सत्यमेव जयते

Report of the Comptroller and Auditor General of India on Public Sector Undertakings for the year ended 31 March 2014

Government of Assam

Report No. 2 of 2014

REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA

ON

PUBLIC SECTOR UNDERTAKINGS

FOR THE YEAR ENDED 31 MARCH 2014

GOVERNMENT OF ASSAM
(REPORT NO. 2 OF 2014)

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Preface

This Report deals with the results of audit of Government companies and Statutory corporations for the year ended 31 March 2014.

The accounts of Government companies (including companies deemed to be Government companies as per the provisions of the Companies Act) are audited by the Comptroller and Auditor General of India (CAG) under the provisions of the Section 619 of the Companies Act, 1956. The accounts certified by the Statutory Auditors (Chartered Accountants) appointed by the Comptroller and Auditor General of India under the Companies Act are subject to supplementary audit by officers of the CAG and the CAG gives his comments or supplements the reports of the Statutory auditors. In addition, these companies are also subject to test audit by the CAG.

The audit of Statutory corporations is governed by their respective legislations. In respect of two Statutory corporations, namely, Assam State Transport Corporation and the Assam State Electricity Board, the CAG is the sole auditor.

Reports in relation to the accounts of a Government Company or Corporation are submitted to the Government by CAG for laying before State Legislature of Assam under the provisions of Section 19-A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The instances mentioned in this Report are those, which came to notice in the course of test audit during the period April 2013 to March 2014 as well as those which came to notice in the earlier years, but could not be reported in the previous Audit Reports; matters relating to the period subsequent to March 2014 have also been included, wherever necessary.

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

Executive Summary

This Audit Report has been prepared in three chapters. ***Chapter I*** provides an overview of State Public Sector Undertakings (SPSUs) including figures on total investments in equity/long term loans of SPSUs, data on their financial performance, status of finalisation of their accounts, *etc*. ***Chapter II*** includes one performance audit relating to one State Government company. ***Chapter III*** of the Report includes nine audit paragraphs emerging from the Compliance Audit of SPSUs and one General paragraph on 'Follow-up Action on Audit Reports'.

According to existing arrangements, copies of the draft audit paragraphs and draft performance audit were sent to Secretary of the Department concerned by the Accountant General (Audit) with request to furnish replies within six weeks. Excepting one draft paragraph, no replies were received (September 2014) from the concerned departments for any of the draft paragraphs and draft performance audit.

Chapter I 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 2014, the State of Assam had 40 working SPSUs (37 companies and 3 Statutory corporations) which employed 37,742 employees. The working SPSUs registered a turnover of ₹ 3,910.26 crore for 2013-14 as per their latest finalised accounts as on 30 September 2014. This turnover was equal to 2.40 *per cent* of State Gross Domestic Product indicating an important role played by SPSUs in the economy. At the same time, the working SPSUs also incurred an overall loss of ₹ 269.15 crore for 2013-14 as per their latest finalised accounts as on 30 September 2014.

Investment in PSUs

As on 31 March 2014, the investment (capital and long term loans) in 50 SPSUs (including 40 working and 10 non-working SPSUs) was ₹ 3,915.33 crore. It increased by 42.49 *per cent* from ₹ 2,747.72 crore in 2009-10. Power Sector accounted for 55.65 *per cent* of total investment in 2013-14. During 2013-14 the Government contributed an aggregate amount of ₹ 1,071.11 crore towards equity (₹ 55.42 crore), loans (₹ 255.94 crore), and grants/subsidies (₹ 759.75 crore) to 19 SPSUs.

Reconciliation with Finance Accounts

During 2013-14, the differences in the figures of the State Government's investments in equity and loans outstanding as per records of SPSUs and that appearing in the Finance Accounts of the State were at ₹ 364.95 crore and ₹1,735.95 crore respectively. The un-reconciled differences in loan had increased by ₹ 37.33 crore during 2013-14, while there was a reduction of ₹ 95.70 crore in the un-reconciled differences of Equity figures. The Government and the SPSUs should take concrete steps to reconcile the differences in a time bound manner.

Performance of SPSUs

During the year 2013-14, out of 40 working SPSUs, 16 SPSUs earned profit of ₹ 215.72 crore and 21 SPSUs incurred loss of ₹ 484.87 crore as per their latest finalised accounts as on 30 September 2014. The major contributors to profits were Assam Electricity Grid Corporation Limited (₹ 119.24 crore), Assam Gas Company Limited (₹ 68.14 crore), Assam Petrochemicals Limited (₹ 9.38 crore) and DNP Limited (₹ 4.42 crore). Heavy losses were incurred by Assam Power Distribution Company Limited (₹ 418.14 crore), Assam State Transport Corporation (₹ 33.43 crore) and Assam Industrial Development Corporation Limited (₹ 7.46 crore).

The losses are attributable to various deficiencies observed in the functioning of SPSUs. A review of three years' Audit Reports of CAG shows that the SPSUs' incurred losses of ₹ 258.65 crore and made infructuous investments of ₹ 28.79 crore which were controllable with better management.

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

Quality of accounts

The quality of accounts of SPSUs needs to be improved. Out of 64 accounts finalised by 24 working SPSUs (including 4 accounts of 3 Statutory corporations) during October 2013 to September 2014, 63 accounts received qualified certificates. There were 35 instances of non-compliance with Accounting Standards in 21 accounts. Reports of Statutory Auditors on internal control of the companies revealed several weak areas.

Arrears in accounts and winding up

Thirty four working SPSUs had arrears of 292 accounts as of September 2014. The arrears ranged between 1 and 26 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 SPSUs in existence, they need to be wound up quickly.

Chapter II Performance Audit relating to Government Company

Performance Audit relating to Assam Industrial Development Corporation Limited

Executive Summary

Assam Industrial Development Corporation Limited (Company) was established (1965) with the main objectives of promoting/developing small, medium and large scale industries and providing financial assistance to industrial units in the State. The present activities of the Company are, however, confined to construction/development of industrial infrastructure and operation/maintenance of the industrial infrastructure already developed. The Company has not provided any financial assistance to any industrial unit after March 1993. The present performance audit was conducted to assess the economy, efficiency and effectiveness of the Company in implementation and operation of industrial projects during the period 2009-14 and also to assess the recovery performance of the Company against the loans already disbursed and outstanding.

Financial profile

The Capital employed of the Company was completely eroded by the accumulated losses and it had been negative throughout the five years period from 2009-10 to 2013-14. The Company was able to earn overall profits during the five years from 2009-10 to 2013-14 (excepting 2012-13) mainly due to significant interest income earned against investment of project funds.

Planning

The Company does not prepare any long or short term plans of its own for implementation of industrial projects. In fact, the Company prepares *adhoc* project proposals as per directives of Government of Assam (GOA) for incorporation in State's Five Year Plan and submits the same to GOA for approval and allocation of funds. The proposals for centrally sponsored projects are prepared as per scheme guidelines and submitted to Government of India (GOI) for approval. Thus, even after almost 50 years of its formation, the Company acted as an implementing agency of GOI/GOA and remained solely dependent on Government funding for achievement of its objectives.

Project Management

The detailed project reports (DPRs) prepared for execution of the industrial projects were deficient leading to changes in work specifications after award of work. Other pre-work award activities *viz.* acquisition of land and issuing of work order were also delayed. The monitoring of project works executed through contractors was ineffective. As a result, all the five projects developed during 2009-14 were completed with delays ranging from 37 to 129 months causing corresponding cost overrun. Further, three out of five projects completed during 2009-14 remained non-operational on account of inadequate feasibility study on part of the Company.

Operational Management

The Company has been operating nine industrial infrastructure projects with a total area of 49.25 lakh sqm (allocable area of 34.72 lakh sqm); of which, the Company could allocate only 12.49 lakh sqm (35.97 *per cent*) to the 107 industrial units. The low occupancy of developed land was broadly attributable to absence of proper facilities for uninterrupted power supply, poor maintenance of the projects, *etc*. Instances of delays ranging from 25 to 1,514 days were also noticed on part of the Company in allotment of land to entrepreneurs. The Company also failed in taking action against the unauthorised occupants of developed land as per the terms of the lease agreements.

Status of Loan

The Company provided (upto March 1993) financial assistance to 78 numbers of entrepreneurs and no further assistance was extended thereafter. As against total 43 loan cases (₹ 24.24 crore) pending for settlement as on 1 April 2009, the Company could settle another 24 loan cases (₹ 14.69 crore) during 2009-14. Non-recovery of outstanding loans against 19 loan cases (₹ 9.55 crore) disbursed prior to March 1993 was indicative of poor performance in recovery of outstanding loans by the Company.

Chapter III Compliance Audit Observations

Compliance Audit observations included in the Report highlights deficiencies in the management of SPSUs, which resulted in serious financial implications. The irregularities pointed out are broadly of the following nature:

Loss of revenue of ₹ 41.26 crore in six instances owing to non-compliance of rules, directives, procedures and terms and conditions of supply of electricity.

(Paragraphs 3.1 to 3.6)

Non recovery of advances of ₹ 0.62 crore in one case due to violation of Government Rules.

(Paragraphs 3.7)

Excess expenditure of ₹ 0.24 crore in one case due to lapses in implementation of Government Schemes.

(Paragraphs 3.8)

Undue benefit to the extent of ₹ 1.28 crore to a contractor in one case.

(Paragraphs 3.9)

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

Delay in replacement of defective meters and incorrect billing of energy consumptions by **Assam Power Distribution Company Limited** *has resulted in loss of revenue of ₹ 0.47 crore to the Company.*

(Paragraph 3.4)

Allowing of higher rates for a component of work by **Assam State Transport Corporation** *without taking cognizance of the rates available in SOR 2010-11 resulted in extension of undue benefit to the contractor to the extent of ₹ 1.28 crore.*

(Paragraph 3.9)

Chapter-I
Overview of State Public Sector Undertakings

Introduction

1.1 The State Public Sector Undertakings (SPSUs) consist of State Government companies and Statutory corporations. The SPSUs are established to carry out activities of commercial nature while keeping in view the welfare of people. In Assam, the SPSUs occupy an important place in its economy. The working SPSUs registered a turnover of ₹ 3,910.26 crore for 2013-14 as per their latest finalised accounts as on 30 September 2014. This turnover was equal to 2.40 *per cent* of State Gross Domestic Product (GDP) of ₹ 1,62,652.24 crore[1] for 2013-14. Major activities of SPSUs are concentrated in Power sector. The working SPSUs incurred an overall loss of ₹ 269.15 crore in aggregate for 2013-14 as per their latest finalised accounts as on 30 September 2014 and had employed 37,742[2] employees as on 31 March 2014.

1.2 As on 31 March 2014, there were 50 SPSUs as per the details given in ***Table 1.1***. Of these, one Company[3] was listed on the stock exchange.

Table 1.1

Type of SPSUs	Working SPSUs	Non-working SPSUs[4]	Total
Government companies	37	09	46
Statutory corporations	03	01[5]	04
Total	**40**	**10**	**50**

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

[1] Source: Economic Survey, Assam 2013-14

[2] As per the details provided by 37 SPSUs, remaining 3 SPSUs did not furnish the details and hence the manpower position for the previous year was taken wherever applicable.

[3] Assam Petrochemicals Limited

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

[5] Assam State Electricity Board is the only non-working Statutory corporation, which became defunct (2009-10) after transfer of its activities relating to generation, transmission and distribution of electricity to companies at serial no. A-30, A-31 and A-32 of ***Annexure 2*** respectively.

controlled by Government(s) is treated as if it were a Government company (deemed Government company) as per Section 619-B[6] of the Companies Act.

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 The Government of India (Ministry/Department of Corporate Affairs) has notified (September 2013) the Companies Act, 2013. However, the provisions of the new Act shall be applicable on Government companies from the next accounting year 2014-15 (*viz.* from the accounting periods commencing on or after 1 April 2014) and audit of the accounts of Government companies pertaining to the periods prior to 1 April 2014 shall continued to be governed by the Companies Act, 1956.

1.6 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[7] and Assam State Transport Corporation. In respect of Assam State Warehousing Corporation and Assam Financial Corporation, CAG conducts the supplementary audit after the statutory audit conducted by Chartered Accountants.

Investment in SPSUs

1.7 As on 31 March 2014, the investment (capital and long-term loans) in 50 SPSUs was ₹ 3,915.33 crore as *per* details given in ***Table 1.2***.

Table 1.2

Type of SPSUs	Government Companies			Statutory Corporations			Grand Total
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	
	(₹ in crore)						
Working SPSUs	1,293.22	1,855.49	3,148.71	673.29	52.65	725.94	3,874.65
Non-working SPSUs	26.68	13.37	40.05	0.63	-	0.63	40.68
Total	**1,319.90**	**1,868.86**	**3,188.76**	**673.92**	**52.65**	**726.57**	**3,915.33**

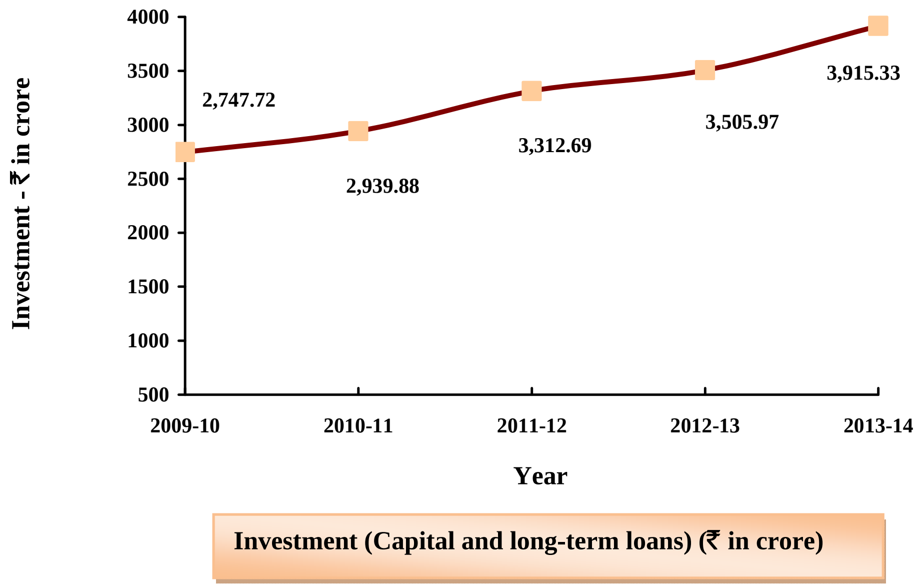
[6] There is no deemed Government Company under the purview of Section 619 B of the Companies Act,1956 in Assam as on 30 September 2013.

[7] Assam State Electricity Board was non-functional since 2009-10 after transfer of its activities to companies at serial no. A-30, A-31 and A-32 of ***Annexure 2***

A summarised position of Government investment in SPSUs is detailed in ***Annexure 1.***

1.8 As on 31 March 2014, of the total investment in SPSUs, 98.96 *per cent* was in working SPSUs and the remaining 1.04 *per cent* in non-working SPSUs. This total investment consisted of 50.92 *per cent* towards capital and 49.08 *per cent* in long-term loans. There investment had grown up by 42.49 *per cent* from ₹ 2,747.72 crore in 2009-10 to ₹ 3,915.33 crore in 2013-14 as shown in the ***Chart 1.1***.

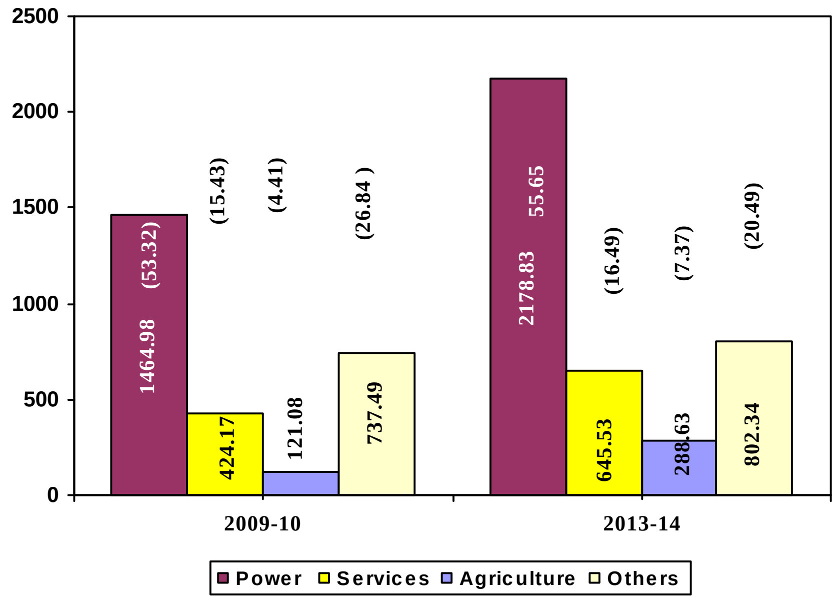
Chart 1.1



1.9 The total investment in various important sectors and percentage thereof at the end of 31 March 2010 and 31 March 2014 are indicated below in the ***Chart 1.2***. As compared to the investment in 2009-10, investment in 2013-14 has increased significantly in all three major sectors *viz*. in the Power, Service and Agriculture sectors by 49 *per cent* (₹ 713.85 crore), 52 *per cent* (₹ 221.36 crore) and 23 *per cent* (₹ 167.55 crore) respectively. There has been marginal increase of 9 *per cent* (₹ 64.85 crore) in the Other Sector during the said period.

Chart 1.2

(₹ in crore)



(Figures in brackets show the percentage of total investment)

Budgetary outgo, grants/subsidies, guarantees and loans

1.10 The details regarding budgetary outgo towards equity, loans, grants/ subsidies, guarantee commitment and loans written off in respect of SPSUs are given in ***Annexure 3***. The summarised details of the budgetary outgo to SPSUs during three years ended 2013-14 are shown in ***Table 1.3***.

Table 1.3

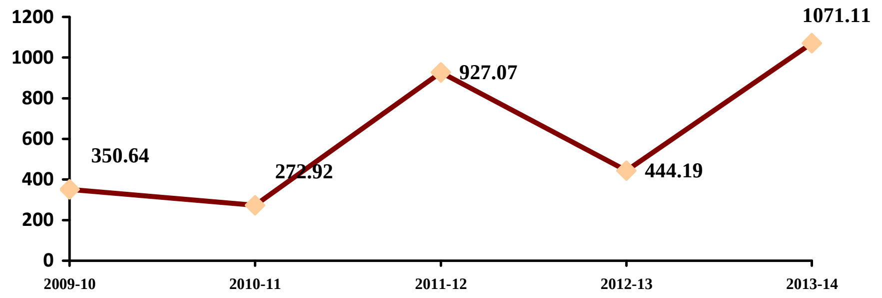
(₹ in crore)

Sl. No.	Particulars	2011-12		2012-13		2013-14	
		No. of SPSUs	Amount	No. of SPSUs	Amount	No. of SPSUs	Amount
1.	Equity Capital outgo from budget	3	86.17	1	0.20	2	55.42
2.	Loans given from budget	2	316.58	4	60.29	6	255.94
3.	Grants/Subsidy	13	524.32	15	383.70	18	759.75
4.	Total Outgo (1+2+3)[8]	14	927.07	16	444.19	19	1071.11
5.	Loans written off	1	3.77	-	-	-	-
6.	Interest/ Penal Interest written off	1	2.43	-	-	-	-
7.	Total Waiver	1	6.20	-	-	-	-
8.	Guarantee Commitment	3	38.90	01	4.00	-	-

[8] Actual number of SPSUs, which received equity, loans, grants/subsidies from the State Government

1.11 The details regarding budgetary outgo towards equity, loans and grants/ subsidies for past five years are given in ***Chart 1.3***.

Chart 1.3



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

It may be observed that during the five years from 2009-10 to 2013-14, the year-wise budgetary outgo to the SPSUs in the form of equity, loans, grants/subsidies, *etc*. had shown a mixed trend. The budgetary outgo to SPSUs had, however, registered an overall increase of more than 200 *per cent* (₹ 720.47 crore) during five years period from ₹ 350.64 crore (2009-10) to ₹ 1,071.11crore (2013-14). The steep increase in budgetary outgo during 2011-12 and 2013-14 by 240 *per cent* and 141 *per cent* respectively was mainly on account of extension of loan/grants of ₹ 765.44 crore[9] (2011-12) and ₹ 907.32 crore[10] (2013-14) to three power sector companies.

1.12 The amount of Guarantees outstanding had decreased from ₹ 45.53 crore (2010-11) to ₹ 4.00 crore (2012-13). At the end of the year 2013-14, however, no guarantee/commitments were outstanding against the SPSUs.

Reconciliation with Finance Accounts

1.13 The figures in respect of equity and loans extended by the State Government and remaining outstanding as per the records of SPSUs should agree with that of the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the concerned SPSUs and the Finance Department are required to carry out reconciliation of differences. The position in this regard as at 31 March 2014 is summarised in ***Table 1.4***.

[9] Loans ₹ 315.09 crore and grants ₹ 450.35 crore
[10] Loans ₹ 237.38 crore and grants ₹ 669.94 crore

Table 1.4

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of SPSUs	Difference
	(₹ in crore)		
Equity	2,141.47	1,776.52	364.95
Loans	3,082.63[11]	1,346.68	1,735.95

1.14 Audit observed that the differences in equity[12] figures existed in respect of 42 SPSUs. It was further observed that during 2012-13, the differences in the figures of Equity and Loans were to the tune of ₹ 460.65 crore and ₹ 1,698.62 crore respectively. It may be noticed that the un-reconciled differences in loan had increased by ₹ 37.33 crore during 2013-14 while there was a reduction of ₹ 95.70 crore in the un-reconciled differences of Equity figures. No significant progress was, however, noticed in this direction. The Accountant General (AG) had also taken up (May 2012 / December 2013) the issue with the Chief Secretary, Principal Secretaries to the Government of Assam (GOA) and the concerned SPSUs for early reconciliation of long pending differences. The Government and the SPSUs should take concrete steps to reconcile the differences in a time bound manner.

Performance of SPSUs

1.15 The financial results of SPSUs, financial position and working results of working Statutory corporations as per their latest finalised accounts as of September 2014 are detailed in ***Annexure 2, 5*** and ***6*** respectively. A ratio of SPSU turnover to State GDP shows the extent of SPSU activities in the State economy. ***Table 1.5*** provides the details of working SPSU turnover and State GDP for the period 2008-09 to 2013-14.

Table 1.5

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
	(₹ in crore)					
Turnover[13]	2,766.90	3,519.57	2,644.44	2,879.21	3,509.96	3,910.26
State GDP	77,506	88,023	1,04,218	1,15,408	1,43,567	1,62,652[14]
Percentage of Turnover to State GDP	3.57	4.00	2.54	2.49	2.44	2.40

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[11] Including cumulative balances of loans to SPSUs (₹ 76.49crore) and State Electricity Board (₹ 3006.14 crore) as adopted from the major heads 'Loans to Public Sector and other Undertakings' and 'Loans to State Electricity Board' in absence of PSU-wise details in the Finance Accounts, 2013-14 (provisional).

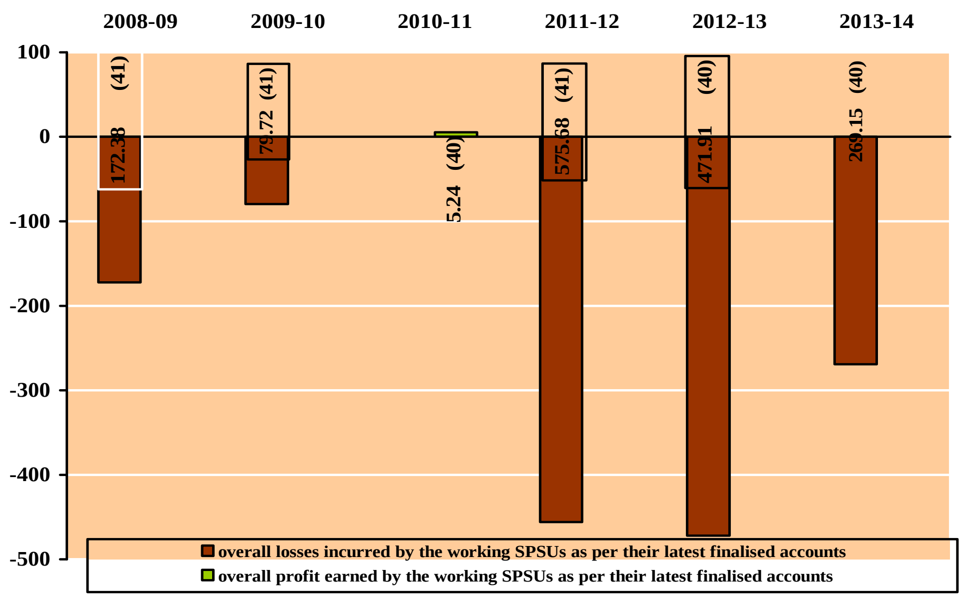
[12] SPSU-wise details of Loans not available in the Finance Accounts of the State.

The State GDP showed continuous growth during the years from 2008-09 to 2013-14. The turnover of working SPSUs also consistently increased during 2008-09 to 2013-14 (excepting 2010-11) from ₹ 2,766.90 crore (2008-09) to ₹ 3,910.26 crore (2013-14). The overall growth in terms of the percentage of turnover to the State GDP, however, showed a decreasing trend after 2009-10, which was indicative of the fact that the turnover of the working SPSUs was not encouraging as compared to year-wise growth in State GDP figures.

1.16 Losses incurred by working SPSUs during 2008-09 to 2013-14 are given in ***Chart 1.4***.

Chart 1.4

(₹ in crore)



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

The overall losses of the working SPSUs showed a decreasing trend after 2008-09 and there was an overall profit of ₹ 5.24 crore during 2010-11. In the subsequent years, however, working SPSUs incurred losses of ₹ 575.68 crore (2011-12) and ₹ 471.91 crore (2012-13) mainly due to the losses of ₹ 599.19 crore (2011-12) and ₹ 524.85 crore (2012-13) incurred by three power sector companies. During 2013-14 the losses again decreased to ₹ 269.15 crore mainly

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[13] Turnover of working SPSUs as per the latest finalised accounts as on 30 September of respective year.

[14] Source: Economic Survey Assam 2013-14

due to profit of ₹ 119.24 crore earned by one power sector Company (Assam Electricity Grid Corporation Limited) as against the loss of ₹ 67.63 crore incurred during the previous year (2012-13). During the year 2013-14, out of 40 working SPSUs, 16 SPSUs earned an aggregate profit of ₹ 215.72 crore and 21 SPSUs incurred aggregate loss of ₹ 484.87 crore. Out of remaining three working SPSUs, two SPSUs[15] had not started commercial activities while one SPSU[16] had not finalised its first accounts. The major contributors to profits were Assam Electricity Grid Corporation Limited (₹ 119.24 crore), Assam Gas Company Limited (₹ 68.14 crore), Assam Petrochemicals Limited (₹ 9.38 crore) and DNP Limited (₹ 4.42 crore). Heavy losses were incurred by Assam Power Distribution Company Limited (₹ 418.14 crore), Assam State Transport Corporation (₹ 33.43 crore) and Assam Industrial Development Corporation Limited (₹ 7.46 crore).

1.17 A review of latest Audit Reports of CAG shows that the SPSUs incurred losses to the tune of ₹ 258.65 crore and made in-fructuous investment of ₹ 28.79 crore which were controllable with better management. Year-wise details from Audit Reports are stated as shown in ***Table 1.6***.

Table 1.6

Particulars	**2011-12**	**2012-13**	**2013-14**	**Total**
	(₹ in crore)			
Net loss (-) / Net Profit	(-) 575.68	(-) 471.91	(-) 269.15	(-) 1,316.74
Controllable losses as per C&AG's Audit Report	188.19	21.82	48.64	258.65
Infructuous Investment	-	0.37	28.42	28.79

The losses of SPSUs were mainly due to deficiencies in planning, implementation of project, running their operations, financial management and monitoring.

1.18 The above losses pointed out by the Audit Reports of CAG are based on test check of records of SPSUs. The actual controllable losses would be much

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[15] Assam Power loom Development Corporation Limited and Pragjyotish Fertilizers and Chemicals Limited (Sl. no. A-17 and A-29 of ***Annexure 2***)

[16] Assam Minorities Development and Finance Corporation limited (Sl. no. A-10 of ***Annexure 2***)

more. With better management, losses can be minimized (or eliminated or the profits can be enhanced substantially). The SPSUs can discharge their role efficiently only if they are financially self-reliant. The above situation points towards a need for improving professionalism and accountability in the functioning of SPSUs.

1.19 Some other key parameters pertaining to SPSUs are given in ***Table 1.7***.

Table 1.7

Particulars	**2008-09**	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**
	(₹ in crore)					
Return on Capital Employed (*Per cent*)	*	2.82	2.97	*	*	*
Debt	1,554.31	1,433.45	1,217.87	1,505.09	1,675.47	1,921.51
Turnover[17]	2,766.90	3,519.57	2,644.44	2,879.21	3,509.96	3,910.26
Debt/ Turnover Ratio	0.56:1	0.41:1	0.46:1	0.52:1	0.48:1	0.49:1
Interest Payments	112.84	201.81	105.13	166.49	173.32	231.26
Accumulated losses (-)	(-)1,102.85	(-)1,278.52	(-)1,091.09	(-)2,248.10	(-)2,640.42	(-)2,892.00

**** Negative figures***
(Above figures pertain to all SPSUs except for turnover which is for working SPSUs)

1.20 From the above table, it may be noticed that excepting 2009-10 and 2010-11, the percentage of returns on capital employed was negative throughout the period of six years from 2008-09 to 2013-14. This was mainly due to huge losses incurred by the working SPSUs during the said periods. As discussed under ***Paragraph 1.16*** *supra*, out of six years analysed by Audit, the working SPSUs showed overall positive working results (₹ 5.24 crore) only during one year (*viz.* 2010-11) while the overall losses of these SPSUs were at lowest (₹ 79.72 crore) during 2009-10. As a result, the percentage of return on capital employed was positive during these two years. The accumulated losses of the SPSUs had shown an increasing trend during all the years from 2008-09 to 2013-14, excepting one year 2010-11, and has increased by ₹ 1,789.15 crore (162 *per cent*) from ₹ 1,102.85 crore (2008-09) to ₹ 2,892.00 crore (2013-14).

[17] Turnover of working SPSUs as per the latest finalised accounts as of 30 September of the respective year.

During the six years period from 2008-09 to 2013-14, the debt-turnover ratio had shown a mixed trend. There was, however, an overall improvement in the ratio in six years during 2013-14 from 0.56:1 (2008-09) to 0.49:1 (2013-14).

1.21 There was no information available regarding existence of any specific policy of the GOA on payment of minimum dividend by the SPSUs. As per their latest finalised accounts as on 30 September 2014, 16 SPSUs earned an aggregate profit of ₹ 215.72 crore and only two SPSUs (*viz.* Assam Gas Company Limited and DNP Limited) declared a dividend of ₹ 2.86 crore[18].

Arrears in finalisation of accounts

Working Government SPSUs

1.22 The accounts of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year under Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956. Similarly, in case of Statutory corporations, their accounts are finalised, audited and presented to the Legislature as per the provisions of their respective Acts. The ***Table 1.8*** provides the details of progress made by working SPSUs in finalisation of accounts by September 2014.

Table 1.8

Sl. No.	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
1.	Number of Working SPSUs	39[19]	40	41	40	40
2.	Number of accounts finalised during the year	51	57	62	46	64
3.	Number of accounts in arrears	345	328	322[20]	316	292
4.	Average arrears per SPSU (3 ÷1)	8.85	8.20	7.85	7.90	7.30
5.	Number of Working SPSUs with arrears in accounts	38	39	37	37	34
6.	Extent of arrears	1 to 25 years	1 to 24 years	1 to 25 years	1 to 25 years	1-to 26 years

1.23 It could be seen from the above table that excepting 2012-13, the average arrears per SPSU had shown a decreasing trend mainly due to gradual increase in the number of accounts finalised by the SPSUs each year.

[18] Assam Gas Company Limited : ₹ 1.69 crore and DNP Limited : ₹ 1.17 crore

[19] 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.

[20] This includes 16 arrear accounts of newly added Company i.e. Assam Minorities Development and Finance Corporation Limited.

Consequently, the overall number of SPSUs accounts in arrears had reduced from 345 accounts (2008-09) to 292 accounts (2013-14), which is a positive indication. It was, however, observed that during the period from October 2013 to September 2014, out of 40 working SPSUs, only 12 SPSUs finalised more than one year accounts while other 12 SPSUs finalised only one year's accounts. Remaining 16[21] SPSUs, however, did not finalise any of their accounts during the said period. It was further observed that out of 34 working SPSUs having arrears of 292 accounts as of 2013-14, 5 working SPSUs functioning under 5 Departments of the State Government had the arrears of total 116 accounts (40 *per cent*) for periods ranging between 20 and 26 years as per ***Table 1.9***.

Table 1.9

Sl. No.	Name of the SPSU	Administrative Department	Serial no. of *Annexure-2*	Period of accounts	No. of accounts in arrears
1.	Assam Plantation Crop Development Corporation Limited	Soil Conservation	7	1987-88	26
2	Assam Government Marketing Corporation Limited	Handloom Textile & Sericulture	34	1989-90	24
3	Assam State Text Book Production and Publication Corporation Limited	Education	35	1990-91	23
4	Assam Hills Small Industries Development Corporation Limited	Hill Areas Development	13	1990-91	23
5	Assam Powerloom Development Corporation Limited	Industries & Commerce	17	1993-94	20

Thus, there is a need to evolve an appropriate strategy by the SPSUs and the concerned administrative departments of the State Government for preparation of accounts as per the statutory requirements with special focus on clearance of arrears in time bound manner.

Non-working Government SPSUs

1.24 In addition to above, there were also arrears in finalisation of accounts by non-working SPSUs. As on 30 September 2014, all 10 non-working SPSUs (9 Government companies and 1 Statutory corporation) had arrears in finalisation of accounts ranging from 1 to 31 years[22]. None of these 10 non-working SPSUs had started the process of liquidation. (September 2014)

1.25 The State Government invested ₹ 1,359.67 crore (Equity: ₹ 60.98 crore, Loans: ₹ 417.89 crore and Grants: ₹ 880.80 crore) in 20 SPSUs (18 working

[21] Sl no. A-2,3,7, 10, 11,13,17,19,23,25,26,,28,29,33,34,35 of ***Annexure 2***

[22] Refer ***Annexure 2***

SPSUs and 2 non-working SPSUs) during the years for which their accounts were not finalised as detailed in ***Annexure 4***. Delay in finalisation of accounts may result in risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 1956.

1.26 The administrative departments of the State Government have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by these SPSUs within the prescribed period. The matter was taken up with the concerned SPSUs, Public Enterprises Department and the respective administrative departments from time to time. The matter was also taken up (December 2011, May 2012, December 2012 and March 2014) with the Chief Secretary, GOA for drawing up clear time frame and other necessary actions for liquidating the backlog in definite time frame. The Accountant General had organised (19 and 20 May 2013) Conference with the Head of Finance/Accounts of the working SPSUs having arrears of accounts along with their statutory auditors. The participants were impressed upon to expedite the process of compilation of accounts and completion of Statutory Audit so as to liquidate the arrears of accounts early. During the last three years, the Public Enterprise Department, GOA had also convened four[23] meetings which were attended by the representatives of the AG, various SPSUs and their statutory auditors.

As an outcome of the above efforts, 20 working SPSUs had reduced their arrears by 1 to 16 accounts during 2010-11 to 2013-14. In case of 9 working SPSUs, however, the arrear position remained unchanged and in remaining 11 SPSUs the arrear position has increased during last three years.

1.27 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 SPSUs

1.28 There were 10 non-working SPSUs (9 Government companies and 1 Statutory corporation) as on 31 March 2014. The non-working SPSUs are needed to be closed down as their existence is not going to serve any purpose. During 2013-14, two non-working SPSUs[24] incurred expenditure of ₹ 0.77 crore towards establishment expenditure. This expenditure was financed by the State

[23] January 2012, April 2012, May 2013 and September 2013.
[24] Fertichem Ltd. (₹ 0.59 crore) and Assam Syntex Ltd. (₹ 0.18 crore)

Government in the form of grants. Information of expenditure in respect of remaining eight SPSUs was, however, not furnished to Audit.

Accounts Comments and Internal Audit

1.29 Twenty one working Government companies forwarded their 60 audited accounts to AG during the period October 2013 to September 2014. Of these, 29 accounts of 15 companies were selected for supplementary audit. As against this, audit of 22 accounts of 10 companies was completed, while audit of remaining 7 accounts of 5 companies[25] were in progress (September 2014). 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 in ***Table 1.10***.

Table 1.10

(₹ in crore)

Sl. No.	Particulars	2011-12		2012-13		2013-14	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	9	6.01	6	6.47	3[26]	15.51
2.	Increase in loss	15	174.41	7	35.17	2[27]	4.03
3.	Non-disclosure of material facts	-	-	2	176.42	2[28]	132.32
4.	Errors of classification	6	16.76	1	35.35	3[29]	8.00
	Total		**197.18**		**253.41**		**159.86**

1.30 During the year, the statutory auditors had given qualified certificates for all the 60 accounts of Government companies finalised during October 2013 to September 2014. The compliance of companies with the Accounting Standards remained poor as there were 35 instances of non-compliance in 21 accounts during the year.

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[25] The 5 Companies were Assam State Film (Finance) Development Corporation Ltd., Assam Electronics Development Corporation Ltd., Assam Gas Company Ltd., Assam Hydro Carbon Ltd. and Assam Livestock and Poultry Development Corporation Ltd.

[26] Accounts (2012-13) of Assam Petrochemicals Ltd. (₹ 6.31crore), Assam Electricity Grid Corporation Ltd. (₹ 8.90 crore) and DNP Ltd. (₹ 0.30 crore)

[27] Accounts (2012-13) of Assam Industrial Development Corporation Ltd. (₹ 2.57 crore) and Accounts (2000-01) of Assam Small Industries Development Corporation Ltd. (₹ 1.46 crore)

[28] Accounts (2012-13) of Assam Power Generation Corporation Ltd. (₹ 116.89 crore) and Assam Electricity Grid Corporation Ltd (₹ 15.43 crore)

[29] Accounts (2012-13) of Assam Industrial Development Corporation Ltd (₹ 1.72 crore), Assam Petrochemicals Ltd (₹ 0.38 crore) and Assam Electricity Grid Corporation Ltd (₹ 5.90 crore)

1.31 Gist of some of the important comments in respect of the accounts of the Government companies is as follows:

Assam Electricity Grid Corporation Limited (2012-13)

1. Non-provisioning of the interest liability payable against the State Government Loans resulted in understatement of Current Liabilities and overstatement of 'Profit for the year' by ₹ 0.56 crore each.

2. Over capitalisation of interest on State Government Loans resulted in overstatement of Capital work in Progress by ₹ 6.06 crore with corresponding overstatement of Profit for the year to the same extent.

3. Non accounting of wheeling charges payable for 2012-13 resulted in understatement of Other Expenses and Current Liabilities with corresponding overstatement of Profit for the year by ₹ 12.69 crore each.

Assam Power Distribution Company Limited (2012-13)

1. Non-accounting of the service charges (₹ 112.59 crore) receivable against implementation of 'Rajiv Gandhi Gramin Vidyutikaran Yojna' (RGGVY) Scheme in Assam for the period from 2006-07 to 2012-13 has resulted in overstatement of 'loss for the year' by ₹ 112.59 crore.

2. Non-accounting of dues payable against supplementary power purchase bills for prior periods (2004-05 to 2012-13) resulted in understatement of 'loss for the year' with corresponding understatement of 'Current Liabilities' by ₹ 42.97 crore each.

3. Short provisioning of interest liability on GPF balances has resulted in understatement of 'loss for the year' by ₹ 2.50 crore with corresponding understatement of 'Other Long Term Liabilities' by the same amount.

Assam Industrial Development Corporation Limited (2012-13)

1. Non-accounting of expenses (₹ 0.72 crore) payable against annual renewal contribution towards Group Gratuity Scheme (₹ 0.31 crore) and Group Leave Encashment Scheme (₹ 0.41 crore) for Employees has resulted in understatement of 'loss for the year' by ₹ 0.72 crore with corresponding understatement of 'Other Current Liabilities' to the same extent.

2. Short provisioning against recovery of temporary advances resulted in understatement of 'loss for the year and corresponding overstatement of 'Current Assets – Loans and advances' by ₹ 0.84 crore each.

3. Non provisioning of liability (₹ 0.60 crore) against guarantee issued to SBI on behalf of defaulting loanee resulted in understatement of 'loss for the year' by ₹ 0.60 crore with corresponding understatement of 'Other Current Liabilities' to the same extent.

Assam Power Generation Corporation Limited (2012-13)

1. Non-writing back of the excess provisioning towards interest on Public Bonds even after full redemption of the liability has resulted in overstatement of 'Current Liabilities' and 'loss for the year' by ₹ 18.77 crore each.

2. Non adjustment of liquidated damages recovered from contractors against the cost of related projects/fixed assets resulted in overstatement of Fixed Assets and understatement of 'loss for the year' by ₹ 5.58 crore each.

1.32 Similarly, three[30] working Statutory corporations forwarded four accounts to AG during the period from October 2013 to September 2014. Of these, two accounts of one Statutory corporation (Assam State Transport Corporation) pertained to sole audit by CAG, and audit of one out of these two accounts was completed (October 2014). The remaining 2 accounts were selected for supplementary audit. During the year, out of four accounts finalised by three Statutory corporations, three accounts received 'qualified' certificates, while audit of remaining one account was in progress (October 2014). The audit reports of statutory auditors and 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 in ***Table 1.11***.

Table 1.11

(₹ in crore)

Sl. No.	Particulars	2011-12		2012-13		2013-14	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	-	-	-	-	-	-
2.	Increase in loss	2	16.62	2	0.91	-	-
3.	Non-disclosure of material facts	-	-	1	0.80	-	-
4.	Errors of Classification	-	-	-	-	1	69.75
	Total	**-**	**16.62**	**-**	**1.71**		**69.75**

[30] Two accounts of Statutory corporation at Sl. No. B-2 of ***Annexure 2*** and one account each of the Statutory corporation at Sl. No. B-1 and 3 of ***Annexure 2***

1.33 Some of the important comments in respects of the accounts of Statutory Corporations are stated as follows:

Assam Financial Corporation (2013-14)

The Corporation received a sum of ₹ 69.75 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 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 of the CAG to them under Section 619(3)(a) of the Companies Act, 1956 and to identify areas which need 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 17 companies[31] for the year 2013-14 are given in ***Table 1.12***.

Table 1.12

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	4	A-6,8,31,C-6
2.	Absence of internal audit system commensurate with the nature and size of business of the company	6	A-4,6,16,30,31,32
3.	Non-maintenance of cost record	-	-
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	14	A-4,5,6,8,9,15,16,18,20,21, 22,27,C-5,6

Recoveries at the instance of audit

1.35 During the course of audit in 2013-14, recoveries of ₹ 28.14 crore were pointed out to the Management of various SPSUs of which recoveries of ₹ 1.87 crore were admitted by SPSUs. An amount of ₹ 0.06 crore was recovered during the year 2013-14.

[31] Sl. no. A-4,5,6,8,9,15,16,18,20,21,22,27,30,31,32 and C-5,6 of ***Annexure 2***

Disinvestment, Privatisation and Restructuring of SPSUs

1.36 There is no information regarding any disinvestment or privatisation programme in any of the SPSUs.

Chapter-II
Performance Audit relating to Government Company

PERFORMANCE AUDIT ON THE FUNCTIONING OF ASSAM INDUSTRIAL DEVELOPMENT CORPORATION LIMITED

Assam Industrial Development Corporation Limited (Company) was established (1965) with the primary objectives of promoting/developing of small, medium and large scale industries, promoting and operating the schemes for industrial development and providing financial assistance for industrial development in the State. The management of the Company is vested in the Board of Directors. The overall functioning of the Company is managed by the Managing Director who is assisted by General Managers, Financial Controller and Company Secretary. The present performance audit was conducted to assess the economy, efficiency and effectiveness of the Company in implementation and operation of industrial projects during the period 2009-14 and also to assess the recovery performance of the Company against the loans already disbursed and outstanding.

Highlights

The capital employed in the Company was completely eroded by the accumulated losses and it had been negative throughout the five years period 2009-10 to 2013-14. The Company was able to earn profits during the five years from 2009-10 to 2013-14 (excepting 2012-13) mainly due to significant interest income earned against investment of project funds.

(Paragraph 2.7.1 and 2.7.2)

The Company does not prepare any long or short-term plan of its own to achieve the objective of promoting/developing of small, medium and large scale industries in the State. The Company prepares *adhoc* project proposals as per directives of GOA for incorporation in State's Five Year Plan and submits the same to GOA for approval and allocation of funds. The proposals for centrally sponsored schemes are prepared as per scheme guidelines and submitted to GOI for approval.

(Paragraph 2.8)

The Company had not formulated any mechanism for fixing completion time for pre-award activities. All the five projects undertaken by the Company during 2009-14 were delayed for periods ranging from 37 to 129 months mainly on account of excessive time taken in preparation of cost estimates and issue of work orders, post work-award changes in the work specifications, slow progress of works by the contractors, *etc*. These delays led to cost

overrun ranging from ₹ 0.60 crore to ₹ 4.22 crore in completion of four out of said five projects.

(Paragraph 2.9 and 2.9.1)

The Company has been operating 9 industrial infrastructure projects with a total area of 49.25 lakh sqm (allocable area of 34.72 lakh sqm); of which, the Company could allocate only 12.49 lakh sqm (35.97 *per cent*) to the 107 industrial units. The low occupancy of developed land was broadly attributable to inadequate power facilities and poor maintenance of the projects. There were delays ranging from 25 to 1,514 days on the part of the Company in allotment of land in 19 out of 107 cases after receipt of application from the industrial entrepreneurs. Instances of non collection of service tax, unauthorised occupation of land by the entrepreneurs and additional expenditure due to deviation from DPR by the Company were also observed during the performance audit.

(Paragraph 2.10)

The Company provided (upto March 1993) financial assistance to 78 entrepreneurs and stopped providing the assistance thereafter. As against total 43 loan cases (₹ 24.24 crore) pending for settlement as on 1 April 2009, the Company could settle another 24 loan cases (₹ 14.69 crore) during 2009-14. Non-recovery of outstanding loans against 19 loan cases (₹ 9.55 crore) disbursed prior to March 1993 was indicative of poor performance in debt management by the Company.

(Paragraph 2.11)

Introduction

2.1 Assam Industrial Development Corporation Limited (Company) was established in 1965 under the aegis of Department of Industries and Commerce, Government of Assam (GOA). The Company was formed with the objectives of:

(a) promoting/developing small, medium and large-scale industries in the State of Assam;

(b) promoting and operating the schemes for industrial development of Assam; and

(c) providing financial assistance to any industrial undertaking, project or enterprise.

The GOA formulated (May 2009) Assam Industrial Policy, 2008 (State Industrial Policy) and the Company was entrusted with the responsibility of implementing the same in the State. The State Industrial Policy had the following main focus areas:

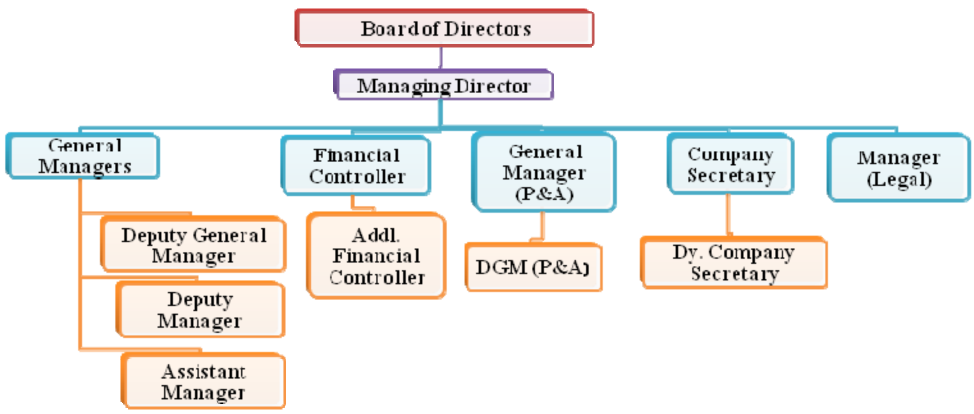
- To generate economic development by accelerating the process of industrialisation;
- To generate employment by encouraging the establishment of micro enterprises and increase share of the industrial sector in the State Domestic Product (SDP); and
- To focus on Agro and rural area linked industrial investment.

The present activities of the Company are, however, confined merely to construction/development of industrial infrastructure and operation/maintenance of the industrial infrastructure already developed.

Organisation Structure

2.1.1 The organisational structure of the Company is depicted in ***Chart-2.1.***

Chart-2.1



The management of the Company is vested with the Board of Directors (BoD) which consists of 10 directors (4 executive directors and 6 non-executive directors). The Chairman of the Board presides over all the meetings of the BoD. The overall functioning of the Company is managed by the Managing Director of the Company. The Managing Director is assisted by General Managers, Financial Controller and Company Secretary in day-to-day activities of the Company. The General Managers of respective wings are responsible for planning of Company's future activities, preparation of DPR, monitoring the implementation of the projects and appraising of the status of Company's activities to the top management, etc. The Financial Controller is responsible for budgeting, preparation of accounts, processing of bills, assisting the management in taking investment decisions, monitoring the recoveries of the Company.

Approach to the Performance Audit

2.2 The Performance Audit (PA) on the workings of the Company was last included in the Report of the Comptroller and Auditor General of India for the year ended 31 March 1998 (Commercial). The PA was, however, pending for discussion by the Committee of Public Undertakings (September 2014). The present audit has been conducted with the focus on Company's achievements/ performance against its objectives of developing of small/medium scale industries in the State as well as efficiency in operations of industrial development schemes. The Company had been providing financial assistance to State industrial units till March 1993 by availing loans from Industrial Development Bank of India (IDBI). Thereafter, no such financial assistance was extended by the Company to any industrial unit. As such the audit coverage against the Company's objective of providing financial assistance to industries is confined to analysing the recovery performance of the Company against the loans already disbursed (till March 1993) and remaining outstanding, during five years period covered in the PA.

Scope and Methodology of Audit

2.3 The present PA report covers the period from 2009-10 to 2013-14 and deals with various important aspects of Company's activities, *viz.* planning and project management for development of industrial infrastructure, operational management of the industrial infrastructure already developed, project monitoring and recovery performance of the Company against outstanding loans. The audit examination involved examination of records at Company's Head Office only as the Company had no other branch/units.

The methodology adopted for attaining the audit objective consisted of explaining audit objectives to top management in the Entry conference (23 February 2014), analysis of data/records with reference to audit criteria, examination of annual reports, internal reports, *etc*, of the Company as well as Agenda/Minutes of the BoD, interaction with the Company officials, raising of audit queries, issuing (August 2014) of draft audit report to the Management/GOA for comments. The draft Audit report was also discussed (2 September 2014) with the representatives of the Company/GOA in the Exit conference. The formal replies (5 September 2014) of the Company to the draft report as well as the views expressed by the representatives of the Company and GOA in the Exit conference have been taken into consideration while finalising the Report. Formal replies of GOA, however, had not been received (September 2014).

Sampling

2.4 Under the planning and project management, the PA covered all the 5 industrial infrastructure projects completed by the Company during 2009-14. As regards 12 ongoing projects (excluding one abandoned project), 9 of these projects involving more than 90 *per cent* of the aggregate sanctioned costs were at very initial stages of execution (*viz*. at the stage of land acquisition and preparation of detailed project reports) and hence, could not be covered in the PA. Further, aspects relating to the operational management of the Company were examined with reference to all the 11 projects completed by the Company as of 31 March 2014 (including the 5 projects completed during 2009-14). The recovery performance against loans by the Company has been assessed based on the examination of the 43 out of 78 loan cases which were disbursed by the Company prior to discontinuance (March 1993) of its financing activities and which remained outstanding during the five years period (2009-14) covered in the PA.

Audit Objectives

2.5 The objectives of the PA would be to assess whether:

- *the Company has properly planned its activities relating to industrial infrastructure development in the State;*
- *the industrial infrastructure projects were executed in an economic, efficient and effective manner by adhering to prescribed guidelines and relevant rules/regulations;*
- *the completed projects were made operational for the intended use within the scheduled time and operational revenue from the projects were efficiently recovered;*

- *the Company was able to recover its dues against the loans disbursed in an efficient and timely manner; and*
- *an effective monitoring system (including MIS) was in place to assess the implementation and operations of the projects and also to take timely corrective actions for overcoming the deficiencies noticed.*

Audit Criteria

2.6 The criteria for assessing the performance of the Company against the above audit objectives were derived from the following sources:

- *Assam Industrial Policy 2008;*
- *Directions/Guidelines issued by Government of India (GOI)/GOA/Department of Industries and Commerce, GOA and other funding agencies;*
- *Annual Plans and Detailed Project Reports (DPR) of the projects;*
- *Standard procedure for implementation of the projects with reference to principles of economy, efficiency and effectiveness;*
- *Land Allotment Rules framed by the Company:*
- *Memorandum and Articles of Association of the Company; and*
- *Agenda papers and minutes of meetings of Company's Board of Directors.*

Audit Findings

Financial Profile

2.7.1 Financial Position

The financial position of the Company during the period 2009-14 have been summarised in ***Table 2.1.***

Table 2.1

Particulars		2009-10	2010-11	2011-12	2012-13	2013-14 (Provisional)
(₹ in crore)						
Equities & Liabilities						
Shareholders Fund:						
Share Capital		93.09	93.09	93.09	93.09	93.09
Reserve and Surplus:						
Capital & Other Reserves		81.41	81.35	81.35	81.36	81.36
Accumulated Profit/(Loss)		(128.07)	(123.94)	(120.61)	(128.07)	(123.32)
Total Share holders Fund[1]		(34.98)	(30.85)	(27.52)	(34.98)	(30.23)
Share Application Money pending allotment		23.68	32.33	32.33	32.33	29.21
Non-current Liabilities	GOA Loan	18.16	18.35	18.35	18.35	21.35
	Other Non-Current Liabilities	4.11	15.82	18.52	15.46	19.05
Current Liabilities		63.13	58.95	67.02	103.97	139.87
Total (liabilities)		**155.51**	**175.95**	**190.05**	**216.49**	**260.61**
Assets						
Non-current Assets:						
Fixed Assets		42.20	44.56	44.76	44.50	45.30
Non-current Investment		26.24	24.69	23.15	22.75	27.33
Long term Loans and Advances		Nil	2.04	1.46	2.45	0.71
Other non-current Assets		Nil	0.22	0.58	Nil	Nil
Current Assets						
Inventories		Nil	Nil	Nil	Nil	Nil
Trade Receivables		Nil	Nil	Nil	Nil	0.15
Cash and Cash Equivalents		70.18	89.59	**103.82**	129.72	168.28
Short term Loans and Advances		14.95	11.94	9.30	11.49	13.45
Other Current Assets		1.94	2.91	6.98	5.58	5.39
Total (Assets)		**155.51**	**175.95**	**190.05**	**216.49**	**260.61**
Capital employed[2]		**(16.82)**	**(12.50)**	**(9.17)**	**(16.63)**	**(8.88)**
Debt Equity Ratio[3]		**0.24:1**	**0.37:1**	**0.40:1**	**0.36:1**	**0.43:1**

(Figures in the bracket indicate negative figures)

[1] Shareholders' fund include Share Capital *plus* Accumulated Profit/(Loss).

[2] Capital employed represents Shareholders fund and Long Term Borrowings.

[3] Debt Equity ratio represents Long Term Liabilities (under Non-current Liabilities) in proportion to Paid Up Capital

It can be noticed from the ***Table 2.1*** that during 2009-14, the capital employed of the Company was completely eroded by the accumulated losses and it had been negative all through the five years ending 31 March 2014. The overall positive growth in capital employed during 2009-14 from ₹ (-)16.82 crore (2009-10) to ₹ (-) 8.88 crore (2013-14) was mainly due to decrease (₹ 4.75 crore) in the accumulated losses from ₹ 128.07 crore (2009-10) to ₹ 123.32 crore (2013-14) and increase (₹ 3.19 crore) in the State Government Loan from ₹ 18.16 crore (2009-10) to ₹ 21.35 crore (2013-14). Further, increase in the debt-equity ratio from 0.24:1 (2009-10) to 0.43:1 (2013-14) was mainly on account of increase in non-current liabilities, which was indicative of increase in the Creditors' (primarily the GOA) stake in the business assets of the Company.

Working Results

2.7.2 The working result of the Company during the period 2009-14 have been summarised in ***Table 2.2.***

Table 2.2

Particulars	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14 (Provisional)**
	(₹ in crore)				
Income					
(i) Revenue from Operations	1.69	3.24	1.86	2.23	2.75
(ii) Other Income	13.56	8.76	10.53	6.46	15.25
(iii) Total Income (i+ii)	**15.25**	**12.00**	**12.39**	**8.69**	**18.00**
Expenses					
Employee Benefit Expanses	3.88	5.28	5.48	12.14	9.17
Depreciation and amortisation Expenses	0.11	0.17	0.21	0.23	0.24
Other Expenses	1.18	2.27	2.71	3.46	3.44
(iv) Total Expenses	**5.17**	**7.72**	**8.40**	**15.83**	**12.85**
(v) Profit before extra ordinary items and Taxes (iii-iv)	10.08	4.28	3.99	-7.14	5.15
(vi) Extraordinary items	0.03	Nil	Nil	-0.32	-0.40
(vii) Profit before tax (v+vi)	10.11	4.28	3.99	-7.46	4.75
(viii) Tax Expenses:					
(a) Current Tax	0.11	0.32	0.71	Nil[4]	Nil[4]
(b) Deferred Tax	Nil	Nil	Nil	Nil	Nil
(ix) Profit after taxes (vii-viii)	10.00	3.96	3.28	-7.46	4.75

Analysis of data under ***Table 2.2*** shows that the Company was able to make overall profits during five years from 2009-14 (excepting 2012-13) mainly on account of significant interest income earned against investment of project funds and booked under 'other income'. There was, however, an overall decrease of ₹ 4.93 crore in the 'profits before tax' during 2009-14 from ₹ 10.08 crore (2009-10) to ₹ 5.15 crore (2013-14) mainly on account of consistent increase in 'employee benefit expenses' during 2009-14 (excepting 2013-14). During fourth year (2012-13), the other income was at lowest (₹ 6.46 crore) while employees' benefit expenses were at highest (₹ 12.14 crore) in the five years period which led to overall 'negative working results' during this year.

Audit objective: To assess the Company's planning activities relating to industrial infrastructure development.

(Paragraph 2.8)

Planning

2.8 The Company, being one of the designated agencies responsible for overall industrial development of the State, is required to prepare long-term/ annual plans keeping in view the State specific needs in a manner that its prime objective of promoting and developing small, medium and large scale industries in the State is attained in a balanced and phased manner. The Company does not prepare any long or short-term plan of its own for implementation of the industrial infrastructure projects. It was observed that the Company actually prepares the *adhoc* project proposals as per directives of GOA for incorporation in the State's Five Year Plan and submits the same for approval and allocation of funds to GOA. As regards centrally sponsored projects, the Company studies the scheme guidelines and accordingly submits project proposals to GOI for approval and allocation of funds. The projects are implemented only on approval and allocation of funds by the GOI/GOA. Thus, even after almost 50 years of its formation, the Company merely acted as an implementing agency of GOI/GOA and remained solely dependent on Government funding for achieving its objectives.

Audit objective: To examine that the industrial infrastructure projects were executed in an economic, efficient and effective manner by adhering to prescribed guidelines and relevant rules/regulations.

(Paragraph 2.9)

Project Management

2.9 The project management is a process of managing the creation and execution of contracts for implementation of the approved projects in a systematic and efficient manner so as to maximise financial and operational performance with minimum risks. 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, 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 the DPRs. For timely completion of above activities, necessary mechanism was required to be evolved by fixing completion time for the pre-award activities. The Company however, had not formulated any policy in this regard.

During 2009-14, the Company received an aggregate amount of ₹ 55.29 crore from GOI/GOA from implementation of 18 industrial infrastructural projects under Central/State sponsored schemes. As against this, the Company could complete only 5 projects at a total project cost of ₹ 42.49 crore. Out of the remaining 13 projects, one project was abandoned. Of the remaining 12 ongoing projects, 3 projects involving aggregate project cost (sanctioned cost) of ₹ 45.97 crore were completed to the extent of 30 to 78 *per cent* while the works relating to remaining 8 projects (sanctioned cost: ₹ 362.54 crore) were at the very initial stages of execution due to non-acquisition of land (5 projects), and non-preparation of DPR (3 projects). As regards the remaining 1 project (sanctioned cost: ₹ 62.28 crore) to be implemented under Special Purpose Vehicle (SPV) mode, only land has been acquired by the Company.

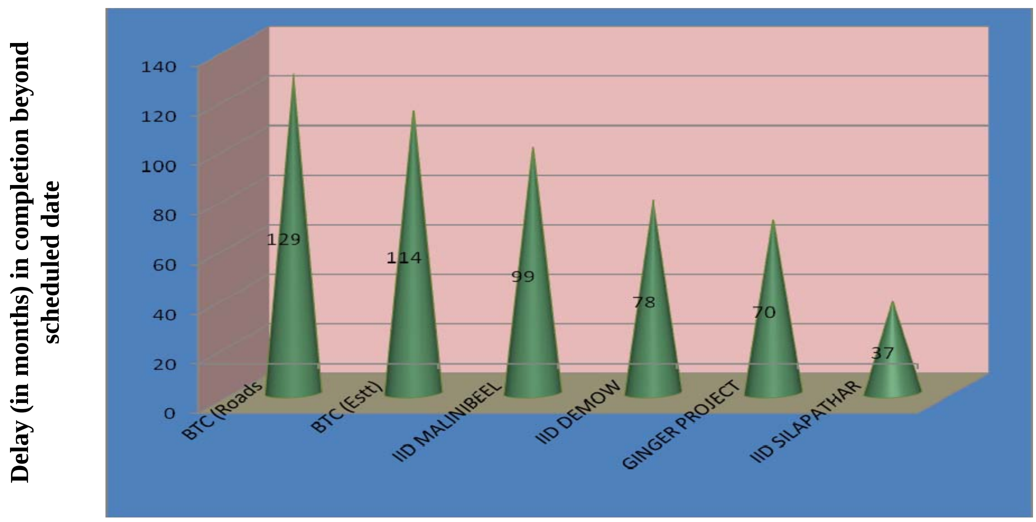
The details of the sanctioned vis-à-vis actual costs incurred, actual time taken in project completion with reference to the scheduled dates of completion and resultant time and cost overrun involved in respect of 5 projects undertaken and completed by the Company during 2009-14 are depicted in ***Table 2.3***.

Table 2.3

Sl. No.	Name of the project	Date of Sanction/ Approval of DPR	Scheduled date of completion	Actual date of Completion	Sanctioned Cost (₹ in crore)	Actual Cost (₹ in crore)	Time Overrun (Months)	Cost Overrun (₹ in crore)
1.	IID Demow	July 2002	June 2004	December 2010-	4.70	5.62	78	0.92
2.	IID Silapathar	December 2005	December 2007	January 2011	4.07	3.34	37	(-) 0.73
3.	Ginger Project (First Phase)[5]	August 2004	February 2005	December 2010	5.56	9.78	70	4.22
4.	IID Malinibeel	July 2002	June 2004	September 2012	5.10	8.36	99	3.26
5. (i)	BTC Mankachar (Establishment)	August 2001	January 2003	July 2012	4.26	4.86	114	0.60
5. (ii)	BTC (Roads)	August 2001	June 2002	March 2013	6.84	10.53	129	3.69
Total		**-**	**-**	**-**	**30.53**	**42.49**	**-**	**11.96**

From the ***Table 2.3*** it may be observed that the execution of all the 5 projects (including BTC projects completed in two phases *viz*. BTC Roads and BTC Establishment) was delayed by the Company for periods ranging between 37 and 129 months with reference to the scheduled dates of completion as depicted in the ***Chart 2.2.*** These delays were mainly on account of excessive time taken in completion of pre-award activities, delay in land acquisition, change in works specifications after work award, slow progress and sub-standard work executed by the contractors, *etc*, as discussed in the succeeding paragraphs.

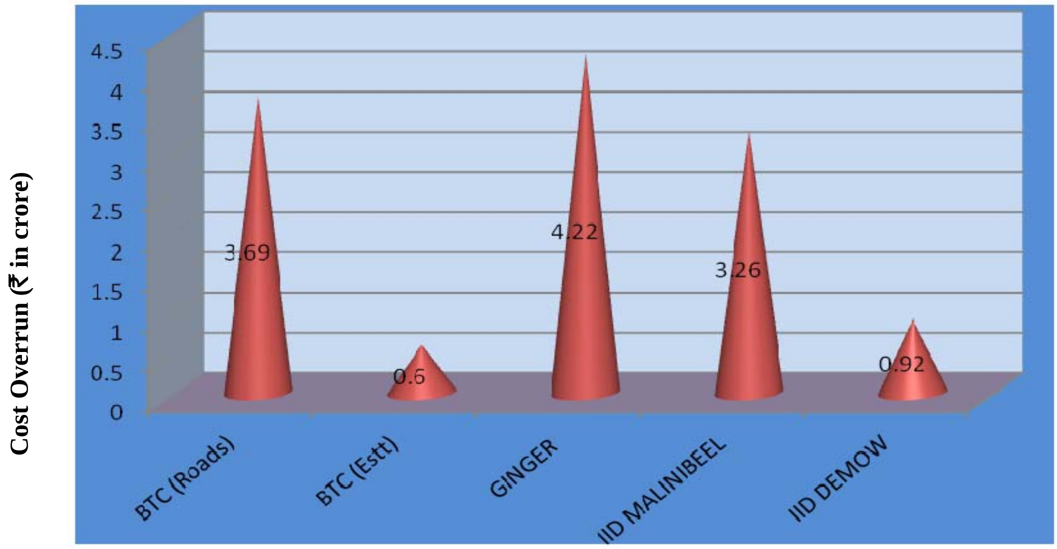
Chart 2.2



Completion of 5 Industrial Infrastructure Project undertaken/completed during 2009-14

The significant delays as shown above had the corresponding impact on the costs of the projects completed by the Company during 2009-14. It may be observed that 4 projects (including BTC projects completed in two phases *viz*. BTC Roads and BTC Establishment) out of 5 projects (excepting IID Silapathar) completed by the Company during five years period involved cost overrun ranging between ₹ 0.60 crore (BTC Establishment) and ₹ 4.22 crore (Ginger project) with reference to the sanctioned project costs as depicted in ***Chart 2.3***.

Chart 2.3



Completion of 5 Industrial Infrastructure Projects undertaken/completed during 2009-14

The analysis of implementation of the projects completed during 2009-14 was carried out and audit findings are discussed in succeeding paragraphs:

GINGER PROJECT (First phase)

2.9.1 Assam had been declared (2003) as Agri Export Zone of Ginger by GOI. In pursuance to this, GOA decided to establish a post-harvest infrastructure for ginger to facilitate export of Ginger from the State. The proposed project envisaged to have the following facilities:

- Ginger line consisting of sorting, washing and grading-line with capacity of 5 metric tonne (MT) per hour;
- Packing of the product; and

- Cold storage for the packaged stock.

The DPR of the project was approved (August 2004) by the GOI for a capacity of 6000 MT of Ginger stock per annum at an aggregate cost of ₹ 10.43 crore. The project was scheduled for completion by February 2005. The project was to be completed in three phases (2000 MT each phase) and the approved cost for the first phase was ₹ 5.56 crore.

The Company received (November 2004 – April 2011) an amount of ₹ 10.47 crore for implementation of the first phase of the project. Accordingly, the work of construction of the project was awarded (July 2007) at ₹ 6.75 crore against the enhanced cost estimates of ₹ 6.05 crore as prepared (November 2006) by the project consultant. As on March 2014, an amount of ₹ 9.78 crore was incurred on the project. Analysis of the implementation of the project revealed the following:

Cost and time overrun

2.9.1.1 As per the DPR of the project, the first phase of the project was scheduled to be completed by February 2005 at an approved cost of ₹ 5.56 crore. The work order was awarded (July 2007) at a cost of ₹ 6.75 crore after inviting open tenders with stipulation to complete the work by February 2008. The work was, however, completed in December 2010 after a delay of 70 months from the original scheduled date of completion (February 2005) at a cost of ₹ 9.78 crore. Further, even after completion of the construction work, the project was pending for handing over (till March 2014) due to non-conducting of the trial-run operation by the contractor. The major reasons for delay in completion and increase in cost were:

(i) Excessive time of 27 months and 35 months taken in preparation of the detailed cost estimate (November 2006) and issue of work order (July 2007) by the Company after sanction (August 2004) of the project;

(ii) Delay of 15 months in submission (December 2008) of drawings by Company after handing over of site (August 2007) to the contractor;

(iii) Change in design/specification (March 2008) of the pile foundation work after issuing (July 2007) the work order. The piling work was completed on March 2008 at an additional cost of ₹ 2.13 crore;

(iv) Slow progress of the work by the contractor.

Deficient DPR

2.9.1.2 The original scope of pile foundation work as per DPR was for 'Open RCC Type' and accordingly work order was issued (July 2007). It was observed that while preparing the DPR for the project, the Company had not conducted the soil test for determining the specification of the pile foundation work. The soil-test was carried out (August 2007) after awarding the contract. Based on the test report, the specification of pile foundation was changed from 'Open RCC Type' to 'RCC under-reamed of 300 mm dia'. The load test conducted based on the revised specification of work failed (January 2008). Therefore, the specification of pile foundation had to be again revised (January 2008) to 'RCC under-reamed of 450 mm dia'. The Company submitted (20 March 2008) the drawings of the revised pile foundation to the contractor and the work was completed on 25 March 2008. The BoD also expressed (May 2010) dissatisfaction about the increase in cost of civil works (Pile foundation) and opined that all technical aspects should be appropriately factored while preparing DPR and cost estimates for the project so as to avoid delays and cost escalation. Thus, repeated revisions in the work specification after award of work were indicative of deficiencies in preparation of DPR which caused delay in execution of the project.

Slow progress of work

2.9.1.3 The work order was issued (July 2007) to the contractor with a completion time of 6 months from the date of handing over of the project site. The site was handed over (August 2007) to the contractor with the plan layout. The revised pile foundation drawings were, however, issued (20 March 2008) to the contractor as mentioned in ***paragraph 2.9.1.2*** *supra*. Thus, the contractor was required to complete the project in all respect within 6 months after issuing the revised drawings by the Company *viz*., by September 2008. The contractor, however, completed the project after a delay of 27 months in December 2010. Further, even after completion of the major works, the contractor was unable to complete various minor works *viz*., drains, plastering of outside wall of main building, repairing of laboratory leakage, *etc,* and also delayed in conducting the trial-run of the project. The project could be finally handed over to the Company after a delay of 66 months of the scheduled date (September 2008) only in March 2014. Despite apparent lapses on the part of the contractor in timely completion of the project, the Company did not invoke the liquidated damages clause to penalise the contractor for the delay.

The Management replied (September 2014) that delays occurred on account of various reasons, which included inadequate building design and subsequent design modification by the consultants, practically inadequate time (6 months) fixed by consultants for work completion, non-availability of skilled manpower for the work, *etc*. It was also stated that issue of imposing liquidated damages on contractor would be taken up at the time of settling final bills of the contractor.

The reply is not acceptable as the Company did not maintain any recorded reasons for delays. As a result, the Company could not recover the liquidated damages from the running bills of the contractor. The reply is also indicative of deficiency in preparation of DPR for the project.

Non-operation of completed project

2.9.1.4 The first phase of the Ginger Project completed (December 2010) at a total cost of ₹ 9.78 crore could not be handed over to the Company till March 2014 as trial-run operation of the project was not conducted by the contractor. Audit further observed that the trial-run could not be conducted as the Company could not make arrangements for supply of power for the purpose. The trial run was conducted and the project could be handed over only in March 2014. Thus, due to deficient planning on part of the Company in making timely arrangements for power, the investment (₹ 9.78 crore) in the project remained idle for more than 39 months after its completion (December 2010) till it was handed over (March 2014) to the Company.

The Management replied (September 2014) that due to saturation of the installed capacity of the proposed sub-station (EPIP project) from which power was planned to be drawn the project could not be commissioned and power could be drawn after up-gradation of the sub-station capacity.

The reply is not tenable as the Company should have assessed the existing capacity of the electrical sub-station in EPIP and planned its capacity up-gradation in line with the timeline fixed for completion of the project.

Excess payment

2.9.1.5 After inviting open tenders, the project work was awarded (July 2007) to the contractor at negotiated price of ₹ 6.75 crore against the revised approved cost estimates of ₹ 6.05 crore. The work order was issued on 'firm-price basis' and did not stipulate for any price escalation in the agreed works costs. While examining the details of the payments made to the contractor, it was observed that there were variations in the price of different items of materials considered for payment with reference to the item-wise negotiated rates stipulated in the work order. The Company, however, released the payments without issuing a revised work order for the price variation. The overall excess payments made to the contractor on this account was to the tune of ₹ 0.19 crore.

The Management replied (September 2014) that it had issued (November 2007) revised Bill of Quantities (BOQ) and the billing was done accordingly.

The reply is not tenable as the revision in BOQ is normally carried out to adjust the quantities of material items only on the basis of the actual requirement and revision in BOQ does not involve any changes in the price of the material already fixed in the work order. On the contrary, the Company issued the revised BOQ by changing the item-wise rates of materials without making any changes in the quantity of material.

INTEGRATED INFRASTRUCTURE DEVELOPMENT CENTRE, SILAPATHAR

2.9.2 With a view to promote small and tiny industries in the area, the GOI approved (December 2005) the DPR of the project for development of an IID Centre at Silapathar (Dhemaji district) at an estimated project cost of ₹ 4.07 crore. The project was proposed considering the rich agricultural resources of the district as well as the ongoing Subansari Hydel Project of Government of Arunachal Pradesh located within 70 km of the district. The project envisaged promoting the storage linkage between agriculture and industry in line with the main objective of IID scheme of the GOI. The cost of the project was to be contributed by the GOI (₹ 3.25 crore) and GOA (₹ 0.82 crore) in the form of grants.

The Company received (April 2006-February 2012) funds amounting to ₹ 3.68 crore from GOI/GOA. After inviting open tenders, the work orders were issued (July 2006 to March 2012) for implementation of the project at a total cost of ₹ 3.25 crore. The project was finally completed (January 2011) at a total cost of ₹ 3.34 crore.

Delay in completion of project

2.9.2.1 As per the approved DPR for the project, all project works were scheduled to be completed by December 2007. The Company could, however, complete the project after a delay of 37 months only in January 2011. It was observed that although the Company had completed (January 2011) the project, the work component relating to water supply (awarded in March 2012) was pending for completion (September 2014). The reasons attributable to delay in completion of the project were as follows:

(i) As per the approved work schedule, land development work was to be started within 4 months of release (April 2006) of funds, *viz*., by August 2006. The Company, however, had taken 17 months in preparation (September 2007) of detailed cost estimate of work from the date of release of fund and another 6 months in issuing (March 2008) the work order for land development work;

(ii) As per the approved DPR the work of construction of boundary wall was to be taken up within 4 months of the release (April 2006) of funds (*viz*., latest by August 2006). The Company, however, issued (June 2007) the work order after a delay of 9 months. There was further delay of 5 months in handing over (November 2007) of site to the contractor; and

(iii) The detailed cost estimate for external electrification of the project was submitted to the Company by the consultant in March 2009. The Company, however, had taken a period of 5 months in according technical approval (September 2009) for the work and the work order was issued (November 2009) after another 2 months. Thus, the Company took a total period of 7 months in issuing (November 2009) the work order after submission (March 2009) of the detailed cost estimates of the work.

The Management replied (September 2014) that the delay was due to encroachment of the project land and time taken by the district administration in eviction of the encroached land. Further, the difficult approach to the project site due to floods in rainy season was also stated to be a reason for the delay.

The reply is not acceptable as the responsibility to safeguard the project land after its allotment by the State Government lies with the Company. While appreciating the management’s plea regarding locational disadvantage of the project, it may be stated that this aspect should be appropriately factored by the Company at the planning stage and the completion schedule fixed accordingly. Further, considering the completion period of 2 years, the delay of 37 months is quite excessive and does not corroborate with the reply of the Management.

Non-operation of completed project

2.9.2.2 The DPR of the project envisaged to allot the entire allocable area under the project to the industrial entrepreneurs by the end of 4th year after the scheduled date of completion (December 2007). As such the total area of allocable land (0.60 lakh sqm) should have been allotted to the industrial entrepreneurs by December 2011. The Company, however, could complete the project only in January 2011 after a delay of 37 months. Even after a period of 38 months from the actual date (January 2011) of completion of the project, the Company could not allot a single plot of land to the industrial entrepreneurs (September 2014). Failure of the Company in allotting not even a single plot of the project land for more than 3 years after its completion was indicative of unrealistic projections made in the DPR on project feasibility. Thus, investment (₹ 3.25 crore) in the project could not be put to its intended purpose in the absence of proper feasibility study for the project.

The Management replied (September 2014) that though several enquiries were made by the entrepreneurs, but finally none have come up for allotment. The Company also stated that it had experienced that after four to five years from completion, IIDs tend to get fully occupied. It was further stated that after completion of the rail-cum-road at Bogibeel Bridge, the project land shall be fully allotted.

The reply of the Management establishes the fact that the project was developed without conducting proper feasibility study at the planning stage of the project. Further, Company's anticipation of full occupancy of the project after completion of Bogibeel Bridge may also not materialise in the near future as the said rail-cum-road bridge is likely to be completed only after 3 years, in June 2017.

Administrative expenditure out of project fund

2.9.2.3 According to the sanction letter, the Company was not supposed to incur any administrative expenditure out of the project fund. Contrary to the conditions of the project funding, however, the Company had diverted an amount of ₹ 0.13 crore towards administrative expenditure (₹ 0.12 crore) and partly financing (₹ 0.01 crore) the purchase of vehicle, which was irregular.

The Management replied (September 2014) that the project is situated in remote area and therefore it had to incur administrative expenditure out of project fund for better monitoring.

The reply of the Management confirms the observations made by Audit.

Deviation from approved DPR

2.9.2.4 As per Assam Industrial Policy 2008, all industrial estates/parks promoted by the Government should ensure that quality power is available through dedicated feeders from the grid sub-station. The approved DPR of the project had the provision of a dedicated power line (33/11 KV line) along with sub-station for one mega volt ampere (MVA) uninterrupted power supply at a cost of ₹ 0.32 crore. It was observed that the above work was excluded from the work scope while executing the project. Consequently, the Company had obtained 80 KW power connection from the common feeder, which was not suitable for running industrial units. Thus, the project was developed without the facility of uninterrupted power supply despite having adequate fund provisions in the DPR.

INTEGRATED INFRASTRUCTURE DEVELOPMENT CENTRE, DEMOW

2.9.3 With a view to promote and strengthen small and tiny industries in the area under the IID scheme, the project for development of an IID Centre at Demow (District: Sibsagar) was sanctioned (July 2002) by GOI at an estimated project cost of ₹ 4.70 crore. The project was proposed taking into account the rich agricultural resources of the district and also considering various drilling projects of ONGC presently operational in the district as well as the Gas Cracker project of Central Public Sector Undertakings situated in neighbouring area at Dibrugarh. The project envisaged development of an industrial centre over an area of 111 bighas to cater the needs of Consumers Goods and Engineering sectors considering its locational advantages. The cost of the project (₹ 4.70 crore) was to be borne by GOI (₹ 3.76 crore) and GOA (₹ 0.94 crore) in the form of grants. The project was completed (December 2010) at a total cost of ₹ 5.62 crore. Examination of records relating to implementation of the project revealed the following:

Time Overrun

2.9.3.1 As per the approved DPR, the project was scheduled for completion within two years of its sanction (July 2002), *viz*. by June 2004. The project was, however, completed (December 2010) after a delay of 78 months. A comparative data of timeline prescribed under the DPR for issuing work orders and completing the related works of the project *vis-a-vis* the actual time taken by the Company in the process has been summarised in the ***Table 2.4***.

Table 2.4

Name of the Work	Scheduled Dates		Actual Dates		Delay in months	
	Issue of Work order	Completion Date	Issue of work Orders	Completion	Issue of work Orders	Completion of Work
Soil testing/ Traverse Survey	November 2002	November 2002	January 2003	February 2003	2 months	3 months
Earth Filling	February 2003	September 2003	November 2005	May 2007	33 months	44 months
Boundary Wall	January 2003	September 2003	July 2004	May 2008	18 months	56 months
Water Supply	April 2003	June 2003	March 2009	August 2009	71 months	74 months
Roads	June 2003	February 2004	September 2004	November 2006	15 months	33 months
Drainage	June 2003	February 2004	October 2008	May 2009	64 months	63 months
Substation	August 2003	February 2004	April 2010	September 2012[6]	80 months	103 months
Street Light	December 2003	May 2004	March 2009	September 2009	63 months	64 months

The analysis of the records indicate that the work orders for all 8 segments of works were issued with delays ranging from 2 to 80 months mainly due to delay in completing pre-tendering activities and indecisiveness in finalising the action plan by the Company. Further, the subsequent delays ranging from 3 to 103 months in execution of the works were on account of illegal encroachment on project land after taking over physical possession by the Company as discussed in the succeeding paragraphs.

Deviation from approved DPR

2.9.3.2 With a view to ensure uninterrupted supply of power to the IID centre, the approved project cost included the provision of ₹ 0.63 crore for facilities like 33/11 KV electrical sub-station, street lighting, *etc*, in addition to the provision (₹ 0.45 crore) for meeting contingencies and cost escalations. It was, however, observed that despite availability of funds, the Company did not take any action for construction of the electrical sub-station till November 2004, when it approached Assam State Electricity Board (ASEB) for providing the cost estimates for the work. In response, ASEB provided (November 2005) an estimate of ₹ 0.47 crore for the sub-station work. The Company, however, delayed in taking decision and finally issued (April 2010) work order on ASEB at revised (December 2009) cost of ₹ 1.24 crore. The sub-station was finally constructed and installed (September 2012) at a cost of ₹ 1.24 crore. Thus, due to indecisive approach of the Company in awarding the work order for construction of the dedicated sub-station as per the approved DPR, the work was completed (September 2012) with a delay of 103 months from the original scheduled date of completion (February 2004) leading to cost overrun of ₹ 0.77 crore.

The Management replied (September 2014) that 33/11 KV substation could not be constructed as the capacity of the then Demow Electrical sub-station was not enough to meet the power demand of the project. The Company also stated that the expenditure on power system was not within the project cost and was met from Assistance to State for Developing Export Infrastructure and Allied activities (ASIDE) fund.

The reply is not tenable in view of the fact that while providing cost estimates for the work, ASEB had also accorded (November 2005) technical sanction for construction of 33/11 KV sub-station along with approval for supply of 2 MW power to project site. The Company had taken a period of 53 months in awarding (April 2010) the work to ASEB which was avoidable. Further, the plea of the Company of meeting the cost of the work from ASIDE funds does not justify the cost overrun caused due to the abnormal delay in awarding the work by the Company.

Loss of project land

2.9.3.3 The GOA had handed over (January 2004) physical possession of 111 bighas of land to the Company for implementation of the project. After taking possession (January 2004) of the land, however, the Company did not take any initiative for construction of Boundary Wall/Fencing so as to protect the site from encroachments. During execution of the works of boundary wall, it was found (January 2005) that 19 bighas of land had already been encroached. The Company did not intimate the Government about the encroachment and the project was executed only in the remaining area (92 bighas) of land. By not protecting the site with boundary wall, Government land measuring 19 bighas (17,348 sqm of allocable area) was lost. As a result the Company was also deprived of the potential revenue of ₹ 0.52 crore on the encroached portion of land against Land Development Charges (LDC).

The Management replied (September 2014) that the GOA provided physical possession of only 92 bighas of land free from encroachment.

The reply is not correct as the Company had taken over physical possession of total 111 bighas of land as per land handing over documents issued (January 2004) by GOA and thus, the responsibility of safeguarding the property lies with the Company.

INTEGRATED INFRASTRUCTURE DEVELOPMENT CENTRE, MALINIBEEL

2.9.4 The project was sanctioned (July 2002) under IID scheme of GOI for development of a IID Centre at Malinibeel (District Cachar) covering an area of 90 bighas at an estimated cost of ₹ 5.10 crore. The project aimed to promote and strengthen small and tiny industries in Malinibeel area considering the rich agricultural resources of the district. The Company was selected as the implementing agency for the project by GOA. As against total project funds of ₹ 8.59 crore received (January 2003 to March 2010) by the Company, the project was completed (September 2012) at a total cost of ₹ 8.36 crore. The following observations are made on implementation of the project:

Delay in completion

2.9.4.1 As per the approved DPR, the project was scheduled for completion within 2 years of its sanction (July 2002), *i.e.*, by June 2004. The Company could, however, complete the project only in September 2012, *i.e.*, after a delay of 99 months. The broad reasons for delays have been discussed in succeeding paragraphs:

(a) The Company took possession (February 2001) of 90 bighas of the project land from GOA with some encroachment. Based on the request (March 2001) of the Company, the Deputy Commissioner (DC) got the encroachment removed (March 2002). After a joint survey of land by DC and the representatives of the Company, the land was handed over (May 2002) to the Company by the DC. After taking physical possession of the project land, however, Company failed to take necessary steps like, construction of boundary wall and taking up the site development activities to protect the land from further encroachment. As a result, the land was again encroached (January 2004) and the Company had to get the land cleared (February 2005) with the assistance of the DC. Thus, repeated failure on the part of the Company to protect the project site from encroachment led to delay of 33 months (May 2002 to February 2005) in acquisition and handing over of land to contractors for implementation of the project.

(b) Though the completion date of the project was envisaged as June 2004, it was observed that out of 36 components of the work of the project, the work orders in respect of only 6 components were issued before the schedule completion date. The work orders for remaining components of the project were, however, issued (October 2004-February 2010) *i.e.*, after periods ranging from 3 to 68 months from the scheduled date of completion of the project. It was further observed that the Company could complete (September 2012) the project after an overall delay of 99 months despite receipt of entire project cost (₹ 5.10 crore) as originally approved, during 2007-08 itself. This indicates that the delay in completion of the project was not account of any financial constraints but for inefficiency of the Company in project execution.

The Management replied (September 2014) that there was unintentional delay in completion of the project due to locational disadvantage causing huge water logging during summer season. It was further stated that due to abnormal rise in prices of construction materials, the contractors was not willing to take up the work, which also delayed the work completion.

The fact, however, remains that despite having sufficient fund for implementation of the project; the Company could not adhere to the time schedule of the project mainly due to lack of strategic planning.

Cost escalation

2.9.4.2 The Company incurred total expenditure of ₹ 8.36 crore against approved cost of ₹ 5.10 crore. Thus, there was an overall cost escalation of ₹ 3.26 crore in completion of the project. The cost of the project was met out of the funds received from GOI (₹ 4 crore), GOA (₹ 1.10 crore) and diversion of fund (₹ 3.49 crore) received under ASIDE scheme. The increase in cost was mainly due to significant time overrun of 99 months in completion of the project and corresponding increase in the cost of various components of the works including the land development (₹ 0.43 crore), roads (₹ 0.26 crore) *etc*.

BORDER TRADE CENTRE, MANKACHAR

2.9.5 With a view to open the Border Trade with Bangladesh, the GOA decided to set up a Border Trade Centre (BTC) at Mankachar in district Cachar. The project aimed at creation of necessary infrastructure for providing basic facilities like power, water, telecommunication, *etc.*, to the exporters. GOI sanctioned (August 2001) the proposal of GOA for creation of BTC, Mankachar at a cost of ₹ 11.10 crore under ASIDE scheme. The project was implemented in two phases namely, Establishment of BTC (Cost: ₹ 4.26 crore) and Construction of Roads (Cost: ₹ 6.84 crore). The project was scheduled for completion by January 2003 (Establishment of BTC) and June 2002 (Roads).

The cost of the project was to be borne by GOI (₹ 6.83 crore) and GOA (₹ 4.27 crore). The Company awarded (December 2002-November 2007) the entire project works under various components of works to different contractors. The work relating to Establishment of BTC was completed (July 2012) at a total cost of ₹ 4.86 crore while the work of Construction of Roads was completed (March 2013) at a cost of ₹ 10.53 crore. The following observations are made on implementation of the project:

Delay in completion

2.9.5.1 The two phases of the project, namely, Establishment of BTC and Construction of Roads were completed with delays of 114 months and 129 months from the scheduled dates of completion respectively. The broad reasons attributable for delays have been discussed in succeeding paragraphs.

(i) The BTC project was sanctioned in August 2001 at an estimated cost (consolidated) of ₹ 11.10 crore. It was observed that the Company took abnormally excessive periods ranging from 69 to 74 months in issuing (June 2007 to November 2007) the work orders relating to establishment of BTC from the date of sanction of the project. It was further observed that since the initial funding (₹ 2.73 crore) against the project cost was released (upto 2004-05) well in time, the delay was not attributable to non-availability of project funding. No recorded reasons were available for this unjustified delay.

(ii) Even after award of work (June 2007 to November 2007), the civil works relating to establishment of BTC were badly delayed with reference to the scheduled dates of completion stipulated in the work orders as can be observed from the position summarised in ***Table 2.5***.

Table 2.5

Sl. No.	Name of the contractor	Name of the work	Date of work order	Date of handing over of site	Schedule date of completion	Actual date of completion	Delay in months
1.	M/s Versha	Road and truck Parking	14.06.2007	23.06.2007	21.12.2007	11.05.2011	40

	Techno Pvt Ltd	yard compound wall including Internal Drain, Security House, Gate House, Hume Pipe culvert etc					
2.	M/s Versha Techno Pvt Ltd	Construction of Residential Building, Warehouse, External Electrification, Deep Tube Well etc	26.11.2007	07.12.2007	02.12.2008	05.07.2012	43
3.	Bilab Kumar Chetia	Construction of Administrative Building, Weigh Bridge Office, Generator House etc,	26.09.2007	08.11.2007	03.10.2008	01.07.2011	33
4.	Bilab Kumar Chetia	Construction of Group I for Site Development, Concrete Pavement, Compound Wall, Drain etc	14.06.2007	23.06.2007	21.12.2007	22.09.2010	33

It may be observed that all four components of work delayed considerably for periods ranging from 33 to 43 months after issue of the work orders. The delays were attributable on various lapses on the part of the contractors, including, slow progress of work, defective and sub-standard quality of work, *etc*. which was indicative of ineffective monitoring of project execution by the Company, as observed from the following instances:

(a) The site relating to works at Sl. No. 1 & 3 above were handed over to the contractors in June 2007 and November 2007 respectively. The contractors, however, brought the materials on site after 8 months (March 2008) and 2 months (February 2008) of handing over the site for two works respectively.

(b) On inspection, the Company noticed (August 2010 & April 2009) various defects in the works executed by the contractors (Sl. No. 1 & 2 above). The contractors were asked to rectify the defects. The defects were subsequently rectified by the contractors in August 2010 (Sl. No. 2) and May 2011 (Sl. No. 1). Thus, the sub-standard quality of work executed by the contractors had delayed the completion of the project by 16 months (Sl. No. 2) and 9 months (Sl. No. 1).

Although there were instances of bad/defective workmanship on part of the contractors, the Company did not closely monitor the progress of work. No records/registers were maintained by the Company to record the reasons and periods during which no works were done or done with very slow pace. In absence of necessary records, the extensions sought by the contractors on account of natural calamities like, unseasonal rains, floods, *etc.* were allowed by the Company without verification of the genuineness of claims made by the contractor for the delays. Thus, negligence on part of the Company in maintaining proper records on progress of work has facilitated the contractors in availing undue extension of time of work completion. Besides, Company also lost an opportunity to penalise the defaulting contractors for delay by imposing liquidated damages as per the provisions of the work order.

The Management replied (September 2014) that the delay was mainly due to area being remote, flood prone and extremist infested, *etc*.

The reply is not tenable as the Company could not verify the genuineness of the reasons put forth by the contractors for delays in absence of necessary records/registers. Further, the defects noticed in the works of the contractors on several occasions were indicative of their poor workmanship and raise question on the time extensions granted by the Company for completion of works.

Irregular price escalation

2.9.5.2 The Company had awarded (June-November 2007) different components of works to the contractors through open tenders. As per the agreed terms of the work orders, rates fixed for the works were to remain firm and no price escalation was allowed during the currency of the contract. However, none of the four contracts could be completed within the scheduled dates on account of various reasons. Several reasons leading to delays were attributable to the lapses on part of the contractors, like delay in supply of materials, poor quality of work executed *etc*. as discussed in previous paragraphs.

It was, however, observed that the Company had allowed a total price escalation of ₹ 0.34 crore to the contractors at Sl. No. 1 to 4 of ***Table 2.5*** without taking into account the delays committed by the contractors in completing the works. The escalation in the price was irregular and contrary to the agreed terms of contracts which stipulated completing the entire works on firm price basis without any price escalation.

The Management replied (September 2014) that price escalation was allowed as there was abnormal increase in prices of construction materials. The reply is not tenable as allowance of price escalation against the contract provisions at a later date negates the transparency of the tendering process. Further, the delays on the part of the contractors were also not considered before allowing price escalation.

Unauthorised expenditure

2.9.5.3 The ASIDE guidelines envisaged that all administrative expenses connected with the implementation of the project would be met by the concerned State Government. It was, however, noticed that the Company incurred administrative expenses of ₹ 0.60 crore out of the scheme fund in violation of the scheme guidelines. This has caused an irregular diversion of ASIDE funds towards the inadmissible purpose.

Non-operation of BTC, Mankachar

2.9.5.4 BTC, Mankachar constructed (July 2012) to promote export activities could not be made operational (September 2014). The main reasons attributed by the Company for non-functioning of the project were lack of infrastructure and communication facilities in the neighbouring country and non-finalisation of the operational module of the project by GOI. Besides, unauthorised occupation of the administrative building of the project by Central Reserve Police Force (CRPF) was also a deterrent in the operations of the project. Thus, the entire investment of ₹ 15.39 crore made on creation of export-oriented infrastructure under the project remained idle for more than two years without deriving the intended benefits.

The Company replied (September 2014) that improvement of infrastructure facilities in Bangladesh and fixation of operational module is pending at the Government level. It was also stated that the issue of illegal occupation of project building by CRPF officials has been brought to notice of GOA, response to which was awaited.

The reply of the Management is not tenable as the reasons put forth are indicative of deficient planning and lack of co-ordination between Company/GOI and Government of Bangladesh.

Audit objective: To assess that the completed projects were made operational for the intended use and operational revenue from the project were efficiently recovered by the Company.

(Paragraph 2.10)

Operational Management

2.10 The Company in order to promote industrial development in the State develops land and provides basic facilities like, power, water, road connectivity, sheds, *etc*. After development of the area, Company generally handovers the same to the industrial entrepreneurs on long-term lease basis or through outright sale. The present status of allotment of the industrial infrastructure developed by the Company is given in ***Table 2.6***.

Table 2.6

Sl.	**Name of**	**Total area of**	**Allocable**	**Allocated**	**Un-**	**Number of units**	**Number of units**

No.	the project	the project	area	area	allotted	allotted land	functioning
		(in lakh square metre)					
1.	Titabor	1.61	0.60	0.14	0.46	02	01
2.	Malinibeel	1.20	0.40	0.29	0.11	18	07
3.	Demow	1.23	0.84	0.26	0.58	06	03
4.	Dalgaon	1.40	1.08	0.86	0.22	09	08
5.	Bhomoguri	1.62	1.04	0.42	0.62	08	05
6.	IGC Matia	22.37	18.89	8.31	10.58	03	0
7.	Balipara	16.19	9.43	0.36	9.07	02	02
8.	Silapathar	0.87	0.59	0.00	0.59	0	0
9.	EPIP	2.76	1.85	1.85	0.00	59	39
Total		**49.25**	**34.72**	**12.49**	**22.23**	**107**	**65**
10.	Ginger Project	This project is a manufacturing unit and not meant for allocation to industrial entrepreneurs. The project is handed over by the contractor only in March 2014.					
11.	Border Trade Centre, Mankachar	This project was developed for cross-border trade with Bangladesh but due to non-completion of trade facilities at Bangladesh, the project was idle till date (September 2014).					

From the ***Table 2.6*** it could be seen that out of total 11 projects completed by the Company as of March 2014, only 9[7] industrial infrastructural projects were in operation (September 2014) with a total area of 49.25 lakh sqm. Further, as against total allocable area of 34.72 lakh sqm under 9 operational projects, an area of 12.49 lakh sqm only (35.97 *per cent*) could be allocated by the Company till date (September 2014) to 107 industrial units of which, only 65 units are presently functioning. The low occupancy in these projects was mainly attributable to improper project feasibility study at planning stage, lack of quality power, lack of proper maintenance of the project, *etc*. The amount outstanding against lease rent from the industrial units as on 31 March 2014 was ₹ 2.41 crore. Audit observed the following deficiencies in operation of industrial infrastructure:

Partial allotment of project area

2.10.1 As per the Land Allotment Rules, 2010, all the entrepreneurs to whom land have been allotted in Integrated Industrial Development Centres (IID)/Industrial Growth Centres (IGC) are liable to pay one time Land Development Charge (LDC) at the rate prescribed by the Company. In addition, the entrepreneurs are also required to pay Annual Service Charge (ASC) at the rate of three *per cent* of the LDC as well as Special Maintenance Charge (SMC) at the rate of 1.75 *per* sqm *per* month. As stated in previous paragraph, as of September 2014, the Company could allot only around 35.97 *per cent* of the allocable area available under 9 operational projects. Non allotment of more than 60 *per cent* of developed/underdeveloped area was indicative of deficient planning and inadequacy of efforts on the part of the Company in promotion of industrial activities in the State. As a result, the purpose of establishing the IIDs/IGCs at huge costs was defeated. Besides, the Company has lost the opportunity to recover one time LDC of ₹ 32.05 crore against the un-alloted land.

Delay in allotment of land

2.10.2 As per the provisions of the Assam Industrial Policy 2008 read with the notification of GOA dated 31 August 2009, the allotment of lands upto one acre of area should be made by the Company within 30 days of application by the entrepreneurs. In case of land measuring more than one acre, the allotment should be made within 60 days of receipt of application from the entrepreneurs. Further, after allotment of land, the Company should hand over the possession of land within 15 days from the date of allotment. As soon as the land is allotted and handed over to the entrepreneurs, the land allottees become liable for payment of various recurring charges to the Company, namely, Annual Ground Rent (AGR), Annual Service Charges (ASC) and Special Maintenance Charges (SMC).

It was observed that the there were delays in allotment of land to the industrial entrepreneurs as per details given in ***Table 2.7***.

Table 2.7

Sl. No.	Name of Project	Number of allottees	Delay beyond permissible limits (in days)	Loss of ASC	Loss of SMC	Loss of Ground Rent	Total
				(in ₹)			
1.	Demow	06	91 to 1514	63,000	2,84,755	4,750	3,52,505
2.	IID Dalgaon	04	228 to 680	78,300	2,80,420	4,000	3,62,720
3.	IID Bhomoraguri	07	25 to 443	48,816	1,50,830	6,000	2,05,646
4.	EPIP Amingaon	02	59 to 275	19,500	26,017	2,000	47,517
Total		**19**	**-**	**2,09,616**	**7,42,022**	**16,750**	**9,68,388**

From the above table it could be noticed that the Company delayed in processing of applications of the entrepreneurs for allotment of land in 19 out of total 107 cases ranging from 25 to 1,514 days beyond the permissible limits. The Company, thus, deprived the entrepreneurs from availing the benefits of the developed land for the periods of delays in allotment of land defeating the objectives of the State Industrial Policy, 2008.

The Management replied (September 2014) that the delays in allotment of land were due to delay in holding the meetings of State Level Committee for land allotment.

The reply (September 2014) of the Management is not acceptable as out of 19 cases specified above only 3 cases are for allotment of land above one acre for which approval of the State Level Committee is required. The responsibility of allotment of remaining 16 cases was with the power of the internal Land Allotment Committee of the Company. Further, considering the in-ordinate delay in allotment process also, the reply of the Company is not acceptable.

Non-collection of service tax

2.10.3 As per Section 65(105)(zzzz) of the Finance Act 1994, effective from 1 July 2010, service tax at the rate of 12.36 *per cent* was leviable on the land development charges (LDC) collected by the Company. The Company allotted (March 2011 to February 2014) land to 16 entrepreneurs for furtherance of business or commerce and accordingly collected the LDC as per the prescribed rates. Contrary to the provisions of the Finance Act, 1994 *ibid*, however, the Company did not recover the service tax on the LDC although same has been levied on ASC, AGR and SMC leading to loss of revenue of ₹ 0.66 crore to the Government exchequer.

The Management replied (September 2014) that service tax is not levied on LDC the development charges are refundable.

The reply is not tenable as the allotments were made (September 2010) under new Land Allotment Rules, 2010 which do not contain any provision for refund of development charges on expiry of lease period.

Unauthorised occupation of land

2.10.4.1 With a view to ascertain the actual land occupation by the entrepreneurs in EPIP, the Company appointed (February 2008) Consultant to carry out survey in EPIP. The Consultant reported (May 2008) that 26 entrepreneurs had occupied 2,525 sqm of land in excess of actual allotment.

2.10.4.2 In another case, an existing allottee entrepreneur under IID Titabor requested (February 2007) the Company for allotment of additional land of 5,352 sqm in IID, Titabor. The Company did not take any decision on the request of the entrepreneur. In July 2008, however, the Company noticed (July 2008) that the entrepreneur had an unauthorised occupation of 8,028 sqm of land. The Company directed (July 2008 and May 2012) the entrepreneur to get the unauthorised occupation of land regularised but the entrepreneur did not comply (September 2014).

It was observed that in all the above cases of unauthorised occupation of land, the Company had not initiated any action either to cancel the lease agreements due to violation of lease conditions or to regularise the unauthorised occupation of land by recovering applicable charges from the defaulting entrepreneurs. The financial loss on account of legitimate dues in the form of LDC, SMC and ASC recoverable by the Company from the unauthorised occupants of land, as worked out by Audit, was to the tune of ₹ 0.40 crore after netting off the partial recoveries (₹ 0.04 crore) made by the Company from 10 units.

The Management assured to take necessary steps to recover the development charges and vacate the unauthorised occupation. The reply confirms the failure on the part of the Company in taking appropriate action against the illegal occupant.

Additional expenditure due to deviation from the DPR

2.10.5 For facilitating the distribution of uninterrupted power to industrial units under IID Titabor, the approved DPR (March 2004) of the project had the provision for construction of a dedicated 33/11 KV sub-station along with control room, switchyard, transformer *etc*. at a cost of ₹ 0.20 crore. Though funds needed for the purpose were received (June 2004 to August 2010) by the Company from GOI/GOA, the Company instead of constructing the dedicated Sub-station, *etc*, as per approved DPR, availed (May 2010) a connected load of 80 KW through 11 KV line for meeting the power requirement of the project. In the absence of a dedicated 33/11 KV sub-station for the project, there was a poor response of the entrepreneurs for setting up industrial units under IID, Titabor. On realising the fact, the Company proposed (July 2011) for construction of 33/11 KV sub-station at a cost of ₹ 2.42 crore and requested GOA for funding of the work under Non-Lapsable Central Pool of Resources. The response of the GOA on the request of the Company was awaited (September 2014). It was observed that inappropriate decision of the Company for drawl of power from 11 KV line in deviation from the approved DPR has already caused cost escalation by ₹ 2.22 crore (till July 2011) in the workable cost of the sub-station, control room and switchyard etc.

The Management replied (September 2014) that there was no provision for 33/11 KV sub-station in the project report and therefore the work was not executed at the initial stage and proposal was made for funding under NLCPR scheme. Further, the Management also stated that the delay in execution in work was due to non approval of estimate by Central Electricity Authority.

The reply is not tenable as DPR included the provisions for creation of power distribution network with sub-station. Further, the CEA rejected the work estimate

Audit objective: To assess that the Company's recovery performance against outstanding loans was efficient.

as the Company had not prepared the same through the authorised licensee. This also confirms the lapse on the part of the Company.

Status of loans

2.11 The Company availed Refinance and Seed Capital Assistance from Industrial Bank of India (IDBI) during the period from 1981-82 to 1992-93. The fund so availed by the Company was utilised to extend financial support by way of loans to the first generation entrepreneurs for setting up medium scale industries in the State. As of March 1993, the Company assisted 78 entrepreneurs out of the said IDBI funds. The Company, however, had completely stopped providing financial assistance to the industrial entrepreneurs after March 1993. Out of the loans (₹ 54.43 crore) provided to the said 78 entrepreneurs upto March 1993, the Company could settle only 35 entrepreneurs (₹ 30.19 crore) till March 2009. Thus, as of March 2009, there was an outstanding balance of ₹ 24.24 crore (principal) against 43 loanees (including 7 suit filed cases). During the period of audit, the Company has settled another 24[8] loan accounts involving a principal outstanding of ₹ 14.69 crore. Thus, as on March 2014, the Company had total 19 loanees with an outstanding (principal) amount of ₹ 9.55 crore.

During examination of the process of settlement of the loan accounts during the period 2009-14, the following were observed in audit:

Undue favour

2.11.1 The Company sanctioned (March 2003) a term loan of ₹ 0.76 crore to Intake Hospital Private Limited (IHPL) for setting up a modern diagnostic and healthcare centre at Dibrugarh. Accordingly, the Company released (April 2003 to October 2003) ₹ 0.74 crore to IHPL after adjusting (August 2004) the balance of ₹ 0.02 crore against outstanding interest.

IHPL defaulted (April 2004) in payment of outstanding principal and interest since beginning causing accumulation of outstanding dues to ₹ 1.56 crore as of May 2010. The Company served (July 2010) a legal notice to IHPL demanding payment of dues within 15 days. Thereafter, IHPL submitted One Time Settlement (OTS) proposals to the Company for settlement of its dues on many occasions till June 2013. The Company, however, neither accepted the proposals nor initiated any step for taking over/seizure of the unit under Section 29 of the SFC Act, 1951. As of May 2013, the outstanding dues of IHPL stood at ₹ 2 crore (Principal: ₹ 0.76 crore, Interest: ₹ 1.06 crore and Penal/additional interest: ₹ 0.18 crore). Against the recoverable amount (₹ 2 crore) outstanding as of May 2013, the Company offered (September 2013) IHPL to settle their dues by paying an aggregate amount of ₹ 1.82 crore only towards principal (₹ 0.76 crore) and interest (₹ 1.06 crore) within one month (viz., October 2013). The offer involved waiver of penal/additional interest of ₹ 0.18 crore. The offer of the Company was, however, not accepted by IHPL. It was observed that despite repeated defaults in payment of dues by IHPL, the Company did not take any legal course of action for seizure of the assets of IHPL. The inaction on the part of the Company is tantamount to extension of undue benefit to a chronic defaulter involving a recoverable dues of ₹ 2 crore.

Irregular disbursement

2.11.2 The Company sanctioned (March 1989) a financial assistance of ₹ 0.54 crore (Term loan: ₹ 0.49 crore and Equity: ₹ 0.05 crore) in favour of East India Publication Private Limited (EIPL) for setting up a modern printing press unit at Silchar. As against this, the Company disbursed (November 1990) the loan of only ₹ 0.05 crore to EIPL. Meanwhile, the Company also agreed (February 1990) to become guarantor of Letter of Credit Account (LC) opened by the EIPL with SBI New Guwahati branch for importing machineries pending approval of the Board of Directors. Subsequently, the Company decided to terminate (November 1990) the term loan on the ground of misrepresentation of facts by the EIPL and also call back the amount disbursed. The Company, however, did not take any action to cancel the guarantee provided to SBI against LC opened by EIPL. Meanwhile, SBI made payment against LC defaulted by EIPL based on the guarantee letter without informing the facts to the Company. The SBI raised demand on the Company, being the guarantor against LC dues of EIPL, for reimbursement of ₹ 0.18 crore paid by SBI towards LC defaulted by EIPL. The Company, however, refused to reimburse the payments made by SBI.

The SBI filed (1993) money suit against EIPL and Company. Finally the Debt Recovery Appellate Tribunal (DRAT), Kolkata held (May 2002) the Company liable for payment of dues to SBI. Thereafter, the Company received (September 2002) recovery notice from DRAT for payment of ₹ 0.18 crore. The Company filed petition (2003) before the Guwahati High Court against the notice. The Court upheld (September 2009) the decision of DRAT. A revised notice demanding ₹ 6.41 crore (Principal: ₹ 0.18 crore and Interest: ₹ 6.23 crore) was served (December 2010) on the Company. Finally, both the Company and SBI had agreed for out of court settlement of the case at ₹ 0.60 crore only which was approved (August 2013) by Board of Directors of the Company. Thus, irregular agreement without safeguarding the financial interest and also assessing the genuineness of the other party led to avoidable loss of ₹ 0.60 crore to the Company.

Audit objective: To assess the existence of an effective monitoring system (including MIS) to ascertain the status of implementation and operations of the projects and also to take timely corrective measures against the deficiency identified.

(Paragraph 2.12)

Monitoring

2.12 An effective Monitoring consists of various processes performed to observe project execution in such a way that potential problems can be identified in a timely manner and corrective action can be taken, wherever necessary, to control the execution of the project. The monitoring and control process also provides feedback between project phases, in order to implement corrective or preventive actions to bring the project into compliance with the project management plan. The Company plays an important role in achieving the objectives of the Industrial Policy of the State. As such, the Company needs to have an effective monitoring system backed by a well documented Management Information System (MIS) detailing the status of implementation and operations of the ongoing/completed projects.

The deficiencies observed in the monitoring system of the Company have been discussed below:

- Inefficient project monitoring at various stages of project execution, namely, land acquisition, progress of contractor's work, *etc*, led to cost and time overrun of the projects;

- There was no system in place for periodical survey of project land and functioning of the industrial units, assessing the recovery performance against outstanding dues for taking corrective action, *etc*; and

- The Company did not have proper MIS system to apprise the management about the status of projects and recovery of outstanding loans on a regular basis. In absence of MIS, decision-making were delayed which adversely affected the implementation of the projects and recovery of outstanding loans.

Conclusion

The Company had huge accumulated losses during all the five years covered in the PA, which had completely eroded its capital employed. The Company was able to earn overall profits during 2009-10 to 2013-14 (excepting 2012-13) mainly due to interest income earned against investment of project funds.

The Company does not prepare any long or short-term plan of its own for implementation of the industrial infrastructure projects. In fact, the Company prepares *adhoc* project proposals as per the directions of GOA and submits the same to GOA for approval and allocation of funds. The proposals for centrally sponsored projects are prepared as per the scheme guidelines and submitted to GOI for approval.

The detailed project reports prepared for execution of the industrial projects were deficient leading to changes in specification of works after the award of project. Other pre- work award activities *viz.* acquisition of land and issuing of work order were also delayed. The monitoring of project works executed through contractors was ineffective. As a result, all the five projects developed during 2009-14 were completed with delays ranging from 37 to 129 months causing corresponding cost overrun of ₹ 11.96 crore. Further, three out of five projects involving an aggregate investment of ₹ 28.42 crore remained non-operational on account of inadequate feasibility study.

The operational management of developed projects suffered from various deficiencies like, lack of adequate provisions for uninterrupted power supply, poor maintenance of projects, *etc*. As a result, more than 60 *per cent* of allocable area available (34.72 lakh sqm) under 9 developed projects could not attract the investors.

The Company did not have a proper Management Information System (MIS) in place, which had caused delays in decision-making during project implementation.

The Company did not extend any financial assistance to industrial units after March 1993. The performance of the Company in recovery of loans was also poor as it could not realise an amount of ₹ 9.55 crore against 19 loan cases disbursed prior to March 1993.

Recommendations

The Company should prepare its own plans for development of industrial infrastructure taking into account the State specific requirements. The Company also needs to overcome the deficiencies in preparation of DPRs and other pre work-award activities like, incorrect work specification, inadequacy of feasibility study reports, delays in land acquisition and awarding of work.

The Company should strengthen the project monitoring system by devising an appropriate MIS, periodical site inspections and reviewing of work progress in management meetings to identify potential problems and take corrective actions, wherever necessary.

The Company should ensure creation of timely and proper infrastructure facilities for the projects such as ensuring access to power supply source, expeditious development and allotment of land so as to attract the entrepreneurs.

The Company should explore ways and means for revival of its financing activities for promotion of industries in the State. The Company also needs to take available legal course of action for early recovery of outstanding loans.

Chapter-III
Compliance Audit Observations

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

Government companies

Assam Power Distribution Company Limited

3.1 Loss of Revenue

Irregularities in the management of distribution franchisee agreements

With a view to improve consumer service quality as well as billing and collection efficiency, the Company introduced (October 2009) the Input Based Distribution Franchisee System (IBDF) in the State. Under the IBDF, the franchisee buys electricity from the Company at a defined input point either through Distribution Transformers (DTRs) or through feeders at a price fixed by the Company known as 'Bulk Supply Tariff' (BST) as approved by the State Electricity Regulatory Commission. The franchisee on the other hand collects revenue from consumers by raising bills at the tariff fixed by the Assam Electricity Regulatory Commission (AERC) in the Schedule of Tariffs. Once the IBDF agreement is entered into, the franchisee is liable to pay the cost of entire energy received from the Company as per the BST rates irrespective of the actual energy sold and revenue collected by the franchisee there against from the consumers. The franchisees were entitled for a commission at fixed rate on the value of energy billed to them under IBDF.

Examination of the implementation of the scheme by the Company revealed the following irregularities:

1. Calculation of BST based on a presumed consumer mix

According to clause 12 to the Franchisee Guidelines issued by the Rural Electrification Corporation (REC) for implementation of Rajiv Gandhi Grameen Vidyutikaran Yojna (RGGVY) scheme, the BST for each DTR of the franchisee is to be determined separately on the basis of the actual consumer mix of the area served by the respective DTR. Further, the BST rate so adopted needs to be fully factored by the Company while submitting Annual Revenue Requirement (ARR) to AERC for determination of tariff.

It was, however, observed that instead of determining the BST under IBDF based on the actual consumer mix of the DTR, the Company determined (August 2011) BST rates based on a presumed consumer mix in line with the erstwhile Single Point Power Supply Scheme (SPPS), of the Company. Under SPPS, the presumed consumer mix was adopted for determining the tariff as the number of consumers belonging to higher tariff category was presumed to be very small. However, in case of an area having large number of higher tariff category consumers, the BST rates derived as per the SPPS (*viz.* on presumed consumer mix) would be significantly lower than that derived on the basis of actual consumer mix of that area. Although this presumed consumer mix was supposed to be a temporary arrangement till implementation of the IBDF, it formed the basis of the agreements signed with the franchisees.

An analysis of the actual consumer mix was carried out in Audit based on the actual consumer profile of the Company as a whole. As per analysis carried out by Audit, an average BST rate of ₹ 3.35[1] per unit was arrived at, against the average BST rate of ₹ 2.98 per unit adopted by the Company under IBDF. The total revenue loss sustained by the Company during August 2011 to June 2014 on account of adoption of lower BST rates worked out to ₹ 24.57 crore ***(Annexure 7)***. It was further observed that the Company did not factor the BST rate adopted under IBDF for submission of ARR to AERC in contravention of the REC guidelines.

In the above context, it was also observed that the CMD of the Company had directed (December 2011) that the BST should be fixed based on the actual consumer mix with effect from April 2012. A Committee was also constituted (December 2011) for determination of the revised BST rates for the purpose. It was, however, observed that the Committee could not introduce any mechanism for the fixation of the revised BST rates even after almost three years of its constitution (September 2014). In absence of the revised BST rates, based on actual consumer mix, the Company continued to adopt the lower BST rates as determined on the basis of presumed consumer mix till date (September 2014).

[1] The BST rate has been worked out by Audit based on the approved formula in model D of the franchisee guidelines issued by REC and also adopted by the Company in computing the BST rate.

2. Excess payment towards higher rate of return

According to clause 14 of the Franchisee Guidelines issued by the REC, the rate of return to the franchisees should not exceed 10 *per cent* of the cost of energy received from Company at BST rates. It was, however, observed that the BST fixed by the Company under IBDF considered a return of 15 *per cent* contrary to the provisions of Franchisee Guidelines. This has resulted in an excess payment of ₹ 11.59 crore to the franchisees on 646.46 MUs of energy billed for the period August 2011 to June 2014 ***(Annexure 8).***

3. Accumulation of outstanding amount against the terminated franchisees agreements

Clause 9 of the IBDF agreements (entered between the Company and the franchisees) states that any receivables remaining unrecovered from the consumers at the time of handing over of the feeder to the franchisee shall be treated as the revenue arrears of the Company. The franchisee shall display all arrears in the bills issued by them to the consumers and shall remit all the recoveries there against to the Company after adjusting an additional incentive of 10 *per cent* on the amount so recovered.

Clause 12 of the agreement further stipulates that the franchisees shall clear their outstanding dues on monthly basis against the energy invoice raised every month irrespective of the actual collections made by the franchisees. In case of non-payment of monthly dues by the franchisees within 15 days of the due dates, a penal surcharge of 1.5 to 2 *per cent* was leviable at the discretion of the Company. If the franchisees fail to make payment within 30 days of the receipt of the bill, the contract termination clause shall be invoked by the Company.

Examination of seven IBDF agreements terminated by the Company during the period August 2010 to April 2014 revealed that in five out of the said seven agreements, there were total revenue arrears of ₹ 81.50 lakh at the time of handing over (August 2010 to July 2012) of the feeders to the franchisees. None of the five franchisees, however, had remitted any amount to the Company against these arrears till date (September 2014). Thus, due to failure of the Company to insist upon the franchisees for recovery of previous revenue arrears from the consumers along with their current dues has caused non realisation of the Company's old receivables of ₹ 81.50 lakh.

Further, the Company had instructed (October 2013) that the activities of the franchisees should be strictly monitored so that the outstanding dues do not exceed 75 *per cent* of the security deposits. It was, however, observed that in all the above mentioned seven franchisees agreements, the Company had taken abnormally excess period ranging from 2 to 29 months in invoking the termination clause after first default by the franchisees. In one of these seven cases (*viz.*11 KV Dhupdhara feeder), the franchisee was allowed to continue till the outstanding dues accumulated to 752 *per cent* of the security deposits. The total dues recoverable from the franchisees as of March 2014 in excess of the security deposits obtained from them were to the tune of ₹ 2.04 crore ***(Annexure 9)***. Since the agreements with the seven franchisees had already been terminated, the chances of recovery of these dues were remote.

In reply, the Management stated (September 2014) that the committee formed (December 2011) to re-examine the consumer mix had recommended that the pre-determined consumer mix was quite similar to the actual consumer mix and hence the prevailing BST rate should continue. Regarding the allowance of higher margin to the franchisee, it was stated that the additional five *per cent* margin was given to cover the other costs such as maintenance of computer equipments *etc*. The Management also indicated that action is being taken on the defaulting franchisees by terminating their agreements.

The reply is not tenable owing to the fact that the average BST rate as calculated by Audit based on the actual consumer mix was found to be on the higher side than the BST rate adopted by the Company. Further, the recommendation of the Committee for continuing with the prevailing BST rates as referred to by the Management was temporary for a period of six months up to September 2012. The Committee had also fixed the deadline for implementing the new system by September 2012. The plea of allowing extra margin for maintenance activities is also not acceptable in view of the fact that an additional margin of 2 *per cent* is already being allowed to the franchisees to meet the cost of maintenance activities.

The matter was reported (August 2014) to the Government; their replies had not been received (September 2014).

3.2 Loss of Revenue

The Company suffered a revenue loss of ₹ 84.74 lakh due to wrong classification of consumers.

The Assam Electricity Regulatory Commission (Commission) came into existence in 2003. In February 2005, the Commission issued the Electricity Supply Code and Related Matters Regulations, 2004 (Regulations). As per the Regulations, the classification of consumers, tariff and conditions of supply applicable to each category of consumers, shall be fixed by the Commission by way of the tariff order or otherwise. The Licensee (*viz.* the power distribution company) may classify or reclassify the consumers into various categories from time to time as per the classifications fixed by the Commission. As per the Schedule of Tariff issued (June 2005) by the Commission and subsequent tariff orders issued from time to time, the consumers belonging to oil and coal sector should be classified under the 'HT Category VII – Oil and Coal'.

The Company had entered (October 1994/January 2000) into agreements with two LPG bottling plants belonging to the Indian Oil Corporation Limited (IOC) at Guwahati (October 1994) and Mirza (January 2000) for supply of 922 KW and 525 KW of power respectively. The two bottling plants of IOC receive raw material (*viz.* Liquid Butane and Propane) through tankers and fill it up in cylinders. Since both the IOC plants carry out the process of packing extracted products of crude oil, these should have been classified under category VII (Oil and Coal).

It was, however, observed that the Company had wrongly classified both the bottling plants of IOC under 'Industry Category' instead of classifying them under the category VII of 'Oil and Coal' in violation of the provisions of the Schedule of Tariff. Since the tariff rates applicable for the Category VII (Oil and Coal) were higher than that charged from the consumers, the Company suffered (June 2005 to September 2014) a total revenue loss of ₹ 84.74 lakh on this account as detailed in ***Annexure 10***.

Thus, due to wrong classification of consumers contrary to the provisions of the 'Schedule of Tariff' notified (June 2005) by the Commission, the Company suffered a revenue loss of ₹ 84.74 lakh.

The matter was reported (April 2014) to the Government/Management; their replies had not been received (September 2014).

3.3 Loss of Revenue

Company extended undue benefit to the consumer by not recovering penalty of ₹ 45.92 lakh for overdrawal of power.

As per the general provisions of Schedule of Tariff issued by the Assam Electricity Regulatory Commission (AERC) from time to time, in case the recorded demand of a consumer during a month exceeds the contracted demand, fixed charges based on the contracted demand shall be levied at three times the normal rate for the portion of demand exceeding the contracted demand.

M/s. Indian Oil Corporation Ltd., (Consumer) a consumer of Assam Power Distribution Company Limited (Company) was provided (January 1992) with a connected load of 5 MW and contracted demand of 3.5 MW (4118 KVA) under the category of HT-VII (Oil and Coal).

In January 2013, the Company noticed that the consumer had overdrawn power by 2362 KVA during December 2012. Accordingly, the Company recovered an overdrawal penalty of ₹ 19.49 lakh from the consumer for the month of December 2012.

Subsequently, the Consumer requested (March 2013) the Company for enhancement of the connected load to 7.9 MW and Contracted Demand to 5.5 MW (*i.e.* 6,505 KVA), which was regularised in August 2013. Meanwhile, the consumer continued to overdraw the power to the extent of 2,362 KVA per month during January 2013 to March 2013. Even after submitting (March 2013) the request for enhancing the contracted demand to 6,505 KVA, the consumer had drew power in excess of the enhanced (proposed) contracted demand by 758 KVA per month during May 2013[2] to July 2013. It was, however, noticed that contrary to the provisions of the Schedule of Tariff, the Company levied only the fixed charges on the overdrawn load and did not recover the overdrawal penalty from the consumer for the said period of five months (January-March 2013 and June-July 2013). This had resulted in loss of revenue of ₹ 45.92 lakh to the Company as detailed in the ***Annexure 11.***

Thus, failure to recover overdrawal penalty from the consumer even after detection of overdrawn load resulted in a loss of revenue of ₹ 45.92 lakh.

In reply, the Management stated (June 2014) that once the excess load was detected, it was presumed to be the connected load of consumer from that time

[2] Penalty bill for May 2013 was realized by the Company

onwards and so only fixed charge was levied on the consumer without levying any penalty. The reply is not acceptable, since under the provisions of the Electricity Supply Code and Related Matters Regulations, 2004, the consumer is required to submit requisition for enhancement of the connected load, if necessary, and failure to regularise the increase in connected load may result in billing at penal rates. Further, once the consumer submits proposal for enhancement of the connected load, he should restrict the drawal of power within the increased load proposed for regularisation. Thus, till the consumer submits the requisition for the additional load and additional load is sanctioned the excess load detected cannot be presumed as the connected load.

The matter was reported (May 2014) to the Government; their reply had not been received (September 2014).

3.4 *Loss of Revenue*

Abnormal delay in replacement of defective meters and incorrect billing of energy consumption for intervening periods has resulted in loss of revenue of ₹46.95 lakh to the Company.

Clause 4.2.2.4 of the Electricity Supply Code and Related Matters Regulation 2004**,** (Regulations) issued by Assam Electricity Regulatory Commission stipulates that in case the meter of a general consumer is found defective, the quantum of energy consumed for the period of defect shall be determined on the basis of the average consumption for preceding three months prior to the date of detection of defect or that for the next three months after correction of the defective meter, whichever is higher. For seasonal consumers[3], however, the quantity of energy consumed shall be determined based on the average consumption of the immediate three identical months during the preceding three years. For consumers whose contract demand/ connected load varies during the concerned period, the consumption for the period of defect should be assessed proportionate to the contract demand/ connected load.

The Regulations further stipulate that after detection of defect in the meter it is the responsibility of the licensee (Company) to take immediate steps to replace the defective meter. Such defective meters should be repaired or replaced within

[33] For consumers whose connected load and contract demand varies with the peak season and off season

seven and fourteen days in urban and rural areas respectively after receipt of complaint.

Examination of records of the Company revealed that the meters of four consumers (including three general consumers and one seasonal consumer) turned defective during the period January 2009 to September 2011. These meters were replaced after a period ranging from 20 to 33 months after detection of defects as against the prescribed period of 7 to 15 days. Further, in case of three general consumers, the consumption for the period of defect should have been billed at higher of two rates *viz.* average consumption during the preceding three months of defect or the average consumption during next three months after correction/replacement of meter. Contrary to the above provisions, however, it was observed that the consumption billed by the Company for the period of defect was lower than the actual monthly consumption recorded by the new meters after replacement of the defective meters.

Billing the three consumers for the period of defect of meters at lower rates then applicable under the provisions of the Regulations has caused a revenue loss of ₹ 24.93 lakh to the Company.

The fourth consumer, who was a seasonal consumer lodged (7 January 2009) a complaint about erroneous behaviour of the meter in recording the readings. It was, however, observed that the Company, took 20 months in testing and replacing (September 2010) the defective meter after lodging (January 2009) of complaint. In accordance with the provisions of the Regulations as applicable to the seasonal consumers, the Company should have raised a bill for ₹ 23.81 lakh on the consumer as worked by Audit, for the period of defect of the meter (June 2009 to September 2010). Contrary to this the Company raised (January 2011) a revised supplementary bill for ₹ 20.95 lakh only.

The consumer refused to pay the bill on the plea of higher billing and abnormal delay in replacement of defective meter by the Company and appealed (February 2011) before the Consumer Grievance Redressal Forum of the Company. The Appellate Authority noted the negligence of the Company in timely replacement of defective meter and restricted the supplementary bill claim to a meagre amount of ₹ 1.79 lakh only which was paid (August 2011) by the Consumer. As a result, the Company sustained a loss of revenue of ₹ 22.02 lakh on account of improper billing and abnormal delay in replacement of defective meter.

Thus, abnormal delay in replacement of defective meters and incorrect billing of energy consumption for the intervening periods has resulted in loss of revenue of ₹ 46.95 lakh to the Company.

The Company should evolve an effective system for rectification of defective meters within the prescribed time and for raising revised bills for intervening period as per the applicable provisions of the Regulations.

The matter was reported (April 2014) to the Government/Management; their replies had not been received (September 2014).

3.5 Loss of revenue

Failure to lodge a claim for recovery of inadmissible rebate has caused a loss of ₹ 30.14 lakh to the Company.

Clause 2.2 of the Electricity Supply Code and Related Matters Regulation 2004, (Regulations) issued by Assam Electricity Regulatory Commission provides parameters for supply of power at different voltages to consumers in accordance with their Contracted Demand. In case the consumer intends to avail supply of power at higher voltage than applicable, the consumer needs to build and maintain additional infrastructure at his own cost. In such situation, the Schedule of Tariff provides for a rebate at the rate of 3 *per cent* in monthly charges to the consumer for availing power at higher voltage so as to mitigate the hardship caused to the consumer on account of said additional cost.

The Company had extended a service connection to a Consumer with a connected load of 3500 KVA and a contracted demand of 5000 KVA. As per the Regulations *ibid*. all the consumers with Contracted Demand ranging between 1200 KVA and 5000 KVA were to be supplied power at the voltage of 33 KV. During the period from July 2005 to September 2011, the Consumer had been drawing power within the Contracted Demand (*i.e.* 5000 KVA) at the specified voltage of 33 KV. As such the consumer was not entitled for any rebate for availing power at higher voltage. The Company, however, had irregularly allowed rebate of 3 *per cent* to the consumer on monthly charges during the said period (from July 2005 to September 2011) amounting to ₹ 87.25 lakh. On realising the mistake, the Company discontinued the rebate with effect from October 2011. It was, however, observed that the Company had not preferred any claim on the Consumer for recovery of the inadmissible rebate (₹ 85.27 lakh) already allowed for the above period.

As per clause 4.3.3 of the Regulations, the Licensee (Company) is not entitled to recover any sum due from a consumer after a period of two years from the date when such sum becomes first due, unless the same is continuously shown as recoverable as arrears for electricity supplied. Thus, out of the total rebate of ₹ 85.27 lakh erroneously allowed to the Consumer, the Company could have recovered an amount of ₹ 30.14 lakh pertaining to the period of preceding two years (September 2009 to September 2011) by preferring the claim continuously after discontinuance of the rebate in October 2011. Since, the Company had failed to lodge any claim on the consumer for the recovery of the said inadmissible rebate as stipulated in the Regulations, it has lost the legal protection to enforce the claim.

Thus, due to failure in preferring the claim for the recovery of the inadmissible rebate within the specified time, the Company has sustained a loss of ₹ 30.14 lakh.

The matter was reported (April 2014) to the Government/Management; their replies had not been received (September 2014).

3.6 Loss of revenue

Company suffered a revenue loss of ₹ 17.30 lakh due to incorrect application of multiplying factor

The energy consumption of consumers, who are provided with CTPT[4] trivector meters is measured by multiplying the difference in meter readings of two periods by a specified Multiplying Factor[5] (MF), and the bill is prepared accordingly. In case of any change in the MF due to replacement of the meter or otherwise, the fact should be recorded clearly and corresponding changes in the energy consumption should be carried out in the bill.

Test check of records of the Company revealed that one seasonal consumer[6] (Consumer) had been receiving power from the Company since April 2003 with a sanctioned load of 439 KW under the billing category HT (VI)-TEA. The Consumer was sanctioned (August 2012) and released (September 2012) an additional load of 310 KW. A new CTPT set with MF 2000 was installed replacing the old one having MF 1000. Thus, after release of additional load, the total connected load of the consumer stood at 749 KW with the MF being 2000

[4] Current Transformer Potential Transformer set meter.

[5] It is a constant factor taken based on the CT/ PT ratio used to calculate the power consumption of the meter.

[6] A consumer whose contract demand is high in the peak season and low during the off season.

and therefore, energy bill should have been raised accordingly. It was, however, observed that the Company continued to measure the energy consumption based on the old MF of 1000 only. The incorrect application of the MF by the Company for billing the consumer even after installation of new CTPT has resulted in a short realization of revenue by ₹ 17.30 lakh during the period from September 2012 to July 2013. On being pointed out by Audit, the Company had corrected the bill from August 2013 onwards. The Company, however, had failed to recover the short realized amount of ₹ 17.30 lakh from the consumer till date (September 2014).

The matter was reported (April 2014) to the Government/Management; their replies had not been received.

Assam Electronics Development Corporation Limited

3.7 Non Recovery of Advances

Irregular release of TA advances to the Chairman despite non adjustment of previous advances has resulted in accumulation of tour advances to ₹ 61.84 lakh.

As per the provisions (clause 17.1) of the Tour Allowance (TA) Rules (May 1998) of Assam Electronics Development Corporation Limited (Company), all employees of the Company are required to submit TA bills in respect of their official tours within 15 days from the date of return from the journey. The TA Rules (clause 15.4) further restrict granting of subsequent TA advance unless the TA bill for the previous advance is submitted by the employee to the Accounts Department of the Company.

Further, Clause (iv) of the Office Memorandum (19 June 1984) of the Government of Assam states that the Chairman of a State PSU shall be free to visit the Company as and when required but all other tours within and outside the State shall be undertaken by him only when instructed by the Board of Directors. The Chairman shall submit his tour diaries and tour notes to the administrative department with a copy to the Managing Director of the Company so as to ensure that the tours are undertaken fruitfully.

It was observed that the Company sanctioned (September 2010 to June 2014) 72 advances amounting to ₹ 67.34 lakh to the Chairman for undertaking tours both within and outside the State without prior approval of the Board of Directors. The tours were undertaken with a frequency of one to three tours every month. It was noticed that most of the tours of the Chairman were to the places like, Mumbai, New Delhi, *etc.* which were outside the State. Despite non-submission of TA bills by the Chairman for previous tours along with other necessary documents (*viz.* tour diaries/statements, tickets, *etc.*), the Company continued to irregularly sanction advances one after another without satisfying the prescribed requirements. This has resulted in accumulation of unadjusted tour advances to ₹ 61.84 lakh[7], against the tours undertaken by the Chairman which were pending for recovery/adjustments (September 2014).

Thus, non-compliance of the TA Rules as well as directives of the Government of Assam by the Company has resulted in accumulation of un-adjusted tour advances to ₹ 61.84 lakh.

In reply, the Government/Management stated (September 2014) that due to urgency of the journey, approval of the Board of Directors was not obtained and the matter has been placed in the Board for obtaining *post facto* approval. The reply is not acceptable in view of the fact that the number and amount of unadjusted tour advances was quite significant. Hence, Company should have taken appropriate action as per the applicable Rules before granting further TA advances.

Assam State Development Corporation for Scheduled Castes Limited

3.8 Excess expenditure

Excessive time taken by the Government of Assam in sanctioning of the scheme coupled with delay in finalisation of the list of beneficiaries by the Company resulted in excess expenditure of ₹ 24.38 lakh on the implementation of the scheme.

The Department of Welfare of Plain Tribes and Backward Classes (WPTBC), Government of Assam, (GOA) directed (September 2010) the Company to invite tender for the implementation of the scheme for distribution of pick-up Vans for the benefit of the scavenger community. Under the scheme, the Company was to provide one pick-up Van each amongst the self-help groups of scavenger community consisting of ten beneficiaries. In response to the tender

[7] Out of total advance of ₹ 67.34 lakh, only ₹ 5.50 lakh has been adjusted till date (September 2014)

notice, the Company received (September 2010) three bids which were placed (October 2010) for consideration by the Purchase Committee of the Company.

The Committee decided (October 2010) to award the work to Kiron Transport Company (supplier) at their quoted rate of ₹ 2.86 lakh per vehicle as it was an authorized dealer of TATA vehicles. The Committee also suggested the Company to avail the benefit of provision of free accessories and insurance as indicated in a separate communication (October 2010) of the supplier. The scheme was, however, formally sanctioned by the GOA in September 2011 only. The Company while placing the order (October 2011), on the supplier for the supply of 61 vehicles ignored the advice of the Committee regarding availing of benefits of free insurance and accessories and had agreed (October 2011) to pay an additional amount of ₹ 30,982 per vehicle to the supplier towards the cost of insurance (₹ 14,712) and accessories (₹ 16,270).

In April 2012, the supplier expressed his inability to supply the vehicles at the quoted rates, due to rise in the price of the van model and requested the Company to allow an escalation of ₹ 39,972 on the quoted price of each vehicle in addition to ₹ 30,982 per vehicle to be paid towards cost of accessories and insurance. The Company, in order to accommodate the demand of the supplier, reduced (June 2012) the targeted number of beneficiaries from 68 to 61 and remitted (June 2012) ₹ 1.99 crore as price for the 61 vehicles to be delivered by the supplier. Till May 2014, 50 vehicles have been delivered by the supplier to the beneficiaries.

It was observed that the WPTBC Department had already earmarked (March 2010) the required funds in the Revenue Deposit Account prior to issuing (September 2010) directions to the Company for implementing the Scheme. Despite availability of necessary funds, the WPTBC Department had taken a period of 12 months in according (September 2011) the sanction to the Scheme. It was further noticed that the process of finalising the list of beneficiaries for the scheme was initiated (October 2011) by the Company after 12 months of inviting (September 2010) tenders for the scheme.

The excessive time taken by WPTBC department in sanctioning of the scheme as well as delay in finalisation of the list of beneficiaries by the Company led to avoidable expenses of ₹ 24.38 lakh on account of price escalation in the vehicle cost at the rate of ₹ 39,972 per vehicle. The Company also failed to pursue with the supplier for providing benefits of free accessories and insurance despite the suggestion of the Purchase Committee.

Thus, the delays in sanction of the scheme, and finalisation of beneficiaries list resulted in excess expenditure of ₹ 24.38 lakh on procurement of 61 vehicles under the scheme besides depriving the 7 eligible beneficiaries of the scheme benefits.

The matter was reported (August 2014) to the Government/Management; their replies had not been received (September 2014).

Statutory Corporation

Assam State Transport Corporation

3.9 Undue benefit

Allowing of higher rates for a component of works by the Corporation without taking cognizance of the rates available in SOR 2010-11 resulted in extension of undue benefit to the contractor to the extent of ₹ 1.28 crore.

With a view to ease the traffic congestion in Guwahati, the Government of India accorded (August 2008) administrative and financial approval for construction of a multi-level car parking at Paltan Bazaar, Guwahati at an estimated cost of ₹ 9.24 crore. The project was to be funded under the Non Lapsable Central Pool of Resources (NLCPR) of the Government of India. Though the Detailed Project Report (DPR) for the project was originally prepared (October 2008) by the Guwahati Development Department, Government of Assam (GOA), took a decision (December 2008) to execute the project through Assam State Transport Corporation (Corporation).

Before submitting the detailed cost estimates to the GOA, the Corporation issued (January 2009) a notice inviting tender for a lump sum value of ₹ 5.35 crore (excluding one work component relating to 'machine driven RCC piling of M-35 600mm'). Three bids[8] were received (January 2009) against the tender, and the quotation of Hi-tech Construction (Contractor) was found to be the lowest. After negotiation, the Contractor agreed to execute the project at ₹ 7.15 crore, *i.e.*, at 33.65 *per cent* above the SOR. The Corporation issued (April 2009) a notice to the Contractor to proceed with the work at the negotiated price of ₹ 7.15 crore.

[8] M/s UCN Construction Pvt. Ltd. -₹ 8.59 crore, M/s Om Construction - ₹ 7.33 crore and M/s Hi-tech Construction - ₹ 7.22 crore

Meanwhile, the Corporation submitted (February 2009) detailed cost estimates for the project at ₹ 9.24 crore to the GOA based on the Schedule of Rates (SOR), 2004-05 of Assam Public Works Department (APWD). The detailed cost estimates so submitted by the Corporation had included the cost estimates (₹ 4,885 per running meter) against the left out work component (viz. 'machine driven RCC piling work of M-35 600mm'), which was worked out by the Corporation itself as the same was not available in the SOR 2004-05. The administrative approval for the detailed project cost estimates as submitted by the Corporation was received (April 2009) from GOA along with the advice that the construction of the project should be carried out strictly in accordance with the technical sanction of the APWD. In September 2009, the APWD had also accorded the technical sanction for the work.

Subsequently, based on a soil test report, the Corporation changed (September 2011) the specification of the piling work 'machine driven RCC piling work of M-35 600mm' to a 'leaner grade of M-25 600mm'. As the rate of the piling work with changed specification (*viz.* 'leaner grade of M-25 600mm) was also not available in the SOR 2004-05, the Corporation made a detailed analysis and fixed (September 2011) the cost at ₹ 4,705 per Running Meter (RM) based on the APWD approved (April 2009) rate for 'machine driven RCC piling work of M-35 600mm'. Accordingly, this additional piling work with changed specification (*viz.* 'leaner grade of M-25 600mm) was allotted to the contractor at revised (September 2011) work order value of ₹ 8.91 crore. The work was completed in September 2013 at a cost of ₹ 9.00 crore.

During examination of the records of the Corporation, it was observed that while the Corporation was in the process of fixing the cost for M-25 (600 mm) piling work, APWD had approved and issued (May 2010) the SOR 2010-11. The SOR 2010-11 prescribed the rate for M-25 piling work at ₹ 2,335.71 per RM, which was much lower than the rate (₹ 4,705 per RM) fixed (September 2011) by the Corporation. The Corporation, however, without taking cognizance of the SOR 2010-11 and without referring the matter to APWD for their approval had allowed (September 2011) the higher rate of ₹ 4,705 per RM for M-25 RCC piling work to the Contractor. Fixing a higher rate for the work component than what was available in APWD SOR 2010-11 was not justified and had unduly inflated the cost estimates of the project. Given the fact that the project was being executed at 34 *per cent* above the 2004-05 SOR rates, even if the Contractor was allowed to execute the work at 34 *per cent* above the rates prescribed in the SOR of 2010-11, the Corporation could still have saved ₹ 1,575.15[9] per RM.

Thus, allowing of higher rate for a work component than the rate available in the APWD SOR 2010-11 has resulted in undue benefit to the Contractor to the extent of ₹ 1.28 crore.

The Management stated (September 2014) that when a new technology is first introduced the cost is quite high which decreases with the passage of time. In 2004-05, when the APWD issued the SOR 2004-05, the applicable rates of M-25 600 mm RCC piling work, being a new technology, was not available in the SOR. Therefore, the rates were fixed at the market rate of ₹ 4,705 per RM. The plea of the Management regarding the higher cost due to the technology of M-25 piling work being new is not acceptable in view of the fact that the rates for the work were fixed (September 2011) and the work was actually executed by the contractor in 2011-12 *viz.* after more than 15 months of introduction of the SOR 2010-11. Hence, the Company should have fixed the rate for the modified piling work in line with the rate prescribed in the SOR 2010-11.

The matter was reported (June 2014) to the Government; their replies had not been received.

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

[9] (₹ 4705.00 - 1.34 × ₹ 2335.71) per RM

a copy to the Accountant General within 20 days from the date of receipt of the Reports. Besides this, the departments 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 2008-09 to 2012-13 contained 57 paragraphs/performance audits, explanatory notes on 34 of these paragraphs/performance audit were not received till September 2014 as indicated in ***Table 3.1***.

Table 3.1

Year of Audit Report (Commercial/PSUs)	Date of presentation to the State Legislature	Total paragraphs/ performance audits appeared in Audit Report	No. of paragraphs/ performance audits for which explanatory notes were not received
2008-2009	March 2010	16	9
2009-2010	February 2011	11	4
2010-2011	March 2012	9	7
2011-2012	April 2013	13	7
2012-2013	August 2014	8	7
Total		**57**	**34**

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

3.10.2 Action Taken Notes on the Reports of the 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[10] recommendations pertaining to 18 Reports of the COPU, presented to the State Legislature between August 1997 and September 2014 had not been received as on September 2014 as detailed in ***Table 3.2***.

[10] No recommendations have been received for the year 2012-13 and 2013-14.

Table 3.2

Year of the COPU Recommendations	Total number of Reports involved	Number of recommendations where ATNs replies not received
1997-98	1	1
2002-03	1	9
2003-04	2	18
2004-05	1	10
2007-08	3	6
2008-09	6	65
2009-10	2	10
2010-11	1	9
2011-12	1	6
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 2014 pertaining to 35 PSUs disclosed that 1029 paragraphs relating to 212 inspection reports remained outstanding at the end of September 2014; of these, 166 inspection reports containing 702 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 2014 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 forwarded (April to August 2014) to various departments, only one department (Information Technology) submitted replies to one draft paragraph and replies to the remaining draft paragraphs and performance audit have not been furnished till date as detailed in ***Annexure 14***. It is recommended that the Government should ensure that (a) procedure exists for appropriate 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	**(SHASHI KANT SHARMA)**
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 2014 in respect of Government companies and Statutory corporations

(Referred to in paragraph 1.7)

(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 2013-14				Debt equity ratio for 2013-14 (Previous year)	Manpower (No. of employees as on 31.3.2014)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
A. Working Government Companies													
AGRICULTURE & ALLIED													
1.	Assam Seeds Corporation Limited	Agriculture	27-01-67	1.46	0.00	0.00	1.46	3.89	0.00	0.00	3.89	2.66:1 (2.66:1)	190
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 (3.30:1)	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 (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
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)	25

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 2013-14				Debt equity ratio for 2013-14 (Previous year)	Manpower (No. of employees as on 31.3.2014)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
6.	Assam Tea Corporation Limited	Industries & Commerce	02-04-72	29.54	0.00	0.00	29.54	161.93	0.00	2.97	164.90	5.58:1 (5.58:1)	16694
7	Assam Plantation Crop Development Corporation Limited	Soil Conservation	11-01-74	5.00	0.00	0.00	5.00	8.60	0.00	0.00	8.60	1.72:1 (1.65:1)	99
Sector wise total				**55.01**	**3.22**	**0.00**	**58.23**	**226.83**	**0.10**	**3.47**	**230.40**	3.96:1 (3.95:1)	**17099**
FINANCE													
8.	Assam Plains Tribes Development Corporation Limited	Welfare of Plains Tribes & Backward Classes	29-03-75	2.20	0.75	0.00	2.95	0.00	0.00	12.20	12.20	4.14:1 (5.71:1)	181
9.	Assam State Development Corporation for Other Backward Classes	Welfare of Plains Tribes & Backward Classes	08-06-75	3.20	0.00	0.00	3.20	0.00	0.00	4.01	4.01	1.25:1 (1.25:1)	75
10	Assam Minorities Development and Finance Corporation Limited.	Welfare of Minorities	27-02-97	2.00	0	0	2.00	0	0	7.09	7.09	3.55:1 (3.55:1)	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 2013-14				Debt equity ratio for 2013-14 (Previous year)	Manpower (No. of employees as on 31.3.2014)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
11	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	18.66	18.66	1.85:1 (0.95:1)	126
12.	Assam State Film (Finance & Development) Corporation Limited	Cultural Affairs	09-04-74	0.09	0.00	0.01	0.10	0.04	0.00	0.00	0.04	0.4:1 (0.4:1)	9
Sector wise total				**13.08**	**5.26**	**0.01**	**18.35**	**0.04**	**0.00**	**41.96**	**42.00**	**2.29:1 (2.06:1)**	**391**
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 (8.25:1)	56
14.	Assam Industrial Development Corporation	Industries & Commerce	21-04-65	125.42	0.00	0.00	125.42	36.92	0.00	0.00	36.92	0.29:1 (0.29:1)	139
15	Assam Small Industries Development Corporation Limited	Industries & Commerce	27-03-62	6.67	0	0	6.67	1.04	0	0	1.04	0.16:1 (0.16:1)	127

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 2013-14				Debt equity ratio for 2013-14 (Previous year)	Manpower (No. of employees as on 31.3.2014)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
16	Assam Electronics Development Corporation Limited	Information Technology	04-04-84	9.46	0.00	0.00	9.46	0.00	0.00	0.00	0.00	- (0.10:1)	296
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	-	105
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	-	168
20.	Assam Government Construction Corporation Limited	PWD (R&B)	24-03-64	4.00	0.00	0.00	4.00	0.00	0.00	0.00	0.00	-	7
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	-	5
Sector wise total				**166.02**	**0.00**	**0.00**	**166.02**	**54.45**	**0.00**	**0.00**	**54.45**	**0.33:1 (0.36:1)**	**914**

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 2013-14				Debt equity ratio for 2013-14 (Previous year)	Manpower (No. of employees as on 31.3.2014)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
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	11.97	0.00	0.00	11.97	1197:1 (1043:1)	169
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	10.91	0.00	0.00	10.91	7.08:1 (2.81:1)	2
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 (0.39:1)	7
28.	Assam State Fertilizers and Chemicals Limited	Industries & Commerce	30-03-88	0.00	0.00	4.56	4.56	8.03	0.00	0.00	8.03	1.76:1 (1.76:1)	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**	**36.98**	**0.00**	**1.20**	**38.18**	**0.70:1 (0.55:1)**	**608**

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 2013-14				Debt equity ratio for 2013-14 (Previous year)	Manpower (No. of employees as on 31.3.2014)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
POWER													
30	Assam Power Generation Corporation Limited	Power	23-10-03	455.86	0.00	0.00	455.86	132.78	0.00	333.51	466.29	1.02:1 (0.92:1)	1310
31	Assam Electricity Grid Corporation Limited	Power	23-10-03	99.93	0.00	0.00	99.93	255.42	0.00	66.22	321.64	3.22:1 (2.62:1)	2316
32.	Assam Power Distribution Company Limited	Power	23-10-03	251.45	0.00	0.00	251.45	583.03	0.00	0.00	583.03	2.39:1 2.32:1)	11759
Sector wise total				**807.24**	**0.00**	**0.00**	**807.24**	**971.23**	**0.00**	**399.73**	**1370.96**	**1.70:1 (1.35:1)**	**15385**
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	-	103
Sector wise total				**0.39**	**0.00**	**0.00**	**0.39**	**0.00**	**0.00**	**0.00**	**0.00**	**-**	**103**

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 2013-14				Debt equity ratio for 2013-14 (Previous year)	Manpower (No. of employees as on 31.3.2014)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
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	0.00	0.00	0 (0.23:1)	366
37.	DNP Limited	Industries & Commerce	15-06-07	0.00	0.00	167.25	167.25	0.00	0.00	119.50	119.50	0.71:1 (0.96:1)	44
Sector wise total				**20.06**	**1.34**	**167.25**	**188.65**	**0.00**	**0.00**	**119.50**	**119.50**	**0.63:1 (0.87:1)**	**593**
Total A (All sector wise working Government companies)				**1100.12**	**9.82**	**183.28**	**1293.22**	**1289.53**	**0.10**	**565.86**	**1855.49**	**1.43:1 (1.25:1)**	**35093**
B. Working Statutory corporations													
FINANCE													
1.	Assam Financial Corporation	Finance	04-01-54	26.85	0.00	5.55	32.40	48.40	0.00	0.00	48.40	1.49:1 (2.29:1)	161
Sector wise total				**26.85**	**0.00**	**5.55**	**32.40**	**48.40**	**0.00**	**0.00**	**48.40**	**1.49:1 (2.29:1)**	**161**

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 2013-14				Debt equity ratio for 2013-14 (Previous year)	Manpower (No. of employees as on 31.3.2014)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
SERVICES													
2	Assam State Transport Corporation	Transport	03-01-70	627.42	0.00	0.00	627.42	0.00	0.00	0.00	0.00	- (-)	2053
3.	Assam State Warehousing Corporation	Co-operation	08-01-58	8.00	5.47	0.00	13.47	4.25	0.00	0.00	4.25	0.32:1 (0.32:1)	435
Sector wise total				**635.42**	**5.47**	**0.00**	**640.89**	**4.25**	**0.00**	**0.00**	**4.25**	**0.01:1 (0.01:1)**	**2488**
Total B (All sector wise working Statutory corporations)				**662.27**	**5.43**	**5.55**	**673.29**	**52.65**	**0.00**	**0.00**	**52.65**	**0.08:1 (0.11:1)**	**2649**
Grand Total (A + B)				**1762.39**	**15.29**	**188.83**	**1966.51**	**1342.18**	**0.10**	**565.86**	**1908.14**	**0.97:1 (0.92:1)**	**37742**

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 2013-14				Debt equity ratio for 2013-14 (Previous year)	Manpower (No. of employees as on 31.3.2014)
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
C. Non-working Government Companies													
MANUFACTURING													
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	Assam Spun Silk Mills Limited	Industries & Commerce	31-03-60	1.70	0.00	0.00	1.70	3.79	0.00	0.20	3.99	2.35:1 (2.68:1)	0
4.	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
5.	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
6.	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 (0.04:1)	3
7.	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 2013-14				Debt equity ratio for 2013-14 (Previous year)	Manpower (No. of employees as on 31.3.2014
				State Govern-ment	Central Govern-ment	Others	Total	State Govern-ment	Central Govern-ment	Others	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
8.	Cachar Sugar Mills Limited	Industries & Commerce	30-03-72	3.38	0.00	0.00	3.38	0.42	0.00	0.00	0.42	0.12:1 (0.12:1)	1
9.	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 (1.19:1)	2
Sector wise total				**13.50**	**0.00**	**13.18**	**26.68**	**4.50**	**0.00**	**8.87**	**13.37**	**0.50:1 (0.52:1)**	**10**
Total C (All sector wise non-working Government companies)				**13.50**	**0.00**	**13.18**	**26.68**	**4.50**	**0.00**	**8.87**	**13.37**	**0.50:1 (0.52:1)**	**10**
D. Non-working Statutory Corporations													
POWER													
1^.	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**
Total D (Non-working Statutory corporations)				**0.63**	**0.00**	**0.00**	**0.63**	**0.00**	**0.00**	**0.00**	**0.00**	**-**	**0**
Grand Total (C+D)				**14.13**	**0.00**	**13.18**	**27.31**	**4.50**	**0.00**	**8.87**	**13.37**	**0.49:1 (0.51.1)**	**10**
Grand Total (A + B + C+D)				**1776.52**	**15.29**	**202.01**	**1993.82**	**1346.68**	**0.10**	**574.73**	**1921.51**	**0.96:1 (0.92:1)**	**37752**

All figures are provisional and as provided by the companies/corporations except in respect of companies at serial no. A-20, 22, 24, 36, 37,and B1, which have finalised their accounts for the year 2013-14.

$ Paid-up capital includes share application money.

** Loans outstanding at the close of 2013-14 represent long-term loans only.

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

^ Statutory Corporation at Sl. No. D-1 had no activities after transfer (2009-10) of its activities relating to generation, transmission and distribution of electricity to companies at Sl. No. A-30, A-31 and A-32 respectively.

Annexure 2

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

(Referred to in paragraph 1.15, 1.23 and 1.24)

(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$	Percent-age 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
A. Working Government Companies														
AGRICULTURE & ALLIED														
1.	Assam Seeds Corporation Limited	2010-11	2014-15	0.10	0.00	0.06	0.04	42.89	-0.18	1.46	-19.95	-14.60	0.04	-
2.	Assam Agro-Industries Development Corporation Limited	2006-07	2012-13	-1.11	0.38	0.02	-1.51	3.43	-	2.20	-20.58	-18.38	-1.13	-
3.	Assam State Minor Irrigation Development Corporation Limited	2011-12	2013-14	-0.02	0.00	0.00	-0.02	0.00	-	17.35	-63.76	-46.42	-0.02	-
4.	Assam Fisheries Development Corporation Limited	2011-12	2014-15	1.2	0	0.16	1.04	4.02		0.49	1.2	1.69	1.04	61.54
5.	Assam Livestock and Poultry Corporation Limited	2009-10	2014-15	-0.22	0.00	0.02	-0.24	0.04	0.00	2.19	-4.08	-1.79	-0.24	-
6.	Assam Tea Corporation Limited	1999-00	2014-15	1.11	6.73	0.70	-6.32	46.74	0.00	27.54	-61.37	1.93	0.41	21.24
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	8.06	0.15	1.86
Sector wise total				**1.21**	**7.70**	**0.96**	**-7.45**	**97.34**	**-0.26**	**56.23**	**-170.34**	**-69.51**	**0.25**	**-**

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
FINANCE														
8.	Assam Plains Tribes Development Corporation Limited	1994-95	2014-15	-1.24	0.00	0.02	-1.26	0.01	-0.02	2.25	-6.03	-0.80	-1.26	-
9.	Assam State Development Corporation for Other Backward Classes Limited	1994-95	2014-15	-0.43	0.03	0.02	-0.48	0.02	-0.01	1.43	-1.33	1.13	-0.45	-
10.	Assam Minorities Development and Finance Corporation Limited	First Accounts for the year 1996-97 not yet finalized												
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	2007-08	2014-15	-0.10	0.00	0.04	-0.14	0.02	0.00	0.10	0.22	0.43	-0.14	-
Sector wise total				**-2.94**	**0.52**	**0.10**	**-3.56**	**0.05**	**-0.03**	**13.63**	**-30.88**	**-1.57**	**-3.04**	-
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	-
14.	Assam Industrial Development Corporation Limited	2012-13	2013-14	-7.23	0.00	0.23	-7.46	2.23	-2.57	93.10	-128.07	-16.63	-7.46	-
15.	Assam Small Industries Development Corporation Limited	2000-01	2014-15	0.00	0.06	0.04	-0.10	3.20	-1.46	6.67	11.83	-2.83	-0.04	-

Sl. No.	Sector & Name of the Company	Period of Accounts	Year in which finalised	Net Profit (+)/Loss (-)				Turnover	Impact of Accounts Comments#	Paid up Capital	Accumulated Profit (+)/ Loss(-)	Capital employed @	Return on capital employed$	Percent-age 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
16.	Assam Electronics Development Corporation Limited	2011-12	2014-15	2.04	0.25	0.65	1.14	1.69	-	9.46	-2.01	7.46	1.39	18.63
17.	Assam Power Loom Development Corporation Limited	1993-94	2001-02	0.00	0.00	0.00	0.00	0.00	-	1.47	0.00	1.23	0.00	-
18.	Assam Mineral Development Corporation Limited	2009-10	2014-15	0.2	0	0.15	0.05	6.40		4.89	-6.67	0.22	0.05	22.73
19.	Assam Police Housing Corporation Limited	2011-12	2013-14	8.42	0.00	0.07	8.35	12.25	-	0.04	16.64	16.67	8.35	50.09
20.	Assam Government Construction Corporation Limited	2013-14	2014-15	0.03	0.00	0.02	0.01	0.07	-	2.00	-10.10	3.16	0.01	0.32
21.	Assam Trade Promotion Organisation	2012-13	2013-14	0.33	0	0.04	0.29	0.38	-	10.00	1.35	11.35	0.29	2.56
	Sector wise total			**3.42**	**0.31**	**1.24**	**1.87**	**26.51**	**-4.03**	**129.63**	**-120.06**	**24.67**	**2.18**	**8.84**
MANUFACTURING														
22.	Assam Petrochemicals Limited	2013-14	2014-15	11.98	0.20	2.40	9.38	102.85	-	9.12	-0.61	82.75	9.58	11.58
23.	Ashok Paper Mill (Assam) Limited	2011-12	2013-14	-1.14	1.14	0	-2.28	0	-	0.01	-70.77	-60.83	-1.14	-
24.	Assam Hydro-Carbon and Energy Company Limited	2013-14	2014-15	1.56	0.00	0.11	1.45	0	-	21.00	6.69	27.69	1.45	5.24
25.	Assam Conductors and Tubes Limited	1994-95	2012-13	-0.32	0.00	0.01	-0.33	0.75	-	1.54	-3.37	1.29	-0.33	-
26.	Amtron Informatics (India) Limited	2005-06	2012-13	-0.90	0.00	0.08	-0.98	0.28	-	0.01	-1.29	-0.03	-0.98	-

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$	Percent-age return on capital employed
				Net Profit/ Loss before Interest & Deprec-iation	Interest	Depreci-ation	Net Profit/ Loss							
1	**2**	**3**	**4**	**5(a)**	**5(b)**	**5 (c)**	**5 (d)**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
27.	Assam State Textiles Corporation Limited	2012-13	2013-14	-1.09	0.00	0.00	-1.09	0.00	0	15.76	-39.26	-23.75	-1.09	-
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	2.29	0.36	15.72
29.	Pragjyotish Fertilizers and Chemicals Limited	2007-08	2011-12	0.00	0.00	0.00	0.00	0.00	-	2.33	-	0.53	-	-
Sector wise total				**10.52**	**1.34**	**2.67**	**6.51**	**105.97**	**-0.50**	**54.33**	**-117.91**	**29.94**	**7.85**	26.22
POWER														
30.	Assam Power Generation Corporation Limited	2012-13	2014-15	73.36	42.33	37.87	-6.84	459.66	0.00	455.86	-56.19	823.49	35.49	4.31
31.	Assam Electricity Grid Corporation Limited	2012-13	2014-15	203.08	22.28	61.56	119.24	536.45	-8.90	99.93	-114.04	304.53	141.52	46.47
32.	Assam Power Distribution Company Limited	2012-13	2013-14	-237.12	124.41	56.61	-418.14	2301.81	32.94	162.77	-1879.60	-834.30	-293.73	-
Sector wise total				**39.32**	**189.02**	**156.04**	**-305.74**	**3297.92**	**24.04**	**718.56**	**-2049.83**	**293.72**	**-116.72**	-
SERVICES														
33.	Assam Tourism Development Corporation Limited	2011-12	2013-14	0.98	0.00	0.13	0.85	2.97	-0.45	0.39	5.47	5.86	0.85	14.51
Sector wise total				**0.98**	**0.00**	**0.13**	**0.85**	**2.97**	**-0.45**	**0.39**	**5.47**	**5.86**	**0.85**	**14.51**
MISCELLANEOUS														
34.	Assam Government Marketing Corporation Limited	1989-90	2012-13	-0.07	0.00	0.01	-0.08	3.10	-	1.46	-1.32	0.56	-0.08	-

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$	Percent-age return on capital employed
				Net Profit/ Loss before Interest & Deprec-iation	Interest	Depreci-ation	Net Profit/ Loss							
1	2	3	4	5(a)	5(b)	5 (c)	5 (d)	6	7	8	9	10	11	12
35.	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	5.88	1.30	22.11
36.	Assam Gas Company Limited	2013-14	2014-15	78.43	1.11	9.18	68.14	241.70	0.00	16.91	407.57	424.49	69.25	16.31
37.	DNP Limited	2013-14	2014-15	37.43	16.08	16.93	4.42	59.15	0.00	167.25	11.08	297.83	20.50	6.88
Sector wise total				**117.10**	**17.58**	**26.13**	**73.39**	**311.56**	**-0.01**	**186.62**	**419.45**	**728.76**	**90.97**	12.48
Total A (All sector wise)				**169.61**	**216.47**	**187.27**	**-234.13**	**3842.32**	**18.76**	**1159.39**	**-2064.10**	**1011.87**	**-17.66**	-
B. Working Statutory corporations														
FINANCE														
1.	Assam Financial Corporation	2013-14	2014-15	2.46	2.29	0.12	0.05	5.41	-	32.4	-1.04	76.31	2.34	3.07
Sector wise total				**2.46**	**2.29**	**0.12**	**0.05**	**5.41**	**0.00**	**32.40**	**-1.04**	**76.31**	**2.34**	**3.07**
SERVICES														
2.	Assam State Transport Corporation	2011-12	2014-15	-12.39	10.48	10.56	-33.43	56.20	0.00	517.41	-638.71	-121.30	-22.95	0.00
3.	Assam State Warehousing Corporation	2009-10	2013-14	-0.45	0.59	0.60	-1.64	6.33	-	13.14	-12.39	10.08	-1.05	-
Sector wise total				**-12.84**	**11.07**	**11.16**	**-35.07**	**62.53**	**0.00**	**530.55**	**-651.10**	**-111.22**	**-24.00**	**-**
Total B (All sector wise working Statutory corporations)				**-10.38**	**13.36**	**11.28**	**-35.02**	**67.94**	**0.00**	**562.95**	**-652.14**	**-34.91**	**-21.66**	**-**
Grand Total (A + B)				**159.23**	**229.83**	**198.55**	**-269.15**	**3910.26**	**18.76**	**1722.34**	**-2716.24**	**976.96**	**-39.32**	**-**

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
C. Non-working Government companies														
MANUFACTURING														
1.	Assam Tanneries Limited	1982-83	1983-84	0.00	0.00	0.00	0.00	0.00	-	0.02	-	-	-	-
2.	Industrial Papers (Assam) Limited	2000-01	2012-13	0.00	0.00	0.00	0.00	0.00	-	0.40	-	-	-	-
3.	Assam Spun Silk Mills Limited	2011-12	2014-15	-2.59	0.53	0.00	-3.12	0.00	0.00	1.70	-47.27	-10.28	-2.59	-
4.	Assam Polytex Limited	1987-88	1993-94	0.00	0.00	0.00	0.00	0.00	-	5.26	-	-	-	-
5.	Assam Syntex Limited	2012-13	2013-14	-4.62	0.00	0.08	-4.70	0.00	8.80	5.12	-59.39	-54.28	-4.70	-
6.	Assam State Weaving and Manufacturing Company Limited	2012-13	2013-14	-0.04	0.00	1.49	-1.53	0.00	-0.11	11.61	-13.97	-2.08	-1.53	-
7.	Assam and Meghalaya Mineral Development Corporation Limited	1983-84	1984-85	-0.01	0.00	0.00	-0.01	0.00	-	0.23	-0.09	0.05	-0.01	-
8.	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	-
9.	Fertichem Limited	2012-13	2013-14	-0.43	0.00	0.00	-0.43	0.00	-	2.00	-22.19	-21.77	-0.43	-
	Sector wise total			**-7.93**	**1.43**	**1.62**	**-10.98**	**0.00**	**8.79**	**29.72**	**-175.76**	**-88.58**	**-9.55**	**-**
	Total C (All sector wise non-working Government companies)			**-7.93**	**1.43**	**1.62**	**-10.98**	**0.00**	**8.79**	**29.72**	**-175.76**	**-88.58**	**-9.55**	**-**

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$	Percent-age 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
D. Non working Statutory corporations														
POWER														
1.	Assam State Electricity Board^	2011-12	2012-13	0.00	0.00	0.00	0.00	0.00	-	0.63	0.00	0.63	0.00	-
Sector wise total				**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**-**	**0.63**	**0.00**	**0.63**	**0.00**	**-**
Total D (Non-Working Statutory corporations)				0.00	0.00	0.00	0.00	0.00	-	0.63	0.00	0.63	0.00	-
Total (C +D) (All sector wise non-working Government companies and Statutory Corporation)				**-7.93**	**1.43**	**1.62**	**-10.98**	**0.00**	**8.79**	**30.35**	**-175.76**	**-87.95**	**-9.55**	**-**
Grand Total (A + B + C+D)				**151.30**	**231.26**	**200.17**	**-280.13**	**3910.26**	**27.55**	**1752.69**	**-2892.00**	**889.01**	**-48.87**	**-**

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 the aggregate of Shareholders Funds and Long Term Borrowings 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 interest charged to profit and loss account to the profit/loss for the year.

* Companies at Sl. No. A-17 and A-29 had not started commercial activities.

^ Corporation at Sl. No. D-1 had no activities after transfer (2009-10) of its activities relating to generation, transmission and distribution of electricity to companies at Sl. No. A-30, A-31 and A-32 respectively.

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 2014

(Referred to in paragraph 1.10)

(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 Govern-ment	State Govern-ment	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
1	**2**	**3 (a)**	**3 (b)**	**4 (a)**	**4 (b)**	**4 (c)**	**4 (d)**	**5 (a)**	**5 (b)**	**6 (a)**	**6 (b)**	**6 (c)**	**6 (d)**
A. Working Government Companies													
AGRICULTURE & ALLIED													
1	Assam Seeds Corporation Limited	0.00	0.00	0.29	0.00	0.00	0.29	0.00	0.00	0.00	0.00	0.00	0.00
2	Assam Fisheries Development Corporation Limited	0.00	0.00	0.00	6.99	0.00	6.99	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	0.25	0.00	0.25	0.00	0.00	0.00	0.00	0.00	0.00
4	Assam Tea Corporation Limited	0.00	16.70	0.00	0.02	0.72	0.74	0.00	0.00	0.00	0.00	0.00	0.00
5	Assam Plantation Crop Development Corporation Limited	0.00	0.33	0.00	0.10	0.00	0.10	0.00	0.00	0.00	0.00	0.00	0.00
	Sector wise total	**0.00**	**17.03**	**0.29**	**7.36**	**0.72**	**8.37**	**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 Govern-ment	State Govern-ment	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
1	**2**	**3 (a)**	**3 (b)**	**4 (a)**	**4 (b)**	**4 (c)**	**4 (d)**	**5 (a)**	**5 (b)**	**6 (a)**	**6 (b)**	**6 (c)**	**6 (d)**
FINANCE													
6	Assam Plains Tribes Development Corporation Limited	0.00	0.00	0.00	12.80	0.00	12.80	0.00	0.00	0.00	0.00	0.00	0.00
7	Assam State Development Corporation for Other Backward Classes Limited	0.20	0.00	0.00	5.00	0.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00
8	Assam State Development Corporation for Scheduled Castes Limited	0.00	0.00	0.00	7.09	0.00	7.09	0.00	0.00	0.00	0.00	0.00	0.00
9	Assam State Film (Finance & Development) Corporation Ltd	0.00	0.00	0.00	0.05	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00
	Sector wise total	**0.20**	**0.00**	**0.00**	**24.94**	**0.00**	**24.94**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
INFRASTRUCTURE													
10	Assam Industrial Development Corporation Limited	0.00	0.00	0.65	10.52	0.00	11.17	0.00	0.00	0.00	0.00	0.00	0.00
	Sector wise total	**0.00**	**0.00**	**0.65**	**10.52**	**0.00**	**11.17**	**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 Govern-ment	State Govern-ment	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
1	2	3 (a)	3 (b)	4 (a)	4 (b)	4 (c)	4 (d)	5 (a)	5 (b)	6 (a)	6 (b)	6 (c)	6 (d)
MANUFACTURING													
11	Ashok Paper Mills(Assam) Limited	0.00	1.53	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**	**1.53**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
POWER													
12	Assam Power Generation Corporation Limited	0.00	18.57	0.00	95.70	0.00	95.70	0.00	0.00	0.00	0.00	0.00	0.00
13	Assam Electricity Grid Corporation Limited	0.00	42.22	0.00	153.79	158.01	311.80	0.00	0.00	0.00	0.00	0.00	
14	Assam Power Distribution Company Limited	0.00	176.59	9.73	420.45	0.00	430.18	0.00	0.00	0.00	0.00	0.00	0.00
Sector wise total		**0.00**	**237.38**	**9.73**	**669.94**	**158.01**	**837.68**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
SERVICES													
15	Assam Tourism Development Corporation Limited	0.00	0.00	2.78	10.45	0.00	13.23	0.00	0.00	0.00	0.00	0.00	0.00
	Sector wise total	**0.00**	**0.00**	**2.78**	**10.45**	**0.00**	**13.23**	**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 Govern-ment	State Govern-ment	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ Penal interest waived	Total
1	2	3 (a)	3 (b)	4 (a)	4 (b)	4 (c)	4 (d)	5 (a)	5 (b)	6 (a)	6 (b)	6 (c)	6 (d)
MISCELLANEOUS													
16	Assam Government Marketing Corporation Limited	0.00	0.00	0.00	0.79	0.00	0.79	0.00	0.00	0.00	0.00	0.00	0.00
Sector wise total		**0.00**	**0.00**	**0.00**	**0.79**	**0.00**	**0.79**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Total A (All sector wise working Government companies)		**0.20**	**255.94**	**13.45**	**724.00**	**158.73**	**896.18**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
B. Working Statutory corporations													
SERVICES													
1	Assam State Transport Corporation	55.22	0.00	0.00	25.55	0.00	25.55	0.00	0.00	0.00	0.00	0.00	0.00
2	Assam State Warehousing Corporation	0.00	0.00	2.21	3.48	0.00	5.69	0.00	0.00	0.00	0.00	0.00	0.00
Sector wise total		**55.22**	**0.00**	**2.21**	**29.03**	**0.00**	**31.24**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Total B (All sector wise working Statutory corporations)		**55.22**	**0.00**	**2.21**	**29.03**	**0.00**	**31.24**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Grand Total (A + B)		**55.42**	**255.94**	**15.66**	**753.03**	**158.73**	**927.42**	**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 Govern-ment	State Govern-ment	Others	Total	Received	Commitment	Loans repayment written off	Loans converted into equity	Interest/ penal interest waived	Total
1	2	3 (a)	3 (b)	4 (a)	4 (b)	4 (c)	4 (d)	5 (a)	5 (b)	6 (a)	6 (b)	6 (c)	6 (d)
C. Non-working Government companies													
MANUFACTURING													
1	Assam Spun Silk Mills Limited	0.00	0.00	0.00	5.17	0.00	5.17	0.00	0.00	0.00	0.00	0.00	0.00
2	Cachar Sugar Mills Limited	0.00	0.00	0.00	1.55	0.00	1.55	0.00	0.00	0.00	0.00	0.00	0.00
Sector wise total		**0.00**	**0.00**	**0.00**	**6.72**	**0.00**	**6.72**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Total C (All sector wise non-working Government companies)		**0.00**	**0.00**	**0.00**	**6.72**	**0.00**	**6.72**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Grand Total (A + B +C)		**55.42**	**255.94**	**15.66**	**759.75**	**158.73**	**934.14**	**0.00**	**4.00**	**0.00**	**0.00**	**0.00**	**0.00**

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

Annexure 4

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

(Referred to in paragraph 1.25)

(₹ in crore)

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 2014)
				Equity	Loans	Grants	Others Loans guaranteed by State Government	
1	2	3	4	5	6	7	8	9
A.	**Working Government companies**							
1.	Assam Fisheries Development Corporation Limited	2011-12	0.49	0.00	0.00	8.86	0.00	2
2.	Assam Livestock and Poultry Corporation Limited	2009-10	2.19	0.00	0.00	3.91	0.00	4
3.	Assam Tea Corporation Limited	1999-2000	27.54	2.00	178.65	0.02	0.00	14
4.	Assam Plantation Crops Development Corporation	1987-88	5.00	0.00	0.33	0.68	0.00	26
5.	Assam Plains Tribes Development Corporation Limited	1994-95	2.25	0.66	0.00	88.62	0.00	19
6.	Assam State Development Corporation for other Backward Classes Limited	1994-95	1.43	1.77	0.00	9.20	0.00	19
7.	Assam State Development Corporation for Scheduled Castes Limited	2009-10	9.85	0.00	0.00	16.59	0.00	4

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 2014)
				Equity	Loans	Grants	Others Loans guaranteed by State Government	
1	2	3	4	5	6	7	8	9
8.	Assam State Film (Finance & Development) Corporation Limited	2007-08	0.10	0.00	0.00	0.05	0.00	6
9.	Assam Industrial Development Corporation Limited	2012-13	93.10	0.00	0.00	10.52	0.00	1
10.	Ashok Paper Mills (Assam) Ltd.	2011-12	0.01	0.00	1.53	0.00	0.00	2
11.	Assam Power Generation Corporation Limited	2012-13	455.86	0.00	18.57	95.70	0.00	1
12.	Assam Electricity Grid Corporation Limited	2012-13	99.93	0.00	42.22	153.79	0.00	1
13.	Assam Power Distribution Company Limited	2012-13	162.77	0.00	176.59	420.45	0.00	1
14.	Assam Tourism Development Corporation	2011-12	0.39	0.00	0.00	18.45	0.00	2
15.	Assam Trade Promotion Organisation	2012-13	10.00	0.00	0.00	0.00	0.00	1
16.	Assam Government Marketing Corporation Limited	1989-90	1.46	0.00	0.00	1.58	0.00	24
	Total A (All Working Government companies)		**872.37**	**4.43**	**417.89**	**828.42**	**0.00**	**127**

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 2014)
				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	2011-12	517.41	55.22	0.00	25.55	0.00	2
2.	Assam State Warehousing Corporation	2009-10	13.14	1.33	0.00	6.86	0.00	5
Total B (All Statutory corporations)			**530.55**	**56.55**	**0.00**	**32.41**	**0.00**	**7**
Total (A+ B)			**1402.92**	**60.98**	**417.89**	**860.83**	**0.00**	**134**
C. Non-working Government companies								
1.	Assam Spun Silk mills	2011-12	1.70	0	0	9.21	0	2
2.	Cachar Sugar Mills	2003-04	3.38	0.00	0.00	10.76	0.00	10
Total C (non-working Government companies)			**5.08**	**0.00**	**0.00**	**19.97**	**0.00**	**12**
Grand Total (A + B + C)			**1408.00**	**60.98**	**417.89**	**880.80**	**0.00**	**146**

Annexure 5

Statement showing financial position of Working Statutory corporations

(Referred to in paragraph 1.15)

Particulars	2009-10	2010-11	2011-12
	(₹ in crore)		
Working Statutory corporations			
1. Assam State Transport Corporation			
A. Liabilities			
Capital (including capital contribution & equity capital)	398.59	497.00	549.66
Borrowings (Government)	0.00	0.00	0.00
Borrowings (Others)	0.00	0.00	0.00
Funds	71.15	18.67	19.45
Trade dues and other current liabilities (including provisions)	210.31	205.68	223.40
Total - A	**680.05**	**721.35**	**792.51**
B. Assets			
Gross Block	31.98		
Less: Depreciation	6.07		
Net fixed assets	25.91	76.61	84.56
Capital work-in-progress (including cost of chassis)	65.32	23.03	38.22
Current assets, loans and advances	19.06	16.22	31.02
Investments	0.00	0.00	0.00
Accumulated losses	569.76	605.49	638.71
Total - B	**680.05**	**721.35**	**792.51**
C. Capital Employed*	**-171.17**	**-224.35**	**-121.30**
*Capital employed represents the aggregate of Shareholders Funds and Long term Borrowings.			
2. Assam Financial Corporation	**2011-12**	**2012-13**	**2013-14**
A. Liabilities			
Paid-up capital	22.40	22.4	32.40
Reserve fund and other reserves and surplus	3.40	2.82	2.83
Borrowings:			
(i) Bonds and debenture	0.00	0.00	0.00
(ii) Fixed Deposits	0.00	0.00	0.00
(iii) Industrial Development Bank of India & Small Industries Development Bank of India	0.00	0.00	0.00
(iv) Reserve Bank of India	0.00	0.00	0.00
(v) Loan towards share capital:	0.00	0.00	0.00
(vi) Others (including State Government)	14.00	51.20	48.40
Other liabilities and provisions	4.28	7.09	7.18
Total - A	**44.08**	**83.51**	**90.81**

2. Assam Financial Corporation (continued)	2011-12	2012-13	2013-14
B. Assets			
Cash and Bank balances	21.10	39.39	41.79
Investments	0.50	5.94	1.09
Loans and Advances	17.61	32.3	41.15
Net fixed assets	1.27	1.38	1.35
Other assets	3.60	3.76	4.39
Miscellaneous expenditure	0.00	0.74	1.04
Total - B	**44.08**	**83.51**	**90.81**
C. Capital employed*	**37.51**	**58.11**	**76.31**

* 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).

3. Assam State Warehousing Corporation	2007-08	2008-09	2009-10
A. Liabilities			
Paid-up capital	11.54	12.14	13.14
Reserves and surplus	3.72	3.03	3.64
Borrowings: (Government)	9.16	9.74	10.33
(Others)	-	-	-
Trade dues and current liabilities (including provision)	7.34	8.24	14.28
Total - A	**31.76**	**33.15**	**41.39**
B. Assets			
Gross Block	19.99	20.01	21.63
Less: Depreciation	9.94	10.49	11.10
Net fixed assets	10.05	9.52	10.53
Capital work-in-progress	0.58	1.28	0.93
Current assets, loans and advances	11.63	11.60	17.50
Profit and Loss account	9.50	10.75#	12.43#
Total - B	**31.76**	**33.15**	**41.39**
C. Capital employed*	**10.80**	**10.76**	**10.08**

* Capital employed represents the aggregate of Shareholders Funds and Long Term Borrowings.

This includes preliminary expense of ₹ 0.04 crore yet to be written off.

Annexure 6

Statement showing working results of working Statutory Corporations

(Referred to in paragraph 1.15)

Sl. No.	Particulars	2009-10	2010-11	2011-12
			(₹ in crore)	
Working Statutory corporations				
1.	**Assam State Transport Corporation**			
1.	**Operating:** (a) Revenue	39.09	42.61	56.20
	(b) Expenditure	65.87	89.71	102.48
	(c) Surplus (+)/deficit (-)	-26.78	-47.10	-46.28
2.	**Non-operating:** (a) Revenue	14.74	25.13	28.80
	(b) Expenditure	12.30	13.56	15.94
	(c) Surplus (+)/deficit (-)	2.44	11.57	12.86
3.	**Total:** (a) Revenue	53.83	67.74	85.00
	(b) Expenditure	78.17	103.27	118.42
	(c) Surplus (+)/deficit (-)	-24.34	-35.53	-33.42
4.	Interest on capital and loans	6.19	7.62	10.48
5.	Total return on capital employed	-18.15	-27.91	-22.94
2.	**Assam Financial Corporation**	**2011-12**	**2012-13**	**2013-14**
1.	**Income**			
	1. Interest on loans	2.38	4.32	5.41
	2. Other income	3.48	3.07	5.24
	Total-1	**5.86**	**7.39**	**10.65**
2.	**Expenses**			
	(a) Interest on loans	0.20	0.93	2.29
	(b) Provision for NPA	-	0.00	-
	(c) Other expenses	4.57	5.84	8.31
	Total-2	**4.77**	**6.77**	**10.60**
3.	Profit before tax (1-2)	1.09	0.62	0.05
4.	Provision for tax	-	-	-
5.	Other appropriations	-	-	-
6.	Amount available for dividend	-	-	-
7.	Dividend	-	-	-
8.	Total return on capital employed**	1.29	1.55	2.34
9.	Percentage of return on capital employed	3.44	2.67	3.07

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

3.	**Assam State Warehousing Corporation**	**2007-08**	**2008-09**	**2009-10**
1.	**Income**			
	(a) Warehousing charges	5.93	6.29	6.33
	(b) Other income	2.33	0.94	2.15
	Total-1	**8.26**	**7.23**	**8.48**
2.	**Expenses**			
	(a) Establishment charges	4.80	5.00	6.70
	(b) Other expenses	3.48	3.40	3.42
	Total-2	**8.28**	**8.40**	**10.12**
3.	Profit before tax (1-2)	-0.02	-1.17	-1.64
4.	Other appropriations	--	--	
5.	Amount available for dividend	--	--	
6.	Dividend for the year	--	--	
7.	Total return on capital employed**	-1.67	-0.59	-1.05

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

Annexure 7

(Referred to in paragraph 3.1)

Statement showing the loss of revenue by fixing the BST on presumed consumers mix

Month	Units billed (MU)	Average BST based on actual consumer mix (₹ per KWh)	Average BST based on presumed consumer mix (₹ per KWh)	Difference in BST (₹ per KWh)	Loss of revenue (₹ in crore)
August 2011	16.548	3.35	2.98	0.38	0.62
September 2011	17.402	3.35	2.98	0.38	0.65
October 2011	18.179	3.35	2.98	0.38	0.68
November 2011	16.977	3.35	2.98	0.38	0.64
December 2011	14.277	3.35	2.98	0.38	0.54
January 2012	13.817	3.35	2.98	0.38	0.52
February 2012	16.353	3.35	2.98	0.38	0.61
March 2012	14.950	3.35	2.98	0.38	0.56
April 2012	15.390	3.35	2.98	0.38	0.58
May 2012	14.501	3.35	2.98	0.38	0.54
June 2012	15.436	3.35	2.98	0.38	0.58
July 2012	17.602	3.35	2.98	0.38	0.66
August 2012	19.922	3.35	2.98	0.38	0.75
September 2012	21.431	3.35	2.98	0.38	0.80
October 2012	18.921	3.35	2.98	0.38	0.72
November 2012	20.088	3.35	2.98	0.38	0.76
December 2012	17.062	3.35	2.98	0.38	0.65
January 2013	17.453	3.35	2.98	0.38	0.66
February 2013	17.281	3.35	2.98	0.38	0.66
March 2013	15.233	3.35	2.98	0.38	0.58
April 2013	16.423	3.35	2.98	0.38	0.62
May 2013	15.464	3.35	2.98	0.38	0.59
June 2013	18.605	3.35	2.98	0.38	0.71
July 2013	22.176	3.35	2.98	0.38	0.84
August 2013	24.872	3.35	2.98	0.38	0.95
September 2013	25.681	3.35	2.98	0.38	0.98

Month	Units billed (MU)	Average BST based on actual consumer mix (₹ per KWh)	Average BST based on presumed consumer mix (₹ per KWh)	Difference in BST (₹ per KWh)	Loss of revenue (₹ in crore)
October 2013	26.027	3.35	2.98	0.38	0.99
November 2013	22.212	3.35	2.98	0.38	0.84
December 2013	20.407	3.35	2.98	0.38	0.78
January 2014	20.725	3.35	2.98	0.38	0.79
February 2014	21.372	3.35	2.98	0.38	0.81
March 2014	20.426	3.35	2.98	0.38	0.78
April 2014	16.423	3.35	2.98	0.38	0.62
May 2014	15.464	3.35	2.98	0.38	0.59
June 2014	21.352	3.35	2.98	0.38	0.81
Total					**24.57**

Note : the consumer mix assumed by the Company was based on 90 *per cent* Jeevan Dhara Consumer and very less percentage of High tariff consumers. Hence the BST fixed by the Company was lower, compared to the BST as calculated by the Audit which was based on Actual number of consumers of the Company as on August 2012.

Annexure 8

(Referred to in paragraph 3.1)

Statement showing the loss of revenue due to allowing higher returns to the franchisees

Month	Units billed (MU)	Average BST fixed by the Company (₹ per KWh)	Return at 10 % (₹ per KWh)	Return at 15 % (₹ per KWh)	Excess (₹ per KWh)	Excess (₹ crore)
August 2011	16.55	2.98	0.36	0.54	0.18	0.30
September 2011	17.40	2.98	0.36	0.54	0.18	0.31
October 2011	18.18	2.98	0.36	0.54	0.18	0.33
November 2011	16.98	2.98	0.36	0.54	0.18	0.30
December 2011	14.28	2.98	0.36	0.54	0.18	0.26
January 2012	13.82	2.98	0.36	0.54	0.18	0.25
February 2012	16.35	2.98	0.36	0.54	0.18	0.29
March 2012	14.95	2.98	0.36	0.54	0.18	0.27
April 2012	15.39	2.98	0.36	0.54	0.18	0.28
May 2012	14.50	2.98	0.36	0.54	0.18	0.26
June 2012	15.44	2.98	0.36	0.54	0.18	0.28
July 2012	17.60	2.98	0.36	0.54	0.18	0.32
August 2012	19.92	2.98	0.36	0.54	0.18	0.36
September 2012	21.43	2.98	0.36	0.54	0.18	0.38
October 2012	18.92	2.98	0.36	0.54	0.18	0.34
November 2012	20.09	2.98	0.36	0.54	0.18	0.36
December 2012	17.06	2.98	0.36	0.54	0.18	0.31
January 2013	17.45	2.98	0.36	0.54	0.18	0.31
February 2013	17.28	2.98	0.36	0.54	0.18	0.31
March 2013	15.23	2.98	0.36	0.54	0.18	0.27
April 2013	16.42	2.98	0.36	0.54	0.18	0.29
May 2013	15.46	2.98	0.36	0.54	0.18	0.28
June 2013	18.61	2.98	0.36	0.54	0.18	0.33
July 2013	22.18	2.98	0.36	0.54	0.18	0.40

Month	Units billed (MU)	Average BST fixed by the Company (₹ per KWh)	Return at 10 % (₹ per KWh)	Return at 15 % (₹ per KWh)	Excess (₹ per KWh)	Excess (₹ crore)
August 2013	24.87	2.98	0.36	0.54	0.18	0.45
September 2013	25.68	2.98	0.36	0.54	0.18	0.46
October 2013	26.03	2.98	0.36	0.54	0.18	0.47
November 2013	22.21	2.98	0.36	0.54	0.18	0.40
December 2013	20.41	2.98	0.36	0.54	0.18	0.37
January 2014	20.73	2.98	0.36	0.54	0.18	0.37
February 2014	21.37	2.98	0.36	0.54	0.18	0.38
March 2014	20.43	2.98	0.36	0.54	0.18	0.37
April 2014	16.42	2.98	0.36	0.54	0.18	0.29
May 2014	15.47	2.98	0.36	0.54	0.18	0.28
June 2014	21.35	2.98	0.36	0.54	0.18	0.38
Total	**646.46**	--	--	--	--	**11.59**

Annexure 9

Statement showing the amount outstanding against franchisees whose IBDF agreements have been terminated

(Referred to in paragraph 3.1)

Name of the feeder	Subdivision /IRCA	Name of the franchisese	Date of agreement	Outstanding at the time of hand over (lakhs)	Initial security deposit (realised in lakhs)	Unreali-zed Revised security Deposit	Amount outstanding as on 31 March 2014	Outstanding amount in excess of the security deposit (lakhs)	Default beyond security deposits since	Termination of contract
11 kv Rangsoi Pole feeder	Lakhipur Elec Sub-Division/ IRCA Bongaigaon	Air valley marketting Co Limited	03-08-2010	25.89	4.62	16.47	72.90	68.28	November-10	July-2011
11 kv Dhupdhara feeder		M/s Krishnai Development Society	01-11-2010	22.32	4.37	-	59.40	55.03	October-11	April-2014
11 kv Dhubri RE Feeder	IRCA Kokrajhar	Brother Society Dhubri	04-08-2011	25.22	22.65	-	41.94	19.29	August-11	November-2011
11kv New Dalhousie feeder	IRCA Tezpur	Manjit Basumatary	14-07-2012	8.07	3.97	-	7.93	3.96	September-12	February-2013
Jagun feeder	IRCA Tinsukia	Power Grid Association	30-01-2010	-	6.84	-	51.78	44.94	April 2010	August-2010
Katatong feeder			30-01-2010	-	7.86	-	17.24	9.38	April2010	August-2010
Deohal feeder			30-01-2010	-	8.51	-	11.83	3.32	August 2010	January-2011
Total			**-**	**81.50**	**58.82**	**16.47**	**263.02**	**204.20**	**-**	**-**

Annexure 10

(Referred to in paragraph 3.2)

Statement showing the short billing of two consumers due to wrong categorisation

Consumer	Year	Total units billed (KWh)	Amount charged by the Company (₹)	Amount to be charged as per Schedule of tariff (₹)	Short billing (₹)
I	**II**	**III**	**IV**	**V**	**VI=(V-IV)**
Consumer No-141 (LPG Bottling Plant, Mirza)	2005	184525	653628	744777	91149
	2006	361201	1288926	1466758	177832
	2007	384041	1402406	1595106	192700
	2008	397724	1473930	1666833	192903
	2009	364943	1375824	1560065	184241
	2010	343790	1333078	1566054	232976
	2011	390690	1579419	1812690	233271
	2012	384394	1600497	1782676	182179
	2013	561381	2883156	3135070	251914
	2014	582886	3386813	3649339	262526
	Total				**2001691**
Consumer No-15 (LPG Bottling Plant, North Guwahati)	2005	367447	2400587	2728943	328356
	2006	1167383	4425611	5052605	626994
	2007	987829	3800937	4350538	549601
	2008	1016853	3971518	4531150	559632
	2009	1073345	4287971	5336421	1048450
	2010	1093295	4550144	5424036	873892
	2011	1200358	5185708	6003018	817310
	2012	1004172	4453421	5008210	554789
	2013	1386499	7383635	8029636	646001
	2014	1025539	5871711	6338952	467241
	Total				**6472266**
Grand total					**8473957**

***For the year 2014 calculations were made upto the month of September 2014 only.**

Annexure 11

Statement showing the short realisation of penalty bill during the period from January 2013 to July 2013

(Referred to in paragraph 3.3)

Month	Maximum Demand	Multiplying factor	Load detected	Contract demand	Excess Load Detected	Fixed charges to be levied per KVA	Penalty bill to be realised	Bill actually realised	Short realisation of penalty bill
I	**II**	**III**	**IV (II x III)**	**V**	**VI= (IV-V)**	**VII**	**VIII *i.e.* (VI ×VII×3)**	**IX**	**X=(VIII –IX)**
December 2012	72.00	90	6480	4118	2362	270	1948577.00	1948565.00	-
January 2013	72.00	90	6480	4118	2362	270	1948577.00	649525.80	1299051.50
February 2013	72.00	90	6480	4118	2362	270	1760005.00	586668.40	1173336.80
March 2013	72.00	90	6480	4118	2362	270	1948577.00	649525.80	1299051.50
Sub total									**3771439.80**
April 2013	72.00	90	6480	6505	-	270	-	-	-
May 2013	80.70	90	7263	6505	758	270	625326.70	645946.80	-
June 2013	80.70	90	7263	6505	758	270	605154.80	201718.30	403436.55
July 2013	80.70	90	7263	6505	758	270	625326.70	208442.20	416884.44
Sub total									**820320.99**
Grand Total									**4591760.79**

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	2008-09		2009-2010		2010-2011		2011-2012		2012-2013	
		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	03	-	07	-	01	01	02	02	04	04
2.	Transport	02	-	01	01	-	-	01	01	02	02
3.	Co-operation	-	-	-	-	-	-	-	-	-	-
4.	Welfare	01	-	-	-	-	-	-	-	-	-
5.	Agriculture	-	-	01	01	-	-	-	-	-	-
6.	Animal Husbandry	-	-	-	-	02	-	-	-	-	-
7.	Industries and Commerce	06	05	01	01	04	04	09	03	01	-
8.	Mines & Minerals	02	02	-	-	-	-	-	-	-	-
9.	Public Enterprises	02	02	--	--	--	--	--	-	-	-
10.	Education (Elementary)	-	-	-	-	01	01	-	-	-	-
11.	Information and Technology	-	-	-	-	-	-	-	-	01	01
12.	Finance	-	-	01	01	-	-	-	-	-	-
13.	Handloom, Textile, Sericulture	-	-	-	-	01	01	-	-	-	-
14.	Home	-	-	-	-	-	-	01	01	-	-
Total		**16**	**09**	**11**	**04**	**09**	**07**	**13**	**07**	**08**	**07**

Annexure 13

(Referred to in paragraph 3.10.3)

Statement showing the department-wise outstanding Inspection Reports (IRs) as on 30 September 2014

Sl. No.	Departments	No. of PSUs	No. of outstanding IRs	No. of outstanding paragraphs	Year from which paragraphs outstanding
1.	Agriculture	1	1	6	2010-11
2.	Animal Husbandry	1	3	19	2005-06
3.	Co-operation	1	2	14	2005-06
4.	Cultural Affairs	1	1	3	2010-11
5.	Education (Elementary)	1	2	8	2005-06
6.	Finance	1	1	9	2010-11
7.	Fisheries	1	3	6	2005-06
8.	Handloom, Textile & Sericulture	1	7	54	2006-07
9.	Home	1	1	3	2011-12
10.	Industries & Commerce	10	19	101	2006-07
11.	Information & Technology	2	3	22	2008-09
12.	Mines & Minerals	1	2	12	2008-09
13.	Tourism	1	2	22	2011-12
14.	Transport	1	33	89	2008-09
15.	Welfare of Plains Tribes & Backward Classes	3	6	22	2005-06
16.	Hill Areas	1	1	10	2011-12
17.	Irrigation	1	1	2	2012-13
18.	Soil Conservation	1	2	11	2011-12
19.	Power	4	121	609	2004-05
20.	PWD (R&B)	1	1	7	2013-14
	Total	**35**	**212**	**1029**	

Annexure 14

(Referred to in paragraph 3.10.3)

Statement showing the department-wise draft paragraphs/performance audit replies to which are awaited

Sl. No.	Name of the Departments	Number of Draft Paragraphs	Number of Performance audit report	Period/date of issue
1.	Power	06	--	April to July 2014
2.	Transport	01	--	July 2014
3	Welfare	01	-	August 2014
4	Industries	-	01	August 2014
Total		**08**	**01**	--