

| TABLE OF CONTENTS | | |
|---|---------------------|----------------|
| Particulars | Reference to | |
| | Paragraph | Page |
| Preface | | v |
| Overview | | vii-xii |
| CHAPTER – I | | |
| General view of Government companies and Statutory corporations | 1 | 1 |
| Introduction | 1.1 | 1 |
| Working Public Sector Undertakings (PSUs) | 1.2 | 2-9 |
| Non-working Public Sector Undertakings (PSUs) | 1.3 | 9-11 |
| Status of placement of Separate Audit Reports of Statutory corporations in Legislature | 1.4 | 11 |
| Disinvestment, Privatisation and Restructuring of Public Sector Undertakings | 1.5 | 12 |
| Results of audit of accounts of PSUs by Comptroller and Auditor General of India | 1.6 | 12-14 |
| Recommendations for closure of PSUs | 1.7 | 15 |
| Response to Inspection Reports, Draft paras and reviews | 1.8 | 15 |
| Position of discussion of Audit Reports (Commercial) by the Committee on Public Undertakings (COPU) | 1.9 | 16 |
| 619-B Companies | 1.10 | 16 |
| CHAPTER – II | | |
| Review relating to Government company | 2 | 17 |
| Maharashtra Small Scale Industries Development Corporation Limited | 2 | 17 |
| Highlights | | 17-18 |
| Introduction | 2.1 | 18 |
| Organisational set up | 2.2 | 19 |
| Scope of Audit | 2.3 | 19 |
| Funding | 2.4 | 20 |
| Financial position and working results | 2.5 | 21-23 |
| Raw materials assistance schemes | 2.6 | 23-35 |
| Marketing activity | 2.7 | 35-36 |
| Commercial warehousing | 2.8 | 36-37 |
| Sundry debtors | 2.9 | 37-38 |
| Internal audit | 2.10 | 38 |
| Conclusion | | 38 |

| Particulars | Reference to | |
|--|--------------|--------------|
| | Paragraph | Page |
| CHAPTER – III | | |
| Reviews relating to Statutory corporations | 3 | 39 |
| Maharashtra State Electricity Board | 3A | 39 |
| High Voltage Direct Current Project of Transmission System | 3A.1 | 39 |
| Highlights | | 39-40 |
| Introduction | 3A.1.1 | 40-41 |
| Organisational set up | 3A.1.2 | 41 |
| Scope of Audit | 3A.1.3 | 41 |
| Project planning | 3A.1.4 | 42 |
| Cost estimates and actuals | 3A.1.5 | 42-43 |
| Construction of HVDC system | 3A.1.6 | 43-47 |
| Operational performance | 3A.1.7 | 47-50 |
| Conclusion | -- | 50 |
| Power Sector Reforms – Signing of Memorandum of Understanding and implementation thereof | 3A.2 | 51 |
| Introduction | 3A.2.1 | 51 |
| Objectives | 3A.2.2 | 51 |
| Commitments by Government of Maharashtra | 3A.2.3 | 51-52 |
| Support from Government of India | 3A.2.4 | 52-53 |
| Implementation of reforms programme | 3A.2.5 | 53-56 |
| Conclusion | --- | 56 |
| Maharashtra State Road Transport Corporation - Purchase and Performance of Tyres, Tubes, Flaps including Tyre Retreading Plants in Maharashtra State Road Transport Corporation | 3B | 57 |
| Highlights | -- | 57-58 |
| Introduction | 3B.1 | 58 |
| Organisational set up for purchases | 3B.2 | 58-59 |
| Scope of Audit | 3B.3 | 59 |
| Trend of expenditure on consumption of tyres, tubes, flaps and tyre retreading material | 3B.4 | 59-60 |
| Purchase of tyres, tubes and flaps | 3B.5 | 60-61 |
| Purchase of tyre retreading material | 3B.6 | 61-64 |
| Quality control – sample testing | 3B.7 | 64-65 |
| Inter-division transfer of tyres, tubes and flaps | 3B.8 | 65 |
| Excess consumption of flaps | 3B.9 | 65 |
| Performance of tyres, tubes, flaps and retreading material | 3B.10 | 65-67 |
| Tyre retreading plants | 3B.11 | 67-72 |
| Conclusion | -- | 72-73 |

| Particulars | Reference to | |
|--|--------------|--------------|
| | Paragraph | Page |
| CHAPTER – IV | | |
| Miscellaneous topics of interest | 4 | 75 |
| Government companies | 4A | 75 |
| Maharashtra Agro Industries Development Corporation Limited | 4A.1 | 75 |
| Irregular expenditure in violation of Government directives | 4A.1.1 | 75-76 |
| Maharashtra State Road Development Corporation Limited | 4A.2 | 76 |
| Infructuous expenditure on construction of the bridge without possession of land | 4A.2.1 | 76-77 |
| Maharashtra State Handlooms Corporation Limited | 4A.3 | 77 |
| Loss of subsidy in production of Janata cloth | 4A.3.1 | 77-78 |
| Maharashtra Small Scale Industries Development Corporation Limited | 4A.4 | 78 |
| Loss due to delay in shifting to new premises | 4A.4.1 | 78-79 |
| Maharashtra State Police Housing and Welfare Corporation Limited | 4A.5 | 79 |
| Blocking of funds in construction of shops | 4A.5.1 | 79-80 |
| Statutory corporations | 4B | 81 |
| Maharashtra State Electricity Board | 4B.1 | 81 |
| Avoidable extra expenditure due to unfair revision of tender condition in favour of past suppliers | 4B.1.1 | 81-82 |
| Avoidable payment of interest | 4B.1.2 | 82-83 |
| Double payment of royalty charges | 4B.1.3 | 83-84 |
| Irregular payment towards rebate and rate revision | 4B.1.4 | 84-85 |
| Idle investment in chlorination plants | 4B.1.5 | 86-87 |
| Excess payment of interest | 4B.1.6 | 87 |
| Idle Museum Building | 4B.1.7 | 88 |
| Maharashtra State Road Transport Corporation | 4B.2 | 89 |
| Avoidable extra expenditure in purchase of engine oil | 4B.2.1 | 89 |
| Avoidable expenditure due to delay in implementation of decision | 4B.2.2 | 90 |
| Idle investment in construction of Depots | 4B.2.3 | 91 |
| Maharashtra State Financial Corporation | 4B.3 | 92 |
| Non-recovery of loan due to inadequate security | 4B.3.1 | 92-93 |
| Loss due to defective agreement and absence of security | 4B.3.2 | 93-94 |
| Loss due to non-recovery of bridge loan | 4B.3.3 | 94-95 |
| Non-recovery of loan due to insufficient security | 4B.3.4 | 95-96 |
| Maharashtra Industrial Development Corporation | 4B.4 | 96 |
| Under billing of water charges | 4B.4.1 | 96-97 |

| Sl. No. | ANNEXURES | Page No. |
|----------------|---|-----------------|
| 1 | Statement showing particulars of up-to-date paid-up capital, equity, loans received out of budget and loans outstanding as on 31 March 2002 in respect of Government companies and Statutory corporations | 101-108 |
| 2 | Summarised financial results of Government companies and Statutory corporations for the latest year for which accounts were finalised | 109-114 |
| 3 | Statement showing grants and subsidy received/receivable guarantees received, waiver of dues, loans on which moratorium allowed and loans converted into equity during the year and guarantees outstanding at the end of March 2002 | 115-117 |
| 4 | Statement showing financial position of working Statutory corporations | 118-122 |
| 5 | Statement showing working results of working Statutory corporations | 123-126 |
| 6 | Statement showing operational performance of working Statutory corporations | 127-131 |
| 7 | Statement showing the department-wise outstanding Inspection Reports (IRs) | 132 |
| 8 | Statement showing the department-wise draft paragraphs/reviews replies to which were awaited | 133 |
| 9 | Statement showing paid-up capital, investment and summarised working results of 619-B companies as per their latest finalised accounts | 134 |
| 10 | Maharashtra Small Scale Industries Development Corporation Limited – Statement showing credit facility permitted to SSI units in contravention of the scheme. | 135 |
| 11 | Maharashtra State Electricity Board – Details of avoidable expenditure in purchases. | 136-137 |