

Chapter-1
Functioning of State Public Sector
Undertakings

CHAPTER - 1

1. Functioning of State Public Sector Undertakings

Introduction

1.1 The State 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 23 PSUs. Of these, one PSU i.e. Jammu and Kashmir Bank Limited is listed (July 1998) on the stock exchange. Of the total paid up equity of the Bank, 53.17 *per cent* is held by the State Government and remaining 46.83 *per cent* is held by the Foreign Institutional Investors, Resident Individuals and others¹. During the year 2014-15, 4 PSUs² were incorporated whereas no PSU was closed down. The details of the State PSUs in Jammu and Kashmir 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 ³	Total
Government Companies ⁴	20	3	23
Statutory Corporations	3	Nil	3
Total	23	3	26

The working PSUs registered a turnover of ₹8652.40 crore as per their latest finalised accounts as of September 2015. This turnover was equal to 12 *per cent* of State Gross Domestic Product (GDP) for 2014-15. The working PSUs earned aggregate profit of ₹828.89 crore as per their latest finalised accounts as of September 2015. They had employed 24,306 employees as at the end of March 2015.

As on 31 March 2015, there were three non-working PSUs existing from last 24 to 39 years and having investment of ₹3.40 crore.

¹ Indian Mutual Funds, Insurance Companies, Non-Resident Indian and Corporate Bodies

² J&K State Road Development Corporation, Jammu Power Distribution Corporation Limited, Kashmir Power Distribution Corporation Limited and J&K State Power Transmission Corporation Limited

³ Non-working PSUs are those which have ceased to carry on their operations

⁴ Government PSUs includes other Companies referred to in Section 139 (5) and 139 (7) of the Companies Act 2013

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). According to Section 2 (45), a 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, the C&AG may, in case of any company covered under sub-section (5) or sub-section (7) of Section 139, if considers 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 Companies 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 which shall submit a copy of the Audit Report to the C&AG which, among other things, including financial statements of the Company under Section 143 (5) of the Act. These financial statements are subject to supplementary audit conducted by CAG within sixty days from the date of receipt of the Audit Report under the provisions of Section 143 (6) of the Act.

Audit of Statutory corporations, is governed by their respective legislations. Out of 3 statutory corporations, CAG is the sole auditor for State Road Transport Corporation and State Forest Corporation. In respect of State Financial Corporation, the audit is conducted by Chartered Accountants appointed by shareholders in their Annual General Meeting from the approved panel of Reserve Bank of India and supplementary audit by CAG as per provisions of the State Financial Corporation Act, 1951.

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 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 Legislature under Section 394 of the Act or as stipulated in the respective Acts. The Audit Reports of 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 Jammu and Kashmir

1.5 The State Government 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, State Government also provides financial assistance by way of loans to the PSUs from time to time.
- **Special Financial Support-** State Government provides budgetary support by way of grants and subsidies to the PSUs as and when required.
- **Guarantees-** State Government 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 investment (capital and long-term loans) in 26 PSUs was ₹5304.69 crore as per details given in **Table-1.2**:

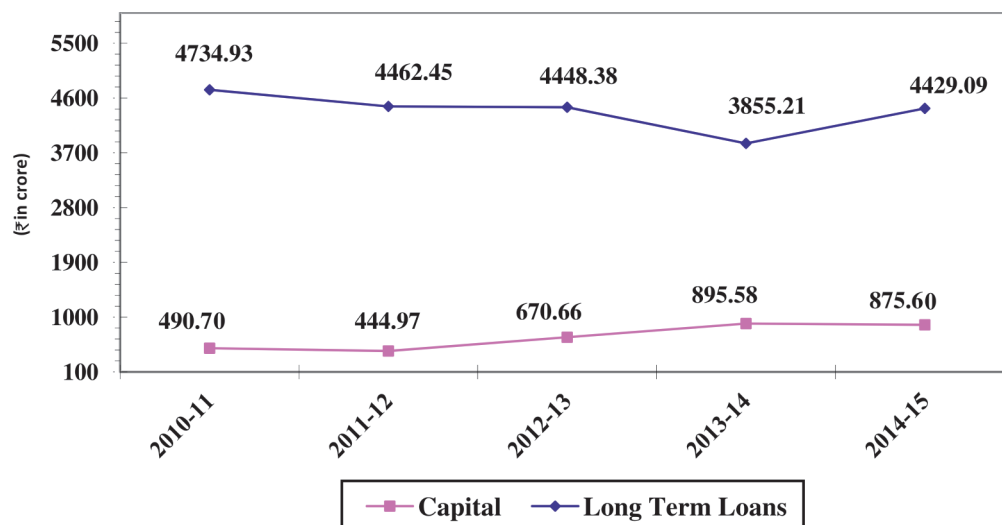
Table-1.2: Total investment in PSUs

(₹ in crore)

Type of PSUs	Government Companies			Statutory Corporations			Grand Total
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	
Working PSUs	501.18	3877.55	4378.73	371.85	550.71	922.56	5301.29
Non-working PSUs	2.57	0.83	3.40	Nil	Nil	Nil	3.40
Total	503.75	3878.38	4382.13	371.85	550.71	922.56	5304.69

As on 31 March 2015, of the total investment in State PSUs, 99.93 per cent was in working PSUs and the remaining 0.07 per cent in non-working PSUs. This total investment consisted of 16.50 per cent towards capital and 83.50 per cent in long-term loans. The investment has grown by 1.51 per cent from ₹5225.63 crore in 2010-11 to ₹5304.69 crore in 2014-15 as shown in the graph.

Chart-1.1: Total investment in PSUs



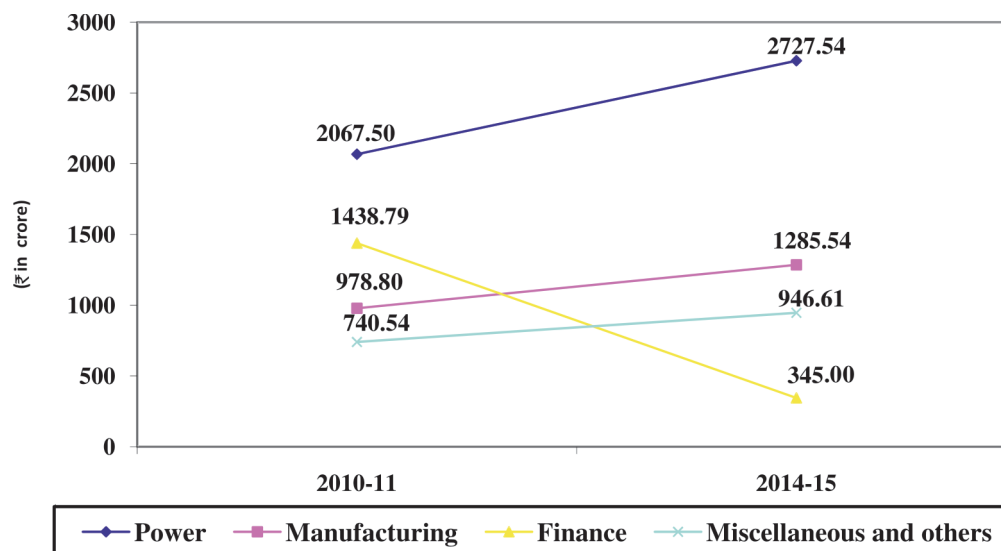
1.7 The sector-wise summary of investments in the State PSUs as on 31 March 2015 is given below:

Table-1.3: Sector-wise investment in PSUs

Name of Sector	Government/ 619B companies		Statutory corporations	Total	Investment
	Working	Non-Working	Working		(₹ in crore)
Power	2727.54	Nil	Nil	2727.54	2727.54
Manufacturing	1282.54	3.00	Nil	1285.54	1285.54
Finance	184.51	Nil	160.49	345.00	345.00
Miscellaneous	4.27	0.40	Nil	4.67	4.67
Service	51.34	Nil	753.04	804.38	804.38
Infrastructure	41.81	Nil	Nil	41.81	41.81
Agriculture & Allied	86.72	Nil	9.03	95.75	95.75
Total	4378.73	3.40	922.56	5304.69	5304.69

The investment in four significant sectors and percentage thereof at the end of 31 March 2011 and 31 March 2015 are indicated below in the bar chart. The thrust of PSU investment was mainly in power sector which increased from 37.66 per cent to 51.42 per cent during 2010-11 to 2014-15.

Chart-1.2: Sector wise investment in PSUs



Special support and returns during the year

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

Table-1.4: Details regarding budgetary support to PSUs

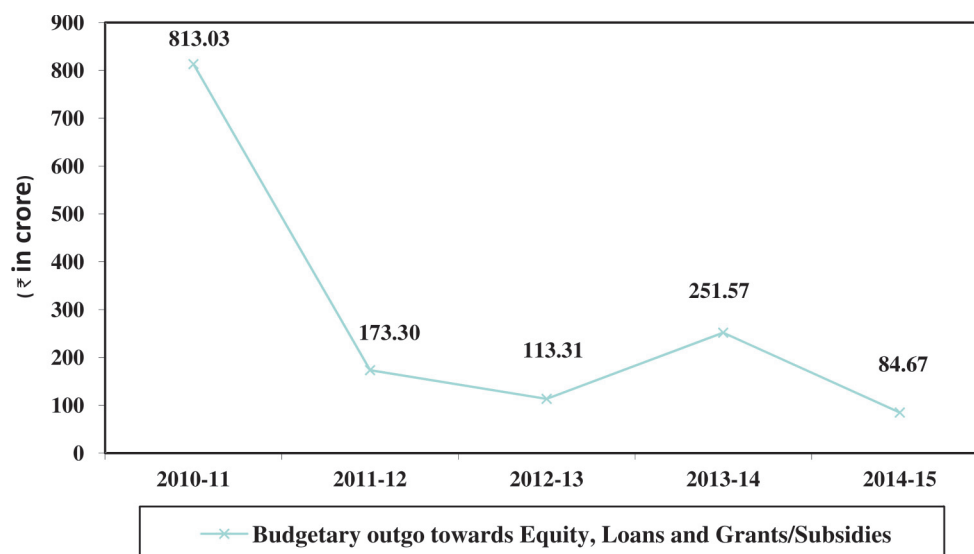
(₹ in crore)

Sl. No.	Particulars	2012-13		2013-14		2014-15	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity Capital outgo from budget	3	7.00	5	25.03	2	1.21
2.	Loans given from budget	10	76.08	7	69.84	8	54.76
3.	Grants/Subsidy from budget	7	30.23	8	156.70	7	28.70
4.	Total Outgo (1+2+3)	13	113.31	13	251.57	15	84.67
5.	Waiver of loans and interest	1	11.42	Nil	Nil	Nil	Nil
6.	Guarantees issued	3	2193.97	3	36.37	0	0
7.	Guarantee Commitment	9	1789.80	4	2164.64	5	2574.78
8.	Guarantee Fee	Nil	Nil	1	43.58	Nil	Nil

An amount of ₹0.29 crore on account of guarantee fee was receivable at the end of year 2014-15.

The details regarding budgetary outgo towards equity, loans and grants/ subsidies for past five years are given in a graph below :

Chart-1.3



The budgetary outgo of the State Government towards equity contribution, loan, grant and subsidy during the preceding three years increased to ₹251.57 crore ending 2013-14 and during the current year the budgetary outgo decreased to ₹84.67 crore.

Amount of Guarantees outstanding ending 2014-15 was ₹2,574.78 crore. In order to enable PSUs to obtain financial assistance from Banks and Financial Institutions, State Government charges guarantee fee/ commission at prescribed percentage of two *per cent*. The guarantee commitment increased to ₹2,574.78 crore during 2014-15 from ₹1,789.80 crore in 2012-13. Further, no PSUs paid any guarantee fee during 2014-15.

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 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	489.85	631.73	-141.88
Loans	527.36	1811.07	-1283.71
Guarantees	2575.52	2574.78	0.74

There was a mismatch between figures furnished by the PSUs with those depicted in the Finance Accounts. Reasons therefor though called for were not intimated (November 2015).

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 the relevant financial year i.e. by September end in accordance with the provisions of Section 96(1) of the Companies Act, 2013. Failure to do so, may attract penal provisions under Section 99 of the Companies Act, 2013. Similarly, in case of Statutory corporations, their accounts are finalised, audited and presented to the Legislature as per the provisions of their respective Acts.

The details of progress made by working PSUs in finalisation of accounts as of 30 September 2015 are given in **Table-1.6**.

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	21	22	23	23	23
2.	Number of accounts finalised during the year	34	36	38	14	12
3.	Number of accounts in arrears	223	208	195	187	189
4.	Number of Working PSUs with arrears in accounts	19	19	20	20	18
5.	Extent of arrears (numbers in years)	2 to 20	3 to 21	2 to 18	1 to 19	1 to 19

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 prescribed period. It can be observed that the number of accounts in arrears has decreased from 223 (2010-11) to 189 (2014-15). This office has been persistently requesting the State Government for reduction of arrears and in the latest correspondence, the

Accountant General (June 2015) requested the Chief Secretary, J&K Government to frame a time bound schedule to finalise the accounts which were in arrears. The Hon'ble Minister of State for Finance, J&K, held meetings (July 2015) with the PSU heads and the Officers of the State Government and stressed on immediate steps to bring down pendency of accounts by working out a time bound strategy.

1.11 The State Government had invested ₹814.44 crore in 18 PSUs, (equity: ₹39.63 crore in six PSUs, loans: ₹369.05 crore in nine PSUs and grants ₹405.76 crore in 12 PSUs) during the years for which accounts have not been finalised as detailed in *Appendix-1.1*. In the absence of finalisation of accounts and their subsequent audit, it could not be ensured whether the investments and expenditure incurred have been properly accounted for and the purpose for which the amount was invested was achieved or not and thus Government's investment in such PSUs remained outside the control of State Legislature.

1.12 In addition to above, there were arrears in finalisation of accounts by non-working PSUs. Out of three non-working PSUs, two were in the process of liquidation whose accounts were in arrears for 15 to 23 years. Of the remaining one non-working PSU, it had arrears of accounts for 25 years.

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

No. of non-working companies	Period for which accounts were in arrears	No. of years for which accounts were in arrears
Tawi scooters Ltd	Since 1990-91	25
Himalayan wool Combers ⁵	Since 2000-01	15
Handloom Handicraft Raw ⁵ material organisation	Since 1992-93	23

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 prescribed period. Though the concerned administrative departments were informed (November 2014), of the arrears in finalisation of accounts, no remedial measures were taken. As a result of this, the net worth of these PSUs could not be assessed in audit. The matter of arrears in accounts was also taken up with the Chief Secretary of the State in June 2015 to expedite the backing of arrears in accounts in a time bound manner.

⁵ Under process of liquidation

Placement of Separate Audit Reports

1.13 The position depicted below show the status of placement of Separate Audit Reports (SARs) issued by the CAG (up to 30 September 2015) on the accounts of Statutory Corporations in the Legislature.

Table-1.8: Status of placement of SARs in Legislature

Sl. No.	Name of statutory corporation	Year up to which SARs placed in Legislature	Year for which SARs not placed in Legislature	
			Year of SAR	Date of issue to the Government/Present Status
1.	J&K State Financial Corporation	2012-13	2013-14	18 May 2015
2.	J&K State Road Transport Corporation Ltd	2009-10	2010-11 & 2011-12	28 July 2015
3.	J&K State Forest Corporation			Accounts not submitted by the Company since 1996-97

Impact of non-finalisation of accounts

1.14 As pointed out above (Table 1.6 and 1.7), 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 the 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 Government may set up a suitable mechanism to monitor the clearance of arrears and set the targets for individual companies.
- The Government may consider outsourcing the work relating to preparation of accounts wherever the staff is inadequate or lacks expertise.

Performance of PSUs as per their latest finalized accounts

1.15 The financial position and working results of working Government companies and Statutory Corporations are detailed in *Appendix 1.2*. A ratio of PSU turnover to State GDP shows the extent of PSU activities in the State economy. Table 1.9 provides the details of working PSU turnover and State GDP for a period of five years ending 2014-15.

Table-1.9: Details of working PSUs turnover vis-a-vis State GDP

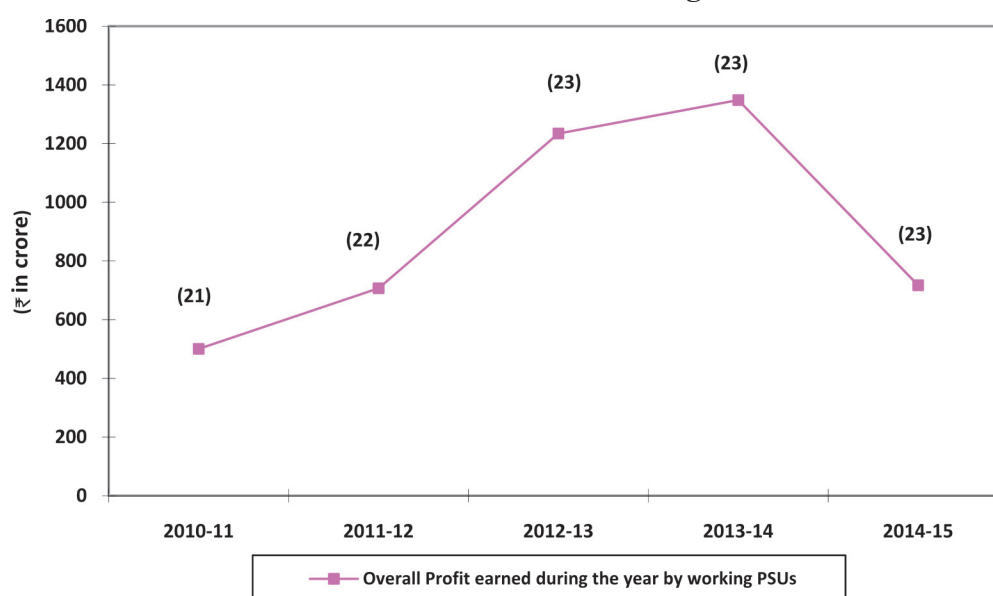
(₹ in crore)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Turnover ⁶	4409.87	5552.37	8071.43	8272.38	8652.40
State GDP	58073	68185	76916	87570	87921
Percentage of Turnover to State GDP	7.59	8.14	10.49	9.45	9.84

During the last 05 years the turnover of working PSUs of state increased from ₹4409.87 crore to ₹8652.40 crore ending 2014-15 and its percentage to the GDP of the state increased from 7.59 per cent in the year 2010-11 to 9.84 per cent at the end of the year 2014-15.

1.16 Overall profit (losses) earned (incurred) by State working PSUs during 2010-11 to 2014-15 are given below in a bar chart.

Chart-1.4: Profit/ Loss of working PSUs



(Figures in brackets show the number of working PSUs in respective years)

During the year 2014-15, out of working companies nine PSUs earned profit of ₹828.89 crore and 11 PSUs incurred a loss of ₹111.25 crore. Two PSUs did not prepare their profit and loss accounts, while one PSU State Forest Corporation had not submitted its accounts since 1996-97. The major contributors to profit were J&K Bank Ltd. (₹508.59 crore); J&K Power Development Corporation (₹300.86 crore) and J&K Cable Car Corporation (₹6.22 crore). The heavy losses were incurred by J&K State Road Transport Corporation (₹57 crore); J&K Industries Ltd. (₹46.83 crore) and J&K Horticultural Produce Marketing

⁶ Turnover as per the latest finalised accounts as of 30 September

and Processing Corporation Ltd. (₹10.62 crore).

1.17 Some other key parameters of PSUs are given below.

Table-1.10: Key Parameters of State PSUs

(₹ in crore)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Return on Capital Employed (per cent)	9.61	11.99	13.94	15.35	14.79
Debt	N.A.	4462.45	4448.38	3855.21	4429.09
Turnover ⁷	4409.87	5552.37	8071.43	8272.38	8652.40
Debt/ Turnover Ratio	N.A.	0.8037	0.5511	0.4660	0.5118
Interest Payments	2250.07	3081.46	4202.74	4431.88	4762.65
Accumulated Profits (losses)	-1529.98	-1651.07	-2909.13	-2697.69	-2907.29

The debts of PSUs increased from ₹3855.21 crore in 2013-14 to ₹4429.09 crore in 2014-15 which impacted and pressured the profits.

1.18 As per their latest finalised accounts, nine PSUs earned an aggregate profit of ₹828.89 crore and none of these PSUs declared a dividend. Dividend policy of the State Government is awaited in Audit.

Winding up of non-working PSUs

1.19 There were three non-working PSUs as on 31 March 2015. Of these, two PSUs have commenced liquidation process. The numbers of non-working companies at the end of each year during past five years are given below.

Table-1.11: Non-working PSUs

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

Since the non-working PSUs are not contributing to the State economy and meeting the intended objectivities, therefore, these PSUs may be considered either to be closed down or revived.

⁷ Turnover of working PSUs as per the latest finalised accounts as of 30 September

1.20 The stages of closure in respect of non-working PSUs are given below.

Table-1.12: Closure of Non-working PSUs

Sl. No.	Particulars	Companies	Statutory Corporations	Total
1.	Total No. of non-working PSUs	3	Nil	3
2.	Of (1) above, the No. under			
(a)	Liquidation by Court (liquidator appointed)	2 ⁸	Nil	2
(b)	Voluntary winding up (liquidator appointed)	0	Nil	0
(c)	Closure, i.e. closing orders/ instructions issued but liquidation process not yet started.	1 ⁹	Nil	1

During the year 2014-15, no company/ corporation was finally wound up. Two companies which have taken the route of winding up by Court order are under liquidation for more than ten years. The Government may take a decision regarding starting of liquidation process in respect of remaining one company where closing instructions have been issued.

Accounts Comments

1.21 Thirteen working companies forwarded their 29 audited accounts to Accountant General during the year 2014-15. Of these, accounts of eight companies were selected for supplementary audit. The audit reports of statutory auditors appointed by CAG and the supplementary audit of 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 CAG are given in **Table-1.13**.

Table-1.13: 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	1	4.50	1	0.09	2	1.03
2.	Increase in loss	8	27.6	1	0.15	1	1.57
3.	Non-disclosure of material facts	2	45.17	4	59.35	2	0.36
4.	Errors of classification	10	82.28	3	3.52	4	11.50

During the year, the Statutory Auditors had given unqualified certificates for four accounts; qualified certificates for 14 accounts, but in none of the cases

⁸ Himalayan Wool Combers Limited and Jammu and Kashmir State Handloom Handicraft Raw Material Supplies Organisation Limited

⁹ Tawi Scooters Limited

adverse certificates/ disclaimers were issued by the Statutory Auditors¹⁰. In addition to above, CAG did not give any adverse comments/ disclaimer during the supplementary audit. The compliance of companies with the Accounting Standards remained poor as there were seven instances of non-compliance in four accounts during the year.

1.22 Similarly, two working Statutory Corporations (J&K State Road Transport Corporation 2010-11 & 2011-12; J&K State Financial Corporation 2013-14 & 2014-15) forwarded their four accounts to Accountant General during the year 2014-15. Of these, two accounts of one Statutory Corporation (State Road Transport Corporation) pertained to sole audit by CAG was completed. Of the remaining Statutory Corporation (State Financial Corporation), one account was selected for supplementary audit and finalized while the other account was under process of finalization (November 2015). The Jammu and Kashmir State Forest Corporation had never submitted its accounts since 1996-97 when its audit was entrusted to CAG. The Audit Reports of Statutory Auditors and the sole/ supplementary audit of 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 CAG are given in **Table-1.14**.

Table-1.14: 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	0.50
2.	Increase in loss	5	184.86	-	-	1	58.05
3.	Non-disclosure of material facts	-	-	-	-	1	24.48
4.	Errors of classification	1	3.75	-	-	2	38.10

During audit of these accounts conducted by the Statutory Auditors and supplementary audit by Accountant General, the impact of ₹58.05 crore by way of increase in loss indicates deficiency in proper accounting practices being followed and needs to be brought down substantially. During the year, one account received a qualified certificate.

¹⁰ Remaining 11 accounts out of 29 were under the process of finalization

Response of the Government to Audit

Performance Audit and Paragraphs

1.23 For the Report of the Comptroller and Auditor General of India for the year ended 31 March 2015, one performance audit and seven compliance audit paragraphs involving money value of ₹964.32 crore were issued to the Principal Secretaries of the respective Departments/ Management of the respective Companies with request to furnish replies within six weeks. However, replies in respect of four compliance audit paragraphs were awaited from the State Government (December 2015).

Follow up action on Audit Reports

Replies outstanding

1.24 The Report of the Comptroller and Auditor General (CAG) 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 Jammu and Kashmir issued (June 1997) instructions to all Administrative Departments to submit replies/ explanatory notes to paragraphs/ reviews included in the Audit Reports of the CAG of India within a period of three months of their presentation to the legislature, in the prescribed format without waiting for any questionnaires from the COPU.

Table-1.15: Explanatory notes not received (as on 30 September 2015)

Year of Audit Report (Commercial/ 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
2000-01	06 April 2002	1	3	-	-
2001-02	21 June 2003	1	4	-	-
2002-03	23 August 2004	1	3	-	-
2003-04	23 March 2005	-	3	-	-
2004-05	27 March 2006	1	4	1	-
2005-06	08 February 2007/ 31 August 2009	3	2	1	-
2006-07	30 January 2008	1	5	-	-
2007-08	05 March 2009	1	3	-	-
2008-09	30 March 2010	1	3	1	2
2009-10	31 March 2011	1	3	-	-
2010-11	04 April 2012	1	5	-	-
2011-12	05 April 2013	2	-	1	-
2012-13	04 March 2014	-	3	1	-
2013-14	27 March 2015	1	6	1	4
Total		15	47	6	6

From the above, it could be seen that out of 62 paragraphs/ performance audits, explanatory notes to 12 paragraphs/ performance audits in respect of five departments, which were commented upon, were awaited (September 2015).

Discussion of Audit Reports by COPU

1.25 The status as on 30 September 2015 of Performance Audits and paragraphs that appeared in Audit Reports (PSUs) and discussed by the Committee on Public Undertakings (COPU) was as under.

Table-1.16: Reviews/ Paras appeared in Audit Reports vis-a-vis discussed as on 30 September 2015

Period of Audit Report	Number of reviews/ paragraphs			
	Appeared in Audit Report		Paras discussed	
	PAs	Paragraphs	PAs	Paragraphs
2000-01	1	3	1	3
2001-02	1	4	1	4
2002-03	1	3	1	3
2003-04	-	3	-	3
2004-05	1	4	-	4
2005-06	3	2	2	2
2006-07	1	5	1	4
2007-08	1	3	1	2
2008-09	1	3	-	1
2009-10	1	3	1	3
2010-11	1	5	1	5
2011-12	2	-	1	-
2012-13	-	3	-	2
2013-14	1	6	-	2
Total	15	47	10¹¹	38¹¹

Compliance to Reports of Committee on Public Undertakings (COPU)

1.26 Action Taken Notes (ATN) to 29 paragraphs pertaining to seven Reports of the COPU presented to the State Legislature between April 2005 to March 2015 had not been received (September 2015) as indicated below:

¹¹ Includes partly discussed paragraphs

Table-1.17: Compliance to COPU Reports

Year of the COPU Report	Total number of COPU Reports	Total no. of recommendations in COPU Report	No. of recommendations where ATNs not received
2004-05 (40 th Report)	01	06	06
2005-06 (41 st Report)	01	06	03
2009-10 (42 nd Report)	01	17	08
2010-11 (43 rd Report)	01	02	02
2011-12 (44 th Report)	01	06	03
2012-13 (45 th Report)	01	06	02
2013-14 (46 th Report)	01	15	05
Total	07	58¹²	29

These Reports of COPU contained recommendations in respect of paragraphs pertaining to 10 departments, which appeared in the Reports of the CAG of India for the years 2000-01 to 2011-12.

It is recommended that the Government may ensure: (a) sending of replies to inspection reports/ draft paragraphs/ performance audits and ATNs on the recommendations of COPU as per the prescribed time schedule; (b) recovery of loss/ outstanding advances/ overpayments within the prescribed period; and (c) revamping of the system of responding to audit observations.

Disinvestment, Restructuring and Privatisation of PSUs

1.27 The State Government has initiated the process of establishing hydel projects through independent power producers and seven such projects had been privatized in the State as of 31 March 2015. However, final process was yet to be completed (September 2015).

¹² Pertains to 42 paragraphs/ performance audits that featured in the Audit Reports for the years 2000-01 to 2011-12