

Contents

Preface		iii
Executive Summary		v
Chapter 1	Financial performance of Central Public Sector Enterprises	
1.1	Introduction	1
1.2	Investment in government companies and corporations	3
1.3	Return on investment in government companies and corporations	9
1.4	Loss-making CPSEs	12
1.5	Operating efficiency of government companies	14
1.6	Corporate Social Responsibility	15
Chapter 2	Oversight role of CAG	
2.1	Audit of Public Sector Enterprises	17
2.2.	Timely Appointment of statutory auditors of Public Sector Enterprises by CAG	17
2.3	Submission of accounts by CPSEs	17
2.4	CAG's oversight - Audit of accounts and supplementary audit	19
2.5	Result of CAG's oversight role	21
2.6	Departures from Accounting Standards	33
2.7	Management Letters	35
Chapter 3	Corporate Governance	
3.1	Corporate Governance	37
3.2	Board of Directors	38
3.3	Audit Committee	43
3.4	Nomination and Remuneration Committee	46
3.5	Subsidiary Companies	47
3.6	Risk Management Committee	47
3.7	Secretarial Audit	47
Chapter 4	Management of surplus cash in CPSEs	
4.1	Introduction	49
4.2	Rationale for selection of Topic for review	49
4.3	Audit objectives	49
4.4	Audit scope, criteria and methodology	50
4.5	Audit findings	50
4.6	Governance by Board and Oversight by Ministry	57
Appendices		59-74

