

CHAPTER - I

1. General view of Government companies and Statutory corporations

Introduction

1.1 As on 31 March 2004, there were 50 Government companies (16^{*} working and 34 non-working companies[♦]) and four Statutory corporations (all working) as against 50 Government companies (17 working companies and 33 non-working companies) and four Statutory corporations (all working) on 31 March 2003 under the control of the State Government. The accounts of Government companies (as defined in Section 617 of Companies Act, 1956) are audited by Statutory Auditors who are appointed by the Comptroller and Auditor General of India (CAG), as per provision of Section 619(2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by the CAG as per provision of Section 619 of the Companies Act, 1956. The audit arrangements of Statutory corporations are as shown below:

Sl.No.	Name of the Corporation	Authority for audit by the Comptroller and Auditor General of India	Audit arrangement
1	Bihar State Electricity Board (BSEB)	Under Rule 14 of the Electricity Supply (Annual Accounts) Rules, 1985 read with Section 185(2) (d) of the Electricity Act, 2003	Sole audit by CAG
2	Bihar State Road Transport Corporation (BSRTC)	Section 33(2) of the Road Transport Corporations Act, 1950	Sole audit by CAG
3	Bihar State Financial Corporation (BSFC)	Section 37(6) of the State Financial Corporations Act, 1951	Audit by Chartered Accountants and supplementary audit by CAG
4	Bihar State Warehousing Corporation (BSWC)	Section 31(8) of the State Warehousing Corporations Act, 1962	Audit by Chartered Accountants and supplementary audit by CAG

* One company viz Bihar State Export Corporation Limited has been included in the category of non-working companies as it is under liquidation.

♦ Non-working companies/corporations are those, which are under the process of liquidation/closure/merger, etc

Working Public Sector Undertakings (PSUs)

Investment in working PSUs

1.2 The total investment in 21 working PSUs (17 Government companies and four Statutory corporations) at the end of March 2003 and 20 working PSUs (16 Government companies and four Statutory corporations) at the end of March 2004 respectively was as follows:

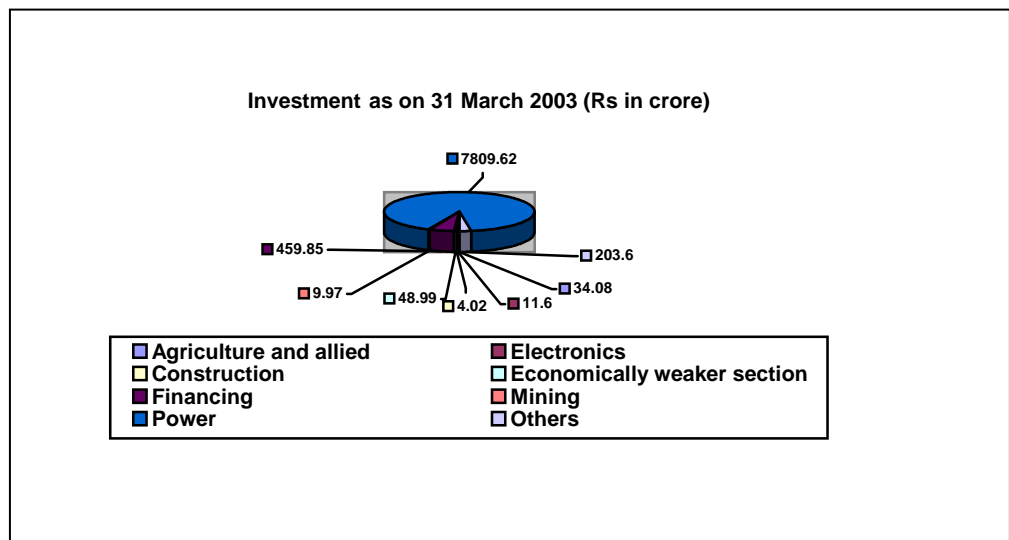
(Rupees in crore)

Year	Number of working PSUs	Investment in working PSUs			
		Equity	Share application money	Loan	Total
2002-03	21	442.02	16.45	8,123.26	8,581.73
2003-04	20	454.07	3.66	5,977.41	6,435.14*

As on 31 March 2004, the total investment of working Government companies and Statutory corporations comprised 7.1 per cent of equity capital and 92.89 per cent of loans, compared to 5.34 and 94.66 per cent respectively as on 31 March 2003. The analysis of investment in working PSUs is given in the following paragraphs.

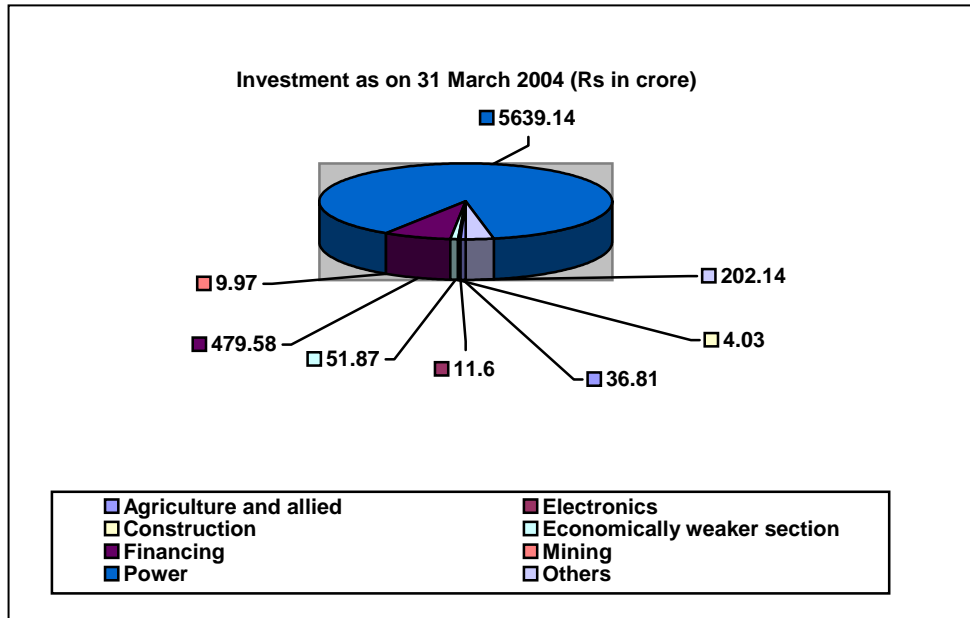
Sector-wise investment in working Government companies and Statutory corporations

The investment (equity and long term loans) in various sectors and percentages thereof at the end of 31 March 2003 and 31 March 2004[^] are indicated below in the pie charts.



* Reconciliation of figures with Finance Accounts is pending

[^] Investment in power sector decreased due to division of assets and liabilities between Bihar and Jharkhand State Electricity Boards.



Working Government companies

1.3 The total investment in 17 working Government companies at the end of March 2003 and 16 working Government companies at the end of March 2004 respectively was as follows:

(Rupees in crore)

Year	Number of working Government companies	Investment in working Government companies			
		Equity	Share application money	Loan	Total
2002-03	17	261.54	16.45	886.04	1,164.03
2003-04	16	273.59	3.66	918.90	1,196.15*

The summarised statement of Government investment in working Government companies in the form of equity and loans is detailed in **Annexure -1**.

As on 31 March 2004, the total investment in working Government companies comprised 23.18 per cent equity capital and 76.82 per cent of loans as compared to 23.88 and 76.12 per cent respectively, as on 31 March 2003.

* Includes investment of Rs 100 crore in equity and Rs. 608.89 crore loan to Tenughat Vidyut Nigam Limited, in respect of which a case regarding transfer of ownership from the State of Bihar to the State of Jharkhand is pending before the High Courts of Patna and Ranchi.

Working Statutory corporations

1.4 The total investment in the four Statutory corporations at the end of March 2003 and March 2004 was as follows:

(Rupees in crore)

Name of Corporation	2002-03		2003-04	
	Capital	Loan	Capital	Loan
Bihar State Electricity Board (BSEB)	-	6,862.31	-	4,668.44
Bihar State Road Transport Corporation (BSRTC)	101.27	77.11	101.27	79.41
Bihar State Financial Corporation (BSFC)	77.84	297.81	77.84	310.67
Bihar State Warehousing Corporation (BSWC)	1.37	Nil	1.37	Nil
Total	180.48	7,237.23	180.48	5,058.52

The summarised statement of Government investment in Statutory corporations in the form of equity and loan is detailed in **Annexure-1**.

As on 31 March 2004, the total investment in Statutory corporations comprised 3.44 per cent equity capital and 96.56 per cent loans as against 2.43 and 97.57 per cent respectively as on 31 March 2003.

Budgetary outgo, grants/subsidies, guarantees, waiver of dues and conversion of loans into equity

1.5 The details regarding budgetary outgo, grants / subsidies, guarantees issued, waiver of dues and conversion of loans into equity by State Government to working Government companies and working Statutory corporations are given in **Annexures-1 & 3**.

The table below shows the budgetary support received by working Government companies and working Statutory corporations for the three years up to March 2004 in the form of equity capital and loans and grants/subsidies from the State Government:

(Rupees in crore)

	2001-02				2002-03				2003-04			
	Companies		Corporations		Companies		Corporations		Companies		Corporations	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Equity capital outgo from budget	--	--	--	--	--	--	--	--	--	--	--	--
Loans given from budget	--	--	3	613.66	1	5.00	3	513.04	2	23.38	3	701.39
Subsidy	--	--	1	0.04	--	--	--	--	--	--	1	0.1
Total outgo	--	--	4	613.70	1	5.00	3	513.04	2	23.38	4	701.49

During 2003-04, the Government did not guarantee loans. At the end of the year, guarantees of Rs.189.05 crore against three working Government companies (Rs. 32.66 crore) and two working Statutory corporations (Rs. 156.39 crore) were outstanding. There were two cases of default in repayment of guaranteed loans, during the year, in respect of two corporations*. The guarantee commission paid/payable to Government by Government companies and Statutory corporations was Rs.3.90 lakh and Rs.28.75 lakh respectively.

Finalisation of accounts by working PSUs

1.6 Out of 16 working Government companies, and four Statutory corporations, none had finalised their accounts for the year 2003-04, up to 30 September 2004. During the period from October 2003 to September 2004, seven working Government companies finalised 12 accounts for previous years. Similarly three working Statutory corporations finalised six accounts for previous years during this period.

The accounts of 16 working Government companies were in arrears for periods ranging from four to 21 years. Besides, accounts of four Statutory corporations were in arrears for periods ranging from one to five years as on 30 September 2004, as detailed below:

Sl. No.	No. of working companies/ corporations		Years for which accounts are in arrears	Number of years for which accounts are in arrears	Reference to Serial No. of Annexure-2	
	Government companies	Statutory corporations			Government companies	Statutory corporations
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1	--	1983-84 to 2003-04	21	A-10	--
2	1	--	1989-90 to 2003-04	15	A-6	--
3	2	--	1992-93 to 2003-04	12	A-16,A-7	--

* Bihar State Electricity Board and Bihar State Financial Corporation.

Sl. No.	No. of working companies/ corporations		Years for which accounts are in arrears	Number of years for which accounts are in arrears	Reference to Serial No. of Annexure-2	
	Government companies	Statutory corporations			Government companies	Statutory corporations
4	3	--	1993-94 to 2003-04	11	A-2, A-3, A-11	--
5	2	--	1994-95 to 2003-04	10	A-1, A-13	--
6	3	--	1995-96 to 2003-04	9	A-9, A-12, A-15	--
7	1	--	1996-97 to 2003-04	8	A-8	--
8	1	--	1998-99 to 2003-04	6	A-14	--
9	1	1	1999-2000 to 2003-04	5	A-4	B-2
10	1	--	2000-01 to 2003-04	4	A-5	--
11	--	2	2001-02 to 2003-04	3	--	B-1, B-4
12	--	1	2003-04	1		B-3
Total	16	4				

Reasons for delay in finalisation of accounts of working companies in general and of 12 companies, where accounts were in arrears for three or more years in particular, have been discussed in detail in paragraph 4.4 of Chapter -IV

Financial position and working results of working PSUs

1.7 The summarised financial results of working PSUs (Government companies and Statutory corporations) as per their latest finalised accounts are given in **Annexure - 2**. Statement showing financial position and working results of individual Statutory corporations for the latest three years are given in **Annexure-4** and **5** respectively.

According to the latest finalised accounts of 16 working Government companies and four Statutory corporations, 10 companies and three corporations had incurred an aggregate loss of Rs. 21.59[♦] crore and Rs. 999.51 crore respectively. Five companies and one corporation earned an aggregate profit of Rs. 10.77 crore and Rs. 1.96 crore respectively.

[♦] Excluding development expenditure of Tenughat Vidyut Nigam Limited.

Working Government companies

Profit earning working companies and dividend

1.8 As per the latest available accounts, out of 16 working Government companies (September 2004), five companies* earned an aggregate profit of Rs 10.77 crore. The profit earning companies did not declare any dividend. The State Government neither formulated any dividend policy for payment of minimum dividend nor did it issue any guidelines to the companies.

Loss making companies

1.9 As per their latest available accounts, 10[♦] loss making companies had incurred aggregate loss of Rs.21.59 crore. As per their latest finalised accounts the aggregate accumulated loss of six* loss making companies was Rs.123.73 crore, which had exceeded their aggregate paid up capital of Rs.28.19 crore.

Working Statutory corporations

Profit earning corporations and dividend

1.10 Out of the four Statutory corporations, only Bihar State Warehousing Corporation had earned profit of Rs 1.96 crore, but it did not declare dividend.

Loss making corporations

1.11 Bihar State Electricity Board had an accumulated deficit of Rs 8,185.02 crore against the total investment (loans) of Rs 6,244.17 crore.

Two corporations viz Bihar State Road Transport Corporation and Bihar State Financial Corporation had accumulated losses of Rs. 473.84 crore and Rs 662.96 crore respectively and had eroded their paid-up capital of Rs 101.27 crore and Rs 77.84 crore respectively.

Operational performance of Statutory corporations

1.12 The operational performance of the Statutory corporations is given in **Annexure-6**. In case of Bihar State Financial Corporation, the amount overdue for recovery (principal and interest) increased from Rs 2,095.01 crore in 2002-03 to Rs 2,386.35 crore in 2003-04.

* SI Nos A-4,A-5,A-9,A-11,A-16 of Annexure-2

♦SI Nos A-1,A-2,A-3 A-6,A-7,A-8,A-10,A-12,A-14, and A-15 of Annexure-2

* SI Nos A-1, A-2, A-6, A-7, A-10, and A-14 of Annexure-2

Return on capital employed

1.13 As per the latest finalised accounts (up to September 2004), the capital employed* worked out to Rs 954.77 crore in 16 working companies and total return** thereon amounted to Rs 20.68 crore as compared to negative return of Rs 2.89 crore in the previous year (accounts finalised up to September 2003). Similarly, the capital employed and total negative return thereon in case of working Statutory corporations as per their latest finalised accounts (up to September 2004) worked out to Rs 1,732.98 crore and Rs. 2,644.12 crore respectively, against the total negative return of Rs 2,694.09 crore in previous year (accounts finalised up to September 2003). The details of capital employed and total return on capital employed in case of working Government companies and Statutory corporations are given in **Annexure-2**.

Reforms in Power Sector

Status of implementation of MOU between the State Government and the Central Government

1.14 A Memorandum of Understanding (MOU) was signed (September 2001) between the Government of Bihar and Government of India as a measure of joint commitment to undertake power sector reforms in a time-bound manner. Status of implementation of reforms programme *vis-à-vis* respective commitments made in the MOU is as follows:

Sl. No.	Commitments as per MoU	Targeted completion schedule	Status
1	2	3	4
	Commitments made by State Government		
1	State Electricity Regulatory Commission (SERC)	December 2001	Notification issued but members not appointed (September 2004)
2	Rural electrification programme	By 2006	Out of 45,098 villages of Bihar, 17,231 villages have been electrified upto March 2004. 13,994 villages electrified earlier were not getting power due to theft/damage of lines etc.
3	Reorganisation of Board	December 2001	A committee has been constituted under the Development Commissioner to recommend the model that would best suit the State.

* Capital employed represents net fixed assets (including capital works-in-progress) plus working capital, except in finance companies and corporations where it represents a mean of aggregate of opening and closing balances of paid-up capital, free reserve, bonds, deposits and borrowings (including refinance).

** For calculating total return on capital employed, interest on borrowed funds is added to net profit/subtracted from the loss, as disclosed in the profit and loss account.

4	Securitisation of outstanding dues of Central Power Sector Undertakings	Not fixed.	As on 30 September 2001, the dues of Bihar State Electricity Board towards the Central Power Sector Undertakings were Rs 1,733.43 crore. Out of this, dues worth Rs 1,593.52 crore have been securitised.
5	100 per cent metering of all 11 KV distribution feeders	December 2001	Out of 16 circles of Bihar, metering in four circles is to be done by the Board while in seven circles the work is to be done by Power Grid Corporation of India Limited (PGCIL). In remaining five circles the work is to be completed by 2005-06. As on 10 July 2004, the Board has floated the tender for metering in four circles but the contract has not yet been awarded. Further for metering of seven circles in which work is to be done by PGCIL, NIT has been issued for four circles but the contract has not yet been awarded (20 June.2004).
6	100 per cent metering of all consumers	December 2002	Out of total 16 circles of Bihar, metering in four circles is to be done by the Board while in seven circles, the work is to be done by Power Grid Corporation of India Limited (PGCIL). As on 15 July 2004 the Board has installed 18000 meters out of total 2,46,000 meters to be installed. Further in seven circles in which work is to be done by PGCIL, NIT has been issued for four circles but the contract has not yet been awarded (June 2004).
7	Energy audit	June 2002	Energy audit could not be implemented as metering of 11 KV feeders have not been completed.
8	Reduction in transmission and distribution losses	Not given	Efforts being made
9	Improvement in PLF of thermal generating units	March 2003	Efforts being made
10	Three per cent return on fixed assets	March 2004	Efforts being made

Non-working Public Sector Undertakings (PSUs)

Investment in non-working PSUs

1.15 The total investment in 33 non-working PSUs (all Government companies) at the end of March 2003, and 34 non-working PSUs at the end of March 2004, respectively was as follows:

(Rupees in crore)

Year	Number of non - working PSUs	Investment in non-working PSUs			
		Equity	Share application money	Loan	Total
2002-03	33	156.44	7.95	540.91	705.30
2003-04	34	160.00	6.38	540.33	706.71

Budgetary outgo, grants/subsidies, guarantees, waiver of dues and conversion of loan into equity

1.16 The details regarding budgetary outgo, grants/ subsidies, guarantees issued, waiver of dues and conversion of loans into equity by the State Government to non-working PSUs are given in **Annexures-1** and **3**. At the end of the year, guarantees of Rs 64 lakh were outstanding against two non-working companies.

Total establishment expenditure of non-working PSUs

1.17 The year-wise details of total liability on establishment expenditure of non-working PSUs and the sources of financing them during last three years up to 2003-04, as furnished by the respective managements, are given below:

(Rupees in crore)

Year	No. of PSUs	Total liability on establishment expenditure	Financed by Holding Company	Outstanding liability
2001-02	10	3.17	0.02	3.15
2002-03	9	25.11	0.01	25.10
2003-04	12 [‡]	39.42	0.11	39.31

[•]Bihar State Leather Industries Development Corporation Limited and Bihar State Agro Industries Development Corporation Limited.

[‡] Information in respect of 22 companies not furnished to Audit.

Finalisation of accounts by non-working PSUs

1.18 The accounts of 34 non-working companies were in arrears for periods ranging from nine to 27 years as on 30 September 2004 (**Annexure-2**).

Financial position and working results of non-working PSUs

1.19 The summarised financial results of non-working Government companies as per their latest finalised accounts are given in **Annexure-2**. The net worth* of 34 non-working Government companies was Rs (-) 71.14 crore against their total paid-up capital of Rs.100.84 crore. These companies suffered a cash loss♦ of Rs.19.70 crore and their accumulated loss worked out to Rs.171.99 crore.

Recommendations for closure of PSUs

1.20 As the accumulated loss of non-working Government companies was 1.7 times of the paid-up capital, and as further losses are being incurred every year, these PSUs should be wound up expeditiously.

The Government of Bihar have decided to wind up 17 companies alongwith their subsidiaries. Fifteen companies had filed petition for winding up, in the Patna High Court, and out of these, winding up orders has been passed in respect of three companies. The names of the companies which have filed petition for winding up and to be wound up are given in **Annexure -7**.

Status of placement of Separate Audit Reports of Statutory corporations in Legislature

1.21 The following table indicates the status of placement in the Legislature of various Separate Audit Reports (SARs) on the accounts of Statutory corporations issued by the CAG of India:

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	Reasons for delay in placement in Legislature
1	Bihar State Electricity Board	1997-98	1998-99 1999-00 2000-01	4.06.2002 23.05.2003 30.06.2004	Reasons not intimated
2	Bihar State Road Transport Corporation	1973-74	1974-75 to 1996-97	1991-92 9.6.97 1992-93 2.9.98 1993-94 2.9.98 1994-95 4.12.98 1995-96 18.4.2000	Copies of Reports not made available by the Corporation

* Net worth represents investment in share capital ,free reserves less accumulated loss.

♦ Cash loss represents loss for the year before depreciation.

				1996-97	19-03-04	
3	Bihar State Financial Corporation	2000-01	2001-02 to 2002-03	3-9-04		Reasons not intimated
4	Bihar State Warehousing Corporation	1999-2000	2000-01	21-09-04		Reasons not intimated

It would be observed from above that 29 SARs relating to four corporations were not laid before the Legislature for one to 23 years of which 23 SARs of Bihar State Road Transport Corporation, two SARs of Bihar State Financial Corporation, three SARs of Bihar State Electricity Board and one SAR of Bihar State Warehousing Corporation were not placed so far (September 2004). Due to non placement of SARs, Legislature were deprived of exercising financial control on these corporations.

The Government should take concrete steps for placement of Separate Audit Reports to the Legislature in time as per requirement of the respective Acts.

Disinvestment, privatisation and restructuring of Public Sector Undertakings

1.22 The State Government did not undertake the exercise of disinvestment, privatisation and restructuring of any of its public sector undertakings during 2003-04.

Results of audit of accounts of PSUs by the Comptroller and Auditor General of India

1.23 During the period from October 2003 to September 2004, the comments of the Comptroller and Auditor General of India were issued on 21 accounts of nine Government companies, and seven accounts of four Statutory corporations. The net impact of the important audit observations on the accounts of PSUs was as follows:

(Rupees in crore)

Particulars.	Government companies		Statutory corporations	
	Number of accounts	Amount	Number of accounts	Amount
Increase in loss	15	29.02	5	3342.00
Decrease in profit	2	1.71	2	4.38
Misclassification of income/expenditure and assets and liabilities	3	3.33	1	0.07
Non disclosure of material facts	4	4.37	-	-

Some of the major errors and omissions noticed in the course of review of annual accounts of some of the above companies and corporations are mentioned below:

1.24 Errors and omissions noticed in case of Government companies.

(Rupees in crore)

Sl. No.	Name of company	Year of accounts	Errors/Omissions	Amount
1	Bihar State Minorities Financial Corporation Limited	1995-96	The loss of the Company was understated due to non-provision of loans doubtful of recovery.	1.30
2	Bihar State Tourism Development Corporation Limited	1992-93	The profit of the Company was overstated due to non-provision for irrecoverable investment in equity shares of Ranchi Ashok Bihar Hotel Corporation.	0.35
3	Bihar State Backward Classes Finance & Development Corporation	1994-95	The income of the Company was overstated on account of non-provision of irrecoverable loan and short provision of interest on NBCFDC loan.	1.33.
4	Bihar State Hydroelectric Power Corporation Limited	1994-95	The profit of the Company was reduced after revision of accounts by the Company.	4.36
5	Bihar State Food & Civil Supplies Corporation Limited	1981-82	The loss of the Company was understated on account of non provision of interest on loan and loss arising out of judgement of Hon'ble High Court, Bombay	3.39
6	Bihar State Credit & Investment Corporation Limited	1997-98	The loss of the Company was understated on account of non provision of non-performing assets., liability for payment of interest tax. and debts doubtful of recovery.	10.06
7	Bihar State Electronic Development Corporation Limited	1990-91	The loss of the Company for the year was understated on account of non-provision of interest on loan.	2.54
8	Bihar State Small Industries Corporation	1989-90	The loss of the Company for the year was understated due to non-provision of	0.48

	Limited		liability for interest earned on fund provided by the Government of Bihar under special component programme.	
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1.25 Errors and omissions noticed in case of Statutory corporations

Some of the significant errors and omissions noticed during audit in case of Statutory corporations are tabulated below:

(Rupees in crore)

Sl. No.	Name of corporation	Year of accounts	Errors/ omissions	Amount
1	Bihar State Road Transport Corporation	1996-97	Non provision on account of irrecoverable tax deductible at source by Commercial Tax Department led to understatement of loss.	7.22
2	Bihar State Financial Corporation	2002-03	The loss of the Corporation was understated on account of non provision of interest claimed by Industrial Development Bank of India on loan provided in lieu of ordinary share capital.	14.37
3	Bihar State Warehousing Corporation	2000-01	The profit of the Corporation was overstated on account of non provision of unrecoverable loan, debts doubtful of recovery and loss due to embezzlement of fertiliser.	4.29
4	Bihar State Electricity Board	2000-01	The deficit of the Board was understated due to non inclusion of power purchase bills, non adjustment of fuel stock, incorrect inclusion of receivables against supply of powers and subsidy from the Government, incorrect capitalisation of employees cost and non provision of certain expenses.	3,289.21

Audit assessment of the working results of Bihar State Electricity Board

1.26 Based on the audit assessment of the working results of the BSEB for three years up to 2000-01, and taking into consideration the major irregularities and omissions pointed out in the SARs on the annual accounts of the BSEB and excluding the subsidy/subventions receivable from the State

Government, the net deficit and the return on capital employed of the BSEB is given below:

(Rupees in crore)

Sl. No.	Particulars	1998-99	1999-2000	2000-01
1	Net deficit as per books of accounts	2,522.48	992.04	3,538.73
2	Subsidy from the State Government	483.07	629.00	856.36
3	Net deficit, before subsidy from the State Government	3,005.55	1,621.04	4,395.09
4	Net increase in deficit on account of audit comments on the annual accounts of the BSEB	990.71	79.42	3,289.21
5	Net deficit after taking into account the impact of audit comments but before subsidy from the State Government	3,996.26	1,700.46	7,684.30
6	Total return on capital employed*	(-) 1,928.24	(-) 285.84	(-) 2,607.40

Recoveries at the instance of Audit

1.27 Test check of records of Bihar State Electricity Board conducted during 2002-03 disclosed short levy of tariff aggregating Rs1.90 crore in five cases. The Board accepted the observations in all cases which had been pointed out by Audit and a sum of Rs. 1.90 crore was recovered at the instance of Audit.

Reports of Statutory Auditors for improvement in internal audit/internal control on the directions of Comptroller and Auditor General of India

1.28 The Statutory Auditors (Chartered Accountants) are required to report under Section 227(4) of the Companies Act, 1956 whether there is an adequate internal control procedure commensurate with the size of the company and the nature of its business. Further they are also required to furnish a supplementary report upon various aspects including the internal control /internal audit in accordance with the directions issued to them by the Comptroller and Auditor General of India under Section 619 (3) (a) of the

* Total return on capital employed represents net surplus/deficit plus total interest charged to profit and loss account (less interest capitalised).

Companies Act, 1956 and to identify areas which needed improvement. Further, according to Section 292 A of the Act *ibid*, as amended by the Companies (Amendment) Act 2000, every public company having paid-up capital not less than rupees five crore is required to constitute an Audit Committee for ensuring compliance of internal control, its adequacy and to review financial statements before their submission to the Board of Directors.

An analysis of 12 such reports on the accounts of seven Government companies received from the statutory auditors relating to accounts finalised in 2003-04 revealed that internal control system was inadequate in all of the seven companies. The deficiencies pointed out by the statutory auditors are given in **Annexure - 8**.

In compliance of provisions of Section 292A of the Companies Act, 1956, three companies* had formed Audit Committee.

Position of discussion of Audit Reports (Commercial) by the Committee on Public Undertakings (COPU)

1.29 The position of discussion of Audit Reports (Commercial) by the COPU, reviews and paragraphs pending for discussion in the COPU at the end of September 2004 is shown below:

Period of Audit Report	No. of reviews and paragraphs appeared in Audit Report		No. of reviews and paragraphs pending for discussion	
	Reviews	Paragraphs	Reviews	Paragraphs
1981-82	4	8	3	0
1982-83	8	18	5	1
1983-84	4	34	3	5
1984-85	3	9	3	1
1985-86	3	21	3	4
1986-87	6	29	6	8
1987-88	5	23	5	6
1988-89	4	44	4	10
1989-90	6	48	6	12
1990-91	4	39	4	9
1991-92	4	49	4	15
1992-93	5	31	5	9
1993-94	3	32	3	5
1994-95	3	19	3	6
1995-96	3	21	3	7
1996-97	3	21	2	17
1997-98	2	25	2	24
1998-99	6	15	6	15
1999-2000	3	15	3	15
2000-01	2	13	2	13
2001-02	3	9	3	9

- * 1 Bihar State Credit and Investment Corporation Limited.
- 2 Bihar State Food & Civil Supplies Corporation Limited
- 3 Bihar State Mineral Development Corporation Limited

Period of Audit Report	No. of reviews and paragraphs appeared in Audit Report		No. of reviews and paragraphs pending for discussion	
	Reviews	Paragraphs	Reviews	Paragraphs
Total	84	523	78	191

619-B companies

1.30 There were eight companies coming under Section 619-B of the Companies Act, 1956, out of which six companies have not finalised any accounts since inception and application for their closure had been filed in the Patna High Court in September 2000 by Sone Command Area Development Agency (SCADA). The details of paid-up capital, investment by way of equity, loans and grants and summarised working results of these companies, based on their latest available accounts, are given in **Annexure- 9**.