

सत्यमेव जयते

**Report of the
Comptroller and Auditor General of India
on
Economic Sector, Revenue Sector and
Public Sector Undertakings
for the year ended 31 March 2019**



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



**Government of West Bengal
Report No. 2 of the year 2021**

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Comptroller and Auditor General of India
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Undertakings**

for the year ended 31 March 2019

Government of West Bengal

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PREFACE

This Report for the year ended 31 March 2019 has been prepared for submission to the Governor of West Bengal under Article 151 of the Constitution of India.

This Report contains significant results of audit of 22 Departments of Government of West Bengal under the Economic Sector, Departments and Entities under Revenue Sector and of 84 Government Companies and Statutory Corporations in West Bengal.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2018-19 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports. Matters relating to the period subsequent to 2018-19 have also been included, wherever pertinent.

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

Overview

OVERVIEW

The Report contains three sections:

Section A deals with results of audit of Departments and Entities under Economic Sector of the Government of West Bengal. This section contains significant result of the Compliance Audit of 22 Departments of Government of West Bengal under the Economic Sector. Departments which are not included in this Report, have, however, been covered in separate Report on General and Social Sector.

Section B deals with results of audit of Departments and Entities under Revenue Sector of the Government of West Bengal. This section contains significant results of the compliance audit of the Departments of the Government of West Bengal under the Revenue Services.

Section C deals with the results of audit of 84 Public Sector Undertakings, namely, Government Companies and Statutory Corporations of the Government of West Bengal, comprising six in the Power Sector and 78 in the Non-power Sector.

A synopsis of the important findings contained in the Report is presented below:

Economic Sector

1. Introduction

This section of the Report covers matters arising out of audit of State Government Departments and Autonomous Bodies under the Economic Sector in the state of West Bengal. Out of 54 Departments, this section of the Report covers functioning of 22 Departments.

(Paragraph 1.1)

2. Compliance Audit Observations

2.1 Infrastructure Development under North Bengal Development Department

Certain critical regional gaps in physical infrastructure like deficit in rural housing, road connectivity and rural electrification, had been identified in the Socio Economic Perspective Plan (SEPP). It also identified critical gaps in social infrastructure, including schools and health facilities. Out of 14 sub-sectors, prioritised under SEPP, no projects were taken up by NBDD in 11 of those sub-sectors in the two selected districts.

(Paragraph 2.1.2.1)

NBDD provided unwarranted item of Bituminous Macadam course on low volume rural roads and incurred an excess expenditure of ₹ 12.48 crore. Similarly, excess expenditure of ₹ 1.16 crore was incurred due to unnecessary widening of road having low traffic.

(Paragraphs 2.1.3.1 & 2.1.3.2)

Three of the four test checked market complexes remained idle for more than two years blocking capital of ₹ 10.07 crore. Picnic spot at Ambari developed at

a cost of ₹ 1.18 crore remained idle for more than three years as the electrical works had not been finalised.

(Paragraphs 2.1.4.1 & 2.1.4.2)

2.2 Long Draft Paragraph on Prevention and Control of Animal Diseases in the State

The biggest impediment to growth of the livestock sector is the large scale prevalence of different type of diseases which resulted in both morbidity and mortality, and adversely affect animal productivity. The audit was conducted with the objective to assess whether the provisions of the applicable rules, policies, guidelines and regulations made there under and various orders and instructions issued were being complied by the Department in respect of implementation prevention and control of animal diseases. Scope of audit was limited to the activities of the Department during the period 2015-16 to 2018-19 for prevention and control of animal diseases in seven selected districts.

- Immunisation protocol regarding potency testing, intervals between two vaccinations, use of separate disposal needle were not adhered to. Vaccines were distributed to the blocks without mentioning the batch number in the challans, absence of which, it was not possible to monitor the efficacy and effectiveness of the vaccines used. Out of the 12 outbreaks in Eastern India in 2017-18, eight were reported from the State. During 2018-19, 62 outbreaks leaving 54,573 animals at risk of which 19,903 (36.47 per cent) were affected with 368 reported deaths. The objective of prevention of morbidity and mortality due to Foot and Mouth Disease (FMD) by 100 per cent vaccination of eligible cattle and buffalo population was largely defeated even after an expenditure of ₹ 56 crore.

(Paragraph 2.2.2)

- The Department did not take any prompt action to control the spread of Bovine Brucellosis though there was risk of infection to the animals. Reports of Serological examination in Haringhata Farm in 2015, 2017 and 2018, showed that 124 (65.60 per cent), 37 (50.68 per cent) and 142 (47 per cent) animals were infected out of total tested 189, 73 and 302 animals, respectively. This was despite the budgetary allotment from GoI prioritising Brucella Control Programme and Establishment of Veterinary Hospitals and Dispensaries in July 2018.

(Paragraph 2.2.3)

- Report of National Animal Disease Referral Expert System (NADRES) of July 2019 categorised 14 districts of the State as high risk for Peste des Petits Ruminants (PPR). However, against the target of 100 per cent coverage of vaccination against PPR disease, as of March 2019, the coverage was 61.83 per cent. Proper infrastructure and consumables viz. deep freezers, disposable syringes and needles were not ensured as a result of which effectiveness of the vaccines being adversely affected. Reports of serum samples taken from vaccinated goats in the test checked districts showed that serum samples were found PPR negative implying that necessary antibodies had not developed after vaccination. During the

period of audit, a total 214 PPR outbreaks were reported in the State in which 2,378 goats were infected causing 486 deaths.

(Paragraph 2.2.4)

- Health care facilities for animals were severely incapacitated due to lack of functional infrastructure and severe manpower shortages. Health centres were operating under acute infrastructural shortages. Surgeries were being conducted in open air, which increased the risks of post-operative infection. Essential Medical/ Surgical equipment were not available. Emergency power back-up system was not present in any of the animal health centres. In the test checked districts, out of 963 Animal Development Aid Centres (ADACs), Livestock Development Assistants (LDAs) were posted only in 172 ADACs and remaining 791 ADACs were without any LDAs. Further, out of total 72 test checked animal health centres, there were no Veterinary Officers (VOs) posted in 23 centres and eight centres were functioning under additional charge of VO holding dual charge. This has deprived extension of various medical facilities like surgeries of animals, Artificial Insemination (AI) of cattle, vaccinations *etc.*

(Paragraph 2.2.5)

The Public Works Department, in violation of Indian Roads Congress Guidelines, provided unnecessary extra bituminous layers in different road works which led to an avoidable expenditure of ₹ 4.78 crore.

(Paragraph 2.3)

Public Works Department, in construction of two concrete roads, executed an unnecessary extra sub-base layer and extra thickness of concrete layer in violation of the Indian Roads Congress Guidelines which resulted in excess expenditure of ₹ 1.36 crore.

(Paragraph 2.5)

Irrigation and Waterways Department in violation of the Indian Standard (IS) Code provided excess quantity of stone boulders/ cement concrete blocks in launching apron of bank protection works which resulted in extra expenditure of ₹ 4.88 crore.

(Paragraph 2.8)

The Agriculture Department did not put due diligence in applying appropriate Schedule of Rates for arriving at the rate of excavation of earth, thus, had to bear an extra expenditure of ₹ 5.79 crore on construction of 1,664 number of Water Harvesting Structures.

(Paragraph 2.10)

Steps taken by the Transport Department to preserve the historical monument-Victoria Memorial Hall from the menace of vehicular pollution as per the order of Hon'ble Calcutta High Court proved unfruitful as the two nearby bus termini responsible for causing vehicular pollution could not be relocated. The lackadaisical approach of the Department resulted in unfruitful expenditure of ₹ 24 crore on Satragachi bus terminus and blockage of ₹ 10.61 crore and loss of interest of ₹ 3.18 crore on Goragacha bus terminus.

(Paragraph 2.11)

Revenue Sector

Chapter I: General

This Report contains 30 paragraphs relating to under-assessment/ non-realisation/loss of revenue *etc.* of ₹ 898.71 crore. The Government accepted audit observations of ₹ 153.17 crore, of which ₹ 6.54 crore was recovered. Some of the major audit findings are mentioned below:

Trend of Revenue Receipts

Total receipts of the Government for the year 2018-19 increased to ₹ 1,45,975.25 crore from ₹ 1,31,270.39 crore in the previous year. Forty four *per cent* of the total revenue collected in 2018-19 was raised by the Government through tax revenue (₹ 60,732.28 crore) and non-tax revenue (₹ 3,657.59 crore). The balance 56 *per cent* was received from the Government of India as State's share of net proceeds of divisible Union taxes (₹ 55,775.72 crore) and Grants-in-aid (₹ 25,809.66 crore).

(Paragraph 1.1.1)

Response of the Departments to the draft audit paragraphs

Thirty compliance Paragraphs were sent to the Additional Chief Secretary/ Principal Secretaries/ Secretaries of the respective Departments between February and September 2020. However, the Government concerned did not send replies, except for two draft paragraphs relating to 'Mines and Minerals'. As such, these Compliance Paragraphs have been included in this Report without response of the Government. Replies of the heads of the audited units, wherever furnished, have been taken into account.

(Paragraph 1.6.4)

Position of local audit conducted during the year

Test check of the records of 174 units related to Sales Tax/ Value Added Tax, State Excise, Motor Vehicles tax, Land & Land Reforms and Refugee Relief and Rehabilitation Department, Stamp Duty and Registration Fees and other Departmental offices conducted during the year 2018-19 showed under assessment/ short levy/ loss of revenue aggregating ₹ 560.74 crore in 1,871 cases. During the course of the year, the Departments concerned accepted under assessment and other deficiencies of ₹ 171.54 crore involved in 1,072 cases pointed out in audit during 2018-19. The Departments collected ₹ 9.67 crore in 233 cases during 2018-19 on the basis of findings of local audit.

(Paragraph 1.10.1)

Analysis of arrears of revenue

The Directorate of Commercial Taxes, Electricity Duty, West Bengal stated (July 2019) that the arrears of revenue as on 31 March 2019 amounted to ₹ 82.17 crore in 367 cases, of which ₹ 1.39 crore in 269 cases was outstanding for more than five years.

Other principal revenue generating Departments/ Directorates namely, Directorate of Registration and Stamp Revenue, Land & Land Reforms and Refugee Relief and Rehabilitation Department and Transport Department did not furnish any information on arrears of revenue (December 2020) though requested (June 2019) and followed by reminders.

(Paragraph 1.2)

Chapter II: Value Added Tax and Goods and Services Tax**Value Added Tax (VAT)****Compliance audit observations**

The Assessing Authorities (AAs) incorrectly determined turnover of sales at ₹ 2,487.61 crore instead of ₹ 2,775.09 crore in 52 cases. This resulted in short determination of Turnover of Sales (TOS) of ₹ 287.48 crore with consequent short levy of VAT of ₹ 20.79 crore.

(Paragraph 2.4)

In 59 cases of 57 dealers, the AAs allowed Input Tax Credit (ITC) of ₹ 35.17 crore instead of ₹ 13.43 crore admissible to the dealer. This resulted in irregular allowance of ITC of ₹ 21.74 crore.

(Paragraph 2.5)

The AAs incorrectly determined Contractual Transfer Price (CTP) of ₹ 223.43 crore instead of ₹ 501.33 crore in 255 cases. This resulted in short determination of CTP of ₹ 277.90 crore with consequent short levy of tax of ₹ 16.29 crore.

(Paragraph 2.6)

In 14 cases, the AAs allowed excess deduction towards payment to sub-contractors and labour, services and other like charges. This resulted in short determination of taxable CTP by ₹ 16.55 crore with consequent short levy of tax of ₹ 1.73 crore.

(Paragraph 2.7)

The AAs did not initiate proceedings to levy penalty despite evasion of tax by dealers in 120 cases. Penalty to the extent of ₹ 52.09 crore was not levied for such evasion of tax/ ineligible claims of ITC.

(Paragraph 2.8)

Goods and Services Tax (GST)

In 12 Charge Offices, 33,020 taxpayers migrated to GST without verification of information and documents furnished by the taxpayers with the application. Migration of taxpayers without proper verification frustrates the basic objective to restrict tax evasion under GST.

(Paragraph 2.11.1)

In 11 Charge Offices, 196 taxpayers, eligible for registration under GST were not registered. The Charge Offices neither conducted any survey/ enquiry to ensure the status of taxpayers' business nor assigned any reasons for their non-migration to GST.

(Paragraph 2.11.2)

In 14 Charge Offices, 421 Goods and Services Tax Identification Number (GSTIN) cancelled taxpayers, liable to furnish their final return within three months of the date of cancellation or the date of order of cancellation, whichever is later, did not furnish the returns.

(Paragraph 2.12)

In 10 Charge Offices, 263 taxpayers claimed excess transitional credit of ₹ 10.75 crore. The proper officers neither verified nor initiated proceedings under Section 73 or 74 against taxpayers for such irregular claims.

(Paragraph 2.13.1)

Twenty eight taxpayers in six Charge Offices did not pay interest for excess/irregular claim of transitional credit. No action was taken by the proper officers for realisation of interest of ₹ 0.72 crore.

(Paragraph 2.13.2)

In 11 Charge Offices, 737 refund cases of ₹ 15.72 crore filed online by the taxpayers remained undisposed due to lack of action on the part of the proper officers.

(Paragraph 2.14.1)

In 19 cases of six taxpayers in two Charge Offices, inadmissible claims of refund of ₹ 97.72 lakh were allowed by the proper officers.

(Paragraph 2.14.2)

Chapter III: Land Revenue

Compliance audit observations

There was non/ short realisation of rent, cess and surcharge of ₹ 26.49 crore in 10,192 cases pertaining to land used for commercial purpose.

(Paragraph 3.4)

The Department failed to settle 47 cases of long-term leases involving 63.30 acres of land with the unauthorised occupants within the prescribed time limit; Revenue of ₹ 4.90 crore (salami-₹ 4.10 crore and rent-₹ 0.80 crore) was realisable in these cases.

(Paragraph 3.5)

Chapter IV: Motor Vehicles Tax

Compliance audit observations

Tax, additional tax and penalty of ₹ 319.27 crore was not realised from owners of 1,22,995 vehicles.

(Paragraph 4.4.1.1)

Registering Authorities did not realise permit fees and late fees of ₹ 12.58 crore from owners of 14,771 transport vehicles plying with expired permits.

(Paragraph 4.4.1.2)

Registering Authorities realised fee for conducting test of fitness at normal rates instead of 150 *per cent* of the fee for delayed production of vehicles. This resulted in short realisation of fitness fee of ₹ one crore in case of 75,583 transport vehicles.

(Paragraph 4.4.1.3)

Incorrect mapping in VAHAN software resulted in short realisation of tax of ₹ 30.53 lakh.

(Paragraph 4.4.1.4)

Chapter V: Stamp Duty and Registration Fees

Compliance audit observations

Short determination of lease period by the Registering Authorities (RAs) resulted in short levy of stamp duty and registration fees of ₹ 6.96 crore.

(Paragraph 5.4)

The RAs misclassified deeds of conveyance as lease deeds resulting in short levy of stamp duty and registration fees of ₹ 1.41 crore.

(Paragraph 5.5)

The RAs misclassified deeds of settlement as gift deed to family members. This resulted in short levy of stamp duty of ₹ 0.84 crore.

(Paragraph 5.6)

Chapter VI: Mines and Minerals

Compliance audit observations

Dues of ₹ 34.60 crore towards price of earth against extraction of 37.93 crore cubic feet (cft) of earth without valid permits were not recovered/ short recovered in 2,027 cases.

(Paragraph 6.4)

Penalty of ₹ 2.20 crore was not realised for shortfall in the extraction of sand in 34 cases.

(Paragraph 6.5)

Chapter VII: Other Tax and Non-Tax Receipts

Compliance audit observations

Profession Tax (PT)

Information available with other departments and permit/ license issuing authorities was not collected for detection of enrolled persons. This resulted in non-realisation of PT of ₹ 0.85 crore in 2,011 cases.

(Paragraph 7.3)

Interest and commission receipts from loans and guarantees

In seven cases of three loanees, two Departments sanctioned loans of ₹ 357.44 crore without fixation of terms and conditions of repayment which resulted in non-realisation of principal and interest of ₹ 157.87 crore and ₹ 23.90 crore respectively.

(Paragraph 7.4.1)

In one case, Industry, Commerce & Enterprises Department, Government of West Bengal did not realise interest of ₹ 3.42 crore against the loan of ₹ 50 crore in the absence of specific instructions by the Department.

(Paragraph 7.4.2)

Inaction of the loan sanctioning authority resulted in non-realisation of principal and interest of ₹ 1,241.32 crore and ₹ 361.55 crore, respectively.

(Paragraph 7.4.3)

In three cases, the Government of West Bengal provided guarantees against loans of ₹ 1,797.78 crore. However, Guarantee commission of ₹ 17.98 crore, was neither paid by the loanees concerned nor realised by the Departments.

(Paragraph 7.4.4)

Public Sector Undertakings

1. Functioning of State Public Sector Undertakings (Power & Non-power Sector)

As on 31 March 2019, there were 84 State Public Sector Undertakings (PSUs) in West Bengal, which comprised of 65 working PSUs (including 8 Statutory Corporations) and 19 inactive PSUs (including one Statutory Corporation).

During 2018-19, the working PSUs registered a total turnover of ₹ 52,953.14 crore constituting 4.50 per cent of Gross State Domestic Product (GSDP) for the year 2018-19 (₹ 11,77,586 crore).

The investment (equity plus long-term loans) in 84 PSUs was ₹ 40,009.68 crore, which included investment of ₹ 29,663.63 crore (74.13 per cent) in Power Sector PSUs. This total investment consisted of 41.02 per cent towards paid-up capital and 58.98 per cent in long-term loans.

(Paragraphs 1.1 and 1.5)

2. Functioning of Power Sector PSUs

As of 31 March 2019, there were six power-sector PSUs in West Bengal. The name of DPL Coke Oven Limited, the only inactive power-sector PSU as on 31 March 2018, was struck off from the Register of Companies on 21 January 2019. Hence, there was no inactive power-sector PSU as of 31 March 2019.

(Paragraph 2.1)

Performance of Power Sector PSUs

As per their latest finalised accounts (September 2019), the Power Sector PSUs incurred an overall loss of ₹ 131 crore. Three out of six Power Sector PSUs earned profits of ₹ 505.46 crore, while three PSUs incurred loss of ₹ 636.46 crore. The top profit earning company was West Bengal State Electricity Transmission Company Limited (₹ 404.72 crore) while the maximum losses were incurred by the Durgapur Project Limited (₹ 591.22 crore).

(Paragraph 2.7.2)

3. Functioning of State PSUs (Non-power Sector)

As on 31 March 2019, West Bengal had 78 State Public Sector Undertakings (PSUs) in the Non-power Sector. These State PSUs included 69 Government Companies and nine Statutory Corporations, of which 59 were working PSUs and 19 inactive. In respect of one Statutory Corporation *i.e.*, Great Eastern Hotel Authority, C&AG conducts only compliance audit under Section 14 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

The working State PSUs (Non-power) registered a turnover of ₹ 19,642.38 crore as per their latest finalised accounts received up to September 2019. In 2018-19, the turnover of PSUs relative to State GDP was 1.67 per cent.

(Paragraphs 3.1, 3.6 and 3.7.1)

Performance of State PSUs (Non-Power Sector)

As on 31 March 2019, the total investment (equity and long-term loans) in these 78 State PSUs (Non-power Sector) was ₹ 10,346.05 crore. The investment consisted of 39.99 *per cent* (₹ 4,137.67 crore) equity and 60.01 *per cent* (₹ 6,208.38 crore) as long-term loans. The overall profit earned by the 58 working State PSUs was ₹ 741.14 crore in 2018-19, 30 PSUs earned profit of ₹ 1,314.22 crore while 28 PSUs incurred losses of ₹ 573.08 crore as seen from their latest finalised accounts.

(Paragraphs 3.2 and 3.7.2)

4. Compliance Audit Observations relating to State PSUs

Compliance audit observations:

- Lack of monitoring over management of funds by Calcutta State Transport Corporation resulted in idling of ₹ 3.04 crore in non-interest bearing current account for more than four years, thereby foregoing interest income of ₹ 0.74 crore.

(Paragraph 4.1)

- West Bengal Financial Corporation issued bonds of ₹ 25.06 crore carrying interest at higher rate despite having commensurate fixed deposits in Banks earning interest at lower rates. This resulted in avoidable payment of interest on bonds issued amounting to ₹ 1.81 crore.

(Paragraph 4.3)

- Non-compliance of One Time Settlement (OTS) guidelines by West Bengal Industrial Development Corporation Limited resulted in extending undue benefit to borrower by way of accepting a below par OTS proposal, thus foregoing recovery of loan of ₹ 6.87 crore.

(Paragraph 4.4)

Section-A

Economic Sector

Chapter I

Overview of Economic Sector

Chapter I

Overview of Economic Sector

1.1 Introduction

This part of the Report covers matters arising out of audit of State Government Departments and Autonomous Bodies under the Economic Sector in the State of West Bengal.

For the purpose of administration in West Bengal, there are 54 Departments at the Secretariat level headed by Additional Chief Secretaries/ Principal Secretaries/ Secretaries who are assisted by Directors/ Commissioners/ Chief Engineers and subordinate officers under them. This report covers the functioning of 22 Departments.

Of the total expenditure of ₹ 30,337.54 crore incurred by these 22 Departments during 2018-19, a major portion (71.55 *per cent*) was incurred by Public Works (24.92 *per cent*), Agriculture (20.08 *per cent*), Power and Non-conventional Energy Sources (14.37 *per cent*), Irrigation and Waterways (6.48 *per cent*) and Transport Department (5.71 *per cent*).

This chapter provides the audited entity's profile, the planning and extent of audit. Chapter II deals with findings of Compliance Audit of various Departments.

1.2 About this Report

Findings arising from audit of 22 Government Departments and 17 Autonomous Bodies under the Economic Sector (**Appendix-I**) are presented in this Report of the Comptroller and Auditor General of India (CAG). Compliance Audit covers examination of transactions relating to expenditure of the audited entities to ascertain whether the provisions of applicable laws, rules, regulations and various orders and instructions issued by the competent authorities are being complied with.

1.3 Authority for Audit

The mandate for audit by the CAG is derived from Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) (DPC) Act, 1971. The CAG conducts audit of expenditure of the Departments of Government of West Bengal under Section 13¹ of the CAG's (DPC) Act.

In addition, the CAG conducts audit of Autonomous Bodies substantially funded by the State Government. Principles and methodologies for various audits are prescribed in the Auditing Standards and the Regulations on Audit and Accounts issued by the CAG.

1.4 Planning and Conduct of Audit

The audit process starts with assessment of risks faced by various Departments of the Government based on expenditure incurred, criticality/ complexity of the

¹ *Audit of (i) all transactions from the Consolidated Fund of the State, (ii) all transactions relating to the Contingency Fund and Public Accounts and (iii) all trading, manufacturing, profit and loss accounts, balance sheets and other subsidiary accounts.*

activities, level of delegated financial powers, assessment of overall internal controls and concerns of the stakeholders. Previous audit findings are also considered in this exercise. Based on this risk assessment, the frequency and extent of audit are decided.

An Annual Audit Plan was formulated to conduct audit on the basis of such risk assessment. After completion of audit of each unit, Inspection Reports (IRs) containing audit findings were issued to the Heads of the entities. The entities were requested to furnish replies to the audit findings within one month of receipt of the IRs. Wherever replies were received, audit findings were either settled or further action for compliance was advised. The important audit observations included in the IRs were processed for inclusion in the Audit Reports.

1.5 Response to Audit

Eleven compliance audit observations including two Detailed Compliance Audits were forwarded (between July 2019 and August 2020) to Additional Chief Secretary/ Principal Secretaries/ Secretaries of the Departments concerned with the request to send their responses. Departmental replies in respect of only two compliance audit observations have been received till date (March 2020).

Audit Reports for the Economic Sector for the years 2011-12 to 2017-18 were sent to the State Government between March 2013 and February 2020 for tabling in the State Legislature. The reports were laid in the State Legislative Assembly as detailed in *Appendix-2*.

Though the Audit Reports for the year 2006-07 to 2016-17 were presented to the State Legislature between March 2008 and July 2019, replies on 58 paragraphs are yet to be received from various Departments under Economic Sector. Status of the pending replies as on 31 December 2020 is given in *Appendix-3*.

Inspection Reports issued upto 31 March 2019 were reviewed and it was found that 1,853 paragraphs relating to 591 IRs remained outstanding at the end of December 2019 (*Appendix-4*).

Chapter II

Compliance Audit

Chapter II

Compliance Audit

NORTH BENGAL DEVELOPMENT DEPARTMENT

2.1 Infrastructure Development under North Bengal Development Department

2.1.1 Introduction

The Development & Planning Department, Government of West Bengal (GoWB) constituted² (May 2000) Uttarbanga Unnayan Parshad (UUP) with the objective of comprehensive and integrated development of districts of North Bengal. Subsequently, notification³ was issued (July 2011) for creation of North Bengal Development Department (NBDD) by subsuming all matters related to the UUP. The Socio Economic Perspective Plan (SEPP) for 2010-20 prepared by the erstwhile UUP to fill up the critical gaps identified in the region was to be a guiding document for taking up projects.

NBDD undertakes creation of various infrastructural assets which are handed over to various line Departments for operation and maintenance upon completion. During the period of Audit 2014-15 to 2018-19, NBDD executed 1,489 projects having an estimated value of ₹ 2,138.42 crore in the North Bengal Region (NBR). Out of the eight districts, two districts *i.e.*, Jalpaiguri and Coochbehar were selected for detailed compliance audit. These districts were selected on the basis of outlay by NBDD and projects having higher money value. A total of 754 projects having an estimated cost of ₹ 979.05 crore were executed in these two districts during April 2014 to November 2018. Of these, 76 projects⁴ having estimated cost of ₹ 467.67 crore across various types of projects⁵ were selected for detailed scrutiny. Results of audit have been incorporated in the ensuing paragraphs.



² Resolution No. 1429/ DP/P-2C-10/2000 dated 18 May 2000 of Development & Planning Department, Government of West Bengal (GoWB).

³ Notification No.198-Home (Cons)/R2R (Cons)-5/2011 dated 8 July 2011 of Home Department, GoWB.

⁴ Ten per cent of 754 projects *i.e.* maximum number of projects implemented by the districts of Jalpaiguri and Coochbehar.

⁵ Road, bridge, buildings, water, electrical and others.

Audit findings

2.1.2 Planning

2.1.2.1 Identification and addressing of Critical Gaps for integrated development of NBR

Certain critical regional gaps in physical infrastructure viz., deficit in rural housing, road connectivity and rural electrification, had been identified in the SEPP. It also identified critical gaps in social infrastructure, including schools and health facilities. Targets in the SEPP vis-à-vis works taken up by the Department against each of the critical sectors are detailed in the **Table 2.1**:

Table 2.1: Targets set in the SEPP vis-à-vis works taken up by the Department (including that of UUP) between April 2010 and November 2018.

| Sl. No. | Sector | Critical gaps within sectors | Total Targets in SEPP | Achievements | Estimated Cost (₹ in crore) |
|---------|----------------------------------|---|-----------------------|---------------------------|-----------------------------|
| | | | Units | Units | |
| 1. | Physical Infrastructure | Road Connectivity (Km) | 886 | 267 projects ⁶ | 468.50 |
| 2. | | Rural Housing (nos.) | 7,51,333 | 192 | 6.17 |
| 3. | | Rural Electrification (nos. of villages) | 112 | NIL | |
| 4. | | Agri Electrification (nos. of installation) | 26,666 | | |
| 5. | | Home Electrification (nos.) | 8,86,666 | | |
| 6. | Social Infrastructure | New Primary School (nos.) | 920 | | |
| 7. | | New Upper Primary School (nos.) | 2,411 | | |
| 8. | | New Primary Health Centre (nos.) | 96 | | |
| 9. | | New Health Sub-Centre (nos.) | 1,055 | | |
| 10. | Livelihood and Employment Scheme | General Agricultural Development (ha) | 9,73,375 | | |
| 11. | | Irrigation Development (ha) | 7,66,000 | 16 Projects ⁷ | 47.58 |
| 12. | | Crop Extension (ha) | 5,65,625 | NIL | |
| 13. | | Livelihood Extension (nos. of workers) | 4,79,667 | | |
| 14. | | SSI Employment (nos.) | 56,667 | | |

(Source: from the records of the NBDD)

The extremely poor performance of NBDD may be judged by sheer statistics; out of 14 sub-sectors, prioritised under SEPP, no projects were taken up by NBDD in 11 of those sub-sectors in the two selected districts. Also, NBDD executed some other projects which were not in the SEPP.

2.1.2.2 Absence of planning to ensure integrated development of North Bengal Region (NBR)

Before creation of NBDD, GoWB had assigned (2008) North Bengal University to prepare a Socio-Economic Perspective Plan (SEPP) (2010-2020) for the

⁶ For upgradation of existing roads.

⁷ Area in ha not available.

integrated development of NBR through UUP. In the SEPP, long and short term schemes were included (April 2010) after identifying critical gaps⁸ in various sectors. Subsequently, in July 2011, NBDD was created subsuming all the functions of UUP. Further, NBDD was also to prepare a Master Plan for accelerated and integrated development of the area as per Rules of Business of NBDD, 2011. However, as of May 2019, NBDD had not prepared any Master Plan.

Audit found that in the districts selected for audit, NBDD implemented 754 projects valuing ₹ 979.05 crore during the audit period out of which 532 projects with estimated cost of ₹ 553.43 crore were executed without following the SEPP. In reply to audit query regarding basis of taking up the schemes, NBDD stated that all the schemes proposed by district authorities⁹ were taken up on the presumption that those were included in the Annual Action Plan of the concerned districts. It was, however, stated (February 2019) by the District Planning Officer of one test checked district (Jalpaiguri) that the district did not prepare any Annual Action Plan. Moreover, it was observed that out of 118 infrastructural projects taken up for Jalpaiguri district during the year 2017-18, 12 projects¹⁰ were proposed by the DM and 10 by the Minister-in-Charge. NBDD could not provide the basis for selection of the remaining 96 projects. Further, there was no mechanism in NBDD to see whether the proposals received from districts were in line with SEPP.

The Socio-Economic statistical data¹¹ of the two selected districts pertaining to the period 2010-2017 revealed that the critical gaps as identified in the SEPP remained unaddressed, particularly in the ‘social’ and ‘livelihood & employment sectors’ as discussed below:

Primary health infrastructure

National norms¹² considered in the SEPP stipulated at least one Primary Health Centre (PHC) per 30,000 population and one Health Sub-Centre (HSC) per 5,000 population. Based on the Population Census 2011 and data made available by the Department, total required PHCs and HSCs in the two selected districts were 223 and 1,338; however, as of March 2017 these numbers were only 87 and 950, respectively. During the period under audit the NBDD did not create a single PHC or HSC.

Primary education

Against the targeted increase in the number of primary and upper-primary schools of 920 and 2,411, respectively by 2020 in the SEPP, in Coochbehar and Jalpaiguri districts those were increased only by 36 (3,855 to 3,891) and 393 (160 to 553), during 2010 to 2018; no data was available from the

⁸ *Physical infrastructure viz., deficit in rural housing, road connectivity, rural electrification and social infrastructure, including schools and health facilities. Besides, the SEPP highlighted the need to support livelihood development in several blocks where livelihood opportunities were critically constrained.*

⁹ *District Magistrates, MLAs and MPs.*

¹⁰ *Total 28 projects out of which 17 projects were clubbed together as single project.*

¹¹ *Bureau of Applied Economics and Statistics (August 2019) furnished data for 2010-2017.*

¹² *Indian Public Health Standards Guidelines for Primary Health Centres and Health Sub-Centres.*

Department for the period 2018-19 and 2019-20. However, fact remains that the slow pace of progress during 2010 to 2018 indicated that the targets could not be achieved by 2020 deadline. Although the number of schools had increased, it was observed that the number of primary schools per lakh of population was reduced from 60 to 54 in case of Jalpaiguri district and from 75 to 65 in case of Coochbehar district during 2010 to 2018.

Livelihood and Employment scheme

In the SEPP, emphasis was laid on supporting livelihood development in the farm based and non-farm sectors in several blocks of North Bengal where livelihood opportunities were critically constrained. In Coochbehar district, livelihoods have traditionally been drawn from agriculture and allied primary activities such as fisheries. However, scrutiny of Statistical Handbooks of the Coochbehar district revealed that only 3,206.62 ha to 3,231.12 ha of water bodies was being utilised for pisciculture against the available area of 6,084.06 to 6,164.22 ha during the period 2013-14 to 2015-16. Director of Fisheries, Coochbehar proposed (August 2016) two pisciculture projects¹³ to NBDD having an estimated value of ₹ 7.59 crore for employment and livelihood of 11,939 poor fishermen as well as enhancing fish production. However, as of August 2019, the projects were not taken up by NBDD. The reasons for not taking up of the projects were neither on record nor furnished by the Department. As a result, employment for the poor fishermen could neither be augmented nor the scope for increasing fish production availed.

In reply, NBDD stated (August 2019) that pisciculture interventions were not taken up due to limited resources and the same was expected to be taken up in future. The reply was not tenable as the projects were proposed in August 2016 and as per available records no action was taken for approval of the projects. The paucity of resources appears to be an afterthought.

2.1.3 Implementation of Road works

Out of total 267 works for upgradation of roads executed in the two test checked districts, 18 works valuing ₹ 155.81 crore were examined in audit. It was observed that excess expenditure of ₹ 13.64 crore was incurred due to various reasons as detailed below:

2.1.3.1 Non-compliance of IRC Guidelines in execution of roads with Bituminous Macadam¹⁴ (BM)

As per Indian Road Congress (IRC) Guidelines, for design of flexible pavement for low volume rural roads, total thickness of the pavement is to be determined on the basis of factors like the Estimated Standard Axle Load (ESAL) derived from traffic census, California Bearing Ratio (CBR)¹⁵ of the sub grade, design life¹⁶ and

¹³ (i) Eco-friendly management of pisciculture in beel/ baor through pen and cage culture.
(ii) 25 number beel renovation.

¹⁴ Road surface made of compressed layers of small broken stones, especially one that is bound together with tar or asphalt.

¹⁵ CBR is a penetration test for evaluation of the mechanical strength of natural ground, subgrades and base courses beneath new carriageway construction.

¹⁶ The design life of a road is defined in terms of years arrived at by considering the cumulative number of standard axles (vehicles) that can be carried.

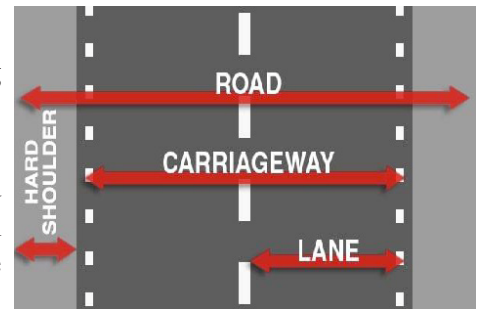
the lane distribution factor¹⁷. No bituminous binder course is recommended for the rural roads with less traffic and having ESAL value less than 10 lakh. On scrutiny of the records of 14 test checked village road works, it was observed that:

In 12 village road works, Bituminous Macadam (BM) binder course was provided, in contravention of the IRC guidelines, which increased the cost of these roads by ₹ 12.48 crore. Audit noticed that out of these 12 works, in seven works¹⁸ no traffic survey was conducted to assess the actual traffic flow to justify the additional expenditure of ₹ 5 crore. In the remaining five works¹⁹ even though ESAL was less²⁰ than 10 lakh, BM binder course was provided at an extra cost of ₹ 7.48 crore. Thus, NBDD provided unwarranted item of BM course on low volume rural roads and incurred an excess expenditure of ₹ 12.48 crore.

In reply, NBDD stated (May 2019) that in seven works, BM was provided without conducting any traffic census on the direction of the higher authority and in case of five works, BM was laid due to inexperienced contractors engaged for the works. The reply was not tenable as the Department was required to fix the pavement design of the roads only after conducting a survey and contractors were to execute the works only as per the DPR.

2.1.3.2 Excess expenditure due to unnecessary widening of road having low traffic

IRC guidelines²¹ provide for determining the width of carriageway on the basis of volume and composition of traffic. It further provides that if the projected Passenger Car Unit (PCU)²² is less than 2,000, 3.75 m road width with one metre shoulder²³ is sufficient.



Chief Engineer (CE), NBDD sanctioned (September 2014) widening and improvement of one road work²⁴, at an estimated cost of ₹ 11.77 crore. The scope of the work *inter alia* included widening of the road from 3.3 m to 5.5 m. The road work was completed in November 2016 at a cost of ₹ 11.76 crore.

Audit observed from the traffic survey conducted (May 2013) by NBDD that the PCU of the road was only 1413. Despite such low traffic, NBDD, without

¹⁷ Distribution of traffic on the pavement.

¹⁸ Bhanulumari Bholanath more to Paglarkuthi, Dhalpal-II GP office to Natabari Gadadhar Joist bridge, Damdim More at NH-31 to Paschim Damdim Tourism Huts, Dhalpal Bazar to Alipurduar Border; Banarhat TG canteen to Karbala, Bamanhat Road to Madaikali Mandir and Maynaguri bypass Jarda bridge to Madhabdanga.

¹⁹ Doordarshan road from NH-31 to connector road of Fulbari Industrial estate and NH-31 to connector road of Fulbari Super Market, Sahudangi Road near Ramkrishna Ashram to Ashigar More, Paharpur More to Kaliaganj Uttameshwar High School via Chowringee More and Odlabari to Patharjhora via Manabari.

²⁰ Range between 39169 and 372035.

²¹ "Guidelines for capacity of roads for Rural areas" (IRC: 64-1990).

²² It is a vehicle unit used for expressing highway capacity. Car: 1, Truck/ Bus: 3, Agricultural Tractor Trailer: 4.5, Horse drawn Vehicle: 4, Bullock Cart: 6-8 (Table 1 of IRC:64-1990).

²³ A road shoulder is a strip of land immediately adjacent to the traffic lane of a road.

²⁴ Connecting road from Sahudangi Road near Ramkrishna Ashram to Ashigar More.

any recorded reason, widened the road to 5.5 m. As the PCU of the road was less than 2,000, 3.75 m width would have been sufficient to cater to the existing traffic as per relevant IRC guidelines. Thus, widening of the road in violation of IRC guidelines led to unnecessary expenditure of ₹ 1.16 crore.

NBDD, in reply, accepted the audit observation and stated that this was due to lack of experienced field engineer. The reply is not acceptable as the estimate for widening the road to 5.5 m was sanctioned by the Chief Engineer, NBDD.

2.1.4 Created assets remained idle

Audit of sampled projects showed that following assets remained unutilised as detailed below:

2.1.4.1 Development of Market Complex

NBDD had constructed 23 agricultural market complexes at different locations in the two (out of eight) selected districts at a total estimated cost of ₹ 121.61 crore with the objective of creating better marketing facilities and to enable farmers to sell agricultural products throughout the year. After construction, the markets were to be handed over to the respective Regulated Market Committees (RMC) of the districts, which were to thereafter oversee the operation and maintenance of the markets.

Joint physical verifications (March and August 2019) of four of the sampled markets showed that only one of the four markets was functional. In respect of the others, it was observed that:

- Two market complexes²⁵ constructed at a cost of ₹ 6.37 crore, were handed over (March and August 2018) to the respective RMCs. However, neither of the market complexes had started functioning²⁶, as stalls were not yet auctioned to the beneficiaries by the respective Block Development Officers. NBDD, which was responsible for overall development of North Bengal, also did not follow up with the RMCs/ BDOs for early functioning of the markets.
- The fourth market complex²⁷ constructed (December 2017) at a cost of ₹ 3.70 crore was handed over (March 2018) to the concerned RMC. However, the 68 stalls constructed in the basement were not maintained and remained unutilised. All the stalls on the first floor of the market complex also remained unutilised. Only some open spaces on the ground



Figure 2.1: Filthy condition of entrance gate of the fish market

²⁵ Construction of market complex at Kaliganj Bazar at Suktabari and infrastructure development of Chilakhana Haat.

²⁶ Chilakhana Haat: March 2019, Kaliganj Bazar: August 2019.

²⁷ Construction of fish market at Mathabhanga.

floor was being utilised for selling fish/ meat. Thus, NBDD was not able to ensure utilisation of the assets created at a cost of ₹ 3.70 crore.

While three of the four market complexes physically verified were found to be non-functional, for the remaining 19 market complexes, there was no information on records to show the status of their functioning.

2.1.4.2 Development of Ambari picnic spot

The work of development²⁸ of a picnic spot at Ambari was taken up (September 2016) by NBDD at a cost of ₹ 1.55 crore on the request of DM, Coochbehar. The civil work relating to sanitary & plumbing works was completed in December 2017 by incurring an expenditure of ₹ 1.18 crore. However, as of August 2019, this facility could not be put to use due to non-completion of electrical work.

In reply, the NBDD stated (August 2019) that electrical work had not been finalised as the authority which would run the newly constructed facility has not yet been decided. Therefore, the application for electricity connection could not be forwarded to the West Bengal State Electricity Distribution Company Limited.

Non-completion of construction that started in 2016 and the consequent non- utilisation of this facility resulted in blockage of fund of ₹ 1.18 crore.

2.1.5 Undue Advantage to Agencies

Scrutiny of records showed that NBDD allowed ₹ 4.31 crore as interest free mobilisation advance to private contractors implementing six market complexes at different locations²⁹ under NABARD loan. There were, however, no recorded reasons available for allowing such interest free advances. The interest free advances were allowed by NBDD to private agencies without such provisions being incorporated either in the Notice Inviting Tenders or in the Tender documents. The undue advantage to the tune of ₹ 4.31 crore as interest free advance remained unrecovered for a period ranging between 356 and 478 days, which resulted in loss of interest of ₹ 0.49 crore³⁰. Reply of the Department is awaited (December 2020).

2.1.6 Conclusion

NBDD was set up primarily to co-ordinate with different Departments for integrated and planned development of the North Bengal Region (NBR) based on assessment of the critical gaps in the area. NBDD got a Socio-Economic Perspective Plan (SEPP) prepared by the North Bengal University for the period 2010-2020, comprising long and short-term schemes after identifying critical gaps in various sectors. However, while implementing schemes for the NBR, it was seen that most of the projects were taken based on requests received from district authorities, and not based on the adopted SEPP. Moreover, 11 of the 14 identified priority areas were not addressed in any of the interventions. As a result, sectors

²⁸ Construction of Guest House, Approach Road, Internal Road and Foot Path.

²⁹ Market complex at Kaliganj Bazar; Duliahat in Uccahlpukhri, Chilakhana Hat, Balarampur Hat, Nishiganj market and fish market at Mathabhanga.

³⁰ Calculated on the amount of advance provided to the contractors at the rate of 10 per cent per annum.

like rural housing, rural electrification, schools and health facilities, livelihood development etc., which were identified in SEPP as those with critical regional gaps were largely ignored. Of the projects that were taken up, various infrastructure for creation of marketing facilities for farmers, tourism projects, *etc.* remained unutilised. There was no mechanism in place for co-ordinated efforts with other Departments for taking up projects to ensure convergence and prevent overlap with departmental schemes.

2.1.7 Recommendations

- The Department should take up projects as per critical gaps identified in the SEPP, especially in social and livelihood & employment sectors for holistic development of the North Bengal Region.
- The Department should co-ordinate with other departments before taking up any project to ensure their post-commissioning operation and maintenance.
- Monitoring mechanism may be initiated to assess optimal utilisation of assets created.

Animal Resources Development Department

2.2 Long Draft Paragraph on Prevention and Control of Animal Diseases in the State

2.2.1 Introduction

Animal husbandry plays a critical role in providing employment and secondary income for millions of rural households, especially marginal and women farmers and landless labourers. The animal husbandry sector had emerged as one of the major sectors providing livelihood opportunities to the poor in the State. 20th Livestock Census 2019³¹ shows that the number of poultry and cattle were 77.32 and 37.43 million, respectively. Further, as per the Basic Animal Husbandry Statistics 2019 (Department of Animal Husbandry Dairying and Fisheries, GoI), West Bengal is the 3rd largest producer of meat in India producing 10.3 *per cent* of annual aggregate meat production of the country in 2018-19. However, it contributes only three *per cent* of total annual milk production, with a per capita availability of 158 gms/ day against the all India average of 394 gms/ day and the Indian Council of Medical Research stipulation of 220 gms/ day. The State had also been failing to meet the internal requirement of meat and eggs. As per the data made available by the Department, as of January 2015, the meat production was 63 *per cent* of the internal requirement.

The biggest impediment to growth of the livestock sector is the large scale prevalence of diseases like Foot and Mouth Disease (FMD), Peste des Petits Ruminants (PPR), Brucellosis, *etc.* which may result in both morbidity and mortality, and adversely affect animal productivity. In order to tackle the health of livestock effectively, the Department implemented Centrally Sponsored Schemes for Livestock Health & Disease Control during the 12th Five Year Plan.

³¹ The Department of Animal Husbandry & Dairying under Ministry of Fisheries, Animal Husbandry & Dairying, GoI.

Audit was conducted between March and June 2019 with the objective to assess whether the provisions of the applicable rules, policies, guidelines and regulations made thereunder and various orders and instructions issued by the competent authority were being complied by the Department in respect of prevention and control of animal diseases. Scope of audit was limited to the activities of the Department during the period 2015-16 to 2018-19 for prevention and control of animal diseases. Audit methodology comprised test check of records of the Animal Resources Development Department (ARDD), Animal Resources and Animal Husbandry (AR&AH) Directorate, and seven field offices out of 23 districts³² selected through simple random sampling without replacement. Further, records of 40 blocks were sampled for detailed checking in those districts. Results of Audit were as follows:

Audit Findings

2.2.2 Prevention and control of Foot & Mouth Disease (FMD)

FMD is an acute and highly contagious disease of cloven-footed animals. High yielding cows and buffaloes are highly susceptible and more affected by this disease. This disease causes high mortality and morbidity of animals and is considered to be the most devastating animal disease as far as economic loss is concerned.

As per the Annual Report (2017-18) of the Directorate of FMD, Indian Council of Agricultural Research (ICAR), the direct economic impact of FMD is attributed to drop in milk production (upto 80 *per cent*), abortions, and death of young calves. The indirect adverse effects include loss of draught power in bovine for various works including cultivation and transportation, the cost of treatment and implementation of FMD control programmes, *etc.* Out of the 12 outbreaks in Eastern India in 2017-18, eight were reported from West Bengal.

FMD-Control Programme (FMD-CP), a Government of India programme (60:40 funding pattern) had been implemented (since May 2017) by AR&AH Directorate in all the districts of the State with the intention of providing vaccination to 100 *per cent* (171.11 lakh as per 19th Livestock Census 2012) of cattle and buffalo population in the State. Audit examined the implementation of the FMD-CP for the years 2016-17, 2017-18 and 2018-19. As per the Operational Manual for Implementation of the FMD-CP (Operational Manual), the vaccinations were to be administered at an interval of six months. As of October 2019, an expenditure of ₹ 56 crore³³ was incurred on the programme out of total allocation of ₹ 78.55 crore. However, the number of bovine population vaccinated by the State under the programme was not on records. As a result, achievement of the State against the target of 100 *per cent* vaccination of the cattle and buffalo population could not be assessed in Audit.

Operational manual of the programme, *inter alia* stipulated implementation strategy, modalities for procurement and supply of FMD vaccine, role of State/district monitoring units, strategy for sero-monitoring³⁴ and outbreak reporting,

³² Nadia, Paschim Medinipur, Malda, Uttar Dinajpur, Jalpaiguri, South 24 Parganas and Murshidabad.

³³ Central share ₹ 33.65 crore and State share ₹ 22.35 crore.

³⁴ Monitoring of immune response after vaccination.

its control and containment. Though the Director of Animal Husbandry & Veterinary Sciences claimed (February 2019) that GoWB has been conducting FMD vaccination as per protocols of GoI, following deficiencies in implementation of the programme were noticed in Audit:

2.2.2.1 Non-adherence to the potency test norms

As per the standards of World Organisation for Animal Health (OIE)³⁵, potency tests of FMD vaccine are required to be done for each batch. As per the Operational Manual five vials of each batch of vaccine were to be tested for efficacy from a Government recognised Laboratory.

It was noticed that the Directorate of Animal Resources & Animal Health (DAR&AH) procured FMD vaccines for mass vaccination from a private agency through e-tendering. As per the conditions of NIT, the agency was to furnish a copy of laboratory test certificate of the batch number of the vaccine along with the bills. Further, samples of vaccines were also to be sent to the Indian Veterinary Research Institute (IVRI), Bengaluru, for potency test. Scrutiny of records indicated that during 2017-18 and 2018-19, vaccines of 24 batches were distributed. However, as against five samples of each batch, only 16 samples from eight batches were sent³⁶ to the IVRI for quality testing, reports for which were yet to be received as of December 2019 even after a gap of around two years. No records were found to substantiate that the Department actively pursued with IVRI to obtain the test results.

Out of 24 batches of vaccines distributed among the selected districts, three batches of 5,813 vials for a total of 2,90,650 doses were supplied (February 2017) to Murshidabad district for further distribution among the 26 blocks for mass vaccination. Test check of records of eight selected blocks of this district revealed that the vaccines were distributed to the blocks without mentioning the batch number in the challans. In May 2017, Department of Animal Husbandry, Dairying & Fisheries, GoI, circulated that vaccines of one batch, used in this district, had failed the potency test carried out by IVRI, Bengaluru. It was seen in audit that out of 2,200 vials of this batch distributed in this district, 2,010 vials had already been utilised. The remaining 190 vials were returned. In the absence of batch number in the challans, it was not possible to monitor the efficacy and effectiveness of the vaccines used, leaving animals susceptible to FMD. The concerned Deputy Director, Murshidabad, while accepting the fact, stated (March 2019) that this occurred due to delay in receiving potency test report of the said vaccine.

Thus, guidelines of GoI regarding potency testing of all batches of vaccines were not adhered to, which risked the entire exercise of vaccination of cattle population against a severe and infectious disease like FMD.

2.2.2.2 Norms of intervals between two vaccinations not followed

As per the Operational Manual, vaccinations were to be administered at an interval of six months, which was essential for effective control of the disease and maintenance of herd immunity. During 2017-18 to 2018-19, it was noticed

³⁵ An inter governmental organisation for co-ordinating, supporting and promoting animal disease control.

³⁶ 14 samples from six batches in 2017-18 and two samples from two batches in the year 2018- 19.

from the supply records of the vaccines to the selected districts that except South 24 Parganas, vaccinations were done only thrice against the requirement of four over the two-year period. Detailed scrutiny of vaccine schedule in the selected districts further revealed that in four blocks³⁷ of Jalpaiguri district, the gap between the supply of the vaccines for first and second vaccinations ranged between nine to eleven months, whereas the gap was only 13 days to three months between second and third vaccinations.

2.2.2.3 Re-use of disposable needles

Para 6.4 of the Operational Manual stipulated use of separate disposable needle for each animal for vaccination though the syringes could be used for 5-10 animals. FMD-CP vaccination records of 32 blocks in the selected districts during 2017-18 to 2018-19 showed that total 55.06 lakh doses of vaccine were administered whereas only 7.86 lakh needles were used for those vaccinations. It indicates that on an average, each needle had been used for at least eight animals, thereby increasing the scope of spread of infection and compromising the health of livestock.

Deputy Directors of the four districts³⁸ admitted the fact and attributed non-compliance to shortage of funds. However, it was noticed in audit that the approved vaccination cost included vaccines, needles, syringes cost of biological waste management *etc.* Further, out of the total allocation of ₹ 78.55 crore, only ₹ 56 crore were utilised till October 2019, hence, negligence of the Department rather than non-availability of funds appears to have been the reason.

2.2.2.4 Immunity level not improved even after three rounds of vaccination

As per the Operational Manual, prior to vaccination Veterinary Officer was to send 10 serum samples each from cattle and buffaloes from 10 randomly selected villages. After the 30th day of the first vaccination, again equal number of serum samples were to be collected and sent to IVRI to assess the titre level³⁹ against each serotype⁴⁰. As per the information made available to Audit, 9,467 samples were sent during the period covered in audit, to IVRI. The results of sero-surveillance showed that only 42, 23 and 29 *per cent* vaccinated animals had attained the desired titre level at the end of the FMD-CP 2016-17, 2017-18 and 2018-19, respectively as against 75 *per cent* as prescribed by OIE. This indicated that the immunisation protocols were not followed properly, which resulted in non-attaining of desired titre levels.

From 2015-16 to 2018-19, the population at risk has varied from 2,040 to 54,573 indicating that the departmental figures in estimating the actual population was unreliable.

There were multiple outbreaks of FMD in the State during the period 2015-16 to 2018-19 even after four rounds of vaccination; details are shown in the **Table 2.2**.

³⁷ Jalpaiguri Sadar, Mal, Maynaguri and Rajganj.

³⁸ Jalpaiguri, Malda, South 24 Parganas and Uttar Dinajpur.

³⁹ Cattle maintain protective level against FMD if protective antibody titre of serum sample is $\geq 1.8 \log 10$.

⁴⁰ In India three serotype (O, A and Asia-I) of FMD virus are prevalent.

Table 2.2: Outbreaks of FMD in the State

| Year | No of incidence | Population at risk | Bovines Affected | Deaths |
|---------|-----------------|--------------------|------------------|--------|
| 2015-16 | 31 | 14,440 | 704 | 6 |
| 2016-17 | 5 | 2,040 | 181 | 8 |
| 2017-18 | 0 | N/A | N/A | N/A |
| 2018-19 | 62 | 54,573 | 19,903 | 368 |

(Source: Records IAH&VB)

The impact of non-attaining desired titre level resulted in 62 outbreaks of FMD in the State during 2018-19 leaving 54,573 animals at risk of which 19,903 (36.47 per cent) were affected with 368 reported deaths.

In reply, Joint Director, ARD, IAH&VB stated (April 2019) that the level of titre after vaccination depended upon many factors - proper deworming, health status, antigenic mass present in vaccine as well as potency of vaccine *etc.* However, though the success of vaccination depended on various factors, it was a fact that the schedule of vaccination was not followed as prescribed.

Thus, the objective of prevention of morbidity and mortality due to FMD by 100 per cent vaccination of eligible cattle and buffalo population was largely defeated even after an expenditure of ₹ 56 crore during 2016-17 to 2018-19 (upto October 2019), due to failure to follow protocols for effective vaccination.

2.2.3 Control of Bovine Brucellosis

Bovine Brucellosis is a major zoonotic disease⁴¹ affecting both animals and human beings endemic in West Bengal. In cattle and buffalo, the disease is characterised by abortion, infertility, repeat breeding⁴² and reduced milk yield. As per the Technical Guidelines of Department of Animal Husbandry, Dairy and Fisheries (DAHDF), GoI, the disease can be prevented by one-time vaccination of all eligible female calves.

Government of India in July 2018 made a budgetary allotment of ₹ 2.57 crore for Government of West Bengal under Rashtriya Krishi Vikash Yojana-Remunerative Approaches for Agriculture and Allied Sector Rejuvenation (RKVY-RAFTAAR) with the priority given to Brucella Control Programme and Establishment of Veterinary Hospitals and Dispensaries in July 2018, subject to submission of proposal made by the State Government. As per the Assistant Director (AD), ARD (Veterinary), Directorate of Animal Resources and Animal Health, no funds were received from GoI and no vaccination had been done against Brucellosis in the State during 2018-19. However, from the records available, it could not be confirmed if the State Government had actually submitted a proposal in this regard.

Within the selected districts, test/ screening for Brucellosis was conducted only in the cattle section of Haringhata Farm in vicinity of Haringhata Bull Mother Farm (BMF) in Nadia district. Reports of serological examination done by IAH&VB in Haringhata Farm in 2015, 2017 and 2018, showed large number of Brucella positive cattle. It was observed that 124 (65.60 per cent), 37 (50.68 per cent) and 142 (47 per cent) animals were infected out of total

⁴¹ A disease that normally exists in animals but that can infect humans.

⁴² Failed to conceive after at least two successive inseminations.

tested 189, 73 and 302 animals, respectively. It was advised to cull all Brucella positive cattle and retest the remaining cattle after two months of culling. However, no action had been taken as of December 2019.

In reply, Additional Director, ARD, Haringhata Farm stated (May 2019) that they had sought (March 2018) intervention and directives for plan of action from Director of Animal Health & Veterinary Science for culling of Brucella positive cattle as advised by the IAH&VB. However, response was yet to come.

This indicated that the Department did not take any prompt action to control the spread of Bovine Brucellosis though there was risk of infection to the animals of Bull Mother Farm and Frozen Semen Bull Station located inside the Government farm.

2.2.4 Control of Peste des Petits Ruminants (PPR) disease

PPR also known as ‘Goat Plague’ is a viral disease characterised by high fever, inflammation of the gastro-intestinal tract leading to ulceration of the mucous membrane and diarrhoea in goats and sheep. The PPR infection causes huge losses in the rural economy, both in terms of morbidity and mortality in sheep and goats. PPR-Control Programme (PPR-CP), a 100 *per cent* GoI scheme, had been implemented (since 2014-15) throughout the country. The programme *inter alia* envisaged one-time vaccination of all eligible⁴³ sheep & goat population free of cost. As of March 2019, ₹ 8 crore was utilised on this programme in the State.

During 2014-15 to 2017-18, it was observed that the coverage of vaccination *vis-à-vis* total goat and sheep population (125.82 lakh as per 19th Livestock Census 2012) ranged from 26.58 to 69.74 *per cent*. As of March 2019, the coverage was 61.83 *per cent* as only 100.66 lakh were vaccinated against the total 162.80 lakh goats/ sheep in the State as per the latest census (20th Livestock Census 2019). The reason for this shortfall to vaccinate 100 *per cent* of the eligible animals was not available in the records in any of the test checked districts.

The deficiencies in implementation of the vaccination programme as noticed in audit are detailed below:

a) Lack of proper infrastructure and consumables

As per vaccination strategy issued by the Additional Director, ARD (Health), GoWB, vaccines were to be stored at (-) 20°C and utilised as soon as possible. Further, vaccines were to be banked at the block headquarters with proper power back-up to maintain regular power source for the deep freezers.

Scrutiny of records of four⁴⁴ out of the seven selected districts showed that deep freezers were not provided to any of the blocks. In the remaining three test checked districts, no information about availability of deep freezers was provided. In the absence of deep freezers, the required temperature of the vaccines could not have been ensured, resulting in the effectiveness of the vaccines being adversely affected.

Further, as per the records furnished by the Uttar Dinajpur district, in 2018-19, 4.60 lakh animals were vaccinated against a total population of

⁴³ New born kid and lambs at around six months of age.

⁴⁴ Jalpaiguri, Malda, South 24 Parganas and Uttar Dinajpur.

5.76 lakh. However, only 1.12 lakh needles were procured indicating that syringes and needles were re-used for vaccination, thereby increasing the chances of infection and transmission of communicable diseases.

b) Lack of monitoring

Vaccination strategy issued by the Department for implementation of PPR-CP, *inter alia* stipulated monitoring of vaccine response using competitive ELISA test through collection of samples⁴⁵ from the vaccinated goats at least 21 days after vaccination. This was required for detection of antibodies to PPR virus. Serum samples from vaccinated goats were to be obtained on random basis and tested in the Institute of Animal Health and Veterinary Biologicals (IAH&VB) Laboratory for the antibody status of the animal. It was observed that in two test checked districts⁴⁶, samples were neither collected nor got tested.

It was also observed from the available reports of IAH&VB that out of 273 serum samples taken from vaccinated goats in Paschim Medinipur and South 24 Parganas, 117 serum samples were found PPR negative implying that necessary antibodies had not developed after vaccination in 43 *per cent* cases.

During the period 2015-16 to 2018-19, a total 214 PPR outbreaks were reported in the State in which 2,378 goats were infected causing 486 deaths. In respect of Uttar Dinajpur, Deputy Director, ARD & Parishad Officer of Uttar Dinajpur, stated (June 2019) that it was not clear whether the infected animals were vaccinated or not. This indicated that the district officer did not maintain any health card recording detail of vaccination which was required to be maintained as per the Technical Guidelines of Department of Animal Husbandry, Dairy and Fisheries (DAHDF), GoI to States for implementation of various components of Centrally Sponsored Schemes on livestock health and disease control of animals. This was despite the report of National Animal Disease Referral Expert System (NADRES) of July 2019, which categorised 14 districts of the State as high risk for PPR.

Although PPR-CP was introduced in the State since 2015-16, the vaccination coverage as of March 2019, was only 61.83 *per cent*⁴⁷ and incidences of PPR continued to occur.

2.2.5 Health care facilities for animals

The State has an elaborate network of 2,652 Animal Development Aid Centres (ADAC), 271 Additional Block Animal Health Centres (ABAHC), 339 Block Animal Health Centres (BAHC), 92 State Animal Health Centres (SAHC), 10 District Veterinary Hospitals and eight Polyclinics. Health camps are also organised all over the State, which together provide required “Health Care” facilities to the livestock population in general.

Essential vaccines⁴⁸ for prevention of critical animal diseases were produced by the Institute of Animal Husbandry & Veterinary Biologicals (IAH&VB),

⁴⁵ From at least five numbers of villages from each district at the rate of 30 samples per village.

⁴⁶ Jalpaiguri and Uttar Dinajpur.

⁴⁷ Of the sheep/ goat population as per 20th livestock census 2019.

⁴⁸ Total 13 vaccines like PPR, Anthrax, Haemorrhagic Septicemia, Black Quarter, Goat Pox etc. except FMD which is centrally procured.

Kolkata. Besides, other necessary technical assistance was also provided by the IAH & VB, District Disease Diagnostic Laboratories and the five Regional Disease Diagnostic Laboratories (RDDL) for disease diagnostics and to facilitate physical surveillance for prevention, control and containment of epidemics & highly pathogenic diseases.

2.2.5.1 Functioning of Animal Health Centres

During Audit of the selected districts, joint physical verification was done in 72 out of the 85 SAHCs (13), BAHCs (30) and ABAHCs (29). It was found that all health centres were operating under acute infrastructural shortages as detailed below:

- No operation rooms/ theatres were available in any of the physically verified animal health centres. The concerned officers-in-charge intimated that surgeries *viz.* caesarean section, hernia, amputation of limbs *etc.* were being conducted in open air, which increased the risks of post-operative infection.
- Essential medical/ surgical equipment *viz.* portable digital X-ray machine, post mortem set, delivery set, autoclave machine *etc.* were also not available.
- All the officers-in-charge of the health centres pointed out that supply of essential medicines, syringes/ needles and surgicals were inadequate and the entire annual supply of medicines & surgical instruments were exhausted within first few months. Further, due to shortage of syringes/ needles, health centres were compelled to reuse them.
- Emergency power back-up system, which was essential to maintain cold chain for preservation of vaccines was not present in any of the animal health centres.

2.2.5.2 Unfruitful expenditure

In Multi-Disciplinary Veterinary Hospital at Nabadwip in Nadia district, the X-ray machine with Computed Radiography (CR) system had been installed (April 2018) at a cost of ₹ 15.86 lakh. However, the machine could not be operationalised as of July 2020 for want of safety clearance from the competent authority and non-deployment of radiographer. As a result, X-Ray machine remained unutilised since its purchase in April 2018.

2.2.5.3 Manpower Management

It was noticed that there was shortage of Veterinary Officers, Veterinary Pharmacist, Veterinary Field Supervisor, Livestock Development Assistant (LDA) in the animal health centres of the State as detailed in **Table 2.3**.

Table 2.3: Men in position *vis-à-vis* sanctioned strength as of March 2019

| Post | Sanctioned strength | Men in position | Shortage (percentage) |
|-----------------------------------|---------------------|-----------------|-----------------------|
| Veterinary Officers ⁴⁹ | 1,518 | 1,219 | 20 |
| Veterinary Pharmacist | 493 | 331 | 33 |
| Veterinary Field Supervisor | 341 | 91 | 73 |
| Livestock Development Assistant | 3,358 | 688 | 79 |

(Source: Directorate reply)

⁴⁹ Included BLDOS, Additional Directors, Joint Directors, Deputy Directors and Assistant Directors.

Livestock Development Assistants are key functionaries in any animal health centre. They render first aid to ailing animals, do artificial insemination for livestock development and help BLDOs and VOs for extension (field) works.

In the test checked districts, it was seen that out of 963 ADACs, LDAs were posted only in 172 ADACs and remaining 791 ADACs were without any LDAs. In their absence, 82 per cent of the ADACs were non-functional as of March 2019.

Further, out of total 72 animal health centres where joint physical inspection was done, it was seen that there were no VOs posted in 23 centres and eight centres were functioning under additional charge of VO holding dual charge. Moreover, in four⁵⁰ health centres, none was posted and as such no health care facilities were available in these centres. This has deprived extension of various medical facilities like surgeries of animals, Artificial Insemination (AI) of cattle, vaccinations *etc.*

2.2.6 Functioning of Polyclinics

As per the Vision Document of the Department of Animal Resources Development, Government of West Bengal, Veterinary polyclinics were established with an objective to provide multi-disciplinary modern health care facilities for animals.

Two of the eight polyclinics⁵¹ (Clinic/ hospital dealing with various animal diseases) were test checked and it was found that those were not functioning properly as discussed below:

- Berhampore Polyclinic in Murshidabad had only one Veterinary Officer (medicine) without any technical support staff. It was observed that due to shortage of technical manpower, various machines⁵² were unutilised. Further, Continuous Radiographic Imaging System (X-ray machine) which was purchased in the year 2011 at ₹ 13 lakh became (September 2015) unserviceable beyond repair due to non-utilisation. Operation theatre for large animals was also inoperative for the last five years since no VO was posted having specialisation in surgery. While accepting the observation, DD, ARD, Murshidabad stated (March 2019) that there was requirement of one VO in each Department *viz.* surgery, gynaecology and radiology for smooth running of the polyclinic.
- The building of the Malda Polyclinic was in a dilapidated condition and no permanent VOs or support staff were posted. Only two part time VOs were deputed to visit twice a week (Thursday and Saturday). Further, various medical equipment *viz.* X-Ray, Diathermy and USG machines, required for smooth functioning were in defunct condition. While accepting the observation DD, ARD, Malda also stated (March 2019) that for smooth functioning of the polyclinic, VOs specialised in medicine, radiology and surgery were required to be posted.

⁵⁰ ABAHC, Khaiertala, Malda, ABAHC, Rosokhowa, Uttar Dinajpur, ABAHC, Sitarampur and Chunakhali at South 24 Pgs.

⁵¹ Berhampur, Malda, Siliguri, Barasat, Tamluk, Burdwan, Suri and Coochbehar.

⁵² Ultrasound scanner, Pulse Oximeter (blood analyser haematological machine), Endoscope with accessories, Short wave Diathermy, semi auto Analyser.

Replies of the officers-in-charge of the two polyclinics were not tenable as no records in respect of taking up the matter of shortage of manpower, equipment or consumables with the higher authorities in the Department were provided. However, the fact remains that Polyclinics have been functioning under acute infrastructural bottlenecks and manpower as a result of which required “Health Care” facilities to the livestock population could not be adequately provided.

2.2.7 Functioning of Regional Disease Diagnostic Laboratories

There are five Regional Laboratories⁵³ in the State. Out of these five, joint physical verification was conducted in three laboratories⁵⁴ during the course of audit and the following observations were noted:

2.2.7.1 Regional Disease Diagnostic Laboratory (RDDL), Jalpaiguri

The RDDL, Jalpaiguri was upgraded in 2009 to Bio-Safety Level-II⁵⁵ utilising GoI funds of ₹ 17.40 lakh. The main objectives of this laboratory *inter alia* are (i) regular investigation and treatment of various diseases like Brucellosis, FMD, PPR, Tuberculosis *etc.* (ii) investigation of reproductive disorders, (iii) treatment in infertility camps (iv) haemoparasitic infection in cattle, testing of milk samples for Mastitis *etc.*

During the audit period 2015-16 to 2018-19, the Laboratory was almost in non-functional mode as only 93 tests (average of 31 per year) of blood samples for haemoprotozoa and faecal samples for endoparasites were done. It was noticed that due to absence of adequate staff, the main objective of the laboratory as mentioned above had not been done. Only one AD, ARD was posted in the Laboratory against the sanctioned post of one DD (Micro) with four ADs (ARD). Further, a bio-safety cabinet⁵⁶ installed in March 2015 at a cost of ₹ 4.62 lakh, remained idle since inception due to lack of technical manpower; Annual Maintenance Contract (AMC) of the cabinet was also not renewed after March 2016. The district pathological lab in the same premises was also found to be non-functional due to absence of required staff.

The DD, ARD, Jalpaiguri accepted (June 2019) the audit findings and stated that all the objectives of the Laboratory would be fulfilled after getting manpower and necessary servicing and repair of the instruments. However, the fact remains that the Laboratory was almost non-functional for the last five years.

2.2.7.2 Poultry Disease Diagnostic Laboratory (PDDL), Garbeta

The Laboratory was established *inter alia* for (i) general diagnosis and treatment of livestock and poultry population (ii) isolation and identification of etiological agents from suspected specimens (iii) study post mortem findings in relation to

⁵³ Darjeeling, Jalpaiguri, Burdwan, Bethuadahari and Garhbeta.

⁵⁴ Regional Disease Diagnostic Laboratory, Jalpaiguri, Poultry Disease Diagnostic Laboratory (PDDL), Garhbeta, Regional Disease Diagnostic Laboratory (RDDL), Bethuadahari, Nadia.

⁵⁵ This biosafety level covers laboratories that work with agents associated with human diseases (i.e. pathogenic or infectious organisms) that pose a moderate health hazard. All procedures that can cause infection from aerosols or splashes are performed within a biological safety cabinet.

⁵⁶ Biological safety cabinets are among the most effective primary containment devices used in laboratories working with infectious agents. They act as primary barriers to prevent the escape of biological aerosols into the laboratory environment.

diagnosis of diseases of livestock and poultry (iv) serological screening of poultry diseases and (v) advise farmers on common diseases of poultry and livestock.

However, it was seen that the work of serological screening (serum testing), isolation and identification of etiological agents was not done at all. No field visits for treatment of livestock and collection of samples for serological screening of poultry diseases were done by the Laboratory. This was attributed to the acute shortage of manpower and lack of proper infrastructure⁵⁷. Only one AD, ARD (Micro), who was also officiating and acting as DD, ARD & PO Paschim Medinipur and one Laboratory Attendant were posted in the Laboratory against the sanction of one DD (Micro), two ADs (Micro) and two Laboratory assistants. It was seen that the Laboratory was just collecting samples relating to routine serum collection for onward transmission to IAH&VB, Belgachia.

DD, ARD, Paschim Medinipur accepted (April 2019) the audit findings and stated that due to acute shortage of manpower, lack of infrastructure and non-availability of pure distilled water, the Laboratory had failed to perform its functions optimally.

2.2.7.3 Regional Disease Diagnostic Laboratory (RDDL), Bethuadahari, Nadia

RDDL, Bethuadahari was established to conduct survey of infected abortions including study of their pathological and immunogenic properties to adopt control measure in herds, organising infertility and sterility camps, Ranikhet Disease (RD) immune status in poultry birds, sero surveillance against highly pathogenic Avian Influenza and also to advice farmers on common diseases of poultry and livestock.

It was observed that as of May 2019, only one AD was posted in the Laboratory against total sanctioned posts of one DD and four ADs (Micro). In absence of sufficient manpower, work related to Veterinary Research and Investigation (VR&I) was hampered. No data related to follow up action of cows treated for investigation of infertility in the RDDL was maintained. The concerned DD accepted (May 2019) the lapse and stated that henceforth, records about results of treatment would be maintained.

Programmes and schemes on animal health, including vaccinations and treatment of diseases were bound to be compromised with such acute shortage of trained manpower and inadequate and dilapidated infrastructure and facilities. The matter was reported to the Department in August 2020, followed by reminder in January 2021. Reply of the Government is awaited.

2.2.8 Conclusion

Norms for prevention and control of highly contagious animal diseases like FMD, Bovine Brucellosis and PPR were not adhered to. As a result, implementation of programmes for prevention of disease in livestock became ineffective and several outbreaks of these diseases were noticed.

Health care facilities for animals were severely incapacitated due to lack of functional infrastructure and severe manpower shortages.

Policies and programmes on animal health implemented by the State remain diffused and there appears to be a lack of focus and synergy between the

⁵⁷ *Pure distilled water.*

interventions, which is exacerbated by the dismal state of the veterinary infrastructure and woeful lack of critical field personnel to implement and monitor the programmes.

2.2.9 Recommendations

- The Department should enforce strict compliance with the laid down protocols relating to testing efficacy, vaccination schedule, infrastructure and post-vaccination monitoring to ensure effectiveness of the vaccines.
- The Department should strengthen the health care and diagnostic facilities of the animals by re-assessing functional infrastructure and manpower.

PUBLIC WORKS DEPARTMENT

2.3 Avoidable Expenditure due to Violation of IRC Guidelines

The Department, in violation of Indian Roads Congress Guidelines, provided unnecessary extra bituminous layers in different road works which led to an avoidable expenditure of ₹ 4.78 crore.

All the estimates of road works undertaken by the Public Works Department (PWD) are based on its Schedule of Rates (SOR), Ministry of Road Transport and Highways (MOR&TH) guidelines and Indian Roads Congress (IRC) guidelines. IRC guidelines include the pavement design catalogue to be used for determination of pavement thickness for road construction. This stipulates thickness of road and specification of each layer of road pavement to be constructed on the basis of strength of sub-grade soil⁵⁸, which is expressed in terms of California Bearing Ratio⁵⁹ (CBR) and the projected traffic volume (expressed in *msa*⁶⁰ and ESAL⁶¹) during the design life⁶² of the road. The guidelines also recommend that during formation/ widening/ strengthening of a road for traffic of two *msa* or more, Dense Bituminous Macadam (DBM) should always be laid as binder course. For traffic ranging between 1.5 *msa* and 2 *msa*, the guidelines recommend laying Bituminous Macadam (BM) as binder course.

It was observed during scrutiny of records (during June 2018 to November 2018) of five Divisions⁶³ of Public Works Directorate and Public Works (Roads) Directorate (PWRD), that strengthening and widening works of six roads were awarded to six different agencies between April 2015 and October 2017 at a total tendered cost of ₹ 48.51 crore for completion between October 2015 to August 2018. Out of the six works, five works were completed between February 2016 and April 2017 at a cost of ₹ 46.34 crore. The remaining one work was under progress as of May 2019 for which a total amount of ₹ 8 crore had been paid.

⁵⁸ The native material underneath a constructed road.

⁵⁹ The California Bearing Ratio (CBR) is a penetration test for evaluation of the mechanical strength of natural ground, subgrades and base courses beneath new carriageway construction.

⁶⁰ Million Standard Axles.

⁶¹ Equivalent Standard Axle Load.

⁶² The design life of a road is defined in terms of years arrived at by considering the cumulative number of standard axles (vehicles) that can be carried.

⁶³ Malda Highway Division (PWRD), Purulia Highway Division (PWRD), Dakshin Dinajpur Highway Division (PWRD), Barasat Division (PWD) and Diamond Harbour Division (PWD).

Detailed scrutiny of estimates of relevant works revealed that all the six works were to be executed by following IRC guidelines. However, from scrutiny of detailed estimates and vouchers it was observed that the guidelines were not followed. Details of the bituminous course laid *vis-à-vis* that required as per extant IRC guidelines are shown in the **Table 2.4**.

Table 2.4: Road-wise thickness of bituminous layers laid vis-à-vis required as per IRC guidelines.

| Sl. No | Name of the Road | <i>msa</i> value | CBR in % | Bituminous course required as per IRC | Bituminous course executed by the Department |
|--------|-------------------------------------|------------------|----------|---------------------------------------|--|
| 1 | Daulatpur-Harirampur-Dehaband | 2.25 | 4 | 50 DBM + 25 SDBC* | 75 BM + 25 SDBC |
| 2 | Jhalda-Bagmundi | 3 | 6 | 50 DBM + 25 SDBC | 75 BM + 25 SDBC |
| 3 | Hatugunj-Purba Bishnupur | 4.28 | 3.22 | 50 DBM + 25 SDBC | 75 BM + 25 SDBC |
| 4 | Sarisha-Noorpur | 4.5 | 3.6 | 70 DBM + 25 SDBC | 100 BM + 25 SDBC |
| 5 | Kholapota-Baduria-Maslandapur-Habra | 7 | 5 | 60 DBM + 30 BC** | 75 DBM + 40 BC |
| 6 | Ratua-Bhaluka | 1.73 | 4 | 50 BM + 20 OGPC ⁶⁴ | 50 DBM + 30 BC |

(Source: Records of the divisions)

*SDBC=Semi Dense Bituminous Concrete,

**BC=Bituminous Concrete

It can be observed from the above table that in four road works having traffic more than two *msa* (Sl. No. 1 to 4), the Divisions, in violation of the Guidelines, had laid excess thickness of BM, DBM and BC.

In another work (Sl. No. 5), excess thickness of DBM and BC (75 mm instead of 60 mm and 40 mm instead of 30 mm, respectively) was laid while in the remaining one work (Sl. No. 6), having traffic below two *msa*, the Division laid 50 mm DBM and 30 mm BC instead of 50 mm BM and 20 mm OGPC in deviation of the relevant Guidelines.

This led to an avoidable expenditure of ₹ 4.78 crore in laying unnecessary layers of bituminous course. No justification for such deviation from IRC guidelines was found on record. The matter was reported (July 2019 followed by reminder in January 2021) to the Department; reply has not yet been received (January 2021).

PUBLIC WORKS (ROADS) DEPARTMENT

2.4 Extra Expenditure

The Department, while strengthening of a road did not consider the actual thickness of the existing non-bituminous base course and provided extra thickness than that required as per the IRC Guidelines. This resulted in extra expenditure of ₹ 0.82 crore.

Indian Roads Congress (IRC) Guidelines stipulate thickness and specification of each layer of road to be constructed on the basis of strength of sub-grade

⁶⁴ Open Graded Premix Carpet.

soil⁶⁵, which is expressed in terms of California Bearing Ratio⁶⁶ (CBR) and the projected volume of traffic (expressed in *msa*⁶⁷) during the design life⁶⁸ of the road.

Scrutiny of the records of the Executive Engineer (EE), Hooghly Highway Division-I revealed (May 2018) that the Superintending Engineer (SE), Western Highway Circle No. II awarded (January 2018), strengthening work on a stretch of road⁶⁹ at a tendered cost of ₹ 6.67 crore for completion by October 2018. The scope of the work included ‘picking up’ of entire existing Bituminous Macadam (BM) layer (40 mm thick) and then overlaying with 200 mm thick Wet Mix Macadam (WMM) as base course⁷⁰, followed by 50 mm Bituminous Macadam (BM) and a wearing course of 20 mm Premix Carpet & Seal Coat. The work was completed in July 2018 and ₹ 6.38 crore was incurred including ₹ 1.71 crore on WMM.

It was, however, observed that the PWRD did not consider the actual thickness of the existing base course in designing the road and provided extra 100 mm thick WMM layer as detailed in the **Table 2.5**:

Table 2.5: Detailed calculations of excess thickness of road executed

| Name of the course | Required thickness of the road as per the IRC Guidelines (in mm) | Thickness of the road after the work of 2013 (in mm) | Thickness of the road should have been considered in the work of 2018 (in mm) | Thickness of the road actually considered in the work of 2018 (in mm) | Excess |
|--|--|--|---|---|------------|
| Non-bituminous base course including WMM | 550 (including 250 mm WMM) | 460 (310 + 150 WMM) | 560 (existing 460 i.e. 310+ 150 WMM from 2013 work and 100 mm new layer WMM) | 660 (existing 460 from 2013 work and 200 mm new layer WMM) | 100 mm WMM |
| Bituminous Macadam (BM) | 50 | 40 | 50 | 50 | Nil |
| Total | 600 | 500 | 610 | 710 | 100 |

(Source: Divisional records)

- From the approved detailed cost estimates of the present work as well as of the earlier road work (January 2013) on the same stretch, it was seen that during the earlier work of January 2013, the then existing 310 mm thick pavement of the road was overlaid with 150 mm thick WMM as base course, 40 mm thick BM as binder course and a wearing course of 20 mm thick Mix Seal Surfacing (MSS). Thus, after picking up of BM

⁶⁵ The native material underneath a constructed road.

⁶⁶ The California Bearing Ratio (CBR) is a penetration test for evaluation of the mechanical strength of natural ground, subgrades and base courses beneath new carriageway construction.

⁶⁷ Million Standard Axles.

⁶⁸ The design life of a road is defined in terms of years arrived at by considering the cumulative number of standard axles (vehicles) that can be carried.

⁶⁹ Pandua-Polba Road from 8.00 kmp to 15.635 kmp.

⁷⁰ This is the layer directly below the bituminous layer and generally consists of layers of aggregates like WMM or WBM which provides additional load distribution, contributes to drainage, uniform support to the pavement and a stable platform for construction equipment.

layer, thickness of the existing base course remained 460 mm⁷¹, including 150 mm WMM.

- It was observed that based on the CBR and traffic volume⁷² as envisaged in the approved detailed cost estimate of the present work, the required thickness of the road as per the IRC Guidelines was 600 mm including 250 mm of WMM as base course. As 150 mm WMM already existed, an additional 100 mm was sufficient to meet the design specifications as laid down in the guidelines.
- It was, however, observed that the Division, without any recorded reason in the DPR, considered the thickness of existing road as 350 mm in lieu of the actual thickness of 460 mm (including 150 mm WMM done in 2013) and executed 200 mm thick WMM.

Thus, due to execution of extra thickness of 100 mm WMM, the Department incurred an extra expenditure of ₹ 0.82 crore. The matter was reported (July 2019 followed by reminders in December 2019 and January 2021) to the Department; reply has not been received (January 2021).

2.5 Excess Expenditure

Department, in construction of two concrete roads, executed an unnecessary extra sub-base layer and extra thickness of concrete layer in violation of the Indian Roads Congress Guidelines which resulted in excess expenditure of ₹ 1.36 crore.

Indian Roads Congress (IRC) Guidelines for Standard Specification and the Code of Practice for Construction of Concrete Roads, stipulate that for construction of concrete roads, cement concrete layers shall be laid over a layer of sub-base⁷³. The sub-base may be composed either of granular material⁷⁴ or stabilised soil⁷⁵ or semi-rigid material⁷⁶. Further, the guidelines for the use of “Dry Lean Concrete (DLC)⁷⁷ as sub-base for rigid pavement” also stipulate that a DLC as sub-base is generally recommended for modern concrete pavements, particularly those with high intensity of traffic. It also recommends that, to facilitate quick disposal of water that is likely to enter the sub-grade⁷⁸, a drainage layer of Granular Sub-Base (GSB) shall be provided below the sub-base throughout the road width.

⁷¹ 310 mm thick pavement (existing) + 150 mm thick WMM as base course + 40 mm thick BM as binder course = 500 mm (20 mm MSS as wearing course is not regarded as an addition to the overall thickness of the road). Thus, after picking up of 40 mm BM layer in the new work, thickness of the existing base course became 460 mm.

⁷² (i) CBR = 3.95 per cent (ii) msa = 6.81 for sub-base and base course (non-bituminous) considering design life of the road as 15 years.

⁷³ Sub-base is the layer of aggregate material laid on the sub-grade (the native material underneath a constructed road), on which the base course layer is laid.

⁷⁴ Composed of WBM, WMM, well-graded granular materials like natural gravel, crushed slag, crushed cement, brick metal, laterite, kankar, well graded soil aggregate mixtures etc.

⁷⁵ Composed of local soil or moorum stabilized with lime or lime-fly ash or cement.

⁷⁶ Composed of lime-burnt clay puzzalana concrete, lime-fly ash concrete and Dry Lean Concrete.

⁷⁷ Dry Lean Concrete (DLC) is a plain concrete with a large ratio of aggregate to cement than conventional concrete and generally used as a base/ sub base of rigid pavement.

⁷⁸ The native material underneath a constructed road.

Scrutiny of records of two divisions⁷⁹ under Public Works Roads Directorate (PWRD) revealed that the upgradation/ improvement of two village roads (Work-A⁸⁰ and Work-B⁸¹) into concrete roads were undertaken (in March 2015 and February 2017) by Superintending Engineer (SE) of South Western Highway Circle at a tendered cost of ₹ 20.53 crore and ₹ 6.07 crore respectively. The works were completed in December 2017 and February 2018, and ₹ 20.51 crore and ₹ 6.15 crore were paid to the contractors respectively. The improvement/upgradation works done on the roads vis-à-vis requirement as per IRC guidelines are shown in the **Table 2.6**.

Table 2.6: Requirement as per IRC guidelines vis-à-vis works done

| | Existing road | Upgradation/ Improvement works done | Requirement as per IRC guidelines |
|--------|-----------------------------------|-------------------------------------|-----------------------------------|
| Work-A | Earthen Road | 100 mm GSB | 100 mm GSB |
| | | 75 mm WMM | 75 mm WMM |
| | | 200 mm Concrete (M-35 grade) | 190 mm Concrete (M-30 grade) |
| Work-B | 200 mm to 250 mm laterite/ moorum | 150 mm GSB | 150 mm GSB |
| | | 250 mm WMM | Not required |
| | | 150 mm DLC | 150 mm DLC |
| | | 300 mm Concrete (M-45 grade) | 300 mm Concrete (M-45 grade) |

(Source: Divisional records)

Scrutiny of Detailed Project Report of Work-A revealed that the Department calculated 190 mm M-30 grade of concrete layer as safe for the instant road in accordance with the relevant Guidelines. However, audit observed that the Department without any recorded reason included 200 mm thick M-35 grade of concrete pavement in the tender. Thus, by laying an extra 10 mm of and higher grade of M-35 concrete, the Department incurred excess expenditure of ₹ 0.57 crore.

In case of Work-B, below the 300 mm thick M-45 grade concrete layer, 150 mm thick sub-base layer composed of DLC and 150 mm GSB layer below the DLC sub-base were required to be laid as per relevant guidelines. However, the Department without any recorded justification, deviated from the relevant IRC Guidelines and an extra layer of 250 mm WMM below the DLC layer was included in the DPR and tender and executed, thereby incurring an extra expenditure of ₹ 0.79 crore. In reply, SE stated (December 2018) that in consideration of anticipated traffic load and plying of heavy vehicles, it was decided to improve the road with an extra layer of WMM prior to DLC for future lasting. The reply may be viewed in the light of the fact that 300 mm thick high grade concrete (M-45) was laid over the DLC considering heavier traffic load. Further, DLC as sub-base was also

⁷⁹ Midnapore Highway Division-II and Purulia Highway Division.

⁸⁰ Work-A- "Improvement of road by providing concrete pavement from Ajodhya (Hatinda) to Khamar Road via Tellyabhasa, Bamnijora and Pititiri-21.86 km"

⁸¹ Work-B- "Upgradation of village road from Farm Road Point at NH-6 to Jambedia Village near Jindal Steel Works Plant-1.48 km"

laid below the concrete pavement as per IRC guidelines in case of high intensity traffic.

Thus, the Department in construction of two concrete roads used higher grade concrete and laid 10 mm thick extra concrete layer and an unnecessary extra 250 mm of sub-base layer in violation of the IRC Guidelines. This led to excess expenditure of ₹ 1.36 crore⁸².

The matter was reported (July 2019 followed by reminder in January 2021) to the Department; reply has not been received till date (January 2021).

IRRIGATION AND WATERWAYS DEPARTMENT

2.6 Avoidable Expenditure

Inflated value of anticipated scouring effect of the river due to deviation from the norms in designing river protection works resulted in avoidable expenditure of ₹ 1 crore.

Handbook for Flood Protection, Anti-erosion and River-training Works, Central Water Commission (CWC)-2012, read with Bureau of Indian Standards (BIS) code and 'Irrigation Engineering and Hydraulic Structures' provide guidelines for estimation and design of river protection work. It provides that the technical specifications of protection work of any natural river of meandering nature⁸³ are designed on the basis of anticipated maximum scour⁸⁴ depth below Lowest Water Level⁸⁵ (LWL), which is arrived *inter alia* on the basis of dominant discharge⁸⁶ of the river. Further, dominant discharge depends upon the catchment area⁸⁷ and an empirical formula *viz.* Dicken's constant⁸⁸. CWC recommends different values of Dicken's constant ranging from 11-14 for the rivers of North-Indian hilly regions. Therefore, any deviation from these parameters *viz.* Dicken's constant and dominant discharge, would result in inaccurate value of scour depth resulting in faulty design of river protection work.

Scrutiny of records of Siliguri Irrigation Division under Irrigation and Waterways Department showed that Executive Engineer (EE) executed embankment protection works on the right bank of river Boon at Pataram area and on the left bank of river Swarnamati at Gourijote area for a total length of 850 m at a tendered cost of ₹ 1 crore. The works commenced in January 2017 and were completed in March 2017 at a total cost of ₹ 1 crore. The scope of the work included river bank protection by providing 0.23 m thick grouted bituminous

⁸² ₹ 0.79 crore (for WMM) + ₹ 0.57 crore (for excess concrete)

⁸³ A meander is a winding curve or bend in a river. Meanders are the result of both erosional and depositional processes.

⁸⁴ 'Scouring' refers to the removal of the bed or bank of a water course by the action of flowing water.

⁸⁵ The lowest level of water recorded for dry season

⁸⁶ For natural rivers, the discharge which determines the meander length may be called the Dominant discharge. Dominant discharge of river varies between 1/2 to 2/3 of the maximum discharge, where Maximum discharge = Dicken's constant X (catchment area)^{3/4} cumec.

⁸⁷ A river drains the water collected from a specific area which is called catchment area.

⁸⁸ Derived from regional values arrived at on the basis of nature of catchment and the intensity of rainfall. The value of this varies from 6 to 28 depending upon the geographical region.

boulder pitching work along the slope of the embankment, resting over boulder sausage apron⁸⁹.

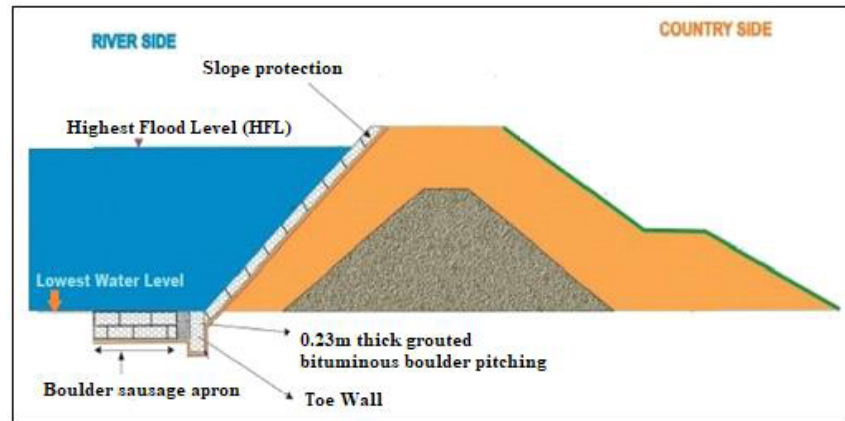


Figure 2.2: Cross section of river embankment

It was seen from the DPR that the Division had taken up the work on the assumption that the rivers were meandering in nature and their courses were changing frequently causing erosion of banks. Scrutiny of the estimates showed that for calculation of scour depth, maximum discharge⁹⁰ of the rivers was considered (value of maximum discharge is higher than the dominant discharge) instead of dominant discharge. Further, Dicken's Constant was considered as 20 instead of 11-14, in deviation of the recommendation of CWC without any recorded reasons.

While justifying the values of Dicken's Constant, the Department stated (September 2019) that as per provisions of Indian Road Congress Guidelines (SP:13-2004), Dicken's Constant may be 14-19 for estimation of flood in designing a bridge where annual rainfall is more than 120 cm. However, the guidelines quoted in the reply are applicable for 'Design of Small Bridges and Culverts', which is not applicable for embankment protection work. Further, the Division itself considered the value of Dicken's constant as 12 in another protection work⁹¹ executed in the same region in 2018.

Thus, by adopting higher Dicken's constant applicable to Central India, maximum discharge calculated was inflated. Moreover, instead of dominant discharge, which is used to calculate maximum anticipated scour depth, maximum discharge was used in the estimates (**Appendix-5**). This increased the calculated maximum scour depth to below the LWL, necessitating protection work as per the relevant IS code. It was observed that if estimation was done on the basis of dominant discharge and appropriate Dicken's constant⁹² relevant for North Indian hilly regions the maximum anticipated scour depth would have

⁸⁹ Apron is a flexible stone cover placed on the bed of the river which settles into the scouring area as scouring takes place and covers the base and side of the scour hole, preventing it from developing further scouring.

⁹⁰ Maximum discharge of 347.48 cumec and 287.79 cumec was considered against the Dominant discharge of 139 cumec and 115.12 cumec in river Swarnamati and river Boon respectively.

⁹¹ Protection on the right bank of River Lachka near Uttora township for a length of 400 m at lower Bagdogra G.P.

⁹² 0.44 and 0.06 m above the LWL respectively for the river Swarnamati and Boon.

been above LWL and no protection work would have been required. Thus, the expenditure of ₹ 1 crore incurred on the protection work of the embankment was avoidable.

2.7 Avoidable payment of electricity charges

Despite lower power consumption for prolonged period, the Division did not assess actual power consumption to reduce the contract demand. This resulted in avoidable expenditure of ₹ 1.49 crore towards electricity charges on higher contract demand.

As per the West Bengal Electricity Regulatory Commission (WBERC) Regulations, 2010, an intending consumer or an existing consumer seeking extension of load under existing service or for alteration of service, as the case may be, shall request the licensee⁹³ in the prescribed form along with an earnest money. As per the regulation, there is no time limit for upward revision of load; however, downward revision of contract demand can be done only once a year. As per Para 4.3.5 of the WBERC (Terms and Conditions of Tariff) Regulations, 2011, demand charges⁹⁴ are levied on actual maximum demand recorded in a month or 85 *per cent* of the contract demand, whichever is higher, along with charges for actual consumption at rates applicable from time to time.

Scrutiny of records of the Executive Engineer, Metropolitan Electrical Division, Irrigation and Waterways Department (I&WD) in March 2019 showed that the Division entered (December 1985) into an agreement with the then West Bengal State Electricity Board (WBSEB)⁹⁵ for a contract demand of 1,500 kVA for proposed 24 pumps with 20 cusecs capacity and 100 HP motor each at a pumping station at Ranichak, Ghatal in Paschim Medinipur district. The pumping station was established for drainage cum irrigation purpose and has been operative since the year 1997 with installation of 12 pumps only. Scrutiny of the electricity bills during 2013-14 to 2018-19 available in the Division showed that the monthly consumption of electricity of the 12 pumps never reached the contracted demand of 1,500 kVA and the actual consumption ranged between 24 to 792 kVA per month.

Audit observed that despite recurring low consumption of power due to non-operation of the installed pumps to the optimal capacity and non-installation of the remaining 12 pumps, the Division continued to pay electricity bills, including committed payment for contractual demand (85 *per cent* of contracted demand, *i.e.* 1,275 kVA) during the period as per the contract. The Division did not make any efforts to review the contract demand even after more than 30 years, despite the pumping station being commissioned with 50 *per cent* of the capacity proposed while negotiating the contract demand. This led to payment of avoidable electricity charges beyond actual usage since 1997.

⁹³ "licensee" means the distribution licensee authorized to operate and maintain a distribution system for supplying electricity to consumers in its licensed area of supply.

⁹⁴ Demand charges are additional fees that utilities charge non-residential or commercial customers for maintaining constant supply of electricity.

⁹⁵ Predecessor of West Bengal State Electricity Distribution Company Limited.

Audit observed that in the period between 2013-14 and 2018-19, the Division paid avoidable energy charges of ₹ 1.49 crore, since it did not revise the contract demand as per actual consumption of electricity.

In reply, the Department stated (September 2019) that as the pumping station was situated in a low lying area, with possibility of being submerged during heavy rainfall. Therefore, to prevent mechanical damage to the pumps, electro-mechanical equipment was dismantled and pumps were not utilised during the rainy season. The Department also stated that a proposal has since been initiated to replace existing pumps with modern pumps which could operate even in totally submerged conditions. Thus, it is evident that the pumps were not in operation as planned and the power requirement therefore was much lower than the contract demand. Despite this the Department did not revise the contract demand to align it with their actual power consumption.

2.8 Extra Expenditure

Department in violation of the IS Code provided excess quantity of stone boulders/Cement Concrete Blocks in launching apron which resulted in extra expenditure of ₹ 4.88 crore.

The Indian Standard (IS) Code on Planning and Design of Revetment Guidelines recommends that the thickness of launched apron⁹⁶ (T) should be 25 to 50 per cent more than the pitching thickness (t) on the slopes. (Refer diagram in Fig. 2.3 below)

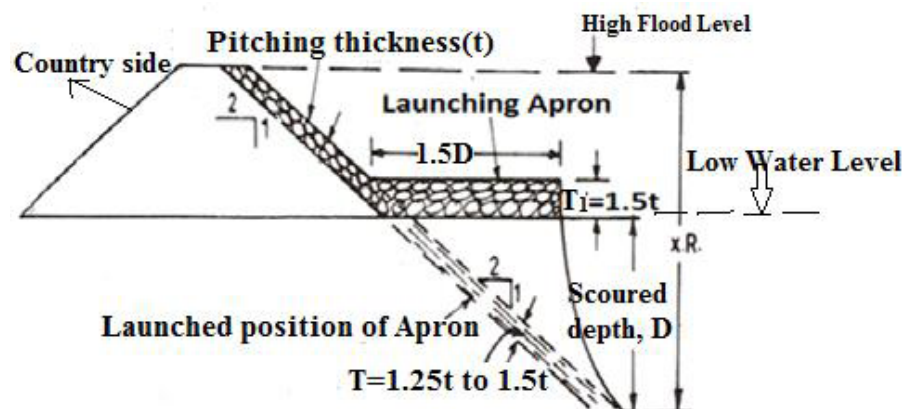


Figure 2.3: Launching Apron and Launched position of Apron

Chief Engineer (CE), North Irrigation & Waterways Directorate, Superintendent Engineer (SE), North Irrigation Circle-I and Superintendent Engineer (SE), North Irrigation Circle-II, Irrigation and Waterways Department undertook 12 river bank protection works (between January 2014 to December 2016)-three works⁹⁷ under Malda Irrigation Division, five

⁹⁶ As soon as the scour occurs, the launching apron falls down into the scoured portion, and then it is called the launched apron.

⁹⁷ "Bank protection work on the left bank of river Mahananda in Mouza-Asrafpur (from plot No. 609 to 777, near Border Gate No. 43) (Length 950 m)", "Bank protection work on the left bank of river Mahananda in Mouza-Asrafpur (from plot No. 785 to 1015) (Length 950 m)" and "1500 meter protection work of river Tangon at Aihodanga, Block-Habibpur; Dist-Malda"

works⁹⁸ under North Dinajpur Irrigation Division and four works⁹⁹ under Ganga Anti Erosion Division-II, at a total tendered cost of ₹ 42.23 crore for completion during May 2014 to October 2017. The works were completed during May 2014 to January 2018 and total ₹ 41.31 crore was paid to the agencies.

The scope of the works *inter alia* included pitching of riverbank slopes with stone boulders/ Cement Concrete (CC) blocks and dumping of loose stone boulders/ boulder sausage crates/ CC blocks in launching apron. Scrutiny revealed that the Department in deviation of the above IS Code executed excess thickness (ranging from 0.15 m to 0.525 m) of launching apron. As a result, 26,108.63 m³ of excess stone boulders/ CC blocks were used in launching aprons and an extra expenditure of ₹ 4.88 crore was incurred (Table no. 2.7).

Table 2.7: Required thickness of apron vis-à-vis thickness provided and extra expenditure thereof

| Name of the Division | Slope pitching material | Required thickness of slope pitching (t) | Material dumped in launching apron | Required thickness of launching apron (T=1.5 t) | Thickness of launching apron provided | Excess volume of boulders/ CC Blocks in Launching Apron | Extra expenditure incurred on boulders/ CC Blocks |
|------------------------------------|-------------------------|--|---|---|---------------------------------------|---|---|
| Malda Irrigation Division | Stone Boulders | 0.225 m | Loose Boulders and Boulders in sausage crates | 0.34 m | 0.6 m | 5,341.78 m ³ | ₹ 1.40 crore |
| | Cement Concrete Blocks | 0.20 m | Cement Concrete Blocks | 0.30 m | 0.75 m | 10,106.670 m ³ | ₹ 0.40 crore |
| North Dinajpur Irrigation Division | Stone Boulders | 0.225 m | Loose Boulders | 0.337 m | 0.675 m | 1,475.38 m ³ | ₹ 0.29 crore |
| Ganga Anti Erosion Division-II | Stone Boulders | 0.45 m | Boulders in sausage crates | 0.675 m | 1.2 m | 9,184.80 m ³ | ₹ 2.79 crore |
| Total | | | | | | 26,108.63 m³ | ₹ 4.88 crore |

(Source: Departmental records)

Thus, the Department in violation of the IS Code provided excess 26,108.63m³ of stone boulders/ CC Blocks in aprons and thereby incurred an extra expenditure of ₹ 4.88 crore.

The matter was reported (September 2019 followed by reminder in January 2021) to the Department; reply has not yet been received (January 2021).

⁹⁸ “Bank Protection work along the left bank of river Nagar at village Gopalpur under GP-Bhatol in PS-Raiganj (1400.00 m)”, “Bank protection work along the left bank of river Tangon at Village Mirjagar under GP-Radhikapur (1000 m)”, “Protection work to the right bank of river Sui at village Khasra under Surun-I GP in PS-Itahar (900 m)”, “Protection work along the left bank of river Nagar at village Jagadishpur under GP-Halalpur, PS-Raiganj (650 m)” and “Protection work along the left bank of river Sui at village Gulandar, GP-Gulandar-II, PS-Itahar (595 m)”.

⁹⁹ “Strengthening of right bank of River padma at suryanagar in sagarpara GP for a length of 160 m”, “Strengthening of right bank of River Padma for a length of 110.00 m at Pascheem Becchpara, Bannabad (Mouza Shibnagar)”, “Strengthening of right bank of River padma for a length of 150 m downstream of Farakka Barrage upto Jalangi at village Balagachi under 6 Nos. Kharibona Gram Panchayet” and “Protection of the right bank of river Ganga-Padma at Suryanagar colony in Sagarpara GP for a length of 200.00 m”

MICRO, SMALL AND MEDIUM ENTERPRISES & TEXTILES DEPARTMENT

2.9 Inconsistent application of provision of the incentive scheme resulted in excess payment to the enterprises

The District Industries Centres under Micro, Small and Medium Enterprises & Textiles Department disbursed excess incentives due to inconsistent application of provisions of WBIS-2007 scheme for calculation of additional incentives meant for enterprises owned by women. It led to excess payment of ₹ 13.85 crore to the enterprises.

With a view to promote micro and small scale enterprises in the State, the Micro, Small and Medium Enterprises & Textiles Department (MSME&T) launched (June 2007) a new incentive scheme titled “The West Bengal Incentive Scheme 2007” (WBIS-2007). The scheme was effective from April 2007 to March 2012. Any micro or small scale industrial unit/ enterprise which commenced its commercial production during the validity of the scheme was eligible for incentives under the scheme. The scheme *inter alia* provided payment of incentives in the form of reimbursement of a certain percentage of costs incurred by the enterprises on fixed capital investment, interest on term-loans for implementation of the project and electricity charges paid for production & operation. The percentage of the incentives was based on the location¹⁰⁰ and type¹⁰¹ of the enterprise. Further, as per para 16.1 of WBIS-2007, all micro/ small scale enterprises owned by women were also entitled to 10 *per cent* additional incentive in respect of the incentive packages, irrespective of their location.

Test-check of records of three¹⁰² District Industries Centres (DICs) revealed (December 2018) that seven small scale enterprises and 11 micro enterprises were treated as women enterprises and incentives of ₹ 76.59 crore were disbursed (March 2010 - March 2017) to those enterprises. Scrutiny, however, revealed that the DICs, in violation of the said WBIS-2007 guidelines, granted additional incentives as shown in **Table 2.8**.

Table 2.8: Details of additional incentive provided to the agencies

| Type of enterprise (1) | Rate of incentives normally allowed | | | Rate of incentives applicable for women’s enterprises including additional 10% on allowable incentives | | | Rate at which incentives actually allowed | | |
|---------------------------|-------------------------------------|----------|----------|--|-----------------------------|-----------------------------|---|---------------------|----------------------|
| | (2) F | (3) I | (4) E | (5) = (2) + 10% of (2) F | (6) = (3) + 10% of (3) I | (7) = (4) + 10% of (4) E | (8) = (2)+10 % F | (9) = (3)+10 % I | (10) = (4)+10 % E |
| Micro (Group-B) | 25.0 | 30.0 | 30.0 | 27.5 | 33.0 | 33.0 | 35.0 | 40.0 | 40.0 |
| Micro (Group-C) | 30.0 | 30.0 | 30.0 | 33.0 | 33.0 | 33.0 | 40.0 | 40.0 | 40.0 |
| Small (Group-B) | 15.0 | 25.0 | 30.0 | 16.5 | 27.5 | 33.0 | 25.0 | 35.0 | 40.0 |
| Small (Group-C) | 17.0 | 25.0 | 30.0 | 18.7 | 27.5 | 33.0 | 27.0 | 35.0 | 40.0 |

Units in percentage

F = Fixed capital investment, I = Interest on term loan, E = Energy charges

¹⁰⁰ All the districts of the State were divided into four categories A, B, C and D based on their backwardness.

¹⁰¹ Enterprise is a micro where fixed capital investment is ≤ ₹ 25 lakh or small scale where fixed capital investment is ≤ ₹ 5 crore.

¹⁰² Siliguri (Group-C), Birbhum (Group-C) and Hooghly (Group-B).

Thus, additional incentives were paid by enhancing the stipulated percentage by 10 *per cent* instead of calculating additional incentive of 10 *per cent* on the incentive normally admissible to the enterprises. Due to application of incorrect incentive rates, total incentive was erroneously paid as ₹ 76.59 crore instead of ₹ 62.74 crore. This resulted in undue payment of ₹ 13.85 crore as incentive to 18 small/ micro enterprises.

During the course of audit, it was revealed that one DIC (Dakshin Dinajpur) allowed the additional incentive of 10 *per cent* on the incentive normally admissible to the enterprises instead of enhancing the stipulated percentage by 10 *per cent*. Further, in the WBIS Scheme 2013, as well as the MSME Policy of the State (effective from 2013), the Department revised the respective clause related to additional incentive for the State Capital Investment Subsidy and made it categorically clear that additional incentive to micro and small enterprises wholly owned by women would be calculated at the rate of 20 *per cent* on what is normally admissible to other enterprises. Moreover, no additional incentive on account of Interest on Term Loan and Energy Charges are allowed.

Thus, there were contradictions in implementation of the provisions for additional incentives for women enterprises. The Department should review the provisions of the scheme for its uniform application throughout the State and accordingly issue necessary clarifications.

The matter was reported (November 2019 followed by reminder in January 2021) to the Department; reply was awaited till date (January 2021).

AGRICULTURE DEPARTMENT

2.10 Extra Expenditure

The Department did not put due diligence in applying appropriate SOR for arriving at the rate of excavation of earth, thus, had to bear an extra expenditure of ₹ 5.79 crore on construction of 1,664 number of Water Harvesting Structures.

The Department, for the purpose of storing water for irrigation, pisciculture, recharging ground water *etc.* had constructed Water Harvesting Structures (WHSs) under various Government of India Schemes and State Plan in different places of the State. The Department, allowed execution of these types of work by willing beneficiary committees in relaxation of tender rules, as those did not require any technical skills of higher order. This was *inter alia* subject to the condition that works were to be executed within the sanctioned amount based on the approved rates of PWD. Subsequently, the Department, issued a directive (October 2008) which stipulated that for preparation of the estimates of soil conservation work, Schedule of Rates (SORs) of any of the engineering departments, including Water Resources Investigation and Development Department (WRIDD) were to be followed. The directive, however, did not specify the appropriate SOR to be followed. Also, as per the provision of the General Financial Rules “Every officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money”.

Audit of seven selected implementing units¹⁰³ showed that during 2014-15 to 2017-18 those units constructed a total of 2,170 WHSs through beneficiary committees, out of which records of 1,664 WHSs were test checked for detailed checking.

Construction of WHS *inter alia* included earthwork in excavation from the borrow pits with lift up to 3.00 m. It was seen that in all the test checked cases, SORs of either the Public Works (Roads) Department (PWRD) or Irrigation & Waterways Department (I&WD) were followed to arrive at the rate of earthwork for making payments. This was despite the fact that rates of earth excavation as per these two SORs were higher than that of the SOR of WRIDD (**Table 2.9**).

Table 2.9: Statement comparing rates of the item of earthwork as provided in PWRD, I&WD and WRIDD

| Description of item | SOR Rate (in ₹) | | |
|---|-----------------|------|-------------|
| | PWD (Roads) | I&WD | WRIDD |
| In ordinary soil | 89.90 | 77 | 54.02-60.35 |
| In mixed soil (<i>i.e.</i> clay mixed with kankar, pebbles, moorum <i>etc.</i>) | 99.90 | 102 | 60-69.78 |
| Soft weathered rock/ soft laterite | 119.90 | 151 | 73-123.89 |
| Extra Lead/ lift ¹⁰⁴ | 10 | Nil | Nil |

It was further observed that the item of excavation of earth from borrow pits as incorporated in the SORs of PWD and I&WD was generally suitable for construction of embankment as it includes some items like spreading in layers, breaking of clods *etc.* which are not essential in excavation of WHS, while the items¹⁰⁵ as per SOR of WRIDD are specifically related to the construction of WHSs.

The Directorate of Agriculture stated (December 2019) that works were executed following the model estimate approved by the Joint Director of Agriculture and in conformity with the Department's directive of October 2008. However, fact remained that due diligence in respect of expenditure incurred from public moneys was not followed. As a result of adoption of the SOR of PWRD/ I&WD, the Department had to bear an extra expenditure of ₹ 5.79 crore on the payment of earthwork for the 1,664 number WHS, which could have been avoided had the SOR of WRIDD been followed. The reasons for following SOR of PWRD and I&WD instead of WRIDD were not found on record. The matter was referred to the Department (May 2020 followed by reminder in January 2021), reply is awaited (January 2021).

¹⁰³ Assistant Director of Agriculture (Admn) of Soil Conservation, Bankura, Cooch Behar, Jalpaiguri, Diamond Harbour, Paschim Medinipur and Assistant Director of Agriculture (Admn) of Soil Conservation, Draught Prone Area Programme (DPAP), Bankura. Assistant Director of Agriculture (Admn), Raghunathpur.

¹⁰⁴ Rate as per the SOR of PWRD, includes the initial lead up to 50 m and initial lift up to 1.5 m. Extra for every additional lift of 1.5 m at the rate of ₹ 10 per cum. Rate of excavation of earth as per the SOR of WRIDD includes all lifts and lead upto 1,500 m.

¹⁰⁵ Excavation in ordinary soil/ mixed soil *i.e.* clay mixed with moorum, kankar, pebbles/ silt/ dry or moist/ slushy silt/ sticky soil for WDS/ WHS/ RESERVOIR/ SFMIS *etc.* with hydraulic excavator of required bucket capacity including cutting and loading in tippers, trimming bottom and side slopes in accordance with requirement of lines, grades and cross section and transporting to embankment/ disposal site within all lifts and lead upto 1,500 m including spreading, leveling disposed spoils at disposed area.

TRANSPORT DEPARTMENT

2.11 Failure to preserve Victoria Memorial Hall from the menace of vehicular pollution-unfruitful expenditure and loss of interest

Steps taken by the Transport Department to preserve the historical monument- Victoria Memorial Hall from the menace of vehicular pollution as per the order of Hon'ble Calcutta High Court proved unfruitful as the two nearby bus termini responsible for causing vehicular pollution could not be relocated. The lackadaisical approach of the Department resulted in unfruitful expenditure of ₹ 24 crore on Santragachi bus terminus and blockage of ₹ 10.61 crore and loss of interest of ₹ 3.18 crore on Goragacha bus terminus.

In order to protect and preserve the historical Victoria Memorial Hall (VMH) from menace of increasing pollution, the Hon'ble Calcutta High Court ordered (September 2007) Government of West Bengal (GoWB) to shift two major inter/intra city bus termini situated within the heart of the city Kolkata viz. Esplanade and Babughat to the outer fringes of the city within six months. GoWB, filed (2008) a Special Leave Petition in the Hon'ble Supreme Court of India. The Hon'ble Supreme Court, while granting the leave and condoning the delay, modified (September 2011) the order of the Hon'ble Calcutta High Court and directed the State Government to take appropriate action for relocation of both the bus termini. This order, however, did not specify any specific timeline for relocation.

Consequently, a High Power Committee, under the chairmanship of the Chief Secretary of the State, was constituted (September 2013) by the Hon'ble Calcutta High Court. A project proposal for construction of two bus termini at Goragacha¹⁰⁶ and another at Santragachi¹⁰⁷ was prepared (April 2014) by Hooghly River Bridge Commissioners (HRBC), an autonomous body under the Transport Department. The High Power Committee, decided (June 2014) that HRBC, would take up the construction of bus terminus.

However, even after 12 years of the order of the Hon'ble Calcutta High Court, the existing bus termini of Esplanade and Babughat could not be relocated. Failure of Transport Department in setting up the bus termini are discussed in subsequent paragraphs:

Terminus at Goragacha

As per the decision (June 2014) of the High Power Committee, a plot of land belonging to Kolkata Port Trust (KoPT), an autonomous body under Ministry of Shipping, Government of India, measuring about 18,360 m² at old Goragacha road was earmarked for construction of a new bus terminus. The land was to be taken on long-term lease of 30 years by HRBC, being the implementing agency, on behalf of Transport Department, subject to acceptance of terms and conditions put forth by KoPT. HRBC paid (July 2014) upfront premium of ₹ 10.61 crore to

¹⁰⁶ Land measuring 4.53 acre near Hide Road under the administrative control of Kolkata PortTrust (KoPT).

¹⁰⁷ Land measuring 12.78 acre near Santragachi railway station, Howrah under the administrative control of Kolkata Metropolitan Development Authority (KMDA).

KoPT and received (July 2014) the permissive possession¹⁰⁸ of the plot. HRBC issued (19 August 2014) the NIT for construction of proposed bus terminus at a total estimated cost of ₹ 7.03 crore. Meanwhile, a physical verification of the site before commencement of construction work was conducted on 27 August 2014 by a joint team of Transport Department and HRBC which noticed that due to presence of a weighbridge, the Goragacha Road remained blocked most of the time by a series of standing trucks. Hence, it would have been particularly impossible to provide passage for buses to the proposed bus terminus. Considering these circumstances, HRBC decided (February 2015) to cancel the NIT till the problem was resolved.

Transport Department asked (November 2015) the KoPT to either ensure relocation of the existing weighbridge or take back the permissive possession of the land from HRBC by refunding the upfront premium of ₹ 10.61 crore. KoPT informed (July 2017) the Transport Department that the owner of the weighbridge was given alternative land and requested for HRBC to be instructed to accept the terms and conditions of the lease so as to enable KoPT to take further necessary action. However, fact remained that (December 2019), neither HRBC executed a formal agreement with the KoPT nor the Transport Department found any alternative land suitable for construction of a new bus terminus. As a result, an amount of ₹ 10.61 crore remained blocked for five years and HRBC lost the opportunity to earn an interest of ₹ 3.18 crore¹⁰⁹ on that amount.

HRBC stated (May 2019) that they were the mere executing agency of the Government for the purpose of setting up of a bus terminus at the said plot and all the steps were taken as per the instructions of the appropriate authority. This reply was endorsed (July 2019) by the Transport Department. However, fact remained that the project proposal, on the basis of which High Power Committee decided on the location, was prepared (April 2014) by the HRBC under the supervision of the Transport Department and that proposal had not mentioned about presence of any traffic hindrance due to weighbridge.

Thus, it indicated that both HRBC and the Transport Department did not conduct any physical inspection of the site while preparing the project proposal submitted for the consideration of the High Power Committee. This resulted in blockage of funds for five years and loss of interest for the period, causing inordinate delay in construction of a new bus terminus.

Terminus at Santragachi

As per the decision of the High Power Committee, HRBC took up (June 2014) the work of construction of a new bus terminus at Santragachi at a cost of ₹ 19.96 crore. The work was completed and new bus terminus with all the associated amenities was inaugurated in May 2015. As of March 2019, an amount of ₹ 24 crore was spent on construction and maintenance of the bus terminus. However, as of December 2019, the bus terminus at Santragachi had not been utilised by shifting the bus termini from Esplanade and Babughat.

¹⁰⁸ *Permissive possession is given after deposit of advance amount so that the executing agency can go ahead with the construction. Final possession is given after a formal agreement is signed between KoPT and HRBC.*

¹⁰⁹ *Calculated at the rate of six per cent simple interest for five years.*

In reply the Department stated (November 2019) that construction of flyovers for smooth ingress and egress of buses from the terminus was in progress and once the flyovers are completed, full functioning of Santragachi bus terminus would be possible. However, the Department's reply is not tenable due to following reasons:

- Although the DPR for Bus Terminus at Santragachi provided for flyovers as ideal solution to ease traffic congestion likely to occur in the future, the cost of construction of the same was not included in the estimates. The Department accordingly constructed the bus terminus without any flyovers and the same was inaugurated (May 2015).
- The Department took up (January 2017) the work of the flyovers at an estimated cost of ₹ 31.70 crore after eighteen months from the completion of the terminus, indicating casual attitude of the Government to shift the bus termini. Further, the work of flyovers was to be completed by March 2018, but could not be completed till December 2019.
- Transport Department, in May 2015, was also of the opinion that the newly constructed bus terminus should not lie unused and at least the long distance buses from Babughat bus terminus might be plied from there without any further delay.
- The High Power Committee, in its fourth report had decided (September 2014) that buses from Esplanade and Babughat bus termini would be shifted in a phased manner; in the first phase all the long distance buses would be shifted.
- As per the order of the Hon'ble Calcutta High Court, the High Power Committee was to submit quarterly reports regarding status of development of the bus termini. The fourth quarterly report of the High Power Committee submitted on November 2014 was the last such report and no further report was sent to the Hon'ble Court as directed.

Thus, even after 13 years of the order of the Hon'ble Calcutta High Court the Department failed to relocate the bus termini at Esplanade and Babughat which kept polluting the VMH in violation of the spirit of orders passed by the Hon'ble Court, rendering the expenditure of ₹ 34.61 crore unfruitful.

The matter was reported (February 2020 followed by reminder in January 2021) to the Department; reply was awaited till date (January 2021).

Section-B

Revenue Sector

Chapter I

General

Chapter 1

General

1.1 Trend of Revenue Receipts

1.1.1 The tax and non-tax revenue raised by the Government of West Bengal during the year 2018-19, the State's share of net proceeds of divisible Union taxes and duties assigned to the State and Grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are detailed in **Table 1.1**.

Table 1.1: Trend of Revenue Receipts

(₹ in crore)

| Sl. No. | Particulars | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|---|------------------|--------------------|--------------------|--------------------|--------------------|
| Revenue raised by the State Government | | | | | | |
| 1. | (a) Tax revenue | 39,411.98 | 42,492.08 | 45,466.46 | 52,720.57 | 60,732.28 |
| | (b) Non-tax revenue | 1,626.66 | 1,861.79 | 2,949.86 | 3,117.17 | 3,657.59 |
| | Total | 41,038.64 | 44,353.87 | 48,416.32 | 55,837.74 | 64,389.87 |
| Receipts from the Government of India | | | | | | |
| 2. | (a) Share of net proceeds of divisible Union taxes and duties | 24,594.93 | 37,163.93 | 44,625.16 | 49,321.10 | 55,775.72 |
| | (b) Grants-in-aid | 20,880.64 | 28,214.41 | 24,790.97 | 26,111.55 | 25,809.66 |
| | Total | 45,475.57 | 65,378.34 | 69,416.13 | 75,432.65 | 81,585.38 |
| 3. | Total revenue receipts of the State Government (1 and 2) | 86,514.21 | 1,09,732.21 | 1,17,832.45 | 1,31,270.39 | 1,45,975.25 |
| 4. | Percentage of 1 to 3 | 47 | 40 | 41 | 43 | 44 |

During the year 2018-19, the total revenue raised by the State Government (₹ 64,389.87 crore) was 44 *per cent* of the total revenue receipts. The remaining 56 *per cent* came from the Government of India.

1.1.2 The details of the tax revenue raised during the period 2014-15 to 2018-19 are given in **Table 1.2**.

Table 1.2: Details of tax revenue raised

(₹ in crore)

| Sl. No. | Heads of revenue | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Percentage of increase (+)/ decrease (-) in 2018-19 over 2017-18 |
|---------|-------------------------------------|------------------|------------------|------------------|------------------|------------------|--|
| | | Actual | Actual | Actual | Actual | Actual | |
| 1. | State Goods and Services Tax (SGST) | - | - | - | 14,963.74 | 27,067.20 | (+)80.89 |
| 2. | Taxes on sales, trade etc. | 24,021.91 | 26,050.16 | 27,982.69 | 12,999.34 | 7,813.03 | (-)39.90 |
| 3. | Stamp duty and registration fees | 4,196.20 | 4,174.97 | 4,382.73 | 5,260.77 | 5,620.01 | (+)6.83 |
| 4. | State excise | 3,587.02 | 4,015.12 | 5,226.16 | 9,340.05 | 10,622.45 | (+)13.73 |
| 5. | Land revenue | 2,275.74 | 2,456.27 | 2,568.66 | 2,874.51 | 2,846.82 | (-)0.96 |
| 6. | Taxes and duties on electricity | 1,946.83 | 2,091.63 | 1,318.87 | 2,333.55 | 2,675.41 | (+)14.65 |
| 7. | Taxes on vehicles | 1,504.68 | 1,707.02 | 1,869.86 | 2,317.23 | 2,562.58 | (+)10.59 |
| 8. | Others ¹¹⁰ | 1,879.60 | 1,996.91 | 2,117.49 | 2,631.38 | 1,524.78 | (-)42.05 |
| | Total | 39,411.98 | 42,492.08 | 45,466.46 | 52,720.57 | 60,732.28 | (+)15.20 |

(Source: Finance Accounts and Budget Publications of the Government of West Bengal)

¹¹⁰ Other tax receipts include Profession Tax, Entry Tax, Entertainment tax, Betting tax etc.

Reasons for variation of actuals of tax revenue in 2018-19 over 2017-18 were not furnished by the Departments concerned, though sought for (June 2019) followed by reminders.

The details of the non-tax revenue raised during the period 2014-15 to 2018-19 are given in **Table 1.3**.

Table 1.3: Details of non-tax revenue raised

(₹ in crore)

| Sl. No. | Heads of revenue | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | Percentage of increase (+)/ decrease (-) in 2018-19 over 2017-18 |
|--------------|---|-----------------|-----------------|-----------------|-----------------|-----------------|--|
| | | Actual | Actual | Actual | Actual | Actual | Actual |
| 1. | Interest Receipts | 277.46 | 334.94 | 1,201.24 | 1,395.68 | 806.02 | (-) 42.25 |
| 2. | Miscellaneous General Services | 185.79 | 180.24 | 182.66 | 131.57 | 1,293.28 | (+) 882.96 |
| 3. | Non-ferrous Mining and Metallurgical Industries | 46.31 | 292.17 | 399.68 | 422.19 | 326.48 | (-) 22.67 |
| 4. | Other Administrative Services | 50.60 | 170.58 | 210.35 | 133.95 | 134.38 | (+) 0.32 |
| 5. | Education, Sports, Art and Culture | 53.32 | 58.00 | 176.63 | 68.31 | 62.51 | (-) 8.49 |
| 6. | Forestry and Wild life | 135.73 | 134.86 | 126.48 | 93.74 | 88.28 | (-) 5.82 |
| 7. | Police | 126.61 | 104.38 | 143.68 | 187.10 | 254.48 | (+) 36.01 |
| 8. | Medical and Public Health | 103.29 | 112.45 | 134.77 | 210.48 | 261.80 | (+) 24.38 |
| 9. | Roads and Bridges | 34.93 | 82.55 | 104.92 | 124.43 | 74.48 | (-) 40.14 |
| 10. | Other non-tax receipts ¹¹¹ | 612.62 | 391.62 | 269.43 | 349.72 | 355.88 | (+) 1.76 |
| Total | | 1,626.66 | 1,861.79 | 2,949.84 | 3,117.17 | 3,657.59 | (+) 17.34 |

(Source: Finance Accounts and Budget Publications of the Government of West Bengal)

Reasons for variation of actuals of non-tax revenue in 2018-19 over 2017-18 were not furnished by the Departments concerned, though sought for (June 2019), followed by reminders.

1.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2019 in respect of some principal heads of revenue amounted to ₹ 82.17 crore, of which ₹ 1.39 crore was outstanding for more than five years, as detailed in the **Table-1.4**.

¹¹¹ Other non-tax receipts include "Dividend and profits", "Dairy Development", "Other General Economic Services", "Public Works", "Food storage and Warehousing", "Labour and Employment", "Urban Development", "Public Service Commission", "Minor Irrigation", "Civil Supplies", "Housing" etc.

Table 1.4: Arrears of revenue

(₹ in crore)

| Sl. No. | Head of revenue | Total amount outstanding as on 31 March 2019 | Amount outstanding for more than five years as on 31 March 2019 | Total amount outstanding as on 31 March 2018 | Amount outstanding for more than five years as on 31 March 2018 | Remarks |
|--------------|----------------------------------|---|---|--|---|--|
| 1. | Taxes and Duties on Electricity | 82.17 | 1.39 | 0.46 | 0.24 | The arrears of revenue outstanding as on 31 March 2018 was stated to be ₹ 0.46 crore, of which ₹ 0.24 crore was outstanding for more than five years. The arrears of revenue as on 31 March 2019 was, however, stated to be ₹ 82.17 crore in 367 cases, of which ₹ 1.39 crore in 269 cases was outstanding for more than five years, showing wide variation in figures of arrears in two years. The reasons for huge increase in arrears of revenue in 2018-19 over that of 2017-18 was sought for from the Department; reply was awaited (February 2021). |
| 2. | Taxes on sales, trade etc. | Not furnished | Not furnished | Not furnished | Not furnished | The Directorate of Commercial Taxes, stated in their reply that there were various sections/units from which demands were generated, and there was no centralised database reflecting consolidated demands. Therefore, a correct estimation of arrears of revenue was not possible. |
| 3. | State Excise | Not furnished | Not furnished | 63.45 | 45.52 | The Directorate did not furnish the figures of arrears of revenue for 2018-19 though requested (June 2019) and followed by reminders. |
| 4. | Stamp duty and registration fees | The concerned Departments/ Directorates have not furnished the figures of arrears of revenue for either 2017-18 or 2018-19, though requested (June 2019) and followed by reminders. | | | | |
| 5. | Land revenue | | | | | |
| 6. | Taxes on vehicles | | | | | |
| Total | | 82.17 | 1.39 | 63.91 | 45.76 | |

1.3 Arrears in assessments

The details of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed of during the year and number of cases pending for finalisation at the end of the year and analysis of arrears of assessments with previous year 2017-18, as furnished by the Directorate of Commercial Taxes (DCT) is given in **Table 1.5**.

Table 1.5: Arrears in assessments

(₹ in crore)

| Head of revenue | Year | Opening balance | New cases due for assessment during the year | Assessments due | Cases disposed of during the year | Balance at the end of the year | Percentage of disposal (col. 5 to 4) | Analysis of arrears in assessments |
|---------------------------------|---------|-----------------|--|-----------------|-----------------------------------|--------------------------------|--------------------------------------|---|
| (1) | | (2) | (3) | (4) | (5) | (6) | (7) | |
| Taxes on sales, trade etc. | 2018-19 | NA | 60,141 | 60,141 | 60,141 | Nil | 100 | As per information furnished in respect of arrears in assessment for the year 2017-18, the closing balance of arrears in assessment of VAT and CST at the end of the year stood at four and five, respectively. The opening balance in respect of arrears of assessment for the period 2018-19 was, however, not furnished. Further, the cases due for assessment during the year 2018-19 were stated to be 60,141, all of which were stated to have been disposed of. The reasons for huge increase in arrears of assessments in 2018-19 over that of 2017-18 was sought for from the Department, the reply was awaited (February 2021). |
| | 2017-18 | Not furnished | VAT-16,770 CST-7,637 | Not furnished | VAT-16,766 CST-7,632 | Not furnished | -- | |
| Taxes and duties on Electricity | 2018-19 | 305 | 133 | 438 | 97 | 341 | 22.15 | The closing balance as on 31 March 2018 was stated to be nil, whereas opening balance for the year 2018-19 was shown as 305, indicating discrepancies in balances of figures furnished. Reasons for the discrepancies in figures of arrears of assessment in 2018-19 over that of 2017-18 was sought for from the Department, the reply was awaited (February 2021). |
| | 2017-18 | Nil | 56 | 56 | 56 | Nil | 100 | |

Other principal revenue generating Departments/ Directorates namely, Directorate of Registration and Stamp Revenue (DRSR), Land and Land Reforms and Refugee Relief and Rehabilitation (L&LR and RR&R) Department and Transport Department did not furnish any information on arrears in assessments (December 2020) though requested (June 2019) and followed by reminders.

1.4 Evasion of tax detected by the Department

As per reply furnished by the Directorate of Commercial Taxes in respect of taxes on sales, trade etc., investigation was completed in 617 cases of

evasion involving ₹ 305.19 crore, out of 1,352 cases detected during 2018-19. In respect of Electricity Duty, there were no cases of evasion pending as on 31 March 2019.

Other principal revenue generating Departments/ Directorates namely DRSR, L&LR and RR&R Department and Transport Department did not furnish any information on evasion of tax (December 2020) though requested (June 2019) and followed by reminders.

1.5 Pendency of refund cases

The number of refund cases pending at the beginning of the year, claims received during the year, refunds allowed during the year and the cases pending at the close of the year 2018-19 and 2017-18, as reported by the Directorate of Commercial Taxes, are given in **Table 1.6**.

Table 1.6: Details of pendency of refund cases

(₹ in crore)

| Sl. No. | Head of revenue | Year | Claims outstanding at the beginning of the year | | Claims received during the year | | Refunds made during the year | | Balance outstanding at the end of the year | |
|---------|---------------------------------|--|---|---------------|---------------------------------|--------|------------------------------|--------|--|---------------|
| | | | No. of cases | Amount | No. of cases | Amount | No. of cases | Amount | No. of cases | Amount |
| 1. | Taxes on sales, trade etc.* | Refund under the Value Added Tax Act | | | | | | | | |
| | | 2018-19 | 469 | Not furnished | 1,266 | 414.56 | 1,678 | 312.69 | 57 | Not furnished |
| | | 2017-18 | 422 | Not furnished | 601 | 152.24 | 1,004 | 97.53 | 19 | Not furnished |
| | | Refund under the Goods and Services Tax Act | | | | | | | | |
| | | 2018-19 | Nil | Nil | 864 | 196.26 | 514 | 112.76 | 350 | NA |
| | | 2017-18 | Not furnished | | | | | | | |
| 2. | Taxes and duties on Electricity | 2018-19 | 85 | NA | 99 | NA | 86 | 30.60 | 98 | NA |
| | | 2017-18 | Not furnished | | | | | | | |

* The closing balance of refund cases pending disposal as on 31 March 2018 was 19, whereas opening balance of refund cases pending disposal for the year 2018-19 was 469, indicating discrepancies in balance of figures furnished. However, reply for the discrepancies in figures of pendency of refund cases in 2018-19 over that of 2017-18 as sought for from the Department was awaited (February 2021).

Other principal revenue generating Departments/ Directorates namely DRSR, L&LR and RR&R Department and Transport Department did not furnish any information on pendency of refund cases (December 2020) though requested (June 2019) and followed by reminders.

1.6 Response of the Government/ Departments towards audit

1.6.1 Pendency of Inspection Reports

The Principal Accountant General (Economic & Revenue Sector Audit), now Principal Accountant General (Audit II), West Bengal, conducted periodical inspection of the Government Departments to test check transactions and verify maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections were followed up with inspection reports

(IRs) incorporating irregularities detected during inspection and not settled on the spot, which were issued to the heads of the offices inspected, with copies to the next higher authorities, for taking prompt corrective action. The heads of the offices/ Government were required to comply with the observations contained in the IRs, rectify the defects and omissions and report compliance through initial reply to the Principal Accountant General (PAG) within one month from the date of issue of the IRs. Serious financial irregularities are reported to the heads of Departments/ Government.

Inspection reports issued upto December 2018 disclosed that 5,811 paragraphs involving ₹ 3,109.65 crore relating to 1,059 IRs remained outstanding at the end of June 2019, as mentioned along with the corresponding figures for the preceding two years in **Table 1.7**.

Table 1.7: Details of pending Inspection Reports

| | June 2017 | June 2018 | June 2019 |
|--|-----------|-----------|-----------|
| Number of IRs pending for settlement | 945 | 970 | 1,059 |
| Number of outstanding audit observations | 5,239 | 4,958 | 5,811 |
| Amount of revenue involved (₹ in crore) | 3,092.90 | 2,459.78 | 3,109.65 |
| Number of paras cleared during the year | 1,318 | 1,569 | 1,023 |

The Department-wise details of the IRs and audit observations issued upto December 2018, outstanding as on 30 June 2019 and the corresponding amounts involved are mentioned in **Table 1.8**.

Table 1.8: Department wise details of IRs

(₹ in crore)

| Sl. No. | Name of the Department | Nature of receipts | Numbers of outstanding IRs | Numbers of outstanding audit observations | Money value involved | Pending since |
|--------------|------------------------|----------------------------------|----------------------------|---|----------------------|---------------|
| 1. | Finance | Sales Taxes/ VAT | 267 | 2,121 | 1,177.11 | 2008-09 |
| | | Electricity duty | 31 | 95 | 396.52 | 2008-09 |
| | | Amusement Tax | 17 | 55 | 31.83 | 2013-14 |
| | | Profession Tax | 101 | 320 | 12.99 | 2006-07 |
| | | Stamp duty and registration fees | 325 | 804 | 83.06 | 2009-10 |
| | | Non-judicial Stamp duty | 28 | 72 | 8.56 | 2010-11 |
| | | Departmental Receipts | 2 | 4 | 59.43 | 2011-12 |
| | | State Excise | 40 | 198 | 20.33 | 2009-10 |
| 2. | Land and Land Reforms | Land Revenue | 91 | 1,088 | 473.67 | 1984-85 |
| | | Receipts from mines and minerals | 103 | 748 | 251.09 | 2007-08 |
| 3. | Transport | Taxes on motor vehicles | 54 | 306 | 595.06 | 2008-09 |
| Total | | | 1,059 | 5,811 | 3,109.65 | |

Audit did not receive even the first replies from the heads of offices within one month from the date of issue of 380 IRs issued during 2018-19. The large pendency of IRs due to non-receipt of the replies is indicative of the fact that

the heads of offices and the Departments did not initiate action to rectify the defects, omissions and irregularities pointed out by audit in the IRs.

1.6.2 Departmental Audit Committee Meetings

The Government sets up audit committees to monitor and expedite the progress of the settlement of IRs and paragraphs. Only one Audit Committee meeting relating to the L&LR and RR&R Department was held in 2018-19 in which 33 paras amounting to ₹ 4.77 crore were settled. Despite holding Departmental Audit Committee Meeting, the progress of settlement of paragraphs pertaining to L&LR and RR&R Department, was insignificant as compared to the huge pendency of the IRs and paragraphs in the IRs as detailed in the **paragraph 1.6.1**.

In respect of commercial tax and motor vehicles tax, bilateral meetings were held in which 263 paragraphs involving ₹ 131.01 crore were settled.

However, no such Departmental Audit Committee Meetings/ bilateral meetings were held in respect of Electricity Duty, Amusement Tax, Profession Tax, Stamp Duty and Registration Fees, Non-judicial Stamp Duty, Departmental Receipts and State Excise during 2018-19.

1.6.3 Constraints in Audit

Non-availability of data and information has been a regular constraint in audit. In February 2018, the Commissioner of Commercial Taxes, West Bengal was requested to fix a convenient date on which the Data Transmission, Use and Storage Protocol (DTUSP) could be signed by the audit and DCT for facilitating the regular data flow of GST. Further, the Directorate was also requested, in November 2018, to arrange “creation of role for audit” with a facility to view the entire data/ information and collect audit evidence for the audit teams during their visit in the Charge Offices. Despite pursuance, response in this regard is still awaited (Decemembr 2020).

During 2018-19, nine units under the DCT did not provide 1,535 assessment case records for Value Added Tax. One unit did not produce the store/ stock register.

Following information sought for Audit Report 2018-19, was not made available: (i) Reasons for variation in respect of principal heads of tax and non-tax revenue were not furnished by the Departments concerned, though sought for (June 2019), followed by reminders (ii) information in respect of arrears of revenue, arrears in assessments, evasion of tax detected by the Department, pendency of refund cases were not furnished by the Departments concerned, except Directorate of Commercial Taxes, though sought for (June 2019), followed by reminders (iii) information in respect of functioning of internal audit wing, though sought for (August 2019) and followed by reminders, was not furnished by the Transport Department, DRSR and Excise Directorate (December 2020).

1.6.4 Response of the Departments to the draft audit paragraphs

The draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded by the PAG/AG to the Additional Chief Secretary/ Principal Secretaries/ Secretaries of the concerned

Department, drawing their attention to audit findings and requesting them to send their response within six weeks. The fact of receipt/ non-receipt of the replies from the Departments/Government is invariably indicated at the end of such paragraphs included in the Audit Report.

Thirty draft paragraphs (DPs) were sent to the Additional Chief Secretary/ Principal Secretaries/Secretaries of the respective Departments by name between February and September 2020. However, the Government concerned did not send replies despite reminders, except for two draft paragraphs relating to 'Mines and Minerals'. As such, these DPs have been included in this Report without response of the Government. Replies of the heads of the audited units, wherever furnished, have been taken into account.

1.6.5 Follow up on the Audit Reports-summarised position

The internal working system of the Public Accounts Committee (PAC), notified in December 2002, laid down that after the presentation of the Report of the Comptroller and Auditor General of India in the Legislative Assembly, the Departments shall initiate action on the audit paragraphs and the action taken explanatory notes thereon should be submitted by the Government within three months of tabling the Report, for consideration of the Committee. In spite of these provisions, explanatory notes of action taken on audit paragraphs of the Reports were delayed inordinately. 150 paragraphs (including Performance Audits) included in the Reports of the Comptroller and Auditor General of India on the Revenue Sector of the Government of West Bengal for the years ended 31 March 2013, 2014, 2015, 2016 and 2017 were placed before the State Legislative Assembly between 10 July 2014 and 11 July 2019. The action taken explanatory notes from the concerned Departments on 10 sub-paragraphs/ paragraphs were received with average delay of 27 months in respect of Audit Reports for the years ended 31 March 2013, 2014, 2015, 2016 and 2017. Action taken explanatory notes in respect of remaining paragraphs from four departments (Finance Department, Department of Industry, Commerce and Enterprises, L&LR and RR&R Department and Transport Department) had not been received for the Audit Reports for the years ended 31 March 2013, 2014, 2015, 2016 and 2017 so far (December 2020).

During 2018-19, the Public Accounts Committee discussed two selected paragraphs of the Audit Report for the year 2006-07 and one selected paragraph of the Audit Report for the year 2009-10 in July 2018 and February 2019, respectively.

1.7 Analysis of the mechanism for dealing with the issues raised by Audit

To analyse the system of addressing the issues highlighted in the IRs/ Audit Reports by the Departments/ Government, action taken on the paragraphs and Performance Audits included in the Audit Reports of the last 10 years for one Department is evaluated and included in this Audit Report.

The succeeding paragraphs 1.7.1 and 1.7.2 discuss the performance of the DRSR and cases detected in the course of local audit during the last 10 years and also the cases included in the Audit Reports for the years 2009-10 to 2018-19.

1.7.1 Position of Inspection Reports

The summarised position of the inspection reports issued to the DRSR during the last 10 years, paragraphs included in these reports and their status as on 31 March 2019 are tabulated in **Table 1.9**.

Table 1.9: Position of Inspection Reports

(₹ in crore)

| Sl. No. | Year | Opening Balance | | | Addition during the year | | | Clearance during the year | | | Closing balance during the year | | |
|---------|---------|-----------------|-------------------|-------------|--------------------------|-------------------|-------------|---------------------------|-------------------|-------------|---------------------------------|-------------------|-------------|
| | | No. of IRs | No. of Paragraphs | Money value | No. of IRs | No. of Paragraphs | Money value | No. of IRs | No. of Paragraphs | Money value | No. of IRs | No. of Paragraphs | Money value |
| 1. | 2009-10 | 580 | 802 | 82.29 | 37 | 48 | 4.54 | 328 | 416 | 33.20 | 289 | 434 | 53.63 |
| 2. | 2010-11 | 289 | 434 | 53.63 | 37 | 84 | 24.09 | 38 | 56 | 4.12 | 288 | 462 | 73.60 |
| 3. | 2011-12 | 288 | 462 | 73.60 | 65 | 205 | 37.94 | 30 | 43 | 3.97 | 323 | 624 | 107.57 |
| 4. | 2012-13 | 323 | 624 | 107.57 | 56 | 257 | 10.57 | 171 | 294 | 43.98 | 208 | 587 | 74.16 |
| 5. | 2013-14 | 208 | 587 | 74.16 | 66 | 246 | 21.25 | 9 | 56 | 2.26 | 265 | 777 | 93.15 |
| 6. | 2014-15 | 265 | 777 | 93.15 | 54 | 237 | 76.51 | 64 | 271 | 29.21 | 255 | 743 | 140.45 |
| 7. | 2015-16 | 255 | 743 | 140.45 | 54 | 180 | 91.42 | 10 | 55 | 14.70 | 299 | 868 | 217.17 |
| 8. | 2016-17 | 299 | 868 | 217.17 | 54 | 175 | 18.07 | 65 | 330 | 104.14 | 288 | 713 | 131.10 |
| 9. | 2017-18 | 288 | 713 | 131.10 | 53 | 246 | 85.81 | 23 | 112 | 68.78 | 318 | 847 | 148.13 |
| 10. | 2018-19 | 318 | 847 | 148.13 | 53 | 216 | 7.89 | 21 | 79 | 2.02 | 350 | 984 | 154.00 |

Though Audit Committee Meetings are organised between the Department and Audit to settle old paragraphs, it would be evident from the above table, that settlement of paras was not significant. This is primarily because the Department does not provide replies/ follow-up action for settlement of outstanding paragraphs contained in the IRs.

1.7.2 Recovery of accepted cases

The position of paragraphs included in the Audit Reports of the last 10 years, those accepted by the Department and the amount recovered are mentioned in **Table 1.10**.

Table 1.10: Recovery of accepted cases

(₹ in crore)

| Year of Audit Report | Number of paragraphs included | Money value of the paragraphs | Number of paragraphs accepted | Money value of accepted paragraphs | Amount of recovery of accepted cases |
|----------------------|-------------------------------|-------------------------------|-------------------------------|------------------------------------|--------------------------------------|
| 2008-09 | 3 | 52.30 | 2 | 50.54 | Nil |
| 2009-10 | 1 | 1.84 | 1 | 1.54 | 0.20 |
| 2010-11 | 1 | 5.23 | 1 | 5.23 | 0.99 |
| 2011-12 | 3 | 3.33 | 3 | 3.33 | 0.92 |
| 2012-13 | 1 | 154.10 | 1 | 106.93 | Nil |
| 2013-14 | 5 | 4.16 | 3 | 1.04 | Nil |
| 2014-15 | 4 | 15.13 | 1 | 2.50 | Nil |
| 2015-16 | 2 | 16.68 | 1 | 0.23 | Nil |
| 2016-17 | 6 | 50.57 | 6 | 49.61 | Nil |
| 2017-18 | 1 | 212.02 | 1 | 2.01 | Nil |
| Total | 27 | 515.36 | 20 | 222.96 | 2.11 |

It is evident from the above table that the recovery even in accepted cases was meagre 0.95 per cent. The Department did not take prompt action to recover the dues even in accepted cases.

1.8 Action taken on the recommendations accepted by the Department/ Government

The draft Performance Audits (PAs) conducted by the PAG/ AG are forwarded to the concerned Department/ Government for their information with a request to furnish replies to audit observations included in the draft report. These PAs are also discussed in an Exit Conference and the Department's/ Government's views are included in the Audit Reports.

The status of action taken on recommendations featured in eight PAs of last five years as per reports furnished by the Departments till December 2020 is given in *Appendix-6*.

1.9 Audit Planning

The unit offices under various Departments are categorised into high, medium and low risk units according to their revenue position, past trends of audit observations and other parameters. Annual Audit Plan is prepared on risk analysis which includes critical issues in government revenues and tax administration, i.e., Budget Speech, White Paper on State Finances, Reports of the Finance Commission (State and Central), recommendations of the Taxation Reforms Committee, statistical analysis of the revenue earnings during the past five years, issues related to the tax administration, the extent of audit coverage and its impact during past five years *etc.*

During the year 2018-19, there were 571 auditable units, of which 174 units were planned and audited, which was 30.47 *per cent* of the total auditable units. The details are in *Appendix-7*.

1.10 Results of audit

1.10.1 Position of local audit conducted during the year

Test check of the records of 174 units related to Sales Tax/ Value Added Tax, State Excise, Motor Vehicles Tax, Land and Land Reforms, Stamp Duty and Registration Fees and other Departmental offices conducted during the year 2018-19 showed under assessment/ short levy/ loss of revenue aggregating ₹ 560.74 crore in 1,871 cases. During the course of the year, the Departments concerned accepted under-assessment and other deficiencies of ₹ 171.54 crore involved in 1,072 cases pointed out in audit during 2018-19. The Departments collected ₹ 9.67 crore in 233 cases during 2018-19 based on findings of local audit.

1.11 Coverage of this Report

This Report contains 30 paragraphs (selected from the audit observations made during the local audit referred to above and during earlier years, which could not be included in earlier reports) involving financial effect of ₹ 898.71 crore. The Government accepted audit observations involving ₹ 153.17 crore of which ₹ 6.54 crore had been recovered. No replies/ specific replies had been furnished in respect of remaining cases (December 2020). These are discussed in succeeding Chapters II to VII.

Chapter II

Value Added Tax and Goods and Services Tax

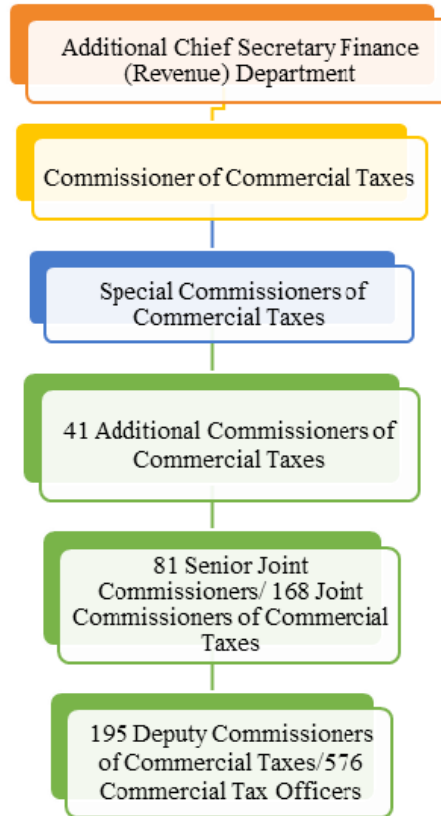
Chapter II

Value Added Tax and Goods and Services Tax

2.1 Tax administration

During 2018-19, for administering the relevant Value Added Tax (VAT) laws and rules framed thereunder, the following tax administration was in place:

Chart 2.1: Tax Administration



2.2 Internal Audit

The Department has an Internal Audit Wing (IAW) under the charge of the Special Commissioner of Commercial Taxes. He is assisted by one Additional Commissioner of Commercial Taxes, two Senior Joint Commissioners, five Joint Commissioners, two Deputy Commissioners and two Commercial Tax Officers. This Wing conducts scrutiny and detects irregularities in the assessment of VAT cases as well as checks different records and registers to ascertain whether internal control system as envisaged in the Acts and Rules made thereunder are properly followed.

Of the 68 Charge Offices, 17 Circles and 10 Ranges under the Directorate of Commercial Taxes (DCT), West Bengal, the IAW did not plan for internal audit during 2018-19.

2.3 Results of audit

In 2018-19, test check of the records of 45 units relating to VAT assessments and other records showed under-assessment of tax and other irregularities involving ₹ 295.14 crore in 735 cases (**Table 2.1**).

Table 2.1: Results of audit

(₹ in crore)

| Sl. No. | Categories | Number of cases | Amount |
|--------------|--|-----------------|---------------|
| 1. | Incorrect determination of Contractual Transfer Price (CTP)/ Turnover of Sales (TOS) | 292 | 121.18 |
| 2. | Non/ short levy of purchase tax/ penalty/ interest | 217 | 85.69 |
| 3. | Irregular allowance of transfer of goods/ Input Tax Credit (ITC)/ remission | 66 | 21.74 |
| 4. | Application of incorrect rate of tax/ mistake in computation | 43 | 1.53 |
| 5. | Others | 117 | 65 |
| Total | | 735 | 295.14 |

During the course of the year 2018-19, the Department accepted under-assessment and other deficiencies in 483 cases amounting to ₹ 74.87 crore, of which 447 cases involving ₹ 57.13 crore were pointed out in audit during the year 2018-19 and the rest in earlier years. An amount of ₹ 70.16 lakh was realised in 42 cases during the year 2018-19.

Compliance Audit

Audit was conducted in 45 out of 95 units administering Value Added Tax during financial year of April 2018 to March 2019 and in 17 units between January and March 2018. Audit test checked 23,996 out of 39,341 cases assessed in 62 Charge Offices. The cases mentioned in the succeeding paragraphs are those which came to notice in the course of test audit for the period 2018-19 as well as those which came to notice between January and March 2018, but could not be reported in the previous Audit Report. The cases were examined to ascertain the extent of compliance of provisions of the Acts and Rules framed thereunder. The audit findings in 550 cases involving ₹ 67.10 crore in 42 units are discussed in the following paragraphs:

2.4 Incorrect determination of Turnover of Sales (TOS)

The Assessing Authorities (AAs) incorrectly determined turnover of sales at ₹ 2,487.61 crore instead of ₹ 2,775.09 crore in 52 cases. This resulted in short determination of TOS of ₹ 287.48 crore with consequent short levy of VAT of ₹ 20.79 crore.

In terms of Section 2(55) of West Bengal Value Added Tax (WBVAT) Act, 2003, TOS in relation to any period means the aggregate of the sale prices/ parts of sale prices received/ receivable by a dealer in respect of sales of goods made during such period which remains after making deductions¹¹² prescribed under the Act. Section 16 of WBVAT Act, 2003 provides applicable rates for levy of VAT on such part of the TOS, which remains after making deductions therefrom as prescribed under the Act. Further, when a dealer imports taxable goods from any place outside West Bengal, he is required to obtain an e-way bill in Form 50A, in respect of transport of such goods. With effect from 01 December 2010, provisions have been made under Rule 110B of the WBVAT

¹¹² Sale price of goods, tax on which has been paid on M.R.P. at the time of purchase and Intra-state sales return within six months from the date of sale.

Rules for selected¹¹³ registered dealers to obtain way bills electronically. Section 42 of the WBVAT Act, 2003 provides that correctness of TOS furnished in returns by the assessee may be verified with reference to the accounts, registers or documents, including those in electronic records maintained or kept by the dealer. Information in respect of TOS and utilisation of way bills is also available in the database of the DCT, which can be accessed through the Information Management for Promotion of Administration in Commercial Taxes (IMPACT), a web based application software developed by DCT for better tax administration.

Audit found that in 52 cases¹¹⁴ of 49 dealers in 15 Charge Offices, the AAs determined TOS at ₹ 2,487.61 crore instead of ₹ 2,775.09 crore. This resulted in short determination of TOS of ₹ 287.48 crore, with consequent short levy of VAT of ₹ 20.79 crore as detailed in the following table:

Table 2.2: Incorrect determination of TOS

(₹ in crore)

| Sl. No. | Nature of irregularity | No. of cases/no. of dealers | Name of the Charge Office | TOS assessable | TOS assessed | TOS determined short | VAT levied short |
|---------|--|-----------------------------|---|-----------------|-----------------|----------------------|------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7)= (5-6) | (8) |
| 1. | TOS based on the value of goods imported from outside West Bengal as per database maintained by DCT and books of accounts of the dealers was higher than that assessed on the basis of returns by the dealers. | 34/31 | Bhowanipore, Kadamtala, Large Taxpayers Unit (LTU), N S Road, Radhabazar | 1,962.96 | 1,741.9 | 221.06 | 16.94 |
| 2. | Turnover of sales assessed by AAs was short of that shown in books of Accounts. | 18/18 | Barrackpore, Bally, Berhampore, Chandney Chawk, Ezra Street, LTU, Midnapore, N S Road, Park Street, Serampore, Shibpore, Siliguri | 812.13 | 745.71 | 66.42 | 3.85 |
| | Total | 52/49 | | 2,775.09 | 2,487.61 | 287.48 | 20.79 |

In the cases pointed out in the table, the concerned AAs did not verify the correctness of the declared TOS with reference to the other records and the discrepancies were overlooked during assessment. This resulted in under assessment of TOS and short levy of tax of ₹ 20.79 crore.

After this was pointed out (between January 2018 and March 2019), 11 Charge Offices, while accepting the audit observations in 19 cases involving ₹ 1.66 crore, stated (between February 2018 and July 2019) that:

¹¹³ Registered dealers who are required to furnish returns quarterly and electronically transmitting data in the returns.

¹¹⁴ Assessed between June 2015 and October 2017 for assessment periods between 2012-13 and 2014-15.

- Proposal for *suo motu* revision of the cases had been sent to higher authorities in 11 cases involving ₹ 1.25 crore, and
- Necessary actions were being taken in eight cases involving ₹ 41.43 lakh.

However, no report on realisation of tax was furnished. In the remaining 33 cases, the Charge Offices did not furnish any reply (December 2020). The matter was reported to the Government in March 2020, followed by a reminder in October 2020. Reply was awaited (December 2020).

2.5 Irregular allowance of input tax credit

In 59 cases of 57 dealers, the AAs allowed Input Tax Credit (ITC) of ₹ 35.17 crore instead of ₹ 13.43 crore admissible to the dealers. This resulted in irregular allowance of ITC of ₹ 21.74 crore.

Section 22 of the WBVAT Act 2003 read with Rules 20 and 23 of the WBVAT Rules, 2005 prescribe that a registered dealer can avail benefits of Input Tax Credit (ITC) to the extent of tax paid or payable by him in respect of purchase of taxable goods from registered dealers of West Bengal. Any amount of ITC, which remains in excess at the end of assessment period, shall be carried over to the next assessment period. Further, ITC shall not be allowed where original tax invoice has not been issued by the selling dealer from whom the goods are purported to have been purchased. Excess of ITC beyond admissible amount shall be reversed.

Audit observed that in 59 cases of 57 dealers in 25 Charge Offices, the AAs allowed ITC of ₹ 35.17 crore. The dealers were, however, eligible for ITC of ₹ 13.43 crore only. This resulted in irregular allowance of ITC of ₹ 21.74 crore as detailed in the following table:

Table 2.3: Irregular allowance of ITC

(₹ in crore)

| Sl. No. | Nature of irregularity | Name of Charge Office | No. of cases/dealers | ITC ALLOWED | ITC allowable | ITC allowed in excess |
|---------|---|--|----------------------|-------------|---------------|-----------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) = (5-6) |
| 1. | ITC was allowed on purchases made from dealers whose registration certificates were cancelled before purchases were made. | Belgachia, Ezra Street, Kadamtala, Radhabazar, Strand Road | 7/7 | 0.3 | Nil | 0.3 |
| 2. | ITC was allowed on purchases made from dealers who did not show any sale in their returns. | Ballygunge, Barrackpore, Beliaghata, Bhawanipore, Fairlie Place, LTU, Manicktola, Midnapore, Postabazar, Salt Lake, Siliguri, Tamluk | 23/22 | 5.73 | Nil | 5.73 |
| 3. | ITC was allowed on claim of purchases higher than the sales disclosed by selling dealers. | Bally, Beliaghata, Burdwan, Krishnanagar, LTU, Manicktola, Salt Lake, Siliguri | 16/15 | 2.24 | 1.42 | 0.82 |

| Sl. No. (1) | Nature of irregularity (2) | Name of Charge Office (3) | No. of cases/ dealers (4) | ITC ALLOWED (5) | ITC allowable (6) | ITC allowed in excess (7) = (5-6) |
|----------------|---|--|---------------------------------|-----------------------|-------------------------|--|
| 4. | Claim of ITC brought forward from previous assessment period by a dealer was allowed by AA despite the fact that the dealer did not have any ITC to be carried forward from previous assessment period. | Radhabazar | 1/1 | 0.28 | Nil | 0.28 |
| 5. | The AA allowed ITC as brought forward from previous assessment period, though the dealer did not have such claim of ITC in his returns. | Siliguri | 1/1 | 0.11 | Nil | 0.11 |
| 6. | Net ITC was allowed excess in assessment. | Asansol, Bally, Berhampore, Siliguri, Suri | 7/7 | 9.27 | 7.94 | 1.33 |
| 7. | Claim of ITC was allowed by the AA on purchases made by the dealer that did not have valid invoices. | LTU, Park Street | 3/3 | 17.19 | 4.05 | 13.14 |
| 8. | ITC was reversed short in assessment. | Behala | 1/1 | 0.05 | 0.02 | 0.03 |
| Total | | | 59/57 | 35.17 | 13.43 | 21.74 |

After this was pointed out (between January 2018 and March 2019), the Berhampore Charge Offices intimated (July 2019) realisation of ₹ 4.06 lakh out of ₹ 11.71 lakh in one case. Eighteen Charge Offices, while accepting the audit observations in 41 cases involving ₹ 7.78 crore, stated (between February 2018 and September 2019) that:

- Proposal for *suo motu* revision had been/ were being sent to higher authorities in 10 cases involving ₹ 1.45 crore;
- Proposals had been sent to higher authorities to re-open 13 cases involving ₹ 4.52 crore;
- Necessary action would be taken in 13 cases involving ₹ 75.33 lakh;
- In one case involving ₹ 2.93 lakh, where the dealer's ITC did not match the seller's return, the dealer agreed to reverse the ITC and paid tax on such amount;
- Assessment proceedings had been initiated in three cases involving ₹ one crore; and
- Revised demand notice had been issued after *suo motu* revision in one case involving ₹ 2.08 lakh.

However, report on levy and realisation of tax in the 41 cases were yet to be furnished. In the remaining 17 cases involving ₹ 13.84 crore, the Charge Offices did not furnish any reply (December 2020). The matter was reported to the Government in February 2020 followed by a reminder in October 2020. Reply was awaited (December 2020).

2.6 Incorrect determination of Contractual Transfer Price

The AAs incorrectly determined Contractual Transfer Price (CTP) of ₹ 223.43 crore instead of ₹ 501.33 crore in 255 cases. This resulted in short determination of CTP of ₹ 277.90 crore with consequent short levy of tax of ₹ 16.29 crore.

In terms of Section 2(10) the WBVAT Act, 2003, Contractual Transfer Price (CTP) in relation to any period is the amount received or receivable by a dealer in respect of transfer of property in goods in the execution of any works contract. Sections 14 and 18 of the Act prescribe that any transfer of property in goods involved in the execution of a works contract shall be deemed to be a sale by the person making such transfer. Under Section 40 of the Act, a contractee shall deduct tax at source at the rate of three *per cent* from payments made to a registered dealer for execution of a works contract. Details of all payments made by contractees to a contractor for execution of works contract and the tax deducted at source thereon are available in the database of the DCT, which can be accessed through a web based application software IMPACT developed by the Directorate for better tax administration. Value Added Tax on CTP payable by registered dealers and dealers other than registered dealers is assessed under Section 46 and 48 of the Act, respectively.

Audit observed in 37 Charge Offices that in 255 cases of 241 dealers, the AAs incorrectly determined CTP at ₹ 223.43 crore instead of ₹ 501.33 crore. This resulted in short determination of CTP of ₹ 277.90 crore with consequent short levy of tax of ₹ 16.29 crore as detailed in the following table:

Table 2.4: Incorrect determination of CTP

(₹ in crore)

| Sl. No. | Nature of irregularity | No. of dealers/cases | CTP assessable | CTP assessed | Short determination of CTP | Short levy of tax |
|--------------|---|----------------------|----------------|---------------|----------------------------|-------------------|
| 1. | Payments made by the contractees as per details available in the database of IMPACT was higher than that assessed/shown in returns of dealers/ contractors. | 230/240 | 483.98 | 218.83 | 265.15 | 15.50 |
| 2. | CTP assessed by AAs was short of that shown in audit reports of the dealers/ contractors. | 2/2 | 5.37 | 3.02 | 2.35 | 0.13 |
| 3. | CTP from a work in progress in 2013-14 was not considered in assessment of tax for the period 2014-15 on completion of the work during 2014-15. | 1/1 | 3.68 | 0 | 3.68 | 0.26 |
| 4. | Payments made by the contractees as per details available in the database of IMPACT to the unregistered dealers/ contractors were not assessed by the AAs. | 7/11 | 6.06 | 0 | 6.06 | 0.35 |
| 5. | CTP assessed by AA was short of that shown in return. | 1/1 | 2.24 | 1.58 | 0.66 | 0.05 |
| Total | | 241/255 | 501.33 | 223.43 | 277.90 | 16.29 |

The AAs concerned did not cross-verify CTP disclosed by the dealers with payments received by the dealers from contractees in execution of works contract as available in the database of IMPACT and return/ audit reports of the dealers. This resulted in short levy of tax of ₹ 16.29 crore.

After this was pointed out (between January 2018 and March 2019), 33 Charge Offices, while accepting audit observations in 229 cases involving ₹ 12.89 crore, stated (January 2018 and March 2019) that:

- Proposal for *suo motu* revision had been/ would be sent to higher authorities in 41 cases involving ₹ 4.32 crore;
- Proposals had been sent to higher authorities to reopen 124 cases involving ₹ 5.03 crore;
- Assessment proceedings would be initiated in 37 cases involving ₹ 1.45 crore and
- Necessary actions were being taken in 27 cases involving ₹ 2.08 crore.

However, no report on realisation of tax was furnished. In the remaining 26 cases involving ₹ 3.40 crore, the Charge Offices did not furnish any reply (December 2020).

The matter was reported to the Government in February 2020, followed by a reminder in October 2020. Reply was awaited (December 2020).

2.7 Incorrect determination of taxable Contractual Transfer Price

In 14 cases, the AAs allowed excess deduction towards payment to sub-contractors and labour, services and other like charges. This resulted in short determination of taxable CTP by ₹ 16.55 crore with consequent short levy of tax of ₹ 1.73 crore.

Under Section 18(2) of WBVAT Act, 2003, the part of CTP, which remains after deducting labour, service and other like charges, payment to sub-contractors *etc.*, is taxable CTP. Further, Section 18(2)(C) provides for deduction towards payment made to a sub-contractor, provided that the sub-contractor is a registered dealer under the Act and he has paid tax on the amount of such deduction and which has been included in his return. The labour, service and other like charges to be deducted from the CTP have been specified under clauses (a) to (g) of Rule 30(1) of WBVAT Rules, 2005. Tax deducted at source (TDS) and security deposit are not admissible as deduction from CTP in terms of clauses of Rule 30(1) of WBVAT Rules, 2005.

Audit observed in four Charge Offices and Jalpaiguri Circle Office that in 14 cases, the AAs incorrectly allowed deductions of ₹ 22 crore instead of ₹ 5.45 crore from CTP of ₹ 402.01 crore. This resulted in short determination of taxable CTP by ₹ 16.55 crore with consequent short levy of tax as detailed in the following table:

Table 2.5: Incorrect determination of taxable CTP

(₹ in crore)

| Sl. No. | Nature of irregularity | Name of Charge Office | No. of cases | CTP | Deduction allowed | Deduction admissible | Excess allowance (taxable CTP) | Short levy of tax |
|--------------|---|--------------------------------|--------------|---------------|-------------------|----------------------|--------------------------------|-------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8)=(6-7) | (9) |
| 1. | Deduction from CTP towards labour, service and other like charges was allowed by AA in excess of that admissible under Rule 30(1). | Jalpaiguri Circle, LTU, Tamluk | 4 | 189.94 | 14.92 | 5.45 | 9.47 | 0.76 |
| 2. | Tax deducted at source (TDS) from CTP was allowed by AAs which was not admissible under section 18(2). | Coochbehar | 8 | 199.03 | 5.31 | Nil | 5.31 | 0.76 |
| 3. | Deduction from CTP towards security deposit was allowed by AA which was not admissible in terms of clause (a) to (g) of Rule 30(1). | Jalpaiguri Circle | 1 | 3.70 | 0.30 | Nil | 0.30 | 0.02 |
| 4. | Deduction towards payment made to unregistered sub-contractor was not admissible under section 18(2)(C). | Midnapore | 1 | 9.34 | 1.47 | Nil | 1.47 | 0.19 |
| Total | | | 14 | 402.01 | 22.00 | 5.45 | 16.55 | 1.73 |

The aforementioned cases indicate that the AAs did not comply with the provisions of the Rules while determining taxable CTP of the dealers concerned, resulting in under assessment of taxable CTP and short levy of tax of ₹ 1.73 crore.

After this was pointed out in audit, the Charge Offices, while accepting the audit observations in five cases involving ₹ 92.35 lakh, stated (between February and June 2018) that:

- *Suo motu* revision had been/ was being initiated in three cases involving ₹ 70.01 lakh; and
- Notice had been issued for review of two cases involving ₹ 22.34 lakh.

Report on levy and realisation of tax was yet to be furnished. In the remaining nine cases involving ₹ 80.32 lakh, the Charge Offices did not furnish any reply (December 2020). The matter was reported to the Government in February 2020. Reply was awaited (December 2020).

2.8 Penalty on evaded tax not levied

The AAs did not initiate proceedings to levy penalty despite evasion of tax by dealers in 120 cases. Penalty to the extent of ₹ 52.09 crore was not levied for such evasion of tax/ineligible claims of ITC.

1. Section 96 of the WBVAT Act, 2003, prescribes levy of penalty if a dealer has concealed any sale/ purchase/ CTP or claimed excess amount of ITC without entering into valid transactions with the selling dealers.

The quantum of penalty should not exceed twice the amount of tax, which would have been avoided if such concealment was not detected. A minimum penalty of 25 per cent of the amount of evaded tax was to be levied in cases where dealer has admitted the evasion of tax and paid the evaded tax.

Audit observed in 31 Charge Offices that in 110 cases of 99 dealers, Bureau of Investigation and AAs detected evasion of tax of ₹ 31.10 crore by the dealers. Of these, in 85 cases of 81 dealers, the AAs did not initiate proceedings to levy penalty against the dealers for suppression of sales/ purchases/ ITC. Penalty not exceeding ₹ 48.42 crore, being twice the amount of tax evaded of ₹ 24.21 crore was leviable for such evasion of tax in these cases. In the remaining 25 cases, 18 dealers admitted the evasion of tax and paid the evaded tax. The AAs, however, did not initiate proceedings to levy minimum penalty of ₹ 1.72 crore at the rate of 25 per cent of the amount of evaded tax after detection of evasion. Reasons for non-initiation of penalty proceedings were not available in the assessment case records.

After this was pointed out (between January 2018 and March 2019), 26 Charge Offices, while accepting the audit observations in 83 cases involving ₹ 20.14 crore, stated that

- Penal proceedings had been/ were being initiated in 65 cases involving ₹ 17.75 crore;
- Proposal for *suo motu* revision had been forwarded to higher authorities in three cases involving ₹ 3.99 lakh;
- Penalty had been imposed and notice of demand of penalty had been issued in seven cases involving ₹ 82.88 lakh, and
- Necessary action was being taken in eight cases involving ₹ 1.52 crore.

However, no report on realisation of penalty was furnished (December 2020). In the remaining 27 cases involving ₹ 30 crore, the Charge Offices did not furnish any reply (December 2020).

2. Section 22A of the WBVAT Act, 2003 prescribes levy of penalty if a dealer has claimed ITC without entering into a valid transaction of purchase with another dealer. Penalty at the rate of 25 per cent of ineligible claim of ITC is leviable, if the dealer admits in writing the fact of such ineligible claim of ITC and pays the full amount of tax involved therein within one month of inspection or enquiry. In all other cases, penalty is leviable at the rate of 150 per cent of ineligible claim of ITC.

Audit observed in five Charge Offices that in 10 cases, ITC of ₹ 1.30 crore was claimed without entering into valid transactions with other dealers. These included cases where

- The registration certificates of the selling dealers from whom goods were claimed to have been purchased by the dealers mentioned in the paragraph, were found to have been cancelled prior to the purchases;
- The selling dealers were found non-existent at their declared place of business;
- Invoices were issued without movement of goods.

Of these, four cases of inadmissible ITC claims were detected by Bureau of Investigation (BOI) for an amount of ₹ 0.69 crore between March 2016 and January 2017 and six cases by AAs for ITC claims of ₹ 0.61 crore between June 2016 and June 2017. The dealers, however, neither admitted in writing the fact of such ineligible claims of ITC nor paid the full amount of tax involved therein within one month of inspection or enquiry. The AAs did not initiate proceedings to levy penalty under Section 22A of the WBVAT Act. This resulted in non-levy of penalty of ₹ 1.95 crore.

After this was pointed out (between April 2018 and February 2019), four Charge Offices while accepting audit observations in nine cases involving ₹ 92.21 lakh, stated that penal proceedings had been/ were being initiated in eight cases and notice of demand of penalty had been issued in one case. However, no report on realisation of penalty was furnished (December 2020). In the remaining one case, the Charge Office did not furnish any reply (December 2020). The matter was reported to the Government in March 2020 followed by a reminder in October 2020. Reply was awaited (December 2020).

2.9 Non/ short levy of interest

Interest of ₹ 5.01 crore was not levied/short levied in 29 cases

In terms of Section 33 of the WBVAT Act, 2003, a dealer shall be liable to pay interest if he:

- fails to adjust the amount of any inadmissible ITC by way of deduction from the amount of ITC claimed for a tax period, or
- fails to furnish return by the prescribed date or thereafter in respect of any return period before assessment, or
- makes delay in payment of net tax in respect of any tax period.

The interest shall be payable at the rate of 12 *per cent* per annum up to 31 March 2015 and from 1 April 2015 at the rates as specified below: -

- i. At the rate of one *per cent* per month up to the first 90 days of the period for which such interest is payable;
- ii. At the rate of one and half *per cent* per month after the first 90 days and up to 300 days of the period for which such interest is payable; and
- iii. At the rate of two *per cent* per month after the first 300 days of the period for which such interest is payable.

Audit observed in 11 Charge Offices that in 29 cases of 26 dealers, the AAs did not levy interest of ₹ 4.95 crore in 27 cases and short levied interest of ₹ six lakh in two cases as detailed in the following table:

Table 2.6: Non/ short levy of interest

(₹ in crore)

| Sl. No. (1) | Nature of irregularity (2) | Name of Charge Offices (3) | No. of cases/ dealers (4) | Tax on which interest was leviable (5) | Interest leviable (6) | Interest levied (7) | Non/short levy of interest (8)= (6-7) |
|----------------|--|---|---------------------------------|---|--------------------------|------------------------|--|
| 1. | Interest not levied on inadmissible claim of ITC. | Belgachia, Colootola, Fairlie Place, Kadamtala, LTU, N.D. Sarani, Radhabazar, Serampore | 23/20 | 14.51 | 4.71 | Nil | 4.71 |
| 2. | Interest not levied on tax admitted but not paid by dealers within the prescribed dates. | Coochbehar | 1/1 | 0.63 | 0.20 | Nil | 0.20 |
| 3. | Interest not levied/ short levied for non-submission of returns. | Krishnanagar, Shibpore | 5/5 | 0.56 | 0.23 | 0.13 | 0.10 |
| Total | | | 29/26 | 15.70 | 5.14 | 0.13 | 5.01 |

The cases pointed out in the table above indicate that provisions for levy of interest were not being complied with by the AAs concerned at the time of assessment. This resulted in non/ short levy of interest of ₹ 5.01 crore.

After this was pointed out, seven Charge Offices, while accepting the audit observations in 10 cases involving ₹ 1.19 crore, stated that:

- Proposal for *suo motu* revision had been/ were being sent to higher authorities in eight cases involving ₹ 39.40 lakh;
- Interest would be levied in one case involving ₹ 78.44 lakh, and
- Final reply would be sent later in one case involving ₹ 1.22 lakh.

They, however, did not furnish any report on realisation of interest.

In the remaining 19 cases involving ₹ 3.82 crore, Charge Offices did not furnish any replies (December 2020).

The matter was reported to the Government in March 2020, followed by a reminder in October 2020. Reply was awaited (December 2020).

2.10 Short levy of tax due to incorrect computation

In 21 cases, the AAs assessed output tax of ₹ 18.48 crore instead of ₹ 20.02 crore due to error in computation. This resulted in short levy of tax of ₹ 1.54 crore.

Under the WBVAT Act, 2003, tax is to be computed at prescribed rates along with interest and penalty, if any, on the goods sold.

Audit observed in 10 Charge Offices that in 21 cases, the AAs assessed output tax of ₹ 18.48 crore instead of ₹ 20.02 crore due to incorrect computation of tax. This resulted in short levy of tax of ₹ 1.54 crore as detailed in the following table:

Table 2.7: Short levy of tax due to incorrect computation

(₹ in crore)

| Sl. No. (1) | Nature of irregularity (2) | Name of the Charge Office (3) | No. of cases (4) | Tax leviable (5) | Tax levied (6) | Short levy of tax (7) =(5-6) |
|----------------|--|--|---------------------|---------------------|-------------------|---------------------------------|
| 1. | Amount of tax computed at the applicable rates was less than that computable at those rates | Bally, Behala, Kadamtala, LTU, Serampore, Siliguri | 7 | 3.76 | 3.47 | 0.29 |
| 2. | Tax on TOS was computed less than that payable by the dealers due to mistake in computation of TOS by AAs. | LTU, N S Road, Postabazar, Serampore | 5 | 11.49 | 11.20 | 0.29 |
| 3. | Tax on CTP was computed less than that payable by the dealer due to mistake in computation of taxable CTP. | Asansol, LTU, Midnapore, Serampore | 9 | 4.77 | 3.81 | 0.96 |
| Total | | | 21 | 20.02 | 18.48 | 1.54 |

In the cases pointed out in the table above, the AAs concerned did not check the computations before passing the assessment orders and issuing demand notices thereafter to the dealers concerned. This resulted in short levy of tax of ₹ 1.54 crore.

After this was pointed out (between January 2018 and January 2019), eight Charge Offices accepted (between March 2018 and September 2019) audit observations in 13 cases involving ₹ 1.05 crore. Of these, Postabazar Charge Office intimated (July 2019) realisation of ₹ 2.33 lakh in one case. The remaining seven Charge Offices, in 12 cases involving ₹ 1.03 crore stated (between March 2018 and September 2019) that:

- Revised demand notice has been issued after *suo motu* revision in one case involving ₹ 1.08 lakh;
- Proposals for *suo motu* revision had been sent/ were being sent to the higher authorities in nine cases involving ₹ 99.02 lakh; and
- Necessary action was being taken in two cases involving ₹ 2.97 lakh.

However, they did not furnish any report on realisation of tax.

In the remaining eight cases, the Charge Offices did not give any reply/ specific reply (December 2020).

The cases were reported to the Government in March 2020, followed by a reminder in October 2020. Reply was awaited (December 2020).

The paragraphs discussed above bring out under-assessment of VAT mainly because of inadequate compliance of the provisions of the Act and Rules framed thereunder, under-utilisation of the database accessible through IMPACT software to ascertain the correctness of dealer's claim against TOS, CTP, ITC disclosed in returns etc. Accordingly, corrective measures need to be taken immediately to make good the deficiencies during assessment, to ensure that there is no shortfall in revenue realisation.

Goods and Services Tax (GST)

Introduction

Goods and Services Tax (GST) came into effect in West Bengal on 1 July 2017. GST¹¹⁵ is being levied on intra-State supply of goods or services (*except alcohol for human consumption and five specified petroleum products*¹¹⁶) separately but concurrently by the Union and the States/ Union territories. Further, Integrated GST (IGST) is being levied on inter-State supply of goods or services (including imports) and the Central Government has the exclusive power to levy IGST. Prior to implementation of GST, VAT was levied on intra-State sale of goods as per the WBVAT Act, 2003 and Central Sales Tax (CST) on sale of goods in the course of inter-State trade or commerce as per the CST Act, 1956.

The State Government is empowered to regulate the provisions of WBVAT Act whereas provisions relating to GST are being regulated by Centre and State on the recommendation of Goods and Services Tax Council (GSTC) which was constituted with representation from Centre and all the States to recommend on matters related to GST. The West Bengal Goods and Services Tax (WBGST) Ordinance was notified by the State Government in June 2017 and subsequently the WBGST Rules, 2017 and the WBGST Act, 2017 were notified in June 2017 and August 2017, respectively. Various taxes¹¹⁷ were subsumed in the GST.

Goods and Services Tax Network (GSTN) was set up by the Government of India as a private company to provide IT services. It provides front-end IT services to taxpayers namely registration, payment of tax and filing of returns. Back-end IT services, *i.e.*, registration approval, taxpayer detail viewer, refund processing, MIS reports, *etc.* are also being provided by GSTN to Model-II¹¹⁸ States. West Bengal has opted for Model-II.

Trend of Revenue

The total receipts under GST for the period 2018-19 were ₹ 29,044.20 crore which include GST worth ₹ 27,067.20 crore and compensation received worth ₹ 1,977 crore. Against target of ₹ 13,094 crore, the State collected ₹ 27,067.20 crore in the year 2018-19. The actual receipts during 2017-18 and 2018-19 are given in **Table 2.8**.

Table 2.8: Trend of Revenue

(₹ in crore)

| Financial Year | Budget Estimates (BE) | Receipts under GST | Compensation received | Total receipts under GST |
|----------------|-----------------------|--------------------|-----------------------|--------------------------|
| 2017-18 | - | 14,963.74 | 1,608.00 | 16,571.74 |
| 2018-19 | 13,094.00 | 27,067.20 | 1,977.00 | 29,044.20 |

*Source: Finance Accounts of the Government of West Bengal.

¹¹⁵ Central GST: CGST and State/ Union Territory GST: SGST/ UTGST.

¹¹⁶ Petroleum products: crude, high speed diesel, petrol, aviation turbine fuel and natural gas.

¹¹⁷ Value Added Tax, Central Sales Tax, Entry Tax, Entertainment tax, Luxury tax, Taxes on Betting, Gambling and Lotteries and Taxes on Medicinal and toilet preparations.

¹¹⁸ Model-I States: only Front-end services provided by GSTN, Model-II States: both Front-end and Back-end services provided by GSTN.

After implementation of GST, the DCT has not provided access to the data pertaining to GST transactions. Based on available manual records and MIS reports of Charge Offices, audit of only three functional areas related to GST, namely refunds, transitional credits and registration could be taken up. Audit observed irregularities with regard to compliance of Act, Rules, circulars *etc.* in respect of these functional areas. Significant compliance deficiencies noticed in audit are discussed involving ₹ 12.45 crore in the succeeding paragraphs:

2.11 Migration of taxpayers in GST regime

Audit was conducted in 15 Charge Offices during the period from April 2019 to September 2019 in which the following compliance deficiencies related to migration of taxpayers under GST regime were noticed:

2.11.1 Non-verification of information and documents furnished by the taxpayers before migration to GST

In 12 Charge Offices, 33,020 taxpayers migrated to GST without verification of information and documents furnished by the taxpayers with the application. Migration of taxpayers without proper verification frustrates the basic objective to restrict tax evasion under GST.

Under provisions of Rule 24 of the West Bengal Goods and Services Tax (WBGST) Rules, 2017, every person who has been granted a provisional registration shall submit an application in Form- GST REG-26 along with the information and documents specified in the application. If the information and particulars furnished in the application are found to be correct and complete by the proper officer, a certificate of registration in Form- GST REG-06 is to be issued.

Rule 24 (3A) prescribes that where a certificate of registration has not been made available to the applicant within a period of 15 days from the date of furnishing information and particulars and no notice has been issued within that period, the registration shall be deemed to have been granted.

IMPACT database of DCT, West Bengal revealed that 33,020 taxpayers under twelve Charge Offices have migrated to GST. As per provision of the Rules, information and documents furnished by the taxpayers with GST REG-26 was to be verified by the proper officer before granting certificate of registration in Form-GST REG-06. However, verification of information and documents specially related to details of principal place of business, details of additional place of business, total bank accounts maintained for conducting business, details of proprietors/ partners/ Directors, *etc.* (as specified in Sl. No. 10, 11, 13 and 14 of Form GST REG-26) was not made by the proper officers, as no record related to such verification was available with the Charge Offices in respect of migration of any of the 33,020 taxpayers. Granting registration under the GST without verifying the credentials of the taxpayers frustrates the basic objective of restricting tax evasion under the GST.

After this was pointed out, Joint Commissioner of Sales Tax (JCST), Purulia accepted the audit observation in 4,189 cases and stated (September 2019) that the information had not been verified at the time of migration of the taxpayers and guidance from the higher authority was desired in this regard. JCST,

Berhampore, in 6,916 cases stated (June 2019) that there is no rule under GST regime for compulsory physical verification of place of business or documents. JCST, Colootola, in 1,560 cases stated (August 2019) that the Charge Office was not involved in the process of migration of the dealers registered under the VAT Act or any other earlier existing Act. JCST, Esplanade, in 1,420 cases stated (June 2019) that no system of verification in respect of migrated taxpayers was available in GST back office dashboard. JCST, Raiganj, in 3,120 cases stated (August 2019) that migration of taxpayers was done through GSTN. JCST, Taltala, in 1,847 cases stated (August 2019) that the existing taxpayers migrated to GST through special provisions made by GSTN but GSTN could not make available the provisions under Rule 24 in the system and as such all such provisions could not be exercisable.

Replies of all these five Charge Offices were not tenable as the fact remained that due verification, as prescribed under provisions of the Rules, was not complied before migration of the taxpayers to GST. In the remaining cases, six Charge Offices did not furnish any/ specific reply.

2.11.2 Non-migration of eligible taxpayers to GST

In 11 Charge Offices, 196 taxpayers, eligible for registration under GST were not registered. The Charge Offices neither conducted any survey/ enquiry to ensure the status of taxpayers' business nor assigned any reasons for their non-migration to GST.

Section 22(2) of the West Bengal Goods and Services Tax (WBGST) Act, 2017 prescribes that every person who on the day immediately preceding the appointed date is registered or holds a license under an existing law, shall be liable to be registered under GST Act with effect from the appointed date. Further, Section 22(1) prescribes that every supplier shall be liable to be registered under GST Act if his aggregate turnover in a financial year exceeds ₹ 20 lakh.

The VAT registration database (IMPACT) of eleven Charge Offices revealed that 27,805 dealers were registered as on 30 June 2017. Out of these, 25,693 dealers were selected for checking their status of migration to GST. Crossverification of this data with the migration/ registration database of Goods and Services Tax (as available under IMPACT) revealed that 5,210 dealers did not migrate to GST. Summary of VAT returns for the year 2016-17 revealed that aggregate turnover of 415 taxpayers was more than ₹ 20 lakh. Cross verification of information of these 415 taxpayers with the information available on GSTN portal (through their PAN) revealed that 219 taxpayers had migrated while the remaining 196 taxpayers, though liable, had not been migrated to GST.

No survey/ enquiry was found to be conducted by the Charge Offices to ascertain whether these 196 taxpayers were still in business. Neither the reasons for non-migration of these eligible taxpayers to GST were found analysed nor any step to get these taxpayers migrated to GST was found to be taken by concerned Charge Offices.

After this was pointed out, the eight Charge Offices, in 148 cases, accepted (June, August and September 2019) the audit observations and stated that necessary verification was being/ would be taken. In the remaining cases, the Charge Offices did not furnish any/ specific reply.

2.12 Non-submission of final returns by the Goods and Services Tax Identification Number (GSTIN) cancelled taxpayers

In 14 Charge Offices, 421 GSTIN cancelled taxpayers, liable to furnish their final return within three months of the date of cancellation or the date of order of cancellation, whichever is later, did not furnish the returns.

Under provisions of Section 45 of the WBGST Act, 2017 read with Rule 81 of the WBGST Rules, 2017, every registered person whose registration has been cancelled, shall furnish a final return in Form GSTR-10 within three months of the date of cancellation or the date of order of cancellation, whichever is later. As per Section 46 of the Act, where the taxpayer fails to furnish return under Section 45, a notice shall be issued requiring him to furnish such return within 15 days.

It was observed from the internal website of the DCT, West Bengal that GSTIN of 3,753 taxpayers, who were registered under the jurisdiction of 14 Charge Offices, were cancelled. Cross verification with the GSTN portal revealed that GSTIN of 3,332 taxpayers were cancelled with effect from 1 July 2017, i.e., the date of commencement of GST regime and therefore, they were not required to submit returns. GSTIN of balance 421 taxpayers were cancelled with effect from dates between 14 July 2017 and 3 June 2019. Thus, these 421 taxpayers were liable to submit their final returns in Form GSTR-10 within three months of the date of cancellation or the date of order of cancellation, whichever is later. However, no final return was submitted by the taxpayers. Further, no notice, as required under provisions of Section 46 of the Act, was found to have been issued by the proper officers. Delayed action in this regard may result in loss of Government revenue in case the cancelled taxpayers become missing or untraceable.

After this was pointed out in audit, nine Charge Offices, in 283 cases, accepted (May to September 2019) the audit observations and stated that notices for submission of final return were issued/ being issued. Taltala Charge Office in 10 cases stated (August 2019) that out of the 10 taxpayers only two are under their jurisdiction and further stated that Goods and Services Tax Network (GSTN) was not yet prepared for online submission of GSTR-10. The reply is not tenable as in the list of GSTIN cancelled taxpayers of the Directorate, the charge jurisdiction of all these 10 taxpayers was mentioned as Taltala charge. Moreover, the discrepancy, regarding availability of provisions for online submission of GSTR-10, was not taken up with GSTN. In the remaining cases, the Charge Offices did not furnish any/ specific reply.

2.13 Transitional Credit

A report regarding discrepancy between “State Goods and Services Tax (SGST) claim as per Form- GST TRAN-01” and “ITC available to be carried forward as per last VAT return” in respect of 556 taxpayers of 15 Charge Offices (audited between April 2019 and September 2019) was forwarded by the Information System Division (ISD) of the Directorate of State Tax, West Bengal to the concerned Charge Officers for necessary action. Under the provisions of the

GST Act, all these cases were liable to be verified by the proper officer and proceedings, wherever applicable, were to be initiated in respect of any credit wrongly availed by the taxpayers.

All these cases were checked in audit to ascertain reconciliation/ realisation of excess credit with interest, if any, in these cases. During checking of these cases, discrepancies noticed by Audit are discussed under the following paragraphs:

2.13.1 Excess claim of transitional SGST credit

In 10 Charge Offices, 263 taxpayers claimed excess transitional credit of ₹ 10.75 crore. The proper officers neither verified nor initiated proceedings under Section 73 or 74 against taxpayers for such irregular claims.

As per provisions under Rule 117 (3) of the WBGST Rules, 2017, the amount of credit specified in the application in Form- GST TRAN-01 shall be credited to the Electronic Credit Ledger of the applicant maintained in Form- GST PMT-02 on the common portal. Further, Rule 121 prescribes that the amount so credited under Rule 117 (3) may be verified and proceedings under Section 73 (Determination of tax not paid or short paid or erroneously refunded or ITC wrongly availed or utilised for any reason other than fraud or any willful misstatement or suppression of facts) or, as the case may be, Section 74 (Determination of tax not paid or short paid or erroneously refunded or ITC wrongly availed or utilised by reason of fraud or any willful misstatement or suppression of facts) shall be initiated in respect of any credit wrongly availed, whether wholly or partly.

The compliance of ISD report regarding discrepancy between “SGST claim as per Form-GST TRAN-01” and “ITC available to be carried forward as per last VAT return” was checked in audit. Audit noticed that 263 taxpayers under 10 Charge Offices claimed SGST ITC of ₹ 12.83 crore as transitional credit of SGST. However, as per VAT returns for the period quarter ending June 2017, the total amount of ITC carried forward was ₹ 2.08 crore only.

Thus, the taxpayers claimed ITC of ₹ 10.75 crore in excess as transitional credit of SGST under GST. The cases were to be verified by the proper officers and proceedings under Section 73 or 74 of the WBGST Act, 2017 were to be initiated, if required, but no such verification/ initiation was found to have been taken. This resulted in excess claim of transitional credit of SGST of ₹ 10.75 crore.

After this was pointed out, the five Charge Offices, in 108 cases involving ₹ 4.47 crore, accepted (June to August 2019) the audit observations and stated that e-mail to the taxpayers were sent for payment/ reconciliation. In the remaining cases, the Charge Offices did not furnish any/ specific reply.

2.13.2 Non-realisation of interest

Twenty eight taxpayers in six Charge Offices did not pay interest for excess/irregular claim of transitional credit. No action was taken by the proper officers for realisation of interest of ₹ 0.72 crore.

Section 73 of the WBGST Act 2017 prescribes determination of tax not paid or short paid or erroneously refunded or ITC wrongly availed or utilised for any reason other than fraud or any wilful misstatement or suppression of facts.

Further, Section 73(5) of the WBGST Act 2017 prescribes that the person chargeable with tax may, before service of notice under sub-section (1), pay the amount of tax along with interest payable under Section 50, at the rate of 18 per cent.

Scrutiny of the report of ISD regarding discrepancy between “SGST claim as per Form-GST TRAN-01” and “ITC available to be carried forward as per last VAT return” revealed that 28 taxpayers under six Charge Offices claimed ITC of ₹ 7.19 crore in TRAN-01 whereas ITC of ₹ 0.86 crore only was available in their last VAT returns. Thus, these taxpayers claimed excess SGST of ₹ 6.33 crore. Of these excess claims of ₹ 4.41 crore was reversed/ paid by the taxpayers, however, interest was not paid. Proper officers did not take any action to realise the interest from the taxpayers. This resulted in non-realisation of interest of ₹ 71.79 lakh.

After this was pointed out, two Charge Offices, in 17 cases involving ₹ 13.88 lakh, accepted (Behala-September 2019 and Colootola-August 2019) the observation and stated that necessary action was being taken to recover the amount. Taltala Charge Office, in one case involving ₹ 3.85 lakh, stated (August 2019) that the excess ITC had not been utilised for payment; the claim of the taxpayer was being verified and if it was found correct, interest was not applicable. Contention of the local office is not acceptable because under provisions of GST, if a taxpayer claims ITC in excess of his eligibility in TRAN-1, he is liable to pay interest irrespective of the fact of utilisation of that excess ITC for payment of GST. In the remaining cases, the Charge Offices did not furnish any/ specific reply.

2.14 Refund under GST

As per online refund application MIS report of 15 Charge Offices, a total 2,234 refund applications were filed online. All the cases were checked in audit to ascertain non-disposal of refund cases due to non-submission of hard copy of the refund applications along with relevant documents by the applicants. Further, to ascertain other deficiencies related to refund like delayed disposal of refund, incorrect allowance of refund, refund without adjusting the arrears of dues, refund granted by the central tax authority instead of state tax authority, etc., 1,200 cases out of 2,234 cases were selected for checking on the basis of high money value of the refund cases. The local offices produced 1,095 cases which were checked in audit. Compliance deficiencies noticed by audit are discussed under the following paragraphs:

2.14.1 Non-disposal of refund cases

In 11 Charge Offices, 737 refund cases of ₹ 15.72 crore filed online by the taxpayers remained un-disposed due to lack of action on the part of the proper officers.

Under Section 54(7) of the WBGST Act, the proper officer shall issue the order of refund within 60 days from the date of receipt of application complete in all respects.

Further, as per instructions under trade circular No.-57/2018 of the Commissioner of Commercial Taxes, West Bengal issued in December 2018, in respect of

refund applications that have been generated on the portal but not physically received in the jurisdictional tax offices, a communication is to be sent to all such claimants on their registered e-mail IDs informing that the application needs to be physically submitted to the jurisdictional tax office within 15 days of the date of the e-mail. If the claimant does not submit the application physically within the period, the application shall be summarily rejected and the debited amount shall be re-credited to the Electronic Credit Ledger.

Cross-verification of the refund cases filed online with the refund registers and refund case records revealed that 737 refund cases of 578 taxpayers under 11 Charge Offices were not attended to by the offices. Further, the proper officers did not communicate the claimant on their registered e-mail ids that the application needed to be physically submitted to the jurisdictional tax office within 15 days from the date of the e-mail, failing which the application would be summarily rejected and the debited amount would be re-credited to the Electronic Credit Ledger/ Electronic Cash Ledger. Non-compliance with the provisions of the trade circular resulted in non-disposal of 737 refund cases involving refund amount of ₹ 15.72 crore.

After this was pointed out, five Charge Offices, in 177 cases involving ₹ 52.62 lakh, accepted (June to September 2019) the audit observation and stated that e-mail to the taxpayers were sent for submission of hard copy of the refund application for early disposal of refund cases and Lalbazar Charge Office further stated (June 2019) that four refund cases involving ₹ 0.13 lakh were rejected for non-production of hard copy of the application. Berhampore Charge Office, in 120 cases involving ₹ 21.29 lakh, stated (June 2019) that there was no reflection of refund on the dash board of the proper officers, hence it was not possible to dispose of those refund applications. The reply is not tenable as the refund data was available and easily accessible by all the Charge Offices on the internal website of the Directorate and required to be disposed of as per provisions of the circular. In the remaining cases, the Charge Offices did not furnish any/ specific reply.

2.14.2 Incorrect allowance of refunds

In 19 cases of six taxpayers in two Charge Offices, inadmissible claims of refund of ₹ 97.72 lakh were allowed by the proper officers.

Proviso to Section 54 (3) of the WBGST Act prescribes that refund of accumulated Input Tax Credit (ITC) shall be allowed in case the accumulation was due to rate of tax on input supplies being higher than the rate of tax on output supplies, except supplies of goods or services or both, as may be notified by the Government. Further, Notification No. 1129-F.T. and Notification No.5/2017-Central Tax (Rate) issued in June 2017 by West Bengal Government and Central Government, respectively specify the list of goods on which no refund of accumulated ITC shall be allowed to a taxpayer for supply of those goods.

Proviso to Section 54 (3) of the Central Goods and Services Tax (CGST), Act, 2017 prescribes that no refund of input tax credit shall be allowed, if the supplier of goods or services or both avails of drawback in respect of central tax or claims refund of the integrated tax paid on such supplies. Further, as per circular

no. 37/2018-Customs issued in October 2018 and circular no. 23/2017-Customs issued in June 2017, exporters are not allowed to avail CGST and IGST refund if they have claimed the benefit of higher duty drawback under the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995.

Scrutiny of the refund case records revealed that six taxpayers in 19 cases under two Charge Offices claimed refund of ₹ 97.72 lakh for the months of July 2017 to December 2018 and the entire amount was allowed (Behala-September 2019 and Taltala-August 2019) to be refunded by the proper officers. In 13 cases, the refunds of ₹ 74.81 lakh were not allowable as the taxpayers had availed duty drawback at higher rate and in six cases inadmissible refunds of ₹ 22.91 lakh were claimed against supply of goods notified under Notification No. 1129-F.T. and Notification No.5/2017-Central Tax (Rate) issued in June 2017. This resulted in incorrect allowance of refund amounting to ₹ 97.72 lakh.

After this was pointed out in audit, Behala Charge Office, in nine cases involving ₹ 27.17 lakh, accepted (September 2019) the audit observation and stated that necessary action as per law would be taken. In the remaining cases, the Charge Offices did not furnish specific reply.

The paragraphs discussed above bring out irregularities in migration of taxpayers to GST, claims of transitional credit and disposal of GST refunds, mainly because of inadequate compliance of the provisions of the Act and Rules framed thereunder. Accordingly, corrective measures need to be taken immediately to make good the deficiencies during disposal of refunds, verification of transitional credit and migration of taxpayers to GST, to ensure that there is no shortfall in revenue realisation.

The above paragraphs are based on the results of the test check of GST refund case records and MIS reports related to GST as available in IMPACT. There may be similar irregularities, errors/ omissions in other units under the Department but not covered in the test audit. Department may, therefore, examine all the units with a view to ensure that the revenue of the Government is protected as per provisions of the Act and Rules.

Chapter III

Land Revenue

Chapter III

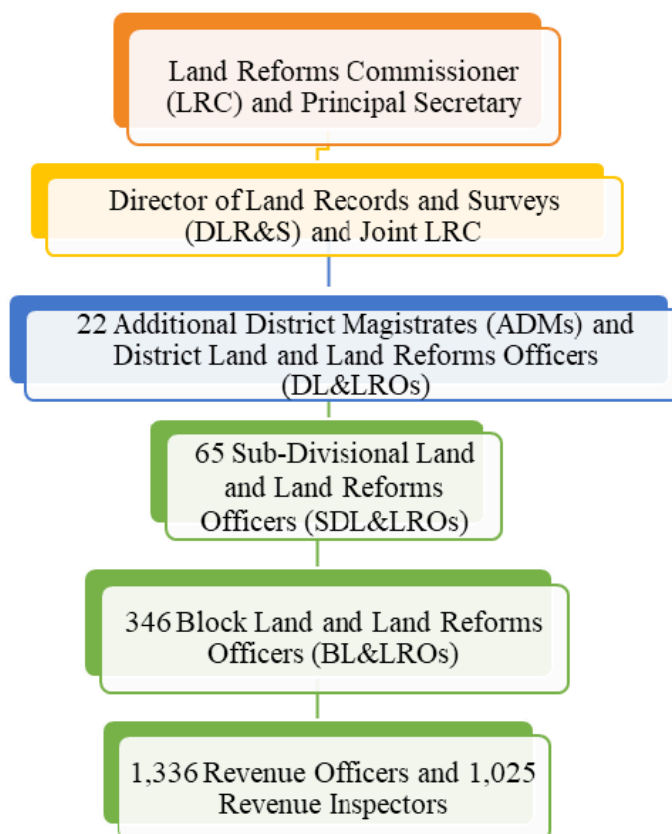
Land Revenue

3.1 Tax administration

Land Revenue consists of receipts from land rent, rates and cess, management of *Ex-Zamindari* Estates, survey and settlement operations *etc.* Assessment and collection of land revenue are governed by the West Bengal Land Reforms (WBLR) Act, 1955; West Bengal Land Reforms (WBLR) Rules, 1965 and West Bengal Land and Land Reforms (WBL&LR) Manual, 1991.

During 2018-19, Land Revenue was administered by the Land and Land Reforms and Refugee Relief and Rehabilitation (L&LR and RR&R) Department. The organisational set up has been shown in the following chart:

Chart 3.1: Tax Administration



3.2 Internal Audit

The Internal Audit Wing (IAW) of the L&LR and RR&R Department was established with the objective of evaluating accountability, compliance to applicable rules and regulations and safeguarding resources against loss.

During 2018-19, the IAW was headed by the Audit Officer cum ex-officio Joint Secretary who was assisted by 11 Assistant Auditors. While no Internal Audit Officer was posted in the IAW against sanctioned strength of 16, number of Assistant Auditors posted were 11 against the sanctioned strength of 14. There were 51 auditable units under the jurisdiction of IAW comprising DLR&S, 22 DL&LROs, 23 Land Acquisition (LA) Collectors, one First Land Acquisition

(FLA) Collector, two Rent Controllers and two Thika Tenancies¹¹⁹ during 2018-19. Of these, IAW planned to audit 19 DL&LROs, six LA Collectors, one FLA Collector, one Rent Controller and two Thika Tenancies during the period, which was 56.86 per cent of the total auditable units. The IAW conducted audit of all planned units, except for one FLA Collector and one Thika tenancy during the period, constituting 93.10 per cent of the planned units.

3.3 Results of audit

In 2018-19, test check of the records of the DLR&S and 11 DL&LROs showed irregularities related to land revenue involving ₹ 51.67 crore in 330 cases, which fell under the following categories as given in **Table 3.1**.

Table 3.1: Results of audit

(₹ in crore)

| Sl. No. | Categories | Number of cases | Amount |
|--------------|--|-----------------|--------------|
| 1. | Non/ short realisation of rent, cess and surcharge on land used for commercial purpose | 155 | 37.30 |
| 2. | Non-realisation of Government revenue due to non-settlement of long-term lease | 58 | 7.69 |
| 3. | Non-realisation of <i>salami</i> and annual lease rent | 33 | 4.33 |
| 4. | Blockage/ loss of revenue due to non-leasing of <i>sairati</i> ¹²⁰ interest | 9 | 1.14 |
| 5. | Non-realisation of Government revenue due to non-renewal of long-term lease | 5 | 0.40 |
| 6. | Other cases | 70 | 0.81 |
| Total | | 330 | 51.67 |

During 2018-19, the Department accepted underassessment and other deficiencies of ₹ 47.64 crore in 277 cases. An amount of ₹ 73.68 lakh was realised in 28 cases during the year.

Audit was conducted in the DLR&S and 11 DL&LROs out of 23 (47.83 per cent) units administering Land Revenue Receipts during the period 2018-19. The cases mentioned in the succeeding paragraphs are those which came to notice in the course of test audit for the period 2018-19. The cases were examined to ascertain the extent of compliance of provisions of the Acts and Rules framed thereunder. The findings arising from audit involving ₹ 31.96 crore are discussed in the following paragraphs:

¹¹⁹ As per the West Bengal Thika Tenancy (Acquisition and Regulation) Act, 2001, Thika Tenancy is the tenancy acquired by a person who occupies, whether under a written lease or otherwise, land under another person, and is liable to pay rent to that another person, and has erected or acquired by purchase or gift any structure on such land for residential, manufacturing or business purpose.

¹²⁰ Derived from the word *Sair*. The duties which the owners of Hat, bazar, markets, ferries etc. used to levy on commodities sold or benefits derived from these places were designated as *Sairati* collection. Such Hat, ferries etc. are known as *Sairati* interests.

3.4 Non/ short realisation of revenue on land used for commercial purpose

There was non/short realisation of rent, cess and surcharge of ₹ 26.49 crore in 10,192 cases pertaining to land used for commercial purpose.

Sections 22 and 23 of the West Bengal Land Reforms (WBLR) Act, 1955 provide that raiyats¹²¹ using land for commercial purposes are liable to pay land revenue at the prescribed rate. Further, Section 3 of the West Bengal Rural Employment and Production (WBREP) Act, 1976 provides for levy and collection of a surcharge¹²². Different kinds of cess¹²³ are also realisable on the land revenue payable by raiyats. The Bhumi Sahayaks posted in the Revenue Inspector offices under the Block Land and Land Reforms Offices (BL&LROs) are responsible for collection of land revenue.

Audit checked 6,585 *Bhumi Sahayaks*' Collection Registers (Register-III) and Rent Receipt Books in 11 DL&LROs and noticed that in 10,192 cases, 5,589 raiyats did not pay rent, cess and surcharge of ₹ 26.49 crore on 35,045.63 acres of land. The land was being used for commercial purposes for various periods between 2014-15 and 2017-18. Audit also observed that:

- In 9,789 cases, the authorities did not collect rent, cess and surcharge of ₹ 25.75 crore on 32,612.20 acres of land.
- In remaining 403 cases, the authorities collected ₹ 2.22 crore against the payable amount of ₹ 2.97 crore on 2,433.43 acres of land. This resulted in short realisation of ₹ 0.74 crore. In these cases, the authorities had applied incorrect rate for realisation of rent.

DL&LROs did not initiate adequate action to realise the dues from them. This resulted in non/ short realisation of rent, cess and surcharge of ₹ 26.49 crore.

After this was pointed out

- Nine DL & LROs accepted the audit observations in 8,633 cases involving ₹ 23.91 crore for non-realisation of revenue on land used for commercial purposes.
- Three DL & LROs accepted the audit observations in 338 cases involving ₹ 0.69 crore for short realisation of revenue on land used for commercial purposes.

The DL&LROs, however, did not furnish any report on realisation (December 2020). In the remaining 1,221 cases involving revenue of ₹ 1.89 crore, two DL & LROs did not furnish any specific reply. The matter was reported to the Government in July 2020. Their reply was awaited (December 2020).

¹²¹ *Raiyat means a person or an institution holding land for any purpose.*

¹²² *Surcharge 15 paise on each rupee of land rent payable.*

¹²³ *Road cess 6 paise, public works cess 25 paise and primary education cess 10 paise, rural employment cess 30 paise on each rupee of land rent payable.*

3.5 Non-settlement of long-term lease

The Department failed to settle 47 cases of long-term leases involving 63.30 acres of land with the unauthorised occupants within the prescribed time limit, revenue of ₹ 4.90 crore (*salami*-₹ 4.10 crore and rent ₹ 0.80 crore) was realisable in these cases.

Rule 238 of the West Bengal Land & Land Reforms (WBL&LR) Manual, 1991 provides that Government land remaining in the possession of a person(s), though unauthorisedly, may be offered to such person(s) on long-term settlement for non-agricultural purpose on realisation of rent and *salami*¹²⁴ at the prescribed rates. Further, Rule 225 of the Manual prescribes that the procedure of long-term settlement (LTS) should be completed by the Department within five months from the date of its initiation.

Audit checked 329 out of 756 case records relating to LTS cases in eight DL&LROs. It was found that 63.30 acres of land was under unauthorised occupation in 47 cases. The occupants had applied between April 2007 and April 2018 for long-term settlement of the land for non-agricultural purposes. It was observed that:

- In 40 cases involving ₹ 3.98 crore, the proposals for long-term lease were not forwarded by the concerned DL&LROs for approval to the Department.
- In the remaining seven cases involving ₹ 0.92 crore, proposals were pending with the Department.

Thus, the Department failed to settle the land through lease agreement with the unauthorised occupants within the prescribed time limit. Audit calculated that revenue of ₹ 4.90 crore (*salami*-₹ 4.10 crore and rent-₹ 0.80 crore) was realisable from such unauthorised occupants.

No specific reasons, however, were found on record for delay in finalisation of long-term lease cases.

DL&LRO, Purba Medinipur accepted the audit observations in 11 cases involving ₹ 2.04 crore. Report on finalisation of the leases was, however, not furnished. In the remaining cases, the DL&LROs did not furnish any specific reply (December 2020). The matter was reported to the Government in July 2020. Their reply was awaited (December 2020).

3.6 Non-realisation of lease rent and interest

Annual lease rent and interest of ₹ 56.66 lakh in case of 26 lessees in possession of 126.53 acres of land was not realised.

Rule 235 of the WBL & LR Manual, 1991 provides that the rent shall be payable annually according to the Bengali year (BS)¹²⁵. The rent falls due on the last day of the year in respect of which it is to be paid. Rule 303 of the Manual *ibid* prescribes interest at the rate of 6.25 *per cent* per annum on delayed payment of revenue.

¹²⁴ *Salami* means the lump sum amount payable by the lessee in the case of settlement of Government land.

¹²⁵ Bengali year (Bengali Saka-BS) commences on the first day of Baisakh i.e. 14/15 April each year.

Out of 178 lease registers and case records in five DL&LROs, Audit test checked 108 lease registers and case records of lessees. Audit found that annual lease rent and interest of ₹ 56.66 lakh in respect of periods between 1420 BS (2013-14) and 1424 BS (2017-18) was not realised in 26 cases from 20 lessees in possession of 126.53 acres of land. The BL & LROs did not issue demand notices which resulted in non-realisation of ₹ 56.66 lakh (annual lease rent ₹ 52.48 lakh and interest ₹ 4.18 lakh).

After this was pointed out, three DL&LROs accepted (between June 2018 and March 2019) the audit observations in 10 cases involving ₹ 43.64 lakh and stated that action would be taken to realise the dues. In the remaining 16 cases, involving ₹ 13.02 lakh, DL&LROs did not furnish any specific reply (December 2020). The matter was reported to the Government in July 2020 followed by a reminder in October 2020. Reply was awaited (December 2020).

The observations above point to the laxity of the Department in enforcing provisions of WBLR Act and WBL&LR Manual for collection of rent, cess and surcharge in respect of land used for commercial purposes and settlement and collection of rent in respect of long-term lease cases. These have led to non/ short realisation of revenue.

Chapter IV

Motor Vehicles Tax

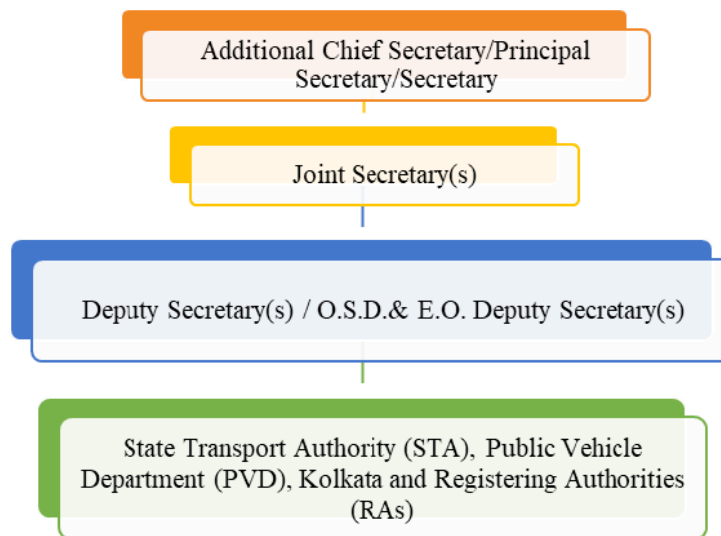
Chapter IV

Motor Vehicles Tax

4.1 Tax Administration

The receipts from the Transport Department are regulated under the provisions of the Central and the State Motor Vehicles Acts and Rules made thereunder and are under the administrative control of the Transport Department as detailed in the chart below:

Chart 4.1: Tax Administration



The Transport Department collects motor vehicle taxes, fees and fines through the State Transport Authority (STA), Public Vehicle Department (PVD), Kolkata and Registering Authorities (RAs) comprising Regional Transport Authorities (RTAs) at the district level and Additional Regional Transport Authorities (ARTAs) at the Sub-Divisional level.

The State Government had constituted a State Transport Authority (STA) under the Transport Department which has been vested with the authority to co-ordinate, regulate and supervise the activities and policies of Regional Transport Authorities (RTAs) of the State that grant and renew different types of permits in respect of their respective regions. For the state as a whole and for inter-state operations, STA issues different types of permits, viz., stage carriage permit, contract carriage permit, tourist permit, special permit, temporary permit, luxury taxi permit and national permit.

The Public Vehicles Department (PVD) is essentially the Regional Transport Authority for Kolkata. Presently services like (a) Registration of Motor Vehicles, (b) Driving Licenses and related functions, (c) Fitness of Motor Vehicles and related functions, (d) Permits, (e) Motor Vehicle Taxes and related functions, (f) Miscellaneous (other MV related services) are administered to the citizens from the PVD in a decentralised manner.

The registration related activities are being looked after by Regional Transport Authorities (RTAs) located at the District Headquarters as well as some newly created Additional Regional Transport Offices in sub-divisional towns.

4.2 Internal Audit

Absence of internal audit wing in the Department was earlier pointed out in the Audit Report 2010 (No.5 Government of West Bengal) – “Performance Audit on Collection of Motor Vehicles Taxes, Fees and Fines of Government of West Bengal” (Paragraph 4.15). It was concluded in the said Report, that in absence of internal audit, weakness in the functioning of the Department remained undetected (Paragraph 5.1). Further, Audit recommended establishment of internal audit wing for conducting periodical audit and preparing a manual on internal control mechanism in the Department (Paragraph 5.2), which was not done by the Department.

4.3 Results of audit

In 2018-19, test check of the records of 15 units relating to road tax, additional tax, special tax, audio fee, special fee, video fee, dealer’s tax, permit fee and penalties showed under assessment of tax and other irregularities involving ₹ 9.97 crore in 98 cases, which fall under the following categories shown in the Table 4.1.

Table 4.1: Results of audit

| (₹ in crore) | | | |
|--------------|---|-----------------|-------------|
| Sl. No. | Categories | Number of cases | Amount |
| 1. | Non-realisation of | | |
| | • Tax, additional tax and penalty (transport/ commercial vehicles) | 14 | 1.68 |
| | • Permit fees | 9 | 0.51 |
| | • Special fee | 10 | 0.17 |
| | • Audio fee ¹²⁶ | 9 | 0.02 |
| | • Renewal fee of Trade Certificates | 7 | 0.13 |
| 2. | Short realisation of | | |
| | • Road taxes from contract carriage vehicles | 12 | 0.25 |
| | • Road tax from LMV/ Omni buses (Private Use) | 4 | 0.03 |
| | • Fines for delayed production of vehicles for Certificate of Fitness (C/F) | 3 | 0.10 |
| 3. | Others | 30 | 7.08 |
| Total | | 98 | 9.97 |

During the course of the year 2018-19, the Department accepted non-realisation/blocking of revenue and other deficiencies of ₹ 92.22 crore in 105 cases which includes 35 cases involving ₹ 7.82 crore which were pointed out in audit during the year 2018-19 and the rest in earlier years pertaining to 2004-05 to 2017-18. An amount of ₹ 2.14 crore was realised in 70 cases at the instance of audit.

4.4 Compliance issues

Audit was conducted in 15 (53.57 per cent) out of 28 units administering Motor Vehicles Tax during the period 2018-19. The cases mentioned in the

¹²⁶ Rule 218(7) of the WBMV Rules prescribed an audio fee for installation of any audio set with or without loudspeaker in the motor vehicle.

succeeding paragraphs are those which came to notice in the course of test audit for the period 2018-19 as well as those which came to notice in 2017-18, but could not be reported in the previous Audit Report. Data in respect of 35,01,283 vehicles was obtained from 15 Registering Authorities (RAs) and analysed to ascertain the extent of compliance of provisions of the Acts and rules framed thereunder. The findings in respect of 2,14,093 vehicles (6.11 per cent) out of 35,01,283 vehicles across various RAs involving ₹ 333.31 crore are discussed in the following paragraphs:

4.4.1 Non/ Improper mapping of provisions of the Acts and Rules in the VAHAN software

Collection of motor vehicles taxes, fees and fines is guided by provisions laid down in the WBMVT Act, 1979, the WBAT&OTMV Act, 1989, the Motor Vehicles (MV) Act, 1988 and the Central Motor Vehicles (CMV) Rules, 1989. For effective implementation of these provisions, it was essential that all the provisions were mapped properly in the VAHAN software¹²⁷ to prevent any non/ short realisation of Government revenue.

During analysis of data of 15 RAs, it was observed that various provisions of the Acts and Rules (Transport Department) were either not mapped or were mapped partially in VAHAN software for realisation of revenue due at the time of payment of taxes by owners of the vehicles.

4.4.1.1 Non-realisation of tax, additional tax and penalty

Tax, additional tax and penalty of ₹ 319.27 crore was not realised from owners of 1, 22,995 vehicles.

Section 3 of West Bengal Motor Vehicles Tax Act (WBMVT Act), 1979 and Sections 3 and 4 of the West Bengal Additional Tax & One-time Tax on Motor Vehicles (WBAT & OTMV) Act, 1989 prescribe the rates of tax and additional tax on vehicles. Section 11 of the WBMVT Act, 1979 and Section 10 of the WBAT & OTMV Act, 1989 provide for imposition of penalty in case of non-payment of taxes within the prescribed time limit. Rule 26 of the West Bengal Motor Vehicles Tax (WBMVT) Rules, 1957 prescribes that the tax officer shall maintain a Tax Demand Register (TDR) which should show registration number of the vehicle, name and address of the owner, tax due etc. The tax officer shall review the register in order to check whether the tax is regularly paid and take prompt action¹²⁸ against persons concerned for non-payment of tax.

Audit analysed data of 35,01,283 vehicles of VAHAN software for the period 2015-18 provided by 14 RAs. Of these, data of 29,04,825 vehicles of VAHAN-1 software¹²⁹ for the period 2015-17, involving six RAs were analysed in February

¹²⁷ An application software used by the Transport Department for registration of vehicles and collection of taxes and fees thereof.

¹²⁸ Issue of tax/ fees alert messages on expiry of validity period to the vehicle owners and tax demand notices on expiry of tax validity period.

¹²⁹ It was de-centralised computer services under Transport Department, Government of West Bengal. It was not accessible by citizens online.

2018 and data of 5,96,458 vehicles of VAHAN-4 software¹³⁰ for the period 2015-18 involving 14 RAs were analysed in February 2019.

On analysis of the data of VAHAN-1 software, it was found that in case of 1,16,258 out of 29,04,825 vehicles, the owners of the vehicles did not pay the taxes, and penalties¹³¹ amounting to ₹ 317.59 crore. It was also observed that though there was no provision in the VAHAN-1 software to maintain TDR in the prescribed format, there was a provision to generate defaulters' list. The RAs concerned, however, failed to monitor and realise the dues.

Audit also found from analysis of data of VAHAN-4 software that in case of 6,737 out of 5,96,458 vehicles, the owners of these vehicles did not make payment of tax, fees and penalty of ₹ 1.68 crore. It was observed that though there was provision in the VAHAN-4 software to generate defaulters' list as well as demand notices, the RAs concerned failed to realise the dues.

This resulted in non-realisation of tax, additional tax and penalty of ₹ 319.27 crore in 1,22,995 cases of as many vehicles as shown in the following table:

Table 4.2: Non-realisation of tax, additional tax and penalty

(₹ in lakh)

| Sl No. | Name of the RA | Period of default | Total no. of defaulting vehicles | Amount of non-realisation |
|----------------|---|-------------------|----------------------------------|---------------------------|
| VAHAN-1 | | | | |
| 1. | Asansol | 2015-17 | 4,869 | 1,647.64 |
| 2. | Barasat | 2016-17 | 16,027 | 2,869.84 |
| 3. | Barrackpore | 2016-17 | 14,847 | 2,571.48 |
| 4. | Hooghly | 2015-17 | 8,934 | 1,240.40 |
| 5. | Murshidabad | 2015-17 | 4,004 | 795.64 |
| 6. | Public Vehicles Department (PVD), Kolkata | 2016-17 | 67,577 | 22,633.42 |
| Total | | | 1,16,258 | 31,758.42 |
| VAHAN-4 | | | | |
| 1. | Alipore | 2017-18 | 387 | 9.75 |
| 2. | Alipurduar | 2015-18 | 141 | 2.33 |
| 3. | Asansol | 2017-18 | 119 | 8.48 |
| 4. | Barasat | 2017-18 | 1,274 | 25.45 |
| 5. | Barrackpore | 2017-18 | 540 | 12.76 |
| 6. | Burdwan | 2016-18 | 391 | 8.96 |
| 7. | Balurghat | 2015-18 | 280 | 6.47 |
| 8. | Hooghly | 2017-18 | 539 | 11.10 |
| 9. | Howrah | 2016-18 | 359 | 13.49 |

¹³⁰ It is a web-based application system for providing online services, in respect of transfer of ownership, addition and termination of hypothecation, issue/ renewal of registration certificate of vehicles, payment of taxes and fees etc., to vehicle owners.

¹³¹ Taxes: Annual tax, one-time tax (for five years for non-transport vehicles) and life-time tax (for entire life of non-transport vehicles).

Penalties:-Applicable at prescribed rates in case of payment of taxes after grace period of 15 days.

| SI No. | Name of the RA | Period of default | Total no. of defaulting vehicles | Amount of non-realisation |
|--------------------|---|-------------------|----------------------------------|---------------------------|
| 10. | Murshidabad | 2017-18 | 576 | 14.19 |
| 11. | Nadia | 2017-18 | 499 | 11.64 |
| 12. | Paschim Medinipur | 2017-18 | 1,164 | 33.88 |
| 13. | Purba Medinipur | 2016-18 | 185 | 6.51 |
| 14. | Public Vehicles Department (PVD), Kolkata | 2017-18 | 283 | 3.21 |
| Total | | | 6,737 | 168.22 |
| Grand total | | | 1,22,995 | 31,926.64 |

After being pointed out in Audit,

- Six RAs accepted audit observations in 28,145 cases involving ₹ 44.22 crore and reported realisation of ₹ 5.29 crore in 5,481 cases. RA Barrackpore, however, did not furnish details of realisation.
- In the remaining 94,850 cases involving ₹ 275.05 crore, RAs did not furnish any specific reply. The matter was reported to the Government in May 2020. However, reply was awaited (December 2020).

4.4.1.2 Non-realisation of permit fees and fines

Registering Authorities did not realise permit fees and late fees of ₹ 12.58 crore from owners of 14,771 transport vehicles plying with expired permits.

Section 66 of the Motor Vehicles (MV) Act, 1988 provides that the owner of a transport vehicle can use his vehicle in a public place only after obtaining a permit from the prescribed authority. Fees for application and grant/ renewal of permit in respect of different kinds of vehicles are realisable as per rates specified in Schedule-‘A’ of the Rules 126 and 127 of the West Bengal Motor Vehicles (WBMV) Rules, 1989. Section 81 of MV Act, 1988 prescribes that a permit may be renewed on an application made not less than 15 days before the date of its expiry. Authority may accept an application for the renewal of a permit after the last date on the basis of good and sufficient cause. In terms of Rule 151 of the WBMV Rules, 1989, however, application for renewal of permit may be received after expiry of period of the permit, provided a late fee is paid.

Audit observed from the scrutiny of permit registers and analysis of database of nine RAs, between February 2018 and February 2019 that 14,771 public transport vehicles were plying with expired permits during 2015-18. The owners of those vehicles were paying fitness fees and road taxes, which were indicative of the fact that those vehicles were on road and not lying idle. RAs, however, did not realise permit fee of ₹ 7.96 crore from them while collecting other taxes. Audit also observed that in 14,468 out of 14,771 cases, the owners of vehicles had not applied for renewal of permits even after expiry of the validity period of the permits, for which late fees of ₹ 4.62 crore was realisable from them. There was no provision in the e-Vahan software to raise an alert regarding the payment due as permit fee at the time of collection of other taxes. This resulted

in non-realisation of ₹ 12.58 crore - permit fees (₹ 7.96 crore) and late fees (₹ 4.62 crore).

After the cases were pointed out, six RAs accepted (between March 2018 and January 2020) the audit observations in 10,132 cases involving ₹ 8.67 crore, of which, RAs, Hooghly and Asansol reported realisation of ₹ 11.19 lakh in 229 cases and ₹ 9.86 lakh in 116 cases, respectively. In the remaining 4,639 cases involving ₹ 3.91 crore, four RAs did not furnish any reply (December 2020).

The matter was reported to the Government in May 2020 followed by a reminder issued in October 2020. Reply was awaited (December 2020).

4.4.1.3 Short realisation of fitness fee

Registering Authorities realised fee for conducting test of fitness at normal rates instead of 150 per cent of the fee for delayed production of vehicles. This resulted in short realisation of fitness fee of ₹ one crore in case of 75,583 transport vehicles.

Rule 62 of the Central Motor Vehicles (CMV) Rules, 1989 prescribes that for obtaining/ renewing certificate of fitness (CF) of a transport vehicle, the owner shall make application and produce the vehicle for inspection and conducting test of fitness. The CF issued by an RA in respect of a newly registered vehicle is valid for two years from the date of registration of the vehicle. In case of renewal of CF, the validity is one year. Rule 81 of CMV Rules, 1989 prescribes the rates of fee for application and conducting test of fitness. Rule 57(6) of the WBMV Rules, 1989 provides that the application for renewal of CF should be made, not less than one month before the date of expiry of the CF. If the owner fails to apply or does not produce the vehicle within the stipulated time¹³², he shall be liable to pay application fee and fitness fee at the rate of 150 per cent of prescribed fees.

Audit analysed (February 2018/ February 2019) data of 8 RAs and observed that out of 2,28,936 transport vehicles, owners of 75,583 transport vehicles submitted application for inspection and conducting test of fitness in connection with renewal of CF between April 2015 and March 2017. The vehicles were produced after delays ranging from 15 days to more than two months. The RAs, however, realised 150 per cent of prescribed fee for delay in application only. Fee for conducting test of fitness was levied at normal rates instead of 150 per cent for delayed production of vehicles, as the relevant provisions were not mapped in the e-VAHAN¹³³ software.

This resulted in short realisation of fitness fee of ₹ one crore as detailed in the following table:

¹³² Date and time mentioned in the CF. If no date and time for next inspection is endorsed on the CF, and application for the renewal of a CF shall be made not less than one month before the date of expiry of the certificate.

¹³³ An application software used by the Transport Department for registration of vehicles and collection of taxes and fees thereof.

Table 4.3: Short realisation of fitness fee

(₹ in lakh)

| Sl. No. (1) | Name of the RA (2) | Period of default (3) | No. of vehicles produced belatedly for inspection of fitness (4) | Fee realisable (inclusive of application fee @ ₹ 100 per vehicle) (5) | Fee realised (inclusive of application fee @ ₹ 100 per vehicle) (6) | Short-realisation (7=5-6) |
|----------------|---|--------------------------|---|--|--|------------------------------|
| 1. | Asansol | 2015-17 | 10,435 | 60.08 | 43.53 | 16.55 |
| 2. | Barasat | 2016-17 | 15,256 | 73.61 | 54.16 | 19.45 |
| 3. | Barrackpore | 2016-17 | 9,808 | 59.02 | 42.61 | 16.41 |
| 4. | Burdwan | 2016-17 | 3,205 | 17.12 | 12.48 | 4.64 |
| 5. | Hooghly | 2015-17 | 8,106 | 41.28 | 30.22 | 11.06 |
| 6. | Howrah | 2016-17 | 2,565 | 13.19 | 9.65 | 3.54 |
| 7. | Murshidabad | 2015-17 | 6,388 | 32.28 | 23.65 | 8.63 |
| 8. | Public Vehicles Department (PVD), Kolkata | 2016-17 | 19,820 | 80.02 | 59.95 | 20.07 |
| Total | | | 75,583 | 376.60 | 276.25 | 100.35 |

RAs, Asansol and Hooghly accepted (between February 2019 and July 2019) the audit observation in 18,541 cases involving ₹ 27.61 lakh, of which RA Hooghly reported realisation of an amount of ₹ 0.39 lakh in 772 cases. In the remaining 57,042 cases involving ₹ 72.74 lakh, the RAs did not furnish any reply. The matter was reported to the Government in May 2020 followed by a reminder issued in October 2020. Reply was not received (December 2020).

4.4.1.4 Short realisation of tax from contract carriage vehicles

Incorrect mapping in VAHAN software resulted in short realisation of tax of ₹ 30.53 lakh.

Schedule to Section 3 of the WBMVT Act, 1979, prescribes different rates of tax for stage carriage vehicles¹³⁴ and contract carriage vehicles¹³⁵. Tax prescribed for contract carriage vehicles is higher than that prescribed for stage carriage vehicles. An amendment made in August 2012, prescribes tax for contract carriage vehicles at 1.2 per cent of the value of the vehicle or ₹ 8,000, whichever is higher for vehicles with seating capacity up to seven. Tax for vehicles with seating capacity beyond seven and up to 14 is prescribed at 1.2 per cent of the value of the vehicle or ₹ 14,000, whichever is higher. Amendments in WBMVT Act were to be updated in the VAHAN software accordingly and mapped in the system.

Audit analysed (February 2018/ February 2019) data of 51,349 contract carriage vehicles of nine RAs. Audit found that the RAs realised tax of ₹ 10.73 lakh instead of ₹ 41.26 lakh, from the owners of 534 contract carriage vehicles for

¹³⁴ As per Section 2 (40) Motor Vehicles Act, 1988, a motor vehicle constructed or adapted to carry more than six passengers excluding the driver for hire or reward at separate fares paid by or for individual passengers.

¹³⁵ As per Section 2 (7) of the Motor Vehicles Act, 1988, a motor vehicle which carries a passenger or passengers for hire or reward and is engaged under a contract, whether expressed or implied, for the use of such vehicle as a whole.

the period 2015-18. The vehicles comprised 93 maxi cabs¹³⁶, 12 luxury taxis/motor cabs¹³⁷, 214 school buses and 215 mini buses. It was also observed that in case of maxi cabs, the system incorrectly mapped them as stage carriage vehicles instead of contract carriage vehicles, on which lower rates of taxes were applicable. Similarly, the amended rates of tax on luxury taxis and other vehicles were also not found mapped in the system. Thus, incorrect mapping in case of maxi cabs and non-mapping of the amended rates of tax for luxury taxis and other contract carriage vehicles in VAHAN software led to short realisation of tax of ₹ 30.53 lakh. RAs, Hooghly and PVD, Kolkata accepted (between March 2018 and July 2019) the audit observation in 131 cases involving ₹ 10.48 lakh, of which RA, Hooghly reported realisation of an amount of ₹ 0.59 lakh in four cases in July 2019. In the remaining 403 cases involving ₹ 20.05 lakh, the RAs did not furnish any reply. The matter was reported to the Government in May 2020. Reply was not received (December 2020).

4.4.1.5 Short realisation of tax from Motor car/ Omni buses

Improper mapping of the provisions of the notification in the system resulted in short realisation of tax of ₹ 14.97 lakh in 210 cases.

Under Section 9BB of the West Bengal Additional Tax and One-time Tax on Motor Vehicles (Amendment) Act, 2012, the owner of any motor car and omnibus¹³⁸ having seating capacity up to 14 and not registered as transport vehicle, shall be liable to pay either life-time tax or one-time tax at specified rates. Further, the Act provides for rebate of tax to non-AC vehicles having engine capacity up to 800 cc at the time of payment of taxes.

Audit analysed (February 2018/ February 2019) data of 82,333 non-transport vehicles of eight RAs. Audit found that life-time tax or one-time tax of ₹ 65.51 lakh was assessed and realised in place of ₹ 80.48 lakh in case of 210 motor cars/ omni buses during 2015-18. Of these, in case of 29 vehicles, the system allowed rebate of tax to AC vehicles/ vehicles having engine capacity of more than 800 cc, which were not eligible for rebate under the provisions of the Act. In the remaining 181 cases involving as many vehicles, the system failed to calculate the realisable tax as per the prescribed rates due to improper mapping of the provisions of the Act/ notification in the e-VAHAN software. This resulted in short realisation of life-time tax or one-time tax of ₹ 14.97 lakh from 210 vehicles. Three RAs accepted the audit observations in 160 cases involving ₹ 9.36 lakh, of which RA, Hooghly reported realisation of an amount of ₹ 0.18 lakh in one case. In the remaining 50 cases involving ₹ 5.61 lakh, the RAs did not furnish any reply (December 2020). The matter was reported to the Government in May 2020 however no reply was furnished (December 2020).

¹³⁶ As per Section 2 (22) of the Motor Vehicles Act, 1988, a maxi cab means any motor vehicle constructed or adapted to carry more than six passengers, but not more than 12 passengers, excluding the driver, for hire or reward.

¹³⁷ As per Section 2 (7) of the Motor Vehicles Act, 1988, a motor cab means any motor vehicle constructed or adapted to carry not more than six passengers.

¹³⁸ Means any motor vehicle constructed or adapted to carry more than six persons excluding driver.

Chapter V

Stamp Duty and Registration Fees

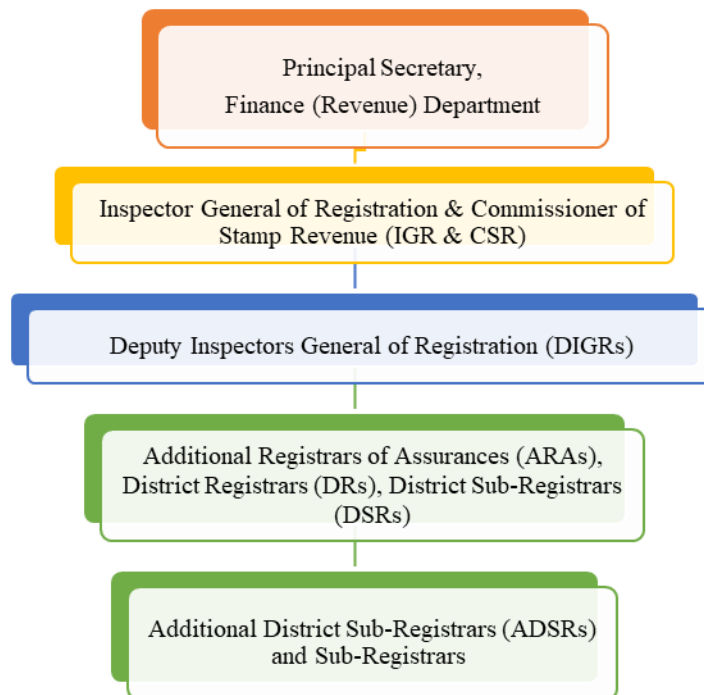
Chapter V

Stamp Duty and Registration Fees

5.1 Tax Administration

Receipts from stamp duty and registration fees are regulated under the Indian Stamp Act, 1899, (IS Act); Indian Registration Act, (IR Act) 1908 and the rules framed thereunder as applicable in West Bengal and are administered as detailed in the Chart below:

Chart 5.1: Tax Administration



5.2 Internal Audit

The Department, though requested (October 2020), failed to furnish details regarding their Internal Audit Wing (IAW). Therefore, the performance of internal audit conducted by the Department could not be analysed. The absence of IAW was also highlighted in paragraph 5.2 of the Audit Report- Government of West Bengal (Report No. 5 of the year 2016) wherein it was pointed out that the Directorate had an internal control mechanism at the district level where DIGRs monitor the determination of proper market value of the property for registration. The overall supervision and administrative control of the registering offices was under the District Registrars. Within the registering offices, there existed an internal checking system for preventing mistakes, frauds, misrepresentations and internal collusion, if any. Also, at the headquarters' level, the post of Joint Commissioner of Stamp Revenue (Audit), WB was manned by a Senior West Bengal Audit and Accounts Service (WBA&AS) Officer of the Finance (Audit) Department.

5.3 Results of audit

In 2018-19, test check of the records of 45 units of the Directorate of Registration and Stamp Revenue under the Finance (Revenue) Department, revealed non/

short levy of stamp duty and registration fee *etc.* and other irregularities amounting to ₹ 13.72 crore in 199 cases, which fall under the categories given in **Table 5.1**.

Table 5.1: Results of audit

(₹ in crore)

| Sl. No. | Categories | Number of cases | Amount |
|--------------|--|-----------------|--------------|
| 1. | Short levy of stamp duty and registration fees due to misclassification of deed/ property | 71 | 4.54 |
| 2. | Short levy of stamp duty due to incorrect particulars of amenities | 4 | 0.01 |
| 3. | Short assessment/ realisation of stamp duty and registration fees due to incorrect consideration of lease period | 21 | 7.53 |
| 4. | Others | 103 | 1.64 |
| Total | | 199 | 13.72 |

During 2018-19, the Department accepted non-realisation/ blockage of revenue and other deficiencies of ₹ 1.03 crore in 100 cases, of which 65 cases involving ₹ 99.65 lakh. An amount of ₹ 1.76 lakh was realised in 2018-19 in four cases.

Audit was conducted in 45 (16.91 *per cent*) out of 266 units administering stamp duty and registration fees during the period 2018-19. The cases mentioned in the succeeding paragraphs are those which came to notice in the course of test audit for the period 2018-19. The cases were examined to ascertain the extent of compliance of provisions of the Acts and Rules framed thereunder. The findings arising from audit involving ₹ 9.41 crore are discussed in the following paragraphs:

5.4 Incorrect determination of lease period

Short determination of lease period by the Registering Authorities resulted in short levy of stamp duty and registration fees of ₹ 6.96 crore.

Under Article 35 of Schedule-IA of the Indian Stamp (IS) Act, 1899 as amended under Notification 42L dated 8 January 2013, lease deeds for a term exceeding 30 years are chargeable to stamp duty at the same rate as applicable for conveyance deed on the market value of the property. Further, explanation-II below the Article 35 of Schedule-IA of the IS Act, 1899 provides that, apart from the lease period stated in the lease document, any prior/ subsequent period in continuation of the present lease shall also be added with the present lease period for the purpose of determination of the lease period, provided that the lessor and lessee for both the periods are same. However, stamp duty on lease deeds up to 30 years depends on the period of lease and is chargeable on the average annual rent and/ or premium paid for the lease.

Out of 34,933 deeds registered during the year 2016-18 in two Registration Offices (ROs), Audit test checked 3,726 deeds and made observations against 156 number of deeds. Of these, in five lease deeds in two ROs registered between July 2017 and February 2018, it observed that Registering Authorities (RAs) levied stamp duty and registration fees on average annual rent and or premium paid for the leases. In all these cases, the RAs considered the lease

period ranging between nine years and 30 years as specified in the lease deeds. From scrutiny of recitals of the deeds, audit observed that in four cases the current leases were renewal of previous leases, without any break in period between the earlier and present leases. In the remaining one case, it was found that the tenure of the leases was automatically renewable for further period mentioned in the deed on the same rents, covenants, conditions and agreements, including the present covenant for renewal. Therefore, the previous/ subsequent lease periods were required to be added to the lease periods stated in the instant deeds for determination of the lease period of the present leases in all five cases. Lease period was more than 30 years in three of the five cases. Therefore, in these instruments, stamp duty was leviable at the same rate as applicable for conveyance deed on the market value of the property and not on lease rent/premium. However, the RAs while determining the lease periods, did not consider the previous/ subsequent lease periods. As a result, the lease periods were determined short by the RAs and consequently stamp duty and registration fees of ₹ 7.90 lakh was levied instead of ₹ 7.04 crore. This resulted in short levy of stamp duty and registration fees of ₹ 6.96 crore due to incorrect determination of lease period.

After this was pointed out, the ADSR, Cossipore, while accepting (January 2019) the Audit observation in one case involving ₹ 1.40 crore, stated that action would be taken in due course. In another case, the ARA-III contested (March 2019) the observation and stated that further renewal of deed of lease would be registered by fresh deed. The renewed lease deed was treated as a fresh lease deed and independent of the original lease deed and hence, the two agreements would be chargeable to stamp duty independently.

The reply is not tenable as the recital of deed shows that the lease period was automatically renewable and therefore, the two lease periods should have been added as per the Act. The Additional Registrar of Assurances (ARAs)-II and III, Kolkata in other three cases did not furnish any specific reply.

The matter was reported to the Government in July 2019 followed by a reminder in October 2020; reply has not been received (December 2020).

5.5 Short levy of stamp duty and registration fees due to misclassification of instruments

The Registering Authorities misclassified deeds of conveyance as lease deeds resulting in short levy of stamp duty and registration fees of ₹ 1.41 crore.

Stamp duty chargeable on an instrument depends on the nature of the instrument. The rate of stamp duty chargeable on an instrument is prescribed under Schedule IA of the Indian Stamp (IS) Act, 1899.

1. Article 35 of Schedule IA of the IS Act, 1899 prescribes the stamp duty and registration fees leviable on transfer of property by way of lease. Article 23 of Schedule IA of the IS Act prescribes that stamp duty and registration fees shall be chargeable on the market value of property in case of deed of conveyance.

Out of 5,618 number of lease deeds registered during the year 2017-18 in Additional District Sub Registrar (ADSR), Sealdah, Kolkata, Audit test checked

250 lease deeds and has made observations on 10 deeds. Of these, in two lease deeds executed and registered between July and December 2017, it was observed that the lessees were to build new buildings for commercial use on the leasehold property. Each of the deeds entitled the lessee to enter into any agreement and /or conveyance and/or transfer the flats with/ to the intending purchaser without involving the lessor as a party to any such transaction. The lessor should have no claim on the title, proceeds or profit of the demised land/ flats build thereon and the consent of the lessor was not necessary for any transfer/ other disposal of the demised land/ flats.

Thus, the entire property along with its right, title and interest was actually conveyed by the lessor to the lessee for the lease consideration by the two instruments. Therefore, the instruments should have been classified by the ADSR as deeds of conveyance and stamp duty and registration fees of ₹ 1.28 crore charged on the instruments, based on the market value of the properties. However, the ADSR classified the instruments as lease deeds and realised stamp duty and registration fees of ₹ 0.84 lakh. Thus, due to misclassification of deeds of conveyance as lease deeds, there was short levy of stamp duty and registration fees of ₹ 1.27 crore.

After this was pointed out (October 2018), the ADSR stated that reply would be furnished shortly after scrutiny of cases; further information is awaited (December 2020).

2. Article 63 of Schedule-IA of the IS Act, 1899 provides that any instrument of transfer of lease by way of assignment is chargeable with stamp duty on the market value of the property at the same rate as applicable for sale deeds. If an assignor assigns any government leasehold property to a family member as defined under Article 33 of the IS Act, stamp duty as applicable for gift to family members is leviable. Such lower rate of stamp duty as applicable for gift to family members is applicable if the assignment was done with the prior permission of the Government of West Bengal. The differential stamp duty on assignment and gift to family in these types of cases has been allowed as remission by the Government of West Bengal in terms of Notification¹³⁹ issued in June 2010.

Out of 13,177 lease deeds registered during the year 2017-18 in Additional Registrar of Assurance (ARA), Kolkata, Audit test checked 2,636 lease deeds and made observations on 155 deeds of different nature of irregularities. Of these, in two gift deeds registered in 2017, it observed that in one case involving ₹ 80.69 lakh, the property was leased by the lessor to the lessee in December 2002. The lessee sub-leased the same property in August 2017. The sub lessee (donor) gifted the property to one of his family (donee) members. In the other case, involving market value of ₹ 126.03 lakh, the owner of the property was the West Bengal Housing Board (WBHB). The property was subsequently leased out by WBHB in favour of Purbachal Town House Owners Cooperative Society Limited (lessee). One of the members of the society (sub lessee) gifted the property in favour of his family member. However, no permission for such transfer was obtained by the sub-lessees in either of the cases from the concerned Department.

¹³⁹ Notification no.884-FT/FT/0/2E-22/10 Stamp dated 15 June 2010.

On further scrutiny of the gift deeds it was found that the donor was not the absolute owner of the property in either case and was holding the property on leasehold rights. A property can be gifted only by the owner of property and the lessee can only transfer his leasehold right to others. Therefore, the instruments should have been classified by the RAs as deeds of assignment of lease and stamp duty of ₹ 14.46 lakh was chargeable on the instruments. However, the RAs classified the instruments as gift deeds to family members and realised only ₹ 1.03 lakh as stamp duty. Thus, due to misclassification of deeds of assignment as gift deeds to family members, there was short levy of stamp duty of ₹ 13.43 lakh.

After this was pointed out in audit, the ARA-I accepted (March 2019) the observation and stated that the matter has been referred to the Deputy Inspector General of Registration for realisation of short levy of stamp duty. In the remaining case, ARA-IV stated that the property belongs to Purbachal Town House Owners Co-Operative Housing Society Limited and for transfer of such property prior permission of Government was not required. The reply is not tenable because the donor gifted a government lease hold property and therefore he was required to take prior permission from the concerned Department for being eligible for the remission. Alternatively, the donor could have transferred his leasehold rights to the donee through a deed of assignment.

The matter was reported to Government in July 2019 followed by a reminder in October 2020; their reply has not been received (December 2020).

5.6 Short levy of stamp duty due to misclassification of deeds of settlement as gift deed to family members

The RAs misclassified deeds of settlement as gift deed to family members. This resulted in short levy of stamp duty of ₹ 0.84 crore.

Under Section 2(24) (b) of the Indian Stamp (IS) Act, 1899, “settlement” means any non-testamentary disposition, in writing, of movable or immovable property made for the purpose of distributing property of the settler among his family or those for whom he desires to provide, or for the purpose of providing for some person dependent on him. Under Article 58 of the Schedule-IA of the IS Act, the same rate of stamp duty as applicable for conveyance is applicable for the deed of settlement. As per Section 122 of the Transfer of Properties (TP) Act 1882, “gift” is transfer of certain existing movable or immovable property made voluntarily and without consideration, by donor to a donee, and accepted by or on behalf of the donee. Under Article 33 of Schedule-IA of the IS Act, gift to family members attracts levy of stamp duty at the rate of half *per cent* on the market value of the property. Further, Section 6 of the IS Act provides that if an instrument is so framed as to come within two or more of the descriptions in Schedule-I where duties chargeable thereunder are different, it shall be chargeable only with the highest of such duties.

Out of 49,797 number of gift deeds registered during the years from 2014-2015 to 2017-18 in three Registration offices (ROs), Audit test checked 6,179 number of gift deeds and made observations of different nature against 189 deeds. Of these, in 23 gift deeds registered between April 2015 and July 2018 in favour of

family members involving market value of ₹ 14.15 crore, it observed that the properties were transferred by the donors to the donees without any consideration. However, scrutiny showed that the deeds contained clauses which rendered them classifiable in the nature of settlement. As the stamp duty on settlement is higher than that on gift deed, such higher rate of stamp duty was liable to be charged on those deeds. The RAs, however, misclassified the instruments as gift deeds and levied stamp duty of ₹ 7.08 lakh instead of ₹ 90.98 lakh leviable on settlement deeds. This resulted in short levy of stamp duty of ₹ 83.90 lakh as detailed in the following table:

Table 5.2: Nature of deeds which rendered them classifiable as settlement

(₹ in lakh)

| Sl. No. | Nature of the deeds | Name of the Registration Offices | No. of cases | Market value of Property | Stamp Duty leviable | Stamp Duty levied | Short levy of Stamp Duty |
|---------------|---|--|--------------|--------------------------|---------------------|-------------------|--------------------------|
| 1. | For avoiding future disputes. | ADSR Alipurduar, ARA-I, ARA-III | 15 | 863.86 | 53.88 | 4.32 | 49.56 |
| 2. | For reserving life interest on property by the donors | ARA-I, ARA-III, ARA-IV, ADSR Uttarpara | 8 | 550.88 | 37.10 | 2.76 | 34.34 |
| Total: | | | 23 | 1,414.74 | 90.98 | 7.08 | 83.90 |

After this was pointed out, the ARA-I while accepting the observation in one case stated that the case had been referred to DIGR for realisation of stamp duty. In 21 cases, the three ROs stated that in each of the cases, the donor has transferred the property to the donee for love and affection as per Transfer of Property Act. Mere insertion of a single line does not make the entire deed a settlement deed. All the cases are gift deeds and there is no short levy of stamp duty. The reply is not acceptable as in six out of 21 cases, the donors had reserved their life interest on the gifted property. In the remaining 15 cases, gifts were made for avoiding future disputes among family members. All of these come under definition of settlement as per Section 2(24) (b) of the IS Act. Therefore, those deeds were required to be classified as settlement. In remaining one case, the ARA-III did not furnish any specific reply.

The matter was reported to the Government in July 2019 followed by a reminder in October 2020; their reply has not been received (December 2020).

5.7 Incorrect determination of lease consideration

The RAs incorrectly short determined the lease consideration. This resulted in short levy of stamp duty and registration fees of ₹ 0.20 crore.

As per Article 35 (c) (i) of Schedule IA of the Indian Stamp (IS) Act, 1899, where lease is granted for a fine or premium, or for money advanced, or for development charges advanced, or for security charge advanced, in addition to rent reserved for a term not exceeding 30 years, the same duty as a conveyance is payable for a consideration equal to the amount or value of such fine or premium or advance as set forth in such lease, in addition to the duty which would have been payable on such lease, if no fine or premium or advance had been paid or delivered. Further, when a lessee undertakes to pay any recurring charges, such as Government revenue, the landlord's share of cesses or the owner's share

of municipal rates or taxes, which is by law recoverable from the lessor, the amount so agreed to be paid by the lessee shall be deemed to be part of the rent. Registration Fees is chargeable as per the Table of Registration Fees.

Out of 36,200 number of deeds registered in two ROs, Audit test checked 5,467 deeds and made observations on 186 deeds. Of these, in seven lease deeds executed and registered between March 2015 and December 2017, it was observed that the RAs did not consider the premium/ average annual rent/ municipal taxes paid by the lessee for lease consideration. As a result, lease consideration was determined short by ₹ 4.25 crore. The RAs levied stamp duty and registration fees of ₹ 11.82 lakh instead of ₹ 31.46 lakh due to incorrect determination of lease consideration. This resulted in short levy of stamp duty and registration fees of ₹ 19.64 lakh as detailed in the following table:

Table 5.3: Incorrect determination of lease consideration

(₹ in lakh)

| Sl. No. | Nature of irregularity | Name of Registration office | No. of cases | Lease consideration determined short | SD&RF payable | SD&RF paid | Short levy of SD&RF |
|--------------|---|-----------------------------|--------------|--------------------------------------|---------------|--------------|---------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) = (6-7) |
| 1. | Premium paid against lease was not considered as lease consideration. | ADSR, Alipurduar, ARA-IV | 4 | 416.38 | 20.02 | 3.48 | 16.54 |
| 2. | Annual rent payable by lessee was not considered as lease consideration. | ADSR, Alipurduar, ARA-II | 2 | 7.31 | 9.67 | 8.00 | 1.67 |
| 3. | Municipal taxes paid by lessee was not considered for lease consideration and average annual rent determined short. | ARA-I | 1 | 0.86 | 1.77 | 0.34 | 1.43 |
| Total | | | 7 | 424.54 | 31.46 | 11.82 | 19.64 |

After this was pointed out, the Additional Registrar of Assurance (ARA)-I, Kolkata while accepting the audit observation in one case involving ₹ 1.43 lakh stated that the document had been referred to the DIGR for necessary action. In one case, ARA-IV stated that money given by the lessee was adjustable against the rent and amount could not be treated as premium. The reply is not tenable as any advance payment shall be treated as premium under the IS Act. In another case, ARA-II stated that all rents were paid in advance and did not require any stamp duty upon average annual rent. The reply is not tenable as rent for the first 10 years of the lease period was taken into account as consideration amount for the purpose of levying stamp duty against rent for entire lease period of 20 years.

In the remaining four cases, RAs did not furnish any specific reply.

The matter was reported to the Government in July 2019 followed by a reminder in October 2020; reply has not been received (December 2020).

Chapter VI

Mines and Minerals

Chapter VI

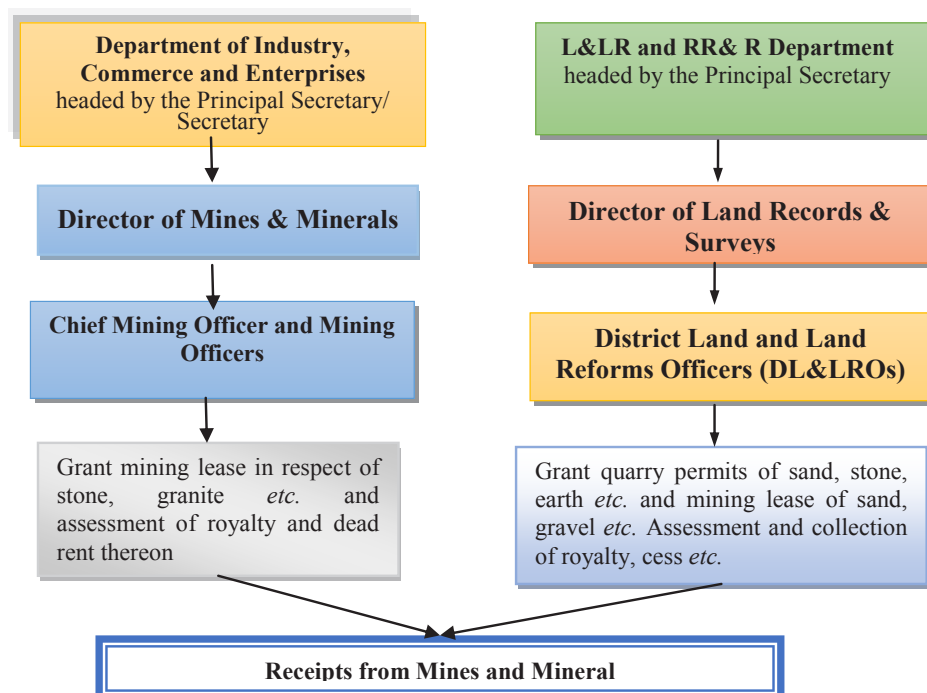
Mines and Minerals

6.1 Tax Administration

Assessment and collection of mining receipts is governed by the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957; the West Bengal Minor Minerals (WBMM) Rules, 2002 and the West Bengal Minor Minerals Concession (WBMMC) Rules, 2016; the Bengal Public Demands Recovery (BPDR) Act, 1913; the Cess Act, 1880; the West Bengal Primary Education Act, 1973 and the West Bengal Rural Employment and Production Act, 1976.

In West Bengal, two departments, Land and Land Reforms and Refugee Relief and Rehabilitation (L&LR and RR& R) Department and Department of Industry, Commerce and Enterprises, are entrusted with the assessment and collection of revenues from minor minerals. The organisational set up has been shown in the following chart:

Chart 6.1: Organisational set up



6.2 Internal Audit

As the mining activities are mainly regulated by L&LR and RR& R Department, the IAW of the Department is liable to conduct audit of the units involved in regulation of mining activities.

Performance of the IAW of L&LR and RR&R Department has already been discussed in Paragraph No. 3.2 of this report.

6.3 Results of audit

In 2018-19, test check of the records of 11 DL&LROs showed under-assessment of tax and other irregularities amounting to ₹ 95.17 crore in 249 cases, which fall under the categories given in **Table 6.1**.

Table 6.1: Results of Audit

(₹ in crore)

| Sl. No. | Categories | Number of cases | Amount |
|--------------|--|-----------------|--------------|
| 1. | Non/ short-assessment/ realisation of price of minor minerals extracted unauthorisedly | 100 | 27.16 |
| 2. | Non/ short-assessment/ levy/ realisation of royalty and cess | 58 | 11.88 |
| 3. | Non-realisation of bid money of auction of sand block from the sand lessee | 34 | 50.23 |
| 4. | Non-raising of demand regarding District Mineral Foundation Fund | 26 | 1.25 |
| 5. | Non/ short-realisation of penalty | 13 | 3.53 |
| 6. | Other cases | 18 | 1.12 |
| Total | | 249 | 95.17 |

During the course of the year, the Department accepted under-assessment and other deficiencies of ₹ 53.94 crore in 213 cases; of which 191 cases involving ₹ 50.49 crore were pointed out during the year 2018-19 and the rest in earlier years. An amount of ₹ 2.74 crore was realised in 22 cases during the year.

Audit was conducted in 11 out of 29 (37.93 per cent) DL&LROs administering Minor Minerals and Mining Receipts during the period 2018-19. The cases mentioned in the succeeding paragraphs are those which came to notice in the course of test audit for the period 2018-19 as well as those which could not be reported in the previous Audit Report. The cases were examined to ascertain the extent of compliance of provisions of the Acts and Rules framed thereunder. The findings arising from audit involving ₹ 36.80 crore are discussed in the following paragraphs:

6.4 Non/ short recovery of price of earth against unauthorised extraction of earth

Dues of ₹ 34.60 crore towards price of earth against extraction of ₹ 37.93 crore cft of earth without valid permits were not recovered/ short recovered in 2,027 cases.

Under Section 21 of the MMDR Act, 1957 and Rule 50 of WBMMC Rules, 2016, whenever any person removes, without any lawful authority, any mineral from any land, the State Government may, apart from penal actions like seizure, confiscation, eviction, imprisonment *etc.*, recover from such person the mineral so removed or where such mineral has already been disposed of, the price thereof. Accordingly, the State Government has fixed price of earth at ₹ 123 per 100 cft which is 1.5 times the royalty¹⁴⁰ for extraction or removal of the earth.

Audit checked brick field registers and other relevant records in eleven DL&LROs and 3,270 cases were taken up for scrutiny out of 3,769 cases of extraction of earth; the balance 499 cases related to cases where either relevant records were either not available or the brick fields were not in operation and hence they could not be audited. Of these, in 2,027 cases brick field owners/ individuals extracted 37.93 crore cft of earth between 2016-17 and

¹⁴⁰ The rate of royalty for brick earth is ₹ 82 per 100 cft.

2017-18 without valid permits. However, the authorities did not take any action to stop such unauthorised extraction nor did they initiate penal action as per extant rules. Moreover, the authorities recovered only ₹ 12.05 crore as price of earth (@ ₹ 123 per 100 cft) out of ₹ 46.65 crore recoverable for such unauthorised extraction of earth. This resulted in non/ short recovery of ₹ 34.60 crore as shown in the following table:

Table 6.2: Non/ short recovery of price of earth

(₹ in crore)

| Sl. No. | Nature of irregularities | No. of cases | Quantity of earth extracted (in crore cft) | Price of earth to be recovered @ ₹ 123 per 100 cft | Price of earth recovered | Non/ short recovery of earth |
|--------------|----------------------------------|--------------|--|--|--------------------------|------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7=5-6 |
| 1. | Non-recovery of price of earth | 948 | 20.39 | 25.08 | Nil | 25.08 |
| 2. | Short recovery of price of earth | 1,079 | 17.54 | 21.57 | 12.05 | 9.52 |
| Total | | 2,027 | 37.93 | 46.65 | 12.05 | 34.60 |

No reasons were found on records for non/ short recovery of price of earth. Though similar observations have been made in Audit Reports of last five years (2013-14 to 2017-18)¹⁴¹, no remedial measures were taken by the Department.

On this being pointed out in Audit, the Government accepted (January 2021) the audit observation and intimated realisation of ₹ 64.36 lakh. Further, they stated that persuasion was on for realisation of the balance amount.

6.5 Non-realisation of penalty for short extraction of sand

Penalty of ₹ 2.20 crore was not realised for shortfall in the extraction of sand in 34 cases.

In terms of Rule 21 (1) (e) of the WBMM Rules, 2002, the lessee shall extract and despatch a minimum guaranteed quantity of mineral from the leasehold area annually, as prescribed in the lease deed. In case there is any shortfall in the extraction and despatch of the said minimum quantity without any satisfactory reason, penalty to the extent of twice the amount of royalty, that would have accrued on such shortfall, shall have to be paid by the lessee. The reasons for shortfall in extraction will be regarded satisfactory if those are in accordance with the explanations under Rule 16(4) of WBMM Rules. In such cases the lessee would have to submit documentary evidence supported by an affidavit to the concerned authority.

It was observed (between December 2017 and September 2018) from records of 57 out of 212 lessees in offices of two DL&LROs that 27 lessees in 34 cases extracted 0.62 crore cft of sand against the minimum guaranteed quantity of 1.70 crore cft of sand prescribed in the lease deeds. Reasons, as required under the Rules, for short extraction of 1.08 crore cft of sand were not on record. In the absence of any satisfactory reasons, penal proceedings were required to be initiated by the authorities against these lessees. The authorities, however, did

¹⁴¹ Para No. 7.7 of AR 2013-14, Para No. 6.4.18 of AR 2014-15, Para No. 6.4 of AR 2015-16, Para No. 6.4 of AR 2016-17 and Para 7.5 of AR 2017-18.

not levy or demand penalty for short extraction. This led to non-realisation of penalty to the extent of ₹ 2.20 crore.

Though similar observations have been made in earlier Audit Reports¹⁴² of 2013-14 to 2017-18, no remedial measures were taken by the Department.

After this was pointed out, the Government accepted the audit observation (December 2020) and intimated realisation of ₹ 4.03 lakh. Further, they stated that persuasion was on for realisation of the balance amount.

¹⁴² *Para No. 7.5 of AR 2013-14, Para No. 6.4.19 of AR 2014-15, Para No. 6.5 of AR 2015-16, Para No. 6.5 of AR 2016-17 and Para 7.6 of AR 2017-18.*

Chapter VII

Other Tax and Non-Tax Receipts

Chapter VII

Other Tax and Non-Tax Receipts

7.1 Tax Administration

This Chapter relates to receipts from Profession Tax (PT), Agricultural Income Tax and Departmental Receipts. The tax administration for these is governed by Acts and Rules framed separately for each tax head. These taxes are administered by the Finance Department headed by the Principal Secretary who is assisted by the concerned Directorates.

7.2 Results of audit

In 2018-19, test check of the records of 30 units relating to Profession Tax, Agricultural Income Tax and Departmental Receipts showed under-assessment of tax and other irregularities amounting to ₹ 70.08 crore in 137 cases, which fall under the following categories as indicated in **Table 7.1**.

Table 7.1: Results of audit

(₹ in crore)

| Sl. No. | Categories | No. of cases | Amount |
|-----------------------------------|--|--------------|--------------|
| A. Profession Tax | | | |
| 1. | Non-realisation of profession tax against enrolled certificate holders | 29 | 0.74 |
| 2. | Non-realisation of profession tax due to non-enrolment | 46 | 1.44 |
| 3. | Other cases | 2 | 0.02 |
| Total | | 77 | 2.20 |
| B. Agricultural Income Tax | | | |
| 1. | Non/ short levy/ realisation of tax/ interest/ penalty | 35 | 7.76 |
| 2. | Blockage/ Loss of Government revenue | 1 | 0.75 |
| 3. | Others | 17 | 0.01 |
| Total | | 53 | 8.52 |
| C. Departmental Receipts | | | |
| 1. | Short realisation of sale proceeds due to sale of tickets below face value | 1 | 58.63 |
| 2. | Others | 6 | 0.73 |
| Total | | 7 | 59.36 |
| Grand Total | | 137 | 70.08 |

During the course of the year 2018-19, the Department accepted non-realisation of revenue and other deficiencies of ₹ 8.43 crore in 89 cases, of which 83 cases involving ₹ 8.27 crore were pointed out in the year 2018-19 and the rest in earlier years. An amount of ₹ 13.73 lakh was realised in 14 cases during the year 2018-19.

Profession Tax

7.3 Non-enrolment of persons engaged in different professions and trade

Information available with other departments and permit/license issuing authorities was not collected for detection of enrolled persons. This resulted in non-realisation of PT of ₹ 0.85 crore in 2,011 cases.

Section 3(2) and 5(2) of the West Bengal State Tax on Professions, Trades, Callings and Employments (WBSTPTCE) Act, 1979 provide that every person engaged in any profession, trade/ calling and falling under any other classes as mentioned in the Schedule of the Act, shall obtain a certificate of enrolment from the prescribed authority and pay tax at the rate prescribed in the Schedule. The rate of PT payable by the enrolled persons as specified in the Schedule is ₹ 2,500 per annum.

During the period from April 2018 to March 2019, audit was conducted in 19 out of 29 Charge Offices. Of these, in course of audit in 10 Charge Offices, data/ information in respect of 3,440 persons engaged in different professions and trade¹⁴³ were collected from 19 license issuing offices to ascertain from the records of the concerned Charge Offices whether such persons were enrolled under WBSTPTCE Act to pay PT. The information so collected was then cross verified with the data of enrolled persons in 10 Charge Offices. It was observed that 2,691 persons did not get themselves enrolled with the concerned Charge Offices of PT even after taking out/ renewing licences. The Charge Offices also failed to bring such persons in the tax net. It was also observed that there was no system in place in the Charge Offices to obtain data from different licence issuing authorities to increase the tax base. In the absence of co-ordination between the license issuing authorities and Charge Offices, the cases of non-enrolment of licensed professionals could not be detected by the Charge Offices of PT. This resulted in non-realisation of PT of ₹ 0.85 crore in 2,011 cases.

After this was pointed out (between March 2018 and November 2018), four Charge Offices intimated (May 2018 and March 2020) realisation of PT of ₹ 27.82 lakh in 680 cases. Three Charge Offices stated that necessary action had been taken/ was being taken for realisation of PT. In the remaining cases, the Charge Offices did not furnish specific reply. The cases were reported to the Government in July 2020, their reply was not received (December 2020).

Interest and commission receipts from loans and guarantees

7.4 Non-realisation of interest on loans

During the period from 2013-14 to 2017-18, eight¹⁴⁴ out of 53 Departments of Government of West Bengal had sanctioned and disbursed loans of ₹ 4,576.10 crore to 46 corporations/ companies. On the basis of quantum of loans, audit selected four Departments which sanctioned loans of ₹ 2,045.33 crore in 353 cases to 16 corporations/ companies. On scrutiny of records (Loan Registers and Government Orders) between March and July 2019, it was observed that the four Departments¹⁴⁵ in 328 cases sanctioned and disbursed loans of ₹ 1,648.76 crore to 11 corporations/ companies. The corporations/ companies, however, did not pay the accrued interest of ₹ 388.87 crore against

¹⁴³ Nursing homes, Diagnostics centers, AC beauty parlours and restaurants, Promoters/ Developers, Marriage halls, Country spirit and FL on/off shops and Rice Mills.

¹⁴⁴ Agriculture (₹ 288.10 crore), Cultural Affairs (₹ 13.67 crore), Co-operation (₹ 122.65 crore), Health & Family Welfare, Industry (₹ 6.38 crore), Commerce & Enterprise (CE) (₹ 807.27 crore), Power & NES (₹ 1130.55 crore), Transport (₹ 1817.11 crore) and Urban Development (₹ 390.37 crore).

¹⁴⁵ Industry, Commerce & Enterprises, Power and Non-Conventional Energy Sources (NES), Transport and Co-operation Departments.

total sanctioned loan of ₹ 1,648.76 crore which was due for the period between 2013-14 and 2017-18. In remaining 25 cases, two Departments¹⁴⁶ sanctioned loans of ₹ 396.57 crore to five corporations/ companies for establishment cost/ externally aided projects. Out of these loans of ₹ 396.57 crore, ₹ 393 crore along with interest thereon has already been converted into equity/ preferential shares and ₹ 3.57 crore is being converted into equity/ preferential shares by the corporations/ companies. Audit findings in respect of recovery of principal of loans and realisation of interest from the corporations/ companies involving ₹ 406.85 crore are discussed in the succeeding paragraphs:

7.4.1 Non-realisation of principal of loan and interest due to non-fixation of terms and conditions of repayment

In seven cases of three loanees, two Departments sanctioned loans of ₹ 357.44 crore without fixation of terms and conditions of repayment which resulted in non-realisation of principal and interest of ₹ 157.87 crore and ₹ 23.90 crore, respectively.

Under the provisions of Rule 293 of West Bengal Finance Rule (WBFR), before sanctioning and disbursing a loan, the sanctioning authority is required to specify the terms and conditions including the date of commencement of payment of instalments, their periodicity and the time within which each loan has to be fully repaid with interest due.

Audit observed that the Department of Power & Non-conventional Energy Sources (NES), Govt. of West Bengal had sanctioned loans of ₹ 300 crore to West Bengal Power Development Corporation Limited (WBPDC) between March and December 2016. Of this, one loan was an interest free loan of ₹ 250 crore, which was sanctioned in December 2016 for the purpose of clearance of legacy dues to Coal India Ltd. and was to be repaid in five equal instalments. The loan was drawn by the loanee in January 2017. The periodicity of repayment of loan *i.e.*, effective date of repayment of loan was not specified in the sanction order. In its absence, the loanee did not pay principal of ₹ 100.43 crore. However, ₹ 149.57 crore was repaid by the loanee in two instalments between June 2017 and March 2018.

In another six cases, two Departments¹⁴⁷ sanctioned loan of ₹ 107.44 crore between January 2015 and September 2017 to Durgapur Projects Limited (DPL), WBPDC and Hooghly River Bridge Commissioners (HRBC) for payment of adjustment of coal dues, upfront fee and decretal dues for acquisition of land at Howrah, respectively without fixing the terms and conditions of repayment of principal and interest. However, WBPDC had surrendered loan of ₹ 50 crore in November 2016 without making payment of accrued interest of ₹ 3.35 crore whereas DPL and HRBC did not make any payment towards principal and interest. This led to non-realisation of principal and interest of ₹ 57.44 crore and ₹ 23.90 crore upto 31 March 2018, respectively. Details are shown in the following table:

¹⁴⁶ Industry, Commerce and Enterprises and Power & NES.

¹⁴⁷ Department of Power and NES and Department of Transport.

Table 7.2: Non-realisation of principal of loan and interest

(₹ in crore)

| Name of the Department | Name of the Loanee | Amount of loan sanctioned | Date of sanction | Realisation/ Surrender of loan | Non-realisation of principal of loan | Non-realisation of interest |
|-----------------------------|--------------------|---------------------------|------------------|--------------------------------|--------------------------------------|-----------------------------|
| Department of Power and NES | WBPDCCL | 50.00 | 20.03.2016 | 50.00 | Nil | 3.35 |
| | DPL | 25.00 | 27.01.2015 | Nil | 25.00 | 9.30 |
| | | 25.00 | 20.03.2015 | Nil | 25.00 | 8.72 |
| | | 7.21 | 20.03.2015 | Nil | 7.21 | 2.51 |
| | Sub-total | 57.21 | | Nil | 57.21 | 20.53 |
| Department of Transport | HRBC | 0.03 | 28.12.2016 | Nil | 0.03 | 0.01 |
| | | 0.20 | 20.09.2017 | Nil | 0.20 | 0.01 |
| | | Sub-total | 0.23 | | Nil | 0.23 |
| | Total | 107.44 | | 50.00 | 57.44 | 23.90 |

After being pointed out, the Department of Power & Non-conventional Energy Sources (NES) and Department of Transport did not furnish any reply (December 2020).

7.4.2 Non-realisation of interest on surrendered loan

In one case, Industry, Commerce & Enterprises Department, Government of West Bengal did not realise interest of ₹ 3.42 crore against the loan of ₹ 50 crore in the absence of specific instructions by the Department.

Under the provisions of Rule 295(1) of WBFR, interest should be charged at the rate prescribed by the Government for any particular loan or for the class of loans concerned.

Audit observed that the Industry, Commerce & Enterprises Department, Government of West Bengal had sanctioned an interest bearing loan of ₹ 50 crore in February 2018 to West Bengal Mineral Development and Trading Corporation Ltd. (WBMDTCL) which was repayable by the Corporation in 10 equal instalments over 15 years including interest at the rate of 11.5 per cent per annum. In respect of repayment of principal, the first five years period was moratorium. The loan was given for procurement of land for coal production and development of mine including roads, dumping ground, railway riding, afforestation and rehabilitation of families residing in the proposed mining area at Gourangdih ABC Coal Mine at Barabani, Paschim Burdwan. The loan was not utilised by the loanee in the absence of administrative approval regarding mode of acquisition of private land. However, due to non-utilisation of loan, the Department instructed to surrender the loan without mentioning any condition for payment of accrued interest and in September 2018, the entire loan was surrendered by the loanee. In the absence of specific instructions by the Department, interest of ₹ 3.42 crore could not be realised for the period, the loan was retained by the loanee.

On this being pointed out, Industry, Commerce & Enterprises Department stated (August 2019) that demand notice for the unpaid interest would be issued.

7.4.3 Non-realisation of principal of loan and interest due to inaction of the loan sanctioning authority

Inaction of the loan sanctioning authority resulted in non-realisation of principal and interest of ₹ 1,241.32 crore and ₹ 361.55 crore, respectively.

The provisions for sanction of loans, determination of interest, recovery of principal and interest and the control mechanism for watching timely repayment of loans and interest are governed by Rule 289, 295, 293 and 299, respectively of the West Bengal Financial Rules (WBFR).

Department of Transport, Department of Power & Non-conventional Energy Sources and Department of Co-operation, Govt. of West Bengal sanctioned loans of ₹ 1,241.32 crore in 320 cases to six¹⁴⁸ Public Sector Undertakings (PSUs), one¹⁴⁹ Autonomous Body and two¹⁵⁰ Federations, between July 2012 and December 2017 for purchase, repair and renovation of buses as well as procurement of spare parts for buses, life extension programme at DPL, recycling of waste water and augmentation of dry ash system, procurement of paddy *etc.*. The respective loanees defaulted in payment of principal and interest though terms and conditions for the same were fixed in the sanction orders. However, no action was taken by the Departments to get the default remedied. The Departments continued to sanction loans to defaultee loanees without taking any steps for realisation of principal and interest. This resulted in non-realisation of principal and interest of ₹ 1,241.32 crore and ₹ 361.55 crore, respectively.

On this being pointed out, Transport Department stated (May 2019) that STUs were hardly generating enough revenue to pay 25 *per cent* of the total salary and wages and certainly they were not in a position to repay the loans principal along with interest.

The reply is not tenable as neither the provisions of WBFR nor the terms and conditions mentioned in the sanction orders provide for non-recovery of loans and interest in case of inability of the loanee for repayment of loans and interest. Moreover, all six PSUs had entirely eroded their net worth and depended on the Government for funding. Hence, the loanees were not in a position to generate enough revenue to repay the principal and interest accrued thereon. This should have been considered by the loan sanctioning authorities before sanctioning the loans. The Co-operation Department stated (November 2019) that BENFED and CONFED have been asked to furnish their replies to the Department for further course of action.

¹⁴⁸ *West Bengal Transport Corporation Ltd (WBTCCL), West Bengal Surface Transport Corporation Limited (WBSTCL), The Durgapur Projects Limited (DPL), Calcutta State Transport Corporation (CSTC), South Bengal State Transport Corporation (SBSTC) and North Bengal State Transport Corporation (NBSTC).*

¹⁴⁹ *Hooghly River Bridge Commissioners (HRBC).*

¹⁵⁰ *West Bengal Consumers Co-operative Federation Ltd. (CONFED) and West Bengal State Co-operative Marketing Federation Limited (BENFED).*

7.4.4 Non-realisation of Guarantee Commission

In three cases, the Government of West Bengal provided guarantees against loans of ₹ 1,797.78 crore. However, Guarantee Commission of ₹ 17.98 crore, was neither paid by the loanees concerned nor realised by the Departments.

According to the powers conferred by Article 293 of the Constitution of India, State Government, with the approval of the State Cabinet may give guarantee to various lending institutions to assure them for the repayment of principal amount of the loan and interest payable thereon. Such Guarantees constitute contingent liabilities on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended by the State Government.

As per the West Bengal Ceiling on Government Guarantees (WBCGG) Act, 2001, Departments shall charge Guarantee Commission at the rate of one *per cent* per annum with effect from August 2001, which shall not be waived under any circumstances. However, in terms of the Amendment of Section 5 of the said Act made *vide* West Bengal Finance Act, 2002, no Guarantee Commission shall be charged by the Government where loan is raised by any organisation under the administrative control of the Government or by the West Bengal Infrastructure Development Finance Corporation Limited.

Based upon the approval accorded by the State Cabinet, eight Departments¹⁵¹ in 12 cases¹⁵² had given Guarantees to nine Financial Institutions¹⁵³ for loans of ₹ 22,556.09 crore to 12 corporations/ companies/ co-operative institutions during the period from 2013-14 to 2017-18. Of these, Guarantees in respect of loans of ₹ 22,495.98 crore given by five Departments in nine cases were selected for the purpose of audit.

On scrutiny of records as maintained by five Departments and loanees in nine cases between March and July 2019, it was observed that in three cases, two Departments¹⁵⁴ provided Guarantees of ₹ 1,797.78 crore¹⁵⁵ to WBPDC, BENFED and CONFED between 2014-15 and 2016-17. However, Guarantee Commission of ₹ 17.98 crore was neither paid by the three aforesaid entities nor realised by the Departments.

On this being pointed out, the Department of Power & NES, Govt. of West Bengal stated (August 2019) that the outstanding amount of Guarantee Commission had been shown in the books of accounts for the year 2018-19.

¹⁵¹ Departments: Power (Two cases), Co-operation (Three cases), Food & Supply (One case), Public Works Department (One case), Backward Classes Welfare (Two cases), Minority Affairs and Madarsa Education (One case), Micro & Small scale Enterprises and Textiles (One case) and Industrial Reconstruction (One case).

¹⁵² CONFED, BENFED, WEBSCARDB Ltd, WBECSC, WBPDC, DPL, WBMDFC, HDCL, NSCFDC, WBSCSTDFC, Kangsawati Co-operative Spinning Mill and NCJM.

¹⁵³ NABARD, WBIDFC, WBSCB, UBI, NSKFDC, Allahabad Bank, NMFDC, NSCFDC and PFCL.

¹⁵⁴ Department of Power & Non-conventional Energy Sources and department of Cooperation.

¹⁵⁵ ₹ 1,522.78 crore (WBPDC) (Power department) and ₹ 275 crore (BENFED & CONFED) (Co-operation department).

The reply was not tenable because merely showing of outstanding amount of Guarantee Commission in the books of accounts does not mean that the amount of Guarantee Commission was realised and deposited in the Government exchequer. The Finance Department, West Bengal had approved the loan amount with the pre-condition that the loanee should pay the usual Guarantee Commission. However, the concerned Departments did not take any steps to realise the outstanding guarantee commission. The Department of Co-operation did not furnish any reply (December 2020).

Section-C

Public Sector Undertakings

Chapter I

Functioning of State Public Sector Undertakings

Chapter I

Functioning of State Public Sector Undertakings

Introduction

1.1 State Public Sector Undertakings (PSUs) consist of State Government Companies, Government-controlled other Companies, subsidiary Companies and Statutory Corporations. State PSUs are established to execute the activities of commercial nature and to contribute in economic development of the State. In West Bengal, there were 84 PSUs as on 31 March 2019 against 94 PSUs in the preceding year. During the year 2018-19, no PSUs were added to the audit jurisdiction. The reduction in numbers was due to restructuring of PSUs as discussed subsequently. The financial performance of the PSUs on the basis of latest finalised accounts as on 30 September 2019 is covered in this section. The working PSUs registered an annual turnover of ₹ 52,953.14 crore as per their latest finalised accounts as on 30 September 2019. This turnover was equal to 4.50 *per cent* of State Gross Domestic Product (GSDP) for the year 2018-19 (₹ 11,77,586 crore). The PSUs earned overall profits of ₹ 356.42 crore as per their latest finalised accounts. As on 31 March 2019, the State PSUs had employed around 45,922 employees. There were 19 PSUs having an investment of ₹ 1,430.61 crore towards capital (₹ 172.14 crore) and long-term loans (₹ 1,258.47 crore), which were inactive for one to 17 years. This is a critical area as the investments in inactive PSUs do not contribute to the economic growth of the State. The State Government may consider winding up them.

Accountability framework

1.2 A Government Company or any other Company owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments or partly by Central Government and partly by one or more State Governments is subject to audit by the CAG. The process of audit of Government Companies is governed by relevant provisions of Sections 139 and 143 of the Companies Act, 2013 (the Act). According to Section 2 (45) of the Act, a Government Company is any company in which not less than 51 *per cent* of the paid-up share capital is held by the Central Government, or by any State Government/ Governments, or partly by the Central Government and partly by one or more State Governments. This includes a company which is a subsidiary company of such a Government Company.

Further, as per sub-Section 7 of Section 143 of the Act, the CAG may, in case of any company covered under sub-section 5 or sub-section 7 of Section 139, by an order, conduct test audit on the accounts of such company, if considered necessary. The provisions of Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 shall apply to the report of such Audit. An audit of the financial statements of a company in respect of the financial years that commenced on or before 31 March 2014 shall continue to be governed by the provisions of the Companies Act, 1956.

The financial statements of the Government Companies are audited by Statutory Auditors, appointed by CAG as per the provisions of Sections 139 (5) or 139 (7)

of the Act, as applicable, who shall submit a copy of their audit report, including the financial statements of the Company, to the CAG, under Section 143(5) of the Act. These financial statements are subject to supplementary audit to be conducted by CAG within 60 days from the date of receipt of the audit report under the provisions of Section 143 (6) of the Act.

Need for timely finalisation and submission of accounts by PSUs

1.3 According to Sections 394 and 395 of the Companies Act 2013, Annual Report on the working and affairs of a Government Company, is to be prepared within three months of its Annual General Meeting (AGM) and as soon as may be after such preparation laid before the Houses or both the Houses of State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG. Similar provisions exist in the respective Acts regulating statutory corporations. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the companies from the Consolidated Fund of the State.

Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statements for the financial year have to be placed in the said AGM for their consideration; contraventions of such provisions are liable for punishment/ penalty.

Investment by the Government of West Bengal

1.4 The Government of West Bengal has financial stakes in the PSUs, which is mainly of three types:

- **Share capital and loans**– In addition to the share capital contribution, GoWB also provides financial assistance by way of loans to the PSUs from time to time.
- **Special financial support**– GoWB provides budgetary support by way of grants and subsidies to the PSUs as and when required.
- **Guarantees**– GoWB also guarantees the repayment of loans, with interest, availed by the PSUs from Financial Institutions.

Aggregate investment in State PSUs with sector-wise summary

1.5 As on 31 March 2019, the investment (capital and long-term loans) in 84 PSUs¹⁵⁶ was ₹ 40,009.68 crore as per accounts of 2018-19 or information from PSUs (*Appendix-8*). This total investment consisted of 41.02 *per cent* towards paid-up capital and 58.98 *per cent* in long-term loans. The sector-wise summary of investment in the PSUs as on 31 March 2019 is given at **Table 1.1** below:

¹⁵⁶ One PSU viz. WBSCST&OBCD&FC has not submitted either accounts for its first year (2017-18) or information on investment etc. as of 31 March 2019. Hence, investment figures have been taken from the Audit Report (PSUs) 2017-18.

Table 1.1: Sector-wise summary of investment in PSUs

| Name of sector | Government Companies | | Statutory Corporations | | Total | Investment (₹ in crore) | | |
|----------------------|----------------------|-----------|------------------------|-----------|-----------|-------------------------|------------------|------------------|
| | Working | Inactive | Working | Inactive | | Equity | Long-term Loans | Total |
| Power | 06 | - | - | - | 06 | 12,272.74 | 17,390.89 | 29,663.63 |
| Finance | 06 | 01 | 03 | - | 10 | 1,497.45 | 1,840.18 | 3,337.63 |
| Service | 11 | - | 03 | 01 | 15 | 233.48 | 2,291.68 | 2,525.16 |
| Manufacturing | 11 | 16 | - | - | 27 | 494.48 | 1,671.04 | 2,165.52 |
| Infrastructure | 10 | - | 01 | - | 11 | 1,798.78 | 186.23 | 1,985.01 |
| Agriculture & Allied | 09 | 01 | 01 | - | 11 | 106.89 | 143.81 | 250.70 |
| Others | 04 | - | - | - | 04 | 6.59 | 75.44 | 82.03 |
| Total | 57 | 18 | 08 | 01 | 84 | 16,410.41 | 23,599.27 | 40,009.68 |

(Source: Compiled from information provided by PSUs and accounts for 2018-19 received)

In the past five years from 2014-15 to 2018-19, the Power Sector had received the largest share of equity (₹ 2,588.06 crore) and loans (₹ 2,603.55 crore) from the Government of West Bengal.

Disinvestment and Restructuring of State PSUs

1.6 The Government of West Bengal decided (February 2017) to restructure State PSUs for improving operational efficiency and optimally utilising their manpower/ assets. Accordingly, six working PSUs (including three subsidiary companies) and two inactive subsidiary companies were amalgamated with four existing PSUs with effect from 01 April 2018, and one inactive PSU i.e., DPL Coke Oven was struck off from the Register of Companies on 21 January 2019. The restructuring is shown in **Table 1.2** below:

Table 1.2: Names of PSUs amalgamated with other PSUs or struck off

| Sl No. | Names of Administrative Departments | Names of PSUs amalgamated | Particulars of amalgamation or strike off |
|--------|---|--|--|
| 1 | Animal Resources Development | West Bengal Dairy & Poultry Development Corporation Limited | Amalgamated with West Bengal Livestock Development Corporation Limited from 01.04.2018. |
| 2 | Fisheries | West Bengal State Fisheries Corporation Limited | Amalgamated with The State Fisheries Development Corporation Limited from 01.04.2018. |
| 3 | Forest | West Bengal Wasteland Development Corporation Limited | Amalgamated with West Bengal Forest Development Corporation Limited from 01.04.2018. |
| 4 | Information Technology & Electronics and e-Governance | Webel Mediatronics Limited (Subsidiary of WBEIDC Limited) | Amalgamated with West Bengal Electronics Industry Development Corporation Limited from 01.04.2018. |
| 5 | | Webel Electronic Communication Systems Limited (Subsidiary of WBEIDC Limited) | |
| 6 | | Webel Informatics Limited (Subsidiary of WBEIDC Limited) | |
| 7 | | Webel Electro-Optics Limited (subsidiary of WBEIDC Limited) – Inactive company | |
| 8 | | Webel Consumer Electronics Limited (subsidiary of WBEIDC Limited) – Inactive company | |

| Sl No. | Names of Administrative Departments | Names of PSUs amalgamated | Particulars of amalgamation or strike off |
|--------|---|--|--|
| 9 | Power & Non-Conventional Energy Sources | New Town Electric Supply Company Limited ¹⁵⁷ | Amalgamated with West Bengal State Electricity Distribution Company Limited from 27 December 2018. |
| 10 | | DPL Coke Oven Limited (subsidiary of The Durgapur Projects Limited) – Inactive company | Name struck off on 21 January 2019. |

Note: The companies at serial Nos. 7, 8 and 10 were inactive PSUs.

Further, under a composite Scheme of Arrangement, the “e-Governance Undertakings” of Webel Mediatronics Limited and West Bengal Electronics Industry Development Corporation Limited (WBEIDCL) were de-merged to Webel Technology Limited (WTL). The Department of Power & Non-conventional Energy Sources, GoWB restructured (December 2018) the Durgapur Projects Limited (DPL) through transfer of its activities relating to transmission and distribution to West Bengal State Electricity Transmission Company Limited (WBSETCL) and West Bengal State Electricity Distribution Company Limited (WBSEDCL), respectively from 01 January 2019. Moreover, New Town Electric Supply Company Limited was merged with WBSEDCL from 27 December 2018.

In addition, a Committee of Secretaries under chairmanship of the Chief Secretary was constituted to ensure proper and optimum utilisation of land, infrastructure and assets of the restructured PSUs. A legal firm¹⁵⁸ was engaged (April 2017) to assist in the restructuring work. The administrative departments were required to complete the legal formalities to restructure these PSUs, redeploy their employees and dispose the immovable/ movable assets, latest by March 2018, as subsequently discussed at **Paragraphs 3.8.1 and 3.8.2.**

¹⁵⁷ Accounts for part of the year from 01 April to 26 December 2018 were not submitted.

¹⁵⁸ M/s Fox & Mandal

Chapter II

Functioning of Power Sector PSUs

Chapter II

Functioning of Power Sector PSUs

Introduction

2.1 The Electricity Act 2003 repealed the erstwhile Electricity Act 1910, the Electricity (Supply) Act 1948 and the Electricity Regulatory Commissions Act 1998, with effect from 10 June 2003. To meet the requirements of The Electricity Act 2003, the Government of West Bengal, subsequently, brought out (January 2007) the West Bengal Power Sector Reforms Transfer Scheme 2007 to separate transmission and distribution activities to two Power Sector undertakings. As of 31 March 2019, there were six power-sector PSUs in West Bengal, all of which were working. The name of DPL Coke Oven Limited, the only inactive power-sector PSU as on 31 March 2018, was struck off on 21 January 2019. Hence, there was no inactive power-sector PSU as of 31 March 2019. Besides, there was West Bengal Electricity Regulatory Commission (WBERC), a regulatory authority.

Investment in Power Sector PSUs

2.2 The activity-wise summary of investment in the Power Sector undertakings as on 31 March 2019 is given below:

Table 2.1: Activity-wise investment in Power Sector PSUs

| Activity | Number of Power Sector PSUs | Investment (₹ in crore) | | |
|-----------------------|-----------------------------|-------------------------|------------------|------------------|
| | | Equity | Long-term loans | Total |
| Generation | 2 | 8,807.82 | 9,215.78 | 18,023.60 |
| Transmission | 1 | 1,105.52 | 2,952.48 | 4,058.00 |
| Distribution | 1 | 2,354.31 | 5,216.31 | 7,570.62 |
| Others ¹⁵⁹ | 2 | 5.09 | 6.32 | 11.41 |
| Total | 6 | 12,272.74 | 17,390.89 | 29,663.63 |

(Source: Compiled based on information received from PSUs)

As on 31 March 2019, the total investment (equity and long-term loans) in six Power Sector PSUs was ₹ 29,663.63 crore. The investment consisted of ₹ 12,272.74 crore (41.37 per cent) towards equity and ₹ 17,390.89 crore (58.63 per cent) as long-term loans.

The gross investment in the Power Sector PSUs over the period from 2014-15 to 2018-19 had marginally increased by 1.13 per cent. However, in the same period while paid-up capital had increased by 25.07 per cent, long-term loans had reduced by 10.90 per cent. This resulted in improvement in debt-equity ratio from 1.99:1 to 1.42:1.

Budgetary Support to Power Sector PSUs

2.3 The Government of West Bengal provides financial support to Power Sector PSUs in various forms through annual budget. The summarised details of budgetary outgo towards equity, loans, grants/ subsidies, loans written off and

¹⁵⁹ West Bengal Green Energy Development Corporation Limited and Bengal Birbhum Coalfields Limited.

loans converted into equity during the year in respect of Power Sector PSUs for the last three years ending March 2019 are as follows in **Table 2.2**:

Table 2.2: Details regarding budgetary support to Power Sector PSUs

(₹ in crore)

| | Particulars ¹⁶⁰ | 2016-17 | | 2017-18 | | 2018-19 | |
|--------|-------------------------------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|
| | | Nos. of PSUs | Amount | Nos. of PSUs | Amount | Nos. of PSUs | Amount |
| (i) | Equity capital | 1 | 264.92 | 2 | 473.49 | 3 | 742.93 |
| (ii) | Loans | 3 | 1,711.55 | - | - | 2 | 518.80 |
| (iii) | Grants/ Subsidy | 3 | 3,578.08 | 3 | 1,215.94 | 2 | 79.20 |
| (iv) | Total Outgo (i+ii+iii) | 3* | 5,554.55 | 3* | 1,689.43 | 5* | 1,340.93 |
| (v) | Loan repayment written off | - | - | 1 | 26.59 | 1 | 84.89 |
| (vi) | Loans converted into equity | - | - | - | - | - | - |
| (vii) | Guarantees issued ¹⁶¹ | 1 | 150.00 | - | - | 1 | 2,160.00 |
| (viii) | Guarantee commitment ¹⁶² | 3 | 391.83 | 4 | 2,456.54 | 4 | 2,685.39 |

(Source: As per information furnished by PSUs)

* Some of the PSUs received assistance from the State Budget under more than one of category of assistance.

The annual budgetary assistance to the Power Sector PSUs decreased from ₹ 5,554.55 crore in 2016-17 to ₹ 1,340.93 crore in 2018-19. The budgetary assistance for the year 2018-19 included ₹ 742.93 crore, ₹ 518.80 crore and ₹ 79.20 crore in the form of equity, loans and grants/ subsidy, respectively. The equity assistance disbursed by the State Government included ₹ 514.29 crore to The Durgapur Projects Limited¹⁶³ to pay off its outstanding statutory dues to the Government of West Bengal along with interest.

Guarantee Commission

2.4 The State Government provides guarantees to PSUs to draw financial assistance from banks and financial institutions. The PSUs are liable to pay guarantee commission to GoWB at the rate of one *per cent per annum* on the amount outstanding against guarantees issued. During the last two years, no fresh guarantee was issued. The guarantee commitments increased by almost seven-fold from ₹ 391.83 crore in 2016-17 to ₹ 2,685.39 crore in 2018-19. During 2018-19, DPL had paid ₹ 164.25 crore of the outstanding guarantee commission of ₹ 186.80 crore. In addition, WBSEDCL had not paid outstanding guarantee commission of ₹ 15.94 crore as on March 2019, while WBSETCL had not even charged guarantee commission in their financial statements up to 2018-19. Similar information for other PSUs was not available.

¹⁶⁰ Amount represents outgo from State Budget only.

¹⁶¹ Government guarantees issued to the PSUs during a particular year.

¹⁶² Closing balance of Government guarantee in respect of PSUs at the end of a particular year.

¹⁶³ Disbursed in March 2019 with explicit instructions to utilise the entire amount, to pay to the Government of West Bengal, DPL's statutory dues and interest thereon towards electricity duty (₹ 298.25 crore), land revenue (₹ 51.79 crore) and guarantee fees (₹ 164.25 crore).

Reconciliation with Finance Accounts of Government of West Bengal

2.5 The figures in respect of equity, loans and guarantees outstanding as per records of Power Sector PSUs should agree with the figures appearing in the Finance Accounts of the Government of West Bengal. In case the figures do not agree, the PSUs concerned and the Finance Department should carry out reconciliation of the differences. The position in this regard as on 31 March 2019 is stated in **Table 2.3**:

Table 2.3: Equity, loans and guarantees outstanding as per Finance Accounts of GoWB vis-à-vis records of State PSUs

(₹ in crore)

| Outstanding in respect of | Amount as per Finance Accounts | Amount as per records of State PSUs | Total Difference in 2018-19 | Total Difference in 2017-18 |
|---------------------------|--------------------------------|-------------------------------------|-----------------------------|-----------------------------|
| (1) | (2) | (3) | (4) = (2) – (3) | (5) |
| Equity | 10,335.08 | 12,267.65 | (-) 1,932.57 | (-) 4,641.93 |
| Loans | 4,773.59 | 1,319.14 | 3,454.45 | 3,241.95 |
| Guarantees | 7,003.12 | 2,685.39 | 4,317.73 | 1,339.57 |

(Source: Information furnished by Power Sector PSUs and SFAR for the year ended March 2019)

Submission of accounts by Power Sector PSUs

2.6 Of the total six Power Sector PSUs under the purview of CAG as on 31 March 2019, all were working. The status of timelines followed by the State PSUs in preparation of accounts is as detailed under:

Timeliness in preparation of accounts by the Power Sector PSUs

Accounts for the year 2018-19 were required to be submitted by all the Power Sector PSUs by 30 September 2019. Five out of six Government Companies submitted their accounts for the year 2018-19 for audit by CAG on or before 30 September 2019. Further, details of arrears in submission of accounts of Power Sector PSUs as of 30 September of following year for each of the last five financial years ending 31 March 2019 are given at **Table 2.4**:

Table 2.4: Position relating to submission of accounts by the working State PSUs

| Sl. No. | Particulars | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---------|--|---------|---------|---------|---------|---------|
| 1. | Number of PSUs | 7 | 7 | 8 | 8 | 6 |
| 2. | Number of accounts submitted during current year | 7 | 6 | 9 | 7 | 8 |
| 3. | Number of PSUs which finalised accounts for the current year | 7 | 6 | 7 | 4 | 5 |
| 4. | Number of previous year accounts finalised during current year | - | - | 1 | 3 | 3 |
| 5. | Number of PSUs with arrears in accounts | - | 1 | 1 | 4 | 1 |
| 6. | Number of accounts in arrears | - | 1 | 2 | 4 | 1 |
| 7. | Extent of arrears (years) | - | 1 | 2 | 1 | 1 |

(Source: Compiled based on accounts of PSUs received during the period October 2018 to September 2019)

During the period from 01 October 2018 to 30 September 2019, the Power Sector PSUs had finalised eight annual accounts comprising five accounts for 2018-19 and three accounts for previous years. Besides, one accounts of The Durgapur Projects Limited (DPL) was in arrears. The Chief Secretary to the Government of West Bengal is informed quarterly regarding arrears in accounts.

In absence of finalisation of accounts, no assurance could be given on whether the investments and expenditure incurred had been properly accounted for and the purpose for which the amount was invested was achieved. The GoWB investment in this PSU, therefore, remained outside the oversight of State Legislature.

Performance of Power Sector PSUs

2.7 The financial position and working results of the six Power Sector PSUs as per their latest finalised accounts as on 30 September 2019 are detailed in *Appendix-9*.

The performance of a company is traditionally assessed through percentage of turnover to GSDP, return on investment, return on equity and return on capital employed.

Percentage of turnover to GDP of the State

2.7.1 The details of turnover of Power Sector PSUs as per their latest available accounts and GDP of West Bengal for a period of five years ending March 2019 are shown in **Table 2.5**:

Table 2.5: Details of Turnover of Power Sector PSUs vis-à-vis GDP of West Bengal

(₹ in crore)

| Particulars | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|--|-----------|-----------|-----------|-----------|-----------|
| Turnover | 26,056.63 | 25,158.28 | 29,348.48 | 31,773.99 | 33,310.76 |
| Percentage change of turnover over previous year | - | (-) 3.45 | 16.66 | 8.26 | 4.84 |
| GDP of West Bengal | 7,18,082 | 7,97,300 | 8,79,167 | 10,20,858 | 11,77,586 |
| Percentage change of GDP over previous year | - | 11.03 | 10.27 | 16.12 | 15.35 |
| Percentage of turnover to GDP of West Bengal | 3.63 | 3.16 | 3.34 | 3.11 | 2.83 |

(Source: Compiled based on turnover figures of PSUs and State GDP figures as per information in previous Audit Report and the Finance Accounts, Volume-I, 2018-19, GoWB)

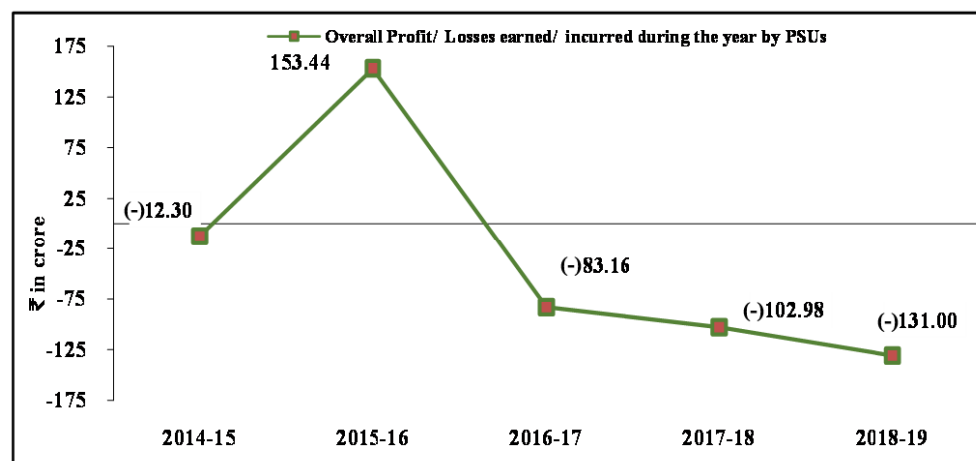
In 2018-19, the turnover of the PSUs relative to State GDP was 2.83 per cent and had marginally decreased over the five years 2014-19. The compounded annual growth¹⁶⁴ of State GDP was 11.71 per cent during last five years, while in the same period, the turnover of Power Sector PSUs recorded lower compounded annual growth of 4.26 per cent. This resulted in decrease in share of turnover of these PSUs to the State GDP from 3.63 per cent in 2014-15 to 2.83 per cent in 2018-19.

¹⁶⁴ Rate of Compounded Annual Growth $[\{(Value\ of\ 2018-19/Value\ of\ 2013-14)^{(1/5\ years)} - 1\} * 100]$ where turnover and State GDP for the year 2013-14 was ₹ 27,037.91 crore and ₹ 6,76,848 crore respectively.

Rate of Real Return on Investment

2.7.2 Rate of Real Return on Investment is the percentage of profit or loss to the Present Value (PV) of total investment. The overall position of profits earned/ losses¹⁶⁵ incurred by the State PSUs during 2014-15 to 2018-19 is depicted below in **Chart 2.1**:

Chart 2.1: Profit/ Losses earned/ incurred by PSUs during the years



(Source: As per latest accounts as of 30 September following the respective financial years)

The loss of ₹ 12.30 crore incurred by the Power Sector PSUs in 2014-15 increased to ₹ 131 crore in 2018-19. This was mainly due to rise in losses of The Durgapur Projects Limited from ₹ 324.60 crore in 2014-15 to ₹ 591.22 crore in 2018-19. Moreover, West Bengal State Electricity Distribution Company Limited slipped into losses from 2016-17 with the adoption of Ind AS.

As per latest finalised accounts till September 2019, three Power Sector PSUs earned profit of ₹ 505.46 crore and the remaining three incurred losses of ₹ 636.46 crore as detailed in **Appendix-9**. The top profit earning companies were West Bengal State Electricity Transmission Company Limited (₹ 404.72 crore) and West Bengal Power Development Corporation Limited (₹ 99.61 crore), the aggregate profits of which were less than the loss incurred by The Durgapur Project Limited (₹ 591.22 crore).

The GoWB has not formulated any dividend policy. None of the Power Sector PSUs had declared dividends since incorporation, although two Power Sector PSUs had earned profits in all five years from 2014-15 to 2018-19.

Rate of Real Return (RORR) on the basis of historical cost of investment

2.7.3 For the purpose of calculation of the RORR the total figure of Investment in working Power Sector PSUs by the Government of West Bengal, Government of India and others has been arrived by considering equity, interest free loans and grants as well as subsidies for operational & management purpose.

As on 31 March 2019, equity of the GoWB, GoI and others in these six PSUs, aggregated to ₹ 12,272.74 crore and grants as well as subsidies for operational and management expenses adding up to ₹ 6,095.09 crore. The entire outstanding long-term loans of ₹ 17,390.89 crore were interest-bearing. Thus, the aggregate

¹⁶⁵ Figures are as per the latest finalised accounts of the respective years.

investment in these PSUs on the basis of historical cost stood at ₹ 18,367.83 crore (₹ 12,272.74 crore + ₹ 6,095.09 crore). The rate of real return on investment on the basis of historical cost of investment in the Power Sector for the period 2014-15 to 2018-19 is given in **Table 2.6**:

Table 2.6: Annual rate of Real Return on Investment on historical cost basis

(₹ in crore)

| Year | Total Earnings for the year | Investment in the form of equity, interest free loans and grants/ subsidies for operational & management expenses on historical cost basis | | | | Rate of Real Return on investment on historical cost basis (in per cent) |
|---------|-----------------------------|--|---------------------|--------------------------|-----------|--|
| | | Government of West Bengal | Government of India | Funds invested by others | Total | |
| 2014-15 | (-) 12.30 | 11,170.08 | 10.37 | 14.86 | 11,195.31 | (-) 0.11 |
| 2015-16 | 153.44 | 12,416.07 | 21.77 | 14.86 | 12,452.70 | 1.23 |
| 2016-17 | (-) 83.16 | 16,259.07 | 21.77 | 14.86 | 16,295.70 | (-) 0.51 |
| 2017-18 | (-) 102.98 | 17,488.98 | 31.93 | 14.96 | 17,535.87 | (-) 0.59 |
| 2018-19 | (-) 131.00 | 18,307.48 | 55.25 | 5.10 | 18,367.83 | (-) 0.71 |

(Source: Compiled based on information received from PSUs)

It would be seen from the table that the rate of return in the Power Sector has been positive only in one year viz. 2015-16. This was mostly due to increase in profits of WBSETCL by 62.34 per cent i.e. from ₹ 269.26 crore (2014-15) to ₹ 437.11 crore (2015-16).

It was also noticed that between 2014-15 and 2018-19, the aggregate debt equity ratio of the working power-sector PSUs reduced from 1.99 to 1.42. This was mainly due to disbursement by GoWB of share capital of ₹ 2,460.17 crore and grants of ₹ 4,563.16 crore for paying principal (₹ 3,031.42 crore) and interest (₹ 1,531.74 crore) on Government loans in this period. However, from October 2018 to November 2020, credit rating agencies had in respect of three¹⁶⁶ of the largest Power Sector PSUs downgraded either their outlook or their rating, largely due to stretched liquidity and rise in receivables. This indicated that the performance of the Power Sector was deteriorating.

Return on Investment on the basis of Present Value of Investment

2.7.4 Traditional calculation of return based only on the basis of historical cost ignores the present value of money. Calculating RORR on the basis of PV is a more adequate assessment. During the five-year period from 2014-15 to 2018-19, these PSUs had positive rate of real return on investment only in 2015-16. Therefore for the year 2015-16, ROI could be calculated and depicted on the basis of PV.

The PV of the total investment in these six PSUs was computed on the following assumptions:

- The equity infused minus disinvestment has been reckoned as investment for calculating the rate of real return on investments. Further, interest free long-term loans and assistance as grants/ subsidies have been considered

¹⁶⁶ West Bengal State Electricity Distribution Company Limited, West Bengal State Electricity Transmission Company Limited and West Bengal Power Development Corporation Limited.

as investment infusion. In case of either repayment of loans by the PSUs or their subsequent conversion to equity/ interest bearing loans, the PV was calculated on the reduced balances of interest free loans over the period.

- The average rate of interest on government borrowings for the concerned financial year¹⁶⁷ was adopted as compounded rate for arriving at present value since they represent the cost incurred towards investment of funds for the year and, therefore, considered as the minimum expected rate of return on investments.

The investment by the GoWB, GoI and others in the working Power Sector PSUs at the end of the year 2018-19 was ₹ 18,367.83 crore consisting of equity (₹ 12,272.74 crore) and grants/ subsidies (₹ 6,095.09 crore). The PV of funds infused by the GoWB, GoI and others up to 31 March 2019 amounted to ₹ 63,652.60 crore.

As the working Power Sector PSUs earned profits only during the year 2015-16, comparison at historical cost and at present value is given in **Table 2.7**:

Table 2.7: Real Rate of Return on total investment on Present Value

(₹ in crore)

| Year | Total Earnings for the year | Total Investment in the form of equity, interest free loans and grants/ subsidies for operational & management expenses on historical cost basis | RROI on historical cost basis (in per cent) | Present value of the total investment at the end of the year | RROI on present value of the investments (in per cent) |
|---------|-----------------------------|--|---|--|--|
| 2015-16 | 153.44 | 12,452.70 | 1.23 | 37,501.81 | 0.41 |

(Source: Compiled based on information received from PSUs)

Return on Equity

2.7.5 Return on Equity (RoE) is a measure of financial performance to assess how effectively management is using shareholders' funds to create profits and is calculated by dividing net income (*i.e.* net profit after taxes) by shareholders' funds, expressed as a percentage.

Shareholders' funds of a Company is calculated by adding paid up capital including share application money and free reserves net of accumulated losses and deferred revenue expenditure. A positive shareholders' funds implies that the company has enough assets to cover its liabilities while negative shareholder equity means that liabilities exceed assets.

RoE computed in respect of Power Sector PSUs, which have earned profit or incurred loss, as per their latest annual financial statements is detailed in the **Table 2.8**:

¹⁶⁷ The average rate of interest on government borrowings was adopted from the Reports of the C&AG of India on State Finances (Government of West Bengal) for the concerned year wherein the average rate for interest paid = Interest Payment/[Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]*100.

Table 2.8: Profit and loss wise Return on Equity on Power Sector PSUs

(₹ in crore)

| | Year | No. of PSUs | Net Profit/ (Loss) | Shareholders' funds | RoE in per cent |
|-----------------------|---------|-------------|--------------------|---------------------|------------------|
| | (1) | (2) | (3) | (4) | (5)={3}/(4)}*100 |
| Profit earning | 2014-15 | 4 | 314.17 | 12,142.93 | 2.50 |
| | 2015-16 | 4 | 481.16 | 14,578.11 | 3.30 |
| | 2016-17 | 3 | 481.09 | 13,336.24 | 3.61 |
| | 2017-18 | 4 | 475.22 | 15,058.86 | 3.16 |
| | 2018-19 | 3 | 505.46 | 12,328.20 | 4.10 |
| Loss incurring | 2014-15 | 2 | (-) 326.47 | (-) 245.82 | - |
| | 2015-16 | 2 | (-) 327.72 | (-) 587.83 | - |
| | 2016-17 | 4 | (-) 564.25 | 1,293.35 | 43.63 |
| | 2017-18 | 3 | (-) 578.20 | 1,116.27 | 51.80 |
| | 2018-19 | 3 | (-) 636.46 | 616.10 | 103.30 |
| Total* | 2014-15 | 6 | (-) 12.30 | 11,897.11 | (-) 0.10 |
| | 2015-16 | 6 | 153.44 | 13,990.28 | 1.10 |
| | 2016-17 | 7 | (-) 83.16 | 14,629.59 | (-) 0.57 |
| | 2017-18 | 7 | (-) 102.98 | 13,474.18 | (-) 0.76 |
| | 2018-19 | 6 | (-) 131.00 | 12,944.30 | (-) 1.01 |

(Source: Compiled based on information received from PSUs)

* Working PSUs which had not submitted their first accounts since inception have been excluded.

The Return on Equity of the loss incurring Power Sector PSUs was not worked out for 2014-15 and 2015-16 as their net worth was negative. PSUs in Power Sector as a whole had posted profits only in 2015-16.

Return on Capital Employed

2.7.6 Return on Capital Employed (RoCE) is a ratio that measures a company's profitability and the efficiency with which its capital is employed. RoCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the capital employed.¹⁶⁸

During 2014-15 to 2018-19, the RoCE of power-sector PSUs steadily increased from 6.50 per cent to 10.42 per cent. The reason for improvement in RoCE was mainly reduction in borrowings. Moreover, the RoCE was substantially above aggregate RoE of these PSUs which, in the same period, decreased from (-) 0.10 per cent to (-) 1.01 per cent.

The details of total RoCE of all the profit earning and loss incurring State PSUs during the period from 2014-15 to 2018-19 are given in **Table 2.9**:

¹⁶⁸ Capital employed = Paid up share capital + free reserves and surplus + long-term loans - accumulated losses - deferred revenue expenditure. Figures are as per the latest year for which accounts of the PSUs are finalised.

Table 2.9: Profit and loss wise Return on Capital Employed of Power Sector PSUs*(₹ in crore)*

| | Year | No. of PSUs | EBIT | Capital Employed | RoCE (in per cent) |
|-----------------------|---------|-------------|------------|------------------|--------------------|
| | (1) | (2) | (3) | (4) | (5)={3}/(4)*100 |
| Profit earning | 2014-15 | 4 | 2,537.15 | 35,383.17 | 7.17 |
| | 2015-16 | 4 | 2,769.12 | 39,783.32 | 6.96 |
| | 2016-17 | 3 | 1,557.10 | 22,882.98 | 6.80 |
| | 2017-18 | 4 | 1,709.54 | 21,575.18 | 7.92 |
| | 2018-19 | 3 | 1,977.24 | 21,435.85 | 9.22 |
| Loss incurring | 2014-15 | 2 | (-) 109.92 | 1,977.72 | (-) 5.56 |
| | 2015-16 | 2 | (-) 2.47 | 2,062.92 | (-) 0.12 |
| | 2016-17 | 4 | 1,495.43 | 10,183.35 | 14.69 |
| | 2017-18 | 3 | 1,305.41 | 9,681.49 | 13.48 |
| | 2018-19 | 3 | 1,170.11 | 8,779.79 | 13.33 |
| Total* | 2014-15 | 6 | 2,427.23 | 37,360.89 | 6.50 |
| | 2015-16 | 6 | 2,806.65 | 41,846.24 | 6.71 |
| | 2016-17 | 7 | 3,025.53 | 33,066.63 | 9.23 |
| | 2017-18 | 7 | 3,014.95 | 31,256.67 | 9.65 |
| | 2018-19 | 6 | 3,147.35 | 30,215.64 | 10.42 |

(Source: Compiled based on information received from PSUs)

* Working PSUs which had not submitted their first accounts since inception have been excluded.

The EBIT of the loss-incurring PSUs was negative in 2014-15 and 2015-16 but was positive in the subsequent three years. Therefore, from 2016-17 to 2018-19, all the power-sector PSUs had a positive RoCE.

Erosion of Net worth

2.7.7 Net worth means the sum total of the paid-up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure. Essentially, it is a measure of what an entity is worth to the shareholders and is also referred to as shareholders' funds. A negative net worth indicates that the entire investment by the shareholders has been wiped out by accumulated losses and deferred revenue expenditure. **Table 2.10** below indicates total paid up capital, total free reserves, total surpluses, total accumulated losses and net worth of the working Power Sector PSUs during the period 2014-15 to 2018-19:

Table 2.10: Net worth of working Power Sector PSUs*(₹ in crore)*

| Year | No. of PSUs* | Paid up Capital | Free Reserves & Surplus | Accumulated Profits (+)/Losses (-) | Net worth |
|---------|--------------|-----------------|-------------------------|------------------------------------|-----------|
| 1 | 2 | 3 | 4 | 5 | 6=3+4+5 |
| 2014-15 | 6 | 9,812.57 | 1,460.84 | 623.70 | 11,897.11 |
| 2015-16 | 6 | 10,751.79 | 2,110.38 | 1,128.11 | 13,990.28 |
| 2016-17 | 7 | 11,066.18 | 2,286.00 | 1,277.41 | 14,629.59 |
| 2017-18 | 7 | 11,539.67 | 2,700.95 | (-) 766.44 | 13,474.18 |
| 2018-19 | 6 | 11,583.45 | 3,125.74 | (-) 1,764.89 | 12,944.30 |

(Source: Compiled based on information received from PSUs)

* PSUs which had not submitted their first accounts since inception have been excluded.

As can be seen, the combined net worth of the working PSUs was positive during the five-year period. The net worth has increased marginally from ₹ 12,315.68 crore in 2014-15 to ₹ 12,944.30 crore in 2018-19 due to increase in paid up capital and free reserves.

Analysis of Long-term Loans of the State PSUs

2.7.8 Analysis of the long-term loans of the PSUs which had leverage during 2014-15 to 2018-19 was carried out to assess the ability of the companies to serve the debt owed by the companies to the Government, banks and other financial institutions. This is assessed through the interest coverage ratio and debt turnover ratio.

Interest Coverage Ratio

2.7.9 Interest coverage ratio is used to determine the ability of a PSU to pay interest on outstanding debt and is calculated by dividing earnings before interest and taxes (EBIT) of a PSU by interest expenses of the same period. The lower the ratio, the lesser is the ability of the PSU to pay interest on debt. An interest coverage ratio below one indicated that the PSU was not generating sufficient revenues to meet its expenses on interest. The details of interest coverage ratio (ICR) in respect of Power Sector PSUs having interest burden during the period from 2014-15 to 2018-19 are given in **Table 2.11**:

Table 2.11: Interest Coverage Ratio relating to Power Sector PSUs

(₹ in crore)

| Year | Earnings before interest and tax (EBIT) | Interest | Number of PSUs having liability of loans from Government and Banks and other financial institutions | Number of PSUs having interest coverage ratio more than 1 | Number of PSUs having interest coverage ratio less than 1 |
|---------|---|----------|---|---|---|
| 2014-15 | 2,427.23 | 2,438.29 | 4 | 3 | 1 |
| 2015-16 | 2,766.65 | 2,612.27 | 4 | 3 | 1 |
| 2016-17 | 3,025.53 | 3,134.91 | 4 | 2 | 2 |
| 2017-18 | 3,014.95 | 3,117.14 | 4 | 2 | 2 |
| 2018-19 | 3,147.35 | 3,140.11 | 5 | 3 | 2 |

(Source: Compiled based on information received from PSUs)

Of the five Power Sector PSUs having liability of loans from Government as well as banks and other financial institutions during 2018-19, three PSUs had interest coverage ratio of more than one. Remaining two PSUs had interest coverage ratio below one, indicating that they could not generate sufficient revenues to meet their expenses on interest during the period.

Debt Turnover Ratio

2.7.10 During the last five years, the turnover of the working Power Sector PSUs recorded compounded annual growth of 4.26 per cent and compounded annual growth of debt was (-) 2.28 per cent due to which the debt turnover ratio improved from 0.75 in 2014-15 to 0.52 in 2018-19 as given in **Table 2.12**:

Table 2.12: Debt Turnover Ratio relating to the State PSUs

(₹ in crore)

| Particulars | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|--|-----------|-----------|-----------|-----------|-----------|
| Debt from Government and others (Banks and Financial Institutions) | 19,544.71 | 21,122.96 | 18,338.74 | 17,995.79 | 17,390.89 |
| Turnover | 26,056.63 | 25,158.28 | 29,348.48 | 31,773.99 | 33,310.76 |
| Debt-Turnover Ratio | 0.75:1 | 0.84:1 | 0.62:1 | 0.57:1 | 0.52:1 |

(Source: Compiled based on information received from PSUs)

The debt-turnover ratio ranged between 0.84 and 0.52 during this period.

2.8 Follow up action on Audit Reports

The Audit Reports on Public Sector Undertakings for the year ended 31 March 2018, after countersignature of CAG on 28 July 2020, were despatched to Finance Department, Government of West Bengal on 17 August 2020. Reminder for placement of Audit Report was issued by the Principal Accountant General to the Finance Department on 29 January 2021.

Discussion of Audit Reports by COPU

2.8.1 The status of discussion of Performance Audits and Paragraphs that appeared in Audit Reports (PSUs) by the COPU as on 30 September 2019 was as under in **Table 2.13**:

Table 2.13: Performance Audits/ Paragraphs relating to Power Sector PSUs appeared in Audit Reports *vis-à-vis* discussed as on 30 September 2019.

| Period of Audit Report | Number of Performance Audits/ Paragraphs | | | |
|------------------------|--|------------|-----------|------------|
| | Appeared in Audit Reports | | Discussed | |
| | PAs | Paragraphs | PAs | Paragraphs |
| 2011-2017 | 4 | 25 | 2 | 10 |

(Source: Database maintained in the PAG Office based on latest accounts received)

Compliance to Reports of COPU

2.8.2 According to rules of Procedure of COPU, Action Taken Notes (ATNs) on the recommendation contains in the COPU Reports are to be submitted by the Government within three months of their receipt. The five COPU reports where Action Taken Notes were yet to be received from the Department of Power as on 30 September 2019 contain 12 recommendations in respect of paragraphs, which had appeared in the Reports of the CAG of India for the years 2010-11 to 2015-16.

Chapter III

Functioning of State Public Sector Undertakings (Non-power Sector)

Chapter III

Functioning of State Public Sector Undertakings (Non-power Sector)

Introduction

3.1 State Public Sector Undertakings (Non-power Sector) consist of State Government Companies, Government-controlled other Companies, subsidiary Companies and Statutory Corporations as of 31 March 2019, operating in the Non-power Sector. These included 42 working Government Companies, one working other Government-controlled Company, eight working subsidiary companies, eight working Statutory Corporations, one inactive Statutory Corporation, 15 inactive Government Companies and three inactive subsidiary companies (*Appendix-8*).

Investment in State PSUs (Non-power Sector)

3.2 The sector-wise investment in all State PSUs (Non-power Sector) as on 31 March 2019 is as follows:

Table 3.1: Sector-wise investment in State PSUs (Non-power Sector)

(₹ in crore)

| Sector | Total number of State PSUs | Investment | | |
|--------------------|----------------------------|-----------------|------------------|------------------|
| | | Equity* | Long-term loans* | Total |
| Social Sector | 22 | 1,905.67 | 330.04 | 2,235.71 |
| Competitive Sector | 42 | 727.96 | 3,962.72 | 4,690.68 |
| Others | 14 | 1,504.04 | 1,915.62 | 3,419.66 |
| Total | 78 | 4,137.67 | 6,208.38 | 10,346.05 |

(Source: Compiled based on information received from PSUs.)

* Includes paid-up capital, share application money and non-current component of principal amount of loans from the Central Government, State Governments and other including Public Financial Institutions and Commercial banks.

As on 31 March 2019, the total investment (equity and long-term loans) in 78 State PSUs (Non-power Sector) was ₹ 10,346.05 crore. The investment consisted of ₹ 4,137.67 crore (39.99 per cent) towards equity and ₹ 6,208.38 crore (60.01 per cent) in long-term loans, as shown in *Appendix-8*.

Budgetary Support to State PSUs (Non-power Sector)

3.3 The Government of West Bengal provides financial support to State PSUs in various forms through annual budget. The summarised details of budgetary outgo towards equity, loans, grants/ subsidies, loans written off and loans converted into equity during the year in respect of State PSUs for the last three years ending March 2019 are as follows in **Table 3.2**:

**Table 3.2: Details regarding budgetary support to State PSUs
(Non-power Sector)**

(₹ in crore)

| | Particulars ¹⁶⁹ | 2016-17 | | 2017-18 | | 2018-19 | |
|--------|-------------------------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|
| | | Number of PSUs | Amount | Number of PSUs | Amount | Number of PSUs | Amount |
| (i) | Equity Capital | 20 | 300.40 | 23 | 439.37 | 9 | 138.63 |
| (ii) | Loans | 29 | 523.47 | 24 | 453.39 | 21 | 321.80 |
| (iii) | Grants/ Subsidy | 28 | 1,152.73 | 31 | 1,968.89 | 15 | 1,341.48 |
| (iv) | Total Outgo (i+ii+iii) | 49* | 1,976.60 | 38* | 2,861.65 | 34* | 1,801.91 |
| (v) | Loan repayment written off | - | - | 2 | 3.77 | 11 | 334.29 |
| (vi) | Loans converted into equity | - | - | 1 | 13.24 | - | - |
| (vii) | Guarantees issued ¹⁷⁰ | - | - | - | - | - | - |
| (viii) | Guarantee Commitment ¹⁷¹ | 7 | 2,878.98 | 7 | 2,443.52 | 7 | 2,510.12 |

(Source: As per information furnished by PSUs)

*Some of the PSUs received assistance from the State Budget under more than one of category.

The annual budgetary assistance to State PSUs peaked in 2017-18 at ₹ 2,861.65 crore. Further, the budgetary assistance for the year 2018-19 included ₹ 138.63 crore, ₹ 321.80 crore and ₹ 1,341.48 crore in the form of equity, loans and grants/ subsidy respectively. The subsidy/ grants given by the State Government in 2018-19 were primarily to the Transport Sector (₹ 860.20 crore) for renovation of buses, purchase of spare parts, new buses and repayment of bank loans, while ₹ 478.63 crore was disbursed to two inactive PSUs¹⁷² for repayment of loans to the Government of West Bengal.

Guarantee Commission

3.4 The State Government provides guarantees to PSUs to draw financial assistance from banks and financial institutions. The PSUs are liable to pay guarantee commission to GoWB at the rate of one *per cent per annum* on the amount outstanding against guarantees issued. During the last two years, no fresh guarantee was issued. The guarantee commitments decreased by 12.81 *per cent* from ₹ 2,878.98 crore in 2016-17 to ₹ 2,510.12 crore in 2018-19. During 2018-19, West Bengal Essential Commodities Supply Corporation Limited had paid guarantee commission of ₹ 5.45 crore. Moreover, according to Kalyani Spinning Mills Limited, total guarantee commission of ₹ 0.77 crore was outstanding as of March 2019. Similar information for other PSUs was not communicated.

Reconciliation with Finance Accounts of Government of West Bengal

3.5 The figures in respect of equity, loans and guarantees outstanding as per records of State PSUs should agree with the figures appearing in the Finance

¹⁶⁹ Amount represents outgo from State Budget only.

¹⁷⁰ Government guarantees issued to the PSUs during a particular year.

¹⁷¹ Closing balance of Government guarantee in respect of PSUs at the end of a particular year.

¹⁷² Released under West Bengal Development Finance Programme to National Iron and Steel Company (1984) Limited and Neo Pipes and Tubes Limited for repayment of principal amount of Government loans (₹ 155.79 crore) and accumulated interest thereon (₹ 322.84 crore).

Accounts of the Government of West Bengal. In case the figures do not agree, the PSUs concerned and the Finance Department should carry out reconciliation of the differences. The position in this regard as on 31 March 2019 is stated in the **Table 3.3**:

Table 3.3: Equity, loans and guarantees outstanding as per Finance Accounts of Government of West Bengal vis-à-vis records of State PSUs

(₹ in crore)

| Outstanding in respect of | Amount as per Finance Accounts | Amount as per records of State PSUs | Total Difference in 2018-19 | Total Difference in 2017-18 |
|---------------------------|--------------------------------|-------------------------------------|-----------------------------|-----------------------------|
| (1) | (2) | (3) | (4) = (2) – (3) | (5) |
| Equity | 5,475.84 | 3,980.10 | 1,494.78 | 1,814.41 |
| Loans | 3,844.28 | 4,753.22 | (908.94) | 499.03 |
| Guarantees | 6,118.68 | 2,510.12 | 3,608.56 | 220.20 |

(Source: Information furnished by PSUs and State Finance Audit Report for the year ended March 2019)

Audit observed that differences in equity, loans and guarantees occurred in respect of 53 out of 72 PSUs, in which the Government had invested. Some of the differences were pending reconciliation for many years. These differences were brought to the notice of the concerned administrative departments and the managements of the PSUs concerned, through Audit Reports in successive years.

Submission of Accounts by State PSUs (Non-power Sector)

3.6 Out of the total 78 State PSUs (Non-power Sector) under the purview of CAG as on 31 March 2019, 59 PSUs comprising of 51 Government Companies and eight Statutory Corporations were working while the remaining 19 PSUs were inactive. Of these 78 PSUs, 77 are required to submit their annual accounts for audit by CAG. The accounts of one inactive Statutory Corporation (Great Eastern Hotel Authority) is not subject to audit by CAG. The status of timelines followed by the State PSUs in preparation of accounts is as detailed under:

Timeliness in preparation of accounts by the State PSUs (Non-power Sector)

Accounts for the year 2018-19 were required to be submitted by 78 State PSUs (Non-power Sector) by 30 September 2019. However, out of 77 PSUs, only 30 (29 Government Companies, one Statutory Corporation) had submitted their accounts for the year 2018-19 for audit by CAG on or before 30 September 2019. The accounts of 48 PSUs (40 Government Companies, eight¹⁷³ Statutory Corporations) were in arrears. Details of arrears in submission of accounts of PSUs as of 30 September following for each of the last five financial years ending 31 March 2019 are given at **Table 3.4**:

¹⁷³ First accounts of WBSCST&OBCD&FC were not submitted upto September 2019.

Table 3.4: Position relating to submission of accounts by the working State PSUs

| Sl. No. | Particulars | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---------|--|---------|---------|---------|---------|---------|
| 1. | Number of PSUs | 84 | 82 | 84 | 86 | 78 |
| 2. | Number of accounts submitted during current year | 73 | 80 | 78 | 96 | 84 |
| 3. | Number of PSUs which finalised accounts for the current year | 30 | 30 | 31 | 37 | 30 |
| 4. | Number of previous year accounts finalised during current year | 43 | 50 | 47 | 59 | 54 |
| 5. | Number of PSUs with arrears in accounts | 54 | 52 | 53 | 49 | 48 |
| 6. | Number of accounts in arrears | 121 | 123 | 138 | 126 | 119 |
| 7. | Extent of arrears (years) | 1 to 9 | 1 to 10 | 1 to 11 | 1 to 12 | 1 to 13 |

(Source: Compiled based on accounts of PSUs received during the period October 2018 to September 2019)

During the period from 01 October 2018 to 30 September 2019, 58 of the 78 State PSUs had finalised 84 annual accounts which, included 30 accounts for the year 2018-19 and 54 accounts for previous years. Further, in this period 10 PSUs had not even submitted one accounts. Thus, 119 accounts of 48 PSUs (working: 33, inactive: 15) were in arrears. The details of the latest accounts of the PSUs received up to 30 September 2019 are given at **Appendix-9**. The Administrative Departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by these PSUs within the stipulated period. The Chief Secretary to the Government of West Bengal is informed quarterly regarding arrears in accounts. Sixteen SARs in respect of the seven Statutory Corporations were issued to Government during March 2014 to May 2019. These are yet to be placed in the State Legislature.

In absence of finalisation of accounts and their subsequent audit in the remaining 48 out of 78 PSUs, no assurance could be given on whether the investments and expenditure incurred had been properly accounted for and the purpose for which the amount was invested was achieved. The GoWB investment in these PSUs, therefore, remained outside the oversight of State Legislature.

Recommendation: Administrative Departments should strictly monitor and issue necessary directions to clear the arrears in accounts. The Government may also look into the constraints in preparing the accounts of the PSUs and take necessary steps to clear the arrears in accounts.

Performance of State PSUs (Non-power Sector)

3.7 The financial position and working results of the 78 State PSUs (Non-power Sector) as per their latest finalised accounts as on 30 September 2019 are detailed in **Appendix-9**. Their performance is analysed from the latest finalised accounts of PSUs as of 30 September of the following year for each of the last five financial years ending 31 March 2019 and discussed hereafter.

The performance of a company is traditionally assessed through percentage of turnover to State GDP, return on investment, return on equity and return on capital employed.

Percentage of turnover to State GDP

3.7.1 Table 3.5 provides the details of turnover of State PSUs (Non-power Sector) and GDP of West Bengal for a period of five years ending March 2019:

Table 3.5: Details of Turnover of Non-power State PSUs vis-à-vis GDP of West Bengal

| Particulars | ₹ in crore | | | | |
|--|------------|-----------|----------|-----------|-----------|
| | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Turnover | 13,770.12 | 5,202.68 | 5,923.62 | 12,126.13 | 19,642.38 |
| Percentage change of turnover over previous year | - | (-) 62.22 | 13.86 | 104.71 | 61.98 |
| GDP of West Bengal | 7,18,082 | 7,97,300 | 8,79,167 | 10,20,858 | 11,77,586 |
| Percentage change of GDP over previous year | - | 11.03 | 10.27 | 16.12 | 15.35 |
| Percentage of turnover to GDP of West Bengal | 1.91 | 0.65 | 0.67 | 1.19 | 1.67 |

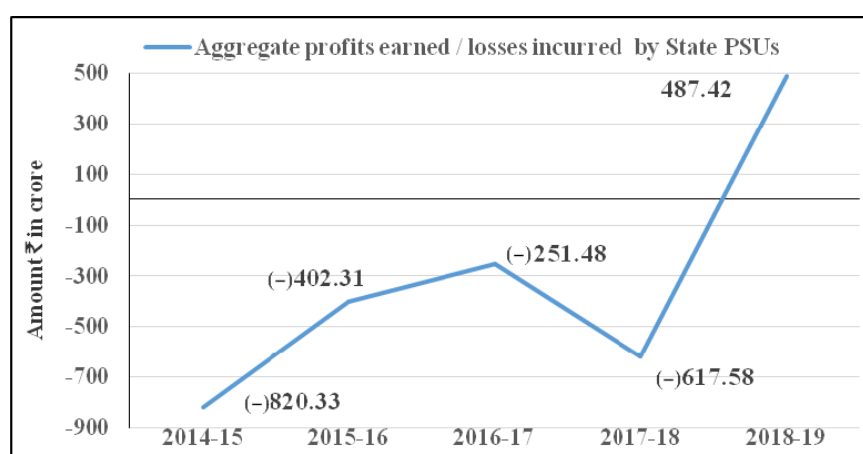
(Source: Compiled based on turnover figures of State PSUs and State GDP figures as per information in previous Audit Reports and the Finance Accounts, Volume-I, 2018-19, GoWB)

The turnover of these PSUs decreased sharply in 2015-16 over 2014-15 by 37.78 per cent due to disinvestment of controlling stake in Haldia Petrochemicals Limited (HPL). It increased in 2017-18 and 2018-19 by 104.71 per cent and 61.98 per cent respectively over the preceding years due to the addition and expansion of business of a new Government Company, viz. West Bengal State Beverages Corporation Limited. The Compounded Annual Growth Rate (CAGR)¹⁷⁴ of State GDP was 13.16 per cent during last five years, while the corresponding CAGR for turnover of non-power PSUs was 9.34 per cent.

Rate of Real Return on Investment

3.7.2 Rate of Real Return on Investment is the percentage of profit or loss to the Present Value (PV) of total investment. The overall position of profits earned/ losses¹⁷⁵ incurred by all 78 State PSUs (Non-power Sector) during 2014-15 to 2018-19 is depicted below in **Chart 3.1**:

Chart 3.1: Profit/ Losses earned/ incurred by State PSUs (Non-power Sector) during the years



(Source: As per latest Accounts as of 30 September following the respective financial years)

¹⁷⁴ Rate of Compounded Annual Growth $((\text{value of 2018-19}/\text{value of 2014-15})^{1/4} - 1) * 100$ where turnover and GSDP for the year 2014-15 was ₹ 13,770.12 crore and ₹ 7,18,082 crore respectively.

¹⁷⁵ Figures are as per the latest finalised accounts of the respective years.

The loss of ₹ 820.33 crore incurred by these PSUs in 2014-15 turned into profit of ₹ 487.42 crore in 2018-19. This is largely due to a significant jump in the profits of West Bengal Industrial Development Corporation Limited (WBIDCL) from ₹ 26.31 crore in 2017-18 to ₹ 885.27 crore in 2018-19, mainly on account of re-classification of items to profit or loss on adoption of Ind AS in 2018-19. Since this is not actual profit it will not be repeated in subsequent years.

As per latest finalised accounts of 58 working PSUs till September 2019, 30 PSUs earned aggregate profit of ₹ 1,314.22 crore and 28 PSUs incurred aggregate losses of ₹ 573.08 crore. The working results of each PSUs as per its latest available accounts is given in *Appendix-9*. The remaining one¹⁷⁶ corporation has not yet submitted its first accounts till September 2019. Besides WBIDCL (₹ 885.27 crore), the other top profit earning company was West Bengal State Beverages Corporation Limited (₹ 80.30 crore). The major contributors to the losses were Calcutta State Transport Corporation (₹ 68 crore), West Bengal Transport Corporation Limited (₹ 188.92 crore) and West Bengal Surface Transport Corporation Limited (₹ 89.98 crore).

Rate of Real Return on the basis of historical cost of investment

3.7.3 For the purpose of calculation of the RORR the total figure of investment in working Non-power Sector PSUs by the Government of West Bengal, Government of India and others has been arrived by considering equity, interest free loans and grants as well as subsidies for operational and management purposes. As per the latest accounts finalised till September 2019, equity of the GoWB, GoI and others in these 78 non-power State PSUs, aggregated to ₹ 4,137.67 crore and grants as well as subsidies for operational and management expenses adding up to ₹ 18,587.54 crore. Out of the outstanding long-term loans of ₹ 6,208.38 crore, ₹ 546.30 crore was interest-free. Thus, the aggregate investment in these PSUs on the basis of historical cost stood at ₹ 23,271.51 crore (₹ 4,137.67 crore + ₹ 18,587.54 crore + ₹ 546.30 crore). The sector-wise rate of real return on investment on the basis of historical cost of investment for the period 2014-15 to 2018-19 is given in **Table 3.6**:

Table 3.6 Sector wise Rate of Real Return on Investment on historical cost basis

(₹ in crore)

| Year wise | Total Earnings for the year | Investment in the form of equity, interest free loans and grants/ subsidies for operational & management expenses on historical cost basis | | | | Rate of Real Return on investment on historical cost basis (in per cent) |
|---------------------------|-----------------------------|--|-----------------|--------------------------|------------------|--|
| | | Govt. of West Bengal | Govt. of India | Funds invested by others | Total | |
| 2014-15 | | | | | | |
| Social Sector | 99.81 | 8,403.36 | 325.92 | 7.57 | 8,736.85 | 1.14 |
| Competitive Sector | (-) 1,079.20 | 6,434.99 | 50.15 | 48.62 | 6,533.76 | (-) 16.52 |
| Others | 159.06 | 1,691.56 | 1,082.44 | 19.92 | 2,793.92 | 5.69 |
| Total | (-) 820.33 | 16,529.91 | 1,458.51 | 76.11 | 18,064.53 | (-) 4.54 |

¹⁷⁶ WBCSST&OBCD&FC

| Year wise Sector-wise break-up | Total Earnings for the year | Investment in the form of equity, interest free loans and grants/ subsidies for operational & management expenses on historical cost basis | | | | Rate of Real Return on investment on historical cost basis (in per cent) |
|--------------------------------------|--------------------------------------|--|-------------------|--------------------------------|------------------|---|
| | | Govt. of West Bengal | Govt. of India | Funds invested by others | Total | |
| 2015-16 | | | | | | |
| Social Sector | 71.98 | 8,996.89 | 325.92 | 7.57 | 9,330.38 | 0.77 |
| Competitive Sector | (-) 660.02 | 6,210.72 | 50.15 | 48.62 | 6,309.49 | (-) 10.46 |
| Others | 185.73 | 1,979.35 | 1,087.44 | 19.92 | 3,086.71 | 6.02 |
| Total | (-) 402.31 | 17,186.96 | 1,463.51 | 76.11 | 18,726.58 | (-) 2.15 |
| 2016-17 | | | | | | |
| Social Sector | 87.09 | 9,576.28 | 325.92 | 7.57 | 9,909.77 | 0.88 |
| Competitive Sector | (-) 486.11 | 7,047.38 | 50.15 | 48.62 | 7,146.15 | (-) 6.80 |
| Others | 147.54 | 2,240.65 | 1,102.45 | 19.92 | 3,363.02 | 4.39 |
| Total | (-) 251.48 | 18,864.31 | 1,478.52 | 76.11 | 20,418.94 | (-) 1.23 |
| 2017-18 | | | | | | |
| Social Sector | 24.53 | 10,414.25 | 319.17 | 7.62 | 10,741.04 | 0.23 |
| Competitive Sector | (-) 759.30 | 8,349.11 | 55.29 | 46.59 | 8,450.99 | (-) 8.98 |
| Others | 117.19 | 2,361.23 | 1,105.20 | 8.32 | 3,474.75 | 3.37 |
| Total | (-) 617.58 | 21,124.59 | 1,479.66 | 62.53 | 22,666.78 | (-) 2.72 |
| 2018-19 | | | | | | |
| Social Sector | (-) 23.75 | 10,302.53 | 319.42 | 6.70 | 10,628.65 | (-) 0.22 |
| Competitive Sector | (-) 500.96 | 8,990.78 | 55.29 | 19.05 | 9,065.12 | (-) 5.53 |
| Others | 1,012.13 | 2,453.97 | 1,115.45 | 8.32 | 3,577.74 | 28.29 |
| Total | 487.42 | 24,747.28 | 1,490.16 | 34.07 | 23,271.51 | 2.09 |

(Source: Compiled based on information received from PSUs)

It would be seen from the table that while PSUs in the competitive sector had a negative return in all five years, the social sector had a negative return in the last one year. Only the 'others' sector had a positive return in all five years, with 2018-19 having a significant jump on account of profits made (₹ 885.27 crore) by WBIDCL.

These 78 PSUs included 19 inactive PSUs and one¹⁷⁷ working PSU that had not submitted any account up to September 2019. Out of 58 working PSUs, there were eight Statutory Corporations and 50 Government Companies. It was seen from earlier Audit Reports, that 13 out of these 50 Companies had continuously incurred losses for five or more years according to their latest available accounts. These Companies had, however, not undergone financial restructuring or re-capitalisation in the past five years.

Return on Investment on the basis of Present Value of Investment

3.7.4 Traditional calculation of return based only on the basis of historical cost ignores the present value of money. Calculating RORR on the basis of PV is a more adequate assessment. These 78 non-power PSUs as a whole, had a positive rate of real return on investment only in the year 2018-19. The PV of the total investment in the working State PSUs (Non-power Sector) was computed on the following assumptions:

¹⁷⁷ West Bengal Scheduled Castes, Scheduled Tribes & Other Backward Classes Development & Finance Corporation

- The equity infused minus disinvestment has been reckoned as investment for calculating the rate of real return on investments. Further, interest free long-term loans and assistance as grants/ subsidies have been considered as investment infusion. In case of either repayment of loans by the PSUs or their subsequent conversion to equity/ interest bearing loans, the PV was calculated on the reduced balances of interest free loans over the period.
- The average rate of interest on government borrowings for the concerned financial year¹⁷⁸ was adopted as compounded rate for arriving at present value since they represent the cost incurred towards investment of funds for the year and therefore considered as the minimum expected rate of return on investments.

The investment by the GoWB, GoI and others in the Non-power State PSUs at the end of the year 2018-19 was ₹ 23,271.51 crore consisting of equity (₹ 4,137.67 crore), interest free loans (₹ 546.30 crore) and grants/ subsidies (₹ 18,587.54 crore). The PV of funds infused by the GoWB, GoI and others up to 31 March 2019 amounted to ₹ 1,42,845.97 crore.

The sector-wise comparison of returns on funds at historical cost and at present value for the five years from 2014-15 to 2018-19 are given in **Table 3.7:**

Table 3.7: Sector wise Real Rate of Return on total investment on Present Value

(₹ in crore)

| Year wise/ Sector-wise break-up | Total Earnings for the year | Total Investment in the form of equity, IFL and grants/ subsidies for operational & management expenses on historical cost basis | RROI on historical cost basis (in per cent) | Present value of the total investment at the end of the year | RROI on PV of the investments (in per cent) |
|---------------------------------------|-----------------------------------|--|--|--|--|
| 2014-15 | | | | | |
| Social Sector | 99.81 | 8,736.85 | 1.14 | 10,916.47 | 0.91 |
| Competitive Sector | (-) 1,079.20 | 6,533.76 | (-) 16.52 | 56,491.05 | (-) 1.91 |
| Others | 159.06 | 2,793.92 | 5.69 | 5,996.49 | 2.65 |
| Total | (-) 820.33 | 18,064.53 | (-) 4.54 | 73,404.01 | (-)1.12 |
| 2015-16 | | | | | |
| Social Sector | 71.98 | 9,330.38 | 0.77 | 13,572.52 | 0.53 |
| Competitive Sector | (-) 660.02 | 6,309.49 | (-) 10.46 | 66,895.97 | (-) 0.99 |
| Others | 185.73 | 3,086.71 | 6.02 | 6,781.99 | 2.74 |
| Total | (-) 402.31 | 18,726.58 | (-) 2.15 | 87,250.48 | (-) 0.46 |
| 2016-17 | | | | | |
| Social Sector | 87.09 | 9,909.77 | 0.88 | 16,572.21 | 0.53 |
| Competitive Sector | (-) 486.11 | 7,146.15 | (-) 6.80 | 79,048.78 | (-) 0.61 |
| Others | 147.54 | 3,363.02 | 4.39 | 7,616.17 | 1.94 |
| Total | (-) 251.48 | 20,418.94 | (-) 1.23 | 103,237.16 | (-) 0.24 |

¹⁷⁸ The average rate of interest on government borrowings was adopted from the Reports of the C&AG of India on State Finances (Government of West Bengal) for the concerned year wherein the average rate for interest paid = Interest Payment/[Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities]/2]*100.

| Year wise/ Sector-wise break-up | Total Earnings for the year | Total Investment in the form of equity, IFL and grants/ subsidies for operational & management expenses on historical cost basis | RROI on historical cost basis (in per cent) | Present value of the total investment at the end of the year | RROI on PV of the investments (in per cent) |
|---------------------------------------|-----------------------------------|--|--|--|--|
| 2017-18 | | | | | |
| Social Sector | 24.53 | 10,741.04 | 0.23 | 20,329.02 | 0.12 |
| Competitive Sector | (-) 759.30 | 8,450.99 | (-) 8.98 | 93,542.13 | (-) 0.81 |
| Others | 117.19 | 3,474.75 | 3.37 | 8,359.06 | 1.40 |
| Total | (-) 617.58 | 22,666.78 | (-) 2.72 | 122,230.21 | (-) 0.51 |
| 2018-19 | | | | | |
| Social Sector | (-) 23.75 | 10,628.65 | (-) 0.22 | 24,071.81 | (-) 0.10 |
| Competitive Sector | (-) 500.96 | 9,065.12 | (-) 5.53 | 1,09,673.94 | (-) 0.46 |
| Others | 1,012.13 | 3,577.74 | 28.29 | 9,100.22 | 11.12 |
| Total | 487.42 | 23,271.51 | 2.09 | 1,42,845.97 | 0.34 |

(Source: Compiled based on information received from PSUs)

The return earned on total investment on historical cost basis (2.09 per cent) and present value (0.34 per cent) was positive only in 2018-19. Further, in this year, the returns from 'Others' sector on present value was 11.12 per cent as against return of 28.29 per cent based on the historic cost of investment. Moreover, the Social and Competitive sectors incurred losses in 2018-19.

Return on Equity

3.7.5 Return on Equity (RoE) is a measure of financial performance to assess how effectively management is using shareholders' funds to create profits and is calculated by dividing net income (*i.e.* net profit after taxes) by shareholders' funds, expressed as a percentage.

Shareholders' funds of a Company are calculated by adding paid-up capital including share application money and free reserves net of accumulated losses and deferred revenue expenditure. A positive shareholders' funds implies that the company has enough assets to cover its liabilities while negative shareholder equity means that liabilities exceed assets. It is also known as net worth.

Sector wise RoE computed in respect of all Non-power State PSUs as per their latest annual financial accounts is detailed in **Table 3.8**:

Table 3.8: Sector wise Return on Equity

| (₹ in crore) | | | |
|---------------------------|-------------------|---------------------|-----------------|
| | Net Profit/ Loss | Shareholders' funds | RoE in per cent |
| (1) | (2) | (3) | (4)={2}*(3)/100 |
| 2014-15 | | | |
| Social Sector | 99.81 | 4,042.24 | 2.47 |
| Competitive Sector | (-) 1,079.20 | (-) 6,031.61 | — |
| Others | 159.06 | 1,126.99 | 14.11 |
| Total | (-) 820.33 | (-) 862.38 | — |
| 2015-16 | | | |
| Social Sector | 71.98 | 3,302.75 | 2.18 |
| Competitive Sector | (-) 660.02 | (-) 6,111.02 | — |
| Others | 185.73 | 754.39 | 24.62 |
| Total | (-) 402.31 | (-) 2,053.88 | — |

| | Net Profit/ Loss | Shareholders' funds | RoE in per cent |
|--------------------|-------------------|---------------------|-------------------|
| (1) | (2) | (3) | (4)={(2)*(3)}/100 |
| 2016-17 | | | |
| Social Sector | 87.09 | 2,417.89 | 3.60 |
| Competitive Sector | (-) 486.11 | (-) 7,420.35 | — |
| Others | 147.54 | 1,436.80 | 10.27 |
| Total | (-) 251.48 | (-) 3,565.66 | — |
| 2017-18 | | | |
| Social Sector | 24.53 | 2,923.98 | 0.84 |
| Competitive Sector | (-) 759.30 | (-) 10,200.71 | — |
| Others | 117.19 | 1,048.58 | 11.18 |
| Total | (-) 617.58 | (-) 6,228.15 | — |
| 2018-19 | | | |
| Social Sector | 23.75 | 2,982.74 | (-) 0.80 |
| Competitive Sector | (-) 500.96 | (-) 10,617.79 | — |
| Others | 1,012.13 | 2,268.01 | 44.63 |
| Total | 487.42 | (-) 5,367.04 | — |

(Source: Compiled based on information received from PSUs)

Between 2014-15 and 2018-19, the aggregate shareholders' funds (net worth) were negative for all years, hence RoE cannot be worked out. Only in the Others sector, the RoE was positive for all years, ranging from 10.27 in 2016-17 to 44.63 per cent in 2018-19.

3.7.6 ROE computed in respect of working State PSUs in Non-power Sector, which have earned profit or incurred loss, as per their latest annual financial statements is detailed in the **Table 3.9**:

Table 3.9: Profit and loss wise Return on Equity on working State PSUs

(₹ in crore)

| | Year | No. of PSUs | Net Profit/ Loss | Shareholders' funds | RoE in per cent |
|-----------------------|---------|-------------|------------------|---------------------|-------------------|
| | (1) | (2) | (3) | (4) | (5)={(3)*(4)}/100 |
| Profit earning | 2014-15 | 38 | 416.31 | 3,392.36 | 12.27 |
| | 2015-16 | 37 | 342.54 | 4,055.62 | 8.45 |
| | 2016-17 | 38 | 344.82 | 3,310.56 | 10.42 |
| | 2017-18 | 36 | 325.15 | 3,191.66 | 10.19 |
| | 2018-19 | 30 | 1,314.22 | 4,005.91 | 32.81 |
| Loss incurring | 2014-15 | 29 | (-) 1,113.99 | (-) 5,205.69 | - |
| | 2015-16 | 27 | (-) 478.83 | (-) 5,265.98 | - |
| | 2016-17 | 27 | (-) 451.55 | (-) 4,732.52 | - |
| | 2017-18 | 27 | (-) 758.05 | (-) 6,561.77 | - |
| | 2018-19 | 28 | (-) 573.08 | (-) 6,221.65 | - |
| Total* | 2014-15 | 67 | (-) 697.68 | (-) 1,813.33 | - |
| | 2015-16 | 64 | (-) 136.29 | (-) 1,210.36 | - |
| | 2016-17 | 65 | (-) 106.73 | (-) 1,421.96 | - |
| | 2017-18 | 63 | (-) 432.90 | (-) 3,370.11 | - |
| | 2018-19 | 58 | 741.14 | (-) 2,215.74 | - |

(Source: Compiled based on information received from PSUs)

* PSUs which had not submitted their first accounts since inception have been excluded.

For all the five years up to 2018-19, the aggregate shareholders' funds (net worth) were negative for Non-power PSUs. Therefore, the RoE was not worked out. During the last five years ending March 2019, the net income was positive only in 2018-19, which was mainly due to WBIDCL as mentioned in paragraph 3.7.3.

Return on Capital Employed

3.7.7 Return on Capital Employed (RoCE) is a ratio that measures a company's profitability and the efficiency with which its capital is employed. RoCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the capital employed¹⁷⁹. The details of sector wise RoCE in respect of all Non-power State PSUs during the period from 2014-15 to 2018-19 are given in Table 3.10:

Table 3.10: Sector wise Return on Capital Employed of all State PSUs in Non-power Sector

(₹ in crore)

| | EBIT | Capital Employed | RoCE (in per cent) |
|--------------------|-----------------|------------------|--------------------|
| (1) | (2) | (3) | (4)={2}*(3)/100 |
| 2014-15 | | | |
| Social Sector | 1,056.07 | 12,857.44 | 8.21 |
| Competitive Sector | (-) 262.31 | 770.25 | (-) 34.06 |
| Others | 177.36 | 3,286.90 | 5.40 |
| Total | 971.12 | 16,914.59 | 5.74 |
| 2015-16 | | | |
| Social Sector | 515.24 | 8,161.06 | 6.31 |
| Competitive Sector | (-) 225.56 | (-) 2,905.27 | - |
| Others | 176.88 | 2,145.83 | 8.24 |
| Total | 466.56 | 7,401.62 | 6.30 |
| 2016-17 | | | |
| Social Sector | 405.24 | 4,042.17 | 10.03 |
| Competitive Sector | (-) 544.67 | (-) 3,500.95 | - |
| Others | 215.99 | 3,208.31 | 6.73 |
| Total | 76.56 | 3,749.53 | 2.04 |
| 2017-18 | | | |
| Social Sector | 262.45 | 4,763.53 | 5.51 |
| Competitive Sector | (-) 359.26 | (-) 5,963.15 | - |
| Others | 160.02 | 3,027.98 | 5.28 |
| Total | 63.21 | 1,828.36 | 3.46 |
| 2018-19 | | | |
| Social Sector | 349.89 | 4,035.96 | 8.67 |
| Competitive Sector | 391.82 | (-) 6,664.49 | - |
| Others | 1,068.64 | 3,663.18 | 29.17 |
| Total | 1,810.35 | 1,034.65 | 174.97 |

(Source: Compiled based on information received from PSUs)

¹⁷⁹ Capital employed = Paid up share capital + free reserves and surplus + long-term loans - accumulated losses - deferred revenue expenditure. Figures are as per the latest year for which accounts of the PSUs are finalised.

During 2014-15 to 2018-19, the aggregate Return on Capital Employed ranged between 2.04 per cent and 174.97 per cent. However, RoCE of the competitive sector for the years 2015-16 to 2018-19 could not be worked out as capital employed was negative.

3.7.8 The details of total RoCE of the profit making and loss incurring working State PSUs (Non-power) during the period from 2014-15 to 2018-19 are given in **Table 3.11**:

**Table 3.11: Profit and loss wise RoCE of working State PSUs
(Non-power Sector)**

(₹ in crore)

| | Year | No. of PSUs | EBIT | Capital Employed | RoCE (in per cent) |
|-----------------------|---------|-------------|------------|------------------|---------------------|
| | (1) | (2) | (3) | (4) | (5)={ (3)*(4) }/100 |
| Profit earning | 2014-15 | 38 | 959.13 | 9,383.64 | 10.22 |
| | 2015-16 | 37 | 843.36 | 10,052.21 | 8.39 |
| | 2016-17 | 38 | 702.42 | 6,723.50 | 10.45 |
| | 2017-18 | 36 | 521.43 | 6,285.34 | 8.30 |
| | 2018-19 | 30 | 1,741.97 | 6,176.92 | 28.20 |
| Loss incurring | 2014-15 | 29 | (-) 332.28 | (-) 627.94 | - |
| | 2015-16 | 27 | (-) 213.14 | (-) 2,300.83 | - |
| | 2016-17 | 27 | (-) 188.94 | (-) 1,803.99 | - |
| | 2017-18 | 27 | (-) 394.99 | (-) 758.05 | - |
| | 2018-19 | 28 | 177.96 | (-) 3,249.44 | - |
| Total* | 2014-15 | 67 | 626.85 | 8,755.70 | 7.16 |
| | 2015-16 | 64 | 630.22 | 7,751.38 | 8.13 |
| | 2016-17 | 65 | 513.48 | 4,919.51 | 10.44 |
| | 2017-18 | 63 | 126.44 | 5,527.29 | 2.29 |
| | 2018-19 | 58 | 1,919.93 | 2,927.48 | 65.58 |

(Source: Compiled based on information received from PSUs)

* PSUs which had not submitted their first accounts since inception have been excluded.

From 2016-17 to 2018-19, the working PSUs in the Non-power Sector as a whole had a positive Return on Capital Employed (RoCE) ranging from 2.29 per cent to 65.58 per cent. Where their Capital Employed was negative, their RoCE could not be worked out.

Dividend Payout

3.7.9 The GoWB has not formulated any dividend policy. Out of 58 working PSUs, 30 PSUs earned profits during the year 2018-19, of which only three¹⁸⁰ PSUs paid dividend of ₹ 1.17 crore during 2018-19. Dividend payout by working PSUs is shown in following table.

¹⁸⁰ Saraswaty Press Limited (₹ 1.10 crore), West Bengal Text Book Corporation (P) Limited (₹ 0.02 crore) a subsidiary of Saraswaty Press Limited and Mackintosh Burn Limited (₹ 0.05 crore).

Table 3.12: Dividend Payout of the PSUs during 2014-15 to 2018-19

(₹ in crore)

| Year | Total working PSUs with equity infused by GoWB, GoI and Others | | Working PSUs which earned profits during the year | | PSUs which declared/ paid dividend during the year | | Dividend Payout Ratio (in per cent) |
|---------|--|--------------|---|--------------|--|---------------------------------|-------------------------------------|
| | No. of PSUs | Total equity | No. of PSUs | Total equity | Number of PSUs | Dividend declared/ paid by PSUs | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8)=(7)/(5)*100 |
| 2014-15 | 67 | 4,573.34 | 38 | 2,158.17 | 7 | 1.25 | 0.06 |
| 2015-16 | 64 | 3,058.13 | 37 | 2,602.89 | 4 | 0.62 | 0.02 |
| 2016-17 | 65 | 3,423.17 | 38 | 2,118.00 | 6 | 0.63 | 0.03 |
| 2017-18 | 63 | 3,546.60 | 36 | 1,643.31 | 4 | 0.71 | 0.04 |
| 2018-19 | 58 | 3,570.91 | 30 | 1,602.69 | 3 | 1.17 | 0.08 |

(Source: Compiled from data provided by PSUs)

The Dividend Payout Ratio during 2014-15 to 2018-19 was nominal at 0.02 per cent to 0.08 per cent only.

Erosion of Net worth

3.7.10 Net worth means the sum total of the paid-up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure. Essentially, it is a measure of what an entity is worth to the shareholders and is also referred to as shareholders' funds. A negative net worth indicates that the entire investment by the shareholders has been wiped out by accumulated losses and deferred revenue expenditure. The aggregate paid-up capital (including share application money), free reserves and surpluses and accumulated losses of 58 working State PSUs in the Non-power Sector as per their latest accounts¹⁸¹ were ₹ 3,570.91 crore and ₹ 68.16 crore, respectively while accumulated losses was ₹ 5,854.81 crore resulting in negative net worth of ₹ 2,215.74 crore. The net worth of each State PSU (Non-power) is given at **Appendix-9**.

Table 3.13 below indicates total paid up capital, total free reserves, total surpluses, total accumulated losses and net worth of the working PSUs during the period 2014-15 to 2018-19:

Table 3.13: Net worth of working PSUs in Non-power Sector

(₹ in crore)

| Year | No. of PSUs* | Paid up Capital (including share application money) | Free Reserves | Surplus | Accumulated Losses | Net worth |
|---------|--------------|---|---------------|---------|--------------------|--------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7=3+4+5-6 |
| 2014-15 | 67 | 4,573.34 | 30.46 | - | 6,417.13 | (-) 1,813.33 |
| 2015-16 | 64 | 3,058.13 | 30.28 | - | 4,298.77 | (-) 1,210.36 |
| 2016-17 | 65 | 3,376.93 | 35.20 | - | 4,834.09 | (-) 1,421.96 |
| 2017-18 | 63 | 3,546.60 | 40.20 | - | 6,956.91 | (-) 3,370.11 |
| 2018-19 | 58 | 3,570.91 | 68.16 | - | 5,854.81 | (-) 2,215.74 |

(Source: Compiled based on information received from PSUs)

* PSUs which had not submitted their first accounts since inception have been excluded.

¹⁸¹ One PSU, namely WBSCST&OBCD&FC, had not submitted its first accounts till 30 September 2019.

As can be seen, the combined net worth of the working PSUs was negative during the five-year period. The negative net worth has decreased from ₹ 1,813.33 crore in 2014-15 to ₹ 3,370.11 crore in 2017-18, but improved to ₹ 2,215.74 crore in 2018-19 due to reduction in accumulated losses.

Analysis of Long-term Loans of the State PSUs

Analysis of the Long-term Loans of the PSUs which had leverage during 2014-15 to 2018-19 was carried out to assess the ability of the companies to service the debt owed by the companies to the Government, banks and other financial institutions. This is assessed through the interest coverage ratio and debt turnover ratio.

Interest Coverage Ratio

3.7.11 Interest coverage ratio is used to determine the ability of a PSU to pay interest on outstanding debt and is calculated by dividing earnings before interest and taxes (EBIT) of a PSU by interest expenses of the same period. The lower the ratio, the lesser is the ability of the PSU to pay interest on debt. An interest coverage ratio below one indicated that the PSU was not generating sufficient revenues to meet its expenses on interest. The details of interest coverage ratio in respect of PSUs which had interest burden during the period from 2014-15 to 2018-19 are given in **Table 3.14**:

Table 3.14: Interest Coverage Ratio relating to State PSUs in the Non-power Sector

(₹ in crore)

| Year | Earnings before interest and tax (EBIT) | Interest | Number of PSUs having liability of loans from Government and Banks and other financial institutions | Number of PSUs having interest coverage ratio more than 1 | Number of PSUs having interest coverage ratio less than 1 |
|---------|---|----------|---|---|---|
| 2014-15 | 495.82 | 1,245.03 | 48 | 21 | 27 |
| 2015-16 | 830.20 | 526.93 | 43 | 26 | 17 |
| 2016-17 | 413.47 | 593.76 | 42 | 18 | 24 |
| 2017-18 | 67.73 | 559.37 | 37 | 17 | 20 |
| 2018-19 | 1,755.56 | 1,002.90 | 35 | 15 | 20 |

(Source: Compiled based on information received from PSUs)

Of the 35 working Non-power State PSUs having liability of loans during 2018-19, 15 PSUs had interest coverage ratio of more than one whereas remaining 20 PSUs had interest coverage ratio below one. This indicates that these 20 PSUs could not generate sufficient revenues to meet their expenses on interest during the period.

Debt Turnover Ratio

3.7.12 During the last five years, the turnover of the working PSUs in the Non-power Sector recorded compounded annual growth of 8.64 per cent and compounded annual growth of debt was (-) 14.28 per cent due to which the debt turnover ratio improved from 0.74 in 2014-15 to 0.29 in 2018-19 as given in **Table 3.15**:

Table 3.15: Debt Turnover Ratio relating to the State PSUs in the Non-power Sector

(₹ in crore)

| Particulars | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|--|-----------|----------|----------|-----------|-----------|
| Debt from Government and others (Banks and Financial Institutions) | 9,528.64 | 6,731.11 | 4,122.03 | 4,229.80 | 5,143.22 |
| Turnover | 12,883.63 | 4,167.37 | 4,285.30 | 11,058.04 | 17,953.65 |
| Debt-Turnover Ratio | 0.74:1 | 1.62:1 | 0.96:1 | 0.38:1 | 0.29:1 |

(Source: Compiled based on information received from PSUs)

The debt-turnover ratio ranged between 0.29 and 1.62 during this period.

3.8 Winding up of Inactive State PSUs

3.8.1 Nineteen PSUs were inactive for one to seventeen years¹⁸² as of 31 March 2019. The total investment, as per their latest finalised accounts up to September 2019, was ₹ 1,430.61 crore (equity: ₹ 172.14 crore, and loans: ₹ 1,258.47 crore). Their total negative net worth was ₹ 3,114.22 crore. The numbers of inactive PSUs at the end of each year for the five years ended 31 March 2019 is given below:

Table 3.16: Inactive State PSUs

| Particulars | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---------------------------|---------|---------|---------|---------|---------|
| No. of inactive companies | 17 | 18 | 18 | 21 | 19 |

(Source: Compiled from the information included in Audit Reports (PSU), GoWB of respective years)

The recent initiatives in management of assets in respect of 16 out of 19 inactive PSUs under administrative control of two departments, viz., Department of Industry, Commerce and Enterprises (ICE) and Department of Micro, Small and Medium Enterprises and Textiles (MSME&T) was assessed by Audit, as shown in the following table-

Table 3.17: Name of the PSUs under ICE and MSME&T Departments

| Sl. No. | Department of Industry, Commerce and Enterprises ¹⁸³ (ICE) | Sl. No. | Department of Micro, Small and Medium Enterprises & Textiles (MSME & T) |
|---------|---|---------|---|
| 1. | National Iron & Steel Company (1984) Limited (NISCO) | 1. | Kalyani Spinning Mills Limited (KSML) |
| 2. | Neo Pipes & Tubes Company Limited (NPT) | 2. | West Dinajpur Spinning Mills Limited (WDSML) |
| 3. | Lily Products Limited (LPL) | 3. | West Bengal Handloom and Powerloom Development Corporation Limited (WBHPDCL) |
| 4. | West Bengal Plywood & Allied Products Limited (WBPAPL) | | |
| 5. | Krishna Silicate and Glass (1987) Limited (KSGL) | 4. | West Bengal Projects Limited (WBPL) |
| 6. | Carter Pooler Engineering Company Limited (CPEL) | 5. | Pulver-Ash Projects Limited (PAPL) |
| 7. | West Bengal Sugar Industries Development Corporation Limited (WBSuIDCL) | 6. | West Bengal Ceramic Development Corporation Limited (WBCDCL) |
| 8. | Infusions (India) Limited (IIL) | 7. | West Bengal State Leather Industries Development Corporation Limited (WBSLIDCL) |
| 9. | West Bengal Tea Development Corporation Ltd (WBTedCL) | | |

¹⁸² February 2002 to January 2017.¹⁸³ With the bifurcation of the Department of Industry, Commerce & Enterprises in November 2019, seven PSUs {Srl. Nos. (1) to (7)} stood transferred to the Department of Public Enterprises and Industrial Reconstruction.

Besides, the assets of one PSU wound up earlier, viz., India Paper Pulp Company Limited (IPP Ltd.) under Department of ICE, had not yet been disposed.

3.8.2 These 17 inactive PSUs had discontinued operations for periods ranging from four to 17 years. Records of the Registrar of Companies (RoC), however, showed seven PSUs as inactive and 10 PSUs as still working. Relinquishment of land and other fixed assets together with deployment of manpower was to be completed by March 2018. It was also observed that-

- As per accounts of 16 inactive PSUs, aggregate share capital¹⁸⁴ was ₹ 172.51 crore. In addition, borrowings were ₹ 1,208.04 crore along with accrued interest of ₹ 1,857.17 crore. Borrowings included ₹ 1,194.05 crore from State Government, ₹ 0.38 crore from other State PSUs and ₹ 13.61 crore from financial institutions. Apart from these, these PSUs had liabilities of ₹ 195.65 crore. Moreover, as IPP Limited was wound up in March 2004, no accounts were prepared thereafter.
- GoWB filed (June 2019) a petition under sections 271 and 272 of the Companies Act, 2013 with National Company Law Tribunal, Kolkata (NCLT) for winding-up of WBTeDCL, which was approved (November 2019) and an official liquidator appointed. Thereafter, the assets and properties of WBTeDCL were handed over to the official liquidator in January 2020. No such steps have been taken in respect of the other 16 PSUs.
- During 2018-19, GoWB provided ₹ 478.63 crore to NISCO (₹ 345.21 crore) and NPT (₹ 133.42 crore) for repayment of GoWB loan and interest accrued up to March 2017 under West Bengal Development Finance Programme II, funded by the Asian Development Bank. However, similar settlement of dues, essential for winding up and dissolution of any PSU was not initiated for the remaining 14 PSUs till date (March 2019).
- Also, 1,470 out of 1,594 employees of these PSUs were utilised by different Government departments but could not be absorbed due to disparities of pay structure.

Hence, while both Departments concerned had made efforts for disposal/ sale of land and other assets since closure of the PSUs, it was not prioritised and several constraints remain unresolved. Therefore, the funds locked up inactive PSUs could not be redeployed for use in more productive sectors.

Compliance Audit Paragraphs

3.9 For the Report of the Comptroller and Auditor General of India (Public Sector Undertakings) for the year ended 31 March 2019, four compliance audit paragraphs were issued to the Additional Chief Secretaries/ Principal Secretaries/ Secretaries of the three Departments concerned with request to furnish replies within six weeks. Replies in respect of two audit paragraphs have been received from the State Government and suitably incorporated in this report.

¹⁸⁴ Including share application money pending allotment.

3.10 Follow up action on Audit Reports

Discussion of Audit Reports by COPU

3.10.1 The status of discussion of Performance Audits and Paragraphs that appeared in Audit Reports (PSUs) by the COPU as on 30 September 2019 was as under in **Table 3.18**:

Table 3.18: Performance Audits/ Paragraphs appeared in Audit Reports *vis-à-vis* discussed as on 30 September 2019

| Period of Audit Report | Number of Performance Audits/ Paragraphs | | | |
|------------------------|--|------------|-----------|------------|
| | Appeared in Audit Reports | | Discussed | |
| | PAs | Paragraphs | PAs | Paragraphs |
| 2011-17 | 6 | 39 | 2 | 15 |

(Source: Database maintained in the Pr.AG's Office w.r.t. taking of evidence by COPU)

Compliance to Reports of COPU

3.10.2 According to rules of Procedure of COPU, Action Taken Notes (ATNs) on the recommendation contains in the COPU Reports are to be submitted by the Government within three months of their receipt. The 12 COPU reports where Action Taken Notes are yet to be received from the Departments as on 30 September 2019 contain 30 recommendations in respect of paragraphs pertaining to seven Departments, which had either appeared in the Reports of the CAG of India for the years 2003-04 to 2013-14 or were taken up for *suo-motu* study.

Chapter IV

Compliance Audit of PSUs

Chapter IV

Compliance Audit of PSUs

CALCUTTA STATE TRANSPORT CORPORATION

4.1 Lack of monitoring of funds

Lack of monitoring over management of funds by CSTC had resulted in idling of ₹ 3.04 crore in non-interest bearing current account and foregoing interest income of ₹ 0.74 crore.

Calcutta State Transport Corporation (CSTC), under the administrative control of the Transport Department, Government of West Bengal (GoWB) provides bus services to the people in and around Kolkata. For financial transactions, CSTC maintained 34 bank accounts including a current account with IDBI bank as of 31 March 2018. In January/ March 2013, GoWB prohibited PSUs from inviting competitive bids from banks for interest rates on fixed deposits and restricted placing of money in fixed deposits to those banks with whom these PSUs had regular business.

Scrutiny of the bank statement of IDBI bank for the period from April 2012 to March 2018 revealed that CSTC had invested (April 2012) surplus funds in three Fixed Deposits¹⁸⁵ with IDBI Bank, which had matured during the period from June 2014 to August 2014. The maturity value of ₹ 3.04 crore of these three deposits was, however, parked in the non-interest bearing current account with IDBI Bank from August 2014 to September 2018 *i.e.* over four years. CSTC had not invested this amount in interest earning term deposits, for reasons not on record. The minimum rate of interest offered by IDBI on term deposits during the period from August 2014 to September 2018 was six *per cent*. Thus, CSTC had foregone interest income of ₹ 0.74¹⁸⁶ crore on the matured value of investment of ₹ 3.04 crore (calculated by applying the minimum rate of interest on term deposits by IDBI Bank).

On being pointed out in audit (August 2018), CSTC re-invested (September 2018) ₹ 3.04 crore in interest bearing term deposit for twelve months with IDBI Bank. It was also stated (January 2019) that an enquiry committee was formed after audit enquiry in November 2018 to look into the lapse. The report of the enquiry committee is awaited (December 2020).

¹⁸⁵ (a) Face Value (FV) ₹ 0.90 crore Maturity Value (MV) ₹ 1.35 crore, (b) FV ₹ 0.43 crore, MV ₹ 0.65 crore, (c) FV ₹ 0.71 crore, MV ₹ 1.04 crore.

¹⁸⁶ ₹ 3.04 crore X 6 per cent X 1482 days/365 days = ₹ 74,05,940/-

The Government added (September 2019) that to avoid keeping idle fund in non-interest bearing current accounts, CSTC had taken steps to (i) convert all current accounts to auto-sweep facilities and (ii) keep a close eye on investment issues. But, CSTC had not shared details of the steps implemented, though called for (June 2020) in audit.

Thus, lack of monitoring by CSTC resulted in idling of ₹ 3.04 crore in non-interest bearing current account with IDBI for more than four years, leading to loss of interest income of at least ₹ 0.74 crore.

WEST BENGAL TRANSPORT INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED

4.2 Avoidable loss on payment of service tax, interest and penalty of ₹ 1.11 crore

Loss of ₹ 1.11 crore due to non-charging of service tax on administrative charges received by West Bengal Transport Infrastructure Development Corporation Limited (WBTIDCL) and interest and penalty paid on delayed payment of service tax.

West Bengal Transport Infrastructure Development Corporation Limited (WBTIDCL), a Government of West Bengal (GoWB) undertakes works as an executing agency of the Transport Department, GoWB for the development of transportation system in the State.

WBTIDCL receives funds from the Transport Department, GoWB for execution of infrastructure projects as deposit works since inception in September 1996. It gets a percentage on the value of works executed as administrative charges. Section 65 (105) (zzzq) of the Finance Act, 1994 stipulates that, with effect from 2012-13, support services provided, including support of any kind comprising functions that entities carry out in ordinary course of operations themselves but may provide as service by outsourcing them to others, in lieu of the administrative charges, are chargeable to Service Taxes (ST) under 'Support Services of Business or Commerce'. Accordingly, WBTIDCL was liable to pay service tax on administrative charges realised against infrastructure projects executed in the State on behalf of GoWB since 2012-13.

On examination of records for the period from 2015-16 to 2017-18, it was seen that WBTIDCL registered itself with ST Authorities in December 2015 as required under Section 69¹⁸⁷ of the Finance Act, 1994 for payment of ST under Section 67 of the Finance Act, 1994.¹⁸⁸

¹⁸⁷ Section 69 of the Finance Act, 1994 stipulates that every person liable to pay service tax would have to take service tax registration.

¹⁸⁸ Section 67(2) of the Act states that wherever the Service Tax is not charged separately, the gross amount of service so rendered was to be considered as inclusive of Service Tax and Service Tax is to be collected by the Service Provider (WBTIDCL) from the Service Recipient (GoWB) for onward remittance to Service Tax Authorities.

Scrutiny revealed that during 2012-13 to 2016-17, WBTIDCL raised bills on the State Government for administrative charges of ₹ 6.40 crore, but did not raise any claim towards ST. However, as the services provided by WBTIDCL were taxable, it had paid applicable service tax of ₹ 98.32 lakh along with interest and penalty of ₹ 12.85 lakh during March to November 2017 from its own funds.

Thus, WBTIDCL had to pay service tax of ₹ 1.11 crore (₹ 98.32 lakh + ₹ 12.85 lakh) from their own funds as they failed to claim the ST component while raising claims on their client, GoWB.

WEST BENGAL FINANCIAL CORPORATION

4.3 Avoidable payment of interest of ₹ 1.81 crore

WBFC issued bonds of ₹ 25.06 crore carrying interest at higher rate despite having commensurate fixed deposits in Banks earning interest at lower rates. This resulted in avoidable payment of interest on Bonds issued amounting to ₹ 1.81 crore.

West Bengal Financial Corporation (WBFC) issues fixed interest rate bonds through private placement¹⁸⁹ as a part of its business plan. The objective of the issue of bonds is to raise finances for onward lending to small and medium scale industrial sector in the State of West Bengal. The State Government guarantees repayment of principal and interest on bonds. Between 2012-13 and 2015-16, WBFC disbursed loans of ₹ 756.63 crore *i.e.* 75 per cent of target (₹ 1,005 crore), partly funded (50 per cent) through bonds. WBFC's aggregate profit in this period was ₹ 27.92 crore.

Meanwhile, WBFC approved (February 2013) issue of bond of ₹ 150 crore for the financial year 2013-14 at interest rate not exceeding 10 per cent per annum. Based on such approval, WBFC raised ₹ 120.83 crore in two tranches during February 2014 to June 2014 carrying interest at 9.70 and 9.80 per cent for tenure of 10 years. In February 2016, WBFC decided to raise the balance amount of bond of ₹ 29.17 crore (₹ 150 crore - ₹ 120.83 crore) for a tenure of 10 years carrying interest at 9.80 per cent. This issue fetched ₹ 25.06¹⁹⁰ crore during March 2016 to April 2016.

Scrutiny of records for the issue (March 2016) of bonds of ₹ 25.06 crore revealed that:

- WBFC did not ascertain the availability of its funds before the issue of bonds in the third tranche. The minimum balances held in bank fixed deposits ranged from ₹ 47.49 crore to ₹ 174.99 crore (during March 2016 to

¹⁸⁹ A private placement is offering of securities to a limited number of institutional investors instead of a public offering.

¹⁹⁰ ₹ 23.63 crore between 01/03/2016 to 28/03/2016 and ₹ 1.43 crore between 29/03/2016 to 12/04/2016.

March 2019). The justification for issuing bonds for ₹ 29.17 crore instead of utilising the available funds was also not on record.

- During 2016-19, WBFC had paid interest on bonds at 9.80 per cent amounting to ₹ 7.38 crore¹⁹¹ against which it had earned interest income of ₹ 5.57 crore¹⁹² (during the corresponding period)¹⁹³ on equivalent amount of ₹ 25.06 crore in fixed deposits ranging from 6.96 per cent to 7.84 per cent. This resulted in additional payment of interest of ₹ 1.81 crore (₹ 7.38 crore - ₹ 5.57 crore).

WBFC in its reply stated (December 2020) that sourcing finance other than bond was restricted to share contributions from GoWB only. Moreover, the finances of WBFC were adversely affected due to pre-payments of loans by WBFC's borrowers, who had shifted to banks offering lower rates of interest. These reasons had compelled WBFC to take the bond issue.

The reply of WBFC is contradictory as with loan pre-payments in the scenario of migration of its loanees to banks, there would be surplus funds with WBFC. Moreover, WBFC also had amounts ranging from ₹ 47.49 crore to ₹ 174.99 crore lying in fixed deposits during this period. Hence, there appears to be no justification for issue of bonds of ₹ 25.06 crore primarily meant for lending activities of WBFC, which resulted in avoidable payment of interest of ₹ 1.81 crore.

WEST BENGAL INDUSTRIAL DEVELOPMENT CORPORATION LIMITED

4.4 Improper approval of OTS resulting in non-recovery of loan of ₹ 6.87 crore

Non-compliance of One Time Settlement (OTS) guidelines resulted in extending undue benefit to borrower by way of accepting a below par OTS proposal, thus foregoing recovery of loan of ₹ 6.87 crore.

West Bengal Industrial Development Corporation Limited (WBIDCL) sanctioned (February 2009) a term loan of ₹ 11.51 crore to a unit for setting up a solar photovoltaics(PV) modules manufacturing facility at the Export Promotion Industrial Park (EPIP), Durgapur, West Bengal. The loan carried floating interest rate of 13.50 per cent per annum¹⁹⁴, payable quarterly and two per cent additional interest for the default period in case of default in

¹⁹¹ ₹ 25.06 crore at 9.80 per cent for three years 2016-2019.

¹⁹² ₹ 25.06 crore at 7.84 per cent = ₹ 1.97 crore (2016-17); ₹ 25.06 crore at 6.96 per cent = ₹ 1.74 crore (2017-18); and ₹ 25.06 crore at 7.44 per cent = ₹ 1.86 crore (2018-19); Total: ₹ 5.57 crore.

¹⁹³ Interest rate of bank deposit is available from the date of issue of bonds till March 2019, i.e. from 2016-19.

¹⁹⁴ Which was subsequently revised to 12.75 per cent with effect from 01 March 2009.

payment. Against the sanctioned term loan, the unit was disbursed a total sum of ₹ 10.40 crore during April 2009 to March 2010. The loan was to be repaid in 24 (twenty-four) quarterly instalments (October 2010 to July 2016) with a moratorium period of 18 months from the date of first disbursement of the loan.

The unit repaid four instalments of principal of ₹ 1.92 crore and interest of ₹ 2.35 crore up to September 2011. Thereafter the unit did not meet its loan repayment obligations on time and instead requested (January 2014) WBIDCL for restructuring of loan citing liquidity crunch owing to delay in commencement of commercial production of solar polycrystalline PV modules. As on 31 December 2013, total outstanding against loan was ₹ 11.95 crore.

WBIDCL restructured the loan account in January/ February 2014, subject to the unit paying at least ₹ one crore as down payment against the present overdue within 30 days, the tenure of repayment was revised to seven years carrying interest at the rate of 11 *per cent* with a moratorium on all repayment upto March 2015. In addition, the unit was required to submit post-dated cheques (PDCs) for payment/ repayment of the loan between April 2015 and March 2022 as well as create a fixed deposit (FD) of ₹ 50 lakh in favour of WBIDCL to meet any shortfall in repayment.

The unit, however, failed to submit the requisite PDCs and FD as required under the restructuring package till August 2015. As a result, WBIDCL notified the unit in September and November 2015, that non-compliance with the terms and conditions of the restructuring package had led to the package being withdrawn and dues reverting to their original position. In January 2016, WBIDCL gave the unit another opportunity to comply with the requirements of the restructuring package within seven days. The unit then deposited the PDCs and FD. Thereafter, in October 2016, the unit requested for one time settlement (OTS) of its outstanding dues (₹ 16.59 crore) as on September 2016 and offered an amount of ₹ 3.63 crore towards full and final settlement of all dues to WBIDCL.

The guidelines for OTS, as maintained in Standard Operating Procedures (SOP) followed by WBIDCL, provide that:

- Before initiating any OTS, WBIDCL would undertake valuation of Realistic Realisable Value (RRV) of the primary and collateral security against the loan *viz.* (a) assets mortgaged/ hypothecated to WBIDCL by the Unit, (b) realisable value of assets held by WBIDCL as collateral and (c) realisable value of assets of Promoters/ Guarantors.

- Total dues (TD) would be calculated based on total outstanding principal and interest, outstanding additional interest/ liquidated damages if any, future interest upto probable date/ month of settlement, expenditure, if any, on valuation, *etc.*
- If RRV is greater than TD, then WBIDCL would take appropriate steps to realise RRV.
- If RRV is not sufficient to cover TD then WBIDCL would evaluate OTS proposal based on score sheet (Table-3 of the OTS guidelines) and the extent of maximum waiver would be determined in line with the score bands (as shown in Table-4 of the OTS guidelines).
- The extent of waiver would be determined according to the score bands after evaluating TD as per the (loan) rate of interest.

On scrutiny of the evaluation done (March 2017) by WBIDCL on the OTS proposal of the unit, it was observed that the RRV of the primary and collateral security against the loan was ₹ 18.16 crore whereas the TD as of February 2017 was ₹ 17.86 crore (Principal: ₹ 8.48 crore, Interest: ₹ 9.30 crore and Penal interest: ₹ 8.47 lakh). As per the OTS guidelines of WBIDCL, in case RRV is greater than TD, WBIDCL instead of initiating OTS should take steps to realise the RRV. Yet, WBIDCL had, without any justification finalised (April 2017) the OTS at ₹ 10.99 crore.

Audit also observed that as per the audited financial statements of the unit as on 31 March 2016, the Reserve and Surplus, Tangible Assets and Inventory of the unit were ₹ 7.58 crore, ₹ 19.63 crore and ₹ 19.55 crore, respectively, indicating it was solvent and able to pay its TD. Hence, WBIDCL had no justification in offering OTS to the unit.

The unit paid the OTS amount in May 2017. Thus, by violating its OTS guidelines, WBIDCL extended undue benefit to the unit by foregoing income of ₹ 6.87 crore (₹ 17.86 crore - ₹ 10.99 crore) from realisation of RRV of the security hypothecated/ mortgaged by the unit with WBIDCL.

WBIDCL in its reply stated (December 2018) that the OTS was approved based on its own SOP. Government endorsed (August 2019) the reply. However, the reply is not acceptable since the fact remains that as per clause 3 of guidelines for OTS, in case the RRV of the security is greater than TD, WBIDCL will take appropriate steps to realise the RRV and not initiate OTS. As the RRV of the security was higher than TD, WBIDCL should not have accepted the OTS proposal. Thus, by approving OTS, WBIDCL extended undue favour to the unit amounting to ₹ 6.87 crore, which is a loss to WBIDCL.

KOLKATA
The

(REENA SAHA)
Principal Accountant General
(Audit-II)
West Bengal

Countersigned

NEW DELHI
The

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

Appendices

Appendices

Appendix –1

(Refer paragraph - 1.2, Page - 1)

Statement of list of Autonomous Bodies

| Sl No. | Name of the Department | Name of the Autonomous Bodies |
|--------|--|--|
| 1. | Agricultural Marketing | (i) West Bengal State Agricultural Marketing Board |
| 2. | Animal Resources Development | (ii) West Bengal University of Animal and Fishery Science |
| | | (iii) West Bengal Veterinary Council |
| | | (iv) Paschim Banga Go-Sampad Bikash Sanstha |
| 3. | Environment | (v) East Kolkata Wetland Management Authority |
| | | (vi) Institute of Environmental Studies and Wetland Management |
| | | (vii) West Bengal Pollution Control Board |
| | | (viii) West Bengal Bio-Diversity Board |
| 4. | Forest | (ix) Compensatory Afforestation Fund Management and Planning Authority |
| | | (x) West Bengal State Forest Development Agency |
| 5. | Home and Hill Affairs | (xi) Gorkhaland Territorial Administration (GTA) |
| 6. | Micro, Small & Medium Enterprises and Textiles | (xii) West Bengal Khadi and Village Industries Board |
| | | (xiii) West Bengal State Export Promotion Society |
| 7. | Power and Non-Conventional Energy Sources | (xiv) West Bengal Renewable Energy Development Agency |
| 8. | Public Works | (xv) Commissioners for the Rabindra Setu |
| 9. | Tourism | (xvi) Food Craft Institute |
| 10. | Transport | (xvii) Hooghly River Bridge Commissioners |

Appendix – 2

(Refer paragraph - 1.5, Page - 2)

Status of Tabling of Audit Reports

| Audit Report of the Year | Number of the Audit Report | Report of the Comptroller and Auditor General of India on Economic Sector for the year ended | Date on which the Audit Report was sent to the Government | Date on which the Audit Report was tabled in the State Assembly | Time taken for laying in the Assembly |
|---------------------------------|-----------------------------------|---|--|--|--|
| 2011-12 | 5 | March 2012 | 13.03.2013 | 10.07.2014 | 1 year 4 months |
| 2012-13 | 4 | March 2013 | 01.05.2014 | 10.07.2014 | 2 months |
| 2013-14 | 4 | March 2014 | 31.03.2015 | 04.07.2016 | 1 year 4 months |
| 2014-15 | 1 | March 2015 | 03.03.2016 | 04.07.2016 | 4 months |
| 2015-16 | 1 | March 2016 | 27.02.2017 | 07.03.2018 | 1 year |
| 2016-17 | 4 | Report of the Comptroller and Auditor General of India on Economic Sector for the year ended March 2017 | 19.06.2018 | 11.07.2019 | 1 year 1 month |
| | 5 | Report of the Comptroller and Auditor General of India on Performance Audit of Pollution by Industries in West Bengal (Economic Sector) | | | |
| 2017-18 | 1 | Report of the Comptroller and Auditor General of India on Economic Sector for the year ended March 2018 | 20.12.2019 | Not yet laid | - |
| | 2 | Report of the Comptroller and Auditor General of India on Performance Audit of Flood Control Programme in West Bengal (Economic Sector) | 03.02.2020 | | |

Appendix – 3

(Refer paragraph - 1.5, Page - 2)

Statement of Pending Replies to Audit paragraphs/ reviews

| Sl. No. | Name of the Department | Number of paras/ reviews involved in reports for the years | | | | |
|---------|---|--|----------|----------|-----------|-----------|
| | | From 2006-07 to 2013-14 | 2014-15 | 2015-16 | 2016-17 | Total |
| 1. | Agriculture | 2 | - | - | - | 2 |
| 2. | Agricultural Marketing | 1 | - | - | 1 | 2 |
| 3. | Animal Resources Development | 2 | - | - | - | 2 |
| 4. | Industry, Commerce and Enterprises | 1 | - | - | - | 1 |
| 5. | Consumer Affairs | - | 2 | - | - | 2 |
| 6. | Co-operation | 4 | - | - | - | 4 |
| 7. | Environment | - | - | 1 | 1 | 2 |
| 8. | Fisheries, Aqua-culture, Aquatic Resources and Fishing Harbours | - | 1 | - | - | 1 |
| 9. | Forest | 3 | - | - | - | 3 |
| 10. | Irrigation and Waterways | 3 | - | 1 | 1 | 5 |
| 11. | Micro, Small & Medium Enterprises and Textiles | - | - | - | 2 | 2 |
| 12. | Paschimanchal Unnayan Affairs | 1 | - | 1 | - | 2 |
| 13. | Public Enterprises and Industrial Reconstruction | 2 | - | - | - | 2 |
| 14. | Public Works | 5 | 3 | - | 1 | 9 |
| 15. | PublicWorks (Roads) | 4 | - | 1 | 5 | 10 |
| 16. | Power and Non-Conventional Energy Sources | 1 | - | - | 1 | 2 |
| 17. | Transport | 1 | 2 | 1 | 2 | 6 |
| 18. | Water Resources Investigation and Development | 1 | - | - | - | 1 |
| | Total | 31 | 8 | 5 | 14 | 58 |

Appendix – 4

(Refer paragraph 1.5, Page - 2)

Department-wise Statement of outstanding Inspection Reports and Paragraphs

| Name of the Department | Number of IRs/ Paragraphs pending as of 31 December 2019 | |
|---|--|--------------|
| | IRs | Paragraphs |
| Agriculture | 210 | 711 |
| Agricultural Marketing | 5 | 10 |
| Animal Resources Development | 51 | 124 |
| Consumer Affairs | 1 | 1 |
| Co-operation | 20 | 64 |
| Fisheries, Aqua-culture, Aquatic Resources and Fishing Harbours | 32 | 92 |
| Food Processing Industries & Horticulture | 5 | 11 |
| Forest | 20 | 82 |
| Irrigation and Waterways | 65 | 180 |
| Land & Land Reforms and Refugee Relief & Rehabilitation | 41 | 110 |
| Micro, Small & Medium Enterprises and Textiles | 15 | 47 |
| North Bengal Development Department | 6 | 40 |
| Paschimanchal Unnayan Affairs | 3 | 13 |
| Public Works | 68 | 233 |
| Sundarban Affairs | 5 | 16 |
| Water Resources Investigation and Development | 44 | 119 |
| Total | 591 | 1,853 |

Appendix - 5

(Refer paragraph – 2.6, Page - 27)

Statement showing estimated Anticipated maximum scour depth vis-à-vis that as per CWC guideline

| River Swarnamati at Gourijote area (Reach – II) | |
|---|---|
| Anticipated maximum scour depth as per sanctioned estimates | Anticipated maximum scour depth as per CWC guideline |
| Catchment area=45.00 sq km | Catchment area=45.00 sq km |
| Maximum Discharge (Q) = $CM^{3/4}$ = $20 \times (45)^{3/4} = 347.48$ cumec, Where C is Dickens constant (20) and M is catchment area (45 sq km) | Maximum Discharge (Q) = $CM^{3/4} = 12 \times (45)^{3/4} = 208.49$ cumec, Where C is Dickens constant (12) and M is catchment area (45 sq km) Dominant Discharge $Q_{dom} = 2/3Q = 2/3 (347.48)$ $Q_{dom} = 139$ cumecs (Say) |
| Lacey's normal scour depth (R) is $R = 0.473 \times (Q/f)^{1/3}$, where f is silt factor (4.5) R= 2.011 m | Lacey's normal scour depth (R) is $R = 0.473 \times (Q_{dom}/f)^{1/3}$, where f is silt factor (4.5) R= 1.48 m |
| Design scour depth below LWL (D) = 1.25 R= 2.514 m | Design scour depth below LWL (D) = 1.25 R= 1.86 m |
| Anticipated maximum scour depth below LWL $d_s = (2.514 - 2.30) = 0.214$ m, where (HFL-LWL)= 2.30 m | Anticipated maximum scour depth below LWL $d_s = (1.86 - 2.30) = (-) 0.44$ m*, where (HFL-LWL)= 2.30 m |
| River Boon at Pataram (Reach – I) | |
| Catchment area=35.00 Sq Km | Catchment area=35.00 Sq Km |
| Maximum Discharge (Q) = $CM^{3/4} = 20 \times (35)^{3/4} = 287.79$ cumec, Where C is Dickens constant (20) and M is catchment area (35 Sq Km) | Maximum Discharge (Q) = $CM^{3/4} = 12 \times (35)^{3/4} = 172.68$ cumec, Where C is Dickens constant (12) and M is catchment area (35 Sq Km) Dominant Discharge $Q_{dom} = 2/3(172.68) = 115.12$ cumec |
| Lacey's normal scour depth (R) is $R = 0.473 \times (Q/f)^{1/3}$, where f is silt factor (4.5) R= 1.88 m | Lacey's normal scour depth (R) is $R = 0.473 \times (Q_{dom}/f)^{1/3}$, where f is silt factor (4.5) R= 1.39 m |
| Design scour depth below LWL (D) = 1.25 R= 2.35 m | Design scour depth below LWL (D) = 1.25 R= 1.74 m |
| Anticipated maximum scour depth below LWL $d_s = (2.35 - 1.8) = 0.55$ m, where (HFL-LWL)= 2.30 m | Anticipated maximum scour depth below LWL $d_s = (1.74 - 1.8) = (-) 0.06$ m*, where (HFL-LWL)= 2.30 m |

*The Anticipated maximum scour depth below LWL as per the guidelines of CWC was - 0.44 m and - 0.06 m indicating that maximum anticipated scour of those areas would not have reached below the LWL. Hence, the protection works was not needed at all.

Appendix-6
(Ref: Para-1.8, Pages - 46)

Action taken on recommendations

| Year of Report | Name of the PA | No. of recommendations | Details of recommendations | Status |
|----------------|---|------------------------|---|---|
| 2013-14 | Administration of taxes under various Acts by Directorate of Agricultural Income Tax in West Bengal | 7 | <p>Establishing a system to mandatorily coordinate with different Departments, local bodies and other sources and exchange relevant information so as to bring eligible tax payers into the tax net.</p> <p>Timely initiation of recovery proceedings and evolving a mechanism to monitor compliance of Appellate orders for efficient tax administration.</p> <p>Making the definition of luxury more inclusive in the tax.</p> <p>Widening the scope of taxation under the Bengal Amusement Tax Act 1922, on complimentary tickets of commercialised entertainment/ sports events.</p> <p>Ensuring timely assessment of taxes under the West Bengal Entertainment-cum-Amusement Tax Act, 1982 and the Bengal Amusement Tax Act, 1922.</p> <p>Contemplating provisions in the Bengal Amusement Tax Act, 1922 for levy of interest.</p> <p>Establishing an effective internal audit wing and formulating the office procedure manual to ensure that various provisions of the Acts and Rules are efficiently administered for effective tax administration.</p> | Commissioner, Agricultural Income Tax replied (August 2019) that with the introduction of West Bengal Goods and Services Tax, all the range offices under the erstwhile Agricultural Income Tax Directorate, West Bengal were non-functional. As a result no headway could be made in regards to the recommendations. |
| 2015-16 | Assesment, Levy and Collection of Excise Revenue | 4 | <p>Making provisions for late fees in Tourist Lodge Licensing Rules;</p> | Excise Commissioner, West Bengal replied (November 2019) that perspectives of providing licenses to the tourist lodge were different from private bar & restaurants. The tourists' lodges were being provided licenses largely to promote tourism in the state. The application fees and the IGFs for tourist lodges were also different from normal bars and restaurants. Therefore the provisions for late fees had not been kept in the Tourist lodge Licensing Rules. |

| Year of Report | Name of the PA | No. of recommendations | Details of recommendations | Status | | | | | | | | | | | | | | | | | | | | |
|----------------|-----------------------|------------------------|---|---|--------|-----------------------|----------------------|-------------------------------------|----|-----------|---|---|----|------------------|----|----|----|---------------|----|-----|----|----------------|-----|-----|
| | | | <p>Making collection of renewal fee from the licensees who have been given permission to sell packaged foreign liquor in uniformity with "OFF" shop licenses;</p> | <p>The Government had taken the following measures towards proper functioning of the State Excise with the preventive measures to stop sale of illicit liquors:</p> <p>A) In terms of notification No. 695FT Dated 31.05.2018, the Government amended the West Bengal Excise (Reorganisation of Excise Administration) Rules, 2012 where the following new posts have been created.</p> <ul style="list-style-type: none"> i) 2 New Special Commissioner of Revenue. ii) 3 New post of Joint Commissioner of Revenue. iii) 1 New post of Deputy Commissioner of Revenue. iv) 9 New post of Assistant Commissioner. v) 16 New Post of Sub-Inspector of Excise. vi) 9 new post of ASI of excise. vii) 31 New post of Excise Constable. <p>In terms of the above Notification the Government had also restructured the Excise Administration under Excise Directorate in the following manner:</p> | | | | | | | | | | | | | | | | | | | | |
| | | | | <table border="1"> <thead> <tr> <th data-bbox="994 824 1166 913">Sl No.</th> <th data-bbox="994 589 1166 824">Administrative Set up</th> <th data-bbox="994 416 1166 589">No. as on 31.03.2007</th> <th data-bbox="994 232 1166 416">No. as per No. 695FT, Date 31.05.18</th> </tr> </thead> <tbody> <tr> <td data-bbox="1166 824 1225 913">1.</td> <td data-bbox="1166 589 1225 824">Divisions</td> <td data-bbox="1166 416 1225 589">3</td> <td data-bbox="1166 232 1225 416">8</td> </tr> <tr> <td data-bbox="1225 824 1284 913">2.</td> <td data-bbox="1225 589 1284 824">Excise Districts</td> <td data-bbox="1225 416 1284 589">21</td> <td data-bbox="1225 232 1284 416">33</td> </tr> <tr> <td data-bbox="1284 824 1343 913">3.</td> <td data-bbox="1284 589 1343 824">Excise ranges</td> <td data-bbox="1284 416 1343 589">65</td> <td data-bbox="1284 232 1343 416">100</td> </tr> <tr> <td data-bbox="1343 824 1402 913">4.</td> <td data-bbox="1343 589 1402 824">Excise Circles</td> <td data-bbox="1343 416 1402 589">159</td> <td data-bbox="1343 232 1402 416">285</td> </tr> </tbody> </table> | Sl No. | Administrative Set up | No. as on 31.03.2007 | No. as per No. 695FT, Date 31.05.18 | 1. | Divisions | 3 | 8 | 2. | Excise Districts | 21 | 33 | 3. | Excise ranges | 65 | 100 | 4. | Excise Circles | 159 | 285 |
| Sl No. | Administrative Set up | No. as on 31.03.2007 | No. as per No. 695FT, Date 31.05.18 | | | | | | | | | | | | | | | | | | | | | |
| 1. | Divisions | 3 | 8 | | | | | | | | | | | | | | | | | | | | | |
| 2. | Excise Districts | 21 | 33 | | | | | | | | | | | | | | | | | | | | | |
| 3. | Excise ranges | 65 | 100 | | | | | | | | | | | | | | | | | | | | | |
| 4. | Excise Circles | 159 | 285 | | | | | | | | | | | | | | | | | | | | | |

| Year of Report | Name of the PA | No. of recommendations | Details of recommendations | Status | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------|----------------|------------------------|-------------------------------------|--|--------|-------|-----------------|-----------------|----|------|-----|-------------------------------------|----|------------|----|---------------------|----|----------------|-----|-----|----|-----|-----|------|----|------------|------|------|
| | | | | <p>B) In the Notification No 696 FT dated 31.05.2018, the Powers and duties had been specified among the Excise authorities towards proper and systematic use of human resources giving a vigil for the enforcement for the collection of excise revenue.</p> <p>Accordingly, the three new Special Excise Commissioner had also been created as.</p> <ol style="list-style-type: none"> 1. Special Excise Commissioner. (Human Resources) 2. Special Excise Commissioner. (Enforcement) 3. Special Excise Commissioner. (Revenue) <p>C) In terms of notification no 37FT dated 08.01.2019; the strength of sanctioned posts under the Excise Directorate had been strengthened as.</p> <p>Sanctioned Strength as on Strength as per 31.03.2008 No. 37FT dated: 08.01.19</p> <table border="1" data-bbox="762 210 1161 904"> <thead> <tr> <th>Sl No.</th> <th>Posts</th> <th>No. of Strength</th> <th>No. of Strength</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>WBES</td> <td>234</td> <td>312 (WBRS under Excise Directorate)</td> </tr> <tr> <td>2.</td> <td>Inspectors</td> <td>00</td> <td>117 (Newly created)</td> </tr> <tr> <td>3.</td> <td>Sub-Inspectors</td> <td>360</td> <td>770</td> </tr> <tr> <td>4.</td> <td>ASI</td> <td>362</td> <td>1165</td> </tr> <tr> <td>5.</td> <td>Constables</td> <td>2094</td> <td>4652</td> </tr> </tbody> </table> | Sl No. | Posts | No. of Strength | No. of Strength | 1. | WBES | 234 | 312 (WBRS under Excise Directorate) | 2. | Inspectors | 00 | 117 (Newly created) | 3. | Sub-Inspectors | 360 | 770 | 4. | ASI | 362 | 1165 | 5. | Constables | 2094 | 4652 |
| Sl No. | Posts | No. of Strength | No. of Strength | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1. | WBES | 234 | 312 (WBRS under Excise Directorate) | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. | Inspectors | 00 | 117 (Newly created) | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | Sub-Inspectors | 360 | 770 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | ASI | 362 | 1165 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | Constables | 2094 | 4652 | | | | | | | | | | | | | | | | | | | | | | | | | |

| Year of Report | Name of the PA | No. of recommendations | Details of recommendations | Status |
|----------------|----------------|------------------------|--|--|
| | | | | Now the officials of the eight divisions are functioning for the preventive measures. At the same time, the joint operation with the enhance sanctioned officials of the 33 Excise Districts were being conducted in a systematic way. |
| | | | Prescribing a limit in time taken by the Department for processing the application for approval of change in management; | Now the processes of approval of the cases were being properly maintained on urgent basis. |
| | | | Instituting a system of its own for identification of the star category of hotels. | Hence most of the cases had been disposed of accordingly. However a few cases were yet to be disposed of due to the lack of proper documentations from the part of the licenses. |
| | | | | (1) In the cases of new licenses, the matters were being verified. (2) In the cases of renewals, the processes of verifications had been started. |

The following Departments did not furnish current status in respect of action taken on the recommendations of reviews/ Performance Audits featured in the last five years' Reports as mentioned below:-

| Name of the Department | Year of Audit Report | Name of the Performance Audit |
|----------------------------------|----------------------|---|
| Finance | 2013-14 | Assessment, levy and collection of Value Added Tax from works Contractors |
| | 2014-15 | System of Assessment under Value Added Tax |
| | 2015-16 | West Bengal State Lotteries |
| | 2017-18 | Assessment and collection of Stamp Duty and Registration Fees |
| Land and Land Reforms Department | 2014-15 | Assessment and collection of revenue from minor minerals |
| | 2016-17 | Land Revenue receipts in West Bengal |

Appendix-7

(Ref: Para-1.9, Pages - 46)

Units planned and audited in 2018-19

| Category/ Nature of Audit | Total number of units | Number of units planned for audit | No. of units audited |
|--|-----------------------|-----------------------------------|----------------------|
| Value Added Tax | | | |
| Sales Tax/ VAT units consisting of Corporate Division; DCT; Charge Offices; Cess on Petrol, diesel <i>etc.</i> and Check Posts | 95 | 45 | 45 |
| Other Receipts | | | |
| State Excise (Receipt cum expenditure) | 39 | 16 | 16 |
| Stamp Duty and Registration Fees including Non-Judicial Stamp (Receipt cum expenditure) | 285 | 45 | 45 |
| Motor Vehicles Tax | 28 | 15 | 15 |
| Amusement Tax | 21 | 10 | 10 |
| Profession Tax | 29 | 19 | 19 |
| Land Revenue | 23 | 12 | 12 |
| Minor Minerals and Mining Receipts | 29 | 11 | 11 |
| Electricity Duty | 21 | Nil | Nil |
| Departmental Receipts | 1 | 1 | 1 |
| Total | 571 | 174 | 174 |

Appendix-8

(Referred to in paragraphs 1.5,3.1,3.2, pages - 102 and 117)

Statement showing particulars of up to date capital, budgetary outgo, loans given out of budget and loans outstanding as on 31 March 2019 in respect of Government companies and statutory corporations

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

| Sl. | Sector & Name of the Company | Name of the Department | Month & Year of Incorporation | Paid Up Capital ¹ | | | Loans** outstanding as at the close of 2018-19 | | | Manpower (No. of employees as on 31.03.2019) | | | |
|--|--|---|-------------------------------|------------------------------|--------------------|-------------|--|--------------|-------------|--|--------------|------------|--------------|
| | | | | State Government | Central Government | Others | Total | 5 (d) | 6 (a) | 6 (b) | Others | Total | Contractual |
| (1) | (2) | (3) | (4) | 5 (a) | 5 (b) | 5 (c) | 5 (d) | 6 (a) | 6 (b) | 6 (c) | 6 (d) | 7 (a) | 7 (b) |
| I. Social Sector | | | | | | | | | | | | | |
| A. Working Government companies | | | | | | | | | | | | | |
| (i) AGRICULTURE AND ALLIED | | | | | | | | | | | | | |
| 1 | The Statel Fisheries Development Corporation Limited | Fisheries | March 1980 | 2.00 | 0.00 | 0.00 | 2.00 | 0.30 | 0.00 | 0.00 | 0.30 | - | 425 |
| 2 | West Bengal Agro Industries Corporation Limited | Water Resources Investigation & Development | August 1968 | 8.41 | 0.00 | 0.00 | 8.41 | 2.00 | 0.00 | 0.00 | 2.00 | 173 | 149 |
| 3 | West Bengal State Minor Irrigation Corporation Limited | Water Resources Investigation & Development | January 1974 | 11.65 | 0.00 | 0.00 | 11.65 | 0.00 | 0.00 | 0.00 | 0.00 | - | 255 |
| 4 | The West Bengal Livestock Development Corporation Limited | Animal Resources Development | April 1974 | 15.38 | 0.25 | 0.00 | 15.63 | 0.57 | 0.00 | 0.00 | 0.57 | 344 | 150 |
| 5 | West Bengal Forest Development Corporation Limited | Forest | July 1974 | 5.53 | 0.70 | 0.00 | 6.23 | 0.00 | 0.00 | 0.00 | 0.00 | 124 | 646 |
| 6 | West Bengal State Food Processing and Horticulture Development Corporation Limited | Food Processing Industries and Horticulture | April 1986 | 0.97 | 0.00 | 0.00 | 0.97 | 2.21 | 0.00 | 0.00 | 2.21 | - | 29 |
| 7 | West Bengal State Seed Corporation Limited | Agriculture | November 1980 | 2.50 | 0.00 | 0.00 | 2.50 | 0.00 | 0.00 | 0.00 | 0.00 | - | 161 |
| 8 | Paschimbanga Agri Marketing Corporation Limited | Agricultural Marketing | November 2011 | 4.62 | 0.00 | 0.00 | 4.62 | 31.00 | 0.00 | 0.00 | 31.00 | - | 7 |
| 9 | West Bengal Biotech Development Corporation Limited | Bio-technology and Science & Technology | June 2009 | 0.05 | 0.00 | 0.00 | 0.05 | 0.00 | 0.00 | 0.00 | 0.00 | - | 0 |
| Total | | | | 51.11 | 0.95 | 0.00 | 52.06 | 36.08 | 0.00 | 0.00 | 36.08 | 641 | 1,822 |

| Sl. | Sector & Name of the Company | Name of the Department | Month & Year of Incorporation | Paid Up Capital ^s | | | | Loans** outstanding as at the close of 2018-19 | | | | Manpower (No. of employees as on 31.03.2019) | | | | |
|------|---|---------------------------------------|-------------------------------|------------------------------|--------------------|-------------|-----------------|--|--------------------|-------------|--------------|--|-------------|--------------|--------------|-----|
| | | | | State Government | Central Government | Others | Total | State Government | Central Government | Others | Total | Contractual | Permanent | | | |
| | | | | 5 (a) | 5 (b) | 5 (c) | 5 (d) | 6 (a) | 6 (b) | 6 (c) | 6 (d) | 7 (a) | 7 (b) | | | |
| (1) | (2) | (3) | (4) | | | | | | | | | | | | | |
| (ii) | INFRASTRUCTURE | | | | | | | | | | | | | | | |
| 10 | The West Bengal Small Industries Development Corporation Limited (WBSIDC Limited) | MS&ME&T | March 1961 | 119.81 | 0.00 | 0.00 | 119.81 | 12.79 | 0.00 | 0.00 | 12.79 | 0.00 | 0.00 | 0.00 | 12.79 | 135 |
| 11 | West Bengal Electronic Industry Development Corporation Limited (WBEIDC Limited) | Information Technology | February 1974 | 235.67 | 0.00 | 0.00 | 235.67 | 24.25 | 0.00 | 0.00 | 24.25 | 0.00 | 0.00 | 0.00 | 24.25 | 132 |
| 12 | West Bengal Police Housing & Infrastructure Development Corporation Limited | Home & Hill Affairs | March 1993 | 10.40 | 0.00 | 0.00 | 10.40 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 80 |
| 13 | West Bengal Transport Infrastructure Development Corporation Limited | Transport | September 1996 | 7.60 | 0.00 | 0.00 | 7.60 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 91 |
| 14 | West Bengal Housing Infrastructure Development Corporation Limited (WBHIDCO Limited) | Urban Development & Municipal Affairs | April 1999 | 258.00 | 0.00 | 1.65 | 259.65 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| 15 | New Town Telecom Infrastructure Development Company Limited (Subsidiary of WBHIDCO Limited) | Urban Development & Municipal Affairs | May 2006 | 0.00 | 0.00 | 1.05 | 1.05 | 0.00 | 0.00 | 1.25 | 1.25 | 0.00 | 0.00 | 0.00 | 1.25 | 7 |
| 16 | Sundarban Infrastructure Development Corporation Limited | Sundarban Affairs | May 2007 | 1.00 | 0.00 | 0.00 | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 17 |
| 17 | Mackintosh Burn Limited | Public Works | April 1913 | 0.16 | 0.00 | 0.15 | 0.31 | 1.57 | 0.00 | 0.03 | 1.60 | 0.00 | 0.00 | 0.00 | 1.60 | 565 |
| 18 | West Bengal Highway Development Corporation Limited | Public Works | April 2012 | 1,163.24 | 0.00 | 0.00 | 1,163.24 | 50.00 | 0.00 | 0.00 | 50.00 | 0.00 | 0.00 | 50.00 | 29 | |
| 19 | Webel Electronics Infrastructure Development limited (Subsidiary of WBEIDC Limited) | Information Technology & Electronics | May 2015 | 0.00 | 0.00 | 0.05 | 0.05 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| | Total | | | 1,795.88 | 0.00 | 2.90 | 1,798.78 | 88.61 | 0.00 | 1.28 | 89.89 | 0.00 | 0.00 | 50.00 | 1,056 | |

| Sl. | Sector & Name of the Company | Name of the Department | Month & Year of Incorporation | Paid Up Capital [§] | | | Loans** outstanding as at the close of 2018-19 | | | Manpower (No. of employees as on 31.03.2019) | | | |
|-----------|---|---|-------------------------------|------------------------------|--------------------|--------|--|--------------------|--------|--|-------------|-----------|----------|
| | | | | State Government | Central Government | Others | State Government | Central Government | Others | Total | Contractual | Permanent | |
| (1) | (2) | (3) | (4) | 5 (a) | 5 (b) | 5 (c) | 5 (d) | 6 (a) | 6 (b) | 6 (c) | 6 (d) | 7 (a) | 7 (b) |
| (iii) | POWER | | | | | | | | | | | | |
| 20 | The Durgapur Projects Limited | Power & Non Conventional Energy Sources | September 1961 | 1,815.29 | 0.00 | 0.00 | 1,815.29 | 391.69 | 0.00 | 2,674.10 | 3,065.79 | - | 2,105 |
| 21 | West Bengal State Electricity Transmission Company Limited | | February 2007 | 1,105.52 | 0.00 | 0.00 | 1,105.52 | 599.63 | 0.00 | 2,352.85 | 2,952.48 | - | 2,290 |
| 22 | West Bengal Green Energy Development Corporation Limited | | December 2007 | 0.00 | 0.00 | 4.99 | 4.99 | 0.00 | 0.00 | 6.32 | 6.32 | 6.32 | - |
| | Total | | | 2,920.81 | 0.00 | 4.99 | 2,925.80 | 991.32 | 0.00 | 5,033.27 | 6,024.59 | 0 | 4,416.00 |
| | Total A (i+ii+iii) | | | 4,766.72 | 0.95 | 7.89 | 4,775.56 | 1,118.08 | 0.00 | 5,034.55 | 6,152.63 | 1,089 | 7,294 |
| B. | Working Statutory Corporation | | | | | | | | | | | | |
| (i) | AGRICULTURE AND ALLIED | | | | | | | | | | | | |
| 23 | West Bengal State Warehousing Corporation | Food & Supplies | February 1958 | 3.81 | 0.00 | 3.80 | 7.61 | 0.00 | 0.00 | 0.00 | 0.00 | - | 138 |
| | Total | | | 3.81 | 0.00 | 3.80 | 7.61 | 0.00 | 0.00 | 0.00 | 0.00 | 0 | 138 |
| (ii) | INFRASTRUCTURE | | | | | | | | | | | | |
| 24 | West Bengal Industrial Infrastructure Development Corporation | Industry, Commerce and Enterprises | November 1973 | 0.00 | 0.00 | 0.00 | 0.00 | 96.34 | 0.00 | 0.00 | 96.34 | - | 103 |
| | Total | | | 0.00 | 0.00 | 0.00 | 0.00 | 96.34 | 0.00 | 0.00 | 96.34 | 0 | 103 |
| | Total B (i+ii) | | | 3.81 | 0.00 | 3.80 | 7.61 | 96.34 | 0.00 | 0.00 | 96.34 | 0 | 241 |
| C. | Inactive Government Companies | | | | | | | | | | | | |
| (i) | AGRICULTURE AND ALLIED | | | | | | | | | | | | |
| 25 | West Bengal Tea Development Corporation Limited | Industry, Commerce and Enterprises | August 1976 | 47.22 | 0.00 | 0.00 | 47.22 | 107.45 | 0.20 | 0.08 | 107.73 | - | 11 |
| | Total | | | 47.22 | 0.00 | 0.00 | 47.22 | 107.45 | 0.20 | 0.08 | 107.73 | 0 | 11 |
| | Total C (i) | | | 47.22 | 0.00 | 0.00 | 47.22 | 107.45 | 0.20 | 0.08 | 107.73 | 0 | 11 |
| | Grand Total I (A+B+C) | | | 4,817.75 | 0.95 | 11.69 | 4,830.39 | 1,321.87 | 0.20 | 5,034.63 | 6,356.70 | 1,089 | 7,546 |

| Sl. | Sector & Name of the Company | Name of the Department | Month & Year of Incorporation | Paid Up Capital ¹ | | | Loans** outstanding as at the close of 2018-19 | | | Manpower (No. of employees as on 31.03.2019) | | | |
|------------|--|----------------------------------|-------------------------------|------------------------------|-----------------------------|-----------------|--|---------------------------|-----------------------------|--|----------------|----------------------|--------------------|
| | | | | State Government 5 (a) | Central Government 5 (b) | Others 5 (c) | Total 5 (d) | State Government 6 (a) | Central Government 6 (b) | Others 6 (c) | Total 6 (d) | Contractual 7 (a) | Permanent 7 (b) |
| (I) | (2) | (3) | (4) | | | | | | | | | | |
| II | Competitive Sector | | | | | | | | | | | | |
| A. | Working Government Companies | | | | | | | | | | | | |
| (i) | MANUFACTURING | | | | | | | | | | | | |
| 26 | Westinghouse Saxby Farmer Limited | Public Works | May 1923 | 7.74 | 0.00 | 0.00 | 7.74 | 72.01 | 0.00 | 13.00 | 85.01 | 188 | 171 |
| 27 | Britannia Engineering Limited | Public Works | April 1986 | 11.29 | 0.00 | 0.00 | 11.29 | 49.12 | 0.00 | 0.00 | 49.12 | 117 | 196 |
| 28 | Gluconate Health Limited | Health & family Welfare | July 1990 | 54.38 | 0.00 | 0.00 | 54.38 | 15.56 | 0.00 | 0.00 | 15.56 | - | 209 |
| 29 | Durgapur Chemicals Limited | Industry, Commerce & Enterprises | July 1963 | 236.10 | 0.00 | 0.00 | 236.10 | 3.00 | 0.00 | 5.93 | 8.93 | - | 202 |
| 30 | West Bengal Mineral Development and Trading Corporation Limited | Industry, Commerce & Enterprises | February 1973 | 4.43 | 0.00 | 0.00 | 4.43 | 86.85 | 0.00 | 0.00 | 86.85 | 31 | 186 |
| 31 | West Bengal Pharmaceutical and Phytochemical Development Corporation Limited | Industry, Commerce & Enterprises | March 1974 | 23.99 | 0.00 | 0.00 | 23.99 | 11.44 | 0.00 | 0.00 | 11.44 | - | 48 |
| 32 | WEBFIL Limited | Industry, Commerce & Enterprises | May 1979 | 0.00 | 0.00 | 8.53 | 8.53 | 0.00 | 0.00 | 5.26 | 5.26 | - | 104 |
| 33 | Greater Calcutta Gas Supply Corporation Limited | Industry, Commerce & Enterprises | December 1987 | 41.15 | 0.00 | 0.00 | 41.15 | 177.10 | 0.00 | 0.00 | 177.10 | 14 | 211 |
| 34 | The Shalimar Works (1980) Limited | Transport | January 1981 | 1.26 | 0.00 | 0.00 | 1.26 | 138.95 | 0.00 | 0.00 | 138.95 | - | 156 |
| 35 | Mayurakshi Cotton Mills (1990) Limited | MS&ME&T | February 1990 | 10.75 | 0.00 | 0.00 | 10.75 | 43.76 | 0.00 | 0.00 | 43.76 | - | 144 |
| 36 | The Electro Medical and Allied Industries Limited | Health & Family Welfare | June 1961 | 16.40 | 0.00 | 0.00 | 16.40 | 36.42 | 0.00 | 0.00 | 36.42 | - | 24 |
| | Total | | | 407.49 | 0.00 | 8.53 | 416.02 | 634.21 | 0.00 | 24.19 | 658.40 | 350 | 1,651 |

| Sl. | Sector & Name of the Company | Name of the Department | Month & Year of Incorporation | Paid Up Capital ^s | | | | Loans** outstanding as at the close of 2018-19 | | | | Manpower (No. of employees as on 31.03.2019) | |
|--------------|---|---|-------------------------------|------------------------------|--------------------|-------------|-----------------|--|-------------|------------------|------------------|--|--------------------|
| | | | | State Government | Central Government | Others | Total | 5 (d) | 5 (c) | 5 (b) | 5 (a) | State Government | Central Government |
| (1) | (2) | (3) | (4) | (5 (a)) | (5 (b)) | (5 (c)) | (5 (d)) | (6 (a)) | (6 (b)) | (6 (c)) | (6 (d)) | (7 (a)) | (7 (b)) |
| (ii) | POWER | | | | | | | | | | | | |
| 37 | The West Bengal Power Development Corporation Limited | Power & Non Conventional Energy Sources | July 1985 | 6,992.53 | 0.00 | 0.00 | 6,992.53 | 213.25 | 0.00 | 5,936.74 | 6,149.99 | - | 4,470 |
| 38 | West Bengal State Electricity Distribution Company Limited | Power & Non Conventional Energy Sources | February 2007 | 2,354.31 | 0.00 | 0.00 | 2,354.31 | 114.57 | 0.00 | 5,101.74 | 5,216.31 | - | 13,438 |
| 39 | Bengal Birbhum Coalfields Limited | Power & Non Conventional Energy Sources | September 2015 | 0.00 | 0.00 | 0.10 | 0.10 | 0.00 | 0.00 | 0.00 | 0.00 | - | 1 |
| | Total | | | 9,346.84 | 0.00 | 0.10 | 9,346.94 | 327.82 | 0.00 | 11,038.48 | 11,366.30 | 0 | 17,909 |
| (iii) | SERVICE | | | | | | | | | | | | |
| 40 | Biswa Bangla Marketing Corporation Limited | MS&ME&T | December 2014 | 0.01 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 11 | 0 |
| 41 | Webel Technology Limited (Subsidiary of WBEIDC) | PAR & e-Governance | February 2001 | 0.00 | 0.00 | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 | 35 | 34 |
| 42 | West Bengal Transport Corporation Limited (Formerly The Calcutta Tramways Company (1978) Limited) | Transport | October 1982 | 20.40 | 0.00 | 0.00 | 20.40 | 308.51 | 0.00 | 0.00 | 308.51 | 750 | 3,814 |
| 43 | West Bengal Surface Transport Corporation Limited | Transport | February 1989 | 1.01 | 0.00 | 0.00 | 1.01 | 244.40 | 0.00 | 29.85 | 274.25 | - | 884 |
| 44 | West Bengal Trade Promotion Organisation (Subsidiary of WBIDC Limited) | Industry, Commerce and Enterprises | November 2003 | 0.00 | 0.00 | 0.60 | 0.60 | 0.00 | 0.00 | 0.00 | 0.00 | - | 6 |
| 45 | West Bengal Essential Commodities Supply Corporation Limited | Food & Supplies | March 1974 | 1.08 | 0.00 | 0.00 | 1.08 | 96.00 | 0.00 | 215.29 | 311.29 | - | 162 |
| 46 | West Bengal Tourism Development Corporation Limited | Tourism | April 1974 | 18.00 | 0.00 | 0.00 | 18.00 | 0.38 | 0.00 | 0.70 | 1.08 | - | 574 |

| Sl. | Sector & Name of the Company | Name of the Department | Month & Year of Incorporation | Paid Up Capital ¹ | | | | Loans** outstanding as at the close of 2018-19 | | | | Manpower (No. of employees as on 31.03.2019) | | | | |
|--|---|--------------------------------------|-------------------------------|------------------------------|-----------------------------|-----------------|-----------------|--|-----------------------------|------------------|------------------|--|--------------------|--------------|------|-------|
| | | | | State Government 5 (a) | Central Government 5 (b) | Others 5 (c) | Total 5 (d) | State Government 6 (a) | Central Government 6 (b) | Others 6 (c) | Total 6 (d) | Contractual 7 (a) | Permanent 7 (b) | | | |
| 47 | West Bengal Medical Services Corporation Limited | Health and Family Welfare | June 2008 | 10.00 | 0.00 | 0.00 | 10.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 149 |
| 48 | West Bengal Swarojgar Corporation Limited | Self Help Group and Self Employment | November 2009 | 130.00 | 0.00 | 0.00 | 130.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 12 |
| 49 | Webel Electronics Manufacturing Clusters Limited (Subsidiary of WBEIDC) | Information Technology & Electronics | April 2015 | 0.00 | 0.00 | 0.05 | 0.05 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0 |
| 50 | West Bengal State Beverages Corporation Limited | Finance | January 2017 | 20.00 | 0.00 | 0.00 | 20.00 | 3.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3.00 | 0.00 | 0.00 | 299 |
| | Total | | | 200.50 | 0.00 | 1.65 | 202.15 | 652.29 | 0.00 | 245.84 | 898.13 | 5,934 | 796 | 5,934 | | |
| | Total - A (i+ii+iii) | | | 9,954.83 | 0.00 | 10.28 | 9,965.11 | 1,614.32 | 0.00 | 11,308.51 | 12,922.83 | 1,146 | 25,494 | | | |
| B. Working Statutory Corporations | | | | | | | | | | | | | | | | |
| (i) SERVICE | | | | | | | | | | | | | | | | |
| 51 | North Bengal State Transport Corporation | Transport | April 1960 | 5.87 | 4.83 | 0.00 | 10.70 | 436.64 | 0.00 | 0.00 | 436.64 | 0.00 | 0.00 | 0.00 | 0.00 | 2,053 |
| 52 | Calcutta State Transport Corporation | Transport | June 1960 | 8.62 | 1.00 | 0.00 | 9.62 | 562.57 | 0.16 | 24.93 | 587.66 | 0.00 | 0.00 | 0.00 | 0.00 | 3,986 |
| 53 | South Bengal State Transport Corporation | Transport | August 1963 | 11.01 | 0.00 | 0.00 | 11.01 | 352.91 | 0.00 | 0.00 | 352.91 | 0.00 | 0.00 | 0.00 | 0.00 | 2,095 |
| | Total | | | 25.50 | 5.83 | 0.00 | 31.33 | 1,352.12 | 0.16 | 24.93 | 1,377.21 | 0 | 0 | 8,134 | | |
| | Total B | | | 25.50 | 5.83 | 0.00 | 31.33 | 1,352.12 | 0.16 | 24.93 | 1,377.21 | 0 | 0 | 8,134 | | |
| C. Inactive Government Companies | | | | | | | | | | | | | | | | |
| (i) MANUFACTURING | | | | | | | | | | | | | | | | |
| 54 | Neo Pipes and Tubes Company Limited | Industry, Commerce & Enterprises | January 1983 | 2.20 | 0.00 | 0.00 | 2.20 | 4.29 | 0.00 | 0.00 | 4.29 | 0.00 | 0.00 | 0.00 | 0.00 | 45 |
| 55 | National Iron and Steel Company (1984) Limited | Industry, Commerce & Enterprises | July 1986 | 12.00 | 0.00 | 0.00 | 12.00 | 6.45 | 0.00 | 0.00 | 6.45 | 0.00 | 0.00 | 0.00 | 0.00 | 52 |

| Sl. | Sector & Name of the Company | Name of the Department | Month & Year of Incorporation | Paid Up Capital ⁸ | | | | Loans** outstanding as at the close of 2018-19 | | | | Manpower (No. of employees as on 31.03.2019) | |
|-----|---|------------------------------------|-------------------------------|------------------------------|--------------------|--------|-------|--|--------------------|--------|--------|--|-----------|
| | | | | State Government | Central Government | Others | Total | State Government | Central Government | Others | Total | Contractual | Permanent |
| (1) | (2) | (3) | (4) | 5 (a) | 5 (b) | 5 (c) | 5 (d) | 6 (a) | 6 (b) | 6 (c) | 6 (d) | 7 (a) | 7 (b) |
| 56 | Eastern Distilleries and Chemicals Limited | Finance | April 1986 | 0.20 | 0.00 | 0.00 | 0.20 | 27.49 | 0.00 | 0.00 | 27.49 | - | 37 |
| 57 | The Kalyani Spinning Mills Limited | MS&ME&T | January 1960 | 14.63 | 0.00 | 0.00 | 14.63 | 456.20 | 0.00 | 0.00 | 456.20 | 55 | 848 |
| 58 | The West Dinajpur Spinning Mills Limited | MS&ME&T | August 1975 | 12.75 | 0.00 | 0.00 | 12.75 | 184.40 | 0.00 | 0.00 | 184.40 | 170 | 247 |
| 59 | West Bengal Ceramic Development Corporation Limited | MS&ME&T | March 1976 | 2.93 | 0.00 | 0.00 | 2.93 | 26.00 | 0.00 | 0.00 | 26.00 | - | 2 |
| 60 | The West Bengal State Leather Industries Development Corporation Limited | MS&ME&T | March 1976 | 3.95 | 0.00 | 0.00 | 3.95 | 2.34 | 0.00 | 0.00 | 2.34 | - | 3 |
| 61 | The West Bengal Projects Limited (subsidiary of WBSIDC Limited) | MS&ME&T | February 1984 | 0.78 | 0.00 | 1.11 | 1.89 | 0.00 | 0.00 | 0.00 | 0.00 | - | 3 |
| 62 | Pulver Ash Projects Limited (subsidiary of WBSIDC Limited) | MS&ME&T | August 1984 | 0.00 | 0.00 | 3.31 | 3.31 | 0.00 | 0.00 | 13.00 | 13.00 | - | 1 |
| 63 | The Infusions (India) Limited | Industry, Commerce and Enterprises | December 1976 | 7.98 | 0.00 | 0.02 | 8.00 | 7.27 | 0.00 | 0.00 | 7.27 | - | 39 |
| 64 | West Bengal Sugar Industries Development Corporation Limited | Industry, Commerce and Enterprises | May 1973 | 15.17 | 0.00 | 0.07 | 15.24 | 47.01 | 0.00 | 0.00 | 47.01 | 5 | 0 |
| 65 | West Bengal Industrial Land Holding Private Limited (subsidiary of WBIDC Limited) | Industry, Commerce and Enterprises | October 2006 | 0.00 | 0.00 | 0.01 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | - | 0 |

| Sl. | Sector & Name of the Company | Name of the Department | Month & Year of Incorporation | Paid Up Capital ^F | | | | Loans** outstanding as at the close of 2018-19 | | | | Manpower (No. of employees as on 31.03.2019) | | | |
|-----------|--|---|-------------------------------|------------------------------|--------------------|--------------|------------------|--|--------------------|-------------|------------------|--|---------------|--|--|
| | | | | State Government | Central Government | Others | Total | State Government | Central Government | Others | Total | Contractual | Permanent | | |
| | | | | 5 (a) | 5 (b) | 5 (c) | 5 (d) | 6 (a) | 6 (b) | 6 (c) | 6 (d) | 7 (a) | 7 (b) | | |
| (1) | (2) | (3) | (4) | | | | | | | | | | | | |
| 66 | The Carter Pooler Engineering Company Limited | Public Enterprises | June 1987 | 0.95 | 0.00 | 0.00 | 0.95 | 20.69 | 0.00 | 0.00 | 20.69 | - | 0 | | |
| 67 | West Bengal Plywood and Allied Products Limited | Public Enterprises | October 1989 | 0.09 | 0.00 | 0.00 | 0.09 | 52.77 | 0.00 | 0.00 | 52.77 | - | 0 | | |
| 68 | Krishna Silicates and Glass (1987) Limited | Public Enterprises | October 1998 | 0.30 | 0.00 | 0.00 | 0.30 | 98.33 | 0.00 | 0.00 | 98.33 | - | 1 | | |
| 69 | Lily Products Limited | Industry, Commerce and Enterprises | April 2004 | 0.01 | 0.00 | 0.00 | 0.01 | 65.98 | 0.42 | 0.00 | 66.40 | 21 | 43 | | |
| | Total (i) | | | 73.94 | 0.00 | 4.52 | 78.46 | 999.22 | 13.42 | 0.00 | 1,012.64 | 251 | 1,321 | | |
| | Total C (i) | | | 73.94 | 0.00 | 4.52 | 78.46 | 999.22 | 13.42 | 0.00 | 1,012.64 | 251 | 1,321 | | |
| D. | Inactive Statutory Corporations | | | | | | | | | | | | | | |
| (i) | SERVICE | | | | | | | | | | | | | | |
| 70 | Great Eastern Hotel Authority | Tourism | July 1980 | 0.00 | 0.00 | 0.00 | 0.00 | 16.34 | 0.00 | 0.00 | 16.34 | - | 3 | | |
| | Total | | | 0.00 | 0.00 | 0.00 | 0.00 | 16.34 | 0.00 | 0.00 | 16.34 | 0 | 3 | | |
| | Total D (i) | | | 0.00 | 0.00 | 0.00 | 0.00 | 16.34 | 0.00 | 0.00 | 16.34 | 0 | 3 | | |
| | Grand Total II (A+B+C+D) | | | 10,054.27 | 5.83 | 14.80 | 10,074.90 | 3,982.00 | 11,346.86 | 0.16 | 15,329.02 | 1,397 | 34,952 | | |
| III | Other Sector | | | | | | | | | | | | | | |
| A. | Working Government Companies | | | | | | | | | | | | | | |
| (i) | FINANCING | | | | | | | | | | | | | | |
| 71 | West Bengal Industrial Development Corporation Limited (WBIDC Limited) | Industry, Commerce & Enterprises | January 1967 | 435.93 | 0.00 | 0.00 | 435.93 | 108.18 | 0.00 | 0.00 | 108.18 | - | 101 | | |
| 72 | West Bengal Handicrafts Development Corporation Limited | Micro Small & Medium Enterprises and Textiles | June 1976 | 45.82 | 0.78 | 0.00 | 46.60 | 1.50 | 1.00 | 0.00 | 2.50 | 54 | 30 | | |
| 73 | West Bengal Film Development Corporation Limited | Information & Cultural Affairs | July 1980 | 5.20 | 0.00 | 0.00 | 5.20 | 39.66 | 0.00 | 0.00 | 39.66 | 1 | 5 | | |

| Sl. | Sector & Name of the Company | Name of the Department | Month & Year of Incorporation | Paid Up Capital ^s | | | | Loans** outstanding as at the close of 2018-19 | | | | Manpower (No. of employees as on 31.03.2019) | | |
|--|---|--|-------------------------------|------------------------------|--------------------|-------------|---------------|--|--------------------|---------------|---------------|--|------------|------------|
| | | | | State Government | Central Government | Others | Total | State Government | Central Government | Others | Total | Contractual | Permanent | |
| (1) | (2) | (3) | (4) | 5 (a) | 5 (b) | 5 (c) | 5 (d) | 6 (a) | 6 (b) | 6 (c) | 6 (d) | 7 (a) | 7 (b) | |
| 74 | West Bengal Women Development Undertaking | Women & Child Development and Social Welfare | August 1993 | 0.10 | 0.00 | 0.00 | 0.10 | 0.00 | 0.00 | 0.00 | 0.00 | - | 12 | |
| 75 | West Bengal Infrastructure Development Finance Corporation Limited | Finance | May 1997 | 225.30 | 0.00 | 0.00 | 225.30 | 0.00 | 0.00 | 466.67 | 466.67 | - | 44 | |
| 76 | Webel Venture Capital Limited (Subsidiary of WBEIDC Limited) | Information Technology | February 2007 | 0.00 | 0.00 | 0.05 | 0.05 | 0.00 | 0.00 | 0.00 | 0.00 | - | 1 | |
| Total (i) | | | | 712.35 | 0.78 | 0.05 | 713.18 | 149.34 | 1.00 | 466.67 | 617.01 | 55 | 193 | |
| (ii) MISCELLANEOUS | | | | | | | | | | | | | | |
| 77 | Basumati Corporation Limited | Information and Culture Affairs | February 1975 | 0.10 | 0.00 | 0.00 | 0.10 | 71.99 | 0.00 | 0.00 | 71.99 | 22 | 64 | |
| 78 | Silpabarta Printing Press Limited (subsidiary of WBSIDC Limited) | MS&ME and Textiles | September 1982 | 0.18 | 0.00 | 0.71 | 0.89 | 3.45 | 0.00 | 0.00 | 3.45 | 6 | 20 | |
| 79 | Saraswati Press Limited | Industry, Commerce and Enterprises | January 1987 | 5.50 | 0.00 | 0.00 | 5.50 | 0.00 | 0.00 | 0.00 | 0.00 | - | 275 | |
| 80 | West Bengal Text Book Corporation (P) Limited (subsidiary of Saraswati Press Limited) | Industry, Commerce and Enterprises | December 2006 | 0.00 | 0.00 | 0.10 | 0.10 | 0.00 | 0.00 | 0.00 | 0.00 | - | 0 | |
| Total (ii) | | | | 5.78 | 0.00 | 0.81 | 6.59 | 75.44 | 0.00 | 0.00 | 0.00 | 75.44 | 28 | 359 |
| Total A (i+ii) | | | | 718.13 | 0.78 | 0.86 | 719.77 | 224.78 | 1.00 | 466.67 | 692.45 | 83 | 552 | |
| B. Working Statutory Corporations | | | | | | | | | | | | | | |
| (i) FINANCING | | | | | | | | | | | | | | |
| 81 | West Bengal Financial Corporation | Finance | March 1954 | 275.01 | 0.00 | 0.34 | 275.35 | 544.08 | 0.00 | 10.05 | 554.13 | - | 112 | |

| Sl. | Sector & Name of the Company | Name of the Department | Month & Year of Incorporation | Paid Up Capital [§] | | | | Loans** outstanding as at the close of 2018-19 | | | | Manpower (No. of employees as on 31.03.2019) | | | |
|-----------|---|---|-------------------------------|------------------------------|--------------------|--------------|------------------|--|---------------|------------------|------------------|--|------------------|-----------|------------|
| | | | | State Government | Central Government | Others | Total | 5 (a) | 5 (b) | 5 (c) | 5 (d) | 6 (a) | 6 (b) | 6 (c) | 6 (d) |
| (1) | (2) | (3) | (4) | | | | | | | | | | | 7 (a) | 7 (b) |
| 82 | West Bengal Scheduled Castes, Scheduled Tribes and Other Backward Classes Development & Finance Corporation | Backward Classes Welfare | September 2017 | 189.46 | 122.70 | 0.00 | 312.16 | 0.00 | 126.93 | 0.00 | 126.93 | 0.00 | 126.93 | 10 | 69 |
| 83 | West Bengal Minorities Development & Finance Corporation | Minorities Development & Madrasah Education | January 1996 | 150.00 | 0.00 | 0.00 | 150.00 | 0.00 | 0.00 | 536.96 | 536.96 | 0.00 | 536.96 | - | 64 |
| | Total | | | 614.47 | 122.70 | 0.34 | 737.51 | 544.08 | 126.93 | 547.01 | 1,218.02 | 547.01 | 1,218.02 | 10 | 245 |
| | Total B (i) | | | 614.47 | 122.70 | 0.34 | 737.51 | 544.08 | 126.93 | 547.01 | 1,218.02 | 547.01 | 1,218.02 | 10 | 245 |
| C. | Inactive Government Companies | | | | | | | | | | | | | | |
| (i) | FINANCING | | | | | | | | | | | | | | |
| 84 | West Bengal Handloom and Powerloom Development Corporation Limited | MS&ME&T | September 1973 | 43.01 | 3.73 | 0.02 | 46.76 | 5.15 | 0.00 | 0.00 | 5.15 | 0.00 | 5.15 | - | 10 |
| | Total | | | 43.01 | 3.73 | 0.02 | 46.76 | 5.15 | 0.00 | 0.00 | 5.15 | 0.00 | 5.15 | 0 | 10 |
| | Total C (i) | | | 43.01 | 3.73 | 0.02 | 46.76 | 5.15 | 0.00 | 0.00 | 5.15 | 0.00 | 5.15 | 0 | 10 |
| | Grand Total III(A+B+C) | | | 1,375.61 | 127.21 | 1.22 | 1,504.04 | 774.01 | 127.93 | 1,013.68 | 1,915.62 | 1,013.68 | 23,599.27 | 93 | 807 |
| | Grand Total (I+II+III) | | | 16,248.71 | 133.99 | 27.71 | 16,410.41 | 6,075.81 | 128.29 | 17,395.17 | 23,599.27 | 2,578 | 43,344 | | |

§ Paid-up capital includes share application money.

** Loans outstanding at the close of 2018-19 represent Long-term Loans only.

Appendix-9

(Referred to in paragraphs 2.7, 2.7.2, 3.6, 3.7, 3.7.2 & 3.7.10 Pages - 108, 109, 120, 122 & 129)

Summarised financial position and working results of Government Companies and Statutory Corporations as per their latest finalised statements/ accounts for 2018-19

| Sl. No. | Sector/ Name of the Company | Period of Accounts | Year in which accounts finalised | Paid-up Capital | Loans outstanding at the end of year@ | Interest Payments | Free reserves | Accumulated Profit (+)/ Loss(-) | Turnover | Net Profit (+)/Loss (-) | Networth/ Shareholders' funds | Capital Employed | (EBIT) RoCE ^s | RoCE (in Per cent) |
|------------|--|--------------------|----------------------------------|-----------------|---------------------------------------|-------------------|---------------|---------------------------------|---------------|-------------------------|-------------------------------|------------------|--------------------------|--------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| I | Social Sector | | | | | | | | | | | | | |
| A. | Working Government Companies | | | | | | | | | | | | | |
| (i) | AGRICULTURE AND ALLIED | | | | | | | | | | | | | |
| 1 | West Bengal Agro Industries Corporation Limited | 2018-19 | 2019-20 | 8.41 | 2.00 | 22.32 | 0.00 | (-) 166.58 | 132.87 | (-) 13.32 | (-) 158.17 | (-) 156.17 | 9.00 | 0.00 |
| 2 | The State Fisheries Development Corporation Limited | 2017-18 | 2018-19 | 2.70 | 2.00 | 0.00 | 0.00 | 2.38 | 22.77 | 1.34 | 5.08 | 7.45 | 1.34 | 17.99 |
| 3 | West Bengal Forest Development Corporation Limited | 2017-18 | 2018-19 | 6.23 | 0.00 | 0.00 | 0.82 | 111.52 | 45.87 | 7.00 | 118.57 | 118.57 | 4.58 | 3.86 |
| 4 | West Bengal State Seed Corporation Limited | 2017-18 | 2018-19 | 2.50 | 0.00 | 1.26 | 0.00 | 131.84 | 236.17 | 16.33 | 134.34 | 134.34 | 27.03 | 20.12 |
| 5 | Pachibanga Agri Marketing Corporation Limited | 2017-18 | 2018-19 | 4.67 | 33.00 | 0.00 | 0.00 | 0.63 | 0.02 | 0.42 | 5.30 | 38.30 | 2.00 | 5.22 |
| 6 | West Bengal State Minor Irrigation Corporation Limited | 2016-17 | 2017-18 | 11.65 | 0.00 | 0.00 | 0.00 | (-) 100.80 | 1.22 | (-) 1.72 | (-) 89.15 | (-) 89.15 | (-) 1.75 | 0.00 |
| 7 | The West Bengal Livestock Development Corporation Limited | 2017-18 | 2018-19 | 3.50 | 0.00 | 0.00 | 0.00 | 3.60 | 11.72 | 2.04 | 7.10 | 7.10 | 2.95 | 41.55 |
| 8 | West Bengal State Food Processing and Horticulture Development Corporation Limited | 2015-16 | 2018-19 | 0.97 | 2.33 | 0.30 | 0.00 | 3.03 | 10.47 | 0.63 | 4.00 | 6.33 | 1.46 | 23.06 |
| 9 | West Bengal Biotech Development Corporation Limited | 2012-13 | 2016-17 | 0.05 | 0.00 | 0.00 | 0.00 | (-) 3.40 | 0.00 | (-) 1.73 | (-) 3.35 | (-) 3.35 | (-) 1.73 | 0.00 |
| | Total (i) | | | 40.68 | 39.33 | 23.88 | 0.82 | (-) 17.78 | 461.11 | 10.99 | 23.72 | 63.42 | 44.88 | 70.77 |

| Sl. No. | Sector/ Name of the Company | Period of Accounts | Year in which accounts finalised | Paid-up Capital | Loans outstanding at the end of year@ | Interest Payments | Free reserves | Accumulated Profit (+)/ Loss(-) | Turnover | Net Profit (+)/Loss (-) | Networth/ Shareholders' funds | Capital Employed | (EBIT) RoCEs | RoCE (in Per cent) |
|---------|---|--------------------|----------------------------------|-----------------|---------------------------------------|-------------------|---------------|---------------------------------|-----------------|-------------------------|-------------------------------|------------------|--------------|--------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| (ii) | INFRASTRUCTURE | | | | | | | | | | | | | |
| 10 | West Bengal Housing Infrastructure Development Corporation Limited (WBHIDCO Limited) | 2017-18 | 2018-19 | 199.65 | 0.00 | 0.00 | 0.00 | 75.74 | 219.44 | (-) 39.33 | 275.39 | 275.39 | (-) 39.08 | 0.00 |
| 11 | West Bengal Police Housing & Infrastructure Development Corporation Limited | 2018-19 | 2019-20 | 10.40 | 0.00 | 0.00 | 0.00 | 24.16 | 223.33 | 6.98 | 34.56 | 34.56 | 9.77 | 28.27 |
| 12 | New Town Telecom Infrastructure Development Company Limited (Subsidiary of WBHIDCO Limited) | 2018-19 | 2019-20 | 1.05 | 1.25 | 0.22 | 0.00 | 19.61 | 8.46 | 5.32 | 20.66 | 21.91 | 7.59 | 34.64 |
| 13 | Sundarban Infrastructure Development Corporation Limited | 2017-18 | 2018-19 | 1.00 | 0.00 | 0.00 | 0.00 | 15.78 | 0.10 | 1.52 | 16.78 | 16.78 | 2.10 | 12.51 |
| 14 | West Bengal Highway Development Corporation Limited | 2017-18 | 2018-19 | 1,163.24 | 50.00 | 0.95 | 0.00 | 8.93 | 0.00 | (-) 18.69 | 1,172.17 | 1,222.17 | (-) 11.07 | 0.00 |
| 15 | West Bengal Transport Infrastructure Development Corporation Limited | 2018-19 | 2019-20 | 7.60 | 0.00 | 0.72 | 0.00 | 25.99 | 0.00 | 7.61 | 33.59 | 33.59 | 11.44 | 34.06 |
| 16 | The West Bengal Small Industries Development Corporation Limited (WBSIDC Limited) | 2017-18 | 2018-19 | 119.81 | 12.79 | 1.36 | 0.00 | 10.61 | 146.00 | 5.74 | 130.42 | 143.21 | 18.07 | 12.62 |
| 17 | West Bengal Electronic Industry Development Corporation Limited (WBEIDC Limited) | 2017-18 | 2018-19 | 235.67 | 30.55 | 3.81 | 0.00 | (-) 50.58 | 94.03 | 4.12 | 185.09 | 215.64 | 18.88 | 8.76 |
| 18 | Mackintosh Burn Limited | 2017-18 | 2018-19 | 0.31 | 1.60 | 4.04 | 8.73 | 207.17 | 705.19 | 16.59 | 216.21 | 217.81 | 29.45 | 13.52 |
| 19 | Webel Electronic Infrastructure Development Limited (Subsidiary of WBEIDC Limited) | 2018-19 | 2019-20 | 0.05 | 0.00 | 0.00 | 0.00 | (-) 0.04 | 0.00 | (-) 0.02 | 0.01 | 0.01 | (-) 0.02 | 0.00 |
| | Total (ii) | | | 1,738.78 | 96.19 | 11.1 | 8.73 | 337.37 | 1,396.55 | (-) 10.16 | 2,084.88 | 2,181.07 | 47.13 | 2.16 |

| Sl. No. | Sector/ Name of the Company | Period of Accounts | Year in which accounts finalised | Paid-up Capital | Loans outstanding at the end of year@ | Interest Payments | Free reserves | Accumulated Profit (+)/ Loss(-) | Turnover | Net Profit (+)/Loss (-) | Network/ Shareholders' funds | Capital Employed | (EBIT) RoCE's | RoCE (in Per cent) |
|-----------|---|--------------------|----------------------------------|-----------------|---------------------------------------|-------------------|-----------------|---------------------------------|-----------------|-------------------------|------------------------------|-------------------|------------------|--------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| (iii) | POWER | | | | | | | | | | | | | |
| 20 | The Durgapur Projects Limited | 2017-18 | 2018-19 | 1,301.00 | 2,947.38 | 359.97 | 0.00 | (-) 2,995.40 | 1,120.38 | (-) 591.22 | (-) 1,694.40 | 1,252.98 | (-) 231.25 | 0.00 |
| 21 | West Bengal State Electricity Transmission Company Limited | 2018-19 | 2019-20 | 1,105.52 | 2,952.48 | 271.71 | 3,125.74 | 0.00 | 1,353.05 | 404.72 | 4,231.26 | 7,183.74 | 787.31 | 10.96 |
| 22 | West Bengal Green Energy Development Corporation Limited | 2018-19 | 2019-20 | 4.99 | 5.18 | 0.02 | 0.00 | (-) 9.99 | 4.91 | 1.13 | (-) 5.00 | 0.18 | 1.15 | 638.89 |
| | Total (ii) | | | 2,411.51 | 5,905.04 | 631.7 | 3,125.74 | (-) 3,005.39 | 2,478.34 | (-) 185.37 | 2,531.86 | 8,436.90 | 557.21 | 6.60 |
| | Total (i+ii+iii) | | | 4,190.97 | 6,040.56 | 666.68 | 3,135.29 | (-) 2,685.80 | 4,336.00 | (-) 184.54 | 4,640.46 | 10,681.39 | 649.22 | 6.08 |
| B. | Working Statutory Corporations | | | | | | | | | | | | | |
| (i) | AGRICULTURE AND ALLIED | | | | | | | | | | | | | |
| 23 | West Bengal State Warehousing Corporation | 2015-16 | 2018-19 | 7.61 | 0.00 | 0.00 | 3.84 | 15.72 | 43.38 | 16.67 | 27.17 | 27.17 | 22.58 | 83.11 |
| | Total | | | 7.61 | 0.00 | 0.00 | 3.84 | 15.72 | 43.38 | 16.67 | 27.17 | 27.17 | 22.58 | 83.11 |
| (ii) | INFRASTRUCTURE | | | | | | | | | | | | | |
| 24 | West Bengal Industrial Infrastructure Development Corporation | 2017-18 | 2018-19 | 0.00 | 96.34 | 55.60 | 0.00 | 97.89 | 33.87 | 10.34 | 97.89 | 194.23 | 69.34 | 35.70 |
| | Total | | | 0.00 | 96.34 | 55.60 | 0.00 | 97.89 | 33.87 | 10.34 | 97.89 | 194.23 | 69.34 | 35.70 |
| | Total(i+ii) | | | 7.61 | 96.34 | 55.60 | 3.84 | 113.61 | 77.25 | 27.01 | 125.06 | 221.40 | 91.92 | 41.52 |
| C. | Inactive Government Companies | | | | | | | | | | | | | |
| (i) | AGRICULTURE AND ALLIED | | | | | | | | | | | | | |
| 25 | West Bengal Tea Development Corporation Limited | 2018-19 | 2019-20 | 47.22 | 107.73 | 16.68 | 0.00 | (-) 426.61 | 0.00 | (-) 51.59 | (-) 379.39 | (-) 271.66 | (-) 34.91 | 0.00 |
| | Total | | | 47.22 | 107.73 | 16.68 | 0.00 | (-) 426.61 | 0.00 | (-) 51.59 | (-) 379.39 | (-) 271.66 | (-) 34.91 | 0.00 |
| | Total(i) | | | 47.22 | 107.73 | 16.68 | 0.00 | (-) 426.61 | 0.00 | (-) 51.59 | (-) 379.39 | (-) 271.66 | (-) 34.91 | 0.00 |
| | Total(A+B+C) | | | 4,245.80 | 6,244.63 | 738.96 | 3,139.13 | (-) 2,998.80 | 4,413.25 | (-) 209.58 | 4,386.13 | 10,631.13 | 706.23 | 6.64 |

| Sl. No. | Sector/ Name of the Company | Period of Accounts | Year in which accounts finalised | Paid-up Capital | Loans outstanding at the end of year@ | Interest Payments | Free reserves | Accumulated Profit (+)/ Loss(-) | Turnover | Net Profit (+)/Loss (-) | Network/ Shareholders' funds | Capital Employed | (EBIT) RoCE ^s | RoCE (in Percent) |
|---------|--|--------------------|----------------------------------|-----------------|---------------------------------------|-------------------|---------------|---------------------------------|------------------|-------------------------|------------------------------|-------------------|--------------------------|-------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| II | Competitive Sector | | | | | | | | | | | | | |
| A. | Working Government Companies | | | | | | | | | | | | | |
| (i) | MANUFACTURING | | | | | | | | | | | | | |
| 26 | Britannia Engineering Limited | 2017-18 | 2018-19 | 11.29 | 39.52 | 5.88 | 0.00 | (-) 79.73 | 19.59 | (-) 16.54 | (-) 68.44 | (-) 28.92 | (-) 10.66 | 0.00 |
| 27 | Gluconate Health Limited | 2018-19 | 2019-20 | 54.38 | 15.56 | 2.23 | 0.00 | (-) 10.30 | 61.81 | 5.97 | 44.08 | 59.64 | 9.25 | 15.51 |
| 28 | Durgapur Chemicals Limited | 2018-19 | 2019-20 | 236.10 | 5.93 | 0.49 | 0.00 | (-) 213.49 | 69.27 | (-) 16.41 | 22.61 | 28.54 | (-) 15.92 | 0.00 |
| 29 | West Bengal Mineral Development and Trading Corporation Limited | 2018-19 | 2019-20 | 4.43 | 86.85 | 8.76 | 0.00 | (-) 71.64 | 301.61 | 0.70 | (-) 67.21 | 19.64 | 10.24 | 52.14 |
| 30 | WEBFIL Limited | 2018-19 | 2019-20 | 8.53 | 5.26 | 1.72 | 2.36 | (-) 5.31 | 56.32 | 2.64 | 5.58 | 10.84 | 5.20 | 47.97 |
| 31 | The Shalimar Works (1980) Limited | 2018-19 | 2019-20 | 1.25 | 138.95 | 18.94 | 0.00 | (-) 336.45 | 20.16 | (-) 26.92 | (-) 335.20 | (-) 196.25 | (-) 7.98 | 0.00 |
| 32 | Mayurakshi Cotton Mills (1990) Limited | 2018-19 | 2019-20 | 10.75 | 43.75 | 0.14 | 0.00 | (-) 75.55 | 1.22 | (-) 3.64 | (-) 64.8 | (-) 21.05 | (-) 3.50 | 0.00 |
| 33 | West Bengal Pharmaceutical and Phytochemical Development Corporation Limited | 2017-18 | 2018-19 | 26.23 | 11.44 | 1.49 | 0.00 | (-) 32.08 | 4.56 | (-) 4.13 | (-) 5.85 | 5.59 | (-) 2.64 | 0.00 |
| 34 | Greater Calcutta Gas Supply Corporation Limited | 2018-19 | 2019-20 | 41.15 | 177.10 | 21.87 | 0.00 | (-) 449.38 | 1.94 | (-) 31.45 | (-) 408.23 | (-) 231.13 | (-) 9.58 | 0.00 |
| 35 | The Electro Medical and Allied Industries Limited | 2017-18 | 2018-19 | 16.40 | 36.37 | 4.30 | 0.00 | (-) 94.44 | 16.66 | (-) 1.45 | (-) 78.04 | (-) 41.67 | 2.85 | 0.00 |
| 36 | Westinghouse Saxby Farmer Limited | 2017-18 | 2018-19 | 7.74 | 74.99 | 8.43 | 0.01 | (-) 93.91 | 68.75 | (-) 14.36 | (-) 86.16 | (-) 11.17 | (-) 4.85 | 0.00 |
| | Total | | | 418.25 | 635.72 | 74.25 | 2.37 | (-) 1,462.28 | 621.89 | (-) 105.59 | (-) 1,041.66 | (-) 405.94 | (-) 27.59 | 0.00 |
| (ii) | POWER | | | | | | | | | | | | | |
| 37 | The West Bengal Power Development Corporation Limited | 2018-19 | 2019-20 | 6,817.53 | 6,149.99 | 1,061.81 | 0.00 | 1,284.41 | 9,853.68 | 99.61 | 8,101.94 | 14,251.93 | 1,188.78 | 8.34 |
| 38 | West Bengal State Electricity Distribution Company Limited | 2018-19 | 2019-20 | 2,354.31 | 5,216.31 | 1,446.60 | 0.00 | (-) 42.51 | 20,978.74 | (-) 45.22 | 2,311.80 | 7,528.11 | 1,401.38 | 18.62 |
| 39 | Bengal Birluhum Coalfields Limited | 2018-19 | 2019-20 | 0.10 | 0.00 | 0.00 | 0.00 | (-) 1.40 | 0.00 | (-) 0.02 | (-) 1.30 | (-) 1.30 | (-) 0.02 | 0.00 |
| | Total | | | 9,171.94 | 11,366.30 | 2,508.41 | 0.00 | 1,241.50 | 30,832.42 | 54.37 | 10,412.44 | 21,778.74 | 2,590.14 | 11.89 |

| Sl. No. | Sector/ Name of the Company | Period of Accounts | Year in which accounts finalised | Paid-up Capital | Loans outstanding at the end of year@ | Interest Payments | Free reserves | Accumulated Profit (+)/ Loss(-) | Turnover | Net Profit (+)/Loss (-) | Network/ Shareholders' funds | Capital Employed | (EBIT) RoCE ^s | RoCE (in Per cent) |
|---------|---|--------------------|----------------------------------|-----------------|---------------------------------------|-------------------|---------------|---------------------------------|------------------|-------------------------|------------------------------|---------------------|--------------------------|--------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| (iii) | SERVICE | | | | | | | | | | | | | |
| 40 | Webel Technology Limited (Subsidiary of WBEIDC Limited) | 2017-18 | 2018-19 | 1.00 | 0.00 | 0.00 | 40.20 | 11.14 | 205.09 | 6.10 | 52.34 | 52.34 | 9.84 | 18.80 |
| 41 | Webel Electronic Manufacturing Clusters Limited (Subsidiary of WBEIDC Limited) | 2018-19 | 2019-20 | 0.05 | 0.00 | 0.00 | 0.00 | (-) 0.04 | 0.00 | (-) 0.02 | 0.01 | 0.01 | (-) 0.02 | 0.00 |
| 42 | West Bengal Transport Corporation Limited {Formerly The Calcutta Tramways Company (1978) Limited} | 2018-19 | 2019-20 | 20.40 | 292.02 | 54.77 | 0.00 | (-) 1,938.90 | 69.99 | (-) 188.92 | (-) 1,918.50 | (-) 1,626.48 | (-) 134.15 | 0.00 |
| 43 | West Bengal Medical Services Corporation Limited | 2018-19 | 2019-20 | 10.00 | 0.00 | 0.00 | 0.00 | 86.75 | 23.21 | 14.28 | 96.75 | 96.75 | 20.73 | 21.43 |
| 44 | West Bengal Trade Promotion Organisation (Subsidiary of WBIDC Limited) | 2018-19 | 2019-20 | 0.60 | 0.00 | 0.00 | 0.00 | 26.74 | 0.00 | (-) 0.20 | 27.34 | 27.34 | (-) 0.20 | 0.00 |
| 45 | West Bengal Swarojgar Corporation Limited | 2017-18 | 2018-19 | 130.00 | 0.00 | 0.00 | 0.00 | 43.41 | 0.00 | 2.60 | 173.41 | 173.41 | 3.59 | 2.07 |
| 46 | Biswa Bangla Marketing Corporation Limited | 2018-19 | 2019-20 | 0.01 | 0.00 | 0.00 | 0.00 | 0.53 | 22.95 | (-) 0.30 | 0.54 | 0.54 | (-) 0.30 | 0.00 |
| 47 | West Bengal Surface Transport Corporation Limited | 2018-19 | 2019-20 | 1.01 | 274.06 | 39.16 | 0.00 | (-) 627.37 | 40.07 | (-) 89.98 | (-) 626.36 | (-) 352.30 | (-) 50.82 | 0.00 |
| 48 | West Bengal Tourism Development Corporation Limited | 2017-18 | 2019-20 | 9.99 | 1.08 | 0.03 | 0.00 | (-) 2.66 | 40.37 | (-) 2.91 | 7.33 | 8.41 | (-) 3.07 | 0.00 |
| 49 | West Bengal Essential Commodities Supply Corporation Limited | 2013-14 | 2017-18 | 1.08 | 311.29 | 0.08 | 0.00 | (-) 16.34 | 1,683.38 | (-) 1.58 | (-) 15.26 | 296.03 | (-) 1.50 | 0.00 |
| 50 | West Bengal State Beverages Corporation Limited | 2018-19 | 2019-20 | 20.00 | 3.00 | 0.33 | 0.00 | 106.44 | 13,541.45 | 80.30 | 126.44 | 129.44 | 123.58 | 95.47 |
| | Total | | | 194.14 | 881.45 | 94.37 | 40.20 | (-) 2,310.30 | 15,626.51 | (-) 180.63 | (-) 2,075.96 | (-) 1,194.51 | (-) 32.32 | 0.00 |
| | Total (i+ii+iii) | | | 9,784.33 | 12,883.47 | 2,677.03 | 42.57 | (-) 2,532.08 | 47,080.82 | (-) 231.85 | 7,294.82 | 20,178.29 | 2,530.23 | 12.54 |

| Sl. No. | Sector/ Name of the Company | Period of Accounts | Year in which accounts finalised | Paid-up Capital | Loans outstanding at the end of year@ | Interest Payments | Free reserves | Accumulated Profit (+)/ Loss(-) | Turnover | Net Profit (+)/Loss (-) | Network/ Shareholders' funds | Capital Employed | (EBIT) RoCE ^s | RoCE (in Per cent) |
|------------|---|--------------------|----------------------------------|-----------------|---------------------------------------|-------------------|---------------|---------------------------------|--------------|-------------------------|------------------------------|---------------------|--------------------------|--------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| B. | Inactive Government Companies | | | | | | | | | | | | | |
| (i) | MANUFACTURING | | | | | | | | | | | | | |
| 51 | Neo Pipes and Tubes Company Limited | 2017-18 | 2018-19 | 2.20 | 12.29 | 6.40 | 0.00 | (-) 144.02 | 0.00 | (-) 9.25 | (-) 141.82 | (-) 129.53 | (-) 2.85 | 0.00 |
| 52 | National Iron and Steel Company (1984) Limited | 2017-18 | 2018-19 | 12.00 | 113.46 | 16.49 | 0.00 | (-) 370.37 | 0.00 | (-) 19.61 | (-) 358.37 | (-) 244.91 | (-) 3.12 | 0.00 |
| 53 | West Bengal Sugar Industries Development Corporation Limited | 2017-18 | 2018-19 | 15.24 | 47.01 | 0.00 | 0.00 | (-) 182.72 | 0.00 | 0.13 | (-) 167.48 | (-) 120.47 | 0.13 | 0.00 |
| 54 | Lily Products Limited | 2017-18 | 2018-19 | 0.01 | 63.46 | 17.97 | 0.00 | (-) 253.53 | 0.00 | (-) 20.76 | (-) 253.52 | (-) 190.06 | (-) 2.79 | 0.00 |
| 55 | The West Dinajpur Spinning Mills Limited | 2018-19 | 2019-20 | 12.75 | 184.40 | 25.81 | 0.00 | (-) 415.17 | 0.00 | (-) 42.81 | (-) 402.42 | (-) 218.02 | (-) 17.00 | 0.00 |
| 56 | Pulver Ash Projects Limited (subsidiary of WBSIDC Limited) | 2017-18 | 2018-19 | 3.31 | 13.00 | 0.00 | 0.00 | (-) 15.31 | 0.00 | (-) 0.05 | (-) 12.00 | 1.00 | (-) 0.05 | 0.00 |
| 57 | West Bengal Industrial Land Holding Private Limited (subsidiary of WBIDC Ltd) | 2017-18 | 2018-19 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.01 | 0.00 | 0.00 |
| 58 | The Kalyani Spinning Mills Limited | 2018-19 | 2019-20 | 14.63 | 456.19 | 58.56 | 0.00 | (-) 1,099.23 | 0.00 | (-) 94.49 | (-) 1,084.60 | (-) 628.41 | (-) 35.93 | 0.00 |
| 59 | The Infusions (India) Limited | 2014-15 | 2018-19 | 8.00 | 7.27 | 1.16 | 0.00 | (-) 21.68 | 0.00 | (-) 2.55 | (-) 13.68 | (-) 6.41 | (-) 1.39 | 0.00 |
| 60 | The West Bengal Projects Limited (subsidiary of WBSIDC Limited) | 2014-15 | 2018-19 | 1.89 | 0.00 | 0.01 | 0.00 | (-) 2.67 | 0.00 | (-) 0.11 | (-) 0.78 | (-) 0.78 | (-) 0.10 | 0.00 |
| 61 | West Bengal Plywood and Allied Products Limited | 2011-12 | 2013-14 | 0.09 | 52.77 | 0.00 | 0.00 | (-) 53.39 | 0.00 | (-) 0.10 | (-) 53.30 | (-) 0.53 | (-) 0.10 | 0.00 |
| 62 | The West Bengal State Leather Industries Development Corporation Limited | 2009-10 | 2018-19 | 3.95 | 2.34 | 0.00 | 0.00 | (-) 22.81 | 0.00 | (-) 1.66 | (-) 18.86 | (-) 16.52 | (-) 1.66 | 0.00 |
| 63 | The Carter Pooler Engineering Company Limited | 2007-08 | 2008-09 | 0.95 | 20.69 | 0.00 | 0.00 | (-) 49.76 | 0.00 | (-) 3.08 | (-) 48.81 | (-) 28.12 | (-) 3.08 | 0.00 |
| 64 | West Bengal Ceramic Development Corporation Limited | 2018-19 | 2019-20 | 2.93 | 72.84 | 0.00 | 0.00 | (-) 76.81 | 0.00 | 0.00 | (-) 73.88 | (-) 1.04 | 0.00 | 0.00 |
| 65 | Krishna Silicates and Glass (1987) Limited | 2005-06 | 2008-09 | 0.00 | 52.92 | 0.00 | 0.00 | (-) 91.19 | 0.00 | (-) 7.28 | (-) 91.19 | (-) 38.27 | (-) 7.28 | 0.00 |
| 66 | Eastern Distilleries and Chemicals Limited | 2012-13 | 2015-16 | 0.20 | 27.49 | 0.88 | 0.00 | (-) 5.33 | 41.75 | (-) 0.20 | (-) 5.13 | 22.36 | 0.68 | 0.00 |
| | Total | | | 78.16 | 1,126.13 | 127.28 | 0.00 | (-) 2,803.99 | 41.75 | (-) 201.82 | (-) 2,725.83 | (-) 1,599.70 | (-) 74.54 | 0.00 |

| Sl. No. | Sector/ Name of the Company | Period of Accounts | Year in which accounts finalised | Paid-up Capital | Loans outstanding at the end of year@ | Interest Payments | Free reserves | Accumulated Profit (+)/ Loss(-) | Turnover | Net Profit (+)/Loss (-) | Networth/ Shareholders' funds | Capital Employed | (EBIT) RoCE ^s | RoCE (in Per cent) |
|---|---|--------------------|----------------------------------|-----------------|---------------------------------------|-------------------|---------------|---------------------------------|------------------|-------------------------|-------------------------------|------------------|--------------------------|--------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| C. Inactive Statutory Corporations | | | | | | | | | | | | | | |
| (i) SERVICE | | | | | | | | | | | | | | |
| 67 | Great Eastern Hotel Authority | 2016-17 | 2017-18 | 0.00 | 16.34 | 0.03 | 0.00 | (-) 37.08 | 0.00 | 0.00 | (-) 37.08 | (-) 20.74 | 0.03 | 0.00 |
| | Total | | | 0.00 | 16.34 | 0.03 | 0.00 | (-) 37.08 | 0.00 | 0.00 | (-) 37.08 | (-) 20.74 | 0.03 | 0.00 |
| | Total (A+B+C) | | | 9,862.49 | 14,025.94 | 2,804.34 | 42.57 | (-) 5,373.15 | 47,122.57 | (-) 433.67 | 4,531.91 | 18,557.85 | 2,455.72 | 13.23 |
| III Other Sector | | | | | | | | | | | | | | |
| A Working Government Companies | | | | | | | | | | | | | | |
| (i) FINANCING | | | | | | | | | | | | | | |
| 68 | West Bengal Infrastructure Development Finance Corporation Limited | 2018-19 | 2019-20 | 225.3 | 708.36 | 128.67 | 0.00 | 883.84 | 211.25 | 46.54 | 1,109.14 | 1,817.50 | 198.93 | 10.95 |
| 69 | Webel Venture Capital Limited (Subsidiary of WBEIDC Limited) | 2018-19 | 2019-20 | 0.05 | 0.00 | 0.00 | 0.00 | 0.77 | 0.07 | (-) 0.64 | 0.82 | 0.82 | (-) 0.65 | 0.00 |
| 70 | West Bengal Handicrafts Development Corporation Limited | 2017-18 | 2018-19 | 41.60 | 4.90 | 0.23 | 0.00 | (-) 22.27 | 91.38 | 0.17 | 19.33 | 24.23 | 1.94 | 8.01 |
| 71 | West Bengal Women Development Undertaking | 2018-19 | 2019-20 | 0.10 | 0.00 | 0.00 | 0.00 | 0.75 | 0.63 | (-) 0.10 | 0.85 | 0.85 | (-) 0.10 | 0.00 |
| 72 | West Bengal Industrial Development Corporation Limited (WBIDC Limited) | 2018-19 | 2019-20 | 435.93 | 108.21 | 0.00 | 0.00 | 1,072.53 | 5.44 | 885.27 | 1,508.46 | 1,616.67 | 885.25 | 54.76 |
| 73 | West Bengal Film Development Corporation Limited | 2016-17 | 2019-20 | 5.20 | 37.99 | 5.12 | 0.00 | (-) 101.88 | 0.00 | (-) 7.40 | (-) 96.68 | (-) 58.69 | (-) 2.21 | 0.00 |
| | Total | | | 708.18 | 859.46 | 134.02 | 0.00 | 1,833.74 | 308.77 | 923.84 | 2,541.92 | 3,401.38 | 1,083.16 | 31.84 |
| (ii) MISCELLANEOUS | | | | | | | | | | | | | | |
| 74 | Basumati Corporation Limited | 2016-17 | 2017-18 | 0.10 | 68.59 | 9.48 | 0.00 | (-) 170.43 | 4.81 | (-) 12.42 | (-) 170.33 | (-) 101.74 | (-) 2.94 | 0.00 |
| 75 | Silpabarta Printing Press Limited (subsidiary of WBSIDC Limited) | 2017-18 | 2018-19 | 0.89 | 1.50 | 0.07 | 0.00 | 0.62 | 14.69 | 0.35 | 1.51 | 3.01 | 0.51 | 16.94 |
| 76 | Saraswaty Press Limited | 2018-19 | 2019-20 | 5.50 | 0.00 | 0.24 | 4.02 | 62.71 | 165.55 | 25.73 | 72.23 | 72.23 | 36.30 | 50.26 |
| 77 | West Bengal Text Book Corporation (P) Limited (subsidiary of Saraswaty Press Limited) | 2018-19 | 2019-20 | 0.10 | 0.00 | 1.71 | 8.18 | 100.65 | 490.00 | 35.51 | 108.93 | 108.93 | 56.78 | 52.13 |
| | Total | | | 6.59 | 70.09 | 11.5 | 12.2 | (-) 6.45 | 675.05 | 49.17 | 12.34 | 82.43 | 90.65 | 109.97 |
| | Total(i+ii) | | | 714.77 | 929.55 | 145.52 | 12.20 | 1,827.29 | 983.82 | 973.01 | 2,554.26 | 3,483.81 | 1,173.81 | 33.69 |

| Sl. No. | Sector/ Name of the Company | Period of Accounts | Year in which accounts finalised | Paid-up Capital | Loans outstanding at the end of year@ | Interest Payments | Free reserves | Accumulated Profit (+)/ Loss(-) | Turnover | Net Profit (+)/Loss (-) | Network/ Shareholders' funds | Capital Employed | (EBIT) RoCEs | RoCE (in Per cent) |
|-------------|--|--------------------|----------------------------------|------------------|---------------------------------------|-------------------|-----------------|---------------------------------|------------------|-------------------------|------------------------------|---------------------|-----------------|--------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| B. | Working Statutory Corporations | | | | | | | | | | | | | |
| (i) | FINANCING | | | | | | | | | | | | | |
| 78 | West Bengal Financial Corporation | 2017-18 | 2018-19 | 275.35 | 494.08 | 51.45 | 0.00 | 31.22 | 57.13 | (-) 5.59 | 306.57 | 800.65 | 39.34 | 4.91 |
| 79 | West Bengal Scheduled Castes & Scheduled Tribes and Other Backward Classes Development & Finance Corporation | | | | | | | | | | | | | |
| 80 | West Bengal Minorities Development & Finance Corporation | 2016-17 | 2019-20 | 150.00 | 745.12 | 8.56 | 0.00 | 224.32 | 28.27 | 45.02 | 374.32 | 1,119.44 | 53.58 | 4.79 |
| | Total | | | 425.35 | 1,239.20 | 60.01 | 0.00 | 255.54 | 85.40 | 39.43 | 680.89 | 1,920.09 | 92.92 | 4.84 |
| (ii) | SERVICE | | | | | | | | | | | | | |
| 81 | South Bengal State Transport Corporation | 2017-18 | 2018-19 | 11.01 | 312.02 | 37.28 | 0.00 | (-) 667.17 | 138.36 | 60.39 | (-) 656.16 | (-) 344.14 | 97.67 | 0.00 |
| 82 | Calcutta State Transport Corporation | 2018-19 | 2019-20 | 9.62 | 550.76 | 6.62 | 0.00 | (-) 3,066.29 | 122.81 | (-) 68.00 | (-) 3,056.67 | (-) 2,505.91 | (-) 61.38 | 0.00 |
| 83 | North Bengal State Transport Corporation | 2016-17 | 2018-19 | 10.70 | 362.29 | 498.20 | 0.00 | (-) 864.80 | 128.68 | (-) 5.31 | (-) 854.10 | (-) 491.81 | 492.89 | 0.00 |
| | Total | | | 31.33 | 1,225.07 | 542.10 | 0.00 | (-) 4,598.26 | 389.85 | (-) 12.92 | (-) 4,566.93 | (-) 3,341.86 | 529.18 | 0.00 |
| | Total (i+ii) | | | 456.68 | 2,464.27 | 602.11 | 0.00 | (-) 4,342.72 | 475.25 | 26.51 | (-) 3,886.04 | (-) 1,421.77 | 622.10 | 0.00 |
| C. | Inactive Government Companies | | | | | | | | | | | | | |
| | FINANCING | | | | | | | | | | | | | |
| 84 | West Bengal Handloom and Power loom Development Corporation Limited | 2014-15 | 2018-19 | 46.76 | 8.27 | 0.15 | 0.00 | (-) 55.76 | 0.23 | (-) 0.31 | (-) 9.00 | (-) 0.73 | (-) 0.16 | 0.00 |
| | Total | | | 46.76 | 8.27 | 0.15 | 0.00 | (-) 55.76 | 0.23 | (-) 0.31 | (-) 9.00 | (-) 0.73 | (-) 0.16 | 0.00 |
| | Total (A+B+C) | | | 1,218.21 | 3,402.09 | 747.78 | 12.20 | (-) 2,571.19 | 1,459.30 | 999.21 | (-) 1,340.78 | 2,061.31 | 1,795.75 | 87.12 |
| | Grand Total (I+II+III) | | | 16,410.42 | 23,599.27 | 4,291.08 | 3,193.90 | (-) 10,943.14 | 52,995.12 | 356.42 | 7,577.26 | 31,250.29 | 4,957.70 | 15.86 |

1st Accts not submitted after entrustment in December 2018

Glossary of Abbreviations

Glossary of Abbreviations

| Abbreviation | Full form |
|--------------|---|
| AA | Assessing Authority |
| ABAHC | Additional Block Animal Health Centres |
| AD | Assistant Director |
| ADAC | Animal Development Aid Centres |
| ADSR | Additional District Sub-Registrar |
| AG | Accountant General |
| AGM | Annual General Meeting |
| AR&AH | Animal Resources and Animal Husbandry |
| ARA | Additional Registrar of Assurance |
| ARD | Animal Resources Development |
| ARTA | Additional Regional Transport Authority |
| ATN | Action Taken Notes |
| BAHC | Block Animal Health Centres |
| BC | Bituminous Concrete |
| BENFED | Bengal State Co-operative Marketing Federation |
| BIS | Bureau of Indian Standards |
| BL&LRO | Block Land and Land Reforms Officer |
| BM | Bituminous Macadam |
| BMF | Bull Mother Farm |
| BPDR Act | Bengal Public Demands Recovery Act |
| CAG | Comptroller and Auditor General of India |
| CAGR | Compounded Annual Growth Rate |
| CBR | California Bearing Ratio |
| CC | Cement Concrete |
| CE | Chief Engineers |
| CF | Certificate of Fitness |
| CGST | Central Goods and Services Tax |
| CMV Rules | Central Motor Vehicles Rules |
| CONFED | West Bengal Consumers Co-operative Federation Ltd. |
| COPU | Committee On Public Undertaking |
| CSTC | Calcutta State Transport Corporation |
| CTP | Contractual Transfer Price |
| DAHDF | Department of Animal Husbandry, Dairy and Fisheries |
| DAR&AH | Directorate of Animal Resources & Animal Health |
| DBM | Dense Bituminous Macadam |
| DCT | Directorate of Commercial Taxes |
| DD | Deputy Director |
| DIC | District Industries Centre |
| DIGR | Deputy Inspector General of Registration |
| DL&LRO | District Land and Land Reforms Officer |
| DLC | Dry Lean Concrete |

| Abbreviation | Full form |
|---------------------|--|
| DLR&S | Director of Land Records and Surveys |
| DP | Draft Paragraph |
| DPC | Duties, Powers and Conditions of Service |
| DPL | The Durgapur Projects Limited |
| DPR | Detailed Project Report |
| DR | District Registrar |
| DRSR | Directorate of Registration and Stamp Revenue |
| EBIT | Earnings Before Interest and Taxes |
| EE | Executive Engineers |
| EPIP | Export Promotion Industrial Park |
| ESAL | Equivalent Single Axle Load |
| FD | Fixed Deposit |
| FLA Collector | First Land Acquisition Collector |
| FMD | Foot and Mouth Disease |
| FMD-CP | Foot and Mouth Disease Control Programme |
| GDP | Gross Domestic Product |
| GoI | Government of India |
| GoWB | Government of West Bengal |
| GSB | Granular Sub-Base |
| GST | Goods and Services Tax |
| GSTIN | GST Identification Number |
| HRBC | Hooghly River Bridge Commissioners |
| HSC | Health Sub-Centre |
| I&WD | Irrigation & Waterways Department |
| IAH&VB | Institute of Animal Husbandry & Veterinary Biological |
| IAW | Internal Audit Wing |
| ICAR | Indian Council of Agricultural Research |
| ICR | Interest Coverage Ratio |
| IGST | Integrated Goods and Services Tax |
| IMPACT | Information Management for Promotion of Administration in Commercial Taxes |
| Ind AS | Indian Accounting Standard |
| IR | Inspection Report |
| IR Act | Indian Registration Act |
| IRC | Indian Roads Congress |
| IS Act | Indian Stamp Act |
| ISD | Information System Division |
| ITC | Input Tax Credit |
| IVRI | Indian Veterinary Research Institute |
| JCST | Joint Commissioner of Sales Tax |
| KoPT | Kolkata Port Trust |
| L&LRD | Land and Land Reforms Department |

| Abbreviation | Full form |
|--------------|--|
| LA Collector | Land Acquisition Collector |
| LDA | Livestock Development Assistant |
| LTS | Long Term Settlement |
| LTU | Large Taxpayers Unit |
| LWL | Low Water Level |
| MMDR Act | Mines and Minerals (Development and Regulation) Act |
| <i>msa</i> | Million Standard Axles |
| MSME&T | Micro, Small and Medium Enterprises & Textiles Department |
| MSS | Mixed Seal Surfacing |
| MV | Motor Vehicles |
| NABARD | National Bank for Agriculture and Rural Development |
| NADRES | National Animal Disease Referral Expert System |
| NBDD | North Bengal Development Department |
| NBR | North Bengal Region |
| NCJM | New Central Jute Mill |
| NES | Non-conventional Energy Sources |
| NISCO | National Iron and Steel Company Limited |
| NMFDC | National Minorities Development Finance Corporation |
| NPT | Neo Pipes & Tubes Company Limited |
| NSCFDC | National Scheduled Caste Finance and Development Corporation |
| NSKFDC | National Safai Karamchhari Finance and Development Corporation |
| OGPC | Open Graded Premix Carpet |
| OTS | One Time Settlement |
| PA | Performance Audit |
| PAC | Public Accounts Committee |
| PAG | Principal Accountant General |
| PCU | Passenger Car Unit |
| PDC | Post Dated Cheques |
| PFCL | Power Finance Corporation Ltd. |
| PHC | Primary Health Centre |
| PPR | Peste des Petits Ruminants |
| PSU | Public Sector Undertakings |
| PT | Profession Tax |
| PV | Present Value |
| PVD | Public Vehicles Department |
| PWD | Public Works Department |
| PWRD | Public Works (Roads) Directorate |
| RA | Registering Authority |
| RDDL | Regional Diseases Diagnostic Laboratories |

| Abbreviation | Full form |
|---------------------|--|
| RKVY | Rashtriya Krishi Vikas Yojana |
| RMC | Regulated Market Committee |
| RO | Registration Office |
| ROCE | Return on Capital Employed |
| ROE | Return on Equity |
| RRV | Realistic Realisable Value |
| RTA | Regional Transport Authority |
| SAHC | State Animal Health Centres |
| SAR | Separate Audit Report |
| SDBC | Semi Dense Bituminous Concrete |
| SE | Superintending Engineers |
| SEPP | Socio-Economic Perspective Plan |
| SGST | State Goods and Services Tax |
| SOP | Standard Operating Procedures |
| SOR | Schedule of Rates |
| STA | State Transport Authority |
| Taxable CTP | Taxable Contractual Transfer Price |
| TD | Total Dues |
| TDR | Tax Demand Register |
| TDS | Tax Deducted at Source |
| TOS | Turnover of Sales |
| TP Act | Transfer of Properties Act |
| UBI | United Bank of India |
| UUP | Uttarbanga Unnayan Parshad |
| VAT | Value Added Tax |
| VMH | Victoria Memorial Hall |
| WBA&AS | West Bengal Audit and Accounts Service |
| WBAT & OTMV Act | West Bengal Additional Tax & One-time Tax on Motor Vehicles Act |
| WBCGG Act | West Bengal Ceiling on Government Guarantees Act |
| WBECSCLtd. | West Bengal Essential Commodities Supply Corporation Ltd. |
| WBEIDCL | West Bengal Electronics Industry Development Corporation Limited |
| WBERC | West Bengal Electricity Regulatory Commission |
| WBFC | West Bengal Financial Corporation |
| WBFR | West Bengal Financial Rules |
| WBGST | West Bengal Goods and Services Tax |
| WBHB | West Bengal Housing Board |
| WBIDCL | West Bengal Industrial Development Corporation Limited |
| WBIDFC | West Bengal Industrial Development Financial Corporation |
| WBIS-2007 | West Bengal Incentive Scheme 2007 |
| WBL&LR Manual | West Bengal Land and Land Reforms Manual |

| Abbreviation | Full form |
|---------------------|---|
| WBLR Act | West Bengal Land Reforms Act |
| WBLR Rules | West Bengal Land Reforms Rules |
| WBMDFC | West Bengal Minorities Development and Finance Corporation |
| WBMDTCL | West Bengal Mineral and Trading Development Corporation Ltd. |
| WBMM Rules | West Bengal Minor Minerals Rules |
| WBMMC Rules | West Bengal Minor Minerals Concession Rules |
| WBMV Rules | West Bengal Motor Vehicles Rules |
| WBMVT Act | West Bengal Motor Vehicles Tax Act |
| WBPDC | West Bengal Power Development Corporation Limited |
| WBREP Act | West Bengal Rural Employment and Production Act |
| WBSCB | West Bengal State Co-operative Bank |
| WBSCST&OBCD&FC | West Bengal Scheduled Castes, Scheduled Tribes & Other Backward Classes Development & Finance Corporation |
| WBSEB | West Bengal State Electricity Board |
| WBSEDCL | West Bengal State Electricity Distribution Company Limited |
| WBSETCL | West Bengal State Electricity Transmission Company Limited |
| WBSTPTCE Act | West Bengal State Tax on Professions, Trades, Callings and Employments Act |
| WBTDCL | West Bengal Transport Infrastructure Development Corporation Limited |
| WBVAT Act | West Bengal Value Added Tax Act |
| WMM | Wet Mix Macadam |
| WTL | Webel Technology Limited |

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