प्रधान निदेशक के पत्र से

इस संस्थान का संक्षिप्त 2015-16 से मुख्य रूप से Transfer Pricing का भावनात्मक विवेचन दिया है। इस कला की आय बढ़ते हुए जाने का Transfer Pricing का स्थान है व्यापार। आयकर तकनीकी वांछने वाले उद्योगों को नए दिना के कत्से आयकर उपयोग की आवश्यकता है। इस गतिविधि उद्योगों के निर्माण करने के लिए उनके उद्योग की निवेश कला का किराए दिया जाता है। इसी कला का लाभ से उद्योग की उत्पादन का बड़ा अंश है। इसी कला में उद्योग की उत्पादन मूल्य का विनिरेक्ष धारण कर दूसरे कला के अन्य कला कर देता है और साथ ही लाभ से उद्योग के संपर्क में पहुँच आता है, जिससे यदि वह निवेश तख्ता नहीं करता। यदि व्यापार के परिक्षण में यह उपयोग नहीं होता है, तो इसकी आय तब भी होती है। इसी कला का लाभ से उद्योग की आयकर निर्माण की जा सकती है। कला जो के निर्माण के लिए इस प्रक्रिया में जरूरत होती है, असफल आयकर को बिगड़ने नहीं। इसी कला का लाभ से उद्योग की आयकर को बेचा जाता है तो इसमें आय तब भी होती है।

ग्राहक प्राप्त करने के तरीके निवेशकों को उपयोग की बढ़ते हुए लाभ होने लगे और इन स्थितियों के लिए उद्योग की उत्पादन का अवास्तव बना होता। इस स्थिति में अपना अपना जनरल बंड का अवास्तव बना होता। कला की उत्पादन का बड़ा अंश है। कला की उत्पादन का बड़ा अंश है। इस आयकर तकनीकी वांछने वाले उद्योगों को नए दिना के कत्से आयकर उपयोग की आवश्यकता है। इस गतिविधि उद्योगों के निर्माण करने के लिए उनके उद्योग की निवेश कला का किराए दिया जाता है। इसी कला का लाभ से उद्योग की उत्पादन मूल्य का बड़ा अंश है। इसी कला में उद्योग की उत्पादन मूल्य का बड़ा अंश है। इसी कला का लाभ से उद्योग की उत्पादन मूल्य का बड़ा अंश है। इसी कला का लाभ से उद्योग की उत्पादन मूल्य का बड़ा अंश है। इसी कला का लाभ से उद्योग की उत्पादन मूल्य का बड़ा अंश है। इसी कला का लाभ से उद्योग की उत्पादन मूल्य का बड़ा अंश है। इसी कला का लाभ से उद्योग की उत्पादन मूल्य का बड़ा अंश है। इसी कला का लाभ से उद्योग की उत्पादन मूल्य का बड़ा अंश है। इसी कला का लाभ से उद्योग की उत्पादन मूल्य का बड़ा अंश है। इसी कला का लाभ से उद्योग की उत्पादन मूल्य का बड़ा अंश है। इसी कला का लाभ से उद्योग की उत्पादन मूल्य का बड़ा अंश है।

In this Issue
- Memorable Moments Unfolded
- Impact of Training
- Education Column
  - Understanding Non Tax Revenue
  - Evaluation of Training
  - Our Toppers
  - Faculty Column
- Treasury Inspection (contd.)
- Public Sector Enterprises in India: Role, Growth and Problems
- Audit Column
  - Auditing the Government Response to Climate Change
  - इंटेग्रिटी वेस्ट का निपटान

Our Products

Eighteenth Issue of News Letter

The Mandate

Headquarter has declared this Institute as a Knowledge Resource Centre in 'Audit of Fraud, Fraud Detection Techniques & Forensic Audit' in October 2003 and "Central Revenue Audit including Transfer Pricing" in April 2015 with a mandate to act as a repository of information on the subject through developing quality reading material, case studies (National & International), research papers and database of expert faculty and media reports. Significant developments in the matter are also to be reported through a newsletter for information to the user offices and sister Institutes.
यादगर लम्हे MEMORABLE MOMENTS UNFOLDED

Principal Director & Core Faculty of all RTIs discussing STM for Audit in IT Environment

Principal Director with Group A & B officers of workshop on Direct Taxes

Introduction to Audit in IT Environment

Continuing Professional Education (CPE)
(अक्टूबर 2015 और मार्च 2016 के बीच प्रशिक्षित संस्थन के संकाय)

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<td>Advance Training of trainers in IDEA 9.2</td>
<td>iCISA, Noida</td>
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<td>श्रीमती आर. आर. शर्मा, व.ले.प.अ./संकाय</td>
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<td>श्री राजेश कुमार, व.ले.प.अ./संकाय</td>
<td>NTP on Audit of Biodiversity, mining and forestry issues</td>
<td>iCED, Jaipur</td>
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प्रशिक्षण का प्रभाव (Impact of Training)

प्रशिक्षण का प्रभाव

एंट्री व्यवहार प्रशिक्षण (Entry Behavior Test - EBT) संबंधित विषयों प्रशिक्षण के स्तर के मूल्यांकन हेतु IS-Based पाठ्यक्रमों की शुरूआत में आवश्यक था। उनके पाठ्यक्रमों के आधार पर कोई समाप्ती परीक्षा या अंतिम आयोजन किया जाता है। प्रशिक्षण प्रशिक्षण के लिए उनके (EBT) एवं (ECT) के परिणामों की तुलना किए जाते हैं। जिससे प्रशिक्षण के प्रभाव की तुलना की जाती है। अक्टूबर 2015 से मार्च 2016 के बीच आयोजित पाठ्यक्रमों की संबंध में 'प्रशिक्षण के प्रभाव' को वर्णनात्मक रूप से भी दिया जा रहा है।

IS-Based Courses conducted from Oct. '15 to Mar. '16

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<td>PL-QL Programming</td>
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<td>Auditing through IDEA (Batch 2)</td>
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<td>Introduction to MS - Access (Batch-2)</td>
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<td>MS - Excel (Batch-1)</td>
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<td>85</td>
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<td>Name of Ministry/Department/Govt.</td>
<td>Type of Non Tax Revenue</td>
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<td><strong>Social Security and Welfare</strong></td>
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<td>Rehabilitation</td>
<td>Dandakaranaya Development Scheme</td>
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<td>Relief and Rehabilitation of Displaced persons and Repatriates</td>
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<td>Other Rehabilitation Schemes</td>
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<td>Other Social Security and Welfare</td>
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<td>Programmes</td>
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<td><strong>Crop Husbandry</strong></td>
<td>Seeds</td>
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<td>Receipts from Agricultural Farms</td>
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<tr>
<td></td>
<td>Sale of manures and fertilizers</td>
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<td>Receipts from Plant Protection Services, receipts on account of fumigation of cotton.</td>
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<td>Receipts from Commercial crops</td>
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<td></td>
<td>Grants from I.C.A.R.</td>
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<td></td>
<td>Receipts from Horticulture and Vegetable crops</td>
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<td>Sale, hire and services of agricultural implements and machinery including tractors</td>
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<td><strong>Animal Husbandry</strong></td>
<td>Receipts from Cattle and Buffalo development</td>
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<td>Receipts from Poultry development</td>
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<td>Receipts from Sheep and Wool development</td>
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<td>Receipts from Piggery development</td>
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<td>Receipts from Fodder and Feed development</td>
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<td><strong>Dairy Development</strong></td>
<td>Receipt from each Milk Supply Schemes</td>
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<td>Grants From I.C.A.R.</td>
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<tr>
<td><strong>Fisheries</strong></td>
<td>Rents (Includes receipts from auction of fishing rights)</td>
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<td></td>
<td>Licence Fees, Fines etc.</td>
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<td></td>
<td>Sale of fish, fish seeds etc.</td>
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<td>Grants from I.C.A.R.</td>
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<td></td>
<td>Services and service fees (Includes hire charges for mechanised fishing boats and fees for fishery education.)</td>
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<td><strong>Forestry and Wild Life</strong></td>
<td><strong>Forestry</strong></td>
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<td>Sale of timber and other forest produce</td>
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<td>Receipts from social and farm forestries</td>
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<td>Receipts from environmental forestry</td>
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<td>Receipts from Forest Plantations</td>
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<td>Rosin And Turpentine Factories</td>
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<td></td>
<td>Environmental Forestry and Wild Life</td>
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<td>Zoological Park</td>
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<td></td>
<td>Public Gardens</td>
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<td><strong>Plantations</strong></td>
<td>Tea, Coffee, rubber, spices, jute, coconut, cashew, cinchona.</td>
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<tr>
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<td>Cess and sale of plantation products.</td>
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To be contd.

**प्रशिक्षण का मूल्यांकन (EVALUATION OF TRAINING)**

प्रतिभागियों की प्रतिक्रिया के आधार पर प्रथम प्रशिक्षण कार्यक्रम का मूल्यांकन किया जाता है एवं उस पाठ्यक्रम को ग्रेड दिया जाता है।

नीचे दर्शिये गये चार्ट में IS Based एवं General में हुए पाठ्यक्रमों के ग्रेड को दर्शाया गया है।

अक्टूबर 2015 से मार्च 2016 के दौरान आयोजित पाठ्यक्रमों की रेटिंग

**आय.एस.कोर्स**

- ग क्लेशी 8%
- क क्लेशी (अक्षुन्न)
- ख क्लेशी 42%
- व क्लेशी (भूत अक्षु)
- न क्लेशी (अक्षु)

**जनरल कोर्स**

- ग क्लेशी 4%
- क क्लेशी (अक्षुन्न)
- ख क्लेशी (भूत अक्षु)
- व क्लेशी (अक्षु)
- न क्लेशी (अक्षु)
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<td>हैदराबाद शू एमएस-एक्सेल (वंच-1)</td>
<td>अक्टूबर-2015</td>
<td>श्री जार ए सुरप्रीत, हाय एंट्री आप्रेटर माहल्यकर (लेक्सपराइसी)-II, महाराष्ट्र, नागपुर</td>
<td>श्री निवन्द कुमार, लेक्सपराइसी माहल्यकर (लेक्सपराइसी)-II, महाराष्ट्र, नागपुर</td>
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<td>नाइटियर ऑफ हैडवेसर ऑफ सोफ्टवेयर</td>
<td>अक्टूबर-2015</td>
<td>श्री मीना कुमार अवसरी, लेक्सपराइसी, माहल्यकर (E&amp;RSA), देरबायाद</td>
<td>श्री. प्रेसा कारा, लेक्सपराइसी, माहल्यकर (लेक्सपराइसी)-II, महाराष्ट्र, नागपुर</td>
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<td>ओरिकल II (एसक्यूएल)</td>
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<td>श्री श्री राजस्थ, लेक्सपराइसी अवकाशी, माहल्यकर (E&amp;RSA), देरबायाद</td>
<td>श्री पी.वी. चंदनकांक, लेक्सपराइसी अवकाशी, माहल्यकर (E&amp;RSA), देरबायाद</td>
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<td>श्री राधेश पूर्ण, स.लेक्सपराइसी अवकाशी माहल्यकर (E&amp;RSA), देरबायाद</td>
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<td>श्री नीली श्री कुमार पूर्व, लेक्सपराइसी, माहल्यकर (लेक्सपराइसी), चौथीसंग, रामपुर</td>
<td>श्री अमित कुमार, लेक्सपराइसी, व. दूसरे संस्करण लेक्सपराइसी कमालबाद, देरबायाद</td>
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<td>जनवरी-2016</td>
<td>श्री सुधीर कुमार बायद, लेक्सपराइसी प्र.नि.ले.प., दोस्ती मध्य रेलय, जलपुर</td>
<td>श्री नीदिश कुमार सिंह, लेक्सपराइसी प्र.नि.ले.प., पच्चिम मध्य रेलय, जलपुर</td>
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<td>श्री मुनीक श्री महती, व. हाय प्रेसुसर माहल्यकर (ले.ए.एस)-II, महाराष्ट्र, नागपुर</td>
<td>श्री नयन यादव, लेक्सपराइसी प्र.नि.ले.प., दोस्ती मध्य रेलय, जलपुर</td>
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<td>श्री एस. सुरेश कुमार, सी.पी. बार्सेल, व. एमपी, देरबायाद</td>
<td>श्री प्रसांत व. कार्तक, लेक्सपराइसी अवकाशी माहल्यकर (लेक्सपराइसी)-II, महाराष्ट्र, नागपुर</td>
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<td>अक्टूबर-2015</td>
<td>श्री अलीपुर कुमार, स.लेक्सपराइसी अवकाशी, माहल्यकर (लेक्सपराइसी) चौथीसंग, रामपुर</td>
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<td>ऑडिट ऑफ बॉडी, बॉडी नियुक्तियां तेजस्विन केन्द्रीय प्रीस्टीच अोडिट (महत्त -II)</td>
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<td>श्री गृहमन जयललित, स.लेक्सपराइसी अवकाशी, प्र.नियुक्तिया, लेक्सपराइसी, द.म.रेलय, इंटररेलय</td>
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<td>एव्वायरमेंट ऑडिट</td>
<td>नवंबर-2015</td>
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<td>फरवरी-2016</td>
<td>सुधीर रवीकांक, लेक्सपराइसी अवकाशी, व. दूसरे संस्करण लेक्सपराइसी कार्यालय, महाराष्ट्र, नागपुर</td>
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<td>फाइनेंसल ऑडिट</td>
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Provisional pension cases

It should be seen that
1) Provisional pension/gratuity sanctioned by the head of office is in accordance with the provision of rule 126(4) of MCS (pension)
2) calculation of provisional pension/gratuity is correct
3) whether payment of provisional pension shall continue up to a period of six months from the date of retirement of Govt. Servant (rule 126 (6) of MCS (pension)
4) if provisional pension is continued beyond six months, whether specific authorization from the Accountant General has been obtained
5) whether provisional pension/gratuity paid to Government servant has been adjusted from final pension/gratuity.

Civil pension

It should be seen that
1) a register of pension payment orders (PPO) is maintained in the form MTR 34.
2) the change or the temporary increase intimated from time to time is correctly noted in the register as well as in both the halves of PPO.
3) the information regarding the death of the pensioner/transfer of payment to other treasury is noted in the register as well as in the disburser's portion of the PPO. (MTR 326)
4) special register is maintained to record PPOs which are not granted for life but are subject to specific conditions i.e. they are to cease on remarriage or at given age. (MTR 327)
5) the PPOs are in good condition and all payment noted therein are under attestation of the TO.
6) the PPOs have been renewed under the signature of DTO as soon as the necessity for the renewal arose, further it should bear old number and data and facsimile of the signature.
7) the rate of dearness relief paid on pension is in accordance with govt. orders.
8) the original pension is reduced after the payment of commuted value

Family pension

It should be seen that
1) the Treasury Officer has strictly observed dates (period) up to which enhanced rate of family pension is admissible in case where family pension has been authorized by the Accountant General.
2) in the event of death of pensioner, family pension is admissible at the enhanced rate up to seven years or for a period up to the date on which the pensioner would have attained the age of 65 years, which ever is earlier.
3) clause (2) does not apply to the cases, where government has specially enhanced rate of family pension up to the period where government servant would have attained age of 65 years.
4) Following certificates should be obtained from the family pensioner at end of each year:
   i. life certificate
   ii. non-employment certificate
   iii. in case female pensioner, whose pension is terminable by her marriage or remarriage the declaration in form MTR 40 instead of certificate in form MTR-39 shall be attached to the bills for pension paid for the month of December every year (MTR 341 & 342)
5) see that no D.A is payable to the pensioners in receipt of family pension and are employed.

Checking of register of valuables:

Point to be seen
1) Necessary permission of the Dist. treasury officer is obtained in all cases of lodging the valuables in the strong room.
2) No articles are unnecessarily kept in the treasury as valuables.
3) Separate subsidiary register is maintained for noting daily receipts of each chest
4) Rent to be recovered from some organization is recovered, viz. state transport.
5) Result of examination of valuable and other articles done by the Treasury Officer once a month and noted in register.

Concluded.
Public Sector Enterprises in India: Role, Growth and Problems

There was virtually no “Public Sector” in India prior to 1947, the only instances worthy of mention were the Railways, the Posts and Telegraphs, the Port Trusts, the Ordnance and Aircraft Factories and a few state managed undertakings like the Government Salt factories, Quinine factories, etc. When India became independent, there were various socio-economic problems which needed to be dealt with in a planned and systematic manner. India at that time was primarily an agrarian economy with a weak industrial base, low level of savings, inadequate investments and lack of infrastructure facilities. There existed considerable inequalities in income and levels of employment, glaring regional imbalances in economic development and lack of trained manpower. As such, the State's intervention in all the sectors of the economy was desirable and inevitable since the private sector neither had the resources, managerial and scientific skill, nor the will to undertake the risks associated with large, long-gestation investments. Among the imperatives before the Government at that time were:

- Rapid economic development and industrialisation of the country and creating the necessary infrastructure for economic development
- Removal of poverty and equitable distribution of income. Wider ownership of economic power to prevent its concentration in a few hands
- Generation of employment opportunities
- Removal of regional imbalances
- Accelerated growth of agricultural and industrial production
- Better utilisation of natural resources
- Assist the development of small scale and ancillary industries
- Promote import substitutions
- Save and earn foreign exchange for the economy

Thus, in the post-independence period, the expansion of public sector was undertaken as an integral part of the Industrial Policy 1956. The Second Five year Plan (1956-61) and the Industrial Policy Resolution of 1956 provided the framework for public sector undertakings/enterprises in India, which were expected to play a substantial role in preventing the concentration of economic power, reducing regional disparities and ensuring that planned development serves the common good. A list of 17 industrial sectors was reserved for the public sector in Schedule A of the 1956 Resolution and no new units in the private sector in these categories would be permitted. Another list of industries was included in Schedule B where the Government actively encouraged public ownership. The Union Government and various sub-national governments made considerable investment in setting up and running public sector undertakings/enterprises. The passage of Industrial Policy Resolution of 1956 and the adoption of the Socialist Pattern of Society as our national goal, further led to deliberate enlargement of the role of public sector.

Initially, the public sector was confined to core and strategic industries such as irrigation projects (e.g. the Damodar Valley Corporation), Fertilizers and Chemicals (e.g. Fertilizers and Chemicals Travancore Limited), Communication Infrastructure (e.g. Indian Telephone Industries), Heavy Industries (e.g. Bhilai Steel Plant, Hindustan Machine Tools, Bharat Heavy Electricals, Oil and Natural Gas Commission etc.). Subsequently, however, the Government nationalized several banks (starting with nationalization of the Imperial Bank of India which was renamed State Bank of India in 1955) and foreign companies (Jessop & Co, Braithwaite & Co, Burn & Co.). Later Public Sector companies started manufacturing consumer goods (e.g. Modern Foods, National Textile Corporation etc.) and providing consultancy, contracting and transportation services.

Section 2 (45) of Companies Act, 2013 defines a Government company to mean any company in which not less than fifty one per cent of the paid-up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary company of such Government company.

Different types of Public Enterprises are:

- CPSEs (Central Public Sector Enterprises) Companies where the direct holding of the Central Government or of other CPSEs is 51% or more.
- PSBs (Public Sector Banks) Banks where the direct holding of the Central/State Government or other PSBs is 51% or more.
- SLPEs (State Level Public Enterprises) Companies where the direct holding of the State Government or other SLPEs is 51% or more.

Public sector enterprises offer a wide range of products and services which include:

- Manufacturing of steel, heavy machinery, machine tools, instruments, heavy machine building equipment, heavy electrical equipment for thermal and hydral stations, transportation equipment, telecommunication equipment, ships and sub-marines, fertilizers, Drugs and pharmaceuticals, petrochemicals, cement, textile.
- Mining of coal and minerals
- Extraction and refining of crude oil
- Operation of air, sea, river and road transport
- National and International trade
- Consultancy.
- Contract and construction services.
- Inland and overseas telecommunication services.
- Financial services.
- Consumer items such as newsprint, paper and contraceptives.
- Hotel and tourism services.

Investment decisions of PSUs are passed by the respective boards and then appraised and approved by the administrative ministry to which they are accountable (e.g. Shipping Corporation of India is under the Department of Shipping in the Union Ministry of Surface Transport) or the Public Investment Board under the Department of Expenditure, Union Ministry of Finance and if the investment is beyond a certain threshold level or if a new public sector company is being created, then the proposal has to be approved by Cabinet. Central public sector enterprises are classified as “Maharatnas”, “Mini-ratnas” and other enterprises depending on their track record based on guidelines approved by the Government from time to time. Sub-national governments also own and manage public sector undertakings but in most cases they are loss making and require considerable budgetary support.

The audit of public sector undertakings is done by the Comptroller and Auditor General of India while that of public sector enterprises is done first by Chartered Accountants and the supplementary audit is done by the Comptroller and Auditor General of India.

To understand the role of the Public Sector, we must have an idea about its size in the context of the Indian economy. For a comprehensive view of the entire Public Sector, we should cover besides autonomous corporations, the departmental enterprises. While doing so, not only the enterprises owned and run by the Central Government be covered but the enterprises run by the State Governments and local bodies
should also be included. Secondly, it would not be appropriate to use any single measure to estimate the size of the public sector; rather it would be desirable to use quite a few indicators, e.g., employment, investment, value of output, national income generated, savings, capital formation and capital stock.

**Central Public Sector Enterprises (CPSEs):**

There were 298 Central public sector enterprises (excluding 7 Insurance Companies) as on 31 March 2015. The growth of investment in Central public sector enterprises has also increased. Since 1951, the number of industrial and commercial undertakings of the Central Government has increased from 5 units in 1951-52 to 298 units in 2014-15 and the Capital investment has increased from Rs. 29 crore to Rs. 10,96,057 crore in 2014-15.

**State Government Public Enterprises (SLPEs):**

There were 849 State level Public Enterprises (SLPEs) functioning in 29 states during 2015-16. Major sectors of operation of SLPEs are manufacturing, finance, power, infrastructure, agriculture and allied services. On an average, around 30 per cent of the total 849 SLPEs are estimated to be incurring losses.

**Share in National Income:**

An important contribution to the National Income is Public Sector. The turnover of all 235 operating CPSEs during 2014-15 stood at Rs. 19,95,902 crore as compared to Rs. 20,66,057 crore in the previous year. The share of earnings through export/deemed export amounted to 5.16 per cent of total turnover during the year, and the CPSEs earned foreign exchange equal to Rs. 1,03,071 crore in 2014-15 as compared to Rs. 1,45,196 crore in 2013-14. The foreign exchange outgo on imports and royalty, knowhow, consultancy, interest and other expenditure, on the other hand, decreased from Rs. 6,76,870 crore in 2013-14 to Rs. 5,44,560 crore in 2014-15 showing a reduction of 19.55%. This is, undoubtedly, a significant change in the structure of economy in terms of the increased importance of the public sector in domestic activity.

**Share in Capital Formation:**

Another most important contribution of public sector in India has been in respect of capital formation. Investment in the private sector producing goods for rich people mainly should be evaluated lower than similar type of investment in the public sector which is engaged in the provision of essential infrastructural services to the economy as a whole. This is true even though the commercial profitability of the private sector is being rated high.

**Growth of Ancillary Industries:**

Public Sector enterprises are helping the growth of ancillary industries in numerous ways. These are as follows:

1. They take responsibility for providing managerial and technical guidance on production process and equipment selection etc.
2. Public Sector enterprises give long-term contracts to small ancillary industries.
3. Public enterprises guide for sources of financing and procedure for obtaining them.
4. Public enterprises have made efforts to purchase items from ancillary units.

The internal (profits) and extra-budgetary resources (borrowed funds) of public sector undertakings are factored into the preparation of the Annual Financial Statement (Budget) of the Government. However, poor productivity, poor project management, over-manning, lack of continuous technological upgradation, and inadequate attention to R&D and human resource development resulted in a large number of public enterprises showing a very low rate of return on the capital invested and the need for budgetary support for day to day running. Several of them accumulated huge losses and ran up huge debts which had to be written off/settled from time to time by the Government.

Reviewing the role of the public sector, the Industrial Policy Resolution 1991 reduced the number of industrial undertakings exclusively reduced to the public sector to just six areas which included strategic industries like atomic energy, defence, coal, mineral oils etc. as well as railway transport. Efforts were made to divest non-strategic public sector industries and to increase private participation in the equity of profitable public sector industries. At the same time a Board for Reconstruction of Public Sector Enterprises has been set up to suggest ways to turn around sick and loss making public sector enterprises.

Thus, even though the public sector is going in a correct path, some problems and short comings are there. The main short comings are as follows:

1. Heavy losses.
2. Influence of political factors.
3. Work delays.
4. Over-capitalisation.
5. Pricing policy.
6. Use of Manpower Resources.
7. Control over employees.
8. Inefficient Management.
9. Higher capital intensity leading to lower-employment generation.
10. Capacity utilisation.

**Suggestions to improve the performance of PSEs:**

(i) Controlling the cost at every level of Public Sector Enterprises.
(ii) Increase the production,
(iii) Timely implementation of preventive and planned repairs and maintenance,
(iv) Adequate attention to Research & Development,
(v) Proper purchase & turn-key policy and its implementation in time to avoid delay in completion of projects.
(vi) Reforms in capital base.
(vii) Increase the standard of Public Sector Enterprises to manage the competition from both domestic and foreign competitors.
(viii) Identifying redundant manpower and dealing with it through means a retraining, redeployment and encouraging self-employment etc.
(ix) Conducting workshop on ethics and values to employees, awareness about their active participation and their contribution to coming generation.
(x) Avoid the overstatement of profit and presenting the Financial Statements showing actual financial position.

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Auditing the Government Response to Climate Change

Auditing the government's response to climate change is an important exercise. The INTOSAI Working Group on Environmental Auditing (WEGA) prepared guidelines which is, like climate change itself, quite extensive. The main information needed to understand the environmental problem and its impacts have been described in these guidelines. It also describes central key questions to be answered by the auditor as and when climate change audits are planned.

The WGEA aims to encourage the use of audit mandates and audit methods in the field of environmental protection and sustainable development by Supreme Audit Institutions (SAIs). The WEGA has the mandate to i) help SAIs gain a better understanding of environmental auditing issues, ii) facilitate exchange of information and experiences among SAIs and iii) publish guidelines and other informative materials.

The Intergovernmental Panel on Climate Change (IPCC) states that warming of the climate system is unequivocal, as is now evident from observations of increases in global average air and ocean temperatures, widespread melting of snow and ice, and rising global average sea level. The IPCC also states that it is very likely that global warming is caused by human activity. Climate change is already happening and represents one of the greatest environmental, social and economic threats facing the planet, and both mitigation and adaptation efforts will be necessary to tackle climate change. As all countries will be affected by climate change actions at national level are required. All the countries that have signed the United Nations Framework Convention on Climate Change (UNFCCC) are committed to working constructively for global action to control climate change. Audits are required to contribute to improvements in governments' response to climate change.

Keeping in view the mandate and main objective of the Guide to encourage Supreme Audit Institutions (SAIs) to conduct climate change audits and to support them in that context, Guide will provides the reader with essential key questions and information needed in the planning phase of an effective and goal-oriented climate change audit. The Executive Summary of the auditing guidelines is reproduced below:

**What is climate change?**

Climate change is described as one of the biggest environmental challenges of this century. According to the Intergovernmental Panel on Climate Change (IPCC), scientists have now very high confidence that greenhouse gas (GHG) emissions from human activities has an overall net warming effect in national and joint statements. More specifically, the IPCC's Fourth Assessment Report, from 2007 states that the warming of the climate system is unequivocal. *This is evident from observations that show:*
- An increase in average air and ocean temperatures,
- An increase in the average global sea level,
- Widespread melting of ice and snow,
- Changes in weather, such as wind patterns, the amount and type of precipitation, and frequency of severe weather events.

**Impacts of climate change**

The IPCC has also assessed how climate change might impact on society, the environment and on the economy. Climate change will have wide-ranging effects on the natural ecosystems and socio-economic sectors. Settlements and societies that live in areas prone to climate change and that are dependent on scarce resources are particularly vulnerable to the impacts on climate change.