

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

FOR THE YEAR 1985-86

(COMMERCIAL)

GOVERNMENT OF WEST BENGAL

IX
53-B-2

Recd. from W/a.
Finance (Budget) Dept.
on 13.4.89 vide
Liby. File No. 6P-1/89
B. NP.
[Rs. 25=00
Free post]



West Bengal State Library

69894

TABLE OF CONTENTS

	Reference to	
	Paragraph	Page(s)
PREFACE		
Chapter I—General view of Government Companies and Statutory Corporations.		
Introductory	1.1	1
Government Companies—General view ..	1.2	1-10
Statutory Corporations—General aspects ..	1.3	10-13
West Bengal State Electricity Board ..	1.4	13-15
Calcutta State Transport Corporation ..	1.5	15-16
North Bengal State Transport Corporation	1.6	16
Durgapur State Transport Corporation ..	1.7	16
West Bengal Financial Corporation ...	1.8	16-18
West Bengal State Warehousing Corporation	1.9	19
 Chapter II—Reviews relating to Government Companies		
The Calcutta Tramways Company (1978) Limited	2.1	21-37
The Shalimar Works (1980) Limited ..	2.2	37-52
 Chapter III—Reviews relating to Statutory Corporations		
Purchase and stores control (other than oils and tyres etc) of Calcutta State Transport Corporation	3.1	53-57

	<u>Reference to</u>	
	<u>Paragraph</u>	<u>Page(s)</u>
Chapter IV—Miscellaneous topics of interest relating to Government Companies and Statutory Corporations.		
A—Government Companies		
West Bengal Essential Commodities Supply Corporation Limited ..	4.1	59-62
The Durgapuri Projects Limited ..	4.2	62-64
West Bengal State Seed Corporation Limited	4.3	64
The West Bengal Film Development Corporation Limited	4.4	64-65
West Bengal State Leather Industries Development Corporation Limited	4.5	66-67
B—Statutory Corporations		
West Bengal State Electricity Board ..	4.6	67-72
ANNEXURE 1—List of Companies in which Government investment was more than Rs. 10 lakhs but which are not subject to audit by the Comptroller and Auditor General of India		73
ANNEXURE 2—Statement showing particulars of up-to-date paid-up capital, outstanding loans, amount of guarantees given by the Government and amount outstanding thereagainst and up-to-date working results, etc., in respect of all the Government Companies		75-78
ANNEXURE 3—A synoptic statement showing the Financial Results of all Government Companies based on their latest available accounts		79-81
ANNEXURE 4—Synoptic statement showing the summarised Financial Results of the Statutory Corporations based on their latest available accounts		82

	<u>Reference to</u>
	<u>Paragraph Page(s)</u>
ANNEXURE 5—Financial position of West Bengal State Electricity Board for 3 years up to 1985-86 	83
ANNEXURE 6—Physical performance of West Bengal State Electricity Board for 3 years up to 1985-86 	84-86
ANNEXURE 7—Financial position of the Calcutta State Transport Corporation under broad heads for 3 years up to 1984-85 	87
ANNEXURE 8—Operational performance of the Calcutta State Transport Corporation for 3 years up to 1985-86 ..	88
ANNEXURE 9—Operational performance of the North Bengal State Transport Corporation for 3 years up to 1985-86	89
ANNEXURE 10—Data on the operational performance of the Durgapur State Transport Corporation for 2 years up to 1985-86 	90
ANNEXURE 11—Financial position of the West Bengal Financial Corporation at the end of 3 years up to 1985-86 ..	91
ANNEXURE 12—Physical performance of the West Bengal Financial Corporation for 3 years up to 1985-86 ..	92
ANNEXURE 13—Data of physical performance of the West Bengal State Warehousing Corporation for 3 years up to 1985-86 	93
ANNEXURE 14—Statement showing the financial position of The Calcutta Tramways Company (1978) Limited for 3 years ending 1985-86 ..	94
ANNEXURE 15—Statement showing the financial position of The Shalimar Works (1980) Limited for 5 years up to 1985-86 	95

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 :

- Government Companies;
- Statutory Corporations; and
- Departmentally-managed Commercial Undertakings.

2. This Report deals with the results of audit of accounts of Government Companies and Statutory Corporations including the West Bengal State Electricity Board and has been prepared for submission to the Government of West Bengal for presentation to the Legislature under Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, as amended in March 1984. The results of audit relating to departmentally-managed commercial undertakings are contained in the Report of the Comptroller and Auditor General of India (Civil) Government of West Bengal.

3. There are certain companies in which Government have invested funds but the accounts of which are not subject to audit by the Comptroller and Auditor General of India, as Government or Government-owned|controlled Companies|Corporations held less than 51 *per cent* of the shares. A list of such undertakings in which Government investment was more than Rs.10 lakhs as on 31st March 1986 is given in Annexure '1'.

4. In respect of the three State Road Transport Corporations and the West Bengal State Electricity Board, which are Statutory Corporations, the Comptroller and Auditor General of India is the sole auditor. In respect of West Bengal Financial Corporation and West Bengal State Warehousing Corporation, he has the right to conduct the

audit of their accounts independently of the audit conducted by the Chartered Accountants appointed under the respective Acts. The audit of accounts of the West Bengal Industrial Infrastructure Development Corporation was entrusted to the Comptroller and Auditor General of India under Section 19(3) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, initially for a period of 5 years from 6th June 1978 and was subsequently extended for another 5 years from 6th June 1983 in September 1983. The audit reports on the annual accounts of all these Corporations are being forwarded separately to the Government of West Bengal.

5. The cases mentioned in this Report are those which came to notice in the course of audit of accounts during the year 1985-86 as well as those which had come to the notice in earlier years but could not be dealt with in previous Reports. Matters relating to the period subsequent to 1985-86 have also been included, wherever considered necessary.

CHAPTER I

1. GENERAL VIEW OF GOVERNMENT COMPANIES AND STATUTORY CORPORATIONS

1.1. Introductory

This Chapter contains particulars about the investment in, and state of accounts etc., of the Government Companies and Statutory Corporations.

Paragraph 1.2. deals with Government Companies, paragraph 1.3 deals with general aspects relating to Statutory Corporations and paragraphs 1.4 to 1.9 give more details about each Statutory Corporation including its financial and operational performance.

1.2. Government Companies—General view

1.2.1. As on 31st March 1986, there were 45 Government Companies (including 11 subsidiaries) in the State as against 44 Government Companies (including 11 subsidiaries) as on 31st March 1985. During 1985-86, one new Company, viz., India Paper Pulp Limited was incorporated on 17th July 1985 with an authorised capital of Rs.15 lakhs.

1.2.2. The statement at Annexure '2' gives the particulars of up-to-date paid-up capital, outstanding loans, amount of guarantees given by the State Government and the amount outstanding thereagainst, up-to-date working results etc., in respect of all the Government Companies. The position is summarised below :

- (a) Against the aggregate paid-up capital of Rs.131.12 crores in 44 Companies (including 11 subsidiaries) as on 31st March 1985, the aggregate paid-up capital as on 31st March 1986 stood at Rs.156.70 crores in 45 Government

Companies (including 11 subsidiaries) as per break-up given below :

Particulars	Number of Companies	Investment by			Total Investment
		State Government	Central Government	Others	
(Rupees in crores)					
1. Companies wholly owned by the State Government ..	22	116.66	—	—	116.66
2. Companies jointly owned with Central Government/Others	12	30.04	3.64	2.20	35.89
3. Subsidiary Companies	11	0.03	0.12	4.00	4.15
Total ..	45	146.73	3.76	6.20	156.70

(b) The balance of long-term loans outstanding in respect of 27 Companies as on 31st March 1986 was Rs.363.55 crores (State Government : Rs.255.66 crores, Others : Rs.95.93 crores, deferred payment credits : Rs.11.96 crores) as against Rs.295.41 crores as on 31st March 1985 in respect of 27 Companies (State Government : 225.27 crores, Others : Rs.69.04 crores, deferred payment credits : Rs.1.10 crores).

(c) The State Government had guaranteed the repayment of loans raised by 22 Companies and payment of interest thereon. The amounts guaranteed and outstanding thereagainst as on 31st March 1986 were Rs.96.90 crores and Rs.74.86 crores respectively. The Companies have to pay guarantee commission in consideration of guarantees given by the State Government. The payment of guarantee commission was in arrears to the extent of Rs.0.97 crore payable by 12 Companies as shown in Annexure '2'.

1.2.3. A synoptic statement showing the financial results of all Companies, based on the latest available accounts, is given in Annexure '3'.

Out of 45 Companies for which accounts up to 1985-86 were due, only 11 Companies finalised their accounts for the year 1985-86. Besides, 20 Companies whose accounts were in arrears finalised their accounts for some earlier years during the period covered by the Report. It would be observed from Annexures '2' and '3' that the accounts of 34 Companies (including 11 subsidiaries) were in arrears. The extent of arrears is summarised as under :

Extent of arrears	No. of years invol- ved	Number of Companies involved		Investment				Reference to serial number of Annexure 3	
		Com- panies	Subsidiary Com- panies	Government Companies		Holding Company			
				Share capital	Loans	Share capital	Loans		
(Rupees in crores)									
1978-79 to 1985-86	.. 8	1	..	0.10	1.95	—	—	22	
1980-81 to 1985-86	— 6	1	1	0.62	0.35	0.96	NA	9, 29	
1981-82 to 1985-86	— 5	2	1	12.96	6.13	..	..	14, 15, 26
1982-83 to 1985-86	.. 4	3	1	7.84	30.06	0.02	NA	2, 10, 24, 38	
1983-84 to 1985-86	.. 3	5	1	13.60	25.74	0.33	0.04	1, 8, 18, 25, 33, 36	
1984-85 to 1985-86	.. 2	5	3	4.75	8.45	0.15	NA	3, 13, 31, 34, 40, 42, 43, 44	
1985-86	.. 1	6	4	20.63	56.87	1.12	0.34	5, 6, 16, 19, 20, 28, 32, 35, 37, 39	

The position of arrears in finalisation of accounts was last brought to the notice of Government in March 1987.

NA—Information not available.

1.2.4. In regard to working results of the Companies, the following further points are made :—

(i) In respect of 11 Companies, which finalised the accounts for 1985-86, the following position is reflected :—

(a) Four Companies earned profits aggregating Rs.6.76 crores during 1985-86. The particulars in respect of them, giving the comparative position of the previous year, are given below :

Name of Company	Paid-up capital		Profit(+)/Loss(-)		Percentage of profit to paid-up capital	
	1985-86	1984-85	1985-86	1984-85	1985-86	1984-85
(Rupees in crores)						
1. West Bengal Industrial Development Corporation Ltd.	12.35	9.80	(+)1.23	(+)0.18	9.96	1.8
2. West Bengal Agro-Textile Corporation ..	1.42	1.27	(+)0.39	(-)0.05	27.5	..
3. West Bengal Essential Commodities Supply Corporation Limited	1.08	1.08	(+)3.26	(+)3.03	301.9	280.6
4. Webel Telecommunication Industries Ltd.	1.00	1.00	(+)1.88	(+)1.99	188	199
Total ..	15.85	13.15	6.76	5.15	—	—

During 1985-86 one subsidiary Company, viz., Webel Telecommunication Industries Limited declared dividend of Rs.15.00 lakhs representing 15 per cent of the paid-up capital.

(b) 6 companies incurred losses aggregating Rs.25.67 crores during 1985-86. Particulars

in respect of them, giving the comparative position of the previous year, are given below:

Name of Company	Paid-up capital		Loss	
	1985-86	1984-85	1985-86	1984-85
(Rupees in crores)				
1. The Durgapur Projects Limited ..	45.15	31.50	9.32	8.24
2. West Bengal Pharmaceutical and Phytochemical Development Corporation Limited ..	1.71	1.31	0.14	0.09
3. West Bengal Mineral Development and Trading Corporation Limited ..	2.18	1.98	0.33	0.36
4. West Bengal Tea Development Corporation Limited ..	2.61	2.41	0.77	0.47
5. West Dinajpur Spinning Mills Limited	5.70	4.36	1.26	0.16*
6. The Calcutta Tramways Company (1978) Limited ..	20.40	20.40	13.80	10.87
Total ..	77.75	61.96	25.67	20.19

(c) One Company, i.e., India Paper Pulp Limited which has finalised its accounts for 1985-86 was under construction.

(ii) The accumulated losses in respect of the following 14 Companies (*including two subsidiaries*) as, reflected in the accounts received up to the

*During 1984-85 the Company was under construction and it went into commercial operation with effect from December 1985

period noted against each, had exceeded their paid-up capital.

Name of Company	Year	Paid-up capital	Accumulated loss	Sl. No. of Annexure '2'
(Rupees in lakhs)				
1. Basumati Corporation	1977-78	10.00	49.62	22
2. Westinghouse Saxby Farmer Limited ..	1981-82	100.00	2257.55	10
3. Kalyani Spinning Mills Limited ..	1982-83	158.21	2745.88	1
4. Webel-Nicco Electronics Limited (Subsidiary of West Bengal Electronics Industry Development Corporation Limited)	1982-83	17.34	38.15	36
5. West Bengal Ceramic Development Corporation Limited ..	1982-83	97.73	213.11	25
6. Electro-Medical and Allied Industries Ltd.	1983-84	25.00	223.95	3
7. The Shalimar Works (1980) Limited ..	1983-84	75.50	198.14	34
8. West Bengal Sugar Industries Development Corporation Limited ..	1983-84	216.60	508.36	13
9. West Bengal Tourism Development Corporation Limited ...	1984-85	99.56	115.78	19
10. Webel Business Machines Limited (Subsidiary of West Bengal Electronics Industry Development Corporation Limited)	1984-85	16.78	22.39	28
11. Durgapur Chemicals Ltd.	1984-85	509.31	4265.21	5
12. The Durgapur Projects Limited ..	1985-86	4515.41	5852.33	4
13. The Calcutta Tramways Company (1978) Ltd.	1985-86	2040.13	3352.42	41
14. West Bengal Tea Development Corporation Limited ..	1985-86	261.00	314.42	27

1.2.5. There was one Company, viz., West Bengal Filaments and Lamps Limited with paid-up capital of Rs.250.92 lakhs covered under Section 619B of the Companies Act, 1956. As per the accounts of the Company for 1985-86, the profit earned amounted to Rs.5.54 lakhs. There was no direct investment of the State Government in the Company.

1.2.6. Some of the important points made by Statutory Auditors and as a result of audit by the Comptroller and Auditor General of India in respect of the accounts of a few Government Companies audited by them during the year are mentioned below :

- (i) The Companies Act, 1956, empowers the Comptroller and Auditor General of India to issue directives to the Auditors of the Government Companies in regard to the performance of their functions. Such directions were issued, in respect of 11 Companies during the year 1985-86, and in pursuance of the directions so issued, special reports were received by 31st May 1987 in respect of 22 Companies on matters relating to their accounts for the year 1985-86 and for earlier years finalised during the year.

Some of the important defects pointed out in these reports are summarised below :

Nature of defects	Number of Companies	Reference to Serial Number of Annexure '2'
1. Non-maintenance of Internal Audit Manual defining the scope and programmes of work of the internal auditors	9	2, 7, 10, 17, 19, 21, 23, 27, 32
2. Non-fixation of minimum and maximum limits of stores/spares ..	2	27, 41
3. Non-fixation of norms of requirement/ deployment of manpower ..	3	7, 10, 41
4. Non-maintenance of Accounting Manual -- ...	5	2, 10, 21, 27, 32

Nature of defects	Numbers of Companies	Reference to Serial Number of Annexure '2'
5. Non-preparation of annual budgets ..	3	2, 7, 21
6. Non-fixation of norms for the consumption of major raw materials for manufacture of major products ..	2	2, 10
7. Non-fixation of production targets and non-maintenance of periodical quantity accounts	1	17
8. Non-maintenance of asset register ..	3	2, 10, 19
9. Lack of effective system of reconciliation of books of accounts ...	2	7, 19
10. Absence of effective system of obtaining confirmation of debts ..	6	2, 10, 19, 21, 30, 41
11. Absence of system of ascertaining idle time for labour, machinery and fixation of standard cost of various products	2	27, 41

(ii) Under Section 619(4) of the Companies Act, 1956, the Comptroller and Auditor General of India has a right to comment upon or supplement the report of Company Auditors. Under this provision, the review of annual accounts of Government Companies is conducted in selected cases. The accounts of 11 Companies were selected for such review during the period from April 1985 to May 1987. The effect of the comments issued under Section 619(4) of the Act, *ibid*, was as follows :

Details	Number of Accounts	Monetary effect
		(Rupees in lakhs)
(i) Increase in profit	2	6.86
(ii) Decrease in profit	2	0.72
(iii) Increase in loss	2	47.06
(iv) Decrease in loss	1	0.54
(v) Non-disclosure of material facts ...	1	19.98

Some of the major errors and omissions noticed in the course of review of annual accounts of some of these Companies, not pointed out by Statutory Auditors, are mentioned below :

(a) The Durgapur Projects Limited (accounts for the year 1985-86).

(1) Loss and current liabilities and provisions for the year 1985-86 were understated to the extent of Rs.27.13 lakhs due to non-provision of customs duty on imported spares and maintenance materials.

(2) Credit for electricity supplied by the units during the construction period was taken at the rate of 35.74 paise per unit and not at an average rate of 45 paise per unit at which power was actually sold during the construction period and thereby resulted in understatement of loss to the extent of Rs.19.53 lakhs.

(3) Reckoning of interest on deposit of Rs.4 crores with Government in the absence of finalisation of terms and conditions for the period up to March 1985 (deposit since refunded by Government in 1985-86) and refusal of Government to pay such interest resulted in understatement of accumulated loss to the extent of Rs.194.22 lakhs.

(b) West Bengal Industrial Development Corporation Limited (accounts for the year 1985-86).

Profit was understated to the extent of Rs.5.18 lakhs due to excess provision of liability towards guarantee fee payable to Government.

(c) The Calcutta Tramways Company (1978) Limited (accounts for the year 1985-86).

- (1) Non-accountal of Government capital of the erstwhile period of the Undertaking to the extent of Rs.132.75 lakhs resulted in understatement of capital reserve.
- (2) Unsecured loans from the State Government amounting to Rs.41.78 lakhs pending fixation of terms and conditions of loans were erroneously credited to capital grants instead of under the unsecured loans which resulted in overstatement of capital grant and understatement of loans.

1.3. Statutory Corporations—General Aspects

1.3.1. There were seven Statutory Corporations in the State as on 31st March 1986, viz. :

- West Bengal State Electricity Board;
- Calcutta State Transport Corporation;
- North Bengal State Transport Corporation;
- Durgapur State Transport Corporation;
- West Bengal Financial Corporation;
- West Bengal State Warehousing Corporation; and
- West Bengal Industrial Infrastructure Development Corporation.

1.3.2. The West Bengal State Electricity Board was constituted on 1st May 1955 under Section 5(1) of the Electricity (Supply) Act, 1948 and North Bengal State Transport Corporation, Calcutta State Transport Corporation and Durgapur State Transport Corporation were constituted on 15th April 1960, 15th June 1960 and 7th December 1973 respectively under the Road Transport Corporations Act, 1950.

Under the respective Acts, the audits of the West Bengal State Electricity Board and the State Transport Corporations

vests solely with the Comptroller and Auditor General of India. Audit Reports, mainly incorporating the comments on the annual accounts of each year, are issued separately to the organisations and to Government.

The accounts of the Board have been finalised up to the year 1985-86. The separate Audit Report, along with certified copy of accounts for the year 1984-85, issued to the Board and Government on 18th December 1986 has not been presented to the State Legislature so far (May 1987). The annual accounts along with the separate Audit Reports up to the year 1983-84 have been presented to the State Legislature. The audit of annual accounts of the Board for the year 1985-86 received in April 1987 is in progress (May 1987).

The accounts of the Calcutta State Transport Corporation have been prepared up to 1984-85 and the separate Audit Report thereon for 1984-85 was issued to the Corporation and Government on 21st September 1987. The accounts along with separate Audit Reports thereon up to the year 1983-84 have been presented to the State Legislature. The accounts of the Durgapur State Transport Corporation and North Bengal State Transport Corporation have been prepared up to 1976-77 and 1978-79 and Audit Reports thereon were issued to the Corporations and Government on 26th June 1985 and on 28th January 1985 respectively. The annual accounts along with the separate Audit Reports up to the year 1976-77 in respect of Durgapur State Transport Corporation and for the year up to 1978-79 in respect of the North Bengal State Transport Corporation have been presented to the State Legislature.

1.3.3. The West Bengal Financial Corporation was constituted on 1st March 1954 under Section 3(i) of the State Financial Corporations Act, 1951, and the West Bengal State Warehousing Corporation was constituted on 31st March 1958 under the Agricultural Produce Development and Warehousing Corporation Act, 1956, replaced by the Warehousing Corporation Act, 1962.

Under the respective Acts, the accounts of the organisations are audited by the Chartered Accountants appointed by the State Government in consultation with the Comptroller and Auditor General of India, and the latter may also undertake audit of the Corporations separately. Separate Audit Reports in respect of the annual accounts of the Corporations are also issued by the Comptroller and Auditor General of India. The annual accounts of the two Corporations have been certified by the Chartered Accountants up to the year 1985-86 and 1982-83 respectively. Audit Reports on the annual accounts have been issued in respect of West Bengal Financial Corporation up to 1985-86 and in respect of West Bengal State Warehousing Corporation up to 1982-83 to the respective Corporation|Government.

1.3.4. The West Bengal Industrial Infrastructure Development Corporation (WBIIDC) was constituted in November 1973 under the West Bengal Industrial Infrastructure Development Corporation Ordinance, 1973, subsequently replaced by West Bengal Industrial Infrastructure Development Corporation Act, 1974.

The audit of the accounts of the WBIIDC has been entrusted to the Comptroller and Auditor General of India under Section 19(3) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, initially for a period of 5 years from June 1978 which was subsequently extended in September 1983 for another 5 years from June 1983.

Separate Audit Reports, mainly incorporating the comments on the annual accounts, are issued separately to the Corporation and Government. The accounts of the Corporation have been finalised up to 1979-80. Audit Report on the annual accounts for the year 1975-76 was issued to the Corporation and Government on 16th February 1987, while the Audit Reports on the annual accounts for the years from 1976-77 to 1979-80 received on 19th May 1987, are under finalisation.

A synoptic statement, showing the summarised financial results of all these Corporations based on the latest available accounts, is given in Annexure 4.

Some further particulars relating to these Corporations are given in paragraph 1.4 to 1.9.

1.4. West Bengal State Electricity Board

1.4.1. The capital requirements of the Board are met by way of loans from Government, the public, the banks and other financial institutions.

The aggregate of long-term loans (including loans from Government) obtained by the Board was Rs.1,307.34 crores at the end of 1985-86 and represented an increase of Rs.170.25 crores (15.0 *per cent*) compared to the long-term loans of Rs.1,137.09 crores as at the end of the previous year.

1.4.2. Government had guaranteed the repayment of loans raised by the Board to the extent of Rs.647.08 crores and the payment of interest thereon. The amount outstanding thereagainst as on 31st March 1986 was Rs.600.80 crores. The Board had to pay guarantee fee in consideration of the guarantees given by Government. The payment of guarantee fee to the extent of Rs.11.77* crores was in arrears as at the close of March 1986.

1.4.3. The financial position of the Board at the close of the three years up to 1985-86 is summarised in Annexure '5' and physical performance of the Board for these years as given by the Board, is summarised in Annexure '6'.

1.4.4. Up to 1984-85, the order of gross surplus was prescribed according to the then existing section 67 of the Electricity (Supply) Act, 1948, the provisions of the Act have been revised to provide for showing working results on commercial accounting system, applicable for accounts from 1985-86 onwards.

* Figures are provisional

The working results of the Board for the three years up to 1985-86 on comparative commercial basis are summarised below :

	1983-84	1984-85	1985-86*
	(Rupees in crores)		
(a) Revenue receipts ..	214.56**	214.08	288.24
(b) Subsidy from the State Government ..	13.17	13.17	20.89
Total ..	227.73	227.25	309.13
(c) Revenue expenditure including write off of intangible assets ..	189.99	206.15	335.39
(d) (i) Gross surplus (+)/ deficit (-) for the year ..	(+)37.74	(+)21.10	(-)26.26
(ii) Adjustments relating to previous years ..	..	20.93	(-)3.65

The following major irregularities and omissions were pointed out in the Audit Report on the annual accounts of the Board for the year 1984-85 referred to in paragraph 1.3.2. *supra*. Some of these have been persisting for long :

- (1) Fixed assets (Rs.542.18 lakhs) do not include Rs.5.21 lakhs being the value of works completed in December 1982.
- (2) Other receivables (Rs.14,605.79 lakhs) include minus balance of Rs.397.93 lakhs on account of materials suspense account including shortages in transit and stock and general suspense. The action to reconcile|investigate the discrepancies has not been taken so far (May 1987).
- (3) Cash and bank balances (Rs.1,104.77 lakhs) do not include Rs.5.03 lakhs being the closing cash balance of seven accounting units.
- (4) The net surplus for the year (Rs.792.69 lakhs) stands overstated to the extent of Rs.214.07 lakhs due to (i) non-provision of liabilities towards railway freight (Rs.28.40 lakhs), demurrage charges (Rs.65.10 lakhs), services

* Figures are provisional.

** Revenue receipts for 1983-84 include Rs. 7.22 crores withdrawn from depreciation reserve.

rendered by others (Rs.33.98 lakhs), entry tax payable to Government on receipt of coal (Rs.10.92 lakhs), and (ii) non-adjustment of value of damaged unserviceable stolen stores (Rs.40.18 lakhs) and stores found short on physical verification (Rs.35.49 lakhs).

1.5. Calcutta State Transport Corporation

1.5.1. As on 31st March 1986 the capital of the Corporation was Rs.708.46 lakhs (Rs.608.46 lakhs contributed by the State Government and Rs.100.00 lakhs by the Central Government) as against Rs.708.46 lakhs as on 31st March 1985 (Rs.608.46 lakhs contributed by the State Government and Rs.100.00 lakhs by the Central Government). Interest on capital received from the State Government and the Central Government is payable at rate of 4 to 6 *per cent* and 6.25 *per cent*, respectively. Interest amounting to Rs.811.06 lakhs was payable on capital up to the year 1984-85.

1.5.2. The Corporation has finalised its accounts up to the year 1984-85 and the accounts of Corporation for the year 1985-86 are in arrear (May 1987).

The working results of the Corporation for three years up to 1984-85 are summarised below :

Particulars		1982-83	1983-84 (Rupees in lakhs)	1984-85
(1) (a) Operating				
Revenue	...	15,32.85	16,28.95	14,26.60
Expenditure	..	33,49.66	36,17.01	38,26.05
Deficit	...	18,16.81	19,88.06	23,99.45
(b) Non-operating				
Revenue	...	46.00	90.95	1,12.86
Expenditure	..	3,35.66	4,23.28	4,67.65
Deficit	..	2,89.66	3,32.33	3,54.79
(c) Total Revenue	..	15,78.85	17,19.90	15,39.46
Expenditure	..	36,85.32	40,40.29	42,93.70
Net loss	..	21,06.47	23,20.39	27,54.24
(2) Interest on capital and loan	.	3,43.69	4,35.72	4,85.32
(3) Total return on :				
Capital employed	..	(-)17,62.78	(-)18,84.67	(-)22,68.92
Capital invested	...	(-)18,03.91	(-)19,25.81	(-)23,10.05

1.5.3. The financial position of the Corporation under broad heads for the three years up to 1984-85 and its operational performance during the three years up to 1985-86 are summarised in Annexures '7' and '8'.

1.6. North Bengal State Transport Corporation

1.6.1. As on 31st March 1986, the paid-up capital of Corporation was Rs.825.56 lakhs (Rs.587.04 lakhs contributed by the State Government and Rs.238.52 lakhs by the Central Government) as against Rs.821.06 lakhs as on 31st March 1985 (Rs.587.04 lakhs contributed by the State Government and Rs.234.02 lakhs by the Central Government).

1.6.2. The accounts of the Corporation are in arrears since 1979-80 onwards.

1.6.3. Data of the operational performance of the Corporation for the three years up to 1985-86 are summarised in Annexure '9'.

1.7. Durgapur State Transport Corporation

1.7.1. As on 31st March 1986, the paid-up capital of the Corporation was Rs.1431.87 lakhs (wholly subscribed by the State Government) as against the capital of Rs.1334.86 lakhs as on 31st March 1985.

1.7.2. The accounts of the Corporation since the year 1977-78 onwards are in arrears.

1.7.3. Data on the operational performance of the Corporation for the two years up to 1985-86 are summarised in Annexure '10'.

1.8. West Bengal Financial Corporation

1.8.1. The paid-up capital of the Corporation as on 31st March 1986 was Rs.951.27 lakhs (Rs.451.52 lakhs contributed by the State Government, Rs.451.52 lakhs by

Industrial Development Bank of India (IDBI), and Rs.48.23 lakhs by others) as against Rs.831.27 lakhs as on 31st March 1985 (Rs.391.52 lakhs contributed by the State Government, Rs.391.52 lakhs by Industrial Development Bank of India (IDBI), and Rs.48.23 lakhs by others).

1.8.2. Government has guaranteed the repayment of share capital of Rs.871.27 lakhs (excluding special share capital of Rs.80 lakhs) under Section 6(i) of the State Financial Corporations Act, 1951, and payment of minimum dividend thereon at 3.5 *per cent.* Subvention paid by Government (during the non-profit earning period of the Corporation) towards the guaranteed dividend amounted to Rs.11.87 lakhs which was outstanding for repayment as on 31st March 1986.

Government has also guaranteed repayment of market loan of Rs.2915.00 lakhs raised by the Corporation (through bonds and debentures). Amount of principal outstanding thereagainst as on 31st March 1986 was Rs.2915.00 lakhs.

1.8.3. The financial position of the Corporation at the end of the three years up to 1985-86 and its physical performance during the three years up to 1985-86 are summarised in Annexures '11' and '12'.

1.8.4. The following table gives details of the working results of the Corporation for the three years up to 1985-86 :

Particulars	1983-84	1984-85	1985-86
	(Rupees in lakhs)		
1. Income			
(a) Interest on loans and advances ..	384.85	534.17	663.12
(b) Other income ..	19.92	10.71	10.70
Total—1 ..	404.77	544.88	673.82
2. Expenditure			
(a) Interest on long-term loans ..	281.19	392.71	442.98
(b) Other expenses ..	64.35	63.40	79.22
Total—2 ..	345.54	456.11	522.20

Particulars		1983-84	1984-85	1985-86
		(Rupees in lakhs)		
3. Profit before tax	..	59.23	88.77	151.62
4. Provision for tax	..	12.00	24.00	56.00
5. Profit after tax	..	47.23	64.77	95.62
6. Other appropriations	..	23.69	35.51	60.65
7. Amount available for dividend ..	..	23.54	29.26	34.97
8. Dividend paid ..	..	1.69	2.17	1.69
9. Total return on				
Capital employed	..	340.42	481.48	594.60
Capital invested	..	340.42	481.48	594.60
10. (a) Capital employed	..	51,31.21	61,43.33	75,25.84
(b) Capital invested	..	54,72.06	66,12.59	81,70.08
		(Per cent)		
11. Percentage of return on	-			
(a) Capital employed	..	6.6	7.8	7.9
(b) Capital invested	..	6.2	7.3	7.3

1.8.5. Investment made by the Corporation at the close of the year 1985-86 included Rs.15.15 lakhs towards share capital and Rs.847.19 lakhs towards loans in units lying closed or considered sick. The percentage of investment of share capital and loans in closed/sick units was 36 *per cent* and 8.76 *per cent* of the total investment as share capital and loans respectively. The Corporation has thereagainst made a provision of Rs.14.12 lakhs towards bad and doubtful debts up to 31st March 1986.

1.9. West Bengal State Warehousing Corporation

1.9.1. The paid-up capital of the Corporation as on 31st March 1986 was Rs.399.40 lakhs (Rs.224.70 lakhs contributed by the State Government and Rs.174.70 lakhs by Central Warehousing Corporation) against Rs.379.40 lakhs as on 31st March 1985 (Rs.204.70 lakhs contributed by the State Government and Rs.174.70 lakhs by Central Warehousing Corporation).

1.9.2. Data of physical performance of the Corporation for the three years up to 1985-86 are summarised in Annexure '13'.

CHAPTER II

2. REVIEWS RELATING TO GOVERNMENT COMPANIES

This Chapter contains reviews on The Calcutta Tramways Company (1978) Limited and The Shalimar Works (1980) Limited

2.1. The Calcutta Tramways Company (1978) Limited

2.1.1. *Introduction*

The Calcutta Tramways Company (1978) Limited was incorporated on 15th October 1982 and took over the departmentally-managed undertaking as a going concern from the State Government on 1st February 1983 with the object of running tramcars in Calcutta and its suburbs.

2.1.2. The Management of the Company is vested in a Board of Directors consisting of six directors including the Managing Director who are appointed by the State Government.

2.1.3. The authorised capital of the Company is Rs.25 crores divided into 2,50,000 equity shares of Rs.1,000 each. The paid-up capital as on 31st March 1986 was Rs.20.40 crores which was wholly subscribed by the State Government.

2.1.4. In addition to equity capital, the Company had also obtained from time to time loans from different sources. Loans outstanding as on 31st March 1986 stood at Rs.49.52 crores, out of which Rs.6.81 crores as principal and Rs.6.31 crores as interest were overdue.

2.1.5. *Financial position and working results*

Summarised financial position of the Company under broad headings for the three years up to 1985-86 is given in Annexure '14'.

67294
The Deputy Secretary, Govt.

2.1.6. The following table indicates the working results of the Company for the three years up to 31st March 1986 :

		1983-84	1984-85	1985-86
(Rupees in Crores)				
(a) Operating				
Revenue	...	7.25	6.22	6.39
Expenditure	...	15.19	17.43	21.96
Deficit	...	7.94	11.21	15.57
(b) Non-operating				
Revenue including subsidy	...	7.28	9.13	10.95
Expenditure	...	7.25	8.82	9.27
Surplus	...	0.03	0.31	1.68
(c) Total				
Revenue	...	14.53	15.35	17.34
Expenditure	...	22.44	26.15	31.23
Net loss	...	7.91	10.90	13.89

The accumulated losses up to the end of 1985-86 amounted to Rs.33.52 crores as against the paid-up capital of Rs.20.40 crores. The net loss, which was Rs.7.91 crores during 1983-84, increased to Rs.13.89 crores during 1985-86. The increase in losses year after year was mainly due to increase in operating expenditure at a pace faster than that of operating revenue. During the three-years period from 1983-84 to 1985-86, while the operating revenue decreased by 11.86 *per cent*, the operating expenditure increased by 44.57 *per cent*. The increase in operating expenditure as ascertained in audit was mainly due to increase in employment cost (Rs.3.40 crores) owing to revision of pay scales and grant of additional dearness allowances, increase in expenditure on stores and spares (Rs.1.74 crores) and increase in the cost of power and fuel (Rs.0.29 crore).

According to the Calcutta Urban Transport Project (CUTP) financed by the World Bank, the State Government had agreed to pay subsidy of Rs.5.50 crores annually to the Company provided the operating ratio (i.e., ratio of operating earnings to operating cost) of 1 : 1.50 and 1 : 1.32 and the percentage of tramcars outshedded at 90 during the two years ending 1983-84 were maintained. During the three years ending 1985-86 the Company could achieve operating ratio of 1 : 2.10, 1 : 2.80, 1 : 3.44 and the percentage of tramcars outshedded worked out to 69.2, 68.3 and 69.1. As the Company could not achieve the targets envisaged in the CUTP the State Government had to grant subsidy of Rs.7.00 crores, Rs.8.78 crores and Rs.10.50 crores respectively during the three years up to 1985-86.

2.1.7. *Fleet utilisation*

(i) The following table indicates the average utilisation of fleet available for service during three years up to 1985-86 :

	1983-84	1984-85	1985-86
1. Average number of tramcars held per day	438	410	398
2. Average number of tramcars on road per day	303	280	275
3. Percentage of tramcars on road	69.2	68.3	69.1
4. Scheduled kilometres (in lakhs)	175.27	166.76	169.18
5. Effective kilometres operated (in lakhs)	115.92	103.33	101.60
6. Scheduled tramcar utilisation per day (in kilometres) ..	158.48	163.17	168.55
7. Actual tramcar utilisation per day (in kilometres) ..	104.81	101.11	101.22
8. Percentage of utilisation ..	66.1	62.0	60.1

(ii) The number of cars on road had decreased from 303 in 1983-84 to 275 in 1985-86 (9.2 per cent) even

though 75 new tramcars were acquired up to 1983-84. No norm had been fixed by the Company in regard to fleet utilisation. According to the World Bank Project Report, the Company was to have a total fleet of about 380 tramcars and on the basis of such fleet strength the targets of effective outshedding would be 90 *per cent* in 1983-84. It was noticed in audit that the low utilisation was mainly due to composition of old fleet of tramcars, abnormal delay in renovation of tramcars and out of the new cars purchased, 23 cars were off the road for periods ranging from 1 year to 3 years.

It would also be seen from the table that the effective kilometres operated were less than the scheduled kilometres in all the years. Moreover, the actual car utilisation also fell short of scheduled tramcar utilisation per day from year to year.

2.1.8. *Cancellation of trips*

The following table indicates the position of cancellation of trips during the three years up to 1985-86 :

	1983-84	1984-85	1985-86
1. Number of scheduled trips (in lakhs)	11.35	10.80	10.96
2. Number of trips operated (in lakhs)	7.75	7.06	6.70
3. Number of trips cancelled (in lakhs)	3.60	3.74	4.26
4. Scheduled kilometres (in lakhs)	175.27	166.76	169.18
5. Cancelled Kilometres (in lakhs)	55.58	57.75	65.77
6. Loss of scheduled kilometres (per cent)	31.7	34.6	38.9

It would be seen from the above table that the number of trips cancelled increased from year to year. Records maintained during the period from 1st November 1984 revealed

that during 1985-86 a total number of 4.26 lakh trips were cancelled due to the following reasons :

- shortage of staff (0.27 lakh trips)
- shortage of cars (2.08 lakh trips)
- traffic jam (0.32 lakh trips)
- collision (0.01 lakh trips)
- break-down (0.06 lakh trips)
- rains and floods (0.07 lakh trips)
- immersion and procession (0.05 lakh trips)
- shortage of power (0.09 lakh trips)
- repairs to overhead lines (0.03 lakh trips)
- derailment (0.22 lakh trips) and
- miscellaneous (1.06 lakh trips).

The contention of the Management that more than 50 *per cent* of the cancelled trips were due to shortage of cars and staff is not tenable as the average number of tramcars put on road ranged between 303 and 275 during the period of three years ending 1985-86 which was much less than the number of cars held per day (1983-84 : 438, 1984-85 : 410, and 1985-86 : 398). Further, the number of staff per tramcar on road ranged from 29.4 to 32.6 during the period from 1983-84 to 1985-86 as against the ratio of 25.5 : 1 in 1983-84 envisaged in the CUTP report.

2.1.9. *Civil works*

(i) Depot shed at Rajabazar : The work awarded in December 1983 at 6.2. *per cent* below the estimated cost of Rs.28.50 lakhs to a local firm was to be completed by December 1984. It was seen in audit that a portion of the concrete structures erected collapsed on 28th February 1985. An enquiry committee headed by the Superintending Engineer, Public Works Department (Roads) of the State Government, was set up (March 1985) to investigate the causes of the collapse. The report of the committee is awaited (May 1987). The work on which a sum of Rs.10.58

lakhs had already been spent remained incomplete (October 1986) although according to the Management (May 1981) the storage capacity in the Depot was inadequate for its smooth functioning.

(ii) Escalation charges : A test-check in audit conducted in August 1986 revealed that the total estimated value of 61 civil works and 13 permanent way works under CUTP executed up to 1985-86 amounted to Rs.4.31 crores against which the actual expenditure was Rs.4.92 crores though in most of the cases a number of items of work as given in the tender/agreement were not executed. Rs.23.95 lakhs for civil works and Rs.6.42 lakhs for permanent way works were paid to the contractors towards escalation charges due to non-completion of the work within the scheduled date.

It was also noticed that in almost all the cases the work could not be completed in time due to non-availability of (a) working site and materials like cement, steel, etc., in time, and (b) departmental casual workers. Thus the payment of escalation charges amounting to Rs.30.37 lakhs was avoidable.

2.1.10. *Central Workshop*

(i) The workshop has seven main shops, namely, (i) carriage and wagon, (ii) wheel, (iii) electric, (iv) machine, (v) smithy and foundry, (vi) air-brake, and (vii) saw-mill. It was noticed in audit in September 1986 that the Management neither assessed the capacity nor fixed annual target of production for each shop. As a result, the extent of utilisation of man and machine could not be assessed. No cost estimates either for repair or for manufacturing work were prepared to compare the efficiency of the workshop or to control the cost of manufacture or repair.

(ii) According to the Management (September 1986) two-year regular renovation cycle of individual tramcar was ideal for their satisfactory performance.

The Management decided to modernise the workshop with the procurement of adequate tram spares and components at an estimated cost of Rs.2.87 crores under the CUTP so as to (i) achieve a 25 to 30 days schedule per tramcar for re-building and special renovation work, (ii) carry out regular renovation of tramcars on a two-year cycle, and (iii) undertake necessary special and regular renovation programme to sustain a total fleet of about 380 tramcars as envisaged in the World Bank Project Report. During the period up to 1985-86, the Company incurred an expenditure of Rs.3.37 crores (Provisional) including Rs.1.25 crores on civil works and Rs.2.12 crores for procurement of plant and machinery towards modernisation and procurement of spares and components. Even after incurring such expenditure, the Company failed to achieve the target of two-year cycle as envisaged in the Project Report and had been undertaking three-yearly renovation in a cycle. No procedure was prescribed and followed for (i) inspection on receipt of car from traffic and standards to determine the nature and extent of repair work required, (ii) the procedure for repair, and (iii) final inspection and testing before the vehicles were despatched to traffic.

It was noticed in audit that 127 tramcars were overdue for renovation at the end of August 1986 (three-year cycle). Of these 12 cars were last renovated during 1980-81, 18 cars in 1981-82 and 72 cars in 1982-83. The Company could not produce record showing the year of renovation in respect of the remaining 25 tramcars.

Reasons for the shortfall and abnormal delay in carrying out the renovation work were not intimated (May 1987).

(iii) No norm for completion of different nature of repairs to tramcars had been fixed by the Company. However, according to the Management the time to be taken for complete routine repair of a car should be around 30 to 40 days. It was, however, noticed that the time taken for completion of repairs to tramcars ranged between 1 day and

365 days during the three years up to 1985-86 as per details given below :

Year	Total number of tramcars repaired during the year	Time taken in repairs			
		1 day	2 to 30 days	30 to 180 days	180 to 365 days
1983-84 ...	2219	1424	523	237	35
1984-85 ..	2223	1391	609	182	41
1985-86 ..	1812	998	568	219	27

It would be seen that in many cases time taken to complete the repair jobs was excessive, thereby adversely affecting the utilisation of the tramcars and the revenues of the Company.

The Management had not assigned (May 1987) any reasons for the delay in completion of the repair jobs.

2.1.11. *Fare structure*

The Company after its formation in October 1982 initiated (February 1983) a proposal for upward revision of fares by 10 paise (25 to 33.3 *per cent*) for both the 1st and 2nd class with a view to reduce the cost of operation. The State Government, however, approved (March 1983) increase in the fares by 5 paise (14.3 to 20 *per cent*) for both the classes with effect from 15th March 1983. Further, as against the proposal (February 1986) of the Company for revision of the fares by 10 paise (22.2 to 33.3 *per cent*), increase by 5 paise over the existing rate was approved by Government in April 1986.

Even after the fare revision in March 1983, the traffic revenue decreased from Rs.7.25 crores in 1983-84 to Rs.6.39 crores in 1985-86 due to reduction in the average number of tramcars on road from 303 per day in 1983-84 to 275 per day in 1985-86. The Company failed to achieve a target of 380 running fleet per day during 1985-86 as envisaged in the World Bank Project Report.

To cover the gap between income and expenditure, Government granted subsidy aggregating Rs.27.23 crores up to 1985-86.

2.1.12. *Purchase and inventory control*

(i) Inventory holding : The table below indicates the comparative position of the inventory at the close of each of the three years up to 1985-86 :

	1983-84	1984-85	1985-86
	(Rupees in crores)		
(i) Stock at the close of the year	8.92	8.09	6.12
(ii) Consumption of stores and spares during the year ..	1.24	2.37	2.98
(iii) Stock in terms of number of months' consumption ..	86	41	25

The value of closing stock of stores and spares represented 86 months', 41 months' and 25 months' consumption during the period from 1983-84 to 1985-86.

The Company had not fixed the maximum, minimum, reordering and critical levels of individual item of stores and spares (May 1987).

According to the physical verification report of March 1985, stores valuing Rs.11.77 lakhs did not move for over 5 years while those valuing Rs.8.13 lakhs were lying idle for three to five years. No action has been taken to dispose of the surplus stores and stock so far (May 1987).

(ii) Physical verification of stores : Physical verification of raw-materials, stores and spare parts for the three years ending 31st March 1986 revealed the following shortages/excesses :

Year	Value of raw materials and stores and spare parts	
	Excess	Shortage
	(Rupees in lakhs)	
1983-84	0.46	0.85
1984-85	0.31	4.31
1985-86	0.66	0.57

The excesses or shortages of stores and spares found on physical verification had been adjusted in the accounts of the respective year without any investigation and orders of the competent authority.

(iii) A test-check conducted in audit of the purchases made by the company revealed the following :

- (a) The Company imported 60 trolley catchers at the rate of Rs.9,563.99 each in October 1982 in spite of the fact that 124 trolley catchers valuing Rs.7.26 lakhs were lying in stock. Out of 184 trolley catchers only 45 had been utilised till March 1985. The balance quantity of 139 trolley catchers costing Rs.8.69 lakhs had remained unutilised (September 1986) for reasons not on record. Non-utilisation of the balance trolley catchers resulted in blocking up of capital to the extent of Rs.8.69 lakhs besides a loss of Rs.5.73 lakhs towards interest on borrowed capital.
- (b) The Company purchased in February|March 1985, 4 sets of water-pump with accessories valuing Rs.2.76 lakhs from a firm of Bombay. Out of these only one set was installed in March 1985 at Gariahat Depot. Though the Company did not utilise the remaining 3 sets, 3 more sets costing Rs.2.07 lakhs were purchased in August 1985. All the 6 sets were lying unused (May 1987).
- (c) The Company in December 1983 placed an order on a firm of Calcutta, which had quoted the lowest rates, for supply of 8 D.C. high speed circuit breakers including dismantling of the old equipment and commissioning of the new equipment at a total cost of Rs.77.11 lakhs. As per terms of the order the supply, installation, testing and commissioning were to be completed within eleven months after approval of drawings.

Approved drawings were given to the firm during the period from March to June 1984, whereas the equipment were received during the period from October 1984 to November 1985. Up to April 1986, the firm could instal the equipment (valued Rs.14.56 lakhs) at Nona-pukur Sub-station only which too was found defective and the same could not be commissioned. The matter was under correspondence with the supplier for rectification of defects (September 1986). No steps were taken for installation of the remaining equipment (September 1986). This had resulted in blocking up of capital to the extent of Rs.77.11 lakhs in procurement of the equipment besides a loss of Rs.6.94 lakhs towards interest on borrowed capital.

2.1.13. *Manpower analysis*

The table below shows the average number of tramcars on road per day, effective kilometres operated, number of staff employed, over-all operating cost per effective kilometre, effective kilometres operated per employee and actual staff-car ratio, etc., during the three years ended 31st March 1986 :

	1983-84	1984-85	1985-86
1. Average number of tramcars put on road per day ..	303	280	275
2. Effective kilometres operated (in lakhs) ..	115.92	103.33	101.60
3. Total number of staff employed	8,905	9,024	8,955
4. Total operating expenditure (rupees in crores) ..	15.19	17.43	21.96
5. Total operating earning (rupees in crores) ..	7.25	6.22	6.39
6. Operating ratio ..	2.10	2.80	3.44
7. Over-all operating cost per effective kilometre operated (rupees) ..	13.10	16.87	21.61

8. Total expenditure on staff (rupees in crores) ..	8.36	9.35	11.76
9. Percentage of expenditure on staff to total operating expenditure	55.04	53.64	53.55
10. Effective kilometres operated per employee	1,302	1,145	1,135
11. Traffic staff			
(i) Average number in a year	4,666	4,761	4,706
(ii) Effective kilometres operated per traffic employee ..	2,484	2,170	2,159
(iii) Number of traffic staff per tram on road	15.4	17.0	17.1
12. Number of over-all staff per tram on road	29.4	32.2	32.6

While the over-all operating cost per effective kilometre increased from Rs.13.10 in 1983-84 to Rs.21.61 in 1985-86 the effective kilometre operated per employee decreased from 1,302 to 1,135 during the same period.

According to the CUTP Report (1979-80) the traffic staff and tramcar ratio should decrease from 17 : 1 in 1979-80 to 13.2 : 1 over the project (CUTP) period ending 1983-84 and the over-all staff-tramcar ratio should also be reduced from 33.5 : 1 in 1979-80 to 25.5 : 1 in 1983-84. It would be seen from the table that the targets set out in the Project Report could not be achieved. The Company has not fixed any norm for the staff-tramcar ratio so far (May 1987).

It was, however, noticed in audit that high staff tramcar ratio was one of the reasons for the financial loss of the Company. During the three years ending 1985-86, the percentage of expenditure on staff to total operating expenditure worked out 55.04, 53.64 and 53.55.

2.1.14. *Incentive scheme*

With a view to improving the over-all productivity, efficiency of the different units, eliminating the high incidence of overtime and also to ensure collection of revenue, the Company introduced an incentive scheme for the staff.

While reviewing the scheme in May 1986, the Management observed that the incentive scheme at Central Workshop failed to yield the desired result as the level of production hardly justified payment of incentive. The expenditure on account of incentive incurred at Central Workshop during the three years up to 1985-86 is shown below :

	1983-84	1984-85	1985-86
(a) Establishment charges (rupees in lakhs)	107.44	129.98	137.79
(b) Incentive paid (rupees in lakhs)	42.74	32.82	35.11
(c) Over-all percentage of shortfall in maintenance work in the workshop	45.3	59.3	56.0
(d) Percentage of incentive paid to establishment charges	39.8	25.2	25.5

It would be seen from the above table that the productivity and availability of cars for service on road had not shown any improvement to justify the continued payment of incentive.

2.1.15. *Internal audit*

There is an internal audit wing under the control of the Chief Accountant-cum-Secretary. No manual indicating the scope and functions of internal audit had so far been compiled (May 1987). There was no system of periodical submission of internal audit reports to the Management. The Company had also no accounting manual of its own (May 1987).

2.1.16. *Other points of interest*

(i) **Infructuous expenditure :** With a view to upgrade the infrastructure for improvement of tram services, a firm of Calcutta was entrusted in March 1979 for preliminary survey of works and Rs.2.70 lakhs was paid (1982-83) as fee at 3 *per cent* of the project cost of Rs.90 lakhs. The Management dropped (1984-85) the programme of construction on the ground of shortage of funds. The payment of Rs.2.70 lakhs to the consultants thus became infructuous.

(ii) **Infrastructure for Training :** With the modernisation of the Company under the CUTP which would involve the introduction of new technology, the Management decided in October/November 1979 to impart training to personnel at all levels in order to fulfil the ultimate objective of improving the tram services. A sum of Rs.20 lakhs was earmarked towards capital cost of the training programme which was scheduled to start not later than January 1981.

The Company awarded the tender for construction of Institute building at Tollygunge in July 1982 at 1.57 *per cent* below the estimated cost of Rs.15.90 lakhs with the stipulation to complete the work within 10 months from the date of order. The work was, however, completed in August 1984 for Rs.20.51 lakhs. Although the Management earmarked Rs.5 lakhs for procurement of equipment under the project, no equipment had been ordered so far (May 1987).

Though the building had been completed, no training is being imparted and the building is lying idle (May 1987).

2.1.17. *Summing up*

(i) The Calcutta Tramways Company (1978) Limited was incorporated on 15th October 1982 with an authorised capital of Rs.25 crores. The paid-up capital of the Company as on 31st March 1986 was Rs.20.40 crores wholly subscribed by the State Government.

(ii) The outstanding balance of loans as on 31st March 1986 was Rs.49.52 crores.

(iii) The Company has been incurring losses since inception. The accumulated losses of the Company as on 31st March 1986 amounted to Rs.33.52 crores as against the paid-up capital of Rs.20.40 crores. The increase in losses was mainly due to increase in operating expenditure at a pace faster than the operating revenue and non-achievement of the operating ratios envisaged in CUTP Report. The Company, however, received subsidy amounting to Rs.27.23 crores from the State Government up to the period ending 1985-86 to minimise the loss.

(iv) Percentage of tramcars on road to average number of cars held during three years up to 1985-86 was 69.2, 68.3, 69.1. No norm was fixed by the Company for fleet utilisation and it was 66.1, 62.0 and 60.1 *per cent* during the three years up to 1985-86. The low utilisation was mainly due to (a) composition of old fleet of tramcars, (b) abnormal delay in renovation of cars, and (c) keeping 23 new cars off the road for periods ranging from 1 to 3 years.

(v) Percentage of loss of scheduled kilometres was very high. The high percentage was attributed mainly to shortage of staff and cars. But these were not tenable since over-all staff-tramcar ratio ranged between 29.4 in 1983-84 and 32.6 in 1985-86 and the cars put on road were much less than the cars held during the three years up to 1985-86.

(vi) Concrete structures put up at a cost of Rs.10.58 lakhs collapsed in February 1985. Report of the Enquiry Committee in this regard is awaited.

(vii) The Company paid Rs.30.37 lakhs towards escalation charges due to delay in execution of 61 civil works and 13 permanent way works.

(viii) The Company had spent Rs.3.37 crores for modernisation of the Central Workshop. Even after spending Rs.3.37 crores the Company could not achieve the norm of a two-year cycle of renovation of tramcars. The average

time taken for renovation/repairs ranged between 1 and 365 days during the three years up to 1985-86.

(ix) To cover the gap between income and expenditure fares were raised on two occasions in March 1983 and April 1986 by 5 paise on each time.

(x) The value of stock of stores and spares held by the Company represented 86 months, 41 months, and 25 months' consumption during the three years up to 1985-86. The value of inventory includes stores valuing Rs.11.77 lakhs which did not move for more than 5 years and stores valuing Rs.8.13 lakhs which did not move for three to five years. Excesses and shortages found on physical verifications were adjusted in the accounts without any investigation.

(xi) The Company purchased 60 trolley catchers at Rs.9,563.99 each in October 1982 in spite of the fact that 124 trolley catchers valuing Rs.7.26 lakhs were lying in stock. Forty-five catchers could only be utilised up to March 1985 leaving a balance of 139 catchers valuing Rs.8.69 lakhs unused.

(xii) The Company purchased seven sets of water-pump valuing Rs.4.83 lakhs. Out of seven sets, one set was installed at Gariahat depot and the balance six sets are lying unused.

(xiii) A firm of Calcutta which had been awarded the contract for supply and commissioning of eight D.C. high speed circuit-breakers at a total cost of Rs.77.11 lakhs, supplied the circuit-breakers during October 1984 to November 1985. Up to April 1986, the firm could instal only one circuit-breaker which could not be commissioned as it was found defective. The breakers valuing Rs.77.11 lakhs are lying uninstalled.

(xiv) The effective kilometre operated per employee decreased from 1,302 in 1983-84 to 1,135 in 1985-86 in spite of the fact that the overall operating cost per effective kilometre increased from Rs.13.10 to Rs.21.61 during the same period.

(xv) Incentive bonus amounting to Rs.109.67 lakhs paid to staff of Central Workshop during the three years up to 1985-86 did not achieve the desired results and there were shortfalls in the maintenance works which ranged between 45.3 *per cent* in 1983-84 and 59.3 *per cent* in 1984-85.

(xvi) The expenditure of Rs.2.70 lakhs paid to a firm of Calcutta for improvement of tram services proved infructuous as the programme for improvement was dropped by the Management.

(xvii) The Company spent Rs.20.51 lakhs on construction of a training institute at Tollygunge. No training is being imparted and the building is lying idle.

2.2. The Shalimar Works (1980) Limited

2.2.1. Introduction

The Shalimar Works (1980) Limited was incorporated on 12th January 1981 with the main object of running an uninterrupted operation of a liquidated private company, viz., Shalimar Works and to retain the employment of 580 employees of the liquidated company. The Company took over (March 1981) the assets of the erstwhile liquidated company, initially on lease at a licence fee of Rs.60,000.00 per month and in June 1981 purchased the entire assets for Rs.74.00 lakhs as valued by the Official Liquidator.

2.2.2. The main objects of the Company are to :

- construct inland vessels like barges, trawlers, crafts, launches and boats;
- build, establish, own, acquire and maintain shipyards, dockyards, jetties, light houses, etc.
- repair ships, fabricate steel material, undertake machine and general engineering jobs.

2.2.3. The management of the Company vests in a Board of Directors consisting of six directors who are appointed by the State Government. The Managing Director is the chief executive of the Company. He is assisted in his day-to-day work by the Financial Adviser and Chief Accounts Officer, Works Manager and the Manager, Ship Building and Repairs.

2.2.4. The Company was incorporated with an authorised capital of Rs.2.00 crores divided into 2,00,000 equity shares of Rs.100 each. The paid-up capital as on 31st March 1986 was Rs.100.01 lakhs which was fully subscribed by the State Government.

The Company from time to time also obtained funds amounting to Rs.265.50 lakhs (State Government : Rs.255.50 lakhs and West Bengal Industrial Development Corporation Limited : Rs.10 lakhs) for meeting working capital requirements. As on 31st March 1986, loans aggregating Rs.332.98 lakhs including interest amounting to Rs.67.48 lakhs were outstanding. Out of the outstanding loans of Rs.332.98 lakhs, Rs.10 lakhs as principal and Rs.6.27 lakhs as interest were overdue as on 31st March 1986.

In order to meet its working capital needs, the Company had secured from a nationalised bank a cash credit limit of Rs.50 lakhs against hypothecation of raw materials, stores and work-in-progress. The outstanding balance as on 31st March 1986 was Rs.45.87 lakhs including interest amounting to Rs.17.59 lakhs.

2.2.5. *Financial position and working results*

(i) The Company had finalised its accounts up to 1983-84. The accounts for the years 1984-85 and 1985-86 have not been finalised so far (May 1987). The financial position of the Company for the five years ending 1985-86 is given in Annexure '15'.

(ii) The working results of the Company for the five years ending 31st March 1986 are summarised below :

	12th January 1981 to 30th June 1982	1st July 1982 to 30th June 1983	1st July 1983 to 31st March 1984	1st April* 1984 to 31st March 1985	1st April* 1985 to 31st March 1986
(Rupees in lakhs)					
A. Revenue					
1. Sales					
(i) General Engineering	44.20	30.97	20.51	36.79	39.90
(ii) Machine jobs ..	3.04	2.04	1.37	13.65	12.75
(iii) Ship repairing jobs	41.38	30.10	25.20	31.25	27.50
2. Other income ..	2.07	0.22	1.64	1.82	1.96
3. Work-in-progress ..	26.79	22.20	37.64	25.64	46.46
Total—A ..	1,17.48	85.53	86.36	1,09.15	1,28.57
B. Expenditure					
1. Consumption of material ..	47.37	20.47	23.93	24.48	41.54
2. Salaries, Wages and Bonus ..	66.22	64.99	57.75	86.15	92.30
3. Other expenses ..	45.56	40.37	30.65	38.37	44.39
4. Interest on over-draft and loan ..	9.60	15.57	11.59	22.86	30.57
5. Work-in-progress ..	...	26.79	22.20	37.64	25.64
Total—B ..	1,68.75	1,68.19	1,46.12	2,09.50	2,34.44
Loss	51.27	82.66	59.76	1,00.35	1,05.87
Expenditure for prior period ..	..	2.34	2.11	...	...
Accumulated loss ..	51.27	1,36.27	1,98.14	2,98.49	4,04.36

It would be seen from the above table that the Company had been incurring heavy losses since inception. The feasibility report (March 1980) prepared by a firm of

* Figures for 1984-85 and 1985-86 are provisional.

Chartered Accountants, before take-over of the erstwhile Shalimar Works, *inter alia*, pointed out that the Company would start earning profit of Rs.1.08 lakhs from second year of its operation and the profit would increase to Rs.18.45 lakhs by the end of 1984-85. The accumulated loss as on 31st March 1986 was Rs.404.36 lakhs and represented 400 *per cent* of the paid-up capital of Rs.100.01 lakhs. The Management stated (July 1986) that losses year after year were due to its inability to arrange optimum working capital required to achieve viable level of production and as a result most of the jobs could not be executed within the time prescribed by the customers.

The reply of the Management is not tenable in view of the following :

- (i) The Company had sufficient funds available from time to time for meeting its working capital requirements. The table given below indicates the projected requirement of funds, actual availability and the extent of utilisation of the funds for the five years up to 1985-86 :

Year		Projected requirement of funds	Funds actually available	Funds utilised	Funds in hand
(Rupees in lakhs)					
1981-82	..	2,02.60	2,20.50	2,19.23	1.27
1982-83	..	1,55.80	1,25.28	1,20.66	4.62
1983-84	..	61.50	98.98	95.48	3.50
1984-85	..	65.50	1,67.11	1,62.01	5.10
1985-86	..	68.00	1,51.90	1,45.96	5.94

It would be seen from the above table that except in the year 1982-83 the actual availability of funds was much more than the projected requirement as envisaged in the feasibility report. Even in the year 1982-83 when the availability of funds was less than the projection the actual utilisation was less than the funds available.

- (ii) The Company was holding sufficient stock of raw material which was equivalent to 6.6, 11.30, 6.94, 9.92 and 5.06 months' consumption during the five years ending 1985-86.

An analysis in audit, however, revealed that losses were due to :

- (i) low sales realisation on account of firm contractual prices as compared to actual cost incurred on various jobs. The table given below indicates the percentage of cost of sales to sales for the five years ended 31st March 1986 :

		1981-82	1982-83	1983-84	1984-85*	1985-86*
		(Rupees in lakhs)				
Sales	...	88.62	63.10	47.08	83.40	80.58
Add loss	...	51.27	82.66	59.76	50.95	79.48
Cost of sales	...	1,39.89	1,45.76	1,06.84	1,34.35	1,60.06
Percentage of cost of sales to sales		1,57.85	2,31.00	2,26.93	1,61.09	1,98.63

- (ii) retention of the 134 superannuated employees whose services were considered unproductive by the Company.

2.2.6. Performance analysis

The following table indicates the available capacities of ship repairing and general engineering divisions (Fabrication, Foundry and Machine shops) and capacity utilised

* Figures for the years 1984-85 and 1985-86 are provisional.

during the period from 16th March 1981 to 31st March 1986 :

	16th March 1981 to 30th June 1982 (15½ months)	1st July 1982 to 30th June 1983 (12 months)	1st July 1983- to 31st March 1984 (9 months)	1st April 1984 to 31st March 1985 (12 months)	1st April 1985 to 31st March 1986 (12 months)
(Rupees in lakhs)					
(i) Available capacity	2,30.55	2,02.18	1,62.14	2,26.18	2,26.18
(ii) Value of orders in hand at the beginning of the year	16.24	47.71	46.91	40.13	64.07
(iii) Value of orders received	1,22.23	67.04	44.26	87.46	1,06.51
(iv) Total value of orders (ii) and (iii)	1,38.47	1,14.75	91.17	1,27.59	1,70.58
(v) Value of orders executed	90.76	67.84	51.04	63.52	79.60
(vi) Value of orders in hand at the end of the year	47.71	46.91	40.13	64.07	90.98
(vii) Percentage of orders executed to available capacity	39.4	33.6	31.5	28.1	35.2

The Company could not utilise its available production capacity despite orders in hand at the end of each of the five years (1981-82—Rs.47.71 lakhs, 1982-83—Rs.46.91 lakhs, 1983-84—Rs.40.13 lakhs, 1984-85—Rs.64.07 lakhs and 1985-86—Rs.90.98 lakhs) ended 1985-86. The Management stated (May 1985) that the orders in hand could not be executed for want of working capital for purchase of raw materials.

It was, however, noticed in audit that the Company was holding stock of raw materials at the end of each of the five years ended 1985-86 which was equivalent to 6.66, 11.30, 6.94, 9.92 and 5.06 months' consumption respectively.

No efforts were also made to mobilise advances from the customers to meet the working capital requirements. As against the projected fund requirement of Rs.553.40 lakhs as per the feasibility report prepared (March 1980) by the consultants appointed by Government before taking over of the erstwhile private company, the available funds were Rs.746.56 lakhs for the period from January 1981 to March 1986.

As against the available capacity of Rs.108.50 lakhs, Rs.96.00 lakhs, Rs.82.50 lakhs, Rs.120.00 lakhs and Rs.120.00 lakhs, the ship repairing division executed orders valuing Rs.42.87 lakhs, Rs.33.51 lakhs, Rs.28.79 lakhs, Rs.24.74 lakhs and Rs.30.07 lakhs which represented 39.5, 34.9, 34.9, 20.6 and 25.1 *per cent* of the available capacity during the five years ending 1985-86. Though the value of orders procured was on the very low side as compared to the available capacity, the division could not ensure completion of order (Rs.12.13 lakhs) in hand at the end of 1985-86.

The low capacity utilisation of the division was attributed (April 1987) by the Management to dearth of sufficient orders owing to (i) reluctance on the part of the ocean going vessels particularly the foreign flag vessels to get their vessels repaired at Calcutta Port due to its siltage over the years and chronic adverse labour situation, (ii) drastic reduction in repairing work of Indian Flag Ships on account of general recession in the merchant shipping industries, and (iii) keen competition with a large number of small ship repairing companies developed during the last 4 to 5 years.

There was under utilisation of capacity in each of the shops of the general engineering division. The Company

had not prepared and followed any production programme to match the orders received and to ensure their execution. In foundry shop, the percentage of capacity utilised ranged from 22.6 to 55.1 even though there were pending orders at the end of each of the five years (1981-82—Rs.20.47 lakhs, 1982-83—Rs.18.35 lakhs, 1983-84—Rs.12.34 lakhs, 1984-85—Rs.26.78 lakhs and 1985-86—Rs.23.48 lakhs) ended 1985-86. The shop could execute only 34.3 to 54.4 *per cent* of the orders received during the period. In fabrication shop, the Company could utilise 43.8 to 54.3 *per cent* of the capacity during the years under review. Though there were sufficient orders in hand at the end of each of the five years (1981-82—Rs.22.90 lakhs, 1982-83—Rs.26.35 lakhs, 1983-84—Rs.24.20 lakhs, 1984-85—Rs.24.53 lakhs and 1985-86—Rs.41.68 lakhs) ended 1985-86 the shop could execute only 31.1 to 46 *per cent* of the orders received during the period. In machine shop, the capacity utilisation was only 10.6 to 31.4 *per cent* of the available capacity. Though the value of orders procured were on the very low side as compared to the available capacity, the shop could not even execute the pending orders in hand at the end of each of the five years (1981-82—Rs.4.34 lakhs, 1982-83—Rs.2.21 lakhs, 1983-84—Rs.3.59 lakhs, 1984-85—Rs.12.76 lakhs and 1985-86—Rs.13.69 lakhs) ended 1985-86. The shop could execute only 21.4 to 59.7 *per cent* of the orders received during the period from 1981-82 to 1985-86.

The Management stated (April 1987) that jobs for foundry and fabrication shops involved raw materials to the tune of 62 to 65 *per cent* of the value of orders and as such orders in hand could not be executed due to chronic shortage of working capital. The Management further stated that the machine shop could not be fed with work at the proper time since the activities of the former shops suffered on account of shortage of working capital. It was, however, noticed in audit that the Company obtained long-term and short-term loans from different sources and cash credit facility from a nationalised bank for meeting its working capital requirements.

2.2.7. *Shipbuilding Division*

Before taking over, the erstwhile private Company had orders aggregating Rs.150.50 lakhs for construction of 5 tugs (two of 5 tonnes each, one 10 tonnes and two 15 tonnes each). The Company negotiated with the customers for revival of these pending orders for feeding its ship-building division. However, two orders out of five pending orders were revived in June 1982 and February 1984.

The Company received (June 1982) an order from the Director General of Supplies and Disposals (DGS & D), New Delhi, for construction of a 5-tonne tug for Mangalore Port Trust at the firm price of Rs.24.94 lakhs including Rs.5.40 lakhs paid as an advance to the erstwhile private company for procurement of engine and accessories. The tug was scheduled for delivery in February 1983. The Company in February 1982 had estimated that the construction of the tug would cost Rs.24.36 lakhs. The Company on its formation took over the machines but the same could not be installed in the tug as these were found defective. The defective machines are lying in the stores (May 1987). The Company, however, completed in September 1984 the job at a total cost of Rs.33.12 lakhs (prime cost of Rs.25.56 lakhs; overheads Rs.7.56 lakhs). A sum of Rs.17.05 lakhs against Rs.19.54 lakhs was realised from DGS & D till August 1986. Recovery of the balance amount of Rs.2.49 lakhs is awaited (May 1987). Thus due to delay in construction of the tug the Company suffered a loss of Rs.8.76 lakhs besides blocking up of funds amounting to Rs.5.40 lakhs on purchase of defective engines and accessories lying in stores.

2.2.8. *Manpower Analysis*

No comprehensive work study had been conducted to assess the actual staff requirements or to lay down the standards of labour productivity in the Company's various divisions/shops. The table below indicates the extent of

utilisation of man-power for the period from March 1981 to March 1986 :

	March 1981 to June 1982	July 1982 to June 1983	July 1983 to March 1984	April 1984 to March 1985	April 1985 to March 1986
(Hours in lakhs)					
1. Normal hours available ..	7.70	6.24	4.47	5.74	5.76
2. Overtime hours	0.92	0.33	0.16	0.12	0.11
3. Total hours	8.62	6.57	4.63	5.86	5.87
4. Hours utilised	5.73	4.82	3.33	4.70	4.31
5. Idle hours due to					
(i) Shortage of material	0.26	0.26	0.27	0.26	0.47
(ii) Machine break-down	0.15	0.06	0.05	0.09	0.10
(iii) Power shortage	0.90	0.23	0.08	0.31	0.26
(iv) No job ..	1.58	1.20	0.90	0.50	0.79
Total idle hours	2.89	1.75	1.30	1.16	1.56
(per cent)					
6. Percentage of idle hours to available hours	37.6	28.0	29.0	20.2	27.2

The percentage of idle hours to total hours ranged from 20.2 to 37.6 during the period of five years ending 1985-86. Although there was heavy idle hours due to "no job", the Company paid overtime for 0.92 lakh hours, 0.33 lakh hours, 0.16 lakh hours, 0.12 lakh hours and 0.11 lakh hours amounting to Rs.24.11 lakhs during the five years ending 31st March 1986. One hundred and thirty-four employees who were due for retirement up to 31st March 1986 were retained in service beyond their dates of superannuation and were paid Rs.47.55 lakhs as pay and allowances for the period from January 1981 to September 1986 as against which only Rs.33.85 lakhs were payable as retirement

benefits to these employees. The Management in September 1985 informed the State Government that the Company had been incurring an unproductive and avoidable expenditure of about Rs.1.5 lakhs per month due to deployment of the ineffective employees who had attained the age of superannuation and accordingly requested Government for a special loan of Rs.20 lakhs for payment of the retirement benefits. Further development in this regard is awaited (May 1987).

2.2.9. Sundry Debtors

The following table indicates the position of sundry debtors *vis-a-vis* sales for the period up to 31st March 1986:

As on	Book debts			Sales	Percentage of debtors to sales
	Considered good	Considered doubtful	Total		
(Rupees in lakhs)					
30th June 1982	27.16	2.11	29.27	88.62	33.03
30th June 1983	13.90	2.11	16.01	63.10	25.37
31st March 1984	15.97	2.19	18.16	47.08	38.57
31st March 1985*	18.15	2.19	20.34	83.40	24.38
31st March 1986*	28.97	2.19	31.16	80.58	38.66

It will be observed from the above table that although the outstanding debts had increased from Rs.29.27 lakhs as on 30th June 1982 to Rs.31.16 lakhs as on 31st March 1986, no effective follow-up action was taken to realise the dues.

Out of doubtful debts of Rs.2.19 lakhs as on 31st March 1986, a sum of Rs.2.11 lakhs were recoverable from a private Company which had gone into liquidation during 1981-82.

* Figures are provisional.

2.2.10. Inventory control

The following table brings out the comparative position of inventory and its distribution at the close of the five years ending 31st March 1986 :

	1981-82	1982-83	1983-84	1984-85*	1985-86*
	(15 months)	(12 months)	(9 months)	(12 months)	(12 months)
(Rupees in lakhs)					
Stock at the close of the year					
(a) Raw materials	17.98	19.28	18.45	16.50	15.83
(b) Work-in-progress	26.79	22.21	37.65	26.90	35.35
(c) Goods-in-transit	0.48	—	—	1.24	0.86
(d) Finished goods	0.62	0.18	0.97	—	—
Consumption of raw materials	40.47	20.47	23.93	19.95	37.55
Closing stock of raw materials in number of months consumption	6.66	11.30	6.94	9.92	5.06

A test-check of the store records revealed the following deficiencies :

- Maximum, minimum and re-ordering levels of stores and spares have not been fixed,
- No material budget is prepared incorporating the annual requirement of materials based on production schedule and preventive maintenance schedule,

* Figures for the years 1984-85 and 1985-86 are provisional.

- (c) No bin cards were maintained,
- (d) Goods received notes were not prepared immediately after inspection,
- (e) In some cases, materials were received from suppliers before placing purchase orders,
- (f) No scrap register to record receipt and disposal of scrap materials was maintained.

2.2.11. Costing system

The Company is following the system of "job costing" for determination of cost of products and sales-orders.

The following deficiencies in the existing system of costing have been noticed :

- (i) The costing records are not reconciled with the financial accounts,
- (ii) Estimates for each job of general engineering division are not compared with the actual cost and variations are not investigated as would be evident from the following table :

Job order No.	Estimated cost	Actual cost	Variation	Percentage of variation to estimated cost
(Rupees in lakhs)				
0184	0.69	1.90	1.21	173.98
0190	0.73	1.72	0.99	135.17
0172	0.65	1.25	0.60	91.81
0201	0.31	0.91	0.60	188.99
0194	5.68	11.30	5.62	98.83
0129	2.81	5.63	2.82	100.12
0174	0.12	0.32	0.20	160.65
0123	0.79	1.74	0.95	119.61
0256	6.37	11.01	4.64	72.76
0202	0.05	0.34	0.29	544.15

- (iii) Overheads charged to jobs on the basis of pre-determined rates have not been reviewed. An analysis of jobs executed by the Company revealed that in 20 general engineering jobs executed during the period from August 1981 to May 1986 the actual cost of the jobs was Rs.59.45 lakhs as against the contracted price of Rs.26.31 lakhs. The Company thus suffered loss of Rs.33.14 lakhs on these jobs due to increase in employment cost, cost of raw materials owing to delayed execution of jobs and charging of 140 *per cent* of direct labour as overhead charges without assessing the actual percentage. The percentage added to cover overheads was in vogue prior to take over and had not been revised by the Management.

2.2.12. *Budgetary control*

The Company did not prepare any annual budget setting out the various targets of production and finances up to the year 1983-84. The Company prepared (October 1984) an operating budget for the years 1984-85 and 1985-86 without devising any system to watch periodically the position of income and expenditure against budget provisions. The budget in respect of machine shop, ship repairing and shipbuilding divisions was not prepared indicating the volume of work to be executed and necessary financial arrangements.

2.2.13. *Accounting Manual*

No accounting manual laying down the detailed procedure for the maintainance and compilation of accounts has been prepared so far (May 1987).

2.2.14. *Summing up*

(i) The Shalimar Works (1980) Limited was incorporated on 12th January 1981 as a fully owned State Government Undertaking to take over the liquidated

Shalimar Works Limited with 580 employees to carry on the business in inland coastal vessel building, ship repairing and general engineering works in its foundry, fabrication and machining shops.

(ii) The Company's paid-up capital, long-term and short-term loans and outstanding interest thereon stood at Rs.100.01 lakhs, Rs.265.50 lakhs and Rs.67.48 lakhs respectively as on 31st March 1986, while its cash credit borrowings from a nationalised bank was Rs.45.87 lakhs including interest of Rs.17.59 lakhs till 31st March 1986.

(iii) The Company had been incurring losses year after year and the accumulated loss up to 31st March 1986 amounted to Rs.404.36 lakhs and represented 400 *per cent* of the paid-up capital. Losses were due to cost of sales being higher than the value of sales and retention of 134 superannuated employees whose services could not be utilised for productive purposes.

(iv) Percentage of orders executed to available capacity had decreased from 39.4 in 1981-82 to 35.2. in 1985-86.

(v) Out of 5 orders pending with the erstwhile private company for construction of 5 tugs, only orders for 2 tugs could be revived by the Company after its formation. In the case of one of the revived orders for construction of a tug, the Company suffered a loss of Rs.8.76 lakhs. In addition there was locking up of funds amounting to Rs.5.40 lakhs due to defective purchase of engine and accessories which could not be utilised on the tug.

(vi) The percentage of idle hours to total hours ranged from 20.2 to 37.6 during the period of five years ending 1985-86. Although there was heavy idle hour due to "no job", the Company paid overtime amounting to Rs.24.11 lakhs during five years up to 1985-86. The Company could not settle the liabilities of Rs.33.85 lakhs towards gratuity payable to 134 superannuated employees who were retained in service. Rs.47.55 lakhs was spent on their pay and allowances during the period from January 1981 to September 1986.

(vii) Percentage of debtors to sales ranged between 24.38 and 38.66 during the years from 1981-82 to 1985-86. Out of doubtful debts of Rs.2.19 lakhs as on 31st March 1986, Rs.2.11 lakhs were recoverable from a private company which had gone into liquidation.

(viii) There is no standard costing system in the company, although it is undertaking repetitive nature of general engineering jobs. The estimates prepared for jobs had not been compared with the actuals and there were wide variations between the estimates and the actuals.

CHAPTER III

3. REVIEWS RELATING TO STATUTORY CORPORATIONS

This Chapter contains a review on purchase and stores control (other than oils and tyres etc.) of Calcutta State Transport Corporation

CALCUTTA STATE TRANSPORT CORPORATION

3.1. Purchase and stores control (other than oils and tyres, etc.)

3.1.1. Purchase of stores and spares in Calcutta State Transport Corporation (CSTC) is a central function supplemented by limited local purchase by the consuming units. The central function is looked after by the Controller of Stores and Purchase (COSP) under General Manager| Chief Mechanical Engineer. There are three sections, e.g., (i) purchase, (ii) store and (iii) transport and collection at Belghoria under COSP. Besides, there is an inspection section with one Inspector of Stores under the Manager, Quality Control.

A test-check of the purchases made by the Corporation revealed certain deficiencies in the purchase procedure, as indicated below.

3.1.2. *Purchase without due approval*

According to the existing purchase policy, approval of the Chairman was necessary for purchase of spares exceeding Rs.10,000 in each case, and for *ad hoc* purchases approval of the Board of Directors was required. A test-check in audit, however, revealed that the approval of the Chairman was not obtained in respect of purchase of spares valuing Rs.14.64 lakhs during September 1984 even though the value of purchase exceeded Rs.10,000 in each case.

Similarly approval of the Board of Directors was also not obtained in respect of *ad hoc* purchases valuing Rs.13.68 lakhs by the Central Stores (Rs.10.93 lakhs) and by the consuming units (Rs.2.75 lakhs) during June to September 1984.

3.1.3. Unwarranted purchases

Indents were not properly scrutinised to determine the actual quantity to be purchased with reference to the existing stock position, change in model and the quantity to be received against the purchase order placed earlier. A test-check of records conducted by audit revealed that the Corporation procured rear spring leaf (May-June 1984) and steel (May 1980 to July 1985) at a cost of Rs.8.80 lakhs though there was sufficient stock of these items as detailed in the following table :

Item	Stock in hand as on 1st April 1984	Receipt	Issue	Balance in hand as at the end of August 1985		Stock in terms of month's consumption
				Quantity	Value	
			(Number in pieces)		(Rupees in lakhs)	
(i) Rear Spring 2nd Leaf ..	682	379	40	1021	1.70	433.9
(ii) Rear Spring 3rd Leaf ..	409	234	153	490	0.76	54.4
(iii) Rear Spring 4th Leaf ...	181	436	171	446	0.56	44.3
			(In tonnes)			
(iv) Steel ..	62.29	98.37	40.57	120.09	8.71	50.3

Thus procurement of stores in excess of the requirements had resulted in blocking up of the Corporation's fund to the tune of Rs.11.73 lakhs.

3.1.4. *Inventory control*

The table below indicates the opening balance, purchases, consumption and closing balance of stores and spares for the three years up to 1984-85 :

Particulars	1982-83	1983-84	1984-85
(Rupees in lakhs)			
1. Opening balance			
(i) Stores and spares ..	5,25.65	4,73.45	5,02.68
(ii) Other consumable stores	49.49	40.26	40.29
2. Receipts during the year			
(i) Stores and spares ..	2,75.09	3,90.17	3,57.35
(ii) Other consumable stores ..	7,79.28	8,63.02	8,70.68
3. Consumption			
(i) Stores and spares ..	3,27.29	3,60.94	3,55.22
(ii) Other consumable stores ..	7,88.51	8,62.99	8,70.80
4. Closing stock			
(i) Stores and spares ..	4,73.45	5,02.68	5,04.81
(ii) Other consumable stores ..	40.20	40.29	40.17

The Corporation was holding huge stock of stores and spares with reference to the average annual rate of consumption. The closing stock represented 17.4, 16.7 and 17.1 months' consumption during each year respectively. The maximum, minimum and re-ordering levels for each item of stores and spares had not been fixed. The closing stock of stores and spares includes non-moving spares pertaining to Leyland and Comet buses valued at Rs.24.97 lakhs which had been lying for a period ranging from 1 year to 12 years. The Management decided (January 1986) to dispose of the spares for Leyland buses valuing Rs.4.36 lakhs as these were of no use to the Corporation. The spares have not been disposed of so far (May 1987).

No periodical review of inventory to assess and dispose of the obsolete/unserviceable items of stores and spares is conducted. The inventory of stores and spares as on 31st March 1985 included obsolete spares pertaining to AEC, Comet, Leyland buses and other vehicles valuing Rs.52.24 lakhs. Though the Corporation had identified these obsolete spares as far back as 1978-79, action for their disposal is yet to be taken (May 1987). The value would further increase if the Corporation made an attempt to identify obsolete stores subsequent to 1978-79.

The reasons for such obsolescence of stores and spares were attributed (February 1986) by the Management to frequent changes/withdrawal of models of buses.

An analysis in audit revealed that the higher rate of obsolescence was mainly due to absence of proper scrutiny of indents to determine the actual quantity to be purchased with reference to pattern of consumption and stock position.

3.1.5. Non-utilisation of the services of Stores and Purchase Officers

To implement integrated material management system as per the recommendations of the consultant appointed by the Corporation in 1979-80, the State Government sanctioned (December 1979) ten posts of Stores and Purchase Officers (SPO). The job requirements of these posts were neither evaluated by the consultant nor the same were specified by the Corporation inspite of the fact that the Board of Directors in January 1980 had resolved that these posts should be filled up on the basis of the job requirements. The posts of SPOs were, however, filled up between December 1981 and February 1982. The Corporation has not so far (May 1987) evaluated the job requirements of these SPOs. The services of the Officers were being utilised on jobs of administrative nature. The pay and allowances paid to them up to 31st March 1986 amounted to Rs.2.90 lakhs.

3.1.6. *Idle machines*

(i) The Corporation procured (November 1982) two lathe machines (one Centre Lathe Model LB-17|1000 and one Heavy Duty Centre Lathe Model L-45|3000) along with accessories at a total cost of Rs.13.41 lakhs for augmentation of the existing facilities of reconditioning of engine assemblies, etc., at Unit Exchange Shop, Belghoria. Though the machines were delivered at Belghoria in November 1982, these were sent to Unit Exchange Shop in December 1985 i.e., after three years from the date of receipt of the machines. The machines have not been installed and are lying idle (May 1987).

(ii) One VAPA Jet India make portable steam jet along with accessories for cleaning plants was purchased in October 1984 at a cost of Rs.0.42 lakh and was issued to Unit Exchange Shop in the same month. The machine could not be installed so far (May 1987) in the absence of the water treatment plant. However, no action had been taken for installation of the water treatment plant so far and as a result the steam jet procured at a cost of Rs.0.42 lakh was lying idle (May 1987).

CHAPTER IV

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

A. GOVERNMENT COMPANIES

4.1. West Bengal Essential Commodities Supply Corporation Limited

(i) *Avoidable expenditure* : The Company entered into (April 1981) agreements with firms 'A' and 'B' of Tamil Nadu for supply of 4,000 tonnes and 2,000 tonnes per month of crushed common and super fine salt during the year 1981-82 at Rs.8.30 for crushed common salt and Rs.10.45 for superfine salt (firm 'A') and Rs.10.20 for crushed common salt (firm 'B') per bag of 75 kilograms to the destination points to be intimated by the Company. The salt was to be inspected by the Company's representative at the loading point before despatch. Firm 'A' supplied 35,748 tonnes and firm 'B' supplied 13,776 tonnes of salt during the period from May 1981 to March 1982.

Two rakes containing 26,400 bags (1,980 tonnes) of crushed common salt despatched by firm 'A' reached Calcutta in March 1982. As there was no demand for salt in Calcutta these rakes were diverted to Berhampore and Bankura at an additional cost of Rs.0.75 lakh. The salt on receipt was found to be of inferior quality. Out of 26,400 bags of salt, 12,722 bags were disposed of in March 1982 at Rs.3.30 per bag against the procurement rate of Rs.8.30 per bag resulting in loss of Rs.0.64 lakh. The Company lodged (September 1983) a claim with the supplier for recoupment of the loss (Rs.1.39 lakhs). The firm 'A' refused to pay compensation as the salt was despatched to the destination point as advised by the Company and the quality of the salt was duly inspected by the Company's representative before despatch.

Three rakes containing 39,160 bags (2.937 tonnes) of crushed common salt despatched by firm 'B' reached Bankura, Burdwan and Berhampur in February 1982. As there was no buyer of salt at Burdwan the rake which arrived at Burdwan was immediately diverted to Berhampur at an additional cost of Rs.0.34 lakh. The Company lodged (September 1983) a claim with the supplier for recoupment of the additional expenditure incurred by it on diversion of the rake. As the supplier refused to pay the claim the matter was referred (September 1983) to an Arbitrator who rejected (September 1984) the Company's claim on the ground that the salt was despatched to Burdwan as per instruction of the Company and the same was diverted to Berhampur. The salt rakes diverted by the Company from Calcutta and Burdwan to Berhampore and Bankura after incurring an additional expenditure of Rs.1.09 lakhs were disposed of at the latter places.

Thus, due to improper planning the Company had to suffer a loss of Rs.1.73 lakhs (Rs.1.09 lakhs towards diversion of rakes and Rs.0.64 lakh for acceptance of the substandard quality salt due to failure of inspection).

(ii) *Infructuous expenditure* : The Company decided (February 1982) to computerise its transactions for processing of sales data and the individual ledger accounts of debtors in respect of oil, rice and pulses. On the basis of a limited tender (April 1983) the Management proposed to place the order on firm 'A' for the job on lowest offer basis. When the proposal was placed (May 1983) before the Board for its approval, it directed that the possibility of doing the job through the Regional Computer Centre (RCC), Jadavpur should be explored. Accordingly, the Company without entering into any agreement placed (June 1983) the work order for processing of the above data for the year 1983-84 on RCC with the approval of the Chairman of the Company with the stipulation that the firm would complete the work by August 1984. Post-facto approval of the Board was, however, obtained in July 1983. Between June 1983 and September 1985 the Company paid a sum

of Rs.2.87 lakhs to RCC. In December 1985 the Company cancelled the order with RCC as it did not supply the computerised data as per requirements of the Company and a fresh work order for processing of sales data and debtor's account was placed (January 1986) on another firm 'B' which was already engaged by the Company for preparation of the sales statement and sales bills of dealers of cement. Thus, the payment of Rs.2.87 lakhs made to RCC proved infructuous.

The Management stated (October 1986) that the loss had to be absorbed in the Company's normal course of business and there was no scope for recovering the money paid to RCC in the absence of any written agreement.

The matter was reported to Government in January 1987; reply from the Government has not been received (May 1987).

(iii) *Extra expenditure* : The Company entered into (December 1981) an agreement with a handling agent for clearing, transporting, storing and delivery of cement at Rs.23.55 per tonne. According to the terms of the agreement the minimum capacity of the godown at or near Barasat railway siding should be 3,000 tonnes. The agreement was effective from 17th January 1982 for two years and was subsequently extended (January 1984) for three months, i.e., up to 17th April 1984. Neither the agreement was extended nor the agency was cancelled thereafter. In the absence of specific instructions from the Company the agent maintained his godown and staff up to January 1985 and handled a total quantity of 28,470 tonnes of cement during the period from April 1982 to August 1984 as against the godown capacity of 1,08,000 tonnes (3,000×36m) and preferred (March 1985) claim for Rs.18.73 lakhs as compensation for under-utilisation of the godown capacity. The Company referred (May 1985) the matter to an Arbitrator and lodged a counter claim for Rs.1.27 lakhs towards shortage of 84.95 tonnes (value—0.81 lakh) and damage of 48.90 tonnes (value—Rs.0.46

lakh) of cement under the custody of the agent. The Arbitrator awarded (September 1986) the agent's claim for a net amount of Rs.2.32 lakhs which included Rs.0.72 lakh for payment of firm's commission bills; Rs.0.60 lakh for refund of firm's security deposit and Rs.1.00 lakh towards compensation for under-utilisation of the godown capacity. Further expenditure of Rs.0.12 lakh was incurred towards interest on compensation (Rs.1.00 lakh) for the period from May 1985 to September 1986.

Thus, the Company suffered a loss of Rs.1.12 lakhs due to underutilisation of the godown capacity of the agent and Rs.1.27 lakhs towards shortage/damage of 133.85 tonnes of cement.

The Management while accepting the loss stated (May 1987) that the award was non-speaking and reason for not admitting the counter claim of the Company was best known to the Arbitrator.

4.2. The Durgapur Projects Limited

(i) *Sale of crude coal-tar* : The Company sells crude coal-tar (CCT) as a by-product of its Coke Oven Plant.

The Company in September 1985 invited tenders for disposal of 3,950 tonnes of CCT which had accumulated in the storage tanks up to August 1985. As per the conditions of the tender notice the tenderers were required to deposit earnest money to the extent of Rs.13,500. Out of 10 offers received, the highest offers of Rs.2,700 per tonne were from two small scale industrial units of Calcutta and Lucknow. Though the small scale units were exempted from depositing earnest money by Government, the Company rejected the highest offers received from these units as they did not deposit the earnest money. Two thousand and seventy-four tonnes of CCT was sold for Rs.2,414 per tonne to another firm of Calcutta (second highest). Thus due to the rejection of the highest offers of Rs.2,700 per tonne received from small scale units, the Company suffered a loss of Rs.5.93 lakhs in the disposal of crude coal-tar.

The matter was reported to the Management and Government in November 1986; their replies have not been received (May 1987).

(ii) *Import of materials* : The Company placed (September 1982) an order on a foreign firm for supply of certain maintenance items valuing DM 38980 F.O.B. (equivalent to Rs.1.68 lakhs) for the power plant. The supplier, while acknowledging the order, pointed out (October 1983) that quantities ordered for against a few items were inadequate and offered to supply some additional quantities valuing Rs.0.13 lakh beyond ordered quantity free of cost.

The Company neither amended the order accordingly nor obtained clearance from the Government of India for additional quantities being supplied by the foreign supplier free of cost.

On arrival of the material in Calcutta port in July 1984, the customs authorities refused to clear the consignment on grounds that (i) the materials were not covered by the order, (ii) Government's clearance for the materials which were also indigenously available was not obtained and (iii) sales tax clearance had not been submitted. The consignment could ultimately be got cleared (November 1984) after payment of Rs.0.21 lakh towards port rent for 117 days' delay and Rs.0.43 lakh as additional (counter-vailing) duty for import of indigenously available material.

The material, after clearance, was sent to Durgapur in January 1985 and inspection thereof was made in January 1986, i.e., after one year. On inspection, the material valued at Rs.0.32 lakh was found damaged. The delay in inspection was not investigated. The supplier replaced a part of the materials (chemicals) valuing Rs.440 only the shelf life of which had already expired. The Company could not lodge any claim on the insurer as the transit insurance policy had already lapsed (valid up to 14th January 1985) and the claim had become time-barred. No

responsibility had also been fixed for the lapse. The Company suffered a loss of Rs.0.96 lakh on the import of the material.

The matter was reported to the Management| Government (November 1986); their replies have not been received (March 1987).

4.3. West Bengal State Seed Corporation Limited

Loss on sale of wheat seeds : An order for supply of 10,000 quintals of certified wheat seeds at Rs.359.30 per quintal was placed with National Seed Corporation Limited. The seed was required for sale within the State during the sowing season 1984 which ended in December 1984. As per stipulation in the supply order the entire supply of seed was to be completed by 7th October 1984 and if supplies could not be received by this date the entire order would be treated as cancelled. The supplier could not, however, maintain the schedule. The Company without ascertaining marketability of the seeds due to passing away of sowing season, procured (November 1984) 3,840 quintals of seeds at a total cost of Rs.13.80 lakhs. Due to lack of demand at the fag end of the sowing season only 410 quintals of seeds could be sold as seed in December 1984 to the dealers at Rs.340.00 per quintal against the procurement price of Rs.359.30. The remaining stock of 3,430 quintals became unfit for sowing, as it had lost its germination and was disposed of in May 1985 through auction at Rs.163.00 per quintal. Thus, due to delayed and unplanned procurement of seeds the Company suffered a loss of Rs.6.82 lakhs.

The matter was reported to Government in January 1987; reply from Government has not been received (May 1987).

4.4. The West Bengal Film Development Corporation Limited

Procurement of cinematographic printing machine : With a view to setting up a colour film laboratory at Salt

Lake City by May 1984, the Board of Directors approved (February 1983), on lowest tender basis, placement of an order on a firm of Paris for supply of a cinematographic printing machine with accessories at a total cost of Rs.34.15 lakhs with phased delivery schedule at site by March-June 1984. Without regard to the above decision, the Management placed (May 1983) an order on the firm of Paris with the stipulation to supply the equipment within 32 weeks from the date of order, i.e., by February 1984. The date of commencement of supply was not indicated in the purchase order after taking into consideration the scheduled date of completion of civil works of laboratory complex. The work was scheduled to be completed by May 1984. Payment was to be made against shipping documents through an irrevocable letter of credit opened in June 1983. In the absence of specific date of commencement of supply in the purchase order, the firm supplied the first consignment of the equipment valuing Rs.19.67 lakhs in July 1983, i.e., 8 months earlier and the second consignment valuing Rs.14.48 lakhs in January 1984, i.e., 2 months earlier than the date specified by the Board. The Company did not take delivery of the machine as the civil works of the laboratory complex were not complete and ultimately cleared the consignment in December 1984 and January 1985 respectively after payment of interest of Rs.1.99 lakhs on custom duty (Rs.22.14 lakhs) and bonded warehouse rent of Rs.0.15 lakh for delayed clearance of the consignments.

Thus, due to non-stipulation of the date of commencement of supply with reference to scheduled date of completion of civil works in the purchase order, the Company incurred an avoidable expenditure of Rs.2.14 lakhs on procurement of the machine along with accessories.

The matter was reported to the Management|Government in January 1987; their replies have not been received (May 1987).

4.5. West Bengal State Leather Industries Development Corporation Limited

Infructuous expenditure : It was reported in paragraph 3.04.4. of the Report of the Comptroller and Auditor General of India for the year 1981-82 (Commercial) that the Company obtained (November 1979) a letter of intent from the Government of India for setting up a project for manufacture of 2,880 tonnes of leather board per year and got prepared (February 1983) a project feasibility report from a foreign firm at a cost of Rs.1.23 lakhs. On receipt of the feasibility report (February 1983) the Company sought (July 1983) expert opinion from the Central Leather Research Institute (CLRI), Madras, regarding viability of the project. CLRI opined (September 1983) that the feasibility report prepared was not based on detailed techno-economic field survey. It did not take into consideration the availability of raw materials, price structure at various levels, production capacity and cost of finished products, etc. The Company took up (February 1984) the matter with the Consulate General of the foreign country for investigation in regard to the authenticity and originality of the foreign firm. The Consulate General expressed (February 1984) his inability to help in the matter as the firm was a private one. Ultimately, the Company decided (May 1985) not to proceed further towards implementation of the project as the validity of the letter of intent had expired by that time. The Company also did not move the Government of India for issue of letter of intent afresh as the project was not considered (September 1983) commercially viable. Thus, the expenditure of Rs.1.23 lakhs, towards preparation of the project feasibility report, proved infructuous.

The matter was reported to the Management|Government in December 1986; their replies have not been received (March 1987).

B. STATUTORY CORPORATIONS

4.6. West Bengal State Electricity Board

(i) *Loss due to delay in lodging claim* : A consignment of 532.9 tonnes of coal (valuing Rs.1.37 lakhs) was despatched (November 1984) by Eastern Coal Fields Limited from Khoodia and Nirsha colliery sidings by rail in 9 wagons to the Bandal Thermal Power Station (BTPS) of the Board. Payment for the coal was made (December 1984-January 1985) by the Board on the basis of despatch documents received in November 1984. However, the BTPS did not get delivery of coal there-against as the wagons were not traceable at the destination point. The Board lodged (July 1985) a claim with the Railways for realisation of the value of the consignment, but the same was rejected (August 1985) by the Railways under Section 78B of Indian Railways Act, as the claim was not lodged within the stipulated period of six months from the date of booking (November 1984).

Thus, the Board suffered a loss of Rs.1.37 lakhs due to delay in lodging claim with the Railways.

The matter was reported to the Board|Government in March 1987; their replies have not been received (May 1987).

(ii) *Avoidable expenditure* : The Board placed (May 1986) an order on a firm of Jamshedpur for supply of one counter weight rope (40 mm diameter and 123 ft. long) at Rs.0.68 lakh and four hoisting ropes (38 mm diameter and 79 ft. 6 inches long each) at Rs.2.10 lakhs for use in the Wagon Tippler Plant of Bandal Thermal Power Station on single tender basis considering them as proprietary

items. The supply was made between July and November 1986 on payment of Rs.3.46 lakhs inclusive of excise duty and Central sales tax. During the currency of the contract, limited quotations were invited (July 1986) from the prospective suppliers for meeting future requirement of ropes for wagon tippler. The lowest offer received (September 1986) was from a firm of Calcutta (the actual manufacturer of ropes), which had quoted the counter weight and hoisting ropes of the same specification at Rs.15,598 and Rs.11,594 per rope respectively exclusive of excise duty and sales tax. The Board decided (October 1986) to place further orders for ropes on the Calcutta firm.

Thus, due to failure in ascertaining the actual manufacturer of ropes for wagon tippler the Board had to incur an extra expenditure of Rs.2.72 lakhs (Rs.2.16 lakhs for ropes and Rs.0.56 lakh for taxes and levies) in the purchase of a counter weight and four hoisting ropes as compared to the rates offered by the Calcutta firm.

The matter was reported to Board and Government in February 1987; their replies have not been received (April 1987).

(iii) *Unplanned purchase* : The Board on receipt of indents from Construction Circle I of the Tamluk and Howrah divisions for supply of cements, placed (June 1983) an order on a firm of Bilaspur for supply of 1,000 tonnes of cement valued at Rs.7.02 lakhs. However, while placing the order, despatch instructions for sending the material to the consignee divisions were not given. The delivery of the entire quantity of cement was taken in August 1983 at Shalimar Railway Yard. Of this, 742 tonnes of cement was immediately transported to sub-divisional stores of Tamluk Division at Hizli (356 tonnes) and Chandrakona (386 tonnes), en route Bilaspur-Shalimar Yard, by road at a cost of Rs.1.02 lakhs leaving a balance of 258 tonnes of cement at Howrah Divisional Store of the Circle for its use.

The expenditure on re-transportation of cement amounting to Rs.0.97 lakh (Rs.1.02 lakhs freight charges paid less Rs.0.05 lakh being the freight charges which the Board would have incurred had the supplies been made direct to consignees) could have been avoided had despatch instructions for sending the materials direct to consignee been included in the supply order.

The Management stated (April 1987) that the cement was procured on the ground of urgency and the consignor was subsequently asked to send the cement to Shalimar Railway Yard to avoid delay in sending cement to two destination points.

The reply of the Board is not tenable as further scrutiny of records had revealed that the supplier was asked to send the cement to Shalimar Railway Yard *ab initio*. The consignor was not asked to send the cement to the respective consignees.

The matter was referred to Government in November 1985; reply from Government has not been received (May 1987).

(iv) *Payment of demurrage|wharfage* : A consignment of 87.7 tonnes of cement (value : Rs.0.84 lakh), despatched (27th December 1984) by a cement factory in response to the order placed by the Board on 29th November 1984, arrived at Shalimar Railway Yard on 29th December 1984. The Superintending Engineer, Extra High Tension (O&M), Circle-I, Salt Lake, received the Railway Receipt (RR) on 29th December 1984. The handling and carrying contractor who was appointed by the Board only on 10th January 1985 took delivery of the consignment on 12th January 1985. The Railways, however, charged demurrage

and wharfage amounting to Rs.0.71 lakh for delayed unloading of the cement. On a request of the Management, the Railways waived Rs.0.17 lakh. The balance amount of demurrage and wharfage charges aggregating Rs.0.54 lakh was paid on 12th January 1985. An appeal (February 1985) for waiver of the demurrage|wharfage charges amounting to Rs.0.54 lakh was rejected (August 1985) by the Railways.

Thus the Board incurred an avoidable expenditure of Rs.0.54 lakh due to delayed appointment of the handling contractor.

The matter was reported to the Management|Government in December 1986; their replies have not been received (May 1987).

(v) *Short delivery of materials by transport contractor* : An order for transportation of 160 tonnes of surplus structural steel from Bandel Thermal Power Station (BTPS) to Jaldhaka Hydel Project (JHP) at Rs.289 per tonne was placed (October 1980) on a local contractor, without obtaining security in any form. The contractor lifted 155.853 tonnes of steel from BTPS during the period from November 1980 to January 1981 but delivered 109.167 tonnes to JHP between December 1980 and April 1981. Project authorities requested the contractor in April 1981 to deliver the balance steel for which there was no response from the contractor. The matter was reported to the police in April 1981 for taking necessary action against the contractor. Project authorities, however, could neither recover the balance quantity of 46.686 tonnes valuing Rs.1.22 lakhs from the contractor nor took any legal action for recovery thereof (April 1987) resulting in a loss of Rs.0.90 lakh after adjustment of the cost of transportation of 109.167 tonnes of steel (Rs.0.32 lakh), which was not paid to the contractor.

The matter was reported to the Board|Government in February 1987, their replies have not been received (May 1987).

(vi) *Repair of transformer without adequate inspection* : Order for repair of one 20 MVA transformer was placed in July 1982 by the Chief Engineer (Transmission) on a firm of Bombay for Rs.3.25 lakhs with a guarantee for satisfactory performance of the transformer for a period of twelve months from the date of despatch. In terms of the order, the transformer was scheduled to be ready in October 1982 for inspection by the Board's representatives. Subsequently inspection clause was waived (October 1982) by the Chief Engineer (Transmission) and the firm was directed to submit a test report after due test at their works. There were no recorded reasons for waiver of inspection clause. The transformer was despatched after repair from Bombay in February 1983. While commissioning at Liluah substation in July 1983 the transformer exploded and caught fire. A claim for Rs.12.63 lakhs was lodged in October 1984 with the insurer under a general cover of erection insurance. The same was settled in December 1984 for Rs.0.42 lakh on the basis of written down value of the transformer, excluding repair charges, transport and commissioning. No claim on the repairer firm was, however, lodged (April 1987) in terms of performance guarantee clause of the order. Total loss on damage to the transformer was assessed (March 1985) by the Board at Rs.6.00 lakhs. The Board appointed in July 1983 a committee to investigate the causes of explosion. The committee in its report submitted in March 1985 stated that the explosion had occurred due to positive lapse on the part of the repairer for not checking the tightness of all the terminal studs both within the main tank and tap selector tank. Thus, due to waiver of the inspection clause of the order and also due to not preferring a claim with the firm for the failure of the transformer within the guaranteed period, the Board suffered a loss of Rs.6.00 lakhs. No responsibility was, however, fixed for the loss (April 1987).

The matter was reported to the Board|Government in February 1987; their replies have not been received (May 1987).



CALCUTTA,

(A. N. MUKHOPADHYAY)

The

Accountant General (Audit)-I, West Bengal.

Countersigned



NEW DELHI

(T. N. CHATURVEDI)

The

Comptroller and Auditor General of India.

ANNEXURE '1'

List of Companies in which Government Investment was more than Rs 10 lakhs but which are not subject to audit by the Comptroller and Auditor General of India

(Referred to in paragraph 3 of the Preface)

Name of companies		Total amount invested up to 1985-86
		(Rupees in lakhs)
1.	Engel India Machines and Tools Limited ...	1,75 .90
2.	Gluconate Limited	1,86 .89
3.	Eastern Distilleries (Private) Limited ...	31 .94
4.	Sen Raleigh Limited	70 .00
5.	Krishna Silicate and Glass Works Limited ...	8,43 .87
6.	Incheck Tyres Limited	35 .00
7.	Mackintosh Burn Limited	1,51 .75
8.	Great Eastern Hotel Limited	70 .25
9.	Duncan Brothers and Company Limited ...	34 .58
10.	Britannia Engineering Company Limited ...	4,49 .55
11.	Kinnison Jute Mills Limited	2,81 .48
12.	Alok Udyog Vanaspati and Plywood Limited	48 .00
13.	Dr. Paul Lohman (India) Limited ...	1,80 .68
14.	Aluminium Corporation of India Limited ...	20 .00
15.	Appollo Zipper Company Limited ...	1,75 .09
16.	Kolay Iron and Steel Company Limited ...	15 .00
17.	Indian Health Institute and Laboratory Limited	1,51 .84
18.	Bharat Jute Mills Limited	50 .00
19.	National Iron and Steel Company Limited ...	4,42 .27
20.	National Pipes and Tubes Limited ...	40 .00
21.	Lily Biscuit Company and Lily Barley Limited	1,07 .32
22.	Indian Belting and Cotton Mills Limited ...	34 .35
23.	Calcutta Electric Supply Corporation Limited	43,60 .00
24.	Bengal Laxmi Cotton Mills Limited ...	56 .67
25.	Sree Saraswati Press Limited	16 .57
26.	Bengal Belting Corporation Limited ...	13 .50
Total ...		8041 .50

ANNEXURE 2

Statement showing particulars of up-to-date paid-up capital, outstanding loans, amount of guarantees given by the Government and amount outstanding thereagainst and up-to-date working results etc. in respect of all the Government Companies

(Referred to in Paragraph 1.2.2, page 2)

Sl. No.	Name of Company	Name of the administrative department	Paid-up capital as at the end of 1985-86				Loan outstanding at the close of the current year	Amount of guarantee given	Amount of guarantee outstanding at the close of the current year	Out standing guarantee commission payable at the close of the current year	Position at the end of the year for which accounts were finalised			Any excess of loss over paid-up capital	Remarks
			State Government	Central Government	Others	Total					Year for which accounts were finalised	Paid-up capital at the end of the year	Accumulated Profit/(+)/ Loss(-)		
1	2	3	3(a)	3(b)	3(c)	3(d)	4	5(a)	5(b)	5(c)	6(a)	6(b)	6(c)	6(d)	7
(Figures in columns 3(a) to 5(c) and 6(b) to 6(d) are rupees in lakhs)															
1.	The Kalyani Spinning Mills Limited ..	Public Undertakings	1,58.21	--	--	1,58.21	2,318.12	4,26.70	4,26.70	9.17	1982-83	1,68.21	(-)27,45.88	(-)25,87.87	
2.	West Bengal Small Industries Corporation Limited	Cottage and small Scale Industries	5,87.93	--	--	5,87.93	3,73.91	3,00.00	1,41.35	3.93	1981-82	2,03.44	(+) 29.46	--	
3.	Electro-Medical and Allied Industries Limited	Public Undertakings	25.00	--	--	25.00	2,41.35	Nil	Nil	Nil	1983-84 ending 30-6-84	25.00	(-) 2,23.95	(-) 1,99.95	
4.	The Durgapur Projects Limited	Power ..	45,15.41	--	--	45,15.41	1,90,70.25	20,08.00	20,11.40	2.68	1985-86	45,15.41	(-)68,62.33	(-)113,36.92	
5.	Durgapur Chemicals Limited ..	Public Undertakings	5,09.31	--	--	5,09.31	50,64.87	3,00.00	2,39.33	Nil	1984-85	5,09.31	(-)42,65.21	(-)37,55.90	
6.	State Fisheries Development Corporation Limited	Fisheries ..	1,15.00	--	--	1,15.00	NA	NA	NA	NA	1984-85	1,15.00	(-) 1,14.63	--	
7.	West Bengal Industrial Development Corporation Limited	Commerce and Industries	12,35.42	--	--	12,35.42	67,44.22	32,74.00	32,74.00	64.65	1985-86	12,35.42	--	--	
8.	West Bengal Agro-Industries Corporation Limited	Public Undertakings	5,42.50	2,69.02	Nil	8,11.52	Nil	Nil	Nil	Nil	1982-83	8,11.52	(-) 1,21.09	--	
9.	West Bengal Dairy and Poultry Development Corporation Limited	Ditto	62.15	--	--	62.15	35.38	Nil	Nil	Nil	1979-80	62.15	(-) 25.34	--	
10.	Westinghouse Saxby Farmer Limited ..	Ditto	87.75	--	12.25	1,00.00	26,09.84	1,95.00	1,95.00	1.63	1981-82	1,00.00	(-)22,57.55	(-)21,57.55	
11.	West Bengal Mineral Development and Trading Corporation Limited	Commerce and Industries	2,18.08	--	--	2,18.08	80.80	16.88	31.50	0.08	1985-86	2,18.08	(-) 2,15.85	--	
12.	West Bengal Agro-Textile Corporation Limited	Industrial Reconstruction	1,41.97	--	0.03	1,42.00	7,03.07	50.00	Nil	0.11	1985-86	1,42.00	(+) 39.17	--	
13.	West Bengal Sugar Industries Development Corporation Limited	Commerce and Industries	2,54.60	--	7.00	2,61.60	3,04.08	--	--	5.29	1983-84	2,16.60	(-) 5,08.36	(-) 2,91.76	
14.	West Bengal Handloom and Powerloom Development Corporation Limited	Cottage and Small Scale Industries	2,92.54	--	--	2,92.54	99.35	2,90.00	NA	2.03	1980-81	1,73.64	(-) 17.10	--	

ANNEXURE 2 (Contd.)

Statement showing particulars of up-to-date paid up capital, outstanding loans, amount of guarantees given by the Government and amount outstanding thereagainst and up-to-date working results etc. in respect of all the Government Companies
(Referred to in Paragraph 1.2.2, page 2)

Sl. No.	Name of Company	Name of the administrative department	Paid-up Capital as at the end of 1985-86				Loan outstanding at the close of the current year	Amount of guarantee given	Amount of guarantee outstanding at the close of the current year	Outstanding guarantee commission payable at the close of the current year	Position at the end of the year for which accounts were finalised			Any excess of loss over paid-up capital	Remarks
			State Government	Central Government	Others	Total					year for which accounts were finalised	Paid-up capital at the end of the year	Accumulated Profit(+) / Loss(-)		
1	2	3	3(a)	3(b)	3(c)	3(d)	4	5(a)	5(b)	5(c)	6(a)	6(b)	6(c)	6(d)	7
(Figures in columns 3(a) to 5(c) and 6(b) to 6(d) are rupees in lakhs)															
15.	West Bengal State Minor Irrigation Corporation Limited	Agriculture and Community Development	9,55.00	..	..	9,55.00	5,13.69	10,06.12	6,10.68	Nil	1980-81	5,90.00	(-) 1,15.23	..	
16.	West Bengal Electronics Industry Development Corporation Limited	Commerce and Industries	5,08.00	..	1,71.00	6,79.00	5,00.63	Nil	Nil	Nil	1984-85	6,79.00	(-) 92.57	..	
17.	West Bengal Pharmaceutical and Phytochemical Development Corporation Limited	Ditto	1,71.10	..	..	1,71.10	54.98	62.28	49.98	NA	1985-86	1,71.10	(-) 61.97	..	
18.	West Bengal Live Stock Processing Development Corporation Limited	Animal Husbandry and Veterinary Services	1,18.00	26.00	..	1,43.00	Nil	2.33	..	..	1982-83	1,27.00	(-) 20.20	..	
19.	West Bengal Tourism Development Corporation Limited	Tourism	1,08.56	..	..	1,08.56	83.73	NA	NA	NA	1984-85	99.56	(-) 1,15.78	(-) 16.22	
20.	West Bengal Forest Development Corporation Limited	Forest	4,14.72	70.00	..	4,84.72	37.76	73.07	43.76	Nil	1984-85	4,58.72	(-) 16.90	..	
21.	West Bengal Essential Commodities Supply Corporation Limited	Food and Supplies	1,08.00	..	..	1,08.00	..	12,00.00	0.32	6.00	1985-86	1,08.00	(+) 3,26.16	..	
22.	Basumati Corporation Limited	Information and Cultural Affairs	10.00	..	..	10.00	1,95.08	NA	NA	NA	1977-78	10.00	(-) 49.62	(-) 39.62	
23.	West Dinajpur Spinning Mills Limited	Public Undertakings	5,70.18	..	..	5,70.18	3,80.00	4,00.00	3,80.00	Nil	1985-86	5,70.18	(-) 1,26.29	..	
24.	West Bengal State Leather Industries Development Corporation Limited	Cottage and Small Scale Industries	96.24	..	..	96.24	22.50	Nil	Nil	Nil	1981-82	81.24	(-) 69.10	..	
25.	West Bengal Ceramic Development Corporation Limited	Public Undertakings	97.73	..	..	97.73	2,55.77	Nil	Nil	Nil	1982-83	97.73	(-) 2,13.11	(-) 1,15.38	
26.	West Bengal Handicrafts Development Corporation Limited (subsidiary of West Bengal Small Industries Corporation Limited)	Cottage and Small Scale Industries	..	12.00	36.50	48.50	NA	NA	NA	NA	1980-81	48.50	(-) 7.49	..	

ANNEXURE 2 (Contd.)

Statement showing particulars up-to-date paid up capital, outstanding loans, amount of guarantee given by the Government and amount outstanding thereagainst and up-to-date working results etc. in respect of all the Government Companies
(Referred to in paragraph 1, 2, 2, page 2)

Sl. No.	Name of Company	Name of the administrative department	Paid-up capital as at the end of 1985-86				Loan outstanding at the close of the current year	Amount of guarantee given	Amount of guarantee outstanding at the close of the current year	Outstanding guarantee commission payable as the close of the current year	Position at the end of the year for which accounts were finalised			Any excess of loss over paid-up capital	Remarks
			State Government	Central Government	Others	Total					Years for which accounts were finalised	Paid-up capital at the end of the year	Accumulated Profit/(+)/ Loss(-)		
1	2	3	3(a)	3(b)	3(c)	3(d)	4	5(a)	5(b)	5(c)	6(a)	6(b)	6(c)	6(d)	7
27.	West Bengal Tea Development Corporation Limited	Commerce and Industries	2,61.00	--	--	2,61.00	3,03.50	42.16	NA	1.14	1985-86	2,61.00	(-) 3,14.42	(-)53.42	
28.	Webel Business Machines Limited (subsidiary of West Bengal Electronics Industry Development Corporation Limited)	Ditto	--	--	22.50	22.50	Nil	Nil	Nil	Nil	1984-85	16.78	(-) 22.39	(-)15.61	
29.	Webel Video Devices (subsidiary of West Bengal Electronics Industry Development Corporation Limited)	Ditto	--	--	95.50	95.50	NA	NA	NA	NA	1979-80	95.50	Under construction	--	
30.	Webel Telecommunication Industries Limited (subsidiary of West Bengal Electronics Industry Development Corporation Limited)	Ditto	--	--	1,00.00	1,00.00	Nil	Nil	Nil	Nil	1985-86	1,00.00	(+) 187.65	--	
31.	West Bengal Fish Seed Development Corporation Limited	Fisheries	49.00	--	15.00	64.00	NA	NA	NA	NA	1984-85	94.00	Under construction	--	
32.	West Bengal Film Development Corporation Limited	Information and Cultural Affairs	1,66.57	--	--	1,66.57	NA	NA	NA	NA	1984-85	1,66.57	(-) 28.07	--	
33.	West Bengal State Seed Development Corporation Limited	Agriculture	1,50.00	--	--	1,50.00	NA	NA	NA	NA	1982-83	1,00.00	Under construction	--	
34.	The Shalimar Works (1980) Limited	Industrial Reconstruction	1,00.50	--	--	1,00.50	2,65.50	50.82	30.00	0.77	1983-84	75.00	(-) 1,98.14	(-) 122.64	
35.	Webel Precision Industries Limited (subsidiary of WBEDIC)	Commerce and Industries	--	--	39.37	39.37	Nil	Nil	Nil	Nil	1984-85	38.19	Nil	--	Under construction
36.	WEBEL Nicco Electronics Limited (Subsidiary of WBEDIC)	Ditto	--	--	23.34	33.34	4.31	5.61	4.31	Nil	1982-83	17.34	(-) 38.15	(-)20.81	
37.	Webel Electronics Communication System Limited (subsidiary of WBEDIC)	Ditto	--	--	20.54	20.54	34.39	23.00	23.00	NA	1984-85	20.54	(-) 11.10	--	
38.	Webel Computer (subsidiary of West Bengal Electronics Industry Development Corporation Limited)	Ditto	--	--	1.59	1.59	Nil	Nil	Nil	Nil	1981-82	1.59	--	--	Operation had not yet been commenced

ANNEXURE 2 (Conold.)

Statement showing particulars of up-to-date paid-up capital, outstanding loans, amount of guarantee given by the Government and amount outstanding thereagainst and up-to-date working result etc. in respect of all the Government Companies
(Referred to in paragraph 1.2.2, page 2)

Sl. No.	Name of Company	Name of the administrative department	Paid-up capital as at the end of 1985-86				Loan outstanding at the close of the current year	Amount of guarantee given	Amount of guarantee outstanding at the close of the current year	Outstanding guarantee commission payable at the close of the current year	Position at the end of the year for which accounts were finalised			Any excess of loss over paid-up capital	Remarks
			State Government	Central Government	Others	Total					Year for which accounts were finalised	Paid-up capital at the end of the year	Accumulated profit (+) / Loss (-)		
1	2	3	3(a)	3(b)	3(c)	3(d)	4	5(a)	5(b)	5(c)	6(a)	6(b)	6(c)	6(d)	7
(Figures in columns 3(a) to 5(c) and 6(b) to 6(d) are rupees in lakhs)															
39.	Webel Crystal Limited (subsidiary of West Bengal Electronics Industry Development Corporation Limited)	Commerce and Industries	2.81	..	27.19	30.00	Nil	Nil	Nil	Nil	1984-85	30.00	..	..	Operation had not yet been commenced
40.	Silpabarta Printing Press Limited (subsidiary of WBRIU)	Cottage and small Scale Industries	..	..	15.00	15.00	NA	NA	NA	NA	1983-84	15.00	(+)	2.74	..
41.	The Calcutta Tramways Company (1978)	Home (Transport)	20,40.13	..	..	20,40.13	43,17.53	20.00	Nil	Nil	1985-86	20,40.13	(-)33,62.92	(-)13,12.23	
42.	Neo pipes and tubes Company Limited (subsidiary of WBRIU)	Commerce and Industries	Nil	Nil	Nil	Nil	..	..	..	..	1983-84	Nil	..	..	Under construction
43.	Lime Light Industries Limited	.. Ditto	..	..	3.00	3.00	9.37	Nil	Nil	Nil	1983-84	3.00	Nil	..	Under construction
44.	West Bengal Projects Limited	.. Cottage and Small Scale Industries	..	..	20.50	20.50	25.00	24.00	25.00	Nil	..	..	..	..	Under construction
45.	IPP Limited	.. .. Industrial Reconstruction	0.01	..	..	0.01	Nil	Nil	Nil	Nil	1985-86	0.01	..	..	Under construction

Note: Name of Webel Television Limited was changed to Webel Nicco Electronics Limited with effect from 30-8-1985.

ANNEXURE 3

Statement showing the Financial Results of all Government Companies, based on their latest available accounts

(Referred to in Paragraph 1.2.3, page 3)

Sl. No.	Name of Company	Name of the administrative department	Date of incorporation	Year of accounts	Year in which finalised	Total capital invested at the end of the year of accounts	Profit (+)/ Loss (-)	Total interest charged to profit and loss account	Interest on long-term loans	Total return on capital invested (8+10)	Capital employed	Total return on capital employed (8+9)	Percentage of total return on capital invested	Percentage of total return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
(Figures in columns 7 to 13 are rupees in lakhs)														
1.	The Kalyani Spinning Mills Limited ..	Public Undertakings	13th January 1980	..	1982-83	1983-84	17,35.88	(-)3,87.00	1,58.46	1,15.75	(-)2,71.25	(-)7,09.15	(-)2,28.54	..
2.	West Bengal Small Industries Corporation Limited	Cottage and Small Scale Industries	29th March 1961 ..	..	1981-82	1986-87	5,47.53	(+)29.46	67.40	18.38	47.84	7,25.81	96.86	8.7
3.	Elctro-Medical and Allied Industries Limited	Public Undertakings	29th June 1961 ..	..	1983-84	1986-87	2,40.35	(-)34.63	19.22	93.79	59.16	22.44	(-)15.41	..
4.	The Durgapur Projects Limited	Power	6th September 1961	..	1985-86	1986-87	1,66,99.48	(-)9,32.13	1,83.52	2,70.89	(-)6,61.74	(-)7,05.61	(-)6,48.61	..
5.	Durgapur Chemicals Limited ..	Public Undertakings	31st March 1963 ..	..	1984-85	1986-87	29,67.08	(-)5,74.58	2,05.86	1,92.04	(-)3,82.54	(-)12,78.41	(-)3,68.72	..
6.	State Fisheries Development Corporation Limited	Fisheries	30th March 1966 ..	..	1984-85	1985-87	5,05.47	(+)4.54	9.84	6.43	10.97	1,72.27	14.38	2.2
7.	West Bengal Industrial Development Corporation Limited	Commerce and Industries	6th January 1967	..	1985-86	1986-87	80,58.34	(+)1,23.12	5,23.17	5,11.84	6,34.96	76,85.53	6,48.29	7.9
8.	West Bengal Agro-Industries Corporation Limited	Public Undertakings	16th August 1968	..	1982-83	1986-87	11,44.68	(+)2.17	27.15	25.51	27.68	10,20.08	20.32	2.4
9.	West Bengal Dairy and Poultry Development Corporation Limited	Ditto	4th February 1969	..	1979-80	1984-85	1,54.12	(-)15.05	..	..	(-)15.05	1,29.74	(-)15.05	..
10.	Westinghouse Saxby Farmer Limited ..	Ditto	19th July 1969 ..	..	1981-82	1984-85	19,00.56	(-)2,84.85	1,88.93	1,29.21	(-)1,55.64	(-)56.53	(-)95.92	..
11.	West Bengal Mineral Development and Trading Corporation Limited	Commerce and Industries	23rd February 1973	..	1985-86	1986-87	2,98.87	(-)38.13	12.95	8.90	(-)29.23	1,04.88	(-)25.18	..
12.	West Bengal Agro-Textile Corporation Limited	Industrial Reconstruction	16th March 1973 ..	..	1985-86	1986-87	8,62.77	(+)39.17	1.96	Nil	39.17	8,42.77	41.13	4.6
13.	West Bengal Sugar Industries Development Corporation Limited	Commerce and Industries	30th May 1973 ..	..	1983-84	1986-87	5,82.26	(-)88.73	34.02	34.02	(-)54.17	24.92	(-)54.71	..
14.	West Bengal Handloom and Powerloom Development Corporation Limited	Cottage and Small Scale Industries	25th September 1973	..	1980-81	1983-84	2,13.79	(+)5.69	9.22	7.12	12.81	2,21.08	14.91	4.6
15.	West Bengal State Minor Irrigation Corporation Limited	Agriculture and Community Development	29th January 1974	..	1980-81	1986-87	10,23.19	(-)56.57	11.43	3.36	(-)53.21	7,26.69	(-)45.14	..
16.	West Bengal Electronics Industry Development Corporation Limited	Commerce and Industries	4th February 1974	..	1984-85	1986-87	10,03.50	(-)33.16	22.45	22.45	(-)10.71	5,28.02	(-)10.71	..

ANNEXURE 3 (Contd.)

Statement showing the Financial Results of all Government Companies, based on their available accounts

(Referred to in Paragraph 1, 2, 3, page 8).

Sl. No.	Name of Company	Name of the administrative department	Date of incorporation	Year of accounts	Year in which finalised	Total capital invested at the end of the year of accounts	Profit (+)/ Loss (-)	Total interest charged to profit and loss account	Interest on long-term loan	Total return on capital invested (8+10)	Capital employed	Total return on capital employed (8+9)	Percentage of total return on capital invested	Percentage of total return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
(Figures in columns 7 to 13 are rupees in lakhs.)													(Per cent)	(Per cent)
17.	West Bengal Pharmaceutical and Phytochemical Development Corporation Limited	Commerce and Industries	28th March 1974	..	1985-86	1986-87	226.08	(-)/14.22	0.26	Nil	(-)/14.22	77.41	(-)/13.96	..
18.	West Bengal Livestock Processing Development Corporation Limited	Animal Husbandry and Veterinary Services	9th April 1974	..	1982-83	1986-87	1,40.29	(-)/5.52	Nil	Nil	(-)/5.52	0.30	(-)/5.52	..
19.	West Bengal Tourism Development Corporation Limited	Tourism	29th April 1974	..	1984-85	1986-87	223.29	(-)/26.38	5.25	12.10	(-)/14.28	1,02.74	(-)/21.13	..
20.	West Bengal Forest Development Corporation Limited	Forest	19th July 1974	..	1984-85	1986-87	5,32.47	(+)/8.05	Nil	Nil	4,95.65	8.05	8.05	1.5
21.	West Bengal Essential Commodities Supply Corporation Limited	Food and Supplies	15th October 1974	..	1985-86	1986-87	7,10.38	(+)/3,26.16	23.34	..	3,26.16	7,10.38	3,40.50	45.9
22.	Baunmati Corporation Limited	Information and Cultural Affairs	4th February 1975	..	1977-78	1983-84	50.09	(-)/19.48	..	..	(-)/19.48	9.38	(-)/19.48	..
23.	West Dinajpur Spinning Mills Limited	Public Undertakings	22nd August 1975	..	1986-86	1986-87	9,50.19	(-)/1,26.29	16.43	16.43	(-)/1,09.86	8,23.07	(-)/1,09.86	..
24.	West Bengal State Leather Industries Development Corporation Limited	Cottage and Small Scale Industries	3rd March 1976	..	1981-82	1982-83	1,00.60	(-)/20.17	1.80	1.80	(-)/18.37	38.23	(-)/18.37	..
25.	West Bengal Ceramic Development Corporation Limited	Public Undertakings	31st March 1976	..	1982-83	1986-87	2,54.96	(-)/43.28	9.47	9.47	(-)/33.81	39.78	(-)/33.81	..
26.	West Bengal Handicrafts Development Corporation Limited (subsidiary of West Bengal Small Industries Corporation Limited)	Cottage and Small Scale Industries	1st June 1976	..	1980-81	1983-84	48.69	(+)/8.85	1.03	0.83	9.38	41.12	9.83	19.3
27.	West Bengal Tea Development Corporation Limited	Commerce and Industries	4th August 1976	..	1985-86	1986-87	5,08.10	(-)/77.26	22.04	58.24	19.02	1,93.68	(-)/55.22	..
28.	Weibel Business Machines Limited (subsidiary of WBEIDC)	Ditto	20th December 1976	..	1984-85	1986-87	31.26	(-)/9.66	3.56	1.87	(-)/7.90	13.20	(-)/8.10	..
29.	Weibel Video Devices Limited (subsidiary of WBEIDC)	Ditto	26th August 1977	..	1979-80	1982-83	1,36.24	Under construction	..	..	..	1,36.62	..	..
30.	Weibel Telecommunication Industries Limited (subsidiary of WBEIDC)	Ditto	2nd April 1979	..	1985-86	1986-87	2,70.95	(+)/1,87.65	21.86	Nil	1,57.65	2,75.38	2,09.31	69.3
31.	West Bengal Fish Seed Development Corporation Limited	Fisheries	27th March 1980	..	1983-84	1984-85	64.00	Under construction	..	..	..	18.95	..	..

ANNEXURE 3 (Contd.)

Statement showing the Financial Results of all Government Companies, based on their latest available accounts

(Referred to in paragraph 1.2.3, page 2)

Sl. No.	Name of Company	Name of the administrative department	Date of incorporation	Year of accounts	Year in which finalised	Total capital invested at the end of the year of accounts	Profit (+)/ Loss (-)	Total interest charged to profit and loss account	Interest on long-term loan	Total return on capital invested (8+10)	Capital employed	Total return on capital employed (8+9)	Percentage of total return on capital invested	Percentage of total return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
(Figures in columns 7 to 13 are rupees in lakhs)													(Per cent)	(Per cent)
32.	West Bengal Film Development Corporation Limited ..	Information and Cultural Affairs	5th May 1980	..	1984-85	1985-86	2,30.57	(-)13.73	1.45	1.45	(-)12.28	2,01.96	(-)12.28	..
33.	West Bengal State Seed Development Corporation Limited	Agriculture	13th November 1980	..	1982-83	1984-85	1,22.30	(+)4.80	0.82	..	4.80	1,27.95	5.82	3.7
34.	The Shalimar Works (1980) Limited ..	Industrial Recons- truction	12th January 1981	..	1983-84	1984-85	2,21.00	(-)69.76	11.59	9.00	(-)50.76	47.08	(-)48.17	..
35.	Wobel Precision Industries Limited (subsidiary of WBEIDC)	Commerce and Industries	23rd March 1981	..	1984-85	1986-87	38.19	Under construction	..	..	3.21	..	..	..
36.	Wobel Nipco Electronics Limited (subsidiary of WBEIDC)	Ditto	16th June 1981	..	1982-83	1986-87	27.34	(-)25.88	2.33	Nil	(-)25.88	(-)5.66	(-)23.55	..
37.	Wobel Electronics Communication System Limited (subsidiary of WBEIDC)	Ditto	18th September 1981	..	1984-85	1986-87	51.32	(-)5.39	1.71	0.61	(-)4.75	37.23	(-)3.65	..
38.	Wobel Computer Limited (subsidiary of WBEIDC) ..	Ditto	20th September 1981	..	1981-82	1986-87	1.59	Under construction	..	..	..	..	..	..
39.	Wobel Crystal Limited (subsidiary of WBEIDC) ..	Ditto	19th March 1982	..	1984-85	1986-87	54.59	No commercial production has yet been commenced	2.24	2.24	23.89	..	..	..
40.	Silpabarta Printing Press Limited (subsidiary of WBSIC)	Cottage and Small Scale Industries	23rd September 1982	..	1983-84	1986-87	45.30	(+)2.74	Nil	Nil	2.74	45.30	2.74	6.05
41.	The Calcutta Tramways Company (1978) Limited	Home (Transport)	16th October 1982	..	1985-86	1986-87	76,37.67	(-)13,79.61	3,63.62	2,85.95	(-)10,83.66	49,51.62	(-)10,15.99	..
42.	Neo Pipes and Tubes Company Limited (subsidiary of WBSIC)	Commerce and Industries	12th January 1983	..	1983-84	1986-87	Under construction	Under construction	..	..	..	..	..	..
43.	Limelight Industries (Private) Limited ..	Commerce and Industries	5th May 1983	..	1983-84	1986-87	3.00	Under construction	..	..	0.97	..	..	..
44.	West Bengal Projects Limited	Cottage and Small Scale Industries	9th February 1984	..	Under construction	..	..	Nil	..	..	..	..	..	..
45.	India Paper Pulp Limited ..	Industrial Recons- truction	17th July 1985	..	1985-86	1986-87	Under construction	Under construction	..	..	..	..	..	..

ANNEXURE 4

Statement showing the summarised Financial Results of the Statutory Corporations based on their latest available accounts

(Referred to in paragraph 1.3.4, page 13)

Sl. No.	Name of the Corporation/Board	Name of the administrative department	Year of incorporation	Period of accounts	Total capital invested	Profit (+) Loss (-)	Total interest charged to profit and loss account	Interest on long-term loans	Total return on capital invested (7+8)	Capital employed	Total return on capital employed (7+8)	Percentage of total return on capital invested	Percentage of total return on capital employed
1	2	3	4	5	6	7	8	9	10	11	12	13	14
(Figures in columns 6 to 12 are rupees in lakhs)												(Per cent)	(Per cent)
1.	West Bengal State Electricity Board	Power	1st May 1955	1984-85	12,36,96.24	—	34,16.40	32,30.35	32,30.35	5,74,54.26	34,16.40	2.8	5.9
2.	Calcutta State Transport Corporation	Home Transport	16th June 1960	1984-85	89,81.28	(-)27,64.24	4,85.32	444.19	(-)23,10.05	23,36.44	(-)22,68.92	—	—
3.	North Bengal State Transport Corporation	Home Transport	15th April 1960	1978-79	13,75-70	(-)2,90.78	72.20	72.20	(-)2,18.58	30.59	(-)2,18.58	—	—
4.	West Bengal Financial Corporation	Finance	1st March 1954	1985-86	81,70.08	(+)1,51.62	4,42.98	4,42.98	(+)5,94.80	75,25.84	5,94.80	7.3	7.9
5.	West Bengal State Warehousing Corporation	Public Undertakings	31st March 1958	1983-84	4,02.49	(+)13.40	—	—	13.40	4,09.47	13.40	3.3	3.3
6.	Durgapur State Transport Corporation	Home Transport	7th December 1973	1976-77	3,04.45	(-)70.42	17.53	17.53	(-)52.89	1,25.95	(-)52.89	—	—
7.	West Bengal Industrial Infrastructure Development Corporation	Commerce and Industries	8th November 1973	1975-76	1,05.78	(-)0.78	2.80	2.80	2.02	1,47.55	2.02	1.9	1.4

Notes : 1. Capital invested represents paid-up capital plus long-term loans plus free reserves.

2. Capital employed (except in the case of West Bengal Financial Corporation) represents net fixed assets (excluding work-in-progress) plus working capital. In case of West Bengal Financial Corporation, capital employed represents mean of the aggregates of opening and closing balances of (i) paid-up capital, (ii) bonds and debentures, (iii) reserves, (iv) borrowings including refinance, and (v) deposits.

ANNEXURE 5

Financial position of West Bengal State Electricity Board for 3 years up to 1985-86

(Referred to in paragraph 1.4.3, page 13.)

Particulars				1983-84	1984-85	1985-86
				(Rupees in crores)		
A. Liabilities						
1. Long-term loans from						
(a) Government ...				458.42	504.37	604.52
(b) Other sources ...				577.91	632.72	702.82
2. Subvention and grants from						
(a) Government ...				...	...	...
(b) Others ...				47.28	56.44	63.29
3. Overdrafts/Ways and means advances from Government				...	19.65	23.53
4. Reserves and Surplus ...				51.70	51.31	(-) 217.20
5. Current liabilities and provisions				294.20	354.53	607.56
Total—A ...				1429.51	1619.02	1789.52
B. Assets						
1. Gross fixed assets ...				552.94	569.59	904.68
(a) Depreciation ...				27.41	27.41	152.02
(b) Net fixed assets ...				525.53	542.18	752.66
2. Capital works-in-progress ...				537.40	670.30	559.29
3. Current assets ...				366.58	406.54	477.57
Total—B ...				1429.51	1619.02	1789.52
C. Capital employed ...				597.91	574.54	594.14
D. Capital invested ...				1081.53	1180.46	1314.00

Notes : 1. Capital employed represents net fixed assets (excluding capital works in-progress) *plus* working capital.

2. Capital invested represents long-term loans *plus* free reserves.

ANNEXURE 6

**Physical performance of West Bengal State Electricity Board for 3 years
up to 1985-86**

(Referred to in paragraph 1.4.3, page 13)

Particulars			1983-84	1984-85	1985-86
					(Provi- sional)
			(In MW)		
1. Installed capacity					
(i) Thermal	...	...	1,024.00	1,024.00	1,444.00
(ii) Hydel	...	...	45.80	45.80	45.80
(iii) Others	...	...	120.00	120.00	120.00
Total—1		...	1,189.80	1,189.80	1,609.80
2. Normal maximum demand					
		...	751.00	983.00	948.00
3. Power generated					
			(in Mk wh)		
(i) Thermal	...	...	3,272.24	3,538.65	4,566.66
(ii) Hydel	...	...	111.69	131.91	130.91
(iii) Others	...	...	75.03	71.22	57.00
Total—3		...	3,458.96	3,741.78	4,754.57
4. Less : Auxiliary consumption			...	349.84	380.02
			...	475.45	...
5. Net power generated			...	3,109.12	3,361.76
			...	4,279.12	...
6. Power purchased			...	925.82	819.39
			...	734.57	...
7. Total power available for sale			...	4,034.94	4,181.15
			...	5,013.49	...
8. Power sold			...	3,203.20	3,250.40
			...	3,848.78	...
9. (i) Transmission and distribution loss			830.44	929.45	1,157.41
(ii) Free supply to Bhutan			...	1.30	1.30
			...	7.30	...

ANNEXURE 6—*contd.*

Particulars		1983-84	1984-85	1985-86
				Provi- sional)
10.	Number of units generated per kW of installed capacity (kwh)	2907 .0	3145 .0	3163 .0,
11.	Load factor (<i>per cent</i>) ...	61 .9	69 .1	60 .5
12.	Percentage of generation to installed capacity	33 .2	35 .9	33 .7
13.	Percentage of transmission and distribution loss	20 .6	22 .2	23 .1
14.	Village/Towns electrified ...	NA	NA	NA
15.	Pumpsets/Wells energised ...	NA	NA	NA
16.	Substations ...	NA	NA	NA
17.	Transmission/Distribution ...	NA	NA	NA
	(i) High/Medium Voltage ...	NA	NA	NA
	(ii) Low voltage ...	NA	NA	NA
	Total—17 ...	...	...	...
18.	Connected Load (MW) ...	NA	NA	NA
19.	Number of consumers (in lakhs)	NA	NA	NA
20.	Number of employees ...	NA	NA	NA

ANNEXURE 6—*contd.*

Particulars		1983-84	1984-85	1985-86
				(Provi- sional)
21. Break-up of sale of energy accord- ing to categories of consumers (Mkwh)				
(a) Agriculture	...	110.10	111.49	127.16
(b) Industries	...	1,129.29	1,156.21	1,541.11
(c) Commercial	...	259.41	263.61	156.30
(d) Domestic	...	212.93	211.93	257.80
(e) Others	...	1,501.47	1,507.16	1,766.41
Total—21	...	3,203.20	3,250.40	3,848.78
		(in paise)		
22. (a) Revenue per kWh (excluding subsidy)	...	63.14	64.26	74.89
(b) Expenditure per kWh	...	64.75	68.20	87.14
(c) Profit (+)/Loss(−) per kWh		(−)1.61	(−) 3.94	(−)12.25

ANNEXURE 7

**Financial position of the Calcutta State Transport Corporation under
broad heads for 3 years up to 1984-85**

(Referred to in paragraph 1.5.3, page 16)

1. Liabilities		1982-83	1983-84	1984-85
		(Rupees in lakhs)		
(a) Capital	...	7,08.46	7,08.46	7,08.46
(b) Reserves and Surplus	...	20,78.87	24,30.85	27,92.45
(c) Borrowings	...	59,13.78	72,49.78	82,72.78
(d) Trade dues and other Current Liabilities		35,36.47	33,18.15	37,21.39
		<hr/>	<hr/>	<hr/>
Total—1	...	1,22,37.58	1,37,07.23	1,54,95.08
		<hr/>	<hr/>	<hr/>
2. Assets				
(a) Gross block	...	60,33.10	67,35.32	69,48.65
(b) Depreciation	...	27,71.93	30,92.90	33,48.72
(c) Net fixed assets	...	32,61.17	36,42.42	35,99.93
(d) Capital work-in-progress		81.00	1,27.02	59.33
(e) Investments	...	17,43.18	20,13.46	22,43.84
(f) Current assets, loans and advances		21,94.25	23,02.60	25,88.61
(g) Accumulated losses	...	49,57.98	56,21.73	70,03.38
		<hr/>	<hr/>	<hr/>
Total—2	...	1,22,37.58	1,37,07.23	1,54,95.08
		<hr/>	<hr/>	<hr/>
3. *Capital invested	...	66,22.24	79,58.23	89,81.23
4. **Capital employed	...	18,34.60	25,87.83	23,36.44

* Capital invested represents paid-up capital *plus* long-term loans *plus* free reserve.

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

ANNEXURE 8

**Operational performance of the Calcutta State Transport Corporation
for 3 years up to 1985-86**

(Referred to in paragraph 1.5.3, page 16.)

	1983-84	1984-85	1985-86
1. Average number of vehicles held	1,172	1,145.5	1,166
2. Average number of vehicles on road per shift	714	653.0	721
3. Percentage of utilisation	60.9	57.0	61.84
4. Kilometres covered (in lakhs)			
(a) Gross	440.0	395.36	407.42
(b) Effective	417.0	374.38	383.14
(c) Dead	23.0	20.97	24.27
5. Percentage of dead kms to gross kms	5.2	5.31	5.96
6. Average kms covered per vehicle per day	160.0	160.0	163.0
7. Average revenue per km (in paise)	391.14	409.94	429.73
8. Average Expenditure per km (in paise)	NA	1,132.53	1,200.07
9. Loss per km (in paise) ...	NA	722.59	770.34
10. Route kms ...	9,822.40	9,828.16	10,379.58
11. Number of operating depots	9	9	9
12. Average number of breakdowns per lakh kms	241.00	265.22	250.68
13. Average number of accidents per lakh kms	1.45	1.40	1.30
14. Passenger kms scheduled (in lakhs)	38,970	30,416	28,148
15. Passenger kms operated (in lakhs)	28,316	26,324	23,770
*16. Occupancy ratio (<i>per cent</i>)	124	87	84

* Occupancy ratio means total seat kms occupied (in lakhs) out of total seat kms offered (in lakhs) expressed in percentage.

ANNEXURE 9

**Operational performance of the North Bengal State Transport Corporation
for 3 years up to 1985-86**

(Referred to in paragraph 1.6.3, page 16)

	1983-84	1984-85	1985-86
1. Average number of vehicles held*	408	418	353
2. Average number of vehicles on road**	254	242	303
3. Percentage of utilisation	62	55	85
4. Kilometers covered (in lakhs)			
(a) Gross	207.38	187.94	192.47
(b) Effective	205.70	186.40	190.92
(c) Dead	1.68	1.54	1.55
5. Percentage of dead kms to gross kms	0.81	0.82	0.81
6. Average kms covered per bus per day	222	200	163
7. Average revenue per km (in paise)	243	251	280
8. Average expenditure per km. (in paise)	576	631	704
9. Loss per km (in paise)***	333	380	424
10. Route kms ...	23,198	21,982	25,696
11. Number of operating depots	17	17	17
12. Average number of breakdowns per lakh kms	15	16	15
13. Average number of accidents per lakh kms	0.20	0.25	0.21
14. Passenger kms scheduled (in lakh)	10490.19	4,349.48	5,205.18
15. Passenger kms operated (in lakhs)	6,294.11	3,697.09	4,528.55
16. Occupancy ratio (per cent)	60	85	87

* Excluded 46 trucks held in 1983-84 and 1984-85 and 25 trucks in 1985-86.

** Excluded 15 trucks in 1983-84, 13 trucks in 1984-85 and 18 trucks in 1985-86.

*** Includes information in respect of goods transport service.

ANNEXURE 10

Data on the operational performance of the Durgapur State Transport Corporation for 2 years up to 1985-86

(Referred to in paragraph 1.7.3, page 16)

	1984-85	1985-86
1. Average number of vehicles held ...	186	203
2. Average number of vehicles on road per shift	97	106
3. Percentage of utilisation ...	52	52
4. Kilometres covered (in lakh kms)		
(a) Gross ...	72.20	81.63
(b) Effective ...	66.07	75.36
(c) Dead ...	6.13	6.27
5. Percentage of dead kms to gross kms	8	8
6. Average kms covered per vehicle per day	251	195
7. Average revenue per km (in paise) ...	263	272
8. Average expenditure per km (in paise)	746	721
9. Loss per km (in paise) ...	483	449
10. Number of operating depots ...	1	1
11. Average number of break-downs per lakh kms	20	21
12. Average number of accidents per lakh kms	1.37	0.54
13. Passenger kms scheduled (in lakhs) ...	3,304	3,768
14. Passenger kms operated (in lakhs) ...	2,314	2,440
15. Occupancy ratio (<i>per cent</i>) ...	70	65

ANNEXURE 11

Financial position of the West Bengal Financial Corporation at the end of 3 years up to 1985-86

(Referred to in paragraph 1.8.3, page 17)

		1983-84	1984-85	1985-86
		(Rupees in lakhs)		
A. Liabilities				
(a)	Paid-up Capital ...	8,31 .27	9,36 .27	10,00 .00 [†]
(b)	Reserve fund, other reserves and surplus	4,15 .44	4,56 .35	6,06 .31
(c) Borrowings				
(i)	Bonds and debentures ...	19,80 .00	24,20 .00	29,15 .00
(ii)	Others ...	23,82 .74	29,50 .76	37,48 .06
(d)	Subvention paid by State Government on account of dividend	11 .87	11 .87	11 .87
(e)	Other liabilities and provisions	2,56 .75	3,35 .29	4,52 .96
	Total—A ...	58,78 .07	71,10 .54	87,34 .19
B. Assets				
(a)	Cash and Bank balances ...	1,79 .78	1,60 .93	1,48 .48
(b)	Investments ...	14 .28	16 .28	16 .28
(c)	Loans and Advances ...	55,18 .60	67,30 .16	82,74 .02
(d)	Debentures, shares, etc, acquired under underwriting agreements	37 .37	37 .37	36 .34
(e)	Net fixed assets ...	10 .16	9 .71	9 .51
(f)	Dividend deficit account ...	11 .87	11 .87	11 .87
(g)	Other assets ...	1,06 .01	1,44 .22	2,37 .69
	Total—B ...	58,78 .07	71,10 .54	87,34 .19
	**Capital employed ...	51,31 .21	61,43 .33	75,25 .84
	***Capital invested ...	54,72 .06	66,12 .59	81,70 .08

* Includes Rs. 48.73 lakhs of share application money.

** Capital employed represents the mean of the aggregate of opening and closing balances of (i) paid-up capital, (ii) bonds and debentures, (iii) reserves, and (iv) borrowings and deposits.

*** Capital invested represents paid-up capital *plus* long-term loans *plus* free reserves.

ANNEXURE 12

Physical Performance of the West Bengal Financial Corporation for 3 years up to 1985-86

(Referred to in paragraph 1.8.3, page 17)

Sl. No.	Particulars	1983-84		1984-85		1985-86		Cumulative	
		Number	Amount (Rupees in lakhs)	Number	Amount (Rupees in lakhs)	Number	Amount (Rupees in lakhs)	Number	Amount (Rupees in lakhs)
1.	Applications pending at the beginning of the year	246	5,13.46	362	5,37.62	271	3,03.76	..	..
2.	Applications received during the year	1,649	31,44.63	2,426	32,10.48	1,901	38,89.33	11,192	2,76,38.09
3.	Total	1,895	36,58.11	2,788	37,48.10	2,172	41,93.09	11,192	2,76,38.09
4.	Applications sanctioned during the year	1,314	24,85.84	2,162	27,59.11	1,581	33,15.33	9,061	20,333.33
5.	(a) Applications cancelled/withdrawn/reduced	108	5,46.85	281	3,35.19	249	3,68.49	1,584	45,35.00
	(b) Rejected	111	87.80	74	1,67.73	51	1,01.27	256	23,61.76
6.	Applications pending at the close of the year	362	5,37.62	271	3,03.76	291	4,03.00	291	4,08.00
7.	Loans disbursed	1,205	11,97.96	1,814	15,68.85	1,030	20,87.10	6,229	1,05,37.51
8.	Loans outstanding at the close of the year	2,336	61,09.68	3,546	76,52.84	4,523	96,70.78	4,523	96,70.78
9.	Amounts overdue for recovery at the close of the year								
	(a) Principal		9,18.38		4,49.14		4,75.14		4,75.14
	(b) Interest		9,87.76		6,69.02		7,09.02		7,09.02
	(c) Total		19,06.14		11,18.16		11,84.16		11,84.16
10.	Percentage of default to total loans outstanding		32.5		15.2		12.52		12.52

ANNEXURE 13

Data of physical performance of the West Bengal State Warehousing Corporation for 3 years up to 1985-86

(Referred to in paragraph 1.9.2, page 19.)

			1983-84	1984-85	1985-86
1.	Number of stations covered	...	38	39	38
2.	Storage capacity created up to the end of the year (tonne in lakhs)				
	(a) Owned	... ..	0.45	0.53	0.63
	(b) Hired	... ..	1.50	1.55	1.58
	Total	...	<u>1.95</u>	<u>2.08</u>	<u>2.21</u>
3.	Average capacity utilised during the year (tonnes in lakhs)		1.85	1.80	1.92
4.	Percentage of utilisation	...	95	88	87
5.	Average revenue per tonne (Rupees)	...	82.63	82.00	83.00
6.	Average expenses per tonne (Rupees)	...	78.94	75.00	79.00

ANNEXURE 14

Statement showing the financial position of The Calcutta Tramways Company (1978) Limited for 3 years ending 1985-86

(Referred to in paragraph 2.1.5, page 20)

		1983-84	1984-85	1985-86
		(Rupees in crores)		
I. Liabilities				
(a) Paid-up capital	... ..	20.40	20.40	20.41
(b) Reserves and surplus	... ..	28.01	28.01	28.01
(c) Borrowings	... ..	28.19	42.86	49.52
(d) Trade dues and other current liabilities	... ..	37.07	14.93	21.80
	Total—I	<u>113.67</u>	<u>106.20</u>	<u>119.73</u>
II. Assets				
(e) Gross block	... ..	47.49	57.32	69.25
(f) Less : Depreciation	... ..	9.16	14.72	21.29
(g) Net fixed assets	... ..	38.33	42.60	47.96
(h) Capital works-in-progress	... ..	8.05	8.11	5.45
(i) Current assets, investments, loans and advances	... ..	19.72	19.59	17.01
(j) Miscellaneous expenditure	... ..	38.84	16.26	15.79
(k) Profit and Loss Account	... ..	8.73	19.64	33.52
	Total—II	<u>113.67</u>	<u>106.20</u>	<u>119.73</u>
Capital employed	... ..	20.98	47.26	43.17
Net worth	... ..	... (+)0.84	(+)12.51	...

Notes : (1) Capital employed represents net fixed assets plus working capital.

(2) Net worth represents paid-up capital plus reserves and surplus less intangible assets.

ANNEXURE 15

Statement showing the financial position of The Shalimar Works (1980) Limited for 5 years up to 1985-86

(Referred to in paragraph 2.2.5, page 37)

	1981-82	1982-83	1983-84	1984-85*	1985-86*
(Rupees in lakhs)					
I. Liabilities					
(a) Paid-up capital (including share deposit)	0.50	75.50	75.50	75.50	100.50
(b) Reserves and Surplus	..	..	..	..	0.83
(c) Borrowings (including Cash Credit)	159.71	122.28	169.88	256.82	311.30
(d) Trade dues and other current liabilities (including provisions)	25.85	57.96	87.45	98.13	148.72
Total—I ..	186.06	255.74	332.83	430.45	561.35
II. Assets					
(a) Gross block ..	59.21	65.94	66.82	67.06	67.30
(b) Less depreciation ..	6.37	12.59	16.78	21.92	26.52
(c) Net fixed assets ..	52.84	53.35	50.04	45.14	40.78
(d) Capital works-in-progress	5.15	..	..	..	..
(e) Current assets, loans and advances	76.59	65.94	84.49	86.68	116.09
(f) Miscellaneous expenses	0.21	0.18	0.16	0.14	0.12
(g) Accumulated loss ..	51.27	136.27	198.14	298.49	404.36
Total—II ..	186.06	255.74	332.83	430.45	561.35
Capital employed**	103.58	61.33	47.08	33.69	8.15
Net worth*** ..	(-)50.98	(-)60.95	(-)122.80	(-)223.13	(-)303.15

*Figures are provisional.

** Capital employed represents net fixed assets plus working capital.

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

WBGP-85/6-75X-1M

