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**REPORT OF THE
COMPTROLLER AND AUDITOR
GENERAL OF INDIA**

FOR THE YEAR ENDED 31 MARCH 2000

COMMERCIAL

Government of Assam

REPORT OF THE
COMPTROLLER AND AUDITOR
GENERAL OF INDIA

FOR THE YEAR ENDED 31 MARCH 1950

CONFIDENTIAL

Government of Assam

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PREFACE

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

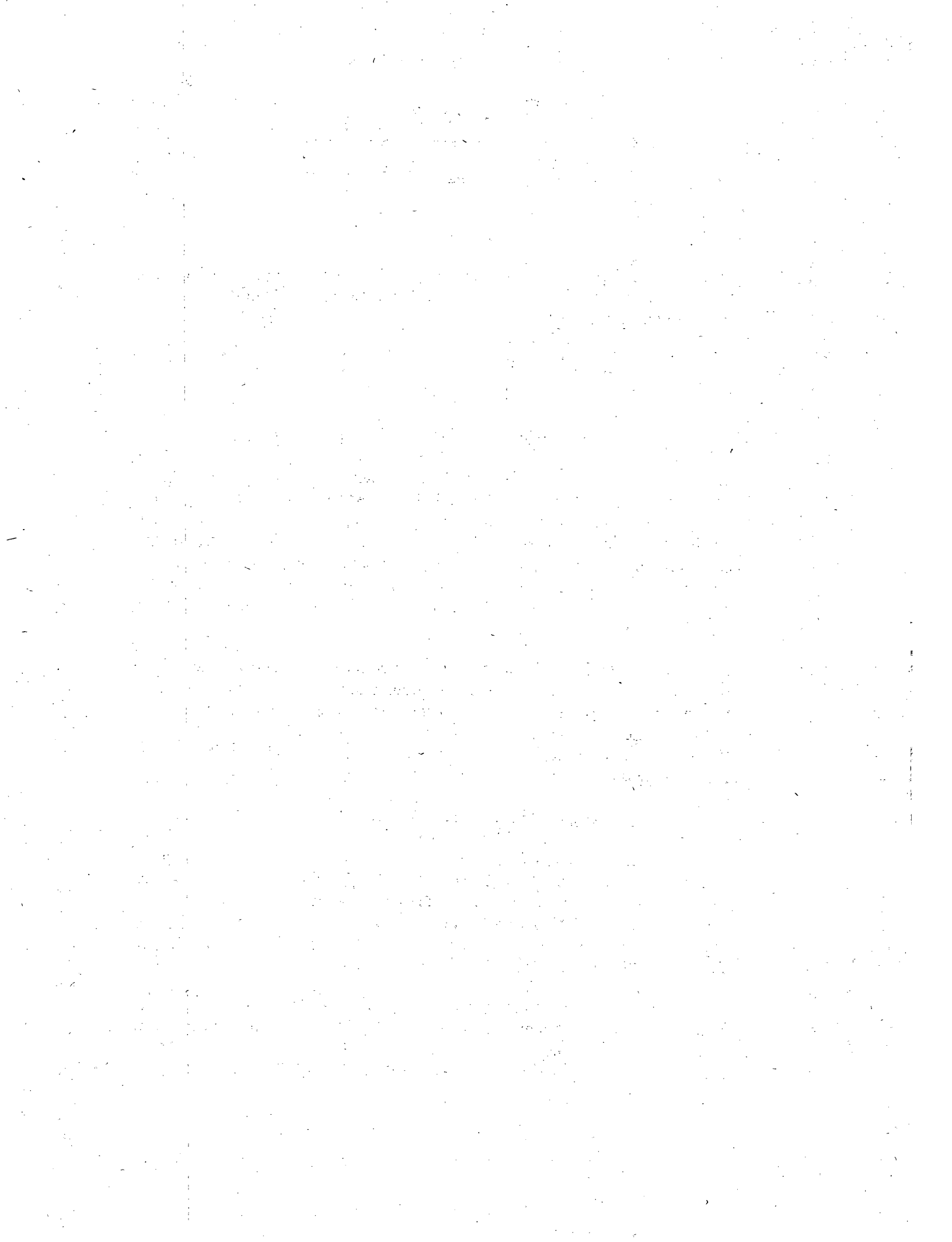
- (i) Government companies,
- (ii) Statutory corporations, and
- (iii) Departmentally managed commercial undertakings.

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

3. Audit of the accounts of Government companies is conducted by Comptroller and Auditor General of India under the provisions of Section 619 of the Companies Act, 1956. There are, however, certain companies which, in spite of Government investment are not subject to audit by the Comptroller and Auditor General of India as Government hold less than 51 per cent of their share capital.

4. In respect of Assam State Transport Corporation and the Assam State Electricity Board which are statutory corporations, the Comptroller and Auditor General of India is the sole auditor. In respect of Assam Financial Corporation and Assam State Warehousing Corporation, he has the right to conduct audit of their accounts in addition to the audit conducted by the Chartered Accountants appointed by the State Government in consultation with CAG. The Audit Reports on the annual accounts of all these corporations are forwarded separately to the State Government.

5. The cases mentioned in this report are those which came to notice in the course of audit during the year 1999-2000 as well as those which came to notice in earlier years but were not dealt with in the previous Reports. Matters relating to the period subsequent to 1999-2000 have also been included, wherever necessary.



OVERVIEW

WINDS

OVERVIEW

1.1 The State had 38 Government companies (including 9 subsidiaries) and 4 Statutory corporations as on 31 March 2000.

(Paragraph 1.1)

1.2 The aggregate paid-up capital of Government companies as on 31 March 2000 was Rs.271.57 crore (including share application money Rs.5.57 crore) of which Rs.210.27 crore were invested by the State Government, Rs.8.61 crore by the Central Government, Rs.50.98 crore by holding companies, and Rs.1.71 crore by others. Loans raised amounting to Rs.279.59 crore by 30 companies were outstanding as on 31 March 2000. The State Government had guaranteed repayment of loans raised by 2 companies during the year 1999-2000.

(Paragraphs 1.2.1, 1.3 and Annexures 1 and 3)

1.3 None of the companies had finalised their accounts for the year 1999-2000. The accounts of all the 38 companies were in arrears for periods ranging between one year and 17 years.

(Paragraphs 1.4.1 and Annexure 2)

1.4 Of the 31 loss incurring companies, 15 companies had accumulated losses aggregating Rs.126.33 crore which had far exceeded their paid up capital of Rs.60.72 crore

(Paragraph 1.5.1.2)

1.5 Out of 4 corporations, Assam Financial Corporation and Assam State Electricity Board had finalised their accounts up to 1997-98, Assam State Warehousing Corporation and Assam State Transport Corporation up to 1994-95. According to latest finalised accounts, all the 4 corporations had incurred losses totalling Rs.412.47 crore. Out of these 3 corporations had accumulated losses aggregating Rs.2119.60 crore which had far exceeded their paid-up capital of Rs.980.15 crore

(Paragraphs 1.5, 1.5.2.1 and Annexure 2)

2. Reviews relating to Statutory Corporations:

2.1 Procurement, performance, maintenance and repair of transformers by Assam State Electricity Board

The distribution transformation capacity per MW of connected load had decreased from 0.64 MVA at the end of 1994-95 to 0.49 MVA at the end of 1998-99, which resulted in gradual overloading.

(Paragraph 2A.4)

Unplanned procurement and consequent delay in commissioning of 11 power transformers resulted in locking up of capital of Rs.4.95 crore for more than 7 to 16 years, resulting in loss of interest of Rs.4.81 crore.

(Paragraph 2A.6)

Failure of the Board to commission transformers within guarantee period resulted in extra expenditure of Rs.0.49 crore towards repairing of 2 transformers.

(Paragraph 2A.7.3)

Inadequate replacement of damaged transformers resulted in loss of revenue of Rs.12.74 crore during last 5 years ending 31 March 1999.

(Paragraph 2A.9)

2.2 Operational performance of Assam State Transport Corporation

The corporation was incurring heavy losses and accumulated losses as on 31 March 1998 stood at Rs.259.49 crore which was 154.71 per cent of equity capital.

(Paragraph 2B.5)

Against 90 per cent target fleet utilisation the corporation could achieve between 48 and 55 per cent during 1994-99 and thus failed to earn potential revenue amounting to Rs.69.11 crore during this period.

(Paragraph 2B.5.3)

Due to excess/idle manpower varying between 1468 and 1846 during 1994-99, the corporation incurred additional expenditure of Rs.36.05 crore.

(Paragraph 2B.5.4)

2.3 Assam State Warehousing Corporation

Though the corporation earned marginal profit from 1997-98, the accumulated loss as on 31 March 1999 stood at Rs.2.47 crore and the performance was much below the other state Warehousing Corporations. 26 out of 36 warehousing centres as on 31 March 1999 continued to incur losses either due to low occupancy or heavy revenue expenditure.

(Paragraph 2C.5)

The utilisation of storage capacity for agricultural produce was marginal at 13 per cent to 19 per cent of total storage capacity.

(2C.6.2)

Due to continued hiring of uneconomical godowns the corporation incurred losses of Rs.0.37 crore.

(Paragraph 2C. 6.5)

Due to defective agreement and lower fixation of tariff the corporation suffered losses of Rs.0.35 crore.

(Paragraph 2C.6.6)

3. Other major irregularities noticed during test check of records of Government Companies and Statutory Corporations were as under:

Assam Plains Tribes Development Corporation Limited:

Avoidable expenditure of Rs.0.44 crore due to procurement of sewing machine without ascertaining market price.

(Paragraph 3.1.1.1)

Assam Livestock and Poultry Corporation Limited:

Fraudulent drawal of Central Assistance of Rs.1.15 crore and its fictitious utilisation.

(Paragraph 3.1.3.1)

Assam State Electricity Board:

Failure to arrange joint testing of grade of coal at the loading point resulted in loss of Rs.1.13 crore.

(Paragraph 3.2.1.1)

Failure on the part of Board to terminate a Contract as well as delay in arriving at an amicable settlement with the contractor resulted in avoidable expenditure of Rs.4.82 crore.

(Paragraph 3.2.1.2)

Assam Financial Corporation:

Subsidy paid to a loanee without adjusting the same against its loan account resulted in non-realisation of outstanding dues amounting to Rs.0.25 crore.

(Paragraph 3.2.2.1)

CHAPTER I

1. General view of Government Companies and Statutory Corporations

1.1 Introduction

As on 31 March 2000 there were 38 Government companies (including 9 subsidiaries) and 4 Statutory corporations as against similar number of Government companies (including subsidiaries) and Statutory corporations as on 31 March 1999 under the control of the State Government. The accounts of the Government companies (as defined in Section 617 of Companies Act, 1956) are audited by Statutory Auditors who are appointed by Government of India on the advice of Comptroller and Auditor General of India (CAG) as per provision of Section 619(2) of Companies Act, 1956. These accounts are also subject to supplementary audit conducted by the CAG as per provisions of Section 619 of the Companies Act, 1956. The audit of the Statutory corporations is conducted under the provisions of the respective Acts as detailed below:

Name of the corporation	Authority for audit by the CAG	Audit arrangement
Assam State Electricity Board (ASEB)	Section 69(2) of the Electricity (Supply) Act, 1948	Sole audit by CAG.
Assam State Transport Corporation (ASTC)	Section 33(2) of the Road Transport Corporations Act, 1950	Sole audit by CAG.
Assam Financial Corporation (AFC)	Section 37(6) of the State Financial Corporations Act, 1951	Chartered Accountants and Supplementary Audit by CAG.
Assam State Warehousing Corporation (ASWC)	Section 31(8) of the State Warehousing Corporations Act, 1962	Chartered Accountants and Supplementary Audit by CAG.

1.2 Investment in Public Sector Undertakings (PSUs)

As on 31 March 2000, the total investment in 42 Public Sector Undertakings (38 Government companies including 9 subsidiaries and 4 Statutory corporations) was Rs.3649.92 crore (equity: Rs.1807.30 crore; share

application money Rs.5.57 crore, long term loans : Rs.1837.05* crore) as against a total investment of Rs.3776.34 crore (equity: Rs.1793.46 crore; share application money : Rs.4.48 crore; long term loans: Rs.1978.40 crore) in 38 Government companies including 9 subsidiaries and 4 statutory corporations as on 31 March 1999. The analysis of investment in PSUs is given in the following paragraphs.

1.2.1 Government companies

Total investment in 38 companies (including 9 subsidiaries) as on 31 March 2000 was Rs.551.16 crore (equity: Rs.266.00 crore; Share application money Rs.5.57 crore, long term loans: Rs.279.59 crore) as against total investment of Rs.534.83 crore (equity: Rs.256.54 crore; Share application money:Rs.1.05 crore, long term loans Rs.277.24 crore) as on 31 March 1999 in 38 Government companies (including 9 subsidiaries).

The classification of the Government companies was as under:

Status of companies	Number of companies	Investment (Rupees in crore)	
		Paid up capital	Long term loans
(a) Working companies	28 (28)	229.94 (228.55)	240.46 (226.62)
(b) Non working companies:	-		
(i) Under liquidation	-		
(ii) Under closure	-		
(iii) Under merger	-		
(iv) Others	10# (10)	41.63 (29.04)	39.13 (50.62)
Total :	38 (38)	271.57 (257.59)	279.59 (277.24)

(Figures in bracket are previous year figures)

As 10 companies were non-working and substantial investment of Rs.80.76 crore was involved in these companies, effective steps need to be taken for their expeditious liquidation or revival.

The summarised financial results of Government companies are detailed in Annexure 1 and 2. The debt equity ratio of Government companies as a whole decreased from 1.08: 1 in 1998-99 to 1.03: 1 in 1999-2000.

Sector-wise Investment in Government companies

Sector-wise investment (equity including share application money and long term loans)-for the years 1999-2000 and 1998-99 are given in the pie diagrams below :-

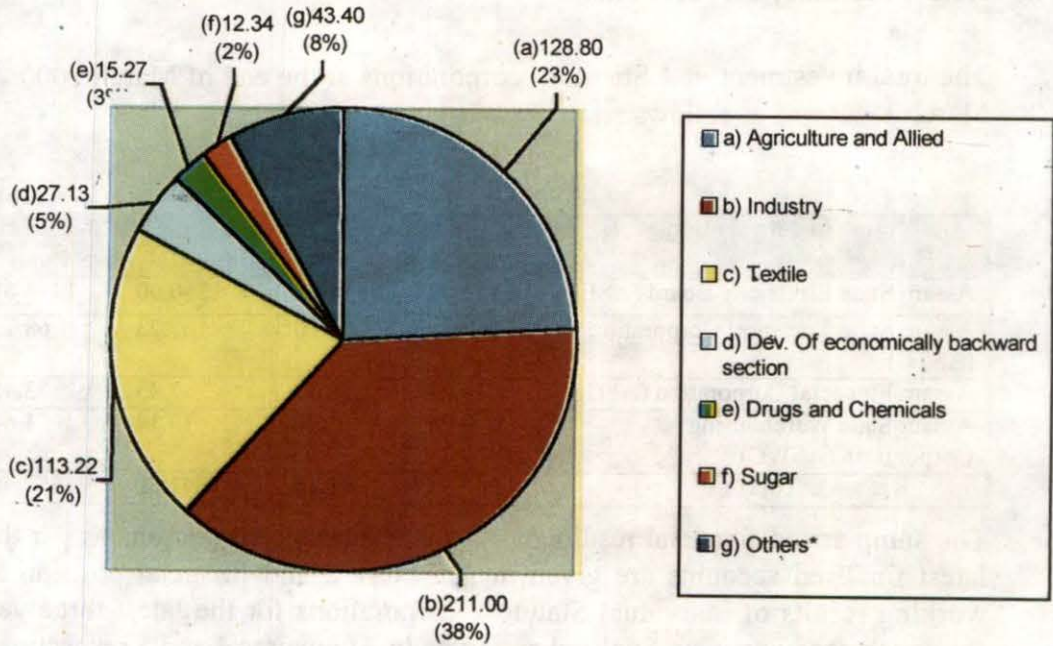
*Long term loans mentioned in para 1.2, 1.2.1 and 1.2.2 are excluding interest accrued and due on such loans.

Sl. No.10, 14, 17, 18, 20, 21, 22, 26, 32 and 35 of annexure-1.

1999-2000

Rupees in crore

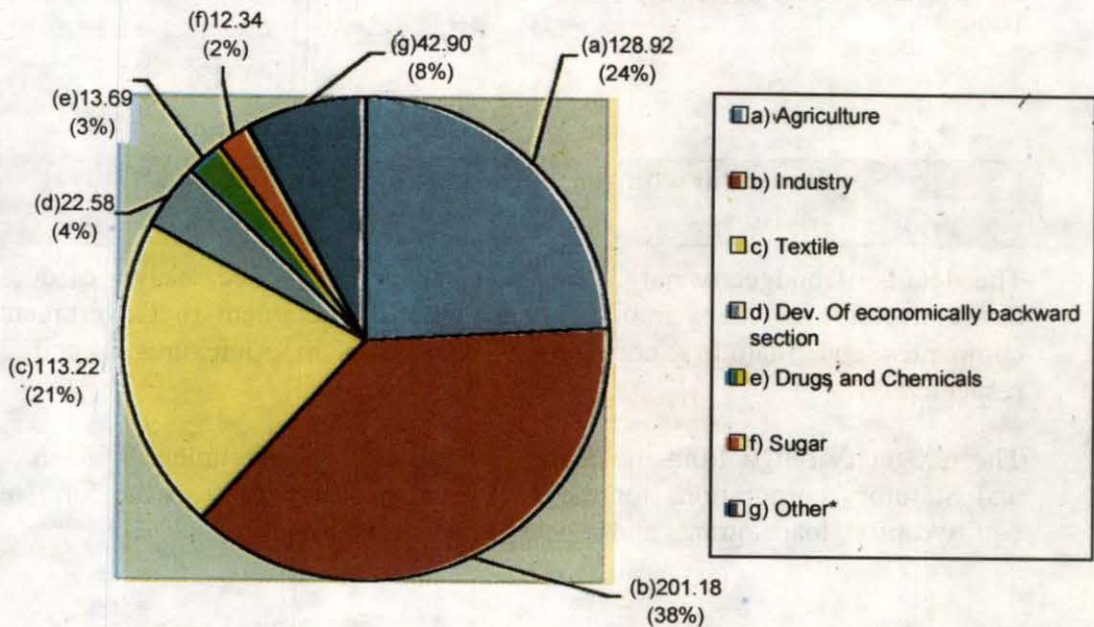
Total Investment : Rs.551.16 crore



1998-99

Rupees in crore

Total Investment : Rs.534.83 crore



*Other includes Engineering, Electronics, Handlooms and Handicrafts, Forest, Mining, Construction, Tourism and Miscellaneous sectors.

As on 31 March 2000, of total investment in Government companies, 49.27 per cent comprised equity capital* and 50.73 per cent comprised loans compared to 48.16 per cent and 51.84 per cent respectively as on 31 March 1999.

1.2.2 Statutory corporations

The total investment in 4 Statutory corporations at the end of March 2000 and March 1999 was as follows :

(Rupees in crore)

Name of corporation	1998-99		1999-2000	
	Capital	Loan	Capital	Loan
Assam State Electricity Board (ASEB)	1350.00	1556.92	1350.00	1413.61
Assam State Transport Corporation (ASTC)	167.73	65.10	167.73	68.73
Assam Financial Corporation (AFC)	12.68	77.35	13.43	73.48
Assam State Warehousing Corporation (ASWC)	9.94	1.79	10.14	1.64
Total :	1540.35	1701.16	1541.30	1557.46

The summarised financial results of all the Statutory corporations as per their latest finalised accounts are given in Annexure 2 and financial position and working results of individual Statutory corporations for the latest three years for which accounts were finalised are given in Annexures 4 and 5 respectively.

As on 31 March 2000, of total investment in 4 Statutory corporations, 49.74 per cent comprised equity capital and 50.26 per cent comprised loans compared to 47.52 per cent and 52.48 per cent respectively as on 31 March 1999.

1.3 Budgetary outgo, Subsidies, Guarantees, and Waiver of dues

The details of budgetary outgo, subsidies, guarantees issued, waiver of dues and conversion of loans into equity by State Government to Government companies and Statutory corporations are given in Annexures 1 and 3 respectively.

The budgetary outgo from the State Government to Government companies and Statutory corporations for the 3 years up to 1999-2000 in the form of equity capital, loans, grants and subsidy is given below:-

* Including share application money.

(Rupees in crore)

	1997-98				1998-99				1999-2000			
	Companies		Corporations		Companies		Corporations		Companies		Corporations	
	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount
Equity/Capital	4	1.63	-	-	3	0.34	1	0.26	2	1.21	2	0.95
Loans	5	7.89	2	125.71	3	1.62	2	98.90	2	1.35	2	58.15
Grants	5	4.77	-	-	5	6.68	-	-	6	11.13	1	17.50
Subsidy towards												
(i) Projects/ Programmes/ Schemes	5	5.26	-	-	3	6.91	-	-	1	0.20	-	-
(ii) Other Subsidy	2	0.23	-	-	-	-	-	-	4	1.56	-	-
(iii) Total subsidy	7	5.49	-	-	3	6.91	-	-	5	1.76	-	-
Total outgo	17[#]	19.78	2	125.71	11[#]	15.55	3	99.16	11[#]	15.45	4[#]	76.60

During the year 1999-2000, the Government had guaranteed the loans aggregating Rs.129.08 crore obtained by 2 Government companies (Rs.26.00 crore) and 2 corporations (Rs.103.08 crore). At the end of the year guarantees amounting to Rs.930.54 crore against 12 Government companies (Rs.119.57 crore) and 4 Statutory corporations (Rs.810.97 crore) were outstanding. No guarantee commission was paid/payable by Government companies and Statutory corporations to the Government during the year.

1.4 Finalisation of accounts by PSUs

1.4.1 Arrears in finalisation of accounts

The accounts of the companies for every financial year are required to be finalised within six months from the end of relevant financial year under Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956 read with Section 19 of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. They are also to be laid before the Legislature within nine months from the end of financial year. Similarly, in the case of Statutory corporations their accounts are finalised, audited and presented to the Legislature as per the provisions of their respective Acts.

However, as could be noticed from Annexure 2, none of the 38 Government companies and 4 Statutory corporations had finalised their accounts for the year 1999-2000, within the stipulated period. During the period from October 1999 to September 2000, 22 Government companies finalised 30 accounts for previous years. Similarly during the same period, one Statutory Corporation finalised one account for previous years. The accounts of all 38 Government companies and 4 Statutory corporations were in arrears for periods ranging between one year and 17 years as on 30th September 2000 as detailed below:

[#] These are the actual number of companies/corporations which have received budgetary support in the form of equity, loans, grant and subsidy from the Government during respective years.

Sl.No.	Year for which accounts are in arrears	Number of years	No. of Companies/Corporations	Reference to serial No. of Annexure 2
1.	1983-84 to 1999-2000	17	2	10, 36
2.	1984-85 to 1999-2000	16	2	26, 29
3.	1985-86 to 1999-2000	15	-	-
4.	1986-87 to 1999-2000	14	4	5, 7, 32, 35
5.	1987-88 to 1999-2000	13	3	15, 30, 31
6.	1988-89 to 1999-2000	12	4	9, 20, 24, 38
7.	1989-90 to 1999-2000	11	3	1, 3, 37
8.	1990-91 to 1999-2000	10	-	-
9.	1991-92 to 1999-2000	9	1	33
10.	1992-93 to 1999-2000	8	4	17, 18, 22, 27
11.	1993-94 to 1999-2000	7	7	4, 6, 14, 16, 21, 23, 28
12.	1994-95 to 1999-2000	6	1	19
13.	1995-96 to 1999-2000	5	3	B 2, B 4, 25
14.	1996-97 to 1999-2000	4	-	-
15.	1997-98 to 1999-2000	3	-	-
16.	1998-99 to 1999-2000	2	4	2, 12, B 1, B 3
17.	1999-2000	1	4	8, 11, 13, 34

Of the 38 Government companies, whose accounts were in arrears, 10 companies were non-working Companies (Sl.No.10, 14, 17, 18, 20, 21, 22, 26, 32, 35 of Annexure 2).

The administrative departments have to oversee and ensure that the accounts are finalised and adopted by the PSUs within prescribed period. Though the concerned administrative departments and officials of the Government were apprised quarterly by the Audit regarding arrears in finalisation of accounts, no effective measures had been taken by the Government and as a result, the investments made in these PSUs could not be assessed in audit.

1.4.2 Status of placement of Separate Audit Reports of Statutory corporations in Legislature

The following table indicates the status of placement of various Separate Audit Reports (SARs) on the accounts of Statutory corporations issued by the Comptroller and Auditor General of India in the Legislature by the Government :

Sl. No.	Name of Statutory Corporation	Year up to which SARs placed in Legislature	Years for which SARs not placed in Legislature		
			Year of SAR	Date of issue to the Government	Reasons for delay in placement in Legislature
1.	Assam State Electricity Board	1995-96	1996-97	February 1999	NA
			1997-98	July 2000	NA
2.	Assam State Transport Corporation	1989-90	1990-91	January 1997	NA
			1991-92	February 1997	NA
			1992-93	November 1998	NA
			1993-94		
			1994-95		
3.	Assam Financial Corporation	1987-88	1988-89 to 1997-98	December 1990 to October 1999	NA
4.	Assam State Warehousing Corporation	1994-95 [#]	--	--	

(NA= not available)

[#] Accounts from 1995-96 onwards not finalised by the corporation so far.

1.5 Working results of Public Sector Undertakings

According to latest finalised accounts of 38* Government companies and 4 Statutory corporations, 31 companies and 4 corporations had incurred an aggregate loss of Rs.24.85 crore and Rs.412.47 crore respectively, and the remaining 4 companies earned an aggregate profit of Rs.8.92 crore.

The summarised financial results of Government companies and Statutory Corporations as per latest financial accounts are given in Annexure 2. Besides, working results of individual Corporations for the latest 3 years for which accounts are finalised are given in Annexure 5.

1.5.1 Government companies

1.5.1.1 Profit earning companies and dividend

Out of 38 companies, none of the companies had finalised its accounts for the year 1999-2000. Further, out of 22 companies which finalised their accounts for previous years by September 2000, 4 companies (4 accounts) earned an aggregate profit of Rs.8.92 crore and of these 3 companies earned profit for two or more successive years. However, only two companies (Sl. No. 11 and 12 of Annexure 2) declared dividend aggregating Rs.64.89 lakh. The dividend as percentage of share capital in the above 1 (Sl. No. 11 of Annexure 2) profit making company (1998-99 accounts) worked out to 5.55. In the other company, though dividend was declared (1.99 per cent on equity capital in 1997-98 accounts) there was no equity held by the State Government.

1.5.1.2 Loss incurring companies

Of the 31 loss incurring companies, 15 companies had accumulated losses aggregating Rs.126.33 crore which had far exceeded their aggregate paid up capital of Rs.60.72 crore.

In spite of poor performance relating to complete erosion of paid up capital, the State Government continued to provide financial support to these companies in the form of contribution towards equity, further grant of loans, conversion of loans into equity, subsidy, etc. According to available information, the total financial support so provided by the State Government by way of subsidy during 1999-2000 to 3 companies out of these 15 companies, amounted to Rs.45.78 lakh.

1.5.2 Statutory corporations

1.5.2.1 Loss incurring Statutory corporations

According to the latest finalised accounts, all the 4 Statutory corporations had incurred losses. Out of these, 3 Statutory corporations had accumulated losses

* 3 Companies had not started commercial production (Sl.No.14, 20, & 23 of Annexure - 2)

aggregating Rs.2119.60 crore which had far exceeded their aggregate paid up capital of Rs.980.15 crore.

In spite of poor performance relating to complete erosion of paid up capital, the State Government continued to provide financial support to these corporations in the form of contribution towards equity, further grant of loans, subsidy etc. According to available information, the total financial support so provided by the State Government by way of equity, loans, during 1999-2000 to these three corporations amounted to Rs.58.90 crore.

1.5.2.2 Operational performance of Statutory corporations

The operational performance of the Statutory corporations is given in Annexure 6.

Some of the important observations on the operational performance of the Statutory corporations are given below :

(a) Assam State Electricity Board

The plant load factor (percentage) of generating stations has decreased from 27.21 (1996-97) to 19.13 (1998-99).

Loss per unit including interest charges and excluding subsidy increased from 140 paise in 1996-97 to 309 paise in 1998-99.

Percentage of transmission and distribution losses has increased from 24.86 in 1996-97 to 38.12 in 1998-99.

(b) Assam State Transport Corporation

Average number of vehicles held decreased from 658 in 1996-97 to 527 in 1998-99. Percentage of utilisation of vehicles which was 55.32 in 1996-97 went down to 48.96 in 1998-99.

Loss incurred per km. increased from Rs.7.07 in 1996-97 to Rs.7.10 in 1997-98.

1.6 Return on Capital Employed

As per latest available accounts (up to September 2000) the capital employed^θ worked out to Rs.412.19 crore in 35 companies* and total return[#] thereon

^θ Capital employed represents net fixed assets (including capital works-in-progress) plus working capital except in finance companies and corporations where it represents a mean of aggregate of opening and closing balances of paid-up capital, free reserves and borrowings (including refinance).

* Out of 38 Government Companies, three have not started commercial production.

For calculating total return on capital employed, interest on borrowed funds is added to net profit/ subtracted from the loss as disclosed in the profit and loss account.

amounted to Rs.(-) 38.73 lakh as compared to total return of Rs.(-) 8.76 crore in 1998-99. Similarly during 1999-2000, the capital employed and total return thereon in case of Statutory corporations amounted to Rs.2126.10 crore and Rs.(-)221.04 crore respectively against the total return of Rs.(-)201.97 crore for 1998-99. The details of capital employed and total return on capital employed in case of Government companies and corporations are given in Annexure 2.

1.7 Results of audit by Comptroller and Auditor General of India

The summarised financial results of all the 38 Government companies and 4 Statutory corporations based on the latest available accounts are given in Annexure 2. During the period from October 1999 to September 2000, the audit of accounts of 13 companies and 1 corporation were selected for review. The net impact of the important audit observations as a result of review of the PSUs was as follows:

Details	No. of accounts		Rupees in lakh	
	Government companies	Statutory corporations	Government companies	Statutory corporations
(i) Decrease in profit	2	-	84.96	
(ii) Increase in profit	2	-	28.46	
(iii) Increase in losses	7	1	1392.94	48101.00
(iv) Decrease in losses	1	-	4.11	
(v) Non disclosure of material facts	2	-	587.16	
(vi) Errors of classification	2	1	25.76	44649.00

Some of the major errors and omissions noticed in course of review of annual accounts of some of the above companies and corporations are mentioned below:

A. Errors and omissions noticed in case of Government companies

Major errors/omissions noticed in course of audit of annual accounts of some of the companies, not pointed out by the Statutory auditors were as under :

(i) Assam Gas Company Limited (1998-99)

- (a) Profit for the year was understated by Rs.22.28 lakh due to premature capitalization against a Gas Grid.
- (b) Cumulative Profit was understated by Rs.2.56 crore due to non-inclusion of dues receivable from Assam State Electricity Board.

(ii) Assam Gas Company Limited (1997-98)

Profit for the year was overstated by Rs.79.38 lakh (net) due to non-accountal of Transmission charges receivable from Assam State Electricity Board (Rs.255.87 lakh) and underprovision of depreciation for non-adherence of the prescribed rate (Rs.335.25 lakh).

(iii) Assam Industrial Development Corporation Limited (1998-99)

Loss for the year and corresponding liability was understated by Rs.10.90 crore in each case due to non-provision of interest on Government loan, penal and additional interest and service charges etc. to the same extent.

(iv) Assam Agro Industries Development Corporation Limited (1997-98)

Due to non-writing off damaged, short and expired items of stock, closing stock has been overstated and loss understated by Rs.1.11 crore.

B. Errors and omissions noticed in case of Statutory corporations

The following major errors, omissions and irregularities were pointed out in the Separate Audit Reports on the annual accounts of Assam State Electricity Board.

I Assam State Electricity Board (1997-98)

The deficit (Rs.387.25 crore) was understated by Rs.481.01 crore due to the following:

		Amount (Amount in crore)
A.	Understated due to:	
(i)	Short provision for purchase of power	161.54
(ii)	Non provision for compensation	4.81
(iii)	Wrong accounting of lease rent	5.75
(iv)	Non provision for liability for lease rent	0.81
(v)	Wrong accounting of interest and finance charges	0.42
(vi)	Non accounting of depreciation	1.94
(vii)	Wrong capitalization of interest and finance charges	105.77
(viii)	Wrong capitalization of employees cost and administrative expenses	3.69
(ix)	Short provision for bad and doubtful debts	167.67
(x)	Wrong accounting of capital receipt	0.80
(xi)	Non provision for liability to the State Government on account of free power	28.33
	Total (A)	481.53
B.	Overstated due to	
(i)	Wrong accounting of loss on Pension Trust fund in Board's account	0.52
	Total (B)	0.52
	Net understatement (A-B)	481.01

B.1 Audit assessment of the working results of Assam State Electricity Board.

Based on the audit assessment of the working results of Assam State Electricity Board (ASEB) for three years up to 1997-98 and taking into consideration the major irregularities and omissions pointed out in the SARs on the annual account of the ASEB and not taking into account the subsidy/ subventions receivable from the State Government, the net surplus/ deficit and the percentage of return on Capital employed of the ASEB has been worked out below:

		(Rupees in crore)		
Sl No.		1995-96	1996-97	1997-98
1.	Net surplus/ deficit (-) as per books of the accounts	(-)116.30	(-)358.72	(-)387.25
2.	Subsidy from the State Government	58.94	52.33	52.33
3.	Net surplus/ deficit (-) before subsidy from the State Government	(-)175.24	(-)411.05	(-)439.58
4.	Net increase/decrease in net surplus/ deficit(-) on account of audit comments on the annual accounts of the SEB	(-)362.89	(-)139.87	(-)481.01
5.	Net surplus/ deficit (-) after taking into account the impact of audit comments but before subsidy from the State Government (3-4)	(-)538.13	(-)550.92	(-)920.59
6.	Total return* on capital employed	(-)386.47	(-)377.53	(-)737.68
7.	Percentage of total return on capital employed	-	-	-

C Persistent irregularities and system deficiencies in financial matters of PSUs

The following persistent irregularities and system deficiencies in the financial matters of PSUs had been repeatedly pointed out during the course of audit of their accounts but no corrective action taken by these PSUs so far:

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

C 1. Statutory corporations

(i) Assam State Electricity Board.

- (i) The procedure for capitalization of employees cost followed by the Board was in departure from prescribed procedure of Electricity (Supply) Annual Accounts Rules, 1985. This leads to overcapitalization of employees cost in respect of operation and maintenance cum capital location.
- (ii) Electricity consumed by different units of the Board including Headquarters office had not been accounted for.
- (iii) Difference between issue rates and actual cost of materials has not been adjusted in accounts.

D Closure/Merger of State Level Public Sector Undertakings (SLPSUs)

- (i) Out of 42 Companies/Corporations as on 31 March 2000, 22 Government Companies/Corporations (Annexure 7 and 9) were having turnover less than Rs.5 crore in all the last 5 years even after 12 years or more of their existence.
- (ii) 4 Government Companies (Annexure-8) the turnover in respect of which, though, were more than Rs.5 crore, were incurring losses for 5 consecutive years leading to a negative net worth.
- (iii) Further, 3 Government Companies (Sl. No. 14,20, and 23 of Annexure-2) which have been in existence for more than 10 to 16 years have not commenced business as yet (October 1999).

In consideration of the poor performance of the State Level Public Sector Undertakings (SLPSUs) above, the two SLPSUs viz. Assam Financial Corporation and Assam Industrial Development Corporation Limited (not included in the above) performing similar functions were recommended for merger and 25 SLPSUs (excluding Assam Financial Corporation) were recommended for closure.

In reply Government stated that:-

- (a) fixation of turnover alone as benchmark for determining viability of the units with varying equity investments was not justified; the performance of the units should basically be measured on Profit/Loss accompanied by aspects of social benefits provided by them; and

- (b) net worth as criterion for deciding closure of units was not proper as negative net worth could be turned positive by additional equity contribution.

The reply of the Government is not tenable in view of the fact that equity investment alone has little bearing on the turnover. In fact in 21 out of 25 SLPSUs recommended for closure, capital invested* ranged between Rs.2.00 crore and Rs.64.04 crore and 14 SLPSUs have been incurring losses for five consecutive years or more which has resulted in complete erosion of paid up capital.

Therefore, since even the viability of the units as self-sustaining entities has become doubtful these cannot be expected to extend any social benefits either at present or in the long run.

In the light of the above, any further equity contribution by Government in order to turn negative net worth of the SLPSUs in question into positive net worth would, in view of their performance as reviewed, only make these units perpetually dependant on the State exchequer for their survival.

1.8 Position of discussion of Audit Reports (Commercial) by the Committee on Public Undertakings (COPU)

During the period April 1999 to March 2000 COPU met on 6 occasions and 6 audit paragraphs relating to earlier years Audit Report (Commercial) were taken up for discussion.

Position of discussion of Audit Reports and reviews/paras pending in the COPU as on 31 March 2000 is shown below:

Period of Audit Report	Number of reviews and paragraphs			
	Total number appeared in Audit Report		Total number Pending for discussion	
	Reviews	Paragraphs	Reviews	Paragraphs
1989-90	4	19	-	5
1990-91	3	15	2	1
1991-92	2	11	2	5
1992-93	2	6	1	6
1993-94	3	13	3	9
1994-95	3	11	3	9
1995-96	2	14	2	11
1996-97	2	12	1	11
1997-98	3	16	3	16
1998-99	4	11	4	11

* Capital Invested = Equity capital + Long term borrowings + Reserve and surplus

Out of 28 Reviews and 128 paras which featured in the Audit Report for the years 1989-90 to 1998-99, 7 Reviews and 44 paras have been discussed by COPU so far. Recommendations of COPU on the Audit Report 1991-92 has been received in August 1997. However, the Action Taken Note on the recommendations is still awaited from the Government.

SECTION – 2A

Review on procurement, performance, maintenance and repair of transformers of ASEB.

2A Highlights

Electricity generated at various power stations at different voltages ranging from 11KV to 15.75 KV is stepped up to transmission voltage of 132 KV to 400 KV by power transformers at the generating stations. The power is stepped down to a voltage level of 132 KV/66KV/33KV and is further stepped down to 33 KV for transmission and 11KV for supplying to various consumers through distribution transformers.

(Paragraph 2A.1)

The distribution transformation capacity per MW of connected load had decreased from 0.64 MVA at the end of 1994-95 to 0.49 MVA at the end of 1998-99, resulting in gradual overloading.

(Paragraph 2A.4)

Procurement of distribution transformers from local suppliers at higher rate resulted in extra expenditure of Rs.0.16 crore during February 1998 to November 1999 and the transformers were accepted without conducting prescribed tests for quality control.

(Paragraphs 2A.5.3 & 2A.5.4)

Unplanned procurement and consequent non-commissioning of 11 power transformers resulted in locking up of capital of Rs.4.95 crore for more than 7 to 16 years, resulting in loss of interest of Rs.4.81 crore.

(Paragraph 2A.6)

The failure rate of transformers which ranged between 7.30 per cent and 10.03 per cent was considered as high by the management. The major cause of failure of distribution transformers was lack of adequate maintenance.

(Paragraphs 2A.7.1 & 2A.7.2)

Failure of the Board to commission transformers within guarantee period resulted in extra expenditure of Rs.0.49 crore towards repairing of 2 transformers.

(Paragraph 2A.7.3)

Inadequate replacement of damaged transformers resulted in loss of revenue of Rs.12.74 crore during last 5 years ending 1998-99.

(Paragraph 2A.9)

Delay in disposal of unserviceable transformers resulted in locking up of fund of Rs.0.87 crore

(Paragraph 2A.10)

2A.1 Introduction

Transformer is a static equipment used for stepping up or stepping down voltage in transmission and distribution of electricity. Power is usually generated at a very low voltage (11 KV to 15.75 KV) and is then stepped up (132 KV, 220 KV and 400 KV) through power transformers for transmission to the grid sub-stations. At the receiving grid sub-stations, the voltage is brought down (132 KV/66 KV/33 KV) by using 'step-down' transformers and further stepped down (33 KV or 11 KV) at load centres for supplying to the various consumers. The transformers used at the generating station and in the high voltage sub-stations (known as transmission system) are called power transformers, while transformers used in distribution system are called distribution transformers. Power is distributed to the consumers through transmission and distribution lines having voltage ranging from 440 volts to 132 KV.

2A.2 Organisational set-up

The Chief Engineer (Material) and the Chief Engineer (Transmission and Transformation) are responsible for the purchase of distribution and power transformers respectively under the overall guidance of the Members of the Assam State Electricity Board. The maintenance and upkeep of the distribution transformers and other supply system in the field is carried out through the staff and officers under the control of Chief Engineer (Distribution). The maintenance and repair of power transformers is under the control of Chief Engineer (Transmission and Transformation).

2A.3 Scope of audit

Mention was made of the various irregularities relating to purchase, utilisation and performance of transformers in the Report of the Comptroller & Auditor General of India for the year ended 31 March 1989 – Government of Assam. The review was not taken up for discussion by the Committee on Public Undertakings (COPU). The present review covers economy and efficiency in procurement, performance, maintenance and repair of transformers during the last 5 years ending 31 March 1999.

2A.4 Growth of transformation capacity

The table below indicates the growth of transformation capacity vis-à-vis connected load for five years up to 1998-99 :

Sl. No.	Particulars	1994-95	1995-96	1996-97	1997-98	1998-99
1	Power transformation capacity (MVA)	753	851	911	952	972
2	Distribution transformation capacity (MVA)	884	766	793	833	830
3	Converted in MW (Sl. No.2)	707	613	634	666	664
4	Connected load (MW)	1389	1447	1544	1546	1696
5	Connected load in excess of distribution capacity (MW)	682	834	910	880	1032
6	Excess load in percentage	49.10	57.64	58.94	56.92	60.85
7	Power transformation capacity per MW of connected load (MVA)	0.54	0.59	0.59	0.62	0.57
8	Distribution transformation capacity per MW of connected load (MVA)	0.64	0.53	0.51	0.54	0.49

Power and distribution transformation capacity per MW of connected load was much lower as compared to other SEBs

It would be evident from the above table that the power transformation capacity and distribution transformation capacity per MW of connected load ranged from 0.54 to 0.62 MVA and 0.49 to 0.64 MVA respectively during 1994-95 to 1998-99, which was much lower in comparison to those obtaining in other SEBs viz., Harayana (1.03 and 1.12), Uttar Pradesh (0.98 and 1.68), Maharashtra (0.82 and 0.68), Andhra Pradesh (0.79 and 0.66), Karnataka (0.59 and 0.82), Bihar (0.61 and 1.07), Orissa (0.54 and 1.95) and West Bengal (0.55 and 0.84).

Overloading of the system caused premature failure of transformers

Whereas the connected load of the Board (ASEB) increased by 22 per cent during 1994-95 to 1998-99, the distribution transformation capacity decreased by 6.11 per cent during the same period. Thus, the distribution transformation capacity per MW of connected load had shown a decreasing trend indicating overloading of

the system which resulted in premature failure/damage of transformers and also supply of power at low voltage.

2A.5 Procurement of transformers

2A.5.1 Procurement procedure

Procurement of transformers is made at headquarters office under normal development system improvement and replacement schemes executed at divisional level. The procurement is made as outlined below:-

Distribution transformers :- Assam Preferential Stores and Purchase (APSP) Act, 1989 provides for procurement of transformers up to 315 KVA capacity from local registered manufactures. As such, major purchase of distribution transformers is made from local suppliers. Procurements are made on piecemeal basis after receiving demands from units. Transformers above 315 KVA capacity are procured through open tender.

Power transformers :- These are procured at the headquarters office by inviting tenders in the open market from the registered manufacturers.

2A.5.2 The Chief Engineer (Material) places orders on firms, after getting approval of the competent authority. During the five years 1995-96 to 1999-2000 the Board procured 4013 distribution transformers and 33 power transformers valued at Rs.1324.80 lakh and Rs.271.36 lakh respectively.

Details of requirement vis-à-vis actual procurement of transformers is indicated in the table below :-

Sl. No.	Particulars	1995-96	1996-97	1997-98	1998-99	1999-2000
(i)	Requirement :					
	Distribution	5825	392	344	1220	1102
	Power	37	3	11	7	5
(ii)	Actual number of Transformers procured:					
	Distribution	2183	471	70	381	908
	Power	12	6	13	2	-
(iii)	Expenditure incurred (Rupees in lakh) :					
	Distribution	644.77	108.09	31.28	152.48	388.18
	Power	96.05	38.02	102.29	35.00	-

Procurement was much below requirement due to fund constraint

It was observed in audit that there was no systematic assessment of requirement of transformers. It would be observed from the above table that the procurement was much below the requirement. Scrutiny in audit indicated that the reason for reduction of quantum of purchase was mainly due to fund constraints.

Due to such low procurement, 61 normal development schemes and 195 system improvement schemes could not be executed by the Board during the five years ended 1999-2000 and thus objectives of the schemes viz., improvement of quality of power supply, improvement of voltage and reduction of transmission and distribution losses and consequent generation of revenue could not be achieved even after incurring an expenditure of Rs.980.13 lakh on those schemes. Besides, Board incurred loss of revenue of Rs.1273.70 lakh for non-replacement of a large number of damaged distribution transformers as discussed in para 2A.9.

2A.5.3 Placement of orders at higher rate

Prices fixed were higher than market price

Board incurred extra expenditure of 0.16 crore

Procurement price of transformers up to 315 KVA capacity from local manufacturers as discussed in para 5.1 above is fixed by a Technical Committee constituted under APSP Act, 1989. Prices fixed as such are updated from time to time on the basis of IEEMA (Indian Electrical and Electronics Manufacturers Association) price variation formula. It was observed in audit that prices fixed on the basis of this methodology were higher than the prices offered by other reputed outside supplier. The Board neither took up the matter of price reduction with the Technical Committee nor made any negotiation with the local suppliers for reduction of price to make it comparable with the market rates. Thus compared to the cost involved for purchase of transformers from outside manufactures, Board incurred an extra expenditure of Rs.15.63 lakh from April 1998 to November 1999 on procurement of 409 transformers upto 315 KVA capacity.

2A.5.4 Inadequate quality control

Transformers up to 100 KVA capacity are procured as per Rural Electrification Corporation's (REC) specifications and beyond 100 KVA as per Board's specification. Transformers are tested at the supplier's/manufacture's premise in presence of Board's inspecting officer and on approval of the test reports, despatch clearances are issued for delivery of the same to two Central Stores of the Board at Guwahati and Jorhat.

In many cases prescribed tests were not conducted

- (a) A test check of test reports on 1080 transformers of different capacities in the range of 25 KVA to 250 KVA revealed the following.
 - (i) In 130 cases, test reports were approved and despatch clearance issued without conducting "load loss" and "no load loss" test of the transformers.
 - (ii) In 531 cases, "load losses/no load losses" indicated in the approved test reports exceeded the maximum allowable losses specified by REC and the Board but despatch clearance was issued.
 - (iii) In none of the cases, type tests (Impulse Voltage Withstand Test, Short Circuit Withstand Test, Temperature Rise Test and Pressure Test for Strength) as required was ever conducted on any distribution transformer inspite of the fact that the suppliers did not have valid type test certificate

from CPRI (Central Power Research Institute) and/or a recognised institution.

- (b) It was also observed in audit that sub-standard materials were supplied by the local manufacturers.

Non-conducting of prescribed tests led to failure/damage of transformers as discussed in Para 2A.7.1 and 7.2.

2A.6 Delay in commissioning/non-commissioning of power transformers

It was noticed in audit that power transformers required under the transmission and transformation schemes were purchased much in advance of their actual requirement and could not be utilised owing to delay in construction of HT lines. Few such cases are tabulated below:-

Sl. No.	Name of Sub-station	Capacity (MVA)	Date of procurement	Cost (Rs./lakh)	Remarks
1.	Nazira Sub-station	2x25	Aug,1983	39.48	Not commissioned (March 2000). Due to abandonment of system, the possibility of utilisation of these transformers is remote
2.	Agia Sub-station	2x20	Aug. 1983	32.00	-Do-
3.	Dhemaji Sub-station	1x16	Aug., 1983	16.00	-Do-
4.	Tezpur (Sonabil) Sub-station	2x50	July 1989	185.00	Not commissioned. Sub-station not yet completed.
5.	Agia Sub-station	2x25	Sept. 1992	114.00	One commissioned. One lying in damaged condition (Samaguri).
6.	Umrangshu Sub-station	2x25	Sept. 1992	108.96	Commissioned after a delay of 4 and 7 years respectively.

Unplanned procurement resulted in locking up of capital

Thus, the unplanned procurement of transformers resulted in locking up of capital of Rs.495.44 lakh for 7 to 16 years with consequent loss of interest of Rs.481.04 lakh upto March 2000 at an interest rate of 10 per cent per annum.

2A.7 Performance of transformers

2A.7.1 Failure rate of distribution transformers

Transformer-wise history cards showing the make, capacity, date of receipt, date and location of installation/commissioning, date of damage, reason for damage were neither maintained at Headquarters nor in the field offices so as to monitor, control and analyse the performance of transformers (both repaired and new) to enable the authorities to undertake remedial measures.

Based on the fortnightly damage reports for the last five years ending 1998-99 the damage rate of distribution transformers is indicated in the table below:

Particulars	1994-95	1995-96	1996-97	1997-98	1998-99
1. Transformers in service at the end of the year	19343	19670	19312	19415	19260
2. Damaged during the year	1748	1973	1726	1824	1406
3. Percentage of damage	9.04	10.03	8.94	9.39	7.30

The table indicates that percentage of damaged transformer to the transformers in service during the last five years ended 1998-99 ranged between 7.30 per cent and 10.03 per cent. The Board did not fix norms for damage rate of distribution transformers but considered the above damage rate as high. However, no effective remedial measures were taken by the Board to curb the high failure rate.

2A.7.2 Premature failure of Distribution transformers

According to Schedule VII of the Electricity Supply Act, 1948 the normal life of transformers having capacity of 100 KVA and above is considered as 35 years whereas for others it is 25 years.

A test check of occasional damage reports revealed that out of 429 distribution transformers damaged in different field sub-divisions, 312 transformers, (representing 73 per cent of the sample under consideration) failed within 10 years of commissioning and in no case the distribution transformers survived beyond 17 years.

Management attributed such premature failure to (i) overloading, (ii) unauthorised extension of load by consumers, (iii) theft of power, (iv) non availability of oil filtration machine etc.

While all the above contributory factors cited by the management are controllable and could have been avoided by taking remedial and preventive measures, it was also observed from the damage reports that in 254 cases (representing 59 per cent of the sample of 429 damaged transformers) transformers were not provided with correct fuses and other protective devices to ensure their safety.

Board did not take measures for curbing high failure rate

Distribution transformers did not survive beyond 17 years

Transformers were not provided with protective devices

A test scrutiny of records in 11 Sub-Divisions under Guwahati Electrical Circle and Jorhat Electrical Circle indicated that transformers were not maintained periodically. Instructions of Board's Headquarters pertaining to inspection, maintenance and record in respect of transformers were not complied with by the sub-divisional authorities.

A scrutiny of scrap survey report (June 1997) of Central Stores Guwahati revealed that in respect of 113 transformers Board lost Rs.18.88 lakh (cost of unutilized years of service) due to premature failure of transformers.

2A.7.3 Premature failure of power transformers

Test check of records revealed that out of 17 power transformers of different capacities ranging from 2.5 MVA to 63 MVA, 7 transformers failed within 0 to 5 years of commissioning, 5 transformers failed within 5 to 10 years of commissioning, 2 transformers failed within 10 to 15 years of commissioning and 3 transformers failed after serving 25 years. Thus none of the transformers could achieve the prescribed life of 35 years.

In this connection the following instances were noticed where the transformers were not commissioned within guarantee period and failed immediately after commissioning:

- (i) A 30 MVA , 11/132 KV Bharat Bijlee Make transformer procured (May 1991) by the Board for its Lakwa Thermal Power Station at a cost of Rs.70.32 lakh was commissioned in May 1995 i.e. after a lapse of 4 years due to delay in commissioning of the gas turbine of the unit. The transformers got damaged in August 1995 i.e. only after 3 months of its commissioning due to failure of 'V' phase L.V winding. As per terms and conditions of supply, the transformer was guaranteed for a period of 12 months from the date of commissioning or 18 months from the date of supply whichever was earlier. On being approached by the management the supplier refused (October 1995) to repair the transformers free of cost as the warranty period of the transformer had expired in November 1992. The same was, however, got repaired in July 1998 from another private party at a cost of Rs.24.52 lakh. The transformer was re-commissioned in December 1998 but was not loaded till date (March 2000)
- (ii) One 16 MVA, 132/33 transformer procured in 1983 was commissioned in Chandrapur Grid sub-station in July 1990 i.e. after a lapse of 7 years of its procurement. It was observed from records that the transformer failed on the date of its commissioning due to failure of winding. Detailed reasons for such failure, however, could not be produced to audit. The transformer was got repaired (July 1999) at a cost of Rs.24.25 lakh but has not yet been commissioned (February 2000).

None of the power transformers achieved the prescribed life of 35 years

Board could not enforce warranty clause because of delay in commissioning and incurred extra expenditure on repair

Thus due to delay in commissioning of the above two transformers the Board could not enforce the warranty clause resulting in extra expenditure of Rs.48.77 lakh.

2A.7.4 Non-maintenance of records

The Board did not maintain any central records of transformers showing date of receipt, issue and commissioning, location, transformer damaged, the date of their becoming unserviceable, the period for which they had been lying in stores etc. The central purchase organisation also did not monitor and record details of receipts, issues, payments made and installation of transformers against respective purchase orders.

2A.8 Repair of transformers

2A.8.1 Repair of distribution transformers

The damaged transformers can be made serviceable after repair. Year-wise number of distribution transformers damaged, number of transformers repaired during the five years ended 1998-99 are indicated below:-

	1994-95	1995-96	1996-97	1997-98	1998-99
Transformers damaged	1748	1973	1726	1824	1406
Transformers repaired	63	91	82	209	498
Percentage of transformers repaired to damaged transformers	3.60	4.61	4.75	11.46	35.42

Number of transformers repaired was far below the number of transformers damaged

It would be observed from above that compared to the damaged transformers available to the Board, actual repairs undertaken for replacement was insignificant. The Board decided (August 1998) to repair 60 per cent of the damaged transformers for which all the damaged transformers were needed to be sent to the nearest Central store by the field units. It was observed from the records that, as on November 1999, 2715 numbers of damaged transformers were lying unrepaired in 11 circles. Thus the Board's order has not been fully implemented.

2A.8.2 Repair through departmental workshop

The Board set up two departmental workshops under MRT divisions at Guwahati and Jorhat during October 1984 and December 1986 respectively. The position

regarding transformers available in the workshops vis-à-vis those repaired during 1994-95 to 1999-2000 (Up to January 2000) is indicated below :

Name of the workshop	Transformers due for repair	Transformers repaired	Percentage of repair to availability
Jorhat	1106	365	33
Guwahati	384	204	53

Departmental workshops were not adequately equipped to undertake repair

It would be seen from above that total repair in Jorhat workshop was only 33 per cent of total transformers available in the workshop whereas the same was 53 per cent in Guwahati workshop.

The performance of Guwahati workshop was poor due to repairing of transformers through cannibalization only whereas that of Jorhat was due to non-availability of facilities to repair transformers with damage on LT* side.

2A.8.3 Improper fixation of price for repair

Flat rate for repair was fixed without taking into consideration the extent of damage

Board did not work out departmentally the economic rate for repair of each category of distribution transformer. Based on a negotiation between local manufacturers and Board authorities, firm price for repair of each category of transformer was fixed at 35 per cent of the ex-works price of a new transformer of the same category as approved by the Board in August 1995.

As the nature and extent of damage of a transformer differ from case to case acceptance of a flat rate for repair was not justified from economy point of view.

2A.8.4 Repair of Power Transformers

Sub-station-wise/year-wise consolidated records of damaged as well as repaired Power transformers are not maintained by the Board. However test scrutiny of records revealed that 21 power transformers were lying damaged during the period under review. Out of the above transformers 3 transformers were irreparable. Action was taken by the Board to repair 14 transformers of which 6 transformers had already been repaired at a cost of Rs.69.75 lakh. On 3 transformers though repairable, no action has been taken by the Board till date. The status of the remaining one transformer (whether repairable or not) has not been assessed as yet (March 2000).

Delay/non-repairing of transformers led to either restriction on power supply or overloading of the other transformers. Few such instances are given below :

- (a) Though a 16 MVA transformer was damaged at EHV** Garmur Grid sub-station on 15 September 1994, the same has not yet been repaired. The sub-station having peak load of 18MW operated only one 16 MVA

* LT= Low Tension

** EHV= Extra High Voltage

Restriction in power supply for non-replacement of damaged transformer resulted in loss of revenue

transformer during the period from September 1994 to July 1996 when a 25 MVA transformer which was lying idle since September 1992 at Umrangshu was commissioned in its place as discussed in Para 2A.6. As a result the sub-station had to restrict the load to 16 MVA during September 1994 to July 1996. Had this damaged transformer been replaced earlier, the Board could have avoided loss of revenue to the tune of Rs.1.79 crore during peak hours.

Non-repair of one of the transformers led to overloading of the other

- (b) The Dibrugarh Grid Sub-station was commissioned (22 May 1985) with two 20 MVA transformers out of which one transformer costing Rs.14.45 lakh was damaged in 1987 (year of manufacture 1982) and remained unrepaired till date (March 1999). The sub-station having peak load of 17 MW to 20 MW had to operate with only one 20 MVA transformer thereby leading to overloading of the existing transformer.

2A.8.5 Cost benefit analysis of new transformer vis-à-vis repaired transformer

Consolidated records are not maintained regarding damage of new transformers and repaired transformers to facilitate performance analysis of new and repaired transformers. However, based on occasional transformer damage reports for the years 1997-98 and 1998-99 in respect of 429 damaged transformers as available at Board's Headquarter, performance of new transformers vis-à-vis repaired transformers was analysed in audit as indicated below:-

Period of service rendered	New	Percentage	Repaired	Percentage
Up to 5 years	144	44.03	53	52.00
Beyond 5 years and up to 10 years	94	28.75	21	20.50
Beyond 10 years and up to 15 years	55	16.82	21	20.50
Beyond 15 years	34	10.40	7	7.00
	327	100	102	100

It would be observed from the above that service rendered by maximum number of transformers (73 per cent of total transformers under consideration), in both the cases of new and repaired transformers, did not exceed 10 years.

Repair of transformers would have been more cost effective than procurement of new ones

Therefore, in view of Board's inability to purchase new transformers on account of funds constraint and also considering the comparative performance of repaired transformers, repair of transformers at a cost of 35 per cent or below the purchase price of a new transformer would have been more cost effective than procurement of new transformers.

2A.9 Inadequate replacement of damaged transformers

The table below indicates the number of distribution transformers which failed during the period 1994-95 to 1998-99 and replacement made against the same:-

Year	Transformers failed	Transformers Replaced	Transformers yet to be replaced
1993-94	-	-	345
1994-95	1748	639	1454
1995-96	1973	1217	2210
1996-97	1726	874	3062
1997-98	1824	576	4310
1998-99	1406	467	5249*
	Total: 8677	Total: 3773	

Inadequate replacement of damaged transformers resulted in loss of revenue

It would be seen from above that out of 8677 transformers failed during the period 1994-95 to 1998-99 only 3773 nos (44 per cent) could be replaced by the end of March 1999. Although the number of transformers yet to be replaced stands at 5249, considering minimum nos (1454) of transformers remaining unreplaced during the above 5 years and also considering the above transformers to be of 25 KVA capacity, loss of revenue at the rate of Re.1 per unit worked out to Rs.1273.70 lakhs.

2A.10 Scrapping and disposal of transformers

The Board does not have any laid-down policy in regard to scrapping of transformers. Moreover, system of identification and segregation of repairable from unserviceable transformers lack transparency. However, on the basis of an assessment made by the management in June 1997 and a field survey report of October 1999, the total number of unserviceable transformers lying in field divisions awaiting disposal was found to be 4160 out of which 2089 unserviceable transformers have been put on disposal as scrap since July 1997, but could not be disposed of due to poor response from bidders.

Reserve price was fixed without considering the prevailing market price

Although the reason for such poor response was not analysed by the Board, it appeared from the facts that fixation of reserve price, without taking into consideration the prevailing market rate and the deteriorating condition of the transformers, contributed mainly to the non-disposal of the un-serviceable/scrap transformers till date (September 2000).

* cumulative total

Delay in disposal of scrap transformers led to locking up of Board's fund

Thus due to delay in disposal of damaged transformers Board's fund to the tune of Rs.86.86 lakh (considering the lowest rate of Rs.80 per KVA received in December 1998) remained locked up for more than 3 years which could have otherwise been utilised to meet the shortfall in availability of transformers.

2A.11 Improper Load Management

Transformer-wise load register was not maintained

(i) In order to monitor the growth of load against transformers Load Registers showing transformer-wise connected load from time to time were not maintained by the sub-divisional authorities and replacement took place only after transformers were damaged due to overloading.

Transformers were not evenly loaded

(ii) As per PFC (Power Finance Corporation) guidelines load against a transformer should be 75 to 80 per cent of its capacity. A test scrutiny of 16 sub-stations (33 KV) revealed that 14 transformers were overloaded in the range of 82 to 105 per cent of their capacities, while in respect of two sub-stations one of the two transformers was overloaded (80 to 90 per cent), keeping the other under loaded (37 to 58 per cent).

Holding of surplus capacity led to idle investment

Sub-station-wise peak load vis-à-vis transformers capacity in respect of the above sub-stations during the five years is indicated in Annexure 10.

It would be observed from Annexure 10 that 9 sub-stations were holding surplus/idle capacity of more than 2.5 MVA individually which, if valued at current cost of Rs.2.98 lakh per MVA (cost of 2.5 MVA being Rs.7.45 lakh), worked out to an idle investment of Rs.135.71 lakh.

Conclusion

Growth of transformation capacity did not keep pace with the increase in system demand due to low availability of transformers which was mainly due to high damage rate and non-repairing of transformers in time. The performance of transformers was adversely affected due to their poor quality and inadequate maintenance, use of improper safety devices and forced overloading of transformers.

SECTION 2B

Review on operational performance of Assam State Transport Corporation

2B Highlights

Assam State Transport Corporation had accumulated loss of Rs.259.49 crore up to 1997-98 which was 154.71 per cent of equity capital.

(Paragraph 2B.5)

Due to delay in placement of new vehicles on road the corporation was deprived of revenue to the extent of Rs.1.09 crore.

(Paragraph 2B.5.3)

Against 90 percent target fleet utilisation, the corporation could achieve between 48 and 55 per cent during 1994-99 and thus failed to earn revenue amounting to Rs.69.11 crore during this period.

(Paragraph 2B.5.3)

Due to excess manpower ranging between 1468 and 1846 during 1994-99, the corporation incurred additional expenditure of Rs. 36.05 crore.

(Paragraph 2B.5.4)

Excess consumption of 23.25 lakh litres of HSD resulted in loss of Rs.2.12 crore during the years up to 1998-99.

(Paragraph 2B.5.6)

Due to delay in implementation of revised tariff by the corporation, it had to suffer loss of Rs.0.64 crore during 1994-95 to 1997-98.

(Paragraph 2B.5.8)

Due to underutilisation of tyre retreading plant which resulted in short supply of tyres, the corporation failed to earn revenue amounting to Rs.2.87 crore.

(Paragraph 2B.6.2)

2B.1 Introduction

Assam State Transport Corporation was established in March 1970 under the Road Transport Corporations Act, 1950 with the object of providing efficient, adequate, economical and properly co-ordinated system of road transport service. The corporation is presently operating transport services both inside and outside the state.

2B.2 Scope of audit

The review on operational performance of the corporation was conducted for the period of five years up to 1999-2000 and the audit comments that have emerged therefrom are discussed in the succeeding paragraphs.

2B.3 Organisational set-up

The management of the corporation is vested in a Board of Directors which, as on 31 March 2000 consisted of eleven Directors including Chairman and the Managing Director. The Managing Director is the Chief Executive of the corporation and is assisted by Chief Automobile Engineer, Chief Accounts Officer, Chief Personnel Officer, Senior Deputy General Manager and Chief Engineer (Civil).

The operation of the corporation is carried out through nine divisions comprising twenty seven stations. Each division is headed by a Divisional Superintendent.

2B.4 Fund Management

2B.4.1 Capital contribution

Under section 23(I) of the Road Transport Corporations Act, 1950 the State Government and the Central Government had agreed to contribute to the capital in the ratio of 3:1 which was revised to 2:1 from 1970-71.

However, the Central Government has discontinued contribution to the corporation since 1988-89 due to recurring losses suffered.

It was noticed that capital contribution amounting to Rs.10.26 crore along with interest of Rs.4.36 crore received as loan from Central Government till 1987-88 as well as loan and interest amounting to Rs.153.11 crore granted by State Government were converted (June 1995) into equity capital but share certificates had not been issued by the corporation so far as necessary instructions from the State Government were still awaited (July 2000).

2B.4.2 Loan from State Government

During the five years ending 1999-2000 the corporation received Rs. 32.10 crore as plan fund and Rs.45.98 crore (78.08 crore) as non-plan fund to meet the revenue deficit from the State Government. The position of year-wise receipt and utilisation of plan funds, as furnished by the management, was as follows:

(Rupees in crore)

Year	Plan fund received	Purposes				Utilisation				
		Purchase of vehicles	Renovation of vehicles/spare parts	Plant and machineries	Civil works	Purchase of vehicles	Renovation of vehicles/spare parts	Plant and machine-ries	Civil works	Pay & allowances
1995-96	7.90	6.97	0.63	0.03	0.27	-	-	-	-	2.00
1996-97	7.65	6.12	0.58	0.12	0.83	6.12	0.58	0.12	0.83	-
1997-98	5.34	5.06	0.06	-	0.22	4.33	0.79	-	0.22	-
1998-99	7.59	6.18	0.71	-	0.70	5.47	1.26	0.10	0.76	-
1999-2000	3.62	3.62	-	-	-	1.42	1.55	-	0.13	0.52
Total:	32.10	27.95	1.98	0.15	2.02	17.34	4.18	0.22	1.94	2.52

During 1996-97 to 1999-2000 the corporation utilised only Rs.17.34 crore out of Rs. 20.98 crore received for purchase of vehicles.

Low utilisation of plan fund meant for purchase of vehicles affected availability of fleet

Low utilisation of fund for purchase of new vehicle thus affected the total availability of fleet of the corporation. Further, non-replacement of overaged vehicles ultimately increased the operational cost and frequency of breakdown.

The following further interesting points were noticed in audit:-

- (i) As per the data furnished by management, a sum of Rs.0.52 crore was diverted during 1999-2000 for payment of pay and allowances and the total plan money received during 1997-98 was shown as utilised for plan purposes. However, the relevant minutes of the meetings of Board of Directors revealed that during 1997-98 and 1999-2000 a sum of Rs.2.76 crore (Rs.1.19 crore in 1997-98 and Rs.1.57 crore in 1999-2000) was diverted for revenue purposes. This difference of Rs. 2.24 crore (Rs. 1.19 + Rs.1.57 – Rs.0.52 crore) could not be reconciled by the management; and

- (ii) review of the accounts for the years 1995-96 and 1996-97 also revealed that an amount of Rs.12.52 crore (Rs.7.13 crore for 1995-96 and Rs.5.39

There was diversion of plan fund for revenue purposes

crore for 1996-97) was booked under capital heads against total plan funds of Rs.15.55 crore received during this period. Thus there was a diversion of Rs.3.03 crore during this period. Management admitted (July 2000) that Rs. 2.00 crore was spent for revenue purposes but did not furnish any reasons for the same. The balance of Rs.1.03 crore was yet to be reconciled by the management.

2B.5 Financial position and working results

The corporation had finalised their accounts up to 1994-95 only and had prepared provisional accounts for the years 1995-96 to 1997-98. The accounts for the years 1998-99 and 1999-2000 were under compilation by the corporation. The financial position and working results of the corporation for four years up to the year 1997-98 are given in Annexure -11.

It may be seen from Annexure-11 that the corporation has incurred losses during the period 1994-95 to 1997-98 and operating income during this period was not sufficient even to recover its employees cost. The accumulated loss as on 31 March 1998 was Rs.259.49 crore which was 154.71 per cent of equity capital (Rs.167.73 crore).

The projected accounts furnished by the management indicated net loss of Rs.30.11 crore and Rs.30.97 crore during 1998-99 and 1999-2000 respectively.

Audit analysis revealed that the continuous losses were mainly attributable to its unsatisfactory operational performance owing to lower fleet utilisation, higher staff to bus ratio, low vehicle productivity, lower fuel efficiency, operation of uneconomic services, delay in tariff revision etc.

2B.5.1 Operational performance

The operational performance of the corporation was observed in audit as dismal and was mostly below the achievement of other State Transport Corporations. Findings of audit emerging from review of operational performance of the Corporation are discussed in succeeding paragraphs.

2B.5.2 Vehicular strength and age profile

The productivity of State Road Transport Undertakings depends largely on the efficiency of its vehicles which in turn, is dependent on the age profile of their fleet and the policy adopted for replacement of phased out vehicles.

Capital of the Corporation was eroded completely by the end of 1997-98 due to unsatisfactory operation performance

The life of a bus has been fixed by the Association of State Road Transport Undertakings (ASRTU) and adopted by the Corporation as 8 years or 5.5 lakh km. It had further recommended that 60 per cent of total fleet should be less than four years old. Against this norm the corporation, during 1995-96 to 1999-2000 (up to 31 December 1999), had only 28.1 per cent to 39.2 per cent of its total buses within the age group of 0-4 years. During this period the corporation had overaged buses ranging from 24.1 per cent to 32.1 per cent as indicated in the following table :

As on 31 March each year	Total No. of vehicles	Age profile					
		0-4 years		5-8 years		Above 8 years	
		No.	Percentage	No.	Percentage	No.	Percentage
1995-96	833	268	32.2	364	43.7	201	24.1
1996-97	810	228	28.1	323	39.9	259	32.0
1997-98	691	263	38.1	222	32.1	206	29.8
1998-99	589	231	39.2	192	32.6	166	28.2
1999-00 (December 1999)	605	173	28.6	238	39.3	194	32.1

The Corporation was holding over-aged buses and did not formulate any time bound action plan for phasing out the same with new buses

Despite number of buses in the age group of 5-8 years and above 8 years showing an increasing trend, and leading to high frequency of breakdown and increase in operational cost as shown in Annexure-11, management did not have any plan for phasing out over-aged buses by new buses over a time bound frame through an effective loan programme. Even when plan funds were made available by State Government for replacement of over-aged buses these were not fully utilized and 12 per cent thereof was diverted for other revenue works.

2B.5.3 Fleet utilisation

Fleet utilisation was far below that recommended by COPU and that achieved by other STUs

Fleet utilisation is the ratio of the buses on road to the average fleet held by any corporation. It was observed in audit that the corporation had not fixed any norm for fleet utilisation. However, the Committee on Public Undertakings (COPU) in its 30th Report* (December 1997) recommended that fleet utilisation capacity be fixed at 90 per cent. Fleet utilisation of the corporation ranged between 48 and 55 per cent during 1994-95 to 1998-99 which was not only far less than the all India average of 91.6 per cent and 90.9 per cent during June 1998 and June 1999 respectively, but was also below than that achieved by other STUs as shown below:-

* 30th Report of the COPU containing recommendations on paras included in the Report of the Comptroller and Auditor General of India (Commercial) (Government of Assam) for the year ended 31 March 1992.

	1994-95	1995-96	1996-97	1997-98	1998-99
Average no. of vehicles held	852	729	658	612	527
Average no of vehicles (i) on road (ii) off road	409 443	388 341	364 294	335 277	258 269
Percentage of off road buses to average buses held	52	47	45	45	51
Percentage of fleet utilization (ASTC)	48	53	55	55	49
Percentage of fleet utilization by other STUs					
Uttar Pradesh	NA [@]	85	85	87	NA
Maharashtra	NA	92	92	92	NA
Kerala	NA	79	81	78	NA
Andhra Pradesh	NA	97	98	98	NA
Punjab	NA	92	91	93	NA
West Bengal (NBSTC)	NA	69	67	NA	NA

- (1) Buses ranging from 269 to 443 remained off road during the period 1994-99 mainly due to non-availability of stores and spares and low productivity of its workshops.
- (2) During the five years ended 31 March 1999 the corporation held 24 per cent to 32 per cent of fleet which had outlived the normal life of eight years as prescribed by the Association of the State Road Transport Undertakings (ASRTU). This also affected the fleet utilisation of the corporation. As mentioned in para 2B.4.2, failure to fully utilise plan funds received for purchase of new buses led to holding large percentage of over-aged buses in the total fleet.
- (3) The induction of new buses (247 numbers) was inadequate to replace the phased out buses (475 numbers) during 1995-96 to 1999-2000 (up to December 1999), and the availability of buses on road was also affected as placement of new buses was delayed due to excess time taken in delivery of chassis to bus body builders and in fabrication of bus body by contractors as well as due to delay in placement of vehicles after registration as discussed below:-
- (a) The corporation was awarding work for body building of buses on annual rate contract basis. In case of 228 new vehicles received during April 1995 to December 1998, in spite of existing rate contracts, there was inordinate delay for periods ranging from 1 to 211 days in handing over of 176 chassis for body building to contractors. Besides, the contractor also took excess time ranging from 1 to 240 days in construction and delivery of 37

Poor fleet utilization was due to non-availability of spares, over-aged buses, delayed delivery of chassis to bus body builders and delayed placement of vehicles etc.

[@] Not available.

buses to the corporation over the scheduled time as per contracts. Total bus days lost worked out to 5836 involving loss of revenue of Rs.0.95 crore to the corporation.

- (b) It was further noticed that placement of 41 vehicles on road though registered during April 1995 to November 1999 was also delayed for periods ranging from 10 days to 45 days. As a result the corporation suffered loss of revenue amounting to Rs.0.14 crore.
- (4) The corporation failed to earn revenue to the extent of Rs.69.11 crore during this period due to low utilisation of fleet compared to norm of 90 per cent fixed by the COPU. Besides, low utilisation of fleet led to excess/idle deployment of manpower involving expenditure of Rs.36.05 crore during this period (Para 2B.5.4)
- (5) The corporation incurred a liability for payment of Motor Vehicles Tax amounting to Rs.0.94 crore based on fleet varying from 331 to 568, though average running fleet during this period ranged between 258 and 409. Thus, against the additional liability of Rs.0.21 crore, the corporation did not earn any revenue.

2B.5.4 Staff to bus ratio

During the period 1994-95 to 1998-99 the staff to bus ratio varied between 15.26:1 and 20.98:1, which was much higher than that of other STUs. In this connection the Committee on Public Undertakings (COPU) in its 30th Report (December 1997) recommended that staff bus ratio of the corporation be fixed at 6:1. However, no action on COPU's recommendation was taken by the management. The table below depicts the staff/bus position as well as the excess manpower held by the corporation during the period 1994-95 to 1998-99, staff productivity and a comparison of staff to bus ratio with other 3 STUs :

Staff to bus ratio varied widely from that of other STUs

Particulars	1994-95	1995-96	1996-97	1997-98	1998-99
(1) Average number of buses on road	409	388	364	335	258
(2) Manpower					
(a) Drivers					
(i) Required*	740	705	675	626	490
(ii) Actual	1192	1126	1098	1067	1035
(b) Conductors					
(i) Required	900	852	810	756	597
(ii) Actual	1440	1365	1346	1267	1232
(c) Maintenance staff					
(i) Required	764	729	685	631	487
(ii) Actual	1357	1263	1252	1279	1153
(3) Total Manpower	6281	5920	5752	5615	5412
(4) Staff to bus ratio	15.36:1	15.26:1	15.80:1	16.76:1	20.98:1
(5) Staff to bus ratio of other STUs					

* Based on corporation's own norms

Uttar Pradesh	NA [@]	8.34:1	8.32:1	8.17:1	7.10:1
Punjab	NA	5.34:1	5.32:1	5.10:1	4.94:1
Kerala	NA	8:1	8:1	8:1	6.43:1
(6) Total employees cost (Rs./crore)	19.43	24.03	27.14	28.40	29.02**
(7) Excess manpower in (a), (b) & (c)	1585	1468	1526	1600	1846
(8) Expenditure on excess manpower (Rs./crore)	4.90	5.96	7.20	8.09	9.90
(9) Staff productivity (effective Km./staff/day)	13.56	14.21	13.73	13.04	10.52

Adverse staff to bus ratio was due to excess manpower and reduction of buses on road

From the above it may be seen that excess manpower in operational categories varied from 1468 to 1846 compared to the corporation's own norm and that the corporation incurred additional expenditure of Rs.36.05 crore during this period. The excess manpower had also adversely affected staff productivity which reduced to the lowest figure of 10.52 in 1998-99 against the all-India average of 41.92 (June 1998).

Though the COPU had directed (December 1997) that the staff to bus ratio of 6:1 be achieved within a period of three years, this ratio had further increased from 16.76:1 in 1997-98 to 20.98:1 in 1998-99 due to reduction in buses on road. It was noticed that the State Government had identified (December 1998) overstaffing vis-a vis vehicles on road as the main reason for losses suffered by the corporation and it was observed by the State Government that the corporation would not be able to give the desired service to the public unless it was first made viable. Accordingly, a voluntary retirement scheme was worked out to reduce 2800 staff and Eleventh Finance Commission *was urged (December 1998) to grant Rs. 59.08 crore to implement the scheme. Further development in the matter is awaited (September 2000). Meanwhile, the corporation engaged additional staff during 1997-98 which was not justified.

2B.5.5 Vehicle productivity/Vehicle utilisation

Particulars	1994-95	1995-96	1996-97	1997-98	1998-99
Schedule km. (Lakhs)	NA	NA	NA	NA	NA
Suspended km.. (Lakhs)	NA	NA	NA	NA	NA
Percentage of suspended to schedule km.					
Effective km.. (lakh km..)	310.92	307.09	287.84	266.41	207.46
Dead km..(Lakh KM)	8.91	9.66	9.88	8.80	7.03
Percentage of dead km.. to effective km.. (in total)	2.87	3.15	3.43	3.30	3.39
Percentage of dead km.. to effective km.. (for city services)	9.98	9.70	9.93	10.51	10.94
Percentage of dead km. to effective km. (for long route services)	1.95	2.07	2.38	2.13	2.15
Vehicles utilisation/bus/day(m)					307
Maharastra	NA	299	301	304	
Kerala	NA	332	333	330	332
Andhra Pradesh	NA	306	303	316	310
Punjab	NA	260	258	249	254

[@] Not available.

** Based on projected accounts

*Based on the Memorandum submitted (December 1998) by the State Government to the Eleventh Finance Commission.

West Bengal (NBSTC)	NA	266	271	NA	252
Assam	208	217	217	219	221

Corporation's vehicle utilisation was far below the All-India average

The Corporation's vehicle utilisation per bus per day varied between 208 and 221 kms. during the five years period ending 31 March 1999 against all-India average of 316.8 kms. (June 1999), which was also far below that of other States.

Increase in dead KMs also affected vehicle utilisation

It was noticed that vehicle productivity was also affected due to increase in dead km* run. In case of long route services it varied from 1.95 per cent to 2.38 per cent of effective km. during 1994-95 to 1998-99 ; whereas in case of Guwahati city services dead km. run showed increase from 9.70 per cent to 10.94 per cent during this period. As a result the corporation was deprived of revenue earning of Rs.0.18 crore on account of increase in dead km. run during 1996-99 over 1994-95. The corporation attributed the reasons for increase in dead km. run to increase in breakdowns and drawal of oil from private pumps instead of its own diesel pumps.

2B.5.6 Fuel efficiency

Fuel efficiency is measured in terms of kilometres run per litre (KMPL) of fuel consumed. High speed diesel (HSD) is the main fuel utilised in the operation of fleet and accounted for 55.60 per cent to 61.80 per cent of the total material cost of the corporation during 1994-95 to 1998-99.

Actual consumption of fuel (HSD) varied widely from the All-India average as well as from the standard fixed by the Corporation

The corporation fixed (May 1994) the norm for consumption of HSD for plains at 4.20 KMPL and for hills at 4.00 KMPL. The actual KMPL achieved by the corporation as a whole, however, varied between 3.89 and 3.96 during the five years ended 1998-99 against the all-India average of 4.47 and 4.46 KMPL during June 1998 and June 1999 respectively.

Thus, considering weighted average of KMPL based on the corporation's own norms, there was an excess consumption of 23.25 lakh litres of HSD valued at Rs.2.12 crore during the five years ending 1998-99.

Test check of division-wise (six divisions) performance analysis of kilometre run per litre (KMPL) of HSD consumption for the three years ending 31 March 1999 revealed that KMPL in respect of Guwahati and Silchar was much lower compared to norm and the performance in other four divisions showed declining trend during this period. Management attributed (September 1999) the excess consumption of HSD to non-replacement of worn-out engines and other parts on account of fund crisis. The argument of funds crisis is not valid as the corporation did not fully utilise the loans received from State Government for replacement of over aged buses and amounts was outstanding from different customers like Guwahati University (Rs.0.54 crore), Assam Engineering College (Rs.0.22 crore), Guwahati Medical College (Rs.0.04 crore) etc. which could not be recovered due

* Dead km run represents empty runs from depot and fuel pumps located at a distance and also due to breakdowns, accidents etc.

to ineffective pursuance by the corporation. In the absence of any stringent measure on the part of the corporation, this outstanding amounts accumulated over the years.

2B.5.7 Uneconomic services

The corporation operates express, super fast, day and night super and ordinary services. The corporation did not carry out detailed analysis to examine the service-wise performance to improve revenue. However, during February 1997, an analysis was made by the corporation to identify uneconomic services taking into account earnings per bus/day as Rs.1000 and EPKM* as Rs.4.50. Findings of the management based on the services rendered in October 1996 revealed the following:

		Ordinary	Day Super	Night Super & Super fast	Express	Total
1.	Total number of service	195	34	43	66	338
2.	No. of services having earning below Rs.1000/bus/day	145 (74.36)	-	-	2 (3.03)	147 (43.49)
3.	No. of services having EPKM below Rs.4.50	59 (30.26)	1 (2.94)	1 (2.33)	8 (12.12)	69 (20.41)

(figures in bracket represent percentage of total service of that category)

Ordinary services largely contributed towards operation below economic level

It may be seen from the above that 43.49 per cent of total services was operated at below earning level of Rs.1000 and 20.41 per cent of total services failed to earn minimum economic level of Rs.4.50 EPKM fixed by the corporation. Ordinary services largely contributed towards operation below economic level.

In this connection it was also observed (December 1997) by COPU that in order to improve the financial position of the corporation it was necessary to increase more economic services, and, to run a bus on economic footing it must run a minimum of 300 kilometers with revenue earning of Rs.3000 per day. Considering this, a test check in audit of long route services rendered in July 1999 (for which data was made available) revealed that increase in economic services was only 17.20 per cent as compared to 8.88 per cent in October 1996 which too was mainly due to fare revision in January 1998.

Low revenue earning was attributed by the management mainly to unhealthy competition with private operators, operating of buses in rural and backward areas etc. Audit further noticed that vigilance wing also failed to improve the line checking to prevent the leakage of revenue. In this connection the following points are observed:

- (a) Scrutiny of records revealed that as a result of liberalised policy, large number of permits were issued to private operators to operate services

* Earning Per Kilometre

The fact that private operators were operating stage carriage services creating unhealthy competition was not brought to the notice of the Government

throughout the State. As observed by the management in August 1998, private operators were running more than 10,000 vehicles in the State compared to 350 vehicles run by the corporation. Management stated (August 1998) that owing to social obligation services of corporation are operated in uneconomic routes in remote backward areas where private operators were not plying their buses as these were not economically viable. Records of the corporation further revealed that private operators though issued tourist permits were operating stage carriage services. The corporation did not bring this to the notice of the State Government for preventive action. The Committee on Public Undertakings also recommended (December 1997) that the State Government should introduce a plan in consultation with the Corporation so that healthy competition may grow between the Corporation and tourist buses. No action was however, taken in this regard by the State Government (January 2000). The declining financial position of ASTC cannot, however, be attributed to private sector competition alone but also to other factors such as to poor fleet utilization, high staff to bus ratio, low vehicle productivity and high fuel consumption as already discussed in paras 2B.5.2, 2B.5.3, 2B.5.4, 2B.5.5, and 2B.5.6.

Vigilance checking was not adequate to prevent leakage of revenue

- (b) The vigilance wing of the corporation organises surprise and routine checking of buses to prevent leakage of revenue due to non issue of tickets.

The corporation has not fixed any targets for routine checking of ticketless passengers. The number of buses checked was negligible during the five years and it drastically reduced from 335 in 1994-95 to 44 in 1999-2000. Thus, effective and adequate vigilance checking needs to be done in order to prevent leakage of revenue and also to check the widening gap between operating revenue and cost per km.

During May 2000, at the instance of audit, a surprise route checking was carried out by the Guwahati division of the corporation and short realization of fare and irregularity regarding issue of tickets were detected. Further action in the matter is awaited. This corroborates the audit viewpoint that vigorous line checking would have resulted in detection of more cases of leakage of revenue and also served as a deterrent in the long run for ticketless travellers.

2B.5.8 Tariff revision

Delayed revision of tariff by the State Government and also delayed implementation by the Corporation caused loss of revenue

Section 67 of the Motor Vehicles Act, 1988 empowers the State Government to fix the rates for stage, contract and goods carriage. The State Government revises the tariff based on the proposal submitted by the corporation. No formula has been evolved for revision of tariff.

During the period covered under review, the fares were revised three times by the corporation according to the directions of the State Government. During 1997-98 the State Government inordinately delayed approval of the fare revision proposal of the corporation by 142 days. This resulted in loss of potential revenue to the corporation to the extent of Rs.1.38 crore.

There was, however, further delay in implementation of revised tariff by the corporation as indicated below:

Year of revision	Date of Government approval	Date of implementation by the corporation	Total delay in days
1994-95	7.12.1994	21.1.1995	45
1995-96	3.8.1995	22.8.1995	19
1997-98	16.12.1997	5.1.1998	19

Therefore, even after the approval of the State Government was received, the Corporation delayed the implementation of revised tariff and it had to suffer potential loss of earning amounting to Rs.0.64 crore during 1994-95 to 1997-98.

2B.6 Repair and maintenance

The corporation has a central workshop at Guwahati and five departmental workshops - two at Guwahati including one for city services and three at Jorhat, Tezpur and Silchar. The corporation also has three tyre retreading plants at Jorhat, Tezpur and Guwahati. It was noticed that though number of workshop and maintenance staff had increased from 3.32 per vehicle in 1994-95 to 4.47 per vehicle in 1998-99, the performance of workshop and retreading plants had shown sharp decline. Due to lack of adequate preventive maintenance the rate of accidents and breakdowns was high as compared to other STUs as shown below:

			1995-96	1996-97	1997-98
Breakdown (per lakh km.)	(i)	Uttar Pradesh	4.83	5.70	5.50
	(ii)	Maharastra	3.50	3.50	3.50
	(iii)	Kerala	11.8	11.8	9.3
	(iv)	Andhra Pradesh	3.55	2.86	2.27
	(v)	Punjab	8.62	8.30	7.70
	(vi)	West Bengal (NBSTC)	23.29	18.96	NA
	(vii)	Assam	33.60	32.40	32.60
Accident (per lakh km.)	(i)	Uttar Pradesh	0.21	0.20	0.20
	(ii)	Maharastra	0.27	0.26	0.24
	(iii)	Kerala	0.41	0.30	0.30
	(iv)	Andhra Pradesh	0.19	0.15	0.14
	(v)	Punjab	0.27	0.22	0.23
	(vi)	West Bengal (NBSTC)	0.18	0.13	NA
	(vii)	Assam	0.31	0.26	0.25

Non-availability of vital components increased repair down time of vehicles resulting in loss of revenue

2B.6.1 Test check in audit revealed that the repairing/ reconditioning of major assemblies like engine, fuel injection pumps (FIP) was on an average 21 and 45 respectively per month during April- July 1996 against average requirement of 30 and 60 respectively per month. It had, however, come down to 5 engines and 24 FIPs respectively during January – July 1999. Thus non-availability of major assemblies had led to increase in the downtime for repair of vehicles and had affected fleet utilisation. This was attributed by the management mainly to non-availability of important spares. Test check of records relating to Central Workshop, Guwahati for the years 1997-98 and 1998-99 revealed that in respect of 22 vehicles, there was delay in taking up the repair work for periods ranging from 5 to 198 days aggregating to 1321 bus days, resulting in loss of revenue to the tune of Rs.0.23 crore.

Review of the position of vehicles lying under shut down and awaiting repair for want of bus assemblies and other stores revealed the following:

- (i) In case of city service workshop at Guwahati, the number of shut-down vehicles awaiting repair had gradually increased on an average from 11 nos. in 1997-98 to 12 in 1998-99 and to 13 in 1999-2000 (upto December 1999). As on 31 January 2000, 19 vehicles were awaiting repair for periods ranging from 2 to 324 days and a total of 1680 bus days was lost resulting in loss of revenue to the tune of Rs.0.31 crore.
- (ii) In case of Divisional workshop at Jorhat, as on 31 March 1999, 35 vehicles were under shut down for repair for periods ranging from 12 days to 738 days and a total of 7640 bus days was lost for docking of these vehicles resulting in loss of revenue to the tune of Rs1.40 crore.

2B.6.2 Underutilisation of Tyre Retreading Plant

The total retreading capacity of 7500 tyres per annum was grossly under-utilised during the five years ending 1998-99 as would be evident from the year-wise total output indicated below:

Year	Total capacity	Total no. of tyres retreaded	Shortfall	Percentage utilisation
1994-95	7500	3654	3846	48.72
1995-96	7500	4909	2591	65.45
1996-97	7500	4576	2924	61.01
1997-98	7500	4053	3447	54.04
1998-99	7500	3602	3898	48.03

The capacity of the Retreading plant remained grossly under utilised due to short supply of retreading materials which resulted in loss of revenue on shut down vehicles

Under-utilisation of retreading plants had direct impact on earnings of the corporation as in the absence of regular procurement of new tyres from the market, the vehicles had to remain off the road for want of tyres. The overall

capacity of plants remained underutilised due to short supply of retreading materials.

Due to lack of tyres a number of vehicles had to remain under off the road for periods ranging from 2 to 1019 days aggregating to 16956 bus days which resulted in loss of revenue to the tune of Rs.2.87 crore.

Conclusion

The operation of the corporation was characterized by high staff costs, low fleet utilisation, low vehicle productivity, and inadequate emphasis on bus checking. These factors have financially crippled the corporation and reduced its operating capacity. Consequently, the corporation is dependent upon government assistance. There is urgent need for taking corrective measures to enable the corporation to maintain the desired service to public such as augmentation of fleet, improved maintenance and reduction of staff costs.

SECTION – 2C

Review on the working of Assam State Warehousing Corporation

2C Highlights

The corporation was established in August 1958 with the object of construction and maintenance of warehouses in the State for storage of agricultural produce, fertilizers, seeds etc. However, the corporation was also engaged in trading of tea and construction of commercial complex which was beyond the scope of Warehousing Corporation Act.

(Paragraph 2C.1)

Though the corporation earned marginal profit from 1997-98, the accumulated loss as on 31 March 1999 stood at Rs.2.47 crore and the performance was much below the other warehousing corporations. As on 31 March 1999 26 out of 36 warehousing centres continued to incur losses either due to low occupancy or heavy revenue expenditure.

(Paragraph 2C.5)

The utilization of storage capacity for agricultural produce was marginal at 13 per cent to 19 per cent of total storage capacity.

(Paragraph 2C.6.2)

The corporation failed to achieve the target set for construction of godowns during 1994-95 to 1998-99 and due to delay in completion of godowns it was deprived of revenue earnings.

(Paragraph 2C.6.3(i))

Failure to utilize Government land at Nalbari, Haflong, and Satgaon resulted in cancellation of allotment and surrendering of land after incurring infructuous expenditure of Rs.0.12 crore.

(Paragraph 2C.6.4.1)

The corporation incurred losses of Rs.0.37 crore due to uneconomical hiring of godowns.

(Paragraph 2C.6.5)

Due to defective agreement and lower fixation of tariff the corporation suffered losses of Rs.0.35 crore.

(Paragraph 2C.6.6)

Compared to other warehousing corporations, the establishment charges of the corporation was much higher (in excess of 50 per cent of total income) throughout 1994-95 to 1998-99.

(Paragraph 2C.9)

2C.1 Introduction

Assam State Warehousing Corporation was established in August 1958 under the Agricultural Produce (Development and Warehousing) Corporation Act, 1956, subsequently replaced by Warehousing Corporation Act, 1962, with the main object of construction and maintenance of warehouses in the State for storage of agricultural produce, fertilizers, seeds etc.

The main functions of the Corporation are to:

- (a) acquire and build godowns and warehouses within the State and to run the same for the storage of agricultural produce, seeds, manures, fertilisers, agricultural implements and other notified commodities;
- (b) arrange facilities for the transport of the aforesaid commodities to and from warehouses; and
- (c) act as an agent of the Central Warehousing Corporation (CWC) or of the Government for the purchase, sale, storage and distribution of said commodities; In addition to the above the corporation carried out the activity of construction of commercial complex which was, however, not covered under the provisions of Warehousing Corporation Act, 1962.

At the end of March 1999, the Corporation was operating 36 warehousing centres (153 godowns) with a total average warehousing capacity of 2.50 lakh tonnes (Corporation's own warehouses 1.80 lakh tonnes and others 0.70 lakh tonnes).

2C.2 Scope of Audit

The working of the corporation was last reviewed in the Report of the Comptroller and Auditor General of India (Commercial), Government of Assam for the year ended 31 March 1988 which was discussed in May 1993 by the Committee on Public Undertakings (COPU). The recommendations of COPU have not been received so far (September 2000). The present review covers the working and activities of the corporation based on test check of records for a period of 5 years up to 1998-99.

2C.3 Organisational set up

The management of the Corporation is vested in a Board of Directors (BOD). As on 31 March 1999, the BOD consisted of eleven members including the Chairman and the Managing Director, 5 of whom were nominated by Central Warehousing Corporation (CWC) and 6 by the State Government. The Board is assisted in the performance of its functions by an Executive Committee consisting of Chairman, the Managing Director and four Directors

2C.4 Funding

2C.4.1 Capital structure

Against the authorized share capital of Rs.16 crore as on 31 March 1999, the paid up share capital stood at Rs.9.94. crore equally contributed by the State Government and Central Warehousing Corporation (CWC). During the five years up to 1998-99, the corporation received Rs.1.40 crore on account of paid up share capital contributed equally by the State Government and Central Warehousing Corporation.

2C.4.2 Borrowings

Out of total loan of Rs.1.79 crore received during July 1981 to March 1992 from the State Government, the Corporation had repaid so far (March 1999), Rs.15 lakh towards principal loan and Rs. 5 lakh towards interest. As a result of default in repayment, principal amount of Rs.1.15 crore and interest amounting to Rs.1.59 crore was overdue for repayment as on 31 March 1999. Besides, the corporation had also incurred an additional liability of Rs.17.67 lakh towards penal interest.

2C.5 Financial position and working results

The corporation had finalized its accounts up to 1994-95. The financial position and working results of the corporation for the last five years ended 31 March 1999* are given in Annexure – 12.

It would be seen from Annexure 12 that though the corporation earned marginal profit from 1997-98, the accumulated loss as on 31 March 1999 stood at Rs.2.47 crore. The profit of Rs. 14.55 lakh and Rs.3.64 lakh earned during 1997-98 and 1998-99 respectively was mainly due to income from its handling business (Rs. 15.23 lakh in 1997-98 and Rs.28.01 lakh in 1998-99). Analysis in audit of working results revealed the following :

- 26 out of 36 warehousing centres as on 31 March 1999 continued to incur loss either due to low occupancy or heavy revenue expenditure as discussed in para 2C.6.1(ii).
- The establishment charges were more than 50 per cent of its total income throughout 1994-95 to 1998-99 mainly due to deployment of excess manpower as discussed in para 2C.9.

2C.6 Warehousing operations

Warehousing facilities in the State of Assam are provided in the public sector principally by Food Corporation of India (FCI), Assam State Co-operative Marketing Federation (STATEFED), Central Warehousing Corporation (CWC) and Assam State Warehousing Corporation. In comparison to the total constructed capacity of these organizations of 5.6 lakh MT during 1998-99, the corporation's share of own storage capacity stood at 1.80 lakh MT (32 per cent).

As on 31 March 1999, the corporation was rendering services through its 36 centres located in 17 districts of the State. However, 88 per cent of its total capacity (including capacity of hired godowns) was located in urban/semi-urban areas and 12 per cent in rural areas. Although the available capacity (including hired godowns) at Guwahati had increased by 13827 MT during 1994-95 to 1998-99 there was no addition to the constructed capacity in rural sector except for construction of temporary sheds with capacity of 945 MT. Further, the corporation had also not fixed any norms/targets for number of warehouses to be operated in rural and urban areas. With only 12 per cent of capacity being available in rural areas the primary producers were deprived of scientific storage of agricultural produce to a large extent.

* Based on provisional accounts for the years 1995-96 to 1998-99.

88 percent of total capacity was located in urban/semi-urban areas

The primary producers were deprived of facility for scientific storage of their produce

2C.6.1 Capacity utilization:

The details relating to storage capacity created by the corporation through its own godowns as well as hired godowns and utilization of available storage capacity during the five years ending 31 March 1999 is given in Annexure-13.

In this connection the following was observed:

Capacity utilisation was poor compared to other State Warehousing Corporations

- (i) Although the overall utilization of storage capacity and income had increased during 1994-99, the performance was much lower as compared to that achieved by other State Warehousing Corporations as would be evident from the following:

Sl. No.	Warehousing Corporation	Percentage of Capacity utilization	(+) Profit/(-) loss per tonne (Rs.)
1.	Meghalaya	76.48 to 88.32 (1995-96 to 1996-97)	21.39 to 46.66 (1995-96 to 1996-97)
2.	Bihar	84.00 to 93.00 (1995-96 to 1997-98)	9.74 to 58.60 (1995-96 to 1997-98)
3.	Uttar Pradesh	80.25 to 89.80 (1995-96 to 1997-98)	6.83 to 36.18 (1995-96 to 1997-98)
4.	Karnataka	87.82 to 90.29 (1996-97 to 1997-98)	58.45 to 83.35 (1996-97 to 1997-98)
5.	Tamilnadu	79 to 84 (1992-93 to 1994-95)	27.44 to 35.45 (1993-94 to 1994-95)
6	Assam	61.04 to 76.80 (1994-95 to 1998-99)	(-)53.41 to 2.06 (1994-95 to 1998-99)

Capacity utilisation was poor in own godowns

- 2C.6.1 (ii) The percentage of capacity utilization in the Corporation's own godowns during the period 1994-95 to 1998-99 has ranged from 50.87 to 71.75 against the capacity utilization of 87.27 per cent to 110.53 per cent in godowns hired by it. The centre-wise capacity utilization indicating earning position per centre is tabulated below:

Capacity utilisation in percentage	No. of centres	No. of godowns		Average earning per annum. (Rupees in lakh)
		Hired	Own	
0-20	8	0	13	0.71
20-40	4	0	9	1.93
40-60	6	6	31	8.78
60-80	5	8	19	16.25
80-100	7	14	15	12.71
Above 100	6	20	18	21.36

In this regard some of the cases as observed in test check during audit highlighting low capacity utilization in Corporation's own godowns, hiring of godowns at places where the corporation has got its own godowns, increasing the

capacity of its godowns where capacity utilization is already too low are discussed as below:

- (a) Out of above 36 centres, in 15 centres where the corporation has its own godowns only, occupancy ranged between 11.38 and 30.11 per cent.
- (b) In 5 centres, despite high average occupancy ranging from 90.30 to 111.98 per cent during the above period the centres continued to incur losses due to heavy revenue expenditure.

In one centre (Kharupetia) where the corporation had its own as well as hired godowns, in spite of low occupancy in 4 godowns, additional capacity was created by hiring 2 godowns in 1996-97. Total occupancy of the centre ranged between 22.67 and 75.21 per cent.

2C.6.2 Low agricultural storage

The table below indicates year-wise production of agricultural produce (including foodgrains) in the State, procurement by Food Corporation of India (FCI) and utilisation of corporation's storage facilities by the primary producers of the state.

(In MT)

Year	Agricultural production of the State (including foodgrains)	FCI's procurement	Balance	Deposit by primary producers
1994-95	3426000	1454	3424546	433
1995-96	3498000	1896	3496104	525
1996-97	3458000	862	3457138	600
1997-98	3508000	--	3508000	800
1998-99	3359000	--	3359000	750

It would be seen from the above that against the State's total agricultural production ranging from 3426000 MT to 3508000 MT, FCI's procurement ranged between 862 to 1454 MT only and utilization of the corporation's storage facility by the primary producers ranged from 433 to 800 MT only.

Trend in capacity utilisation of agricultural produce vis-à-vis other commodities indicated low deposits of agricultural produce as tabulated below:

(In MT)

Year	Agricultural produce (including foodgrains)		Fertilisers	Cement	Tea	Others	Total
	Deposit by producers	Deposit by others					
1994-95	433	17940	29324	14014	20094	59669	141474
1995-96	525	24134	16944	8803	22152	65607	138165
1996-97	600	28511	31735	5648	24026	85266	175786
1997-98	800	33962	27046	7613	15869	99776	185066
1998-99	750	24262	35082	6834	28905	96595	192428

Agricultural produce comprised 13 to 19 per cent of the storage capacity

The storage of agricultural produce which was marginal at 18373 MT (13 per cent of total storage) went up to 34762 MT (19 per cent of total storage) and again came down to 25012 MT (13 per cent) during 1994-95 to 1998-99.

It was observed that out of 13 centres having low rates of occupancy ranging from 2.93 per cent to 30 per cent during the five years ending March 1999, 9 warehousing centres located in rural areas were dependent upon agricultural produce. The Corporation, at the instance of State Government, therefore, introduced a scheme of concession of 30 per cent storage charges to agriculturists/farmers in August 1991. However, the corporation failed to increase the share of storage by the said small/marginal farmers due to the following:

- (i) the corporation did not have any monitoring system for taking up the matter with the banks for providing loans to the agriculturists, traders against pledge of warehouse receipts; and
- (ii) as per Farmer Extension Service Scheme (FESS) (June 1996), the corporation was to impart training to the farmers to store foodgrains scientifically and to display the sprinkling of insecticides by arranging camps and through distribution of leaflets. With the growth in awareness regarding the benefits of storage, the corporation expected (June 1996) to attract the farmers/growers/traders for deposit of their stock. However, it was noticed that though camps were held during 1996-97, the scheme was discontinued. No reasons were recorded for the discontinuance of the scheme. Significantly, corporation did not even carry out a cost/ benefit analysis of the scheme.

The Corporation failed to create awareness among farmers/growers regarding benefits of storage

2C.6.3 (i) Construction of godowns

A programme for construction of warehouses with additional capacity of 33950 tonnes was taken up during the five years up to 1998-99. The table below indicates the target fixed, works taken up and actual addition to capacity during the period.

(In M.T.)

	1994-95	1995-96	1996-97	1997-98	1998-99
1. Target	6760	9660	5330	6900	5300
2. Works taken up for execution					
(a) New works	5180	510	500	NIL	3024
(b) Spill over works from earlier years	3650	8830	6400	6150	3650
Total	8830	9340	6900	6150	6674
3. Works completed	Nil	2940	750	2500	3650

During the five years 1994-95 to 1998-99, the corporation has not been able to achieve the target in any of the years. Ten warehouses were completed during this period— 2 within scheduled time and 8 after delays ranging from 2 months to 71 months. Against the total estimated cost of Rs.91.98 lakh, total expenditure incurred on completion of these ten godowns amounted to Rs.151.63 lakh. Due to inordinate delay in completion of warehouses, the corporation was deprived of revenue earning for the period of delay beyond the target date of completion.

Test check in audit of delayed execution of works revealed the following:

- (i) the construction of godown at Tinsukia at an estimated cost of Rs.31.49 lakh and scheduled to be completed within one year (March 1993) was actually completed after delay of nearly 6 years with total expenditure of Rs.72.47 lakh thereby depriving the corporation of revenue earning.
- (ii) construction of RCC double storied godown at Beltola with an estimated cost of Rs.34.08 lakh and scheduled to be completed within December 1996, could be completed (only in September 1999) after a delay of almost 3 years with total expenditure of Rs.63.18 lakh resulting in potential revenue loss.

In both the cases financial capability of the lowest tenderer and their past performances were not judged and subsequently 2nd and 3rd tenderers had to be engaged. Though orders were cancelled subject to recovery of additional cost to be incurred for balance work, no recovery was made from the defaulting contractors at any stage.

2C.6.3 (ii) Out of Rs.95.04 lakh received (March 1999) from the State Government under Government of India (GOI) sanctioned Scheme (1996-97 to 1998-99) the Corporation spent Rs.10.69 lakh for construction of godown at one approved rural location (Balijana). A sum of Rs.38.88 lakh was however diverted for construction of godowns at 3 urban locations for which GOI approval was not obtained. The balance fund was lying (27 March 2000) in term deposit (Rs.35.83 lakh) and in current account (Rs.9.64 lakh) of the Corporation.

2C.6.4 Acquisition of land

In addition to the outright purchase of land, the corporation has been acquiring land from the State Government for construction of godowns at different places in the State. Findings in audit regarding non-utilization of land are discussed below :

2C.6.4.1 Non utilization of land acquired for construction of godowns:

It was noticed in audit that due to failure of the corporation to utilize the Government lands, out of the allotment of 52 bighas of land received between 1965 and 1990, land at Nalbari, Haflong and Satgaon (Guwahati) allotment was either cancelled by the Government or allotted land surrendered by the corporation or remained unutilized. This resulted in infructuous expenditure of Rs.11.51 lakh and idle investment of Rs.3.09 lakh respectively as mentioned below:

- (i) In case of land at Nalbari, even after incurring an expenditure of Rs.7.67 lakh on compound fencing, security expenses etc. the corporation did not construct the godown till June 1999;
- (ii) In case of Haflong, even after making payment of Rs.3.84 lakh to the contractor the Corporation did not complete the construction of the godown due to unsuitability of the location for warehousing activities; and
- (iii) In case of Satgaon, the corporation incurred an expenditure of Rs.3.09 lakh on site development and approach road during December 1996 to January 2000. However, despite large demand (113 per cent capacity utilization in hired godowns in the same area) for godown space the construction of godown is yet to commence.

2C.6.5 Hiring of godowns

The corporation has been hiring godowns from private parties and STATEFED at different places in the State where the corporation does not have its own godowns or where storage capacity available is considered insufficient. During 1994-95 to 1998-99, the corporation hired godowns against total rental charges of Rs.47.54 lakh in 1994-95 which increased to Rs.73.30 lakh in 1998-99. Test check in audit revealed the following :

- (1) Eight godowns having total capacity of 17380 MT (104284 sq. ft) were hired by the corporation at Satgaon (Guwahati) during June 1987 to March 1993 at a monthly rent of Rs.1.37 lakh. The godowns were subsequently retained by the Corporation and rent revised from time to time. The

Acquired Government land either surrendered or remained unutilised

The corporation incurred loss due to insufficient margin between hire charges and storage charges

The corporation hired godown at the same location where it incurred losses earlier due to poor business prospect

Corporation incurred net loss aggregating Rs.11.18 lakh during 1994-95 to 1998-99 (loss of Rs.13.75 lakh in 1994-95, 1995-96 and 1996-97 and profit of Rs.0.29 lakh in 1996-97 and Rs.2.28 lakh in 1998-99) despite average capacity utilization of 113 percent. This is indicative of insufficient margin between hire charges and rates of storage charges received by the Corporation.

- (2) The Corporation hired two godowns at Kokrajhar having 7458 sq.ft. and 2250 sq.ft. area in July 1991 and March 1992 respectively at a monthly rent of Re 1/sq.ft. The Corporation continued to incur losses since this hiring and the two godowns were finally vacated in June 1996 (2250 sq. ft.) and September 1997 (7458 sq. ft) due to lack of business prospects or due to locational disadvantage of the godowns. Losses incurred by the Corporation till 1996-97 aggregated to Rs.7.05 lakh.

A new godown (4644 sq. ft) was again hired at Re.1/sq ft. in September 1997 and was retained despite absence of any business prospect and even after incurring losses of Rs.1.22 lakh in 1997-98 and Rs.1.47 lakh in 1998-99.

- (3) In August 1987, the Corporation hired a godown (14700 sq. ft) at Golaghat at a monthly rent of Rs.7350 and retained the same despite low rate of occupancy and continued losses. The accumulated loss was Rs.16.50 lakh up to 1998-99.

Subsequently, Corporation purchased the godown in March 1999 for Rs.10.01 lakh. It was noticed that due to locational disadvantage an earlier proposal received (November 1989) from the owner for sale of this godown at Rs.12 lakh was not considered (March 1990) by the Corporation.

Thus, continued hiring of uneconomical godowns and subsequent un-remunerative investment on purchase was not justified.

2C.6.6 Storage charge – fixation and revision

Despite high occupancy in urban areas storage rates were fixed at lower level compared to CWC rates

The Corporation has not laid down any policy for fixation of its storage charges. The storage charges were enhanced every two years on lump sum basis varying from 10 per cent to 35 per cent in 1995 and 1997 during the five years ended March 1999. The management stated (March 2000) that factors like running cost, business position of its warehouse centres, CWC storage rates, market rate of godowns were taken into account while determining the storage rates.

It was noticed that storage rates were fixed at lower level compared to CWC rates even in case of warehouse centres located in urban areas like Guwahati despite continued high percentage of occupancy.

A test check in audit revealed the following :

- (1) During April 1988 to July 1991 two warehousing centres located at Amingaon, Guwahati (Tea township complex and ICD[#] compound) were let out to two firms[°] for storage of tea chest/sacks against payment of monthly storage charges. As per the agreements entered by the Corporation with firm A and B, reservation of space was to remain valid for 5 years (effective 1st April 1991) and ten years (effective April 1988) respectively. Fresh agreements were reached with these firms for reservation of space for a period of five years from 1 January 1995 to 31 December 1999 without any provision for vacation by any party during the pendency of the agreement. The storage rates effective from 1st January 1995 were fixed at Rs.3.16 /sq. ft. and Rs.2.34 /sq.ft with provision for enhancement by 15 per cent every year.

Despite acceptance of contractual provisions the corporation extended undue benefit to the consumers

However, in June 1996 based on the request of firm A for reduction of enhancement of storage rates from 15 per cent every year to 10 per cent every two years, the Corporation initially agreed (February 1997) for enhancement at 10 per cent every year but this was subsequently reduced (September 1997) to 10 per cent on two year basis.

Similarly, in view of the above, the request received from firm 'B' for reduction in enhancement provision was also agreed upon (February 1997) by the Corporation though it was made applicable at the rate of 10 per cent on annual basis.

Thus, as a result of undue benefit passed on to the firms despite explicit acceptance of contractual provision by them, the Corporation had to suffer loss of revenue amounting to Rs.18.44 lakh.

- (2) The Corporation entered (July 1993 and January 1996) into two agreements with ONGC[°] for providing 41500 sq. ft. storage space at Sibsagar centre with effect from November 1992 (39500 sq. ft.) and December 1995 (2000 sq. ft) for an initial period of two years with the provision for extension for another three years. No provision for enhancement of tariff was made in the agreement despite long term reservation of space for 5 years.

The agreement did not provide for enhancement of tariff during the period of reservation of space for 5 years

[#] ICD= Inland Container Depot

^{°°} Firm "A" : Hindustan Sheet Metal Limited, Calcutta (renamed Hindustan Udyog Limited).

Firm "B" : Technotive Eastern Private Limited, Guwahati.

[°] ONGC= Oil and Natural Gas Commission.

Due to defective agreement the corporation lost revenue of Rs.0.16 crore

Meanwhile, the Corporation had revised its tariff from time to time in 1993, 1995, 1997 and 1999 and rates prevailing in November 1992 had increased to 144 percent in April 1997.

Therefore, in the absence of any provision for enhancement of rate the Corporation could not enhance the rate during the validity of the agreements. Moreover, the Corporation allowed the ONGC to occupy the space at old rates till December 1998 and enhancement in rate was made effective from January 1999.

Thus, due to defective agreement and subsequent delay in enhancement of storage rate, the corporation has so far (January 2000) been deprived of revenue earning of Rs.16.18 lakh .

Non-billing of utilised storage space resulted in short realisation of revenue

- (3) The Corporation let out godown space at Haibargaon centre with storage capacity of 56400 sq.ft. to FCI at an agreed monthly rate of Rs.1.50/sq.ft. from February 1996 for a period of two years. Even after the expiry of agreed period of two years, FCI has not vacated the space till date.

Against total storage capacity of 56400 sq.ft. let out to FCI, the Corporation had raised bill for 44682.87 sq.ft. at the agreed rate of Rs.1.50 /sq.ft. based on the measurement taken by FCI. The capacity of those godowns as furnished (April 2000) continued to be fixed at 56400 sq.ft. As such non billing for 11717.13 sq.ft. resulted in short realization of Rs.8.79 lakh (March 2000).

Storage charges remained unclaimed due to billing at old rate after expiry of agreed reservation period

Besides, the Corporation did not raise bills at the prevailing storage rate of Rs.3.02/sq.ft.* applicable to FCI beyond the original period of two years (i.e. up to January 1998) for which no extension was also granted by the Corporation. As a result of billing at old rate (Rs.1.50/sq.ft.), the storage charge remained unclaimed by Rs. 22.29 lakh up to March 2000.

2C.7 Weighbridge operation

Weigh bridges at Guwahati and Tinsukia were defective from the beginning

In order to provide weighment facility to the depositors, the Corporation installed weighbridges at Haibargaon, Bongaigaon, Guwahati and Tinsukia during 1987 to 1992. However, weighbridges at Guwahati and Tinsukia, could not be properly utilized since the beginning due to manufacturing defects , defective foundation work, damage of components due to watering of foundation pit etc. The weighbridges failed to perform properly even after repairing. The total expenditure incurred by the Corporation on procurement and repair of these two weighbridges was Rs. 13.30 lakh.

* Based on 1997-98 FCI rate of Rs.18.10/MT

The Corporation has earned only Rs.0.08 crore so far against lease of Guwahati Weighbridge

The Corporation leased out Guwahati weighbridge to a private party (September 1992) at the rate of Rs.4000 per month for 21 months. In March 1995, the possession of weighbridge was again leased out to another party at a much lower monthly rent of Rs 1000 (for first 5 year term) and Rs. 2000 (second 5 year term). The agreement entered (March 1995) with the private party also extended right to the private party of not vacating the possession by the party till the full investment was recouped by the Corporation. However, since May 1996, the Corporation made efforts to get back the weighbridge mainly due to unauthorized construction at site and consequent violation of the agreement provision but it had not yielded any result (March 2000). The Corporation had so far (March 2000) earned only Rs. 0.81 lakh on leasing out of Guwahati weighbridge.

Thus due to defective procurement of the above weighbridge and subsequent failure to utilise it for its own business, the Corporation had not only incurred loss of income of Rs.3.62 lakh *per annum but the investment of Rs. 13.30 lakh was also rendered infructuous.

2C.8 Credit control

The table below indicates the volume of receivables against the charges earned on storage activities by the Corporation for the last five years up to 1998-99 :

Year	Income from storage charges during the year (Rs. in lakh)	Storage charges receivable at the end of the year (Rs in lakh)	Percentage of receivables to income	Receivables in terms of months of income
1994-95	243.25	268.25	110.28	13.23
1995-96	264.61	279.40	105.59	12.67
1996-97	341.56	247.59	72.49	8.70
1997-98	416.83	287.17	68.89	8.27
1998-99	431.93	364.31	84.34	10.12

72.49 per cent to 110.28 per cent of the storage charges receivable remained outstanding

It may, therefore be seen that receivable which constituted 72.49 per cent to 110.28 per cent of the annual storage income during the period 1994-95 to 1998-99 remained outstanding. Out of Rs. 364.31 lakh outstanding as on 31 March 1999, an amount of Rs. 92.90 lakh was outstanding for more than 5 years in respect of major defaulters (FCI – Rs. 35.83 lakh, Jute Corporation of India – Rs. 8.22 lakh, IFFCO – Rs.9.97 lakh, State Trading Corporation - Rs. 12.65 lakh, DRDA - Rs. 10.69 lakh, PWD – Rs. 10.94 lakh and Indian Potash Limited – Rs. 4.60 lakh).

The corporation did not claim interest from defaulting consumers

As per the terms laid down by the Corporation, interest at the rate of 12 per cent per annum was to be recovered from the customers for any delay in settlement of storage charge bills beyond one month. The Corporation, however, did not claim any interest from defaulting customers even though storage charges remained

* Based on average earning from weighbridge operation at Haibargaon and Bogaigaon.

unrealized during the period 1994-99. As a result, an amount of Rs.125.51 lakh on account of interest though liable in terms of the Corporation, was not claimed.

2C.9 Manpower

As mentioned in para 2C.5, the employees cost of the Corporation was in excess of 50 per cent of its total income throughout 1994-95 to 1998-99. Considering the numbers of warehousing centres and sanctioned strength for head office as well as for centres the Corporation continued to deploy excess manpower. The table below indicates the total men in position and labour productivity during the five years ending 1998-99:-

L.No.	Particulars	1994-95	1995-96	1996-97	1997-98	1998-99
1.	Manpower requirement (Nos.)	448	443	441	444	454
2.	Men in position (Nos.)	469	493	495	509	514
3.	Excess manpower(Nos.)	21	50	54	65	60
4.	Productivity					
	(i) Occupancy of warehouses (Lakh MT.)	1.41	1.38	1.76	1.85	1.92
	(ii) Establishment charges (Rs. in Lakh)	160.69	180.06	195.94	256.86	264.88
	(iii) Cost of labour (Rs./MT)	113.96	130.48	111.33	138.84	137.96

The corporation incurred additional expenditure for employment of excess manpower compared to its own norms

From the above it would be seen that there was excess manpower ranging from 21 to 60 personnel during 1994-95 to 1998-99 as compared to the norm and the corporation incurred additional expenditure of Rs. 110.56 lakh on this excess manpower. The increase in manpower inter-alia led to higher cost of labour per tonne of occupancy which increased from Rs. 113.96 in 1994-95 to Rs. 137.96 in 1998-99.

2C.10 Construction of commercial complex

Construction of commercial complex was not covered under the provisions of Warehousing Corporation Act

The management started construction of commercial complex during 1992-95. The construction of commercial complex was, however, not covered under the provisions of Warehousing Corporation Act.

The commercial complex was set up at Hojai in two phases during March 1993 and February 1995 at a total expenditure of Rs. 37.93 lakh. The project was taken up despite the low rate of return of 1.22 and 2.64 per cent per annum respectively estimated for two phases.

Return on investment was less than one per cent

The entire complex comprising 41 rooms was let out on lease basis for an initial period of three years in March 1993 (18 rooms) and March/July 1995 (23 rooms) at the monthly rent of Rs. 400 and Rs.500 with a provision for increase of the rent by 5 to 10 per cent respectively every year. The Corporation also obtained refundable security deposit at the rate of Rs.25000 per room for 40 rooms and the total deposit, till 31 March 1999, stood at Rs.10 lakh. The Corporation neither renewed the agreement on expiry of the initial period of three years nor any enhancement of rent was made effective. Even re-allotment of six rooms, falling vacant, was made at old rates during December 1997 and January 2000. Against the total rent of Rs. 12.88 lakh receivable up to March 2000, Rs. 4.45 lakh remained unrealized.

Further, return on investment (Rs. 37.93 lakh) to the Corporation was negligible (at less than one per cent till March 2000). Thus, funds amounting to Rs.37.93 lakh had been blocked on irregular and unproductive investment.

2C.11 Internal Audit

Internal audit of the Corporation was inadequate

The Corporation did not have any established Audit wing. However, during 1994-95 to 1998-99, internal audit of the Corporation was carried out by deputing one staff from accounts wing. During this period, out of 40 centres, 18 centres were not covered in audit and 20 units were in arrears for 2 or more years.

It was noticed that activities of auditors were mainly restricted to areas like cash, bank, storage bills and maintenance of books of accounts. No attempt was made to cover physical verification of commodities, effectiveness of recovery of outstanding dues etc. Activities of Head office except for postage account (December 1996) were never covered in audit during this period.

The Corporation also did not have any system of periodical reporting of results of audit to the Board nor action was taken on the reports on regular basis.

Conclusion

The Corporation was established in August 1958 with the object of construction and maintenance of warehouses in the state for storage of agricultural produce, fertilizers, seeds etc. Even after 42 years of its existence, storage of agricultural produce and area of operation in rural sector continued to be at poor scale. Progress achieved on construction of warehouses also lagged behind the target set. The performance of the corporation was poor compared to other warehousing Corporations, due to low capacity utilization at several warehousing centres and heavy establishment charges.

CHAPTER III

3. MISCELLANEOUS TOPICS OF INTEREST RELATING TO GOVERNMENT COMPANIES AND STATUTORY CORPORATIONS

3.1 GOVERNMENT COMPANIES

3.1.1 Assam Plains Tribes Development Corporation Limited

3.1.1.1 *Extra expenditure on purchase*

Procurement of sewing machines without ascertaining market rate resulted in avoidable expenditure of Rs.0.44 crore.

As a part of the Anti Poverty Simple Economic Assistance the company decided (December 1995) to implement the Tailoring Scheme by procurement of sewing machines.

As such orders for supply of 6813 'Merrit' sewing machines were placed (February 1996 to July 1996) on one M/s M.N. Associates at the rate of Rs.3500.00 per machine, a rate predetermined and intimated by the Director of Welfare of Plains Tribes and Backward Classes, Government of Assam. However, the company did not float any tender enquiry from different manufacturers/dealers in order to ascertain the prevailing market price.

Scrutiny of records (January/2000) revealed that a reputed national firm viz. M/s Usha International Limited had offered (March 1996) their 'Usha' brand sewing machine at the rate of Rs.2860.00 per machine. It was further observed that the local market rate of 'Merrit' brand sewing machine prevailing since 1995 was Rs.2985 per machine. Evidently, the procurement was made at a higher rate than the prevailing market rate.

Thus due to purchase of sewing machine without inviting tender, the company incurred extra expenditure of Rs.43.60 lakh by not accepting the lower rate offered by M/s Usha International Limited.

Management stated (July 2000) that price of Rs.3500.00 per machine as intimated by the Directorate of Welfare of Plains Tribes and Backward Classes was

No tender enquiry was floated to ascertain the prevailing market price

Non inviting of tender resulted in extra expenditure

adopted, lacks justification on the ground that the purchase relates to an ongoing scheme and the management as a matter of prudent financial practice, should have ascertained the competitive rate by floating tender or through local enquiry etc.

The matter was reported to the Government/Management (March 2000); their reply had not been received (October 2000).

3.1.2 Assam Mineral Development Corporation Limited

3.1.2.1 Unrealised sale proceeds

Sale at credit without safeguarding the financial interest of the company resulted in non-realisation of Rs.0.27 crore towards sale of coal.

Payment by post dated cheques was allowed without obtaining any security from the purchaser

The Company entered into an agreement (March 1997) with M/s Sankardev Coke Products Limited for sale of coal at the rate of Rs.1450 per MT. As per terms and conditions of the agreement, the purchaser was required to pay full value of coal supplied to them within 25 days from the date of delivery of the coal through post dated cheques. During May 1997 the credit period of 25 days, on request from the purchaser, was extended to 42 days. The agreement also stipulated that in case of default in payment, penal interest at the rate of 2 per cent per month was leviable. The company neither included any clause for obtaining bank guarantee in the terms and conditions of the agreement nor did it ascertain the financial credibility of the party before entering into an agreement for supply of coal on credit. Further, in deviation of the existing normal practice the facility of post dated cheques was extended to the party.

Cheques were dishonoured and value of supplies remain unrealised

The Company supplied (during May 1997 to July 1997) a total quantity of 1849.80 MT of coal valued at Rs.26.82 lakh out of which post dated cheques (7 nos) totalling Rs.23.63 lakh were issued by the firm and cheques for the balance amount of Rs.3.19 lakh were yet to be received. The first cheque, due on 24 June 1997, on being deposited (10 September 1997) in the Bank was not honoured as no balance was at credit in the purchaser's account. Even though the cheque was dishonoured, the company supplied 449.550 MT of coal worth Rs.6.52 lakh (July 1997). Payment against total value of coal (Rs.26.82 lakh) has thus remained unrealised till July 2000. Though the company filed a criminal case (No.5190/97) and money suit (No.124/2000) against the firm, the amount still remains unrealised.

The management confirmed (July 2000) that they had included the clause regarding acceptance of post dated cheques in two cases only and in both these cases post dated cheques had been dishonoured.

The reply is, however, not acceptable as the company failed to verify the financial credibility of the purchaser before extension of credit facility in deviation of

normal procedure and landed itself in a situation where its dues remained unrecovered for more than five years.

The matter was reported to the Government (September 2000); their reply had not been received (October 2000).

3.1.3 Assam Livestock and Poultry Corporation Limited

3.1.3.1 Drawal of assistance through misrepresentation.

The Company had through misrepresentation drawn Central Assistance of Rs.1.15 crore of which expenditure of Rs.0.69 crore could not be vouchsafed and the balance

With the objective of strengthening the backward linkage of pork/poultry processing plants with the rearers, the Central Government formulated a scheme for implementation during VIII Five Year Plan (1992-97). The scheme inter-alia envisaged that:

- (i) the Central Government would reimburse to the plants owned by the State Government/co-operative societies/private entrepreneurs 5 per cent of the contracted purchase price of pigs/birds procured by them from rearers subject to a maximum of Rs.5 lakh a year per plant; and
- (ii) claims for reimbursement were required to be preferred through the State Government along with accounts of purchase duly certified by the Chartered Accountants as well as copies of contracts made with the rearers.

Test check (July-September 1998) of records revealed that though the Company did not have pork/poultry processing plants of its own and also had not till then purchased any birds/pigs, it preferred claims through State Government during the period from 1992-93 to 1995-96 by enclosing copies of agreements with farmers and statements of fictitious purchases certified by Chartered Accountants.

Accordingly, the Company received Rs.115.00 lakh (June 1993-April 1996) under the scheme. The Chairman of the Company drew an amount of Rs.68.60 lakh as advance and disbursed (August 1994-April 1996) the amount to three traders (Rs.26.35 lakh), three Co-operative Societies (Rs.16.50 lakh) and nine individuals (Rs.25.75 lakh) and furnished to the company acknowledgements of receipt of payments in token of supply of goods and services rendered by them to rearers.

It was however, noticed in audit that the Company had not placed any orders on any firm/co-operative society/individuals for such supplies or services and also did not have any details of rearers who had received the goods and services.

The company neither owned meat processing plants nor purchased livestock but preferred claims for subsidy

The balance amount of Rs.46.40 lakh was utilized for working capital of the company. However, the Company furnished utilization certificate of Rs.115.00 lakh to the Central Government.

The company drew central assistance of Rs.1.15 crore not due

Thus the Company drew the Central Assistance of Rs.115.00 lakh by misrepresentation and did not utilize Rs.68.60 lakh out of the same as indicated in utilization certificate and also diverted Rs.46.40 lakh for purposes not provided in the scheme.

The matter was reported to the Management/ Government(April 1999); their replies had not been received (October 2000).

3.1.3.2 Diversion of Government fund - Loss of interest

Failure in recovery of fixed deposit and interest accrued thereon amounting to Rs.0.21 crore and loss of interest of Rs.0.22 crore due to diversion of funds of Rs.2.24 crore.

The Company received an amount of Rs.639.89 lakh during the period from June 1988 to August 1993 from the Dairy Development Department, Government of Assam, meant for Milk Village Scheme with the following terms and conditions:-

Fund in custody of the company could only be invested in fixed deposits

- (a) the company would not utilise the principal fund for any other purpose and would not mix up the money with working capital and other fund;
- (b) fund was to be kept in fixed deposit with a Nationalised Bank or Apex Bank so that whenever the department needed money this could be withdrawn; and
- (c) funds received from bank as interest on deposited amount were to be placed with the company for their use.

It was observed from the records that during the period from December 1988 to July 1999 the company spent only Rs.3.79 lakh on milch cows and Central Dairy Plant and refunded Rs.381.98 lakh to the State Government. Out of the balance amount of Rs.254.12 lakh, Rs.30.00 lakh was stated (March 2000) to be lying in fixed deposits.

In this connection it was observed in audit that:

Due to absence of follow-up Fixed Deposit with interest could not be recovered

- i) the aforesaid investment of Rs.30.00 lakh included a sum of Rs.10.00 lakh which, as per direction of the Government, was invested with a rural bank viz. Udyogic Samabai Bank, Jorhat for a period of one year. However, the amount could not be recovered from the bank till date. No records showing follow-up of the matter since November 1996 could be produced to audit indicating efforts towards recovery of the amount. Thus in the absence of any follow-up, the recovery of Rs.10.00 lakh along with the interest of Rs. 10.85 lakh (up to March 2000) had become doubtful; and

Irregular diversion of fund for other purposes resulted in loss of interest

- ii) the balance amount of Rs.224.12 lakh was diverted to other schemes and for payment of salaries and wages of the employees in violation of terms and conditions instead of keeping the amount in fixed deposits. This irregular diversion also resulted in loss of interest of Rs.22.41 lakh per annum considering interest earning of 10 per cent per annum.

Management stated (March 2000) that the money diverted would be recouped as soon as funds from Central/State Government were received. The fact however remains that mere possibility of recoupment does not justify incurring of such expenditure, which was beyond the competence of the management, nor does it either rectify or condone the irregular diversion of fund.

The matter was reported to the State Government (May 2000); their replies had not been received (October 2000).

3.1.4 Assam Government Construction Corporation Limited

3.1.4.1 Poor Cash Management

Despite having sufficient fund, the Company incurred avoidable interest burden of Rs.0.18 crore.

In order to execute work orders as well as to obtain mobilization advances, the Company was required to furnish to its client, security in the form of bank guarantees to be obtained from Bank against margin money to be kept as fixed deposit. Scrutiny of records revealed that during the period from 1990-91 to 1995-96, the fixed deposits held by the company were much in excess of margin money requirement.

In spite of such excess funds lying in fixed deposits, the Company took mobilization advance of Rs.105.80 lakh (Rs.41.63 lakh in 1990-91 and Rs.64.17 lakh in 1991-92) from Indian Oil Corporation (AOD), Digboi at an interest rate of 18.5 per cent per annum for execution of different jobs and paid interest of Rs.38.11 lakh during the period from 1991-92 to 1995-96. The details of fixed deposits held vis-a-vis margin money required and mobilization advance outstanding during the period from 1990-91 to 1995-96 are given below:

(Rupees in lakh)

Year	Fixed Deposit	Margin money required	Balance fund in fixed deposit	Average mobilization advance outstanding	Interest paid on mobilization advances
1990-91	249.26	150.61	98.65	41.49	0.04
1991-92	215.49	117.17	98.32	94.96	16.92
1992-93	209.89	141.29	68.60	67.17	12.22
1993-94	271.56	161.27	110.29	32.79	6.37

1994-95	258.98	173.43	85.55	12.03	1.52
1995-96	273.16	125.81	147.35	6.23	1.04

Despite having sufficient funds in fixed deposits the company obtained mobilization advance at higher rate of interest

Thus despite having sufficient funds available in the fixed deposit carrying an average rate of interest of 10 per cent per annum, the company obtained mobilization advances at higher rate of interest, thereby incurring an avoidable extra expenditure on payment of interest of Rs. 17.51 lakh.

The matter was reported to the Management/Government (May 2000); their reply had not been received (October 2000).

3.1.5 ASSAM AGRO-INDUSTRIES DEVELOPMENT CORPORATION LIMITED

3.1.5.1 Avoidable payment of interest.

Due to improper cash management the Company incurred expenditure of Rs.0.28 crore on account of interest.

The Company operated current account with State Bank of India (SBI), Federal Bank (FB) and Pragjyotish Gaonlia Bank and also kept term deposits with Assam Co-operative Apex Bank (ACAB), Canara Bank (CB), SBI and FB.

It was revealed in audit that despite having substantial funds in current account and term deposits earning lower rate of interest the company had availed cash credit facilities against the term deposits during the same period from ACAB and CB on payment of average interest of 12 per cent per annum. The average drawal of cash credit vis-à-vis average balance in current accounts and term deposits during the period from 1994-95 to 1998-99 was as under:

Despite having substantial funds availing of cash credit facilities resulted in avoidable payment of interest

Year	Average balance lying in current account	Term deposit (minimum balance)	Total fund in current and term deposit	Average cash credit drawn	Interest paid on cash credit
(Rupees in lakh)					
1994-95	22.96	115.00	137.96	39.09	7.57
1995-96	47.07	115.00	162.07	44.30	4.95
1996-97	32.19	115.00	147.19	50.13	5.24
1997-98	38.25	115.00	153.25	60.91	11.19
1998-99	19.36	82.00	101.36	58.59	8.51

Evidently, in all these years, despite having sufficient funds ranging from Rs.101.36 lakh to Rs. 162.07 lakh in current and term deposit accounts, the company availed of cash credit ranging from Rs.39.09 lakh to Rs.60.91 lakh and paid an avoidable interest of Rs.27.88 lakh being the difference in the interest paid on cash credit and interest earned on term deposits.

The matter was reported to the management/ State Government (April 2000); their replies had not been received (October 2000).

3.1.6 ASSAM GAS COMPANY LIMITED

3.1.6.1. Introduction:

The Company purchases gas from Oil India Limited (OIL) and Oil and Natural Gas Commission (ONGC) and sales and transports it to various tea gardens, domestic, commercial and industrial consumers. There are some bulk consumers like Assam State Electricity Board (ASEB), Namrup, Hindusthan Fertilizer Corporation Limited (HFCL), Namrup, Assam Petrochemicals Limited (APL), Namrup etc. who directly purchase gas from OIL/ONGC and the Company takes transmission charges only from those consumers for transportation of gas through its pipelines.

A few cases of irregularities noticed during the course of audit are discussed in subsequent paragraphs. .

3.1.6.2. *Poor cash management vis-à-vis surplus cash in current account:*

Due to poor cash management the company lost interest of Rs.1.11 crore

(a) The Company operated a number of current accounts with different nationalized banks and the funds not required for immediate use were kept in term deposits with these banks. It was observed that in 25 current accounts maintained by the Company after meeting day to day expenditure, there was a balance ranging from Rs.10, 000 to Rs.44, 96,000 which was lying unutilized for periods ranging from 47 days to 674 days during the period 1995-96 to 1998-99. Thus keeping of such huge funds in current accounts instead of investing them in term deposits, resulted in loss of interest to the Company to the tune of Rs.29.37 lakh during the four years ending 31 March 1999.

(b) The Company also had a number of Fixed Deposits ranging from Rs. 5.00 lakh to Rs. 120.00 lakh in Canara Bank, United Commercial Bank, Allahabad Bank and State Bank of India at Duliajan and Sibsagar for periods ranging from 46 days to 3 years. It was noticed that in 30 cases the Company had deposited the amount for short periods (46 days to 366 days) and subsequently the matured proceeds were renewed for 3 to 11 times fetching interest at the rate of 6 per cent to 11 per cent per annum. Through proper cash management the Company could have deposited the amount for one year and above and it could have earned interest at the rate of 10 per cent to 13 per cent per annum on the above amount and thus could have earned additional interest of Rs. 81.98 lakh during 1995-96 to 1999-2000.

In 25 current accounts balances had been lying unutilised for long period

Term deposits were invested for periods less than one year

In reply management stated in June 2000 that excess funds were kept in current accounts and in short term deposits for execution/ expansion of projects and payment to suppliers and contractors. Management's contention is not tenable as excess deposit of cash in current accounts for longer period and in short term deposits was worked out by audit after taking into account all the revenue and capital expenditure incurred during the periods 1995-96 to 1998-99 and 1995-96 to 1999-2000 respectively.

3.1.6.3. Excess payment:

Incorrect computation of Minimum Demand Charge (MDC) resulted in excess payment of Rs.0.14 crore.

As per agreement entered into with ONGC (17 October, 1995) regarding purchase of gas for supply to M/s DLF, Adamtilla billing was to be done by ONGC on the basis of 50000 SCUM* booked quantity per day subject to Minimum Demand Charge (MDC) of 80 per cent of booked quantity. However, it was observed that AGCL paid gas value to ONGC on the basis of 65000 SCUM booked quantity subject to 80 per cent MDC resulting in excess payment of Rs.13.89 lakh in seven cases during June 1998 to May 2000.

MDC was paid on 65000 SCUM instead of 50000 SCUM as agreed upon

No records regarding amendment of agreement, if any, and action taken to recover /adjust the amount from ONGC could be produced to audit.

3.1.6.4 Avoidable loss of revenue:

Due to delay in revision of agreement the company lost revenue of Rs.0.07 crore.

As per agreement dated 14 June 1993 with Assam Petrochemicals Limited (APL) the transportation charges rate of Rs.73.00 per 1000 SCUM was valid for 5 years with effect from 1 July 1992. However, the revised rate of Rs.94.90 per 1000 SCUM was enforced with effect from 1 April 1998 instead of with effect from 1 July 1997. The company thus suffered a loss of revenue of Rs.7.18 lakh on account of transportation of gas during July 1997 to March 1998.

There was delay of nine months in revising the rates for transportation of gas

Management while accepting the audit observation stated (June 2000) that delay in revision of rate occurred due to shrinkage of the market of APL on account of closure of Plywood Industries and reduction of duty on imported material.

It was however, seen in audit that M/s APL, the Company to whom the concession was given had earned profits of Rs.4.01 crore during 1997-98. As such, there was no justification for delaying the enforcement of the higher rate from July 1997 itself.

* SCUM = Standard Cubic Metre

3.1.6.5 Loss due to defective agreement:

The Company suffered loss of revenue of Rs.1.89 crore for making incorrect provisions in the agreement.

The Company entered into an agreement (January 1974) with Naharkatia Tea Gas Grid (NTGG) for transportation of gas to different gardens under NTGG which provided for month-wise and garden-wise billing of minimum demand charges which was beneficial to the Company. Subsequently, the Company entered into agreements with Sonari Tea Gas Grid (March 1989) and Dibrugarh Tea Gas Grid (December 1989) for transportation of gas to the gardens under those Gas Grids. It was observed that though the Company preferred minimum demand charge bills on garden-wise and month-wise basis, both the grids disputed the same as the agreement provided for month-wise billing of minimum demand charge of the grid as a whole. Accordingly, the Company decided (December 1997) to revise the bills based on the month-wise minimum demand charge of the grid as a whole as provided in the agreement and had to suffer a loss of revenue of Rs. 188.95 lakh (Sonari Gas Grid : Rs. 90.46 lakh; Dibrugarh Gas Grid: Rs. 98.49 lakh) during the period from December 1989 to July 1997. It was observed that though in subsequent agreements entered into with Margherita Tea Gas Grid and Tinsukia Tea Gas Grid the garden-wise month-wise billing was enforced, the system could not be enforced in respect of Sonari and Dibrugarh Tea Gas Grids due to defective clause in the original agreement and the Company had been continuing to suffer monthly loss of revenue of Rs. 2.62 lakh (based on average loss suffered during December 1989 to July 1997) since August 1997.

Thus due to defects in the agreement, the company suffered loss of revenue which could have been plugged keeping in view AGCL's experience in respect of Naharkatia Tea Gas Grid.

3.1.6.6 Undue benefit to a consumer:

The Company lost revenue of Rs.0.32 crore due to undue reduction of Minimum Demand Charge (MDC).

As per agreement dated 21 April 1976 with M/s Assam Petrochemicals Limited (APL), the booked quantity of transportation charges was 1.50 MSCUF* per day subject to MDC of 90 per cent of booked quantity. But in August 1980 MDC percentage was reduced to 75 per cent of the booked quantity due to lower upliftment of gas by Assam Petrochemicals Limited at the initial stage of operation of its plants. The Company thereafter entered into three agreements

* MSCUF = Million Standard Cubic Feet.

Due to incorrect provision made in the agreement with Sonari and Dibrugarh Tea Gas Grid the company suffered loss of revenue

MDC was revised downwards without considering the consumption pattern

with M/s APL on 26 June 1982 (existing plant), 16 November 1985 (expansion plant for 4.0 MSCUFD booked quantity) and 14 June 1993 (existing plus expansion plant for total booked quantity of 5.50 MSCUFD). In all the agreements percentage of MDC was fixed at 75 per cent instead of 90 per cent though from the consumption pattern from July 1992 to March 1998 it was seen that APL consumed 74 per cent to 89 per cent of booked quantity. Consequently, although the company could have earned transportation charges (TC) on 90 per cent of booked quantity, it actually earned TC on actual consumption or 75 per cent of the booked quantity.

Thus due to reduction of MDC from 90 per cent to 75 per cent the company suffered a loss of revenue of Rs.31.71 lakh during July 1992 to March 1998.

In reply management stated (June 2000) that MDC had been reduced from 90 per cent to 75 per cent as per the prevailing norms and on the basis of Board's directive after discussion with APL. The reply of the management is not tenable in view of the fact that 75 per cent MDC was charged during April 1980 to December 1980 when consumption varied between 5.52 per cent and 61.38 per cent of booked quantity. But consumption was 74 per cent to 89 per cent of booked quantity during July 1992 to March 1998 when 75 per cent MDC was not justifiable leading to a loss of revenue of Rs.31.71 lakh.

3.1.6.7 Avoidable expenditure:

The Company incurred avoidable expenditure of Rs.0.17 crore for awarding works contract at higher rate.

In order to provide new connections to consumers, the company undertook construction activities for laying of new pipelines through outside contractors. On scrutiny of records of the construction activities the following irregularities were observed:

Against a tender issued (March 1997) by the company for laying, testing and commissioning of 33.5 KMs of M.S. pipeline in Tinsukia Gas Grid, five quotations were received.

Though M/s Maity Engineering Works was the lowest bidder, it was not awarded the work. Instead, all the bidders were called for negotiation to reduce their respective rates. M/S Maity Engineering Works refused to reduce the rate and did not agree to split the work. Another bidder, M/S Tiratna Enterprises also did not agree to reduce the rate. Ultimately, work orders were placed on M/S Tiratna Enterprises at his own rate (L2 - 13 KM) and on M/S R.K.Builders (L3 - 10 KM) and M/S Bordubi Engineering Works (10 KM) at the rate quoted by M/S R.K.Builders. Thus due to awarding of the work orders to these three parties at rates higher than those quoted by M/S Maity Engineering Works, the company incurred an avoidable expenditure of Rs.17.02 lakh towards laying, testing and commissioning of pipelines.

The company awarded works contract at prices higher than lowest quoted price and thus incurred avoidable expenditure of Rs.0.17 crore

Management stated (June 2000) that the work order was not awarded to M/s Maity Engineering as it could not complete the laying of another work relating to 12 inches diameter pipe in time. Management's contention is not tenable as the contractor was given one work order on 30 January 1996 valuing Rs.46.76 lakh for laying of M.S. pipelines of DLF project which he had completed successfully.

3.1.6.8 Infructuous expenditure:

Injudicious construction of pipelines rendered the investment of Rs.0.15 crore infructuous

To supply gas to two plywood industries (M/s Kitply and M/s National Plywood, Margherita) the company decided to construct pipelines. Accordingly, four work orders were placed on M/s National Organic Chemical Industries Limited during the period from October 1996 to May 1997. The work was started on 27 December 1996 and completed on 31 July 1997 at a total cost of Rs.14.49 lakh. It was observed from the records that all the plywood factories established within a radius of 1000 km from interstate boundary of Assam-Arunachal Pradesh were closed as per Hon'ble Supreme Court's order dated 24 December 1996.

The work for construction of pipelines was, therefore, started after the receipt of Hon'ble Supreme Court's order and work orders were placed after receipt of the same. Thus the injudicious decision taken by the management to go ahead with the construction even though the plywood factories remained closed rendered the investment of Rs.14.49 lakh infructuous.

In reply management stated (June 2000) that order of the Hon'ble Supreme Court for closure of Plywood Industries is an interim one and an advance of Rs.13.00 lakh had been received from the firm for the work. Management's contention is not tenable as the investment is lying blocked since December 1996 and advance is to be refunded to the firm as per agreement.

The above matters were reported to Government (April 2000); their reply had not been received (October 2000).

The company constructed pipe lines for plywood industries even after Court's order which rendered the expenditure of Rs.0.14 crore infructuous

3.2 Statutory Corporations

3.2.1 Assam State Electricity Board

3.2.1.1 Loss due to grade slippage of coal

Failure to arrange joint testing of grade of coal at the loading point resulted in loss of Rs.1.13 crore.

Grade slippage of coal resulted in extra expenditure of Rs.1.13 crore

During scrutiny (June-July 1998) of the records of Bongaigaon Thermal Power Station it was noticed in audit that Eastern Coalfields Ltd. (ECL) supplied to the unit 46684.70 M.T. and 13110.91 M.T. of 'B' and 'C' grade coal respectively during the period from January 1994 to January 1995. On testing the same in the unit laboratory it was, however, found that grade of coal actually received by the unit was 'B' grade: 860.00 MT, 'C' grade: 31536.59 MT and 'D' grade: 27399.02 MT. Due to this grade slippage of coal the power station had to incur an extra expenditure of Rs.112.50 lakh (Billed by ECL Rs.576.25 lakh value as per actual grade less value as per ECL grade Rs.463.75 lakh).

No joint testing was carried out at loading point

No claim was lodged by the unit to realise the amount from Eastern Coalfields Ltd. Management stated (February 1999) that the matter of grade slippage was taken up with Eastern Coalfields Ltd. who did not agree to the test reports and sampling of the unit. It was, however, observed that though there was a provision in the agreement for joint sampling at the loading point, no joint testing was carried out at loading point. There were no recorded reasons for not holding these tests. Had the testing as provided in the agreement, been carried out at loading point, the loss could have been avoided/minimised.

The matter was reported to the Management/Government (March 2000); their replies had not been received (October 2000).

3.2.1.2 Avoidable payment of compensation

Failure on the part of the Board to terminate contract as well as delay in arriving at an amicable settlement resulted in avoidable expenditure of Rs.4.82 crore.

The contract was not terminated though the project work was stopped

In connection with Karbi Langpi Hydro Electric Project the Board awarded works for construction of (i) Low Pressure Tunnel, adit, surge shaft, penstock tunnel and (ii) two small penstock tunnels to M/s Hydel Construction Ltd. (HCL) during the period 1980 to 1984. The work on Low Pressure Tunnel was completed in

December 1987. The work on Penstock Tunnels was completed to the extent of 95 per cent in July 1992 whereafter the work remained suspended due to various reasons like bandhs, non supply of materials by the Board etc. The work was finally stopped by the Board in February 1993.

Though it stopped the work, the Board did not terminate the contract.

In March 1993 the entire project along with its assets and liabilities was handed over to M/s Bharat Hydel Power Corporation Ltd. (M/s BHPCL), a joint sector company, vide a Memorandum of Understanding by which Board's liabilities to M/s HCL were assigned to the transferee company. However, Board had not obtained the consent of the contractor in favour of such assignment.

M/s HCL preferred (July 1993) a claim for Rs.445.31 lakh for the work completed by them including compensation claim (Rs.182.45 lakh) for stoppage of work in different spells prior to June 1993. Thereafter, the contractor, from time to time, drew the attention of management to the fact that since the contract was between M/s HCL and the Board, the Board was under obligation to discharge its liabilities.

Terms of the agreement with M/s HCL stipulated that the Board was liable to pay compensation for stoppage of work at the rate of Rs.17500.00 per day (Rs.3, 500.00 per face per day x 5 faces) along with interest for delay in payment on the admitted dues and compensation. Accordingly, M/s HCL submitted from time to time, claims to the Board on account of compensation and interest. M/s HCL even offered (December 1996) not to put any claim in the event of termination of contract and also offered to restrict their claim to Rs.296.76 lakh excluding the dues (Rs.123.49 lakh) admitted by the Board up to March 1993.

Legal opinion of Board's Law Officer as well as outside legal consultants suggested that the case be settled amicably to avoid increase in compensation amount. Despite this, the Board decided (April 1997) to refer the case before arbitration. The Additional Advocate General on being appointed (September 1997) by the Board to defend their case observed (February 1998) that in the absence of time bound decision by the Board, the compensation amount mounted up and also opined that there was still scope for a genuine attempt for a settlement amicably, provided a serious attempt was made. Consequently in April 1998 after a joint discussion with M/s HCL it was agreed to terminate the contract after payment of Rs.495.00 lakh. This payment included compensation of Rs.319.55 lakh for the period from 1 April 1993 to 31 March 1998, interest amounting to Rs.161.98 lakh and Rs.13.47 lakh towards payment of supplementary items, escalation, security deposits etc.

Thus, due to non-termination of contract in March 1993 coupled with abnormal time taken by the management in settlement of the claims the Board had to make an avoidable payment of Rs.481.53 lakh on account of compensation and interest.

The matter was reported to the Management/Government (May 2000); their replies had not been received (October 2000).

Terms of Agreement with the contractor stipulated for payment of compensation for stoppage of work

Non-termination of the contract and delay in settlement of claims resulted in avoidable payment of Rs.4.82 crore

3.2.1.3 Avoidable expenditure towards transportation of coal

Despatch of coal through Railway wagons over the permissible limit resulted in excess expenditure of Rs. 0.61 crore towards freight charges as penalty

Railway freight for transportation of coal is charged at normal rate if the load is maintained to the capacity of wagon with allowable variations of ± 2 MT. In case of overloading beyond the specific capacity of the wagon, freight charges are levied at penal rate.

Scrutiny of records (June/July 1998) of the Bongaigoan Thermal Power Station (BTPS) of Assam State Electricity Board (ASEB) revealed that during January 1993 to March 2000 the Board paid Rs. 61.29 lakh as penalty on over loading charges for carrying 7231.30 MT coal beyond the specific tolerance limit of the wagon as shown below:

Particulars	Amount paid (Rupees in Lakh)
(i) Total amount paid on overloaded quantity of coal at penal rates	92.73
(ii) Less: transportation charges at normal rates (5944.20 MT @ Rs.406.30=Rs.24.15 (1287.10 MT @ Rs.566.54=Rs.07.29	31.44
Excess amount paid	61.29

No effective steps were taken by the Controller of Movements to minimize overloading

The BTPS had requested (February 1994) the Controller of Movements of ASEB at Calcutta and Coal Handling Agent (May 2000) to keep strict vigil on weight of the coal laden wagons to safeguard the financial interest of the Board. However, no effective steps were taken to minimize overloading of wagons.

Lack of proper supervision on loading of wagons by the Controller of Movements and Coal Handling Agent, resulted in excess payment of Rs.61.29 lakh as penalty by the Board.

The matter was reported to the Management/Government (May 2000); their replies had not been received (October 2000).

3.2.2 Assam Financial Corporation

3.2.2.1 Injudicious release of subsidy amount.

Payment of subsidy amount to a loanee without adjusting the same against its loan account resulted in non-realisation of outstanding dues amounting to Rs.0.25 crore.

The Corporation disbursed a term loan of Rs.58.79 lakh to M/s Sankardev Coke Products Pvt. Ltd. during the period July 1992 to March 1994. The loan was to be fully repaid within October 2000.

From the beginning the loanee had not paid any amount towards repayment of principal and payment of interest. However, the loanee authorised the Corporation by an undertaking (November 1994) and by a Deed of Rectification (May 1995) to adjust any subsidy money, to be sanctioned to them by the State Government, against their outstanding dues. In September 1998, the Corporation received, through Assam Industrial Development Corporation Ltd., Rs.44.82 lakh being transport subsidy sanctioned to the loanee by the State Government. The Managing Director of the Corporation overruled, without assigning any reason, the suggestions of the Deputy General Manager (Recovery and Legal) and Deputy General Manager (Accounts) for adjusting the full amount of Rs.44.82 lakh. Instead, he adjusted only Rs.20.24 lakh against the outstanding dues (Rs.107.26 lakh), and the balance amount of Rs.24.58 lakh was released in favour of the loanee.

The loanee defaulted in repayment of loan

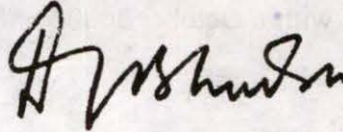
In this connection it is mentioned that during the period from September 1992 to October 1998, capital investment subsidy amounting to Rs.5.68 lakh from Government had been fully adjusted by the Corporation against the loan account.

Further, inspite of continuing default by loanee, the Corporation had not ever exercised its various powers (i) to call for repayment before agreed period, (ii) to take over the property or (iii) to enforce the claim under Sec. 29, 30 & 31 of SFC Act 1951.

However, the management confirmed (July 2000) that action under section 29 of the SFC Act, 1951 was being initiated.

Thus due to non-adjustment of subsidy, the corporation failed to safeguard its own financial interest and extended undue favour to a loanee.

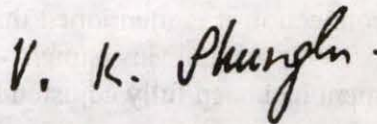
The matter was reported to the Government (March 2000); their reply had not been received.



GUWAHATI
THE 26-02-2001

(D.J. BHADRA)
Accountant General (Audit)
Assam

Countersigned



NEW DELHI
THE 07-03-2001

(V.K. SHUNGLU)
Comptroller and Auditor General of India

ANNEXURES

Annexure -1

Statement showing particulars of capital, loans/equity received out of budget, other loans and loans outstanding as on 31 March 2000 in respect of Government companies and Statutory Corporations

(Referred to in paragraph No 1.2.1)

(Figures in coloumn 3(a) to 4(f) are Rupees in lakh)

Sl. No.	Sector and name of the Company	Paid-up capital as at the end of the current year					Equity/loans received out of Budget during the year		Other loans received during the year @	Loans* outstanding at the close of 1999-2000			Debt equity ratio for 1999-2000 (Previous year) 4(f)/3(e)
		State Government	Central Government	Holding Companies	Others	Total	Equity	Loans		Government	Others	Total	
1	2	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
A Government Companies:													
AGRICULTURE AND ALLIED													
1	Assam Seeds Corporation Ltd.	145.80	-	-	-	145.80	-	-	-	389.00	167.48	556.48	3.82:1 (3.82:1)
2	Assam Agro Industries Development Corporation Ltd.	110.00	110.00	-	-	220.00	-	-	50.00	676.00	50.00	726.00	3.3:1 (3.07:1)
3	Assam State Minor Irrigation Development Corporation Ltd.	1735.00	-	-	- 75 --	1735.00	-	-	-	3199.28	-	3199.28	1.84:1 (1.84:1)
4	Assam Fisheries Development Corporation Ltd	47.95	-	-	-	47.95	-	-	-	-	-	--	-

Audit Report (Commercial) for the year ended 31 March 2000

1	2	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
5	Assam Livestock & Poultry Corporation Ltd	6.50	212.50	-	-	219.00	-	-	-	10.00	-	10.00	0.05:1 (0.05:1)
6	Assam Tea Corporation Ltd.	2753.94	-	-	0.01	2753.95	-	-	-	348.32	2918.15	3266.47	1.19:1 (1.21:1)
	Sector wise total	4799.19	322.50	-	0.01	5121.70	-	-	50.00	4622.60	3135.63	7758.23	1.51:1 (1.52:1)
INDUSTRY													
7	Assam Hills Small Industries Development Corporation Ltd.	200.00	-	-	-	200.00	-	-	-	905.36	-	905.36	4.53:1 (4.53:1)
8	Assam Industrial Development Corporation Ltd. (AIDC Limited)	9085.40	-	-	-	9085.40	115.94	89.25	-	1368.22	3120.51	4488.73	0.49:1 (0.49:1)
9	Assam Small Industries Development Corporation Ltd.	651.00	-	-	18.87	669.87	-	-	193.92	-	276.43	276.43	0.41:1 (0.12:1)
10	Assam Tanneries Ltd.	1.46	-	-	0.94	2.40	-	-	-	-	-	-	-
11	Assam Gas Company Ltd.	842.20	-	-	-	842.20	-	-	900.00	-	1186.16	1186.16	1.41:1 (0.72:1)
12	Assam Petrochemicals Ltd. (Subsidiary of AIDC Limited).	-	-	804.15	108.43	912.58	-	-	-	-	944.99	944.99	1.04:1 (1.04:1)
13	Ashok Paper Mill (Assam) Ltd.	0.002	-	-	-	0.002	-	-	-	248.23	-	248.23	124115:1 (124115:1)
14	Industrial Papers (Assam) Ltd. (Subsidiary of AIDC Limited)	-	-	1318.00	-	1318.00	-	-	-	-	19.34	19.34	0.01:1 (21.41:1)
	Sector wise total	10780.62	-	2122.15	128.24	13030.452	115.94	89.25	1093.92	2521.81	5547.43	8069.24	0.62:1 (0.73:1)
ENGINEERING													
15	Assam Conductors and Tubes Ltd.	153.54	-	-	-	153.54	-	-	-	312.50	-	312.50	2.04:1 (2.04:1)
	Sector wise total	153.54	-	-	-	153.54	-	-	-	312.50	-	312.50	2.04:1 (2.04:1)

1	2	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
ELECTRONICS													
16	Assam Electronics Development Corporation Ltd.	851.98	-	-	-	851.98	-	-	-	55.00	-	55.00	0.06:1 (0.06:1)
17	Amtron Sen Electronics Ltd.(Subsidiary of Assam Electronics Development Corporation Limited)	-	-	2.00	-	2.00	-	-	-	-	-	-	-
	Sector wise total	851.98	-	2.00	-	853.98	-	-	-	55.00	-	55.00	0.06:1 (0.06:1)
TEXTILES													
18	Assam Spun Silk Mills Ltd	169.59	-	-	-	169.59	-	-	-	262.00	-	262.00	1.54:1 (1.54:1)
19	Assam State Textile Corporation Ltd.	1576.45	-	-	-	1576.45	-	-	-	3792.57	1034.58	4827.15	3.06:1 (3.06:1)
20	Assam Polytex Ltd.(Subsidiary of Assam Spun Silk Mills Limited)	-	-	562.00	-	562.00	-	-	-	-	629.72	629.72	1.12:1 (1.12:1)
21	Assam Syntex Ltd. (Subsidiary of AIDC Limited)	-	-	511.50	-	511.50	-	-	-	-	256.09	256.09	0.50:1 (0.50:1)
22	Assam State Weaving and Manufacturing Company Ltd.(Subsidiary of AIDC Limited)	-	-	1035.89	-	1035.89	-	-	-	-	1491.66	1491.66	1.44:1 (1.44:1)
	Sector wise total	1746.04	-	2109.39	-	3855.43	-	-	-	4054.57	3412.05	7466.62	1.94:1 (1.94:1)
HANDLOOM AND HANDICRAFTS													
23	Assam Powerloom Development Corporation Ltd.	278.29	-	-	-	278.29	-	-	-	-	92.12	92.12	0.33:1 (0.33:1)
	Sector wise total	278.29	-	-	-	278.29	-	-	-	-	92.12	92.12	0.33:1 (0.33:1)

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1	2	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
FOREST													
24	Assam Plantation Crops Development Corporation Ltd.	500.00	-	-	-	500.00	-	45.81	-	530.41	-	530.41	1.06:1 (0.97:1)
	Sector wise total	500.00	-	-	-	500.00	-	45.81	-	530.41	-	530.41	1.06:1 (0.97:1)
MINING													
25	Assam Mineral Development Corporation Ltd.	488.60	-	-	-	488.60	-	-	-	-	250.00	250.00	0.51:1 (0.51:1)
26	Assam and Meghalaya Mineral Development Corporation Ltd.	20.31	-	-	3.13	23.44	-	-	-	-	-	-	-
	Sector wise Total	508.91	-	-	3.13	512.04	-	-	-	-	250.00	250.00	0.49:1 (0.49:1)
CONSTRUCTION													
27	Assam Police Housing Corporation Ltd.	3.50	-	-	-	3.50	-	-	-	-	-	-	-
28	Assam Government Construction Corporation Ltd.	200.00	-	-	-	200.00	-	-	-	-	-	-	-
	Sector wise total	203.50	-	-	-	203.50	-	-	-	-	-	-	-
DEVELOPMENT OF ECONOMICALLY WEAKER SECTIONS													
29	Assam Plains Tribes Development Corporation Ltd.	224.92	-	-	-	224.92	-	-	354.11	-	897.98	897.98	3.99:1 (2.42:1)
30	Assam State Development Corporation For OBC Ltd.	206.16	-	-	-	206.16	-	-	100.92	-	199.54	199.54	0.97:1 (0.48:1)

1	2	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
31	Assam State Development Corporation for Scheduled Caste Ltd.	424.83	450.97	-	-	875.80	-	-	-	-	308.59	308.59	0.35:1 (0.35:1)
	Sector wise total	855.91	450.97	-	-	1306.88	-	-	455.03	-	1406.11	1406.11	1.08:1 (0.73:1)
SUGAR													
32	Cachar Sugar Mills Ltd.(Subsidiary of AIDC Limited)	-	-	297.63	40.22	337.85	-	-	-	-	896.05	896.05	2.65:1 (2.65:1)
	Sector wise total	-	-	297.63	40.22	337.85	-	-	-	-	896.05	896.05	2.65:1 (2.65:1)
TOURISM													
33	Assam Tourism Development Corporation Ltd.	24.00	-	-	-	24.00	-	-	-	-	-	-	-
	Sector wise total	24.00	-	-	-	24.00	-	-	-	-	-	-	-
DRUGS, CHEMICALS AND PHARMACEUTICALS													
34	Assam State Fertilizers and Chemicals Ltd. (Subsidiary of AIDC Limited)	-	-	366.95	-	366.95	-	-	29.35	-	602.55	602.55	1.64:1 (1.65:1)
35	Fertichem Ltd.(Subsidiary of AIDC Limited)	-	-	199.84	-	199.84	-	-	109.31	-	357.89	357.89	1.79:1 (1.24:1)
	Sector wise total	-	-	566.79	-	566.79	-	-	138.66	-	960.44	960.44	1.69:1 (1.50:1)
MISCELLANEOUS													
36	Assam Government Marketing Corporation Ltd.	215.52	87.50	-	-	303.02	5.00	-	-	158.13	-	158.13	0.52:1 (0.53:1)

Audit Report (Commercial) for the year ended 31 March 2000

1	2	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
37	Assam State Film (Finance and Development) Corporation Ltd.	9.94	-	-	0.06	10.00	-	-	-	4.00	-	4.00	0.40:1 (0.40:1)
38	Assam State Text Book Production and Publication Corporation Ltd.	100.00	-	-	-	100.00	-	-	-	-	-	-	-
	Sector wise total	325.46	87.50	-	0.06	413.02	5.00	-	-	162.13	-	162.13	0.39:1 (0.40:1)
	Total-A (All sector wise Government Companies)	21026.88	860.97	5097.96	171.66	27157.47	120.94	135.06	1737.61	12259.02	15699.83	27958.85	1.03:1 (1.08:1)
B. Statutory Corporations:													
POWER													
1	Assam State Electricity Board	135000.00	-	-	-	135000.00	-	5453.00	4910.72	70731.60	70629.66	141361.26	1.05:1 (1.15:1)
	Sector wise total	135000.00	-	-	-	135000.00	-	5453.00	4910.72	70731.60	70629.66	141361.26	1.05:1 (1.15:1)
TRANSPORT													
2	Assam State Transport Corporation	15747.10	1025.77	-	-	16772.87	-	362.00	-	6872.50	-	6872.50	0.41:1 (0.39:1)
	Sector wise total	15747.10	1025.77	-	-	16772.87	-	362.00	-	6872.50	-	6872.50	0.41:1 (0.39:1)
FINANCING													
3	Assam Financial Corporation	870.47	444.18	-	28.32	1342.97	75.00	-	-	-	7348.47	7348.47	5.47:1 (6.10:1)
	Sector wise total	870.47	444.18	-	28.32	1342.97	75.00	-	-	-	7348.47	7348.47	5.47:1 (6.10:1)

1	2	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
AGRICULTURE AND ALLIED													
4	Assam State Warehousing Corporation	517.00	497.00	-	-	1014.00	20.00	-	-	163.68	-	163.68	0.16:1 (0.18:1)
	Sector wise total	517.00	497.00	-	-	1014.00	20.00	-	-	163.68	-	163.68	0.16:1 (0.18:1)
	Total-B (All sector wise Statutory Corporations)	152134.57	1966.95	-	28.32	154129.84	95.00	5815.00	4910.72	77767.78	77978.13	155745.91	1.01:1 (1.10:1)
	Grand Total (A+B)	173161.45	2827.92	5097.96	199.98	181287.31	215.94	5950.06	6648.33	90026.80	93677.96	183704.76	1.01:1 (1.11:1)

Note : All figures in respect of companies and corporations are provisional and as given by the companies/corporations.

*Loans outstanding at the close of 1999-2000 represents long-term only.

@ Includes bonds, debentures, inter corporate deposits, etc.

Annexure – 2

Summarised financial results of Government Companies and Statutory Corporations for the latest year for which accounts were finalised

(Referred to in paragraph No. 1.2.1)

(Figures in columns 7 to 12 are Rupees in lakh)

Sl. No	Sector and name of Company	Name of Department	Date of Incorporation	Period of accounts	Year in which accounts finalised	Net Profit (+) / Loss (-)	Net impact of Audit comments	Paid up capital	Accumulated profit (+) / loss (-)	Capital employed (A)	Total Return on capital employed	Percentage of total return on capital employed	Arrears of accounts in terms of years	Latest status of the Company/ Corporation
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
A Government Companies														
AGRICULTURE AND ALLIED														
1	Assam Seeds Corporation Ltd.	Agriculture	27 January 1967	1988-89	2000-2001	(-) 136.90	(+) 3.98	145.80	(-) 803.59	601.68	(-)136.90	---	11	Working
2	Assam Agro Industries Development Corporation Ltd	Agriculture	27 January 1975	1997-98	2000-2001	(-) 203.75	(-) 110.87	220.00	(-) 1117.74	560.90	(-)143.22	---	2	Working
3	Assam State Minor Irrigation Development Corporation Ltd.	Agriculture	15 October 1980	1988-89	1998-1999	(-) 67.33	(-)0.12	695.00	(-) 192.03	3216.52	(-) 67.33	---	11	working
4	Assam Fisheries Development Corporation Ltd	Fisheries	1 March 1977	1992-93	1999-2000	(-) 53.45	Nil	45.00	(-) 237.22	354.19	(-)53.45	---	7	working
5	Assam Livestock & Poultry Corporation Ltd	Animal Husbandry, Veterinary and Dairy Development	6 February 1984	1985-86	1999-2000	(-) 0.91	Nil	2.50	(-) 0.91	1.59	(-) 0.91	-	14	working

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
6	Assam Tea Corporation Ltd.	Industries	4 February 1972	1992-93	1999-2000	(-) 89.61	(-) 46.36	2433.95	(-) 3075.67	4289.39	(+) 190.42	4.44	7	working
	Sector wise total					(-)551.95		3542.25	(-)5427.16	9024.27	(-)211.39	-		
INDUSTRY														
7	Assam Hills Small Industries Development Corporation Ltd.	Industries	30 March 1964	1985-86	1998-1999	(-) 15.15	Nil	200.00	(-) 168.05	277.20	(-) 15.15	---	14	working
8	Assam Industrial Development Corporation Ltd.	Industries	21 April 1965	1998-99	1999-2000	(-) 521.40	(-)1090.46	8969.45	(-) 6856.93	17446.69	(-)230.22	---	1	working
9	Assam Small Industries Development Corporation Ltd.	Industries	27 March 1962	1987-88	2000-2001	(-) 59.56	Nil	211.94	(-) 257.40	233.89	(-)59.56	-	12	working
10	Assam Tanneries Ltd.	Industries	28 September 1961	1982 (Year ended 31 December)	1983-84	(-) 0.12	Nil	2.40	(-) 3.79	0.04	(-) 0.08	-	17	Non-working
11	Assam Gas Company Ltd.	Industries	31 March 1962	1998-99	2000-2001	(+)405.40	(+) 22.28	877.21	(+)732.38	3434.33	(+)581.61	16.94	1	Working
12	Assam Petrochemicals Ltd. (Subsidiary of AIDC Limited)	Industries	22 April 1971	1997-98	2000-2001	(+)401.11	(-)5.58	912.60	(+)368.06	4314.72	(+)518.88	12.03	2	working
13	Ashok Paper Mill (Assam) Ltd.	Industries	7 June 1991	1998-99	2000-2001	(-)4.91	Nil	0.002	(-)534.31	147.94	(+)8.75	5.91	1	working
14	Industrial Papers (Assam) Ltd. (Subsidiary of AIDC Limited)	Industries	6 September 1974	1992-93	2000-2001	-	Nil	39.93		Commercial function not started.			7	Non-working
	Sector wise total					(+)205.37		11213.532	(-)6720.04	25854.81	(+)804.23	3.11		
ENGINEERING														
15	Assam Conductors and Tubes Ltd.	Industries	22 June 1964	1986-87	1997-98	(-) 24.23	(-)8.44	25.00	(-) 80.72	28.55	(-) 14.05	-	13	working
	Sector wise total					(-) 24.23		25.00	(-) 80.72	28.55	(-) 14.05	-		

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
ELECTRONICS														
16	Assam Electronics Development Corporation Ltd.	Industries	4 April 1984	1992-93	2000-2001	(-)24.38	Nil	492.00	(-)87.46	870.03	(-)11.70	-	7	working
17	Amtron Sen Electronics Ltd. (Subsidiary of Assam Electronics Development Corporation Limited)	-do-	25 October 1985	1991-92	1993-94	(-) 0.77	Nil	2.00	(-) 0.20	14.11	(+) 0.46	3.26	8	Non-working
	Sector wise total					(-)25.15		494.00	(-)87.66	884.14	(-)11.24	-		
TEXTILES														
18	Assam Spun Silk Mills Ltd	Industries	31 March 1960	1991-92	1996-97	(-) 7.46	(-)3.88	169.59	(-) 353.61	31.65	(-) 7.46	-	8	Non-working
19	Assam State Textile Corporation Ltd.	-do-	26 February 1980	1993-94	1999-2000	(-)541.21	Nil	1544.50	(-)2677.13	1184.82	(-)285.89	-	6	working
20	Assam Polytex Ltd. (Subsidiary of Assam Spun Silk Mills Limited)	-do-	29 May 1982	1987-88	1993-94	-	Nil	526.01	Commercial function not started.				12	Non-working
21	Assam Syntex Ltd. (Subsidiary of AIDC Limited)	-do-	1 April 1985	1992-93	2000-2001	(-) 240.07	(-)262.14	511.50	(-) 919.17	543.17	(-) 118.08	-	7	Non-working
22	Assam State Weaving and Manufacturing Company Ltd (Subsidiary of AIDC Limited)	-do-	29 November 1988	1991-92	2000-2001	(-)21.25	(-)21.61	824.12	(-)63.56	898.50	(-)21.25	-	8	Non-working
	Sector wise total					(-)809.99		3575.72	(-)4013.47	2658.14	(-)432.68	-		
HANDLOOM AND HANDICRAFTS														
23	Assam Powerloom Development Corporation Ltd.	Handloom, Textile and Sericulture	5 March 1990	1992-93	1999-2000	-	Nil	130.95	Commercial function not started				7	Working
	Sector wise total					-	-	130.95	-	-	-	-		
FOREST														
24	Assam Plantation Crops Development Corporation Ltd.	Forest	1 November 1974	1987-88	1995-96	(-) 43.70	(-)7.99	500.00	(-) 179.70	921.38	(+) 15.21	1.65	12	Working
	Sector wise total					(-) 43.70		500.00	(-) 179.70	921.38	(+) 15.21	1.65		

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
MINING														
25	Assam Mineral Development Corporation Ltd.	Power, Mines and Minerals	19 May 1983	1994-95	2000-2001	(- 90.66	(-) 0.98	352.10	(-)74.71	506.41	(-)43.40	-	5	Working
26	Assam and Meghalaya Mineral Development Corporation Ltd.	Power, Mines and Minerals	10 August 1964	1983-84	1984-85	(-) 0.73	Nil	23.44	(-) 8.73	4.72	(-) 0.73	-	16	Non-working
Sector wise Total						(-) 91.39		375.54	(-)83.44	511.13	(-)44.13			
CONSTRUCTION														
27	Assam Police Housing Corporation Ltd.	Home	5 November 1980	1991-92	2000-2001	(-)9.20	Nil	3.50	(+)41.24	44.73	(-)9.20	-	8	Working
28	Assam Government Construction Corporation Ltd.	PWD (R&B)	24 March 1964	1992-93	1997-98	(-) 60.48	(-)25.86	50.00	(-) 287.13	(-) 229.60	(-) 60.48	-	7	Working
Sector wise total						(-)69.68		53.50	(-)245.89	(-)184.87	(-)69.68			
DEVELOPMENT OF ECONOMICALLY WEAKER SECTIONS														
29	Assam Plain Tribes Development Corporation Ltd.	Welfare of Plains Tribes and other backward classes	29 March 1975	1983-84	1998-99	(-) 25.76	(+) 128.81	93.59	(-) 92.67	8.26	(-) 25.76	-	16	Working
30	Assam State Development Corporation For OBC Ltd.	-do-	6 August 1975	1986-87	2000-2001	(+)0.65	Nil	98.14	(+)4.93	103.08	(+)0.65	0.63	13	Working
31	Assam State Development Corporation for Scheduled Caste Ltd.	-do-	18 January 1975	1986-87	2000-2001	(-)13.90	Nil	293.90	(-)63.35	229.74	(-)13.90	-	13	Working
Sector wise total						(-)39.01		485.63	(-)151.09	341.08	(-)39.01			
SUGAR														
32	Cachar Sugar Mills Ltd. (Subsidiary of AIDC Limited)	Industries	30 March 1972	1985-86	1994-95	(-)118.21	Nil	337.85	(-) 1250.78	338.89	(-) 53.36	-	14	Non-working
Sector wise total						(-)118.21		337.85	(-) 1250.78	338.89	(-) 53.36			

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
TOURISM														
33	Assam Tourism Development Corporation Ltd.	Tourism	6 June 1986	1990-91	2000-2001	(-) 2.60	Nil	24.00	(+) 2.50	120.55	(-) 2.60	-	9	Working
Sector wise total						(-) 2.60		24.00	(+) 2.50	120.55	(-)2.60			
DRUGS, CHEMICALS AND PHARMACUTICALS														
34	Assam State Fertilizers and Chemicals Ltd (Subsidiary of AIDC Limited)	Industries	30 March 1988	1998-99	1999-2000	(-)51.09	Nil	356.95	(-)778.30	(-)122.73	(-)51.06	-	1	Working
35	Fertichem Ltd. (Subsidiary of AIDC Limited)	-do-	29 March 1974	1985-86	1999-2000	(-)52.90	(-)6.26	17.74	(-)256.34	79.21	(-)17.20	-	14	Non-working
Sector wise total						(-)103.99		374.69	(-)1034.64	201.94	(-)68.26			
MISCELLANEOUS														
36	Assam Government Marketing Corporation Ltd.	Industries	16 December 1959	1982-83	1998-99	(-) 2.27	(+) 8.58	145.77	(-) 53.40	222.22	(-) 2.27	-	17	Working
37	Assam State Film (Finance and Development) Corporation Ltd.	-do-	4 September 1974	1988-89	1999-2000	(-) 1.63	Nil	10.00	(-) 6.99	9.94	(-) 1.63	-	11	Working
38	Assam State Text Book Production and Publication Corporation Ltd.	Education	3 March 1972	1987-88	2000-2001	(+)84.37	Nil	100.00	(+)102.19	287.09	(+)92.13	32.09	12	Working
Sector wise total						(+)80.47		255.77	(+)41.80	519.25	(+)88.23	17.18		
Total-(A-Government Companies)						(-)1594.06		21388.43	(-) 19230.29	41219.26	(-)38.73	-		
B.Statutory Corporations:														
POWER														
1	Assam State Electricity Board	Power, Mines and Minerals	January 1975	1997-98	2000-2001	(-)38725.09	(-)48101.00	80,000.00	(-)187908.65	201374.03	(-)20434.08	-	2	Working
Sector wise total						(-)38725.09		80,000.00	(-)187908.65	201374.03	(-)20434.08	-		

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
TRANSPORT														
2	Assam State Transport Corporation	Transport	March 1970	1994-95	1998-99	(-)1841..15	(-)1728.73	16772.87	(-)18735.44	1334.49	(-)1675.32	-	5	Working
	Sector wise total					(-)1841..15		16772.87	(-)18735.44	1334.49	(-)1675.32	-		
FINANCING														
3	Assam Financial Corporation	Finance	April 1954	1997-98	1999-2000	(-)605.37	(-)44.85	1241.86	(-)5316.05	8890.26	(+)63.73	0.72	2	Working
	Sector wise total					(-)605.37		1241.86	(-)5316.05	8890.26	(+)63.73	0.72		
AGRICULTURE AND ALLIED														
4	Assam State Warehousing Corporation	Co-operation	August 1958	1994-95	1997-98	(-)75.30	Nil	854.00	(-)185.50	1010.81	(-)58.00	-	5	Working
	Sector wise total					(-)75.30		854.00	(-)185.50	1010.81	(-)58.00	-		
	Total-(B-Statutory Corporations)					(-)41246.91		98868.73	(-)212145.64	212609.59	(-)22103.67			
	Grand Total (A+B)					(-)42840.97		120257.162	(-)231375.93	253828.85	(-)22142.40			

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

Annexure – 3

Statement showing subsidy received, guarantees received, waiver of dues, loans on which moratorium allowed and loans converted into equity during the year and subsidy receivable and guarantees outstanding at the end of March 2000

(Referred in Paragraph 1.3)

(Figures in columns 3(a) to 7 are in Rupees in lakh)

Sl. No.	Name of the Public Sector Undertaking	Subsidy ^a received during the year				Guarantees received during the year and outstanding at the end of the year					Waiver of dues during the year				Loans on which moratorium allowed	Loans converted into equity during the year
		Central Government	State Government	Others	Total	Cash Credit from Banks	Loans from other sources	Letters of credit opened by banks in respect of imports	Payment obligation under agreement with foreign consultants or contracts	Total	Loans repayment written off	Interest waived	Penal interest waived	Total		
1	2	3(a)	3(b)	3(c)	3(d)	4(a)	4(b)	4(c)	4(d)	4(e)	5(a)	5(b)	5(c)	5(d)	6	7
A.	Government companies :															
1.	Assam State Textile Corporation Limited	--	16.52	-	16.52	-	(3212.73)	-	-	(3212.73)	-	-	-	-	-	-
2.	Assam Plains Tribes Development Corporation Limited	443.56	--	-	443.56	-	(700.00)	-	-	(700.00)	-	-	-	-	-	-
3.	Assam Small Industries Development Corporation Limited	-	-	-	-	-	(198.00)	-	-	(198.00)	-	-	-	-	-	-
4.	Assam Petrochemicals Ltd. (Subsidiary of AIDC)	-	27.20	-	27.20	(107.20)	-	-	-	(107.20)	-	-	-	-	-	-

1	2	3(a)	3(b)	3(c)	3(d)	4(a)	4(b)	4(c)	4(d)	4(e)	5(a)	5(b)	5(c)	5(d)	6	7
5.	Assam State Weaving & Manufacturing Company Limited.	-	-	-	-	-	(1421.00)	-	-	(1421.00)	-	-	-	-	-	-
6.	Assam Gas Company Limited	-	-	-	-	-	900.00 (940.16)	-	-	900.00 (940.16)	-	-	-	-	-	-
7.	Assam Tea Corporation Limited.	-	-	-	-	1700.00 (3284.00)	(1278.00)	-	-	1700.00 (4562.00)	-	-	-	-	348.32	-
8.	Assam Mineral Development Corporation Limited	-	-	-	-	-	(250.00)	-	-	(250.00)	-	-	-	-	-	-
9.	Assam Syntex Limited	-	-	-	-	-	(3.57)	-	-	(3.57)	-	-	-	-	-	-
10.	Assam Government Marketing Corporation Limited	8.87	-	-	8.87	-	-	-	-	-	-	-	-	-	-	-
11.	Fertichem Limited	-	9.26	-	9.26	-	-	-	-	-	-	-	-	-	-	-
12.	Assam State Development Corporation for OBC Limited	-	103.00-	-	103.00	-	(76.93)	-	-	(76.93)	-	-	-	-	-	-
13.	Cachar Sugar Mills Ltd. (Subsidiary of AIDC Ltd.)	-	-	-	-	-	(385.74)	-	-	(385.74)	-	-	-	-	-	-
1	2	3(a)	3(b)	3(c)	3(d)	4(a)	4(b)	4(c)	4(d)	4(e)	5(a)	5(b)	5(c)	5(d)	6	7
14.	Assam Plantation Crops Dev. Corpn. Ltd.	0.79	-	-	0.79	-	-	-	-	-	-	-	-	-	-	-

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15.	Assam Text Book Production and Publication Corpn. Ltd.	-	-	-	-	-	(100.00)	-	-	(100.00)	-	-	-	-	-
16.	Assam Agro Industries Dev. Corpn. Ltd.	-	20.00	-	20.00	-	-	-	-	-	-	-	-	-	-
	TOTAL -A :	453.22	175.98	-	629.20	1700.00 (3391.20)	900.00 (8566.13)	-	-	2600.00 (11957.33)	-	-	-	-	348.32

1	2	3(a)	3(b)	3(c)	3(d)	4(a)	4(b)	4(c)	4(d)	4(e)	5(a)	5(b)	5(c)	5(d)	6	7
B.	Statutory corporation:															
1.	Assam State Electricity Board	-	81930.00 (81930.00)	-	81930.00 (81930.00)	-	9946.00 (68497.71)	-	-	9946.00 (68497.71)	-	-	-	-	-	-
2.	Assam State Transport Corporation	-	-	-	-	-	362.00 (6872.50)	-	-	362.00 (6872.50)	-	-	-	-	-	-
3.	Assam Financial Corporation	-	-	-	-	-	(5563.10)	-	-	(5563.10)	-	-	-	-	-	-
4.	Assam State Warehousing Corporation	95.04	-	-	95.04	-	(163.68)	-	-	(163.68)	-	-	-	-	-	-
	TOTAL - B	95.04	81930.00 (81930.00)	-	82025.04 (81930.00)	-	10308.00 (81096.99)	-	-	10308.00 (81096.99)	-	-	-	-	-	-
	GRAND TOTAL (A + B)	548.26	83105.98 (81930.00)	-	82654.24 (81930.00)	1700.00 (3391.20)	11208.00 (89663.12)	-	-	12908.00 (93054.32)	-	-	-	-	348.32	-

@ Subsidy includes subsidy receivable at the end of year, and has been shown in brackets.

* Figures in bracket indicate guarantees outstanding at the end of the year.

Annexure-4
Statement showing financial position of Statutory corporations
 (referred to in paragraph No.1.2.2)

(Rupees in crore)

1. Assam State Electricity Board			
Particulars	1996-97	1997-98	1998-99 [@]
A. Liabilities			
Equity Capital	800.00	800.00	1350.00
Loans from Government	1230.98	1344.09	652.79
Other long-term loans (including bonds)	2227.76	2397.45	2786.41
Reserves and Surplus including consumers contribution and grants	157.90	202.21	197.20
Current liabilities and provisions	819.80	978.71	1268.84
Total – A	5236.44	5722.46	6255.24
B. Assets			
Gross fixed assets	1547.17	1602.47	1636.33
Less: Depreciation	514.76	591.39	666.82
Net fixed assets	1032.41	1011.08	969.51
Capital works-in-progress	685.15	757.14	967.44
Deferred cost	16.86	24.01	18.32
Current assets	1221.86	1224.24	1017.10
Investments	73.69	59.94	34.72
Subsidy Receivable	714.63	766.96	819.30
Accumulated losses	1491.84	1879.09	2428.85
Total – B	5236.44	5722.46	6255.24
C. Capital employed ^θ	2119.62	2013.75	1685.21
2. Assam State Transport Corporation		Shown in Annexure 11	
3. Assam Financial Corporation			
Particulars	1996-97	1997-98	1998-99 [@]
A. Liabilities			
Paid – up capital	9.25	9.25	9.25
Share application money	3.17	3.17	3.43
Reserve fund and other reserves and surplus	3.19	3.19	3.19
Borrowings:			
(i) Bonds and debentures	51.16	54.66	56.73
(ii) Fixed Deposits	2.71	2.67	2.76
(iii) Industrial Development Bank of India & Small Industries Development Bank of India	17.79	17.60	17.85
(iv) Reserve Bank of India	-	-	-
(v) Loan in lieu of share capital:			
(a) State Government	-	-	-
(b) Industrial Development Bank of India	-	-	-
(vi) Others (including State Government)	-	-	-
Other Liabilities and Provisions ¹	35.95	37.33	43.34
Total – A	123.22	127.87	136.55

^θ Capital employed represents net fixed assets (including works-in-progress) plus working capital. While working out working capital the element of deferred cost and investments are excluded from current assets.

[@]Figures are provisional

B. Assets			
Cash and Bank balances	4.07	3.28	2.96
Investments	-	-	-
Loans and Advances	67.73	67.24	67.04
Net fixed assets	1.27	1.17	1.09
Other assets ²	3.04	3.02	3.12
Accumulated loss	47.11	53.16	62.34
Total - B	123.22	127.87	136.55
C. Capital employed^Ω	86.02	88.90	91.88
4 Assam State Warehousing Corporation	Shown in Annexure 12		

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

1 Includes subvention from the State Government for payment of dividend

2 Including dividend deficits accounts

Annexure-5
Statement showing working results of Statutory corporations
(Referred to in Paragraph No.1.2.2)

(Rupees in crore)

1. Assam State Electricity Board				
Sl.No.	Particulars	1996-97	1997-98	1998-99 [@]
1.	(a) Revenue	417.14	419.02	467.39
	(b) Subsidy/subvention from Government	52.33	52.33	52.33
	Total	469.47	471.35	519.72
2	Revenue expenditure (net of expenses capitalised) including write off of intangible assets but excluding depreciation and interest	458.83	561.45	681.11
3	Gross surplus (+)/deficit (-) for the year (1-2)	10.64	(-)90.10	(-)161.39
4	Adjustments relating to previous years	(-)134.99	(-)36.42	(-)58.63
5	Final gross surplus (+)/deficit(-) for the year (3+4)	(-)124.35	(-)126.52	(-)220.02
6	Appropriations:			
	(a) Depreciation (less capitalised)	60.98	77.82	74.84
	(b) Interest on Government loans	134.20	149.44	113.38
	(c) Interest on others, bonds, advance, etc., and finance charges	123.58	138.25	141.52
	(d) Total interest on loans and finance charges (b+c)			
	(e) Less:- Interest capitalised	257.78	287.69	254.90
	(f) Net interest charged to revenue (d-e)	84.39	104.78	-
	(g) Total appropriations (a+f)	173.39	182.91	254.90
		234.37	260.73	329.74
7.	Surplus(+)/deficit(-) before accounting for subsidy from State Government {5-6 (g) - 1(b)}	(-)411.05	(-)439.58	(-)602.09
8.	Net surplus (+)/deficit (-){5-6(g)}	(-)358.72	(-)387.25	(-)549.76
9.	Total return on capital employed	(-)185.33	(-)204.34	(-)294.86
10.	Percentage of return on capital employed	-	--	--
2. Assam State Transport Corporation		Shown in Annexure 11		
3. Assam Financial Corporation				
	Particulars	1996-97	1997-98	1998-99[@]
1.	Income			
(a)	Interest on Loans	2.90	2.68	4.11
(b)	Other income	0.21	0.14	0.15
	Total - I	3.11	2.82	4.26
2.	Expenses			
(a)	Interest on long term and short term loans	6.30	6.69	5.57
(b)	Other expenses	1.88	2.18	2.36
	Total - 2	8.18	8.87	7.93
3.	Profit before tax (1-2)	(-)5.07	(-)6.05	(-) 3.67
4.	Prior period adjustments	--	--	0.07
5.	Provision for tax	--	--	--
6.	Profit(+)/Loss(-) after tax	(-)5.07	(-)6.05	(-)3.60
7.	Provision for non performing assets	0.12	--	5.58
8.	Amount available for dividend	--	--	--
9.	Dividend paid/payable	--	--	--
10.	Total return on capital employed	1.23	0.64	1.97
11.	Percentage of return on capital employed	1.43	0.72	2.14
4. Assam State Warehousing Corporation		Shown in Annexure 12		

[@] Figures are provisional.

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

Annexure 6

Statement showing operational performance of Statutory corporations
(referred to in paragraph No.1.5.2.2)

Assam State Electricity Board

Particulars	1996-97	1997-98	1998-99 [#]
Installed Capacity	(MW)		
(a) Thermal	352.000	352.000	352.000
(b) Hydel	2.000	2.000	2.000
(c) Gas	200.400	200.400	220.400
(d) Other	--	--	-
Total	554.400	554.400	574.400
Normal maximum demand:	550.00	498.50	517.300
Power generated	(MKWH)		
(a) Thermal	549.860	421.583	237.302
(b) Hydel	--	--	-
(c) Gas	781.868	611.073	688.373
(d) Other	-	-	-
Total	1331.728	1032.656	925.675
Less : Auxiliary consumption			
(a) Thermal	NA	NA	NA
(b)Hydel	NA	NA	NA
(c) Gas	NA	NA	NA
(d) Other	NA	NA	NA
Total	116.48	96.270	70.652
Net Power generated	1215.248	936.386	855.023
Power purchased:			
(a) Within the State :			
- Government :	-	-	
- Private :	-	55.030	130.310
(b) Other States	470.722	221.674	147.243
(c) Central Grid/PSUs	922.966	1470.359	1700.197
Total power available for sale	2608.936	2683.449	2832.773
Power sold:			
(a) Within the State	1920.554	1871.590	1752.894
(b) Outside the State	39.865	5.318	Nil
Transmission and distribution losses	648.517	806.541	1079.879
Load factor (Percentage)	27.21	21.26	19.125
Percentage of transmission and distribution losses to total power available for sale	24.86	30.05	38.12
Number of villages/towns electrified	22017	NA	-
Number of pump sets/wells energised	3675	3175	-
Number of sub-stations	NA	NA	NA
Transmission/distribution lines (in kms)			
(a) High/medium voltage	40961	40722	NA
(b) Low voltage	41872	42106	NA
Connected load (in MW)	1544.242	1546.013	1696.332

[#] Figures are provisional.

Particulars	1996-97	1997-98	1998-99
Number of consumers (in lakh)	7.13	7.63	8.04
Number of employees	20882	20872	19953
Consumer/employees Ratio	34.14	36.56	40.29
Total expenditure on staff during the year (Rs. in crore)	164.46	171.20	186.88
Percentage of expenditure on staff to total revenue expenditure	23.73	20.82	18.49
Unit sold :	(MKWH)		
(a) Agriculture (Percentage share to total units sold)	45.58 (2.33)	25.321 (1.35)	54.354 (3.10)
(b) Industrial (Percentage share to total units sold)	521.54 (26.60)	452.742 (24.12)	306.30 (17.47)
(c) Commercial (Percentage share to total units sold)	160.94 (8.21)	159.489 (8.50)	135.61 (7.74)
(d) Domestic (Percentage share to total units sold)	464.58 (23.70)	449.569 (23.95)	535.91 (30.57)
(e) Others (Percentage share to total units sold)	767.78 (39.16)	789.787 (42.08)	720.72 (41.12)
Total	1960.42	1876.908	1752.894
(a) Revenue (excluding subsidy from Government) (Paise per KWH)	213	223	267
(b) Expenditure* (Paise per KWH)	265	297	431
(c) Profit (+)/Loss (-)(Paise per KWH)	(-)52	(-)74	(-)164
(d) Average subsidy claimed from Government (in Rupees)	0.27	0.28	0.30
(e) Average interest charges (in Rupees)	0.88	0.97	1.45

2. Assam State Transport Corporation

Particulars	1996-97 [#]	1997-98 [#]	1998-99 [#]
Average number of vehicles held	658	612	527
Average number of vehicles on road	364	335	258
Percentage of utilisation of vehicles	55.32	54.74	48.96
Number of employees	5752	5615	5412
Employee vehicle ratio	9:1	9:1	10:1
Number of routes operated at the end of the year	NA	NA	NA
Route kilometres	8130	8130	8130
Kilometers operated (in lakh)			
(a) Gross	297.72	275.21	214.49
(b) Effective	287.84	266.41	207.46
(c) Dead	9.88	8.80	7.03
Percentage of dead kilometres to gross kilometres	3.32	3.20	3.28
Average kilometres covered per bus per day	217	218	220
Operating revenue per effective kilometre (Rs.)	6.90	7.66	NA
Operating expenditure per effective kilometre (Rs)	15.56	16.86	NA
Operating Profit (+)/Loss(-) per effective kilometre (Rs.)	(-)8.66	(-)9.20	NA
Number of operating depots	36	36	36
Average number of break-down per lakh kilometres	32.40	32.60	NA
Average number of accidents per lakh kilometres	0.26	0.25	0.25
Passenger kilometre operated (in crore)	90.81	84.21	65.44
Occupancy ratio (%)	70	70	70
Kilometres obtained per litre of:			

* Revenue expenditure includes depreciation but excludes interest on long term loans.

[#] Figures are provisional.

(a) Diesel Oil	NA	NA	NA
(b) Engine Oil	NA	NA	NA
3. Assam State Warehousing Corporation	Shown in Annexure 13		

4. Assam Financial Corporation

(Amount rupees in crore)

Particulars	1996-97		1997-98		1998-99 [#]	
		Amount	Number	Amount	Number	Amount
Applications pending at the beginning of the year	119	7.14	81	4.50	52	5.57
Applications received	76	3.81	59	7.61	105	7.62
Total	195	10.95	140	12.11	157	13.19
Applications sanctioned	42	1.55	44	3.97	62	3.89
Applications cancelled/withdrawn/rejected/reduced	72	4.90	44	2.50	71	7.21
Applications pending at the close of the year	81	4.50	52	5.57	24	2.09
Loans disbursed	-	2.21	-	2.07	--	3.84
Loans outstanding at the close of the year	-	101.80	-	126.39	--	136.63
Amount overdue for recovery at the close of the year						
(a) Principal	-	38.29	-	43.84	--	47.32
(b) Interest	-	49.86	-	64.34	--	78.04
Total :		88.15	-	108.18		125.36
Amount involved in recovery certificate cases	-	-	-	-	-	-
Total :	-	88.15	-	108.18	-	125.36
Percentage of overdue to the total loans outstanding	-	86.59	-	85.59	-	91.75

[#] Figures are provisional.

ANNEXURE – 7

(Referred to in paragraph No.1.7.D)

More than 5 years in existence with turnover less than Rs. 5 crore

(Rupees in lakh)

Sl. No.	Name of the SLPSUs	Date of incorporation	Latest 5 years accounts received up to 30.6.2000 for supplementary audit under section 619(4) of Companies Act 1956 and turnover of respective years									
			Year	Turnover	Year	Turnover	Year	Turnover	Year	Turnover	Year	Turnover
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
MINING												
1.	Assam Mineral Development Corporation Ltd.	19.05.1983	1990-91	135.16	1991-92	227.96	1992-93	351.36	1993-94	335.39	1994-95	298.37
2.	Assam & Meghalaya Mineral Development Corporation Ltd.	19.08.1964	1979-80	0.08	1980-81	0.12	1981-82	0.06	1982-83	0.04	1983-84	0.02
ENGINEERING												
3.	Assam Conductors & Tubes Ltd.	22.06.1964	1982-83	130.76	1983-84	76.07	1984-85	147.32	1985-86	80.75	1986-87	106.51
DEVELOPMENT OF ECONOMICALLY WEAKER SECTION												
4.	Assam Plain Tribes Development Corporation Ltd.	29.03.1975	1979-80	1.47	1980-81	2.19	1981-82	1.63	1982-83	1.59	1983-84	0.51
5.	Assam State Development Corporation For OBC Ltd.	06.08.1975	1981-82	3.72	1982-83	4.49	1983-84	4.78	1984-85	5.39	1985-86	8.92
6.	Assam State Development Corporation For Scheduled Caste Ltd.	18.06.1975	1982-83	4.83	1983-84	12.67	1984-85	12.45	1985-86	8.92	1986-87	13.48
CONSTRUCTION												
7.	Assam Police Housing Corporation Ltd.	05.11.1980	1987-88	77.17	1988-89	97.36	1989-90	52.93	1990-91	44.45	1991-92	53.71
8.	Assam Government Construction Corporation Ltd.	24.03.1964	1988-89	79.19	1989-90	82.44	1990-91	30.26	1991-92	20.75	1992-93	61.01
ELECTRONICS												
9.	Assam Electronics Development Corporation Ltd.	04.04.1984	1988-89	161.46	1989-90	235.76	1990-91	181.80	1991-92	181.52	1992-93	122.00
TEXTILES												
10.	Assam Spun Silk Mills Ltd.	31.03.1960	1987-88	156.50	1988-89	196.71	1989-90	179.91	1990-91	202.17	1991-92	244.54
SUGAR												
11.	Cachar Sugar Mills Ltd. (Subsidiary of AIDC Ltd.)	30.03.1962	1981-82	90.51	1982-83	131.96	1983-84	131.54	1984-85	54.07	1985-86	2.20

INDUSTRY												
12.	Assam Small Industries Development Corporation Ltd.	27.03.1962	1983-84	120.28	1984-85	144.02	1985-86	222.38	1986-87	203.06	1987-88	398.45
13.	Ashok Paper Mills (Assam) Ltd.	24.09.1990	1994-95	0.64	1995-96	14.88	1996-97	15.26	1997-98	31.57	1998-99	33.35
14.	Assam Hills Small Industries Development Corporation Ltd.	30.03.1968	1981-82	27.08	1982-83	30.40	1983-84	29.98	1984-85	29.09	1985-86	20.12
FINANCING												
15.	Assam Financial Corporation	19.04.1954	1994-95	352.83	1995-96	382.33	1996-97	310.87	1997-98	282.25	1998-99	426.28
DRUGS, CHEMICAL & PHARMACEUTICALS												
16.	Assam State Fertilizers & Chemicals Ltd.	31.03.1988	1994-95	64.12	1995-96	35.82	1996-97	8.52	1997-98	60.76	1998-99	32.63
17.	Fertichem Limited	29.03.1974	1981-82	85.15	1982-83	106.84	1983-84	150.22	1984-85	181.42	1985-86	99.26
FOREST												
18.	Assam Plantation Crops Development Corporation Ltd.	01.11.1974	1983-84	13.77	1984-85	12.78	1985-86	20.12	1986-87	30.35	1987-88	21.58
AGRICULTURE & ALLIED												
19.	Assam Fisheries Development Corporation Ltd.	01.03.1977	1988-89	28.97	1989-90	33.34	1990-91	32.72	1991-92	33.29	1992-93	36.20
MISCELLANEOUS												
20.	Assam Government Marketing Corporation Ltd.	16.12.1959	1978-79	76.81	1979-80	70.94	1980-81	104.63	1981-82	111.62	1982-83	116.07
21.	Assam State Film (Finance & Development) Corporation Ltd.	04.09.1974	1983-84	0.24	1984-85	0.21	1985-86	0.02	1986-87	0.39	1987-88	0.49

ANNEXURE – 8

**SLPSUs with turnover more than Rs.5.00 crore and incurring losses for five consecutive years.
(Referred to in paragraph No.1.7.D)**

(Rupees in lakh)

Sl. No.	Name of the SLPSUs	Date of incorporation	Turnover more than Rs. 5 crore and incurring losses for five consecutive years leading to negative net worth.				
			(4)	(5)	(6)	(7)	(8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
AGRICULTURE & ALLIED							
1.	Assam seeds Corporation. Ltd.	27.01.1967	Yr*: 1984-85 T.O*: 679.73 *N.W (-)304.91	1985-86 496.74 (-)350.93	1986-87 1136.71 (-)407.05	1987-88 850.44 (-)520.90	1988-89 1042.31 (-)657.79
2.	Assam Agro Industries Development Corporation Ltd.	27.01.1967	1993-94 1018.94 (-)135.13	1994-95 1607.79 (-)298.53	1995-96 4552.20 (-)392.15	1996-97 2401.97 (-) 675.50	1997-98 3415.74 (-) 897.74
TEXTILES							
3.	Assam State Textile Corporation Ltd.	26.02.1980	Yr: 1989-90 T.O: 769.44 N.W: 1151.81	1990-91 845.17 1110.53	1991-92 928.43 942.90	1992-93 890.50 (-)406.09	1993-94 305.94 (-)979.79
4.	Assam Syntex Ltd.	20.10.1982	1988-89 694.23 295.13	1989-90 908.67 249.72	1990-91 833.63 174.17	1991-92 817.61 (-)30.61	1992-93 852.08 (-)270.68

* Yr.=Year

* T.O=Turnover

* N.W= Net Worth = Paid up capital (+) Reserve (-) Accumulated loss

ANNEXURE – 9
SLPSU with turnover less than Rs.5.00 crore as well as making losses.
(Referred to in paragraph No.1.7.D)

(Rupees in lakh)

Sl. No.	Name of the SLPSUs	Date of incorporation	Latest years of Accounts received up to 30.6.2000 for Supplementary audit under section 619(4) of the Companies Act 1956 and Turnover of the respective years				
			(4)	(5)	(6)	(7)	(8)
SERVICE SECTOR							
1.	Assam State Warehousing Corporation.	12.08.1958	Yr ⁺ : 1991-92 T.O [*] : 235.81 *N.W: 868.60	1992-93 269.45 910.43	1993-94 291.05 987.47	1994-95 264.18 1073.62	1995-96 290.81 1087.95

⁺ Yr.=Year

^{*} T.O =Turnover

^{*} N.W=Net Worth=Paid up capital (+) Reserve (-) Accumulated loss

ANNEXURE 10

SURPLUS CAPACITY OF TRANSFORMERS

(Referred to in Paragraph No.2A.11)

	Name of Sub-station	Installed Cap.(MVA)	Station peak load		Surplus/Idle capacity of more than 2.5 MVA
			In MW	In MVA	
1.	Paltan Bazar	20.00	10.80	13.500	6.500
2.	Ulubari	15.00	8.00	10.000	5.000
3.	Narengi	12.50	8.00	10.000	2.500
4.	R.G. Baruah Road Sub-station	15.00	8.00	10.000	5.000
5.	Uzanbazar	10.00	5.20	6.500	3.500
6.	Jaharnagar	15.00	11.80	14.750	-
7.	Garbhanga	10.00	2.00	2.500	7.500
8.	Medical Sub-station	5.00	1.70	2.125	2.875
9.	Machkhowa	20.00	8.57	10.710	9.290
10.	Titabar	5.00	4.50	5.625	-
11.	Dergaon	5.00	4.70	5.875	-
12.	Mazuli	2.50	1.80	2.250	-
13.	Jorhat	15.00	11.50	14.375	-
14.	Garmur	10.00	5.30	6.625	3.375
15.	Lichubari	5.00	3.00	3.750	-
16.	Gatanga	3.15	1.50	1.875	-
Total					45.540

Annexure-11
Working results and financial position of Assam State Transport Corporation
(Referred to in Paragraph No. 2B.5)

(Rupees in crore)

	Particulars	1994-95	1995-96	1996-97	1997-98
A.	Income				
	(1)Operational	17.67	20.18	19.86	20.40
	(2)Non-operational	1.86	2.80	2.56	2.57
	Total	19.53	22.98	22.42	22.97
B.	Expenditure				
I.	Operating				
	(i)Employees cost	19.43	24.03	27.14	28.40
	(ii)Stores and Spares	11.19	11.38	12.22	11.08
	(iii)Others	5.63	5.88	5.42	5.45
	Total	36.25	41.29	44.78	44.93
2.	Non-operating total	1.74	2.89	4.21	5.44
C.	Other adjustment	0.05	2.85	0.29	0.11
D.	Loss for the year {A-(B+C)}	18.41	18.35	26.28	27.51
E.	Effective Kilometres (in lakh)	310.92	307.09	287.84	266.41
F.	Operating Income per effective Kilometre(Rs.)	5.68	6.57	6.90	7.66
G.	Operating expenditure per effective Kilometre(Rs.)	11.66	13.45	15.56	16.86
H.	Operating Loss per effective kilometre(Rs.)	5.98	6.88	8.66	9.20
I.	Interest on capital and loans	1.66	2.88	4.21	5.44
J.	Total return on capital employed [#]	(-)16.75	(-)15.47	(-)22.07	(-)22.07
FINANCIAL POSITION					
	Liabilities				
	Equity capital	167.73	167.73	167.73	167.73
	Borrowed capital	35.38	53.96	73.30	88.14
	Reserve fund	8.55	9.47	10.60	11.50
	Security deposit	0.03	0.02	0.02	0.02
	Sundry creditors	7.01	6.86	7.19	7.63
	Accrued charges	2.14	4.56	8.38	13.40
	Provisions	8.03	8.64	10.48	13.84
	Corporation fund		0.64	2.38	1.85
	Total	228.87	251.88	280.08	304.11
	Assets				
	Gross block	23.76	24.06	25.39	23.07
	Less depreciation	4.35	4.42	3.81	3.79
	Net block	19.41	19.64	21.58	19.28
	Investment	10.96	12.80	12.65	12.55
	Work in progress	1.27	1.88	0.56	0.55
	Current assets	9.88	11.86	13.31	12.24
	Accumulated losses	187.35	205.70	231.98	259.49
	Total	228.87	251.88	280.08	304.11
	Capital employed[@]	13.35	12.66	7.00	(-)4.67

* Figures are provisional

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

@ Capital employed represents net fixed assets (including work in progress) plus working capital. While calculating working capital the element of deferred cost and investments are excluded from current assets.

ANNEXURE -12

**Financial position and working results of Assam State Warehousing Corporation
(Referred to in Paragraph No. 2C.5)**

(Rs. in lakh)

		1994-95	1995-96	1996-97	1997-98	1998-99
A.	Liabilities					
(i)	Paid up capital	854.00	894.00	964.00	994.00	994.00
(ii)	Reserves and Surplus	88.69	88.97	87.21	89.69	92.33
(iii)	Borrowings	178.69	178.69	178.69	178.69	163.69
(iv)	Subsidy	74.93	74.93	74.93	74.93	169.97
(v)	Current liabilities and Provisions	320.63	325.03	242.00	285.91	339.25
	Total:	1516.94	1561.62	1546.83	1623.22	1759.24
B.	Assets					
(vi)	Gross fixed assets	1160.72	1223.12	1248.95	1315.71	1400.62
(vii)	Less : Depreciation	316.43	336.88	417.06	467.42	514.97
(viii)	Net fixed assets	844.29	856.24	831.89	848.29	885.65
(ix)	Capital work-in-progress	45.79	40.08	72.29	42.97	9.08
(x)	Current assets	441.36	403.39	377.23	481.09	615.14
(xi)	Pre-operative expenses	-	-	-	-	2.14
(xii)	Profit and Loss account	185.50	261.91	265.42	250.87	247.23
	Total:	1516.94	1561.62	1546.83	1623.22	1759.24
C.	Capital employed*	1010.81	974.68	1039.41	1086.44	1170.62
D.	Net worth**	757.19	721.06	785.79	832.82	836.96

Working results

(Rupees in lakh)

		1994-95	1995-96 [§]	1996-97 [§]	1997-98 [§]	1998-99 [§]
1.	Income					
(i)	Warehousing charges	260.34	285.99	361.36	436.98	464.65
(ii)	Other income	3.84	4.83	5.25	5.61	7.56
	Total (1)	264.18	290.82	366.61	442.59	472.21
2.	Expenditure					
(i)	Salaries	160.69	180.06	195.94	256.86	264.88
(ii)	Godown rent	47.54	55.14	59.79	67.68	73.30
(iii)	Depreciation	50.74	51.65	50.17	50.37	52.35
(iv)	Interest on loans	17.30	16.92	17.64	16.70	15.97
(v)	Other items	58.16	51.82	37.41	40.07	50.97
	Total (2)	334.43	355.59	360.95	431.68	456.53
3.	Profit(+)/Loss(-) before prior period adjustment	(-)70.25	(-)64.77	5.66	10.91	15.68
	Less : Appropriation and Prior period adjustment	(-)5.05	(-)11.64	(-)9.64	(+)3.64	(-)12.04
	Less : Tax Provision	-	-	-	-	-
4.	Net Profit (+)/Loss (-)	(-)75.30	(-)76.41	(-)3.98	(+)14.55	(+)3.64
5.	Total return on capital employed [@]	(-)58.00	(-)59.49	(-)13.66	(+)31.25	(+)19.61

* Capital employed represents net fixed assets plus capital work-in-progress plus working capital (current Assets minus current liabilities and provisions)

** Net worth represents paid-up capital plus reserve and surplus less intangible assets.

[§] Figures for 1995-96 to 1998-99 are based on provisional accounts.

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

ANNEXURE-13

Statement showing storage capacity created through own godowns as well as hired godowns and utilization thereof.

(Referred to in Paragraph No. 2C.6.1)

Sl. No.	Particulars	1994-95	1995-96	1996-97	1997-98	1998-99
		(In Numbers)				
1.	No. of warehousing centres	41	40	39	40	36
2.	No. of warehouses					
	(i) Own	84	88	89	90	105
	(ii) Hired	39	36	34	39	48
	Total	123	124	123	129	153
		(In lakh tonnes)				
3.	Average storage capacity available					
	(i) Own	1.73	1.74	1.76	1.77	1.80
	(ii) Hired	0.57	0.55	0.57	0.59	0.70
	Total	2.30	2.29	2.33	2.36	2.50
4.	Average storage capacity utilized					
	(i) Own	0.88	0.90	1.13	1.27	1.24
	(ii) Hired	0.53	0.48	0.63	0.58	0.68
	Total	1.41	1.38	1.76	1.85	1.92
		(In percentage)				
5.	Percentage of utilization of available capacity					
	(i) Own	50.87	51.72	64.20	71.75	68.88
	(ii) Hired	92.98	87.27	110.53	98.31	97.14
	Total	61.04	60.26	75.57	78.39	76.80
		(In rupees)				
6.	Average expenditure per ton per year	240.77	266.11	210.56	231.37	243.88
7.	Average income* per ton per year	187.36	210.74	208.30	239.20	245.94
8.	Profit (+)/Loss(-) per ton per year	(-)53.41	(-)55.37	(-)2.26	(+)7.83	(+)2.06

* Including other income from handling , trading business etc.

ANNEXURE-3

Statement showing storage capacity created through own godowns as well as hired godowns and utilization thereof.

(Referred to in Paragraph No. 12.5.1)

Sl. No.	Particulars	1991-92			1992-93		
		(in numbers)	(in numbers)	(in numbers)	(in numbers)	(in numbers)	(in numbers)
1	No. of Warehouses	41	40	40	40	40	40
2	No. of Warehouses	(i) Own	88	87	87	87	87
			(ii) Hired	39	36	34	34
		Total	127	123	121	121	121
3	Average storage capacity available	(i) Own	1.78	1.74	1.74	1.74	1.74
			(ii) Hired	0.77	0.55	0.57	0.55
		Total	2.55	2.29	2.31	2.29	2.29
4	Average storage capacity utilized	(i) Own	0.82	0.90	0.92	0.92	0.92
			(ii) Hired	0.53	0.48	0.53	0.53
		Total	1.35	1.38	1.45	1.45	1.45
5	Percentage of utilization of available capacity	(i) Own	50.37	51.72	51.30	51.72	51.72
			(ii) Hired	37.38	37.37	37.37	37.37
		Total	61.04	61.30	61.37	61.37	61.37
6	Average expenditure per ton per year	(i) Own	240.73	200.41	210.40	210.40	210.40
			(ii) Hired	187.50	210.74	208.41	210.30
		Total	214.12	205.38	209.40	209.40	209.40
7	Average income per ton per year	(i) Own	187.50	210.74	208.41	210.30	210.30
			(ii) Hired	214.12	205.38	209.40	209.40
		Total	401.62	416.12	417.81	419.70	419.70
8	Profit (₹/ton per year)	(i) Own	(₹) 25.11	(₹) 25.31	(₹) 15.20	(₹) 15.20	(₹) 15.20
			(ii) Hired	(₹) 25.11	(₹) 25.31	(₹) 15.20	(₹) 15.20
		Total	(₹) 50.22	(₹) 50.62	(₹) 30.40	(₹) 30.40	(₹) 30.40