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**Government of West Bengal**  
**Backward Classes Welfare Department**  
**Writers' Buildings, Kolkata-700 001**

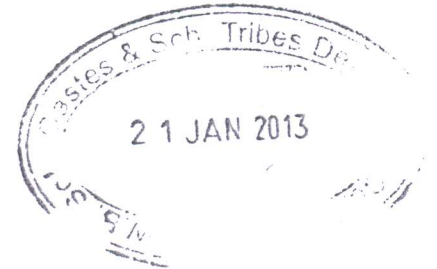
Website: [www.anagrasarkalyan.gov.in](http://www.anagrasarkalyan.gov.in)/[www.bcwdwb.gov.in](http://www.bcwdwb.gov.in)

No. ~~107~~ BCW/11R-05/2011

Dated: 10<sup>th</sup> January, 2013

From : The Joint Secretary to the Govt. of West Bengal  
Backward Classes Welfare Department.

To : The Managing Director,  
W.B.S.C. & S.T. Development and Finance Corporation,  
Block CF, 217/A/1, Sector I,  
Salt Lake, Kolkata-64



Sub: Separate Audit Report on the A/cs of the W.B.S.C. & S.T. Development And Finance Corporation for the year 2009-2010

Sir,

I am directed to send herewith the separate Audit Report including Audit Certificate on the Accounts of the W.B.S.C. & S.T. Development And Finance Corporation for the year 2009-2010. You are requested to return the same to this Department after adoption in the Board Meeting for laying before the West Bengal Legislative Assembly.

Yours faithfully,

14.1.13  
Joint Secretary to the Govt. of West Bengal

For Adoption in  
The Board Meeting: next -  
GM (A/C)  
mm  
22/1/13

Subhasish

11/1/13



सत्यमेव जयते

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PHONE : 2213-3151/3152/3153  
FAX : (033) 2213 3174

SSEA/L-4478

06/10/12

24.

भारतीय लेखा तथा लेखा परीक्षा विभाग  
कार्यालय - प्रधान महालेखाकार (लेखा परीक्षा), पश्चिम बंगाल  
ट्रेजरी बिल्डींग्स, 2, गवर्मेन्ट प्लेस (पश्चिम), कोलकाता - 700 001

INDIAN AUDIT AND ACCOUNTS DEPARTMENT  
OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT), WEST BENGAL  
TREASURY BUILDINGS, 2, GOVT. PLACE (WEST), KOLKATA-700 001

संख्या / No. OA/IC-IV/SAR/WBSC&STDFC/09-10/ 239

दिनांक / Dated 26.10.12

*Handwritten signature*  
6/11/2012

To  
The Principal Secretary to the Government of West Bengal,  
Backward Classes Welfare Department  
Writers' Buildings,  
Kolkata - 700 001.

**Subject:** *Separate Audit Report on the Accounts of the West Bengal Scheduled castes & Scheduled Tribes Development & Finance Corporation for the year 2009-10.*

Sir,

I am to enclose the Separate Audit Report including Audit Certificate on the accounts of the West Bengal Scheduled Castes & Scheduled Tribes Development & Finance Corporation for the year 2009-10. The Report after adoption in the Board Meeting may please be laid before the State Legislature and the 'Printed Materials' so laid sent to this office along with the letter intimating the date of such laying.

The receipt of the Report may please be acknowledged.

Encl: As stated

Yours faithfully,

*Handwritten signature*  
Principal Accountant General  
(General & Social Sector Audit)  
West Bengal

SEPARATE AUDIT REPORT OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA ON  
THE ACCOUNTS OF WEST BENGAL SCHEDULED CASTE & SCHEDULED TRIBES  
DEVELOPMENT & FINANCE CORPORATION FOR THE YEAR ENDED 31 MARCH 2010.

1. We have audited the attached Balance Sheet of West Bengal Scheduled Caste & Scheduled Tribes Development & Finance Corporation as at 31 March 2010 and the Profit & Loss Account for the year ended on that date under Section 19(3) of the Comptroller & Auditor General's (Duties, Powers & Conditions of Service) Act, 1971 read with Section 27(2) of the West Bengal Scheduled Caste & Scheduled Tribes Development & Finance Corporation Act, 1976 as amended in 1980 & 1981. Preparation of these financial statements is the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. This Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms, etc. Audit observations on financial transactions with regard to compliance with the Law, Rules & Regulations (Propriety and Regularity) and efficiency-cum-performance aspects, etc., if any, are reported through Inspection Reports/CAG's Audit Report separately.
3. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
4. Based on our audit, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.



- (ii) The Balance Sheet and the Profit & Loss Account dealt with by this report have been drawn up in the format that has not yet been approved by the Government of West Bengal as required under Section 33(2)(i) of the West Bengal Scheduled Caste & Scheduled Tribes Development & Finance Corporation Act, 1976 .
- (iii) In our opinion, proper books of accounts and other relevant records have been maintained by the Corporation as generally required to be maintained by body corporate acting on business principles, in so far as it appears from our examination of such books. The Government has not prescribed the proper books of accounts and other relevant records to be maintained by the Corporation as required under Section 33(2)(i) of the West Bengal Scheduled Caste & Scheduled Tribes Development & Finance Corporation Act, 1976
- (iv) We further report that:
- A. Balance Sheet
- A.1 Liabilities/Sources
- A.1.1 Current Liabilities (Sch : 4): ₹ 372.97 crore

Above includes ₹ 12.24 lakh being the amount of cheques issued to various beneficiaries which were not encashed by the beneficiaries within the stipulated period. Consequently, all these cheques have become time-barred. Hence, these amounts should have been written back by debiting bank account and providing liability.

Non-accountal of the same has resulted in understatement of Cash & Bank Balances as well as Current Liabilities by ₹ 12.24 lakh.

- A.2 Assets/Applications
- A.2.1 Deposits (Sch :7): ₹ 389.26 Crore
- Fixed Deposits under Flexi Fix: ₹ 51.07 crore

Above includes ₹ 25 lakh being the amount of Flexi Fix deposits at Head quarters as on 31.03.10. Examination of Bank Pass Book (Allahabad Bank A/C No. 50002768648) exhibited a nil balance, the account being closed on 14.08.2009. Thus, Fixed Deposits under Flexi Fix under Headquarters has shown balance which has no

physical existence. As there is no bank balance at all, the amount should have been written off from the accounts.

Non-accountal of the same has resulted in overstatement of Fixed Deposits under Flexi Fix (HQ) as well as profit for the year by ₹ 25 lakh.

**B. Profit & Loss Account**

**B.1 Provision for Bad & Doubtful Debts (SCP & TSP) : ₹ 7.04 Crore**

As against ₹ 77.31 crore outstanding loan over 10 years, the Corporation has made a total provision of ₹ 63.15 crore. Reference is invited to Sl. 11 of the Notes forming part of the accounts, wherein it has been stated that provision for bad and doubtful debts have been done consistently on the basis of loan outstanding and availability of profit. As the possibility of recovery of such loans is remote, the Corporation should have made a full provision of the balance amount of ₹ 14.16 crore (₹ 77.31 crore – ₹ 63.15 crore).

Non-provision of the same has resulted in overstatement of profit and understatement of provision for doubtful debts under SCP/ TSP (Sch: 9) by ₹ 14.16 crore.

**B.2 Office Expenditure (Sch : 16): ₹ 51.97 lakh**

Above does not include ₹ 3.19 lakh being the expenditure incurred for official purpose during the year 2009-10 but the payments were made during 2010-11. The above expenditures should have been shown as liability for 2009-10.

Non-accountal of the same has resulted in overstatement of profit and understatement of Current Liabilities by ₹ 3.19 lakh.

**C. Notes on Accounts (Sch : 19)**

A reference is invited to Sl. 8.3 of Notes on Accounts wherein it has been stated that the claim of NSKFDC for ₹ 22.14 lakh as non-utilization charges during the year 2009-10, has not been considered as actual liability. No paper in support of the waiver of the above charges could be made available to audit. In absence of any favourable document from NSKFDC, the Corporation should have provided actual liability for the said amount.

Non-accountal of the same has resulted in understatement of liability as well as overstatement of profit by ₹ 22.14 lakh.

#### D. Accounting Policy

Although the Corporation adopted commercial accounting system from its inception, no accounting manual had been prepared.

#### E. General

- i) Consolidated cash book was not maintained in the Head Office.
- ii) Bank reconciliation statements and Pass books issued by the Banks in support of bank balances and detailed confirmation/ certification of investment at the District Branches as on 31 March 2010 could not be produced to audit. As such, the correctness of the bank balance and investment as on 31 March 2010 could not be verified in Audit.
- iii) Loan sanctioned by NSKFDC, NSTFDC as well as repayment / refund of loan amount to above authorities could not be reconciled due to non-availability of all back-up papers.
- iv) The fixed deposits under Bonanza includes ₹ 306.31 lakh being Head Office ₹ 200.96 lakh + Districts ₹ 105.35 lakh. From scrutiny of detailed schedules furnished by the Management at Head Office, it was observed that the fixed deposits at year end (31.03.10) under Bonanza at the districts was ₹ 105.35 lakh and that of Head Office – Bonanza was ₹ 200.66 lakh. The total of such deposits was ₹ 306.01 lakh. It would be evident from the above that as against the figure of ₹ 200.66 lakh, the figure has been shown ₹ 200.96 lakh, there being a difference between the figures of ₹ 0.30 lakh. Neither any clarification nor any reconciliation between the figures could be made available to audit.
- v) Reference is invited to Note No. 1 wherein it has been stated that interest on investment has been accounted for on cash basis as suggested by AG, WB. In this connection it is stated that interest income has been accounted for on cash basis instead of accrual basis but the authenticity of the suggestion as disclosed could not be made available to audit.



vi) The Jalpaiguri District Account of the Corporation for the year 2009-10 exhibited the following in their Cash & Bank Balances:

vii)

(Figure in ₹)

		Balance as per District Accounts	Balance as per Head Office A/c
1.	Districts Banks having Debit balances	49,36,241.73	
2.	Districts Banks having credit balances	3,18,51,835.03	
	Net	(2,69,15,593.30)	(4,78,66,551.67)
3.	Bonanza	6,53,25,028.63	6,53,25,028.63
4.	Flexi-Fix	NIL	6,35,00,000.00
5.	Fixed Deposits	16,08,54,408.00	19,60,26,323.63

It would be evident from the above that in all the above cases there were wide variations between the district accounts and the compilation of accounts.

North 24 Parganas District Bonanza Account of the Corporation for the year 2009-10 exhibited closing balance of ₹ 525.39 lakh whereas the figure as taken in head office accounts is ₹ 525.44 lakh. Thus, the figure in the bonanza account has been overstated by ₹ 5000.00 (₹ 525.44 lakh - ₹ 525.39 lakh).

Murshidabad District Bonanza Account of the Corporation for the year 2009-10 exhibited closing balance of ₹ 378.10 lakh whereas the figure as taken in head office accounts is ₹ 274.06 lakh. Thus, the figure in the bonanza account has been understated by ₹ 104.04 lakh (₹ 378.10 lakh - ₹ 274.06 lakh).

#### F. Grants in aid/ Capital Contribution

The Corporation received ₹ 93.19 crore from the State Government and ₹ 68.44 crore from the Central Government as capital contribution of the respective Governments upto March 2010. No shares were, however, issued by the Corporation due to non-receipt of necessary orders and guidelines from the State Government.

#### G. Management letter:

Deficiencies which have not been included in the Audit Report have been brought to the notice of the Managing Director of the Corporation through a letter issued separately for remedial/corrective action.

- (v) Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Income & Expenditure Account dealt with by this report are in agreement with the books of accounts.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Significant Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure-I to this Audit report give a true and fair view in conformity with accounting principles generally accepted in India.
- a. In so far as it relates to the Balance Sheet, of the state of affairs of the West Bengal Scheduled Castes & Scheduled Tribes Development & Finance Corporation as at 31 March 2010; and
  - b. In so far as it relates to Profit & Loss Account of the surplus for the year ended on that date.

For and on behalf of the C&AG of India,



Principal Accountant General  
(General & Social Sector Audit)  
West Bengal

Place: Kolkata

Date: 25.10.12.



Annexure-II**Financial Position:**

The following table summarises the financial position of the Corporation under the broad headings as at the end of each of three years upto 2009-10:-

	Liabilities	2007-08	2008-09	2009-10
		(₹ in crore)		
(i)	Capital Contribution from Government of West Bengal	81.19	87.57	93.19
(ii)	Capital Contribution from Government of India	66.94	66.95	68.44
(iii)	Reserve and Surplus	7.85	10.74	14.28
(iv)	Overdraft	--	--	--
(v)	Borrowings	51.00	45.10	47.83
(vi)	Current Liabilities and Provisions	243.92	371.39	473.74
	<b>Total</b>	<b>450.90</b>	<b>581.75</b>	<b>697.48</b>
	<b>Assets</b>			
(i)	Fixed Assets in the beginning of the year plus Additions during the year	0.22	0.24	0.22
(ii)	Less Depreciation during the year	0.03	0.05	0.05
(iii)	Net Fixed Assets	0.19	0.19	0.17
(iv)	Investments	196.00	311.44	389.26
(v)	Current Assets, Loans & Advances	254.71	270.12	308.05
	<b>Total</b>	<b>450.90</b>	<b>581.75</b>	<b>697.48</b>
	Capital Employed	10.98	(101.08)	(165.51)

Notes : Capital employed represents net fixed assets plus working capital (Current Assets, Loans & Advance minus Current Liabilities and Provisions).

**Working Results:**

The table below indicates the working results of the Corporation during the three years upto 2009-10 :-

A	Income	2007-08	2008-09	2009-10
		(₹ in crore)		
(a)	Operative (Direct) Income	0.69	0.65	0.46
(b)	Non-Operating income	17.52	21.84	25.93
	<b>Total</b>	<b>18.21</b>	<b>22.49</b>	<b>26.39</b>
<b>B.</b>	<b>Expenditure</b>			
(a)	Administrative	7.79	7.92	9.30
(b)	Depreciation & other expenses	0.10	0.10	0.05
(c)	Provision for doubtful debt, gratuity etc.	9.21	11.47	13.51
	<b>Total</b>	<b>17.10</b>	<b>19.49</b>	<b>22.86</b>
<b>C.</b>	<b>Profit for the year</b>	<b>1.11</b>	<b>3.00</b>	<b>3.53</b>