

CHAPTER I

Summary of Financial Performance of Tamil Nadu Public Sector Undertakings

1.1 Introduction

This Report presents the summary of financial performance of Government Companies, Statutory Corporations and Government controlled other Companies. In the Report, the term Public Sector Undertakings (PSUs) encompasses those Government companies in which the direct holding of the State Government is 51 *per cent* or more and subsidiary of such Government companies. The Statutory Corporations set up under Statutes enacted by the legislature and other companies owned or controlled, directly or indirectly by the State Government have also been categorized as PSUs.

A Government Company is defined under Section 2(45) of the Companies Act, 2013 as a company in which not less than 51 *per cent* of the paid-up share capital is held by 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 of a Government Company.

Government Company

Any company in which not less than 51 *per cent* of paid-up share capital is held by Central Government or by one or more State Governments or partly by Central Government and partly by State Government(s) and includes subsidiary of a Government company.

Besides, any other company¹ owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Report as Government controlled other Companies.

There are a total of 76 companies and one statutory corporation in Tamil Nadu. Out of these 5 are Power Sector companies and 71 non-power sector companies. Out of these non-power sector companies, 66 companies are functional and 5 are non-functional. The number of PSUs covered in this report is 72 (62 Government companies, one Statutory Corporation and nine Government controlled other companies). However, this report does not cover departmentally run public enterprises.

¹ Companies (Removal of Difficulties) Seventh Order, 2014 issued by Ministry of Corporate Affairs vide Gazette Notification dated 04 September 2014

1.1.1 Mandate

Audit of Government companies and Government controlled other companies is conducted by the CAG under the provisions of Section 143(5) to 143(7) of the Companies Act, 2013 read with Section 19A of the CAG's (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made thereunder. Under the Companies Act, 2013, the CAG appoints the Chartered Accountants as Statutory Auditors for companies and gives directions on the manner in which the accounts are to be audited. In addition, CAG has the right to conduct a supplementary audit. The statutes governing the Statutory Corporation require that its accounts to be audited only by the CAG.

1.1.2 What this Report contains

This Report gives an overall picture of the financial performance of the Tamil Nadu Government companies and Corporations as revealed from their accounts.

Impact on revision of accounts as well as significant comments issued as a result of supplementary audit of the financial statements of the PSUs conducted by the CAG for the year 2019-20 (or of earlier years which were finalised during the current year) is given in this Report. This Report also contains the impact on comments issued by the CAG on the financial statements of the Statutory Corporation.

This Report also gives an overall picture of the status of the adherence of PSUs to the guidelines issued by the Securities and Exchange Board of India (SEBI), Bureau of Public Enterprises (BPE), Finance Department, Government of Tamil Nadu and compliance with provisions of Companies Act, 2013 and guidelines issued by BPE on Corporate Governance and Corporate Social Responsibility.

1.1.3 Number of PSUs

As on 31 March 2020, there were 77 PSUs under the audit jurisdiction of the CAG. These include 67² Government Companies, one Statutory Corporation³ and nine Government Controlled Other Companies. Of these, summary of financial performance of 72 PSUs is covered in this report excluding five non-functional PSUs and the nature of these PSUs is indicated in **Table 1.1**.

Government Companies	67
Statutory Corporation	1
Government controlled other companies	9
Total PSUs	77

² 67 Government companies include 58 standalone/holding Government companies and nine subsidiaries of holding Government companies.

³ Tamil Nadu Warehousing Corporation

Table 1.1: Coverage and nature of PSUs covered in this report

Nature of the PSUs	Total number of PSUs	Number of PSUs covered in the Report				Number of PSUs not covered in the Report
		Accounts up to			Total	
		2019-20	2018-19	2017-18		
Government Companies	67	53	9	0	62 ⁴	5 ⁵
Statutory Corporations	1	1	0	0	1	0
Total Companies/ Corporations	68	54	9	0	63	5
Government Controlled other Companies	9	9	0	0	9	0
Total	77	63	9	0	72	5

Source: Compiled based on the accounts received from PSUs during the respective years.

The details of Government companies/Government controlled other Companies which came under/went out from the purview of CAG's audit during 2019-20 are given in **Appendix-I**.

This Report does not include five PSUs⁶ which were defunct/ under liquidation. However, the status of winding up and their liabilities outstanding as on 31 March 2020 has been furnished below:

Out of the above five PSUs, one PSU viz., Tamil Nadu Goods Transport Corporation Limited had commenced its liquidation process. The closure orders for remaining four PSUs viz., Tamil Nadu Poultry Development Corporation Limited, Tamil Nadu Police Transport Corporation Limited, Tamil Nadu State Construction Corporation Limited and Southern Structurals Limited were issued but the winding up process has not yet been started.

It is observed that two PSUs had outstanding liabilities of ₹315.10 crore as on 31 March 2020 viz., Southern Structurals Limited (₹285.65 crore) and Tamil Nadu State Construction Corporation Limited (₹29.45 crore) whereas there were no liabilities outstanding in respect of the other three PSUs.

It is recommended that the process of voluntary winding up under the Companies Act needs to be pursued vigorously.

⁴ Out of 62 Government companies, State Government has direct holding in 53 PSUs. The remaining 9 PSUs are subsidiaries of these 53 PSUs.

⁵ Out of 63, there were five PSUs, which neither earned profit nor incurred loss during 2019-20 since the losses/net expenses were claimed from the Government as subsidy/Grant.

⁶ Southern Structurals Limited, Tamil Nadu State Construction Corporation Limited, Tamil Nadu Police Transport Corporation Limited, Tamil Nadu Goods Transport Corporation Limited and Tamil Nadu Poultry Development Corporation Limited.

The Summary of financial performance of PSUs covered in this report is indicated in **Table 1.2** below:

Table 1.2: Summary of financial performance of PSUs covered in this report (Government Companies and Statutory Corporations)

(₹ in crore)

Particulars	Amount
Number of Government Companies and Statutory Corporations (in Nos.)	68
PSUs selected for this report (in Nos.)	63 ⁷
Paid up capital (63 PSUs)	62,720.62
Long term loans (63 PSUs)	1,75,532.77
Market capitalization (One listed traded Government Controlled Company)	615.28
Net profit (27 PSUs)	1,205.56
Net loss (31 PSUs)	18,629.83
Zero profit/loss PSUs (in Nos.)	5
Dividend declared (14 PSUs)	140.91
Total assets (63 PSUs)	2,89,918.38
Value of production (63 PSUs)	99,646.45

Source: Latest finalised accounts of PSUs.

1.1.4 Contribution of the PSUs to the GSDP of the State

A ratio of turnover of the Government companies and corporations to the Gross State Domestic Product (GSDP) shows the extent of their activities in the State economy. The Compounded Annual Growth Rate⁸ (CAGR) is a useful method to measure growth rate over multiple time periods. The details of turnover and the GSDP for a period of three years ending 31 March 2020 are given in **Table 1.3**.

Table 1.3: Turnover of Government Companies and Corporations vis-a-vis GSDP of Tamil Nadu

(₹ in crore)

Particulars	2017-18	2018-19	2019-20
Turnover	1,03,716.53	1,25,000.33	1,10,956.35
GSDP of Tamil Nadu	14,65,051	16,30,208	18,45,853
Percentage of Turnover to GSDP of Tamil Nadu	7.08	7.67	6.01
Percentage of growth of turnover	-3.56	20.52	-11.24
Percentage of growth of GSDP	12.47	11.27	13.23

Source: Turnover reported in the latest finalised accounts of Government Companies and Corporations and GSDP figures as per State Finance Audit Report of CAG of India for the year 2019-20 of GoTN.

It may be seen from the table above, that the growth rate of GSDP increased by 13.23 percentage during 2019-20 as compared to 2018-19, however, the aggregate turnover of Government Companies and Corporations decreased by 11.24 percentage during the same period. CAGR of GSDP recorded 12.32 per

⁷ Five non-functional PSUs were excluded.

⁸ The compounded annual growth rate calculated as per the formula: ((Final Value/Beginning Value)^{1/number of years})-1.

cent during 2017-18 to 2019-20 whereas during the same period, CAGR of turnover of these PSUs was at 1.04 *per cent* only. This was mainly due to decrease in share of turnover of these PSUs to GSDP from 7.67 in 2018-19 to 6.01 in 2019-20.

The analysis of performance of PSUs have been segregated into Power Sector and Non-Power Sector which are discussed in the **Table 1.4** below:

Table 1.4 : Turnover of Power sector/ Non-Power Sector companies and Corporations vis-a-vis GSDP of Tamil Nadu

(₹ in crore)

Particulars	2017-18	2018-19	2019-20
Turnover of Power Sector PSUs	48,843.45	61,053.34	62,868.47
Turnover of Non-Power Sector PSUs	54,873.08	63,946.99	48,087.88
GSDP of Tamil Nadu	14,65,051	16,30,208	18,45,853
Percentage of growth of Power Sector turnover	0.73	25.00	2.97
Percentage of growth of Non-Power Sector turnover	-7.07	16.54	-24.80
Percentage of Power Sector Turnover to GSDP of Tamil Nadu	3.33	3.75	3.41
Percentage of PSUs of Other than Power Sector Turnover to GSDP of Tamil Nadu	3.75	3.92	2.61
Percentage of growth of GSDP	12.47	11.27	13.23

Source: Turnover reported in the latest finalised accounts of Government Companies and Corporations and GSDP figures as per State Finance Audit Report of CAG of India for the year 2019-20 of GoTN.

It may be seen from the above **Tables 1.3 and 1.4**, that though the overall percentage of growth of turnover of 63 PSUs showed a declining trend, the percentage of growth of turnover of power sector PSUs actually increased by 2.97 *per cent* whereas turnover of Non-Power sector PSUs declined by 24.80 *per cent* during 2019-20. Similarly, percentage of turnover of Power PSUs and Non-Power PSUs to GSDP was 3.41 and 2.61 respectively during 2019-20.

1.2 Investment in Government Companies and Corporations

The amount of equity and loans in 63 Government companies and Statutory Corporations as at the end of 31 March 2020 is given in **Table 1.5**.

Table 1.5: Equity and loans in Government Companies and Corporations

(₹ in crore)

Sources of investment	As on 31.03.2020			As on 31.03.2019		
	Equity	Long term loans	Total	Equity	Long term loans	Total
1. State Government	36,877.29	16,903.54	53,780.73	33,817.40	19,818.24	53,635.64
2. Central Government	52.29	0.12	52.41	52.29	0.12	52.41
3. State Government Companies/ Corporations	25,658.39	34,978.13	60,636.52	24,894.74	37,106.09	62,000.83
4. Financial Institutions and Others	132.65	1,23,650.98	1,23,783.63	87.65	79,222.24	79,309.89
Total	62,720.62	1,75,532.77	2,38,253.29	58,852.08	1,36,146.69	1,94,998.77
Percentage of investment of State Government to total investment	58.80	9.63	22.57	57.46	14.56	27.51

Source: Latest finalised accounts of PSUs and details received from PSUs.

1.2.1 Equity holding

During 2019-20, the total equity holding at face value in the 63 PSUs covered in this Report registered a net increase of ₹3,868.54 crore comprising of ₹3,069.63 crore invested by State Government and ₹798.81 crore by State Government Companies and Financial Institutions. The total equity of ₹3,069.63 crore invested by State Government during the year 2019-20, resulted in cash inflow to 12 PSUs. Review of the new equity holding of ₹3,069.63 crore involving cash flow in PSUs indicated that infusion of ₹661.04 crore was for purchase of buses for the State Transport Undertakings in nine PSUs⁹, ₹763.59 crore was for meeting capital expenditure in TNEB Limited, ₹1,640 crore for complying with Reserve Bank of India guidelines for achieving Capital Risk (Weighted) Assets Ratio (CRAR) for acceptance of public deposits in Tamil Nadu Power Finance and Infrastructure Development Corporation Limited and ₹5 crore investment in newly formed Tamil Nadu Water Resources Conservation and River Restoration Corporation. No loan amount advanced by the State Government to the PSUs, was converted into equity.

During the year State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) adjusted ₹9.74 crore from the share advance money being the amount advanced for the purpose of investment in the special purpose vehicle viz., Tamil Nadu Water Investment Company Limited (TWICL) consequent on issue of shares by TWICL to the Government of Tamil Nadu.

Details of significant holding (more than ₹1,000 crore) of the State Government during 2019-20 in the paid up capital of the PSUs is given in **Table 1.6**.

Table 1.6: Significant holding of the State Government

(₹ in crore)		
Name of the PSU	Name of the Department	Amount
Government Companies		
TNEB Limited	Energy	25,375.94
Tamil Nadu State Transport Corporation Limited (eight Corporations)	Transport	6,207.66
Tamil Nadu Power Finance and Infrastructure Development Corporation Limited	Energy	2930.00
Tamil Nadu Transport Development Finance Corporation Limited	Transport	1,057.63

Source: Latest finalised accounts of PSUs and details received from PSUs.

1.2.1.1 Reconciliation with Finance Accounts of Government of Tamil Nadu

The figures in respect of equity outstanding as per records of PSUs should agree with that of the figures appearing in the Finance Accounts of the Government of Tamil Nadu (GoTN). In case the figures do not agree, the concerned PSUs and the Finance Department of GoTN should carry out reconciliation of the differences. Audit observed that as on 31 March 2020, there were differences

⁹ Tamil Nadu Transport Development Finance Corporation Limited and eight Tamil Nadu State Transport Corporations.

in the figures in respect of equity outstanding in 17 PSUs as shown in **Appendix II**. The equity as per the records of these 17 PSUs was ₹31,246.85 crore whereas, it was ₹30,800.04 crore as per finance accounts and the net difference amounted to ₹446.81 crore.

The difference between the figures are persisting since last many years. Major differences were observed in State Express Transport Corporation Limited, Tamil Nadu Transport Development Finance Corporation Limited and Tamil Nadu Sugar Corporation Limited respectively. The details of difference (PSU wise) were brought to the notice of Additional Chief Secretary, Finance Department from time to time for reconciliation¹⁰. However, the difference persisted. ***Therefore, it is recommended that the State Government and the respective PSUs should reconcile the difference in time-bound manner.***

1.2.2 Loans given to Government Companies and Corporations

1.2.2.1 Computation of long term loans outstanding as on 31 March 2020

It may be seen from the **Table 1.5**, the total long term loans outstanding in 27 PSUs out of 63 Government companies and Corporations from all sources was ₹1,75,532.77 crore as on 31 March 2020. As against this, long term loans outstanding in respect of Government Companies and Corporations was ₹1,36,146.49 crore as on 31 March 2019. Thus, during 2019-20, the long term loans registered an increase of ₹39,386.08 crore. Out of the total loans of 63 PSUs¹¹ as on 31 March 2020, loans from State Government was ₹16,903.54 crore out of which seven PSUs¹² were given fresh loans of ₹1,276.07 crore during 2019-20. These seven PSUs were given loans mainly towards working capital requirements and administrative expenses. Out of seven PSUs, five PSUs¹³ were given loans during both the years 2018-19 and 2019-20. Audit noticed that during 2019-20, six out of the above seven PSUs have neither repaid principal amount of loan nor interest on loan during 2019-20 while one PSU (Tamil Nadu Generation and Distribution Corporation Limited) converted the interest-free loan of ₹4,563 crore into grant under Ujwal Discom Assurance Yojana Scheme (UDAY) scheme.

It may further be seen from the **Table 1.5**, the total long term loan outstanding as on 31 March 2020 was ₹1,75,532.77 crore which included ₹16,903.54 crore loans payable by PSUs to State Government and ₹1,23,650.98 crore to Banks/Financial institutions etc. Out of the outstanding State government loans of ₹16,903.54 crore, ₹13,538.17 crore was due from one Power Sector PSU viz.,

¹⁰ Recent letter was sent in 12 July 2021

¹¹ Out of 63 PSUs, 36 did not have any long term loan as on 31 March 2020.

¹² Tamil Nadu Tea Plantation Corporation Limited, Tamil Nadu Sugar Corporation Limited, Tamil Nadu Cements Corporation Limited, State Express Transport Corporation Limited, Tamil Nadu State Transport Corporation (Coimbatore) Limited, Tamil Nadu State Transport Corporation (Villupuram) Limited and Tamil Nadu Generation and Distribution Corporation Limited.

¹³ Tamil Nadu Tea Plantation Corporation Limited, Tamil Nadu Cements Corporation Limited, Tamil Nadu State Transport Corporation (Coimbatore) Limited, State Express Transport Corporation Limited and Tamil Nadu State Transport Corporation (Villupuram) Limited.

Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) which also include Interest Free loan of ₹4,563 crore given under UDAY (Ujwal DISCOM Assurance Yojana) Scheme which is discussed in the succeeding paragraph. The loans payable by PSUs to Banks and Financial institutions amounted to ₹1,23,650.98 crore which included loans payable by TANGEDCO amounting to ₹94,282.25 crore. Thus, the total long term loan liability of TANGEDCO stood at ₹1,07,820.42 crore as on 31 March 2020.

With the objective of improving the health of state-owned DISCOMs, the Ministry of Power (MoP), Government of India (GoI) launched the UDAY Scheme in November 2015. As a part of the Scheme, the State Government shall take over 75 per cent of DISCOMs debt as on 30 September 2015. The debts outstanding as on 30 September 2015 was ₹80,962.02 crore. Out of this debt, GoTN took over the debt of TANGEDCO to the extent of ₹22,815 crore, as per the Memorandum of Understanding (MoU) signed in January 2017 for implementation of UDAY Scheme in TANGEDCO. Thereafter, an amount of ₹ 22,815 crore was released to TANGEDCO as interest free loan (IFL) during 2016-17, which was to be converted into Grants in five annual equal instalments of ₹4,563 crore *per annum*. Out of the above sum, TANGEDCO repaid the outstanding loans from Banks and Financial Institutions totalling a sum of ₹21,171.07 crore during 2016-17 itself and utilised the balance ₹1,643.93 crore for its working capital purpose.

1.2.2.2 Adequacy of assets to meet loan liabilities

Ratio of total debt to total assets is one of the methods used to determine whether a company can stay solvent. To be considered solvent, the value of an entity's assets must be greater than the sum of its loans/debts *i.e.*, ideally, the Debt asset ratio should be less than one. The coverage of long term loans by value of total assets in 27 PSUs which had outstanding loans as on 31 March 2020 is given in **Table 1.7**.

Table 1.7: Coverage of long term loans with total assets

	PSUs having Debt Asset Ratio <1				PSUs having Debt Asset Ratio >1			
	No. of PSUs	Long term loans	Assets	Ratio of debts to assets	No. of PSUs	Long term loans	Assets	Ratio of debts to assets
		(₹ in crore)				(₹ in crore)		
Statutory Corporations	1	103.25	286.83	0.36:1	--	--	--	--
Unlisted Companies	16	1,67,234.98	2,36,268.58	0.70:1	10	8,194.54	4,721.34	1.74:1
Total	17	1,67,338.23	2,36,555.41		10	8,194.54	4,721.34	

Source: Details received from PSUs.

It may be seen from the above table that Debt asset ratio in respect of 17 PSUs (including one Statutory Corporation) was less than one indicating that these PSUs are solvent. However, in respect of 10 PSUs, the Debt asset ratio was more than one which indicated that they are not solvent as the value of total assets of these PSUs was less than the loans outstanding (**Appendix III**).

1.2.2.3 Interest Coverage

Interest coverage ratio (ICR) is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's earnings before interest and taxes (EBIT) by interest expenses of the same period. The lower the ratio, the lesser is the ability of the company to pay interest on debt. An ICR below one indicated that the company was not generating sufficient revenues to meet its expenses on interest. The details of positive and negative interest coverage ratio of PSUs, which had outstanding loans during the period from 2017-18 to 2019-20 are given in **Table 1.8**.

Table 1.8: Interest Coverage Ratio

Year	Interest (₹ in crore)	Earnings before interest and tax (EBIT) (₹ in crore)	No. of PSUs	No. of PSUs having ICR $\geq$ 1	No. of PSUs having ICR $<$ 1
Statutory Corporations					
2017-18	---	---	---	---	---
2018-19	4.96	28.92	1	1	---
2019-20	4.99	37.5	1	1	---
Unlisted Government Companies					
2017-18	12,395.90	-4,946.63	32	17	15
2018-19	5,201.17	-3,216.23	32	14	18
2019-20	16,182.53	-1,496.56	30	12	18

Source: As per the latest finalised accounts of PSUs.

It was observed that the number of PSUs with ICR equal to or more than one has decreased in case of Government Companies during 2019-20, compared to the previous year. Out of the 31 PSUs having liabilities of loans, 18 PSUs had ICR lesser than one indicating that these PSUs could not generate adequate income to pay off its interest liability. The remaining 13 PSUs with ICR equal to or more than one indicating sufficient income to pay of its interest burden.

1.2.2.4 Age Wise Analysis of interest outstanding on State Government loans

As on 31 March 2020, interest amounting to ₹1,412.32 crore was outstanding on long term loans of 18 PSUs provided by State Government. Out of this, interest amounting to ₹24.66 crore was outstanding for more than three years in respect of three PSUs¹⁴. The age wise analysis of interest outstanding on State Government loans in PSUs is given in **Appendix – IV**.

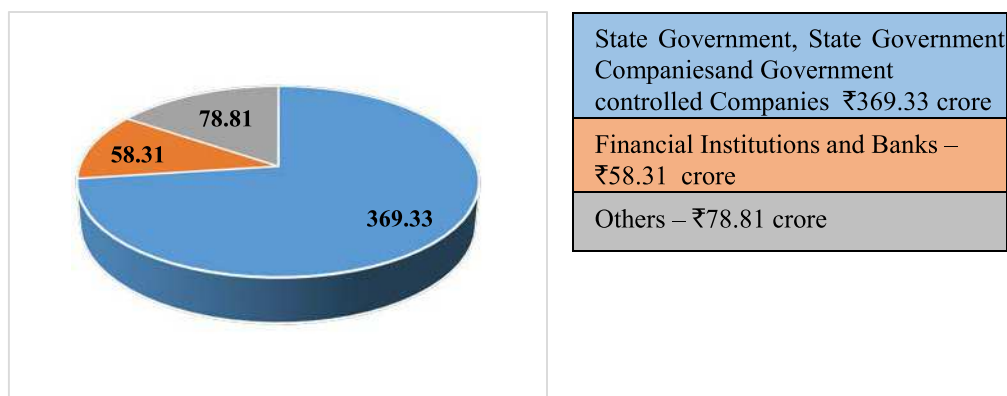
1.2.3 Investment in Government Controlled other Companies

The capital invested by the State Government and by Companies controlled by them in nine Government Controlled other Companies during the year 2019-20 is depicted in **Chart 1.1**.

¹⁴ Tamil Nadu Industrial Explosives Limited, Tamil Nadu Tourism Development Corporation Limited and Tamil Nadu Textiles Corporation Limited.

Chart 1.1: Composition of share capital in Government Controlled other Companies

(₹ in crore)



Source: Latest finalised accounts of PSUs and details received from PSUs.

As on 31 March 2020, equity in these government controlled other companies was ₹506.45 crore. The equity in government controlled other companies increased by ₹10.66 crore in 2019-20.

1.2.4. Market capitalisation of equity investment in Government controlled companies.

Market capitalisation represents market value of the shares of companies whose shares are listed. As on 31 March 2020, shares of one Government Controlled other Company was listed on the various stock exchanges in India.

The total market value of shares of the one traded listed Government Controlled other Company¹⁵ stood at ₹615.28 crore (BSE) (equity investment being ₹69.21 crore) as on 31 March 2020 as compared to ₹1,425.39 crore as on 31 March 2019. The total market value of shares decreased by ₹810.11 crore (56.83 per cent) as on 31 March 2020 as compared to 31 March 2019. The market value of shares held by the State Government amounted to ₹217.27 crore.

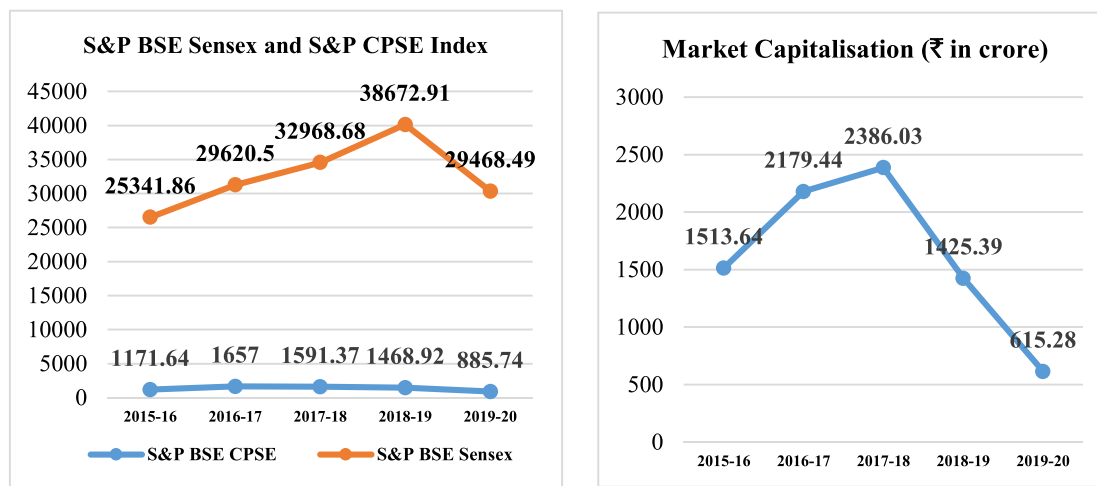
During this period, S&P BSE Sensex¹⁶ decreased by 23.80 per cent from 38,672.91 as on 31 March 2019 to 29,468.49 as on 31 March 2020. S&P BSE-CPSE Index¹⁷ decreased by 39.70 per cent from 1,468.92 as on 31 March 2019 to 885.74 as on 31 March 2020.

Trend of market capitalisation of the lone traded listed Government controlled company for the last five years *vis-a-vis* S&P BSE Sensex and S&P BSE-CPSE Index is depicted in **Chart 1.2**.

¹⁵ Tamil Nadu Newsprint and Papers Limited.

¹⁶ S&P BSE SENSEX is calculated on a "Market Capitalization-Weighted" methodology of 30 component stocks representing large, well-established and financially sound companies across key sectors.

¹⁷ S&P BSE CPSE Index consists of major Public Sector Undertakings listed on BSE.

Chart 1.2: Trend of market capitalisation vis-a-vis BSE Sensex and CPSE Index

Source: S&P BSE Sensex, S&P BSE CPSE Index and Annual Reports of Tamil Nadu Newsprint and Papers Limited.

It was observed that the trend of market capitalisation of the traded listed Government controlled PSU during 2015-16 to 2017-18 was same when compared to S&P BSE Sensex. S&P BSE Sensex showed an increasing trend during 2018-19 but declined in 2019-20 whereas, S&P CPSE Index and market capitalization showed a declining trend in both the years. Further, in 2019-20, the market value of shares of the PSU decreased by 56.83 *per cent* (from ₹1,425.39 crore to ₹615.28 crore) while S&P BSE Sensex also decreased by 23.80 *per cent* (from 38,672.91 to 29,468.49) whereas S&P CPSE Index decreased by 39.70 *per cent* (from 1,468.92 to 885.74) during the same period.

1.3 Returns from the Government Companies and Corporations

1.3.1 Profit earned by Government companies and Corporations

The number of PSUs (including one Statutory Corporation) that earned profit was 27 in 2019-20 as compared to 32 in 2018-19 (six loss making PSUs excluded and one PSU added). Six PSUs (**Appendix-V**) that suffered losses during 2019-20 after earning profit in the previous year was mainly due to reduction in operational income and expenses exceeding the revenue and one PSU *viz.*, Tamil Nadu Road Infrastructure Development Corporation reported profit after incurring net loss in the previous year which was due to non-operational income.

The profit earned increased to ₹1,205.56 crore in 2019-20 from ₹689.97 crore in 2018-19. The Return on Equity (ROE) of the 27 PSUs (including Tamil Nadu Warehousing Corporation) was 11.84 *per cent* in 2019-20 as compared to 11.06 *per cent* in 32 PSUs in 2018-19.

ROE in all the 63 PSUs *i.e.* including 31 loss making and five zero profit companies was negative as the net income was negative in 2019-20.

The details of top three sectors, which contributed maximum profit during 2019-20 are summarised in **Table 1.9**:

Table 1.9: -Top 3 sectors which contributed maximum profit during the year 2019-20

Sector	No. of profit earning PSUs	Net profit earned (₹ in crore)	Percentage of profit to total PSU profit
Power			
Unlisted Government Companies	1 ¹⁸	505.03	41.89
Industries			
Unlisted Government Companies	2 ¹⁹	471.67	39.12
MSME			
Unlisted Government Companies	2 ²⁰	35.25	2.93
Total (A+B+C)	5	1011.95	83.94

Source: Latest finalised Annual Accounts of PSUs.

During 2019-20, net profit of ₹1,011.95 crore constituting 83.94 *per cent* of total profit of Government companies and corporations was contributed by five PSUs as compared to 63.48 *per cent* contributed by seven PSUs during 2018-19 in these three sectors.

The list of Government companies which earned profit of more than ₹100 crore during the year 2019-20 is given in **Table 1.10**.

Table 1.10: PSUs which earned profit of more than ₹100 crore during 2019-20.

Sl. No.	Name of the PSU	Net Profit
1	Tamil Nadu Power Finance and Infrastructure Development Corporation Limited	505.03
2	State Industries Promotion Corporation of Tamil Nadu Limited	289.09
3	Tamil Nadu Industrial Development Corporation Limited	182.58
Total		976.70

Source: Latest finalised Annual Accounts of PSUs.

It may be seen that these three PSUs contributed 81.02 *per cent* of the total profit earned by 27 PSUs during 2019-20.

Of the nine Government Controlled other companies, seven companies earned profit of ₹219.58 crore during the year ended 31 March 2020. ROE in these seven PSUs was 8.63 *per cent* in 2019-20 as against the ROE in nine Government Controlled other companies was 7.98 *per cent*.

¹⁸ Tamil Nadu Power Finance and Infrastructure Development Corporation Limited.

¹⁹ Tamil Nadu Industrial Development Corporation Limited and State Industries Promotion Corporation of Tamil Nadu Limited.

²⁰ Tamil Nadu Industrial Investment Corporation Limited and Tamil Nadu Small Industries Development Corporation Limited.

1.3.2 Loss incurred by Government companies and Corporations

Out of 63 Government companies, 31 incurred losses during the year 2019-20 (including two²¹ new PSUs which reported loss in their first year of operations). The losses incurred by these PSUs increased to ₹18,629.83 crore in 2019-20 from ₹17,799.23 crore during 2018-19 as given in **Table 1.11**.

Table 1.11: Number of PSUs that incurred losses during 2019-20

Year	No of PSUs incurred loss	Net loss for the year (₹ in crore)	Accumulated loss (₹ in crore)	Net worth ²² (₹ in crore)
Unlisted Government Companies				
2017-18	21	18,020.21	(-)99,098.42	(-)46,268.88
2018-19	24	17,799.23	(-)1,22,421.03	(-)67,050.85
2019-20	31	18,629.83	(-)1,41,051.19	(-)84,036.22

Source: As per finalised Accounts of PSUs for 2019-20.

Out of total loss of ₹18,629.83 crore incurred by 31 PSUs, loss of ₹13,040.40 crore was contributed by three PSUs in Power sector which included loss of ₹1074.48 crore by one PSU viz., Tamil Nadu Transmission Corporation Limited which was not open to market competition and ₹5,230.58 crore by eight PSUs in Transport sector. PSUs listed in **Table 1.12** incurred a loss of more than ₹100 crore during the year 2019-20.

Table 1.12: PSUs that incurred losses of more than ₹100 crore during 2019-20

Sl. No.	Name of the PSUs	Net loss (₹ in crore)
1	Tamil Nadu Generation and Distribution Corporation Limited	11,964.93
2	Tamil Nadu Transmission Corporation Limited	1,074.48
3	Tamil Nadu State Transport Corporation (Kumbakonam) Limited	898.82
4	Metropolitan Transport Corporation Limited	816.98
5	Tamil Nadu State Transport Corporation (Coimbatore) Limited	727.68
6	Tamil Nadu State Transport Corporation (Madurai) Limited	701.79
7	Tamil Nadu State Transport Corporation (Tirunelveli) Limited	645.64
8	Tamil Nadu State Transport Corporation (Villupuram) Limited	561.47
9	Tamil Nadu State Transport Corporation (Salem) Limited	502.31
10	State Express Transport Corporation Limited	375.89

Source: As per Financial Statements of respective PSUs for 2019-20.

²¹ Chennai Industrial Water Utility Company Limited and Tamil Nadu Water Resources Conservation and River Restoration Corporation Limited.

²² Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits and share premium account but do not include reserves created out of revaluation of assets and write back of depreciation provision.

Out of nine Government controlled other companies, two²³ companies incurred losses of ₹3.75 crore during the year 2019-20.

1.3.3 Erosion of capital in Government Companies

As on 31 March 2020 there were 26 Government companies with accumulated losses of ₹1,41,157.46 crore. Of the 26 PSUs, 25 PSUs incurred losses in the year 2019-20 amounting to ₹18,527.29 crore and one PSU (Adyar Poonga) reported zero profit as its loss of ₹0.01 crore had been compensated by State Government Grant even though it had accumulated loss of ₹0.08 crore.

Net worth of 18 out of 26 PSUs had been completely eroded by accumulated loss and their net worth was negative. The net worth of these 18 PSUs was (-) ₹1,08,863.78 crore against equity investment of ₹31,869.56 crore in these PSUs as on 31 March 2020. All the 18 PSUs, whose capital had been eroded (being negative net worth) had reported loss of ₹18,458.17 crore during 2019-20 (**Appendix-VI**).

Out of these 18 PSUs, the net worth of 14 PSUs was negative in last five years ending 2019-20. The net worth of one PSU (Arasu Rubber Corporation Limited) was negative during last four years, two PSUs²⁴ was negative during last two years ending 2019-20 and one PSU (Tamil Nadu Transmission Corporation Limited) turned negative during 2019-20.

In case of 18 PSUs whose net worth was eroded included two Power Sector PSUs and 16 Non-Power Sector PSUs. The two Power Sector PSUs incurred operational expenditure of ₹66,612.74 crore and 16 Non-Power Sector PSUs incurred operational expenditure of ₹35,150.44 crore during 2019-20. It is pertinent to mention that the State Government had extended budgetary support in the form of grant/ subsidies etc., amounting to ₹6,744.87 crore to one Power Sector PSU (Tamil Nadu Generation and Distribution Corporation Limited) and ₹1,093.52 crore to eight Non-power sector PSUs during 2019-20.

In 10 out of 18 PSUs whose capital had been eroded, Government loans outstanding as on 31 March 2020 amounted to ₹16,603.63 crore.

Net worth was less than half of their paid up capital in respect of 4 out of 45 PSUs whose net worth was positive at the end of 31 March 2020, indicating their potential financial sickness.

In the overall, net worth of all the 63 Government companies and corporations was negative at ₹73,714.81 crore against their paid up capital of ₹61,957.03 crore.

1.3.4 Dividend payout by PSUs

The details of profit earned and dividend declared by Government companies and corporations is given in the **Table 1.13**:

²³ Tamil Nadu infrastructure Fund Management Corporation Limited and TIDEL Park, Coimbatore Limited.

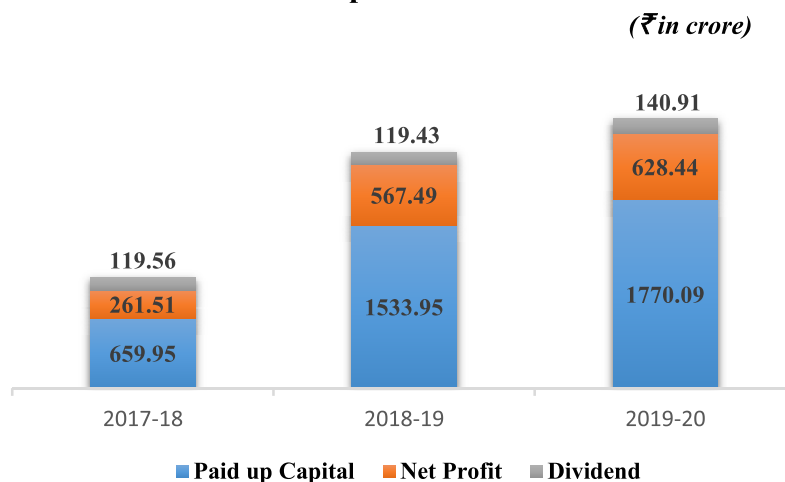
²⁴ Madurai Thoothukudi Industrial Corridor Development Corporation Limited and Tamil Nadu Minerals Limited.

Table 1.13: Profit earned and dividend declared

Category	No. of PSUs	Paid up capital (₹ in crore)	Net profit (₹ in crore)	Dividend declared (₹ in crore)
Statutory Corporations	1	7.61	24.11	8.44
Unlisted Companies	13	1,762.48	604.33	132.47
Total	14	1,770.09	628.44	140.91

Source: As per Financial Statements of PSUs.

Out of 63 Government companies and one Corporation, 14 PSUs declared dividend in 2019-20. The dividend declared as a percentage of net profit of the profit earning PSUs increased from 21.05 *per cent* in 2018-19 to 22.42 *per cent* in 2019-20. In absolute terms, the dividend declared by the PSUs in 2019-20 increased by ₹21.48 crore compared to previous year. **Chart 1.3** depicts the dividend declared *vis-a-vis* net profit earned and paid up capital of PSUs which declared dividend during the last three years.

Chart 1.3: Dividend declared *vis-a-vis* net profit earned and paid up capital

Source: As per latest finalised Accounts of PSUs.

Out of total dividend of ₹140.91 crore declared by 14 PSUs for the year 2019-20, the share of dividend received/receivable by State Government was ₹135.21 crore (95.96 *per cent* of total dividend declared) against the equity investment of ₹1,629.11 crore. The return in the form of dividend on aggregate investment of ₹36,877.29 crore made by the State Government in equity capital of 63 PSUs was 0.37 *per cent* as compared to 0.34 *per cent* during 2018-19. Similarly, State Government received ₹18.33 crore on the paid up capital of ₹24.44 crore contributed by it in one²⁵ listed Government Controlled Company. One PSU received ₹3.41 crore as dividend on paid up capital of ₹11.35 crore

²⁵ Tamil Nadu Newsprint and Papers Limited.

invested in one Government Controlled PSU²⁶ in 2019-20. Two PSUs²⁷ under the Department of Industries, declared dividend amounting to ₹98.41 crore which was 69.84 *per cent* of the total dividend of ₹140.91 crore declared by 14 PSUs in 2019-20.

The State Government had formulated (May 2014) a dividend policy, under which all PSUs were required to pay a minimum return of 30 *per cent* of net profit after tax or 30 *per cent* of the paid up share capital, whichever was higher, subject to availability of disposable profit. However, 17 PSUs had not declared dividend or lesser than the amount prescribed by the Government as given in **Appendix-VII**. The total shortfall on this account was ₹220.65 crore in 2019-20.

Of the nine Government Controlled other Companies, seven companies earned profit of ₹219.58 crore during the year ended 31 March 2020. Out of these seven companies, two PSUs declared dividend amounting to ₹65.11 crore which represented 21.92 *per cent* of the paid up capital of ₹297.04 crore of seven companies. Sector wise classification of two Government Controlled other Companies which declared dividend during 2019-20 is given in **Table 1.14**.

Table 1.14: Dividend declared by Government Controlled other Companies

(₹ in crore)

Sector	No. of Companies	Paid up capital	Net profit	Dividend declared
Paper Manufacture	1	69.21	130.03	51.91
Information Technology	1	44.00	52.96	13.20
Total	2	113.21	182.99	65.11

Source: As per latest Financial Statements of PSUs.

1.4 Operating efficiency of Government companies and Corporations

1.4.1 Value of production

The summary²⁸ indicating value of production, total assets and sum of capital employed in respect of Monopoly²⁹ and Non-monopoly PSUs over a period of three years is given in the **Table 1.15**.

²⁶ TIDEL Park Limited.

²⁷ Tamil Nadu Industrial Development Corporation Limited and State Industries Promotion Corporation of Tamil Nadu Limited.

²⁸ The value of production, total assets and capital employed have been compiled from the financial statements of the PSUs.

²⁹ Monopoly means a market structure characterized by a single seller, selling a unique product in the market. In a monopoly market, the seller faces no competition, as he is the sole seller of goods with no close substitute. A PSU is classified as monopoly if there is no competition in the geographical area in which it operates.

Table 1.15: Value of Production, Assets & Capital Employed of Monopoly Vs. Non-monopoly PSUs

(₹ in crore)				
Type /Year	Number of PSUs	Value of Production	Total Assets	Sum of Capital Employed
Monopoly PSUs				
2017-18	17	37,645.48	56,143.92	16,666.16
2018-19	17	44,060.53	63,212.29	18,716.74
2019-20	17	27,619.07	64,780.40	23,025.04
Non-Monopoly PSUs				
2017-18	44	65,903.65	2,00,576.25	75,489.86
2018-19	45	72,253.17	2,16,601.13	54,829.36
2019-20	46	72,027.38	2,25,137.97	46,776.36
Total				
2017-18	61	1,03,549.13	2,56,720.17	92,156.02
2018-19	62	1,16,313.70	2,79,813.42	73,546.10
2019-20	63	99,646.45	2,89,918.38	69,801.40

Source: Details received from PSUs.

During the year 2018-19, the value of production had increased to ₹1,16,313.70 crore as compared to ₹1,03,549.13 crore during 2017-18, whereas it decreased to ₹99,646.45 crore during 2019-20 which was mainly on account of reported decrease in the value of production of one PSU viz., Tamil Nadu State Marketing Corporation Limited. Total assets showed an increasing trend in all the three years. The capital employed continued to decrease in all the three years. PSU wise details of value of production, total assets and capital employed is given in **Appendix-VIII**.

1.4.2 Return on Capital Employed (ROCE)

ROCE is a ratio that measures a company's profitability and the efficiency with which its capital is employed. ROCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the capital employed³⁰. The PSU wise details of ROCE are given in **Appendix-IX**. The consolidated ROCE of 63 Government companies and corporations during the period from 2017-18 to 2019-20 is given in **Table 1.16**.

Table 1.16: Return on Capital Employed

Year	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in percentage)
2017-18	-4,545.65	92,156.02	-4.93
2018-19	-2,759.64	73,546.10	-3.75
2019-20	-878.15	69,801.40	-1.26

Source: As per the latest finalised accounts of PSUs for respective years.

³⁰ Capital Employed = Paid up Share capital + Free Reserves and surplus + Long term loans – Accumulated losses – Deferred Revenue Expenditure

It was observed that ROCE of 63 Government companies and corporations was negative in all the three years. But, the overall performance of PSUs indicated an improvement which is evident from the overall decreasing trend of the loss over the three years.

ROCE in respect of Monopoly and Non-monopoly PSUs are given in **Table 1.17**.

Table 1.17: ROCE of Monopoly vs. Non-monopoly PSUs

Year	Monopoly				Non-monopoly			
	No. of PSUs	EBIT	Capital employed	ROCE (in %)	No. of PSUs	EBIT	Capital employed	ROCE (in %)
		(₹ in crore)				(₹ in crore)		
2017-18	17	-3,103.28	16,666.16	-18.62	44	-1,442.37	75,489.86	-1.91
2018-19	17	968.28	18,716.74	5.17	45	-3,727.92	54,829.36	-6.80
2019-20	17	1,105.61	23,025.04	4.80	46	-1,983.76	46,776.36	-4.24

Source: As per latest finalised accounts of PSUs for respective years.

From the table above, it is evident that the ROCE of PSUs under Monopoly Sector turned positive from 2018-19 onwards as compared to the ROCE of Non-Monopoly sector which was negative in all the three years.

1.4.3 Return on Equity (ROE) of PSUs

ROE³¹ is a measure of financial performance of companies calculated by dividing net income by shareholders' equity. The PSU wise details of ROE are given in **Appendix-X**. The consolidated ROE of 63 Government companies and corporations during the period from 2017-18 to 2019-20 is given in **Table 1.18**.

Table 1.18: Return on Equity

Year	Net Profit after Tax and Preference Dividend (₹ in crore)	Equity (₹ in crore)	ROE (in percentage)
2017-18	-17,430.46	-41,221.15	--
2018-19	-17,109.26	-60,673.55	--
2019-20	-17,424.27	-73,714.81	--

Source: As per latest finalised accounts of PSUs for respective years.

³¹ Return on Equity = (Net Profit after Tax and preference Dividend/Equity)*100 where Equity = Paidup Capital + Free Reserves – Accumulated Loss – Deferred Revenue Expenditure

It was observed from the table above, during the three years ending 2019-20, both the net profit after tax and the equity of 63 Government companies and corporations are negative and thus, the ROE was not worked out. Negative equity indicates that the liabilities of these PSUs have exceeded the assets, instead of returns from the PSUs, the shareholders owe money to the PSUs.

ROE in respect of Monopoly and Non-monopoly PSUs are given in **Table 1.19**

Table 1.19: ROE of Monopoly Vs. Non-monopoly PSUs

Year	Monopoly				Non-monopoly			
	No. of PSUs	Equity	Net Profit after Tax	ROE (in percent age)	No. of PSUs	Equity	Net Profit after Tax	ROE (in percentage)
		(₹ in crore)				(₹ in crore)		
2017-18	17	1,477.83	-4,604.14	-311.55	44	-42,698.98	-12,826.32	--
2018-19	17	994.45	-577.85	-58.11	45	-61,668.00	-16,531.41	--
2019-20	17	413.84	-1,068.20	-258.12	46	-74,128.65	-16,356.07	--

Source: As per latest finalised accounts of PSUs for respective years.

The net income was negative during all the three years and hence, ROE was not worked out.

It could be seen that in respect of monopoly PSUs, the Equity were positive whereas the net profit after tax was negative in all the three years and thus, the ROE was negative. In respect of non-monopoly PSUs both the net profit after tax and the Equity were negative in all the three years ending 2019-20.

Sector wise ROE of Government companies and corporations where total equity of the PSUs is more than ₹100 crore during the three years ending 2019-20 is depicted in **Table 1.20**.

Table 1.20: ROE of sectors with total equity of ₹100 crore and more
(in percentage)

Sl. No.	Sector	ROE during 2017-18	ROE during 2018-19	ROE during 2019-20
1	Power	*	*	*
2	Transport	*	*	*
3	Finance	6.51	3.30	2.40
4	Manufacturing	2.10	*	*
5	Infrastructure	17.94	11.71	18.18
6	Social	0.43	1.13	7.08

Source: As per latest finalised accounts of PSUs for respective years.

* The net income was negative and hence, ROE was not worked out.

Sector wise analysis indicated that the PSUs in Finance, Infrastructure and Social sector reported positive ROE in all the three years.

1.4.4 Rate of Real Return on Government Investment (RORR)

RORR measures the profitability and efficiency with which equity and similar non-interest bearing capitals have been employed, after adjusting them for their time value, and assumes significance when compared with the conventional Rate of Return (ROR), which is calculated by dividing the Profit After Tax (PAT) by the sum of all such investments counted on historical cost basis.

Out of total 77 PSUs in the State, the State Government had direct investment in 70³² PSUs. Audit examined the RORR in respect of these PSUs.

The RORR of the State Government investment in these PSUs was computed on the basis of following assumptions:

- In addition to actual infusion by the State Government in the PSUs in the form of equity, interest free loans and grants/subsidy for operational and administrative expenses given by the State Government to the PSUs have been considered as investment infusion by the State Government.
- The average interest rate on State Government securities for the concerned financial year³³ was adopted as compounded rate for arriving at Present Value (PV) since they represent the cost incurred by the Government towards investment of funds for the year and therefore considered as the minimum expected rate of return on investments made by the Government.
- For the purpose of RORR calculation, the investment of State Government in these PSUs has been arrived at by considering the equity (initial equity, net of accumulated losses up to 2009-10 plus the equity infused during the subsequent years), adding interest free loan. The dividend paid by the PSUs has been deducted from the total investment in the respective years.

The year wise details of investment by the State Government and Rate of Real Return of Government funds from 2009-10 to 2019-20 is given in the **Table 1.21** below:

³² Though TANGEDCO and TANTRANSCO are subsidiaries of TNEB Limited, considering the significant investment by the State Government, these PSUs are included for calculation of present value of investments of the State Government. Accordingly, the total investments and the aggregate of the profit/loss of all these two power sector undertakings are considered to assess the overall results on the total funds invested.

³³ The average rate of interest on Government borrowings was adopted from the Reports of CAG of India on State Finance Audit Reports (GOTN) for the concerned years wherein the calculation of the average rate of interest paid = Interest payment / [(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities) / 2] * 100.

Table 1.21: Year wise details of investment by the State Government and RORR of Government funds from 2009-10 to 2019-20

₹ in crore)

Financial year	Present value of total investment of State Government at the beginning of the year	Equity infused by the State Government during the year	Net Interest free loan given by the State Government during the year	Interest free loan converted into Equity during the year	Total investment during the year	Dividend paid by PSUs during the year	Total investment at the end of the year after deducting dividend	Average interest rate of Government borrowings	Interest Value	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings for the year	RORR (in percentage)
1	2	3	4	5	6 = (3) + (4)	7	8 = (6) – (7)	9	10 = (8) * (9) / 100	11 = (8) + (10)	12 = 11 * 9 / 100	13	14 = (13) / (11) * 100
2009-10	-	832.25	57.87	-	890.12	69.65	820.47	7.29	59.81	880.28	64.17	-	-
2010-11	880.28	2,284.52	61.62	-	2,346.14	65.80	3,160.62	7.53	237.99	3,398.62	255.92	-11,352.19	-334.02
2011-12	3,398.62	2,466.91	2,005.16	-	4,472.07	35.11	7,835.58	7.43	582.18	8,417.76	625.44	-14,049.96	-166.91
2012-13	8,417.76	2,151.59	921.16	-	3,072.75	74.51	11,416.00	7.43	848.21	12,264.21	911.23	-13,657.56	-111.36
2013-14	12,264.21	2,397.71	1,008.69	-	3,406.40	133.81	15,536.80	7.90	1,227.41	16,764.21	1,324.37	-12,410.64	-74.03
2014-15	16,764.21	4,635.82	1,009.24	-	5,645.06	162.02	22,247.25	8.12	1,806.48	24,053.72	1,953.16	-15,066.97	-62.64
2015-16	24,053.72	2,998.10	64.14	-	3,062.24	138.06	26,977.90	8.38	2,260.75	29,238.65	2,450.20	-8,075.36	-27.62
2016-17	29,238.65	4,772.47	22,958.24	-	27,730.71	239.74	56,729.62	8.11	4,600.77	61,330.39	4,973.89	-7,030.59	-11.46
2017-18	61,330.39	4,998.74	171.20	-	5,169.94	166.77	66,333.56	8.53	5,658.25	71,991.82	6,140.90	-17,449.18	-24.24
2018-19	71,991.82	2,907.84	1,578.20	-	4,486.04	167.24	76,310.62	8.27	6,310.89	82,621.50	6,832.80	-16,965.84	-20.53
2019-20	82,621.50	3,069.63	10,456.64	-	13,526.27	140.91	96,006.86	8.07	7,747.75	1,03,754.62	8,373.00	-17,424.27	-16.79
Total		33,518.58	40,292.16	-	73,807.74	1,393.62	3,83,375.28				33,905.09		

Source: As per details received from PSUs and latest finalised accounts of PSUs for respective years.

During 2010-11 to 2019-20 the total earning were negative in all the years and thus, the RORR were also negative. The actual total earnings by all the PSUs were below the minimum expected return to recover the cost of funds infused in these PSUs. During 2019-20, the PSUs reported a total loss of ₹17,424.27 crore against the minimum expected return of ₹8,373.00 crore. Out of the total loss, bulk of the loss has been contributed by TANGEDCO: ₹11,964.93 crore and TANTRANSOCO: ₹1,074.48 crore during 2019-20.

The present value of Government investment was ₹1,03,754.62 crore as compared to the historical cost of investment of ₹3,83,375.28 crore which indicated the diminution in value of investment to the extent of ₹2,79,620.66 crore. The RORR of Government investment of historical cost as well as present value was negative at 4.54 and 16.79 *per cent* respectively.

1.4.5 Sales and Marketing

During 2019-20, the total sales of 63 PSUs decreased to ₹99,646.45 crore as compared to ₹1,16,313.70 crore in 62 PSUs during 2018-19. Out of 63 PSUs, 17 PSUs sold goods/rendered services worth ₹7,291.08 crore to Government sector representing 7.32 *per cent* of the total sales during 2019-20.

The details of total sales, sales to Government sector/PSUs and exports thereon in respect of monopoly and non-monopoly PSUs are given in **Table 1.22**.

Table 1.22: Sales details of Monopoly vs. Non-monopoly PSUs

(₹ in crore)

Year/Type	Total Sales		Sales to Government/PSUs			Export Sales
	No. of PSUs	Sales Value	No. of PSUs	Sales Value	Percentage of sales to Government/PSUs	
Monopoly PSUs						
2017-18	17	37,645.48	3	2,151.74	5.72	0.00
2018-19	17	44,060.53	3	2,468.38	5.60	0.00
2019-20	17	27,619.07	3 ³⁴	2,369.54	8.58	0.00
Non-monopoly PSUs						
2017-18	44	65,903.65	14	3,957.41	6.00	0.27
2018-19	45	72,253.17	14	4,651.19	6.44	0.75
2019-20	46	72,027.38	14	4,921.54	6.83	1.11
Total of monopoly and non-monopoly PSUs.						
2017-18	61	1,03,549.13	17	6,109.15	5.90	0.27
2018-19	62	1,16,313.70	17	7,119.57	6.12	0.75
2019-20	63	99,646.45	17	7,291.08	7.32	1.11

Source: As per latest finalised accounts of PSUs and details received from PSUs.

Against the total sales of ₹99,646.45 crore by 63 PSUs, one PSU (Tamil Nadu Handicrafts Development Corporation Limited) had made export sales of ₹1.11 crore during 2019-20.

1.4.6 Disinvestment

No disinvestment of PSUs has taken place during 2019-20.

³⁴ Tamil Nadu Civil Supplies Corporation, Tamil Nadu Medical Services Corporation Limited and Tamil Nadu Police Housing Corporation Limited.