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

FOR THE YEAR ENDED 31 MARCH 2001

COMMERCIAL

Government of Assam

REPORT OF THE
COMPTROLLER AND AUDITOR
GENERAL OF INDIA

FOR THE YEAR 1901-02

LONDON

GOVERNMENT OF INDIA

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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.

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 he has the right to conduct audit of their accounts in addition to the audit conducted by the Chartered Accountants appointed by the corporation out of the panel of auditors approved by the Reserve Bank of India. In respect of Assam State Warehousing Corporation 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, 2000-2001 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 2000-2001 have also been included, wherever necessary.

THE PART

Government contracts, including those which are subject to audit by the Comptroller and Auditor General, shall be subject to the following conditions:

- (a) Government contracts;
- (b) Government contracts;
- (c) Government contracts.

The terms of the contract shall be subject to the conditions set forth in the contract, and the Government shall be bound by the terms of the contract. The Government shall be bound by the terms of the contract, and the Government shall be bound by the terms of the contract.

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OVERVIEW

1. General over view of Government companies and Statutory corporations

As on 31 March 2001, the state had 42 Public Sector Undertakings (PSUs) comprising of 38 government companies (28 working companies and 10 non-working companies) and 4 statutory corporations, which was the same last year also.

The total investment in working PSUs increased from Rs.3569.17 crore as on 31 March 2000 to Rs.3649.37 crore as on 31 March 2001. The total investment in non-working PSUs also increased from Rs.80.75 crore to Rs.82.44 crore during the same period.

The budgetary support in the form of capital, loans and grants disbursed to the working PSUs increased from Rs.91.76 crore in 1999-2000 to Rs.117.12 crore in 2000-2001. The state government also contributed Rs.0.29 crore in the form of loan to one non-working company during 2000-2001. The state government guaranteed loans aggregating to Rs.19.24 crore, to one working government company during 2000-2001.

The total amount of outstanding loans guaranteed by the state government decreased from Rs. 930.54 crore as on 31 March 2000 to Rs.912.93 crore as on 31 March 2001.

None of the 42 PSUs have finalised their accounts for the year 2000-01. The accounts of all the 38 companies and 4 statutory corporations were in arrears ranging from one year to 18 years as on 30 September 2001.

According to latest finalised accounts, 3 working PSUs (3 government companies) earned aggregate profit of Rs.5.09 crore. Against this, 28 working PSUs (24 government companies and 4 statutory corporations) incurred aggregate loss of Rs.599.28 crore as per latest finalised accounts. Of the loss incurring working government companies, 10 companies had accumulated losses aggregating Rs.114.21 crore, which exceeded their paid up capital of Rs.50.15 crore by more than 2 times. 3 loss incurring statutory corporation had accumulated losses of Rs.2678.55 crore, which exceeded their paid up capital of Rs.1530.41 crore by more than 1.75 times.

In Assam State Electricity Board, the percentage of transmission and distribution loss to total power available had increased from 38.12 *per cent* in 1998-99 to 38.80 *per cent* in 2000-2001 and the Plant Load Factor had decreased from 19.125 *per cent* to 18.58 *per cent* during the same period.

Similarly, in Assam State Transport Corporation, the loss per kilometer increased from Rs.13.57 in 1998-99 to Rs.17.90 in 2000-2001.

Even after completion of five years of their existence, the individual turnover of 19 government companies (working 15, non-working 4) and one statutory corporation has been less than Rs.5 crore in each of the preceding five years of latest finalised accounts. Similarly 4 government companies (3 working, one non-working) had been incurring losses for five consecutive years as per their latest finalised accounts leading to negative net worth. These companies are recommended for closure.

(Paragraphs 1.1, 1.2, 1.3 and 1.6)

2. Reviews relating to Government companies

2A Review on the working of Assam Livestock and Poultry Corporation Limited

The company was set up in 1984 to undertake development of livestock and poultry trade and to improve socio-economic conditions of livestock and poultry breeders in the state. The company undertook execution of 7 projects (4 meat processing plants, 2 carcass utilisation plants and one slaughterhouse) in 1992. Although Government of India contributed its share towards the cost of the projects the company is yet to receive any fund from the state government. None of the projects have been completed so far. The company is neither left with any capital fund nor it has formulated any plan to mobilise fund for completion of the projects.

The company unauthorisedly diverted and utilised an amount of Rs.3.49 crore, being fund received for implementation of government sponsored Milk Village scheme, in construction of projects (Rs.0.33 crore) and working capital (Rs.3.16 crore).

(Paragraph 2A.4)

The company could not complete the civil works for processing plants at Khanapara (Guwahati) in time which resulted in extra expenditure of Rs.1.02 crore and the company had to forgo projected revenue to the tune of Rs.1.75 crore.

(Paragraph 2A.6.1.1.1A & B)

The company procured machinery before completion of civil works which resulted in locking up of fund amounting to Rs.1.18 crore and loss of interest thereon amounting to Rs.0.78 crore,

(Paragraph 2A.6.1.1.1 C)

The company utilised Rs.0.62 crore in construction of two projects, whereas it furnished utilisation certificate for Rs.1.00 crore to the Government of India.

(Paragraph 2A.6.2.1 B and 2A.7.1)

The company leased out Mini Processing Plants costing Rs.0.59 crore and realised a negligible rental of Rs.6000 over a period of five years which rendered the investment infructuous.

(Paragraph 2A.8.3.2)

2B Review on the working and performance of Assam Agro-Industries Development Corporation Limited

The company was set up in January 1967 with the main objective of helping the growth and modernisation of agriculture by assisting farmers to own the means of modernising their cultivation, by undertaking efficient distribution of agricultural inputs, machinery, implements, fertilisers, by setting up workshops for manufacturing farm machinery and agro based industries. However, the company failed to meet its objectives as the company had so far been mainly carrying on trading activities and for that too it is dependent on Government orders.

The accumulated loss of the company stood at Rs.15.06 crore as on 31 March 2000 which was 685 per cent of its paid up capital indicating absolute erosion of paid up capital.

(Paragraph 2B.7)

The actual production of company's workshop vis-à-vis target declined from 78.89 per cent in 1995-96 to 8.95 per cent in 1999-2000 and value of production per rupee of salary & wages also declined from Rs.3.11 in 1995-96 to Rs.1.70 in 1999-2000.

(Paragraph 2B.9.1 & 9.2)

The sales realisation per rupee of employees' cost decreased from Rs.17.80 in 1995-96 to Rs.4.99 in 1999-2000 indicating that the company is overstaffed.

(Paragraph 2B.11)

3. Review relating to Statutory Corporation

Review on the operational performance of Lakwa Thermal Power Station

The gas based Lakwa Thermal Power Station (LTPS) of Assam State Electricity Board (ASEB) has an installed power generation capacity of 120 MW comprising 4 units of 15 MW capacity each and 3 units of 20 MW capacity each. Of these, 4 units of 15 MW capacity each, were commissioned between April 1981 and November 1986 and another 3 units of 20 MW each were commissioned between January 1994 and May 1999.

The Board also set up 3 units of 2.70 MW each Mobile Gas Turbine (MGT) units at Geleky and 4 units of 2.705 MW each at kathalguri in March 1981 and April 1982 respectively.

The shortfall in generation due to low PLF during 1995-96 to 1999-2000 had compelled the Board to purchase more power from other agencies. The Board failed to control and monitor the excess consumption of fuel and auxiliary consumption of power over the prescribed norms. Inadequate linkage of gas led to frequent shutdown of units and loss of potential generation.

None of the generating units could achieve the Standard Plant Load Factor in any of the years during 1995-96 to 1999-2000. Lower PLF compared to the standard resulted in loss of generation of 1631.55 MU increasing the unit cost of generation by 35 to 46 paise.

(Paragraph 3.4.1)

Prolonged shut down of Unit-IV (15 MW) from 31 January 1990 resulted in capital investment of Rs.17.44 crore remaining idle for more than 11 years and loss of potential generation of 269.12 MU during 1995-96 to 1999-2000.

(Paragraph 3.4.2.1)

Inadequate linkage of gas resulted in forced outage of 43118.98 hours and consequential loss of generation of 736.18 MU valued at Rs.187.51 crore.

(Paragraph 3.4.2.2)

Low thermal efficiency of generating units resulted in excess consumption of 102.71 million standard cubic meter of gas valued at Rs.9.43 crore.

(Paragraph 3.4.4)

Failure of the Board to either dispose of 7 Mobile Gas Turbine units or repair and restore the same resulted in capital investment of Rs.15.46 crore remaining idle from April 1997.

(Paragraph 3.7.1)

4. Miscellaneous topics of interest

- ◆ Assam Seeds Corporation Limited procured seeds in excess of its requirement/demand and failed to sell them within the validity period of germination which resulted in loss of Rs.0.32 crore.

(Paragraph 4.1.1.1)

- ◆ Assam Industrial Development Corporation Limited incurred an expenditure of Rs.0.22 crore on a building project without considering its financial

viability which led to abandonment of the work rendering the investment as unfruitful.

(Paragraph 4.1.2.1)

- ◆ Assam Plains Tribes Development Corporation Limited diverted plan fund of Rs.0.49 crore towards staff salary not provided in the scheme.

(Paragraph 4.1.3.1)

- ◆ Assam Plains Tribes Development Corporation Limited purchased power tillers from parties other than manufacturer's dealer which resulted in avoidable expenditure of Rs.0.08 crore.

(Paragraph 4.1.3.2)

- ◆ Execution of defective Memorandum of Understanding (MoU) by Assam State Electricity Board (ASEB) resulted in avoidable expenditure of Rs.1.23 crore.

(Paragraph 4.2.1.1)

- ◆ Lack of timely action by the Board resulted in accumulated arrear energy charges of Rs.3.36 crore becoming unrealisable.

(Paragraph 4.2.1.4)

- ◆ Arbitrary reduction/waiver of penalty by the Board and irregular relaxation of period for calculation of compensation resulted in undue benefit of Rs.4.36 crore to two industrial consumers.

(Paragraph 4.2.1.5)

- ◆ Assam Financial Corporation lost interest income of Rs.0.25 crore for granting liberal waiver to two undeserving loanees.

(Paragraph 4.2.2.1)

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Paragraph 4.1.1

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...of the ...

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Paragraph 4.1.6

...of the ...

Paragraph 4.1.7

...of the ...

CHAPTER I

1. General over view of Government companies and statutory corporations

1.1 Introduction

As on 31 March 2001 there were 38 Government companies (28 working companies and 10 non-working companies) and 4 working statutory corporations with no change in position from that as on 31 March 2000 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 the 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 provision of Section 619 of the Companies Act, 1956. The audit arrangements of statutory corporations are as shown below:

Sl. No.	Name of the corporation	Authority for audit by the CAG	Audit arrangement
1.	Assam State Electricity Board (ASEB)	Section 69 (2) of the Electricity (Supply) Act, 1948	Sole audit by CAG
2.	Assam State Transport corporation (ASTC)	Section 33 (2) of the Road Transport corporations Act, 1950	Sole audit by CAG
3.	Assam Financial corporation (AFC)	Section 37 (6) of the State Financial corporations Act, 1951	Chartered Accountants and supplementary audit by CAG
4.	Assam State Warehousing corporation (ASWC)	Section 31 (8) of the State Warehousing corporations Act, 1962	Chartered Accountants and supplementary audit by CAG

1.2 Working Public Sector Undertakings (PSUs)

Investment in working PSUs

As on 31 March 2001, the total investment in 32 working PSUs (28 Government companies and 4 statutory corporations) was Rs.3649.37 crore (equity Rs.1768.23 crore; long term-loans: Rs.1872.96 crore; and share application money: Rs 8.18 crore) against 32 working PSUs (28 Government companies and 4 statutory corporations) with a total investment of Rs.3569.17 crore (equity Rs.1767.25 crore; long term-loans: Rs.1797.92 crore; and share application money: Rs.4.00 crore) as on 31 March 2000. The analysis of investment in workings PSUs is given in the following paragraphs.

1.2.1.1 Working Government companies

Total investment in 28 working Government companies as on 31 March 2001 was Rs.478.15 crore (equity Rs.226.83 crore; long term-loans: Rs.243.14 crore; share application money: Rs.8.18 crore) against total investment of Rs.470.41 crore (equity Rs.225.95 crore; long term-loans: Rs.240.46 crore; share application money: Rs.4.00 crore) as on 31 March 2000 in 28 working Government companies.

Increase in the total investment was mainly due to fresh investment by Government in Agriculture sector, and raising of loans from other sources in the Development of Economically Weaker Section.

The summarised statement of Government investment in working Government companies in the form of equity and loans is detailed in Annexure 1.

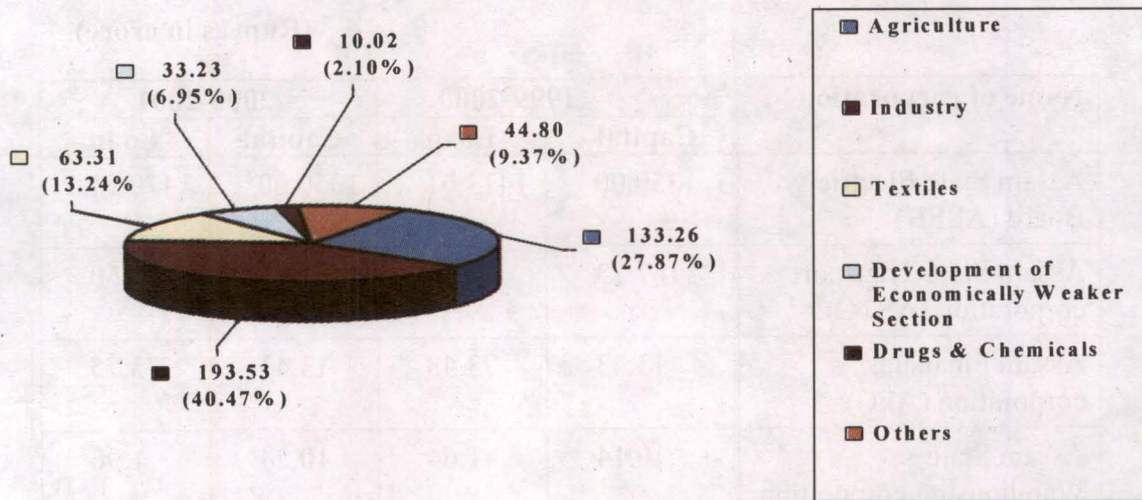
Sector-wise investment in working Government companies

As on 31 March 2001, the total investment in working Government companies, comprised 49.15 per cent of equity capital and 50.85 per cent of loans as compared to 48.88 per cent and 51.12 per cent, respectively, as on 31 March 2000.

The investment (equity and long term loans) in various sectors and percentage thereof at the end of 31 March 2001 and 31 March 2000 are indicated in the pie charts given below:

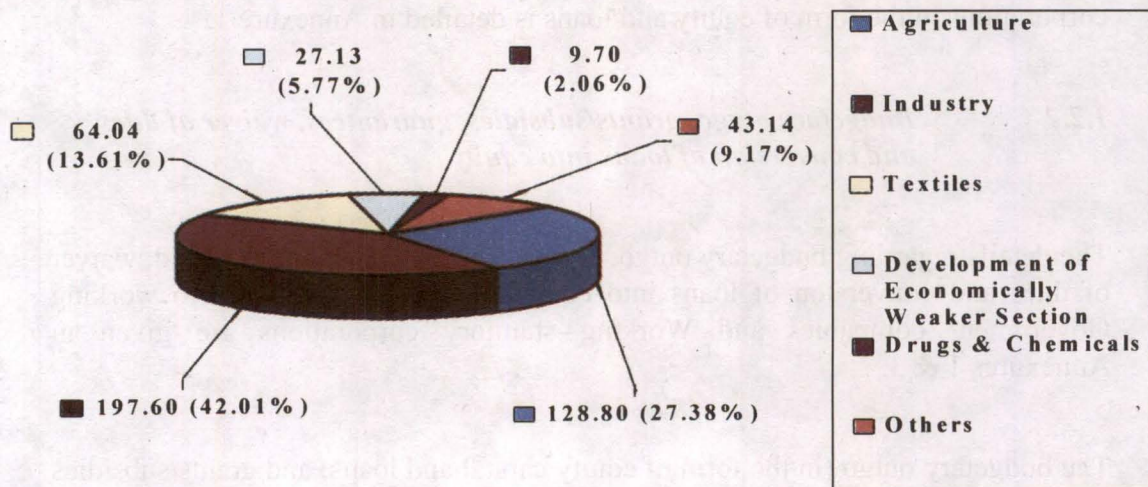
Total investment in working Government companies: Rs.478.15 crore

2000-2001



Total investment in working Government companies: Rs.470.41 crore

1999-2000



Due to increase in equity, mainly in Industry and Agriculture Sector-the debt equity ratio decreased to 1.03:1 in 2000-2001 from 1.05:1 in 1999-2000.

1.2.1.2 Working statutory corporations

The total investment in 4 working statutory corporations at the end of March 2001 and March 2000 was as follows:

(Rupees in crore)

Name of corporation	1999-2000		2000-2001	
	Capital	Loan	Capital	Loan
Assam State Electricity Board (ASEB)	1350.00	1413.61	1350.00	1470.51
Assam State Transport corporation (ASTC)	167.73	68.73	167.73	83.60
Assam Financial corporation (AFC)	13.43	73.48	13.43	73.75
Assam State Warehousing corporation (ASWC)	10.14	1.64	10.24	1.96
Total:	1541.30	1557.46	1541.40	1629.82

The summarized statement of Government investment in working statutory corporations in the form of equity and loans is detailed in Annexure 1.

1.2.2 Budgetary outgo, grants/subsidies, guarantees, waiver of dues and conversion of loans into equity

The details regarding budgetary outgo, grants/subsidies, guarantees issued, waiver of dues and conversion of loans into equity by State Government to working Government companies and Working statutory corporations are given in Annexures 1 & 3.

The budgetary outgo (in the form of equity capital and loans) and grants/subsidies from the State Government to 28 working Government companies and 4 working statutory corporations for the three years up to 2000- 2001 are given in next page:

(Rupees in crore)

	1998-99				1999-2000				2000-2001			
	Companies		Corporations		Companies		corporations		Companies		corporations	
	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount	No	Amount
Equity Capital outgo from budget	3	0.34	1	0.26	2	1.21	2	0.95	9	4.98	1	0.10
Loans given from budget	3	1.62	2	98.90	2	1.35	2	58.15	7	7.71	3	103.99
Grants/Subsidy towards	-	-	-	-	-	-	-	-	-	-	-	-
(i) Projects/ Programmes/ Schemes	8	13.59	-	-	5	11.04	1	17.50	2	0.34	-	-
(ii) Other Subsidy	-	-	-	-	4	1.56	-	-	-	-	-	-
Total grants/subsidy	8	13.59	-	-	7	12.60	1	17.50	2	0.34	-	-
Total outgo	11	15.55	3	99.16	10	15.16	4	76.60	14	13.03	3	104.09

During the year 2000-01, the Government had guaranteed loans aggregating Rs.19.24 crore obtained by 1 Working Government company. At the end of the year guarantees amounting to Rs.898.68 crore obtained by 7 Working Government companies (Rs.82.04 crore) and 3 working statutory corporations (Rs.816.64 crore) were outstanding as against the outstanding guarantee of Rs.912.44 crore obtained by 9 working companies (Rs.101.47 crore) and 4 statutory corporations (Rs.810.97 crore) as on 31 March 2000. There were 10 cases of default (companies: 7; corporations: 3) in repayment of guaranteed loans during the year. Neither the Government claimed any guarantee commission nor the PSUs paid any amount to the Government in this regard till march 2001.

1.2.3 Finalisation of accounts by working PSUs

The accounts of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year under Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956 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 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 out of 32 working Government companies/corporations, (28 working Companies and 4 working statutory corporations) none of the Companies/corporations have finalised their accounts for the year 2000-01, within stipulated period. During the period from October 2000 to September 2001, 19 working Government companies finalised 25 accounts for previous years. Similarly, during this period 3 Working statutory corporations finalised 3 accounts for previous years.

The accounts of 28 working Government companies and 4 statutory corporations were in arrears for periods ranging from one year to 18 years as on 30 September 2001 as detailed below:

Sl.No.	Year from which accounts are in arrears	Number of years for which Accounts are in arrears	No. of working Companies/corporations		Reference to serial No. of Annexure 2/3	
			Government companies	Statutory corporations	Government companies	Statutory corporations
1	1983-84	18	1	-	26	-
2	1986-87	15	2	-	5,21	-
3	1987-88	14	1	-	7	-
4	1988-89	13	4	-	13,17,22,28	-
5	1989-90	12	2	-	3,23	-
6	1990-91	11	2	-	9,27	-
7	1991-92	10	1	-	1	-
8	1992-93	9	1	-	24	-
9	1993-94	8	3	-	14,19,20	-
10	1994-95	7	2	-	4,16	-
11	1995-96	6	2	1	6,15	2
12	1996-97	5	1	1	18	4
13	1999-2000	2	3	2	2,12,25	1,3
14	2000-2001	1	3	-	8,10,11	-

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 Audit regarding arrears in finalisation of accounts, no effective measures have been taken by the Government and as a result the investments made in these PSUs could not be assessed in audit.

1.2.4. Financial position and working results of working PSUs

The summarised financial results of working PSUs (Government companies and statutory corporations) as per latest finalized accounts are given in Annexure 2. Besides, statements showing financial position and working results of individual working statutory corporations for the latest three years for which accounts are finalized are given in Annexures 4 and 5 respectively.

According to latest finalized accounts of 28 working Government companies and 4 working statutory corporations, 24 companies and 4 corporations had incurred an aggregate loss of Rs.26.79 crore and Rs.572.49 crore, respectively, 3 Companies had earned an aggregate profit of Rs.5.09 crore and 1 company had not commenced commercial activities.

1.2.4.1 Working Government companies

1.2.4.1.1 Profit earning working companies and dividend

Out of 19 working Government companies, which finalized their accounts for previous years by September 2001, 2 Government companies earned an aggregate profit of Rs.4.25* crore and all the 2 companies earned profit for two or more successive years.

1.2.4.1.2 Loss incurring working Government companies

Of the 24 loss incurring working Government companies, 10** companies had accumulated losses aggregating Rs.114.21 crore which exceeded their aggregate paid-up capital of Rs.50.15 crore.

Despite poor performance and 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, subsidy etc. According to available information, the total financial support so provided by the State Government by way of equity (Rs.2.01 crore), subsidy (Rs.0.008 crore) and loan

* Sl. No. A 10 and A 22 of Annexure 2.

** Sl. No. A 1,2,4,6,12,13,15,20,21 and 25 of Annexure 2.

(Rs.5.76 crore) during 2000-01 to 5 companies amounted to Rs.7.78 crore out of these 10 companies.

1.2.4.2. Working statutory corporations

1.2.4.2.1 Loss incurring statutory corporations

Of the 4 loss incurring working statutory corporations, 3 corporations had accumulated losses aggregating Rs.2678.55 crore which exceeded their aggregate paid-up capital of Rs.1530.41 crore.

Despite poor performance and complete erosion of paid-up capital, the State Government continued to provide financial support to these corporations in the form of contribution towards grant of loans. According to available information, the total financial support so provided by the State Government by way of loans during 2000-01 to these 3 corporations amounted to Rs.103.67 crore.

1.2.4.2.2 Operational performance of working statutory corporations

The operational performance of the working 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 revenue per KWH decreased from Rs.3.21 in 1999-2000 to Rs.2.95 in 2000-2001.

The expenditure per KWH increased from Rs.5.60 in 1999-2000 to Rs.7.28 in 2000-2001.

(b) Assam State Transport Corporation:

Percentage of utilisation of vehicles decreased from 48.95 in 1998-99 to 27 in 2000-2001.

Employees' vehicle ratio increased from 20.98:1 in 1998-99 to 43.46:1 in 2000-2001.

1.2.5. Return on capital employed

As per the latest finalized accounts (up to September 2001), the capital employed* worked out to Rs.427.84 crore in 27^s working companies and total return[†] thereon amounted to (-)Rs.5.15 crore as compared to total return of Rs.1.79 crore (0.46 per cent) in the previous year (accounts finalised up to September 2000). Similarly, the capital employed and total return thereon in case of 4 working statutory corporations as per the latest finalized accounts (up to September 2001) worked out to Rs.1805.12 crore and Rs. (-) 310.19 crore respectively, against the total return of Rs. (-) 221.04 Crore in previous year (accounts finalised up to September 2000). The details of capital employed and total return on capital employed in case of working Government companies and statutory corporations are given in Annexure 2.

1.3 Non-working PSUs

1.3.1 Investment in non-working PSUs

As on 31 March 2001 the total investment in 10 non-working PSUs (10 non-working Government companies) was Rs.82.44 crore (equity: Rs.27.62 crore, long term loans: Rs.39.52 crore and share application money: Rs.15.30 crore) against total investment of Rs.80.75 crore (equity: Rs.26.98 crore, long term loans: Rs.39.13 crore and share application money: Rs.14.64 crore) in 10 non-working PSUs (10 non-working Government companies) as on 31 March 2000.

* 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 aggregate of opening and closing balances of paid-up capital, free reserves, bonds, deposits and borrowings (including refinance).

^s Out of 28 working Government companies, one company is yet to start commercial function.

[†] 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.

The classification of the non-working PSUs was as under:

(Rupees in Crore)

Sl. No.	Status of non-working PSUs	Number of Companies	Number of corporations	Investment			
				Companies		Corporations	
				Equity	Long term loans	Equity	Long term loans
(i)	Under liquidation	-	-	-	-	-	-
(ii)	Under closure	-	-	-	-	-	-
(iii)	Under merger	-	-	-	-	-	-
(iv)	Others	10	-	42.92	39.52	-	-
	Total	-	-	42.92	39.52	-	-

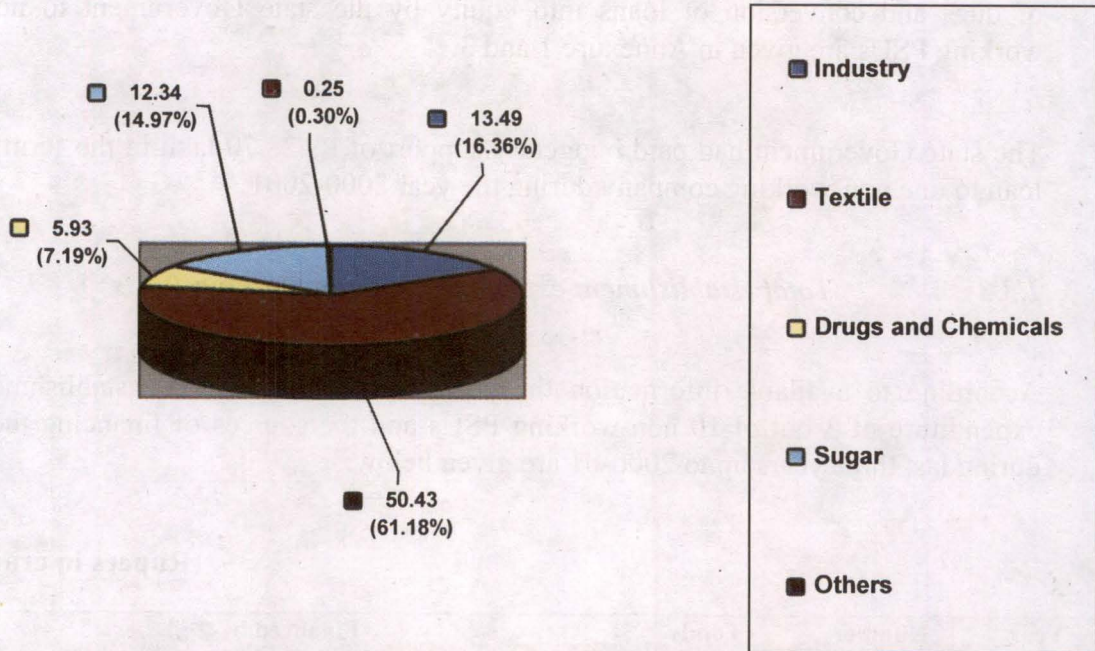
As per latest finalized accounts, out of 10 companies 5[@] companies have become sick in terms of Section 3 (i) of the Sick Industrial Companies (Special Provision) Act, 1989 since their accumulated loss has exceeded their net worth. Out of these 5 companies, 4* companies have been declared as Relief Undertakings under the provisions of Assam State Industrial Relief Undertakings (Special Provision) Act, 1989.

The investment (equity and long term loans) in various sectors and percentage thereof at the end of 31 March 2001 and 2000 are indicated in the pie charts given in next page:

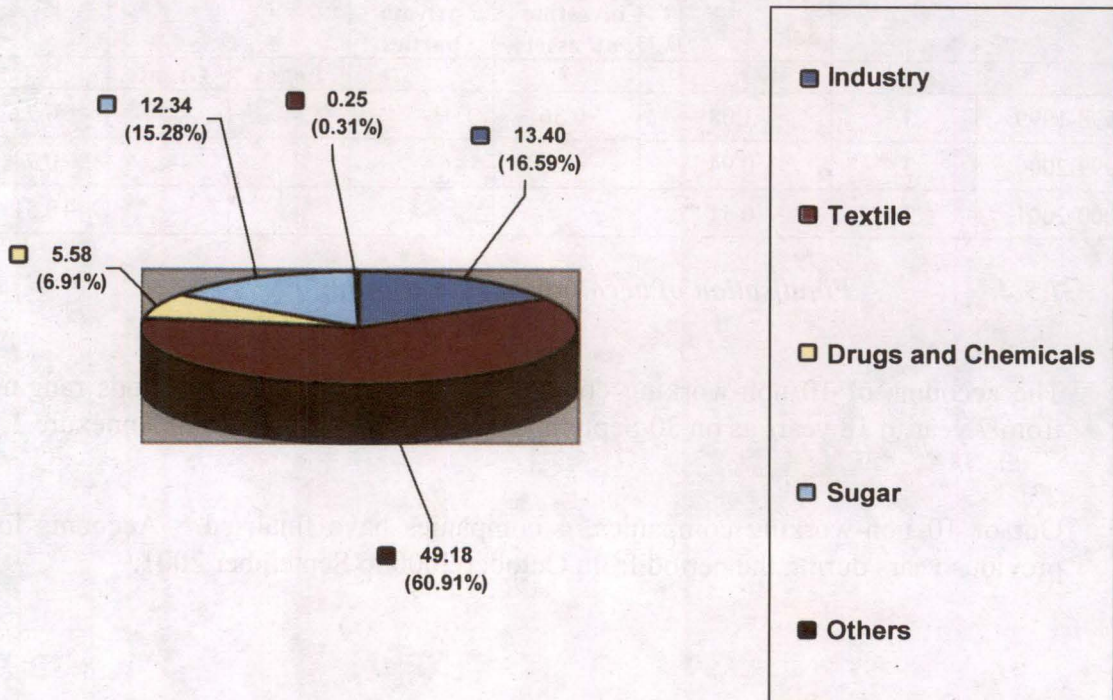
[@] Sl. No. C 1,4,6,9,10 of Annexure 2.

* Sl. No. 4,6,9,10 of Annexure 2.

**Total investment in non-working Government companies: Rs.82.44 crore
2000-2001**



**Total investment in non-working Government companies: Rs.80.75 crore
1999-2000**



1.3.2 Budgetary outgo, grant/subsidy, guarantees, waiver of dues and conversion of loans into equity

The details regarding budgetary outgo, grants/subsidies, guarantees issued, waiver of dues and conversion of loans into equity by the state Government to non-working PSUs are given in Annexure 1 and 3.

The state Government had paid budgetary support of Rs.28.70 lakh in the form of loan to one non-working company during the year 2000-2001.

1.3.3 Total establishment expenditure of non-working PSUs

According to available information the year wise details of total establishment expenditure of 3 out of 10 non-working PSUs and the sources of financing them during last three years up to 2000-01 are given below:

(Rupees in crore)

Year	Number of PSUs	Total establishment expenditure	Financed by				
			Disposal of investment/ assets	Loans from private parties	Government by way of		Others
					Loans	Grants	
1998-1999	3	1.08	0.36	-	-	-	0.72
1999-2000	3	0.94	0.20	-	-	-	0.74
2000-2001	3	0.51	-	-	-	-	0.51

1.3.4 Finalisation of accounts by non-working PSUs

The accounts of 10 non-working companies were in arrears for periods ranging from 7 year to 18 years as on 30 September 2001 as can be seen from Annexure 3.

Out of 10 non-working companies, 4 companies have finalised 8 Accounts for previous years during the period from October 2000 to September 2001.

1.3.5 Financial position and working results of non-working PSUs

The summarised financial results of non-working Government companies as per latest finalized accounts are given in Annexure 2.

The details of paid-up capital, net worth, cash loss/cash profit and accumulated loss/accumulated profit of non working PSUs as per their latest finalised accounts are given below: -

(Rupees in crore)

Sl. No.	Name of the company	Paid-up capital	Net worth ^{&}	Cash loss (-)/ cash profit (+)	Accumulated loss (-)/ accumulated profit (+)
1.	Assam Tanneries Limited	2.40	(-)1.39	(-)0.12	(-)3.79
2.	Industrial Papers (Assam) Limited	39.93	39.93	Commercial function not started	
3.	Amtron Sen Electronics Limited	2.00	1.80	(-)0.77	(-)0.20
4.	Assam Spun silk Mills Limited	169.59	(-)184.02	(-)5.90	(-)353.61
5.	Assam Polytex Limited	526.01	314.65	Commercial function not started	
6.	Assam Syntex Limited	511.50	(-)703.40	(-)240.36	(-)1214.90
7.	Assam State Weaving and manufacturing Company Limited	863.50	797.17	(-)9.83	(-)86.04
8.	Assam Meghalaya Mineral Development Corporation Limited	23.44	14.71	(-)0.73	(-)8.73
9.	Cachar Sugar Mills Limited	337.85	(-)912.93	(-)89.15	(-)1250.78
10.	Fertichem Limited	199.47	(-)481.60	(-)94.28	(-)681.07
		2675.69	(-)1115.08	(-)441.14	(-)3599.12

1.4 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 C&AG of India in the Legislature by the Government:

[&] Note: Net worth, Cash loss/profit and accumulated loss/profit calculated are as per latest certified accounts.

Sl. No.	Name of statutory corporation	Years 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 the Legislature
1.	Assam State Electricity Board	1995-96	1996-97, 1997-98 1998-99	February 1999, July 2000 September 2001	NA
2.	Assam State Transport corporation	1989-90	1990-91 1991-92 1992-93 to 1994-95	January 1997 February 1997 November 1998	NA
3.	Assam financial corporation	1987-88	1988-89 to 1998-99	December 1990 to October 2001	NA
4.	Assam State Warehousing corporation	1994-95	1995-96	June 2001	NA

1.5 Results of audit by Comptroller and Auditor General of India

During the period from October 2000 to September 2001, the audit of accounts of 23 Government companies (working 19 and non-working 4) and 3 corporations 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	
	Working	Non-working	Working	Non-working	Working	Non-working	Working	Non-working
(i) Decrease in profit	3	-	-	-	166.15	-	-	-
(ii) Increase in profit	-	-	-	-	-	-	-	-
(iii) Increase in loss	12	4	2	-	2420.37	12.38	21164.92	-
(iv) Decrease in loss	2	-	1	-	5.37	-	17.00	-
(v) Non-disclosure of material facts	11	1	3	-	15 Nos	1 No.	12 Nos	-
(vi) Errors of classification	7	3	1	-	10 Nos	4 Nos	5 Nos	-

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

1.5.1 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 were as under: -

(i) Assam Hills Small Industries Development Corporation Limited (1986-87)

Accumulated loss was understated by Rs.106.77 lakh due to non-provision of accrued interest on state Government loan.

(ii) Assam Seeds Corporation Limited (1989-90)

Loss for the year was understated by Rs.14.25 lakh due to valuation of closing stock on the basis of quantities shown in the books of accounts instead of actual physical balance.

(iii) Assam Industrial Development Corporation Limited (1999-2000)

(a) The company did not provide for Rs.636.47 lakh being interest accrued and due for more than 10 years, mostly from defunct companies, the chances of recovery of which appeared doubtful. This has resulted in understatement of loss for the year by Rs.636.47 lakh.

(b) Non-provision of interest on Government loans resulted in understatement of loss as well as liability by Rs.1258.25 lakh.

1.5.2 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 ASEB for the year ended 31 March 1999.

Assam State Electricity Board-1998-99

The net deficit of Rs.549.77 crore after prior period adjustment has been understated by Rs.197.19 crore as under:

Understated due to	<u>Amount</u> (Rupees in crore)
i) Short provision for purchase of power	14.26
ii) Short accountal of power purchase bills	142.76
iii) Short accountal of surcharge on power purchase bills	32.43
iv) Non-provision of balance of compensation payable to M/S Hydel Construction Limited	0.80
v) Non-provision of outstanding Minimum Demand Charges/Transport Charges /Interest Charges to AGCL	4.01
vi) Incorrect capitalization of employees' cost and general expenditure	1.82
vii) Non-adjustment of surcharge waived	0.52
viii) Non-accountal of irrecoverable debts	<u>0.59</u>
Total net understated	<u>197.19</u>

Assam Financial Corporation (1998-99)

Non-provision of interest on loans from Industrial Development Bank of India/Small Industries Development Bank of India on accrual basis as per IDBI guidelines resulted in understatement of cumulative loss by Rs.1445.92 lakh.

**1.5.2.1 *Audit assessment of the working results of Assam State
Electricity Board***

Based on the audit assessment of the working results of the Assam State Electricity Board (ASEB) for three years up to 1998-99 and taking into consideration the major irregularities and omissions pointed out in the SARs on the annual accounts

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 and capital invested of the ASEB will be as given below:

(Rupees in crore)

Sl. No.	Particulars	1996-97	1997-1998	1998-99
1.	Net surplus/(-) deficit as per books of accounts	(-) 358.72	(-) 387.25	(-) 549.76
2.	Subsidy from the State Government	52.33	52.33	52.33
3.	Net surplus/(-) deficit before subsidy from the State Government (1-2)	(-) 411.05	(-) 439.58	(-) 602.09
4.	Net increase/decrease in net surplus/ (-) deficit on account of audit comments on the annual accounts of the SEB	(-) 139.87	(-) 481.01	(-) 197.19
5.	Net surplus/(-) deficit after taking into account the impact of audit comments but before subsidy from the State Government (3-4)	(-) 550.92	(-) 920.59	(-) 799.28
6.	Total return* on capital employed	(-) 377.53	(-) 737.68	(-) 544.38
7.	Percentage of total return on capital employed	-	-	-

1.5.3. *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 measures/action taken by these PSUs so far.

1.5.3.1. *Statutory Corporations*

1.5.3.2. *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) Difference between issue rates and actual cost of materials has not been adjusted in the accounts.

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

1.6 Recommendation for closure of PSUs

Even after completion of 11 to 47 years of their existence, the turnover of 19 Government companies (working: 15, non-working: 4) and 1 statutory[@] corporation have been less than Rs.5 crore in each of the preceding five years of latest finalized accounts. Similarly, 4 Government companies (working: 3, non-working: 1) had been incurring losses for five consecutive years (as per latest finalized accounts) leading to negative net worth. In view of poor turnover and continuous losses, the Government may either improve performance of above 19 Government companies and 1 statutory corporation or consider their closure. The Government may also like to consider the merger of Assam Financial Corporation with the Assam Industrial Development Corporation since their functions are identical in nature. Moreover, turnover of AFC is less than five crore with losses for consecutive 5 years leading to negative net worth (Annexure-9 & 10).

1.7 Response to Inspection Reports, Draft paras and reviews

Audit observations noticed during audit and not settled on the spot are communicated to the heads of PSUs and concerned departments of State Government through Inspection Reports. The heads of PSUs are required to furnish replies to the Inspection Reports through respective heads of departments within a period of six weeks. Inspection Reports issued up to March 2001 pertaining to 38 PSUs disclosed that 5138 paragraphs relating to 834 Inspection Reports remained outstanding at the end of September 2001. Of these, 440 Inspection Reports containing 2428 paragraphs had not been replied to for more than one year. Department-wise break-up of Inspection reports and Audit Observations outstanding as on 30 September 2001 is given in Annexure 7.

Similarly, draft paragraphs and reviews on the working of PSUs are forwarded to the Principal Secretary/Secretary of the administrative department concerned demi-officially seeking confirmation of facts and figures and their comments thereon within a period of six weeks. It was, however, observed that 15 draft paragraphs and 3 draft reviews forwarded to the various departments during April and May 2001 as detailed in Annexure-8, had not been replied to so far.

It is recommended that (a) the Government should ensure that procedure exists for action against the officials who failed to send replies to Inspection Reports/draft paragraphs/reviews as per the prescribed time schedule, (b) action to recover

[@] Excluding State Electricity Board and Transport Corporation

loss/outstanding advances/overpayment in a time bound schedule and (c) revamping the system of responding to the audit observations.

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

During the period from April 2000 to March 2001 COPU did not meet on any occasion to discuss the Audit Report. Neither any Recommendation of COPU on the Audit Report nor any Action Taken Note on the recommendations made earlier has been received (September 2001).

Position of discussion of Audit Reports and reviews/paragraphs pending with the COPU as on 31 March 2001 is shown below: -

Period of Audit Report	No. of reviews and paragraphs appeared in Audit Report		No. of reviews and paragraphs 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
1999-2000	3	17	3	17
Total	31	145	24	101

Out of 31 reviews and 145 paragraphs which featured in the Audit Reports for the years 1989-90 to 1999-2000, 7 reviews and 44 paragraphs only have been discussed by COPU. Recommendations of COPU on the Audit Report 1991-92 have been received in August 1997. However, the Action Taken Note on the recommendations is still awaited from the Government (September 2001).

CHAPTER II

SECTION 2A

Review on the working of Assam Livestock and Poultry Corporation Limited

Highlights

The company unauthorisedly diverted and utilised an amount of Rs.3.49 crore, towards construction of projects (Rs.0.33 crore) and working capital (Rs.3.16 crore) in violation of the terms of sanction.

(Paragraph 2A.4)

Non-completion of the civil works for the processing plants in time resulted in extra expenditure of Rs.1.01 crore and loss of projected revenue to the tune of Rs.1.75 crore.

(Paragraph 2A.6.1.1.1 A&B)

Placement of order for procurement of machinery at a price higher than that quoted by the supplier by Rs.0.32 crore without any assigned reason.

(Paragraph 2A.6.1.1.1 B)

Procurement of machinery before completion of civil works resulted in locking up of company's fund amounting to Rs.1.18 crore and loss of interest thereon amounting to Rs.0.78 crore.

(Paragraph 2A.6.1.1.1 C)

The company did not ensure the completion of the work in time, which resulted in escalation of price by Rs.0.65 crore.

(Paragraph 2A.6.1.1.2 B)

Against actual utilisation of Rs.0.62 crore, the company furnished utilisation certificate of Rs.1 crore to the Government of India.

(Paragraph 2A.6.2.1 B and 2.A.7.1)

Extension of undue relief/benefit to the lessee resulted in loss of revenue to the tune of Rs.0.06 crore and loss of potential revenue to the tune of Rs.0.20 crore.

(Paragraph. 2A.8.2)

The company leased out Mini Processing Plants costing Rs.0.59 crore and realized a negligible rental of Rs.0.0006 crore over a period of five years which rendered the investment infructuous

(Paragraph 2A.8.3.2)

The company deployed manpower in excess of Board's approved strength and thus incurred an extra expenditure of Rs.1.07crore.

(Paragraph 2A.10)

2A.1 Introduction

Assam Livestock and Poultry Corporation Limited was incorporated in the year 1984 under the Companies Act, 1956 with the objective of undertaking development of livestock and poultry trade to improve the socio-economic conditions of livestock and poultry breeders and also to introduce modern economic techniques of livestock and poultry keeping in the state of Assam.

2A.2 Organisations set-up

The company is managed by a Board of Directors consisting of 11 members, including Managing Director and the Chairman. The Managing Director is assisted by the Project Engineer, Finance & Accounts Officer, Administrative Officer and General Managers.

2A.3 Scope of Audit

As the company had not been reviewed by audit earlier, the activities of the company since inception were reviewed with special emphasis on the transactions for the five years ended 2000-2001 during the period from January to March 2001 and the results are discussed in succeeding paragraphs.

2A.4 Finance and resources

The company was incorporated with an authorised capital of Rs.2.50 crore. As on 31 March 1999 paid-up capital of the company stood at Rs.2.19 crore (Rs.6.50 lakh contributed by Government of Assam and Rs.212.50 lakh contributed by Government of India). The company also received (March 1992 – January 2001) central assistance of Rs.6.05 crore as grants in aid. These funds were allotted for seven on going projects. Further an amount of Rs.1.42 crore (1991 – 1999) was received for implementation of various centrally sponsored promotional and developmental schemes.

The Directorate of Dairy Development Department, Government of Assam, the nodal agency for implementation of Milk Village Scheme, placed a sum of Rs.6.40 crore during June 1988 to August 1993 with the company, for the scheme with the following terms and conditions: -

- 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) interest earned on fixed deposits could be used by the company for its own purpose.

Mention was also made on this subject vide para.3.1.3.2 of Chapter-III of Audit Report (Commercial)—Government of Assam for the year ended 31 March 2000.

Funds received from Government for implementation of Milk Village Scheme were utilised contrary to the terms and conditions

Out of Rs.6.40 crore, the company refunded (1993-2001) Rs.2.81 crore, (initially an amount of Rs.1 crore refunded in 1992 was again released to the company during 1998-99), kept Rs.0.10 crore in fixed deposit as on 31 March 2001 and in violation of the conditions of sanction an amount of Rs.3.49 crore was unauthorisedly diverted and utilised for construction of projects (Rs.0.33 crore) and working capital (Rs.3.16 crore).

2A.5 Financial position and working Results

The company incurred losses during 1994 to 1999, as its income was not sufficient to meet even the establishment expenses

The company has finalised accounts for the year 1985-86 (first year's accounts) only. Based on provisional accounts, financial position and working results of the company for the five years ended 1998-99 have been shown in Annexure 16 &17. It would be evident from the Annexure that the company had incurred losses in all the five years. Out of company's total income 57 to 100 per cent accounted for interest income from fixed deposits which was not sufficient to meet its regular establishment expenses. Reasons for losses as analysed by Audit were non-completion of the projects, inadequate revenue earning from different revenue earning schemes, and also increase in overhead expenses etc.

2A.6 Projects under construction

The company was yet to formulate any plan for mobilisation of funds for the projects

As on March 2001 the company had 7 ongoing projects (4 meat processing plants, two carcass utilization plants and one slaughter house) spread over the State. The projects were proposed to be financed by Government of India and the state government/company. Though the Government of India had contributed more than its proposed share, the company has not so far (March 2001) received any contribution from the State government nor the company could itself contribute any funds towards the cost of the Projects.

Against the estimated cost of Rs.17.47 crore in respect of 7 ongoing projects, the company incurred total expenditure of Rs.8.50 crore which was met out of contribution received (Rs.8.17 crore) from the Union Government and partly out of deposits held by the Company on behalf of State departments as discussed in Para 2A.4 *supra*.

The company is not left with any capital fund and the management is yet (March 2001) to formulate any plan for mobilisation of funds for the projects.

Irregularities noticed in connection with execution of the projects are discussed in succeeding paragraphs.

2A.6.1 Processing Plants

2A.6.1.1 Objective

In order to generate employment/self employment opportunities for the rural and tribal people of the State and also to provide hygienic meat to the consumers at a reasonable price by establishing slaughterhouses and processing plants for poultry, pigs and goat the company took up the following projects in 1992-93: -

2A.6.1.1.1 Poultry, pig and sheep-goat-processing plants at Khanapara

The company took up the project at an estimated cost of Rs.8.27 crore to be shared by the Central Government (Rs.4.87 crore) and State government (Rs.3.40 crore). The State government provided the land for these plants free of cost, for which the projected cost was Rs.0.80 crore. The projected date of completion of the projects was July/August 1994. However, the work could be awarded only in March 1995. The company appointed (September 1991) M/s Project Engineering Services (PES), New Delhi as consultant for designing, procurement, installation and erection of the plants. However, in the absence of any record being shown to Audit the process of selection of the consultant (PES) could not be verified in Audit. The consultant recommended (February 1993) for purchase of only a part of the machinery from foreign manufacturers and the remaining from indigenous manufacturers. The proposal was approved (February 1993) by the Board of Directors which segregated the work into three parts i.e., (i) civil works to be taken up by the company, (ii) indigenous machinery to be arranged by the company and (iii) procurement of foreign machinery through consultant.

Process of selection of the consultant was not transparent

(A) Civil works

On acceptance of the lowest tendered rate, civil works for the project were awarded (March 1995) to M/s Deka Consultancy and Agency Services, a consultant firm, at an agreed price of Rs.1.29 crore with the stipulation to complete the work within December 1995.

From the beginning the company did not respond to various problems such as non-provision of working front/approach road, non-payment of advances for the work, escalation claim etc., raised by the contractor nor came to a negotiated settlement for expediting the process of completion of the work/project.

Lack of control and monitoring over the execution of the work resulted in time overrun and cost overrun

Dispute over the rate of escalation led the parties to seek arbitration (September 1996). The arbitrator awarded (November 1996) an escalation of Rs.40.14 lakh over the agreed price (Rs.1.29 crore), which was ultimately negotiated to Rs.38.00 lakh. Even after the award of the arbitrator, the first contractor did not complete the work and an amount of Rs.42.41 lakh was paid to him for the work done. As the Company failed to achieve any progress in the work a second contractor (Shri Muslim Ali) had to be engaged (December 1998) to complete the remaining work at Rs.1.25 crore.

Management did not recover interest on mobilisation advance and liquidated damages

While settling the claim of the first contractor the management did not recover Rs.11.64 lakh on account of interest on mobilization advance (Rs.4.22 lakh) and liquidated damages (Rs.7.42 lakh) for delay in execution of the work. The 2nd contractor was paid Rs.1.88 crore for completion of a part of the remaining work having estimated cost of Rs.1.15 crore.

Ninety-five percent of the total work has since been completed (March 2001) at a cost of Rs.2.30 crore, (Rs.0.42 crore + Rs.1.88 crore), resulting in extra expenditure of Rs.1.01 crore (Rs.2.30 crore – Rs.1.29 crore).

(B) *Purchase and installation of indigeneous machinery*

For procurement of indigeneous machinery, the Chairman of the company collected (March 1996) three quotations and the same were handed over to the Managing Director for processing. Of these, the prices quoted by M/s Project Engineering Services (PES), New Delhi were the lowest. Accordingly, order for supply was awarded (April 1996) to M/s PES at the agreed price of Rs.2.33 crore. However, though the Company paid Rs.1.18 crore as advance to the firm, the firm supplied machinery worth Rs.1.06 crore only during the period of five years (up to March 2001). Erection of machinery so procured could not be completed and, as such, the project could also not be commissioned (March 2001).

The company had projected generation of net income from the 3rd year as detailed below: -

Name of the Units	Years (Rupees in lakh)				
	1997-98	1998-99	1999-2000	2000-01	Total
Pork Processing Plant	5.10	13.10	21.00	21.00	60.20
Poultry Processing Plant	0.74	9.98	19.07	19.07	48.86
Sheep/Goat Processing Plant	11.40	15.20	19.50	19.50	65.60
Total	17.24	38.28	59.57	59.57	174.66

Non-completion of the projects in time resulted in loss of potential revenue to the tune of Rs.1.75 crore

The company had to forgo projected revenue to the tune of Rs.1.75 crore till March 2001.

In this connection the following further irregularities were noticed:

- a) The basis of collection of quotations from the parties is not on record and by not going for open tender the reasonability of rates obtained could not be vouched by Audit.
- b) Price of machinery as per company's order on the supplier exceeded the price offered by the supplier in its quotation by Rs.0.32 crore without any assigned reason.
- c) The civil works required for the installation of machinery were not completed in time by the Company resulting in delay/non-installation of machinery in time and expiry of warranty period of the machinery.

(C) Procurement and installation of foreign equipment

On the recommendation of the consultant M/s PES, Board of Directors of the Company decided (December 1994) to procure the foreign equipment from M/s Seffelaar & Looyen B.V, Holland. Accordingly, Letter of Credit (LOC) in favour of the supplier was opened (November 1995) for an amount of Rs.1.18 crore. The Company received the machinery in January 1996 and incurred an expenditure of Rs.3.89 lakh towards clearance charges and other miscellaneous expenses.

In the process of procurement of the machinery the following irregularities were observed in audit:

a) Global tenders were not invited by the consultant to obtain competitive rate and quality of the equipment.

b) Management failed to furnish supply orders, agreement, invoices, bills and suppliers' acknowledgement of payment relating to the supply to audit. As such, transactions involved in the procurement could not be vouchsafed.

Procurement of machinery before completion of civil works resulted in locking up of company's funds of Rs.1.18 crore and loss of interest of Rs.0.78 crore thereon

c) Machinery was procured at a time when civil works for the plants were far from completion. Consequently, the company sustained loss of interest of Rs.78.06 lakh at 12 per cent per annum on the locked up funds (Rs.1.18 crore) for more than five years (November 1995 to March 2001). The plants are yet to be commissioned though a period of six years has elapsed since the award of civil works.

2A.6.1.1.2 Integrated Piggery Development Project

The company was to take up the Integrated Piggery Development Project at an estimated cost of Rs.3.60 crore to be shared by the Central Government (Rs.2.70 crore) and the company/state government (Rs.0.90 crore). The project was to be completed in two parts viz., construction of piggery farms (Rs.1.68 crore) and Pork Processing Plant (Rs.1.92 crore) and was scheduled to be commissioned in November 1995. Detailed execution of project is discussed below: -

(A) Construction of Piggery Farms

This project has not been taken up. The pigs, which were to be reared, were to be raw materials for the Pork Processing Plant. By not taking up this aspect of the integrated project, the viability of the Pork Processing Plant is not assured.

(B) Pork Processing Plant

Work under the project was initially awarded on open tender basis (February 1995) to M/s Raja Rama Brothers Pvt. Ltd. on turnkey basis at an agreed price of Rs.1.38 crore (civil works of Rs.0.34 crore and machinery Rs.1.04 crore). The work was scheduled to be completed within January 1996.

Delay in completion resulted in extra expenditure of Rs.0.17 crore

However, since beginning, the performance of the contractor was slow. The contractor stopped the work in November 1995 and the contract was terminated by the company in February 1996. The contractor completed civil work of

Rs.8.74 lakh only. The remaining work was completed at a cost of Rs.42.38 lakh. The work was completed in December 1997 by incurring extra expenditure of Rs.17.12 lakh.

Order for supply of machinery was initially awarded (February 1995) to M/s Raja Rama Bros Pvt. Ltd., an agent of M/s Steadler Corporation, Mumbai, at an agreed price of Rs.104.00 lakh. The work was scheduled to be completed by November 1995. However, on cancellation (January 1996) of the agency of M/s Raja Rama Bros. Pvt. Ltd., the company allowed M/s Steadler Corporation (Principal) to supply the machinery on the same terms and conditions as with the agent. The firm supplied (December 1995 – June 1997) machinery valued at Rs.58.55 lakh against an advance of Rs.61.00 lakh, paid (March 1995 – February 1996) to the firm for the purpose; Rs.2.45 lakh retained by the firm is yet (March 2001) to be recovered by the Company, though a period of 5 years has elapsed.

**“Cost and Risk”
clause not invoked
to recover the
enhanced cost of
Rs.0.65 crore from
the first
contractor**

Subsequently, the management collected three quotations for the remaining machinery and M/s Project Engineering Services, New Delhi, the lowest tenderer, was awarded (April 1999) the supply order at an agreed price of Rs.1.07 crore. The second supplier also delayed the supply of machinery by a year. Till March 2001, eighty-five per cent of the machinery valued at Rs.1.54 crore was supplied by both the firms. As observed in Audit the main reason for delay in completion of the work by the second supplier was delay on the part of the company in paying bills. Thus as compared to the original ordered price of machinery i.e. Rs.1.04 crore, the price has already escalated by Rs.0.65 crore (March 2001) for 85 percent of machinery supplied. The management did neither take any initiative to invoke the ‘Risk & Cost’ clause of the agreement to recover the enhanced cost of the machinery nor encashed the bank guarantee of Rs.5.00 lakh obtained from the first contractor.

2A. 6.1.1.3 Slaughter House at Silchar

(A) Funding: Estimated cost of the project was Rs.95.80 lakh which was proposed to be financed by Government of India (Rs.48.10 lakh) and the company/state government (Rs.47.70 lakh). However, the management assured (December 1994 and February 1995) the state government of bearing the state’s share of Rs.47.70 lakh out of their own resources and thus relieved the State government from its liability towards the project.

Government of India sanctioned (March 1994) Rs.42.60 lakh to the Government of Assam as grants-in-aid for implementation of this project. However, the state government released the amount by instalments, over a period of seven years, to the company and the last instalment was paid in January 2001.

(B) Construction of the project: The construction of the Slaughter House was taken up on a land which was under dispute since 1989 and the company invited (February 1995) tenders only through office notification for civil work, supply of machinery and its commissioning in response to which no quotations were received.

Subsequently, one M/s Kripal Singh and Surinder Pal Singh (KS & SPS), a Delhi based firm, offered (March 1995) to complete the work on turnkey basis in collaboration with M/s Steadler Corporation, Mumbai, at an agreed price of Rs.65.00 lakh. The company had to ultimately award (January 1996) the work to M/s Steadler Corporation, Mumbai (collaborator) as M/s KS & SPS withdrew from the work (January 1996). The agreement was entered into (April 1996) with the firm for the purpose, on the basis of negotiation and as per earlier quoted price. The contractor was required to complete the work within six month (October 1996) from the date of agreement (April 1996).

M/s Steadler supplied (June 1996) machinery worth Rs.30.24 lakh against which the Company had already paid Rs.24.50 lakh (Rs.19.50 lakh in May 1996 and Rs.5.00 lakh in January 1998) as advance. Civil works could not be taken up by the firm (March 2001) since the project site was under dispute.

Taking up the project on a disputed land resulted in blocking of funds of Rs.0.25 crore with a consequential loss of interest of Rs.0.13 crore

Thus, going in for the project without ensuring clear title of land and blocking the fund of Rs.24.50 lakh in procuring machinery has resulted in loss of interest of Rs.13.46 lakh calculated at the rate of 12 per cent on the locked up fund of Rs.24.50 lakh (Rs.19.50 lakh for 59 months and Rs.5.00 lakh for 39 months) besides loss of projected revenue of Rs.66.25 lakh (@ Rs.15.00 lakh per annum from November 1996 to march 2001).

2A.6.2 *Carcass Utilisation Plants*

2A.6.2.1 Objective: During 1992-93 the company took up the project for construction of 2 carcass utilisation plants and three hyde flaying units for gainfully utilising various parts of the carcass, to eliminate all nuisances, environmental pollution and other ill effects and to realise substantial revenue.

2A.6.2.1.1 *Carcass Utilisation Plant at Sonapur*

(A) Funding: The project, estimated to cost Rs.113.70 lakh, was proposed to be financed by Government of India (Rs.97.00 lakh) and the company/state government (Rs.16.70 lakh).

The Government of India sanctioned and released (March 1994) grants-in-aid amounting to Rs.80.00 lakh to the State government. The company has so far (March 2001) received Rs.67.71 lakh only from the State government. The state's share of contribution towards the project is yet (March 2001) to be released.

(B) Construction of the project: The company invited (March 1995) open tenders for establishment of a carcass utilisation plant to which three parties responded. The company initially decided (April 1995) to award the work to M/s Food Processing Equipments Company Pvt. Ltd (FPE), the lowest bidder, at the firm's quoted price of Rs.1.44 crore; however, the purchase order was not placed on the party.

Subsequently, another firm M/s Project Engineering Services (PES) offered (January 1996) to complete the work at Rs.1.15 crore. The work was awarded (May 1996) to M/s PES who supplied machinery worth Rs.35.80 lakh and completed civil works valued at Rs.6.75 lakh against which an amount of Rs.41.25 lakh was paid to the contractor.

In this regard the following observations are made:

a) Reasons for ignoring M/s FPE, the lowest bidder and selecting M/s PES, who had not participated in earlier tender, could not be found on records of the Company.

b) Out of Rs.67.71 lakh received, the company utilised Rs.41.50 lakh in the project on the components of expenditure mentioned in the sanction letter, and the balance amount shown to have been spent on the project is either not as per the component of the expenditure of the sanction letter or is in excess of the cost/money released for a particular component of the expenditure. However, the company furnished utilisation certificate to the Government of India for Rs.60.38 lakh.

(c) Even after a lapse of four years only 30 per cent of civil works has been completed and 40 per cent of machinery supplied by the contractor.

As per agreement (May 1996), the work was scheduled to be completed within 8 months (January 1997). Non-completion of the plant has resulted into projected revenue loss of Rs.3.92 lakh per annum aggregating to Rs.15.68 lakh up to March 2001.

Furnishing of Utilisation certificate for Rs.0.60 crore against actual utilisation of Rs.0.42 crore

Non-completion of the plant resulted in projected revenue loss of Rs.0.16 crore

2A.6.2.1.2 Carcass utilization plant at Tezpur

Project could not be taken up but Rs.0.12 crore diverted towards revenue expenditure

The company is yet to take up the Project (March 2001) and out of an amount of Rs.13.34 lakh received (September 2000) as grants-in-aid from Government of India, the Company spent Rs.1.58 lakh as preliminary expenditure and invited tenders (March 2001) for the work and diverted the balance amount of Rs.11.76 lakh towards revenue expenditure. No further action was taken by the management (April 2001).

2A.7. Completed project

2A.7.1 Goat Breeding Project

The company signed (1993) a MOU with Assam Agricultural University (AAU) whereby it was agreed that the company would construct two pig sties, four units of goat shed and provide animals and feeds etc., and AAU in turn would supply outputs i.e. piglets and goats to the company on payment basis.

Accordingly a project report was prepared involving total non-recurring cost of Rs.40.00 lakh. The company received (March 1994) Rs.40.00 lakh from Government of India and spent Rs.20.24 lakh on construction of goat shed and purchase of goats and diverted the balance amount of Rs.19.76 lakh towards revenue expenditure.

Submission of false utilisation certificate which is grossly misleading and irregular

However, utilisation certificate for Rs.40.00 lakh was given to the Government of India, which is grossly misleading and irregular.

The project was a complete failure since the sheds were damaged before occupation due to poor workmanship and use of substandard materials in construction.

2A.8. Other revenue earning schemes/activities of the company

2A.8.1 Disbursement and recovery of loans

The company took up (August 1992) a scheme of granting loans to individuals/farms/co-operative societies to enable them to set up poultry, piggery, and dairy farms etc. or to run sales booths for marketing of such farm products.

Disbursement of loans of Rs.0.87 crore without pre-sanction appraisal resulted in recovery of Rs.0.09 crore only

The company disbursed loans amounting to Rs.86.99 lakh to 218 beneficiaries (157 individuals and 61 Societies) during the period from August 1992 to September 1996. The loans carried interest at the rate of 2 per cent per annum and were repayable within a period of two years, failing which penal interest at the rate of 14 per cent per annum was to be recovered from the loanees. The scheme was not placed before the Board for sanction. No records were maintained to show that pre-sanction formalities viz., identification of the loanees assessing the credit worthiness, repaying capacity of the loanees, taking the securities for the loans sanctions etc. were completed. Efforts made to recover the loans are proving futile as out of 218 loanees, 108 loanees did not pay any instalments and 39 loanees stopped repaying the loans during the last three years. The following points also deserve to be mentioned:-

(i) Against total dues of Rs.151.66 lakh (Principal Rs.86.99 lakh, Interest: Rs.64.67 lakh) as on 31 March 2000 the company could recover Rs.8.78 lakh (Principal: 8.58 lakh, Interest: Rs.0.20 lakh) only .

(ii) The management had not taken any effective measures against the loanees to recover the dues except by sending notices on one occasion (1997),

(iii) In case of individual loanees though sureties from employees of Government of Assam were obtained, however, effective steps were not taken by the management to recover the dues even from the sureties.

(iv) In some cases the loanees refused to repay loans/interest on the ground that the Chairman and the Managing Director had assured them to convert the loans to grants although no such scheme was ever discussed in any Board meeting, while in some others, the loanees expressed their unwillingness to undertake the proposed farming for which loan was sanctioned to them.

(v) In order to improve recovery performance the company recruited (1995-96) 12 staff members on fixed payment basis and incurred expenditure of Rs.9.52 lakh (up to December 2000) towards the salary of these staff members. However, such additional staff could recover only Rs.8.78 lakh (March 2001), which was less than the expenditure incurred on them.

2A.8.2 Leased out farm at Birubari

The District Poultry Farm of Birubari, previously a departmentally managed poultry farm under the Directorate of Veterinary and Animal Husbandry, was handed over to the company in October 1993. The company entered (June 1994)

into an agreement for a period of three years with Shri. J. Ahmed to lease out the farm with assets worth Rs.35.87 lakh. The agreement, initially made for a period of three years, *inter alia*, stipulated the following:

- i) The lessee was required to pay at the rate of Re.1.00 per chick/layer bird/broiler produced by the firm subject to a minimum monthly rent of Rs.7, 500.
- ii) The company had a right to inspect the farm in order to keep watch on its monthly production and the lessee was also required to furnish to the company periodical production/sale data.
- iii) The company would neither make available any more land, building or machinery or other facilities nor incur any expenditure of recurring or non-recurring nature on the farm.
- iv) In case of default in payment of rent the lessee was liable to pay interest at the rate of 18 per cent per annum on the defaulted amount.

.A scrutiny of records revealed that:

- a) Contrary to the provision of the agreement the company incurred an expenditure of Rs.2.39 lakh for renovation of the said farm.
- b) Management had never inspected the farm in order to ascertain the actual production nor the farm had furnished periodical production/sale data to the company.
- c) Though the tenant persistently defaulted in payment of even the minimum rent the company did not exercise its right to take over the leased out assets
- d) With effect from 21 March 1995 the management in consultation with the lessee decided (April 2000) to realise rent on actual production basis, on the basis of production of records and rent realisable for the period from June 1994 to 20 March 1995 was waived off.
- e) Rent for the period (June 1997 to June 2000) was arbitrarily fixed at the rate of Rs.1, 250 instead of Rs.7, 500 per month.

f) The company initially fixed the minimum monthly rent at Rs.12,000. With effect from June 2000 however, the rental was reduced to Rs.7,000. per month at the request of the lessee and a new agreement (June 2000) for a period of three years was entered into with the lessee.

In this connection following audit observations are made:-

Non-adherence to the terms of agreement and extension of undue benefits resulted in loss of revenue of Rs.0.06 crore and potential loss of revenue of Rs.0.20 crore

(i) the company failed to enforce the terms of agreement and adopt a suitable/workable system in order to monitor the actual production performance of the farm

(ii) the management, at the instance of the lessee, extended a package of undue reliefs/benefits to him without any recorded reasons and without safeguarding the financial interest of the company. Thus, due to failure of the management to enforce or adhere to the terms of the agreement, the company not only lost revenue to the tune of Rs.5.93 lakh but also lost potential revenue to the tune of Rs.20 lakh for leasing out the property at a very low rate of return compared to a reasonable return of 12 per cent per annum on a similar investment.

(iii) the company did not explore the possibility of leasing out the assets to any other party thereby forfeiting the opportunity of earning higher revenues by giving lease to the party bidding the highest monthly rental.

2A.8.3 Procurement and leasing out of machinery

In order to provide infrastructural facilities to private traders/vendors engaged in marketing of poultry/piggery/goat products the company took up (May 1993) the scheme of procurement and leasing out of machinery.

2A.8.3.1 Deep freezes

The company purchased (May 1993 to October 1997) 138 deep freezes at a cost of Rs.63.26 lakh. The machines were issued (May 1993 to June 1998) in an arbitrary manner to 138 beneficiaries without adopting any system/procedure for identifying the beneficiaries and without assessing the credit worthiness and repaying capacity of the beneficiaries.

Against total outstanding rent of Rs.15.05 lakh (up to January 2001) the company has so far (March 2001) realised only Rs.2.55 lakh indicating a dismal recovery performance.

It was observed that the company was not secured against non-performance on the part of the beneficiaries in respect of their obligations under the agreement. Even the right to take over the assets in case of non-payment of rent was never exercised, which indicated complete absence of control by the management.

2A.8.3.2 Mini processing plants and incubator

The company purchased (May 1993 to December 1996) 20 mini-poultry processing plants, 12 mini-pork processing plants, 17 hatcheries and one cream separator at a total cost of Rs.58.91 lakh for the purpose of leasing out to farmers/traders. Except 9 pork-processing plants (value: Rs.9.36 lakh), which had been lying in store since procurement in 1994-95, the remaining machines were issued (1994-1998) to the beneficiaries. The company earned Rs.6, 000 only on account of rent up to March 2001.

It was observed that the company issued the machines to beneficiaries arbitrarily and without adopting any system/procedure for identifying the beneficiaries. Assets were leased out without any formal agreement. Due to lack of post disbursement monitoring and sincere efforts to recover the rent there are all the possibilities of rents remaining unpaid and in the absence of any formal agreements the company may not be in a position to take back the assets leased out to beneficiaries. Thus, the investment of Rs.58.91 lakh on which the company earned negligible revenue proved infructuous.

2A.9 Non adjustment of advances

The company had been making advance payments for various purposes (without making adjustment for advances already outstanding) such as repair of vehicles; conducting training programmes, repair of sales booths, traveling etc. As on March 2000 total advance of Rs.56.54 lakh remained unadjusted (including Rs.43.83 lakh pertaining to the period prior to 1995-96).

Advances were granted to individuals from time to time despite the fact that huge amount of advances had been outstanding against them. (Some illustrative cases are shown in Annexure 18).

No sincere efforts had been made by the management either to adjust the outstanding advances or to recover the same from the persons concerned against whom the advances had been pending for a long time. This has resulted in extension of undue benefit to various individuals.

2A.10. Manpower analysis

Employment of manpower in excess of Board's approved strength resulted in extra expenditure of Rs1.07 crore

Against the Board's approved (1996-97) strength of 43 staff members, the company had 114 members on its roll, which further increased to 120 in 2000-2001. This included 12 staff members appointed on adhoc basis for recovery of loan and other 30 for other field works. As a result of deployment of excess manpower the company had incurred (April 1996 to December 2000) an extra expenditure of Rs.106.94 lakh and committed itself to extra expenditure of Rs.27.48 lakh annually.

Conclusion:

The company took up seven projects in 1992-93. These projects remained incomplete (March 2001) even after a lapse of seven years. Revenue earned by the company from various schemes was found to be negligible and hence the company could not become self-reliant. The company is left with no capital funds and is liable to refund Rs.3.59 crore to the state departments. Also in view of the financial crunch being faced by the state government the prospects of completion of the projects in near future as well as survival of the company as a viable and self-sustainable unit appeared bleak. The company also failed to ensure any significant flow of benefits to intended beneficiaries.

SECTION 2B

Review on the working and performance of Assam Agro-Industries Development Corporation Limited

Highlights

Absence of proper cash management resulted in interest loss of Rs.0.89 crore by way of interest paid on overdrafts in excess of that earned on fixed deposits and also due to delay in crediting the proceeds of Mail Transfers sent by its branches.

(Paragraph 2B.5)

The net worth of the company was negative in all the five years. The accumulated loss of Rs.15.06 crore as at the end of 1999-2000 represented 685 per cent of its paid up capital indicating complete erosion of paid up capital.

(Paragraph 2B.7)

i) Actual production against target in the company's workshop declined from 78.89 per cent in 1995-96 to 8.95 percent in 1999-2000.

(Paragraph 2B.9.1)

ii) Closing stock as on 31 March 2000 included expired pesticides, damaged and obsolete/non-moving items valued at Rs.0.85 crore representing 22.68 per cent of the closing stock as on 31 March 2000.

(Paragraph 2B.12.2)

iii) Assam Sales Tax/Finance Tax amounting to Rs.2.05 crore deducted at source from suppliers' bills during the years 1978-79 to 1999-2000 had not been deposited into Government account so far.

(Paragraph 2B.13)

2B.1 Introduction

The Assam Agro Industries Development Corporation Ltd., (company) was established on 27 January 1967 as a joint enterprise of Government of Assam and the Government of India with the objective of helping the growth and modernization of agriculture as a whole. The main objectives of the company are:

- (a) To assist farmers to own the means of modernising their cultivation.
- (b) To undertake and assist in efficient distribution of all agricultural inputs and pre-requisites like farm machinery and implements, fertilisers, pesticides, soil-conditioners, plant protection equipment, small agricultural tools and implements, etc
- (c) To set up workshops for manufacturing farm machinery and equipment, service shops or repair shops for maintenance and repair of farm machinery and equipment.
- (d) To undertake setting up of agro-based industries and ancillaries.

In pursuance of the objectives, the company had undertaken the following activities during the period under review.

- i) Trading in agricultural inputs, fertilisers and pesticides;
- ii) Production/assembling and sale of agricultural implements;
- iii) Production of bio-fertiliser and fungal culture.

However, of the above, the company's activities were confined mainly to trading in agricultural inputs even after 33 years of its existence.

2B.2. Scope of Audit

The activities of the company were last reviewed in the Report of the Comptroller and Auditor General of India (Commercial)—Government of Assam for the year 1986-87. The present review is confined to the performance of the company for the period from 1995-96 to 1999-2000. The audit findings are discussed in succeeding paragraphs.

2B.3 Organisational set up

The management of the company is vested in a Board of Directors appointed by the state government. As on 31 March 2000, there were 7 Directors (including 2 central government nominees). The Managing Director, who is the Chief Executive of the company, is assisted by Secretary, Manager (Marketing), Senior Accounts Officer, Manager (Projects), Inventory Control Officer and Manager (Fertilisers. & Pesticides).

2B.4 Finance and resources

2B.4.1. Capital structure

The authorised capital of the company as on 31 March 2000* was Rs.5.00 crore against which paid up capital of the company as on 31 March 2000 was Rs.2.20 crore, contributed equally by the state government and the central government.

2B.4.2 Borrowings

In addition to the paid up capital, the company had obtained loans from state government and other agencies. The outstanding loans and interest thereon stood at Rs.7.48 crore and Rs.8.27 crore, respectively, as on 31 March 2000. Out of these loans, the loans due to the state government amounted to Rs.6.76 crore. These loans were repayable within 1 year and attracted interest at the rate of 7.5 per cent to 9.25 per cent. Interest due and outstanding on these loans as on 31 March 2000 was Rs.8.21 crore

Company never repaid any loans resulting in interest liability of Rs.8.21 crore

* Accounts of the company have been finalised up to the year 1998-99. Figures of the year 1999-2000 as taken in the review are provisional.

It was observed that the company has, so far, never repaid any of the loans and interest thereon as taken from the state government. This has resulted in an interest liability of Rs.8.21 crore.

2B.4.2. (i) Interest liability at double the rate due to non-repayment of loan

The company received (September and December 1997) a loan of Rs.50 lakh from Assam State Agricultural Marketing Board (ASAMB) for assembling a low price power plough. As per the terms and conditions of the loan, interest at the rate of 4.5 per cent per annum was payable if the loan was repaid within one year from the date of receipt, failing which interest at double the rate (9 per cent) was recoverable from the company. A scrutiny of the records revealed that though the company had manufactured and sold power ploughs and realised sale proceeds of Rs.93.21 lakh on this account, it had not repaid the loan to the ASAMB till date (March 2001). Consequently, the company became liable to pay interest at the rate of 9 per cent from September and December 1998 to March 2001 amounting to Rs.10.35 lakh.

2B.5 Cash management

A review of the bank balances revealed that due to poor cash management, the company suffered interest loss of Rs.88.62 lakh as noted below:

i) A test check in audit disclosed that the company had kept sizable amount in fixed deposits and current accounts with banks and at the same time resorted to overdrafts throughout the period from banks at rates of interest higher than that received on fixed deposits. The position of overdrafts taken from banks and amounts kept in fixed deposits and current accounts during the five years up to 1999-2000 was as follows:

Year	Amount of Fixed Deposits as on 31 March each year	Interest earned on fixed deposit	Average amount in Current Account	Average amount of Over Draft drawn	Interest paid on Over Draft
(Rupees in lakh)					
1995-96	176.05	13.25	47.07	44.30	4.95
1996-97	118.00	8.83	32.19	50.13	5.24
1997-98	120.00	14.95	38.25	60.91	11.19
1998-99	82.00	13.04	19.36	58.59	7.53
1999-00	72.00	8.34	11.53	38.88	5.85
					34.76

Avoidable payment of interest amounting to Rs.0.35 crore on overdrafts in spite of availability of funds

From the table it would be clear that even though substantial funds were at the disposal of the company in the form of fixed deposits and balances in current accounts, it resorted to overdrafts resulting in avoidable payment of interest amounting to Rs.34.76 lakh during the five years up to 1999-2000.

ii) Abnormal delay was noticed in crediting the amounts of Mail Transfers (MT) sent by various branches of the company through the branches of Assam Co-operative Apex Bank Ltd., for credit into current account with the Guwahati branch of the bank maintained by Head Office. Twenty five MTs amounting to Rs.28.20 lakh sent by branches during the period from April 1981 to February 1988 were credited by the Guwahati branch of the bank on 15 June 1999 after 7 to 19 years of their remittance. In 16 other cases MTs amounting to Rs.10.52 lakh were remitted (April 1981 to July 1991) by branches but the credits were yet to be effected (March 2001). It has been observed in Audit that the company took up the matter with the concerned bank only in July 1998. Thus, due to laxity on the part of the company in taking up the matter with bank authorities and also due to non-reconciliation of accounts in time, company's funds had remained unnecessarily locked up and the company sustained interest loss of Rs.53.86 lakh up to 31 March 2001.

2B.6 Sundry Debtors

2B.6.1 Realisation of debts

Party-wise break-up of sundry debtors at the end of each year for the five years ending 1999-2000 are as follows:

Debtors	31.3.1996	31.3.1997	31.3.1998	31.3.1999	31.3.2000
	(Rupees in lakh)				
Department of Agriculture, Government of Assam	1513.25	1571.55	1753.61	1689.68	1647.22
District Rural Development Agency.	5.74	11.74	19.16	19.16	19.16
Private parties	76.90	76.90	76.90	76.90	76.90
Others	133.50	133.50	133.50	133.50	133.50
Total	1729.39	1793.69	1983.17	1919.24	1876.78

From the above table it may be seen that at the end of March 2000, an amount of Rs.18.77 crore was pending realisation out of which Rs.16.47 crore was due from the Director of Agriculture of Assam on account of transport subsidy on Urea, institutional margin of fertilisers, managerial subsidy, dealers' margin, supply of

Non-reconciliation of accounts with the Government departments resulting in huge amount of receivables remaining outstanding

fertilisers, pesticides and engineering goods under various schemes etc. It may further be seen that the position of debtors remained almost static during the five years indicating poor realisation against the outstanding. Management stated (March 2001) that the balances were brought forward since inception and the company could not make necessary adjustments since its accounts were in arrears for several years. The reply of the management is not tenable as it was observed in audit that though company had finalised its accounts up to 31 March 1999 but it has not made any effort to reconcile its accounts with the concerned departments resulting in huge amount of receivable remaining outstanding from these departments.

2B.6.2 Unrealised transport subsidy

Transport subsidy up to 1998-99 not disbursed by the Government and claim not lodged for the period 1999-2000 and 2000-2001

In the meeting held on 18 March 1993 with the Secretary, Department of Agriculture, Government of Assam it was decided that the company would be eligible for reimbursement of actual transport cost incurred on ex-manufacturers' point to sale points within Assam on purchase of Urea. However, government have not so far paid (March 2001) the transport subsidy amounting to Rs.1.54 crore payable to the company on transportation charges of urea purchased from Indian Farmers Fertilisers Cooperative Limited (IFFCO) & Hindusthan Fertiliser Corporation Limited (HFC), during the period from April 1993 to March 1999.

It has been further observed that the company has also not lodged any claim for the transport subsidy for the years 1999-2000 and 2000-2001 so far.

2B.6.3 Outstanding against Hire Purchase Sales

Lack of follow up action in realising hire purchase debts

Though sales on hire purchase basis had been discontinued by the company since 1975, as on 31 March 2000, an amount of Rs.56.31 lakh was outstanding against hire purchase (HP) debtors for more than 25 years. The details of the H.P. debtors were not available with the company. Management stated (March 2001) that a write off proposal for the balance amount of Rs.56.31 lakh is being submitted to the Board of Directors for its decision. This indicated that due to lack of proper follow up action in realising the H.P. debts over a prolonged period, the company was left with no option but to write off the debt.

2B.6.4 Inter Branch Suspense Account

The balance under Inter Branch Suspense Account represented the unreconciled discrepancy between value of goods delivered to Government departments and value of goods acknowledged by the recipients. During the five years covered

Unreconciled discrepancies between value of goods delivered and value of receipt of goods acknowledged.

under review, the balances showed an increasing trend from Rs.4.58 crore in 1995-96 to Rs.5.03 crore in 1999-2000. As the company could not obtain certified bills (in token of acknowledgement of goods delivered) from the Agricultural Officers to whom goods were stated to have been delivered, the chances of misappropriation of stock could not be ruled out. Reasons for the huge balances pending adjustment were attributed by Management (March 2001) to the balances being very old and it was stated that these would be taken care of during finalisation of accounts. The reply is not tenable, as the company had already finalised its accounts for the year ended 31 March 1999 without undertaking any reconciliation or adjustment of the balances.

2B.7 Financial position and working results

The company had finalised its accounts only up to 1998-99. As per provisional accounts furnished by the company for 1999-2000 the accumulated loss of Rs.15.06 crore as at the end of 1999-2000 represented 685 per cent of the paid up capital indicating complete erosion of paid up capital. Financial position and working results of the company for the five years up to 1999-2000 are given in Annexure 19 & 20.

Higher employees/Administrative cost contributed to enhanced operational losses

It will be evident from the Annexure 20 that the company had been incurring operational loss in all the years under review, which increased from Rs.0.93 crore in 1995-96 to Rs.2.56 crore in 1999-2000. The main reason for the loss was identified with fixed employees'/administrative cost vis-à-vis declining volume of purchase/sales over the years. The employees' cost which was 58 per cent of the expenses in 1995-96 increased to 70 per cent in 1999-2000. In all the five years the employees' cost and administrative cost together contributed more than 90 per cent of the total expenses.

2B.8 Trading activity

2B.8.1 The trading activity of the company was mainly confined to purchase and sale of agricultural inputs like fertilisers, pesticides and tractors etc.

2B.8.2 Purchases and sales

Actual of purchases and sales vis-à-vis target in respect of fertilisers, power tillers, tractors, agricultural goods and others during the five years up to 1999-2000 is indicated in Annexure 21.

Dependency on government orders and lack of own marketing effort

It will be seen that the volume of sale had been declining over the years. The reason for shortfall was attributed by the management to low demand from Department of Agriculture and agencies like District Rural Development Agency (DRDA)—the main customer of the company.

The reply is not acceptable as in spite of having elaborate marketing set up (four area offices, eight branch offices, ten sub-branches and twenty-four sale points) yet company had not made any effort to market its product to parties other than the government or undertake any new activities or diversify its activities to increase its sales.

2B.9 Performance of workshop

The company's Central Workshop at Khanapara was set up for repair of agricultural machinery and manufacture of small items of farm machinery, viz., manually operated pumps, trailers for tractors and power tillers, paddy weeders, seed drills, metallic seed bins, gobar gas plants etc.

2B.9.1 The target and actual production in the workshop for various agricultural implements for the five years up to 1999-2000 were as follows:

Year	Target	Actual	Percentage of Achievement
(Rupees in lakh)			
1995-96	85.08	67.12	78.89
1996-97	100.00	56.46	56.46
1997-98	334.57	146.42	43.76
1998-99	1145.00	79.02	6.90
1999-2000	696.87	62.38	8.95
TOTAL	2361.52	411.40	17.42

It was observed that the company could not meet its targets in any of the years in respect of any of the agricultural implements in the period under review.

The sharp decline in production was stated (during discussion) to be due to low demand from government departments as agricultural implements were manufactured against demand only to avoid excess holding of stock. However, as the company had adequate infrastructure facilities in its workshop and enough marketing network of about 46 offices spread over the state, it could have made use of the facilities for marketing its own products. But no effective steps had

been taken by the management to market its products without depending on government requirements/orders.

2B.9.2 The table below indicates value of production vis-à-vis number of employees engaged, expenditure on their salaries and wages during the five years ending 1999-2000 in respect of Central Workshop.

Year	No. of Employees	Salaries & wages paid	Value of production	Value of production per rupee of Salaries & Wages
(Rs. in lakh)				
1995-96	62	21.57	67.12	3.11
1996-97	62	24.93	56.46	2.26
1997-98	63	29.07	146.42	5.04
1998-99	64	32.01	79.02	2.47
1999-2000	67	36.77	62.38	1.70

Value of production per rupee of salaries and wages declined from Rs.3.11 to Rs.1.70

It is clear from the above that the value of production per rupee of salary and wage declined from Rs.3.11 in 1995-96 to Rs.1.70 in 1999-2000.

The implements manufactured in Central Workshop are transferred to the company's Central Stores at Khanapara wherefrom these are sent to the various branches/sale points of the company for sale. The company has not introduced any costing system viz. batch costing/process costing in the workshop since inception. No job cards/register for works undertaken had been maintained by the workshop except numerical stock accounts of raw materials and finished products.

2B.9.3 *Assembling of low cost power plough*

In the meeting held (2 August 1997) in the chamber of the Minister of Agriculture, Government of Assam relating to the role to be played by the company for the interest of the farmers in particular and agricultural development in the state in general, it was decided that the company would be given an advance of Rs.50.00 lakh by the Assam State Agricultural Marketing Board (ASAMB), and ASAMB would also place an order for sale of a low priced power tiller. Following this, the company assembled a low cost power plough named AAI*-3000 developed by M/s. Kalinga Engineers, Bhubaneswar. The company could assemble 203 numbers of AAI-3000 power ploughs during 1997-98, however, the production declined from 99 numbers in 1998-99, to

Launching of low cost power plough without realistic assessment of market potential and prior to establishing technical parameters

* Assam Agro-Industries 3 horse power

15 numbers in 1999-2000, there was no production in the year 2000-2001. The ASAMB had also not placed any order on the company for these items. Audit observed that the sharp decline in production was due to low demand from farmers for reasons such as the plough was run on kerosene which was not available to farmers, the plough could be worked only for two and half hours, the engine strength was less in comparison to load etc. Out of the 15 power ploughs assembled in 1999-2000, 14 ploughs valued at Rs.4.62 lakh remained in stock as slow moving items (March 2001). Evidently, the company had launched the product without a realistic assessment of its market potential.

2B.10. Performance of Bio-fertilizer Laboratory.

A Bio-fertilizer Laboratory-cum-Production Centre was set up by the company at Khanapara, Guwahati to produce bio-fertilisers, viz., Rhizobium culture,** Azotobacter culture, Azospirillum culture, Phosphotika and Fungal culture etc.

2B.10.1 The performance of the center for the five years ending 1999-2000 was as follows:

Lack of marketing effort in respect of bio-fertiliser produced by the company

Year	Target for sale		Actual sales		Cost of Production (Rupees in lakh)
	Packets	Value (Rupees in lakh)	Packets	Value (Rupees in lakh)	
1995-96	N.A.	N.A.	4,840	0.59	4.28
1996-97	N.A.	N.A.	16,412	1.07	4.71
1997-98	N.A.	10.00	83,408	4.57	6.99
1998-99	2,35,285	13.36	1,71,326	9.55	10.36
1999-2000	30,00,000	180.00	2,90,852	20.91	12.08
TOTAL			5,66,838	36.69	38.42

The table indicates that the company's sale achievement was much below the target fixed by the company during 1997-98 to, 1999-2000, and realisation from sale during the period 1995-96 to 1998-99 did not cover the cost of production as a result of which the company incurred total loss of Rs.10.56 lakh (Rs.26.34—15.78 lakh) on the production/sale of bio-fertilizer. In fact, in order to retain their efficiency bio-fertilizers require fast marketing effort. It was observed that lack of marketing effort by the management resulted in non-procurement of adequate orders for which the unit could not even break-even in those years.

** Culture here means in-house development of agriculture friendly bacteria in the laboratory.

2B.11	Manpower utilisation
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The company had not fixed any norm for staff strength, in the absence of which Audit could not ascertain the men in position against sanctioned strength (norms) and idle wages, if any, paid on account of underutilisation/non-utilisation of manpower.

The table below indicates the position of field/branch offices, no. of employees, salaries paid and sales during the five years ending 31 March 2000.

Particulars	1995-96	1996-97	1997-98	1998-99	1999-2000
No. of Field/ Branch Offices	46	41	41	42	30
Total number of employees	447	442	430	428	419
(Rupees in lakh)					
Employees' cost	254.73	265.41	287.50	295.89	302.44
Sales	4533.47	2374.54	3398.13	2759.22	1508.90
Percentage of employees' cost to sales	5.62	11.18	8.46	10.72	20.04
Sales realization per rupee of employees' cost	17.80	8.95	11.82	9.33	4.99

Gradual decline
in sales
realisation per
rupee of
employees' cost

Although the company's sales declined from Rs.45.33 crore in 1995-96 to Rs.15.09 crore in 1999-2000, the employees' cost incurred to sales increased from 5.62 in 1995-96 to 20.04 per cent in 1999-2000. Thus the sales realization per rupee of employees' cost is decreasing (from Rs.17.80 in 1995-96 to Rs.4.99 in 1999-2000) which is indicative of the fact that the Company is now overstaffed due to decreasing volume of sales.

2B.11.1 A study (September 2000) on the performance of Assam PSUs undertaken by the Indian Institute of Cost and Management Studies and Research (INDSEARCH) had revealed that Assam Agro Industries Development Corporation Limited scored a negative -0.20 on the scale of Gross Value Added per Rupee Wages Paid. The company closed down 5 of its branches/sales offices in 1996-97 and 12 branches/sales offices in 1999-2000 due to poor business. The staff of these branches had to be accommodated either in nearby branches or in Head Office/Central Stores.

2B.12 Inventory Control

Non-fixation of any minimum and maximum and re-ordering level

The company had not maintained records like Priced Stores Ledger and Bin Cards except numerical stock accounts of raw materials and finished stock.

2B.12.1 A review of the closing stock revealed that the stock of spare parts as at the end of March 1995-96 to 1999-2000 represented 39 months', 36 months', 63 months' 30 months' and 46 months' sales of spare parts during the corresponding years. The company had not fixed minimum, maximum and reorder levels.

Damaged/expired pesticides/Obsolete/non-moving stock

2B.12.2 From the physical verification reports submitted by the respective units and consolidated by the head office (March 2000) it was seen that the closing stock (fertilisers, pesticides and other agricultural goods) valued at Rs.377.54 lakh as on 31 March 2000 included stock identified as expired (Rs.10.94 lakh), damaged (Rs.23.34 lakh) and obsolete/non-moving items (Rs.51.18 lakh) held by its branches and Central Stores. This has resulted in incorrect exhibition of 'nil' value stock as good stock.

The above stock represented 22.68 per cent of the closing stock of 31 March 2000. No effective action had been taken by management to dispose of damaged/expired items. Management stated (February 2001) that the matter was under scrutiny, and as regards pesticides action was being taken to destroy it after observing necessary procedures.

2B.12.3 Shortage/misappropriation of stock

The shortage of stock accumulated to Rs.91.90 lakh (Branches: Rs.76.59; Central Stores Rs.15.31) as on 31 March 2000. The management had adjusted these shortages in its accounts without the approval of the Board. In reply management stated that the matter was under scrutiny and shall be placed before the Board for approval.

Mis-appropriation/ embezzlement of stock by the employees

The above shortage also included Rs.37.00 lakh being stock misappropriated by 4 officers of the company during the period between 1991 and 1994. In one case involving Rs.30.94 lakh, a money suit had been filed (June 1996) and the case was sub-judice (March 2001). In respect of three other cases the company completed (March 2001) departmental proceedings and sent (July 1997) two cases to the Retainer of the company for filing money suit. Whether money suits had since been filed was not available on record. The company had not ascertained from the Retainer further developments in this regard. In the other case, the company has

initiated (March 2001) action to recover the amount from the salary of the officer concerned. Reasons for the shortage of balance quantity of stock (Rs.54.90 lakh) were yet to be ascertained (March 2001)

2B.13. Non-deposit of tax deducted at source (TDS)

Amount
of TDS
lying with
the
Company

Under the Assam Sales Tax Act, 1947, Assam Finance (ST) Act, 1956 (repealed from 1 July 1993) and the Assam General Sales Tax Act, 1993 (effective from 1 July 1993) and Rules made there under, every Government department/undertaking/corporation etc. while making payment to the suppliers/work contractors is required to deduct from the bills the sales tax due in the prescribed manner in accordance with the rule (s) specified in the schedules attached to the Act and to deposit the same within ten days from the expiry of each calendar month and also to issue a certificate of tax deduction (TDC) to the dealer concerned within seven days from the date of deposit of the amount together with attested copy of the challan. Section 62 of the Act *ibid* further provides that if any drawing and disbursing officer fails to deposit tax deducted at source within the stipulated time he is liable to be convicted.

It was noticed in audit that the company had deducted Rs.3.71 crore towards sales tax from suppliers' bills during the period from 1978-79 to 1999-2000. While an amount of Rs.1.66 crore had been deposited into Government account, the balance amount of Rs.2.05 crore was utilised towards Company's working capital requirements, which was highly irregular.

Conclusion

The company failed to meet its objectives such as setting up of agro-based and ancillary industries, workshops for manufacture of farm machinery (except for very small value agricultural implements), establishment of service shops or repair shops to repair and maintain farm machinery for the improvement and modernisation of agriculture, forestry, poultry farming and animal husbandry etc., for which it was incorporated.

The company had so far been mainly carrying on trading activities and for that too it is dependent on Government orders

Unless the company diversifies its activities or takes up new activities/programmes/projects within the ambit of its objectives, the survival of the company as a viable and self-sustaining unit in future is doubtful.

CHAPTER III

Review on the operational performance of Lakwa Thermal Power Station of ASEB

Highlights

None of the generating units could achieve the standard plant load factor in any of the years during 1995-96 to 1999-2000. Lower PLF compared to standard resulted in loss of generation of 1631.55 MU increasing the unit cost of generation by 35 to 46 paise.

(Paragraph.3.4.1)

Prolonged shutdown of Unit-IV (15 MW) resulted in capital investment of Rs.17.44 crore remaining idle for more than 11 years and loss of potential generation of 269.12 MU during 1995-96 to 1999-2000.

(Paragraph.3.4.2.1)

Inadequate linkage of gas resulted in forced outages of 43,118.98 hours and consequent loss of generation of 736.18 MU valued at Rs.187.51 crore.

(Paragraph.3.4.2.2)

Low thermal efficiency of generating units resulted in excess consumption of 102.71 million standard cubic metre of gas valued at Rs.9.43 crore

(Paragraph.3.4.4)

Failure of the Board to either dispose of the MGT units (7X2.705 MW) or repair and restore the same resulted in capital investment of Rs.15.46 crore remaining idle for a period of more than 4 years.

(Paragraph.3.7.1)

3.1. Introduction

With a view to meeting the power deficiencies in the State and harness the natural gas being flared up by Oil and Natural Gas Commission (ONGC), Assam State Electricity Board (Board) set up Lakwa Thermal Power Station (LTPS) with a total installed capacity of 120 MW comprising four units of 15 MW capacity commissioned between April 1981 and November 1986. Another three units of 20 MW each were commissioned between January 1994 and May 1999.

The Board also set up 3 x 2.705 MW Mobile Gas Turbine (MGT) units at Geleky and 4 x 2.705 MW units at Kathalguri in March 1981 and April 1982 respectively.

The Board's own generation from all generating units during 1994-95 was 1422.70 MU, which gradually declined to 866.97 MU in 1999-2000. Purchase of power from outside the State on the other hand increased from 1146.26 MU in 1994-95 to 2072.16 MU in 1999-2000. In view of the widening gap between own generation and actual demand efficient operation of existing units assumed utmost importance.

3.2 Organisational set-up

The Senior Power Station Superintendent is the overall in-charge of the Thermal Power Station. He is assisted by two Power Station Superintendents and five Executive Engineers.

3.3 Scope of Audit

The execution and performance of the four units (4x15 MW) was reviewed in the Report of the Comptroller and Auditor General of India for the year ended 31 March 1991(Commercial). The Report was discussed by Committee on Public Undertaking (COPU) on 1 August 1996. Recommendations of COPU have not yet (August 2001) been received.

The present review covers different aspects relating to the operational performance of the station as a whole during the period 1995-96 to 1999-2000.

The findings are discussed in the succeeding paragraphs.

3.4 Operational performance

3.4.1 Low Plant Load Factor (PLF)

The details of maximum possible generation at installed capacity, actual generation and Plant Load Factor achieved in respect of each generating unit for the five years up to 1999-2000 are given in Annexure 11. The position is summarised below: -

Units	Installed capacity (MW)	Year of commissioning	Actual Plant Load Factor				
			1995-96	1996-97	1997-98	1998-99	1999-00
I	15	July 1983	72.23	15.21	67.53	49.96	34.64
II	15	April 1981	68.55	44.19	8.93	53.63	47.32
III	15	August 1981	27.11	68.14	76.09	56.73	45.99
IV	15	November 1986	Under shut-down				
V	20	January 1994	47.24	48.85	55.32	46.09	25.41
VI	20	July 1994	47.38	58.68	45.96	49.89	39.79
VII	20	May 1999	-	-	-	-	50.46
Station			43.81	40.64	43.14	43.25	34.83

None of the units could achieve standard PLF

Health study of older units not taken up to determine actual capacity

Low PLF resulted in shortfall in generation by 1631.55 MU and increase in cost of generation from 35 paise to 46 paise per unit

The project report for the 4 x 15 MW units' envisaged generation of 7446 units per KW of installed capacity corresponding to a PLF of 85 per cent. However, the Project Report for 4 x 15 MW units—Phase. II (subsequently changed to 3 x 20 MW units) envisaged a plant load factor of 65.70 per cent. It may be seen from the above table that none of the units could achieve standard PLF in any of the years during the five years up to 1999-2000 and the overall station PLF achieved during 1995-96 to 1999-2000 was very poor varying from 34.83 per cent to 43.81 per cent.

In this connection it may be pointed out that Unit-I had completed a life of 17 years while Unit-II and III had completed a life of 19 years from the date of their commissioning. The Board had not taken up technical health study of these units. The projected PLF originally fixed had also not been revised so far (March 2000).

The low plant load factor compared to the standard had resulted in a shortfall in generation by 1631.55 MU during 1995-96 to 1999-2000. This had the effect of increasing the unit cost of generation by 35 paise to 46 paise per unit during the same period.

Audit found that the main reasons for the low plant load factor and consequent shortfall in generation were (i) low plant availability and (ii) low plant utilisation as discussed in succeeding paragraphs.

3.4.2 Low plant availability

The details of hours available, hours operated, planned outages, forced outages and plant availability in respect of each of the seven generating units are shown in Annexure 12. It would be seen therefrom that the plant availability indicated by the percentage of actual hours operated to total available hours were as tabulated below: -

Unit	Installed Capacity (MW)	Year of commissioning	Plant availability (per cent)				
			1995-96	1996-97	1997-98	1998-99	1999-00
I	15	July 1983	83.19	21.59	88.61	71.96	51.46
II	15	April 1981	85.95	64.46	9.67	70.62	64.05
III	15	August 1981	31.24	83.49	94.74	72.86	60.50
IV	15	November 1986	Under shut-down				
V	20	January 1994	54.76	54.28	63.68	48.33	27.32
VI	20	July 1994	54.82	67.88	57.66	54.53	46.10
VII	20	May 1999	-	-	-	-	55.37
Station			51.97	49.86	53.22	52.89	43.17

As per Project Report for 4 x 15 MW units, plant availability was assessed at a minimum of 95 per cent. The Project Report for 3 x 20 MW units did not indicate the availability factor. However, as per Kulkarni Committee Report (June 1975) the availability in respect of thermal units was assessed at 80-85 per cent. It may however be seen from the above table that none of the generating units could achieve the prescribed standard in any of the years during the five years up to 1999-2000. The overall station availability varied from 43.17 per cent to 53.22 per cent during the same period.

Longer duration of planned and forced outages

The main reason for low plant availability as analysed in audit was longer duration of both planned and forced outages for a total of 20,878.90 hours and 1,15,456.63 hours during 1995-96 to 1999-2000 representing 7.71 per cent and 42.66 per cent of total available hours respectively. The high duration of forced outage was mainly due to: -

- (i) Outage of 43,848 hours due to prolonged shutdown of Unit-IV (15 MW). (Refer Para.3.4.2.1)
- (ii) Outage of 43,118.98 hours due to inadequate linkage of natural gas (Refer Para.3 4.2.2)

3.4.2.1 Prolonged shut-down of Unit-IV

Unit-IV (15 MW), supplied by Mitsubishi Corporation, Japan and commissioned in November 1986 (Project cost: Rs.17.44 crore), was shutdown from 31 January 1990 after a total run of 13,006 hours (out of total 28,512 available hours) due to heavy damage to turbine blades and diaphragms. The restoration of the unit required either repair or replacement of the rotor and installation of a new upgraded control system for safety. The work was included in the 8th Plan (1992-93 to 1996-97) with budget provision of Rs.13.20 crore which could not be implemented due to fund constraint. The work had again been included in the 9th Plan (1997-98 to 2001-02) with a budget provision of Rs.20.12 crore. However, the unit has not yet (August 2001) been repaired and restored.

Inordinate delay in restoration of Unit-IV resulted in idle investment

The abnormal delay in restoration of the unit resulted in capital investment of Rs.17.44 crore remaining idle for more than 11 years from February 1990 apart from potential loss of generation for forced outage of 43,848 hours during the five years up to 1999-2000 to the extent of 269.12 MU based on average PLF of 40.92 per cent achieved by the station during the same period.

3.4.2.2 Setting up of generating units without adequate gas linkage and consequent forced outages

As per Project Reports (October 1976 and February 1985) the rate of consumption of gas was assessed at 0.36 *SCM/Kwh** (assuming calorific value of gas at 10,000 #K.Cal/SCM). Accordingly the actual requirement of gas worked out to 0.130 MSCMD for each 15 MW unit (0.36 SCMx15000 KWX24 hours) and 0.173 MSCMD for each 20 MW unit (0.36 SCMx20000KWX24 hours) respectively. It was, however, seen from records of the Board that the 4X15 MW units were sanctioned by the CEA with a gas linkage of 0.40 MSCMD against requirement of 0.52 MSCMD. Similarly, the 3X20 MW units were also sanctioned by CEA with gas linkage of additional 0.40 MSCMD against requirement of 0.52 MSCMD. Further, although the 3X20 MW units were

* SCM= Standard Cubic Metre.

** Kwh= Kilo-watt hour.

K. Cal= Kilo Calories.

commissioned in January 1994, July 1994 and May 1999, the Board entered into an agreement with M/s Gas Authority of India Limited (GAIL) on 13 July 1999 for additional quantity of 0.20 MSCMD against the sanctioned quantity of 0.40 MSCMD. The reasons for contracting a lower quantity of gas were not available on record. The position is summarised below:

Period	Installed capacity (MW)	Actual requirement of gas	Gas linkage sanctioned by CEA	Quantity of gas available as per agreement with M/s GAIL	Percentage of gas available to requirement
			@ (MSCMD)		
1.4.1995 to 23.5.99	100.00	0.866	0.40	0.40	46.19
24.5.1999 to 12.7.1999	120.00	1.039	0.40	0.40	38.49
13.7.1999 to 31.3.2000	120.00	1.039	0.80	0.60	57.75

It may be seen from the above that the percentage of gas available to actual requirement was between 38.49 to 57.75 only. The position further aggravated due to continuous decrease in calorific value of gas from 10,125 K.Cal/SCM in 1995-96 to 8,770 K.Cal/SCM in 1999-2000 requiring consumption of proportionately higher quantity of gas. Obviously, the seven gas-based units were set up without proper gas linkage. Due to setting up of the gas-based units without adequate linkage of gas, the generating units had to be kept idle/shut-down for a total of 43,118.98 hours during 1995-96 to 1999-2000 resulting in loss of generation of 736.18 MU valued at Rs.187.51 crore at actual realisation per unit.

Forced shut down due to inadequate linkage of gas resulted in loss of generation of 736.18 MU valued at Rs.187.51 crore

3.4.3 Low plant utilisation

With available gas and actual running hours, the achievable generation, actual generation and plant utilisation factor during 1995-96 to 1999-2000 are tabulated below: -

Sl. No.	Particulars	1995-96	1996-97	1997-98	1998-99	1999-00	Total
(i)	Achievable generation in actual running hours (MU)	456.52	436.80	466.20	463.30	447.27	2267.09
(ii)	Actual generation (MU)	384.81	355.98	377.72	378.83	358.37	1855.71
(iii)	Plant utilisation factor (Per cent)	84.29	81.50	81.02	81.76	80.66	81.85

@ MSCMD= Million Standard Cubic Metre per day.

The unit-wise details of plant utilisation are given in Annexure-13.

Low plant utilisation in respect of 4x15 MW units resulted in loss of generation

It may be seen from the Annexure that the 15 MW units could not achieve the standard plant utilisation of 90 per cent as per Project Report except Unit-II in 1997-98. Due to lower plant utilisation, in respect of these units there was shortfall in generation of 164.19 MU during 1995-96 to 1999-2000. As analysed in audit, the shortfall was attributable to running of the units on partial load contrary to the projections made in the Project Report.

As regards 3 x 20 MW units, the Project Report did not indicate standard utilisation factor, as no separate Project Report was prepared indicating the achievable parameters when the decision was taken to commission 3X20 MW units instead of 4X15 MW units. However, the actual utilisation varied from 79.71 per cent to 95.35 per cent during the five years up to 1999-2000.

3.4.4 Low thermal efficiency and consequent extra expenditure on fuel

The thermal efficiency of generating units represents the ratio between the heat energy contained in actual generation and heat energy contained in fuel consumed. The Project Report for the 4X15 MW units envisaged a heat-rate of 3528 K.Cal/Kwh corresponding to a thermal efficiency of 24.37 per cent (since a 'Kwh' is equivalent to 859.85 K.Cal). Against this rated efficiency, the actual thermal efficiency of the station as a whole varied from 20.53 per cent to 21.70 per cent during the five years up to 1999-2000 as tabulated below: -

Particulars		1995-96	1996-97	1997-98	1998-99	1999-2000
(Figures in million-Kilo-Calorie)						
(i)	Heat energy* contained in actual generation	3,30,879	3,06,089	3,24,783	3,25,737	3,08,136
(ii)	Heat energy** contained in natural gas consumed	15,24,956	14,35,469	15,81,912	15,46,717	14,57,258
(P e r c e n t)						
(iii)	Thermal efficiency	21.70	21.32	20.53	21.06	21.14

* Arrived at by multiplying actual generation in MU by 859.85 K.Cal.

** Arrived at by multiplying each month's consumption of gas by its calorific value and then adding all such calorific values.

Low thermal efficiency resulted in excess consumption of gas valued at Rs.9.43 crore

The low thermal efficiency of the generating units resulted in excess consumption of 102.71 million standard cubic metre (MSCM) of gas valued at Rs.9.43 crore calculated at actual procurement rate during the five years up to 1999-2000. Details of the same are shown in Annexure-14.

Management did not take remedial measures to improve efficiency

The reasons for the excess consumption of fuel had not been ascertained and analysed by the management either with a view to revise the rated efficiency or to take remedial action to improve the efficiency of the generating units and its auxiliaries.

3.4.5 *Higher rate of auxiliary consumption and consequent loss of revenue.*

The Project Report for the 15 MW units with auxiliary equipment of 604.78 KW capacity each envisaged consumption of power in auxiliaries at 4 per cent of units generated. The 20 MW units supplied by BHEL, however, had auxiliary equipment of 1369.63 KW capacity per unit and accordingly auxiliary consumption in respect of these units as assessed by the Board was 7.31 per cent of units generated. Against this standard consumption, the actual percentage of auxiliary consumption ranged between 4.58 to 6.10 in respect of 15 MW units and 5.71 to 8.44 in respect of 20 MW units as given below:

Unit	Capacity (MW)	Percentage of auxiliary consumption				
		1995-96	1996-97	1997-98	1998-99	1999-00
I	15.00	5.15	4.58	5.20	5.66	6.10
II	15.00	5.17	5.97	5.43	5.67	6.04
III	15.00	5.56	6.03	5.37	5.56	6.05
IV	15.00	Under shut down				
V	20.00	6.15	8.22	8.44	7.57	8.08
VI	20.00	5.71	8.09	8.41	7.42	8.18
VII	20.00	-	-	-	-	8.15

Auxiliary consumption in excess of norm resulted in loss of revenue

It may be seen from above that auxiliary consumption in respect of all the units during the five years was higher than the norm except in Unit-V and Unit-VI in 1995-96. The higher rate of auxiliary consumption resulted in loss of 18.72 MU valued at Rs.4.87 crore during the five years up to 1999-2000 as shown in Annexure-15.

The management did not analyse the reasons for the excess consumption. However, as analysed in audit the main reasons for the excess consumption were:

- (i) Running of generating units on partial load (since auxiliary consumption would remain more or less constant while generation would be less);
- (ii) Frequent outages leading to frequent start-ups during which there would be auxiliary consumption without corresponding output;
- (iii) Low pressure of gas supplies requiring deployment of additional compressors;
- (iv) Inclusion of consumption in other station facilities (like lighting of powerhouse, air-conditioning system, station battery charger and service water system) in auxiliary consumption.

3.5 Cost of generation

Cost of generation per unit increased from Rs.1.18 to Rs.1.60

In the Project Report for the first four units of 15 MW each cost of generation was estimated at 9.90 paise per unit and cost of sending out each unit was estimated at 11.64 paise. Cost of generation and cost of sending out each unit as per Project Report of extension units (3 x 20 MW) could not be given due to non-availability of Project Report. However cost of generation of LTPS, increased from Rs.1.18 per unit in 1995-96 to Rs.1.60 per unit in 1999-2000.

The increase in cost of generation, as noticed in audit (February 2001), was mainly due to following reasons:

- i) Low thermal efficiency of generating units had resulted in excess consumption of 102.71 MSCM of gas valuing Rs.9.43 crore; (Refer Para-3.4.4 *supra*).
- ii) Low PLF contributed to the increase in cost of generation by 35 paise to 46 paise per unit.
- iii) Increase in operation and maintenance cost and employee cost from Rs.3.45 crore in 1995-96 to Rs.5.80 crore in 1999-2000.

3.6 Stores and Stock

3.6.1 Locking up of fund in wrong procurement

The following table indicates the value of project materials (capital items) which have been lying idle for a period varying from 6 to 13 years as on 31 March 2000:

Name of Division	Description of materials	Value	Lying idle since
		(Rupees in lakh)	
Civil Division	Steel materials	62.25*	January 1994
	Building materials	5.77	June 1989
(3 X 20 MW) Extension Division	Project materials	182.12	1994
(4 X 15 MW) Extension Division	Project materials	524.00	1987
Total		774.14	

Out of Rs.182.12 lakh (3x20 MW Extension Division), materials valued at Rs.13.32 lakh were wrongly supplied by BHEL which have not been replaced by them till date and spares valued at Rs.89.69 lakh** were slow moving. Besides, obsolete items valued at Rs.2.35 lakh# were yet (March 2001) to be disposed off.

Excess holding of capital stores resulted in locking up of funds

Though management stated (February 2001) that these materials would be utilised for overhauling of gas turbine and maintenance work, it was noticed that overhauling of Unit-VI was done by purchasing materials worth Rs.9.23 lakh. Funds of Rs.774.14 lakh have been locked up for periods ranging from 6 to 13 years. The management had not ascertained items which might have become obsolete with the passage of time.

3.6.2 Excess holding of operation and maintenance stock

The details of closing stock and consumption for operation and maintenance (O&M) during the five years up to 1999-2000 are tabulated in next page:

* Rs.62.25 lakh includes Rs.2.97 lakh and Rs.34.52 lakh being value of materials lying in stores since 1979-80 and 1990-91 respectively.

** Materials belonging to Unit 5,6,7 (3x20 MW)

This figure is not included in Rs.774.14 lakh.

Year	Closing stock at the end of year	Consumption during the year	Closing stock in terms of months consumption
(Rupees in lakh)			
1995-96	1532.79	114.36	160.84
1996-97	1336.57	69.68	230.18
1997-98	1161.72	167.75	83.10
1998-99	914.96	101.90	107.75
1999-2000	1411.96	183.32	92.43

Excess holding of O&M stock

The closing O&M stock was very high and varied from 83.10 months' consumption to 230.18 months' consumption. Age-wise analysis of stock was not carried out by the management and obsolete stocks were not segregated.

3.7 Mobile Gas Turbines (MGT) at Geleky and Kathalguri

3.7.1 Extensive shutdowns of MGT units and consequent idle investment

With a view to utilize the flared natural gas at various Gas Gathering Stations in the oil fields of Upper Assam and thereby augment generation of power, the Board set up 3 x 2.705 MW Mobile Gas turbine (MGT) units at Geleky in March 1981 and 4 x 2.705 MW MGT units at Kathalguri in April 1982. All the seven MGT units were supplied by M/s Ruston Gas Turbines Ltd., U.K. at a total landed cost of Rs.15.46 crore.

The performance of the MGT Units were poor since inception and their continued operation was found to be uneconomic due to the following reasons:

Poor performance and uneconomic operation of MGT units

- (i) The low-pressure pithead gas used as fuel contained oil as well as water vapour, which caused frequent damage to C.T. Rotor Blades and sometime to C.T. Disc Assemblies. Repair and replacement cost was high;
- (ii) Difficulty in evacuation of power through 33 KV line.

Due to these reasons, all the seven units were shutdown on various dates between 13 February 1989 and 17 April 1997. In the meantime, the Board also tried to dispose off the units either through outright sale or long-term lease, which did not materialise.

Failure of Board to repair and restore MGT units resulted in idle investment of Rs. 15.46 crore

In January 1998, the Board decided to restore Unit-II of Geleky. The work of repair and renovation of this unit was awarded to a Calcutta based firm (M/s Swamina International (P) Ltd) in June 1998 at tender value of Rs.20.70 lakh. The contractor however abandoned the work in December 1998. The mobilization advance of Rs.8.28 lakh paid to the contractor in two instalments of Rs.4.14 lakh each on 12 September 1998 and 15 October 1998 could not be recovered due to expiry of related bank guarantees. The Board tried but failed to complete the job departmentally (March 2001). In respect of other 6 (six) units, the Board did not take any action for their repair and re-commissioning.

Thus failure of the Board to either dispose off the Units or repair and restore the same resulted in investment of Rs.15.46 crore remaining idle from 17 April 1997.

Conclusion

The shortfall in generation due to low PLF during 1995-96 to 1999-2000 had compelled the Board to purchase more power from other agencies. The Board failed to control and monitor the excess consumption of fuel and auxiliary consumption of power over the prescribed norms. Inadequate linkage of gas led to frequent shutdown of units and loss of potential generation.

The Board needs to analyse the reasons for higher consumption of fuel and higher auxiliary consumption for appropriate corrective measures with a view to bring down the consumption of fuel and the auxiliary consumption closer to norms.

CHAPTER - IV

4 MISCELLANEOUS TOPICS OF INTEREST RELATING TO GOVERNMENT COMPANIES AND STATUTORY CORPORATIONS

4.1 GOVERNMENT COMPANIES

4.1.1 Assam Seeds Corporation Limited

4.1.1.1 *Loss due to delayed sale of seeds*

Procurement of seeds in excess of requirement/demand and failure to sell them within the validity period resulted in loss of revenue—Rs.0.32 crore

Germination capability in seeds is liable to deteriorate due to various reasons such as prolonged storage, attack by insects/disease and physical/chemical damage. These causes are mostly controllable and avoidable by careful preservation and protection and by selling within the validity period.

When the potency of seeds fall below the minimum germination standard, the seeds are required to be categorised as non-seeds after getting germination test carried out by Assam State Seeds Certifying Authority (ASSCA).

As per Accounting Manual of the company, seeds remaining unsold after a particular season are to be tested in laboratory and test reports along with the quantity of seeds are to be placed before the Board for their approval to declare and sell the seeds as non-seeds. Sale of seeds as non-seeds involve huge loss as the sale price of non-seeds is much lower than seeds.

Test check (October – December 2000) in audit revealed that the management procured seeds in excess of requirement and categorized 2883 quintals of different varieties of seeds as non seeds and sold the same at Rs.13.14 lakh against realizable sale price of Rs.45.28 lakh without obtaining approval from the Board. Some illustrative cases showing the demand and procurement of various seeds (major items) are given in next page:

Period	Name of seed	Requirement (In quintals)	Procurement (In quintals)
1997-98	Mustard seed	3693.54	3718.79
	Paddy seed	14733.48	16188.24
1998-99	Mustard seed	3936.26	3962.83
	Paddy seed	11947.00	12559.70
1999-2000	Mustard seed	2105.00	2134.00
	Paddy seed	10411.00	10584.00

In many cases (1196.57 quintals) test certificates were also not obtained from ASSCA.

Selling seeds as non-seeds was attributed by the management (February 2001) to the following:

- i) expiry of validity period of germination capacity.
- ii) deterioration in quality due to prolonged storage.

Procurement of excess quantity of seeds which could not be sold within the validity period

The reply is not tenable as the company has been making purchases of seeds in excess of its requirement/demand. Failure on the part of the Management to sell the seeds within the validity period of its germination capacity resulted in loss of potential revenue of Rs.32.14 lakh.

The matter was reported to the management/government in February 2001; their replies had not been received (September 2001).

4.1.2 Assam Industrial Development Corporation Limited

4.1.2.1 Unfruitful expenditure

Taking up the project without considering financial viability and its subsequent abandonment resulted in unfruitful expenditure of Rs.0.22 crore

With a view to providing office accommodation to various organizations concerned with the industrial development in the state, the company conceived (December 1984) an idea to construct a multistoried office-building complex at its own office premises at Guwahati. The Board of Directors decided (1986) in principle to take up the project and approved (April 1996) cost estimate of Rs.16.54 crore. The anticipated source of fund was the loan from the Housing and

Urban Development Corporation (Rs.6.12 crore), advances from the allottees (Rs.7.60 crore) and state government's contribution (Rs.1.16 crore). The balance amount of Rs.1.66 crore being the cost of land was taken into account as company's own contribution towards the project. The project cost was, however, revised to Rs.25.73 crore in December 1997 with the following anticipated pattern of financial assistance:-

A.I.D.C./Government	:	Rs. 3.25 crore
Term loan from HUDCO	:	Rs. 6.12 crore
Advances from allottees	:	<u>Rs.16.36 crore</u>
Total		<u>Rs.25.73 crore</u>

Scrutiny of records revealed that the building project was taken up by the company without ensuring the availability of financial assistance from the state government and also without identifying the allottees from whom money was to be collected in advance to meet the requirement of fund.

In December 1997 the Engineers' Association and the Employees' Forum of the company represented to the management expressing their apprehension about the viability of the project and stated that the construction of the multistoried building would not be conducive since the company had not earmarked any fund out of its own resources. The Association further observed that high interest rate (16 per cent) of HUDCO might pose a threat to the financial stability of the company if sufficient number of allottees/purchasers were not found.

As the required financial assistance from the state government and advances from the allottees were not forthcoming and taking into consideration the employees' apprehension, the Board of Directors of the company decided (June 1998) to abandon the project on the ground of financial un-viability.

The company, however, continued to incur expenditure till March 2000 and the total expenditure incurred against the building project during 1987-88 to 1999-2000 stood at Rs.21.64 lakh which included expenditure on design and consultancy services (Rs.15.46 lakh), fees for obtaining permission for construction (Rs.3.10 lakh), advertisement and publicity (Rs.0.83 lakh) and miscellaneous expenditure (Rs.2.25 lakh).

Injudicious decision of the Board for taking up unviable project resulted in unfruitful expenditure of Rs.0.22 crore

Thus, the decision of the Board to take up the project was injudicious and expenditure of Rs.21.64 lakh incurred thereon proved to be unfruitful.

On this being pointed out (July 2000) the management stated (December 2000) that the expenditure incurred towards the building project would be useful in case

of revival of the same. The reply is, however, not tenable in view of the fact that the company is yet to formulate any concrete proposal for the revival of the project (September 2001).

The matter was reported to the government (July 2000); their replies had not been received (September 2001).

4.1.3 Assam Plains Tribes Development Corporation Limited

4.1.3.1 *Unauthorised diversion of funds*

Plan fund of Rs.0.49 crore diverted towards staff salary though not provided in the scheme

The Government of India (GOI) released funds under Special Central Assistance (SCA) to the state government for the socio-economic development of plain tribes and their protection against exploitation. The funds released under SCA form part of the Tribal Sub-Plan (TSP) of the state government. The nodal department of the schemes under SCA is the Department of Welfare of Plains Tribes and Backward Classes (WPT & BC), Government of Assam. The schemes are implemented by agencies like Assam Plains Tribes Development Corporation Limited and the state nodal department functions as co-coordinator between the implementing agencies and the GOI.

The schemes drawn under SCA envisage utilization of funds for Family Oriented Income Generation (FOIG)/Infrastructure Development (ID) as specified in the Annual TSP of the State. These also stipulate that activities of a non-plan nature should not be catered to from the SCA funds.

Test check (November 1998) of the records of the company in audit and subsequent verification of records (March 2001) revealed that the company had received a sum of Rs.4.33 crore from the state nodal department during the year 1999-2000 under SCA for implementation of Family Orientation Income Generation (FOIG) Scheme. Out of Rs.4.33 crore, the company spent Rs.3.84 crore during the year 1999-2000 for the implementation of FOIG Scheme and the balance amount of Rs.0.49 crore was diverted and spent on activities of non-plan nature viz., salaries etc. of the company's staff, though not envisaged in the

Diversions of plan funds towards salaries of staff not provided in the scheme.

scheme. As such, targeted beneficiaries were deprived of the intended benefit of the scheme.

The authority under which funds were diverted and utilized for the purpose beyond the scope of 'SCA funding' schemes, as specified in the Annual TSP of the state, were neither on record nor could be stated (April 2001).

The matter was reported to the government/management (March 2000); their replies had not been received (September 2001).

4.1.3.2. *Avoidable expenditure*

Purchase of power tillers at higher rates than the approved purchase price of AAIDC resulted in avoidable expenditure of Rs.0.08 coror.

Purchase agreement executed without mentioning the rate

In order to procure SHRACHI power tiller for implementation of Power Tiller Scheme under Poverty Alleviation Programme for tribal farmers, the company entered into an agreement (April 1998) with M/s Hira Feed Stores, Mangaldoi. (vendor) The terms and conditions of the agreement stipulated that the rate of the power tiller should be inclusive of all taxes, transportation, loading and unloading charges etc. The rate at which the power tillers were to be supplied by the firm was, however, not mentioned in the agreement. The company did not also float tenders to ascertain competitive market rates of power tillers.

The company procured 96 nos. of SHRACHI power tillers during the years 1998-99 and 1999-2000 from the vendor (76 nos.) and from M/s Nyvilly Marketing Agency, Guwahati (20 nos.) at the rate of Rs.0.93 lakh per tiller, the approved selling price of Assam Agro-Industries Development Corporation Limited (AAIDC).

Scrutiny of records during audit (December 1999) and subsequent verification of relevant records of the company (April 2001) revealed that the AAIDC was purchasing power tillers from the manufacturers' authorised dealer only at the rate of Rs.80,300 per tiller. However, their selling price was at Rs.93,000 per tiller (Rs.80,300+profit margin Rs.8,030+Sales Tax Rs.3,533+Freight Charges Rs.1,100)

Purchase at AAIDC's selling price instead of AAIDC's purchase price resulted in avoidable expenditure

Thus procurement of 96 Nos of SHRACHI power tillers at the price equivalent to selling price of AAIDC at Rs.93,000.00 per tiller instead of procuring the same from the manufacturer's dealer (as done by the AAIDC) at the dealer's price resulted in avoidable expenditure to the extent of Rs.7.71 lakh (i.e. an amount equal to AAIDC's margin of Rs.8030.00 per tiller for 96 nos. of power tillers) to the company.

The matter was reported to the government/management (March 2000); their replies had not been received (September 2001).

4.2 Statutory Corporation

4.2.1 ASSAM STATE ELECTRICITY BOARD

4.2.1.1 Avoidable expenditure

Execution of defective MOU resulted in avoidable expenditure of Rs.1.23 crore

MOU was executed without the concurrence of third party.

A MOU (Memorandum of Understanding) was signed in March'1993 between three parties namely Government of Assam, Assam State Electricity Board (ASEB) and M/s Subhash Project and Marketing Limited to transfer the assets and liabilities in respect of an incomplete power project of ASEB viz., Karbilangpi Hydro Power Project to M/s Bharat Hydro Power Corporation Limited (BHPCL), a public limited company incorporated for the purpose. At the time of signing the MOU (March 1993) and Deed of Assignment (April' 1993), the liabilities of the existing contactors M/s Frontier Construction Company (F.C.C) were not liquidated by the Board (ASEB). The liabilities assigned to BHPCL included an amount of Rs.1.83 crore which the Board owed to M/s F.C.C. on account of construction works executed by them (1992) in the said power project. However, this liability was transferred to BHPCL without the concurrence of M/s FCC.

The High Court held the transfer of liability as unlawful and ordered payment of dues with interest

On failing to realise the outstanding dues either from the Board or BHPCL, M/s F.C.C. moved the Court (March 1996) for realisation of the outstanding dues. The Hon'ble High Court, Guwahati in its judgement (June 1998) held the transferring of liabilities of the Board to M/s BHPCL as unauthorised and unlawful as the contractual obligation arising out of a concluded contract cannot be established without the concurrence of the parties. The Hon'ble Court further observed that the Board could not absolve themselves of the responsibility of clearing contractual liability by merely transferring the same to BHPC Limited and hence

directed the Board to pay all dues of M/s F.C.C. together with interest @ 9% per annum. The total interest liability till December 1998 on this account worked out to Rs.1.23 crore (including Income Tax and Surcharge). Out of total liability of Rs.3.06 crore (including principal and interest) as on 18 December 1998, an amount of Rs.0.97 crore was paid in the year 1998-99.

Thus, executing a defective MOU without taking M/s F.C.C. into confidence and examining other legal aspects resulted in an avoidable liability of Rs.1.23 crore in the shape of payment of interest on the outstanding liability of the Board.

The matter was reported to the management/government (February 2001); their replies had not been received (September 2001).

4.2.1.2 *Loss due to delay in preferring claim*

Delay in preferring the claim for compensation resulted in loss of Rs.0.15 crore

Section 106 B of Indian Railways Act 1989 stipulates that a claim against the Railways for non-delivery of goods booked for carriage has to be preferred within six months from the date of entrustment of the goods.

Delay in preferring claim for non-delivery of goods by Railway

It was revealed in audit (1997-98 SAR and December 2000) that out of 262 claims lodged by the Board with the Railway authorities during the period from January 1990 to October 1999 against the missing coal wagons consigned to Bongaigaon Thermal Power Station, Salakati, 10 claims pertaining to the period from September 1997 to June 1998 were turned down (March 1999) as the claims were not preferred within six months from the date of booking and were therefore time-barred.

The delay in preferring the claims for compensation resulted in a loss of Rs.15.48 lakh to the Board. The Board did not take any action to fix the responsibility for such negligence/lapses.

The matter was brought to the notice of the state government (February 2001) their replies had not been received (September 2001).

4.2.1.3

Non-levy of compensation charges

Inaction on the part of the management resulted in non-levy of compensation charges of Rs.0.59 crore

Clause 21 of the “Terms and Conditions of Supply, ASEB – 1988” stipulates that, in case any unauthorised extension of load is detected, immediate steps should be taken to disconnect the unauthorised portion of extended load from the mains and the same should be regularised according to the rules and procedures of the Board. At the same time, Compensation (Assessment) Bills from the month of detection of such malpractice in the prescribed formula should be served on and realised from the consumer according to clause 22 of terms and conditions *ibid*.

Compensation bill for Rs.0.59 crore could not be preferred for want of approval

On scrutiny of records of the Area Manager, Industrial Revenue Collection Area, (AM, IRCA), Badarpurghat, it was noticed in audit (September 2000) that M/s Hindustan Paper Corporation Limited, Panchgram had availed of unauthorised extension of connected load on two different occasions (December 1995 and June 1997). Even though the malpractices were detected and reported to the Additional Chief Engineer (Commercial), the compensation bill amounting to Rs.58.59 lakh could not be preferred to the consumer for want of approval from the competent authority. No action has also been taken to disconnect/regularise the unauthorised extended load.

Thus, due to inaction of the management, Board’s revenue amounting to Rs.58.59 lakh remained unrealised (September 2000).

The matter was reported to the government/Board in December 2000; their replies had not been received (September 2001).

4.2.1.4

Non-recovery of dues from industrial consumers

Due to lack of timely action on its part the Board could not recover Rs.3.36 crore as electricity charges

Clause 23(a) of the Terms and Conditions of Supply ASEB 1981, 1988 and 1998 stipulates that if a consumer fails to pay any bill within 30/15 days, as applicable, of its being presented to him the Board may disconnect the supply of electricity to

the consumer after giving him not less than 7 clear days' notice in writing without prejudice to its right to recover the amount of the bill by legal action.

Dues of Rs.3.36 crore were allowed to accumulate due to lack of timely action on the part of the Board.

Scrutiny of the records of the Area Manager, Industrial Revenue Collection Area, Guwahati revealed (1997-98 SAR and July 2000) that during the period from November 1981 to April 1999 service connections of 105 consumers, having accumulated dues of Rs.3.36 crore, were disconnected. The dues remained outstanding till the date of audit. The Board did not take any legal action in these cases to effect recovery from the concerned consumers. No action was also taken to dismantle the electrical installations at the consumer's premises and collection of materials. Further it was noticed that two consumers M/s Assam Ispat and M/s Himagiri Ceramics, India, with accumulated dues of Rs.52.92 lakh against them were not traceable by board authorities. In these cases the prospect of recovery of the dues appears to be bleak.

It was further noticed in audit that the accumulated dues in individual cases represented 4 to 77 months' unpaid bills. Thus lack of timely action on the part of the Board management resulted in accumulation of huge arrears over the years. Moreover, due to absence of effective measures, revenue of Rs.3.36 crore involved in the above cases remained unrecovered till date.

The matter was brought to the notice of the management/government in August 2000; their replies had not been received (September 2001).

4.2.1.5 Undue benefits to two consumers

Arbitrary reduction/waiver of penalty and irregular relaxation of period for calculation of compensation resulted in undue benefits of Rs.4.36 crore to two consumers

Clause 21 of the Terms and Conditions of Supply (TCS) ASEB-1998 stipulates that if a consumer indulges in interfering and tampering with the metering system, the Board shall serve the consumer a compensation bill for energy loss assessed on the basis of demand factor, load factor and connected load for a period of six months preceding the date of detection. Clause 22 *ibid* provides that if a consumer commits more than one malpractice, compensation charges would be leviable separately for each of the malpractices. It further provides that a consumer aggrieved by such assessment may appeal to the Boards' prescribed authority within a period of 15 days from the date of receipt of the assessment notice/bill by depositing 50 per cent of the assessment bill.

Scrutiny of the records of the Area Manager, Industrial Revenue Collection Area (AM, IRCA) Guwahati revealed (July 2000) that a case of interference in the metering equipment was detected (18 February 1998) by the Meter Testing and Inspection Wing (MTI) in the premises of M/s Brahmaputra Iron and Steel Private Limited, an Extra High Tension (E.H.T) consumer and a compensation bill for Rs.1.45 crore was served on the consumer (March 1998) by the Area Manager, IRCA.

The consumer, however, preferred an appeal with the Appellate Authority (Additional Chief Engineer (Electrical), Guwahati zone) who admitted the appeal by allowing the consumer to deposit Rs.3.00 lakh only instead of the stipulated amount of Rs.72.55 lakh (50 percent of Rs.145.09 lakh) in view of financial hardship as expressed by the company.

However, though, the Appellate Authority in its judgement had observed that the consumer had been indulging in other malpractices viz., drawal of excess load over connected/sanctioned load, violation of peak load restriction etc. yet, it held that the compensation bill be restricted to 9 days only i.e., for the period from 19 February 1998 to 27 February 1998 instead of the stipulated six months on the ground that the team of MTI officials had checked the consumer's meter on 18 February 1998 and did not record any such malpractice. Accordingly, a revised assessment bill for Rs.5.81 lakh was prepared by the AM, IRCA.

In this connection, audit observed the following:

- (i) Though the Appellate Authority had pointed out that the consumer had been indulging in multiple malpractices, compensation charges were not levied separately for each malpractice.
- (ii) Stipulation in the T.C.S for assessment/recovery of penalty for six-month period was a measure deterrent to such malpractice and therefore, limiting the period of compensation to 9 days in violation of the Board's Terms and Conditions was injudicious.

Similarly, it was noticed in audit (July 2000) that ASEB officials, headed by Executive Engineer, Meter Testing and Inspection (MTI) Division, Guwahati had conducted inspection (July 1997) of meters of M/s Assam Tubes Limited, Guwahati, an Extra High Tension (EHT) consumer and noticed wide variation between the recording of energy received (1376520 units) as per consumer's meter and energy sent out (2393000 units) as per Sub-Station meter, besides variation in recording of maximum demand at consumer's end (1973 KW) and at the Sub-Station's end (4133 KW) during June 1997. In his inspection report

submitted (July 1997) to the Additional Chief Engineer (Commercial), ASEB, the Executive Engineer, MTI Division observed that the static meter of the aforesaid consumer provided tamper information about the consumption of electrical energy and also that the consumer had violated peak load restriction. Subsequently, in November 1998 a team of ASEB officials headed by Director (Technical) detected theft of power by the said consumer.

Though as per terms and conditions of supply (TCS), the consumer was liable to pay compensation of Rs.3.55 crore on account of such malpractices, the concerned circle authority preferred a compensation bill of Rs.58.35 lakh only, calculating the assessed loss of energy for 21 days only on the ground that the meter of the said consumer was checked and found to be in order by MTI Division, Guwahati 21 days before the date of detection (November 1998) of the malpractices. The action of the circle authority in determining the amount of compensation by relaxing the period of calculation was, however, not tenable in view of the specific provision for assessment of energy loss for a period of six months in the terms and conditions of supply (TCS) which was a measure deterrent to such malpractices.

Period of the compensation bill restricted to nine days to 21 days instead of six months in violation T&CS resulting in undue benefit of Rs.4.36 crore to the consumers

Thus, due to arbitrary reduction/waiver of penalty and irregular relaxation of period of calculation for determining the amount of penalty by the authority resulted in undue benefit Rs.4.36 crore* to the above consumers.

The matter was reported to the government/ Board in August 2000; their replies had not been received (September 2001).

* (Rs.1.45 crore – Rs.0.06 crore) + (Rs.3.55 crore – Rs.0.58 crore)

4.2.2 Assam Financial Corporation

4.2.2.1 *Improper settlement of loan account*

Granting liberal waiver in undeserving cases resulted in loss of Rs.0.25 crore

Assam Financial Corporation (corporation) grants loans to medium and small-scale industries out of funds raised by the corporation through market borrowing or out of loans obtained from Industrial Development Bank of India/Small Industries Development Bank of India.

(a) The corporation had disbursed (April 1990 – September 1992) a term loan of Rs.14.85 lakh to M/s Dolomite (Assam) Industries for setting up a dolomite-crushing unit at Lahowal, Assam.

The terms and conditions of the loan stipulated repayment in 32 quarterly instalments between April 1992 to January 2000.

As the borrower failed to repay principal as well as interest accrued thereon, the corporation issued a demand notice (June 1996) followed by a legal suit (November 1996) U/s 31 of State Financial Corporation Act, 1951 claiming an amount of Rs.26.04 lakh (principal: Rs.14.85 lakh and interest: Rs.11.19 lakh) from the loanee as on 30 September 1996.

During the pendency of the case, the corporation received (September 1998) transport subsidy amounting to Rs.23.17 lakh due and sanctioned to the loanee by the Director of Industries.

The borrower requested (September 1998) the corporation to adjust his dues and close the loan account since he had been facing financial hardship. Accordingly, a compromise decree was filed (October 1998) and the suit was withdrawn (November 1998).

The Board, however, without judging the merit of the case, approved (March 1999) the proposal of appropriating the entire transport subsidy towards principal

in full and the balance against interest and authorised the management to examine and to take steps to close the loan account.

The corporation adjusted transport subsidy against the outstanding dues and closed the loan account

Scrutiny of records during audit (July-August 1999) revealed that the Corporation finalised and closed the loan account against the amount of transport subsidy of Rs.23.17 lakh without effecting recovery of the balance amount of interest of Rs.12.14 lakh from the loanee (principal: Rs.14.85 lakh plus interest due as on 30 September 1998, Rs.20.46 lakh less transport subsidy adjusted Rs.23.17 lakh) even though the activities of the unit were in full swing as would be evident from the receipt of transport subsidy.

Reasons for non-recovery of balance amount of interest from the loanee was neither on record nor could be stated.

Thus, failure on the part of the management to ascertain actual financial position and operational performance before closing of the account of the unit resulted in undue financial aid of Rs.12.14 lakh to the loanee.

(b) The corporation disbursed two loans totalling Rs.54.93 lakh to M/s Reena Enterprise, Shillong (first loan: Rs.41.04 lakh disbursed between August 1987 and August 1990 and second loan: Rs.12.93 lakh paid in May 1992) for construction of a three star category hotel at Shillong. Though the loanee defaulted in repayment of first loan, second loan along with interest due thereon was liquidated within July 1996. On the basis of an application submitted (August 1997) by the loanee, the corporation settled the first loan on the ground that the loanee organisation had suffered losses, as the establishment cost was very high compared to the revenue earned.

Accordingly, the loanee repaid (during February and December 1998) Rs.54.55 lakh* being entire outstanding principal amount, 50 per cent interest and tax on interest. It was decided (March 1999) to close the loan account of M/s Reena Enterprise, Shillong thereby waiving the balance interest of Rs.12.58 lakh (amounts payable Rs.67.13 lakh *minus* amounts payable under one time settlement Rs.54.55 lakh).

Scrutiny of records (July-August 1999) revealed that the loanee unit had earned cash profit Rs.4.07 lakh, Rs.9.94 lakh, Rs.7.08 lakh, Rs.6.15 lakh in 1993-94, 1995-96, 1996-97 and 1997-98 respectively. It suffered marginal cash loss of

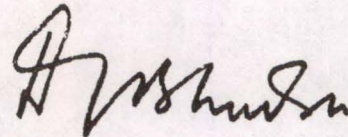
* Principal outstanding: Rs.41.04 lakh; 50 per cent Interest: Rs.12.58 lakh and Tax on Interest: Rs.0.93 lakh.

Rs.1.96 lakh in 1994-95. Total reserve and surplus as on 31 March 1997 stood at Rs.12.26 lakh and net worth was Rs.27.18 lakh.

Corporation
waived interest
without judging
the merit of the
case

Thus, by granting liberal waiver in undeserving cases (a&b), the corporation sustained loss of Rs.25 lakh.

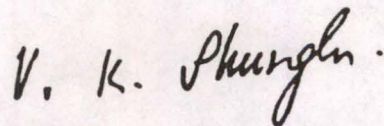
The matter was reported to management/government (April 2001); their replies had not been received (September 2001).



GUWAHATI
THE 01 FEB 2002

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

Countersigned



NEW DELHI
THE 11 FEB 2002

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

ANNEXURES

ANNEXURE-1

(Referred to in paragraph No1.2.1.1, 1.2.1.2, 1.2.2 &1.3.2)

Statement showing particulars of up-to-date paid-up capital, budgetary outgo, loans given out of budget and loans outstanding as on 31 March 2001 in respect of Government companies and Statutory corporations

(Figures in column.3 (a) to 4 (f) are Rs. in lakh)

S1 No.	Sector & 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 2000-01			Debt equity ratio for '000-01 'previous year) 4f/3e
		State Government	Central Government	Holding Companies	Others	Total	Equity	Loans		Govt.	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. Working Government companies:													
AGRICULTURE & ALLIED SECTORS													
1.	Assam Seeds Corporation Limited	345.80	-	-	-	345.80	200.00	330.13	-	719.13	82.06	801.19	2.32:1 (3.82:1)
2.	Assam Agro-Industries Development Corporation Limited	110.00	110.00	-	-	220.00	-	-	-	676.00	50.00	726.00	3.30:1 (3.30:1)
3.	Assam State Minor Irrigation Development Corporation Limited	1735.00	-	-	-	1735.00	-	-	-	3199.28	-	3199.28	1.84:1 (1.84:1)
4.	Assam Fisheries Development Corporation Limited	48.95	-	-	-	48.95	1.00	-	-	-	-	-	-
5.	Assam Livestock and Poultry Corporation Limited	6.50	212.50	-	-	219.00	-	-	-	10.00	-	10.00	0.05:1 (0.05:1)

Audit Report (Commercial) for the year ended 31 March 2001

(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)
6.	Assam Tea Corporation Limited	2753.94	-	-	0.01	2753.95	-	-	-	348.32	2918.15	3266.47	1.19:1 (1.19:1)
	Sector wise total	5000.19	322.50	-	0.01	5322.70	201.00	330.13	-	4952.73	3050.21	8002.94	1.50:1 (1.19:1)
INDUSTRY SECTOR													
7.	Assam Hills Small Industries Development Corporation Limited	200.00	-	-	-	200.00	-	57.60	-	962.96	-	962.96	4.81:1 (4.53:1)
8.	Assam Industrial Development Corporation Limited	9178.44	-	-	-	9178.44	93.04	123.97	-	1492.19	3120.51	4612.70	0.50:1 (0.49:1)
9.	Assam Small Industries Development Corporation Limited	651.00	-	-	18.87	669.87	-	-	-	-	276.43	276.43	0.41:1 (0.41:1)
10.	Assam Gas Company Limited	887.57	-	-	-	887.57	45.37	-	100.00	-	782.10	782.10	0.88:1 (1.41:1)
11.	Assam Petrochemicals Limited	-	-	804.15	108.43	912.58	-	-	-	-	612.50	612.50	0.67:1 (1.04:1)
12.	Ashok Paper Mills (Assam) Limited	0.002	-	-	-	0.002	-	10.00	-	258.23	-	258.23	129115:1 (124115:1)
	Sector wise total	10917.012	-	804.15	127.30	11848.462	138.41	191.57	100.00	2713.38	4791.54	7504.92	0.63:1 (0.69:1)

(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)
ENGINEERING SECTOR													
13.	Assam Conductor & Tubes Limited	153.54	-	-	-	153.54	-	18.00	101.90	330.50	101.90	432.40	2.82:1 (2.04:1)
	Sector wise total	153.54	-	-	-	153.54	-	18.00	101.90	330.50	101.90	432.40	2.82:1 (2.04:1)
ELCTRONICS SECTOR													
14.	Assam Electronics Development Corporation Limited	906.48	-	-	-	906.48	54.50	-	20.00	55.00	3.00	58.00	0.06:1 (0.06:1)
	Sector wise total	906.48	-	-	-	906.48	54.50	-	20.00	55.00	3.00	58.00	0.06:1 (0.06:1)
TEXTILE SECTOR													
15.	Assam State textile Corporation Limited	1576.45	-	-	-	1576.45	-	217.41	-	4009.98	744.70	4754.68	3.02:1 (3.06:1)
	Sector wise total	1576.45	-	-	-	1576.45	-	217.41	-	4009.98	744.70	4754.68	3.02:1 (3.06:1)
HANDLOOM AND HANDICRAFTS SECTOR													
16.	Assam Power loom Development Corporation Limited	334.47	-	-	-	334.47	56.18	-	-	-	24.00	24.00	0.07:1 (0.33:1)
	Sector wise total	334.47	-	-	-	334.47	56.18	-	-	-	24.00	24.00	0.07:1 (0.33:1)

Audit Report (Commercial) for the year ended 31 March 2001

(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 SECTOR													
17.	Assam Plantation Crop Development Corporation Limited	500.00	-	-	-	500.00	-	14.00	-	519.00	-	519.00	1.04:1 (1.06:1)
	Sector wise total	500.00	-	-	-	500.00	-	14.00	-	519.00	-	519.00	1.04:1 (1.06:1)
MINING SECTOR													
18.	Assam Mineral Development Corporation Limited	488.60	-	-	-	488.60	-	-	-	-	250.00	250.00	0.51:1 (0.51:1)
	Sector wise total	488.60	-	-	-	488.60	-	-	-	-	250.00	250.0	0.51:1 (0.51:1)
CONSTRUCTION SECTOR													
19.	Assam Police Housing Corporation Limited	3.50	-	-	-	3.50	-	-	-	-	-	-	
20.	Assam Government Construction Corporation Limited	200.00	-	-	-	200.00	-	-	-	-	-	-	
	Sector wise total	203.50	-	-	-	203.50	-	-	-	-	-	-	
DEVELOPMENT OF ECONOMICALLY WEAKER SECTION SECTOR													
21.	Assam Plains Tribes Development Corporation Limited	224.92	-	-	-	224.92	-	-	473.90	-	1371.88	1371.88	6.10:1 (3.99:1)

(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)
22.	Assam State Development Corporation for Other Backward Classes Limited	211.16	-	-	-	211.16	5.00	-	100.00	-	200.17	200.17	0.95:1 (0.97:1)
23.	Assam State Development Corporation for Scheduled Cases Limited.	456.83	450.97	-	-	907.80	32.00	-	100.00	-	406.97	406.97	0.45:1 (0.35:1)
	Sector wise total	892.91	450.97	-	-	1343.88	37.00	-	673.90	-	1979.02	1979.02	1.47:1 (1.08:1)
TOURISM SECTOR													
24.	Assam Tourism Development Corporation Limited	24.00	-	-	-	24.00	-	-	-	-	-	-	-
	Sector wise total	24.00	-	-	-	24.00	-	-	-	-	-	-	-
DRUGS, CHEMICALS AND PHARMACEUTICAL SECTOR													
25.	Assam State Fertilizers and Chemicals limited (Subsidiary of AIDC Limited)	-	-	374.95	-	374.95	-	-	118.13	-	627.35	627.35	1.67:1 (1.64:1)
	Sector wise total	-	-	374.95	-	374.95	-	-	118.13	-	627.35	627.35	1.67:1 (1.64:1)

Audit Report (Commercial) for the year ended 31 March 2001

(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)
MISCELLANEOUS SECTOR													
26	Assam Government Marketing Corporation Limited	215.52	98.50	-	-	314.02	11.00	-	-	158.13	-	158.13	0.50:1 (0.52:1)
27.	Assam State Film (Finance & Development) Corporation Limited	9.94	-	-	0.06	10.00	-	-	-	4.00	-	4.00	0.40:1 (0.40:1)
28.	Assam State Text Book Production and Public Corporation Limited	100.00	-	-	-	100.00	-	-	-	-	-	-	-
	Sector wise total	325.46	98.50	-	0.06	424.02	11.00	-	-	162.13	-	162.13	0.38:1 (0.39:1)
Total A (All sector wise working Government Companies)		21322.612	871.97	1179.10	127.37	23501.052	498.09	771.11	1013.93	12742.72	11571.72	24314.44	1.03:1 (1.05:1)
B. Working Statutory Corporations													
POWER SECTOR													
1	Assam State Electricity Board	135000.00	-	-	-	135000.00	-	8880.00	10543.33	75690.40	71360.69	147051.09	1.09:1 (1.05:1)
	Sector wise total	135000.00	-	-	-	135000.00	-	8880.00	10543.33	75690.40	71360.69	147051.09	1.09:1 (1.05:1)

(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)
TRANSPORT SECTOR													
2	Assam State Transport Corporation	15747.10	1025.77	-	-	16772.87	-	1487.46	-	8359.96	-	8359.96	0.50:1 (0.41:1)
	Sector wise total	15747.10	1025.77	-	-	16772.87	-	1487.46	-	8359.96	-	8359.96	0.50:1 (0.41:1)
FINANCING SECTOR													
3	Assam Financial Corporation	870.47	444.18	-	28.32	1342.97	-	-	26.94	-	7375.41	7375.41	5.49:1 (5.47:1)
	Sector wise total	870.47	444.18	-	28.32	1342.97	-	-	26.94	-	7375.41	7375.41	5.49:1 (5.47:1)
AGRICULTURE AND ALLIED SECTOR													
4	Assam State Warehousing Corporation	517.00	507.00	-	-	1024.00	10.00	31.85	-	195.53	-	195.53	0.19:1 (0.16:1)
	Sector wise total	517.00	507.00	-	-	1024.00	10.00	31.85	-	195.53	-	195.53	0.19:1 (0.16:1)
	Total B (all sector wise Statutory corporations)	152134.57	1976.95	-	28.32	154139.84	10.00	10399.31	10570.27	84245.89	78736.10	162981.99	1.06:1 (1.01:1)
	Grand total (A+B)	173457.182	2848.92	1179.1	155.69	177640.892	508.09	11170.42	11584.20	96988.61	90307.82	187296.43	1.05:1 (1.02:1)

ANNEXURE-2
(Referred to in paragraph No 1.2.3, 1.2.5 & 1.3.5)

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

(Figures in column.7 to 12 are Rupees in lakh)

Sl. No.	Sector & name of the Company	Name of the Department	Date of Incorporation	Period of accounts	Year in which accounts finalized	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
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
A. Working Government companies:													
AGRICULTURE & ALLIED SECTORS													
1.	Assam Seeds Corporation Limited	Agriculture	27 January 1967	1990-91	2001-02	(-)82.92	(+)4.27	145.80	(-)1043.81	779.43	(+)18.20	-	10
2.	Assam Agro-Industries Development Corporation Limited	Agriculture	27 January 1975	1998-99	2001-02	(-)189.84	(-)34.28	220.00	(-)1242.18	549.86	(-)127.07	-	2
3.	Assam State Minor Irrigation Development Corporation Limited	Agriculture	15 October 1980	1988-89	1998-99	(-)67.33	(-)0.12	695.00	(-)192.03	3216.52	(-)67.33	-	12
4.	Assam Fisheries Development Corporation Limited	Fisheries	1 March 1977	1993-94	2000-01	(-)38.36	Nil	45.00	(-)275.51	442.12	(-)38.36	-	7
5.	Assam Livestock and Poultry Corporation Limited	Animal Husbandry, Veterinary and Dairy Development	6 February 1984	1985-86	1999-00	(-)0.91	Nil	2.50	(-)0.91	1.59	(-)0.91	-	15

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
6.	Assam Tea Corporation Limited	Industries	4 February 1972	1994-95	2001-02	(-)905.73	(-)1.63	2533.95	(-)3867.93	6970.66	(-)515.56	-	6
	Sector wise total					(-)1285.09		3642.25	(-)6622.37	11960.18	(-)731.03		
INDUSTRY SECTOR													
7.	Assam Hills Small Industries Development Corporation Limited	Industries	30 March 1964	1986-87	2001-02	(-)11.67	(-)106.77	- 200.00	(-)171.66	313.67	(-)11.67.	-	14
8.	Assam Industrial Development Corporation Limited	Industries	-21 April 1965	1999-2000	2000-01	(-)361.41	(-)1894.72	9054.45	(-)7253.17	17909.86	(-)70.23	-	1
9.	Assam Small Industries Development Corporation Limited	Industries	27 March 1962	1989-90	2001-02	(-)66.78	(-)1.66	499.79	(-)354.83	246.17	(-)46.49	-	11
10.	Assam Gas Company Limited	Industries	31 March 1962	1999-2000	2000-01	(+)423.36	(+)6.86	877.21	(+)1078.21	4259.85	(+)675.79	15.86	1
11.	Assam Petrochemicals Limited (Subsidiary of AIDC Ltd)	Industries	22 April 1971	1999-2000	2001-02	(-)162.92	(-)19.18	912.60	(+)1909.93	3797.57	(+)14.50	0.38	1
12.	Ashok Paper Mills (Assam) Limited	Industries	7 June 1991	1998-99	2000-01	(-)4.91	Nil	0.002	(-)534.31	147.94	(+)8.75	5.91	2
	Sector wise total					(-)184.33		11544.05	(-)5325.83	26675.06	(+)570.65	2.74	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
ENGINEERING SECTOR													
13.	Assam Conductor & Tubes Limited	Industries	22 June 1964	1987-88	2000-01	(-)36.44	(-)3.30	25.00	(-)117.16	61.54	(-)18.87	-	13
	Sector wise total					(-)36.44		25.00	(-)117.16	61.54	(-)18.87	-	
ELCTRONICS SECTOR													
14.	Assam Electronics Development Corporation Limited	Industries	4 April 1984	1992-93	2000-01	(-)24.38	Nil	492.00	(-)87.46	870.03	(-)11.70	-	8
	Sector wise total					(-)24.38		492.00	(-)87.46	870.03	(-)11.70	-	
TEXTILE SECTOR													
15.	Assam State textile Corporation Limited	Industries	26 February 1980	1994-95	2000-01	(-)449.11	-	1544.50	(-)3130.46	983.87	(-)200.57	-	6
	Sector wise total					(-)449.11		1544.50	(-)3130.46	983.87	(-)200.57	-	
HANDLOOM AND HANDICRAFTS SECTOR													
16.	Assam Power loom Development Corporation Limited	Handloom Textiles and Sericulture	5 March 1990	1993.94	2001-02		Nil	147.01	Commercial function not started				7
	Sector wise total							147.01					

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
FOREST SECTOR													
17.	Assam Plantation Crop Development Corporation Limited	Forest	1 November 1974	1987-88	1995-96	(-)43.70	(-)7.99	500.00	(-)179.70	921.38	(+)15.21	1.65	13
	Sector wise total					(-)43.70		500.00	(-)179.70	921.38	(+)15.21	1.65	
MINING SECTOR													
18.	Assam Mineral Development Corporation Limited	Power, Mines and Minerals	19 May 1983	1995-96	2000-01	(-)67.17	-	458.61	(-)148.07	(+)543.36	(-)67.17	-	5
	Sector wise total					(-)67.17		458.61	(-)148.07	(+)543.36	(-)67.17	-	
CONSTRUCTION SECTOR													
19.	Assam Police Housing Corporation Limited	Home	5 November 1980	1992-93	2001-02	(-)12.91	(-)9.49	3.50	(+)28.33	31.83	(-)12.91	-	8
20.	Assam Government Construction Corporation Limited	PWD (R&B)	24 March 1964	1992-93	1997-98	(-)60.48	(-)25.86	50.00	(-)287.13	(-)229.60	(-)60.48	-	8
	Sector wise total					(-)73.39		53.50	(-)258.80	(-)197.77	(-)73.39		
DEVELOPMENT OF ECONOMICALLY WEAKER SECTION SECTOR													
21.	Assam Plains Tribes Development Corporation Limited	Welfare of Plains Tribes and Other Backward Classes	29 March 1975	1985-86	2001-02	(-)24.78	-	93.59	(-)144.08	(-)50.48	(-)24.78	-	15

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
22.	Assam State Development Corporation for Other Backward Classes Limited	-Do-	6 August 1975	1987-88	2000-01	(+)1.46	-	98.16	(+)6.39	(+)104.90	(+)1.46	1.39	13
23.	Assam State Development Corporation for Scheduled Cases Limited.	-Do-	18 January 1975	1988-89	2001-02	(-)1.26	(-)20.74	378.17	(-)79.19	298.43	(-)1.26	-	12
	Sector wise total					(-)24.58		569.92	(-)216.88	352.85	(-)24.58		
TOURISM SECTOR													
24.	Assam Tourism Development Corporation Limited	Tourism	6 June 1986	1991-92	2001-02	(-)12.26	Nil	24.00	(-)9.76	216.93	(-)12.26	-	9
	Sector wise total					(-)12.26		24.00	(-)9.76	216.93	(-)12.26	-	
DRUGS, CHEMICALS AND PHARMACEUTICAL SECTOR													
25.	Assam State Fertilizers and Chemicals limited (Subsidiary of AIDC Limited)	Industries	30 March 1988	1998-99	1999-2000	(-)51.09	Nil	356.95	(-)778.30	(-)122.73	(-)51.06	-	2
	Sector wise total					(-)51.09		356.95	(-)778.30	(-)122.73	(-)51.06	-	
MISCELLANEOUS SECTOR													
26	Assam Government Marketing Corporation Limited	Industries	16 December 1959	1982-83	1998-99	(-)2.27	(+)8.58	145.77	(-)53.40	222.22	(-)2.27	-	18
27.	Assam State Film (Finance and Development) Corporation Limited	-do-	4 September 1974	1989-90	2000-01	(-)0.79	-	10.00	(-)7.78	9.58	(-)0.37	-	11

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
28.	Assam State Text Book Production and Publication Limited	Education	3 March 1972	1987-88	2000-01	(+)84.37	Nil	100.00	(+)102.19	287.09	(+)92.13	32.09	13
	Sector wise total					(+)81.31		255.77	(+)41.01	(+)518.89	(+)89.49	17.25	
	Total A (All sector wise working Government Companies)					(-)2170.23		19613.56	(-)16833.78	42783.59	(-)515.28	-	
B. Working Statutory Corporations													
POWER SECTOR													
1	Assam State Electricity Board	Power, Mines and Minerals	January 1975	1998-99	2001-02	(-)54976.53	(-)19719.00	135000.00	(-)242885.18	168520.10	(-)29486.31	-	2
	Sector wise total					(-)54976.53		135000.00	(-)242885.18	168520.10	(-)29486.31	-	
TRANSPORT SECTOR													
2	Assam State Transport Corporation	Transport	March 1970	1994-95	1998-99	(-)1841.15	(-)1728.73	16772.87	(-)18735.44	1334.49	(-)1675.32	-	
	Sector wise total					(-)1841.15		16772.87	(-)18735.44	1334.49	(-)1675.32		
FINANCING SECTOR													
3	Assam Financial Corporation	Finance	April 1954	1998-99	2001-02	(-)366.99	(-)1445.92	1267.97	(-)6234.42	9188.32	(+)190.55 [@]	2.14	2
	Sector wise total					(-)366.99		1267.97	(-)6234.42	9188.32	(+)190.55	2.14	

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(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
AGRICULTURE AND ALLIED SECTOR													
4	Assam State Warehousing Corporation	Co-operation	August 1958	1995-96	2001-02	(-)64.77	(+)17.00	894.00	(-)261.91	1469.49	(-)47.85	-	5
	Sector wise total					(-)64.77		894.00	(-)261.91	1469.49	(-)47.85	-	
Total B (all sector wise Statutory corporations)						(-)57249.44		153934.84	(-)268116.95	180512.40	(-)31018.93	-	
C. Non working Government companies													
INDUSTRIES SECTOR													
1.	Assam Tanneries Limited	Industries	28 September 1961	1982 (Year ended December)	1983-84	(-)0.12	Nil	2.40	(-)3.79	0.04	(-)0.08	-	18
2.	Industrial Papers (Assam) Limited (Subsidiary of AIDC Limited)	-Do-	6 September 1974	1993-94	2000-01	Nil	Nil	39.93	Commercial function not started				7
	Sector wise total					(-)0.12		42.33	(-)3.79	0.04	(-)0.08	-	-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
ELECTRONICS SECTOR													
3.	Amtron Sen Electronics Limited	-Do-	25 October 1985	1991-92	1993-94	(-)0.77	Nil	2.00	(-)0.20	14.11	(+)0.46	3.26	9
	Sector wise total					(-)0.77	Nil	2.00	(-)0.20	14.11	(+)0.46	3.26	
TEXTILES SECTOR													
4.	Assam Spun Silk Mills Limited	Industries	31 March 1960	1991-92	1996-97	(-)7.46	(-)3.88	169.59	(-)353.61	31.65	(-)7.46	-	9
5.	Assam Polytex Limited (Subsidiary of AIDC Ltd)	-Do-	29 May 1982	1987-88	1993-94	Nil	Nil	526.01	Commercial function not started				13
6.	Assam Syntex Limited (Subsidiary of AIDC Limited)	-Do-	April 1995	1993-94	2000-01	(-)315.75	(-)1.79	511.50	(-)1214.90	321.71	(-)195.85	-	7
7.	Assam State Weaving and Manufacturing Company Limited (Subsidiary of AIDC Ltd)	-Do-	29 November 1988	1992-93	2001-02	(-)22.48	(-)5.51	863.50	(-)86.04	1818.01	(-)22.48	-	8
	Sector wise total					(-)345.69	(-)11.18	2070.60	(-)1654.55	2171.37	(-)225.79		

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
MINING SECTOR													
8.	Assam & Meghalaya Mineral Development Corporation Limited	Power, Mines and Minerals	10 August 1964	1983-84	1984-85	(-)0.73	Nil	23.44	(-)8.73	4.72	(-)0.73	-	17
	Sector wise total					(-)0.73	Nil	23.44	(-)8.73	4.72	(-)0.73	-	
SUGAR SECTOR													
9.	Cachar Sugar Mills Limited	Industries	30 March 1972	1985-86	1994-95	(-)118.21	Nil	337.85	(-)1250.78	338.89	(-)53.36	-	15
	Sector wise total					(-)118.21	Nil	337.85	(-)1250.78	338.89	(-)53.36	-	
DRUGS, CHEMICALS AND PHARMACUTICALS													
10.	Fertichem Limited	Industries	29 March 1974	1990-91	2001-02	(-)94.28	-	199.47	(-)681.07	103.96	(-)47.61	-	10
	Sector wise total					(-)94.28	-	199.47	(-)681.07	103.96	(-)47.61	-	
wise	Total C (all sector Non-working companiess)					(-)559.80	(-)11.18	2675.69	(-)3599.12	2633.09	(-)327.11	-	
	Grand Total (A+B+C)					(-)59979.47	(-)24961.58	176224.09	(-)288549.85	225929.08	(-)31861.32	-	

(A) :Capital employed represents net fixed assets (including capital-in-progress) plus working capital except incase 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).

@ This has been calculated without taking into account provision for NPA amounting to Rs.5.58 crore.

Annexure – 3
(Referred in Paragraph 1.2.2 & 1.3.2)

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 2001

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

Sl. No.	Name of the Public Sector Undertaking	Subsidy ⁶ received during the year				Guarantees received during the year and outstanding at the end of the year ⁷					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. Working Government companies:																
1.	Assam State Textile Corporation Limited	-	0.80	-	0.80	-	(2307.77)	-	-	(2307.77)	-	-	-	-	-	-
2.	Assam Small Industries Development Corporation Limited	-	-	-	-	-	(125.00)	-	-	(125.00)	-	-	-	-	-	-
3.	Assam Petrochemicals Ltd. (Subsidiary of AIDC)	375.28	-	-	375.28	-	-	-	-	-	-	-	-	-	-	-

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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
4.	Assam Gas Company Limited	-	-	-	-	-	(782.00)	-	-	(782.00)	-	-	-	-	-	-
5.	Assam Tea Corporation Limited.	-	-	-	-	1924.00 (4562.00)	-	-	-	1924.00 (4562.00)	-	-	-	-	-	-
6.	Assam Mineral Development Corporation Limited	-	-	-	-	-	(250.00)	-	-	(250.00)	-	-	-	-	-	-
7.	Assam State Development Corporation for OBC Limited	-	33.00	-	33.00	-	- (76.93)	-	-	- (76.93)	-	-	-	-	-	-
8.	Assam State Development Corporation for SC Limited	-	-	-	-	-	- (100.00)	-	-	- (100.00)	-	-	-	-	-	-
9.	Assam Seeds Corporation Limited	42.12	-	-	42.12	-	-	-	-	-	-	-	-	-	-	-
	TOTAL -A :	417.40	33.80	-	451.20	1924.00 (4562.00)	- (3641.70)	-	-	1924.00 (8203.70)	-	-	-	-	-	--

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. Working Statutory corporation:																
1.	Assam State Electricity Board	-	- (87161.88)	-	- (87161.88)	-	- (69228.74)	-	-	- (69228.74)	-	-	-	-	-	-
2.	Assam State Transport Corporation	-	-	-	-	-	- (6872.50)	-	-	- (6872.50)	-	-	-	-	-	-
3.	Assam Financial Corporation	-	-	-	-	-	- (5563.10)	-	-	- (5563.10)	-	-	-	-	-	-
4.	Assam State Warehousing Corporation	36.81	-	-	36.81	-	-	-	-	-	-	-	-	-	-	-
TOTAL - B		36.81	- (87161.88)	-	36.81 (87161.88)	-	- (81664.34)	-	-	- (81664.34)	-	-	-	-	-	-
Grand total (A+B)		454.21	33.80 (87161.88)	-	488.01 (87161.88)	1924.00 (4562.00)	- (85306.04)	-	-	1924.00 (89868.04)						

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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
C. Non-working Government Companies																
1.	Assam State Weaving and Manufacturing Company Limited	-	-	-	-	-	(1421.00)			(1421.00)	-	-	-	-	-	-
2.	Assam Syntex Limited	-	-	-	-	-	(3.57)			(3.57)	-	-	-	-	-	-
	TOTAL. C	-	-	-	-	-	(1424.57)			(1424.57)	-	-	-	-	-	-
	GRAND TOTAL (A + B+C)	454.21	33.80	-	488.01	1924.00	-	-	-	1924.00	-	-	-	-	-	-
			(87161.88)		(87161.88)	(4562.00)	(86730.61)			(91292.61)						

@ 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

(Referred to in paragraph No.1.2.4)

**Statement showing financial position of Statutory corporation
Working Statutory corporations**

(Rupees in crore)

	1997-98	1998-99	1999-2000 (Provisional)
1. Assam State Electricity Board			
Particulars			
A. Liabilities			
Equity Capital	800.00	1350.00	1350.00
Loans from Government	1344.09	652.79	668.10
Other long-term loans (including bonds)	2397.45	2786.41	3057.22
Reserves and surplus	202.21	197.20	247.12
Current liabilities and provisions	978.71	1268.84	1563.51
Total-A	5722.46	6255.24	6885.95
B. Assets			
Gross fixed assets	1602.47	1636.33	1648.66
Less: Depreciation	591.39	666.82	759.61
Net fixed assets	1011.08	969.51	889.05
Capital works-in-progress	757.14	967.44	862.16
Current assets @	1991.20	1836.40	1924.61
Investments	59.94	34.72	67.88
Miscellaneous expenditure/Deferred cost	24.01	18.32	18.32
Deficits	1879.09	2428.85	3123.93
Total-B	5722.46	6255.24	6885.95
C. Capital employed**	2013.75	1685.21	1240.69
2. Assam State Road Transport Corporation			
Particulars			
A. Liabilities			
Capital (including capital loan & equity capital)	255.87	270.96	283.07
Borrowings (Government)	-	-	-
(Others)	-	-	-
Funds#	11.50	11.50	11.97
Trade dues and other current liabilities (including provisions)	36.74	50.71	71.29
Total	304.11	333.17	366.33
B. Assets			
Gross Block	23.07	21.53	23.06
Less: Depreciation	3.79	3.41	3.31
Net fixed assets	19.28	18.12	19.75
Capital works-in-progress (including cost of chassis)	0.55	0.46	0.43
Current assets, loans and advances	12.24	12.06	13.39
Investments	12.55	12.93	10.66
Accumulated losses	259.49	289.60	322.10
Total	304.11	333.17	366.33
C. Capital employed**	(-4.67)	(-20.07)	(-37.72)

@ Includes subsidy receivables of Rs.766.96 lakh, Rs.819.30 lakh and Rs.871.62 lakh during 1997-98, 1998-99 and 1999-2000 respectively.

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

Excluding depreciation funds (including reserves and surplus).

Assam Financial Corporation	1997-98	1998-99	1999-2000 (Provisional)
Particulars			
A. Liabilities			
Paid-up capital	9.25	9.25	13.43
Share application money	3.17	3.43	-
Reserve fund and other reserves and surplus	3.19	3.19	3.19
Borrowings:			
(i) Bonds and debenture	54.66	56.73	55.63
(ii) Fixed Deposits	2.67	2.76	0.22
(iii) Industrial Development Bank of India & Small Industries Development Bank of India	17.60	17.85	18.12
(iv) Reserve Bank of India	-	-	-
(v) Loan towards share capital:	-	-	-
(a) State Government	-	-	-
(b) Industrial Development Bank of India	-	-	-
(vi) Others (including State Government)	-	-	-
Other liabilities and provisions	37.33	43.34	44.83
Total-A	127.87	136.55	135.42
B. Assets			
Cash and Bank balances	3.28	2.96	1.87
Investments	-	-	-
Loans and Advances	67.24	67.04	65.39
Net fixed assets	1.17	1.09	1.34
Other assets	3.02	3.12	2.96
Miscellaneous expenditure	53.16	62.34	63.86
Total-B	127.87	136.55	135.42
C. Capital employed[%]	88.90	91.88	91.90
4. Assam State Warehousing Corporation	1997-98	1998-99	1999-2000
	(Provisional)	(Provisional)	(Provisional)
Particulars			
A. Liabilities			
Paid-up capital	9.94	9.94	10.14
Reserves and surplus	1.64	2.62	2.65
Borrowings: (Government) (Others)	1.79	1.64	1.64
Trade dues and current liabilities (including provision)	2.86	3.39	3.85
Total-A	16.23	17.59	18.28
B. Assets			
Gross Block	13.16	14.01	14.78
Less: Depreciation	4.68	5.15	5.66
Net fixed assets	8.48	8.86	9.12
Capital works-in-progress	0.43	0.09	0.37
Current assets, loans and advances	4.81	6.15	6.35
Profit and loss account	2.51	2.49	2.44
Total-B	16.23	17.59	18.28
C. Capital employed[§]	10.86	11.71	11.99

[%] Capital employed represents the means of the aggregates of the opening and closing balances and paid-up capital, reserves (other than those which have been funded specifically and backed by investments outside), bonds, deposits and borrowings (including refinance).

[§] Capital employed represents the net fixed assets (including capital works-in-progress) plus working capital.

ANNEXURE-5

Annexure

(Referred to in paragraph No1.2.4)

Statement showing working results of Statutory corporations

Working Statutory corporations

(Rupees in crore)

Sl. No.		1997-98	1998-99	1999-2000 (Provisional)
1.	Assam State Electricity Board			
	Particulars			
1.	(a) Revenue receipts	419.02	467.39	537.06
	(b) Subsidy/subvention from Government	52.33	52.33	52.33
	Total	471.35	519.72	589.39
2.	Revenue expenditure (net of expenses capitilised) including write off of intangible assets but excluding depreciation and interest	561.45	681.11	847.31
3.	Gross surplus (+)/deficit (-) for the year (1-2)	(-) 90.10	(-) 161.39	(-) 257.92
4.	Adjustments relating to previous years	(-) 36.42	(-) 58.63	(-) 117.25
5.	Final gross surplus (+)/deficit (-) for the year (3+4)	(-) 126.52	(-) 220.02	(-) 375.17
6.	Appropriations:			
	(a) Depreciation (less capitalized)	77.82	74.84	88.64
	(b) Interest on Government loans	149.44	113.38	109.04
	(c) Interest on others, bonds, advance etc. and finance charges	138.25	141.52	122.22
	(d) Total interest on loans & finance charges (b+c)	287.69	254.90	231.26
	(e) Less: Interest capitalized	104.78	-	-
	(f) Net interest charged to revenue (d-e)	182.91	254.90	231.26
	(g) Total appropriations (a+f)	260.73	329.74	319.90
7.	Surplus (+)/deficit (-) before accounting for subsidy from State Government {5-6(g)-1(b)}	(-) 439.58	(-) 602.09	(-) 747.40
8.	Net surplus (+)/deficit (-) {5-6(g)}	(-) 387.25	(-) 549.76	(-) 695.07
9.	Total return on capital employed*	(-) 204.34	(-) 294.86	(-) 463.81
10.	Percentage of return on capital employed	-	-	-
2.	Assam State Transport Corporation	1997-98	1998-99	1999-2000
		(Provisional)	(Provisional)	(Provisional)
	Particulars			
	Operating			
	(a) Revenue	20.40	17.22	14.19
	(b) Expenditure	44.93	44.36	43.22
	(c) Surplus (+)/deficit (-)	(-) 24.53	(-) 27.14	(-) 29.03
	Non-operating			
	(a) Revenue	2.57	2.75	2.58
	(b) Expenditure	5.55	5.71	6.05
	(c) Surplus (+)/deficit (-)	(-) 2.98	(-) 2.96	(-) 3.47
	Total			
	(a) Revenue	22.97	19.97	16.77
	(b) Expenditure	50.48	50.07	49.27
	(c) Surplus (+)/deficit (-)	(-) 27.51	(-) 30.10	(-) 32.50
	Interest on capital and loans	5.44	5.71	6.05
	Total return on capital employed	(-) 22.07	(-) 24.39	(-) 26.45
3.	Assam Financial Corporation	1997-98	1998-99	1999-2000
				(Provisional)

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

Particulars				
1.	Income			
	(a) Interest on loans	2.68	4.11	4.45
	(b) Other income	0.14	0.15	0.20
	Total-1	2.82	4.26	4.65
2.	Expenses			
	(a) Interest on loans	6.69	5.57	1.31
	(b) Provision for NPA	-	5.58	0.30
	(c) Other expenses	2.18	2.36	3.77
	Total-2	8.87	13.51	5.38
3.	Profit before tax (1-2)	(-) 6.05	(-) 9.25	(-) 0.73
4.	Provision for tax	-	0.07	-
5.	Other appropriations [@]	-	-	-
6.	Amount available for dividend [#]	-	-	-
7.	Dividend	-	-	-
8.	Total return on capital employed	0.64	(-) 3.68 [*]	0.58
9.	Percentage of return on capital employed	0.72	-	0.63
4.	Assam State Warehousing Corporation	1997-98	1998-99	1999-2000
		(Provisional)	(Provisional)	(Provisional)
Particulars				
1.	Income			
	(a) Warehousing charges	4.37	4.65	5.41
	(b) Other income	0.06	0.08	0.10
	Total-1	4.43	4.73	5.51
2.	Expenses			
	(a) Establishment charges	2.57	2.65	2.97
	(b) Other expenses	1.75	1.92	2.53
	Total-2	4.32	4.57	5.50
3.	Profit before tax (1-2)	0.11	0.16	0.01
4.	Other appropriations [@]	-	-	-
5.	Amount available for dividend	0.11	0.16	0.01
6.	Dividend for the year	-	-	-
7.	Total return on capital employed	0.28	0.32	0.16
8.	Percentage of return on capital employed	2.58	2.73	1.33

[#] Represents profit of current year available for dividend after considering the specific reserves and provision for taxation.

^{*} Provision for NPA has been taken into consideration for calculation of total return on capital employed.

[@] This does not include prior period adjustments.

ANNEXURE-6

(Referred to in paragraph No.1.2.4.2.2)

Statement showing operational performance of Statutory corporations**Working Statutory corporations**

	1998-99	1999-2000	2000-2001 (Provisional)
Assam State Electricity Board			
Particulars			
Installed capacity	(MW)		
(a) Thermal	352.000	300.000	300.000
(b) Hydro	2.000	2.000	2.000
(c) Gas	220.400	272.400	272.400
(d) Other	-	-	-
Total	574.400	574.400	574.400
Normal maximum demand	517.300	NA	NA
Power generated	(MKWH)		
(a) Thermal	237.302	167.405	176.177
(b) Hydro	-	-	-
(c) Gas	688.373	699.569	758.783
(d) Other	-	-	-
Ttotal	925.675	866.974	934.960
Less: Auxiliary consumption			
(a) Thermal (percentage)	NA	NA	NA
(b) Hydro (percentage)	NA	NA	NA
(c) Gas (percentage)	NA	NA	NA
(d) Other (percentage)	NA	NA	NA
Total	70.652	65.765	66.420
Net power generated	855.023	801.209	868.540
Power purchased	1977.750	2072.163	2256.888
Total power available for sale	2832.773	2873.372	3125.428
Power sold	1752.894	1671.654	1911.232
Transmission and distribution losses	1079.879	1201.718	1214.196
Load factor (percentage)	19.125	17.180	18.58
Percentage of transmission and distribution losses to total power available for sale	38.12	41.82	38.80
Number of villages/towns electrified	NA	NA	NA
Number of pump sets/well energized	NA	NA	NA
Number of sub-stations	NA	NA	NA
Transmission/distribution lines (in Kms)			
(a) High/medium voltage	NA	NA	NA
(b) Low voltage	NA	NA	NA
Connected load (MW)	1696.332	1816.500	1750.305
Number of consumers	8,04,000	8,50,000	9,02,205
Number of employees	19,953	19,222	18,821
Consumer/employees Ratio	40.29:1	44.22:1	47.94:1
Total expenditure on staff during the year (Rupees in crore)	186.88	232.73	252.74
Percentage of expenditure on staff to total revenue expenditure	18.49	24.86	18.15
Units sold			
(a) Agriculture (Percentage share to total units sold)	54.354 (3.10)	10.340 (0.62)	40.678 (2.13)

	1998-99	1999-2000	2000-2001
(b) Industrial (Percentage share to total units sold)	306.30 (17.47)	263.10 (15.74)	318.914 (16.69)
(c) Commercial (Percentage share to total units sold)	135.61 (7.74)	146.08 (8.74)	181.648 (9.50)
(d) Domestic (Percentage share to total units sold)	535.91 (30.57)	447.98 (26.79)	536.576 (28.07)
(e) Others (Percentage share to total units sold)	720.72 (41.12)	804.15 (48.11)	833.416 (43.61)
Total	1752.894	1671.65	1911.232
(Paise per KWH)			
Particulars			
(a) Revenue (excluding subsidy from Government)	267	321	295
(b) Expenditure	431	560	728
(c) Profit (+)/Loss (-)	(-) 164	(-) 239	(-) 433
(d) Average subsidy calimed from Government (Rs.)	0.30	0.31	0.27
(e) Average interest charges (in Rupees)	1.45	1.38	
Assam State Transport Corporation	1998-99	1999-2000	2000-2001
Particulars			
Average number of vehicles held	527	454	437
Average number of vehicles on road	258	198	118
Percentage of utilisation of vehicles	48.95	43.61	27
Number of employees	5415	5292	5129
Employees vehicle ratio	20.98:1	26.73:1	43.46:1
Number of routes operated at the end of the year	NA	NA	NA
Route Kilometres	8130	8130	8130
Kilometres (in lakh)			
(a) Gross	214.48	161.52	90.25
(b) Effective	207.76	155.77	86.32
(c) Dead	6.72	5.75	3.93
Percentage of dead kilometers to gross kilometers	3.13	3.56	4.35
Average kilometers covered per bus per day	221	215	200
Average operating revenue per kilometer (Paise) over previous year's income (per cent)	781 (1.95)	846 (8.32)	933 (10.28)
Average expenditure per kilometer (paise)	2138	2455	2723
Increase in operating expenditure per kilometer over previous year's expenditure (per cent)	452 (26.81)	317 (14.83)	268 (10.92)
Loss per kilometer (Paise)	1357	1609	1790
Number of operating depots	25	25	25
Average number of break down per lakh kilometers	29.60	42.26	
Average number of accidents per lakh kilometers	0.16	0.31	
Passenger kilometer operated (in crore)	5048.56	4135.69	2524.86
Occupancy ratio	54	59	65
Kilometres obtained per litre of:			
(a) Dissel Oil	3.87	3.85	3.36

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

(b) Engine Oil						
Assam State Warehousing Corporation						
	1998-99		1999-2000		2000-2001	
Particulars						
Number of stations covered	40		41		43	
Storage capacity created up to the end of the year (tonne in lakh)						
(a) Owned	1.80		1.81		1.86	
(b) Hired	0.70		0.77		0.88	
Total	2.50		2.58		2.74	
Average capacity utilised during the year (tonne in lakh)	1.92		2.01		2.83	
Percentage of utilisation	76.80		77.91		103.28	
Average revenue per metric tonne per year (Rupees)	245.94		274.93		317.24	
Average expenses per metric tonne per year (Rupees)	243.88		273.63		313.30	
	1998-99		1999-2000		2000-2001	
	Number	Amount	Number	Amount	Number	Amount
Assam Financial Corporation						
Particulars						
Applications pending at the beginning of the year	52	5.57	24	2.09	21	2.46
Applications received	105	7.62	83	5.97	133	9.95
Total	157	13.19	107	8.06	154	12.41
Applications sanctioned	62	3.89	64	3.76	117	6.14
Applications cancelled/with drawn/rejected/reduced	71	7.21	22	1.84	13	4.12
Applications pending at the close of the year	24	2.09	21	2.46	24	2.15
Loans disbursed	-	3.84	-	2.87	-	3.66
Loan outstanding at the close of the year (inclusive of interest)	-	136.63	-	148.06	-	149.67
Amount overdue for recovery at the close of the year						
(a) Principal	-	47.32	-	47.17	-	46.12
(b) Interest	-	78.04	-	89.10	-	89.95
Total	-	125.36	-	136.27	-	136.07
Amount involved in recovery certificate cases	-	0.55	-	0.33	-	0.62
Total	-	125.91	-	136.60	-	136.69
Percentage of default to total loans outstanding	-	92	-	92	-	91

ANNEXURE-7

(Referred to in paragraph No. 1.7)

Statement showing the department wise outstanding of Inspection Reports (IRs)

Sl. No.	Departments	No. of PSUs	No. of outstanding IRs	No. of outstanding paras	Year from which paragraphs outstanding
1.	Agriculture	3	12	146	10/1981-2/2001
2.	Fisheries	1	5	24	11/1982-11/1997
3.	Animal Husbandry & Veterinary	1	1	13	3/1998
4.	Industries	19	64	527	10/1983-3/2001
5.	Forest	1	2	12	3/1988-3/1996
6.	Home	1	5	27	5/1987-6/1998
7.	PWD (R&B)	1	5	46	1/1984-12/1999
8.	Welfare of Plains Tribes, OBC	3	14	97	6/1985-3/2000
9.	Tourism	1	1	10	7/1998
10.	Education	1	6	22	8/1983-7/1999
11.	Finance	1	5	32	3/1987-12/1999
12.	Co-operation	1	6	53	2/1983-7/2000
13.	Transport	1	188	1058	11/1982-7/2001
14.	Power, Mines & Minerals	2	4	23	11/1984-6/2000
15.	Assam State Electricity Board	1	516	3048	5/1982-8/2001
Total		38	834	5138	

ANNEXURE-8

(Referred to in paragraph No. 1.7)

Statement showing the department wise draft paragraphs/reviews
reply to which are awaited

Sl. No.	Name of the Department/Corporation	No. of draft paragraphs	No. of reviews	Period/date of issue
1.	Assam State Electricity Board	9	1	02.04.01 – 14.05.01
2.	Assam Seeds Corporation Limited	2	-	02.04.01
3.	Assam Industrial Development Corporation Limited	1	-	24.04.01
4.	Assam Financial Corporation Limited	1	-	01.05.01
5.	Assam Plains Tribes Development Corporation Limited	2	-	01.05.01
6.	Agriculture Department	-	1	14.05.01
7.	Animal Husbandry & Veterinary	-	1	14.05.01
Total		15	3	

ANEXURE 9

(Referred to in paragraph No. 1.6)

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

(Rupees in lakh)

Sl. No.	Name of the SLPSUs	Date of incorporation	No. of years of existence	Latest 5 years accounts received up to 30 June 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)	(14)
MINING													
1.	Assam Mineral Development Corporation Limited	19.05.1983	18	1991-92	227.96	1992-93	351.36	1993-94	35.39	1994-95	298.37	1995-96	321.88
2.	Assam & Meghalaya Mineral Developemnt Corporation Limited	19.08.1964	37	1979-80	0.08	1980-81	0.12	1981-82	0.06	1982-83	0.04	1983-84	0.02
ENGINEERING													
3.	Assam Conductors and Tubes Limited	22.06.1964	37	1983-84	76.07	1984-85	147.32	1985-86	80.75	1986-87	106.51	1987-88	151.86
DEVELOPMENT OF ECONOMICALLY WEAKER SECTION													
4.	Assam Plains Tribes Development Corporation Limited	29.03.1975	26	1981-82	1.63	1982-83	1.59	1983-84	0.51	1984-85	0.13	1985-86	1.04
5.	Assam State Developemtn Corporation for OBC Limited	06.08.1975	26	1983-84	4.78	1984-85	5.39	1985-86	8.92	1986-87	12.39	1987-88	12.71

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
6.	Assam State Development Corporation for SC Limited	18.06.1975	26	1984-85	12.45	1985-86	8.92	1986-87	13.48	1987-88	15.48	1988-89	39.93
CONSTRUCTION													
7.	Assam Police Housing Corporation Limited	05.11.1980	21	1988-89	97.36	1989-90	52.93	1990-91	44.45	1991-92	53.71	1992-93	53.23
8.	Assam Government Construction Corporation Limited	24.03.1964	37	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 Limited	04.04.1984	17	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 Limited (N-W)	31.03.1960	41	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 Limited (a subsidiary of AIDC Limited) (N-W)	30.03.1962	39	1981-82	90.51	1982-83	131.96	1983-84	131.54	1984-85	54.07	1985-86	2.20
INDUSTRY													
12.	Ashok Paper Mills (Assam) Limited	24.09.1990	11	1994-95	0.64	1995-96	14.88	1996-97	15.26	1997-98	31.57	1998-99	33.35
13.	Assam Hills Small Industries Development Corporation Limited	30.03.1968	33	1982-83	30.40	1983-84	29.98	1984-85	29.09	1985-86	20.12	1986-87	13.31
FINANCING													
14.	Assam Financial Corporation	19.04.1954	47	1994-95	352.83	1995-96	382.33	1996-97	310.87	1997-98	282.25	1998-99	426.28

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
DRUGS, CHEMICAL & PHARMACEUTICAL													
15.	Assam State Fertilizers and Chemicals Limited	31.03.1988	13	1994-95	64.12	1995-96	35.82	1996-97	8.52	1997-98	60.76	1998-99	32.63
16.	Fertichem Limited	29.03.1974	27	1986-87	113.44	1987-88	193.32	1988-89	238.48	1989-90	195.59	1990-91	91.89
FOREST													
17.	Assam Plantation Crop Development Corporation Limited	01.11.1974	27	1983-84	13.77	1984-85	12.78	1985-86	20.12	1986-87	30.35	1987-88	21.58
AGRICULTURE AND ALLIED													
18.	Assam Fisheries Development Corporation Limited	01.03.1977	24	1989-90	33.34	1990-91	32.72	1991-92	33.29	1992-93	36.20	1993-94	47.05
MISCELLANEOUS													
19.	Assam Government Marketing Corporation Limited	16.12.1959	42	1978-79	76.81	1979-80	70.94	1980-81	104.63	1981-82	111.62	1982-83	116.07
20.	Assam State Film (Finance & Development) Corporation Limited	04.09.1974	27	1985-86	0.02	1986-87	0.39	1987-88	0.49	1988-89	0.29	1989-90	0.59

N-W: Non-working

ANEXURE 10

(Referred to in paragraph No. 1.6)

SLPSUs with turnover more than Rs.5 crore and incurring losses for five consecutive years

(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				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
AGRICULTURE AND ALLIED							
1.	Assam Seeds Corporation Limited	27.01.1967	*Yr. 1986-87 **NW (-) 407.05 ***LY 56.13	1987-88 (-) 520.90 113.84	1988-89 (-) 657.79 136.90	1989-90 (-) 815.09 161.98	1990-91 (-) 898.01 82.92
2.	Assam Agro-Industries Development Corporation Limited	27.01.1967	Yr. 1994-95 NW (-) 298.53 LY 181.25	1995-96 (-) 392.15 96.99	1996-97 (-) 675.50 277.33	1997-98 (-) 897.74 203.75	1998-99 (-) 1022.18 189.84
TEXTILES							
3.	Assam State Textile Corporation Limited	26.02.1980	Yr. 1990-91 NW 1110.53 LY 72.79	1991-92 942.90 165.28	1992-93 (-) 406.09 794.10	1993-94 (-) 979.79 541.21	1994-95 (-) 1431.42 449.11
4.	Assam Syntex Limited	20.10.1982	Yr. 1989-90 NW 249.72 LY 41.79	1990-91 174.17 74.44	1991-92 (-) 30.61 185.01	1992-93 (-) 270.68 240.07	1993-94 (-) 566.41 315.75

* Yr.=Year

** NW= Net worth

*** LY= Loss for the year

ANNEXURE -11

(Referred to in paragraph No. 3.4.1)

Details of Plant Load factors of generating Units of Lakwa Thermal Power Station

	Unit-I (15 MW)	Unit- II (15 MW)	Unit-III (15 MW)	Unit-IV (15 MW)	Unit - V (20 MW)	Unit - VI (20 MW)	Unit - VII (20 MW)	Station
1995-96								
A	131.76	131.76	131.76	131.76	175.68	175.68	-	878.40
B	95.17	87.68	35.72	-	82.99	83.25	-	384.81
C	72.23	68.55	27.11	-	47.24	47.38	-	43.81
1996-97								
A	131.40	131.40	131.40	131.40	175.20	175.20	-	876.00
B	19.99	58.06	89.54	-	85.58	102.81	-	355.98
C	15.21	44.19	68.14	-	48.85	58.68	-	40.64
1997-98								
A	131.40	131.40	131.40	131.40	175.20	175.20	-	876.00
B	88.73	11.57	99.99	-	96.91	80.52	-	377.72
C	67.53	8.93	76.09	-	55.32	45.96	-	43.14
1998-99								
A	131.40	131.40	131.40	131.40	175.20	175.20	-	876.00
B	65.65	70.47	74.54	-	80.75	87.42	-	378.83
C	49.96	53.63	56.73	-	46.09	49.89	-	43.25
1999-2000								
A	131.76	131.76	131.76	131.76	175.68	175.68	150.2 4	1028.6 4
B	45.64	62.35	60.60	-	44.64	69.92	75.22	358.37
C	34.64	47.32	45.99	-	25.41	39.79	50.06	34.83

Note : A = Maximum possible generation in million units at installed capacity in total hours in the year

B = Actual generation in million units.

C = Plant Load factor (B/A)

ANNEXURE – I2

(Referred to in paragraph No. 3.4.2)

Details of outages/shutdowns of generating units of Lakwa Thermal Power Station

	Unit-I (15 MW)	Unit-II (15 MW)	Unit-III (15 MW)	Unit-IV (15 MW)	Unit-V (20 MW)	Unit-VI (20 MW)	Unit VII (20 MW)	Station
1995-96								
A	8784	8784	8784	8784	8784	8784	-	52,704
B	7307.38	7550.20	2744.41	-	4809.71	4815.59	-	27,227.29
C	296.77	38.67	-	-	1030.90	-	-	1,366.34
D	1179.85	1195.13	6039.59	8784	2943.39	3968.41	-	24,110.37
E	83.19	85.95	31.24	-	54.76	54.82	-	51.97 [@]
1996-97								
A	8760	8760	8760	8760	8760	8760	-	52,560
B	1891.07	5646.79	7313.76	-	4754.98	5946.70	-	25,553.30
C	616.27	961.92	143.30	-	736.50	482.30	-	2940.29
D	6252.66	2151.29	1302.94	8760	3268.52	2331.00	-	24,006.41
E	21.59	64.46	83.49	-	54.28	67.88	-	49.86 [@]
1997-98								
A	8760	8760	8760	8760	8760	8760	-	52,560
B	7761.84	846.98	8299.32	-	5578.24	5050.83	-	27,537.21
C	145.85	7376.76	129.97	-	36.03	47.70	-	7,736.31
D	852.31	536.26	330.71	8760	3145.73	3661.47	-	17,286.48
E	88.61	9.67	94.74	-	63.68	57.66	-	53.22 [@]
1998-99								
A	8760	8760	8760	8760	8760	8760	-	52,560
B	6303.63	6186.73	6382.12	-	4234.16	4777.18	-	27,883.82
C	-	100.36	220.00	-	201.25	174.33	-	695.94
D	2456.37	2472.91	2157.88	8760	4324.59	3808.49	-	23,980.24
E	71.96	70.62	72.86	-	48.33	54.53	-	52.89 [@]
1999-2000								
A	8784	8784	8784	8784	8784	8784	7527.49	60,231.49
B	4520.43	5625.84	5314.39	-	2399.88	4049.82	4168.00	26,078.36
C	583.66	100.58	105.05	-	3646.07	3704.65	-	8,140.01
D	3679.91	3057.58	3364.56	8784	2738.05	1029.53	3359.49	26,013.12
E	51.46	64.05	60.50	-	27.32	46.10	55.37	43.17 [@]

ote: A = Total hours available.

B = Hours operated

C = Planned outages in hours

D = Forced outages in hours (including Idle hours)

E = Availability (per cent)

@ = Computed on the basis of MW-hours available and MW-hours operated.

ANNEXURE – I3
(Referred to in paragraph No. 3.4.3)

Details of plant Utilisation of Lakwa Thermal Power Station

	Unit-I (15 MW)	Unit- II (15 MW)	Unit- III (15 MW)	Unit-IV (15 MW)	Unit – V (20 MW)	Unit – VI (20 MW)	Unit- VII (20 MW)	Station
1995-96								
A	109.61	113.25	41.17	-	96.19	96.30	-	456.52
B	95.17	87.68	35.72	-	82.99	83.25	-	384.81
C	14.44	25.57	5.45	-	13.20	13.06	-	71.72
D	86.82	77.42	86.76	-	86.28	86.44	-	84.29
1996-97								
A	28.37	84.70	109.71	-	95.10	118.92	-	436.80
B	19.99	58.06	89.54	-	85.58	102.81	-	355.98
C	8.39	26.64	20.17	-	9.52	16.12	-	80.84
D	70.46	68.54	81.61	-	89.99	86.44	-	81.50
1997-98								
A	116.43	12.70	124.49	-	111.56	101.02	-	466.20
B	88.73	11.57	99.99	-	96.91	80.52	-	377.72
C	27.70	0.98	24.50	-	14.65	20.50	-	88.33
D	76.20	91.10	80.32	-	86.87	79.71	-	81.02
1998-99								
A	94.55	92.80	95.73	-	84.68	95.54	-	463.30
B	65.65	70.47	74.54	-	80.75	87.42	-	378.83
C	28.90	22.33	21.19	-	3.93	8.12	-	84.47
D	69.43	75.93	77.86	-	95.35	91.50	-	81.76
1999-2000								
A	87.81	84.39	79.71	-	48.00	81.00	83.36	444.27
B	45.64	62.35	60.60	-	44.64	69.92	75.22	358.37
C	22.17	22.04	19.11	-	3.36	11.08	8.14	85.90
D	51.98	73.88	76.02	-	93.00	86.32	90.23	80.66

Note: A = Possible generation in MU in actual hours operated
 B = Actual generation in MU
 C = Shortfall in generation (MU)
 D = Plant utilisation (Percentage)

ANNEXURE - 14

(Referred to in paragraph No. 3.4.4)

Details of excess consumption of natural gas at Lakwa Thermal Power Station

	Particulars	1995-96	1996-97	1997-98	1998-99	1999-2000	Total
i	Actual Generation (MU)	384.81	355.98	377.72	378.83	358.37	
ii	Heat energy contained in gas consumed (MK.Cal)	15,24,956	14,35,469	15,81,912	15,46,717	14,57,258	
iii	Heat energy required for actual generation (MK.Cal)	13,57,610	12,55,897	13,32,596	13,36,572	12,64,329	
iv	Excess heat-energy consumed (MK.Cal)	1,67,346	1,79,572	2,49,316	2,10,205	1,92,929	
v	Average calorific value of gas consumed (K.Cal)	10,125	9,931	9,952	9,981	8,770	
vi	Excess gas consumed (MSCM)	16.53	18.08	25.05	21.06	21.99	102.71
vii	Average rate paid per SCM (Rupees)	0.73	0.68	0.81	0.98	1.30	
viii	Value of excess consumption (Rupees in lakh)	120.67	122.94	202.90	210.60	285.87	942.98

ANNEXURE-17

(Referred to in paragraph No. 2A.5)

**Statement showing the working results of
Assam Livestock and Poultry Corporation Limited**

(Rupees in lakh)

	1994-95	1995-96	1996-97	1997-98	1998-99
Purchase of birds/feeds	0.08	0.55	-	-	2.56
Salary and wages	19.50	27.85	40.58	43.57	44.19
Administrative expenses	29.54	20.50	10.97	7.10	8.35
Training expenditure	1.13	0.36	-	-	-
Grants/assistances to societies	4.39	2.15	0.55	0.01	0.10
Depreciation	9.48	11.55	13.63	13.72	13.09
Total	64.12	62.96	65.73	64.40	68.29
Sale of birds/feed	-	0.07	-	0.36	2.38
Interest income	35.54	30.06	14.13	7.15	5.80
Income from Rent	0.06	0.46	0.34	0.35	1.10
Misc. Receipts	0.10	0.74	0.31	0.84	0.95
Net loss	28.42	31.63	50.95	55.70	58.06
Total	64.12	62.96	65.73	64.40	68.29

ANNEXURE-18

(Referred to in paragraph No. 2A.9)

Statement showing the outstanding advances of Assam Livestock and Poultry Corporation Limited

<u>At the Close of</u>	<u>Advance Outstanding</u>
1995-96	: Rs.43,82,996
1996-97	: Rs.48,95,490
1997-98	: Rs.52,30,826
1998-99	: Rs.56,04,309
2000-01	: <u>Rs.56,54,309</u>

Illustrative cases

Sl. No.	Name of the drawees	Period of drawal	Amount outstanding
1.	Shri ;Robin Saikia, Chairman	5-97 to 3-99	2,76,760
2.	Deputy Chairman	3-93 to 3-98	2,19,130
3.	Managing Director	9-92 to 3-99	1,96,898
4.	Ex-Chairman	3-93 to 5-96	268,532
5.	Secretary All India Assam Livestock show	2-95 to 6-96	7,19,620
6.	R.N. Bora General Manager (Com)	8-96 to 3-99	1,90,200
7.	M.M. Boruah G.M. (loan) Regd.,	3-94 to 3-96	3,96,080
8.	Dr. N. Maheswari, Vety. Surgeon	1-95 to 9-95	1,21,340
9.	M. R. Phukan	3-94 to 10-95	2,36,076
10.	Veterinary. Council	4-93 to 12-95	3,81,000
11.	Hara Neog, Contractor	6-94 to 6-95	7,58,500
			Rs.37,64,136

ANNEXURE—19

(Referred to in Para 2B.7)

Statement showing the Financial Results of
Assam Agro-Industries Corporation Limited

	1995-96	1996-97	1997-98	1998-99	1999-2000 (Provisional)
(Rupees. in lakh)					
LIABILITIES					
a) Paid up capital	220.00	220.00	220.00	220.00	220.00
b) Borrowings	697.22	703.26	756.20	806.82	748.22
c) Trade dues and other Liabilities (including Provisions)	3142.43	3262.94	3539.76	3493.59	3712.76
TOTAL	4041.65	4186.20	4515.96	4520.41	4680.98
ASSETS					
a) Gross Block	122.20	123.68	127.50	131.02	137.16
b) Less: Depreciation	78.20	82.61	87.14	88.76	93.82
c) Net Fixed Assets	44.00	41.07	40.36	42.26	43.34
d) Current Assets, Loans and Advances	3385.50	3249.63	3357.86	3235.97	3131.03
e) Accumulated loss	612.15	895.50	1117.74	1242.18	1506.61
TOTAL	4041.65	4186.20	4515.96	4520.41	4680.98
* Capital Employed	287.07	27.76	(-) 141.54	(-) 215.36	(-) 538.39
** Net Worth	(-) 392.15	(-) 675.50	(-) 897.74	(-) 1022.18	(-) 1286.61

* Capital employed represents net fixed assets plus working capital.

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

ANNEXURE—20

Statement showing the working results of Assam Agro-Industries Corporation Limited

(Referred to in Para 2B.7)

Particulars	1995-96	1996-97	1997-98	1998-99	1999-2000
(Rupees. in lakh)					
A. INCOME					
i) Sales	4533.47	2374.54	3398.13	2759.22	1589.53
ii) Interest	13.25	18.83	14.95	13.04	8.34
iii) Other receipts	5.47	8.60	2.65	4.57	3.72
TOTAL	4552.19	2401.97	3415.73	2776.83	1601.59
B. EXPENDITURE					
i) Purchases	4200.44	2190.88	3083.96	2501.57	1405.56
ii) Manufacturing expenses	16.16	13.90	34.00	10.93	3.33
iii) Employees Cost	254.73	265.41	287.50	295.89	302.44
iv) Other Administrative Expenses	162.47	129.23	160.93	145.78	123.07
v) Depreciation	4.11	3.11	3.41	3.97	3.66
vi) Difference between Opening and Closing Stock	(+) 11.28	(+) 76.78	(+) 49.68	(+) 8.54	(+) 23.69
vii) Cost of sales (B.i to B.vi)	4649.19	2679.31	3619.48	2966.68	1861.75
viii) Profit (+)/Loss (-) for the year	(-) 97.00	(-) 277.34	(-) 203.75	(-) 189.85	(-) 260.16
ix) Prior period adjustment	(+) 3.36	(-) 6.01	(-) 18.49	(+) 65.39	(-) 3.82
x) Profit (+)/Loss (-)	(-) 93.64	(-) 283.35	(-) 222.24	(-) 124.46	(-) 263.98
xi) Operational loss for the year (B.viii and B.v)	92.89	274.23	200.34	185.88	256.50
xii) Percentage of employees cost to total expenses (B.ii,iii,iv and v)	58	64	59	65	70.00
xiii) Percentage of Administrative cost to total expenses (B.ii+iii+iv+v)	37	31	33	32	28.00

ANNEXURE-21

(Referred to in Para-2B.8.2)

Statement showing the targets and actual of purchase and sales

(Rupees in lakh)

Year	Fertilisers				Tractors				Power tillers				Agri Goods				Others			
	Purchase		Sales		Purchase		Sales		Purchase		Sales		Purchase		Sales		Purchase		Sales	
	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
1995-96	600.00	2084.48	620.00	2164.15	97.00	40.45	100.00	60.71	1274.00	1244.63	1400.00	1449.59	183.00	112.94	200.00	122.49	931.00	717.94	680.00	736.49
1996-97	923.50	1179.30	955.00	1216.16	73.00	15.84	75.00	26.08	1564.00	802.78	1720.00	902.25	227.30	38.02	250.00	65.06	712.20	154.84	900.00	164.99
1997-98	1932.37	1334.42	2000.00	1316.26	116.50	43.08	120.00	50.19	1860.47	1063.22	2000.00	1368.81	90.91	165.30	100.00	175.73	1322.51	477.94	1440.00	487.14
1998-99	1372.00	1277.32	1400.00	1350.54	900.00	37.04	1000.00	49.64	897.00	609.78	997.00	763.31	89.00	131.48	100.00	126.95	2308.00	445.94	2503.00	468.78
1999-2000	1932.00	690.39	2000.00	747.64	114.00	9.68	120.00	8.88	1455.00	433.86	1600.00	502.80	533.00	155.48	597.00	190.57	1919.00	116.19	2083.00	139.94