

## **Chapter-II**

### **Financial Performance of State Public Sector Enterprises (other than power sector)**



## Chapter II

### Financial Performance of State Public Sector Enterprises (Other than Power Sector)

#### 2.1 Introduction

As on 31 March 2020, there were 31 State Public Sector Enterprises (other than power sector) under the audit jurisdiction of the CAG, which include 23 Government companies, two statutory corporations and six Government controlled other companies.

Of these, financial performance of 25 SPSEs is covered in this report and the nature of these SPSEs is indicated in Table 2.1:

**Table 2.1: Coverage and nature of SPSEs covered in this Report**

Nature of the SPSEs	Total Number	Number of SPSEs covered in the Report					Total	Number of SPSEs not covered in the Report
		Accounts up to						
		2019-20	2018-19	2017-18	2016-17	2015-16		
Government companies	23	5	7	5	2	1	20	3
Statutory corporations	2	0	2	0	0	0	2	0
Government controlled other companies	6	1	1	1	0	0	3	3
<b>Total</b>	<b>31</b>	<b>6</b>	<b>10</b>	<b>6</b>	<b>2</b>	<b>1</b>	<b>25</b>	<b>6</b>

The details of Government companies/ Government controlled other companies and statutory corporations under the purview of CAG's audit during 2019-20, are given in *Appendix II A*.

This Report does not include results of six SPSEs (including three Government controlled other companies) which were inactive/under liquidation or whose first accounts were not received<sup>1</sup>. Figures in respect of remaining 25 SPSEs are based on their latest accounts received till 31 December 2020.

The SPSEs are controlled by the various Departments of the State Government. The position of SPSEs have therefore been divided and analysed as per these Departments (Sectors).

<sup>1</sup> The six SPSEs are identified by two asterisks (\*\*) in *Appendix II A*.

Summary of financial performance of SPSEs covered in this Report:

Number of SPSEs	31
SPSEs Covered	25
Paid-up capital (25 SPSEs)	₹ 708.16 crore
Equity investment of Government of Haryana (20 SPSEs)	₹ 590.20 crore
Long term Loans (6 SPSEs)	₹ 6,026.63 crore
Net profit (17 SPSEs)	₹ 335.26 crore
Net loss (8 SPSEs)	₹ 38.10 crore
Dividend declared (by 3 SPSEs)	₹ 6.52 <sup>2</sup> crore
Total Assets	₹ 38,623.53 crore
Turnover <sup>3</sup>	₹ 4,814.19 crore
Net Worth	₹ 2,443.55 crore

Source: Compilation based on Annual financial statement of the SPSEs.

## 2.2 Investment in SPSEs

The position of these SPSEs have been divided and analysed under major classifications based on the Departments under which they operate. The amount of investment in equity and loans in 25 SPSEs at the end of 31 March 2020 is given in Table 2.2:

**Table 2.2: Equity investment and loans in 25 SPSEs**

(₹ in crore)

Sources of investment	As on 31 March 2019			As on 31 March 2020		
	Equity	Long Term Loan	Total	Equity	Long Term Loan	Total
Central Government	22.74	0	22.74	27.64	0	27.64
State Government	585.10	332.83	917.93	590.20	332.83	923.03
Central/ State Government companies	15.02	291.58	306.60	15.09	291.58	306.67
Others	75.20	5,402.22	5,477.42	75.23	5,402.22	5,477.45
<b>Total</b>	<b>698.06</b>	<b>6,026.63</b>	<b>6,724.69</b>	<b>708.16</b>	<b>6,026.63</b>	<b>6,734.79</b>
Share of State Government to overall equity/loans (in per cent)	83.82	5.52	13.65	83.34	5.52	13.71

Source: Compilation based on Annual financial statement of the SPSEs.

The Government of Haryana (GoH) provides financial support to SPSEs in various forms through annual budget. The summarised details of budgetary outgo towards equity, loans, grants/subsidies, loans written off and loans

<sup>2</sup> Haryana Medical Services Corporation Limited (₹ 0.40 crore) for the year 2016-17 and 2017-18; Haryana State Warehousing Corporation (₹ 6.05 crore) and Haryana Forest Development Corporation Limited (₹ 0.07 crore) for the year 2018-19.

<sup>3</sup> Net worth of a Company is calculated by adding paid-up capital and free reserves net of accumulated losses and deferred revenue expenditure.

converted into equity in respect of SPSEs during the last three years ending March 2020 are as follow:

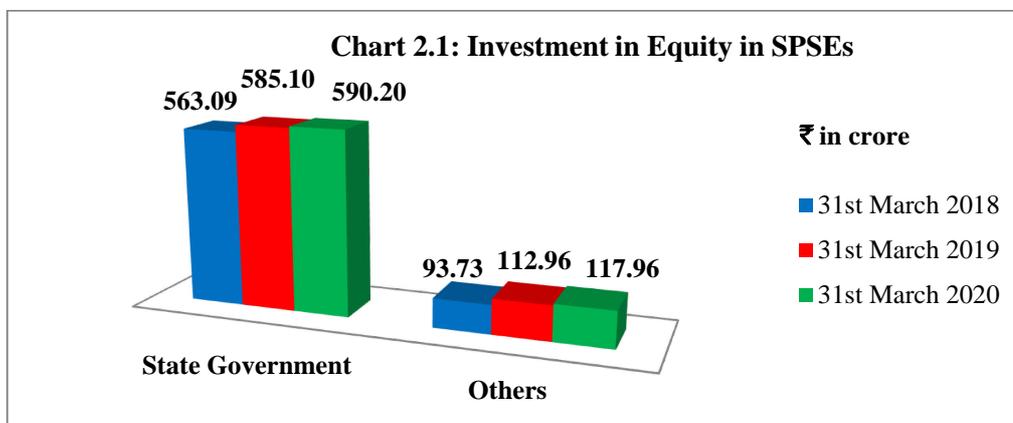
**Table 2.3: Details regarding budgetary support to SPSEs during the years**

Particulars <sup>4</sup>	2017-18		2018-19		2019-20	
	No. of SPSEs	Amount	No. of SPSEs	Amount	No. of SPSEs	Amount
Equity Capital outgo (i)	4	7.71	5	25.44	6 <sup>5</sup>	13.78
Loans given (ii)	-	-	1	8.15	-	-
Grants/Subsidy provided (iii)	9	188.60	8	358.36	9	142.72
<b>Total Outgo (i+ii+iii)</b>		<b>196.31</b>		<b>391.95</b>		<b>156.50</b>
Loan repayment/ written off <sup>6</sup>	-	-	1	215.15	-	-
Loans converted into equity	-	-	-	-	-	-
Guarantees issued	3	2,030.52	4	1,071.81	3	569.46
Guarantee Commitment	5	3,351.48	5	4,359.35	5	4,264.29

Source: Compilation based on information received from SPSEs.

### 2.2.1 Investment in equity

Investment in equity by State Government and others (including Government of India) during the three years ended 31 March 2020 in these SPSEs is depicted in Chart 2.1.



Details of significant investments in equity capital (investment of more than ₹ 25 crore) made by the State Government as on 31 March 2020 in the paid-up capital of these SPSEs is given in Table 2.4:

<sup>4</sup> Amount represents outgo from State Budget only.

<sup>5</sup> Haryana Backward Classes and Economically Weaker Section Kalyan Nigam Limited (₹ 2.92 crore), Haryana Tourism Corporation Limited (₹ 3.70 crore), Karnal Smart City Limited: (₹ 0.05 crore), Haryana State Industrial & Infrastructure Development Corporation Limited (₹ 0.01 crore), Haryana Rail Infrastructure Development Corporation Limited (₹ 5.10 crore) and Haryana State Financial Services Limited (₹ 2 crore).

<sup>6</sup> This represents the loans written off in respect of Haryana State Minor Irrigation and Tubewells Corporation Limited and loan repayment is nil.

**Table 2.4 Significant investments made by the State Government**

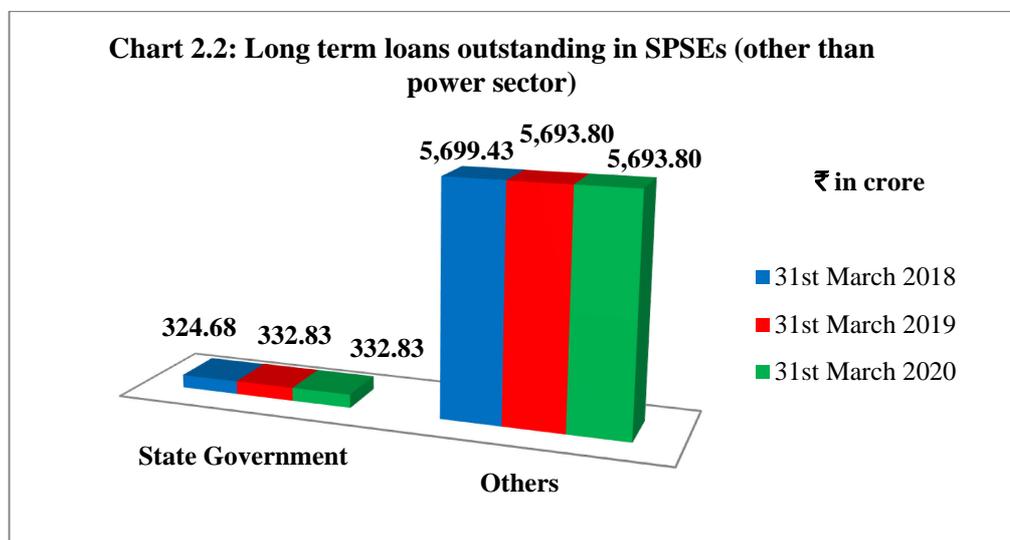
(₹ in crore)

Name of the SPSE	Name of the Department	Amount
Haryana Financial Corporation	Industry	202.01
Haryana State Roads and Bridges Development Corporation Limited	Public Works	122.04
Haryana State Industrial and Infrastructure Development Corporation Limited	Industry	48.86
Haryana Backward Classes and Economically Weaker Section Kalyan Nigam Limited	Scheduled Castes and Backward Classes Welfare	45.14
Haryana Tourism Corporation Limited	Tourism and Public Relations	34.07
Haryana Scheduled Castes Finance and Development Corporation Limited	Scheduled Castes and Backward Classes Welfare	26.14

## 2.2.2 Loans given to SPSEs

### 2.2.2.1 Computation of long term loans outstanding as on 31 March 2020

The total long term loans outstanding in six SPSEs from all sources as on 31 March 2020 was ₹ 6,026.63 crore. Out of the total loans of SPSEs as on 31 March 2020, loans from State Government was ₹ 332.83 crore. Year-wise details of outstanding long term loans of SPSEs are depicted in Chart 2.2.



Out of 25 SPSEs, 19 SPSEs (including one Statutory Corporation *i.e.*, Haryana Financial Corporation) did not have any long term loans as on 31 March 2020. Share of Haryana State Industrial and Infrastructure Development Corporation Limited in overall loans was ₹ 5,637.41 crore.

**2.2.2.2 Adequacy of assets to meet loan liabilities**

Ratio of total debt to total assets is one of the methods used to determine whether a company can stay solvent. To be considered solvent, the value of an entity's assets must be greater than the sum of its loans/debts. The coverage of long term loans by value of total assets in six SPSEs which had outstanding loans as on 31 March 2020 is given in Table 2.5.

**Table 2.5: Coverage of long term loans with total assets**

Nature of SPSE	Positive Coverage			
	No. of SPSEs	Assets	Long Term Loans	Ratio of Assets to Loans
	(₹ in crore)			
Statutory Corporation	1	2,650.30	78.60	33.72:1 <sup>7</sup>
Government Company	5	33,374.41	5,948.03	5.61:1
<b>Total</b>	<b>6</b>	<b>36,024.71</b>	<b>6,026.63</b>	<b>5.98:1</b>

Source: Compilation based on Annual financial statement of the SPSEs.

In no SPSE, the value of total assets was lower than the loans outstanding. Major contributor is Haryana State Industrial and Infrastructure Development Corporation Limited having long term loans of ₹ 5,637.41 crore against the assets of ₹ 31,827.48 crore.

**2.2.2.3 Interest Coverage**

Interest Coverage Ratio (ICR) is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's Earnings Before Interest and Taxes (EBIT) by interest expenses of the same period. The lower the ratio, the lesser is the ability of the company to pay interest on debt. An ICR below one indicated that the company was not generating sufficient revenues to meet its expenses on interest. The details of positive and negative ICR of SPSEs during the period from 2017-18 to 2019-20 are given in Table 2.6.

**Table 2.6: Interest Coverage Ratio**

Year	Interest	EBIT	No of SPSEs	No. of SPSEs having ICR equal to or more than 1	No. of SPSEs having ICR less than 1
<b>Statutory Corporations</b>					
2017-18	5.15	72.10	2	1	1 <sup>8</sup>
2018-19	4.41	66.02	1	1	0
2019-20	4.41	66.02	1	1	0

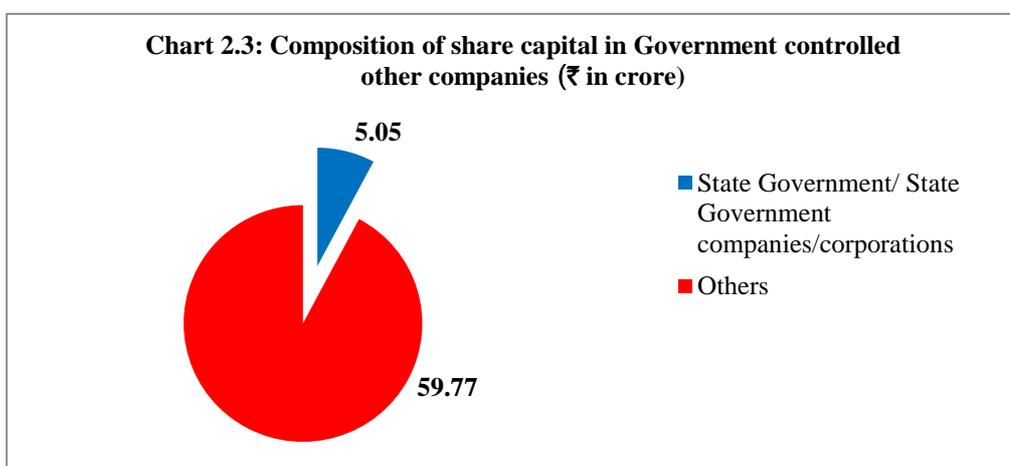
<sup>7</sup> Haryana State Warehousing Corporation deals in procurement, where the stock in balance is its asset.

<sup>8</sup> Haryana Financial Corporation.

Year	Interest	EBIT	No of SPSEs	No. of SPSEs having ICR equal to or more than 1	No. of SPSEs having ICR less than 1
<b>Government Companies</b>					
2017-18	768.44	1,117.44	9	7	2 <sup>9</sup>
2018-19	767.05	1,095.42	8	6	2 <sup>10</sup>
2019-20	767.27	1,095.63	8	6	2 <sup>11</sup>

### 2.2.3 Investment in Government Controlled other Companies

The capital invested by the State Governments and others in three<sup>12</sup> Government controlled other companies as on 31 March 2020 is depicted in Chart 2.3.



## 2.3 Return on investment in SPSEs

### 2.3.1 Profit earned by SPSEs

Return on Equity (ROE) is a measure of financial performance to assess how effectively management is using shareholders' fund to create profits and is calculated by dividing net income (*i.e.* net profit after taxes) by shareholders' fund. It is expressed as a percentage and can be calculated for any company if net income and shareholders' fund are both positive numbers.

Shareholders' fund or net worth of a Company is calculated by adding paid-up capital and free reserves net of accumulated losses and deferred revenue expenditure and reveals how much would be left for a company's stakeholders

<sup>9</sup> Haryana Seeds Development Corporation Limited and Haryana Police Housing Corporation Limited

<sup>10</sup> Haryana Roadways Engineering Corporation Limited and Haryana Police Housing Corporation Limited

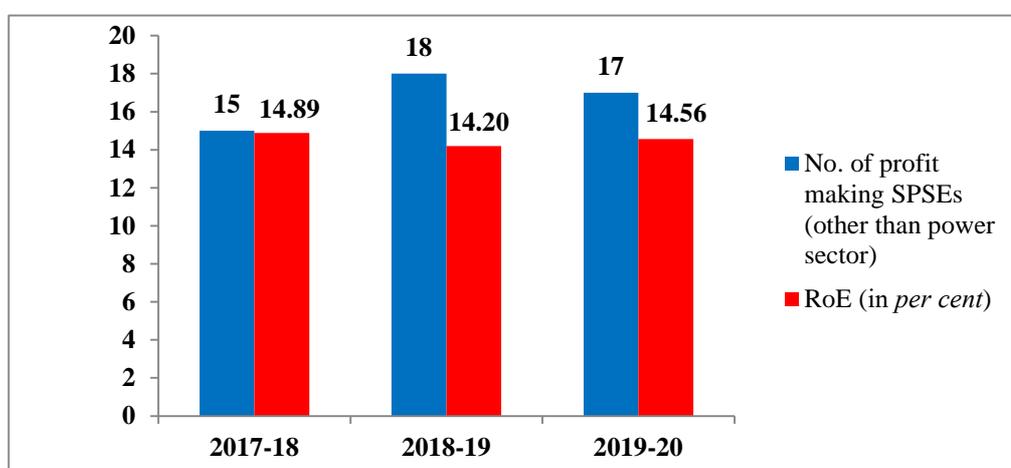
<sup>11</sup> Haryana Roadways Engineering Corporation Limited and Haryana Police Housing Corporation Limited

<sup>12</sup> Gurgaon Technology Park Limited, Faridabad Smart City Limited and Gurugram Metropolitan City Bus Limited

if all assets were sold and all debts paid. A positive shareholder's fund reveals that the company has enough assets to cover its liabilities while negative shareholder equity means that liabilities exceed assets.

The number of SPSEs that earned profit was 17 out of 25 as per their latest financial results available as on 31 December 2020. The Return on Equity (RoE) of these 17 SPSEs was 14.56 *per cent*. However, the RoE in all the 25 SPSEs, including six<sup>13</sup> which incurred loss, was 12.16 *per cent* in 2019-20. Number of SPSEs that reported profit and their RoE during the period from 2017-18 to 2019-20 is depicted in Chart 2.4:

**Chart 2.4: Number of SPSEs earning profits and their RoE during last three years**



The three sectors which contributed maximum profit as per their latest finalised results during 2019-20 are summarised in Table 2.7:

**Table 2.7: Top three sectors which contributed maximum profit during the year 2019-20**

Sector	No. of profit earning SPSEs	Net profit earned (₹ in crore)	Percentage of profit to total SPSEs' profit
Industry	2	222.35	66.32
Agriculture	4	48.29	14.40
Public Works	1	20.41	6.09
<b>Total</b>	<b>7</b>	<b>291.05</b>	<b>86.81</b>

Of the three Government Controlled other companies, one company (Gurgaon Technology Park Limited<sup>14</sup>) earned profit of ₹ 7.06 crore. RoE in this SPSE

<sup>13</sup> Two SPSEs (Haryana Orbital Rail Corporation Limited and Panipat Plastic Park Haryana Limited) have neither profit nor loss.

<sup>14</sup> The Company is owned by Haryana Shahri Vikas Pradhikaran having 99.996 *per cent* of its paid-up capital.

was 16.62 per cent. ROE in three Government controlled other companies was (-) 11.98 per cent.

The list of SPSEs which earned profit of more than ₹ 10 crore during the year 2019-20 is given in the Table 2.8:

**Table 2.8: List of SPSEs which earned profit of more than ₹ 10 crore**

Sl. No.	Name of the SPSE	Net Profit
1	Haryana State Industrial and Infrastructure Development Corporation Limited	216.34
2	Haryana State Warehousing Corporation	40.32
3	Haryana State Roads and Bridges Development Corporation Limited	20.41
4	Haryana State Electronics Development Corporation Limited	16.07
	<b>Total</b>	<b>293.14</b>

The four SPSEs contributed 87.44 per cent of the total profit (₹ 335.26 crore) earned by 17 SPSEs during 2019-20.

### 2.3.2 Dividend payout by SPSEs

Six SPSE finalised their accounts for the year 2019-20, of which two SPSEs earned profit of ₹ 9.31 crore, but they did not declare any dividend. However, for the year 2018-19, three SPSEs (Haryana Medical Services Corporation Limited, Haryana State Warehousing Corporation and Haryana Forest Development Corporation Limited) had declared dividend of ₹ 6.52 crore against the net profit of ₹ 47.33 crore. The Dividend declared ranged between 8 per cent and 103.60 per cent of their paid-up capital.

### 2.3.3 Sector wise Return on Equity of SPSEs

Return on equity (RoE)<sup>15</sup> is a measure of financial performance of SPSEs calculated by dividing net income by shareholders' equity. Sector wise RoE of SPSEs during three years ended 31 March 2020 is depicted in Table 2.9.

**Table 2.9: Sector wise Return on Equity**

Sl. No.	Sector	ROE during 2017-18	ROE during 2018-19	ROE during 2019-20
1	Agriculture	(-) 74.45	(-) 74.05	(-) 78.37
2	Electronics	11.24	14.32	14.32
3	Finance	-	0.99	0.99
4	Forest	1.27	5.35	5.35
5	Industry	12.28	12.84	12.84
6	Public Works	9.29	7.38	6.98

<sup>15</sup> Return on Equity = (Net Profit after Tax and preference Dividend/Equity) \*100 where Equity = Paid-up Capital+ Free Reserves– Accumulated Loss– Deferred Revenue Expenditure

Sl. No.	Sector	ROE during 2017-18	ROE during 2018-19	ROE during 2019-20
7	Social and Welfare	10.80	10.80	10.80
8	Tourism	(-) 35.95	(-) 35.95	(-) 35.95
9	Town and Country Planning	2.97	(-) 14.97	(-) 8.65
10	Transport	10.39	(-) 28.48	(-) 42.65
11	Home	(-) 6.03	(-) 6.03	(-) 6.03
12	Health	37.05	37.05	37.05

## 2.4 SPSEs incurring losses

Details of SPSEs that incurred losses during last three years are given in Table 2.10.

**Table 2.10: Number of SPSEs that incurred losses during last three years**

Year	Number of SPSEs incurred loss	Net loss for the year (₹ in crore)	Accumulated Profit (₹ in crore)	Net Worth <sup>16</sup> (₹ in crore)
<b>Statutory Corporations</b>				
2017-18	1	4.45	(-) 113.51	94.15
2018-19	-	-	-	-
2019-20	-	-	-	-
<b>Government companies/Government controlled other companies</b>				
2017-18	7	18.54	12.09	82.71
2018-19	6	37.43	3.60	116.47
2019-20	6	38.10	(-) 2.55	140.21
<b>Total</b>				
<b>2017-18</b>	<b>8</b>	<b>22.99</b>	<b>(-) 101.42</b>	<b>176.86</b>
<b>2018-19</b>	<b>6</b>	<b>37.43</b>	<b>3.60</b>	<b>116.47</b>
<b>2019-20</b>	<b>8</b>	<b>38.10</b>	<b>-2.55</b>	<b>140.21</b>

Out of total loss of ₹ 38.10 crore incurred during 2019-20 by eight SPSEs, loss of ₹ 29.45 crore is attributed to two SPSEs which functioned in Town and Country planning and Tourism sectors. Gurugram Metropolitan City Bus Limited under Town and Country Planning Department (₹ 15.15 crore) and Haryana Tourism Corporation Limited (₹ 14.30 crore) were the two SPSEs reporting loss as per their latest finalised financial results. Besides these SPSEs, Haryana Roadways Engineering Corporation Limited reported loss of ₹ 5.69 crore.

<sup>16</sup> Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits and share premium account.

### 2.4.1 Erosion of capital in SPSEs

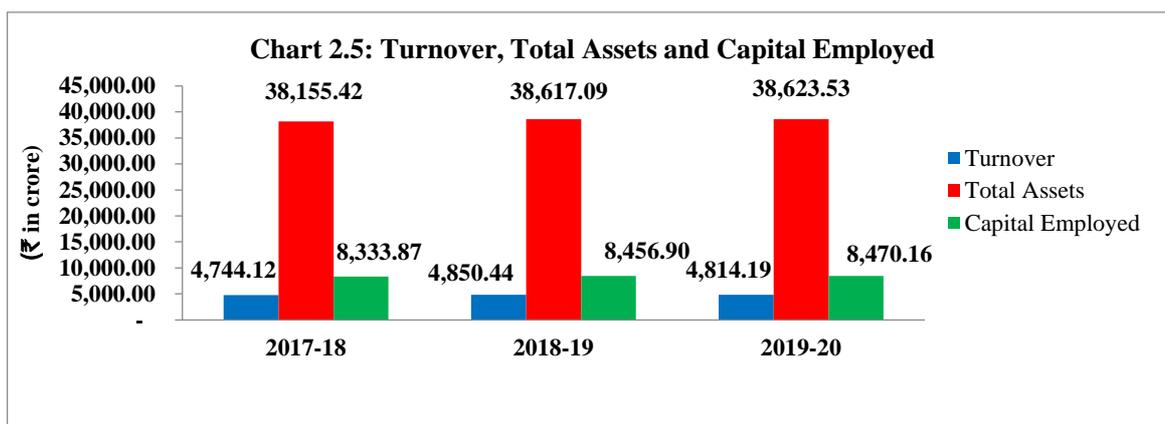
As on 31 March 2020, there were seven SPSEs with accumulated losses of ₹ 249 crore. Of the seven SPSEs, three SPSEs incurred losses in the year 2019-20 amounting to ₹ 16.92 crore and four SPSEs had not incurred loss in the year 2019-20, even though they had accumulated loss of ₹ 231 crore. Four out of 31 SPSEs were under winding up/ liquidation/inactive.

Net worth of one out of 25 SPSEs, Haryana Agro Industries Corporation Limited (HAIC) had been completely eroded by its accumulated loss. The net worth of HAIC was (-) ₹ 117.71 crore against equity investment of ₹ 4.14 crore as on 31 March 2020.

## 2.5 Operating efficiency of SPSEs

### 2.5.1 Turnover

The summary indicating turnover, total assets and capital employed of 24 SPSEs over a period of three years<sup>17</sup> is depicted in the Chart 2.5:



There was slight increase in total assets and capital employed during last three years. However, there was slight decrease in turnover during 2019-20 in comparison to 2018-19.

During exit conference (July 2021) with the Additional Chief Secretary (Finance), productive use of assets was assessed as an important need.

### 2.5.2 Return on Capital Employed

Return on Capital Employed (RoCE) is a ratio that measures a entity's profitability and the efficiency with which its capital is employed. RoCE is calculated by dividing a company's Earnings Before Interest and Taxes

<sup>17</sup> As per their latest finalised accounts.

(EBIT) by the capital employed<sup>18</sup>. The details of RoCE of 25 SPSEs during the period from 2017-18 to 2019-20 are given in Table 2.11.

**Table 2.11: Return on Capital Employed**

Year	EBIT (₹ in crore)	Capital Employed (₹ in crore)	RoCE (In per cent)
2017-18	1,188.43	8,333.87	14.26
2018-19	1,177.39	8,456.90	13.92
2019-20	1,185.56	8,470.16	14.00

### 2.5.3 Return on the basis of Present Value of Investment

The Present Value (PV) of the State Government investment has been computed in respect of 23 SPSEs where the State Government has invested in equity/grant/subsidy to assess the rate of return/loss on the present value of investments of State Government in these SPSEs as compared to historical value of investments. In order to bring the historical cost of investments to its present value at the end of each year up to 31 March 2020, the past investments/ year wise funds infused by the State Government in these SPSEs have been compounded at the year wise weighted average interest rate on State Government securities which is considered as the minimum cost of funds to the Government for the concerned year.

The PV of the State Government investment in the SPSEs was computed on the basis of following assumptions:

- In addition to actual infusion by the State Government in the SPSEs in the form of equity, grants/subsidy (for operational and administrative expenses) given by the State Government to the SPSEs have been considered as investment infusion by the State Government.
- In the cases where interest free loans given to the SPSEs were later converted into equity, the amount of loan converted into equity has been deducted from the amount of interest free loans and added to the equity of that year.
- The average rate of interest on Government borrowings for the concerned financial year was adopted as compounded rate for arriving at Present Value since they represent the cost incurred by the government towards investment of funds for the year and therefore considered as the minimum expected rate of return on investments made by the government.

For the purpose of PV calculation of State Government investment, the period beginning 1999-2000 till 2019-20 has been taken considering the investment

<sup>18</sup> Capital Employed = Paid up Share capital + Free Reserves and surplus + Long term loans – Accumulated losses – Deferred Revenue Expenditure

of State Government in SPSEs as on 31 March 2000 as PV of State Government investment in the beginning of 2000-01.

A more appropriate measure of performance of such loss incurring SPSEs is the erosion of net worth due to the losses. The erosion of capital of the companies is commented upon in Para 2.4.1.

The details of State Government investment in 23 SPSEs where investment was made in the form of equity and grants/subsidy since 1999-2000 till 2019-20 is indicated in *Appendix II B*. (there were no instances of interest free loans and disinvestment). The consolidated position of the PV of such State Government investment in the SPSEs is indicated in Table 2.12:

**Table 2.12: Year wise details of investment by the State Government and its Present Value from 1999-2000 to 2019-20**

(₹ in crore)

Financial Year	Present Value of total investment at the beginning of the year	Equity infused by the State Government during the year	Grant/ Subsidy by State Government for meeting operational and administrative expenses	Total investment during the year	Total investment at the end of the year	Average rate of interest on Government borrowings	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earning for the year	Return on Investment (In per cent)
1	2	3	4	5=3+4	6=2+5	7	8= (6*7/100) + 6	9	10	(11) =(10)/ (8)*100
Up to 1999-2000		164.22 <sup>19</sup>	49.95	214.17	214.17	12.05	239.98	25.81	8.96	3.73
2000-01	239.98	45.48	73.50	118.98	358.96	11.4	399.88	40.92	-0.22	-
2001-02	399.88	21.04	98.18	119.22	519.10	10.5	573.60	54.51	7.83	1.37
2002-03	573.60	28.04	66.87	94.91	668.52	10.74	740.31	71.80	10.22	1.38
2003-04	740.31	11.51	16.19	27.70	768.01	10.2	846.35	78.34	-2.92	-
2004-05	846.35	2.48	22.04	24.52	870.87	8.49	944.81	73.94	2.84	0.30
2005-06	944.81	57.78	31.59	89.37	1,034.18	8.95	1,126.74	92.56	49.76	4.42
2006-07	1,126.74	12.16	25.90	38.06	1,164.80	9.2	1,271.96	107.16	-25.97	-
2007-08	1,271.96	72.07	83.03	155.10	1,427.05	7.43	1,533.08	106.03	-81.43	-
2008-09	1,533.08	95.92	67.39	163.31	1,696.39	7.82	1,829.05	132.66	176.34	9.64
2009-10	1,829.05	4.98	41.96	46.94	1,875.99	9.29	2,050.27	174.28	54.25	2.65
2010-11	2,050.27	6.41	98.80	105.21	2,155.48	9.22	2,354.22	198.74	138.45	5.88
2011-12	2,354.22	21.28	167.40	188.68	2,542.90	9.73	2,790.32	247.42	98.15	3.52
2012-13	2,790.32	-21.98	61.71	39.73	2,830.05	9.86	3,109.09	279.04	123.25	3.96
2013-14	3,109.09	2.93	94.88	97.81	3,206.90	9.83	3,522.14	315.24	-93.65	-
2014-15	3,522.14	8.82	153.74	162.56	3,684.70	9.33	4,028.49	343.78	805.82	20.00
2015-16	4,028.49	19.10	183.91	203.01	4,231.50	8.64	4,597.10	365.60	237.61	5.17
2016-17	4,597.10	3.10	307.48	310.58	4,907.68	8	5,300.29	392.61	71.59	1.35
2017-18	5,300.29	7.87	176.82	184.69	5,484.98	8.1	5,929.26	444.28	116.29	1.96
2018-19	5,929.26	25.44	331.90	357.34	6,286.60	8.81	6,840.45	553.85	272.46	3.98
2019-20	6,840.45	13.78	11.15	24.93	6,865.38	8.31	7,435.89	570.51	327.77	4.41
<b>Total</b>		<b>602.43</b>	<b>2,164.39</b>	<b>2,766.82</b>						

<sup>19</sup> ₹ 164.22 crore is the investment, on historical cost basis, by Government of Haryana at the beginning of financial year 1999-2000.

The present value of investment of the State Government in these SPSEs at the end of 2019-20 increased to ₹ 7,435.89 crore from ₹ 239.98 crore at the end of 1999-2000 as the State Government made further investments in shape of equity amounting to ₹ 438.21 crore and grants/subsidy for meeting operational and administrative expenses amounting to ₹ 2,164.39 crore. Total earnings for the all the years remained below the minimum expected return to recover cost of funds infused in these SPSEs except for the years 2008-09 and 2014-15. In the last three years *i.e.*, 2017-18 to 2019-20, the Return on Investment on present value increased from 1.96 *per cent* to 4.41 *per cent*. The Return on investment on historical cost<sup>20</sup> basis during the same period ranged between 4.88 and 11.85 *per cent*.

---

<sup>20</sup> Historical cost of investment for a year is the cumulative total of funds infused by State Government in form of equity and grants/ subsidies for operational and administrative expenditure.

