

Chapter-1
Functioning of
State Public Sector
Undertakings

Chapter-1

Functioning of State Public Sector Undertakings

Introduction

1.1 State Public Sector Undertakings (PSUs) are established to carry out activities of commercial nature and occupy an important place in the State economy. As on 31 March 2016, there were 53¹ PSUs. Of these, one company² was listed on the stock exchange(s). During the year 2015-16, no PSU was incorporated and two PSUs³ were dissolved. The details of the State PSUs as on 31 March 2016 are given in table 1.1 below.

Table 1.1: Total number of PSUs as on 31 March 2016

Type of PSUs	Working PSUs	Non-working PSUs ⁴	Total
Government Companies	27	22	49
Statutory Corporations	4	-	4
Total	31	22	53

The working PSUs registered a turnover of ₹ 55,693.63 crore as per their latest finalised accounts as of 30 September 2016. This turnover was equal to 13.62 *per cent* of the State's Gross Domestic Product (GDP) for 2015-16. The working PSUs incurred loss of ₹ 5,983.86 crore as per their latest finalised accounts as of 30 September 2016. They had 49,765 employees as at the end of March 2016.

Accountability framework

1.2 Audit of Government companies is governed by Section 143 (6) of the Companies Act, 2013 (Act). According to Section 2 (45) of the Act, a Government company is one in which not less than 51 *per cent* of the paid up capital is held by Government(s) and includes a subsidiary of a Government company. Further, as per Section 143 (7) of the Act, in case of any other company owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments or partly by Central Government and partly by one or more State Governments, the Comptroller and Auditor General of India (CAG) may, if considered necessary, cause test audit to be conducted of the accounts of such companies and provisions of Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, shall apply to such test audit. Audit of the financial statements in respect of the financial years that commenced earlier

¹ Excluding PCL Telecom Limited which stands dissolved (January 2012).

² Punjab Communications limited.

³ Punjab Power Products Limited and Punjab Export Corporation Limited which are included in 53 PSUs.

⁴ Non-working PSUs are those which have ceased to carry on their operations.

than 01 April 2014 shall continue to be governed by the provisions of the Companies Act, 1956.

Statutory Audit

1.3 The financial statements of the Government companies (as defined in Section 2 (45) of the Companies Act, 2013) are audited by statutory auditors who are appointed by the CAG as per the provisions of Sections 139 (5) or (7) of the Companies Act, 2013. As per provisions of Section 143 (6) of the Act *ibid*, these financial statements are also subject to supplementary audit to be conducted by CAG within sixty days from the date of receipt of the audit report under section 143 (5).

Audit of statutory corporations is governed by their respective legislations. Out of four statutory corporations, CAG is the sole auditor for the Punjab Scheduled Castes Land Development and Finance Corporation and PEPSU Road Transport Corporation. In respect of Punjab State Warehousing Corporation and Punjab Financial Corporation, the audit is conducted by chartered accountants and supplementary audit by CAG.

Role of Government and Legislature

1.4 The State Government exercises control over the affairs of these PSUs through its administrative departments. The Chief Executive and Directors to the Board are appointed by the Government.

The State Legislature also monitors the accounting and utilisation of Government investment in the PSUs. For this, the Annual Reports together with the Statutory Auditors' Reports and comments of the CAG in respect of State Government companies, and Separate Audit Reports in case of statutory corporations, are to be placed before the Legislature within three months of their finalisation or as stipulated in the respective Acts. The Audit Reports of CAG are submitted to the Government under Section 19A of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

Stake of Government of Punjab

1.5 The State Government has very substantial financial stake in these PSUs. This is mainly of three types:

- **Share Capital and Loans-** In addition to the Share Capital Contribution, State Government also provides financial assistance by way of loans to the PSUs from time to time.
- **Special Financial Support-** State Government provides budgetary support by way of grants and subsidies to the PSUs as and when required.
- **Guarantees-** State Government also guarantees the repayment of loans with interest availed by the PSUs from financial institutions.

Investment in State PSUs

1.6 As on 31 March 2016, the investment (capital and long-term loans) in 53 PSUs was ₹ 25,556.43 crore as given in table 1.2 below.

Table 1.2: Total investment in PSUs

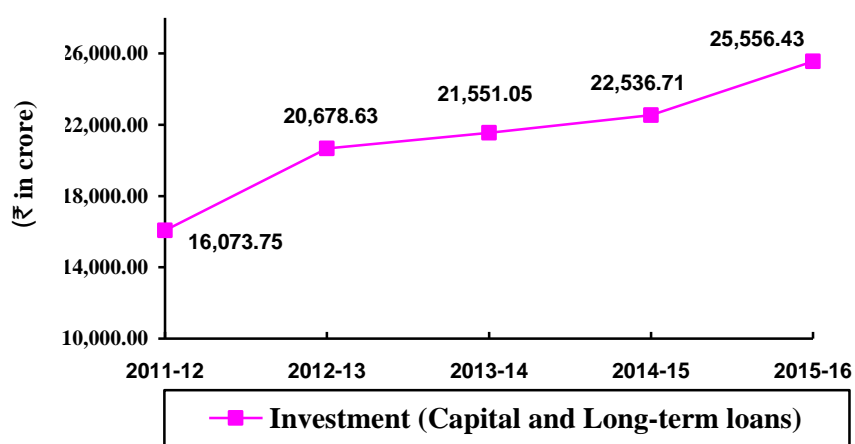
(₹ in crore)

Type of PSUs	Government Companies			Statutory Corporations			Grand Total
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	
Working PSUs	7,470.35	17,213.98	24,684.33	481.69	330.84	812.53	25,496.86
Non-working PSUs	24.75	34.82	59.57	-	-	-	59.57
Total	7,495.10	17,248.80	24,743.90	481.69	330.84	812.53	25,556.43

Source: Annual accounts of PSUs

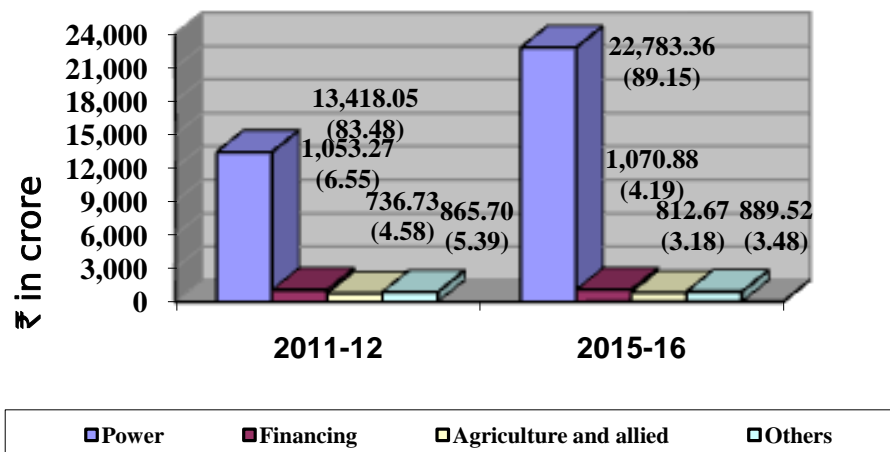
As on 31 March 2016, of the total investment in State PSUs, 99.77 per cent was in working PSUs and the remaining 0.23 per cent in non-working PSUs. This total investment consisted of 31.21 per cent towards capital and 68.79 per cent in long-term loans. The investment has grown by 58.99 per cent from ₹ 16,073.75 crore in 2011-12 to ₹ 25,556.43 crore in 2015-16 as shown in chart 1.1 below.

Chart 1.1: Total investment in PSUs



1.7 The investment in four significant sectors and percentage thereof at the end of 31 March 2012 and 31 March 2016 are indicated in chart 1.2 below. The thrust of PSU investment was mainly in power sector, which increased from 83.48 per cent of the total investments during 2011-12 to 89.15 per cent during 2015-16.

Chart 1.2: Sector wise investment in PSUs



Special support and returns during the year

1.8 The State Government provides financial support to PSUs in various forms through annual budget. The summarised details of budgetary outgo towards equity, loans, grants/ subsidies, loans written off and interest waived in respect of State PSUs are given in table 1.3 below for three years ended 2015-16.

Table 1.3: Details regarding budgetary support to PSUs

Sl. No.	Particulars	2013-14		2014-15		2015-16	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity Capital outgo from budget	2	22.35	3	72.07	2	32.24
2.	Loans given from budget	1 ⁵	15.00	-	-	-	-
3.	Grants/Subsidy from budget	6	3,129.82	4	3,027.35	6	5,355.45
4.	Total Outgo (1+2+3)	8	3,167.17	6	3,099.42	7	5,387.69
5.	Waiver of loans and interest	-	-	-	-	-	-
6.	Guarantees issued	7	28,895.45	9	31,271.89	4	6,282.68
7.	Guarantee Commitment	11	44,012.74	11	49,058.42	12	38,658.45

In order to enable PSUs to obtain financial assistance from banks and financial institutions, the State Government gives guarantee under the Punjab Fiscal Responsibility and Budget Management Act, 2003, subject to the limits prescribed by the Constitution of India, for which a guarantee fee is charged. The State Government charged guarantee fee at the rate of $\frac{1}{8}$ per cent in case of PSUs engaged as procuring agencies and 0.5 to 2 per cent from the other PSUs. The guarantee commitment decreased to ₹ 38,658.45 crore during 2015-16 from ₹ 49,058.42 crore in 2014-15. During the year, three PSUs paid guarantee fee of ₹ 96.15 crore (excluding

⁵ PEPSU Road Transport Corporation (PRTC) @ 12 per cent per annum

₹ 47.00 crore pertaining to previous years) out of ₹ 171.74 crore payable, leaving a balance of ₹ 28.59 crore. The major defaulter was Punjab State Industrial Development Corporation Limited (PSIDC) (₹26.63 crore). The other defaulters were Punjab State Power Corporation Limited (PSPCL) and Punjab Agro Industries Corporation Limited (PAICL).

Reconciliation with Finance Accounts

1.9 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 State. 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 2016 is given in table 1.4 below.

Table 1.4: Equity, loans, guarantees outstanding as per finance accounts vis a vis records of PSUs

(₹ in crore)			
Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	3,636.60	7,833.78	4197.18
Loans	7,171.09	10,131.49	2960.40
Guarantees	38,659.88	38,658.45	1.43

Audit observed that the differences occurred in respect of 29 PSUs and some of the differences were pending reconciliation since 1985-86. The Government and the PSUs should take concrete steps to reconcile the differences in a time-bound manner.

Arrears in finalisation of accounts

1.10 The financial statements of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year i.e. by September end, in accordance with the provisions of Section 96 (1) read with Section 129 (2) of the Companies Act, 2013. Failure to do so may attract penal provisions under Section 99 of the Act *ibid*. Similarly, in case of statutory corporations, their accounts are finalised, audited and presented to the Legislature as per the provisions of their respective Acts.

Table 1.5 below provides the details of progress made by working PSUs in finalisation of accounts as of 30 September 2016.

Table 1.5: Position relating to finalisation of accounts of working PSUs

Sl. No.	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
1.	Number of Working PSUs	31	31	29	31 ⁶	31
2.	Number of accounts finalised during the year	29	31	26	35 ⁷	28
3.	Number of accounts in arrears	41	41	42 ⁸	39	42
4.	Number of Working PSUs with arrears in accounts	24	24	26	25	26
5.	Extent of arrears (numbers in years)	1 to 5	1 to 4	1 to 4	1 to 4	1 to 5

PSUs having arrears of accounts need to take effective measures for early clearance of backlog and make the accounts up-to-date. The PSUs should also ensure that at least one year's accounts are finalised so as to restrict further accumulation of arrears. In respect of statutory corporations, all the four had arrears of accounts for one year.

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 of the Government were informed half yearly by the Principal Accountant General (Audit), Punjab, of the arrears in finalisation of accounts, adequate remedial measures were not taken. As a result of this, the net worth of these PSUs could not be assessed in audit.

1.11 The State Government had invested ₹ 6,099.01 crore in eight PSUs (equity: ₹ 121.24 crore and grants/subsidy ₹ 5,977.77 crore) during the years for which accounts have not been finalised as detailed in *Annexure I*. In the absence of finalisation of accounts and their subsequent audit, it could not be ensured whether the investments and expenditure incurred have been properly accounted for and the purpose for which the amount was invested was achieved or not. Thus, Government's investment in such PSUs remained outside the control of State Legislature.

1.12 In addition to above, there was arrears in finalisation of accounts by non-working PSUs. Out of 22 non-working PSUs, six⁹ were in the process of liquidation whose accounts were in arrears for two to 24 years. Two non-working companies viz. Punjab Power Products Limited and Punjab Export Corporation Limited have been dissolved (February 2016) under orders of the Punjab and Haryana High Court. Of the remaining 14 non-working PSUs, 11 had arrears of accounts ranging from one to 25 years.

Placement of Separate Audit Reports

1.13 Table 1.6 below depicts the status of placement of Separate Audit Reports (SARs) issued by the CAG on the accounts of statutory corporations in the Legislature.

⁶ It includes one company which was incorporated in 2013-14 but the intimation of incorporation was received in 2014-15.

⁷ It represents 32 accounts of working Companies and three accounts of Statutory Corporation

⁸ Excluding four accounts of two companies which became non working during 2013-14.

⁹ Companies at Sl. No. C-2,7,8,9,10 and 12 of *Annexure 2*

Table 1.6: Status of placement of SARs in Legislature

Sl. No.	Name of statutory corporation	Year up to which SARs placed in Legislature	Year for which SARs not placed in Legislature	
			Year of SAR	Date of issue to the Government/Present Status
1.	Punjab Financial Corporation	2013-14	-	-
2.	Punjab Scheduled Castes Land Development and Finance Corporation	2012-13	2013-14	-
3.	PEPSU Road Transport Corporation	2012-13	2013-14	-
4.	Punjab State Warehousing Corporation	2012-13	2013-14	4 August 2016

Impact of non-finalisation of accounts

1.14 Delay in finalisation of accounts may result in risk of fraud and leakage of public money apart from violation of the provisions of the relevant statutes. In view of the above state of arrears of accounts, the actual contribution of PSUs to the State GDP for the year 2015-16 could not be ascertained and their contribution to State exchequer was also not reported to the State Legislature.

Performance of PSUs as per their latest finalised accounts

1.15 The financial position and working results of working Government companies and statutory corporations are detailed in *Annexure 2*. A ratio of PSU turnover to State GDP shows the extent of PSU activities in the State economy. Table 1.7 below provides the details of turnover of working PSUs and State GDP for a period of five years ending 2015-16.

Table 1.7: Details of working PSUs turnover vis-a vis State GDP

Particulars	(₹ in crore)				
	2011-12	2012-13	2013-14	2014-15	2015-16
Turnover	29,841.98	37,090.63	44,746.29	52,733.04	55,693.63 ¹⁰
State GDP	2,56,374	2,85,119	3,17,556	3,49,826	4,08,815
Percentage of Turnover to State GDP	11.64	13.01	14.09	15.07	13.62

The turnover of State PSUs to the State GDP in percentage terms increased from 11.64 in 2011-12 to 15.07 in 2014-15. However, it decreased to 13.62 in 2015-16.

1.16 Overall losses incurred by State working PSUs during 2011-12 to

¹⁰ Turnover as per the latest finalised accounts as of 30 September 2016.

2015-16 are given in chart 1.3 below:

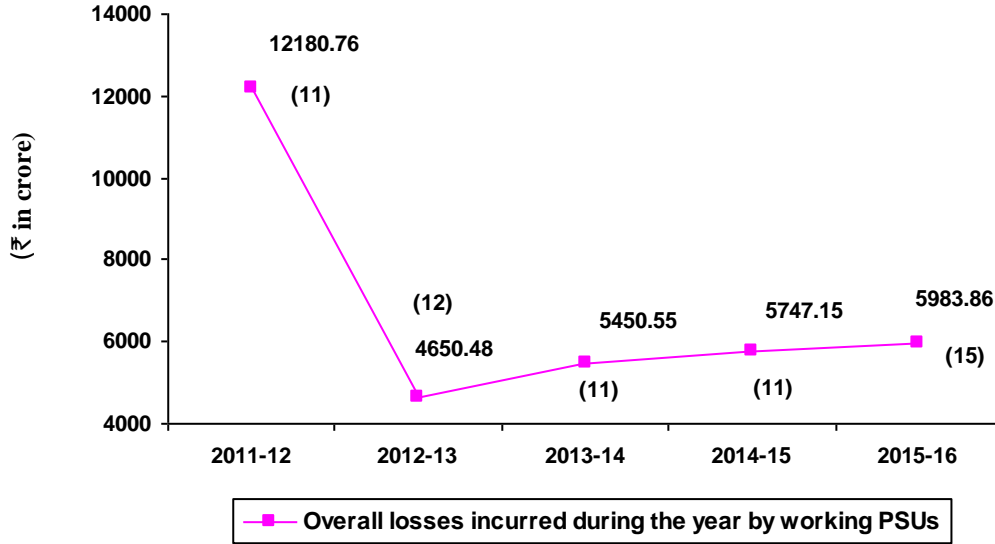


Chart 1.3 : Losses of working PSUs

(Overall losses is net effect of accumulated profit/loss during the year for which accounts were finalised and figures in brackets show the number of working PSUs in respective years which had accumulated losses)

The summarised financial results of Government companies and statutory corporations for the latest year for which accounts were finalised are given in **Annexure 2**. During the period from October 2015 to 30 September 2016, 28¹¹ accounts were received in respect of 23 working PSUs. Of these, eight accounts reflected profit of ₹ 231.44 crore and 15 accounts reflected loss of ₹ 877.32 crore. Two¹² accounts were prepared on ‘no profit no loss’ basis and for three¹³ accounts in respect of three PSUs, profit and loss account was not prepared. The major contributors to profit were the Punjab State Power Corporation Limited (₹ 165.91 crore), the Punjab Small Industries and Export Corporation Limited (₹ 42.21 crore) and the Punjab State Container and Warehousing Corporation Limited (₹ 14.40 crore). Heavy losses were incurred by Punjab State Grains Procurement Corporation Limited (₹ 370.76 crore), Punjab State Warehousing Corporation (₹ 189.19 crore), Punjab Agro Foodgrains Corporation Limited (₹ 96.44 crore) and Punjab State Civil Supplies Corporation Limited (₹ 90.51 crore).

¹¹ For the year 2011-12 (one account); 2012-13 (two accounts); 2013-14 (four accounts); 2014-15 (16 accounts) and 2015-16 (five accounts).

¹² Punjab Police Housing Corporation Limited and Punjab Police Security Corporation Limited.

¹³ Gidderbaha Power Limited (2014-15), Punjab Thermal Generation Limited (2014-15) and Greater Mohali City Bus Services Limited (2014-15).

1.17 Some other key parameters of PSUs are given in table 1.8 below.

Table 1.8: Key Parameters of State PSUs

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Return on Capital Employed (Per cent)	5.13	3.73	11.00	13.28	13.16
Debt	11,992.79	12,839.83	13,683.58	14,597.07	17,579.64
Turnover	29,841.98	37,090.63	44,746.29	52,733.04	55,693.63 ¹⁴
Debt/ Turnover Ratio	0.40:1	0.35:1	0.30:1	0.28:1	0.32:1
Interest Payments	3,408.29	4,522.37	5,918.58	6,442.72	7,154.12
Accumulated losses	12,492.46	5,011.15	5,870.08	6,236.66	6,473.81

(₹ in crore)

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

The percentage of return on capital employed of all PSUs decreased from 5.13 in 2011-12 to 3.73 in 2012-13 but increased to 11.00 per cent in 2013-14 and further increased to 13.28 per cent in 2014-15. It, however, slightly decreased to 13.16 per cent in 2015-16.

The ratio of the debts to the turnover which was 40 per cent in 2011-12 decreased gradually to 28 per cent in 2014-15 and thereafter increased to 32 per cent in 2015-16.

1.18 The State Government had directed (July 2011) all its PSUs to pay a minimum return of five per cent on the funds invested by the State Government. As per their latest finalised accounts, 10 PSUs earned an aggregate profit of ₹ 263.00 crore and four PSUs declared a dividend of ₹ 3.96 crore at the rate ranging from four per cent to hundred per cent. The remaining six PSUs did not declare dividend despite earning profit of ₹ 243.44 crore.

Winding up of non-working PSUs

1.19 There were 22 non-working PSUs (all companies) as on 31 March 2016. Of these, six¹⁵ PSUs have commenced liquidation process.

During 2015-16, non-working PSUs incurred an expenditure of ₹ 0.61 crore towards salary and establishment expenditure. This expenditure was met through the sale of assets of these PSUs and other resources viz. borrowings from common pool fund of PSUs under liquidation, interest on investments, etc.

¹⁴ Turnover of working PSUs as per the latest finalised accounts as of 30 September 2016.

¹⁵ Excluding Punjab Power Products Limited and Punjab Export Corporation Limited, which were dissolved (February 2016).

1.20 The stages of closure in respect of non-working PSUs are given in table 1.9 below.

Table 1.9: Closure of Non working PSUs

Sl. No.	Particulars	Companies
1.	Total No. of non-working PSUs	22
2.	Of (1) above, the number under	
(a)	Liquidation by Court (liquidator appointed)	-
(b)	Voluntary winding up (liquidator appointed)	6
(c)	Closure, i.e. closing orders/ instructions issued but liquidation process not yet started.	7

Two non-working companies, namely Punjab Power Products Limited and Punjab Export Corporation Limited, were dissolved (February 2016) under the orders of Punjab & Haryana High Court. The companies which have taken the route of voluntary winding up under the Companies Act are under liquidation for a period ranging from one to 22 years. During the year 2015-16, no company was wound up. The Government (Directorate of Disinvestment)¹⁶ may expedite decisions regarding winding up of the non-working PSUs which have become defunct.

Accounts Comments

1.21 Twenty one working companies forwarded their 25 audited accounts to Principal Accountant General (PAG) during the year 2015-16. Of these, 20 accounts of 17 companies were selected for supplementary audit. The audit reports of statutory auditors appointed by CAG and the supplementary audit of CAG indicate that the quality of maintenance of accounts needs to be improved substantially. The details of aggregate money value of comments of statutory auditors and CAG are given in table 1.10 below.

Table 1.10: Impact of audit comments on working Companies

(Amount ₹ in crore)

Sl. No.	Particulars	2013-14		2014-15		2015-16	
		No. of instances	Amount	No. of instances	Amount	No. of instances	Amount
1.	Decrease in profit	3	450.45	7	3,313.96	3	1,760.39
2	Increase in profit	-	-	1	4.30	2	1.36
3.	Decrease in loss	-	-	-	-	1	0.05
4..	Increase in loss	5	17,082.61	3	102.65	4	1,602.09
5.	Non-disclosure of material facts	9	14,816.61	9	166.29	5	27.05
6.	Errors of classification	8	211.49	11	1,271.36	5	11,207.25

During the year, the statutory auditors gave unqualified certificates for 16 accounts, qualified certificates for seven accounts and adverse certificate (i.e. accounts do not reflect a true and fair position) for two accounts. Qualifications by statutory auditors had the effect of increasing the reported

¹⁶ A cell established for disinvestment of State Government equity in State PSUs/ Subsidiaries and for restructuring/privatisation etc. of these PSUs.

loss (₹ 96.44 crore) of PAFC¹⁷ by ₹ 1,252.84 crore for the year 2014-15. In addition to the above, after taking into consideration the effect of CAG's qualifications on the account of PAFC, the loss for the year 2014-15 (after statutory auditor's qualification) of ₹ 1,349.28 crore would increase to ₹ 1,604.91 crore. Similarly, qualifications by statutory auditors and of the CAG had the effect of turning the reported profit (₹ 42.41 crore) of PSIEC¹⁸ for the year 2013-14 into a loss of ₹ 75.12 crore. The compliance of companies with the Accounting Standards remained poor. There were 26 instances of non-compliance in 12 accounts during the year.

1.22 Similarly, two working statutory corporations¹⁹ forwarded their three accounts to PAG during the year 2015-16. Of these, two accounts of Punjab Scheduled Castes Land Development and Finance Corporation pertained to sole audit. Supplementary audit was conducted of the remaining account (PSWC). The Audit Reports of statutory auditors and the sole/supplementary audit of CAG indicated the need to improve the quality of maintenance of the accounts. The details of money value of comments of CAG on accounts audited during the last three years are given in table 1.11 below.

Table 1.11 : Impact of audit comments on Statutory Corporations
(Amount ₹ in crore)

Sl. No.	Particulars	2012-13		2013-14		2014-15	
		No. of instances	Amount	No. of instances	Amount	No. of instances	Amount
1.	Decrease in profit	1	0.47	-	-	-	-
2.	Increase in loss	4	173.81	2	185.92	2	1.07
3.	Non-disclosure of material facts	5	16.72	6	17.05	-	-
4.	Errors of classification	3	235.11	1	1.55	-	-

During the year, accounts of PSWC received qualified certificate.

Response of the Government to Audit

Performance Audits and Paragraphs

1.23 For the Report of the Comptroller and Auditor General of India for the year ended 31 March 2016, two performance audits and 17 compliance audit paragraphs were issued to the Principal Secretaries/ Secretaries of the respective Departments with request to furnish replies within six weeks. However, replies in respect of two performance audits and 17 compliance audit paragraphs were awaited from the State Government as of September 2016.

¹⁷ Punjab Agro Foodgrains Corporation Limited

¹⁸ Punjab Small Industries and Export Corporation Limited.

¹⁹ Punjab Scheduled Castes Land Development and Finance Corporation (two accounts) and Punjab State Warehousing Corporation (one account).

Follow up action on Audit Reports

Replies outstanding

1.24 The Report of the Comptroller and Auditor General (CAG) of India represents the culmination of the process of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the Executive. The State Finance Department, Government of Punjab, issued (August 1992) instructions to all administrative departments to submit replies/explanatory notes to paragraphs/reviews included in the Audit Reports of the CAG of India within a period of three months of their presentation to the Legislature without waiting for any questionnaires from the COPU. However, explanatory notes were not received in over 44 *per cent* of the performance audits and 49 *per cent* of the audit paragraphs as on 30 September 2016 as depicted in table 1.12 below.

Table No.1.12: Explanatory notes not received (as on 30 September 2016)

Year of the Audit Report (Commercial /PSU)	Date of placement of Audit Report in the State Legislature	Total performance audits (PAs) and paragraphs in the Audit Report		Number of PAs/ paragraphs for which explanatory notes were not received	
		PAs	Paragraphs	PAs	Paragraphs
2008-09	March 2010	3	19	-	6
2009-10	March 2011	2	16	-	1
2010-11	March 2012	2	13	1	3
2011-12	March 2013	2	17	-	2
2012-13	July 2014	3	12	2	9
2013-14	March 2015	2	17	2	16
2014-15	March 2016	2	18	2	18
Total		16	112	7	55

Discussion of Audit Reports by COPU

1.25 The status as on 30 September 2016 of Performance Audits and paragraphs that appeared in Audit Reports (PSUs) and discussed by the Committee on Public Undertakings (COPU) was as given in table 1.13 below.

Table No.1.13: Reviews/ Paras appeared in Audit Reports vis a vis discussed as on 30 September 2016

Period of Audit Report	Number of reviews/ paragraphs			
	Appeared in Audit Report		Paras discussed	
	PAs	Paragraphs	PAs	Paragraphs
2008-09	3	19	3	10
2009-10	2	16	-	6
2010-11	2	13	1	5
2011-12	2	17	-	4
2012-13	3	12	-	1
2013-14	2	17	-	-
2014-15	2	18	-	-
Total	16	112	4	26

Compliance to Reports of Committee on Public Undertakings (COPU)

1.26 Action Taken Notes (ATN) to 82 paragraphs pertaining to 12 Reports of COPU presented to the State Legislature between March 2009 and March 2016 had not been received (30 September 2016) as indicated in table 1.14 below:

Table No. 1.14 : Compliance to COPU Reports

Year of the COPU Report	Total number of COPU Reports	Total no. of recommendations in COPU Report	No. of recommendations where ATNs not received
2008-09	1	6	2
2010-11	2	9	8
2012-13	2	14	6
2013-14	2	18	18
2014-15	3	23	22
2015-16	2	26	26
Total	12	96	82

These reports of COPU contained recommendations in respect of paragraphs pertaining to six departments, which appeared in the Reports of the CAG of India for the years 2003-04 to 2012-13.

In order to strengthen legislative oversight and accountability, Government may ensure sending of replies to inspection reports/ draft paragraphs/ performance audits and ATNs on the recommendations of COPU as per the prescribed time schedule and recovery of loss/ outstanding advances/ overpayments within the prescribed period.

Disinvestment, Restructuring and Privatisation of PSUs

1.27 The State Government established (July 2002) the Directorate of Disinvestment under the Department of Finance, with the objective of disinvestment of State Government equity held in PSUs and their subsidiaries/promoted companies and restructuring/ privatisation of PSUs. During the year 2015-16, no PSU was completely disinvested by the Directorate.

Coverage of Report

1.28 This Report contains 17 paragraphs and two performance audits i.e. “Working of Punjab Water Resources Management & Development Corporation Limited” and “Billing and Collection of Revenue in Punjab State Power Corporation Limited” involving financial effect of ₹ 1,712.97 crore. The managements of seven companies/ corporations did not reply to seven paragraphs while the response of the Government of Punjab was awaited to 17 paragraphs and two performance audits.