In the present set up of the development economy, the public sector has grown fast, with the additional doses of nationalisation, during the last three decades there has been massive expansion of public enterprises in India. These enterprises have been set up in India in a fairly large number of areas of social and economic developmental activities. These enterprises range from basic industry, agriculture and irrigation, transport, communication and transport. The social welfare corporation have been set up for the development of minorities, schedule castes schedule tribes and few women. After independence, India has wedded itself to democratic socialism as the goal of the state policy and in striving towards this goal has paid active attention to the growth of public enterprises. Moreover, the concept of basic responsibility of government has also undergone a rapid change from that of 'custodian of rule of law' to one of 'custodian of socio-economic interests' on account of increased emphasis of welfarism.

Since there is, by now, a consensus of opinion that most of our public enterprises must generate surplus, we have to be serious about improvement in the working of our public enterprises and how we are managing them and how should we manage them. In the recent past, a number of studies relating to the various facets of working of the public sector have been undertaken by the number of scholars. As against this the financial administration of
state enterprises (those owned by the state governments) has relatively been unexplored field. Moreover, the financial working of utility public sector enterprises like State Electricity Boards and Road Transport Corporations remaind equally unexplored. Looking at the importance of the investment made in these public enterprises and their public accountablity, the present research work is an attempt to study the pattern of financial administration of Himachal Pradesh State Electricity Board and Himachal Road Transport Corporation and to identify the factors, influencing the overall performance of those enterprises in general and financial performance in particular.

Though in principle State Electricity Board and Road Transport Corporation are required to be run on commercial principles, in practice, they have to take some social responsibilities and hence to be guided by noncommercial considerations. Thus, the position of State Electricity Board and Road Transpsort Corporation is very peculiar. In view of this, we have made an attempt to study the philosophy behind the creation of these enterprises as well as their growth and working in the Second Chapter, whereas the First Chapter, deals with the introduction and the plan of the study. In the Third Chapter various factors of financial administration such as budgeting, financial decision making, auditing have been discussed in detail. A brief account of social auditing has also been given in this Chapter. The Fourth Chapter deals with working capital management of HPSEP and HRTC, and we have examined the working capital position of both the enterprises under
Electricity Boards and Road Transport Corporations remain equally unexplored. Looking at the importance of the investment made in these public enterprises and their public accountability, the present research work is an attempt to study the pattern of financial administration of Himachal Pradesh State Electricity Board and Himachal Road Transport Corporation and to identify the factors, influencing the overall performance of those enterprises in general and financial performance in particular.

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reference with the help of ratio analysis. Fifth Chapter deals with the public accountability of these enterprises through legislative control. The conclusions of the whole study is given in the Sixth Chapter with some practicable suggestions on the basis of the findings of the study.

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