

APPENDIX -I

(Referred to in para 15.1.1)

Amount (Rs. in lakh)

Name of PSU	Name of the Ministry/ Department	Audit observation in brief	Amount of recovery pointed out by Audit	Amount recovered by the Management
Eastern Coalfields Limited	Coal	Non recovery of service tax on leasing out of Captive Power Plant on rental basis to M/s. Dishegarh Power Supply Company Limited	72.10	30.00
Airports Authority of India	Civil Aviation	(i) Non-recovery of licence fees and royalty from the licensee of the duty free shops – M/s. Flemingo International Limited	102.00	97.67
		(ii) Non recovery of cost of spare parts of X-ray machines transferred to private operators at Delhi Airport	151.00	85.50
		(iii) Incorrect application of tariff resulted in short billing of revenue	67.85	8.56
National Aviation Company Limited	Civil Aviation	Overpayment to a ground handling agency	13.74	13.74
Bharat Sanchar Nigam Limited	Telecommu- nications	(i) Non/short billing by the Company in 14 Secondary Switching Areas	1245.27	1044.63
		(ii) Penal interest on outstanding advance	612.00	612.00
Food Corporation of India	Consumer affairs, food and public distribution	(i) Non recovery of excess incidental charges paid to MPSSCSC	120.09	120.09
		(ii) Discrepancy in claiming of rent for godown let out to National Collateral	115.81	238.80

Name of PSU	Name of the Ministry/ Department	Audit observation in brief	Amount of recovery pointed out by Audit	Amount recovered by the Management
		Management services Limited		
		(iii) Excess payment of self lease rent to an employee	0.50	0.58
		(iv) Excess expenditure on gunnies due to payment of gunny cost based on 35 Kg filling instead of 40 Kg bags	24.49	24.49
		(v) Excess payment to the APSCSC towards commission to the societies	28.36	28.36
Goa Shipyard Limited	Defence	Non recovery of penalty from M/s. Kidde Fenwal Inc	1.54	1.54
The New India Assurance Company Limited	Finance	(i) Non-recovery of dues from terminated employee	1.43	1.51
		(ii) Undue refund of premium	1.68	1.68
		(iii) Excess payment of claim	0.49	0.49
		(iv) Short charging of premium under floater group policy – M/s. AB Hotels	0.48	0.48
		(v) Short charging of premium due to wrong application of tariff – M/s. R.K. Electricals	0.59	0.59
		(vi) Undercharge of premium–Today’s writing products private Limited	2.94	3.03
		(vii) Excess refund on cancellation of Motor policies	0.47	0.47
National Insurance	Finance	Undercharging of premium under Animal Driven Cart	0.49	0.49

Name of PSU	Name of the Ministry/ Department	Audit observation in brief	Amount of recovery pointed out by Audit	Amount recovered by the Management
Company Limited		Insurance		
The Oriental Insurance Company Limited	Finance	Loss due to non loading of premium for adverse claim ratio of Fire Policy – M/s. Jindal Steel Power Limited	29.63	29.63
United India Insurance Company Limited	Finance	Excess payment of flood claims	0.26	0.21
Bharat Heavy Electricals Limited	Heavy Industries and Public Enterprises	(i) Non preferment of foreign exchange rate variation (ERV) claims on the customer despite contractual terms	1461	1754
		(ii) Non-recovery of charges on account of short blasting done at BHEL, Trichy from a private vendor (M/s. PSL, Chennai)	0	3.22
		(iii) Short recovery of CST from a private party (M/s. Jindal Stainless Limited)	16.05	16.92
		(iv) Short claim due to inclusion of lesser rate of Education Cess on the countervailing duty from Tata Power Company Limited	10.10	10.10
Narmada Hydroelectric Development Corporation Limited	Power	Non realisation of capacity index incentive	2112.00	459.00
National Minerals Development Corporation	Steel	Payment of Rs.122.36 lakh to Forest Department for acquisition of land at double the rate of Net Present Value and handing over the land to a private party (M/s	122.36	122.36

Name of PSU	Name of the Ministry/ Department	Audit observation in brief	Amount of recovery pointed out by Audit	Amount recovered by the Management
		Essar) without claiming refund of the above amount		
National Textiles Corporation Limited	Textiles	Irregular payment of service tax by M/s Pioneers Spinners, a unit of NTC	0.74	0.74
	TOTAL		6315.46	4710.88

APPENDIX -II

(Referred to in para 15.1.2)

Corrections/rectifications at the instance of audit

Name of PSU	Name of the Ministry	Audit observation in brief	Action taken by the management
UTI Trustee Company Private Limited	Finance	Failure to include a clause in the offer documents of various MF schemes for charging of trusteeship fee to the Mutual Fund schemes, as provided in the trust deed, resulted in a loss of revenue of Rs.21.31 crore.	The Board of Directors of the Company passed the resolution (August 2009) to charge trusteeship fee @0.2 bps of the weekly average net assets to the schemes of UTI Mutual Fund with effect from 1 st April 2009.
Bharat Heavy Electricals Limited	Heavy Industries	Failure in claiming service tax on freight charges from customers due to absence of system of identifying the freight expenditure incurred project wise on Direct to Site (DTS) items	The Company has developed a new system with help of ERP team wherein the DTS freight bills are tagged with their customer number while the bills are processed in Finance w.e.f., 1 April 2008.
Oil and Natural Gas Corporation Limited	Petroleum and Natural Gas	The company owned Geo-technical Vessel (GTV) Samudra Sarvekshak was designed to carry out geo-technical investigations and was also capable of carrying out diving jobs. The system was not in operation since October 2003. An expenditure of Rs.10.44 crore was, however, incurred by the Company during October 2003 to March 2009 to maintain skeletal manpower to keep the GTV in working condition.	The matter was deliberated at its Virtual Corporate Board meeting in September 2009 and a decision was taken to discontinue the maintenance of diving vessel and keep the system in Preservation mode. The saving estimated by the Company was to the tune of Rs.1.20 crore every year while only a one time expenditure of Rs. one crore will be required, if vessel is deployed in diving mode at a later stage.
Rashtriya Ispat Nigam Limited	Steel	Undue benefit to private party by allowing carry forward of tolerance quantity to the subsequent shipments at prices lower than the prevailing levels due to incorporation of a clause 'option of tolerance on quantity delivered allowed	The Company has modified (December 2008) the terms and conditions of agreement for export of pig iron by modifying the clause as 'No tolerance in contracted quantity is permissible'

Name of PSU	Name of the Ministry	Audit observation in brief	Action taken by the management
		(+/-) 10% at buyers option' in the sale agreement.	
Bisra Stone Lime Company Limited	Steel	The Company authorized its CMD to operate Bank Accounts individually up to an amount of Rs. 12.00 crore for a single payment. It was pointed out by audit that since operation of Bank Account is sensitive in nature, a single officer should not be allowed to sign a cheque of such a high value.	The Company has revised the system of operation of Bank Accounts from 'individually by the CMD' to 'jointly by CMD and any one of the Sr. Manager (F) & CFO, Dy. Manager (F) and the Company Secretary'.
Bisra Stone Lime Company Limited	Steel	The Company, engaged in the mining of limestone and dolomite, had no approved norms for handling loss of limestone and dolomite.	The Company has fixed the norms for handling loss at Lump 2.5% of production and Fines 5.0% of production for Limestone and Dolomite with the approval of the Board of Directors in June, 2009.

APPENDIX -III

(Referred to in Chapter XXI)

Statement showing the details of Audit Reports (Commercial) for which Action Taken Notes are pending (As on January 2010)

No. and Year of Report	Name of the Report	Para No., if any
Department of Bio-Technology		
1. No. 11 of 2007	Transaction Audit Observations	Para 3.1.1
Department of Fertilizers		
1. PA 9 of 2008	Performance Audit on working of Udyogmandal Division of FACT Limited.	Paras 1.7.1.1, 1.7.1.2, 1.7.2, 1.7.3.1, 1.7.4.1, 1.7.5.1, 1.7.5.2, 1.7.5.3, 1.7.5.4, 1.7.5.5, 1.7.5.6, 1.7.5.7, 1.7.6, 1.7.7, 1.7.8.1 and 1.7.8.2
2. No. 11 of 2008	Compliance Audit Observations	Paras 9.1.1 and 9.2.1
Ministry of Civil Aviation		
1. No. 12 of 2006	Transaction Audit Observation	Paras 4.1.1 and 16.2.1
2. No. 11 of 2007	Transaction Audit Observations	Paras 4.1.1, 4.2.2 and 15.1.1
3. No. 11 of 2008	Compliance Audit Observations	Paras 4.1.1 and 4.2.4
Ministry of Coal		
1. No. 3 of 2005	Transaction Audit observations	Para 4.2.1
2. No. 11 of 2007	Transaction Audit Observations	Para 15.1.1
Ministry of Commerce and Industry		
1. No 11 of 2007	Transaction Audit Observations	Para 15.1.1
Ministry of Communications and Information Technology		
Department of Telecommunications		
1. No 9 of 2006	Chapter-II (Performance Audit of Human Resource Mgt. in BSNL)	Paras 2.13.1.1 and 2.16.2
2. No. 13 of 2006	Transaction audit observations Chapter-IV	Para 4.19
	Chapter-V	Para 5.5

No. and Year of Report	Name of the Report	Para No., if any
	Chapter-VI	Para 6.2
3. No. 10 of 2007	Information Technology Applications in PSU (Material Management and Inventory Accounting in ITI Limited)	2.1 (introduction), 2.7 (finding) Paras 2.7.1, 2.7.1.1 (i), (ii), (iii), (iv), 2.7.1.2, 2.7.1.3, 2.7.2, (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), 2.8, 2.9, 2.10, 2.11 (conclusion), and 2.12 (recommendation)
4. No 10 of 2007	Cellular Mobile Telephone Services in BSNL	Paras 1.12.4 and 1.12.5
	Billing and Customer care in MTNL	3.1 to 3.7 (introductory) Paras 3.8, 3.9, 3.10, 3.11.1, 3.11.2, 3.12.1, 3.12.2, 3.12.3, 3.13.1, 3.13.2, 3.13.3, 3.14.1, 3.14.2, 3.15.1, 3.15.2, 3.15.3 and 3.16 (conclusion)
5. 12 of 2007	Telecommunications Sector Transaction Audit Observations	Para 4.1
6. PA 9 of 2008	Performance Audit of Revenue earnings from leased line services	Paras 3.7.1, 3.7.2, 3.7.3, 3.7.4, 3.7.5.1, 3.7.5.4, 3.7.5.5, 3.7.5.6 and 3.7.7
7. CA 10 of 2008	IT review of BSNL	Paras 1.6.1.1, 1.6.2.1, 1.6.2.2 and 1.6.2.4
8. CA 12 of 2008	Compliance Audit Observations	
	Chapter-II	Paras 2.1, 2.4 and 2.8
	Chapter-III	Paras 3.4, 3.6, 3.10, 3.12 and 3.14
	Chapter-V	Paras 5.2, 5.4, 5.6, 5.7 and 5.8
	Chapter-VI	Paras 6.1, 6.2, 6.4, 6.6 and 6.7
	Chapter-VII	Paras 7.1, 7.2 and 7.3
	Chapter-VIII	Paras 8.1 and 8.2
	Chapter-IX	Paras 9.1, 9.2 and 9.4
Ministry of Consumer Affairs Food & Public Distribution		
1. No. 3 of 2005	Transaction Audit Observations	Para 6.1.12
2. No. 12 of 2006	Transaction Audit Observations Chapter- VII	Paras 7.1.2 and 16.2.1

No. and Year of Report	Name of the Report	Para No., if any
3. No. 11 of 2007	Transaction Audit Observations	Para 15.1.1
4. No. 11 of 2008	Compliance Audit Observations	Para 7.1.7
Department of Defence Production and Supplies		
1. NO. 3 of 2005	Transaction Audit Observations	Paras 7.4.1, 7.4.2, 7.4.3 and 7.4.4
2. No. 4 of 2005	Reviews on BEL Chapter – VI	Paras 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7 and 6.8
3. No. 4 of 2005	Chapter – VIII (Garden Reach Shipbuilders & Engineers Limited.)	Paras 8.1, 8.2 and 8.3
4. CA 10 of 2008	IT review of Garden Reach Shipbuilders and Engineers Limited (ERP system in material management)	Paras 2.8.1, 2.8.2.1, 2.8.2.2, 2.8.3.1, 2.8.3.2, 2.8.3.3, 2.8.3.4, 2.8.4.1, 2.8.4.2, 2.8.4.3, 2.8.4.4, 2.8.4.5, 2.8.4.6, 2.8.4.7, 2.8.4.8, 2.8.4.9 and 2.8.5
5. CA 10 of 2008	IT review of HAL (Financial module under ERP package)	Paras 3.7.1.1, 3.7.1.2, 3.7.2.1, 3.7.2.2, 3.7.2.3, 3.7.2.4, 3.7.3.1, 3.7.4, 3.7.5, 3.7.6, 3.7.7, 3.7.8 and 3.7.9
Ministry of Finance (Banking Division)		
1. No. 3 of 2004	Transaction Audit Observations	Paras 9.1.1, 9.2.1, and 9.2.2
2. No. 3 of 2005	Transaction Audit Observations	Paras 1.1.1, 1.2.1 and 1.2.2
3. No. 12 of 2006	Transaction Audit Observations	Para 2.1.1
4. No. 11 of 2007	Transaction Audit Observations	Para 2.1.1
5. CA 10 of 2008	IT review of BRBNML (Distribution and Manufacturing Modules under ERP)	Paras 4.7.1.1, 4.7.1.2, 4.7.1.3, 4.7.1.4, 4.7.1.5, 4.7.1.6, 4.7.2.1, 4.7.3, 4.7.4, 4.7.5.1 and 4.7.5.2
6. No. 11 of 2008	Compliance Audit Observations	Paras 2.1.1, 2.2.1 and 16.1.1
Ministry of Finance (Insurance Division)		
1. No.3 of 2004	Transaction Audit Observations	Paras 8.2.2, 8.5.1, 8.5.3 and 8.5.4
2. No.3 of 2005	Transaction Audit Observations	Paras 9.2.1 and 9.6.1

No. and Year of Report	Name of the Report	Para No., if any
3. No. 4 of 2005	Review of Insurance Division	Paras 10.1, 10.2 and 10.11
4. No. 12 of 2006	Transaction Audit Observations	Paras 11.2.1, 11.2.2, 11.4.2, 11.7.1, 11.7.2, 11.7, 11.7.5 and 16.2.1
5. No. 10 of 2007	Information Technology Applications in PSU	Paras 3.1.1, 3.1.2, 3.5.1.1, 3.5.1.2, 3.5.1.3, 3.5.2, 3.5.2.1, 3.5.2.2, 3.5.2.3, 3.5.3.1, 3.5.3.2, 3.5.3.3, 3.5.4, 3.5.4.1, 3.5.4.2, 3.5.4.3, (i), (ii), (iii), 3.5.4.4, (i), (ii), (iii), (iv), (v), 3.6 (conclusion) and 3.7 (recommendation)
6. No. 11 of 2007	Transaction Audit Observations	Paras 10.1.1, 10.2.1, 10.2.2, 10.3.1, 10.3.2, 10.3.4, 10.4.3, 10.4.4 and 15.1.1
7. No. CA 10 of 2008	IT review of OICL (Integrated non-life insurance company limited)	Paras 5.5.3, 5.5.4, 5.5.5, 5.5.6.1, 5.5.6.2, 5.5.6.3, 5.5.6.4, 5.5.6.5, 5.5.6.6, 5.5.7.1, 5.5.7.2, 5.5.7.3, 5.5.8.1, 5.5.8.2, 5.5.8.3, 5.5.8.4, 5.5.8.5, 5.5.9.1, 5.5.9.2, 5.5.9.3, 5.5.10.1, 5.5.10.2, 5.5.10.3 and 5.5.10.4
8. No. 11 of 2008	Compliance Audit Observations	Paras 10.1.1, 10.1.2, 10.1.3, 10.4.1, 10.5.1, and 16.1.1
9. PA 15 of 2008	General Insurance Companies	Paras 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 2.11, 2.12, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11, 3.12, 3.13, 3.14, 3.15, 3.16(a),(b),(c),(d),(e), 3.17, 3.18, 3.19, 4.3, 4.5.1, 4.6, 4.7, 4.8, 4.9, 4.10, 4.12, 4.13, 1.14, 5.4, 5.5, 5.7, 5.8, 5.9, 5.10, 5.11, 5.12, 5.13, 5.14, 5.15 and 5.16
Ministry of Health & Family Welfare		
1. No.3 of 2004	Transaction Audit Observations	Para 10.1.1

No. and Year of Report	Name of the Report	Para No., if any
Ministry of Human Resource Development		
1. No.3 of 2004	Transaction Audit Observations	Para 12.1.1
Ministry of Heavy Industry & Public Enterprises		
1. No. 11 of 2008	Compliance Audit Observations	Paras 11.1.1 and 11.2.1
Ministry of Petroleum and Natural Gas		
1. No. 3 of 2004	Transaction Audit Observations	Paras 14.4.3, 14.6.6, 14.6.8 and 14.7.2
2. No. 4 of 2004	Review on GAIL	Paras 8.1 and 8.2,
3. No.4 of 2004	Review on Oil India Limited	Paras 9.1, 9.2, 9.3, 9.4, 9.5, 9.6 and 9.7
4. No. 6 of 2005	Transaction Petroleum Sector Profile Chapter –2 Chapter – 4	Para 2.5 <i>Para 4.5.4</i>
5. No.12 of 2006	Transaction Audit Observation Chapter-XIV	Paras 14.7.6, 14.7.8 and 14.8.1
6. No. 11 of 2007	Transaction Audit Observation	Paras 13.4.1,15.1.1
7. PA 9 of 2008	Performance Audit of Operation of Haldia Refinery-IOCL	Paras 5.7.1, 5.7.2, 5.7.3, 5.7.3.1, 5.7.3.2, 5.7.4 and 5.7.5
8. PA 9 of 2008	Performance Audit of Marketing of petroleum products to bulk customers- IOCL	Paras 6.7.1, 6.7.2.1, 6.7.2.2, 6.7.3(i), 6.7.3 (ii), 6.7.5(i), 6.7.5.1 (i), 6.7.5.1 (ii), 6.7.5.1 (iii), 6.7.5.1 (iv), 6.7.5.1 (v), 6.7.5.1 (vi), 6.7.6, 6.7.6.1, 6.7.6.2, 6.7.6.3 (i), 6.7.6.3 (ii), 6.7.7, 6.7.8, 6.7.9, 6.7.9.1, 6.7.9.2, and 6.7.10
9. PA 9 of 2008	Performance Audit of ONGC Limited- Deep Water Exploration	Paras 7.7.1, 7.7.1.1 (i), 7.7.1.1 (ii), 7.7.1.2, 7.7.2.1 (i), 7.7.2.1 (ii)(a), 7.7.2.1 (ii)(b), 7.7.2.1 (ii)(c), 7.7.2.2, 7.7.3.1 (i), 7.7.3.1 (ii), 7.7.3.1 (iii), 7.7.3.1 (iv), 7.7.3.2 (i), 7.7.3.2 (ii), 7.7.3.2 (iii), 7.7.3.3 (i), 7.7.3.3 (ii), 7.7.4.1, 7.7.4.2, 7.7.4.3, 7.7.4.4 (i), 7.7.4.4 (ii), 7.7.5.1, 7.7.5.2 (i), 7.7.5.2 (ii), 7.7.6.1

No. and Year of Report	Name of the Report	Para No., if any
		and 7.7.6.2
10. CA 10 of 2008	IT review of ONGC (Financial mgt module under ERP)	Paras 7.5.1 (i), 7.5.1 (ii), 7.5.1 (iii), 7.5.1 (iv), 7.5.2(i), 7.5.2 (ii), 7.5.3(iii), 7.5.4 (iv), 7.5.3(i), 7.5.3 (ii), 7.5.3 (iii), 7.5.3 (iv), 7.5.3 (v) and 7.5.3 (vi)
11. CA 10 of 2008	IT review of Oil India Limited (material management system)	Paras 8.6.1.1, 8.6.1.2, 8.6.1.3, 8.6.1.4, 8.6.1.5, 8.6.1.6, 8.6.1.7, 8.6.1.8, 8.6.2.1, 8.6.2.2, 8.6.2.3, 8.6.2.4, 8.6.2.5, 8.6.2.6, 8.6.2.7, 8.6.2.8, 8.6.3.1, 8.6.3.2, 8.6.4.1, 8.6.4.2, 8.6.5.1, 8.6.6.1, 8.6.6.2, 8.6.6.3, 8.6.6.4, 8.6.6.5, 8.6.6.6, 8.6.7.1, 8.6.7.2, 8.6.7.3 and 8.6.7.4
12. No. 11 of 2008	Compliance Audit Observations	Paras 14.5.2 and 14.7.3
Ministry of Power		
1. No. 3 of 2005	Transaction Audit Observations	Paras 16.1.1 and 16.2.1
2. No. 12 of 2006	Transaction Audit Observations	Para 16.2.1
3. No. 11 of 2007	Transaction Audit Observation	Paras 14.2.1 and 15.1.1
4. No. 11 of 2008	Compliance Audit Observations	Paras 15.1.1, 15.3.1 16.1.1 and 20.1.1
Ministry of Railways		
1. No. 10 of 2008	IT review on Konkan Railway Corporation Limited. (Financial Accounting Module of ERP)	Paras 9.5.1, 9.5.1.1, 9.5.1.2, 9.5.1.3, 9.5.2, 9.5.3, 9.5.4 and 9.5.5
Department of Road Transport & Highways		
1. No. 11 of 2008	Compliance Audit Observations	Paras 16.1.1, 18.1.1 and 18.1.2
Ministry of Science and Technology		
1. No.12 of 2006	Transaction Audit Observation Chapter-XIX	Para 19.1.1
Department of Space		
1. PA 9 of 2008	Performance Audit of Antrix corporation Limited	Paras 9.7.1.1, 9.7.1.2, 9.7.1.3, 9.7.1.4, 9.7.2, 9.7.3, 9.7.4.1, 9.7.4.1 (i), 9.7.4.1 (ii), 9.7.4.2

No. and Year of Report	Name of the Report	Para No., if any
		(i), 9.7.4.2 (ii), 9.7.4.2 (iii), 9.7.4.2 (iv), 9.7.4.2 (v), 9.7.4.3, 9.7.4.4, 9.7.4.5, 9.7.5.1, 9.7.5.2, 9.7.5.3, 9.7.5.4, 9.7.5.5(i), 9.7.5.5 (ii), 9.7.5.5 (iii), 9.7.6.1, 9.7.6.2 and 9.7.6.3
Department of Shipping		
1. PA 9 of 2008	Performance Audit of IWAI	Paras 8.2.1, 8.2.2, 8.2.3, 8.3.1.1,8.3.1.1 (i), 8.3.1.1 (ii), 8.3.1.2, 8.3.1.3, 8.3.1.4, 8.3.1.5(i), 8.3.1.5 (ii), 8.3.2, 8.4.1, 8.4.1.1, 8.4.1.2, 8.4.2, 8.4.3.1, 8.4.3.2, 8.4.4.1, 8.4.4.2, 8.4.4.3, 8.4.5.1, 8.5.1, 8.5.2.1, 8.5.2.2, 8.5.2.3, 8.6.1, 8.6.2, 8.7, 8.8.1, 8.8.2, 8.8.3, 8.8.4 and 8.8.5
Ministry of Textiles		
1. No. 4 of 2005	Reviews	Paras 14.1, 14.2 and 14.3
Ministry of Urban Development and Poverty Alleviation		
1. No.3 of 2004	Transaction Audit Observations	Para 20.1.1