

Chapter I

1. Overview of Government companies/Statutory corporations

Introduction

1.1 As on 31 March 2008, there were 18 Government companies (16 working companies and two non-working companies[#]) and three working Statutory corporations as against the same number of Government companies and Statutory corporations as on 31 March 2007 under the control of the State Government. The accounts of the Government companies (as defined in Section 617 of the Companies Act, 1956) are audited by the Statutory Auditors who are appointed by the Comptroller and Auditor General of India (CAG) as per provisions of Section 619 (2) of the Companies Act, 1956. These accounts are also subject to supplementary audit by the CAG as per provisions of Section 619 of the Companies Act, 1956. The audit arrangements of the Statutory corporations are as shown below:

Name of the Corporation	Authority for audit by the CAG	Audit arrangement
Himachal Pradesh State Electricity Board (HPSEB)	Under Rule 14 of the Electricity (Supply) (Annual accounts) Rules 1985 read with Section 172(a) and 185(2)(d) of the Electricity Act, 2003	Sole audit by the CAG
Himachal Road Transport Corporation (HRTC)	Section 33(2) of the Road Transport Corporations Act, 1950	Sole audit by the CAG
Himachal Pradesh Financial Corporation (HPFC)	Section 37(6) of the State Financial Corporations Act, 1951	Audit by the Chartered Accountants and supplementary audit by the CAG

The State Government had formed (December 2000) the Himachal Pradesh Electricity Regulatory Commission and its audit is entrusted to the CAG under Section 104(2) of the Electricity Act, 2003.

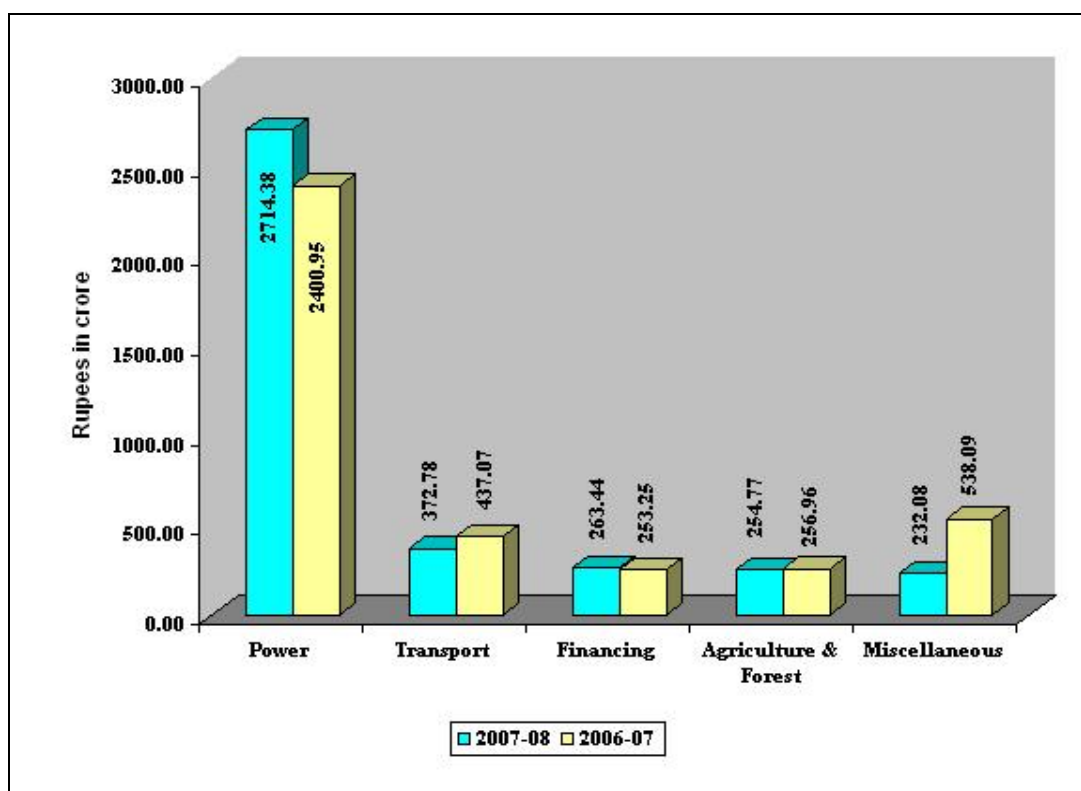
[#] *Non-working companies are those which are under the process of liquidation/closure/merger, etc.*

Working Public Sector Undertakings (PSUs)

Investment in working PSUs

1.2 As on 31 March 2008, the total investment in 19 working Public Sector Undertakings (16 Government companies and three Statutory corporations) was Rs. 3,837.45 crore[#] (equity: Rs. 834.04 crore, long-term loans* Rs. 2,918.66 crore and share application money: Rs. 84.75 crore) as against total investment of Rs. 3,886.32 crore (equity: Rs. 749.04 crore, long-term loans: Rs. 3,136.86 crore and share application money: Rs. 0.42 crore) in 19 working PSUs (16 Government companies and three Statutory corporations) as on 31 March 2007.

The total investment (equity and long-term loans) of Rs. 3,837.45 crore and Rs. 3,886.32 crore in various sectors as at the end of 31 March 2008 and 31 March 2007 respectively are indicated in the bar chart below:



[#] State Government's investment in working PSUs was Rs. 944.25 crore (others: Rs. 2,893.20 crore). Figure as per Finance Accounts, 2007-08 was Rs. 941.36 crore. The difference of Rs. 2.89 crore is under reconciliation.

* Long-term loans mentioned in paragraphs 1.2, .1.3, and 1.4 are excluding interest accrued and due on such loans.

An analysis of investment in working PSUs is given in the following paragraphs.

Working Government companies

1.3 Total investment in working Government companies at the end of March 2007 and March 2008 was as follows:

(Rupees in crore)

Year	Number of companies	Equity	Share application money	Loans	Total
2006-07	16	161.25	0.42	663.38	825.05
2007-08	16	163.36	84.75	358.45	606.56

The decrease in investment was mainly due to decrease in long-term loans in one * working Government company.

As on 31 March 2008, the total investment in working Government companies comprised 40.90 per cent of equity and 59.10 per cent of loans as compared to 19.60 and 80.40 per cent respectively as on 31 March 2007.

Due to decrease in long-term loans mainly in Himachal Pradesh Road and Other Infrastructure Development Corporation Limited, the debt equity ratio of working Government companies as a whole decreased from 4.10:1 in 2006-07 to 1.44:1 in 2007-08.

The summarised statement of Government investment in working Government companies in the form of equity and loans is given in **Annexure 1**.

Working Statutory corporations

1.4 The total investment in the three working Statutory corporations at the end of March 2007 and March 2008 was as follows:

(Rupees in crore)

Name of corporation	2006-07		2007-08	
	Capital	Loan	Capital	Loan
Himachal Pradesh State Electricity Board (HPSEB)	282.11	2,118.43	334.00	2,300.26
Himachal Road Transport Corporation (HRTC)	277.11	159.96	308.11	64.67
Himachal Pradesh Financial Corporation (HPFC)	28.57	195.09	28.57	195.28
Total	587.79	2,473.48	670.68	2,560.21

* Himachal Pradesh Road and Other Infrastructure Development Corporation Limited.

The increase in investment was mainly due to increase in share capital in Himachal Pradesh State Electricity Board and Himachal Road Transport Corporation.

As on 31 March 2008, the total investment in the working Statutory corporations comprised 20.76 *per cent* of equity capital and 79.24 *per cent* of loans as compared to 19.20 and 80.80 *per cent* respectively as on 31 March 2007.

Due to more increase in equity as compared to increase in long-term loans, the debt equity ratio of the working Statutory corporations as a whole decreased from 4.21:1 in 2006-07 to 3.82:1 in 2007-08.

The summarised statement of Government investment in the working Statutory corporations in the form of equity and loans is given in **Annexure 1**.

Budgetary outgo, grants/subsidies, guarantees, waiver of dues and conversion of loans into equity

1.5 The details of budgetary outgo, grants/subsidies, guarantees issued, waiver of dues and conversion of loans into equity by the State Government in respect of the working Government companies and working Statutory corporations are given in **Annexure 1 and 3**.

The budgetary outgo in the form of equity and loans and grants/subsidies from the State Government to the working Government companies and Statutory corporations for the three years up to 2007-08 is given below:

(Amount: Rupees in crore)

	2005-06				2006-07				2007-08			
	Companies		Corporations		Companies		Corporations		Companies		Corporations	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Equity	3	1.29	2	12.70	4	2.06	1	12.30	4	81.94	2	82.89
Loans	-	-	1	1.97	-	-	1	7.93	1	0.50	-	-
Grants	-	-	-	-	-	-	-	-	-	-	-	-
Subsidy	3	4.85	3	125.96	5	6.25	3	50.72	4	3.24	2	210.25
Total outgo	6*	6.14	3*	140.63	9*	8.31	3*	70.95	8*	85.68	2*	293.14

During 2007-08, the Government had guaranteed loans aggregating Rs. 111.30 crore obtained by three Government companies (Rs. 25.60 crore) and two Statutory corporations (Rs. 85.70 crore). At the end of the year, guarantees amounting to Rs. 584.70 crore against seven Government companies

* *These are actual number of companies/corporations which received budgetary support in the form of equity, loans, grants and subsidy from the State Government during respective year.*

(Rs. 305.60 crore) and two Statutory corporations (Rs. 279.10 crore) were outstanding. There was no case of default in repayment of guaranteed loans during the year. The Government had not forgone any amount by way of loans written off or interest waived or given moratorium on loan repayment during the year. During 2007-08, the Government converted loan of Rs. 1.97 crore and interest thereon amounting to Rs. 2.64 crore into equity in respect of one working Government company (Himachal Pradesh State Handicrafts and Handloom Corporation Limited). There was no guarantee fee payable to the Government.

Finalisation of accounts by PSUs

1.6.1 The accounts of Government companies for every financial year are required to be finalised within six months from the end of the relevant financial year under Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956 read with Section 19 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. They are also to be laid before the Legislature within nine months from the end of the financial year. Similarly, in the case of Statutory corporations, their accounts are finalised, audited and presented to the Legislature as per the provisions of the respective statutes.

Out of 19 working PSUs (16 Government companies and three Statutory corporations), only six* companies and three Statutory corporations finalised their accounts for the year 2007-08 up to 30 September 2008 as can be seen from **Annexure 2**. During the period from October 2007 to September 2008, eight working Government companies finalised eight accounts for the previous years. The accounts of 10 Government companies were in arrears for periods ranging from one to three years as on 30 September 2008, as detailed below:

Sl. No.	No. of working Government companies	Year from which accounts are in arrears	Number of years for which accounts are in arrears	Reference to serial No. of Annexure 2
1	2	2005-06 to 2007-08	3	8 and 10
2	8	2007-08	1	1, 2, 7, 9, 11, 12, 13 and 15

1.6.2 The State Government had invested Rs. 166.16 crore (equity: Rs. 162.45 crore; loans: Rs. 0.50 crore; grants/subsidy: Rs. 3.21 crore) in 10 working PSUs during the year for which accounts have not been finalised as detailed in **Annexure 4**. In the absence of accounts and their subsequent audit, it can not

* *Agro Industrial Packaging India Limited, Himachal Pradesh State Small Industries and Export Corporation Limited, Himachal Pradesh General Industries Corporation Limited, Himachal Pradesh State Electronics Development Corporation Limited, Himachal Pradesh State Industrial Development Corporation Limited and Himachal Pradesh Road and Other Infrastructure Development Corporation Limited.*

be ensured whether the investments and expenditure incurred have been properly accounted for and the purpose for which the amount was invested has been achieved or not and thus the Government's investment in such PSUs remain outside the scrutiny of the State Legislature. Further, 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 Companies Act, 1956.

The administrative departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by the PSUs within the prescribed period. The concerned administrative departments were informed every quarter by the Audit regarding arrears in finalisation of accounts.

Financial position and working results of working PSUs

1.7 The summarised financial results of working PSUs (Government companies and Statutory corporations) as per the latest finalised accounts are given in **Annexure 2**. Besides, statements showing the financial position and the working results of individual working Statutory corporations for the latest three years for which accounts have been finalised are given in **Annexure 5 and 6** respectively.

According to the latest finalised accounts, eight companies and two corporations had incurred an aggregate loss of Rs. 24.04 crore and Rs. 65.48 crore respectively and seven companies and one corporation had earned an aggregate profit of Rs. 10.78 crore and Rs. 6.74 crore respectively. Excess of expenditure over income in respect of Himachal Pradesh Road and Other Infrastructure Development Corporation Limited was reimbursable by the State Government.

Working Government companies

Profit earning working companies and dividend

1.8 Out of six working Government companies which finalised their accounts for 2007-08, four* companies earned an aggregate profit of Rs. 9.08 crore. No company had declared dividend during 2007-08. The State Government formulated (August 1982) a dividend policy for payment of minimum dividend of three *per cent*. However, these guidelines were not complied with by these companies.

Similarly, out of eight working Government companies which finalised their accounts for the previous years during October 2007 to September 2008, two# companies earned a profit of Rs. 9.90 lakh. Himachal Pradesh State Small

* *Himachal Pradesh State Small Industries and Export Corporation limited, Himachal Pradesh General Industries Corporation Limited, Himachal Pradesh State Electronics Development Corporation Limited and Himachal Pradesh State Industrial Development Corporation Limited.*

Himachal Pradesh State Small Industries and Export Corporation Limited and Himachal Pradesh Mahila Vikas Nigam.

Industries and Export Corporation Limited earned profit for two successive years.

Loss incurring working companies

1.9 Of the eight loss incurring working Government companies, five^s companies had accumulated losses aggregating Rs. 179.76 crore which exceeded their aggregate paid-up capital of Rs. 64.05 crore.

Despite poor performance and complete erosion of paid-up capital, the State Government continued to provide financial support to these companies in the form of subsidy, etc. As per available information, the total financial support provided by the State Government by way of subsidy during 2007-08 to three** out of these five companies amounted to Rs. 2.61 crore.

Working Statutory corporations

Profit earning Statutory corporations and dividend

1.10 Himachal Pradesh Financial Corporation which finalised its accounts for the year 2007-08 earned profit of Rs. 6.74 crore, but did not declare any dividend. The Corporation had an accumulated loss of Rs. 95.73 crore which exceeded its paid-up capital of Rs. 28.57 crore.

Loss incurring Statutory corporations

1.11 Two[♦] working Statutory corporations incurred losses aggregating Rs. 65.48 crore as per their latest annual accounts. Himachal Road Transport Corporation had accumulated losses aggregating Rs. 478.05 crore which exceeded its paid-up capital of Rs. 308.11 crore. Despite its poor performance, the State Government assisted this Corporation through equity and subsidy of Rs. 71 crore during 2007-08.

Operational performance of working Statutory corporations

1.12 The operational performance of the Statutory corporations is given in **Annexure 7**.

^s Himachal Pradesh Horticultural Produce Marketing and Processing Corporation Limited, Agro Industrial Packaging India Limited, Himachal Pradesh State Handicrafts and Handloom Corporation Limited, Himachal Pradesh State Forest Corporation Limited and Himachal Pradesh Tourism Development Corporation Limited.

^{**} Agro Industrial Packaging India Limited, Himachal Pradesh State Handicrafts and Handloom Corporation Limited and Himachal Pradesh Tourism Development Corporation Limited.

[♦] Himachal Pradesh State Electricity Board and Himachal Road Transport Corporation.

Return on Capital Employed

1.13 As per the latest annual accounts finalised up to September 2008, the capital employed* worked out to Rs. 480.09 crore in 16 working companies and total return⁺ thereon was negative. The total return on capital employed during 2006-07 was also negative. Similarly, during 2007-08, the capital employed in case of three working Statutory corporations as per their latest finalised accounts worked out to Rs. 3,032.09 crore and total return on capital employed was Rs. 141.22 crore in 2007-08, which is 4.66 *per cent*. The return on capital employed was Rs. 113.83 crore (3.89 *per cent*) in 2006-07. The details of capital employed and total return on capital employed in case of Government companies and Statutory corporations are given in **Annexure 2**.

Reforms in the power sector

Status of implementation of the Memorandum of Understanding between the State Government and the Central Government

1.14 In pursuance of the decisions taken at the Chief Ministers' conference on Power Sector Reforms, held in March 2001, a Memorandum of Understanding (MOU) was signed on 31 March 2001 between the Ministry of Power, Government of India (GOI) and the Department of Power, Government of Himachal Pradesh as a joint commitment for implementation of a reform programme in the power sector with identified milestones. The State Electricity Board was able to meet all the milestones set out in the MOU.

State Electricity Regulatory Commission

1.15 The Government of Himachal Pradesh constituted (30 December 2000) the Himachal Pradesh Electricity Regulatory Commission (HPERC), with one member under Section 17 (1) of the Electricity Regulatory Commissions Act, 1998*. The audit of HPERC is entrusted to the CAG under Section 104 (2) of the Electricity Act, 2003.

Non-working Public Sector Undertakings

Investment in non-working PSUs

1.16 As on 31 March 2008, the total investment in equity of two non-working Government companies was Rs 4.42[#] crore against equity of Rs. 4.79 crore as on 31 March 2007.

* Capital employed represents net fixed assets (including capital works-in-progress) plus working capital except in finance companies and corporations where it represents a mean of aggregate of opening and closing balances of paid-up capital, free reserves and borrowings (including refinance).

+ For calculating total return on capital employed, interest on borrowed funds is added to net profit/subtracted from the loss as disclosed in the profit and loss account.

* Since replaced with Section 82 (1) of the Electricity Act, 2003.

State Government's investment in non-working PSUs was Rs.3.50 crore. Figure as per Finance Accounts for 2007-08 was Rs. 3.87 crore. The difference of Rs. 0.37 crore is under reconciliation.

The classification of the non-working Government companies was as under:

Sl. No.	Status of non-working PSUs	Number of non-working companies	Equity
(i)	Under liquidation	1 ^A	0.92 (0.92)
(ii)	Under closure	1 ^B	3.50 (3.87)
	Total	2	4.42 (4.79)

(Figures in brackets are for previous year)

In respect of one non-working Government company viz. Himachal Worsted Mills Limited, an official liquidator has been appointed and process of liquidation was in progress (September 2008). Nahan Foundry Limited, the other non-working Government company, was under closure under Section 560 of the Companies Act, 1956 for the last 19 years with investment of Rs. 3.50 crore. Effective steps need to be taken for its expeditious closure.

Budgetary outgo, grants/subsidies, guarantees, waiver of dues and conversion of loans into equity

1.17 During the year, the State Government had not provided any budgetary support in the form of equity, loan, subsidy, grants, etc. to the non-working companies.

Finalisation of accounts by non-working PSUs

1.18 Out of two non-working companies, one company i.e. Himachal Worsted Mills Limited was under liquidation and the other company i.e. Nahan Foundry Limited was defunct. The Nahan Foundry Limited has finalised its accounts for the year 2007-08.

Financial position and working results of non-working PSUs

1.19 The summarised financial results of non-working Government companies as per the latest finalised accounts are given in **Annexure 2**.

The year wise details of paid-up capital, net worth, cash loss/cash profit and accumulated loss/profit of non-working PSUs as per their latest finalised accounts are given below:

Year of latest finalised accounts	Number of companies	Paid-up capital	Net worth	Cash loss (-) / cash profit (+)	(Rupees in crore)
					Accumulated loss (-)/ accumulated profit (+)
2006-07	1	3.87	(-)0.62	(+)0.01	(-)4.49
2007-08	1	3.50	(-)1.27	(-)0.28	(-)4.77

^A Himachal Worsted Mills Limited.

^B Nahan Foundry Limited.

Status of placement of Separate Audit Reports of Statutory corporations in Legislature

1.20 Separate Audit Reports (SARs) on the accounts of all the three Statutory corporations for the period up to 2006-07 have been placed in the State Legislature by the State Government.

Disinvestment, privatisation and restructuring of Public Sector Undertakings

1.21 During the year 2007-08, there was no case of disinvestment and privatisation of Government companies and Statutory corporations.

Results of audit of accounts of PSUs

1.22 During the period from October 2007 to September 2008, the accounts of 12 Government companies and one Statutory corporation were selected for review.

Some of the major errors and omissions noticed in the course of audit of annual accounts of these companies/corporations are mentioned in the succeeding paragraphs.

Errors and omissions in case of Government companies

1.22.1 Comments by the Statutory Auditors

Himachal Pradesh Agro Industries Corporation Limited (2006-07)

- The Company did not make provisions for leave encashment (Rs. 2.51 crore), additional gratuity (Rs. 2.12 crore) and interest payable on advance received on support price scheme for potato (Rs. 89.42 lakh). This resulted in understatement of current liabilities and loss for the year by Rs. 5.52 crore.

Himachal Pradesh Horticultural Produce Marketing and Processing Corporation Limited (2006-07)

- Non-provision for doubtful debts and loans and advances under litigation resulted in understatement of loss and overstatement of current assets by Rs. 73.95 lakh.
- No provision has been made for investment made in Punwire Limited which has become doubtful. This resulted in understatement of loss and current liabilities by Rs. 55 lakh.
- No provision has been made for liability on account of leave encashment payable to employees. This resulted in understatement of loss and current liabilities by Rs. 4.67 crore.

Agro Industrial Packaging India Limited (2007-08)

- No provision has been made for the liability amounting to Rs. 1.89 crore on account of encashment of leave and gratuity payable to employees. This resulted in understatement of current liabilities and loss by Rs. 1.89 crore.

Himachal Pradesh Minorities Finance and Development Corporation (2006-07)

- No provision has been made for encashment of earned leave and other retirement benefits and shortfall in contribution payable to LIC for gratuity. This resulted in understatement of current liabilities and loss by Rs. 45.03 lakh.

Himachal Pradesh State Electronics Development Corporation Limited (2007-08)

- No provision has been made for demand of additional liability of gratuity raised by LIC. This resulted in understatement of current liabilities and overstatement of profit by Rs. 43.51 lakh.

1.22.2 Comments by the Comptroller and Auditor General of India

Himachal Pradesh State Forest Corporation Limited (2004-05)

- Current liabilities and provisions do not include an amount of Rs. 1.74 crore on account of royalty payable to the State Government and private parties in respect of resin blazes and Rs. 47.83 lakh in respect of interest on account of non-payment of royalty on due dates. This resulted in understatement of sundry creditors as well as loss by Rs. 2.22 crore.
- Other liabilities do not include an amount of Rs. 24.98 lakh being the extension fee payable to the State Government, which was known to the Management much before the finalisation of accounts. This resulted in understatement of other liabilities as well as loss by Rs. 24.98 lakh.

Errors and omissions in case of Statutory corporations

1.22.3 Comments by the Comptroller and Auditor General of India

Himachal Road Transport Corporation (2006-07)

Loss for the year has been understated by Rs. 4.54 crore due to understatement of interest/penalty payable on late deposit of tax, non-provision of depreciation and parking fees and overstatement of current assets.

Himachal Pradesh State Electricity Board

Based on the audit assessment of the working results of the Board for three years up to 2007-08 and taking into consideration the major irregularities and omissions pointed out in the Separate Audit Reports (SARs) on the annual accounts of the Board and not taking into account the subsidy/subventions

receivable from the State Government, the net surplus/deficit and the percentage of return on capital employed of the Board is as given below:

(Rupees in crore)

Sl. No.	Particulars	2005-06	2006-07	2007-08 (Provisional)
1	Net surplus/(-) deficit as per books of accounts	20.48	1.88	(-)25.38
2	Subsidy from the State Government	76.85	96.09	-
3	Net surplus/(-) deficit before subsidy from the State Government (1-2)	(-)56.37	(-)94.21	(-)25.38
4	Net increase/decrease in net surplus/(-) deficit on account of audit comments on the annual accounts of the Board	(-)5.97	(-)295.18	@
5	Net surplus/(-) deficit after taking into account the impact of audit comments but before subsidy from the State Government (3-4)	(-)62.34	(-)389.39	@
6	Total return on capital employed*	59.50	(-)251.18	@
7	Percentage of total return on capital employed	1.78	-	@

Persistent irregularities and system deficiencies in financial matters of PSUs

1.23 The following persistent irregularities and system deficiencies in Himachal Pradesh State Electricity Board had been pointed out during the course of audit of its accounts but no corrective action had been taken:

- Register of fixed assets had not been completed by various units of the Board.
- Function-wise break up of assets had not been prepared since 1985-86.
- Physical verification of assets had not been carried out.
- Consolidated statement showing year wise break-up of sundry debtors and further segregating them into good, bad and doubtful debts was not prepared.
- An amount of Rs. 5.57 lakh in respect of Electrical Maintenance Division, Bhabanagar was recoverable from various firms since 1989-90.

@ Since the accounts for the year 2007-08 have not been certified, these figures have not been indicated.

* Total return on capital employed represents net surplus (+)/deficit (-) (after taking into account impact of comments) plus total interest charged to profit and loss account (less interest capitalised).

Recoveries at the instance of Audit

1.24 Test check of records of Himachal Pradesh State Electricity Board/other PSUs conducted during 2007-08 disclosed wrong fixation of tariff/non-levy/short levy of tariff/short realisation of revenue, *etc.* aggregating Rs. 67.28 crore in 740 cases. During 2007-08, a sum of Rs. 9.30 crore relating to 330 cases was recovered at the instance of Audit.

Internal Audit/Internal Control

1.25 The Statutory Auditors (Chartered Accountants) are required to furnish a detailed report upon various aspects including the internal control/internal audit system in the companies audited in accordance with the directions issued by the Comptroller and Auditor General of India to them under Section 619 (3) (a) of the Companies Act, 1956 and to identify areas which need improvement. In pursuance of the directions so issued, reports of Statutory Auditors involving 14 accounts of 14 Government companies were received (September 2008).

An illustrative resume of major comments made by Statutory Auditors on possible improvement in the internal audit/internal control system in respect of State Government companies is indicated in **Annexure 8**. The major comments were of the following nature:

- Internal audit coverage was inadequate.
- Five companies had not fixed maximum and minimum limit and economic order quantity for procurement of stocks and stores.
- There was no system of obtaining balance confirmation from debtors.
- The fixed assets register was not properly maintained.

Position of discussion of Audit Reports (Commercial) by the Committee on Public Undertakings (COPU)

1.26 The position of discussion of Audit Reports (Commercial) / (Civil and Commercial) by the Committee on Public Undertakings as on 30 September 2008 was as under:

Period of Audit Report	Number of Reviews and Paragraphs			
	Appeared in the Audit Report		Discussed by COPU	
	Reviews	Paragraphs	Reviews	Paragraphs
2001-2002	3	13	2	5
2002-2003	2	10	-	5
2003-2004	1	14	-	4
2004-2005	-	13	-	2
2005-2006	5	14	1	2
2006-2007	6	15	-	2
Total	17	79	3	20

During 2007-08, COPU met 12 times and discussed three reviews and four paragraphs. Audit Report (Commercial) for the year ended 31 March 2007 was placed before the State Legislature in April 2008.

619-B companies

1.27 There were three companies coming under the purview of Section 619-B of the Companies Act, 1956 as on 31 March 2008 as against same number of companies as on 31 March 2007. **Annexure 9** indicates the details of paid-up capital, investment by way of equity, loans and grants and summarised working results of the three companies based on their latest available accounts.

The State Government decided (July 2007) to merge Pabbar Valley Power Corporation Limited and Kinner Kailash Power Corporation Limited in Himachal Pradesh Power Corporation Limited. However, actual merger of these companies was awaited (September 2008).