

**Annexure – I**  
(Referred to in paragraph 1.1)

<b>Sectors</b>				
Standard Policies & Transfer Guarantees	Policies – Project and Term Exports	Factoring	Guarantees - Short Term Exports	Guarantees – Project and Term Exports
<b>Types of Policies and Guarantee products</b>				
Shipment (Comprehensive Risks) Policy [SCR]	Construction Works Policy	Maturity Factoring (scheme revised from April 2007 and named Full Fledged Factoring)	Export Credit Insurance for Banks (Individual Packing Credit) [ECIB (INPC)]	Export Credit Insurance for Banks (Export Finance Overseas Lending)
Small Exporters Policy	Specific Policy for Supply Contract		Export Credit Insurance for Banks (Whole Turnover Packing Credit) [ECIB (WTPC)]	Overseas Investment Guarantee
Specific Shipment Policy – Short Term	Specific Policy for Specific Service		Export Credit Insurance for Banks (Sector-wise Individual Packing Credit) [ECIB (SIPC)]	Exchange Fluctuation Risk Cover
Export (Specific Buyers) Policy	Specific Shipment Policy		Export Credit Insurance for Banks (Bank-wise Individual Packing Credit) [ECIB (BIPC)]	Overseas Borrowing Guarantee
Export Turnover Policy			Export Credit Insurance for Banks (Whole Turnover Post-shipment) [ECIB (WTPS)]	Export Credit Insurance for Banks (Export Performance)
Buyer Exposure Policies			Export Credit Insurance for Banks (Individual Post-shipment Credit) [ECIB (INPS)]	Insurance Cover For Buyer's Credit And Line Of Credit
Consignment Exports Policy - (Stockholding Agent and Global Entity)			Export Credit Insurance for Banks (Export Performance) [ECIB (EP)]	
Service Policy			Export Credit Insurance for Banks (Export Production Finance) [ECIB (EPF)]	
Software Project Policy			Export Credit Insurance for Banks (Export Finance) [ECIB (EF)]	
IT - Enabled Services Policies				
Export Credit Insurance for Banks (Transfer Risk)				

Sectors/ Policies and Guarantee Products covered by Performance Audit highlighted in red

**Annexure-II**  
(Referred to in Paragraph 1.4)

**Sampling techniques used for selection of the units and data**

**1. Export Credit Insurance for Banks - Packing credit and Post-shipment**

1.1 ECIB(WTPC) and ECIB(WTPS) guarantees renewed<sup>+</sup> during 2005-08 totalling 223<sup>°</sup> in number were examined<sup>#</sup>.

1.2 The claims paid under the above two guarantees at the three selected Bank Business Branches (Mumbai –Nariman Point Branch, Kolkata and Delhi) during 2005-06, 2006-07 and 2007-08 accounted for 44, 53 and 31 *per cent* of the total claims paid under both these guarantees by the ECGC in these years. These were checked *cent per cent* in respect of claims paid out above Rs. one crore while those less than Rs. one crore were checked to the extent of 10 *per cent* on random sampling basis using IDEA<sup>@</sup> software. The extent of audit check worked out as below:

Amount (Rs. in crore)

Bank Business Branch	Year	Claim Paid > Rs.One crore				Claim Paid < Rs.One crore				Total	
		ECIB (WTPC)		ECIB (WTPS)		ECIB (WTPC)		ECIB (WTPS)		Total claims checked	Amount
		Number of claims checked	Amount	Number of claims checked	Amount	Number of claims checked	Amount	Number of claims checked	Amount		
Mumbai	05-06	10	24.16	8	21.14	3	1.55	3	0.35	24	47.20
	06-07	11	30.86	13	39.46	2	0.23	2	0.83	28	71.38
	07-08	5	10.98	7	18.30	1	0.05	1	0.36	14	29.69
Delhi	05-06	5	12.55	0	0.00	2	0.58	1	0.06	8	13.19
	06-07	6	16.81	1	1.00	3	0.20	2	1.02	12	19.03
	07-08	3	4.66	0	0.00	2	0.67	1	0.12	6	5.45
Kolkata	05-06	4	11.68	4	8.03	1	0.36	1	0.66	10	20.73
	06-07	2	2.77	1	6.60	2	0.11	1	0.18	6	9.66
	07-08	9	20.38	1	1.00	3	1.23	1	0.19	14	22.80
<b>Total</b>		<b>55</b>	<b>134.85</b>	<b>35</b>	<b>95.53</b>	<b>19</b>	<b>4.98</b>	<b>13</b>	<b>3.77</b>	<b>122</b>	<b>239.13</b>

**2. Shipment (Comprehensive Risks) policy**

2.1 For operational purposes, the ECGC has five regions in the country. The check of the SCR policies was carried out in one Exporters Branch Office (EBO) located in each of the five regions *viz.*, Bangalore, Chennai, Kolkata, Delhi and Mumbai EBOs. The sample check of SCR policies issued/renewed during 2005-08 was as under:

<sup>+</sup> no ECIB(WTPC) or ECIB(WTPS) guarantees were issued during 2005-08.

<sup>°</sup> 82, 74 and 67 in 2005-06, 2006-07 and 2007-08 respectively.

<sup>#</sup>Renewals of ECIB(WTPC) and ECIB(WTPS) guarantees are done only at ECGC Head Office, Mumbai.

<sup>@</sup> IDEA – Interactive Data Extraction & Analysis software.

(Risk value – Rupees in crore)

Exporter Branch Offices selected for audit	Total No. of SCR policies issued/ renewed during 2005-08 by the Exporters Branch Offices		Top five per cent of SCR policies in terms of risk value issued/ renewed during 2005-08 checked cent per cent		Balance 95 per cent of SCR policies issued/ renewed during 2005-08 checked to the extent of five per cent on random sampling basis using IDEA software		Total number of policies selected
	No.	Risk Value	No.	Risk Value	No.	Risk Value	No.
Kolkata	1373	6941	69	3921	65	167	134
Bangalore	478	4364	24	2270	23	64	047
Chennai	752	4642	38	1945	36	104	074
Mumbai	286	4936	14	1786	14	80	028
Delhi	228	3118	11	1022	11	142	022
Total (5)	3117	24001	156	-	149	-	305
Others (38)	10684	55121					
Total (43)	13801	79122					

The above sample size (305) seen in audit represented 2.21 per cent of the total SCR policies (13801) issued/renewed by the ECGC during 2005-08 and 9.78 per cent of the total SCR policies issued by the five selected EBOs (3117) during the same period.

2.2 With respect to claims paid under the SCR policy, the five selected EBOs accounted for 12.05 per cent of the total claims paid by the ECGC under this policy during 2005-08. Claims paid out above Rs.50 lakh were scrutinised cent per cent while those less than Rs.50 lakh were checked to the extent of 20 per cent on random sampling basis using IDEA software. The numbers were as below:

Exporter Branch Offices selected for audit	Year	Claim Paid > Rs. 50 lakh		Claim Paid < Rs.50 lakh		Total	
		Number of Claims Checked	Amount	Number of Claims Checked	Amount	Total Claims Checked	Amount
Bangalore	05-06	-	-	1	0.02	1	0.02
	06-07	2	2.71	4	0.26	6	2.97
	07-08	-	-	5	0.86	5	0.86
Chennai	05-06	2	2.81	5	0.54	7	3.35
	06-07	1	1.28	7	0.53	8	1.81
	07-08	-	-	1	0.07	1	0.07
Kolkata	05-06	1	1.19	1	0.02	2	1.21
	06-07	-	-	2	0.03	2	0.03
	07-08	1	0.51	8	1.50	9	2.01
Mumbai	05-06	3	4.42	2	0.08	5	4.50
	06-07	1	1.04	3	0.30	4	1.34
	07-08	2	1.77	3	0.16	5	1.93
Delhi	05-06	1	1.95	2	0.04	3	1.99
	06-07	1	1.82	4	0.50	5	2.32
	07-08	2	1.50	5	0.34	7	1.84
<b>Total</b>		<b>17</b>	<b>21.00</b>	<b>53</b>	<b>5.25</b>	<b>70</b>	<b>26.25</b>

**Annexure – III**  
(Referred to in paragraph 2.5)

**List of circles and SSAs selected for carrying out performance audit**

Sl. No.	Name of the Branch Audit Office	Name of the circle	Total no. of SSAs or sub - regions in the circle	No. & name of the SSAs or Divisions in the circle selected for audit
1	Ahmedabad	Gujarat territorial circle	17 SSAs	4 SSAs (Ahmedabad, Surat, Vadodara & Rajkot)
2	Bangalore	Karnataka territorial circle	19 SSAs	4 SSAs (Tumkur, Kolar, Mandya & Mysore)
3	Chennai	Southern Telecom Region	4 Sub-regions	1 Sub-region (Chennai)
4	Cuttack	Orissa territorial circle	13 SSAs	3 SSAs (BBSR, Baripada, Bhawanipatnam) & one CMTS
5	Delhi	Corporate Office	----	-----
		Northern Telecom Region	9 Sub-regions	1 Sub-region (Delhi)
6	Kolkata	Eastern Telecom Region	7 Sub-regions	3 Sub-region (Kolkata, Guwahati & Shillong)
7	Lucknow	UP (West) territorial circle	16 SSAs	3 SSAs (Meerut, Bareilly & Bulandshahar)
8	Mumbai	Western Telecom Region	11 Sub-regions	4 Sub-regions (Mumbai, Thane, Nagpur & Pune)

**Annexure-IV**  
(Referred to in paragraph 3.6)

**Sampling techniques used for selection of the units and data**

1. In the first stage, the Corporate Office of BSNL and the Head Offices of all four TPCs (*i.e.*, WTP, ETP, STP and NTP) were selected for performance audit.
2. Maharashtra, Tamil Nadu, West Bengal and Uttar Pradesh (West) Territorial Circles were selected for detailed examination of the planning process adopted for the identification of different telecom projects to be got executed through concerned TPCs.
3. Fifty *per cent* of the divisions under each TPC were selected on the basis of expenditure incurred by them during the last five years.
4. All sub-divisions executing the identified projects under each selected division of each TPC were taken up for detailed examination.
5. 100 *per cent* of projects costing Rs. one crore and above under each TPC were selected for data collection, so as to give a complete picture of each TPC.
6. 25 *per cent* of the entire projects costing Rs. one crore and above under each TPC were selected on random basis for detailed checking.

**Annexure- V**  
(Referred in paragraph 3.8.3.9)

**Loss of potential revenue due to delays in commencement, completion and commissioning of projects by Telecom Project Circles**

Sl. No.	Telecom Project Circle	Number of projects delayed	Period of execution of projects	Delays in execution of projects (in months)	Loss of potential revenue (Rs in crore)	Reasons for delays in execution of projects
1	WTP (Mumbai, Pune, Nagpur, Ahmedabad, Bhopal and Jabalpur Divisions)	105	1999-00 to 2007-08	1 to 84	296.00	The delays were on account of delayed/non-receipt of equipment, delays in obtaining permission for right of way from different authorities, etc.
2	NTP (National Capital Region, Satellite Communication Project, Jodhpur, Jalandhar, Dehradun and Lucknow Divisions)	59	2003-04 to 2007-08	3 to 36	201.72	The delays were on account of delays in receipt of equipment, delays in obtaining permission for right of way from different authorities, non-allocation of Satellite frequency, etc
3	STP (Eranakulam, Bangalore, Madurai and Salem)	89	2003-04 to 2007-08	3 to 60	99.48	The delays were on account of non-availability of equipment, delays in obtaining permission for right of way from different authorities,

						lack of coordination between STP and STR for taking over of completed projects, etc.
4	ETP (OFC Kolkata, Circle Office, Bhubneswar, Patna and Ranchi Divisions)	41	2003-04 to 2006-07	1 to 31	35.53	The delays were on account of non-availability of equipment, lack of coordination between ETP and ETR for taking over of completed projects, etc.
<b>Total</b>		<b>294</b>	<b>1999-00 to 2007-08</b>	<b>1 to 84</b>	<b>632.73</b>	

**Annexure-VI**  
(Referred in paragraph 3.8.4.3)

**Microwave Schemes lying idle**

Sl. No.	Circle	Scheme /Equipment lying abandoned	Date of commissioning	Value (Rs. in crore)	Reasons for lying idle
1	WTP	<u>5 Microwave Schemes</u> (Gwalior – Agra 6 GHz, Jhansi – Gwalior 6 GHz, Sagar – Jhansi 6 GHz, Jabalpur – Katni 6 GHz, and Katni – Rewa 6 GHz)	November 2003 to April 2004	22.39	These schemes were lying idle due to availability of alternative OFC routes and microwave technology now being obsolete.
2	NTP	<u>3 Microwave Schemes</u> (Lucknow – Kanpur 6 GHz, Lucknow – Sitapur 6 GHz, Sitapur – Shahajahanpur 6 GHz)	Not commissioned	10.34	Microwave systems received between February 1998 to March 2001 could not be put to use due to deficiencies in the systems. Local Management had proposed for scraping these schemes on the ground that better transmission media on OFC was available.
3	ETP	<u>3 Microwave Schemes</u> (a) Sambalpur – Jharsuguda- Sundergarh 34 mb/s 7 Ghz	Not commissioned	0.58	Project was sanctioned on 19 May 1998 by CGM (TP) Kolkata and scheduled to be commissioned within two years. The equipment received for Sambalpur –Jharsuguda route was faulty. However, it was tried to commission the system, but failed. In the mean time OFC connectivity between Sambalpur –Jharsuguda was available. Hence, local Management proposed to drop the scheme after incurring expenditure of Rs.58 lakh.
		(b) Bhubaneswar-Kalupara 6 GHz	July 2005	5.59	Project was sanctioned in Sept 1997. The scheme was targeted to be completed within two years from the date of receipt of stores. This scheme, after its commissioning in July 2005, was taken over by ETR in September 2005 for emergency use during failure of other advanced sophisticated STM/DWDM system installed between these stations. However, the same has not been utilised by ETR so far. Thus the scheme was lying idle since its commissioning.
		(c) Ranchi-Daltonganj	Not	5.60	The Scheme was approved in

Sl. No.	Circle	Scheme /Equipment lying abandoned	Date of commissioning	Value (Rs. in crore)	Reasons for lying idle
		system	commissioned		November 1993 and project estimate was sanctioned in November 1997. The Scheme could not be commissioned due to deficiencies in the systems. Now the stations proposed to be covered under this Scheme, are covered with STM rings, there was no need to commission the same as it may not suffice the traffic needs of present requirement. The Scheme was now outdated. So, this scheme after incurring of expenditure of Rs.5.60 crore was lying idle.
<b>Total</b>		<b>11 Microwave Schemes</b>		<b>44.50</b>	

**Annexure-VII**  
(Referred in paragraph 3.8.5)

**Non/improper maintenance of prescribed books of projects/schemes/works**

<b>Sub-units of NTP</b>	<b>Details of works</b>	<b>Details of shortcomings noticed</b>
Ghaziabad, Noida, Faridabad, Gurgaon, Panipat, Hissar, Yamuna Nagar, Karnal and Ambala	Measurement Books	Exact location of 10 <i>per cent</i> checks of OAN works
DGM (TP), Jodhpur and DEs (TP), Lucknow and Kanpur	Measurement Books	Exact location of 10 <i>per cent</i> checks
DGMs (TP), Lucknow and National Capital Region	Works Registers	Date of commencement of works, target date of completion and actual date of completion of works were not noted
DEs (TP), Lucknow and Kanpur	Hindrance Registers	Not maintained
DGMs (TPs) Lucknow and National Capital Region	Agreement Registers	Name of the contractor, details of work along with quantity and value thereof, date of agreement and periodicity of agreement.

**Annexure-VIII**

(Referred to in paragraph 4.11.1.)

<b>Consumption of steam</b>						
<b>Year</b>	<b>Crude processed (in MTs)</b>	<b>Steam consumed (in MTs)</b>	<b>Consumption as per norms (87.52 ton per 1000 MT)</b>	<b>Excess consumption over norms (in MTs)</b>	<b>Cost/MT Rs.</b>	<b>Excess cost Rs.</b>
2004-05	742,239	62200	64961	-2761	537.73	0
2005-06	681,777	58906	59669	-763	814.39	0
2006-07	617,994	66064	54087	11977	845.72	10129188
2007-08	464,227	43960	40629	3331	1210.82	4033241
<b>Total</b>						<b>14162429</b>

<b>Consumption of power</b>						
<b>Year</b>	<b>Crude processed (in MTs)</b>	<b>Power consumed (in Mwahr)</b>	<b>Consumption as per norms (5.26 Mwahr/ 1000 MT)</b>	<b>Excess consumption over norms Mwahr</b>	<b>Cost/Mwahr Rs.</b>	<b>Excess cost Rs.</b>
2004-05	742,239	5085.470	3904.177	1181.293	5332.54	6299292
2005-06	681,777	4554.000	3586.147	967.853	6544.31	6333930
2006-07	617,994	4016.000	3250.648	765.352	7008.14	5363694
2007-08	464,227	3267.000	2441.834	825.166	10052.17	8294709
<b>Total</b>						<b>26291625</b>

**Annexure - IX**  
(Referred to in paragraph 6.7.1)

**Details of Nomination blocks**

Sl. No.	Block Name	Acreage (km <sup>2</sup> )	Date of acquisition	Date of expiry of PEL
<b>I</b>	<b>Western Onshore basin</b>			
1	AHMEDABAD EAST EXT-I	12.83	06.05.2002	05.05.2009
2	CHARADA	35.50	07.10.2002	06.10.2009
3	DABKA-SARBHAN	229.93	01.12.2003	30.11.2010
4	GANDHAR EXT-IX	215.53	24.10.2003	23.10.2010
5	NORTH BALOL PART A&B	2.00	27.12.2001	26.12.2008
6	NAVSARI WEST	312.00	30.11.2004	29.11.2011
7	LIMBODRA EXT-III	11.45	06.05.2002	05.05.2009
8	KARJAN EXT-II	550.60	24.10.2003	23.10.2007
9	KARJAN EXT-I	25.94	24.10.2002	23.10.2009
10	KADI-ASJOL	133.00	28.08.2003	27.08.2010
11	KADI EXT-III	19.50	25.11.2003	24.11.2010
12	JOTANA EXT-III	7.22	07.07.2003	06.07.2010
13	HANSALPUR	27.96	07.07.2003	06.07.2010
14	WEST BAOLA	195.00	04.05.2004	03.05.2011
15	VASOD-KATHOL	307.56	24.11.2003	23.11.2010
16	VARSODA-HALISA	478.50	25.11.2003	24.11.2010
17	VALOD EXT-I	190.26	25.11.2003	24.11.2010
18	VALOD	45.41	10.12.2005	09.12.2012
19	TANKARI	54.45	23.12.2005	22.12.2012
20	TADKESHWAR-SACHIN	528.45	27.11.2003	26.11.2010
21	SOUTH DAHEJ	48.75	01.12.2003	31.11.2010
22	SISODRA-KOSAMBA	133.49	27.11.2003	26.11.2010
23	SAYAN	283.56	24.10.2003	23.10.2010
24	SAROD-JAMBUSAR	364.75	27.11.2003	26.11.2010
25	SAJALI	18.00	23.12.2004	22.12.2011

*Report No. PA 27 of 2009-10*

26	RAJPARDI	1251.00	26.03.2004	25.03.2011
27	PATAN-THARAD	18.16	04.09.2005	03.09.2012
28	OLPAD-DANDI	166.20	27.11.2003	26.11.2010
29	PATAN	243.25	07.10.2004	06.11.2010
30	DHINOJ – CHANASMA	309.25	03.11.2003	02.11.2010
31	CHARADA – MANSA EXT-I	282.75	03.11.2003	02.11.2010
32	CHAKLASI-RASNOL	279.30	24.11.2003	23.11.2010
33	ANKLAV	26.90	12.03.2003	11.03.2010
34	MALPUR-DEGAM (CB-ON-6(A))	165.67	26.03.2004	25.03.2011
35	BALASAR	18.00	23.09.2002	22.09.2009
36	MIAJLAR EAST	1590.00	27.08.2002	26.08.2009
37	SOUTH OF KHARATAR	181.39	01.08.2003	31.07.2010
<b>II</b>	<b>Frontier basin</b>			
1	KANGRA-MANDI	2,848.00	10.11.2003	09.11.2010
2	RAMPUR-PACHMARHI-ANHONI	2,457.00	31.03.2004	30.03.2011
3	DAMOH-JABERA-KATNI	4,208.00	10.11.2003	09.11.2010
<b>III</b>	<b>A&amp;AA basin</b>			
1	LARGE AREA	942.00	01.01.2004	31.12.2010
2	NORTH AGARTALA	375.00	20.03.2003	19.03.2010
3	WEST TRIPURA	2,361.00	15.09.2003	14.09.2010
4	SECTOR-IX	785.00	01.04.2004	31.03.2011
5	CACHAR DISTRICT	1,100.00	01.04.2003	31.03.2010
6	HAILAKANDI DISTRICT	52.00	01.04.2003	31.03.2010
7	SECTOR-5C	1,116.00	01.04.2004	31.03.2011
8	SECTOR-X	150.00	01.04.2004	31.03.2011
9	KARIMGANJ DISTRICT	577.00	01.04.2003	31.03.2010
10	GOLAGHAT DISTRICT	84.00	20.01.2001	19.01.2008
11	TITABAR	101.00	01.01.2002	31.12.2008
12	SIVASAGAR DISTRICT	737.00	01.04.2002	31.03.2009
13	MERAPANI	80.00	01.10.2001	30.09.2008
14	KARBIANGLONG	465.00	01.10.2003	30.09.2010
15	GOLAGHAT EXT.IIA	192.00	01.01.2003	31.12.2009

16	BHAGTYBHANDARI	620.00	28.04.2006	27.04.2013
17	SINGHPHAM	320.00	28.04.2006	27.04.2013
18	DIMAPUR	650.00	28.04.2006	27.04.2013
<b>IV</b>	<b>Bengal basin</b>			
1	CONTAI	610.00	22.08.2003	21.08.2010
<b>V</b>	<b>KG-PG basin</b>			
1	1A	2,159.00	28.12.2003	27.12.2010
2	1B	2,936.90	13.01.2004	12.01.2011
<b>VI</b>	<b>Cauvery basin</b>			
1	L-I	1,346.50	01.04.2004	31.03.2011
2	L-X	261.00	01.01.2004	31.12.2010
3	L-II	2,204.02	01.04.2004	31.03.2011
4	L-I EXTN.	444.00	01.08.2003	31.07.2010
5	L-XI	172.80	20.11.2003	19.11.2010
6	L-XII	239.50	19.11.2003	18.11.2010

**Annexure - X**  
(Referred to in paragraph 6.7.1.1)

**Details showing shortfall in drilling under nomination blocks**

Sl. No.	Block Name	Acreage (km <sup>2</sup> )	Date of acquisition (Current grant period of four years.)	No. of wells committed in current PEL cycle	No. of wells drilled in current PEL cycle (4 years)	Shortfall	Maximum period upto which PEL can be extended	PEL fee (Rs.in lakh) paid by March 2007 to obtain extension of time beyond initial period of four years	Remarks
<b>I</b>	<b>Western Onshore</b>								
1	CHARADA	35.50	07.10.2002	2	0	2	06.10.2009	0.53	API completed in August 2007 and location was released in November 2007. Location is yet to be drilled. Second location not released so far (November 2008)
2	LIMBODRA EXT-III	11.45	06.05.2002	1	0	1	05.05.2009	0.17	Planned for drilling in 2008-09 ( sixth year of PEL cycle)
3	KARJAN EXT-II	550.60	24.10.2003	2	1	1	23.10.2010	--	API completed in February 2008, civil works complete in July 2008 and spudded in August 2008 (fifth year of PEL cycle).
4	KARJAN EXT-I	25.94	24.10.2002	1	0	1	23.10.2009	0.39	API completed in March 2007, location released in May 2007 and location was spudded in February 2008 (sixth year of PEL cycle)
5	JOTANA EXT-III	7.22	07.07.2003	1	0	1	06.07.2010	--	API completed in August 2008, location released in September 2008. Not taken up for civil works/drilling so far (November 2008).
6	HANSALPUR	27.96	07.07.2003	1	0	1	06.07.2010	--	API completed in August 2007, location released in October 2007. Civil works completed in August 2008 and location spudded in January 2008 (fifth year of PEL cycle).
7	VASOD-KATHOL	307.56	24.11.2003	2	1	1	23.11.2010	--	Location Vasad-2 planned for drilling in 2008-09 (fifth year of PEL cycle)
8	TADKESHWAR-SACHIN	528.45	27.11.2003	2	0	2	26.11.2010	--	One location MVAB released in May 2007 (fourth year of PEL cycle) and spudded in February 2008 (fifth year PEL cycle). For other location acquisition of seismic data is planned in 2008-09 (sixth year of PEL cycle)
9	ANKLAV	26.90	12.03.2003	1	0	1	11.03.2010	0.41	Planned for drilling in 2008-09 (sixth year of PEL cycle)

<b>II</b>	<b>Frontier</b>								
1	KANGRA-MANDI	2,848.00	10.11.2003	2	1	1	09.11.2010	28.48	Party was deployed for data acquisition during field season 2005-06. The data could not be acquired due to failure of shot hole drilling contractor. The location is yet to drill.
2	RAMPUR-PACHMARHI-ANHONI	2,457.00	31.03.2004	1	0	1	30.03.2011	24.57	API completed in 2004-05, location released in May 2005 and civil works completed in October 2007. The location is planned for drilling in November 2008 (fifth year of PEL cycle).
3	DAMOH-JABERA-KATNI	4,208.00	10.11.2003	1	0	1	09.11.2010	42.08	Location released in February 2008 and civil works completed in August 2008. The location was spudded in October 2008 (fifth year of PEL cycle).
<b>III</b>	<b>A&amp;AA</b>								
1	CACHAR DISTRICT	1,100.00	01.04.2003	2	1	1	31.03.2010	11.00	Location released in May 2005 and well spudded in June 2008 (sixth year of PEL cycle).
2	HAILAKANDI DISTRICT	52.00	01.04.2003	1	0	1	31.03.2010	0.52	Location released in June 2007 and well spudded in March 2008 (fifth year of PEL cycle).
3	KARIMGANJ DISTRICT	577.00	01.04.2003	2	0	2	31.03.2010	5.77	Location released in December 2005 and well spudded in September 2007 (fifth year of PEL cycle).
<b>Total</b>				<b>22</b>	<b>4</b>	<b>18</b>		113.92	

**Annexure - XI**  
(Referred to in paragraph 6.7.2.1)

**Details of NELP blocks**

**A). Blocks awarded to the Company in onshore area**

<b>Rounds</b>	<b>Total onshore blocks awarded by the GOI</b>	<b>No. of blocks the Company bid for</b>	<b>Total onshore blocks awarded to the Company</b>
<b>NELP-I</b>	1	1	1
<b>NELP-II</b>	7	5	2
<b>NELP-III</b>	8	8	7
<b>NELP-IV</b>	10	9	3
<b>NELP-V</b>	12	10	0
<b>NELP-VI</b>	25	18	10
<b>Total</b>	<b>63</b>	<b>51</b>	<b>23</b>

**B). Phase-wise details of onshore NELP blocks-awarded to the Company**

<b>SI No</b>	<b>NELP Round</b>	<b>Participating Interest (PI) in percentage</b>	<b>Phase/ No of years</b>	<b>Period dates</b>	<b>Expenditure (Rs in crore) upto 31.03.07</b>	<b>Commitments</b>			<b>Actual</b>			<b>Basin/Block name</b>
						<b>Well (Nos)</b>	<b>2D (LKM)</b>	<b>3D (Sq Km)</b>	<b>Well (Nos)</b>	<b>2D (LKM)</b>	<b>3D (Sq Km)</b>	
1	I	ONGC-40 IOC-30 CEIL-15 CEEP- 15	Phase-I (2 years)	20.04.01 to 19.04.03	15.84	0	200	0	0	320	0	Frontier basin, GV-ONN-97/1
			Phase-II (3 years)	20.04.03 to 19.10.06*		1	150	0	1	221	0	
			Phase-III (2 years)	20.10.06 to 19.04.08		1	0	0	1 (under drilling)	0	0	
2	II	ONGC-85 IOC- 15	Phase-I (2 years)	28.08.01 to 27.08.03	2.82 (upto 31.03.08)	0	100	0	0	100	0	MBA basin WB- ONN-2000/1
3		ONGC-85 IOC-15	Phase-I (2 years)	11.12.01 to 10.12.03	4.19	0	260	0	0	453	0	Frontier basin, GV-ONN- 2000/1

4	III	ONGC-80 IOC-20	Phase-I (2 years)	29.07.03 to 28.01.06*	7.99	0	40	0	0	65	0	Assam & Assam Arakan basin AA-ONN- 2001/2
			Phase-II (3 years)	28.01.06 to 28.07.08		1	100	0	0	108	0	
5		ONGC-100	Phase-I (2 years)	04.07.03 to 03.01.06*	1.47	0	50	0	0	66	0	KG-PG basin PG-ONN-2001/1
			Phase-II (3 years)	04.01.06 to 03.07.08		1	0	0	0	0	0	
6		ONGC-100	Phase-I (2 years)	10.06.03 to 09.06.05	38.53	0	50	0	0	345	0	Frontier basin HF-ONN-2001/1
			Phase-II (3 years)	10.06.05 to 09.06.08		1	60	0	0	120	0	
7		ONGC-70 CEIL-15 CED- 15	Phase-I (3 years)	19.08.03 to 28.02.07#	46.60	4	0	120	4	0	173	Western Onshore basin CB-ONN- 2001/1
			Phase-II (2 years)	01.03.07 to 30.08.08		2	0	0	0	0	0	
8		ONGC-100	Phase-I (3 years)	01.05.03 to 30.04.07\$	17.97	1	60	0	1	70	0	Assam & Assam Arakan basin AA-ONN- 2001/1
			Phase-II (2 years)	01.05.07 to 30.04.08		1	0	0	0	0	0	
9		ONGC-85 OIL-15	Phase-I ( years)	19.12.03 to 02.06.09	17.19	5	150	60	0	0	128	Assam & Assam Arakan basin AA-ONN- 2001/3
10		ONGC-100	Phase-I (2 years)	28.04.06 to 27.04.08	0.63	0	40	0	0	0	0	Assam & Assam Arakan basin AA-ONN- 2001/4
11	IV	ONGC-60 BPCL-40	Phase-I (2 years)	31.08.04 to 30.08.06	9.69	0	0	60	0	0	223	Cauvery basin CY-ONN-2002/2
			Phase-II (3 years)	31.08.06 to 30.08.09		1	0	0	0	0	0	
12		ONGC-70 CEGB-30	Phase-I (3 years)	18.10.04 to 17.04.08*	30.37	3	0	120	0	0	205	Western Onshore basin CB-ONN- 2002/1

Report No. PA 27 of 2009-10

13		ONGC-90 OIL-10	Phase-I ( 2 years)	28.04.06 to 27.04.09	0.66	0	40	0	0	0	0	Assam & Assam Arakan basinAA-ONN- 2002/4
14	VI	ONGC-50 GSPC-40 HERAMEC-10	Phase-I ( 4 years)	20.10.07 to 19.10.11	-	2	60	32	0	0	32	Western Onshore basin CB-ONN- 2004/1
15		ONGC-50 GSPC-40 S R Ltd-10	Phase-I ( 4 years)	19.12.07 to 18.12.11	-	8	839	600	0	0	172	Western Onshore basin CB-ONN- 2004/2
16		ONGC-40 GSPC-35 ENSEARCH-25	Phase-I ( 4 years)	05.02.08 to 04.02.12	-	8	267	200	0	0	126	Western Onshore basin CB-ONN- 2004/3
17		ONGC-50 GSPC-40 HERAMEC-10	Phase-I (4 years)	05.02.08 to 04.02.12	-	2	140	70	0	0	14	Western Onshore basin CB-ONN- 2004/4
18		ONGC-80 BPCL-20	Phase-I ( years)	PEL awaited	-	3	220	214				Cauvery basin CY-ONN-2004/1
19		ONGC-80 BPCL-20	Phase-I ( years)	PEL awaited	-	3	390	375				Cauvery basin CY-ONN-2004/2
20		ONGC-100	Phase-I ( 5 years)	12.11.07 to11.11.12	-	2	1375	610		483		MBA basin PA- ONN-2004/1
21		ONGC-100	Phase-I ( 5 years)	28.09.07 to 27.09.12	-	1	1285	200				Frontier basin, GV-ONN- 2004/1
22		ONGC-100	Phase-I ( 5 years)	17.01.08 to 16.01.13	-	1	1485	100				Frontier basin, VN-ONN- 2004/1
23		ONGC-100	Phase-I ( 5 years)	17.01.08 to 16.01.13	-	1	875	100				Frontier basin, VN-ONN- 2004/2

\* including extension of six months as per the provisions of the PSC, adjustable in the next phase.

# including extension of six months and 11 days as per the provisions of the PSC, adjustable in the next phase.

\$ including extension of 6 + 6 months as per the provisions of the PSC, adjustable in the next phase.

**C. NELP blocks where the Company had participating interest but other consortium partners were the operators**

SI No.	NELP round	Block Name	Expenditure upto 31.03.07 (Rs in crore)	Participating Interest in percentage	Operator	Name of the area
1	NELP-II	MN-ONN-2000/1	16.54 (upto 31.03.08)	ONGC-20 OIL-40 GAIL-20 IOC-20	OIL	Mahanadi
2	NELP-III	RJ-ONN-2001/1	37.00	ONGC-30 OIL-70	OIL	Rajasthan
3	NELP-IV	RJ-ONN-2002/1	5.47	ONGC-40 OIL-60	OIL	Rajasthan
4	NELP-IV	AA-ONN-2002/3	1.68	ONGC-70 OIL-30	OIL	Assam Arakan
5	NELP-V	GV-ONN-2003/1	-	ONGC-51 CEIL-49	CEIL	Ganga Valley
6	NELP-V	VN-ONN-2003/1	0.83	ONGC-51 CEIL-49	CEIL	Vindhyan
7	NELP-V	RJ-ONN-2003/1	62.21	ONGC-36 ENI-34 Cairn Expl-30	ENI	Rajasthan
8	NELP-V	KG-ONN-2003/1	-	ONGC-51 CEIL-49	CEIL	KG

**Annexure -XII**  
*(Referred to in paragraph 6.7.2.1)*

**Time taken in completion of Environment Impact Assessment studies**

<b>Name of block/ NELP Round</b>	<b>Date of award</b>	<b>Date of completion of pre- drilling EIA studies (time taken)</b>
AA-ONN-2001/1 NELP-III	01.05.2003	October 2006 (42 months)
AA-ONN-2001/2 NELP-III	29.07.2003	Awaited by July 2008 (60 months)
AA-ONN-2001/3 NELP-III	19.12.2003	September 2005 (21 months)
PG-ONN-2001/1 NELP-III	04.07.2003	May 2008 (59 months)
CB-ONN-2002/1 NELP-IV	18.10.2004	March 2008 (41months)

**Annexure -XIII**  
(Referred to in paragraph 6.7.3.4)

**Details of contracts awarded for shot hole drilling and job services for seismic data acquisition work and delays in placement of order in three basins**

Basin	Field Season	GP	Name of the NELP/ Nomination block	Date of award of contract	Date of mobilisation	Delay w.r.t. 1 November to mobilisation date (in days)	Target for data acquisition	Achievement	Shortfall	Idling expenditure (Rs in crore)
MBA	2003-04	GP-84	AA-ONN-2001/1	14.11.03	08.01.04	69	100 GLK	70.16 GLK	29.84 GLK	0.31
Frontier	2004-05	GP-91	Damoh-Jabera PEL	03.12.04	19.12.04	49	250 GLK	139.10 GLK	110.90 GLK	0.13
Frontier	2004-05	GP-83	Damoh-Jabera PEL	03.12.04	16.01.05	77	250 GLK	183.70 GLK	66.30 GLK	0.18
A&AA	2005-06	GP-90	South of Geleki-Sibsagar District PEL	01.12.05	30.12.05	60	55 SKM	47.43 SKM	7.57 SKM	0.19
A&AA	2005-06	GP-10	Bhubandar-Cachar District PEL	01.12.05	31.12.05	61	40 SKM	25.26 SKM	14.74 SKM	0.31
A&AA	2005-06	GP-88	South of Manikya Nagar-Sonamora Large area PEL	08.12.05	14.01.06	75	42 SKM	27.95 SKM	14.05 SKM	0.30
MBA	2005-06	GP-17	West Tripura PEL	13.12.05	11.01.06	72	40 SKM	27.07 SKM	12.93 SKM	0.43
<b>Total</b>						<b>463</b>				<b>1.85</b>

**Annexure - XIV**  
(Referred to in paragraph 7.1.1)

**A. Brief of production and surface facilities**

**Production facilities**

- *Group Gathering Stations (GGS)*: Collection of liquid produced from nearby wells and its treatment for separation of gas, removal of water and BS&W through Separators, Heater Treaters and Bath Heaters.
- *Central Tank Farm (CTF)/Central Processing Unit (CPU)*: Storing of oil gathered from group gathering stations before transfer to consumers. The critical equipment in the installations are Bath Heaters, Heater Treaters, Separators, Pumps, Compressors and Storage Tanks.
- *Desalter Plant*: The processed oil is collected for final processing for removal of salt and BS&W before dispatched to refinery. The critical equipment are Desalter Vessels, Tanks, Pumps and Feed Heaters.
- *Gas Compressing Station (GCS)*: Gas flowing from individual wells is brought to a common facility – Gas Compressing Stations (GCS), from where after compression supplies are made.
- *Early Production System (EPS)*: Akin to a GGS used in the field which is newly discovered and where further developmental work is awaited
- *Liquefied Petroleum Gas Plant (LPG Plant)*: Natural Gas is cooled to a critical temperature of minus 40° C to extract C3-C4 in liquefied form as LPG.
- *In-situ Combustion Plant (ICP)*: It is a thermal enhanced oil recovery technique used to recover oil from heavy oil reservoir. In this technique part of the reservoir oil is burnt to reduce the viscosity of remaining oil. Compressed air is injected to the reservoir to facilitate ignition process.
- *Combined Cycle Power Plant (CCPP)*: Power is generated by use of gas for running the gas turbines which are hooked to power generators.

**Facilities for reservoir pressure maintenance**

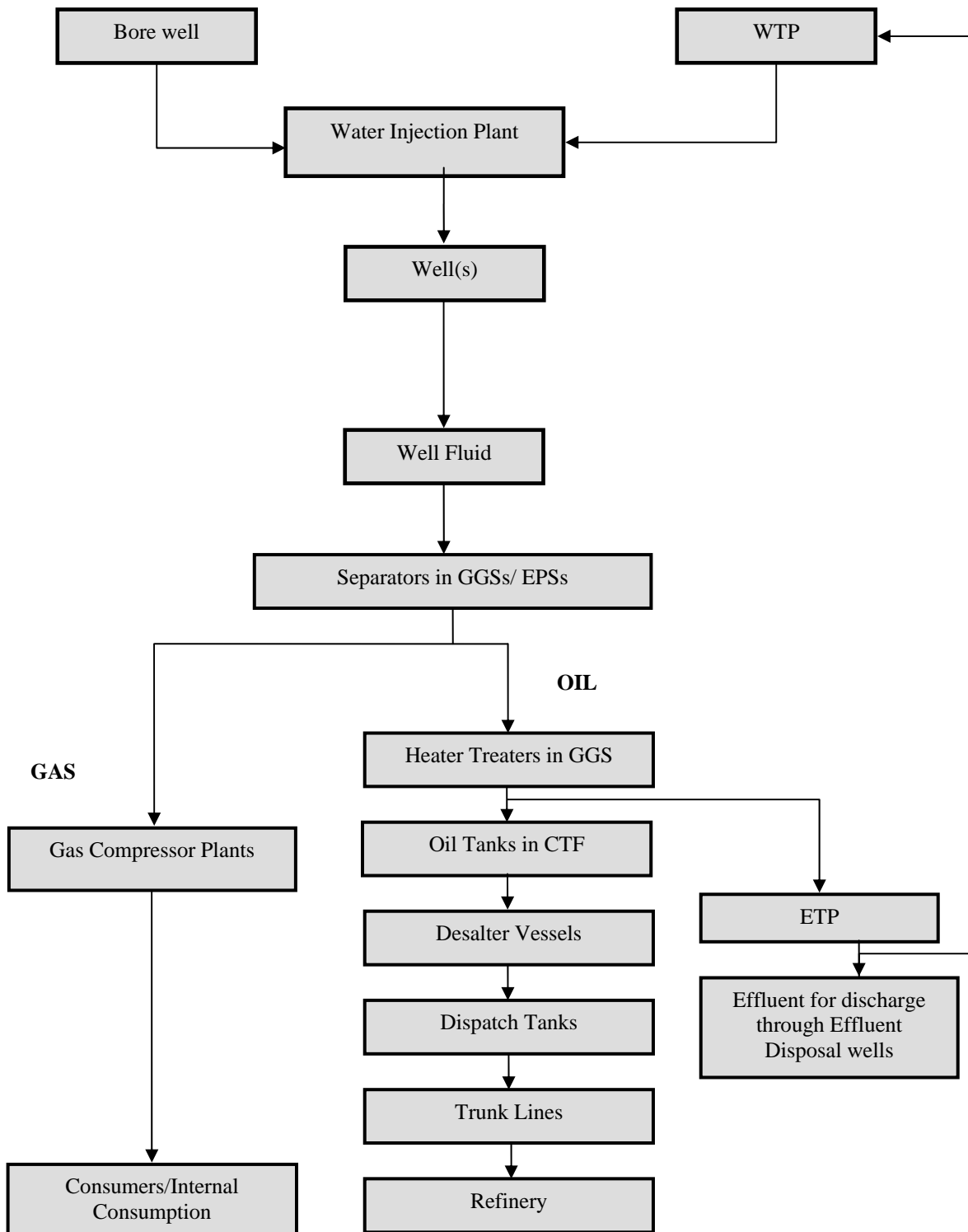
- *Water injection*: Process whereby water is injected into an oil producing reservoir to supplement the natural energy of reservoir and to improve the oil producing characteristics of the field. The critical equipment are water injection pumps.
- *Gas injection*: Process whereby compressed gas is injected into an oil producing reservoir to supplement the natural energy of reservoir.
- *Water Treatment Plant (WTP)*: Plant for treatment of water to a required specification for further usage for injection etc.

**Facilities for treatment and disposal of effluent**

- *Effluent Treatment Plant (ETP)*: To process the effluent received from GGS/CTF installation before disposal of effluents as per pollution control norms. The critical equipment are pumps and tanks.

**B. Flow chart of production, processing and transportation of oil and gas**

**FLOW CHART OF PRODUCTION**



**Annexure - XV**  
(Referred to in paragraph 7.5)

**List of production and surface installations test checked**

Sl. No.	Name of Installations		
	Ankleshwar	Ahmedabad	Mehsana
1	CTF, Ankleshwar	Desalter Plant Nawagam	Nandasani GGS-I
2	WTP Kathor	Nawagam GCP	Balol GGS-2
3	ETP, Ankleshwar	Sanand GCP	Jotana GGS
4	GGs-I, Ankleshwar	Kalol GCS	North Kadi GGS-1
5	GGs-III, Ankleshwar	Jhalora ETP	Lanwa GGS-2
6	GGs Motwan	Kalol ETP	Langej EPS
7	GCS Motwan	South Kadi CTF	North Santhal ETP
8	GCP Ankleshwar	Nawagam CTF	North Kadi ETP
9	GGs-I, Gandhar	Gamij GGS	South Santhal GCP
10	GGs-VI, Gandhar	Limbodra GGS-II	Santhal Main ICP
11	GGs Jolwa	Jhalora GGS-II	Mehsana CTF
12	EPS-253	Viraj GGS	Sobhasani CTF
13	WTP Zanor	Nawagam GGS-I	-
14	ETP Gandhar	Sanand GGS-I	-
15	GGs Kathana	Kalol GGS-IV	-
16	-	Kalol GGS-I	-

GGs – Group Gathering Station; ETP – Effluent Treatment Plant; GCP/GCS – Gas Compressor Plant;  
 EPS – Early Production System; CTF – Central Tank Farm; WTP – Water Treatment Plant;  
 ICP – *In situ* Combustion Plant

**Annexure - XVI**  
(Referred to in paragraph 7.7.1.1)

**Status of production and surface facilities as of October 2008**

Sl. No.	Name of installations	Ahmedabad (Nos.)		Ankleshwar* (Nos.)		Mehsana (Nos.)		Total
		<25 years old	> 25 years old	< 25 years old	> 25 years old	< 25 years old	> 25 years old	
1	Group Gathering Station (including water injection facility)	10	17	17	10	13	7	74
2	Central Tank Farm/Central Processing Facility	--	3	1	1	2	3	10
3	Desalter Plant	1	--	--	--	--	--	01
4	Gas Compression Plant & Gas Collection Station	3	1	5	1	1	--	11
5	Early Production System	--	--	2	1	2	--	05
6	Effluent Treatment Plant	4	--	1	1	5	1	12
7	<i>In situ</i> Combustion Plant	--	--	--	--	3	--	03
8	Combined Cycle Power Plant	--	--	1	--	--	--	01
9	LPG Plant	--	--	1	--	--	--	01
10	Water Treatment Plant	--	--	1	1	--	--	02
	<b>Total</b>	<b>18</b>	<b>21</b>	<b>29</b>	<b>15</b>	<b>26</b>	<b>11</b>	<b>120</b>

\* Include two GGS and one EPS at Cambay Sub-Asset

**Annexure - XVII**  
(Referred to in paragraph 7.7.1.2)

**Utilisation of budget**

(Rs. in crore)

Assets	2004-05	2005-06	2006-07	2007-08
<b>Ahmedabad</b>				
Budget	31.73	30.20	47.84	44.54
Actual	32.84	20.25	38.23	29.44
Percentage	103	67	80	66
<b>Ankleshwar</b>				
Budget	47.82	21.15	55.68	52.00
Actual	43.03	15.29	56.73	20.79
Percentage	90	72	102	40
<b>Mehsana</b>				
Budget	37.19	54.20	55.00	51.60
Actual	14.78	47.09	46.22	57.32
Percentage	40	87	84	111

**Annexure - XVIII**  
(Referred to in paragraph 7.7.3.1)

**Details of transit loss**

<b>Particulars</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
<b>Ahmedabad</b>				
Oil production (in MT)	1704613	1740395	1782585	1800170
Transit loss (in MT)	53496	20559	28987	28815
Percentage of transit loss	3.14	1.18	1.63	1.6
Excess percentage	2.14	0.18	0.63	0.6
Excess loss in quantity above one <i>per cent</i> (in MT)	36450	3155	11161	10813
Loss of revenue (Rs. in crore)	6.69	0.55	2.24	2.83
<b>Mehsana</b>				
Oil production (in MT)	2302574	2354097	2233330	2101177
Transit loss (in MT)	16886	59853	96166	82604
Percentage of transit loss	0.73	2.54	4.31	3.93
Excess percentage	--	1.54	3.31	2.93
Excess loss in quantity above one <i>per cent</i> (in MT)	--	36312	73833	61592
Loss of revenue (Rs. in crore)	--	7.15	21.96	22.49
<b>Ankleshwar</b>				
Oil production (in MT)	1927175	1918276	1933319	1979486
Transit loss (in MT)	17786	26843	41751	30988
Percentage of transit loss	0.92	1.4	2.16	1.57
Excess percentage	--	0.4	1.16	0.57
Excess loss in quantity above one <i>per cent</i> (in MT)	--	7660	22418	11193
Loss of revenue (Rs. in crore)	--	1.08	5.26	3.13
<b>Total loss of revenue (Rs. in crore)</b>	<b>6.69</b>	<b>8.78</b>	<b>29.46</b>	<b>28.45</b>

**Annexure - XIX**  
(Referred to in paragraph 7.7.3.6)

**Shortfall in water for fire safety requirement in six installations of Mehsana Asset**

Sl. No.	Name of the installations	Water requirement (in M <sup>3</sup> )	Present Water availability (in M <sup>3</sup> )	Shortfall (in M <sup>3</sup> )	Management's reply (October 2008)
1.	NK GGS cum CTF	683	500	183	Water storage capacity would be augmented by constructing new fire water tank.
2.	NK GGS-I	576	200	376	New fire water storage tank of 600 M <sup>3</sup> capacity was under construction.
3.	NK GGS-II	576	292	284	A new fire water storage tank of 600 M <sup>3</sup> capacity had been constructed and was in use.
4.	Jotana GGS-I	576	118	458	A new fire water storage tank of 600 M <sup>3</sup> capacity had been constructed and was in use.
5.	Lanwa-GGS-II	576	230	346	New fire water storage tank on 600 M <sup>3</sup> capacity was under construction.
6.	Unawa MTS	40	-	Shortage 40	The MTS had been given to M/s GSPC on contract.

**Observations of the OISD in Ahmedabad Asset**

- Only four double headed hydrants were in operation against requirement of 17 double headed hydrants as per OISD standard code 117.
- There were only nine fire monitors system which were not adequate for fire protection coverage for the total tank area as per the fire safety requirements. Further, out of the nine available monitors, four monitors were very old and not suitable for use. As per the review of Fire Protection Facilities carried out (January 2007) by Fire Section of Ahmedabad Asset, seven additional monitors and four replacement monitors are found essential for adequate fire protection coverage in the tank area.
- Out of 15 Hose boxes available at the installations, condition of 10 boxes was very poor due to corrosion and broken glass and were unsafe for operations.
- Drain valve were not provided in any of the foam tanks to transfer the compound in case of any leakage or any other requirement.
- Water monitors provided in the tank form area were not having adequate range and jet throw.

**Annexure - XX**  
(Referred to in paragraph 7.7.1.1 and 7.7.3.8)

**Inadequacy of facilities for processing of oil in production installations**

Name of the Installation	Audit observations	Implications	Management's reply (October 2008)
<b>Ahmedabad Asset</b>			
Jhalora GGS	Safety release valves of separators and Heater Treater were not connected to flare through common header which was in violation of OISD requirement.	In the event of discharge from safety release valve, the gas would not be routed through flare line and would be discharged to atmosphere without being flared.	The job was in progress.
Jhalora GGS	Safety manual of the Company had prescribed measurement of thickness of critical vessels as monitoring tool for ensuring safety of vessels and for monitoring of deterioration that had been caused due to corrosion. Test check at Jhalora GGS revealed that though the thickness were being measured, base data for comparison was not available for any of the separators or oil storage tanks. Consequently the purpose of measurement lost its significance.	Safe maintenance of the installation was affected as with age reduction in thickness occurs.	Base data for vessels was available with Central Workshop (CWS), Baroda. However, thickness measurement was done as per schedule and values were compared with previous measurement.
Nandej GGS	Heater Treater installed in 1999 was not being used for the purpose for separation of water and oil but was only used for heating of water which was being utilised for declogging of choked lines.	Idling of the critical equipment meant for separation of oil and water.	Nandej had no ETP and disposal facilities. However, hot water produced from Heater Treater was being used for de-clogging choked lines and well bores.
<b>Ankleshwar Asset</b>			
CTF ANK, GGS-I GDR, GGS-	Internal cleaning/bottom cleaning of the storage	Unsafe maintenance of	Work order issued for internal/bottom

Name of the Installation	Audit observations	Implications	Management's reply (October 2008)
Jolwa	tanks had not been carried out during last 10 years as per the requirements of OISD standard code 129, section 9.	the storage tanks.	cleaning of the storage tanks including inspections and repairs by Engineering Services.
GGG-III ANK, GGS Motwan.	The flare knockout drums to separate liquid from gas stream which was routed to the flare stack was not available.	Safe operation of the installation gets affected.	---
GGG I & III ANK, GGS Motwan, GGS I GDR, GGS Jolwa, GCS Motwan	The flare package system in GGS/CTF did not have auto ignition system.	In case of electricity failure the gas would not get flared till such time fire was ignited manually and during the interim period, gas would continue to be discharged in the atmosphere without being flared.	---
GGG-I ANK, GGS Jolwa, GGS Dahej	The SCADA system was being implemented in all the installation, but officials had not been trained in operating of the SCADA system to ensure data integrity.	The new control system of handling of production was not effectively put into use.	All personnel had been trained in SCADA.
CTF ANK	The remote ignition system had not been installed on bath heaters and Heater Treater.	In the event of electricity failure, manual intervention would be necessary affecting critical quality parameters.	The job of remote ignition system was being carried out by CWS, Baroda.

Name of the Installation	Audit observations	Implications	Management's reply (October 2008)
GGS-GNAQ	None of the three storage tanks had been cleaned since their commissioning in 1990, as also the storage tanks had not been colour coated since the installation, consequently they remained exposed to environmental deterioration and corrosion.	Safe maintenance of the storage tanks got affected.	All the tanks had been painted. The tanks would be cleaned when the requirement was felt necessary.
<b>Mehsana Asset</b>			
Nandasan GGS-I, Jotana GGS-I, Langej EPS, Mehsana CTF, Lanwa GGS-II, Sobhasan CTF	The flare knockout drums to separate liquid from gas stream which routed to the flare stack was not available.	Safe operation of the installation got affected.	Would be implemented in the forthcoming revamp of installations.
All seven GGS/CTF test checked	The flare package system in GGS/CTF did not have auto ignition system.	In case of electricity failure the gas would not get flared till such time fire was ignited manually and during the interim period, gas would continue to be discharged in the atmosphere without being flared.	Would be implemented in the forthcoming revamp of installations.
Nandasan GGS-I, Jotana GGS-I, NK GGS-I & Lanwa GGS-II	The pipelines had not been colour coated for segregation for flare gas, water, effluent and for high pressure and low pressure lines.	Unsafe operation of the installation.	Colour coding would be incorporated during fresh painting of remaining pipelines.
All 12 installations GGS/CTF/EPS/G CP & ETP test checked	The SCADA system was being implemented in all the installations, but no official had been trained in operating of the SCADA system to ensure data integrity.	The new control system of handling of production was not effectively put into use.	Personnel were being imparted training.
NK GGS-I, Sobhasan CTF and Mehsana	The remote ignition system had not been installed on bath heaters	In the event of electricity failure, manual	Case was under tendering stage.

Name of the Installation	Audit observations	Implications	Management's reply (October 2008)
CTF	and Heater Treaters.	intervention would be necessary affecting critical quality parameters.	
Nandasan GGS-I, Jotana GGS-I, Balol GGS-II & Lanawa GGS-II	The individual vessels had not been painted regularly for prevention of corrosion.	Unsafe maintenance of the vessels exposing them to environmental degradation.	Contract for painting was being finalised.
Lanwa GGS-II and Balol GGS-II	Breakdown hours particularly of critical equipment had not been maintained.	Decision making on maintenance requirements of critical equipment got affected.	Running hours were being maintained in log books; breakdown hours would also be maintained.
Nandasan GGS-I	Storage capacity was inadequate (1090 M <sup>3</sup> ) as compared to the daily liquid handling of 1200 M <sup>3</sup> .	Unsafe operation of the storage tanks.	Storage capacity enhancement was under tendering process.
North Santhal ETP	Stock of sludge/waste material had been very high at 300 MT in dry form and 600 MT in liquid form awaiting disposal as per GPCB norms.	This affected the health and environment and also non-compliance to GPCB regulations.	A new contract was under tendering stage for safe disposal off sludge.

**Annexure - XXI**  
(Referred to in paragraph 7.7.1.1 and 7.7.3.10 (i))

**Non-compliance to Director General of Mines Safety observations**

Name of the Installation	DGMS observation/ Month of observation	Implications	Management's reply (October 2008)
<b>Ahmedabad Asset</b>			
GGS-I, II & III Nawagam, GGS-III & VIII Kalol, GGS Wasna, GGS-WIP Nandej, GGS Nandej	Adequate number of electricians were not appointed at 8 different production installations. (February 2003)	The effective maintenance of the installation may get jeopardised and in the absence of a qualified electrician safety of the installation was jeopardised.	Adequate number of electricians was now posted.  (compliance to this observation after over five years)
GGS-I & II, Nawagam, GGS-I, Sanand, GGS-III & V, GGS-Ramol.	Pipelines were laid to transport the crude oil from wells to GGS without obtaining permission from DGMS. (May 2007)	DGMS requirement of prior approval had not been ensured.	Cases with reference to Motera, Kalol GGS-I, Ramol, Nandej, Wasna, Limbodra GGS -I, II & Gamij were under approval and action for remaining installations was in hand.
GGS-II, Nawagam, GGS-I, Kalol & GGS-I, Sanand	Suitable type of transformer considering the hazardous zone had not been installed in the heater treater. (June 2005)	Transformers suitable for hazardous duty were required to be installed in absence of which safety of the installation was put to risk.	All heater treaters are made by Central Workshop, Vadodara. Design modification had already been done and all new heater treaters were now equipped with flameproof transformers. In view of the limited capacity of CWS, old cases would also be taken up.
GGS-Motera & GGS-Ramol	The cold flare discharge from flare line was being collected at a pit. (May 2006)	The practice followed was unsafe from health and environment point of view.	Indent for Motera GGS and Ramol GGS for installation of complete flare system had been placed on Engineering Services.
GGS-II, Kalol	Online gas detection system had not been installed for the heater treater. (December 2004)	In case of abnormal leakages of hazardous gases, safety and health of the operating staff would be put to risk.	Applied for exemption from DGMS.

Name of the Installation	DGMS observation/ Month of observation	Implications	Management's reply (October 2008)
GGs-Motera, GGS-II, Limbodra, GGS-VII, Kalol	Permission for laying of GGS had not been renewed. (February 2008)	Mandatory and statutory requirement of DGMS had not been complied.	Applied for renewal of permission. GGS-MTR 23.03.2008 GGS-II LMB 01.04.2008 Application for other installation was in progress.
<b>Ankleshwar Asset</b>			
GGs 03, 04 & 06, Ankleshwar	Fire hydrant ring was not provided. (January 1999)	The safe operation of the installation may get jeopardised.	Fire hydrant ring was provided. (Compliance after eight years)
GGs-6 & GGS-3, Ankleshwar, GGS-7, Gandhar	Copy of the plan showing the details of all connected Wells of the GGS and the pipeline lay out along with location of various Wells were not maintained and displayed at the Installation. (March 2003)	The safe maintenance of the pipeline and quick identification and repair of leakages got difficult and delayed.	Was being maintained.
GGs-1 & GGS-3, Ankleshwar, GGS-3, Gandhar	Gas Detection System with audio visual alarm was not found at Installation. (December 2003)	In case of abnormal leakages of hazardous gases, safety and health of the operating staff would be put to risk.	Gas was being measured by portable gas detectors. DGMS also agreed to drop this observation during preparation of draft OMR. Once draft OMR was approved, this observation would be dropped.
GGs-1, 5 & 6, Gandhar, GGS-GNAQ, EPS-Jambusar, Jolwa GGS-1	No Electrical Supervisor was appointed in the GGS to supervise the electrical installation. (December 2003)	The effective maintenance of the installation may get jeopardised and in the absence of a qualified electrician safety of the installation was jeopardised.	Now posted.
GGs-Dabka, EPS-Jambusar, GGS-5, Gandhar	Medium voltage equipment such as oil dispatch pumps, effluent pumps and fire pumps installed were found in operation without reporting safety provisions of equipment to DGMS. (December 2003)	Equipment suitable for hazardous duty were required to be installed in absence of which safety of the installation was put to risk.	Fresh approval would be obtained after revamping.

Name of the Installation	DGMS observation/ Month of observation	Implications	Management's reply (October 2008)
<b>Mehsana Asset</b>			
North Kadi GGS-III, Sobhasan GGS-II	Four numbers HT transformer and junction boxes were found installed in hazardous area near North Kadi GGS-III and Five numbers HT transformers and junction boxes near Sobhasan GGS-II. (August 2004)	Transformers and junction boxes suitable for hazardous duty were required to be installed in absence of which safety of the installation was put to risk.	Asset was also taking initiative to cover all such equipment (installed in hazardous zones) in flame proof enclosure. The case had also been taken up with CWS, Baroda for getting DGMS approval.
North Kadi GGS/CTF	The gas being burnt through flare on the ground level without providing remote control electrical ignition device. (March 2005)	In case of electricity failure the gas would not get flared till such time fire was ignited manually and during the interim period, gas would continue to be discharged in the atmosphere without being flared.	9m high flare stack installed. Remote controlled ignition device would be installed during forthcoming revamping.
13 Installations	As per Oil Mines Regulations 1984 vide chapter-VIII clause 75, no electrical appliances, equipment, machinery including lighting apparatus should be used in zone "O" hazardous area without specific approval of DGMS. This requirement had been violated as observed by DGMS. There were 13 observations issued by the DGMS highlighting the use of transformer, DG sets and other electrical equipment, which were in operation in various installations without having approval from the DGMS (July 2005 to January 2006)	Mandatory and statutory requirement of DGMS had not been complied.	Asset was also taking initiative to cover all such equipment (installed in hazardous zones) in flame proof enclosure. Application had been submitted to DGMS.

#### Age-wise analysis of pending DGMS observations as on March 2008

Year	No. of pending observations		
	Mehsana (as on March 2008)	Ahmedabad (as on March 2008)	Ankleshwar (as on March 2008)
Earlier to 2004-05	--	10	39
2004-05	07	07	23
2005-06	26	08	29
2006-07	13	12	12
2007-08	21	53	--
<b>Total</b>	<b>67</b>	<b>90</b>	<b>103</b>

**Annexure - XXII**  
(Referred to in paragraph 7.7.1.1 and 7.7.3.10 (iii))

**Non-compliance status of Oil Industry Safety Directorate observations**

<b>Name of the Installation</b>	<b>Observations/Month of Observation</b>	<b>Implications</b>	<b>Management's response as of October 2008</b>
<b>Ahmedabad Asset</b>			
Jhalora GGS-II	Safety release valves of separators and heater treater had not been connected to flare through common header in line with OISD –STD-106. (March 2007)	Unsafe operation of the installation.	The job was in progress.
Jhalora GGS-II	Earthing of manifold was not proper and safe. (March 2007)	Unsafe operation of the installation.	New earthing pits had been constructed.
GGS Nandej	The fire monitoring system was not adequate in line with OISD-STD-189. (April 2007)	Safe operation of the installation got jeopardised.	Action for procurement of jockey pumps was in hand.
Nawagam CTF	All single headed fire hydrants to be replaced with double headed fire hydrants. (November 2006)	Safe operation of the installation got affected.	Requirement of double headed fire hydrants had been covered in revamping of F/F system at CTF.
<b>Ankleshwar Asset</b>			
Ankleshwar CTF	Heavy rusting was observed in the lower portion of shell of all the active tanks for which remedial action had not been taken. (May 2003)	Effective maintenance of the tanks had been overlooked.	Surface preparation and painting had been taken up for all the CTF tanks.
GGS – GNAQ	Remote ignition system not fitted to heater treater. (February 2002)	Unsafe operation of the installation.	The task of installing remote ignition system and heater treaters had been assigned to CWS, Vadodara and they were taking up this issue on priority basis.
GGS-03 – GAN	No record of tank inspection was available. Thickness etc. to be recorded and checked with the base date. (October 2002)	Requirement of OISD was not complied.	Was being taken up by an external agency hired for this purpose.
GGS-02 – GAN	Level indicator of crude storage tank was not operating. (June 2004)	Unsafe operation of the installation.	Level indicator had been made functional.

Name of the Installation	Observations/Month of Observation	Implications	Management's response as of October 2008
GGs – DABKA	Remote Ignition System on Emulsion Heater was not provided. (January 2005)	Safe operation of the installation got affected.	The task of installing remote ignition system and heater treaters had been assigned to Central Workshop, Vadodara and they were taking up this issue on priority basis.
EPS – ANDADA	Remote ignition system on indirect bath heater was not provided. (January 2005)	Safe operation of the installation got affected.	Was being taken up by CWS, Vadodara.
EPS – ANDADA	Internal inspection, NDT and hydro test not conducted on bath heater. (January 2005)	Requirement of OISD was not complied.	It would be taken up shortly. This was a single well installation and production from this well was not continuous during the past. Presently it was running.
GGs-01 – ANK	Inspection of tanks as per OISD-STD-129 was not done. (May 2001)	Requirement of OISD was not complied.	Being taken up by an external agency hired for this purpose.
GGs -06 – ANK	Internal inspection of tanks not done in line with OISD-STD-129. (July 2002)	Requirement of OISD was not complied.	Was being taken up by an external agency hired for this purpose.
<b>Mehsana Asset</b>			
Sobhasan GGS/CTF	No jockey pump (firefighting pumps) was available on the fire main system and hence the fire ring main was not under pressure. Fire water network was not kept pressurised as per OISD-STD-117. (August 2002)	Unsafe operation of the installation.	Jockey pump had been installed and working since March-2008. (Delay of six years in implementation)
Sobhasan GGS/CTF	Tanks were not being inspected in line with OISD-STD-129. (August 2006)	Requirement of OISD was not complied.	Rolling plan was being prepared. However, few tanks were being inspected during their cleaning and repair. These tanks were inspected during need base R&M jobs.

<b>Name of the Installation</b>	<b>Observations/Month of Observation</b>	<b>Implications</b>	<b>Management's response as of October 2008</b>
Becharaji GGS-III	Flame arrestor on heater treater No. 51-V-002-C was blinded completely. Flame arrestor should be replaced. The compliance to the observation was completed only in December 2007 as against the observation which was issued in July 2003, after a delay of four years. (July 2003)	Requirement of OISD was not complied.	Flame arrestor replaced in December 2007. The delay occurred due to delay in procurement of fire tube from CWS, Baroda.
North Santhal ETP	Ultrasonic thickness gauging of tanks and pipelines of the ETP was done in February 2004. Reports indicated pinholes in chemical tanks and appreciable thickness reduction. (February 2004)	Unsafe operation of the installation.	Chemical tanks were replaced in June 2008 and were in operation.
Balol Main	Ultrasonic thickness measurement had not been done for water storage tanks and pressure vessels. (June 2005)	Requirement of OISD was not complied.	Next thickness measurement was due in June 2008. Contract for thickness measurement was being finalised. Measurement in Balol Main would be done on priority.
North Santhal CTF	Maintenance and internal inspection of crude storage tank had not been done as per OISD-STD-129. (August 2007)	Requirement of OISD was not complied.	Tanks could not be inspected internally as storages capacity was limited and it was very difficult to spare a tank for long.
North Santhal CTF	Hydro test of pressures vessels had not been carried out in line with OMR guidelines. (August 2007)	Requirement of OISD was not complied.	Awarding the job to third party for hydro testing was in planning stage.
Lanwa ETP, North Santhal CTF, North Kadi CTF	Records of training matrix had not been maintained at the installation to monitor the requirement of training to person, including refresher training. (August 2007)	Requirement of OISD was not complied.	Was being done.

Name of the Installation	Observations/Month of Observation	Implications	Management's response as of October 2008
North Kadi CTF	All six tanks (D=12m and H=8m) having storage capacity of 900 M <sup>3</sup> each were located in a single dyke without provision of firebreak walls. Moreover, slope of dyke was in the centre leading to accumulation of oil and water below the piping manifold inside the dyke. Dyke drainage system had not been routed through slop tank to handle oil spillage. (August 2007)	Unsafe operation of the installation.	Since the installation was very old and having lot of piping in the tank area, feasibility was being studied to construct fire break wall inside the dyke. Slope had been reversed towards dyke wall.
North Kadi CTF	Cooling for exposure protection of other crude oil storage tanks falling outside a radius of (R+30)M from centre of the tank on fire and situated in the same dyke should be at the rate of one lpm/m <sup>2</sup> or three lpm/m <sup>2</sup> water spray density. This requirement had not been complied till date. (August 2007)	Unsafe operation of the installation.	Re-tendering was being done for revamping of fire water system.

### Age-wise analysis of pending OISD observations as on March 2008

Year	No. of pending observations (as on 31 March 2008)		
	Mehsana	Ahmedabad	Ankleshwar
Earlier to 2004-05	01	--	18
2004-05	--	01	09
2005-06	06	--	--
2006-07	18	09	09
2007-08	59	--	11
<b>Total</b>	<b>84</b>	<b>10</b>	<b>47</b>

**Annexure-XXIII**  
(Referred to in paragraph 8.2)

**Status of NEEPCO projects**

Project Name	Capacity (MW)	Scheduled Date of Commissioning	Actual Date of Commissioning	Status
1.Kopili H.E. Project Stage-II	25	July 2003	July 2004	Completed
2.Tuirial H.E. Project	60	July 2006	-	Construction activities suspended from June 2004 initially due to agitation by TCCA and then due to price escalation. . The balance work was proposed to be completed within three years from the date of resumption of the works.
3.Kameng H.E. Project	600	November 2009/ March 2011	-	Under execution.
4.Tipaimukh H.E. Project	1500	*	-	TEC at Rs 5164 crore was accorded by CEA in July 2003. However, CCEA approval is awaited as forest clearance from MoEF is pending.
5.Ranganadi H.E. Project Stage-II	130	*	-	TEC is pending and MOA has not been signed by the state government.
6.Pare H.E. Project	110	*	-	TEC at Rs. 553 crore was accorded by CEA in September 2007. However, CCEA clearance is awaited as note to CCEA has not been submitted by MOP till July 2008.
7.Tuivai H.E. Project	210	*	-	Partially Handed over to Govt. of Mizoram in July 2008.
8.Lower Kopili H.E. Project	150	*	-	To be handed over to the Govt. of Assam as decided in November 2006.

*\* Approval of CCEA, which indicates date of commissioning, not yet received*

**Annexure-XXIV***(Referred to in paragraph 8.2)***10<sup>th</sup> Plan outlay vis-a-vis actual expenditure of NEEPCO projects****(Rs. in crore)**

Sl. No.	Project	10 <sup>th</sup> Plan outlay	Actual expenditure upto 31.03.2008	Expenditure upto 31.03.2007	
				Budgeted	Actual
1.	Tuirial HEP (60 MW), Mizoram	255	194.38	272.72	112.76
2.	Kopili H.E.-2nd Stage (25 MW), Assam	33.49	88.91	54.19	30.23
3.	Kameng H.E. Project (600 MW ), Arunachal Pradesh	1000	660.13	1018.38	529.26
4.	Tuivai HEP (210 MW ), Mizoram	790.20	17.50	56.00	-
5.	Tipaimukh HEP (1500 MW), Manipur	250.00	7.51	165.00	4.08
6.	Lower Kopili HEP (150 MW ), Assam	50.00	1.59	17.23	-
7.	Pare HEP (110 MW), Arunachal Pradesh	30.00	5.83	68.00	6.64
8.	Ranganadi HEP St-II (130 MW )	100.00	7.58	55.00	8.35
<b>Total</b>		<b>2508.69</b>	<b>983.43</b>	<b>1706.72</b>	<b>691.52</b>

**Annexure – XXV**  
(Referred to in paragraph 8.2)

**Statement showing status of utilisation of funds allocated in 10<sup>th</sup> Plan (NHPC)**

Rs. in crore						
Sl. No.	Project	10 <sup>th</sup> Plan Outlay	Expenditure upto 31.03.07		Expenditure (2007-08)	
			Budgeted	Actual	Budgeted	Actual (Prov.)
1	Teesta-V (510 MW)	1856.59	1810.13	1846.12	304.00	302.45
2	TLDP-III (132 MW)	854.19	628.10	391.36	240.00	266.45
3	TLDP-IV (168 MW)	894.70	318.26	95.82	153.00	137.47
4	Subansiri Lower (2000 MW)	4825.00	1709.96	1505.01	454.00	452.19
5	Subansiri Middle (2000 MW)	967.26	79.38	22.30	1.00	0.82
6	Subansiri Upper (2500 MW)	50.00	62.75	21.60	2.00	1.63
7	Siang Lower (1700 MW)	606.73	52.88	30.50	-	2.26
8	Siang Middle (1000 MW)	525.49	345.43	37.18	-	2.04
9	Siang Upper	50.24	32.58	19.90	-	1.06
10	Loktak Downstream (90 MW)	150.00	37.90	11.95	5.00	0.78
11	Koel Karo (710 MW)	471.16	45.46	14.95	-	-
12	Farakka Barrage (125 MW)	1108.31	11.00	1.06	-	-
13	Purulia PSS (900 MW)	395.50	437.85	----	-	-
<b>Total</b>		<b>12755.17</b>	<b>5571.68</b>	<b>3997.75</b>	<b>1159.00</b>	<b>1167.15</b>

**Annexure - XXVI**  
(Referred to in paragraph 8.2)

**Status of NHPC Projects**

Particulars	Capacity (in MW)	Scheduled date of commissioning	Anticipated/ actual date of commissioning	Remarks
1. Teesta V	510	February 2007	April 2008	The project was completed with a time over run of 13 months
2. TLDP - III	132	March 2007	September 2009	The progress of work was hampered due to delay in handing over land, slope failure in power house, flash flood and non-availability of civil/work fronts. 72 per cent civil work, 47 per cent H & M work and 60 per cent E & M work was completed upto 31-03-08
3. TLDP - IV	168	September 2009	August 2010	The progress of work was hampered due to delay in handing over forest land and flash flood. Only 24 per cent of civil work has been completed upto 31-03-08
4. Subansiri Lower	2000	September 2010	January 2012	The progress of the work was badly hampered due to delay in handing over land, for non-availability of MoEF clearance, landslides at surge shaft adit portal and powerhouse. No MOU has also been signed with the GoAP. 24 per cent of Lot 1, 15 per cent of Lot 2, nine per cent of H & M and 22 per cent of E & M work was completed upto 31-05-08.
5. Lower Siang	1600	*	—	Handed over to private party
6. Siyom/ Middle Siang	1000	*	—	Handed over to private party
7. Koel Karo	710	(CCEA approval was in 1981)	—	Abandoned due to non-signing of PPA with Jharkhand Government after bifurcation of Bihar (November 2000) and agitation by project affected persons demanding adequate compensation leading to non-acquisition of land
8. Farakka Barrage	125	*	—	Abandoned due to unviability of project right from beginning.

9. Purulia Pumping Station	900	*	-	The scheme was dropped from capacity addition programme of NHPC as per the decision of Government of West Bengal
10. Subansiri Middle	2000	*	-	DPR not submitted as the proposal for stage -II site clearance was rejected on the basis of recommendation of Indian Board for Wild Life (IWBL), which was subsequently (April 2004) reaffirmed by the Hon'ble Supreme Court.
11. Subansiri Upper	2500	*	-	-Do-
12. Siang Upper/Intermediate	11000	*	-	Survey and Investigation work was badly hampered and ultimately stopped due to protest and threat by local residents and fate of the project is uncertain after transfer of Lower/Middle Siang to private developers.
13. Loktak Downstream	90	*	-	The construction work of the project was not commenced due to non-availability of adequate security. For arrangement of security, the project cost is likely to be increased by Rs.100 crore which eventually affected viability of the project. However it was decided (October 2006) to form a joint venture of NHPC and Government of Manipur to implement the project for which MOU was signed in September 2007.

\* All these projects were not cleared by CCEA.

## Annexure – XXVII

(Referred to in paragraph 8.3)

## Statement showing main reasons for delay in clearance

Name of the project	Date of handing over of the project to Company	Date of final clearance by CCEA / MoEF	Time taken for clearances	Approved project cost (Rs. in crore)	Reasons for delays
Subansiri Lower	March 2000	October 2004	40 months	6285.33	<ul style="list-style-type: none"> <li>• CEA gave TEC clearance after 19 months against the norms of three months from the date of submission of DPR. This delay was due to submission of incomplete information by the Company. DPR was submitted in June 2001 while approval was accorded in January 2003.</li> <li>• Time taken by CCEA for according the approval from the date of PIB clearance was six months against norm of one month. This was due to delay in putting up the note to CCEA by MOP.</li> <li>• MoEF took 16 months from the date of 'in principle' Forest Clearance for according final Forest Clearance against norms of 2 months leading to delay of 14 months. This delay was due to delay in raising of queries by State Department (4 months), delay in submission of reply (4 months), revoking of Stage –I and Stage –II clearance given earlier and delay in giving final clearance (8 months)</li> </ul>
Teesta –V	January 1997	February 2000	37 months	2198.04	15 months delay by CEA in according TEC
TLDP-III	November 2000	April 2004	46 months	768.92	Delay in forest clearance (17 months) due to NPV issue, delay in fixation of date of public hearing, delay in diversion of forest lands and incomplete form
TLDP-IV	November 2001	March 2006	63 months	1061.38	Time taken for stage II forest clearances was 26 months due to issues related to National Highway and Mahananda Wild life Sanctuary. This could have been reduced had the State Forest Department clearly indicated necessity of shifting the site initially instead of taking 18 months. MoEF gave final Forest clearance 13 months after 'in principle' approval of the project.

**Annexure – XXVIII**  
(Referred to in paragraph 8.3)

**Status of clearances for HEPs during 10<sup>th</sup> Plan**

Sl. No.	Name of project	Date of handing over	Date of final clearance by CCEA/ MOEF	Project cost (Rs. in crore )	Time taken for clearance	Reasons for delays
1	Kameng HEP	March 1999	December 2004 (CCEA)	2496.90	68 months	CWC prepared the DPR in 1982. Initially the project was handed over to NEEPCO in August 1989. TEC was obtained from CEA in October 1991. In October 1992, the State Government handed over the project to private developer, but as there was no progress in execution, the project was again handed back to NEEPCO in March 1999. RCE was approved by CEA in April 2000 and in 2003 PPA with Governments of Arunachal Pradesh and Assam were signed in May 2004 and September 2004 respectively. PIB recommended in April 2004 but the Note for CCEA was prepared by MOP only in November 2004.
2	Tuirial HEP	May 1996	March 2000 (MOEF)	368.72	46 months	CWC prepared the DPR in 1991. In May 1996, the project was handed over to NEEPCO. NEEPCO submitted the revised DPR in December 1996. PIB recommended (January 1998) the proposal to CCEA and CCEA in turn approved in July 1998. TEC from CEA was obtained only on August 1998. Delay was mainly due to delay in receipt of 2 <sup>nd</sup> Stage forest Clearance from MOEF.
3	Tipaimukh HEP	January 2003	Pending		---	TEC from CEA was received in July 2003. PIB cleared the project in January 2006 EIA/EMP reports needed additional information and recommendation of Govt. of Mizoram for forest clearance which was still pending.
4.	Ranganadi St II HEP		Pending		-	DPR submitted in March 2006 but TEC is pending since MOU was not signed with the state government. 2 <sup>nd</sup> Stage MOEF clearance was received in August

						2003.DPR submitted in March 2006 was returned by CEA in April 2006 due to unviable high tariff. Authorization for S & I activities was extended upto March 2008.
5.	Pare HEP		Pending			DPR was submitted in December 2005, but TEC was received in September 2007 due to inadequacy in DPR and non-signing of MOU (September 2006) with State Government. PIB recommended (January 2008) to CCEA.
6.	Lower Kopili HEP	October 2002	Pending. Project handed over			Following a decision (June 1996) of Government of Assam, MOP authorised (October 2002) NEEPCO to establish, operate and maintain the 150 MW capacity Lower Kopili HEP project at a cost of Rs. 638.89 crore. However, on the request of Government of Assam (April 2006), NEEPCO decided (December 2006) to hand over the project to Assam State Electricity Board subject to recovery of expenditure of Rs.1.60 crore incurred by the company on survey and investigation and preparation of feasibility report. Handing over process has not yet (October 2008) been completed
7.	Tuivai HEP	May 1996	Pending Project handed over			For execution of the Tuivai HEP (210 MW), NEEPCO signed (May 1996) an MOU with the Government of Mizoram. For Stage-I activities, the company was given (March 2000) Rs.20 crore by the GOI. The company completed the infrastructural and S&I work in 2002 at a cost of Rs.17.46 crore. However, on a request by Government of Mizoram (June 2004), the company partially handed over documents and assets of the project in July 2008. The modalities for settlement of account with the

						State Government have, however, not been worked out (October 2008).
8.	Kopili Stage II HEP		July 1999	Original Cost Rs.76.09 crore and Actual Rs.95.02 crore.		-

**Annexure - XXIX**  
(Referred to in paragraph 8.4.2.1)

Statement showing schedule & progress of works in Kameng HEP								
Particulars of Work	Unit	Schedule		Quantity		Quantity to be executed till 31.03.2008 as per revised schedule	Actual quantity executed till 31.03.2008	Percentage (%)
		Original	Revised	Original	Revised			
<b>Bichom Dam</b> -Excavation and Concreting	CUM	Aug-09	Dec-09	591035	726000	452038	294442	65.14
<b>HRT</b> -Face I to Face VIII	RM	May-09	Jul-10	14477.5	14477.5	6682	4520	67.64
<b>Power House</b>								
(a) Excavation	CUM	Aug-09	Sep-07	835000	1050000	1050000	952411	90.71
(b) Concreting	CUM	Aug-09	Aug-08	30600	30600	18831	104	0.55
<b>Surge shaft</b>								
(a) Boring	CUM	Aug-08	Mar-08	43000	43000	43000	26036	60.55
(b) Lining	RM	Aug-08	Jun-08	70	70	65	18	28.17
<b>HPT</b>								
(a) Supply and Fabrication	MT	Feb-09	Jun-10	16174	16174	To be commenced from Nov 08	0.00	0.00
(b) Boring	RM	Feb-09	Nov-08	596.16	596.16	298	343	115.02
(c) Penstock	RM	May-09	May-10	1440	1464.4	To be commenced from Aug 08	0.00	0.00
<b>Tenga Dam</b>	CUM	Nov-08	Oct-10	72600	165000	54396	25810	47.45
<b>Package-IV</b> (Hydro-mechanical works)		Progress of work is minimum.						
<b>Package-V</b> (Electro-mechanical works)		Work is under progress.						
<b>Package-VI</b> (switchyard)		Bid opened on 10/04/2007. Techno-commercial evaluation is under progress. Price bid opened on 09/06/2008.						
<b>Package-VII</b> (Transformer)		LOI was issued to BHEL on 28/03/2008.						

**Annexure - XXX**  
(Referred to in paragraph 9.5.2)

**A Sub-office-wise list of cases of sale of land**

<b>S. No.</b>	<b>Gujarat</b>	36.	Kaleeswarar Mills - Parcel B
1	Rajkot Textile Mill	37.	Balarama Varma Textile Mills
2	Himadri Textile Mill	38.	Kothandarama Textile Mills
3	Jehangir Textile Mill	39.	Swadeshi Cotton Mills
4	Ahmedabad Jupiter Textile Mill	40.	Sri Bharathi Mills
5	Viramgam Textile Mill		<b>South Maharashtra</b>
	<b>Delhi Punjab &amp; Rajasthan</b>	41.	Apollo Textile Mills - Main Portion
6	Ajudhia Textile Mills	42.	Apollo Textile Mills - Parcel 1
7	Edward Mills	43.	Apollo Textile Mills - Parcel 2
8	Udaipur Cotton Mills	44.	Apollo Textile Mills - Parcel 3
9	Shree Bijay Cotton Mills	45.	Apollo Textile Mills - Parcel 4
10	Kharar Textile Mills	46.	Apollo Textile Mills - Parcel 5
11	Suraj Textile Mills	47.	Apollo Textile Mills - Parcel 6
12	Panipat Woollen Mills	48.	Bungalow at Napean Sea Road
	<b>West Bengal Assam Bihar &amp; Orissa</b>	49.	Mumbai Textile Mills
13	Laxmi Marayan Cotton Mills	50.	Mumbai Textile Mills - Mathura land
14	Orissa Cotton Mills	51.	Mumbai Textile Mills - New Jack Printing Press
15	Bengal Laxmie Mills	52.	Elphinstone Mill
16	Bengal Fine Mills, No.I	53.	Chawl of Elphinstone Mills
17	Bangasree Ccton Mills	54.	Six flats in the chawl of Elphinstone Mills
18	Central Cotton Mills	55.	Jupiter Textile Mills
19	Jyoti Weaving Mills	56.	Bungalow of New City Mill at Worli
20	Sree Mahalaxmi Cotton Mills	57.	Barshi Textile Mill
21	Gaya Cotton & Jute Mills	58.	Dhule Textile Mill
22	Rampuria Cotton Mills	59.	Chalisingaon Textile Mill
23	Kanoria Industries (part of Bengal Fine No.I)	60.	Nanded Textile Mill - Hingoli Land
	<b>Tamil Nadu &amp; Pondicherry</b>	61.	Aurangabad Textile Mill - Parcel A
24	Pankaja Mills - Parcel A	62.	Aurangabad Textile Mill - Parcel B
25	Pankaja Mills - Parcel B	63.	Aurangabad Textile Mill - Parcel C
26	Pankaja Mills - Parcel C		<b>Maharashtra North</b>
27	Coimbatore Murugan Mills- Parcel A	64.	Tata Mills
28	Coimbatore Murugan Mills- Parcel B	65.	Kohinoor Mill No. 3
29	Sri Sarada Mills - Parcel A	66.	RBBA Mills, Hinghanghat
30	Sri Sarada Mills - Parcel B	67.	Savatram Ramprasad Mills
31	Sri Rangavilas Mills - Parcel A	68.	Model Mills, Nagpur - Main Portion
32	Sri Rangavilas Mills - Parcel B	69.	Model Mills, Nagpur - Part 1
33	Om Parasakthi Mills	70.	Model Mills, Nagpur - Part 2
34	Kishnaveni Textile Mills	71.	Model Mills, Nagpur – Part3
35	Kaleeswarar Mills - Parcel A	72.	Model Mills, Nagpur - Part 4

73	Model Mills, Nagpur - Part 5	77.	RSRG Mohta Mills - Part 3
74	Model Mills, Nagpur - Part 6	78.	RSRG Mohta Mills - Part 4
75	RSRG Mohta Mills - Part 1	79.	Vidarbha Mills
76	RSRG Mohta Mills - Part 2		

**B Sub-office-wise list of cases of sale of buildings**

	<b>Gujarat</b>	16.	Bengal Fine Mills, No.II
1.	Rajkot Textile Mill	17.	Bangasree Cttion Mills
2.	Himadri Textile Mill	18.	Central Cotton Mills
3.	Jehangir Textile Mill	19.	Jyoti Weaving Mills
4.	Ahmedabad Jupiter Textile Mill	20.	Sree Mahalaxmi Cotton Mills
5.	Viramgam Textile Mill	21.	Gaya Cotton & Jute Mills
6.	Petlad Textile Mill	22.	Rampuria Cotton Mills
7.	New Manekchowk Textile Mill		<b>Tamil Nadu &amp; Pondicherry</b>
8.	Mahalaxmi Textile Mill	23.	Coimbatore Spinning & Weaving Mills
9.	RajNagar Textile Mill No.2	24.	Sri Rangavilas Mills - Parcel B
10.	Ahmedabad New Textile Mills	25.	Om Parasakthi Mills
11.	Fine Knitting Mills	26.	Kishnaveni Textile Mills
	<b>Delhi Punjab &amp; Rajasthan</b>	27.	Kaleeswarar Mills - Parcel A
12.	Ajudhia Textile Mills	28.	Somasundaram Mills
13.	Edward Mills	29.	Swadeshi Cotton Mills
	<b>West Bengal Assam Bihar &amp; Orissa</b>	30.	Sri Bharathi Mills
14.	Bengal Laxmie Mills		<b>Maharashtra North</b>
15.	Bengal Fine Mills, No.I	31.	RSRG Mohta Mills - Part 1

**Annexure – XXXI**  
{Referred to in paragraph 9.7.3}

**Cases of defects in tender document**

Sl. No.	Name of the property	Audit Observation
1.	Plant and Machinery of Model Mill Nagpur with structural materials of various sheds	The highest bid of Rs.10.82 crore was accepted against the public tender in July 2005 with an EMD of Rs.90 lakh. Due to ambiguity in the tender document, bidder claimed certain items, which were denied by the Company. ASC observed (February 2006) that if the advantage of ambiguity in the tender document was allowed to the bidder, the Company would lose more than Rs.1.60 crore. As such, ASC decided to cancel the bid and refund the EMD of Rs.90 lakh.
2.	Plots of RSRG Mill, Akola and Model Mill, Nagpur	In both the cases, Floor Space Index of the plots was wrongly disclosed in the tender documents. This led to cancellation of tenders after acceptance of highest bid. This resulted in refund of EMD of Rs.1.03 lakh and Rs.45 lakh.
3.	Ginning & Pressing Factory of RBBA Mill, Hinghaghat	Rule 84 of the Maharashtra Land Revenue Code – Vol. II provides that in case of assignment of lease hold rights, 50 <i>per cent</i> of the sale proceeds should be paid to the State Government. However, the company finalised the sale of these three leased parcels of land from January 2003 to October 2003 without incorporating the condition in the tender for payment of this amount by the purchaser. On the demand being raised by the concerned District Collector and subsequent litigation on the issue, the Company could not receive the sale consideration. In case No. 3, the deal was cancelled and the sale value of Rs.40.07 lakh was refunded as per the Hon'ble High Court Order. The matter is sub-judice in Case No.4 and in Case No.5 the buyer agreed to pay additional premium of 50 <i>per cent</i> as finally determined by the Court.
4.	Plot with bungalow of RBBA Mill, Hinghaghat	
5.	Vacant area from Labour chawl of Model Mill, Nagpur	
6.	Tenders for sale of land in Rajasthan (three cases)	The Government of Rajasthan had exempted (July 2001) sale of land of NTC mills in Rajasthan from payment of stamp duty charges (11 <i>per cent</i> of sale consideration). In the tender documents for sale of land of three mills in Rajasthan <i>i.e.</i> , Edward Mill, Beawar, Shree Bijay Cotton Mill, Bijainagar Udaipur Cotton Mill, Udaipur, however, the Company mentioned that sale was not exempted from payment of stamp duty. The stamp duty in these mills was Rs.2.51 crore.
7	Coimbatore Murugan Mills, Coimbatore	As per the Company guidelines, with effect from March 2003, interest at SBI PLR plus four <i>per cent</i> was chargeable on delayed receipt of sale proceeds beyond due dates. However, in the tender document for sale of land of Coimbatore Murugan Mills (January 2004), the above clause was mentioned as SBI PLR minus four <i>per cent</i> . The successful tenderer did not settle the balance amount of Rs.68 lakh within the due date and got extension for payment. Against the chargeable interest of Rs.1,51,323/- in accordance with the guidelines only Rs.66,370/- was recovered as interest for the delayed period of 57 days.

**Annexure – XXXII**  
(Referred to in paragraph 9.7.7)

**Cases of sale without following the tendering process**

Sl. No.	Particulars of the Property	Audit Observation
1.	4,080.30 square metre of land of Mumbai Textile Mill.	<p>The land was sold to the existing occupier (M/s New Jack Printing Works) in March 2007 at Rs.17.50 crore. It was observed that the main land of the mill was sold at the rate of Rs.1.06 lakh per square metre in 2005. Even if this rate was considered, the valuation should have been Rs.43.25 crore. Thus, undervaluation of land had resulted in loss of Rs.25.75 crore. The Management stated (September 2008) that the property was leased and was solely in possession of Lessee. The matter for eviction was under litigation. So it was not possible to tender the property for sale since stay on sale would have been easily obtained by the occupier.</p> <p>The reply was not acceptable. In a similar case (Napean Sea Road Bungalow of Apollo Textile Mill) the property was sold through public tender. Besides, unauthorised occupation of the occupier was established by Estate Officer (April 2000). The Company also received Rs.2.12 crore on this account in January 2008.</p>
2.	Elphinstone Mill Chawl consisting 832.41 square metre of land with built up area of 1,672.89 square metre.	<p>The property was sold (September 2005) at a consideration consisting Rs.2.23 crore in cash and six self-contained flats (free of cost) of 750 square feet carpet area each. The builder had offered to buy these flats in February 2006. The Company had accepted (December 2006) the offer at Rs.3.55 crore. It was observed in Audit that value of these flats was Rs.7.30 crore at market rate in the area. This had resulted in loss of Rs.3.75 crore.</p> <p>The Management stated (September 2008) that in the absence of physical possession of the flats with the Company, it was not desirable to invite offers through tender. Since the issue was limited only to relinquishment of rights in those flats, it would have to be settled only with the purchaser of the chawl.</p> <p>The reply was not convincing because the Company was not under any obligation to relinquish right on six flats before having possession of these flats.</p>
3.	762 square metre of land adjoining Labour Chawl of Model Mill, Nagpur.	<p>M/s Kashmire Developers bought vacant area (4,453 square metre) out of Labour Chawl of Model Mill, Nagpur in June 2003. The purchaser offered (December 2006) to procure another plot (762 square metres) also at the rate paid for the earlier sale. ASC accepted the proposal subject to charge of interest at the rate of SBI PLR with effect from the date of sale deed of the earlier plot. It was observed in Audit that as per guidelines, the rate of interest chargeable on delayed payment was SBI PLR <i>plus four per cent</i>. However, in this case they levied only SBI PLR rate. This resulted in undercharging of interest by Rs.20.30 lakh. Further, there was a gap of more than three and a half years between the two sales and rate of land might have gone up substantially due to real estate boom of 2005 and 2006. Thus decision of ASC to sell this land at the rate of earlier sale and under charging interest was not justifiable.</p>
4	40442 square feet FSI of Tata Textile Mill	<p>At the time of nationalisation, Tata Textile Mill was holding rights to use FSI of 40442 square feet. This was sold to RBI (March 2004) at Rs.13.75 crore. The compensation was decided in the meeting of Ministry of Textiles and Ministry of Finance. It was observed in Audit that CPWD valuation of 1999 (Rs.18.20 crore) was not brought to the notice in this meeting. This resulted in the under-fixation of compensation by Rs.4.45 crore.</p>