

Chapter 1

Functioning of State Public Sector Undertakings

Introduction

1.1 The State Public Sector Undertakings (PSUs) are established to carry out activities of a commercial nature and occupy an important place in the State's economy. As on 31 March 2016, there were 29 PSUs. Of these, one Corporation¹ was listed on the Bombay Stock Exchange (BSE). During the year 2015-16, no PSU was incorporated and one² PSU was dissolved. Two³ PSUs ceased their operations and became non-working. The details of the State PSUs as on 31 March 2016 are given in table 1.1 below:

Table 1.1: Total number of PSUs as on 31 March 2016

Type of PSUs	Working PSUs	Non-working PSUs ⁴	Total
Government Companies	21	6	27
Statutory Corporations	2	Nil	2
Total	23	6	29

The working PSUs registered a turnover of `34,109.41 crore as per their latest finalised accounts as of 30 September 2016. This turnover was equal to 6.92 *per cent* of the State's Gross Domestic Product (GDP) for 2015-16. The working PSUs incurred loss of `1,770.50 crore as per their latest finalised accounts as of 30 September 2016. They had 29,246 employees as at the end of March 2016.

Accountability framework

1.2 Audit of Government Companies is governed by Section 143(6) of the Companies Act, 2013 (Act). According to Section 2(45) of the Act, a Government company is one in which not less than 51 *per cent* of the paid up capital is held by Government(s) and includes a subsidiary company of a Government company. Further, as per Section 143(7) of the Act, in case of 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, the Comptroller and Auditor General of India (CAG), may, by an order, cause test audit to be conducted of the accounts of such Company and provisions of Section 19 A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, shall apply to such test audit. Audit of the financial statements in respect of the financial years that commenced earlier than 1 April 2014 shall continue to be governed by the provisions of the Companies Act, 1956.

¹ Haryana Financial Corporation.

² Haryana Coal Company Limited.

³ HARUP Coal Corporation Limited and Yamuna Coal Company Private Limited.

⁴ Non-working PSUs are those which have ceased to carry on their operations.

Statutory Audit

1.3 The financial statements of Government companies (as defined in Section 2 (45) of the Companies Act, 2013) are audited by Statutory Auditors, who are appointed by the CAG as per the provisions of Section 139(5) or (7) of the Companies Act, 2013. As per provisions of Section 143(6) of the Act, *ibid*, these financial statements are also subject to supplementary audit to be conducted by CAG within sixty days from the date of receipt of the audit report under Section 143 (5).

Audit of Statutory corporations, is governed by their respective legislations. The audit of Haryana State Warehousing Corporation (HSWC) and Haryana Financial Corporation (HFC) is conducted by Chartered Accountants and supplementary audit by 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 Government.

The State Legislature also monitors the accounting and utilisation of Government investment in the PSUs. For this purpose, 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 within three months of their finalisation 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 Haryana

1.5 The State Government has substantial 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 guarantee the repayment of loans with interest availed by the PSUs from Financial Institutions.

Investment in State PSUs

1.6 As on 31 March 2016, the investment (capital and long-term loans) in

29 PSUs was ₹ 41,068.02 crore as given in table 1.2 below:

Table 1.2: Total investment in PSUs

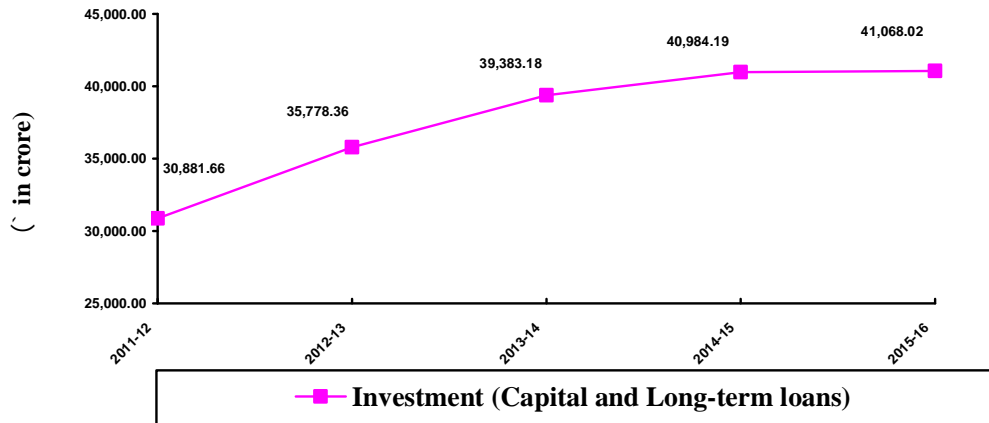
(₹ in crore)

Type of PSUs	Government Companies			Statutory Corporations			Grand Total
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	
Working PSUs	10,125.17	30,651.91	40,777.08	213.50	49.40	262.90	41,039.98
Non-working PSUs	19.32	8.72	28.04	-	-	-	28.04
Total	10,144.49	30,660.63	40,805.12	213.50	49.40	262.90	41,068.02

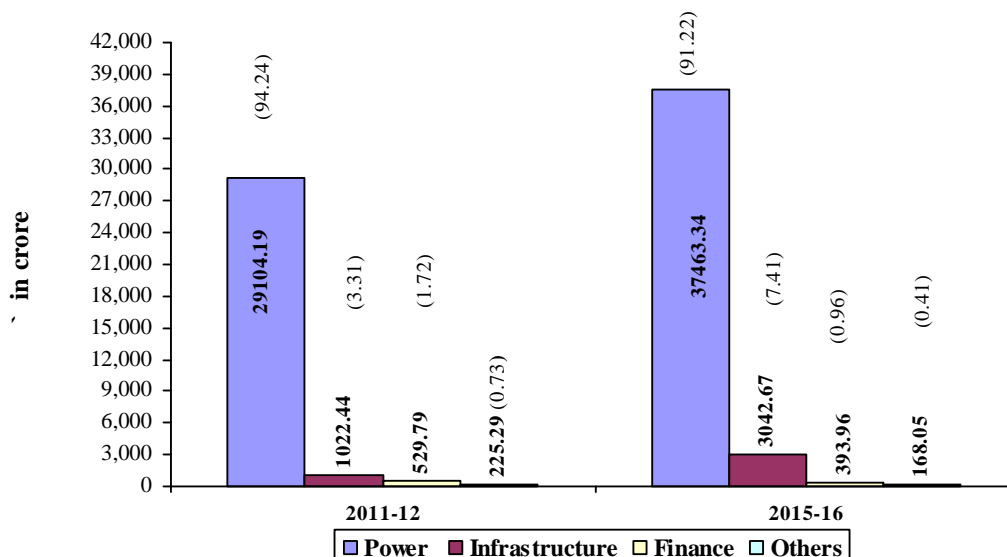
Source: Information collected from PSUs

As on 31 March 2016, 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 25.22 per cent towards capital and 74.78 per cent in long-term loans. The investment has grown by 32.99 per cent from ₹ 30,881.66 crore in 2011-12 to ₹ 41,068.02 crore in 2015-16 as shown in chart 1.1 below:

Chart 1.1: Total investment in PSUs



1.7 The investment in four significant sectors and percentage thereof at the end of 31 March 2012 and 31 March 2016 are indicated in chart 1.2 below. The thrust of PSU investment was mainly in the power sector. Though the investment in power sector increased from ₹ 29,104.19 crore to ₹ 37,463.34 crore during 2011-12 to 2015-16, its share in overall investment declined marginally in percentage terms from 94.24 per cent to 91.22 per cent.

Chart 1.2: Sector wise investment in PSUs


(Figures in brackets show the percentage of sectoral investment to total investment)

Special support and returns during the year

1.8 The State Government provides financial support to PSUs in various forms through the annual budget. The summarised details of budgetary outgo towards equity, loans, grants/ subsidies, loans written off and interest waived in respect of State PSUs are given in table 1.3 below for three years ended 2015-16.

Table 1.3: Details regarding budgetary support to PSUs

(` in crore)

Sl. No.	Particulars	2013-14		2014-15		2015-16	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity Capital outgo from budget	6	102.92	7	68.22	9	1,638.53
2.	Loans given from budget	1	6.48	2	153.25	2	156.83
3.	Grants/Subsidy from budget	11	10,639.10	9	5,357.76	12	6,588.45
4.	Total Outgo (1+2+3)	13	10,748.50	13	5,579.23	15	8,383.81
5.	Waiver of loans and interest	-	-	1	81.24	-	-
6.	Guarantees issued	5	10,425.04	6	3,966.62	7	4,380.42
7.	Guarantee Commitment	9	25,074.45	8	28,746.85	9	15,447.21

Source: Information collected from PSUs

In order to enable PSUs to obtain financial assistance from Banks and Financial Institutions, State Government gives guarantee subject to limits prescribed by the Constitution of India for which a guarantee fee is charged. The State Government charged guarantee fee at the rate of 0.125 *per cent* to two *per cent* depending upon the PSUs. The guarantee commitment decreased to `15,447.21 crore during 2015-16 from `25,074.45 crore in 2013-14. During 2015-16, five PSUs paid guarantee fee of `32.32 crore.

There were four PSUs which did not pay guarantee fee during the year and the accumulated/ outstanding guarantee fee thereagainst was ₹ 8.77 crore as on 31 March 2016. The major defaulter was Haryana State Warehousing Corporation (₹ 5.26 crore). The other defaulters were Haryana Agro Industries Corporation Limited (₹ 3.23 crore), Haryana Backward Classes and Economically Weaker Section Kalyan Nigam (₹ 0.26 crore) and Haryana Scheduled Castes Finance and Development Corporation (₹ 0.02 crore).

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 2016 is given in table 1.4 below:

Table 1.4: Equity, loans, guarantees outstanding as per finance accounts vis- a- vis records of PSUs

(₹ in crore)

Outstanding in respect of	Amount ⁵ as per Finance Accounts	Amount as per records of PSUs*	Difference
Equity	8,903.66	9,170.82	267.16
Loans	13,426.44 ⁶	1,316.53	12,109.91
Guarantees	14,845.17	15,447.21	602.04

*Source: Information collected from PSUs

Audit observed that the differences occurred in respect of 16 PSUs and some of the differences were pending reconciliation since 2004-05. The Government and the PSUs should take concrete steps to reconcile the differences in a time-bound manner.

Arrears in finalisation of accounts

1.10 The financial statements of 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 Section 96 (1) read with Section 129 (2) of the Companies Act, 2013. Failure to do so may attract penal provisions under Section 99 of the Act *ibid*. Similarly, in case of statutory corporations, their accounts are finalised, audited and presented to the Legislature as per the provisions of their respective Acts.

⁵ Provisional figures.

⁶ This includes loan of ₹ 12,110 crore advanced to Haryana DISCOMs on 31 March 2016 under UDAY Scheme.

Table 1.5 below provides the details of progress made by working PSUs in finalisation of accounts as of 30 September 2016.

Table 1.5: Position relating to finalisation of accounts of working PSUs

Sl. No.	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
1.	Number of Working PSUs	22	24	24	25	23
2.	Number of accounts finalised and received for supplementary audit during the year	22	18	23	22	21
3.	Number of accounts in arrears	29	34	35	36	39
4.	Number of Working PSUs with arrears in accounts	17	19	19	19	22
5.	Extent of arrears (numbers in years)	1 to 4	1 to 4	1 to 4	1 to 5	1 to 5

PSUs having arrears of accounts need to take effective measures for early clearance of backlog and to make the accounts up-to-date. The PSUs should also ensure that at least one year's accounts are finalised so as to restrict further accumulation of arrears.

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 Finance Department was informed quarterly by the Principal Accountant General (Audit), Haryana, of the arrears in finalisation of accounts, adequate remedial measures were not taken. As a result, the net worth of these PSUs could not be assessed in audit.

1.11 The State Government had invested `8,543.36 crore in 16 PSUs {equity: `1,648.03 crore (10 PSUs), loans `156.83 crore (two PSUs), grants: `4,139.16 crore (seven PSUs) and subsidy `2,599.34 crore (six PSUs)} during the years for which accounts have not been finalised as detailed in *Appendix 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 whether the purpose for which the amount was invested was achieved or not. 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 six non-working PSUs, two⁷ were in the process of liquidation whose accounts were in arrears for 14 to 17 years. Of remaining four non-working PSUs⁸, Yamuna Coal Company Private Limited had no arrear of accounts. The HARUP Coal Corporation Limited had arrear of accounts for the years 2014-15 and 2015-16 while the Haryana Minerals Limited and Haryana State Minor Irrigation and Tubewell Corporation Limited had arrear of accounts for the year 2015-16.

⁷ Haryana Concast Limited and Haryana State Housing Finance Corporation Limited.

⁸ Haryana Minerals Limited, Haryana State Minor Irrigation and Tubewell Corporation, HARUP Coal Corporation Limited and Yamuna Coal Company Private Limited.

Placement of Separate Audit Reports

1.13 Table 1.6 below depicts the status of placement of Separate Audit Reports (SARs) issued by the CAG on the accounts of Statutory Corporations in the Legislature.

Table 1.6: 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.	Haryana Financial Corporation	2014-15	-	-
2.	Haryana State Warehousing Corporation	2012-13	2013-14	Under printing
			2014-15	Yet to be placed before AGM

Impact of non-finalisation of accounts

1.14 Delay in finalisation of accounts may 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 2015-16 could not be ascertained and their contribution to State exchequer was also not reported to the State Legislature.

Performance of PSUs as per their latest finalised accounts

1.15 The financial position and working results of Government companies and Statutory Corporations are detailed in *Appendix 2*. A ratio of PSU turnover to State GDP shows the extent of PSU activities in the State economy. Table 1.7 below provides the details of turnover of working PSUs and State GDP for a period of five years ending 2015-16.

Table 1.7: Details of working PSUs turnover *vis-a-vis* State GDP

([₹] in crore)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Turnover ⁹	21,465.56	22,384.88	25,262.69	36,608.23	34,109.41
State GDP ¹⁰	3,00,755.57	3,50,406.61	3,95,747.73	4,41,864.26 ¹¹	4,92,656.90 ¹²
Percentage of Turnover to State GDP	7.13	6.38	6.38	8.28	6.92

Source: Information collected from PSUs and State GDP Data

The turnover of State PSUs to the State GDP in percentage terms decreased from 7.13 *per cent* in 2011-12 to 6.92 *per cent* in 2015-16.

1.16 Overall losses incurred by State working PSUs during 2011-12 to

⁹ Turnover as per the latest finalised accounts as of 30 September 2016.

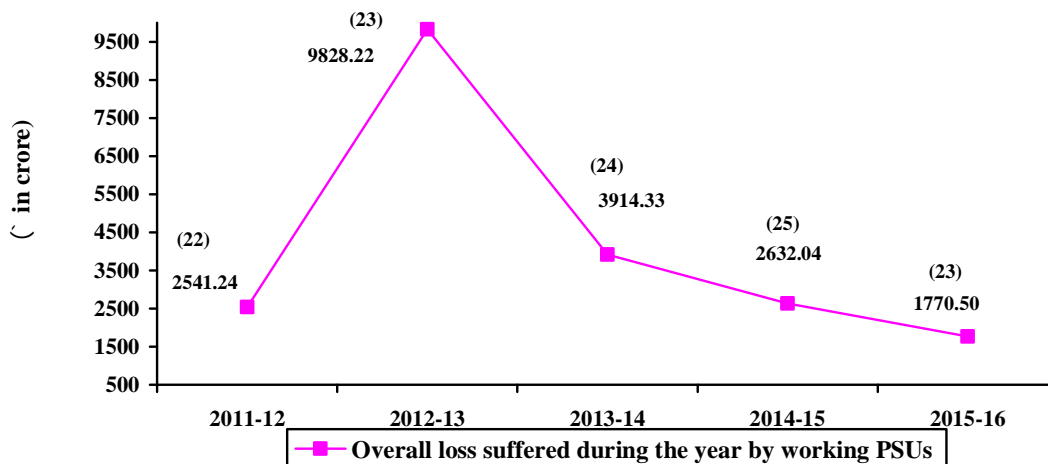
¹⁰ At current prices.

¹¹ Quick Estimates.

¹² Advance Estimates.

2015-16 are given in a chart 1.3 below:

Chart 1.3: Loss of working PSUs



(Overall loss is net effect of accumulated profit/ loss during the year for which accounts were finalised and figures in brackets show the number of working PSUs in respective years)

The summarised financial results of Government Companies and Statutory Corporations for the latest year for which accounts were finalised are given in *Appendix 2*. During the period from 01 October 2015 to 30 September 2016, 21 accounts were received in respect of 17 working PSUs. Of these, 14 accounts reflected profit of ` 306.69 crore and seven accounts reflected loss of ` 2,125.53 crore. One working PSU viz Haryana Medical Services Corporation Limited have not prepared its first accounts. The major contributors to profit were Haryana State Industrial and Infrastructure Development Corporation Limited (` 143.75 crore), Haryana Power Generation Corporation Limited (` 108.21 crore) and Haryana Financial Corporation (` 51.83 crore). Heavy losses were incurred by Uttar Haryana Bijli Vitran Nigam Limited (` 1,480.57 crore) and Dakshin Haryana Bijli Vitran Nigam Limited (` 636.16 crore).

1.17 Some other key parameters of PSUs are given in table 1.8 below:

Table 1.8: Key Parameters of State PSUs

(` in crore)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Return on Capital Employed (<i>per cent</i>)	-	-	2.01	6.96	8.35
Debt	21,838.13	27,231.91	30,739.75	37,847.90	42,712.65
Turnover ¹³	21,465.61	22,384.88	25,262.69	36,608.23	34,109.41
Debt/ Turnover Ratio	1.02:1	1.22:1	1.22:1	1.03:1	1.25:1
Interest Payments	2,445.50	3,526.20	4,361.24	4,411.32	3,960.52
Accumulated losses	8,622.09	21,210.01	23,813.48	24,043.86	28,338.17

Source: As per latest finalised Annual Accounts of PSUs

(Above figures pertain to all PSUs except for turnover which is for working PSUs).

¹³ Turnover of working PSUs as per the latest finalised accounts as of 30 September 2016.

The percentage of return on capital employed of all PSUs increased from 2.01 in 2013-14 to 8.35 in 2015-16. The ratio of the debts to the turnover which was 1.02:1 in 2011-12 increased to 1.22:1 in 2012-13 and 2013-14 and thereafter decreased to 1.03:1 in 2014-15. It, however, increased to 1.25:1 in 2015-16.

1.18 The State Government had formulated (October 2003) a dividend policy under which all PSUs are required to pay a minimum return of four *per cent* on the paid up share capital of the State Government. As per their latest finalised accounts, 13 PSUs earned an aggregate profit of ` 408.57 crore but only three¹⁴ PSUs declared a dividend of ` 5.64 crore. The remaining ten PSUs did not declare dividend despite earning profit of ` 238.69 crore.

Winding up of non-working PSUs

1.19 There were six non-working PSUs (all companies) as on 31 March 2016. Of these, two PSUs¹⁵ have commenced liquidation process.

During 2015-16, non-working PSUs incurred an expenditure of ` 0.40 crore towards salary and establishment expenditure. This expenditure was managed through interest on FDR.

1.20 The stages of closure in respect of non-working PSUs are given in table 1.9 below:

Table 1.9: Closure of Non-working PSUs

Sl. No.	Particulars	Companies
1	Total No. of non-working PSUs	6
2	Of (1) above, the number under	
(a)	Liquidation by Court (liquidator appointed)	-
(b)	Voluntary winding up (liquidator appointed)	2
(c)	Closure, <i>i.e.</i> closing orders/ instructions issued but liquidation process not yet started.	4

One non-working company, namely Haryana Coal Company Limited, was dissolved (November 2015) during the year 2015-16. Two companies have taken the route of voluntary winding up under the Companies Act and were under liquidation for a period ranging from 12 to 17 years. Remaining four companies were under closure, *i.e.* closing orders/ instructions had been issued but liquidation process had not yet started.

Accounts Comments

1.21 Sixteen working companies forwarded their 19 audited accounts to Principal Accountant General (PAG) during the period October 2015 to

¹⁴ Haryana Forest Development Corporation – 30 *per cent*; Haryana State Warehousing Corporation – 10 *per cent* and Haryana State Industrial and Infrastructure Development Corporation Limited – 10 *per cent*.

¹⁵ Haryana Concast Limited and Haryana State Housing Finance Corporation Limited.

September 2016. Of these, 14 accounts of 11 companies were selected for supplementary audit. Besides, six accounts of six companies which were under finalisation as on 30 September 2015 were also finalised during the above period. 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 1.10 below:

Table 1.10: Impact of audit comments on working Companies

(` in crore)

Sl. No.	Particulars	2013-14		2014-15		2015-16	
		No. of instances	Amount	No. of instances	Amount	No. of instances	Amount
1.	Decrease in profit	10	29.51	5	2.83	9	122.69
2.	Increase in loss	2	1,081.47	6	1,074.35	9	1,067.77
3.	Non-disclosure of material facts	6	254.86	4	3,805.09	7	2,448.82
4.	Errors of classification	3	667.14	5	5,979.35	11	1,239.19

During the year, the statutory auditors gave unqualified certificates for four accounts, qualified certificates for 12 accounts and adverse certificates (*i.e.* accounts do not reflect a true and fair position) for three accounts. Qualifications by statutory auditors had the effect of increasing the reported loss (` 636.16 crore) of DHBVNL¹⁶ by ` 478.28 crore for the year 2014-15. In addition to the above, after taking into consideration the effect of CAG's qualifications on the accounts of DHVBNL, the loss for the year 2014-15 (after statutory auditor's qualification) of ` 1,114.44 crore would increase to ` 1,204.40 crore. Similarly, qualifications by statutory auditors and of the CAG had the effect of turning the reported profit (` 3.51 crore) of HARTRON¹⁷ for the year 2014-15 into a loss of ` 7.72 crore. The compliance of companies with the Accounting Standards remained poor. There were 66 instances of non-compliance in 18 accounts during the year.

1.22 Similarly, out of two working statutory corporations, Haryana State Warehousing Corporation forwarded its two accounts for the years 2014-15 and 2015-16 for supplementary audit during the period October 2015 to September 2016. The comments for the year 2014-15 have been finalised and for the year 2015-16 are under process as on 30 September 2016. Besides, accounts of Haryana Financial Corporation for the year 2014-15 which were under finalisation as on 30 September 2015 were also finalised during the above period. The Audit Reports of statutory auditors and supplementary audit of CAG indicated the need to improve the quality of maintenance of the accounts. The details of aggregate money value of comments of statutory auditors and CAG on the accounts audited during the last three years are

¹⁶ Dakshin Haryana Bijli Vitran Nigam Limited.

¹⁷ Haryana State Electronics Development Corporation Limited.

given in table 1.11 below:

Table 1.11: Impact of audit comments on Statutory Corporations

(` in crore)

Sl. No.	Particulars	2013-14		2014-15		2015-16	
		No. of instances	Amount	No. of instances	Amount	No. of instances	Amount
1.	Decrease in profit	1	3.78	1	2.28	3	7.49
2.	Increase in loss	1	4.55	-	-	-	-
3.	Non-disclosure of material facts	1	40.81	-	-	2	7.07
4.	Errors of classification	-	-	2	4.39	2	28.82

During the period October 2015 to September 2016, two accounts of Haryana State Warehousing Corporation for the year 2014-15 and 2015-16 were received and both received qualified certificate by the statutory auditors.

Response of the Government to Audit

Performance Audits and Paragraphs

1.23 For the Report of the Comptroller and Auditor General of India for the year ended 31 March 2016, two performance audits and 18 compliance 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 in respect of three compliance audit paragraphs were awaited from the State Government as of September 2016.

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 State Finance Department, Government of Haryana, issued (July 1996) 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. However, explanatory notes were not received in 50 per cent of the performance audits and 71 per cent of the audit paragraphs as on 30 September 2016 as depicted in table 1.12 below:

Table No.1.12: Explanatory notes not received (as on 30 September 2016)

Year of the 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
2013-14	04.09.2015	2	9	-	3
2014-15	14.03.2016	2	15	2	14
Total	-	4	24	2	17

Discussion of Audit Reports by COPU

1.25 The status as on 30 September 2016 of Performance Audits and paragraphs that appeared in Audit Reports (PSUs) and discussed by the Committee on Public Undertakings (COPU) was as given in table 1.13 below:

Table No.1.13: Reviews/ Paras appeared in Audit Reports vis-a-vis discussed as on 30 September 2016

Period of Audit Report	Number of reviews/ paragraphs			
	Appeared in Audit Report		Paras discussed	
	PAs	Paragraphs	PAs	Paragraphs
2012-13	2	10	-	2
2013-14	2	9	-	-
2014-15	2	15	-	-
Total	6	34	-	2

Compliance to Reports of Committee on Public Undertakings (COPU)

1.26 Action Taken Notes (ATN) to 35 paragraphs pertaining to seven Reports of COPU presented to the State Legislature between February 2009 and March 2016 had not been received (30 September 2016) as indicated in table 1.14 below:

Table No.1.14: 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
2008-09	1	14	1(Para No. 14)
2010-11	1	10	1(Para No. 8)
2011-12	1	8	2(Para No. 3 & 5)
2012-13	1	16	3(Para No. 4, 5 &7)
2013-14	1	10	5(Para No.3 to 6 &10)
2014-15	1	12	9 (Para No. 4 to 12)
2015-16	1	16	14 (Para No. 1 to 4, 6 to 10 and 12 to 16)
Total	7	86	35

These Reports of COPU contained recommendations in respect of paragraphs pertaining to nine departments¹⁸ which appeared in the Reports of the CAG of India for the years 2003-04 to 2011-12.

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

Disinvestment, Restructuring and Privatisation of PSUs

1.27 The State Government did not undertake the exercise of disinvestment, privatisation and re-structuring of any of its PSUs during 2015-16.

¹⁸ Agriculture, Forest, Home, Industries, Power, PWD (B&R), SC and BC Welfare, Transport and Tourism.

Coverage of this Report

1.28 This Report contains 14 paragraphs and one Performance Audit *i.e.* 'Tariff, Billing and Collection of Revenue in Uttar Haryana Bijli Vitran Nigam Limited' involving financial implications of `3,755.23 crore. The management did not reply to one paragraph while the response of the Government of Haryana was awaited to three paragraphs and to the performance audit.