

CHAPTER-I INTRODUCTION

About the State Public Sector Undertakings

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 while keeping in view the welfare of people. In Himachal Pradesh, the State PSUs occupy an important place in the state economy. The working PSUs registered a turnover of ₹ 4,990.22 crore in 2011-12 (**Appendix 1.1**) as *per* their latest finalised Annual Accounts as of 30 September 2012. This turnover was equal to 7.91 *per cent* of State Gross Domestic Product (GDP) of ₹ 63,084 crore in 2011-12. Major activities of Himachal Pradesh State PSUs are concentrated in power sector. The working PSUs incurred a loss of ₹ 223.05 crore (**Appendix 1.1**) in the aggregate during the year 2011-12 as *per* their latest finalised accounts as of 30 September 2012. All State PSUs had employed 37,032 employees as on 31 March 2012.

1.2 As on 31 March 2012, there were 21 PSUs as *per* the details given in **Table 1.1** below:

Table-1.1

Type of PSUs	Working PSUs	Non-working PSUs ¹	Total
Government Companies ²	17	2 ³	19
Statutory Corporations	2 ⁴	-	2
Total	19	2	21

One company, *i.e.*, Himachal Pradesh General Industries Corporation Limited was listed on the stock exchange.

1.3 During the year 2011-12, one PSU *viz.* Nahan Foundry Limited was merged with the Himachal Pradesh State Industrial Development Corporation Limited.

¹ Non-working PSUs are those which have ceased to carry on their operations.

² Includes two 619-B companies (Beas Valley Power Corporation Limited and Himachal Pradesh Power Corporation Limited).

³ Agro Industrial Packaging India Limited and Himachal Worsted Mills Limited.

⁴ Himachal Pradesh Financial Corporation and Himachal Road Transport Corporation.

Audit Mandate

1.4 Audit of Government companies is governed by Section 619 of the Companies Act, 1956. According to Section 617, a Government company is one in which not less than 51 *per cent* of the paid up capital is held by the Government(s). A Government company includes a subsidiary of a Government company. Further, a company in which 51 *per cent* of the paid up capital is held in any combination by the Government(s), Government companies and Corporations controlled by the Government(s) is treated as if it was a Government company (deemed Government company) as *per* Section 619-B of the Companies Act, 1956.

1.5 The accounts of the State Government companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors, who are appointed by the CAG as *per* the provisions of Section 619 (2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by the CAG as *per* the provisions of Section 619 of the Companies Act, 1956.

1.6 Audit of Statutory Corporations is governed by their respective legislations. Out of these two Statutory Corporations, the CAG is the sole auditor for Himachal Road Transport Corporation. In respect of Himachal Pradesh Financial Corporation, the audit is conducted by the Chartered Accountants and supplementary audit by the CAG.

Investment in State PSUs

1.7 As on 31 March 2012, the investment (capital and long-term loans) in 21 PSUs (including 619-B company) was ₹ 6,527.75 crore as *per* details given in **Table 1.2** below:

Table-1.2

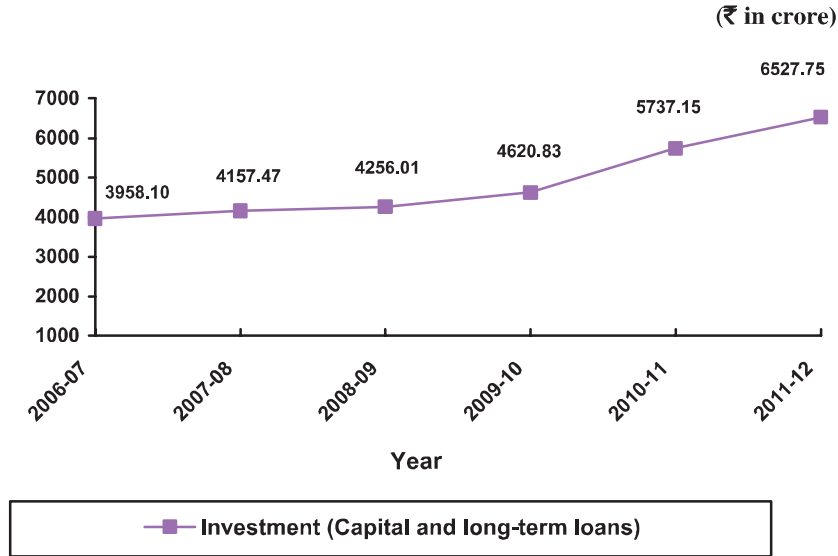
(Amount: ₹ in crore)

Type of PSUs	Government Companies			Statutory Corporations			Grand Total
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	
Working PSUs	2,372.75	3,330.78	5,703.53	538.57	209.94	748.51	6,452.04
Non-working PSUs	18.64	57.07	75.71	-	-	-	75.71
Total	2,391.39	3,387.85	5,779.24	538.57	209.94	748.51	6,527.75

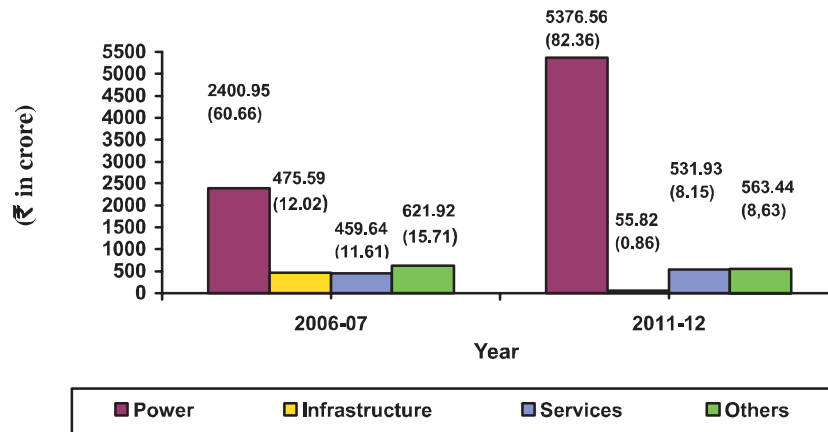
A summarised position of government investment in State PSUs is detailed in **Appendix 1.2**.

1.8 As on 31 March 2012, of the total investment in State PSUs, 98.84 *per cent* was in working PSUs and the remaining 1.16 *per cent* in non-working

PSUs. The total investment consisted of 44.88 per cent towards capital and 55.12 per cent in long-term loans. The investment has increased by 64.92 per cent from ₹ 3,958.10 crore in 2006-07 to ₹ 6,527.75 crore in 2011-12 as shown in the graph below:



1.9 The investment in various important sectors both in absolute and relative terms at the end of 31 March 2007 and 31 March 2012 is indicated below in the bar chart. During 2006-12, the major investment was in the power sector. The percentage of investment in power sector has increased from 60.66 per cent in 2006-07 to 82.36 per cent in 2011-12 of total investment due to incorporation of new companies.



(Figures in brackets show the Sector percentage to total investment)

Budgetary outgo, grants/subsidies, guarantees and loans

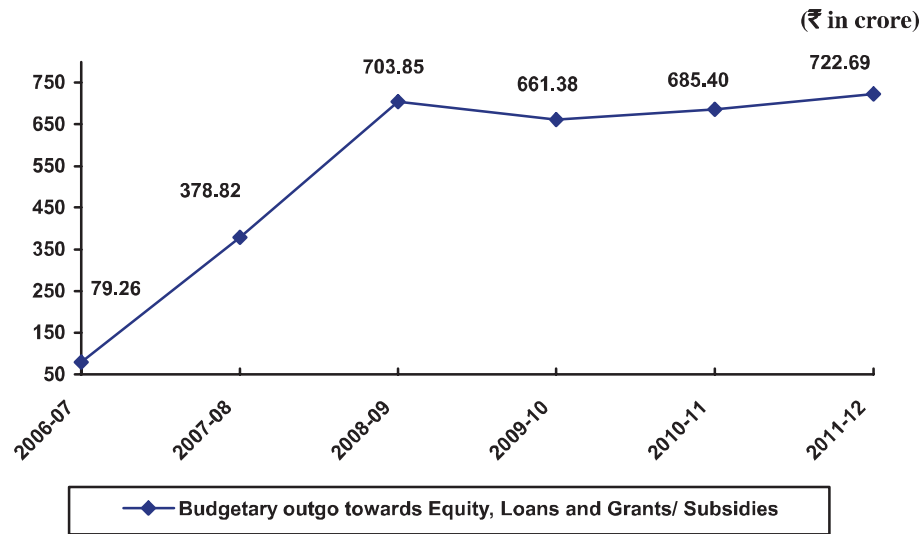
1.10 The details regarding budgetary outgo towards equity, loans, grants/subsidies, guarantees issued, loans written off, loans converted into equity and interest waived in respect of State PSUs are given in **Appendix 1.3**. The summarised details for the last three years ended 31 March 2012 are given in **Table 1.3** below:

Table-1.3

(Amount: ₹ in crore)

Sl. No.	Particulars	2009-10		2010-11		2011-12	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity Capital outgo from budget	9	310.13	5	162.91	5	227.19
2.	Loans given from budget	2	20.28	1	175.01	-	-
3.	Grants/Subsidy received	9	330.97	5	347.48	7	495.50
4.	Total Outgo (1+2+3)	14 ⁵	661.38	10 ⁵	685.40	10 ⁵	722.69
5.	Loans converted into equity	1	17.46	-	-	-	-
6.	Guarantees issued	5	41.60	5	54.65	6	1,278.60
7.	Guarantee Commitment	7	1,537.58	6	1,272.16	8	1,159.87

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



⁵ Represent actual number of companies/corporations which received budgetary support in the form of equity, loans, grants and subsidy from the State Government during respective years.

The budgetary support in the form of equity, loans and grants/subsidies by the State Government during the years 2006-07 to 2011-12 showed a varying trend. The budgetary outgo which stood at ₹ 79.26 crore in 2006-07 and was lowest during the six years, increased to ₹ 722.69 crore in 2011-12 mainly due to significant extension of equity/loans and grants/subsidy to the power sector.

1.12 During 2011-12, the Government had guaranteed loans aggregating ₹ 1,278.60 crore obtained by six PSUs. At the end of 2011-12, guarantee commitment stood at ₹ 1,159.87 crore (eight PSUs) as against ₹ 1,537.58 crore (seven PSUs) and ₹ 1,272.16 crore (six PSUs) during 2009-10 and 2010-11, respectively.

Reconciliation with Finance Accounts of the Government

1.13 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 Government. 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 2012 is indicated in **Table 1.4** below:

Table-1.4

(Amount: ₹ in crore)

Outstanding in respect of	Amount as <i>per</i> Finance Accounts	Amount as <i>per</i> records of PSUs	Difference
Equity	1,254.35	1,415.59	(-) 161.24
Loans	- ⁶	809.74	-
Guarantees	1,291.32	1,159.87	131.45

1.14 Audit observed that the differences occurred in respect of seven PSUs and the difference in respect of one company⁷ was pending reconciliation since 1995-96. The concerned administrative departments, PSUs and Finance Department were requested every quarter to take necessary action to reconcile the differences. The Government and the PSUs should take concrete steps to reconcile the differences in a time-bound manner.

Performance of Public Sector Undertakings (PSUs)

1.15 The financial results of PSUs, financial position and working results of working Statutory corporations are detailed in **Appendices 1.1, 1.5 and 1.6**

⁶ Government companies and Statutory corporations wise statement of outstanding loans is not included in the Finance Accounts for 2011-12.

⁷ Himachal Backward Classes Finance and Development Corporation.

respectively. A ratio of PSU turnover to State GDP shows the extent of PSU activities in the State economy. The details of working PSU turnover and State GDP for the period 2006-07 to 2011-12 are given in **Table 1.5** below:

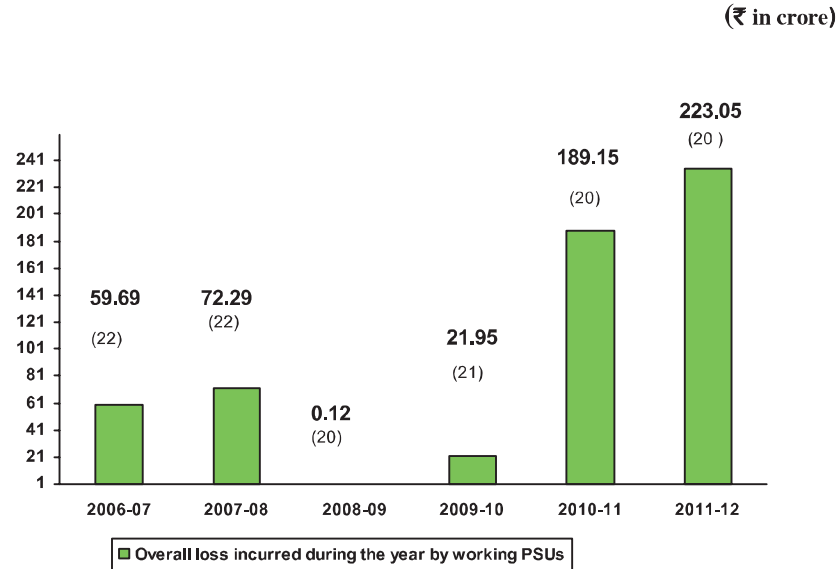
Table-1.5

(Amount: ₹ in crore)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Turnover ⁸	3,029.68	3,476.06	4,629.88	4,642.23	4,964.59	4,990.22
State GDP	28,358	31,974	36,940	42,278	52,426	63,084
Percentage of Turnover to State GDP	10.68	10.87	12.53	10.98	9.47	7.91

It can be noticed that there was an overall rise in turnover of PSUs during 2006-12 with growth in the State GDP. The percentage of turnover to the State GDP increased from 10.68 in 2006-07 to 12.53 in 2008-09 but declined from 10.98 in 2009-10 to 7.91 in 2011-12.

1.16 Losses incurred by working PSUs during 2006-07 to 2011-12 are given below in the bar chart.



(Figures in brackets show the number of working PSUs in respective years. The figures for the years 2010-11 and 2011-12 include losses incurred by Himachal Pradesh State Electricity Board also which was converted into Government Company in 2010-11)

⁸ Turnover as per the latest finalised accounts as of 30 September.

During 2006-12, the working PSUs incurred huge losses, which indicated poor functioning of PSUs except during 2008-09, when the overall losses incurred by State PSUs were ₹ 0.12 crore and were comparatively low.

Out of 19 working PSUs for which the accounts for latest years were received up to 30 September 2012, eight PSUs earned profit of ₹ 17.37 crore and seven PSUs incurred loss of ₹ 240.42 crore. Three⁹ working Government companies have not prepared their profit and loss accounts while one Company viz. Himachal Pradesh State Electricity Board Limited has not prepared its first accounts since incorporation. In case of one working Government company (Himachal Pradesh Road and Other Infrastructure Development Corporation Limited), excess of expenditure over income is reimbursable by the State Government. The major contributors to profit were Himachal Pradesh State Civil Supplies Corporation Limited (₹ 6.04 crore), Himachal Pradesh Tourism Development Corporation Limited (₹ 1.58 crore) and Himachal Pradesh State Forest Development Corporation Limited (₹ 7.71 crore). The heavy losses were incurred by Himachal Pradesh State Electricity Board (₹ 152.62 crore) and Himachal Road Transport Corporation (₹ 80.65 crore).

1.17 The losses of working PSUs are mainly attributable to deficiencies in financial management, planning, implementation of projects, running their operations and monitoring. A review of latest three years Audit Reports of the CAG shows that the State PSUs incurred losses of ₹ 2,980.43 crore and infructuous investment of ₹ 1.91 crore which were controllable with better management. The year wise details from Audit Reports are given in **Table 1.6** below:

Table-1.6

(Amount: ₹ in crore)

Particulars	2009-10	2010-11	2011-12	Total
Net loss	21.95	189.15	10.05	221.15
Controllable losses/avoidable expenditure as per CAG's Audit Report	953.38	703.53	1,323.52	2,980.43
Infructuous Investment	-	-	1.91	1.91

1.18 The above losses pointed out by Audit Reports of CAG are based on test check of records of PSUs. The PSUs can discharge their role efficiently only if they are financially self-reliant. The above situation points towards a need for professionalism and accountability in the functioning of PSUs.

⁹ Beas Valley Power Corporation Limited, Himachal Pradesh Power Corporation Limited and Himachal Pradesh Power Transmission Corporation Limited.

1.19 Some other key parameters pertaining to State Public Sector Undertakings are given in *Table 1.7* below:

Table-1.7

(Amount: ₹ in crore)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Return on Capital Employed (<i>Per cent</i>)	2.74	3.93	5.54	4.16	0.48	0.00
Debt	3,136.86	2,918.66	2,841.21	2,672.18	3,075.69	3,597.79
Turnover ¹⁰	3,029.68	3,476.06	4,629.88	4,642.23	4,964.59	4,990.22
Debt/ Turnover Ratio	1.04:1	0.84:1	0.61:1	0.58:1	0.62:1	0.72:1
Interest Payments	166.55	210.64	201.39	207.20	207.13	199.50
Accumulated Profits/(losses)	(939.66)	(1,021.00)	(1,028.60)	(846.73)	(1,286.19)	(1,360.45)

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

1.20 The percentage of return on Capital Employed showed a rising trend from 2.74 *per cent* in 2006-07 to 5.54 *per cent* in 2008-09 and declined from 4.16 in 2009-10 to zero in 2011-12. The debt position also did not show any improvement as total debt increased from ₹ 3,136.86 crore in 2006-07 and to ₹ 3,597.79 crore in 2011-12. The outgo of PSUs towards payment of interest increased from ₹ 166.55 crore in 2006-07 to ₹ 210.64 crore in 2007-08 and decreased to ₹ 199.50 crore in 2011-12. The turnover position showed an improving trend from ₹ 3,029.68 crore in 2006-07 to ₹ 4,990.22 crore in 2011-12; the debt-turnover ratio improved from 1.04 in 2006-07 to 0.62 in 2010-11 and marginally increased to 0.72 in 2011-12. The position of accumulated losses has, however, deteriorated with increase from ₹ 939.66 crore in 2006-07 to ₹ 1,360.45 crore in 2011-12 except in 2009-10 when it declined to ₹ 846.73 crore.

1.21 The State Government had formulated (August 1982) a dividend policy under which all PSUs are required to pay a minimum return of three *per cent* on the paid up share capital contributed by the State Government. As *per* their latest finalised accounts, eight PSUs earned an aggregate profit of ₹ 17.37 crore and only Himachal Pradesh State Civil Supplies Corporation Limited declared a dividend of ₹ 0.35 crore, which was 10 *per cent* of its paid up capital (₹ 3.51 crore).

Arrears in finalisation of accounts

1.22 The accounts of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year

¹⁰ Turnover of working PSUs as *per* the latest finalised accounts as of 30 September.

under Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956. 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 by September of respective year are given in **Table 1.8** below:

Table-1.8

Sl. No.	Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
1.	Number of working PSUs	22	20	21	19	19
2.	Number of accounts finalised during the year	20	19	22	21	15
3.	Number of accounts in arrears	17	15	14	12	16
4.	Average arrears <i>per</i> PSU (3/1)	0.77	0.75	0.67	0.63	0.84
5.	Number of working PSUs with arrears in accounts	13	12	12	10	10
6.	Extent of arrears	1 to 3 years	1 to 3 years	1 to 2 years	1 to 2 years	1 to 2 years

1.23 The average number of accounts in arrears *per* working PSUs ranged between 0.63 and 0.84 in 2007-12. The PSUs having arrears of accounts need to take effective measures for early clearance of backlog and make the accounts up-to-date.

1.24 Out of two non-working PSUs, Himachal Worsted Mills Limited had gone into liquidation process and Agro Industrial Packaging India Limited had not finalised its accounts for the year 2011-12.

1.25 The State Government had invested ₹ 85.27 crore (Equity: ₹ 52.94 crore and grants: ₹ 32.33 crore) in five PSUs during the years for which accounts have not been finalised as detailed in **Appendix 1.4**. In the absence of accounts and their subsequent audit, it can not 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 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.

1.26 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 and officials of the Government were informed every quarter by Audit, 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

(October 2012) with the Chief Secretary/Finance Secretary to expedite clearance of backlog of arrears in accounts in a time bound manner.

Winding up of non-working PSUs

1.27 The number of non-working companies at the end of each year during the past five years is given in **Table 1.9** below:

Table-1.9

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Number of non-working companies	2	3	3	3	2

There were two non-working PSUs (all companies) as on 31 March 2012. Of these, Himachal Worsted Mills Limited has commenced liquidation process.

1.28 The stages of closure in respect of non-working PSUs are given in **Table 1.10** below:

Table-1.10

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

1.29 During the year 2011-12, one PSU *viz.* Nahan Foundry Limited merged with the Himachal Pradesh State Industrial Development Corporation with retrospective effect (1 April 2009), though it had finalised its accounts up to 31 March 2011. The process of voluntary winding up under the Companies Act is much faster and needs to be adopted/pursued vigorously. The Government may consider expediting the process of winding up of non-working company.

Accounts Comments and Internal Audit

1.30 Fifteen working companies forwarded their 15 accounts to Audit during the period from October 2011 to September 2012. Of these, 14 accounts of 14 working companies were selected for supplementary audit. The audit reports of Statutory auditors appointed by the CAG and the supplementary audit of the CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money

value of comments of the Statutory auditors and the CAG are given in **Table 1.11** below:

Table-1.11

(Amount: ₹ in crore)

Sl. No.	Particulars	2009-10		2010-11		2011-12	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	1	0.33	6	45.20	2	56.40
2.	Increase in loss	6	42.60	3	17.18	3	12.49

It can be seen that average impact of audit comments *per* account causing 'increase in loss' or 'decrease in profit' increased from ₹ 6.13 crore (2009-10) to ₹ 13.78 crore (2011-12). The deterioration in the quality of maintenance of accounts by PSUs is, thus, apparent and needs to be improved.

1.31 During the year, the Statutory auditors had given qualified certificates for nine accounts and adverse certificates (which means that accounts do not reflect a true and fair position) for five accounts. The compliance of companies with regard to the Accounting Standards remained poor as there were 45 instances of non-compliance in twelve Annual Accounts during the year.

1.32 Some of the important comments in respect of the Annual Accounts of the companies during the period from October 2011 to September 2012 are stated below:

Himachal Pradesh State Industrial Development Corporation Limited (2010-11)

Income was understated by ₹ 11.96 lakh due to non-accountal of sale value of plot at ₹ 35.00 lakh. This resulted in overstatement of Loss by ₹ 11.96 lakh and Inventories by ₹ 23.04 lakh.

Himachal Pradesh Power Corporation Limited (2011-12)

Non-provisioning of ₹ 3.24 crore (leave salary: ₹ 1.85 crore and pension contribution: ₹ 1.39 crore) payable as on 31 March 2012 to employees of Himachal Pradesh State Electricity Board Limited on deputation with the Company resulted in understatement of Incidental Expenditure - Employees benefits expenses and Current Liabilities to that extent.

Himachal Pradesh Power Transmission Corporation Limited (2010-11)

Salary and wages included ₹ 75.37 lakh paid to the employees on account of salary and wages for the period from July 2010 to March 2011 who had simultaneously performed the work of Himachal Pradesh State Electricity Board Limited. As the expenditure would be shared equally by both

Companies, the same should have been shown as recoverable from HPSEBL. This resulted in overstatement of Pre-operative Expenditure and understatement of Current Assets by ₹ 37.68 lakh.

Himachal Pradesh State Forest Development Corporation Limited (2009-10)

Non-provision of interest on payment of royalty after due dates to the Forest Department resulted in understatement of Sundry Creditors as well as Accumulated Loss by ₹ 6.02 crore.

Excess provision of royalty, sales tax and interest in respect of timber lots pertaining to the period prior to 1993-94 resulted in overstatement of Sundry Creditors as well as Accumulated Loss by ₹ 3.47 crore.

No provision had been made on account of arrears of additional dearness allowance (₹ 0.67 crore) and pay and allowances (₹ 0.06 crore) from January 2010 to March 2010 and pay and allowances (₹ 0.36 crore) payable to employees of the Company, which resulted in overstatement of Profit by ₹ 0.73 crore and understatement of Accumulated Loss by ₹ 1.09 crore.

1.33 Similarly, two working statutory corporations forwarded their two accounts to Audit during the period from October 2011 to September 2012. Of these, one account of a statutory corporation (Himachal Road Transport Corporation) pertained to sole audit by the CAG, which was under audit. The audit reports of statutory auditors and the sole/supplementary audit of the CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of the Statutory auditors and the CAG are given in *Table 1.12* below:

Table-1.12

(Amount: ₹ in crore)

Sl. No.	Particulars	2009-10		2010-11		2011-12	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	1	141.55	-	-	-	-
2.	Increase in loss	2	14.03	2	157.62	1	2.74

The huge impact of audit comments mainly pertains to Himachal Pradesh State Electricity Board during 2009-10, Himachal Road Transport Corporation during 2010-11 and during 2011-12, it pertains to Himachal Pradesh Financial Corporation.

1.34 During the year, the audit of accounts of Himachal Pradesh Financial Corporation for the year 2011-12 was completed and received qualified certificate. An important comment in respect of the accounts of the Statutory corporation is stated that no provision had been made for liability of

₹ 2.74 crore on account of leave encashment payable to employees of the Corporation resulting in understatement of Loss and Other Current Liabilities by ₹ 2.74 crore.

Internal Control / Internal Audit

1.35 The Statutory Auditors (Chartered Accountants) are required to furnish a detailed report upon various aspects including internal control/ internal audit systems in the companies audited in accordance with the directions issued by the CAG to them under Section 619(3)(a) of the Companies Act, 1956 and to identify areas which needed improvement. An illustrative resume of major comments made by the Statutory Auditors on possible improvement in the internal audit/internal control system in respect of two companies¹¹ for the year 2009-10, four companies¹² for the year 2010-11 and seven companies¹³ for the year 2011-12 is given in **Table 1.13** below:

Table-1.13

Sl. No.	Nature of comments made by Statutory Auditors	Number of companies where recommendations were made	Reference to serial number of the companies as per Appendix 1
1.	Non-existence of system of preparing short/long-term business plan	2	9 and 15
2.	Inadequate monitoring of outstanding dues from outside parties	5	2,3,9,12 and 17
3.	Non-existence of system of sending statement of accounts and obtaining confirmation from the debtors	10	2, 4,9,10,11,12,14,15, 16 and 17
4.	Non-provision of retirement benefits as per AS-15	8	2,3,7,9, 10,12,15 and 17
5.	Non-maintenance of proper records showing full particulars including quantitative details, situations, identity number, date of acquisitions, depreciated value of fixed assets and their locations	5	2, 10, 15, 16 and 17
6.	Non-fixation of minimum/ maximum limits of store and spares	6	2, 9, 14, 15, 16 and 17
7.	Absence of internal audit system commensurate with the nature and size of business of the company	4	1, 2, 3 and 17
8.	Non-preparation of internal audit manual/standards/guidelines	4	2,9,15 and 17
9.	No approved IT strategy/plan	12	1, 2, 3, 7,8,9,10,12,14, 15, 16 and 17
10.	Non-formulation of Corporate Social Responsibility policy	7	7, 8, 9, 14, 15, 16 and 17

¹¹ Sr. No. 3 and 4 of Appendix 1.

¹² Sr. No. 2, 8, 12 and 17 of Appendix 1.

¹³ Sr. No. 7, 9, 10, 11, 14, 15 and 16 of Appendix 1.

Recoveries at the instance of audit

1.36 During the course of audit in 2011-12, recoveries of ₹ 44.64 crore were pointed out to the Management of various PSUs, which were admitted by PSUs. Against this, an amount of ₹ 14.78 crore was recovered during the year 2011-12.

Status of placement of Separate Audit Reports

1.37 Separate Audit Reports (SARs) issued by the CAG on the accounts of the two Statutory Corporations for the period up to 2010-11 have been placed in the State Legislature by the State Government.

Disinvestment, Privatisation and Restructuring of PSUs

1.38 During the year 2011-12, the State Government had disinvested ₹ 537.15 crore in respect of one Government Company (Himachal Pradesh Power Corporation Limited) and there was no case of privatisation of Government companies. The State Government had not prepared any plan for disinvestment of State PSUs.