

CHAPTER I

Functioning of Public Sector Undertakings

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Introduction

1.1 The Public Sector Undertakings (PSUs) consist of State Government Companies and Statutory Corporations. The State PSUs are established to carry out activities of commercial nature keeping in view the welfare of people and occupy an important place in the State economy. As on 31 March 2015, there were 51 PSUs including three Statutory Corporations. None of these 48 Government Companies was listed on the stock exchange. During the year 2014-15, no PSU was incorporated or wound up. The details of the PSUs in Rajasthan as on 31 March 2015 are given below:

Table 1.1: Total number of PSUs as on 31 March 2015

Type of PSUs	Working PSUs	Non-working PSUs ¹	Total
Government Companies ²	45	3	48
Statutory Corporations	3	-	3
Total	48	3	51

The working PSUs registered a turnover of ₹ 47914.29 crore as per their latest finalised accounts as of September 2015. This turnover was equal to 8.34 *per cent* of State Gross Domestic Product (GDP) for the year 2014-15. The working PSUs incurred loss of ₹ 16190.81 crore as per their latest finalised accounts as of September 2015. As on March 2015, the State PSUs had employed 1.08 lakh employees.

There are three non-working PSUs existing from last one to 35 years having investment of ₹ 26.23 crore. This is a critical area as the investments in non-working PSUs do not contribute to the economic growth of the State.

Accountability framework

1.2 The process of audit of Government companies is governed by respective provisions of Section 139 and 143 of the Companies Act, 2013 (Act 2013). According to Section 2 (45) of the Act 2013, Government Company means any company in which not less than fifty one *per cent* of the paid-up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary company of such a Government Company.

Further, as per sub-Section 7 of Section 143 of the Act 2013, the Comptroller and Auditor General of India (CAG) may, in case of any company covered under sub-Section (5) or sub-Section (7) of Section 139, if considers

1 Non-working PSUs are those which have ceased to carry out their operations.

2 Government PSUs include other Companies referred to in Section 139(5) and 139(7) of the Act 2013.

necessary, by an order, cause test audit to be conducted of the accounts of such Company and the provisions of Section 19 A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 shall apply to the report of such test Audit. Thus, a Government Company or any other Company owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments or partly by Central Government and partly by one or more State Governments is subject to audit by the CAG. An audit of the financial statements of a Company in respect of the financial years that commenced on or before 31 March 2014 shall continue to be governed by the provisions of the Companies Act, 1956.

Statutory audit

1.3 The financial statements of the Government companies (as defined in Section 2 (45) of the Act 2013) are audited by Statutory Auditors, who are appointed by CAG as per the provisions of Section 139(5) or (7) of the Act 2013. The Statutory Auditors submit a copy of the Audit Report to the CAG including, among other things, financial statements of the Company under Section 143(5) of the Act 2013. These financial statements are also subject to supplementary audit to be conducted by the CAG within sixty days from the date of receipt of the audit report under the provisions of Section 143 (6) of the Act 2013.

Audit of Statutory Corporations is governed by their respective legislations. Out of three Statutory Corporations, the CAG is sole auditor for Rajasthan State Road Transport Corporation. In respect of Rajasthan State Warehousing Corporation and Rajasthan Financial Corporation, the audit is conducted by Chartered Accountants and supplementary audit by the CAG.

Role of Government and Legislature

1.4 The State Government exercises control over the affairs of these PSUs through its administrative departments. The Chief Executive and Directors to the Board are appointed by the State Government.

The State Legislature also monitors the accounting and utilisation of Government investment in the PSUs. For this, the Annual Reports together with the Statutory Auditors' Reports and comments of the CAG, in respect of State Government Companies and Separate Audit Reports in case of Statutory Corporations are to be placed before the State Legislature under Section 394 of the Act 2013 or as stipulated in the respective Acts. The Audit Reports of the CAG are submitted to the Government under Section 19A of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

Stake of Government of Rajasthan

1.5 The Government of Rajasthan (GoR) has huge financial stake in these PSUs. This stake is of mainly three types:

- **Share capital and loans** – In addition to the share capital contribution, GoR also provides financial assistance by way of loans to the PSUs from time to time.

- **Special financial support** – GoR provides budgetary support by way of grants and subsidies to the PSUs as and when required.
- **Guarantees** – GoR also guarantees the repayment of loans with interest availed by the PSUs from Financial Institutions.

Investment in State PSUs

1.6 As on 31 March 2015, the total investment (capital and long term loans) in 51 PSUs was ₹ 101152.16 crore as per details given below:

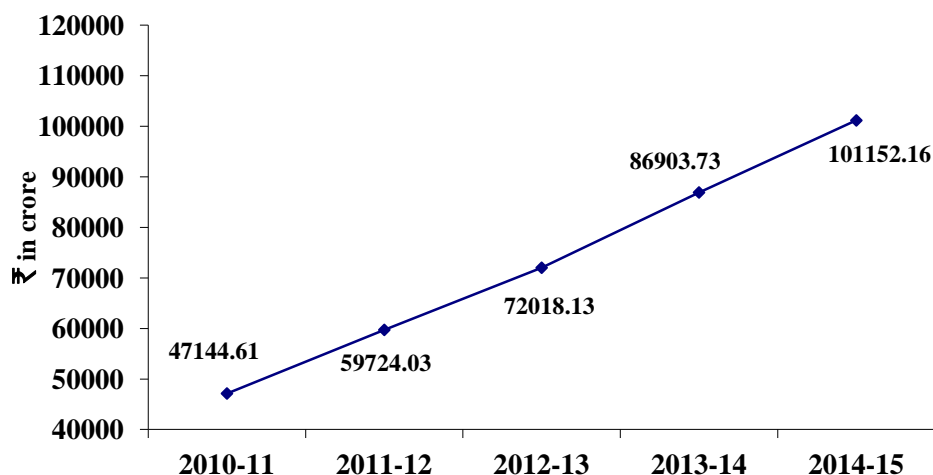
Table 1.2: Total investment in PSUs

(₹ in crore)

Type of PSUs	Government Companies			Statutory Corporations			Grand Total
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	
Working	25586.77	73222.60	98809.37	807.55	1509.01	2316.56	101125.93
Non-working	10.16	16.07	26.23	-	-	-	26.23
Total	25596.93	73238.67	98835.60	807.55	1509.01	2316.56	101152.16

As on 31 March 2015, of the total investment in State PSUs, 99.97 per cent was in working PSUs and the remaining 0.03 per cent was in non-working PSUs. This total investment consisted of 26.10 per cent towards capital and 73.90 per cent in long-term loans. The investment has grown by 114.56 per cent from ₹ 47144.61 crore in 2010-11 to ₹ 101152.16 crore in 2014-15 as shown in the graph below:

Chart 1.1: Total investment in PSUs



—◆— Investment (Capital and Long term loans)

1.7 The sector-wise summary of investment in the PSUs as on 31 March 2015 is given below:

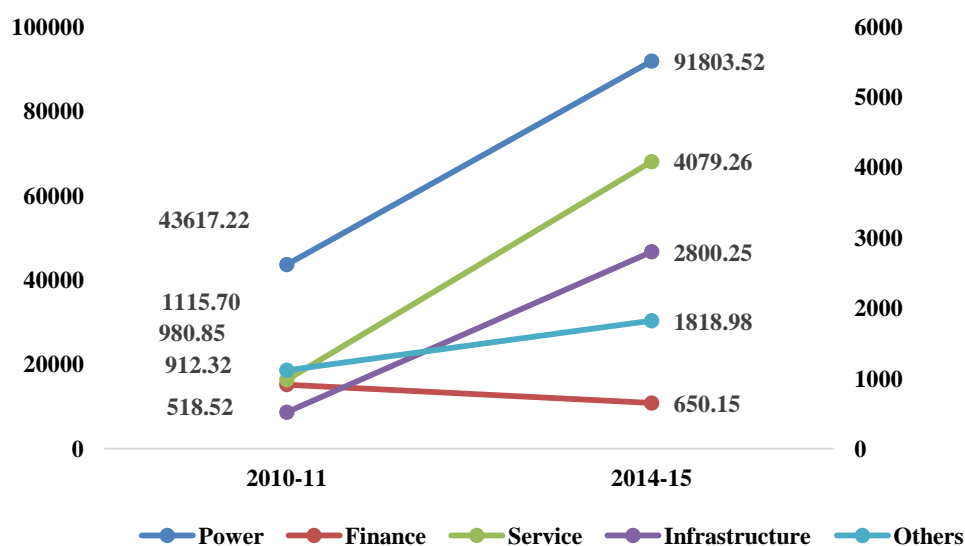
Table 1.3: Sector-wise investment in PSUs

Name of sector	Government Companies		Statutory Corporations		Total	Investment ³ (₹ in crore)
	Working	Non-working	Working	Non-working		
Power	15	-	-	-	15	91803.52
Finance	3	-	1	-	4	650.15
Service	14	-	2	-	16	4079.26
Infrastructure	5	-	-	-	5	2800.25
Others	8	3	-	-	11	1818.98
Total	45	3	3	-	51	101152.16

The investment in various important sectors at the end of 31 March 2011 and 31 March 2015 is indicated in the chart below.

Chart 1.2: Sector-wise investment in PSUs

(Figures in ₹ crore)



The thrust of PSU investment was mainly on power sector during the last five years. The power sector received investment of ₹ 48186.30 crore (89.22 per cent) out of total investment of ₹ 54007.55 crore made during the period from 2010-11 to 2014-15. The service and infrastructure sectors had also recorded impressive increase by 315.89 per cent and 440.05 per cent respectively during this period.

3 Investments include capital and long term loans.

Special support and returns during the year

1.8 The GoR provides financial support to PSUs in various forms through annual budget. The summarized details of budgetary outgo towards equity, loans, grants/subsidies, loan written off and interest waived in respect of PSUs for three years ending 2014-15 are given below:

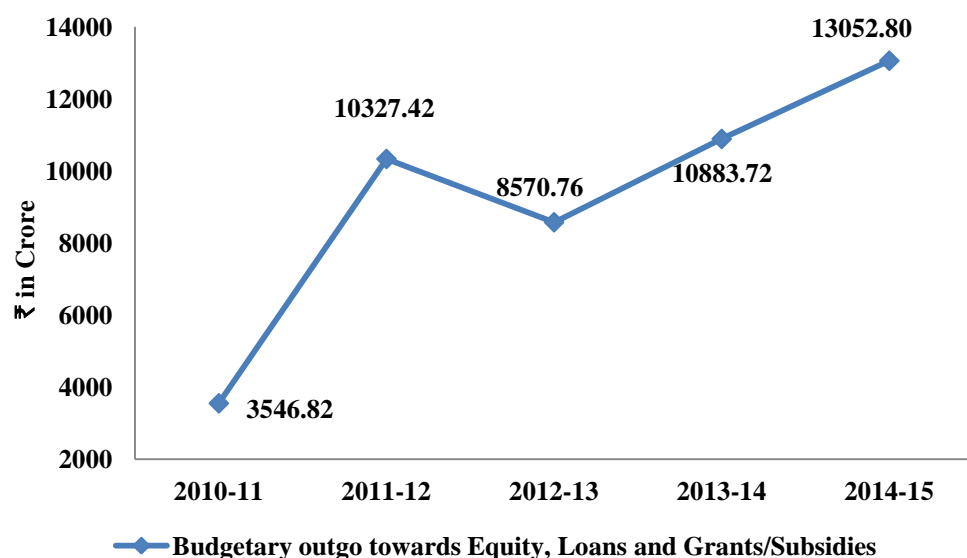
Table 1.4: Details regarding budgetary support to PSUs

Sl. No.	Particulars ⁴	2012-13		2013-14		2014-15	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity Capital outgo	14	4648.37	14	4722.21	7	4371.79
2.	Loans given	7	813.81	8	428.98	11	776.25
3.	Grants/Subsidy received	13	3108.58	16	5732.53	14	7904.76
4.	Total Outgo (1+2+3)	23 ⁵	8570.76	26 ⁵	10883.72	18 ⁵	13052.80
5.	Loan repayment written off	-	-	1	204.42	-	-
6.	Loans converted into equity	1	15.65	1	2.62	-	-
7.	Guarantees issued	7	20209.01	7	26881.55	6	12066.92
8.	Guarantee Commitment	7	70365.08	9	81228.38	9	90054.11

(₹ in crore)

The details regarding budgetary outgo towards equity, loans and grants/subsidies for the five years ending 2014-15 are given in a graph below:

Chart 1.3: Budgetary outgo towards Equity, Loans and Grants/Subsidies



The above indicates that the budgetary assistance in the form of equity, loan and grant/subsidy by the GoR to PSUs had increased from ₹ 3546.82 crore in 2010-11 to ₹ 13052.80 crore in 2014-15. The significant budgetary outgo was

4 Amount represents outgo from State Budget only.

5 The figure represents number of companies which have received outgo from budget under one or more head *i.e.* equity, loans, grants/subsidies.

to power sector which received 97.20 *per cent* (₹ 4249.22 crore) of equity capital outgo (₹ 4371.79 crore) and 91.06 *per cent* (₹ 11885.54 crore) of total budgetary outgo (₹ 13052.80 crore) during the year.

In order to provide financial assistance to PSUs from banks and financial institutions, GoR gives guarantee under Rajasthan State Grant of Guarantees Regulation 1970. The Government decided (February 2011) to charge guarantee commission at the rate of one *per cent* per annum in case of loan availed by PSUs from banks/financial institutions without any exception under the provision of the Rajasthan State Grant of Guarantees Regulation 1970. There was an increasing trend of outstanding guarantee commitments which increased from ₹ 48088.19 crore in 2010-11 to ₹ 90054.11 crore in 2014-15 showing rise of 87.27 *per cent*. During the year 2014-15 guarantee commission of ₹ 616.25 crore was payable by the PSUs, out of which ₹ 615.31 crore was paid.

Reconciliation with Finance Accounts

1.9 The figures in respect of equity, loans and guarantees outstanding as per records of State PSUs should agree with that of the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of the differences. The position in this regard as at 31 March 2015 is stated below:

Table 1.5: Equity, loans, guarantees outstanding as per finance accounts vis-a-vis records of PSUs

(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	27121.92	25888.60	1233.32
Loans	3670.02	4471.17	801.15
Guarantees	90233.62	90054.11	179.51

Audit observed that the difference occurred in respect of 13⁶ PSUs. The Government and the PSUs should reconcile the difference in a time-bound manner.

Arrears in finalisation of accounts

1.10 The financial statements of the companies for every financial year are required to be finalised within six months from the end of relevant financial year *i.e.* by September end in accordance with the provisions of Section 96 (1) of Act 2013. Failure to do so may attract penal provisions under section 99 of the Act 2013. In case of Statutory Corporations, their accounts are finalised, audited and presented to Legislature as per the provisions of their respective Acts.

6 At Sl. No.-A-1, 7, 9, 12, 13, 15, 23, 28, 34, 41, 44, B-1, and C-1 of Annexure-2.

The table below provides the details of progress made by working PSUs in finalisation of accounts as on 30 September 2015:

Table 1.6: Position relating to finalisation of accounts of working PSUs

Sl. No.	Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
1.	Number of Working PSUs	42	44	46	48	48
2.	Number of accounts finalised during current year	46	33	59	41	51
3.	Number of working PSUs which finalised accounts for the current year	25	24	33	27	34
4.	Number of previous year's accounts finalised during current year	21	9	25	14	17
5.	Number of Working PSUs with arrears in accounts	17	20	13	21	14
6.	Number of accounts in arrears	24	33	21	29	26
7.	Average arrears per PSU (6/1)	0.57	0.75	0.46	0.60	0.54
8.	Extent of arrears	One to four years	One to five years	One to six years	One to seven years	One to eight years

During the year, 48 working PSUs had finalised 51 annual accounts, of which 34 PSUs' annual accounts pertained to 2014-15 and remaining 17 annual accounts were of previous years. The remaining 14 working PSUs had 26 accounts in arrears including a company (Kota City Transport Services Limited) which had arrears in accounts since 2007-08. Average arrear of annual accounts per PSU had decreased from 0.60 in 2013-14 to 0.54 in 2014-15.

1.11 The GoR had invested ₹ 4034.60 crore in four PSUs (Equity: ₹ 988.47 crore, Loan: ₹ 336.53 crore, Subsidy: ₹ 2709.60 crore) during the year 2014-15 for which accounts had not been finalised as detailed in **Annexure-1**. In the absence of finalisation of accounts and their subsequent audit, it could not be ensured whether the investments and expenditure incurred had been properly accounted for and the purpose for which the amount was invested was achieved. The GoR investment in such PSUs, therefore, remained outside the control of State Legislature.

The Administrative Departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by these PSUs within the stipulated period. The concerned Departments were informed quarterly, as a result of which number of working PSUs with arrears in accounts decreased from 21 in 2013-14 to 14 in 2014-15. However, four⁷ PSUs which were under administrative control of Local Self Government Department had 14 accounts in arrears despite continuous pursuance by the Accountant General/Principal Accountant General.

1.12 In addition to above, there were arrears in finalisation of accounts by non-working PSUs. Position of accounts in arrears of non-working PSUs is given below:

⁷ PSUs at Sl. No. A-32, 33, 35 and 45 of Annexure 2.

Table 1.7: Position relating to arrears of accounts in respect of non-working PSUs

Name of non-working companies	Period for which accounts were in arrears
Rajasthan State Agro Industries Corporation Limited	2013-14 and 2014-15
Rajasthan State Dairy Development Corporation Limited	2014-15

Placement of Separate Audit Reports

1.13 All three working Statutory Corporations had forwarded their accounts of 2014-15 by 30 September 2015. The audit of the accounts of two Statutory Corporations was in progress (September 2015).

Separate Audit Reports (SARs) are audit reports of the CAG on the accounts of Statutory Corporations. These reports are to be laid before the Legislature as per the provisions of the respective Acts. The SARs in respect of these Statutory Corporations for the period 2013-14 had been placed⁸ in State Legislature during February to September 2015.

Impact of non-finalisation of accounts

1.14 As pointed in paragraph 1.10, the delay in finalisation of accounts may also result in risk of fraud and leakage of public money apart from violation of the provisions of the relevant statutes. In view of the above state of arrears of accounts, the actual contribution of PSUs to State GDP for the year 2014-15 could not be ascertained and their contribution to State exchequer was also not reported to the State Legislature.

It is, therefore, recommended that the Administrative Department should strictly monitor and issue necessary directions to liquidate the arrears in accounts. The Government may also look into the constraints in preparing the accounts of the Company and take necessary steps to liquidate the arrears in accounts.

Performance of PSUs as per their latest finalised accounts

1.15 The financial position and working results of working Government Companies and Statutory Corporations are detailed in **Annexure-2**. A ratio of PSUs turnover to State GDP shows the extent of activities of PSUs in the State economy. Table below provides the details of turnover of working PSUs and State GDP for a period of five years ending March 2015.

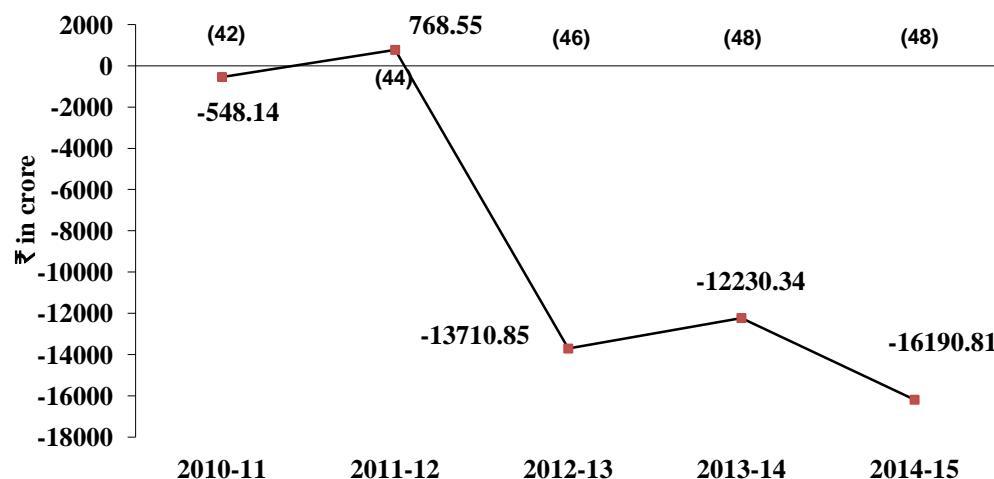
8 Rajasthan State Warehousing Corporation (26 February 2015), Rajasthan Financial Corporation (19 March 2015) and Rajasthan State Road Transport Corporation (17 September 2015).

Table 1.8: Details of working PSUs turnover vis-a-vis State GDP

Particulars	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Turnover ⁹	30152.24	32440.58	33486.33	38953.84	47914.29
State GDP ¹⁰	338348.00	414179.00	470178.00	517615.00	574549.00
Percentage of Turnover to State GDP	8.91	7.83	7.12	7.53	8.34

The turnover of PSUs has recorded continuous increase over previous years. The increase in turnover ranged between 3.22 and 23 *per cent* during the period 2010-15, whereas increase in GDP ranged between 10.09 and 22.41 *per cent* during the same period. The turnover of PSUs recorded compounded annual growth of 9.71 *per cent* during last five years which was lower than the compounded annual growth of 11.17 *per cent* of State GDP. This resulted in decrease of PSUs share of turnover to State GDP from 8.91 *per cent* in 2010-11 to 8.34 *per cent* in 2014-15, despite increase in number of PSUs from 42 to 48 during 2010-11 to 2014-15.

1.16 Overall profit¹¹ (loss) earned (incurred) by State working PSUs during 2010-11 to 2014-15 is given below in a line chart.

Chart 1.4: Profit/Loss of working PSUs

— Overall Profit earned/Loss incurred during the year by working PSUs.
 Figures in brackets show the number of working PSUs in respective years.

The working PSUs incurred a loss of ₹ 16190.81 crore in 2014-15 in comparison to loss of ₹ 548.14 crore in 2010-11. According to latest finalised accounts of 48 PSUs, 23¹² PSUs earned profit of ₹ 858.19 crore, 19¹² PSUs incurred loss of ₹ 17049.00 crore, four PSUs had no profit or loss while two

9 Turnover as per the latest finalised accounts.

10 State GDP as per Economic Review 2014-15 of Government of Rajasthan.

11 Figures are as per the latest finalised accounts during the respective years.

12 Including those PSUs which had not started their business activities but were showing marginal profit/loss.

PSUs have yet to submit their first accounts since inception. Further, out of 48 PSUs, 16 PSUs incorporated during 2006-07 to 2013-14 did not commence their commercial activities till 2014-15 (**Annexure -2**).

As per their latest finalised accounts, Rajasthan State Industrial Development and Investment Corporation Limited (₹ 247.27 crore), Rajasthan State Mines and Minerals Limited (₹ 205.44 crore) and Rajasthan Rajya Vidyut Prasaran Nigam Limited (₹ 184.49 crore) were the major contributors to the profit while Ajmer Vidyut Vitran Nigam Limited (AVVNL) (₹ 4842.99 crore), Jaipur Vidyut Vitran Nigam Limited (JVVNL) (₹ 4734.57 crore), Jodhpur Vidyut Vitran Nigam Limited (JdVVNL) (₹ 4146.12 crore) and Rajasthan Rajya Vidyut Utpadan Nigam Limited (₹ 2636.92 crore) incurred heavy losses.

1.17 Some other key parameters pertaining to State PSUs are given below.

Table 1.9 Key parameters of the State PSUs

(₹ in crore)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Return on Capital Employed ¹³ (per cent)	5.64	8.09	-16.32	-7.86	-11.10
Debt	36260.08	45976.15	53503.45	63829.17	74747.68
Turnover ¹⁴	30152.24	32440.58	33486.33	38953.84	47914.29
Debt/Turnover Ratio	1.20:1	1.42:1	1.60:1	1.64:1	1.56:1
Interest Payments ¹⁴	3551.29	3681.11	7864.69	8498.38	10346.56
Accumulated Profits (losses) ¹⁴	(2066.69)	(1590.48)	(50951.85)	(56133.11)	(83732.89)

During the last five years, the turnover of PSUs recorded compounded annual growth of 9.71 per cent. However, the compounded annual growth of debts was 15.57 per cent indicating increase at a much faster rate than the turnover. The rising debts to turnover ratio from 1.20:1 in 2010-11 to 1.56:1 in 2014-15 indicated increased reliance on debts by PSUs.

1.18 The State Government had formulated (September 2004) a dividend policy under which all profit making PSUs are required to pay a minimum return of ten per cent on the paid up share capital or 20 per cent of the profit after tax, whichever is lower. As per their latest finalised accounts, 23 PSUs earned an aggregate profit of ₹ 858.19 crore and nine¹⁵ PSUs declared a dividend of ₹ 67.95 crore which worked out to 0.27 per cent of equity capital of all the PSUs. Of 23 profit earning Companies, fourteen PSUs did not declare dividend due to accumulated losses or marginal profits, four¹⁶ PSUs declared dividend more than the prescribed limit, while two¹⁷ PSUs declared dividend less than the prescribed limit and other three¹⁸ PSUs declared dividend as per policy.

13 Upto 2011-12, Capital employed had been worked out using formula (Net fixed assets + Working capital). From 2012-13, Capital employed has been worked out using formula (Shareholder's fund + Long-term borrowings).

14 As per latest finalised accounts.

15 PSUs at Sl. No.-A-1, 5, 7, 8, 11, 12, 13, 30 and B-3 of Annexure-2.

16 PSUs at Sl. No.-A-5, 8, 13, and B-3 of Annexure-2.

17 PSUs at Sl. No.-A-7, and 12 of Annexure-2.

18 PSUs at Sl. No.-A-1, 11 and 30 of Annexure-2.

Winding up of non-working PSUs

1.19 There were three non-working PSUs (all companies) as on 31 March 2015 having a total investment of ₹ 26.23 crore towards capital (₹ 10.16 crore) and long term loans (₹ 16.07 crore). The numbers of non-working companies at the end of each year during past five years are given below.

Table 1.10: Non-working PSUs

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
No. of non-working companies	3	3	2	3	3

None of these non-working companies was under liquidation. Since the non-working PSUs are not contributing to the intended objectives, these PSUs may be either revived or closed down.

Accounts Comments

1.20 Thirty eight working Companies forwarded their 47 audited accounts to the Accountant General during the period from October 2014 to September 2015. Of these, 20 accounts of 19 Companies were selected for supplementary audit. The Audit Reports of Statutory Auditors appointed by the CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of Statutory Auditors and the CAG are given below.

Table 1.11: Impact of audit comments on working Companies

(₹ in crore)

Sl. No.	Particulars	2012-13		2013-14		2014-15	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	5	30.01	6	266.83	5	85.90
2.	Increase in profit	2	7.60	1	0.81	8	121.79
3.	Increase in loss	12	2131.55	5	459.02	8	3059.24
4.	Decrease in loss	2	4.00	3	20.16	2	55.54
5.	Non-disclosure of material facts	2	2.57	1	26.54	3	68.25
6.	Errors of classification	15	19411.76	4	28.42	10	2738.30

During the year 2014-15, the Statutory Auditors had given qualified certificates on 21 accounts, adverse¹⁹ certificate on four accounts of Rajasthan State Handloom Development Corporation Limited, AVVNL, JVVNL, JdVVNL for the year 2013-14 and disclaimer²⁰ on two accounts of Giral Lignite Power Limited for the year 2013-14 and 2014-15. Additionally, the CAG also gave disclaimer on the accounts of Giral Lignite Power Limited for the year 2013-14. The compliance of the Accounting Standards (AS) by PSUs remained poor as there were 65 instances of non-compliance in 17 accounts as pointed out by the Statutory Auditors.

¹⁹ Accounts do not reflect true and fair position.

²⁰ Auditors are unable to form an opinion on accounts.

1.21 Similarly, three working Statutory Corporation, forwarded their four²¹ accounts to Accountant General during the period from October 2014 to September 2015 and all were selected for supplementary audit. Of these, two accounts of Statutory Corporation pertained to sole audit by the CAG. On remaining two accounts for the year 2014-15, the Statutory Auditors had given qualified certificates for both accounts. The details of aggregate money value of comments of Statutory Auditors and supplementary audit by the CAG are given below:

Table 1.12: Impact of audit comments on Statutory Corporations

(₹ in crore)

Sl. No.	Particulars	2012-13		2013-14		2014-15	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	1	31.19	2	51.91	2	22.41
2.	Increase in profit	-	-	1	1.30	-	-
3.	Increase in loss	-	-	1	729.18	1	2162.57
4.	Non-disclosure of material facts	-	-	2	554.11	1	604.45
5.	Errors of classification	-	-	1	1.27	-	-

Audit of annual accounts of the Rajasthan Financial Corporation and Rajasthan State Road Transport Corporation for the year 2014-15 by the CAG was in progress as on 30 September 2015.

Response of the Government to Audit

Performance Audits and Paragraphs

1.22 For the Report of the Comptroller and Auditor General of India for the year ended 31 March 2015, two performance audits and 11 audit paragraphs were issued to the Additional Chief Secretaries/ Principal Secretaries of the respective Departments with request to furnish replies within six weeks. However, replies on three compliance audit paragraphs were awaited from the State Government (October 2015).

Follow up action on Audit Reports

Replies outstanding

1.23 The Report of the Comptroller and Auditor General of India represents the culmination of the process of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the executive. The Finance Department, Government of Rajasthan issued (July 2002) instructions to all Administrative Departments to submit replies/explanatory notes to paragraphs/performance audits included in the Audit Reports of the CAG of India within a period of three months after their presentation to the Legislature, in the prescribed format, without waiting for any questionnaires

21 Rajasthan State Road Transport Corporation submitted two accounts of 2013-14 and 2014-15.

from the Committee on Public Undertakings (COPU).

Table 1.13: Explanatory notes not received (as on 30 September 2015)

Year of the Audit Report (PSUs)	Date of placement of Audit Report in the State Legislature	Total Performance Audits (PAs) and Paragraphs in the Audit Report		Number of PAs/Paragraphs for which explanatory notes were not received	
		PAs	Paragraphs	PAs	Paragraphs
2013-14	25.03.2015	3	11	1	2

As on 30 September 2015, explanatory notes on two paragraphs and one Performance Audit report were awaited.

Discussion of Audit Reports by COPU

1.24 The status of discussion of Performance Audits and paragraphs that appeared in Audit Reports (Commercial/PSUs) by the COPU as on 30 September 2015 was as under:

Table 1.14: Performance Audits/Paragraphs appeared in Audit Reports vis-a-vis discussed as on 30 September 2015

Period of Audit Report	Number of Performance Audits/Paragraphs			
	Appeared in Audit Report		Paragraphs discussed	
	PA	Paragraphs	PA	Paragraphs
2010-11	2	13	2	12
2011-12	2	14	2	13
2012-13	2	11	1	-
2013-14	3	11	-	-

Compliance to Reports of COPU

1.25 Action Taken Notes (ATNs) to one Report of the COPU presented to the State Legislature in July 2014 had not been received (September 2015) as indicated below:

Table 1.15: Compliance to COPU Reports

Year of the COPU Report	Total number of COPU Report	Total number of recommendation in COPU Report	Number of recommendations where ATNs not received
2014-15	1	1	1

This Report of COPU contained recommendation in respect of paragraphs pertaining to Tourism Department, which appeared in the Report of the CAG of India for the year 2007-08.

The Government may ensure sending of replies to draft paragraphs/performance audits and ATNs on the recommendations of COPU as per the prescribed time schedule and recovery of losses/ outstanding advances/ overpayments within the prescribed period.

Disinvestment, Restructuring and privatisation of PSUs

1.26 No disinvestment or privatisation of PSUs had taken place during 2014-15.

Coverage of this Report

1.27 This Report contains nine compliance audit paragraphs and two Performance Audits *i.e.* on 'Computerisation of commercial activities by Rajasthan State Ganganagar Sugar Mills Limited' and 'Follow up audit of the Performance Audit on Redressal of Consumer Grievances by Jaipur Vidyut Vitran Nigam Limited' involving financial effect of ₹ 39.90 crore.