

REPORT  
OF THE  
COMPTROLLER  
&  
AUDITOR  
GENERAL  
OF INDIA

1974  
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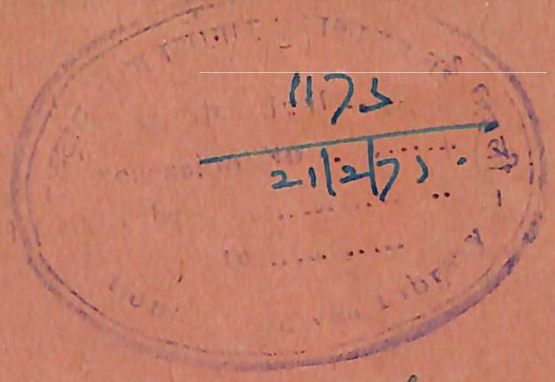
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**REPORT OF THE**  
**COMPTROLLER AND AUDITOR GENERAL OF INDIA**  
**UNION GOVERNMENT (COMMERCIAL)**

**1974**

4

**PART I**

**INTRODUCTION**

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## PREFATORY REMARKS

Government commercial concerns, the accounts of which are subject to audit by the Comptroller and Auditor General of India fall under the following categories :—

- (i) Government Companies including subsidiaries of Government Companies.
- (ii) Statutory Corporations.
- (iii) Departmentally managed commercial undertakings.

The observations of Audit on all the above categories of Undertakings formed part of Central Government Audit Report (Civil) till 1962. Taking into consideration the number of Commercial Undertakings, the amount of money invested and the complex nature of these organisations, it was decided to present the audit comments relating to them with effect from 1963 in a separate volume known as Central Government Audit Report (Commercial).

Consequent upon the setting up of the Parliamentary Committee on Public Undertakings to deal with Government Companies and Corporations, the material relating to Departmentally managed commercial undertakings is discussed by the Public Accounts Committee along with the other material relating to other departments of Government. Hence, the report relating to Departmentally managed commercial undertakings forms part of Audit Report (Civil) with effect from 1969 and the Audit Report (Commercial) deals with the other two categories.

2. There are, however, certain Companies and Corporations where Government have invested funds but the accounts of which are not subject to audit by the Comptroller and Auditor General of India on account of ;

- (a) Government holding less than 51 per cent. shares and the Company, therefore, not falling within the scope of Section 617 of Companies Act, 1956 (e.g. Lube India Limited, etc.); and/or

5. After considering the recommendations of the Administrative Reforms Commission, an Audit Board has been set up with effect from 1st April, 1969 under the supervision and control of the Comptroller and Auditor General of India for conducting a comprehensive appraisal of the working of the Government Companies and Corporations.

The first Report incorporating results of appraisal by Audit Board was presented in ten parts to the Parliament as 'Central Government Audit Report (Commercial) 1970'. The title of the next Report was changed to 'Report of the Comptroller and Auditor General of India for the year 1969-70—Central Government (Commercial)', and the same practice was followed in the next year. As the Reports on comprehensive appraisal of Public Sector Undertakings stood on a different footing, from the year 1973, the title of the Report was changed to 'Report of the Comptroller and Auditor General of India, Union Government (Commercial)—1973'. The same practice has been followed this year. The relevant reports on the selected undertakings will be included in the Report of the Comptroller and Auditor General of India—Union Government (Commercial), 1974.

Depending upon the requirements for appraisal of performance of the Undertakings selected, the Audit Board meets in groups. Each group consists of the Chairman, two whole-time members and two part-time members. The Chairman and two whole-time members are officers of the Indian Audit and Accounts Department and are appointed by the Comptroller and Auditor General of India. The two part-time members of each group are appointed by the Government of India after consulting, and with the concurrence of the Comptroller and Auditor General of India.

6. As in the previous year, for facility of consideration the Report of the Comptroller and Auditor General of India—Union Government (Commercial) 1974, will be presented in several parts consisting of the following :—

- (a) Introduction—Indicating a general review of the working results of the Government Companies and Corporations.
- (b) Results of the comprehensive appraisal conducted by the Audit Board. (Referred to in paragraph 5).
- (c) Irregularities noticed in the Undertakings not taken up for appraisal by the Audit Board and a resume of the Reports of Company Auditors submitted by them under the directives issued by the Comptroller and Auditor General of India.

7. In the beginning of the Part I of the Report the "Highlights on the working of the Union Government Companies during 1972-73" have been indicated for convenience. They indicate an overall picture of different types of industries but should not be viewed in isolation. The details are given in the Report.

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## HIGHLIGHTS ON THE WORKING OF THE UNION GOVERNMENT COMPANIES DURING 1972-73

The overall results in the aggregate of the working of 93 Union Government Companies disclosed a total net profit of Rs. 67.73 crores, during 1972-73. The return on capital invested increased from 2.3% in 1971-72 to 3.2% in 1972-73, and the return on capital employed increased from 3.6% in 1971-72 to 5.3% in 1972-73. In considering the profit and the return on capital, the following facts are relevant :—

The total value of production/business of 89 Companies, data in respect of which were analysed was Rs. 3,861 crores in 1972-73, registering a growth of 28.9% over the value of production/business of 89 Companies during 1971-72. The contribution to the exchequer, in the form of Central Excise Duty by 29 Companies, which were studied, amounted to Rs. 524 crores representing 22.5% of the total collection of Central Excise Duty of the country during 1972-73. Exports made by 45 Companies amounted to about Rs. 394 crores. All these Government Companies, provided direct employment to 7,79,945 persons by the end of 1972-73 as against the figure of 5,67,314 at the end of 1971-72, registering a growth of 37.5% in employment. The benefits in the shape of township facilities at concessional rates provided to the employees of 49 Companies, amounted to Rs. 18.24 crores. 57 Companies turning out production of the value of Rs. 2,588.79 crores imported raw materials, stores and spare parts to the extent of Rs. 261.68 crores.

The profit of Rs. 67.73 crores in respect of 93 Companies in 1972-73 is indicative of a growth of 556% over the profit of Rs. 10.32 crores of 84 Companies in 1971-72. The manufacturing/producing Companies have bettered their performance in 1972-73 contributing a profit of about Rs. 25.50 crores against the aggregate loss of about Rs. 31 crores incurred by them in 1971-72.

Analysis of utilisation of capacity (commissioned) in selected industries for which information was available revealed the following position :—

- (i) in steel group utilisation of capacity commissioned improved from 58.6% of 1971-72 to 67.3% in 1972-73;

(ii) in the fertilizer group it improved from 58.9% in 1971-72 to 70.5% in 1972-73; while

(iii) in the case of oil refining it fell marginally from 93.6% in 1971-72 to 92.3% in 1972-73.

The details are indicated below :—

1. Number of Government Companies as on 31st March, 1973. 92 and 76 Subsidiaries (including 55 Insurance Companies nationalised).
2. Number of Companies which prepared accounts. 88 and 16 Subsidiaries.
3. Paid-up capital of the 88 Companies as on 31st March, 1973. Rs. 2,752.53 crores.  
Increase of Rs. 278.63 crores over 31st March, 1972.
4. Long-term loan capital of the 93\* Companies as on 31st March, 1973. Rs. 2,174.51 crores.  
Increase of Rs. 287.79 crores over 31st March, 1972.
5. Reserves and surplus (uncommitted) of these Companies on 31st March, 1973. Rs. 428.99 crores.  
Increase of Rs. 109.24 crores over 31st March, 1972.
6. Capital invested in these 93\* Companies as on 31st March, 1973. Rs. 5,356.02 crores.  
Increase of Rs. 675.65 crores over 31st March, 1972.
7. Gross assets of 93\* Companies as on 31st March, 1973. Rs. 7,039.42 crores.  
Increase of Rs. 462.16 crores over 31st March, 1972.
8. Capital employed in 81 Companies (excluding Companies under construction and subsidiaries). Rs. 3,362.54 crores.  
Increase of Rs. 327.45 crores over 31st March, 1972.
9. Value of production/business of 89 Companies (including Subsidiaries). Rs. 3,860.64 crores.  
Increase of Rs. 865.52 crores over 1971-72.
10. Net sales of 89 Companies (including Subsidiaries). Rs. 3,718.78 crores.  
Increase of Rs. 812.46 crores over 1971-72.

\*Includes 5 Government Companies which became subsidiaries of SAIL at the far end of March, 1973.

- |  |  |
|--|--|
| 11. Sundry Debtors of 89 Companies (including Subsidiaries).   | Rs. 489.40 crores.<br>Increase of Rs. 64.49 crores over 31st March, 1972.                      |
| 12. Inventories as on 31st March, 1973 for 93 Companies (including Subsidiaries).  | Rs. 1,463.13 crores.<br>Increase of Rs. 280.03 crores over 31st March, 1972.                   |
| 13. Subsidy paid by Government to 29 Companies during 1972-73.   | Rs. 26.75 crores against Rs. 20.61 crores to 27 Companies during 1971-72.                      |
| 14. Total net profit earned by 93 Companies during 1972-73.  | Rs. 67.73 crores against total net profit of Rs. 10.32 crores for 84 Companies during 1971-72. |
| 15. Return on capital invested ( <i>vide</i> para 8)   | 3.2% against 2.3 % in 1971-72.   |
| 16. Return on capital employed of 81 Companies (excluding Companies under construction during 1972-73).  | 5.3% against 3.6% in 1971-72.  |
| 17. Percentage of value of production/business to capital employed for 85 Companies (including subsidiaries but excluding Companies under construction). | 113.6%. As against 97.3% in 1971-72.   |
| 18. Percentage of sales to capital employed during 1972-73 for 85 Companies (including subsidiaries but excluding Companies under construction).         | 109%. As against 94.6% in 1971-72.   |
| 19. Percentage of Sundry Debtors to sales during 1972-73 for 89 Companies.   | 13.2% as against 14.6% in 1971-72.   |
| 20. Percentage of inventories to sales for 93 Companies.   | 39.5% as against 40.7% at the end of 1971-72.  |
| 21. Cash and Bank Balances :   |  |
| (a) Cash and Bank balances as on 31-3-73.  | Rs. 206.18 crores.   |
| (b) Outstanding balance of cash credit resorted to by some Companies as on 31-3-1973.  | Rs. 269.02 crores.   |
| 22. Customer Composition of 72 Companies in respect of which information was available with total sales of Rs. 1,791.47 crores.                          | Percentage of total sales.   |
| Sales to Government Departments.   | 21.9   |
| Sales to Public Sector Undertakings  | 17.1   |
| Exports  | 19.4   |
| Sales to other parties   | 41.6   |

## 23. Employment statistics :

- (a) Total number of employees in 101 Companies (in respect of which information was available) as on 31st March, 1973. 7,79,945.
- (b) Salaries wages etc., charged in the accounts as on 31st March, 1973. Rs. 420.13 crores.
- (c) Average earnings per employee per annum on the above basis. Rs. 5,387.

24. Ratio of employees to capital investment as on 31st March, 1973. (The position has to be viewed in the light of the fact that most of the Public Sector Undertakings are capital intensive and highly mechanised). 145 per Rs. 1 crore of capital investment.

25. Net revenue expenditure on providing township facilities after deducting rent receipts etc. in 49 Companies in respect of which information was available for 1972-73. Rs. 18.24 crores.

26. Profit made by 49 Companies in respect of which information was available, which provided township facilities etc. after charging net expenditure on township during 1972-73. Rs. 47.65 crores.

27. Housing provided upto 1972-73. 2,41,008 employees out of 5,40,516 employees in 49 Companies for which information was available.

28. Cost of other facilities like educational facilities, medical facilities, social and cultural facilities, transport facilities and canteen subsidy during 1972-73. Rs. 22.20 crores in 90 Companies for which information was available.

29. Contribution to Central Revenue in the form of Central Excise Duty during 1972-73. Rs. 523.58 crores for 29 Companies having value of production of Rs. 2,242.64 crores.

30. Exports by 45 Companies for which information was available. Rs. 394 crores.

31. Net foreign exchange earnings by 10 Companies in respect of which information was available engaged in rendering services like shipping, ship repairing, consultancy, etc., during 1972 73. Rs. 50.49 crores.

32. Expenditure incurred during 1972-73 on import of raw materials, stores and spare parts for production by 57 Companies in respect of which information was available. Rs. 261.68 crores. Their value of Production was Rs. 2,588.79 crores.

33. (a) Value of production of 60 Companies engaged in manufacture/production of goods during 1972-73. Rs. 2,709.12 crores.

(b) Contributed value of the above Companies during 1972-73. Rs. 930.39 crores.

(c) Results of working of these Companies during 1972-73. Profit of Rs. 25.49 crores.

(d) Composition of the major items of expenditure of these Companies expressed as percentages of value of production.

Consumption of raw materials, stores and spares, purchase of finished goods, etc.	46.3
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Central Excise Duty	19.3
---------------------	------

Wages, salaries, allowances etc.	13.0
bonus	

Depreciation	6.7
--------------	-----

Interest	3.6
----------	-----

Repairs and Maintenance	1.7
-------------------------	-----

34. Sectoral Analysis of working results of Companies engaged in Manufacture/Production.

	(Rupees in crores)	
	In 1972-73	In 1971-72
Steel	(-)33.25	(-)44.85
Machine Tools, Engineering and Allied Industries	(+)12.97	(-) 2.97
Fertilizers, Chemicals and Pharmaceuticals	(-) 1.79	(-) 8.27
Minerals	(-)15.23	(-)24.19
Petroleum	(+)54.75	(+)42.94
Electronics	(+) 7.75	(+) 6.74
Others	(+) 0.29	(-) 0.32
Net	(+)25.49	(-)30.92

35. Capacity utilisation in selected industries with reference to the commissioned capacity (for which information is available).

	In 1972-73	In 1971-72
(i) <i>Steel</i>		
(a) Ingots . . . . .	67.8% against	58.9%
(b) Saleable Steel . . . . .	67.3% „	58.6%
(ii) Fertilizer . . . . .	70.5% „	58.9%
(iii) Oil Refining . . . . .	92.3% „	93.6%

## INTRODUCTION

### I. GOVERNMENT COMPANIES

#### 1. Number of Companies

There were 92 Companies with 76\* subsidiaries of the Union Government as on 31st March, 1973 as against 86 Companies with 12 subsidiaries as on 31st March, 1972. During the year 1972-73, 6 new Companies viz. Salem Steel Limited, General Insurance Corporation of India, Bharat Ophthalmic Glass Limited, Scooters India Limited, Steel Authority of India Limited and Mineral Exploration Corporation Limited were incorporated. On acquisition Richardson & Cruddas Limited and Metal Scrap Trade Corporation of India Limited became Government Companies in 1972-73.

Balmer Lawrie & Company Limited became a subsidiary of Indo-Burma Petroleum Company, a Government Company, on 29-7-1972 and accordingly Balmer Lawrie & Company Limited along with its four subsidiaries viz. Steel Containers Limited, Bridge & Roof Co. Limited, Biecco Lawrie Limited and Industrial Containers Limited became subsidiaries of the Government Company.

With the nationalisation of the General Insurance business and take over of 55 General Insurance Companies with effect from 1st January, 1973, these 55 Companies became subsidiaries of the General Insurance Corporation of India, a Government Company.

The Steel Authority of India Limited was incorporated on 24-1-1973; and the shares of the following Companies held by the President of India, were transferred to this Company on various dates in March, 1973 as indicated below :—

Hindustan Steel Limited . . . . .	21-3-1973
Hindustan Steelworks Construction Company Limited . . . . .	28-3-1973
Bokaro Steel Limited . . . . .	22-3-1973
National Mineral Development Corporation Limited . . . . .	21-3-1973
Bharat Coking Coal Limited . . . . .	16-3-1973

\*Includes two Companies which are subsidiaries of Air India, but under audit of the Comptroller & Auditor General of India under the provisions of Air Corporations Act, 1953.

Since the above Companies became subsidiaries of the Steel Authority of India Limited at the fag end of the year 1972-73, for purpose of analysis of results in this report, the Companies have been treated as independent units.

The accounts of Central Fisheries Corporation Limited have not been included as the same have not been received.

The first accounts of the 55 Insurance Companies, Mineral Exploration Corporation Limited, Richardson & Cruddas Limited, Metal Scrap Trade Corporation of India Limited and the five subsidiaries of Indo-Burma Petroleum Company Limited after nationalisation have not been included in the Report as these were not due.

## 2. Paid-up capital

The total paid-up capital of 88 Companies of the Union Government included in this Report stood at Rs. 2,752.53 crores at the end of 1972-73 representing an increase of Rs. 278.63 crores over the total paid-up capital of Rs. 2,473.90 crores of the 84 Companies as at the end of the previous year.

The break-up of the paid-up capital of these Companies according to the investments made by the Union Government, State Governments and private parties as on 31st March, 1973 is as follows :—

(Rupees in lakhs)

	No.	Paid-up capital			Total
		Union	State	Private Parties	
1	2	3	4	5	6
(i) Companies fully owned by the Union Government (excluding subsidiaries)	70	2,56,610.31	—	—	2,56,610.31
(ii) Companies jointly owned by the Union Government and State Governments (excluding subsidiaries)	5	7,757.36	187.95	—	7,945.31



1	2	3	4	5	6
(iii) Companies jointly owned by the Union Government and private parties	6	1,972.51	—	1,290.86	3,263.37
(iv) Companies jointly owned by the Union Government, State Governments and private parties	7	6,160.03	630.36	643.14	7,433.53
	88	2,72,500.21*	818.31**	1,934.00***	2,75,252.52
		99.0%	0.3%	0.7%	100.0%
Figures for the year 1971-72	84	2,44,717.59@	828.58	1,843.87@@	2,47,390.04
		98.9%	0.3%	0.8%	100.0%

\*Includes Rs. 6,474.98 lakhs received for issue of shares.

\*\*Includes Rs. 11.00 lakhs received for issue of shares.

\*\*\*Includes Rs. 0.01 lakh received for issue of shares and Rs. 5.27 lakhs received on forfeited shares.

@Includes Rs. 12,684.85 lakhs received for issue of shares.

@@Includes Rs. 0.01 lakh received for issue of shares and Rs. 5.27 lakhs received on forfeited shares.

### 3. Loans

The long-term loans obtained by the Companies under review stood at Rs. 2,174.51 crores. This represented an increase of Rs. 287.79 crores over the long-term loans amounting to Rs. 1,886.72 crores of all the Union Government Companies at the end of the previous year.

The break-up of long-term loans according to the sources of finance viz. the Union Government, the State Governments, foreign credits and other parties, as on 31st March, 1973 is as follows :—

(Rupees in lakhs)

	1971-72	Per-centage of total loans	1972-73	Per-centage of total loans	Increase/Decrease in amount
1	2	3	4	5	6
(i) Union Government . . . . .	1,48,026.91	78.5	1,67,693.56	77.1	(+)19,666.65
(ii) State Governments . . . . .	99.21	—	96.89	—	(—)2.32
(iii) Foreign credits . . . . .	32,413.36	17.2	36,763.16	16.9	(+) 4,349.80
(iv) Others . . . . .	8,132.41	4.3	12,897.35	6.0	(+) 4,764.94
<b>TOTAL . . . . .</b>	<b>1,88,671.89</b>	<b>100.0</b>	<b>2,17,450.96</b>	<b>100.0</b>	<b>(+)28,779.07</b>

#### 4. Interest

The Government had granted 'interest holiday' on loans amounting to Rs. 357.10 crores in the case of Hindustan Steel Limited up to 31st March, 1962, the recovery so waived amounted to Rs. 39.71 crores.

The Government had granted moratorium for periods ranging from 1 to 8 years in the case of 27 Companies for repayment of loans aggregating Rs. 234.54 crores provided to these Companies during 1972-73.

#### 5. Guarantee

The Government guaranteed cash credit arrangements made by 28 Companies with the State Bank of India up to the total maximum limit of Rs. 109.42 crores. Against this limit the amount outstanding as on 31st March, 1973 aggregated Rs. 67.59 crores. Loans raised by 11 Companies were also guaranteed by Government, the amount outstanding as on 31st

March, 1973 being Rs. 76.79 crores. In addition, Government gave guarantees in respect of the following :—

- (a) Repayment of principal and interest in respect of letters of credit offered by the State Bank of India to exporters abroad to draw on it for funds in payment of specified goods to be shipped to India (11 Companies).
- (b) Repayment of principal and interest and fulfilment of payment obligation in pursuance of agreements/letters of acceptance entered into with foreign Consultants/contractors (16 Companies).

The maximum amount thus guaranteed as on 31st March, 1973 in the case of these Companies was Rs. 543.89 crores against which the actual amount outstanding as on that date was Rs. 222.13 crores (approx.).

## 6. Subsidy

Apart from the concessions mentioned in para 4 and 5 above, subsidies have also been granted to some Companies for industrial housing schemes, (as admissible to private sector companies), hospitals, sand-stowing, etc. During 1972-73, 29 Companies received such subsidies aggregating Rs. 26.75 crores. The cumulative total of subsidies paid by Government up to 31st March, 1973 was Rs. 134.42 crores.

## 7. Profits and dividends

7.01. According to the annual accounts of the 93 Companies, there was a total net profit of Rs. 67.73 crores as against the total net profit of Rs. 10.32 crores of 84 Companies during the previous year.

The increase in the profit in 1972-73 was mainly due to better performance by manufacturing/producing Companies which made a profit of Rs. 25.49 crores against the aggregate loss of Rs. 30.92 crores in 1971-72. The concerns under the categories of Steel, Fertilisers, Chemicals and Pharmaceuticals and Minerals were able to reduce their losses substantially in 1972-73 when compared to that of the previous year. All other categories of the undertakings have also registered increase in their profits over that of 1971-72.

7.02. 56 Companies showed a profit of Rs. 152.62 crores which represented 19.2 per cent. of the paid-up capital of Rs. 794.58 crores

invested in these Companies. 26 Companies declared dividends amounting to Rs. 16.66 crores representing 6.6 per cent. of the paid-up capital of Rs. 253.49 crores of these Companies. This works out to 0.6 per cent. of the total paid-up capital of Rs. 2,752.53 crores of all the Companies. The names of the Companies which declared dividends, the amount of dividend declared, etc. are indicated below :—

(Rupees in lakhs)			
Sl. No.	Name of the Company	Amount of dividend declared/ proposed	Percentage of dividend to paid-up capital
1	2	3	4
*1.	Hindustan Aeronautics Limited . . . . .	136.03	2.5
2.	Bharat Earth Movers Limited . . . . .	59.49	5.0
*3.	Bharat Electronics Limited . . . . .	71.52	12.0
4.	Hindustan Teleprinters Limited . . . . .	10.25	12.5
5.	Indian Telephone Industries Limited . . . . .	62.46	12.5
6.	Electronics Corporation of India Limited . . . . .	18.75	5.0
7.	Instrumentation Limited . . . . .	31.25	7.9
8.	Hindustan Antibiotics Limited . . . . .	12.36	5.0
*9.	Hindustan Insecticides Limited . . . . .	10.04	8.0
*10.	Indian Rare Earths Limited . . . . .	14.00	8.0
11.	Shipping Corporation of India Limited . . . . .	167.70	6.0
12.	Mazagon Dock Limited . . . . .	29.03	8.0
13.	Indian Oil Corporation Limited . . . . .	498.24	7.0
*14.	Indo-Burma petroleum Company Limited . . . . .	20.00	20.0
15.	Cochin Refineries Limited . . . . .	100.24	14.3
16.	Madras Refineries Limited . . . . .	154.50	12.0
17.	Lubrizol India Limited . . . . .	3.60	6.0
18.	Hindustan Steelworks Construction Limited . . . . .	10.00	20.0

1	2	3	4
19.	Modern Bakeries (India) Limited . . . . .	6.00	6.0
*20.	Hindustan Latex Limited . . . . .	2.80	4.0
21.	State Trading Corporation of India Limited . . . . .	160.00	20.0
*22.	Minerals and Metals Trading Corporation of India Limited . . . . .	54.00	12.0
23.	Cotton Corporation of India Limited . . . . .	5.00	5.0
24.	Engineers India Limited . . . . .	2.50	10.0
25.	National Industrial Development Corporation Limited . . . . .	6.00@	15.0
26.	Rural Electrification Corporation Limited . . . . .	20.00	1.0
TOTAL		1,665.76	

\*This includes dividends amounting to Rs. 308.39 lakhs declared by 7 Companies after drawing from the General/Dividend Equalisation Reserve to the extent profit for the year was not adequate.

@Includes Rs. 4.50 lakhs paid on increased capital of Rs. 30 lakhs.

7.03. 31 Companies in which the paid-up capital of Rs. 1,883.71 crores had been invested, sustained losses totalling Rs. 84.89 crores of which Rs. 78.22 crores (details given below) pertained to the following 13 Companies each of which incurred a loss of Rs. 1 crore or above.

(Rupees in lakhs)

Sl. No.	Name of the Company	Paid-up capital	Loss incurred in 1972-73	Cumulative loss up to 31-3-1973
1	2	3	4	5
1.	Heavy Engineering Corporation Limited	16,005.45	1,656.98	10,575.57
2.	Praga Tools Limited	299.54	108.71	373.28
3.	The Fertilisers and Chemicals Travancore Limited	4,998.95	232.46	980.56
4.	Indian Drugs and Pharmaceuticals Limited	3,370.00	375.55	3,825.89
5.	Hindustan Photo Films Manufacturing Company Limited	632.00	297.34	1,485.95
6.	Neyveli Lignite Corporation Limited	10,097.00	995.15	5,580.50
7.	National Coal Development Corporation Limited	14,092.20	243.08	953.54
8.	National Mineral Development Corporation Limited	7,604.03	112.10	1,382.93
9.	Bharat Coking Coal Limited	85.03	257.39	257.39
10.	Central Inland Water Transport Corporation Limited	350.00	114.06	605.36
11.	Garden Reach Workshops Limited	450.00	103.81	21.90
12.	Hindustan Steel Limited	61,085.00	2,779.70	25,087.64
13.	Bokaro Steel Limited	60,000.00	545.18	545.18
TOTAL		1,79,069.20	7,821.51	51,675.69

7.04. In the case of the following Companies the cumulative loss is more than their paid-up capital:—

(Rupees in lakhs)

Sl. No.	Name of the Company	Paid-up capital as on 31-3-1973	Cumulative loss up to 31-3-1973
1	2	3	4
1.	Heavy Electricals (India) Limited . . . . .	5,000.00	5,167.00
2.	National Instruments Limited . . . . .	136.96	272.75
3.	Mining and Allied Machinery Corporation Limited . . . . .	2,000.00	3,622.10
4.	Praga Tools Limited . . . . .	299.54	373.28
5.	Bharat Ophthalmic Glass Limited . . . . .	286.00	382.51
6.	Indian Drugs and Pharmaceuticals Limited . . . . .	3,370.00	3,825.89
7.	Hindustan Photo Films Manufacturing Company Limited . . . . .	632.00	1,485.95
8.	Bharat Coking Coal Limited . . . . .	85.03	257.39
9.	Bharat Gold Mines Limited . . . . .	29.79	56.65
10.	Central Road Transport Corporation Limited . . . . .	121.59	160.90
11.	Central Inland Water Transport Corporation Limited . . . . .	350.00	605.36
12.	National Projects Construction Corporation Limited . . . . .	255.00	343.65
13.	Tannery and Footwear Corporation of India Limited . . . . .	43.39	272.23
14.	Rehabilitation Industries Corporation Limited . . . . .	335.45	413.20
		12,944.75	17,238.86

7.05. The details of the return on the paid-up capital according to the three categories of Running Concerns, Promotional and Developmental Undertakings and Companies under construction for 1971-72 and 1972-73 are given below :—

(Rupees in lakhs)

1	1971-72			1972-73		
	No.	Paid-up Capital	Profit/Loss	No.	Paid-up Capital	Profit/Loss
	2	3	4	5	6	7
(i) <i>Running Concerns</i>	66	1,71,493.48	(+)890.72	71	1,93,489.62	(+)6,554.59
<i>Companies which earned profit</i>	41	49,977.84	(+)11,970.14	45	67,246.94	(+)14,368.19
<i>Companies which incurred loss</i>	25	1,21,515.64	(-)11,079.42	26	1,26,242.68	(-)7,813.60
A. <i>Industrial</i>	57	1,69,646.48	(-)2,301.89	60	1,88,680.62	(+)3,749.51
<i>Companies which earned profit</i>	32	48,130.84	(+)8,777.53	37	65,091.94	(+)11,560.79
<i>Companies which incurred loss</i>	25	1,21,515.64	(-)11,079.42	23	1,23,588.68	(-)7,811.28
B. <i>Trading and Services</i>	4	1,242.00	(+)3,073.27	5	1,454.00	(+)2,680.58
<i>Companies which earned profit</i>	4	1,242.00	(+)3,073.27	3	1,350.00	(+)2,682.67
<i>Companies which incurred loss</i>	..	..	..	2	104.00	(-)2.09
C. <i>Consultancy</i>	2	55.00	(+)46.63	2	55.00	(+)42.16
<i>Companies which earned profit</i>	2	55.00	(+)46.63	2	55.00	(+)42.16
<i>Companies which incurred loss</i>	..	..	..	..	..	..
D. <i>Financial and Insurance</i>	3	550.00	(+)72.71	4	3,300.00	(+)82.34
<i>Companies which earned profit</i>	3	550.00	(+)72.71	3	750.00	(+)82.57
<i>Companies which incurred loss</i>	..	..	..	1	2,550.00	(-)0.23

1	2	3	4	5	6	7
(ii) <i>Promotional and Developmental Undertakings</i> . . . . .	10	3,931.87	(+)157.69	10	5,245.57	(+)657.13
Companies which earned profit . . . . .	8	3,253.67	(+)261.05	9	4,910.12	(+)734.48
Companies which incurred loss . . . . .	2	678.20	(-)103.36	1	335.45	(-)77.35
(iii) <i>Companies under Construction</i> . . . . .	3	1,573.35	(-)16.04	6	69,093.79	(-)438.88
Companies which earned profit . . . . .	1	744.16	(+)2.56	2	7,300.63	(+)159.22
Companies which incurred loss . . . . .	2	829.19	(-)18.60	4	61,793.16	(-)598.10
(iv) Companies which have not prepared profit and loss account . . . . .	5	70,391.34	..	6	7,423.54	..
(v) Companies of which accounts not received . . . . .	..	..	..	1	..	..
TOTAL . . . . .	84	2,47,390.04	(+)1,032.37	94	2,75,252.52	(+)6,772.84



7.06. Out of 11 Subsidiary Companies, 8 Companies earned profits amounting to Rs. 4.66 crores and declared dividends amounting to Rs. 0.26 crore on their paid-up capital of Rs. 4.32 crores. 2 Companies incurred a loss of Rs. 0.10 crore. One Company is in the construction stage. In the case of Projects and Equipments Corporation of India Limited, dividend was paid out of General Reserve to the extent the profit for the year was not adequate.

### 8. Return on capital invested

As (a) the capital structure differs from Company to Company, (b) rates of interest charged on long-term loans given to the Companies are not uniform and (c) certain special facilities have been given by Government to some Companies, the profits indicated in the accounts of the Companies do not reflect the real comparable return on the total investment. In annexure 'B' an attempt has, therefore, been made to study the results on a uniform basis except to the extent that allowance has not been made for subsidies received from Government on various accounts. For this purpose, the capital taken into account is not merely the equity capital but the total paid-up capital, the long-term loans and the free reserves at the close of the year. Similarly, the return has been taken not only as the profit disclosed in the accounts but also as the interest paid on long-term loans. On this basis the return in 1972-73 on a total investment of Rs. 5,356.02 crores made in 93 Companies amounted to Rs. 173.02 crores being 3.2 per cent. of the investment as against 2.3 per cent. in 1971-72.

The return on capital invested according to the 3 groups of Undertakings mentioned in para 7 is indicated below:—

(Rupees in lakhs)					
	Capital invested	Profit/loss	Interest	Total return	Per-cent- age of return on capital invested
1	2	3	4	5	6
(i) Running concerns .	4,08,452.02	(+)6,554.59	9,771.03	(+)16,325.62	3.9
A. Industrial .	3,98,970.61	(+)3,749.51	9,723.77	(+)13,473.28	3.4
B. Trading and Services .	4,583.02	(+)2,680.58	6.14	(+)2,686.72	58.6
C. Consultancy .	163.43	(+)42.16	..	(+)42.16	25.7
D. Financial and Insurance .	4,734.96	(+)82.34	41.12	(+)123.46	2.6

1	2	3	4	5	6
(ii) Promotional and Developmental Undertakings .	22,645.34	(+)657.13	379.60	(+)1,036.73	4.6
(iii) Companies under construction .	1,04,504.82	(—)438.88	378.09	(—)60.79	—

### 9. Return on capital employed

In Annexure 'B' an attempt has been made to calculate the return on capital employed in respect of Running concerns and Promotional and Developmental Undertakings. For this purpose capital employed has been taken as net fixed assets (excluding capital work-in-progress) plus working capital. In calculating the return on capital employed interest charges on all kinds of borrowings, which are charged to Profit and Loss Account before arriving at the net profit have been adjusted to the net profit/loss as disclosed in the Profit and Loss Account. On this basis, the return in 1972-73 on the total capital employed of Rs. 3,362.54 crores in 71 Running concerns and 10 Promotional and Developmental Undertakings amounted to Rs. 177.99 crores representing 5.3 per cent. of the capital employed as against 3.6 per cent. in 1971-72. Category-wise details of return on capital employed for 1972-73 are indicated below :—

(Rupees in lakhs)

	Capital employed	Profit/loss	Interest	Total return	Percentage of return on capital employed
1	2	3	4	5	6
(i) Running concerns .					
—71	3,13,884.55	(+) 6,554.59	10,193.24	(+)16,747.83	5.3
A. Industrial —60	2,98,304.90	(+) 3,749.51	9,899.99	(+)13,649.50	4.6
B. Trading and Services —5	10,837.76	(+) 2,680.58	252.12	(+)2,932.70	27.1
C. Consultancy —2	176.80	(+)42.16	0.01	(+)42.17	23.9
D. Financial and Insurance —4	4,565.09	(+)82.34	41.12	(+)123.46	2.7
(ii) Promotional and Developmental Undertakings —10	22,369.09	(+)657.13	394.43	(+)1,051.56	4.7

10. In the following paragraphs a study of the rates of growth of paid-up capital, reserves and surplus, gross assets, value of production and profits and also sources and uses of funds, inventories and sundry debtors in respect of 93 Companies and 11 subsidiary Companies has been made.

*Rates of growth*

(a) *Paid-up capital and reserves and surplus.*—The rate of growth of paid-up capital and reserves and surplus decreased in 1972-73 as compared to 1971-72 in the case of Running Concerns, Promotional and Developmental Undertakings and Companies under construction as indicated below:—

(Rupees in lakhs)

	Paid-up capital and reserves and surplus@			Rate of growth	
	1970-71	1971-72	1972-73	1971-72	1972-73
(i) Running concerns .	1,73,585.18	2,00,241.91	2,27,898.78	15.4%	13.8%
A. Industrial .	1,69,490.65	1,94,894.61	2,18,745.41	15.0%	12.2%
B. Trading and Services .	3,480.55	4,431.49	5,381.85	27.3%	21.4%
C. Consultancy .	102.17	139.03	163.43	36.1%	17.6%
D. Financial and Insurance .	511.81	776.78	3,608.09	51.8%	364.5%
(ii) Promotional and Developmental Undertakings .	5,347.35	9,330.14	15,106.77	74.5%	61.9%
(iii) Companies under construction .	51,110.86	72,710.32	77,415.45	42.3%	6.5%
(iv) All the 3 groups .	2,30,043.39	2,82,282.37	3,20,421.00	22.7%	13.5%

@Excludes share capital of subsidiaries to the extent held by the holding Companies.

(b) *Gross assets* :—The rate of growth of total gross assets increased in 1972-73 as compared to 1971-72 in the cases of Running Concerns and Companies under construction and decreased in the case of Promotional and Developmental Undertakings as indicated below:—

	Total gross assets**			Rate of growth	
				1971-72	1972-73
	1970-71	1971-72	1972-73		
(i) Running concerns .	5,05,750.09	5,62,180.54	6,41,308.23	11.2%	14.0%
A. Industrial .	4,89,934.38	5,42,075.22	6,08,756.78	10.6%	12.3%
B. Trading and Services .	14,989.45	18,427.66	27,205.96	22.9%	47.6%
C. Consultancy .	192.66	260.53	523.08	35.2%	100.8%
D. Financial and Insurance .	633.60	1,417.13	4,822.41	123.7%	240.3%
(ii) Promotional and Developmental Undertakings .	10,742.01	17,724.59	26,878.48	65.0%	51.6%
(iii) Companies under construction .	68,558.02	83,802.79	1,11,245.05	22.2%	32.7%
(iv) All the 3 groups .	5,85,050.12	6,63,707.92	7,79,431.76	13.4%	17.4%

\*\*Excludes accumulated losses of the undertakings and investments made by holding Companies in subsidiaries.

(c) *Value of production* :—(i) The rate of growth of value of production/business decreased in 1972-73 as compared to 1971-72 in respect of Promotional and Developmental Undertakings. However, the overall rate of growth of value of production/business in 1972-73 was higher as compared to 1971-72 as indicated below:—

	Value of production			Rate of growth	
				1971-72	1972-73
	1970-71	1971-72	1972-73		
(i) Running concerns .	2,49,895.29	2,95,145.32	3,77,183.28	18.1%	27.8%
A. Industrial .	1,99,017.45	2,33,593.83	2,83,074.36	17.4%	21.2%
B. Trading and Services .	50,636.92	61,249.28	93,611.22	21.0%	52.8%
C. Consultancy .	235.93	297.44	492.02	26.1%	65.4%
D. Financial and Insurance .	4.99	4.77	5.68	..	19.1%
(ii) Promotional and Developmental Undertakings .	2,811.60	3,743.91	4,667.31	33.2%	24.7%
(iii) Companies under construction .	290.39	622.96	4,213.71	114.5%	576.4%
(iv) All the 3 groups .	2,52,997.28	2,99,512.19	3,86,064.30	18.4%	28.9%

(ii) The percentage of value of production to capital employed increased in 1972-73 as compared to 1971-72 in the case of Running concerns and decreased in the case of Promotional and Developmental Undertakings as indicated below:—

(Rupees in lakhs)

	1971-72			1972-73		
	Value of production	Capital employed	Percentage of value of production to capital employed	Value of production	Capital employed	Percentage of value of production to capital employed
(i) Running concerns	2,95,145.32	2,92,449.12	100.9	3,77,183.28	3,13,884.55	120.2
A. Industrial	2,33,593.83	2,83,250.85	82.5	2,83,074.36	2,98,304.90	94.9
B. Trading and Services	61,249.28	7,839.24	781.3	93,611.22	10,837.76	863.8
C. Consultancy	297.44	153.17	194.2	492.02	176.80	278.3
D. Financial and Insurance	4.77	1,205.86	0.4	5.68	4,565.09	0.1
(ii) Promotional and Developmental Undertakings	3,743.91	14,836.28	25.2	4,667.31	22,369.09	20.9
TOTAL	2,98,889.23	3,07,285.40	97.3	3,81,850.59	3,36,253.64	113.6

(d) *Profits* :—The rate of growth of profits before tax increased in 1972-73 as compared to 1971-72 as indicated below:—

(Rupees in lakhs)

	Profits before tax			Rate of growth	
	1970-71	1971-72	1972-73	1971-72	1972-73
(i) Running concerns	(+)1,274.55	(+)1,297.91	(+)7,012.03	1.8%	440.3%
A. Industrial	(—) 448.40	(—)2,180.16	(+)3,797.33(a)	(—) 368.2%	274.2%
B. Trading and Services	(+)1,573.50	(+)3,367.47	(+)3,088.17(b)	114.0%	(—) 8.3%
C. Consultancy	(+) 65.11	(+) 37.89	(+) 44.19(c)	(—) 41.8%	16.6%
D. Financial and Insurance	(+) 84.34	(+) 72.71	(+) 82.34(d)	(—) 13.8%	13.2%
(ii) Promotional and Developmental Undertakings	(+) 0.48	(+) 140.90	(+) 664.13(e)	29,254.2%	371.3%
(iii) Companies under construction	(—) 108.61	(—) 16.31	(—) 446.60(f)	85.0%	(—)2,638.2%
(iv) All the 3 groups	(+)1,166.42	(+)1,422.50	(+)7,229.56	22.0%	408.2%

(a) 40 Companies earned profit of Rs. 11,608.61 lakhs.  
23 Companies incurred loss of Rs. 7,811.28 lakhs.

(b) 6 Companies earned profit of Rs. 3,090.26 lakhs.  
2 Companies incurred loss of Rs. 2.09 lakhs.

(c) 3 Companies earned profit of Rs. 44.19 lakhs.

(d) 3 Companies earned profit of Rs. 82.57 lakhs.  
1 Company incurred loss of Rs. 0.23 lakh.

(e) 10 Companies earned profit of Rs. 743.51 lakhs.  
2 Companies incurred loss of Rs. 79.38 lakhs.

(f) 2 Companies earned profit of Rs. 159.22 lakhs.  
5 Companies incurred loss of Rs. 605.82 lakhs.

(e) *Contributed value and Cost trends of Companies engaged in manufacture/production of goods*

A. *Contributed value*

The accounts of 60 Companies as against 54 Companies in the previous year, engaged in manufacture/production of goods, were reviewed to find out their contribution to the final products *vis-a-vis* expenditure incurred in earning the contribution. The analysis revealed the following position broadly for the years 1971-72 and 1972-73:—

	(Rupees in crores)	
	1971-72	1972-73
Value of production . . . . .	2,172.19@	2,709.12@
Less : Central Excise Duty included in the above . . . . .	438.44	523.58
Value of production exclusive of Central Excise Duty . . . . .	1,733.75	2,185.54
Less : Consumption of raw materials, stores and spares, purchase of finished goods, etc. . . . .	1,036.89	1,255.15
Contributed value . . . . .	696.86	930.39
Expenses (other than consumption of raw materials, stores and spares, etc.) . . . . .	727.78	904.90
Percentage of expenses to Contributed value . . . . .	104.4	97.3
Profit/Loss (Net) . . . . .	(Loss) 30.92	(Profit) 25.49

@Includes purchases resold.

An analysis of the working results of the manufacturing/producing Companies, according to their broad classification, is indicated below:—

Classification of Industry	(Rupees in crores)	
	(Profit (+) or Loss (-))	
	1971-72	1972-73
Steel . . . . .	(-)44.85	(-)33.25
Machine Tools, Engineering and Allied Industries . . . . .	(-)2.97	(+ )12.97
Fertilizers, Chemicals and pharmaceuticals . . . . .	(-)8.27	(-)1.79
Minerals . . . . .	(-)24.19	(-)15.23
Petroleum . . . . .	(+ )42.94	(+ )54.75
Electronics . . . . .	(+ )6.74	(+ )7.75
Others . . . . .	(-)0.32	(+ )0.29
NET . . . . .	(-)30.92	(+ )25.49

### B. Cost trends

The percentage of major items of expenditure to value of production in 1971-72 and 1972-73 in respect of the same Companies are also indicated below:—

	(Rupees in crores)			
	1971-72	1972-73	Percentage of major items of cost to value of production	
			1971-72	1972-73
Value of production	2,172.19	2,709.12		
<i>Major items of expenditure</i>				
Consumption of raw materials, stores and spares, purchase of finished goods, etc.	1,036.89	1,255.15	47.7	46.3
Wages, salaries, bonus, allowances, etc.	273.08	351.01	12.6	13.0
Depreciation	164.89	181.26	7.6	6.7
Repairs and maintenance	35.49	45.35	1.6	1.7
Central Excise Duty	438.44	523.58	20.2	19.3
Interest	91.50	96.94	4.2	3.6

### 11. Sources and uses of funds

(a) *Internal sources* :—Funds received from internal sources in 1971-72 and 1972-73 are indicated below:—

	(Rupees in lakhs)			
	1971-72		1972-73	
	Internal sources ( <i>i.e.</i> Reserves and surplus, provisions and depreciation)	Percentage to total funds ( <i>i.e.</i> internal and external)	Internal sources ( <i>i.e.</i> Reserves and surplus, provisions and depreciation)	Percentage to total funds ( <i>i.e.</i> internal and external)
(i) Running concerns	26,635.51	39.1	25,790.87	31.0
A. Industrial	24,559.91	38.5	25,145.76	35.0
B. Trading and Services	2,001.67	57.8	513.81	5.9
C. Consultancy	33.16	42.9	45.93	17.5
D. Financial and Insurance	40.77	5.2	85.37	2.5
(ii) Promotional and Developmental Undertakings	3,150.76	44.7	4,790.39	52.3
(iii) Companies under construction	324.28	2.3	1,853.18	6.6
(iv) All the 3 groups	30,110.55	33.8	32,434.44	26.9



(b) *External sources* :—Funds received from external sources in 1971-72 and 1972-73 are indicated below:—

(Rupees in lakhs)

1	1971-72		1972-73	
	External sources (i.e. additional capital, borrowings, etc.)	Percentage to total funds (i.e. internal and external)	External sources (i.e. additional capital, borrowings, etc.)	Percentage to total funds (i.e. internal and external)
	2	3	4	5
(i) Running concerns . . . . .	41,444.92	60.9	57,505.56	69.0
A. Industrial . . . . .	39,197.01	61.5	45,702.99	65.0
B. Trading and Services . . . . .	1,461.54	42.2	8,265.82	94.1
C. Consultancy . . . . .	44.17	57.1	216.62	82.5
D. Financial and Insurance . . . . .	742.20	94.8	3,320.13	97.5
(ii) Promotional and Developmental Undertakings . . . . .	3,901.97	55.3	4,364.73	47.7
(iii) Companies under construction	13,701.53	97.7	26,255.07	93.4
(iv) All the 3 groups . . . . .	59,048.42	66.2	88,125.36	73.1

(c) *Cash and bank balances* :—The cash and bank balances held by 96 Companies as on 31st March, 1973 amounted to Rs. 206.18 crores.

The outstanding balance in the cash credit accounts, which had been opened by some of the Companies amounted to Rs. 269.02 crores as on 31st March, 1973.

## 12. Inventories

(i) Inventories of 72 Running Companies, 11 Promotional and Developmental Undertakings and 10 Companies under construction as on 31st March, 1973, are indicated below. As on 31st March, 1973, the total inventory amounted to Rs. 1,463.13 crores as against the corresponding figure of Rs. 1,183.10 crores as on 31st March, 1972 and represented 39.5 per cent. of the net sales in 1972-73 and 40.7 per cent. in 1971-72. In the compilation of the figures the data relating to certain Companies of the following categories have been excluded:—

Number of Companies	Reasons
8	Companies carrying on insurance, servicing and financing business
3	Companies under construction.
1	Accounts not received.

(Rupees in lakhs)

1971-72

1972-73

No. of Companies	Raw materials, stores and spares (including in transit) loose tools, jigs and fixtures, etc.	Stock (finished and semi-finished goods)	Total	Net Sales	Percentage of 5 to 6	No. of Companies	Raw materials, stores and spares (including in transit) loose tools, jigs and fixtures, etc.	Stock (finished and semi-finished goods)	Total	Net Sales	Percentage of 11 to 12	
												1

(i) Running concerns	72	64,463.24	52,288.95	1,16,752.19	2,87,003.51	40.7	72	71,813.31	65,701.74	1,37,515.05	3,62,883.65	37.9
A. Industrial	63	64,422.73	46,585.34	1,11,008.07	2,25,862.51	49.1	63	71,774.64	51,339.34	1,23,113.98	2,77,979.22	44.3
B. Trading and Services	6	38.95	5,698.92	5,737.87	60,844.13	9.4	6	36.51	14,277.05	14,313.56	84,489.81	16.9

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C. Consultancy .	3	1.56	4.69	6.25	296.87	2.1	3	2.16	85.35	87.51	414.62	21.1
(ii) Promotional and Developmental Undertakings .	10	287.62	983.77	1,271.39	3,358.91	37.9	11	415.10	1,116.64	1,531.74	4,094.24	37.4
(iii) Companies under construction (partial production)	2	175.49	110.59	286.08	557.64	51.3	10	6,360.07	907.00	7,267.07	3,879.44	187.3
	84	64,926.35	53,383.31	1,18,309.66	2,90,920.06	40.7	93	78,588.48	67,725.38	1,46,313.36	3,70,857.33	39.5

(ii) *Expenditure incurred on import of raw materials, stores and spares, etc. for production* :—Total amount of foreign exchange spent on the import of raw materials, stores and spares, etc. by the Companies engaged in production/operation for the year 1971-72 was Rs. 214.66 crores (53 Companies in respect of which information was available) and for 1972-73 it was Rs. 261.68 crores (57 Companies in respect of which information was available) and their corresponding value of production was Rs. 2,193.55 crores and Rs. 2,588.79 crores respectively.

13. (i) *Customer composition and analysis of sales* :—Information regarding customer composition viz. Government Departments, Public Sector Undertakings, Exports and Other parties was available in respect of 70 Companies with a total sales of Rs. 1,324.96 crores in 1971-72 and 72 Companies with a total sales of Rs. 1,791.47 crores in 1972-73. The analysis indicates the following position :—

	(Percentage of total Sales)	
	1971-72	1972-73
(i) Sales to Government Departments	22.6	21.9
(ii) Sales to Public Sector Undertakings	21.7	17.1
(iii) Exports	14.9	19.4
(iv) Sales to other parties	40.8	41.6

(ii) *Ratio of sales to capital employed* :—The figures of sales and capital employed for 1971-72 and 1972-73 are indicated below :—

	1971-72			1972-73		
	Sales	Capital employed	percentage of sales to capital employed	Sales	Capital employed	percentage of sales to capital employed
(i) Running concerns	2,87,008.28	2,92,449.12	98.1	3,63,432.61	3,13,884.55	115.8
A. Industrial	2,25,862.51	2,83,250.85	79.7	2,77,979.22	2,98,304.90	93.2
B. Trading and Services	60,844.13	7,839.24	776.1	85,033.09	10,837.76	784.6
C. Consultancy	296.87	153.17	193.8	414.62	176.80	234.5
D. Financial and Insurance	4.77	1,205.86	0.4	5.68	4,565.09	0.1
(ii) Promotional and Developmental Undertakings	3,623.88	14,836.28	24.4	4,565.85	22,369.09	20.4
TOTAL	2,90,632.16	3,07,285.40	94.6	3,67,998.46	3,36,253.64	109.4

It will be seen that the percentage of sales to capital employed increased in the case of Running Concerns and decreased in the case of promotional and Developmental Undertakings in 1972-73 as compared to 1971-72.

(iii) *Sundry debtors/sales*:—The figures of *sundry debtors* and *sales* for the last 3 years are given below:—

(Rupees in lakhs)

Concerns	1970-71			1971-72			1972-73		
	Sundry debtors	Sales	Per-centage of 2 to 3	Sundry debtors	Sales	Per-centage of 5 to 6	Sundry debtors	Sales	Per-centage of 8 to 9
1	2	3	4	5	6	7	8	9	10
(i) Running concerns	31,237.37	2,41,039.26	13.0	39,422.32	2,87,008.28	13.7	44,408.17	3,63,432.61	12.2
A. Industrial	27,211.15	1,92,707.84	14.1	35,614.16	2,25,862.51	15.8	39,673.92	2,77,979.22	14.3
B. Trading and Services	3,982.46	48,048.72	8.3	3,734.29	60,844.13	6.1	4,556.99	85,033.09	5.4
C. Consultancy	43.40	277.71	15.6	72.22	296.87	24.3	175.63	414.62	42.4
D. Financial and Insurance	0.36	4.99	7.2	1.65	4.77	34.6	1.63	5.68	28.7
(ii) Promotional and Developmental Undertakings	2,426.99*	2,733.53*	88.8	3,069.10*	3,623.88*	84.7	3,717.22	4,565.85	81.4
TOTAL	33,664.36	2,43,772.79	13.8	42,491.42	2,90,632.16	14.6	48,125.39	3,67,998.46	13.1
(iii) Companies under construction	76.40	232.35	32.9	131.47	557.64	23.6	814.49	3,879.44	21.0
GRAND TOTAL	33,740.76	2,44,005.14	13.8	42,622.89	2,91,189.80	14.6	48,939.88	3,71,877.90	13.2

\*Includes transactions relating to Hire purchase scheme of a Company.

It will be seen that the percentage of Sundry debtors to sales was lower in 1972-73 as compared with the figures for 1970-71 and 1971-72.

14(i) Although return on capital employed and capital invested are important parameters for the measurement of efficiency of working of undertakings, these cannot be taken as the sole criterion for measuring the efficiency and performance of the Public Sector Undertakings. Various socio-economic objectives like creation of employment opportunities, contribution to the national exchequer by way of "duty", provision of housing and urban development, exports and foreign exchange earnings, etc. should also be taken into account. Some of these aspects are considered below:—

(a) *Central Excise Duty* :—The total amount of Central Excise Duty charged to the Profit and Loss Account in the accounts of 29 Companies (in respect of which information was available) during 1972-73 was Rs. 523.58 crores and the value of production of these Companies amounted to Rs. 2,242.64 crores.

(b) *Exports and foreign exchange earnings* :—(1) The total exports made by 45 Companies in 1972-73 amounted to Rs. 394.24 crores. The net loss incurred by 27 Companies (for which information was available) on their exports of Rs. 305.33 crores amounted to Rs. 10.70 crores.

(2) Total foreign exchange earned in rendering services (e.g. shipping, ship repairs, consultancy, etc.) in 1972-73 was Rs. 50.49 crores (10 Companies) as against Rs. 43.39 crores in 1971-72 (12 Companies).

(c) *Employment statistics*.—The total number of persons employed in 101 Companies (in respect of which information was available) as on 31st March, 1973 was 7,79,945.

(d) Total amount of salaries, wages and other benefits charged in the accounts in 1972-73 in respect of the above Companies was Rs. 420.13 crores.

(e) Incidence of salaries, wages and other benefits per employee on the basis of the data mentioned in (c) above works out to Rs. 5,387 per annum.

(f) Number of employees for every Rs. 1 crore of capital invested in respect of the above Companies works out to 145. [This position has to be viewed in the light of the fact that most of the Public Sector Undertakings are capital intensive and highly mechanised].

(ii) *Social overheads* :—These have been analysed under two broad categories viz. township and other social overheads.

(a) *Township maintenance* :—Information available in respect of 46 Companies for the year 1971-72 and 49 Companies in respect of 1972-73 has been analysed below:—

	(Rupees in lakhs)	
	1971-72	1972-73
(i) Maintenance and Administrative Expenses . . . . .	1,529.35	1,965.94
(ii) Depreciation on Township . . . . .	516.24	602.08
(iii) Interest on capital outlay . . . . .	165.58	179.39
TOTAL . . . . .	2,111.17	2,747.41
(iv) Rent receipts and other miscellaneous collections . . . . .	871.84	923.80
(v) Net expenditure on Township . . . . .	1,339.33	1,823.61

The net profit earned by these Companies in 1972-73 was Rs. 47.65 crores as against the net loss of Rs. 8.54 crores of 46 Companies incurred in 1971-72. Out of 5,40,516 employees in 49 Companies (in respect of which information was available) housing was provided to 2,41,008 employees upto 1972-73.

(b) Total cost of other social overheads like educational facilities, medical facilities, social and cultural activities, transport facilities, canteen subsidy, etc., amounted to Rs. 22.20 crores in 1972-73 (90 Companies) as against Rs. 18.22 crores in 1971-72 (84 Companies).

### 15. Capacity utilisation in selected industries

The utilisation of capacity (commissioned) in selected industries viz., Steel, Fertilizer and Oil refining, for which information is available, is indicated below. For the purpose of this comparison, the rated capacity which should have been installed but has not actually been installed and commissioned on account of longer gestation period than indicated in the Detailed Project Report, has not been taken into account.

	1971-72			1972-73		
	Installed capacity	Actual production	% utilisation	Installed capacity	Actual production	% utilisation
(i) <i>Steel</i>						
(a) Steel Ingot . . . . .	6000	3532	58.9	6000	4069	67.8
(b) Saleable steel . . . . .	4489	2632	58.6	4489	3019	67.3
(ii) <i>Fertilizer</i> . . . . .	2541	1496	58.9	2944	2073	70.5
(iii) <i>Oil Refining</i> . . . . .	11608	10868	93.6	11618	10719	92.3

## II. STATUTORY CORPORATIONS

### 1. Number of Corporations

There were 5 Union Government Corporations (Air India, Indian Airlines, Central Warehousing Corporation, Oil & Natural Gas Commission and International Airports Authority) as on 31st March, 1973 under the audit control of the Comptroller and Auditor General of India.

### 2. Paid-up capital

The total paid-up capital of the 5 Corporations stood at Rs. 260.59 crores at the end of 1972-73 and represented an increase of Rs. 29.79 crores over the total paid-up capital of Rs. 230.80 crores of the 4 Corporations as at the end of the previous year.

The break-up of the paid-up capital of these 5 Corporations according to the investments made by the Union Government and other parties as on 31st March, 1973 is as follows :—

(Rupees in lakhs)				
	No.	Union	Other parties	Total
(i) Corporations fully owned by the Union Government . . . . .	4	24,324.83	..	24,324.83
(ii) Corporations jointly owned by the Union Government and other parties . . . . .	1	1,446.00	288.05	1,734.05
TOTAL . . . . .	5	25,770.83	288.05@	26,058.88
		98.9%	1.1%	100%
Figures for the year 1971-72 . . . . .	4	22,863.63	216.08@@	23,079.71
		99.1%	0.9%	100%

@Includes Rs. 0.07 lakh received for issue of shares and Rs. 0.29 lakh received on forfeited shares.

@@Includes Rs. 0.22 lakh received for issue of shares and Rs. 0.29 lakh received on forfeited shares.



### 3. Loans

The total long-term loans obtained by the 5 Corporations stood at Rs. 209.96 crores at the end of 1972-73 and represented an increase of Rs. 16.43 crores over the long-term loans of Rs. 193.53 crores of the 4 Corporations as at the end of the previous year.

The break-up of long-term loans of these Corporations according to the source of finance viz. Union Government, foreign credits and others as on 31st March, 1973 is as follows :—

(Rupees in lakhs)					
	1971-72	Percent- age	1972-73	Percent- age	Increase (+) Decrease (—)
(i) Union Government . . . . .	9,661.12	49.9	10,578.47	50.4	(+)917.35
(ii) Foreign Credits . . . . .	9,576.44	49.5	10,227.41	48.7	(+)650.97
(iii) Others . . . . .	115.23	0.6	189.88	0.9	(+) 74.65
TOTAL . . . . .	19,352.79	100.0	20,995.76	100.0	(+)1,642.97

The Union Government have granted moratorium for 6 years for re-payment of loans of Rs. 4.99 crores provided to two Corporations.

### 4. Guarantee

Government have guaranteed the loans to the extent of Rs. 94.37 crores raised by the following Corporations.

- (i) Air India—Rs. 77.04 crores.
- (ii) Indian Airlines—Rs. 17.33 crores.

Government have also guaranteed the repayment of the paid-up capital of the Central Warehousing Corporation to the extent of Rs. 17.34 crores.

The Government also gave guarantee in respect of the repayment of principal and interest and fulfilment of payment obligation in pursuance of agreements/letters of acceptance entered into with foreign consultants/contractors in the case of 2 Corporations. The maximum amount thus guaranteed as on 31st March, 1973 was Rs. 19.62 crores against which the actual amount outstanding as on that date was Rs. 3.51 crores.

## 5. Subsidy

Indian Airlines receives subsidy for the operation of certain routes every year. During the year 1972-73 it received Rs. 1.56 crores as subsidy for this purpose. The total subsidy received on this account up to 31st March, 1973 amounted to Rs. 10.13 crores.

Central Warehousing Corporation received up to 31st March, 1973 Rs. 0.10 crore as subsidy from National Cooperative Development Corporation to cover its working deficit up to 1963-64.

## 6. Profits

According to the annual accounts of these 5 Corporations the total net profit earned during 1972-73 was Rs. 10.96 crores as against the total net profit of Rs. 6.93 crores of 4 Corporations in the previous year. The net profit for the year 1972-73 represented 4.2 per cent. on the paid-up capital of Rs. 260.59 crores.

## 7. Return on capital invested

For the reasons stated in para 8 of Section 1 which also hold good in the case of Corporations, an attempt has been made in Annexure 'C' to analyse the working results of the Corporations on a uniform basis. On this basis the return in 1972-73 on a total investment of Rs. 583.21 crores made in these Corporations amounted to Rs. 28.08 crores representing 4.8 per cent. of the investment.

## 8. Return on capital employed

The return in 1972-73 on total capital employed of Rs. 414.30 crores in these Corporations amounted to Rs. 25.81 crores being 6.2 per cent. of capital employed.

## 9. Working results

The working results of individual Corporations are indicated below :—

(i) *Air India*.—The working of the Corporation during 1972-73 resulted in a net loss of Rs. 0.94 crore against the net loss of Rs. 1.66 crores in 1971-72, notwithstanding the increase of Rs. 22.52 crores and Rs. 4.66 crores in operating revenue and operating profit respectively in 1972-73

compared to the position of 1971-72. The net deficit has been attributed by the management to :—

- (a) large non-operating expenditure consisting of substantial burden of interest on U.S. Dollar Loans (Rs. 5.14 crores);
- (b) interest on Government Loan Capital (Rs. 1.43 crores); and
- (c) payment of additional minimum bonus for the previous two years 1970-71 and 1971-72 (Rs. 0.42 crore).

As in the previous year (i) no provision was made in the accounts for obsolescence of spares (Rs. 1.34 crores) and (ii) transactions of the flight kitchens at Bombay and New Delhi run by the Hotel Corporation of India Limited—a subsidiary company registered under the Companies Act, 1956 have been included in the accounts of Air India resulting in a net profit of Rs. 0.13 crore. From November, 1972, the Corporation had started taking credit to revenue for the full amount of excursion fare tickets as against the previous practice of taking credit for 50% to revenue at the time of outward journey, and balance 50% at the time of the return journey.

According to the management the major factors which prevented the Corporation's return to profitability during the year were ;

- (i) very substantial and worldwide increases (30%) in the price of aviation fuel, which increased fuel costs by over Rs. 3 crores;
- (ii) sturdy erosion of revenue yields per passenger kilometre with the introduction of low promotional fares. During the year, the average yield fell by a further 6.5% and is now 12.6% less than in 1970-71;
- (iii) the Corporation had also to bear the full overheads of the four Jumbos, although it had the use of the last two Jumbos for only nine months.

A one day strike by the pilots in June, 1972 and a strike for three days by the Air Corporations Employees' Union and the Air India Officers' Association in March, 1973 cost the Corporation a net loss of over Rs. 0.40 crore.



(ii) *Indian Airlines* :—The Corporation earned a profit of Rs. 0.01 crore during 1972-73 as against a loss of Rs. 4.55 crores incurred in the previous year.

The net profit of Rs. 0.01 crore has been arrived at after taking into account the net credit balance of Rs. 0.62 crore under 'Adjustments relating to previous years'. But for this, the working results of the Corporation would have shown a net loss of Rs. 0.61 crore during 1972-73.

The accumulated losses as on 31st March, 1973 amounted to Rs. 14.55 crores and represented 29.5 per cent. of the equity and loan capital. The management have stated as follows :—

“..... the Board had in its meeting held on 28th August, 1973 considered that the accumulated losses, which are carried forward from year to year, were not likely to be wiped off in future years and unnecessary a distorted picture is presented in the Annual Accounts. The Board had authorised the Chairman to approach the Government for permission to write off the accumulated losses against the capital”.

(iii) *Central Warehousing Corporation* :—The Corporation earned a profit of Rs. 1.28 crores during 1972-73 as against a profit of Rs. 1.01 crores in the previous year.

In the case of this Corporation the dividend has been guaranteed @3½ per cent. Government paid Rs. 1.56 crores to this Corporation up to 31st March, 1973 to meet the liability for guaranteed dividend up to 1967-68. As the profits for 1968-69 to 1972-73 were adequate to meet the liability for guaranteed dividend for these years, no amount is payable by Government on this account.

The Corporation was granted exemption in 1970-71, from tax liability on its income from warehousing charges under Section 10(29) of the Income Tax Act, 1961. Accordingly the Corporation had been providing for tax liability on its other income only. The Income Tax Authorities, however, held that the Corporation is not entitled for such exemption. The Corporation had gone in appeal against such orders, but pending decision on the appeal Rs. 1.08 crores was provided for such tax liability on warehousing charges. From the current year's income Rs. 0.46 crore had, therefore, to be transferred from the Reserve Fund, to enable the payment of minimum guaranteed dividend.

(iv) *Oil and Natural Gas Commission* :—The Commission earned a profit of Rs. 7 crores during the year 1972-73 as against a profit of Rs. 12.12 crores in the previous year.

As regards the general pattern of financing the principle adopted from 1964-65 onwards was that the funds would be advanced to the Oil and Natural Gas Commission in the form of capital and loans in direct proportion to their expenditure on exploration and development. From the year 1971-72, however, Government advanced funds to the Commission in the form of capital for meeting all expenditure of capital nature as well as expenditure on off-shore (Bombay High) operations which are of exploratory nature and in the form of loans for meeting expenditure on exploration other than off-shore (Bombay High) operations as well as on development.

The Ministry of Petroleum and Chemicals has stated (October, 1972) in reply to recommendation No. 53 contained in Sixteenth Report (1971-72) of the Committee on Public Undertakings that the whole question of pattern of financing is under examination of Government.

(v) *International Airports Authority of India* :—The Authority, which was constituted under Section 3 of the International Airports Authority Act, 1971 with effect from 1st February, 1972, earned a net profit (before tax) of Rs. 3.61 crores during 1972-73, the 1st year of its operation. After providing Rs. 2.99 crores for taxation and transfer to General Reserve, Rs. 0.62 crore was available to be paid to the Central Government in terms of Section 20(2) of the Act.

The Government of India has not passed orders as required under Section 12(1)(c) of the International Airports Authority Act in regard to the capital of the Authority. The amount has been taken as Rs. 18 crores provisionally as evaluated by the Evaluation Committee appointed by the Government. This has been allocated in the ratio of 1 : 1 for Equity and Debt as recommended by the said Committee. This amount is pending approval and final adjustment. An additional amount of Rs. 6 crores has been received from the Government during the year 1972-73 in the ratio of capital Rs. 3 crores and loan Rs. 3 crores.

10. In addition to the 5 Corporations referred to in the preceding paragraphs, the Damodar Valley Corporation is also under the exclusive audit control of the Comptroller and Auditor General of India. The Corporation was constituted under the Damodar Valley Corporation Act,

1948 with the main object of flood control, irrigation and power generation and distribution. The capital of the Corporation is contributed by the Union Government and the Governments of West Bengal and Bihar under Section 30 of the Damodar Valley Corporation Act. With effect from 1st April, 1966 the Corporation has switched over to commercial system of accounting. The audit of accounts of the Corporation for 1972-73 is in progress.

11. The audit of Food Corporation of India has been entrusted to the Comptroller and Auditor General of India in terms of Food Corporation (Amendment) Act, 1972. As audit has not been completed for the first year after entrustment, it has not been included in this report.

12. Rates of growth (5 Corporations in 1972-73 against 4 in earlier years).

(a) *Paid-up capital and reserves and surplus* :—The rate of growth of paid-up capital and reserves and surplus of the Corporations decreased in 1972-73 as compared with that of 1971-72 as indicated below :—

(Rupees in lakhs)

1970-71	Paid-up Capital and Reserves and surplus		Rate of growth	
	1971-72	1972-73	1971-72	1972-73
31,223.71	35,573.46	39,834.41	13.9%	12%

(b) *Gross Assets* :—The rate of growth of total gross assets of the Corporations increased in 1972-73 as compared with that of 1971-72 as indicated below :—

(Rupees in lakhs)

1970-71	Total gross assets*		Rate of growth	
	1971-72	1972-73	1971-72	1972-73
66,071.12	75,337.98	86,176.66	14.1%	14.3%

\*Excluding accumulated losses.

(c) *Value of production* :—The rate of growth of value of production/business increased in 1972-73 as compared with that of 1971-72 as indicated below :—

(Rupees in lakhs)

Value of production			Rate of growth	
1970-71	1971-72	1972-73	1971-72	1972-73
16,132.50	18,802.51	23,541.57	16.6%	25.2%

(d) *Profits* :—The rate of growth of profits before tax of the Corporations increased in 1972-73 as compared with that of 1971-72 as indicated below :—

(Rupees in lakhs)

Profits before tax			Rate of growth	
1970-71	1971-72	1972-73	1971-72	1972-73
819.12	692.60	1,095.99	(—)15.4%	58.2%

### 13. Sources and uses of funds

(a) *Internal sources* :—Funds received by the Corporations from internal sources in 1971-72 and 1972-73 are indicated below :—

(Rupees in lakhs)

1971-72		1972-73	
Internal sources	Percentage to total funds (i.e. internal and external)	Internal sources	Percentage to total funds (i.e. internal and external)
5,005.15	47.6	5,465.83	48.9

(b) *External sources* :—Funds received by the Corporations from external sources in 1971-72 and 1972-73 are indicated below :—

(Rupees in lakhs)

1971-72		1972-73	
External sources	Percentage to total funds (i.e. internal and external)	External sources	Percentage to total funds (i.e. internal and external)
5,518.08	52.4	5,711.67	51.1

The main feature indicated by the above data is the relative importance of external sources in the case of all the Corporations taken together.

#### 14. Analysis of sales

(a) Information regarding customer composition viz., Government Departments, Public Sector Undertakings, others, etc. was available in respect of 1 Corporation out of 5. The analysis indicated the following :—

	(Percentage of total sales)	
	1971-72	1972-73
(i) Sales to Government Departments . . . . .	3.5	3.2
(ii) Sales to Public Sector Undertakings . . . . .	94.6	91.9
(iii) Sales to others . . . . .	1.9	4.9

(b) Sundry debtors (5 Corporations in 1972-73 against 4 in previous year)

The figures of sundry debtors and sales of the Corporations for the last three years are given below :—

(Rupees in lakhs)								
1970-71			1971-72			1972-73		
Sundry debtors	Sales	Percentage of column 1 to column 2	Sundry debtors	Sales	Percentage of column 4 to column 5	Sundry debtors	Sales	Percentage of column 7 to column 8
1	2	3	4	5	6	7	8	9
3,226.88	16,131.93	20.0	3,949.09	18,804.23	21.0	4,724.98	23,541.57	20.1

The percentage of sundry debtors to sales decreased in 1972-73 as compared with that of 1971-72.



15. (i) The remarks mentioned in para 14.1 of section 1 hold good in the case of the Corporations also. Some of the aspects are considered below :—

- (a) *Central excise duty* :—The total amount of Central excise duty charged to the profit and loss account of 1 Corporation (in respect of which information was available) during 1972-73 was Rs. 5.33 crores and the volume of business done was Rs. 70.79 crores.
- (b) *Foreign exchange earnings* :—Total foreign exchange earned by Corporations engaged in rendering services in 1972-73 was Rs. 25.43 crores (2 Corporations) as against Rs. 16.31 crores (2 Corporations) in 1971-72.
- (c) *Employment statistics* :—The total number of persons employed in 5 Corporations as on 31st March, 1973 was 52,633.
- (d) Total amount of salaries, wages and other benefits charged in the accounts in 1972-73 in respect of the above Corporations was Rs. 60.11 crores.
- (e) Incidence of salaries, wages and other benefits per employee on the basis of the data mentioned in (c) above works out to Rs. 11,421 per annum.
- (f) Number of employees for every Rs. 1 crore of capital invested in respect of the above Corporations work out to 90. [This position has to be viewed in the light of the fact that most of the public Sector Undertakings are capital intensive and highly mechanised].

(ii) *Social overheads*

These have been analysed under two broad categories viz. township and other social overheads.

(a) *Township maintenance* :—Information in respect of 3 Corporations for the year 1972-73 has been analysed below :—

(Rupees in lakhs)	
(i) Maintenance and Administrative Expenses . . . . .	29.51
(ii) Depreciation on Township . . . . .	20.28
(iii) Interest on capital outlay . . . . .	22.70
TOTAL . . . . .	72.49
(iv) Rent receipts and other Miscellaneous Collections . . . . .	26.76
(v) Net expenditure on Township . . . . .	45.73

The net profit earned by these Corporations in 1972-73 was Rs. 6.07 crores.

(b) Total cost of other social overheads like educational facilities, medical facilities, social and cultural activities, transport facilities, canteen subsidy, etc. amounted to Rs. 2.47 crores in 1972-73 (4 Corporations).



(R. P. RANGA)

Chairman, Audit Board

and Ex-officio Additional Deputy Comptroller  
and Auditor General (Commercial)

New Delhi,  
The 20<sup>th</sup> July, 1974

Countersigned



(A. BAKSHI)

Comptroller and Auditor General of India.

New Delhi,  
The 20<sup>th</sup> July, 1974

### ANNEXURE 'A'

List of Companies/Corporations in which Government have invested Rs. 1 crore or above but which are not subject to audit by the Comptroller and Auditor General of India.

Sl. No.	Name of Company/Statutory Corporation	Total investment up to 1972-73	Remarks
1.	Oil India Limited	14,00,00,000 7,61,70,000	Debentures.
2.	India Explosives Limited	2,74,00,000	Includes Rs. 24 lakhs value of bonus shares issued on 15-9-1966.
3.	Lube India Limited	2,40,00,000	
4.	British India Corporation Limited	1,05,97,731	
5.	Life Insurance Corporation of India	5,00,00,000	
6.	Reserve Bank of India	5,92,71,525	

## SUMMARISED FINANCIAL RESULTS

Sl. No.	Name of the Company	Name of the Ministry	Date of incorporation	Total capital invested	Profit (+) Loss (-)	Total interest charged to Profit and loss Account	Interest on long-term loans
1	2	3	4	5	6	7	8
<b>I. RUNNING CONCERNS</b>							
<b>A. INDUSTRIAL</b>							
<i>Engineering</i>							
1.	Hindustan Machine Tools Limited	Ministry of Heavy Industry	7-2-1953	4,442.80	(+) 77.67	193.86	111.53
2.	Heavy Electricals (India) Limited	Do.	29-8-1956	12,296.41	(+) 507.53	349.74	281.84

'B'

OF GOVERNMENT COMPANIES FOR THE YEAR 1972-73

(Rupees in lakhs)

Total return on capital invested (6+8)	Per-centage of total return on capital invested	Capital employed	Total return on capital employed (6+7)	Per-centage of total return on capital employed	Remarks
9	10	11	12	13	14
(+) 189.20	4.3	4,626.03	(+) 271.53	5.9	<p>1. No account has been taken of the present liability in respect of future payments of Gratuity to staff which is estimated at Rs. 2,59,85,714.</p> <p>2. No provision has been made for the additional future liability against deferred credits at the current exchange rate amounting to Rs. 38,54,198. Necessary adjustments have not been made in the value of fixed assets and inventories. The exchange rate adjustments, if any, at the time of payment will be adjusted in the accounts of that year.</p> <p>3. No provision has been made towards penal interest on loans received from Government of India amounting to Rs. 18,56,945.</p> <p>4. No account is taken of Salaries and Wages relating to the lockout in one of the units of the Company for the period from 8th September, 1972 to 21st September, 1972 amounting to Rs. 7,43,012 (under adjudication) and for the period from 10th November, 1972 to 8th December, 1972 amounting to Rs. 15,87,974.</p>
(+) 789.37	6.4	7,305.91	(+) 857.27	11.7	<p>1. Sundry Debtors include Rs. 768.22 lakhs (previous year Rs. 466.37 lakhs) as estimated by the Sales Engineers, for portions of equipment despatched but not billed as they are not billable under the terms of the contract. The corresponding excise duty of Rs. 6.53 lakhs (previous year Rs. 3.38 lakhs) though not billed, but is included in Sundry Debtors. The above referred Sundry Debtors include Rs. 627.54 lakhs (previous year Rs. 412.96 lakhs) in respect of goods despatched pending billing, during the year.</p> <p>2. Bills in respect of 276 Insurance claims (previous year 549) pending on 31st March, 1973 have not been raised as the amounts relating thereto are not readily ascertainable. These claims have, therefore, not been brought into account. Out of these, bills of the value of Rs. 0.25 lakh in respect of 25 cases have been raised subsequently.</p>

1	2	3	4	5	6	7	8
4. Hindustan Cables Limited		Ministry of Industrial Development.	4-8-1952	1568.57* (+)	39.55	69.10	12.09
5. National Instruments Limited		-Do-	26-6-1957	431.89 (-)	37.62	6 71	4.40
6. Heavy Engineering Corporation Limited		Ministry of Heavy Industry	31-12-1958	28,263.26* (-)	1,656.98	855.95	763.44

9	10	11	12	13	14
(+) 51.64	3.3	1584.88	(+) 108.65	6.9	<p>*1. Includes Rs. 87,00,000 representing advance from Government.</p> <p>2. Sales which were mainly on a provisional basis, include a sum of Rs. 149.81 lakhs for which no bills have been raised but credit has been taken on a provisional basis. Sundry Debtors include a sum of Rs. 207.70 lakhs for which no bills have been raised. The full amount has been included under the heading debts less than six months, although despatches of a value of approximately Rs. 69.10 lakhs were effected more than six months prior to the close of the accounting year. This is basically due to non-settlement of pricing formula.</p>
(-) 33.22	—	162.73	(-) 30.91	—	<p>1. The Ophthalmic Glass Plant, Durgapur which was a constituent unit of the Company, has been taken over by Bharat Ophthalmic Glass Limited with effect from 1st April, 1972.</p> <p>2. No amount has been stated in respect of debts considered doubtful of recovery as this has not been separately ascertained but included under debts considered good. The debts considered good include Rs. 81,734 for which civil suit has been filed for recovery.</p> <p>3. Government of India has sanctioned moratorium on repayment of loans and interest holiday for a period of 5 years with effect from 1-4-1972 on Rs. 169.92 lakhs received as loan by the Company in the past years. This has resulted in reduction of interest payment to the extent of Rs. 11,23,198 for the year 1972-73.</p>
(-) 893.54	—	17,825.88	(-) 801.03	—	<p>*1. Includes Rs. 55,00,000 advance against share capital.</p> <p>2. Liability on account of encashment of leave to employees is not ascertainable and hence not provided for.</p> <p>3. No provision has been made in the accounts for Sales Tax liability in respect of sales representing items despatched to the customers which are yet to be billed, including those for previous years. Liability for such tax will be accounted for as and when bills will be preferred on customers. The amount of Corporation's liability, if any, is not ascertainable at present.</p> <p>4. No payment has been made against the provision for Emergency Risks Insurance made in the previous year as per Rules, delay in payment attract penalties. Final Liability, is not ascertained as the assessment is under process by the appropriate authorities.</p> <p>5. Depreciation is being calculated on straight line basis at the same rates as those of the previous years. No adjustment has been made for the increased rates prescribed under section 205 (2)(b) of the Companies Act, 1956, with effect from 1st April, 1969 as confirmed by the Bureau of Public Enterprises during the year, as the Company has now approached the Company Law Board for continuing the old rates of depreciation. Short provision of depreciation in the accounts for the past period as aforesaid and for the year has not been worked out.</p>

1	2	3	4	5	6	7	8
7. Mining and Allied Machinery Corporation Limited	Ministry of Heavy Industry	1-4-1965	6,456.33	(+)	12.42	137.10	118.97
8. Tungabhadra Steel Products Limited	Do.	20-2-1960	163.78	(+)	5.46	7.81	1.23



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6. No provision has been made in the accounts for Income Tax on payments made to Foreign Collaborators on various accounts, wherever applicable as the amount of liability, if any, is not determinable. (Foundry Forge Plant, Heavy Machine Tools Plant).

7. Construction Materials, Stores spares and components include Rs. 106.89 lakhs being cost of spare for which no physical inventory has been taken. (Foundry Forge Plant).

8. Sundry Debtors (Accounts Receivable) include Rs. 1,703.98 lakhs not billed to customers as in some cases part supplies have been made or prices are still under negotiation, or formal orders have not been received from customers.

(Heavy Machine Building Plant).

9. The audited statement of accounts of the subsidiary Company M/s Engineering Projects (India) Limited as at 31st March, 1973 shows an accumulated loss of Rs. 9.16 lakhs as against the share capital of Rs. 18.00 lakhs of which 51% is held by the Corporation. The auditors are of the opinion that the value of investment in the subsidiary Company is much less than the book value on account of the large accumulated losses. However, no provision has been made in the accounts in respect of the proportionate loss at 51% thereof amounting to Rs. 4.67 lakhs, as the Management are of the opinion that the shares have the realisable value equal to the amount at which it is stated in the Balance Sheet.

(+) 131.39      2.0    3,129.37    (+) 149.52    4.8

1. Stock worth Rs. 15.11 lakhs finished in earlier years but not taken into the accounts of those years has been included in the closing stock without bringing the debit to the Profit and Loss Account through the prior period adjustment account. As a result, the profit for the year stands overstated by Rs. 15.11 lakhs.

2. Neither any provision has been made for arrears of depreciation from 1969-70 onwards nor any disclosure has been made.

3. Credit has been taken through the Sales Account in the years 1970-71 to 1972-73 for a total sum of Rs. 182.31 lakhs at enhanced rates in respect of supplies for the Bokaro Stocking Out System, against which payment has been made by the Bokaro Steel Limited to the extent of Rs. 152 lakhs pending examination and finalisation of the price by the Bureau of Public Enterprises.

(+) 6.69      4.1    244.83    (+) 13.27    5.4

1. Employees a Gratuity liability accrued upto 31-3-1972 as per actuarial valuation is Rs. 10.68 lakhs. No actuarial valuation as on 31-3-1973 has been made. A total provision of Rs. 4.50 lakhs is available in the accounts.

2. The execution of the formal conveyance deed by the Government in respect of 82.37 acres of land is pending. The liability in respect of the claim for rent compensation has not been determined and provided for.

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1	2	3	4	5	6	7	8
9. Hindustan Aeronautics Limited	Ministry of Defence	1-10-1964	24,052.15	(+)	413.96	400.71	375.33

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9	10	11	12	13	14
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(+) 789.29      3.3 17,682.72 (+) 814.67      4.6

1. In event of failure to confirm to the conditions of the agreement in respect of Subsidised Industrial Housing Scheme and grant-in-aid for school building at Bangalore Complex, the subsidy and grant-in-aid of Rs. 10.66 lakhs received from the Government of India/Mysore are liable to be refunded (Previous year—Rs. 9.15 lakhs).

2. No provision has been made in the accounts for :—

- (a) Interest on Deferred Payment Liabilities in respect of aircraft components, jigs, fixtures and tooling and outstanding balances in respect of Licence Fee and Technical Documentation Fee as these are payable by the Government of India.
- (b) Sales Tax on sale of aircraft etc., to IAF as such sales are held to be "Works Contracts" at Nasik and Hyderabad Divisions and Bangalore Complex, wherever the levy of sales tax is under dispute with Sales Tax Authorities and/or negotiations with Government of India, sales tax, if levied, is recoverable from the IAF.
- (c) Duty of Rs. 50.84 lakhs levied by Customs upto 31-3-1973 pending finalisation of the relevant Bills of Entry, as the same is not payable in view of the general exemption granted by the Government of India.
- (d) For additional gratuity liability, if any, for the years prior to 1972-73 under the payment of Gratuity Act 1972 as the amount thereof has not been determined.

3. (i) The value of Assets and Liabilities of Aircraft Manufacturing Depot at Kanpur (taken over with effect from 1-6-1964) to the extent finalised by the Government of India, vide Ministry of Defence letter dated 31st December, 1968, has been adjusted in the Accounts of 1971-72. However, taking-over and valuation of certain assets [e.g., Sundry Debtors—Rs. 7.44 lakhs, Plant and Machinery—Rs. 3.95 lakhs; civil works accounted for at Rs. 67.80 lakhs (as per administrative approval, but actually costing only Rs. 58.68 lakhs)—Miscellaneous Work-in-Progress—Rs. 12.70 lakhs, Tools and Jigs—Rs. 3.06 lakhs, pre-Company liabilities—Rs. 2.23 lakhs] are still being contested by the Company. Government decision is awaited.

(ii) The value of Buildings taken over from Aeronautical Testing Laboratory at Kanpur of Rs. 2.56 lakhs has been contested by the Company. Government's acceptance is awaited.

(iii) Pending finalisation by the Railway Board of the estimates relating to the value of Railway Siding at Nasik, the asset has been provisionally shown at Rs. 62.02 lakhs on the basis of actual payment made to the Railways.

(iv) Special Tools and Equipment under Inspection and in Transit include shortages/excesses (approximate value Rs. 5,21,722). Adjustment of the claims have not been made.

2	3	4	5	6	7	8
10. Bharat Earth Movers Limited	Ministry of Defence	11-5-1964	4,025.76 (+) 578.23	162.42	92.71	
11. Praga Tools Limited	Do.	28-5-1943	824.11* (-) 108.71	51.98	30.17	
12. Bharat Electronics Limited	Do.	21-4-1954	3,312.71 (-) 661.78	126.08	48.72	
13. Hindustan Teleprinters Limited	Ministry of Communications	14-12-1960	504.86 (+) 186.70	6.49	6.49	
14. Indian Telephone Industries Limited	Do.	25-1-1950	2,504.35 (+) 453.96	150.95	34.32	
15. Electronics Corporation of India Limited	Department of Atomic Energy	11-4-1967	790.22 (+) 113.43	28.98	15.77	

9	10	11	12	13	14
(+) 670.94	16.7	4,244.59	( ) 740.65	17.4	—
( ) 78.54	—	641.60	(—) 56.73	—	<p>*1. Includes Rs. 97,450 received on forfeited shares.</p> <p>2. The Company is contingently liable for cancelled share certificates re-circulated and transfers wrongly effected—amount not determined.</p> <p>3. During the year 1962-63, the Government of Andhra Pradesh handed over possession of 195 acres and 33 guntas of land at Kukatpally to the Company. No provision has been made in the Accounts for the amount payable to the Government in respect of the above, as the same remains to be determined.</p> <p>4. No provision has been made of the present liability in respect of future payments of Gratuity to employees—amount not determined.</p>
(+) 710.50	21.4	4,333.69	(+) 787.86	18.2	In respect of foreign loans the extra increase in liability due to fluctuations of foreign exchange at the rate as on 31-3-1973 has not been taken into account.
(+) 193.19	38.3	512.83	(+) 193.19	37.7	No adjustment has been made on account of devaluation of the U.S. Dollar on the 13th December 1971, in respect of Dollar liability pertaining to the financing of Fixed Assets. As the Government of India has not fixed the exchange rate for U.S. Dollar after it was devalued in February, 1973 and in view of the unsettled conditions of the exchange rates of the international currencies, accounting adjustments relating to the devaluation of U.S. Dollar in respect of outstanding liabilities under deferred credit have not been given effect to in the accounts this year also.
(+) 488.28	19.5	4,243.72	(+) 604.91	14.3	—
(-) 129.20	16.4	858.35	(+) 142.41	16.6	<p>1. Work-in-progress : All items of closing Work-in-Progress have been valued this year 'At or Below Cost' except for work on 'Rajasthan Atomic Power Project Contract I and Contract II' which, as in previous years, has been valued 'At proportionate sale value'. The total booked cost on both the contracts to 31-3-1973 is lower than the proportionate sale value by Rs. 23.64 lakhs approximately.</p> <p>2. No provision has been made in the Accounts for the present liability in respect of future Payment of Gratuity to Employees—amount not determined.</p> <p>3. An amount of Rs. 11.39 lakhs towards excise duty on Computers has not been provided for pending receipt of final decision from Central Board of Excise and Customs.</p> <p>4. Income from supply of antennae includes an amount of Rs. 97,000 (approx.) representing the excess of amount received in reimbursement over cost of administration for the current year.</p>

1	2	3	4	5	6	7	8
16. Instrumentation Limited		Ministry of Industrial Development	21-3-1964	1,179.91	(+) 144.99	21.24	21.24
17. Triveni Structural Limited		Ministry of Heavy Industry	3-7-1965	825.62	(-) 52.35	52.91	34.18
18. Machine Tool Corporation of India Limited		Do.	11-1-1967	663.24	(-) 29.11	11.05	18.95
19. Bharat Heavy Plate and Vessels Limited		Do.	25-6-1966	2,292.89*	(-) 85.86	115.46	83.31
20. Bharat Dynamics Limited		Ministry of Defence	16-7-1970	166.10	(+) 23.82	—	—
21. Bharat Ophthalmic Glass Limited		Ministry of Industrial Development	1-4-1972	713.96	(-) 94.12	27.34	25.54
TOTAL				1,13,449.47	(+) 1,972.21	3,522.58	2,797.66
Figures for the year 1971-72				1,08,284.13	(+) 122.36	3,277.03	2,828.48

9	10	11	12	13	14
(+) 166.23	14.1	1,179.37	(+) 166.23	14.1	<p>1. During the year there has been a change in the Method of computation of contingencies and its write back in respect of systems contracts. Due to this change besides the amount depicted in the Profit and Loss Appropriation Account, the realisable value of systems Work-in-Progress and provision of contingencies on system sale arrived at has resulted in plough back of contingencies generating additional profit of Rs. 46,47,294.</p> <p>2. Additional liability, if any, for pending tax assessments being uncertain, has not been provided for.</p>
(-) 18.17	—	774.53	(+) 0.56	—	<p>1. No provision has been made in the accounts in respect of future gratuity liability for employees—amount unascertainable.</p> <p>2. No provision for liability for survey work done on land by Uttar Pradesh Public Works Department has been made as the amount has not yet been determined.</p>
(-) 10.16	—	696.56	(-) 18.06	—	<p>1. Out of private land measuring 71 acres, payments to respective land owners has been finalised in respect of 27 acres amounting to Rs. 72,409. Land Awards in respect of remaining private land are yet under finalisation with the Land Acquisition Officer.</p> <p>2. Interest on Government loan—Rs. 29,33,073—allocation of which is pending is also to be attributed to the Plant and Machinery and Buildings in use. Depreciation on increase in the values of assets on this account is also chargeable. No provision for such additional depreciation has been made, as the quantum thereof is not determinable.</p>
(-) 2.55	—	2,245.65	(+) 29.60	1.3	<p>*1. Includes Rs. 1,69,50,000 share money received in advance.</p> <p>2. Pending approval of the Government for waiver, no provision has been made in respect of penal interest amounting to Rs. 1.86 lakhs payable to Government of India for non-payment of loan instalments in time.</p>
(+) 23.82	14.3	72.22	(+) 23.82	33.0	—
(-) 68.58	—	339.24	(-) 66.78	—	—
(+) 4,769.87	4.2	90,743.00	(+) 5,494.79	6.1	
(+) 2,950.84	2.7	81,578.54	(+) 3,399.39	4.2	

1	2	3	4	5	6	7	8
<i>Chemicals</i>							
22.	The Fertilizer Corporation of India Limited	Ministry of Petroleum and Chemicals	1-1-1961	36,076.13*	(-) 541.82	339.73	878.39
23.	The Fertilisers and Chemicals, Travancore Limited	-Do-	22-9-1943	10,839.36	(-) 232.46	132.96	263.09



9	10	11	12	13	14
(+)1,420.21	3.9	14,619.70	(+) 881.55	6.0	*1. Includes Rs. 15,09,00,000 representing advance from the Govt. of India.
					2. Under agreements with non-resident parties for capital works, taxes, if any, arising out of their contracts with the Corporation will be payable by the Corporation. There is an estimated tax liability of Rs. 26.36 lakhs which has been provided in the accounts by way of capitalisation. Further demands aggregating to Rs. 142.71 lakhs have been appealed against and hence not provided for in accounts.
					3. The inventory includes surplus stores/spares (some of which are obsolete) valued at Rs. 166.48 lakhs, which on disposal, may not fetch full book value. Loss/Profit, if any, on such disposal will be adjusted in the year of disposal.
					4. Net profit for the year stands over-stated by Rs. 5,46,898.80 as follows :—
					(i) Write back of credit balance relating to the Pay & Accounts Officer, DGS & D—Rs. 2,57,122.
					(ii) Excess provision for insurance made in the previous year and adjusted during the year by reducing the expenditure under Insurance—Rs. 91,676.
					(iii) Non-provision of liability for leave salary for the period 19-9-72 to 22-10-72—Rs. 1,98,100.80.
					Items (i) and (ii) above should have been included under "Adjustments (Net) relating to prior years—schedule IX".
					5. Provision for bonus was not adequate.
(+) 30.63	0.3	3,832.91	(—)99.50	—	1. Liability for gratuity for FEDO, FEW and CD phase I is provided for in full. For other divisions liability added in the year 1972-73 only is provided for. Balance liability not provided for amounts to Rs. 80.83 lakhs.
					2. Depreciation for Plant and Machinery (Triple Shift Allowance) totalling to Rs. 66,00,233 (1963-64 Rs. 13,90,677, 1967-68 Rs. 25,32,431 and 1968-69 Rs. 26,77,125) has not been provided for and this will be made at the appropriate time before declaring dividend under section 205 of the Companies Act, 1956.
					3. Bank balances with Scheduled Banks includes demand drafts dated 1-4-1973 and 2-4-1973 of the total value of Rs. 1,02,653 which were deposited into the Bank after 31st March, 1973.
					4. Loans and Advances includes an amount of Rs. 3,61,183 representing deposit made with Railways for Kalamassary Railway Siding. Although the Siding was completed and has been in use since 1-4-1972, the amount has not been capitalised and consequently, depreciation thereon has also not been provided for during the year.

1	2	3	4	5	6	7	8
24.	Madras Fertilizers Limited	Ministry of Petroleum and Chemicals	8-12-1966	6,867.32* (-)	0.15	373.31	373.31
25.	Hindustan Antibiotics Limited	-Do-	30-3-1954	868.72 (+)	23.62	2.79	—
26.	Indian Drugs and Pharmaceuticals Limited	-Do-	5-4-1961	6,073.08 (-)	375.55	272.62	216.71

9	10	11	12	13	14
(+ 373.16	5.4	6,651.19	(+) 373.16	5.6	<p>*1. Includes Rs. 1,110 share capital suspense account.</p> <p>2. No provision has been made in respect of accrued liability for gratuity payable to employees under the Company's Gratuity Policy/payment of Gratuity Act, 1972 since Gratuity payments are accounted on cash basis.</p> <p>3. The gain on account of de-valuation of the U.S. Dollar in December, 1971 in respect of Dollar liability existing immediately prior to de-valuation and attributable to the financing of fixed assets should not have been credited to the Exchange Fluctuation Account but adjusted from the value of individual assets. This adjustment has not been carried out during the year under audit. The credit balance available in the Exchange Fluctuation Account was partly utilised to meet the loss of Rs. 15,61,877 arising during the year on account of variation in the exchange rates at the time of repayment of the Dollar liability, instead of debiting the loss to the Profit and Loss Account.</p>
(+) 23.62	2.7	920.49	(+) 26.41	2.9	—
(—) 158.84	—	5,192.84	(—) 102.93	—	<p>1. No liability has been provided in the accounts in respect of :—</p> <p>(i) Towards payment of Income Tax in respect of non-resident technicians whose stay in India, exceeded one year after 31-12-71 pending disposal of application for exemption.</p> <p>(ii) Accruing gratuity to employees since actual liability is accounted for on cash basis.</p> <p>(iii) Company's Contribution to Provident Fund in respect of those employees who are eligible but have neither become members nor paid their contribution.</p> <p>(iv) For certain extra items of work completed by the contractors, in one Unit, as the same was not ascertainable.</p> <p>(v) Penal and Compound Interest on delayed repayment of loan instalments and delayed payment of interest to Government amounting to Rs. 1,94,60,165 up to 31-3-73 since the Company has requested Government for waiver of the same.</p> <p>(vi) Interest amounting to Rs. 50,636 on loans of Rs. 568.676 lakhs pending receipt of Government sanction for waiver of interest.</p> <p>2. The cost of materials issued to fabricators amounting to Rs. 4.81 lakhs is shown under the head of "Plant and Machinery awaiting installation" in the balance sheet although the fabricated items have been installed. Adjustments including provision of liability and depreciation will be done as and when bills are finalised.</p> <p>3. Equipments worth about Rs. 48,000 declared unserviceable, dismantled and discarded as per the report of the plant engineers are yet to be adjusted in one of the units.</p> <p>4. Fixed Assets include equipments valued at Rs. 18.51 lakhs rendered surplus/obsolete as a result of modernisation etc., besides surplus equipment worth Rs. 24.17 lakhs likely to be utilised during expansion. Loss on disposal, if any, will be adjusted in the year of disposal. (antibiotics Plant, Rishikesh).</p>

1	2	3	4	5	6	7	8
27.	Hindustan Insecticides Limited	Ministry of Petroleum and Chemicals	11-3-1954	336.19	(+)33.90	0.92	—
28.	Indian Rare Earths Limited	Department of Atomic Energy	18-8-1950	528.06	(+)42.02	16.06	11.88
29.	Uranium Corporation of India Limited	Do.	4-10-1967	996.21	(+)17.22	7.61	7.61
30.	Hindustan Salts Limited (year ending 30-9-1972)	Ministry of Industrial Development	12-4-1958	181.10	(+)6.31	—	—
31.	National Newsprint and Paper Mills Limited	Do.	25-1-1947	1,258.81*	(+)9.61	23.08	47.12
32.	Hindustan Photo Films Manufacturing Company Limited	Do.	30-11-1960	2,111.76	(—)297.34	142.47	102.45
TOTAL				66,136.74	(—)231.00	1,311.55	1,900.56
Figures for the year 1971-72				54,626.24	(—)841.65	1,213.00	1,760.47

9	10	11	12	13	14
					5. Inventory includes surplus stores valued at Rs. 37.83 lakhs. Loss on disposal, if any, will be adjusted in the year of disposal.
					6. The net loss takes into account a net profit of Rs. 190.09 lakhs earned on the sales aggregating Rs. 7,34,91,087 of imported drugs.
(+)33.90	10.0	387.67	(+)34.82	9.0	
(+)53.90	10.2	548.19	(+)58.08	10.6	Documents vesting property in assets taken over from Travancore Minerals Limited (in Liquidation) and Hopkin and Williams (Travancore) Limited, have not yet been executed and no provision has been made for stamp duty, registration fee, tax, liabilities etc.
(+)24.83	2.5	879.24	(+)24.83	2.8	1. No adjustment has been made in the accounts for land measuring 187.77 acres under the possession of the Corporation as the cost thereof has not been ascertained and land has not been formally transferred so far. In addition, the Company is in possession of 630 acres of leasehold land for mining purposes for which necessary application has been sent to Mining Commissioner, Government of Bihar, for grant of mining rights and the premium, if any, when determined will be adjusted in the accounts.
					2. No provision for present liability for future payment of gratuity to employees has been made in the Accounts. Amount of such liability has not been worked out.
(+)6.31	3.5	124.08	(+)6.31	5.1	1. No formal agreement has so far been executed for the transfer of Government Salt Works at Sambhar, Didwana, Kharaghoda and Mandi together with their assets and liabilities. Salts Works of Didwana and Sambhar have already been transferred to Rajasthan Government and Sambhar Salts Limited respectively for which no agreement has yet been executed. The matter is still under correspondence with the Ministry.
					2. Pending scrutiny no depreciation has been provided on the assets "other works" Rs. 2,33,267.83 at Mandi Unit from the date of taking over of these assets and on subsequent additions thereto.
					3. Pending finalisation income-tax appeals for Rs. 4,75,189 for the assessment years 1963-64, 1964-65 and 1967-68 and assessments for the assessment years 1970-71 to date no provision has been made in the books in respect of liabilities arising therefrom.
					4. Full provision of gratuity as per 'Payment of Gratuity Act, 1972', has not been made as the same is under computation. The Company, however, has provided Rs. 64,572.47 towards this liability for the years 1968-69 to 1971-72 on provisional basis, the amount, however, has not been invested outside the Company nor any interest has been provided thereon.
(+)56.73	4.5	738.30	(+)32.69	4.4	*1. Includes Rs. 4,30,252 on account of forfeited shares.
					2. Provision has not been made in the accounts in respect of future liability estimated at Rs. 33.74 lakhs for gratuity payable in accordance with Gratuity Act, 1972/Company's rules.
(-)194.89	—	1,189.63	(-)154.87	—	
(+)1,669.56	2.5	35,084.24	(+)1,080.55	3.1	
(+)918.82	1.7	33,690.78	(+)371.35	1.1	

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1	2	3	4	5	6	7
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*Mining and Minerals*

33. National Coal Development Corporation Ltd.	Ministry of Steel and Mines	5-9-1956	22,273.30*	(—)243.08	308.35	479.89
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34. Neyveli Lignite Corporation Limited	Do.	14-11-1956	18,742.46*	(—)995.15	586.82	521.45
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(+)236.81	1.1	21,472.18	(+)65.27	0.3	
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\*1. Includes Rs. 9,58,38,255 due to the Government of India against issue of shares.

2. During the year consumption of stores has been booked at fixed rates determined as on 1-4-1972. The inventory as at the close of 31-3-1973 has been valued without giving effect to the price variation due to adoption of the fixed rates in some of the areas, and to that extent the effect has not been given in the Profit and Loss Account. The figures of the stores and spare-parts have been taken from central Account. The Inventory figures are less by Rs. 35.09 lakhs. Pending reconciliation no provision has been made.

3. No interest has been provided for the Corporation's share in loss in the Korba Partnership in any year as required by clause 19 of the Partnership Agreement. The amount involves is Rs. 17.62 lakhs.

4. No provision has been made in the accounts in respect of pension gratuity and special contribution to the Provident Fund, which is payable to the Ex-State Employees on their retirement or concession of services. Liabilities for retiring gratuity in respect of Corporation employees retiring on a future date has not been ascertained and provided for in the accounts.

5. Claims amounting to Rs. 5,87,242 for land acquired up to 31st March, 1973, under Coal Bearing Areas Act 1957, have not been provided pending finalisation by the appropriate authorities.

6. Pending investigation loss of goods by theft during the year amounting to Rs. 67,207 has not been adjusted in the accounts.

7. No provision has been made for a sum of Rs. 31.86 lakhs, out of the total balance of Rs. 45.48 lakhs in respect of one customer. Steps have already been taken for realisation of the same. The amount has been classified as doubtful debt in a Schedule V-A.

(-)-473.70	-	13,733.87	(-)-408.33	-	
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\*1. Includes Rs. 97,00,000 share Capital Deposit from Government of India.

2. Pursuant to the judgement of the Supreme Court holding certain provisions of the Madras Lignite (Acquisition of Land) Act, 1953, invalid, the Corporation had made certain payments to the land owners as extra compensation. Interest paid on such extra compensation has been capitalised. The payments that are still due and not paid are not estimated and provided for.

3. Liability for Land Revenue proposed to be assessed by Tamil Nadu Government is still in correspondence and not having been ascertained has not been provided for.

4. The claims made by the Indian Insurance Companies Association Pool which is being wound up, against the Corporation on account of Insurance premia aggregating to Rs. 1,16,235 is still under correspondence. Liability is not yet ascertained and not provided for.

1	2	3	4	5	6	7	8
35. National Development Limited	Mineral Development Corporation	Ministry of Steel and Mines	15-11-1958	9,469.53	(-)112.10	65.40	112.60
36. Manganese Ore Limited	(India)	Do.	22-6-1962	255.30	(-)40.49	11.24	—
37. Pyrites, Phosphates and Chemicals Limited		Ministry of Petroleum and Chemicals	22-3-1960	880.22	(-)3.05	14.61	13.56
38. Hindustan Zinc Limited		Ministry of Steel and Mines	10-1-1966	2,244.82	(+)42.42	44.48	66.06



9	10	11	12	13	14
(+)0.50	—	5,637.38	(—)46.70	—	<p>1. No provision is made in the accounts for accruing liability for gratuity payable to employees at a future date.</p> <p>2. Pending finalisation, the sale price of Kiriburu Ore has been adopted at the rate of which provisional bills are being preferred on the customers. Since the rates (Rs. 22.16 in respect of Bokaro and Rs. 23 in respect of Rourkela) at which the Corporation have billed the customers, are higher than the rates at which the customers provisionally paid to the Corporation, (viz. 16.50 for lump and Rs. 8 for fines in respect of Bokaro and Rs. 18.79 in respect of Rourkela), the additional credit taken in the accounts in respect of sales and closing Stock amounts to Rs. 30.51 lakhs.</p>
(—)40.49	—	386.36	(—)29.25	—	<p>Full provision for liability of future payment of gratuity to employees has not been made to the extent of Rs. 28 lakhs as estimated by the Company.</p>
(+)10.51	1.2	499.39	(+)11.56	2.3	<p>The Sale price of pyrites ore to Fertilizer Corporation of India during 1972-73 has been billed and accounted for at Rs. 80,87,907 on the <i>ad hoc</i> rate of Rs. 200 per tonne (excluding Royalty and sales tax) for pyrites 33±3% 'S' grade ore. The Company has also received <i>ad hoc</i> payments at the above <i>ad hoc</i> rate during the year. We have been informed that a supplementary Report on pricing of pyrites by Shri S. K. Majumdar has been received by the Company for comments from the Government in March 1973 which recommends sale price of Rs. 160 (excluding Royalty and sales tax) per tonne against Rs. 200 (excluding Royalty and sales tax) per tonne for 33±3% and a sale price of Rs. 220 (excluding Royalty and sale tax) per tonne against earlier price of Rs. 275 (excluding royalty and a sales tax) for 40% 'S' grade pyrites. The above revised rates are applicable to the pyrites ore supplies made for the earlier years from 1968-69. On the basis of the rates stipulated above, the value of sales cumulative since 1968-69 to 1972-73, and Sundry Debtors will get written off/reduced by Rs. 61.51 lakhs including Rs. 15.85 lakhs for the year ending 31-3-1973. Further on the basis of the said report Rs. 0.51 lakh will get reduced from the closing stock of pyrites ore as on 31-3-1973 resulting in a total loss of Rs. 62.02 lakhs upto 31-3-73 including Rs. 16.36 lakhs (Rs. 15.85+0.51 lakhs) for the year 1972-73.</p> <p>No provision has been made in the accounts to cover the aforesaid loss, if any, in case the representation of the Company against such proposed revised rate is rejected by the Government.</p>
(+)108.48	4.8	2,015.69	(+)86.90	4.3	<p>1. The value of assets and liabilities acquired from Metal Corporation of India Limited, under the Metal Corporation of India (Acquisition of the Undertaking) Act, 1966, the provision for compensation payable to them and the loss as shown in the accounts are provisional and subject to adjustment depending upon the final outcome in the matter of compensation.</p> <p>2. In the absence of final valuation being known of fixed assets taken over from the Metal Corporation of India the depreciation written off upto 31-3-1973 and credited to Depreciation Reserve in the books is provisional when the final valuation is known the amount of depreciation will also be re-calculated, wherever necessary, taking into account the pre-acquisition use of assets taken over.</p>

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1	2	3	4	5	6	7	8
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39. Bharat Coking Coal Limited (year ending 31-12-1972) Ministry of Steel and Mines

1-1-1972 1,653.70 (—)257.39 18.84 —

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3. The liability on account of royalty on Sulphur (estimated amount of Rs. 4 lakhs) has not been provided for in the accounts as the Company has taken up the question with the State Government because the Company has been advised that it is not legally payable and accordingly the State Government has already been informed.

4. No provision has been made for Rs. 6,99,749 being the estimated amount of loss caused to mining equipment during storage at Bombay and transit to Zawar Mines, which has been included in the Plant & Machinery pending settlement of claims with Railway and Insurance Company.

5. A claim of Rs. 1,23,251 by the Chief Enforcement Officer, Emergency Risks Insurance Scheme in regard to the premium amount stated to be short-paid for the earlier period from 1965-66 under the Emergency Rules (Factories) Insurance Act, 1962, is under examination. This is under dispute and no provision has been made.

6. In the absence of any directive from the Government of India for penal interest on the Short Term Loan released by them on 25-2-1971, no provision for such Penal Interest of Rs. 1,91,780 has been made.

7. Arrears of depreciation upto 1971-72 on account of revised rates of Depreciation as per amended Income Tax Rules, 1962, amounting to Rs. 39,52,129 has not been provided.

8. The Company has not kept a part of the sale price for utilisation in the expansion scheme of the Company during this year also. The amount required to be set apart being Rs. 82,05,600 has resulted in overstatement of the income of the year, turning the loss of Rs. 39,63,471 into a profit of Rs. 42,42,129. The non-implementation of the instructions of the Government, in this regard, had the effect of understatement of cumulative loss of the Company upto 31st March, 1973 by Rs. 107,05,700 on this account.

9. Although the schemes for development and expansion of Mochia Mines for production of 2000 tonnes of ore per day and installation of the relative beneficiation plant have been in operation from January, 1973, and have reached over fifty per cent of their production capacity, and the income arising therefrom has been credited to the Profit and Loss Account, proportionate interest charges of Rs. 6.63 lakhs have not been charged to the Profit and Loss Account, resulting in further understatement of loss by Rs. 6.63 lakhs.

(—)257.39 — 2,164.58 (—)238.55

1. There was non-provision/short-provision of Liabilities and Expenses on various accounts to the extent of Rs. 15,94,514 out of which Rs. 13,26,512 was on revenue account, leading to corresponding understatement of loss.

2. Stores and spare parts includes Regional Stores expenses amounting to Rs. 4,22,097 incurred by Dharmaband Sub-Area, resulting in overstatement of stock of stores and spare parts.

1	2	3	4	5	6	7	8
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40. Bharat Gold Mines Ltd.	Ministry of Steel and Mines	22-3-1972	58.39*	(—)56.65	29.81	0.38
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## TOTAL

 Figures for the year  
1971-72

55,577.72	(—)1,665.49	1,079.55	1,193.94
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49,388.72	(—)2,418.46	1,157.61	1,323.65
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*Shipping and Transport*

41. Mogul Line Limited	Ministry of Shipping and Transport	2-8-1877 (Became Govt. Company on 16-8-1960)	1,535.69	(+)18.66	62.75	62.75
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3. Stores and Spare parts also includes Rs. 36,52,356 being the value of opening stock of stores in respect of 4Sub-Areas wrongly accounted fortwice. Consequently the closing stock of stores and spares on the asset side has been overstated by Rs. 36,52,356 while the balance under 'Inter Branch Accounts' on the liabilities side has been overstated by Rs. 30,17,261 and the net debit balance of Managed Mines Accounts understated by Rs. 6,35,095.

4. According to an assessment made by the Company on 1-4-1973, there was a shortage of 48,150 M.T. of hard coke valued at Rs. 48 lakhs approximately. Pending investigation, the estimated loss on account of shortage of hard coke has not been provided for in this year's accounts.

5. Stock in trade include 6,376 tonnes of un-saleable washery rejects valued at Rs. 1.71 lakhs (approx.) resulting in understatement of loss.

6. Provision has not been made for the following amounts withheld by the customers resulting in overstatement of sundry debtors and understatement of loss by Rs. 3,20,473.

(a) Rs. 42,629 representing Company's additional claim in respect of bonus under the Agreement rejected by the customers.

(b) Rs. 2,77,844 on account of supply of coal to a customer withheld by him as the supplies did not conform to specifications contained in the Agreement.

7. The net debit balance under Managed Mines Accounts (Net) has been understated to the extent of Rs. 14,34,854 on account of:—

(i) Double credit of Rs. 7,46,185.

(ii) Wrong credit of Rs. 6,88,669 (Rs. 6,35,095 for stores as referred to in remarks 3 above and Rs. 53,574 for cash)

8. Out of Rs. 17,54,548 being the brokerage commission and under-loading charges etc., debited to group offices by the Head office, the group offices have adjusted Rs. 7,31,298 only. The non-accountal of Rs. 10,23,250 has resulted in understatement of brokerage, commission and under-loading charges and also loss to that extent.

(—)56.27 — 31.89 (—)26.84 —

\*1. Includes Rs. 3,03,000 advance received against issue of equity shares.

2. The accounts relate to the period from 22-3-1972 to 31-3-1973.

(—)471.55 — 45,941.34 (—)585.94 —

(—)1,094.81 — 40,440.91 (—)1,260.85 —

(+)81.41 5.3 1,511.84 (+)81.41

5.4 The accounts relate to the period from 1-1-1972 to 31-3-1973.

1	2	3	4	5	6	7	8
42. Shipping Corporation of India Limited		Ministry of Shipping and Transport	2-10-1961	23,580.13	(+)873.15	258.38	568.29

43. Central Road Transport Corporation Limited		Do.	6-3-1964	229.53	(-)38.14	7.04	7.04
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44. Central Inland Water Transport Corporation Limited		Do.	22-2-1967	1,075.52*	(-)114.06	73.63	61.14
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TOTAL				26,420.87	(+)739.61	401.80	699.22
Figures for the year 1971-72				19,322.54	(+)726.03	361.79	463.84

9	10	11	12	13	14
(+)1,441.44	6.1	16,107.70	(+)1,131.53	7.0	<p>1. In the absence of accounts from the Laccadives Administration for income earned and expenses incurred by them for the period January 1973/March, 1973, the same have not been incorporated in the accounts for the year.</p> <p>2. The net Assets in Pakistan—Rs. 8,72,392 as shown in the Balance Sheet continues to remain frozen. Against this, a provision of Rs. 6,35,000 has been made. A claim has been submitted to the custodian of Enemy Property in India.</p>
(-)31.10	—	64.33	(-)31.10	—	<p>1. Considerable amount of sundry debtors and advances recoverable in cash or in kind has been outstanding since a long period, and the adequacy or otherwise of the provision for doubtful debts is not ascertainable.</p> <p>2. Depreciation to the extent of Rs. 11,32,928.92 has not been provided on 188 Motor Vehicles which were off-road for a period of 180 days or more during 1972-73.</p> <p>3. Motor Vehicles include Rs. 14,47,426.77 being the cost of 35 condemned Vehicles on which no depreciation has been charged. The written down value of these vehicles is Rs. 4,23,536.50.</p> <p>4. Cost of two tipper trucks received from the Government of India is not included in "Motor Vehicles" as the price has not yet been intimated and consequently no depreciation has been charged.</p> <p>5. No penal interest on arrears of Interest on Government Loan has been taken into account as in the Company's view such interest is not payable.</p>
(-)52.92	—	401.79	(-)40.43	—	<p>*1. Includes Rs. 42,00,000 share suspense.</p> <p>2. Balance Sheet as at 31st March, 1973 has been drawn up from the figures of Assets and Liabilities as taken over from Rivers Steam Navigation Company Limited on 4th May, 1967 on an <i>ad hoc</i> basis. No final adjustments have been made on the basis of the figures of the Balance Sheet as at 3rd May, 1967 of Rivers Steam Navigation Company Limited subsequently audited, since the final decision of Government regarding conversion of debt into equity for the purpose of restructuring capital of the New Company as on 4-5-1967 and treatment of Rs. 60 lakhs paid to Chartered Bank on account of Rivers Navigation Company Limited are pending.</p> <p>3. No provision has been made for gratuity payable on retirement as the Company intends to treat gratuity paid on cash basis.</p> <p>4. Rs. 32,94,519 and Rs. 76,001 being the value of impounded vessels and vessels stationed in the then East Pakistan (against which Rs. 15,86,232 received from Insurance Company) included in fixed assets pending adjustment against a corresponding claim from custodian of Enemy Properties.</p> <p>5. Coal stock of Rs. 2,93,852 impounded in Pakistan is included in the total value of stock and stores. Claim lodged with the Custodian of Enemy Property against the same has not yet been settled and/or realised.</p> <p>6. Interest accrued and due on the amount of loan of Rs. 2,20,00,000 has been short provided to the extent of Rs. 4,60,000 approximately.</p>
(+)1,438.83	5.4	18,085.66	(+)1,141.41	6.3	
(+)1,189.87	6.2	14,201.49	(+)1,087.82	7.7	

1	2	3	4	5	6	7	8	
<i>Ship-Building and Repairing</i>								
45.	Hindustan Limited	Shipyards	Ministry of Shipping and Transport	21-1-1952	1,607.13	(+)64.70	33.48	30.86
46.	Mazagon Dock Limited		Ministry of Defence	26-2-1934	1,324.62	(+)126.90	72.55	42.12
47.	Garden Reach Works Limited	Workshops	Do.	26-2-1934	1,589.35	(-)-103.81	105.34	59.40
TOTAL					4,521.10	(+)87.79	211.37	132.38
Figures for the year 1971-72					3,882.86	(+)238.34	130.93	108.70
<i>Steel</i>								
48.	Hindustan Steel Limited		Ministry of Steel and Mines	19-1-1954	1,03,190.57	(-)-2,779.70	2,719.19	2500.69
49.	Steel Authority of India Limited		Do.	24-1-1973	60.00*	—	—	—
TOTAL					1,03,250.57	(-)-2,779.70	2,719.19	2,500.69
Figures for the year 1971-72					1,03,988.27	(-)-4,484.58	2,560.24	2,394.64



9	10	11	12	13	14
(+)95.56	5.9	1,635.87	(+)98.18	6.0	—
(+)169.02	12.8	1,514.27	(+)199.45	13.2	The valuation of work-in-progress includes material, labour and other overheads at pre-determined rates. The increased rates charged for Kasara Basin Hire charges in cost plus contracts are still under negotiation with the Navy. The work-in-progress includes an element of profit on work done in respect of yard Nos. 248 and 274 and adjustment of anticipated loss in respect of yard 272.
(-)44.41	—	2,019.32	(+)1.53	0.1	1. Liability for penal interest on Government loan amounting to Rs. 1.76 lakhs has not been provided for in view of the Company's decision to apply for moratorium. 2. Estimated liability of Rs. 3.19 lakhs on account of attendance Bonus and revised categorisation of workmen has not been provided for pending final assessment. 3. Sundry Debtors include (i) Rs. 5.32 lakhs disputed by the Customers. (ii) Rs. 19 lakhs more than 3 years old. No provision has been made for the above in respect of probable loss, if any, quantum of which could not be ascertained. 4. Finished Goods valued at Rs. 15.58 lakhs of which-goods costing Rs. 4.74 lakhs valued at Rs. 1.85 lakhs remaining unsold for more than 4 years.
(+)220.17	4.9	5,169.46	(+)299.16	5.8	
(+)347.04	8.9	4,379.28	(+)369.27	8.4	
(-)279.01	—	78,500.58	(-)60.51	—	1. Import stock of Rs. 67.05 Millions as on 31st March, 1973 has not been physically verified but is in accordance with the records maintained by the Company. 2. Consumption of Raw Materials include shortages under investigation Rs. 72,14,431 to the extent not covered by normal handling losses and excess to the extent of Rs. 46,85,534. 3. This year in determining the market prices of stockyard stock, the stockyard selling prices have been adopted instead of transfer prices to stockyards as were adopted last year. As a result, valuation of closing stocks of Finished and Semi-finished products has been increased by Rs. 4.86 Millions.
—	—	—	—	—	*1. Does not include shares amounting to Rs. 1,29,381.35 lakhs of subsidiaries held by SAIL. 2. The accounts relate to the period from 24-1-1973 to 31-3-1973.
(-)279.01	—	78,500.58	(-)60.51	—	
(-)2,089.94	—	82,464.87	(-)1,924.34	—	

1	2	3	4	5	6	7	8
<i>Petroleum and Oils</i>							
50. Indian Oil Corporation Limited.	Ministry of Petroleum and Chemicals	30-6-1959	20,033.93 (+)4,607.98	344.88	247.80		
51. Cochin Refineries Limited (Year ending 31-8-1972)	Do.	6-9-1963	2,410.28 (+)51.78	60.65	60.65		

9	10	11	12	13	14
(+)4,855.78	24.2	15,713.89	(+)4,952.86	31.5	<p>1. Stock-in-Trade includes Rs. 14.72 lakhs being the value of 6992.080 Kilolitres of Contaminated imported superior Kerosene Oil which has been valued at full cost.</p> <p>2. Cost of 1341 M. T. of calcined coke has been overstated by Rs. 1,04,805.</p> <p>3. Claims recoverable include :</p> <p>(i) A claim for product loss on coastal movement rejected by an Insurer (Rs. 0.50 lakh).</p> <p>(ii) A claim for an amount of Rs. 12.14 lakhs being 80% value of bonded stock lost on account of enemy action in December, 1971 preferred by the Company in March, 1972 which is doubtful of recovery. No provision has also been made for Central Excise Duty of Rs. 22.72 lakhs payable on stocks so lost.</p> <p>(iii) Claims amounting to Rs. 54,269 relating to the year 1962 which were earlier rejected by the railways and are still unacknowledged, and hence are considered doubtful of recovery.</p> <p>4. Liabilities amounting to Rs. 17.61 lakhs on account of road transportation charges of products (Rs. 12.07 lakhs), siding charges payable to railways (Rs. 2.44 lakhs), licence fee and maintenance charges of a railway siding (Rs. 1.80 lakhs), Marine dues payable to Calcutta Port Commissioner (Rs. 0.36 lakh) and Excise Duty (Rs. 0.94 lakh), have not been provided for.</p> <p>5. Closing stock includes stocks of Tin Plates of the value of Rs. 1.34 lakhs lying with contractors who contend that no stock is lying with them.</p> <p>6. No provision has been made in the accounts for compensation payable to land-owners for right-of-way acquired for Mourigram—Rajabandh Pipeline, pending finalisation of the amount.</p> <p>7. Demands amounting Rs. 15 lakhs approximately made by Central Excise Authorities and those which may arise out of show cause notices issued by them on account of Excise Duty on pipeline operational losses in excess of the guideline limits prescribed by them. The demands are contested by the Corporation and no provision has been made pending decision by the appropriate authorities.</p> <p>8. In respect of appeals filed by the Corporation against the District Court judgement, the High Court has awarded enhanced compensation in respect of land acquired for the Gujarat Refinery. The demand for the enhanced compensation has not been received from the State Government. No liability has been provided in the Books as the demand is not ascertainable.</p>
(+)112.43	4.7	2,230.54	(+)112.43	5.0	<p>1. No provision has been made for future liability to gratuity to employees under the Gratuity Act. It has been decided to charge to revenue such expenditure as and when incurred.</p> <p>2. No provision has been made for the bonus payable under the payment of Bonus Act, 1965. Actual Bonus paid during the year has been charged to Revenue.</p>

1	2	3	4	5	6	7	8
52.	Madras Refineries Limited (Year ending 30-6-1973)	Ministry of Petro- leum and Chemicals	30-12-1965	4,036.62	(+)625.02	119.19	119.19
53.	Lubrizol India Limited	Do.	20-7-1966	219.87	(+)104.53	9.63	1.76
54.	Indo-Burma Petroleum Company Limited (Year ending 31-12-1972)	Do.	8-2-1909 (Became Govt. Company on 12-1-1970)	366.24	(+)85.99	0.53	—
TOTAL				27,066.94	(+)5,475.30	534.88	429.40
Figures for the year 1971-72				25,743.90	(+)4,294.37	668.55	514.02
<i>Construction Undertakings</i>							
55.	Hindustan Housing Fac- tory Limited	Ministry of Works and Urban De- velopment	27-1-1953	115.50	(+)11.21	1.29	1.23
56.	National Buildings Con- struction Corporation Limited.	Do.	15-11-1960	425.36	(+)14.21	16.12	10.00
57.	National Projects Cons- truction Corporation Limited.	Ministry of Irri- gation and Power	9-1-1957	635.15	(+)6.83	47.80	23.01
58.	Hindustan Steel Works Construction Limited	Ministry of Steel and Mines	23-6-1964	474.16	(+)137.89	12.32	8.58
TOTAL				1,650.17	(+)170.14	77.53	42.82
Figures for the year 1971-72				1,336.05	(+)72.55	59.36	27.52

9	10	11	12	13	14
(+)744.21	18.4	3,981.75	(+)744.21	18.7	—
(+)106.29	48.3	340.78	(+)144.16	33.5	Claims in connection with Import of Raw Material Intermediates, on account of contamination, shortages and damages etc. filed during the year and credited to purchases amounted to Rs. 49,833.68 out of which claims amounting to Rs. 49,716.63 have not been admitted by the parties concerned.
(+)85.99	23.5	187.75	(+)86.52	46.1	The Company's Assets and Liabilities in respect of Chittagong Branch impounded by the Pakistan Government in 1965, is now under the control of the Government of Bangladesh. The Assets and Liabilities in Chittagong Branch as reflected in Schedules XI & XII, has been shown at Book Value as on 31-12-1966. No provision of any loss has been made since claim for Rs. 1,12,69,830 has been lodged with the Custodian of Enemy Property in India, being the market value of the Assets which is higher than the Book Value of the impounded assets.
(+)5,904.70	21.8	22,454.71	(+)6,010.18	26.8	
(+)4,808.39	18.7	24,191.28	(+)4,962.92	20.5	
(+)12.44	10.8	120.72	(+)12.50	10.4	1. Sundry Debtors include Rs. 29,525 withheld by the contractees on account of penalties etc., imposed for the late execution of contracts and disputed claims. 2. Provision for gratuity to employees does not cover full liability of the Company upto 31-3-1972.
(+)24.21	5.7	306.38	(+)30.33	9.9	—
(+)29.84	4.7	622.71	(+)54.63	8.8	1. No provision has been made in the accounts of the Corporation on account of gratuity payable in terms of the payment of Gratuity Act, 1972. Liability estimated by the officials of the Corporation as on 31-3-1973—Rs. 18,49,340. 2. The Government of India has granted an initial moratorium of two years for payment of instalments of principal amount of each loan from the date of disbursement thereof in favour of the Corporation. On loans aggregating to Rs. 2,00,00,000, however, besides the three years moratorium upto 31-3-1974 for repayment of instalments of principal, the Government of India has granted subsidy to the extent of interest payable on the same upto 31-3-1974. The amount of such subsidy of Rs. 11,89,000 received during the year has been shown separately in the Profit and Loss Account for the year ended 31-3-1973.
(+)146.47	30.9	451.39	(+)150.21	33.3	—
(+)212.96	12.9	1,501.20	(+)247.67	16.5	
(+)100.07	7.5	1,047.22	(+)131.91	12.6	

1	2	3	4	5	6	7	8
<b>Miscellaneous :</b>							
59.	Central Fisheries Corporation Limited.	Ministry of Agriculture.	29-9-1965				
60.	Modern Bakeries (India) Limited.	Do.	1-10-1965	411.85	(+)62.46	7.11	7.11
61.	Hindustan Latex Limited	Ministry of Health and Family Planning.	1-3-1966	153.55	(+)15.60	3.82	3.41
62.	Tannery and Footwear Corporation of India Limited.	Ministry of Industrial Development.	22-2-1969	331.63	(-)97.41	30.61	16.58
TOTAL				897.03	(-)19.35	41.54	27.10
Figures for the year 1971-72				852.62	(-)10.85	39.69	23.47

**B. TRADING AND SERVICES :**

63.	State Trading Corporation of India Limited.	Ministry of Commerce.	18-5-1956	1,694.75	(+)1,143.28	40.56	6.14
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9	10	11	12	13	14
(+)69.57	16.9	411.40	(+)69.57	16.9	—
(+)19.01	12.4	154.59	(+)19.42	12.6	—
(—)80.83	—	258.72	(—)66.80	—	—
(+)7.75	0.9	824.71	(+)22.19	2.7	
(+)12.62	1.5	793.91	(+)28.84	3.6	

## Accounts not received.

(+)1,149.42    67.8    2,476.68    (+)1,183.84    47.8

1. The value of the Investments in the Handicrafts and Handlooms Exports Corporation of India Limited are less than that shown in the books. According to the latest balance sheet of the Company accumulated loss was Rs. 41 lakhs on 31-3-1973 (Rs. 13 lakhs on 31-3-1972).

2. Provision has not been made in respect of liability which may arise as a consequence of proceedings pending up with Income-tax Department under Section 271(1)(c) and 273 of the Income-tax Act relating to 1971-72 assessment.

3. The Corporation was entrusted with the procurement and distribution of Rubber as a part of price Support Operation. A Proforma Account of the transactions has been prepared for the purpose of sharing of losses with Government of India. Such account reflects a total loss of Rs. 45.08 lakhs after including therein an interest charge of Rs. 28.51 lakhs and a charge for Corporation's Supervision work of Rs. 11.41 lakhs on the basis of instructions from Government of India. The Government's share of loss is reflected in the accounts as subsidy on the basis of aforesaid total loss.

4. The Corporation was asked to undertake Price Support Operations for Raw Jute and Government of India has agreed to reimburse 75% of overall losses on the basis of Proforma Profit & Loss Account for a period of three years in regard to Price Support Operations undertaken by the Corporation. A Proforma Account of the transactions for the purpose of sharing of losses with Government of India has been prepared. Such Account reflects a total loss of Rs. 7.77 lakhs, 75% of which works out to Rs. 5.83 lakhs. The share of the Government has been shown as subsidy from Government and is subject to final settlement by Government of India.

1	2	3	4	5	6	7	8
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64. Minerals and Metals Trading Corporation of India Limited.	Ministry of Commerce	26-9-1963	2,675.50	(+)1,507.29	48.67	—	—
65. Cotton Corporation of India Limited (year ending 31-8-1972).	Do.	31-7-1970	108.55	(+)32.10	152.12	—	—
66. Jute Corporation of India Limited.	Do.	2-4-1971	100.22	(-)1.74	10.77	—	—
67. Tea Trading Corporation of India Limited.	Do.	21-12-1971	4.00	(-)0.35	—	—	—
TOTAL			4,583.02	(+)2,680.58	252.12	6.14	—
Figures for the year 1971-72			3,893.51	(+)3,073.27	144.99	7.72	—

## C. CONSULTANCY

68. Engineers India Limited	Ministry of Petroleum and Chemicals	15-3-1965	133.28	(+)42.10	0.01	—	—
69. Water and Power Development Consultancy Services (India) Limited	Ministry of Irrigation and Power	26-6-1969	30.15	(+)0.06	—	—	—
TOTAL			163.43	(+)42.16	0.01	—	—
Figures for the year 1971-72			139.03	(+)46.63	0.01	—	—



9 10 11 12 13 14

5. Soyabean Oil and Rape-Seed & Oil Cakes— Rs. 6,54,98,628 represents the residuary surplus (subject to verification and settlement) payable to Government resulting from import and distribution of Soyabean Oil and Rape-Seed undertaken by the Company on behalf of Government. The Company determined the net surplus payable to Government after taking into account interest charges on the funds blocked in Soyabean Oil/Rape-Seed transactions, but no credit was given to Government for the surplus funds retained and utilised by the Company till 1971-72. In 1972-73 an amount of Rs. 31.99 lakhs has been appropriated from the net profits for this purpose. This amount has, however, been worked out on only 40% of the additional surplus arising from the recasting of proforma account for the years 1967-68 to 1971-72 and also ignoring the surplus initially worked out from time to time.

Similarly, no provision for interest has been made on the surplus funds payable to Government in respect of Soyabean Oil, Rape-Seed, etc., distributed by the Company under Refugee Relief Programme on behalf of Government. As mentioned in Note B-2 General (ii), these transactions have also been merged with the transactions of the Company.

The surplus payable to Government on the Soyabean Oil (Refugee Relief) stood at Rs. 370.50 lakhs (included under Sundry Creditors) as on 31-3-1973 and was subject to acceptance by the Government of the rate of Rs. 175 per tonne adopted by the Company to meet its expenses (including financing) commission etc.

(+)1,507.29 56.3 4,125.88 (+)1,555.96 37.7

The deed for lease of land for Staff Quarters held jointly with the State Trading Corporation of India Limited is yet to be finalised.

(+)32.10 29.6 3,920.55 (+)184.22 4.7

(-)1.74 — 311.00 (+)9.03 2.9

The accounts relate to the period from 1-4-1972 to 30-6-1973.

(-)0.35 — 3.65 (-)0.35 —

The accounts relate to the period from 21-12-71 to 31-3-1973.

(+)2,686.72 58.6 10,837.76 (+)2,932.70 27.1

(+)3,080.99 79.1 4,850.19 (+)3,218.26 66.4

(+)42.10 31.6 147.04 (+)42.11 28.6

(+)0.06 0.2 29.76 (+)0.06 0.2

(+)42.16 25.8 176.80 (+)42.17 23.9

(+)46.63 33.5 147.13 (+)46.64 31.7

1	2	3	4	5	6	7	8
<b>D. FINANCIAL AND INSURANCE</b>							
70.	Export Credit and Guarantee Corporation Limited (year ending 31-12-1972).	Ministry of Commerce.	30-7-1957	360.04	(+)44.98	—	—
71.	Film Finance Corporation Limited.	Ministry of Information and Broadcasting	25-3-1960	126.87	—	4.46	4.46
72.	Housing and Urban Development Corporation Limited.	Ministry of Works and Urban Development.	25-4-1970	1,698.05	(+)37.59	36.66	36.66
73.	General Insurance Corporation of India (year ending 31-12-1972).	Ministry of Finance.	22-11-1972	2,550.00*	(-)0.23	—	—
<b>TOTAL</b>				4,734.96	(+)82.34	41.12	41.12
Figures for the year 1971-72				1,357.22	(+)72.71	11.21	11.21
<b>TOTAL OF RUNNING CONCERNS</b>				4,08,452.02	(+)6,554.59	10,193.24	9,771.03
Figures for the year 1971-72				3,72,815.09	(+)890.72	9,624.41	9,463.72

## II. PROMOTIONAL AND DEVELOPMENTAL UNDERTAKINGS

74.	National Small Industries Corporation Limited.	Ministry of Industrial Development.	4-2-1955	3,087.50	(+)65.83	150.53	149.70
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9	10	11	12	13	14
(+)44.98	12.5	232.75	(+)44.98	19.3	—
(+)4.46	3.5	120.04	(+)4.46	3.7	Against the Doubtful Loans and Advances amounting to Rs. 59,26,057 there is a provision for Rs. 7,17,377 (including provision of Rs. 44,800 made this year in the light of smallness of surplus available this year after making provision of Rs. 4,510 on Doubtful Debts) leaving balance of such loans of Rs. 52,08,680 unprovided in view of an inadequacy/absence of profits in the past.
(+)74.25	4.4	1,673.90	(+)74.25	4.4	1. No provision has been made for gratuity. 2. Subsidy from Government includes a sum of Rs. 3,01,980 pertaining to 1971-72. Subsidy accrued for the period 1-3-1973 to 31-3-1973 has not been accounted for.
(-)0.23	—	2,538.40	(-)0.23	—	*1. Includes Rs. 25,00,00,000. application money received from Govt. of India. 2. The accounts relate to the period from 22-11-1972 to 31-12-1972.
(+)123.46	2.6	4,565.09	(+)123.46	2.7	
(+)83.92	6.2	1,205.86	(+)83.92	7.0	
(+)16,325.62	3.9	3,13,884.55	(+)16,747.83	5.3	
(+)10,354.44	2.8	2,88,991.46	(+)10,515.13	3.6	
(+)215.53	7.0	2,873.67	(+)216.36	7.5	1. No depreciation has been charged on the building etc., in Industrial Estate, Naini since inception. The amount of depreciation since inception till the end of 31-3-1973 comes to Rs. 17,84,266. 2. Machines delivered during the year on Hire purchase basis have been taken as sales for their full value regardless of the instalments that have not fallen due. 3. Sundry Debtors considered good include Rs. 3,84,783 on account of rent overdue from some allottees in the Industrial Estate at Naini and Rs. 1,74,379 overdue from customers in the P.D. T.C.s, the recovery of which is doubtful. 4. Loans/Advances include Rs. 4,17,520 for machinery supplied by Regional office, Bombay to Messrs Continuous Computer Forms Corporation, Bombay-13 in June, 1971. The party defaulted in payment of instalments and the machine was seized in July, 1973. The machine has been valued by a valuer at Rs. 1,20,000, and the provision for short-fall in the value of recovery, will be made, if necessary, in the next year's account. 5. The Corporation suffered losses of Rs. 2,96,67,000 on account of devaluation of Indian Rupees and Rs. 37,07,000 as a result of revaluation of Deutsch Mark. These losses were treated as deferred revenue expenditure and up to 31-3-1973, the amounts of Rs. 2,82,31,000 and Rs. 13,61,000 respectively were written off. The Government of India paid Rs. 178,00,000 and Rs. 3,85,000 during the year 1972-73, against these losses, which have been credited to General Profit and Loss Account.

	2	3	4	5	6	7	8
75. National Industrial Development Corporation Limited		Ministry of Industrial Development	20-10-1954	525.70	(+)14.67	39.47	39.47
76. Rehabilitation Industries Corporation		Ministry of Labour and Employment	13-4-1959	790.50	(-)77.35	24.51	24.51
77. National Research Development Corporation of India		Department of Science and Technology	31-12-1953	73.00	(+)4.62	1.95	1.95
78. National Seeds Corporation Limited (year ending 31-5-1973)		Ministry of Agriculture	19-3-1963	492.34*	(+)84.28	11.56	11.22
79. Indian Tourism Development Corporation Limited		Ministry of Tourism and Civil Aviation	1-10-1966	1,510.60	(+)47.99	21.67	24.91
80. National Textile Corporation Limited		Ministry of Industrial Development	1-4-1968	2,113.32	(+) 62.84	71.24	54.46
81. State Farms Corporation of India Limited (year ending 30-6-1973)		Ministry of Agriculture	14-5-1969	480.48	(+) 58.68	4.35	4.23

9	10	11	12	13	14
(+)54.14	10.3	532.36	(+)54.14	10.2	—
(—)52.84	—	360.67	(—)52.84	—	<p>1. No provision has been made for present liability in respect of future payments of gratuity to employees, amount of which is not ascertained.</p> <p>2. No provision has been made in the accounts of liability in respect of arrears of wages in terms of Tripartite wage Agreement 1969 and the award of the 8th Industrial Tribunal amounting to Rs. 43,55,000 for the period from 4th December, 1970 to 31st March, 1973.</p> <p>3. No provision has been made on account of Sundry Debtors (Rs. 44,74,739), Loans &amp; Advances (Rs. 43,26,275) and Investments (Rs. 2,80,000) considered doubtful of recovery.</p> <p>4. Building Materials suspense (Rs. 12,522) and stock of Looms etc. (Rs. 34,138) which are not in existence, have not been written-off in the accounts.</p> <p>5. The cost of land acquired from Government of West Bengal for the Industrial Estate at Behala, Bon-Hooghly and Ranaghat has not been finalised by the Government of West Bengal. No provision for cost of this land has, therefore, been made in this year's account as in the previous years.</p>
(+)6.57	9.0	49.47	(+)6.57	13.3	—
(+)95.50	19.4	471.33	(+)95.84	20.3	*Includes Rs. 15,00,000 share application money.
(+)72.90	4.8	1,349.97	(+)69.66	5.2	<p>1. No provision has been made in respect of present liability for future payment of gratuity to employees presently eligible for units other than Ashoka Hotel, New Delhi. (Ascertained in terms of Payment of Gratuity Act)—Estimated amount Rs. 8,12,330. In respect of Ashoka Hotel, New Delhi, provision has been made in the accounts as per the gratuity scheme of the Hotel and the shortfall, if any, as compared to the liability under the payment of Gratuity Act has not been ascertained.</p> <p>2. No provision has been made for annual lease money payable in respect of land made available by South Central Railway to the Corporation at Aurangabad from 1st October, 1972 as the same has not yet been determined.</p> <p>3. Against the debts and advances amounting to Rs. 16.90 lakhs considered doubtful by the Management, provision has been made for only Rs. 14.24 lakhs.</p> <p>4. The bonus for 1972-73 was paid at the rates ranging from 10% to 20% and amounted to Rs. 21.77 lakhs. Although liability was known before adoption of the accounts by the Board, the provision was made for Rs. 10.45 lakhs @ minimum rate of 8.33%.</p>
(+) 117.30	5.6	2,326.62	(+) 134.08	5.8	—
(+) 62.91	13.1	390.99	(+) 63.03	16.1	—

1	2	3	4	5	6	7	8
82.	Rural Electrification Corporation Limited	Ministry of irrigation and power	25-7-1969	13,277.59	(+) 346.85	69.15	69.15
83.	Indian Dairy Corporation	Ministry of Agriculture	13-2-1970	294.31	(+) 48.72	..	..
TOTAL				22,645.34	(+) 657.13	394.43	379.60
Figures for the year 1971-72				15,016.91	(+) 157.69	-249.46	245.70

### III. COMPANIES UNDER CONSTRUCTION

84.	Cement Corporation of India Limited	Ministry of Industrial development	18-1-1965	1,557.70	(—) 40.24	28.95	32.84
85.	Bokaro Steel Limited	Ministry of Steel and Mines	29-1-1964	79,512.03	(—) 545.18	3.60	—
86.	Hindustan Organic Chemicals Limited	Ministry of Petroleum & Chemicals	12-12-1960	1,831.69	(+) 17.09	58.60	67.22
87.	Hindustan Copper Limited	Ministry of Steel and Mines	9-11-1967	10,267.49*	(+) 142.13	150.00	155.02

9	10	11	12	13	14
(+) 416.00	3.1	13,277.59	(+) 416.00	3.1	—
(+) 48.72	16.6	736.42	(+) 48.72	6.6	
(+) 1,036.73	4.6	22,369.09	(+) 1,051.56	4.7	
(+) 403.39	2.7	14,518.03	(+) 407.15	2.8	

(—) 7.40 ..

No provision for payment of minimum bonus to Staff has been made in the accounts as the Corporation is of the opinion that payment of Bonus Act is not applicable to it.

1. The provision for gratuity for 1972-73 has been made in respect of all the regular employees who have completed one year service in the Corporation. The liability for gratuity for the service prior to 1972-73 will be made in the succeeding years in addition to the provision for gratuity for the respective year.

2. Depreciation has not been provided on capital assets of Limestone Investigation Division not in use valued at Rs. 4,00,241 (original cost Rs. 8,55,377) declared surplus and awaiting disposal.

3. Steel valued at Rs. 34,891.00 approximately which was not taken on stock is alleged to have been stolen from the Corporation's stock at Railway Station, Bokajan. Report has been lodged with police. The above amount stands included under "Loans & Advances—Unsecured—Others".

4. An amount of Rs. 1.06 lakhs being the value of shortage of 10622 M.T. of limestone boulders at Mandhar stands included under "Current Assets—Raw Materials" pending investigation of the shortage and reasons for the same.

1. Depreciation on Plant assets amounting to Rs. 1,87,65,536 being the amount of depreciation for half year has not been provided for, since the Plant was commissioned on 3rd October, 1972, and therefore had operated only for half year during the year.

2. Development Rebate Reserve amounting to Rs. 17,89,14,588 being the 75% of the total development rebate of Rs. 23,85,552,783 has not been created, unlike as required under section 34(3)(a) of Indian Income Tax Act, in absence of profit.

(—) 545.18 ..

(+) 84.31 4.6

(+) 297.15 2.1

\*1. Includes Rs. 7,50,00,000 share money pending allotment.

2. No provision has been made in the accounts of the Company for:—

(a) An amount of Rs. 30,69,454 out of bills aggregating to Rs. 1,78,69,454 submitted by Geological Survey of India on account of Prospecting and Exploration investigations carried out at Khetri and Kolihan pending settlement of rates.

(b) Surface and Underground Drilling charges payable to Geological Survey of India—Against claim of Rs. 32,73,740 for the period from 1-10-68 to 31-3-72. Adjustments to the extent of Rs. 24,31,640 only have been made in the accounts of the Company pending settlement of the rates.

3. No provision has been made in the accounts for Electricity duty amounting to Rs. 4,67,569.93 at Khetri Copper Complex for the period from 1-4-1966 to 31-7-1970 as the matter is under dispute.

1	2	3	4	5	6	7	8
88.	Bharat Aluminium Company Limited	Com- Ministry of Steel and Mines	27-11-1965	5,431.90	..	..	55.33
89.	Indian Petro-Chemicals Corporation Limited	Ministry of Petroleum and Chemicals	22-3-1969	4,009.00*	..	..	66.19
90.	Bharat Pumps and Compressors Limited	Ministry of Heavy Industry	1-1-1970	297.93* (—)	1.40	..	..
91.	Hindustan Paper Corporation Limited	Ministry of Industrial Development	29-5-1970	411.00 (—)	11.28	..	..



9	10	11	12	13	14
(+) 55.33	1.0	..	..	..	<p>1. The Company is acquiring land through the State Government. The total area of land proposed to be acquired for the Korba Plant is 2,703.67 acres, of which 1304.30 acres (491.88 acres freehold and 1312.42 acres leasehold) has been taken possession of. The State Government have permitted the use of the rest of the land for the time being before formal transfer, the liability for which could not be provided pending award of compensation. The lease deeds/ title deeds for land obtained have not yet been received from the State Government.</p> <p>2. No provision has been made by the Company for the write off of leasehold land as well as the development expenditure on this land.</p> <p>3. Shortages and excesses of materials valued at Rs. 1,48,404 and Rs. 16,710 respectively found on physical verification have not been adjusted pending investigation.</p> <p>4. An estimated amount of Rs. 0.50 lakh on account of royalty for various building materials extracted from Madhya Pradesh Government quarries for construction of road works at Korba is payable, but no bill has been received so far from Madhya Pradesh Government. As such, actual liability could not be assessed and provided for in the accounts.</p> <p>5. Present liability for future payment of gratuity to employees has not been worked out, and as such no provision has been made thereof.</p> <p>6. No liability, if any, for taxes towards payment to foreign consultants has been provided.</p> <p>7. No liability has been provided for works amounting to about Rs. 6,21,547 pending settlement of quantities/rates with the contractors.</p> <p>8. (a) No provision has been made in the accounts for royalty amounting to Rs. 1.01 lakhs (approx.) payable to the State Government in respect of Bauxite raised and included by the Company in its closing stock.</p> <p>(b) Liability for expenses amounting to Rs. 90,472 has not been provided for.</p> <p>(c) The valuation of closing stock of Bauxite raised, Rs. 30,34,857 has not been related to the market price.</p>
(+) 66.19	1.7	..	..	..	<p>*1. Includes Rs. 48 lakhs from Government of India pending allotment.</p> <p>2. No provision is made for liability accruing for gratuity and it is accounted for when paid.</p> <p>3. The amount of Rs. 20,00,000 paid during the year for the purchase of Northern Township from Gujarat Refinery has been shown under advances, since the conveyance deed in respect of this is pending.</p>
(—) 1.40	..	..	..	..	<p>*Includes Rs. 34,00,000 share money pending allotment.</p>
(—) 11.28	..	..	..	..	—

1	2	3	4	5	6	7	8	
92.	Cochin Shipyard Limited	Ministry of Shipping and Transport	29-3-1972	900.14	..	..	..	
93.	Scooters India Limited	Ministry of Heavy Industry	7-9-1972	250.94	—	—	1.49	
94.	Salem Steel Limited	Ministry of Steel and Mines	25-10-1972	35.00	—	..	..	
<b>TOTAL OF COMPANIES UNDER CONSTRUCTION</b>				1,04,504.82	(-)	438.88	241.15	378.09
Figures for the year 1971-72				80,205.27	(-)	16.04	76.82	170.02
<b>GRAND TOTAL</b>				5,35,602.18	(+)	6,772.84	10,828.82	10,528.72
Figures for the year 1971-72				4,68,037.27	(+)	1,032.37	9,950.69	9,879.44
<b>SUBSIDIARY COMPANIES</b>								
95.	Handicrafts and Handlooms Exports Corporation of India Limited		11-4-1958	175.00	(+)	9.03	23.96	..
96.	Sambhar Salts Limited year ending 30-9-1972		30-9-1964	106.68	(+)	34.68	0.13	..

9	10	11	12	13	14
..	..	..	..	..	<p>1. Materials in transit as on 31st March, 1973 valued at Rs. 1,46,203.67 have not been brought into account.</p> <p>2. Salaries payable in foreign exchange for the period from 1st November, 1972 to 31st March, 1973 amounting to Rs. 3,70,068 for the consultants Engineers stationed with the company have not been provided in the accounts.</p>
(+) 1.49	0.6				<p>1. The accounts relate to the period from 7-9-1972 to 31-3-1973.</p> <p>2. Interest accrued and due does not include the amount of interest on one loan of Rs. 59,43,981.91P. the terms of which have not been settled so far by the Government of India.</p>
..	..	..	..	..	<p>1. Liability not provided for pending finalisation Rs. 6,10,720.</p> <p>2. An expenditure of Rs. 31,17,052 (including Rs. 31,00,377 relating to the period prior to incorporation of the Company) has been incurred by the Government of India upto 31-3-1973 in connection with the project and is to be adjusted by issue of share capital of corresponding value after receipt of necessary orders from the Government of India in this regard.</p> <p>3. The accounts relate to the period from 25-10-1972 to 31-3-1973.</p>
(-) 60.79	..	—	—	—	
(+) 153.98	0.2	..	..	..	
(+)17,301.56	3.2	3,36,253.64	(+)17,799.39	5.3	
(+)10,911.81	2.3	3,03,509.49	(+)10,922.28	3.6	
(+)9.03	5.1	395.03	(+) 32.99	8.4	<p>1. Subsidiary to the State Trading Corporation of India Limited.</p> <p>2. The question of waiver of 16% tax prix-de-commerce amounting to Francs 80,000 (Rs.1,31,363) payable under French Law in respect of office premises in Paris is still under the consideration of the French Government. Pending final decision, in the matter, no provision has been made therefor.</p> <p>3. No provision has been made in respect of Death-cum-Retirement Gratuity.</p>
(+)34.68	32.5	95.78	(+)34.81	36.3	<p>1. Subsidiary to Hindustan Salts Limited.</p> <p>2. The land and immovable property do not stand registered in the name of the Company. The matter is still under correspondence with the Ministry. There is also no agreement between the Government of Rajasthan and the Company for leasehold rights as well as the royalty rights from the State.</p> <p>3. Provision for gratuity payable on retirement of the employees made by the Company as per practice followed in the past the total provision available as on 30-9-1972 is Rs. 3,14,050 towards gratuity liability, computation as per payment of Gratuity Act, 1972 has not yet been made. Hence additional liability, if any, remains to be provided for.</p>

1	2	3	4	5	6	7	8	
97. Indian Motion Pictures Export Corporation Limited			19-9-1963	25.22	(—)	2.03	2.34	—
98. Goa Shipyard Limited			26-11-1957	122.48	(+)	11.85	6.64	3.37
99. Indian Oil International Limited			24-10-1969	4.20	(+)	1.29	0.15	0.15
100. Cashew Corporation of India Limited			19-8-1970	221.54	(+)	341.36	..	..
101. Engineering Projects (India) Limited			16-4-1970	17.58	(+)	2.03	..	..
102. Projects and Equipments Corporation of India Limited			21-4-1971	2,128.74	(+)	65.88	84.54	66.11
103. Hotel Corporation of India Limited			8-7-1971	75.00		..	..	..
104. Air India Charters Limited			9-9-1971	0.50	(+)	0.35	—	..
105. Nagaland Pulp and Paper Company Limited			14-9-1971	173.25	(—)	7.72	..	..
TOTAL OF SUBSIDIARY COMPANIES				3,050.19	(+)	456.72	117.76	69.63
Figures for the year 1971-72				3,214.16	(+)	390.13	132.31	107.74

9	10	11	12	13	14
(-)2.03	—	47.17	(+)0.31	0.7	<p>1. Subsidiary to State Trading Corporation of India Limited.</p> <p>2. Rs. 1,16,299 due from M/s. Kabul Art Theatre since 1967, have been provisionally shown as doubtful of recovery as in previous year. Our Embassy had informed that the Afghan Government are ready to pay their dues in Afghan currency whereby the Corporation is likely to suffer a loss of Rs. 45,000.</p> <p>3. Provision to the extent of Rs. 2,13,499 in respect of debts and of Rs. 7,90,826 in respect of advances, considered doubtful has not been made in the accounts.</p> <p>4. No provision has been made in respect of liabilities towards gratuity as the amount thereof is unascertained.</p>
(+)15.22	12.4	178.57	(+)18.49	10.4	Subsidiary to Mazagon Dock Limited.
(+)1.44	34.3	4.20	(+)1.44	34.3	Subsidiary to Indian Oil Corporation Limited.
(+)341.36	154.1	222.14	(+)341.36	153.7	Subsidiary to the State Trading Corporation of India Limited.
(+)2.03	11.5	9.14	(+)2.03	22.2	<p>1. Subsidiary to Heavy Engineering Corporation Limited.</p> <p>2. Gratuity payable has not been provided as the amount is unascertained.</p>
(+)131.99	6.2	3,267.50	(+)150.42	4.6	<p>1. Subsidiary to the State Trading Corporation of India Limited.</p> <p>2. Interest payable to the holding Company (State Trading Corporation) on the funds advanced by them from time to time (Rs. 9.09 crores as on 31-3-1973) has not been provided for in the accounts pending reconciliation and final settlement of the interest payable to the holding Company.</p>
..	..	27.05	..	..	<p>1. Subsidiary to Air India.</p> <p>2. The transactions relating to the operation of flight kitchens and snack bars set up in Bombay and Delhi as also their assets and liabilities have not been incorporated in the accounts of the Company but have been shown in the books of Air India, although the staff connected with the flight kitchens and snack bars are borne on the establishment of the Company.</p>
(+) 0.35	70.0	0.36	(+) 0.35	97.2	Subsidiary to Air India.
(-) 7.72	..	140.67	(-) 7.72	..	<p>1. Subsidiary to Hindustan Paper Corporation Limited.</p> <p>2. The Sundry Creditors remain understated by Rs. 4,72,347.30.</p>
(+) 526.35	17.3	4,387.61	(+) 574.48	13.1	
(+) 497.87	15.5	3,775.99	(+) 522.44	13.8	

## ANNEXURE

## SUMMARISED FINANCIAL RESULTS OF STATUTORY

Sl. No.	Name of the Corporation	Name of the Ministry	Date of incorporation	Total capital invested	Profit(+) Loss (-)	Total interest charged to Profit and Loss Account	Interest on long-term loans
1	2	3	4	5	6	7	8
1.	Air India	Ministry of Tourism and Civil Aviation	15-6-1953	14,647.65	(-) 94.17	-656.06	659.26
2.	Indian Airlines	Do.	15-6-1953	7,314.91	(+) 0.75	470.29	412.57
3.	International Airports Authority (First Account)	Do.	1-2-1972	2,496.20	(+) 360.60	65.32	65.14
TOTAL				24,458.76	(+)267.18	1191.67	1,136.97
Figures for the year 1971-72				20,105.39	(-)620.83	783.74	880.99
4.	Central Warehousing Corporation	Ministry of Agriculture	March, 1957	2,904.90	(+)128.37	70.44	70.38
TOTAL				2,904.90	(+)128.37	70.44	70.38
Figures for the year 1971-72				2,383.61	(+)101.24	66.19	66.19
5.	Oil & Natural Gas Commission	Ministry of Petroleum and Chemicals	15-10-1959	30,957.22	(+)700.44	223.03	504.54
TOTAL				30,957.22	(+)700.44	223.03	504.54
Figures for the year 1971-72				30,486.47	(+)1,212.19	261.20	536.09
GRAND TOTAL				58,320.88	(+)1,095.99	1,485.14	1,711.89
Figures for the year 1971-7				52,975.47	(+)692.60	1,111.13	1,483.27

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CORPORATIONS FOR THE YEAR 1972-73

(Rupees in lakhs)

Total return on capital invested (6+8)	Percentage of total return on capital invested	Capital employed	Total return on capital employed (6+7)	Percentage of total return on capital employed	Remarks
9	10	11	12	13	14
(+)565.09	3.9	14,273.43	(+) 561.89	3.9	Paid-up capital divided equally between equity and loan capital.
(+) 413.32	5.7	7,256.31	(+) 471.04	6.5	Paid-up capital divided equally between equity and loan capital.
(+) 425.74	17.1	2,114.16	(+) 425.92	20.1	1. The accounts relate to the period from 1-2-1972 to 31-3-1973. 2. The Government of India has not passed orders as required under section 12(1)(c) of the International Airports Authority Act in regard to the capital of the I.A.A.I. The amount has been taken as Rs. 18 crores provisionally as evaluated by the Evaluation Committee appointed by the Government. This has been allocated in the ratio of 1:1 for Equity and Debt as recommended by the said Committee. The amount is pending approval and final adjustment. An additional amount of Rs. 6 crores has been received from the Government during the year 1972-73 in the ratio of capital Rs. 3 crores and loan Rs. 3 crores.
(+) 1,404.15	5.7	23,643.90	(+) 1,458.85	6.2	
(+) 260.16	1.3	18,950.53	(+) 162.91	0.9	
(+) 198.75	6.8	2,319.87	(+) 198.81	8.6	Paid-up capital includes : (i) Rs. 28,500 received on forfeited shares. (ii) Rs. 7,500 share application money.
(+) 198.75	6.8	2,319.87	(+) 198.81	8.6	
(+) 167.43	7.0	1,830.07	(+) 167.43	9.1	
(+)1,204.98	3.9	15,466.55	(+) 923.47	6.0	
(+)1,204.98	3.9	15,466.55	(+) 923.47	6.0	
(+)1,748.28	5.7	14,398.27	(+)1,473.39	10.2	
(+)2,807.88	4.8	41,430.32	(+)2,581.13	6.2	
(+)2,175.87	4.1	35,178.87	(+)1,803.73	5.1	





आह्वानांक 336.54  
(Call No.) AU 25R

120961  
(Accn. No.)

लेखक Author. Auditor General of India.

शीर्षक Title... Report of The Comptroller &  
Audit General of India.

Pt. I. - 1974

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