



**Report of the
Comptroller and Auditor General of India
on
Public Sector Undertakings
(Social, General and Economic Sectors)
for the year ended 31 March 2018**



लोक हितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Punjab
Report No. 2 of the year 2019

**Report of the
Comptroller and Auditor General of India
on
Public Sector Undertakings
(Social, General and Economic Sectors)**

for the year ended 31 March 2018

**Government of Punjab
Report No. 2 of the year 2019**

TABLE OF CONTENTS

Description	Reference to	
	Paragraphs	Page/ Remarks
Preface		vii
Overview		ix-xi
Introduction Functioning of State Public Sector Undertakings		
General	1-2	1-2
Accountability framework	3-4	2-3
Submission of accounts by PSUs	5-6	3-4
Investment by Government of Punjab in State Public Sector Undertakings	7-9	4-5
PART - I		
Chapter-I Functioning of Power Sector Undertakings (PSUs)		
Introduction	1.1 - 1.2	7-8
Disinvestment, Restructuring and Privatisation of Power Sector Undertakings	1.3	8
Investment in Power Sector Undertakings	1.4	8-9
Budgetary support to Power Sector Undertakings	1.5	9-10
Reconciliation with Finance Accounts of Government of Punjab	1.6	10-11
Submission of accounts by Power Sector Undertakings	1.7	11
Performance of Power Sector Undertakings	1.8-1.20.4	12-23
Comments on accounts of Power Sector Undertakings	1.21	23
Performance Audit and Compliance Audit paragraphs	1.22	24
Follow up action on Audit Reports	1.23-1.24	24-25
Chapter-II Compliance Audit observations relating to Power Sector Undertakings		
Punjab State Power Corporation Limited		
Unjustified payment of oil consumption based generation incentive	2.1	27-28
Non-application of correct tariff	2.2	29-30
Advertisement expenses	2.3	30-31
Electricity dues	2.4	31-33
Memorandum of Understanding with Indiabulls Power Limited	2.5	33-34
Non-realisation of billing dues	2.6	34-35
Late payment surcharge	2.7	35-36
Loss of revenue due to allowing energy losses on independent feeders	2.8	37-38

Avoidable payment of energy charges	2.9	38-39
Punjab State Transmission Corporation Limited		
Non-utilisation of Hot Line tools	2.10	39-40
Replacement of insulators on 400 KV transmission lines	2.11	41
PART – II		
Chapter-III		
Functioning of Public Sector Undertakings other than Power Sector		
Introduction	3.1-3.2	43-44
Investment in State PSUs (other than Power Sector)	3.3-3.4	44
Disinvestment, Restructuring and Privatisation of Public Sector Undertakings	3.5	45
Budgetary support to State PSUs (other than Power Sector Undertakings)	3.6	45-46
Reconciliation with Finance Accounts of Government of Punjab	3.7	46
Submission of accounts by State PSUs (other than Power Sector Undertakings)	3.8-3.8.2	46-48
Placement of Separate Audit Reports of Statutory Corporations in State Legislature	3.9	49
Impact of non-finalisation of accounts of State PSUs	3.10	49
Performance of State Public Sector Undertakings	3.11-3.21	49-58
Winding up of inactive State PSUs	3.22	58-59
Comments on accounts of State PSUs	3.23-3.24	59-60
Compliance Audit paragraphs	3.25	60
Follow up action on Audit Reports	3.26-3.28	60-62
Chapter-IV		
Performance Audit relating to PSUs other than Power Sector		
Punjab State Bus Stand Management Company Limited		
Working of Punjab State Bus Stand Management Company Limited	4.1	63-100
Chapter-V		
Compliance Audit observations relating to PSUs other than Power Sector		
Punjab Agro Foodgrains Corporation Limited and Punjab State Warehousing Corporation		
Damaged wheat	5.1	101-115
Punjab State Grains Procurement Corporation Limited, Punjab State Civil Supplies Corporation Limited, Punjab Agro Foodgrains Corporation Limited and Punjab State Warehousing Corporation		
Non-recovery of drilage	5.2	116-117
Carry over charges	5.3	118

Punjab State Civil Supplies Corporation Limited		
Excess purchase of gunny bags	5.4	119-120
Punjab Small Industries and Export Corporation Limited		
Non-charging of extra price for corner plots	5.5	121
Non-recovery of charges	5.6	122-124
Extra expenditure	5.7	124-125

Annexures

Ann. No.	Particulars	Reference to	
		Paragraph	Page No.
1	Summarised financial results of Power Sector Undertakings for the latest year for which accounts were finalised.	1.8, 1.9 and 1.13	127
2	Statement showing State Government funds infused in the two power sector undertakings since inception till 31 March 2018.	1.12	128
3	Statement showing recoverable energy charges and interest burden from a consumer by Punjab State Power Corporation Limited.	2.2	129-130
4	Statement showing financial loss due to payment of late payment surcharge by Punjab State Power Corporation Limited.	2.7	131-133
5	Loss of revenue due to allowing energy losses on independent feeders in respect of Punjab State Power Corporation Limited.	2.8	134
6	Statement showing position of equity and outstanding loans relating to State PSUs (other than Power Sector) as on 31 March 2018.	3.3, 3.11 and 3.22	135-140
7	Statement showing difference between Finance Accounts of Government of Punjab and Accounts of the State PSUs (other than Power Sector) in respect of balances of Equity, Loans and Guarantee as on 31 March 2018.	3.7	141-144
8	Statement showing position of State Government investment in working State PSUs (other than Power Sector) accounts of which are in arrears during the period of arrears.	3.8.1	145
9	Summarised financial results of State PSUs (other than Power Sector) for the latest year for which accounts were finalised.	3.11-3.12	146-150
10	Statement showing State Government funds infused in the State PSUs (other than Power Sector) during the period from 2010-11 to 2017-18.	3.15	151-153

11	Statement showing the financial position and working results of Punjab State Bus Stand Management Company Limited (Provisional figures).	4.1.6	154-155
12	Statement showing the segment wise operational performance of Punjab State Bus Stand Management Company Limited.	4.1.9.1	156
13	Statement showing the amount short claimed by Punjab State Bus Stand Management Company Limited.	4.1.12.1	157
14	Statement showing tender wise success rate of tenders in respect of Punjab Agro Foodgrains Corporation Limited and Punjab State Warehousing Corporation during April 2015 to March 2018.	5.1.2	158
15	Statement showing district wise wheat to be upgraded and actually upgraded by Punjab Agro Foodgrains Corporation Limited.	5.1.3	159
16	Statement showing district wise wheat to be upgraded and actually upgraded by Punjab State Warehousing Corporation.	5.1.3	160
17	Statement showing loss in value of damaged wheat on account of reduction in reserve price in Punjab Agro Foodgrains Corporation Limited.	5.1.4	161
18	Statement showing loss in value of damaged wheat on account of reduction in reserve price in Punjab State Warehousing Corporation.	5.1.4	162
19	Statement showing poor preservation of wheat stock by Punjab Agro Foodgrains Corporation Limited and Punjab State Warehousing Corporation.	5.1.7	163
20	Statement showing damage of wheat due to storage with infested wheat stock by Punjab Agro Foodgrains Corporation Limited and Punjab State Warehousing Corporation.	5.1.8	164
21	Statement showing extension fee and interest recoverable from allottee by Punjab Small Industries and Export Corporation Limited.	5.6	165