62**	**6.76**	**6.64**	**-26.02**	**45.02**	**15.31**	**410.13**	**-579.26**	**-85.10**	**-19.26**	**-**
Total B (All sector wise working Statutory corporations)				**-11.22**	**6.96**	**6.75**	**-24.93**	**47.40**	**15.31**	**433.16**	**-578.68**	**-46.96**	**-17.97**	**-**
Grand Total (A + B)				**-240.76**	**165.59**	**169.33**	**-575.68**	**2879.21**	**4.83**	**1642.79**	**-2115.67**	**5496.78**	**-410.09**	**-7.46**
C. Non working Government companies														
MANUFACTURING														
1	Assam Tanneries Limited	1982-83	1983-84	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	-
2	Industrial Papers (Assam) Limited	1999-2000	2010-11	0.00	0.00	0.00	0.00	0.00	0.00	0.40	0.00	0.00	0.00	-
3	Amtron Sen Electronics Limited	1991-92	1993-94	-0.01	0.00	0.00	-0.01	0.00	0.00	0.02	0.00	0.14	-0.01	-7.14
4	Assam Spun Silk Mills Limited	1991-92	1996-97	-0.08	0.00	0.00	-0.08	2.45	-0.04	1.70	-3.54	0.32	-0.08	-25.00
5	Assam Polytex Limited	1987-88	1993-94	0.00	0.00	0.00	0.00	0.00	0.00	5.26	0.00	0.00	0.00	-
6	Assam Syntex Limited	2010-11	2011-12	0.53	0.00	0.08	0.45	0.61	0.00	5.12	-55.58	13.30	0.45	3.38

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed @	Return on capital employed$	Percentage return on capital employed
				Net Profit/ Loss before Interest & Depreciation	Interest	Deprecia-tion	Net Profit/ Loss							
1	**2**	**3**	**4**	**5(a)**	**5(b)**	**5 (c)**	**5 (d)**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
7	Assam State Weaving and Manufacturing Company Limited	2010-11	2012-13	-0.18	0.00	1.49	-1.67	0.14	0.00	11.61	-11.54	25.51	-1.67	-6.55
8	Assam and Meghalaya Mineral Development Corporation Limited	1983-84	1984-85	-0.01	0.00	0.00	-0.01	0.00	0.00	0.23	-0.09	0.05	-0.01	-20.00
9	Cachar Sugar Mills Limited	2003-04	2012-13	-0.24	0.90	0.05	-1.19	0.00	-0.10	3.38	-32.85	-0.22	-0.29	-
10	Fertichem Limited	2010-11	2011-12	0.01	0.00	0.00	0.01	0.08	0.00	2.00	-28.83	1.95	0.01	0.51
Sector wise total				**0.02**	**0.90**	**1.62**	**-2.50**	**3.28**	**-0.14**	**29.74**	**-132.43**	**41.05**	**-1.60**	**-3.90**
Total C (All sector wise non working Government companies)				**0.02**	**0.90**	**1.62**	**-2.50**	**3.28**	**-0.14**	**29.74**	**-132.43**	**41.05**	**-1.60**	**-3.90**
Grand Total (A + B + C)				**-240.74**	**166.49**	**170.95**	**-578.18**	**2882.49**	**4.69**	**1672.53**	**-2248.10**	**5537.83**	**-411.69**	**-7.43**

Impact of accounts comments include the net impact of comments of Statutory Auditors and CAG and is denoted by (+) increase in profit/ decrease in losses (-) decrease in profit/ increase in losses.

@ Capital employed represents net fixed assets (including capital works-in-progress) plus working capital except in case of finance companies/ corporations where the capital employed is worked out as a mean of aggregate of the opening and closing balances of paid up capital, free reserves, bonds, deposits and borrowings (including refinance).

$ Return on capital employed has been worked out by adding profit and interest charged to profit and loss account.

* Companies at Sl. No. A-24 and A-29 had not started commercial activities.

& Statutory Corporation at Sl. No. B-2 had no activities after transfer of its activities relating to generation, transmission and distribution of electricity to companies at Sl. No. A-30, A-31 and A-32 respectively. Hence, its working results for 2010-11 are ‘nil’.

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 2012

(Referred to in paragraph 1.9)

(Figures in column 3 (a) to 6 (d) are ₹ in crore)

Sl. No.	Sector & Name of the Company	Equity/ loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year@		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	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	Assam Seeds Corporation Limited	0.00	0.00	8.76	0.00	0.00	8.76	0.00	0.00	0.00	0.00	0.00	0.00
2	Assam Fisheries Development Corporation Limited	0.00	0.00	3.11	0.00	0.00	3.11	0.00	0.00	0.00	0.00	0.00	0.00
3	Assam Livestock and Poultry Corporation Limited	0.00	0.00	0.00	3.28	0.00	3.28	0.00	0.00	0.00	0.00	0.00	0.00
4	Assam Tea Corporation Limited	0.00	0.00	0.00	0.00	0.46	0.46	0.00	0.00	0.00	0.00	0.00	0.00
5	Assam Plantation Crop Development Corporation Limited	0.00	0.00	0.00	0.65	0.00	0.65	0.00	0.00	0.00	0.00	0.00	0.00
Sector wise total		**0.00**	**0.00**	**11.87**	**3.93**	**0.46**	**16.26**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Sl. No.	Sector & Name of the Company	Equity/ loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year@		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
1	2	3 (a)	3 (b)	4 (a)	4 (b)	4 (c)	4 (d)	5 (a)	5 (b)	6 (a)	6 (b)	6 (c)	6 (d)
FINANCE													
6	Assam Plains Tribes Development Corporation Limited	0.00	0.00	0.35	6.00	0.00	6.35	0.00	19.90	0.00	0.00	0.00	0.00
7	Assam State Development Corporation for Other Backward Classes Limited	0.10	0.00	0.00	2.60	0.00	2.60	0.00	0.00	0.00	0.00	0.00	0.00
8	Assam State Development Corporation for Scheduled Castes Limited	0.25	0.00	0.00	6.00	2.15	8.15	0.00	9.00	0.00	0.00	0.00	0.00
9	Assam Minorities Development and Finance Corporation Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00
10	Assam State Film (Finance & Development) Corporation Limited	0.00	0.00	0.00	3.80	0.00	3.80	0.00	0.00	0.00	0.00	0.00	0.00
Sector wise total		**0.35**	**0.00**	**0.35**	**18.40**	**2.15**	**20.90**	**0.00**	**38.90**	**0.00**	**0.00**	**0.00**	**0.00**

Sl. No.	Sector & Name of the Company	Equity/ loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year[@]		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
1	**2**	**3 (a)**	**3 (b)**	**4 (a)**	**4 (b)**	**4 (c)**	**4 (d)**	**5 (a)**	**5 (b)**	**6 (a)**	**6 (b)**	**6 (c)**	**6 (d)**
INFRASTRUCTURE													
11	Assam Industrial Development Corporation Limited	0.00	0.00	0.00	1.09	0.00	1.09	0.00	0.00	0.00	0.00	0.00	0.00
Sector wise total		**0.00**	**0.00**	**0.00**	**1.09**	**0.00**	**1.09**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
MANUFACTURING													
12	Ashok Paper Mill (Assam) Limited	0.00	1.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sector wise total		**0.00**	**1.49**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
POWER													
13	Assam Power Generation Corporation Limited	0.00	0.00	0.00	65.98	0.00	65.98	0.00	0.00	0.00	0.00	0.00	0.00
14	Assam Electricity Grid Corporation Limited	0.00	0.00	0.00	194.65	0.00	194.65	0.00	0.00	0.00	0.00	0.00	0.00
15	Assam Power Distribution Company Limited	0.00	315.09[Θ]	4.44	189.72	0.00	194.16	0.00	0.00	0.00	0.00	0.00	0.00
Sector wise total		**0.00**	**315.09**	**4.44**	**450.35**	**0.00**	**454.79**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

[Θ] Includes ₹ 309.09 crore extended during 2010-11 but reported by the Company during 2011-12.

Sl. No.	Sector & Name of the Company	Equity/ loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year@		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
1	**2**	**3 (a)**	**3 (b)**	**4 (a)**	**4 (b)**	**4 (c)**	**4 (d)**	**5 (a)**	**5 (b)**	**6 (a)**	**6 (b)**	**6 (c)**	**6 (d)**
SERVICES													
16	Assam Tourism Development Corporation Limited	0.00	0.00	2.11	15.18	0.00	17.29	0.00	0.00	0.00	0.00	0.00	0.00
Sector wise total		**0.00**	**0.00**	**2.11**	**15.18**	**0.00**	**17.29**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
MISCELLANEOUS													
Total A (All sector wise working Government companies)		**0.35**	**316.58**	**18.77**	**488.95**	**2.61**	**510.33**	**0.00**	**38.90**	**0.00**	**0.00**	**0.00**	**0.00**
B. Working Statutory corporations													
SERVICE													
1	Assam State Transport Corporation	85.82	0.00	0.00	23.00	6.96	29.96	0.00	0.00	0.00	0.00	0.00	0.00
Sector wise total		**85.82**	**0.00**	**0.00**	**23.00**	**6.96**	**29.96**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Total B (All sector wise working Statutory corporations)		**85.82**	**0.00**	**0.00**	**23.00**	**6.96**	**29.96**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Grand Total (A + B)		**86.17**	**316.58**	**18.77**	**511.95**	**9.57**	**540.29**	**0.00**	**38.90**	**0.00**	**0.00**	**0.00**	**0.00**

Sl. No.	Sector & Name of the Company	Equity/ loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year@		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
1	**2**	**3 (a)**	**3 (b)**	**4 (a)**	**4 (b)**	**4 (c)**	**4 (d)**	**5 (a)**	**5 (b)**	**6 (a)**	**6 (b)**	**6 (c)**	**6 (d)**
C. Non working Government companies													
MANUFACTURING													
1	Cachar Sugar Mills Limited	0.00	0.00	0.00	12.37	0.00	12.37	0.00	0.00	0.00	0.00	0.00	0.00
2	Fertichem Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.77	0.00	2.43	6.20
Sector wise total		**0.00**	**0.00**	**0.00**	**12.37**	**0.00**	**12.37**	**0.00**	**0.00**	**3.77**	**0.00**	**2.43**	**6.20**
Total C (All sector wise non working Government companies)		**0.00**	**0.00**	**0.00**	**12.37**	**0.00**	**12.37**	**0.00**	**0.00**	**3.77**	**0.00**	**2.43**	**6.20**
Grand Total (A + B + C)		**86.17**	**316.58**	**18.77**	**524.32**	**9.57**	**552.66**	**0.00**	**38.90**	**3.77**	**0.00**	**2.43**	**6.20**

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

ANNEXURE 4

Statement showing the State Government's investment in PSUs during the years for which their accounts were in arrears

(Referred to in paragraph 1.24)

(₹ in crore)

Sl. No.	Name of PSU	Year upto which accounts finalized	Paid up capital as per latest finalised accounts	Investment made by State Governments during the years for which the accounts are in arrears				No. of Accounts in Arrear (As on 30 September 2012)
				Equity	Loans	Grants	Others Loans guaranteed by State Government	
1	2	3	4	5	6	7	8	9
A. Working Government companies								
1	Assam State Minor Irrigation Development Corporation Limited	2006-07	17.35	0.00	0.00	27.66	0.00	5
2	Assam Livestock and Poultry Corporation Limited	1990-91	0.07	0.00	0.00	7.78	0.00	21
3	Assam Plains Tribes Development Corporation Limited	1987-88	0.94	0.35	0.00	91.47	0.00	24
4	Assam State Development Corporation for Scheduled Castes Limited	2009-10	9.85	0.25	0.00	11.54	2.42	2
5	Assam State Development Corporation for Other Backward Classes Limited	1990-91	1.23	1.67	0.00	9.25	0.00	21
6	Assam State Film (Finance & Development) Corporation Limited	1999-2000	0.10	0.00	0.00	7.26	0.00	12

Sl. No.	Name of PSU	Year upto which accounts finalised	Paid up capital as per latest finalised accounts	Investment made by State Governments during the years for which the accounts are in arrears				No. of Accounts in Arrear (As on 30 September 2012)
				Equity	Loans	Grants	Others Loans guaranteed by State Government	
1	2	3	4	5	6	7	8	9
7	Assam Mineral Development Corporation Limited	2005-06	4.89	0.00	0.00	2.00	0.00	6
8	Assam Small Industries Development Corporation Limited	1992-93	5.50	1.01	2.42	1.89	0.00	19
9	Assam Hills Small Industries Development Corporation Limited	1990-91	2.00	0.00	12.00	1.62	0.00	21
10	Assam Tea Corporation Limited	1998-99	27.54	0.00	154.31	0.00	0.00	13
11	Assam Electricity Grid Corporation Limited	2010-11	99.93	0.00	0.00	194.65	0.00	1
12	Assam Power Distribution Company Limited	2010-11	250.81	0.00	6.00	189.72	0.00	1
13	Assam Tourism Development Corporation Limited♦	2010-11	0.39	0.00	0.00	42.65	0.00	1
Total A (All Working Government companies)			**420.60**	**3.28**	**174.73**	**587.49**	**2.42**	**147**

♦ The Company opted for the scheme of Government of India for preparing the accounts of most recent two years (*viz.* 2009-10 and 2010-11) and backward preparation of all previous years' accounts in a time-bound manner. The Company, accordingly prepared its accounts for 2009-10 and 2010-11, while accounts for 2006-07 to 2008-09 and 2011-12 were pending, which have been considered as arrears in respect of the Company.

Sl. No.	Name of PSU	Year upto which accounts finalised	Paid up capital as per latest finalised accounts	Investment made by State Governments during the years for which the accounts are in arrears				No. of Accounts in Arrear (As on 30 September 2012)
				Equity	Loans	Grants	Others Loans guaranteed by State Government	
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**
B. Statutory corporations								
1	Assam State Transport Corporation	2009-10	398.59	85.82	0.00	0.00	0.00	2
2	Assam State Warehousing Corporation	2007-08	11.54	4.20	0.00	0.00	0.00	4
Total B (All Statutory corporations)			**410.13**	**90.02**	**0.00**	**0.00**	**0.00**	**6**
Total (A+ B)			**830.73**	**93.30**	**174.73**	**587.49**	**2.42**	**153**
C. Non working Government companies								
1	Industrial Papers (Assam) Limited	1999-2000	0.40	0.00	0.00	7.28	0.00	12
2	Cachar Sugar Mills Limited	2003-04	3.38	0.00	0.00	12.37	0.00	8
Total C (non working Government companies)			**3.78**	**0.00**	**0.00**	**19.65**	**0.00**	**20**
Grand Total (A + B + C)			**834.51**	**93.30**	**174.73**	**607.14**	**2.42**	**173**

ANNEXURE 5

Statement showing financial position of Statutory Corporations

(Referred to in paragraph 1.14)

Particulars	2008-09	2009-10	2010-11
	(₹ in crore)		
Working Statutory corporations			
1. Assam State Electricity Board[Φ]			
A. Liabilities			
Equity Capital	99.84	0.63	0.63
Loans from Government	-	-	-
Other long-term loans (including bonds)	-	-	-
Reserves and surplus	21.73	-	-
Current liabilities and provisions	356.92	0.11	-
Total-A	**478.49**	**0.74**	**0.63**
B. Assets			
Gross fixed assets	0.29	-	-
Less: Depreciation	0.07	-	-
Net fixed assets	0.22	-	-
Capital work-in-progress	-	-	-
Current assets	391.53	0.74	0.63
Intangible assets	86.74	-	-
Investments	-	-	-
Miscellaneous expenditure/Deferred cost	-	-	-
Deficits	-	-	-
Total-B	**478.49**	**0.74**	**0.63**
C. Capital employed*	**34.83**	**0.63**	**0.63**

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

2. Assam State Transport Corporation	**2007-08**	**2008-09**	**2009-10**
A. Liabilities			
Capital (including capital contribution & equity capital)	379.31	392.80	398.59
Borrowings (Government)	-	-	-
Borrowings (Others)	64.93	71.56	-
Funds	4.00	5.53	71.15
Trade dues and other current liabilities (including provisions)	178.35	184.55	210.31
Total	**626.59**	**654.44**	**680.05**

[Φ] The activities of the Board relating to generation, transmission and distribution of electricity in the State have been transferred (October 2003) to newly formed (October 2003) companies at Sl. No. A-30, A-31 and A-32 of Annexure 2 respectively.

2. Assam State Transport Corporation	**2007-08**	**2008-09**	**2009-10**
B. Assets			
Gross Block	27.66	30.39	31.98
Less: Depreciation	4.93	6.03	6.07
Net fixed assets	22.73	24.36	25.91
Capital work-in-progress (including cost of chassis)	51.56	67.17	65.32
Current assets, loans and advances	25.78	16.56	19.06
Investments	1.44	1.75	0.00
Accumulated losses	525.08	544.60	569.76
Total	**626.59**	**654.44**	**680.05**
C. Capital Employed*	**-78.28**	**-76.46**	**-100.02**

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

3. Assam Financial Corporation	**2009-10**	**2010-11**	**2011-12**
A. Liabilities			
Paid-up capital	18.40	18.40	22.40
Reserve fund and other reserves and surplus	2.82	2.82	3.40
Borrowings:			
(i) Bonds and debenture	-	-	-
(ii) Fixed Deposits	-	-	-
(iii) Industrial Development Bank of India & Small Industries Development Bank of India	-	-	-
(iv) Reserve Bank of India	-	-	-
(v) Loan towards share capital:	-	-	-
(vi) Others (including State Government)	-	14.00	14.00
Other liabilities and provisions	16.66	6.82	4.28
Total-A	**37.88**	**42.04**	**44.08**
B. Assets			
Cash and Bank balances	22.26	19.51	21.10
Investments	-	4.76	0.50
Loans and Advances	10.52	13.41	17.61
Net fixed assets	1.06	1.17	1.27
Other assets	2.52	2.38	3.60
Miscellaneous expenditure	1.52	0.81	-
Total-B	**37.88**	**42.04**	**44.08**
C. Capital employed*	**28.22**	**28.22**	**37.51**

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

4. Assam State Warehousing Corporation	**2005-06**	**2006-07**	**2007-08**
A. Liabilities			
Paid-up capital	10.54	10.94	11.54
Reserves and surplus	3.21	2.45	3.72
Borrowings: (Government)	8.03	8.59	9.16
(Others)			-
Trade dues and current liabilities (including provision)	6.92	6.47	7.34
Total-A	**28.70**	**28.45**	**31.76**
B. Assets			
Gross Block	18.30	19.39	19.99
Less: Depreciation	8.80	9.38	9.94
Net fixed assets	9.50	10.01	10.05
Capital work-in-progress	0.97	0.57	0.58
Current assets, loans and advances	10.10	10.14	11.63
Profit and Loss account	8.13	7.73	9.50
Total-B	**28.70**	**28.45**	**31.76**
C. Capital employed*	**13.65**	**14.25**	**14.92**

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

ANNEXURE-6

Statement showing working results of Statutory Corporations

(Referred to in paragraph 1.14)

Sl. No.	Particulars	2008-09	2009-10*	2010-11*
		(₹ in crore)		
Working Statutory corporations				
1	**Assam State Electricity Board**			
1	(a) Revenue receipts	995.15	-	-
	(b) Subsidy/subvention from Government	-	-	-
	(c) Other incomes	-	-	-
	Total	**995.15**	**-**	**-**
2	Revenue expenditure (net of expenses capitilised) including write off of intangible assets but excluding depreciation and interest	994.38	-	-
3	Gross surplus (+)/deficit (-) for the year (1-2)	0.77	-	-
4	Adjustments relating to previous years (+)	0.03	-	-
5	Final gross surplus (+)/deficit (-) for the year (3+4)	0.80	-	-
6	**Appropriations:**			
	(a) Depreciation (less capitalised)	0.03	-	-
	(b) Interest on Government loans	-	-	-
	(c) Interest on others, bonds, advance etc. and finance charges	0.71	-	-
	(d) Total interest on loans & finance charges (b+c)	0.71	-	-
	(e) Less: Interest capitalized	-	-	
	(f) Net interest charged to revenue (d-e)	0.71	-	-
	(g) Total appropriations (a+f)	0.74	-	-
7	**Net surplus (+)/deficit (-) {5-6(g)}**	**0.06**	**-**	**-**
8	**Total return on capital employed@**	**0.77**	**-**	**-**
9	**Percentage of return on capital employed**	**2.21**	**-**	**-**

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

2	Assam State Transport Corporation	2007-08	2008-09	2009-10
1	**Operating:** (a) Revenue	37.27	35.69	39.09
	(b) Expenditure	52.46	58.55	65.87
	(c) Surplus (+)/deficit (-)	-15.19	-22.86	-26.78
2	**Non-operating:** (a) Revenue	12.56	2.86	14.74
	(b) Expenditure	9.89	10.09	12.29
	(c) Surplus (+)/deficit (-)	2.67	-7.23	2.45
3	**Total:** (a) Revenue	49.83	38.55	53.83
	(b) Expenditure	62.35	68.64	78.16
	(c) Surplus (+)/deficit (-)	-12.52	-30.09	-24.33
4	Interest on capital and loans	9.17	23.56	6.19
5	Total return on capital employed	-3.35	-6.53	-18.14

* The activities of the Board relating to generation, transmission and distribution of electricity in the State have been transferred (October 2003) to newly formed (October 2003) companies at Sl No. A-30, A-31 and A-32 of Annexure-2 respectively.

3	Assam Financial Corporation	2009-10	2010-11	2011-12
1	**Income**			
	1. Interest on loans	4.19	2.53	2.38
	2. Other income	1.67	4.32	3.48
Total-1		**5.86**	**6.85**	**5.86**
2	**Expenses**			
	(a) Interest on loans	0.15	0.40	0.20
	(b) Provision for NPA	0.00	0.00	-
	(c) Other expenses	3.85	5.23	4.57
Total-2		**4.00**	**5.63**	**4.77**
3	Profit before tax (1-2)	1.86	1.22	1.09
4	Provision for tax	0.14	-	-
5	Other appropriations	-	-	-
6	Amount available for dividend	-	-	-
7	Dividend	-	-	-
8	Total return on capital employed**	1.86	1.62	1.29
9	Percentage of return on capital employed	6.59	5.74	3.44

** Expenses on interest on loans have been added to profit before tax for calculation of total return on capital employed.

4	Assam State Warehousing Corporation	2005-06	2006-07	2007-08
1	**Income**			
	(a) Warehousing charges	5.24	6.05	5.93
	(b) Other income	0.43	0.78	2.33
Total-1		**5.67**	**6.83**	**8.26**
2	**Expenses**			
	(a) Establishment charges	4.32	4.47	4.80
	(b) Other expenses	3.03	3.12	3.48
Total-2		**7.35**	**7.59**	**8.28**
3	Profit before tax (1-2)	-1.68	-0.76	-0.02
4	Other appropriations	-	-	-
5	Amount available for dividend	-	-	-
6	Dividend for the year	-	-	-
7	Total return on capital employed	-	-	-

ANNEXURE- 7

Statement showing voltage-wise capacity additions planned, actual additions and shortfall in capacity additions during five years up to 2011-12

(*Referred to in paragraph 2.8.1)*

Sl. No.	Description	2007-08	2008-09	2009-10	2010-11	2011-12
(1)	(2)	(3)	(4)	(5)	(6)	(7)
400 KV Sub-Stations (Numbers)						
1	At the beginning of the year	-	-	-	-	-
2	Additions Planned for the year	-	-	-	-	3
3	Actual Additions during the year	-	-	-	-	-
4	At the end of the year **(1+3)**	-	-	-	-	-
5	Shortfall in Additions **(2-3)**	-	-	-	-	3
400 KV Transformers Capacity (MVA)						
1	At the beginning of the year	-	-	-	-	-
2	Additions/ augmentation Planned for the year	-	-	-	-	1680
3	Actual Additions during the year	-	-	-	-	-
4	Capacity at the end of the year **(1+3)**	-	-	-	-	-
5	Shortfall in Additions/ Augmentation **(2-3)**	-	-	-	-	1680
400 KV Lines (CKM)						
1	At the beginning of the year	-	-	-	-	-
2	Additions Planned for the year	-	-	-	-	140
3	Actual Additions during the year	-	-	-	-	-
4	At the end of the year **(1+3)**	-	-	-	-	-
5	Shortfall in Additions **(2-3)**	-	-	-	-	140
220 KV Sub-Stations (Numbers)						
1	At the beginning of the year	7	7	8	8	8
2	Additions Planned for the year	-	-	1	-	2
3	Actual Additions during the year	-	1	-	-	1
4	At the end of the year **(1+3)**	7	8	8	8	9
5	Shortfall in Additions **(2-3)**	-	-	1	-	1
220 KV Transformers Capacity (MVA)						
1	At the beginning of the year	860	910	960	1110	1110
2	Additions/ augmentation Planned for the year	-	-	320	-	-
3	Actual Additions during the year	50	50	150	-	130
4	Capacity at the end of the year **(1+3)**	910	960	1110	1110	1240
5	Shortfall in Additions/ Augmentation **(2-3)**	-	-	170	-	-
220 KV Lines (CKM)						
1	At the beginning of the year	1189.59	1189.59	1216.01	1295.51	1295.51
2	Additions Planned for the year	-	131.50	-	-	852
3	Actual Additions during the year	-	26.42	79.50	-	-
4	At the end of the year **(1+3)**	1189.59	1216.01	1295.51	1295.51	1295.51
5	Shortfall in Additions **(2-3)**	-	105.08	-	-	852

Sl. No.	Description	2007-08	2008-09	2009-10	2010-11	2011-12
(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**
132 KV Sub-Stations[1] (Numbers)						
1	At the beginning of the year	22	22	25	35	36
2	Additions Planned for the year	-	-	8	-	3
3	Actual Additions during the year	-	3	10	1	3
4	At the end of the year **(1+3)**	22	25	35	36	39
5	Shortfall in Additions **(2-3)**	-	-	-	-	-
132 KV Transformers Capacity (MVA)						
1	At the beginning of the year	1348.30	1396.30	1700.80	2078.30	2227.30
2	Additions/ augmentation Planned for the year	-	91	403	-	-
3	Actual Additions during the year	48	304.5	377.50	149	82
4	Capacity at the end of the year **(1+3)**	1396.30	1700.80	2078.30	2227.30	2309.30
5	Shortfall in Additions/ Augmentation **(2-3)**	**-**	**-**	**-**	**-**	**-**
132 KV Lines (CKM)						
1	At the beginning of the year	2987.52	2988.54	3082.70	3329.99	3337.85
2	Additions Planned for the year	-	-	251	-	-
3	Actual Additions during the year	1.02	94.16	247.29	7.86	-
4	At the end of the year **(1+3)**	2988.54	3082.70	3329.99	3337.85	3337.85
5	Shortfall in Additions **(2-3)**	**-**	**-**	**-**	**-**	**-**

[1] This also includes the 66 kV substations

ANNEXURE-8

Statement showing the position of utilisation of newly created SSs

(Referred to in paragraph 2.9.1.10)

SL no	Name of the Grid SS	Capacity of the SS	Capacity after considering 30% redundancy (In MW)	Actual Peak demand in the year 2011-12 (In MW)	Capacity underutilisation (In MW)	Percentage of underutilisation (In MW)	Cost of SS (₹ in crore)	Connected line	Cost incurred on connected line (₹ in crore)
1	Sibsagar	2 × 16	19.04	1.5	17.54	92.12	9.77	132 KV Nazira – Sibsagar	2.53
2	Moran	2 × 16	19.04	20.40	-1.36	-7.01	9.87	132 DC LILO for Moran SS	1.30
3	Bokaghat	2 × 16	19.04	10.8	8.24	43.28	8.03	132 KV Bokakhat – Gormur	23.06
4	Golaghat	80	47.60	25	22.60	47.48	9.67	132 KV DC LILO for Golaghat SS	1.28
5	Diphu	42	24.99	12.88	12.11	48.46	13.72	132 KV SC Lanka – Diphu line	22.43
6	Biswanath chariali	2 × 16	19.04	18	1.04	5.46	10.27	132 KV SC LILO to B.C SS	0.62
7	Majuli	4 × 5.5	13.09	3.4	9.69	74.03	12.05	132 KV Majuli n.Lakhimpur Line	NA
8	Nalbari	2 × 16	19.04	22	-2.96	-15.55	13.19	132 KV SC LILO to Nalbari SS	0.55
9	Sipajhar	2 × 16	19.04	12	7.04	36.97	13.01	132 KV SC Rowta –Sipajhar- Depota	36.59
10	Boko#	2 × 40	47.6	7.88	39.72	83.44	12.86	220 BoKo-Sarusujai line	NA
11	Srikona	2 × 25	29.75	29	0.75	2.52	13.82	132 KV LILO to Srikona SS	0.44
12	Narengi	2 × 25	29.75	39.5	-9.75	-32.77	12.57	132 KV SC LILO to Narengi	0.15

 # SS was further augmented from 2 × 10MVA to 2 × 40 MVA in September 2010 and February 2011

ANNEXURE-9

Statement showing the position of fund utilisation and status of different projects taken up under other than ADB funding

(Referred to in paragraph 2.9.2)

	Project	Date of Submission of DPR	Date of approval of DPR	Source of fund	Date of issue of NIT	Date of allotment of work	Original Schedule Completion (Actual date of completion)	Delay in months	Amount released till date (₹ in crore)	Total expenditure till date (₹ in crore)
Completed projects										
1	Construction of 220/132 Balipara SS (2 X 25 MVA)	August 2000	March 2002	NLCPR	June 2006	December 2007	December 2008 (December 2008)	NIL	13.71	13.71
2	Construction of Agia 220/132/33 KV SS	NA	NA	NLCPR	December 2004	April 2005	December 2009 (March 2010)	3	7.22	7.37
3	Augmentation of Agia SS from 1 X 16.5 + 1x12.5 MVA to 1x40+1x12.5 MVA	NA	NA	ABY	February 2009	September 2010	February 2011 (February 2011)	NIL	2.50	2.35
4	Addition of one 132/33 KV, 40MVA transformer at Sishugram.	September 2008	November 2008	ABY	February 2009	October 2009	March 2010 (August 2010)	5	7.86	4.34
5	Augmentation of Boko SS from 2x10 MVA to 1x40+1x10 MVA	NA	NA	ABY	March 2009	February 2010	March 2010 (October 2010)	7	3	2.99
6	Augmentation of Boko SS from 1x40+1x10 MVA to 2x40MVA	NA	NA	State Priority Scheme	February 2009	September 2010	February 2011 (February 2011)	NIL	2.50	2.40
7	Augmentation of Panchgram SS	August 2007	February 2008	NLCPR	April 2009	November 2009	December 2010 (December 2011)	12	3.16	4.57
8	Augmentation of BTPS SS from 2 X80 to 1 X 160 + 1X80		November 2007	ABY	January 2008	January 2009	March 2011 (May 2011)	2	8.00	13.11
9	1 X 25 MVA Nazira SS	August 2003	August 2004	NEC	June 2009	November 2009	June 2010 (January 2011)	7	18.50	2.39
10	132 KV Nazira-Gormur Line (On-going)				August 2009	January 2010	December 2010	In progress		21.64
Ongoing Projects		**Approval of DPR**						**Present Status/ Revised schedule**		
11	2 X 315 MV Kukurmara SS	January 2008		GoA	December 2010	February 2011	December 2011	December 2013	200	24.47
12	LILO to Kukurmara SS									
13	Stringing of 2nd Circuit BTPS Sarusajai	February 2010		GoA	February 2010	August 2010	March 2011	In progress	13.41	7.67
14	Renovation of BTPS for NTPC	March 2010		ABY	January 2010	May 2010	March 2011	In progress	3.25	3.25
15	220 Azara SS	September 2007		NLCPR	August 2010	December 2010	September 2011	In progress	114.10	44.75
16	R & M of Chandrapur SS	August 2010		GoA	October 2010	December 2010	December 2011	December 2012	3.00	-
17	132 KV Kokrajhar-Bilashipara	November 2010		ABY	January 2011	February 2012	November 2013	In progress	5.00	0.38
18	220 KV Jawaharagar SS	NA		GoA	April 2010	December 2010	March 2012	In progress	30	16.85
19	132/33 Umrangshu SS	March 2011		NEC	January 2012	Not yet allotted	November 2013	-	5.37	-
20	2 X 25 MVA Kokrajhar SS	November 2010		NLCPR	January 2011	August 2011	November 2013	In progress	15.38	-
21	132 kV BTPS- Kokrajhar –Gauripur line									
TOTAL		-		-	-	-	-	-	**455.96**	**172.24**

ANNEXURE-10

Statement showing the additional charges levied on the power distribution company (APDCL) as charges for Unscheduled interchange (UI) of power

(Referred to in paragraph 2.11.6)

Month	Overdrawal at Frequency less than 49.2 Hz (MU)	Unscheduled interchange Charges (` ₹in lakh)	Additional Unscheduled charges (`₹ in lakh)	Overdrawal at Frequency between 49.5 to 49.2 Hz (MU)	Unscheduled interchange Charges (`₹ in lakh)	Total Overdrawal at lower frequency (MU)	Total unscheduled interchange charges paid (`₹ in lakh)
April 2010	1889.29	138.86	55.55	2397.13	144.52	4286.42	338.93
May 2010	389.04	33.93	15.26	2398.38	126.49	2787.42	175.67
June 2010	265.23	23.15	9.26	2051.62	107.25	2316.85	139.67
July 2010	578.21	50.48	23.79	2110.03	115.17	2688.24	189.44
August 2010	496.75	43.37	23.58	1339.02	73.01	1835.77	139.96
September 2010	32.7	2.85	1.65	258.65	12.03	291.35	16.54
October 2010	47.37	4.14	1.65	745.53	38.19	792.9	43.98
November 2010	NIL	NIL	NIL	NIL	NIL	NIL	0.00
December 2010	67.9	5.93	2.37	930.95	46.25	998.85	54.54
January 2011	NIL	NIL	NIL	NIL	NIL	NIL	NIL
February 2011	45.03	3.93	1.57	184.88	9.01	229.91	14.51
March 2011	111.55	9.74	3.9	1068.18	55.5	1179.73	69.13
April 2011	415.17	36.24	16.85	3418.67	177.62	3833.84	230.72
May 2011	496.72	43.36	18.7	4640.25	235.16	5136.97	297.22
June 2011	696.72	59.08	25.88	4191.23	227.02	4887.95	311.98
July 2011	237.85	20.76	8.31	2884.11	146.93	3121.96	176.00
August 2011	347.94	30.37	12.15	2968.07	150.62	3316.01	193.14
September 2011	998.11	87.14	37.52	2756.8	146.26	3754.91	270.91
October 2011	1619.45	141.38	87.76	3854.94	216.34	5474.39	445.48
November 2011	1040.16	90.81	36.32	6141.52	340.06	7181.68	467.18
December 2011	1231.88	107.54	45.35	6396.55	372	7628.43	524.89
February 2012	4.06	0.35	0.14	1542.36	74.04	1546.42	74.54
Total	**11011.13**	**933.41**	**427.56**	**52278.87**	**2813.47**	**63290.00**	**4174.43**

ANNEXURE-11

Statement showing the position of ABT meters in the 15 SSs selected for test check

(Referred to in paragraph 2.15.1)

Sl No	Name of the Grid Substation	Metering Position	Meters installed on	Whether having interstate interface	Present functional position of the meters
1	Panchgram Grid SS	Three transformers and four feeders	February 2009	Yes with Tripura and Manipur	Not working since January 2010
2	Srikona Grid SS	Two transformers	November 2009	No	Not working since July 2011
3	Pailapool Grid SS	Two transformers and one feeder	January 2010	Yes interface with Manipur	Not working since commissioning
4	Garmur Grid SS	Metering for three transformers and three feeders	March 2009	No	Not working since May 2010
5	Mariani Grid SS	Two transformers and four feeders	March 2010	No	In working condition
6	Bokajan Grid SS	Metering for three 66 KV transformers and one 66 KV feeder not in use	February 2010	Yes interface with Nagaland	No ABT metering for 132 KV Nagaland feeder. No CMRI downloading done
7	Dibrugarh Grid SS	Metering for three transformers and three feeders	February 2009	No	Functioning
8	Rupai Grid SS	Metering for three transformers and for Tinsukia feeder	February 2009	Interface with Arunachal Pradesh	No interstate check meters have been provided. However, other meters are working.
9	Dullavchera Grid SS	Metering for one transformer and two interstate feeders	February 2009	Yes interface with Tripura	Not functioning
10	Narengi Grid SS	Metering for two transformers	January 2010	No	Functioning
11	Sarusujai Grid SS	Metering for three transformers and six feeders	October 2009	No	Functioning
12	Rangia Grid SS	Metering for two transformers	February 2010	No	Functioning

Sl No	Name of the Grid Substation	Metering Position	Meters installed on	Whether having interstate interface	Present functional position of the meters
13	Sisugram Grid SS	Metering for two transformers and one 132 KV feeders	January 2009	No	Not functioning
14	Samaguri Grid SS	Metering for six 132/33 KV feeders and three transformers.	February 2009	No	Not-Functioning
15	Tinsukia Grid SS	Metering for 3 transformers and 5 generation feeders.	March 2009	No	Functioning

Annexure-12

Statement showing paragraphs/performance audits for which explanatory notes were not received

(Referred to in paragraph 3.10.1)

Sl. No.	Name of department	2006-2007		2007-2008		2008-09		2009-2010		2010-2011	
		Number of Paragraphs/Performance Audits									
		In Audit Report	For which reply of the Government not received	In Audit Report	For which reply of the Government not received	In Audit Report	For which reply of the Government not received	In Audit Report	For which reply of the Government not received	In Audit Report	For which reply of the Government not received
1.	Power	05	05	08	08	03	03	11	11	01	01
2.	Transport	01	01	01	01	02	02	01	01	--	--
3.	Co-operation	--	--	01	01	--	--	--	--	--	--
4.	Welfare	01	01	02	02	01	01	--	--	--	--
5.	Agriculture	01	01	--	--	--	--	01	01	--	--
6.	Animal Husbandry	--	--	--	--	--	--	--	--	02	02
7.	Industries and Commerce	06	06	02	02	06	06	01	01	04	04
8.	Mines & Minerals	--	--	--	--	02	02	--	--	--	--
9.	Public Enterprises	01	01	--	--	02	02	--	--	--	--
10.	Education (Elementary)	--	--	--	--	--	--	--	--	01	01
11.	Information and Technology	--	--	04	04	--	--	--	--	--	--
12.	Finance	--	--	--	--	--	--	01	01	--	--
13.	Handloom, Textile, Sericulture	--	--	--	--	--	--	-	-	01	01
Total		**15**	**15**	**18**	**18**	**16**	**16**	**15**	**15**	**09**	**09**

Annexure-13

Statement showing the department-wise outstanding Inspection Reports (IRs) as on September 2012

(Referred to in paragraph 3.10.3)

Sl. No.	Departments	No. of PSUs	No. of outstanding IRs	No. of outstanding paragraphs	Year from which paragraphs outstanding
1.	Agriculture	2	2	17	2010-11
2.	Animal Husbandry	1	2	16	2005-06
3.	Co-operation	1	1	11	2005-06
4.	Cultural Affairs	1	2	3	2010-11
5.	Education (Elementary)	1	2	10	2005-06
6.	Finance	1	1	9	2010-11
7.	Fisheries	1	3	12	2005-06
8.	Handloom, Textile & Sericulture	1	6	43	2006-07
9.	Home	1	2	11	2009-10
10.	Industries & Commerce	10	21	114	2005-06
11.	Information & Technology	2	3	21	2008-09
12.	Mines & Minerals	1	2	17	2008-09
13.	Power	4	106	552	2004-05
14.	Tourism	1	3	22	2006-07
15.	Transport	1	48	142	2006-07
16.	Welfare of Plains Tribes & Backward Classes	3	6	24	2005-06
Total		**32**	**210**	**1024**	**--**