

## Preface

This Report deals with the results of audit of Government Companies and Statutory Corporations and has been prepared for submission to the Government of Rajasthan under Section 19A of the Comptroller and Auditor General s (Duties, Powers and Conditions of Services) Act, 1971, as amended from time to time.

2. Audit of the accounts of Government Companies is conducted by the Comptroller and Auditor General of India under the provisions of Section 139 and 143 of the Companies Act, 2013. According to Section 2 (45) of the Act 2013, a Government Company means any company in which not less than fifty one percent of the paid-up share capital is held by the Central Government or by any State Government or Governments or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary company of such a Government Company. Besides, any other company<sup>1</sup> owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred as Government controlled other Companies. The audit arrangements of Statutory Corporations are prescribed under the respective acts through which the corporations are established.

3. This report deals with performance of 43 Public Sector Undertakings (PSUs) consisting of 40 Government Companies and three Statutory Corporations in the State of Rajasthan the audit of which has been entrusted to the Comptroller and Auditor General of India. The Report includes an Introductory Chapter on the functioning of all the 43 PSUs. Thereafter, the report has been divided in two parts: **Part-I** deals with the analysis of the performance of the 15 Power Sector Companies. The Government of Rajasthan (GoR) has high financial stakes in the Power sector PSUs as the total investment in these companies stood at ₹ 117215.41 crore as on 31<sup>st</sup> March 2018. The power sector received 95.20 *per cent* (₹ 24626.03 crore) of the total budgetary outgo during the year 2017-18. The Equity contributed by the State Government in power sector was mainly towards capital investment and construction of various projects. During the year, the Power sector Companies earned a profit of ₹ 2750.85 crore. Seven Power Sector companies earned profit of ₹ 2994.36 crore, four PSUs incurred loss of ₹ 243.51 crore and four PSUs had marginal losses during the year. Keeping in view the importance of the sector we have presented the details of the performance of the Power Sector PSUs and results of our audit of these companies (one Performance Audit and five compliance audit paragraphs) in **Part - I** of the Report.

4. **Part-II** of the report deals with the details of the performance of the 28 PSUs other than power sector (including 3 statutory corporations). These

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1 Ministry of Corporate Affairs- Companies (Removal of Difficulties) Seventh Order 2014 dated 4 September 2014

PSUs incurred loss of ₹ 929.70 crore during 2017-18. This Part includes two compliance audit paragraphs relating to RIICO Limited<sup>2</sup>.

5. The audit observations featured in this Report are those which came to notice in the course of audit during the year 2017-2018 as well as those which came to notice in earlier years but were not dealt with in the previous Reports. Matters relating to the period after 31 March 2018 have also been included, wherever necessary.

6. The audit has been conducted in accordance with the Auditing Standards issued by the Comptroller and Auditor General of India.

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2 RIICO Limited stands for Rajasthan State Industrial Development and Investment Corporation Limited.