## **Report of the Comptroller and Auditor General of India**

on

## **Public Sector Undertakings** for the year ended 31 March 2013

The Report has been laid on the table of the State Legislature Assembly on 25-07-2014

## **GOVERNMENT OF GUJARAT**

(Report No. 3 of the year 2014)

http://www.cag.gov.in

## TABLE OF CONTENTS

Particulars	<b>Reference</b> to	
	Paragraphs	Pages
Preface		V
Overview		vii-x
Chapter – I		
Overview of Government Companies and Statutory		
Corporations	1	
Introduction	1.1-1.3	1
Audit Mandate	1.4-1.6	1-2
Investment in State PSUs	1.7-1.9	2-4
Budgetary outgo, grants/subsidies, guarantees and loans	1.10-1.12	4-5
Reconciliation with Finance Accounts	1.13-1.14	6
Performance of PSUs	1.15-1.21	6-9
Arrears in finalisation of accounts of PSUs	1.22-1.26	9
Non-working PSUs	1.27-1.28	10
Comments on Accounts and Internal Audit	1.29-1.39	10-14
Recoveries at the instance of Audit	1.40	15
Status of placement of Separate Audit Reports	1.41	15
Disinvestment, Privatisation and Restructuring of PSUs	1.42	15
Reforms in Power Sector	1.43-1.44	15-16
Chapter – II		
Performance audit relating to Government	2	
Company		
Gujarat Urja Vikas Nigam Limited (GUVNL)		
Performance Audit of Power Purchase Agreements		
(PPAs) entered into with Independent Power Producers (IPPs)		
Executive Summary		17-18
Introduction	2.1	18
Power Scenario in Gujarat	2.2	18-19
Organisational set up of the GUVNL	2.3	20
Audit objectives	2.4	20
Audit criteria	2.5	20-21
Scope and Methodology of Audit	2.6	21-22
Trading Activities of the GUVNL	2.7.1 - 2.7.2	22-24
Audit Findings	2.8-2.13	24-39
Planning	2.8	24-25
Non Renewable Energy	2.0	
Finalisation and signing of PPAs	2.9, 2.9.1- 2.9.2	26-28

Particulars	<b>Reference</b> to	
	Paragraphs	Pages
Provisions in PPAs	2.10.1-2.10.3	29-32
Operationalisation of PPAs	2.11.1-2.11.2	32-35
Monitoring Mechanism	2.12, 2.12.1	35
Renewable Energy	2.13, 2.13.1- 2.13.3	36-39
Conclusion	2.11010	39
Recommendations		39
Chapter – III	I	
Compliance Audit Observations	3	
Government Companies	1	
Gujarat Agro Industries Corporation Limited		
Idle investment in Banana Pack House	3.1	41-43
Idling of assets and non-achievement of objectives	3.2	43-44
Gujarat State Electricity Corporation Limited		
Undue benefit to contractor	3.3	45-46
Improper award of contract	3.4	46-48
Avoidable payment	3.5	48-49
Gujarat State Petronet Limited		
Loss of revenue due to waiver of ship or pay charges	3.6	50-51
Loss due to imprudent decision to reduce contracted quantity	3.7	51-53
GSPC Gas Company Limited		
Loss of revenue due to non revision of gas price	3.8	53-54
Statutory Corporations		
Gujarat State Road Transport Corporation		
Loss of revenue	3.9	55-56
Loss of interest	3.10	57-58
Loss of discount due to delay in commissioning of CNG stations	3.11	58-60
Gujarat Industrial Development Corporation		
Undue benefit to a firm	3.12	60-61
Unfruitful investment	3.13	61-63
General		
Follow-up action on Audit Reports	3.14	63-65

Audit Report (PSUs) for the year ended 31 March 2013- Report No. 3 of 2014

Particulars	<b>Reference to</b>	
	Annexure	Pages
Annexures		
Statement showing particulars of up to date paid-up capital, loans outstanding and manpower as on 31 March 2013 in respect of Government Companies and Statutory Corporations	1	67-75
Summarised financial results of Government Companies and Statutory Corporations for the latest year for which accounts were finalised upto 30 September 2013	2	76-83
Statement showing grants and subsidy received/receivable, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March 2013	3	84-87
Statement showing investments made by State Government in PSUs whose accounts are in arrears	4	88
Statement showing financial position of Statutory Corporations	5	89-90
Statement showing working results of Statutory Corporations	6	91-92
Glossary of Technical Terms	7	93-95
Statement showing PPAs entered into by the Gujarat Electricity Board/Gujarat Urja Vikas Nigam Limited	8	96-99
Statement showing allocation of solar capacity to the developers in violation of criteria set out in Solar Policy 2009	9	100-102
Statement showing the Developer wise Application for claims of exemption in Excise and Customs Duty forwarded to MNRE by GEDA under Solar Policy 2009	10	103-104
Statement showing loss of revenue due to delay in finalisation of courier contracts	11	105
Statement showing paragraphs/performance audit reports for which explanatory notes were not received as on 30 September 2013	12	106
Statement showing the department-wise outstanding Inspection Reports (IRs) as on 30 September 2013	13	107
Statement showing the department-wise draft paragraphs/ performance audit reports reply to which are awaited as on 31 December 2013	14	108