2019

Commercial Audit Manual Part-II

OFFICE OF THE DIRECTOR GENERAL OF COMMERCIAL AUDIT AND EX-OFFICIO MEMBER AUDIT BOARD-I KOLKATA

PREFACE

This is the revised and updated Manual of Commercial Audit Procedure (Part-II) relating to this office, earlier version released in the year 2003. This Manual deals with the operational aspects, accounting systems and policies, and the auditing methodology relating to individual public enterprises under the audit control of this office as on date. The basic purpose of this Manual is to supplement the broad and general principles outlined in the Manual of Commercial Audit Procedure (Part-I) published by the office of the Comptroller and Auditor General of India

Kolkata,
Dated:

(Suparna Deb)
Director General of Commercial Audit
& Ex-officio Member Audit Board-I,
Kolkata

CONTENTS

INTRODUCTION

Brief history of the office:

This office was established in April, 1969 by upgrading the office of the Chief Auditor, Commercial Accounts, Kolkata as Office of the Member Audit Board & Ex-officio Director of Commercial Audit-1, Kolkata. The office of the Member Audit Board & Ex-Officio Director of Commercial Audit, Calcutta was re-designated as Office of the Principal Director of Commercial Audit & Ex-Officio Member, Audit Board-I, Kolkata with effect from 28.02.1990.

Resume of Work:

(a) This office audits the following type of entities:

i. Government companies formed under the Companies Act, 2013

ii. Statutory Corporations formed under by or under an Act of Parliament

iii. Central Autonomous Bodies

iv. Body or Institutions receiving Grants-in –Aid from the Government of India

v. And field Office of the Government of India

(b) As on 17 October 2019, this office conducts the audit of 40 companies, one Statutory Corporation and four Central Autonomous Bodies in capacity of Principal Auditor. In capacity of sub auditor, this office audits 11 companies, two Statutory Corporations and 17 Central Autonomous Bodies. The audit of Grants-in-Aid is conducted in 22 bodies/institutions. Further, this office is also responsible for Audit of 17 field offices of the Government of India.

(c) List of Companies where this office is the Principal Auditor is at **Appendix A**

(d) List of Companies where this office is a Sub-Auditor is at **Appendix B**

(e) List of Corporations audited by this Office is at **Appendix C**

(f) List of Autonomous Bodies audited by this Office is at**Appendix D**

(g) List of entities receiving Grants-in-Aid and audited by this Office is at **Appendix E**

(h) List of field offices of Government of India audited by this Office is at **Appendix F**

(i) List of closed/ liquidated company is at **Appendix G**

(J) SL. NO.	**Name of the Entity**
1.	CAPEXIL, Kolkata (Formerly Chemical and Allied Export Promotion Council of India).
2.	Child and Social Welfare Society, PaschimMedinipur, West Bengal.
3.	Central Institute of Plastic Engineering and Technology (CIPET) Extension Centre, Bhubaneswar Campus.
4.	CIPET, Bhubaneswar Campus-II
5.	CIPET, Laboratory for Advanced Research in Polymeric Materials (LARPM), Bhubaneswar
6.	CIPET, Balasore
7.	CIPET Extension Centre, Haldia Campus.
8.	EEPC India, Kolkata (Formerly Engineering Export Promotion Council of India).
9.	Indian Chamber of Commerce, Kolkata.
10.	Indian Council of Small Industries, Kolkata.
11.	Indian Jute Industries Research Association, Kolkata.
12.	Institute of Hotel Management, Catering Technology and Applied Nutrition, Kolkata.

13.	Institute of Hotel Management, Catering Technology and Applied Nutrition, Bhubaneswar.
14.	Institute of Hotel Management, Catering Technology and Applied Nutrition, Arunachal Pradesh.
15.	MSME Tools Room (Central Tools Room and Training Centre), Bhubaneswar.
16.	MSME Tools Room (Central Tools Room and Training Centre), Kolkata.
17.	NilanchalSevaParishan, Puri, Odisha.
18.	SHEFEXIL, Kolkata (Formerly, Shellac and Forest Product Export Promotion Council).
19.	Orissa PalliBikashPratisthan, Orissa.
20.	Rural Union for Demographic Rights and National Integration (RUDRANI).
21.	West Bengal State Export Promotion Society
22.	National Institute of Pharmaceutical Education & Research (NIPER)

APPENDIX F LIST OF RESOURCES AVAILABLE ON THE CAG'S WEBSITE THAT ARE APPLICABLE FOR FIELD AUDIT

1. CAG's Auditing Standards 2017
2. Guidelines
    a. Compliance Auditing Guidelines
    b. Guidelines on Data Analytics
    c. Performance Audit (PA) Guidelines -2014
    d. Standing Order on Role of Audit in Relation to Cases of Fraud and Corruption
    e. Environment and Climate Change-Auditing Guidlines 2010
    f. Public Private Partnerships(PPP) Infrastructure Projects Public Auditing Guidelines-2009
    g. Financial Attest Auditing Guidelines for audit of State Government Accounts
    h. Compliance Auditing Guidelines
3. Guidance notes, practice guides
    a. Forming an Opinion and Reporting on Financial Statements
    b. Practice Note on Financial Attest Audit of Autonomous Bodies
    c. Types of Audit
    d. Preface to Audit Reports (Union and Reports)
    e. Developing Recommendations
    f. Follow up Audit
    g. Executive Summary of Standalone Performance Audit
    h. Drafting and presentation of Audit Reports
    i. Guidance Note on Improving the Quality of Inspection Reports
    j. Audit Quality Management Framework
    k. Practice Guide on Audit of Procurement
    l. Practice guide on Audit of Poverty Alleviation Programmes
    m. Practice guide on Audit of Contract Management/Instructions
    n. Practice Guide on Planning individual Performance Audits
    o. Style Guide for Use in IA & AD
    p. Guidelines On Chief Controller Officer (CCO) Based Audit
    q. Supplementary Guideline on Evidence Gathering
    r. Guidance Note on Compliance Audit of Regulatory Bodies
    s. Guidance Note on Compliance Audit of SPV and Trusts/Societies
    t. Practitioner's guide on Data Visualisation and Infographics
    u. Guidance Note on Compliance Audit of Public Private Partnership Arrangement
4. Manuals
    a. Financial Attest Audit Manual
    b. Revenue Audit Manual

AUDIT CHECKLIST AND COMPLIANCE REPORTS PREPARED BY THIS OFFICE AND APPLICABLE TO FIELD AUDIT.

Title Sheet for Inspection Report and related annexures.

Part A **Summary of audit results**		
1.	Name of the PSU/Unit audited	
2.	Name of party Members:	
	i. Name of Sr. AO I/C of the party	
	ii. Asstt. Audit Officer	
	iii. Asstt. Audit Officer	
	iv. Sr. Auditor	
3.	Period of accounts covered during the current local audit.	
4.	Date of commencement and completion date	
	Whether extension was applied for If yes, the number of party days for which (a) extension was sought (b) extension granted	
5.	Whether Entry conference was held with the Audited Entity? If yes, enclose minutes/ record of discussions. If no, provide reasons.	
6.	Number of potential paras (drawing reference to para nos) included in Part - IIA of the Inspection Report	
7.	Number of paras (drawing reference to para nos) relating to fraud or misappropriation, presumptive fraud and leakage of revenue etc.	
8.	Paras relating to persistent irregularities etc. those need to be brought to the notice of HOD through Management Letter.	
9.	Briefly mention the challenges faced during audit (non-production of records, manpower or resource constraints, scope limitation etc) and how they were addressed during the course of audit.	
10.	Suggestions for overcoming such challenges in future audits.	
11.	Whether exit conference was held and draft Inspection Report discussed with the Head/ Nodal Officer of the Audited Entity. If no reasons may be indicated.	
12.	Date of submission of Draft Inspection Report and all working papers to Hqrs. (may be submitted within a period of 7 working days from the date of conclusion of audit)	
13.	Reasons for delay in submission of draft IR etc. to Hqrs with reference to the allotted time period, if any.	
14.	General remarks, if any.	

<table>
<tr><td colspan="7">Part B
(Details of Audit Process followed)</td></tr>
<tr><td>1.</td><td colspan="4">Whether the allocation of duties amongst each member of the Audit Team (SAO/ AO/ AAO/ Sr. Auditor/ Auditor) was prepared in the line with the planned broad assignment plan and acknowledged by the respective party members? If no reasons and justification may be provided.</td><td colspan="2">Yes, Annexure B</td></tr>
<tr><td rowspan="4">2.</td><td colspan="4">Sampling methodology adopted (Use as many rows as needed)</td><td colspan="2"></td></tr>
<tr><td>SI No</td><td>Section/ wing being audited</td><td>Nature of document</td><td>No selected for review</td><td>Percentage of selection</td><td>Sample Method adopted</td></tr>
<tr><td>1</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="6"></td></tr>
<tr><td>3.</td><td colspan="4">Whether focus areas identified and procedures applied were as planned (with reference to the plan as approved by Group Officer before commencing the audit)? If no, reasons and justification may be provided.</td><td colspan="2"></td></tr>
<tr><td>4.</td><td colspan="4">Whether all issues marked for examination by Group Officer on supervision/ Hqrs section have been addressed?</td><td colspan="2"></td></tr>
<tr><td>5.</td><td colspan="4">Whether all work assigned as per allocation of duties were completed? If no, provide whether the reasons and justification are provided.</td><td colspan="2"></td></tr>
<tr><td>6.</td><td colspan="4">Briefly indicate the potential focus areas for next audit.</td><td colspan="2"></td></tr>
<tr><td>7.</td><td colspan="4">Whether daily diaries indicating the documents/ records checked by team members of the Audit Team have been prepared, signed and enclosed?</td><td colspan="2"></td></tr>
<tr><td>8.</td><td colspan="4">Whether a certificate of obtaining sufficient and appropriate evidance (key documents) for the audit observations included in the Draft Inspection Report has been provided?</td><td colspan="2"></td></tr>
<tr><td>9.</td><td colspan="4">Whether the key documents have been referred in the para and the resource of evidence has been provided as footnotes?</td><td colspan="2"></td></tr>
<tr><td>10.</td><td colspan="4">Positions indicate the position of outstanding paras of previous Inspection Reports as under.</td><td colspan="2"></td></tr>
<tr><td>11.</td><td colspan="4">Whether a certificate that the audit was conducted in accordance with the CAG's Auditing Standards 2017 has been provided?</td><td colspan="2"></td></tr>
<tr><td>12.</td><td colspan="4">Whether a certificate that the audit party has complied with the Audit Quality Framework and Code of Ethics has been provided?</td><td colspan="2"></td></tr>
</table>

Dated:

Audit Officer/PAP

Annexure B

Proforma of Duty List

Duties assigned	**Noted and signed (Acknowledgement)**

Audit Officer/PAP

Annexure C

Follow up of supervision by the Group Officer

Name of the Audited Entity	Date of Supervision	Comments/ Queries of the Group Officer	Action taken by the Audit Team on Comments/ Queries

Audit Officer/PAP

Annexure D

Certificate at the conclusion of Audit

We have examined all the issues as per the duty list (except the following) and necessary audit observations based on audit scrutiny have been issued.

SI No.	**Brief particulars of the issues which could not be seen in audit**	**Reasons therefor (non-availability of records, time constraints, shortage of manpower, other constraints/ reasons) etc.**

Audit Officer/PAP

Annexure E

Tour diary of Shri ……for the Compliance Audit on the accounts and records of …… for the year ….

Sr. No.	**Date**	**Particulars**

Asst. Audit Officer

Audit Officer/PAP

III - CHECK LIST FOR AUDIT OF CONTRACT

(*To be filled in by the officer for each contract audited by him*)

Check list no: 1	**Value of award of contact:**
No. and date of award of contract:	**Name and designation of person who audited the contract:**
Brief description of contract work:	**Sl. No of matrix for audit of contracts:**

III (A): Award of Contracts

Sl. No.	Checks to be applied	Yes/No	HM no.
1	Whether organisation has procurement manuals for guidance and consistency in actions of those involved in award of contracts. (**Refer Audit sub-objective sl. No. 1 of ADMAC*)**		
2	Whether Notice for invitation of Tender (NIT) was given adequate publicity. (**Refer Audit sub-objective sl. no. 2 of ADMAC)**		
3	Whether the Bidding Documents included all information in clear terms that might be required for preparation of a valid bid by the bidders and for equitable evaluation of bids by the Tender Evaluation Committee. (**Refer Audit sub-objective sl. No. 3 of ADMAC)**		
4	Whether tenders were received up to fixed date and time and whether as per CVC guidelines bids were opened on the same day by following transparent process and providing equitable opportunity to all bidders. (**Refer Audit sub-objective sl. No. 4 of ADMAC)**		
5	Whether tendering process (i.e. through open tender, limited tender or rate contracts) to be followed was decided after considering all relevant factors.**(Refer Audit sub-objective sl.No. 5 of ADMAC)**		
6	Whether bids were evaluated in most transparent manner with fairness to all bidders. (**Refer Audit sub-objective sl. No. 6 of ADMAC)**		
7	Whether specific checks according to type of contracts were applied. (**Refer Audit sub-objective sl. No. 7 of ADMAC)**		
8	Whether E-Procurement system was designed to ensure security of data provided audit trail facilities. **(Refer Audit sub-objective sl. No. 8 of ADMAC)**		
9	Whether Reverse Auction was carried out as per guidelines laid down in this regard.**(Refer Audit sub-objective sl. No. 9 of ADMAC)**		
10	Whether specific purposes which were envisaged at the time of award of contracts were materialized in respect of nomination basis contracts.**(Refer Audit sub-objective sl. No. 10 of ADMAC)**		
11	Whether all pre-cautions to safeguard organization's interest were taken while awarding contracts on risk and cost basis.**(Refer Audit sub-objective sl. No.11 of ADMAC)**		
12	Whether award of contract was done immediately after award approval and in case of refusal to accept award action as per company's procurement policy was taken against the defaulting party.**(Refer Audit sub-objective sl. No.12 of ADMAC)**		

III (B): Execution of Contracts:

13	Whether execution of contracts was done strictly as per agreed terms & conditio**ns and execution was monitored as per provisions of procurement/**works manual. **(Refer Audit sub-objective sl. No.13 of ADMAC)**		
14	Whether fulfilment all contractual obligations on the part of contractor and safeguarding of organization's interests were ensured at the time of contract closing. **(Refer Audit sub-objective sl. No.14 of ADMAC)**		

ADMAC: Audit Design Matrix for audit of contracts.

Signature& Name of officer who audited the contract

Signature______________
Name_________________

Date_________________

II - MATRIX FOR AUDIT OF CONTRACTS

(Only one to be filled by the officer heading the audit team giving complete picture of contracts audited during compliance audit of a particular unit/auditee for a particular period).

	Period of audit:
Dates during which audit was conducted :	Audit Party No:

Sl. No.	**No. and date of award of contract**	**Brief description of work of contract**	**Value of award (Rs.)**	**Name & designation of officer to whom allotted for audit.**	**HM issued* (Yes/No)**	**Contract Audit Check list no.**
1.	NIL					

If HM issued, give H M No. also

List of contract file not produced to audit to be given separately in the following format.

Sl. No.	**No. and date of award of contract**	**Brief description of work of contract**	**Value of award (Rs.in crore)**	**Requisition No. and Date**
1.				

Signature & Name of the officer heading the audit team

Signature______________

Name_________________

Date___________

Annexure F

Certificate

It is certified that:

a) Sufficient and appropriate evidence (key documents) for the audit observations included in the Draft Inspection Report have been obtained and have been submitted along with the Draft Inspection Report.
b) That the audit was conducted in accordance with the CAG's Auditing Standards 2017:

   Mentioned in (a) above.

c) The audit party has complied with the Audit Quality Framework and Code of Ethics:

   Mentioned in (a) above.

Audit Officer/PAP

Risk Analysis

1.
2.
3.
4.

Audit Officer/PAP

Performance of the party

Name of the Party Personnel	Contribution

Audit Officer/PAP

Vouching

In connection with the Compliance Audit of …… for the year ….., the audit party has scrutinized the payment vouchers for the months of ……..

AAO/PAP

Audit Officer/PAP

Risk Assessment

<u>Internal Control Risk Parameters</u>

Organizational Controls
(a) Is the accounting function segregated from the operating function? (Yes/~~No)~~

(b) Is there adequate division of duties within the accounting function? (Yes/~~No~~)

(c) Is there adequate and effective internal check system? (Yes/~~No~~)

(d) Is there internal audit department independent of the accounting and operation function (There is no such internal audit department, Internal audit is done by outside agency)

General Financial Control****
(e) Are all mandatory accounting records kept and are they kept up to date? (Yes/No)

(f) Are adequate accounting manuals existing? (Yes/No~~)~~

(g) Are detailed accounting records regularly reconciled to control accounts? (Yes/No)

(h) Are periodic financial statements prepared? (Yes/No)

(i) Is there adequate financial control over subordinate units? (Yes/No)

Competence of personnel
(j) Are there job descriptions and procedure manuals? (Yes/~~No~~)
(k) Are the responsibilities of employees in areas critical to Internal controls, commensurate with their status? (Yes/~~No~~)

Other General Controls
(l) Is there rotation of duties for staff in areas critical to internal control? (Yes/~~No~~)

(m) Is there control over and proper organization of system changes? (Yes/~~No~~)

(n) Is there effective management supervision in areas critical to internal controls? (Yes/~~No~~)

(o) Is the internal control system satisfactory as per statutory auditors CARO report? (Not Applicable)

********Not applicable in Compliance audit. Hence to be checked in Finance Audit

Audit Officer/PAP

Other Information

A) Whether the Internal Audit commensurate with the size and nature of organization –
B) List of contract awarded between 50 lakh and 10 crore during the period covered under audit –
C) List of contract executed between 50 crore and 10 crore during the period cover under audit –
D) List of contract awarded above 100 crore during the period covered under audit –
E) List of contract executed above 100 crore during the period covered under audit –

Note- N.A=Not applicable

Audit Officer/PAP

COMPLIANCE AUDIT DESIGN MATRIX

Audit objective	Audit questions on relevant Matter	Audit Criteria	Audit Procedure	Audit evidence

Sr. Audit Officer/PAP

AUDIT FINDINGS MATRIX

Audit objective	Audit questions on relevant Matter	Audit Criteria	Audit evidence	Audit Findings

Audit Officer/PAP

CONTROL SHEET

AQ no.	Subject	Acknowledgement

Audit Officer/PAP

P R O F O R M A

PARTICULARS OF AGENDA AND MINUTES EXAMINED DURING LOCAL AUDIT.

Name of the Company/Unit:

Sl. No.	Board Meeting No. & Date	Agenda Item No. & Minutes relating thereto examined	Subject	By whom examined	Results of examination giving reference to the I/R Para / comments on accounts
1					
2					

Sr. Audit Officer/PAP

PERFORMA OF OUTSTANDING PARAS

<table>
<tr><th>Year of IR</th><th>No. of paras outstanding</th><th>No. of paras settled</th><th>Reasons for the paras remaining outstanding</th></tr>
<tr><td></td><td></td><td></td><td rowspan="3"></td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td></tr>
</table>

Audit Officer/PAP

P R O F O R M A

Particulars of contracts examined

Sl. No.	Contract/ Agreement No. & Date	Subject	Name of the contractor	Money value of the contract	Status of the contract	Results of Examination incorporated in the Inspection Report indicating reference to the para	By whom examined
1	2	3	4	5	6	7	
1.							
2.							
3.							
4.							

Notes: (1) To incorporate in the above proforma also particulars of contracts placed based on tender

Evaluation in the company's administrative Ministry

(2) To obtain complete list of contracts including for tenders evaluated in the Ministry and select for examination
Indicating these selected but not examined with reasons.

Audit Officer/PAP

FRAUDS AND CORRUPTIONS

Sl. No.	Particulars	Status/Findings
1	Whether the issues relating to fraud and corruption have been verified during the course of the Compliance audit?	
2	Whether the material audit findings, if any, have been incorporated in the draft Inspection Report and if so, the reference of the para in the IR	

Audit Officer/PAP

STATEMENT OF WORK DONE

Sl No.	Name & Designation of Officials	Work Done	
1.			
2.			
3.			
4			

Audit Officer/PAP

-: INFORMATION REQUIRED FOR RISK ASSESSMENT:-

Information to be included in Part IA of the inspection Report:

Financial Performance (Included In the Part-IA of the DIR)

(Rs. in Lakh)

Particulars				
Turnover (In Quantity)				
Turnover (In Value)				
Capital Expenditure				
Revenue Expenditure				
Paid up Capital/Corpus				
Long term borrowings				
Inventory (Closing)				
Grants received from Government				
Profit Before Tax				
Profit After Tax				

Brief about Internal Audit: Included in the Part IA of the DIR,

(a) Year in which last internal Audit was conducted-2017-18

(b) Details of major irregularities observed by internal audit during the last three years- **There is no such major irregularities**.

Brief about IT System: Included in the Part IA of the DIR

(a) Whether there is an IT system

(b) Whether the IT system is stabilized

(c) Whether the IT system requires human interference

Audit Officer/PAP

Information to be included in the Technical File:

a	No. of media reports.	
b	No. of complaints received	
c	Year in which the last Govt. Audit was conducted.	
d	List of Outstanding Part IIA Paras (earlier –Part 1B)	
e	List of Outstanding Part IIB Paras (earlier – Part II)	
f	Number and significance of audit adjustments during the previous year	
g	Complexity of accounting policies or frequent changes in accounting policies/practices. (High, medium, Low)	
h	Deviation/Non-compliance of mandatory accounting standards during the year	
i	Deviation/Non-compliance of mandatory laws, regulations and Govt. directives or instruction etc. during the year	
j	Experience and competence of accounting personnel responsible for the component (Highly Competent, Competent or Not Competent)	
k	Judgment involved in determining amounts of provisions and liabilities etc (High, medium, low)	
l	Degree to which financial circumstances of the entity may motivate its management to misstate the component in regard to this assertion (High, medium, low)	
m	Number and significance of comments dropped on assurance during the audits of last year	
n	Number and monetary value of small items after removing "High value items" that are required to be audited (Where CAG is the sole auditor)	

Audit Officer/PAP

CHECK LIST FOR INDIAN ACCOUNTING STANDARD

Ind AS 1, Presentation of Financial Statements

Sl No.	Particulars	Yes / No/ NA	Remarks
1.	Whether the entity has prepared complete set of financial statements which comprises: (a) a balance sheet as at the end of the period ; (b) a statement of profit and loss for the period; (c) Statement of changes in equity for the period; (d) a statement of cash flows for the period; (e) notes, comprising significant accounting policies and other explanatory information; (ea) comparative information in respect of the preceding period as specified in paragraphs 38 and 38A; and (f) a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 40A–40D.		
2.	Whether the entity has presented a single statement of profit and loss, with profit or loss and other comprehensive income presented in two sections? The sections shall be presented together, with the profit or loss section presented first followed directly by the other comprehensive income section.		
3.	Whether the entity whose financial statements comply with Ind AS had made an explicit and unreserved statement of such compliance in the notes. An entity shall not describe financial statements as complying with Ind AS unless they comply with all the requirements of Ind AS.		
4.	In virtually all circumstances, presentation of a true and fair view is achieved by compliance with applicable Ind AS. Presentation of a true and fair view also requires an entity: (a) Whether the entity has presented information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information. (b) Whether the entity has given additional disclosures when compliance with the specific requirements in Ind AS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.		
5.	As per paragraph 18 an entity cannot rectify inappropriate accounting policies either by disclosure of the accounting policies used or by notes or explanatory		

	material. It is to be seen along with other paragraphs where the treatment for change in accounting policy is prescribed.		
6.	When an entity departs from a requirement of an Ind AS in accordance with paragraph 19, if yes, whether the disclosures have been made as per Para 20? **(Whether the above disclosures have been made by the entity)**		
7.	Whether adequate disclosures have been given as per para graph 23?		
8.	Whether the management has made an assessment of an entity’s ability to continue as a Going concern?		
9	Whether the entity has presented a minimum, two balance sheets, two statements of profit and loss, two statements of cash flows and two statements of changes in equity, and related notes?		
10	Whether the entity presented a third balance sheet and if: (a) it applies an accounting policy retrospectivelyor reclassifies items in its financial statements; and (b) the retrospective application, retrospective restatement or the reclassification has a material effect on the information in the balance sheet at the beginning of the preceding period.		
11	If an entity changes the presentation or classification of items in its financial statements, it reclassified comparative amounts unless reclassification is impracticable. Whether an entity reclassifies comparative amounts?		
12	Whether an entity retained the presentation and classification of items in the financial statements from one period to the next if not: (a)Check, that another presentation or classification would be more appropriate having regard to the criteria for the selection and application of accounting policies in Ind AS 8; or (b) An Ind AS requires a change in presentation.		
13	If the entity displayed the following information prominently, and repeat it when necessary for the information presented to be understandable: (a) the name of the reporting entity or other means of identification, and any change in that information from the end of the preceding reporting period; (b) whether the financial statements are of an individual entity or a group of entities; (c) the date of the end of the reporting period or the period covered by the set of financial statements or notes; (d) the presentation currency, as defined in Ind AS 21; and		

	(e) the level of rounding used in presenting amounts in the financial statements		
14	Whether an entity has classified deferred tax assets (liabilities) as current assets (liabilities)?		
15	An entity shall disclose the following, either in the balance sheet or the statement of changes in equity, or in the notes: (a) for each class of share capital: (i) the number of shares authorised; (ii) the number of shares issued and fully paid, and issued but not fully paid; (iii) par value per share, or that the shares have no par value; (iv) a reconciliation of the number of shares outstanding at the beginning and at the end of the period; (v) the rights, preferences and restrictions attaching to that class including restrictions on the distribution of dividends and the repayment of capital; (vi) shares in the entity held by the entity or by its subsidiaries or associates; and (vii) shares reserved for issue under options and contracts for the sale of shares, including terms and amounts; (b) a description of the nature and purpose of each reserve within equity. These disclosure or otherwise need to be checked in Audit.		
16	An entity whose capital is not limited by shares e.g., a company limited by guarantee, disclosed information equivalent to that required by paragraph 79(a), showing changes during the period in each category of equity interest, and the rights, preferences and restrictions attaching to each category of equity interest.		
17	Whether the statement of profit and loss presents, in addition to the profit or loss and other comprehensive income sections included (a) profit or loss; (b) total other comprehensive income; (c) Comprehensive income for the period, being the total of profit or loss and other comprehensive income.		
18	Whether the entity present additional line items, headings and subtotals in the statement of profit and loss, when such presentation is relevant to an understanding of the entity's financial performance.		
19	Whether items of income or expense are material to check Whether an entity disclosed their nature and amount separately.		
20	To verify whether an entity presented a statement of changes in equity as required by paragraph 10.		
21	Whether the significant accounting policies comprising have been complied by the entity:		

	(a) the measurement basis (or bases) used in preparing the financial statements; and (b) the other accounting policies used that are relevantto an understanding of the financial statements		
22	To see the disclosure of, along with its significant accounting policies or other notes, the judgments, apart from those involving estimations, made by management in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.		
23	Whether disclosure of information about the assumptions made about the future, and other major sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year has been disclosed.		
24	Whether the entity shall disclose information as required by para 135 that enables users of its financial statements to evaluate the entity's objectives, policies and processes for managing capital?		
25	To check the disclosure of the following, if not disclosed elsewhere in information published with the financial statements by the entity (a) the domicile and legal form of the entity, its country of incorporation and the address of its registered office (or principal place of business, if different from the registered office); (b) a description of the nature of the entity's operations and its principal activities; (c) the name of the parent and the ultimate parent of the group; and (d) if it is a limited life entity, information regarding the length of its life.		

Checklist for Indian Accounting Standard (Ind AS) –2Valuation of Inventories

Sl. No.	Particulars	Yes/No/ NA	Remarks
1.	Whether the entity has disclosed the carrying amount of the inventories in total, sub classified by the main categories appropriate to the entity. Goods in transit should be disclosed under the relevant sub head of the inventories.		
2.	Ind AS 2 applies to all inventories, except Financial instruments and Biological assets (i.e. living animals or plants) related to agricultural activity and agricultural produce at the point of harvest. So the audit should check that the above is not valued and disclosed as per Ind AS 2.		
3.	Whether the inventory is properly valued at net realisable value or fair value, whichever is less?		
4.	Whether the cost of inventories include all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition?		
5.	Whether the cost of purchase include import duties and other taxes and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services.		
6.	Whether Trade discounts, rebates and other similar items are deducted in determiningthe costs of purchase		
7.	Whether the costs of conversion of inventories include costs		

	directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.		
8.	Which is the cost formula used Specific identification? FIFO? Weighted Average?		
9.	(a) Is physical verification of inventory taken at year end?		
	(b)In arriving at net realisable value, have you ascertained (i) damaged/obsolete/non-moving stock? (ii)Subsequent sale price after Balance Sheet Date?		

Checklist on Indian Accounting Standard (Ind AS)-7Statement of Cash Flows

Sl. No.	Particulars	Yes/No /NA	Remarks
1	Does the entity reconcile the amounts of cash and cash equivalents in the statement of cash flows with the equivalent items in the balance sheet?		
2	Are the cash flows during the period classified by operating, investing and financing activities?		
3	Are the cash flows during the period classified by operating, investing and financing activities?		
4	Does the entity report cash flows from operating activities using either: (a)The direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed, or (b)Theindirectmethod,wherebyprofitorlossisadjustedforth eeffects oftransactionsofanon-cashnature,anydeferralsoraccrualsofpast orfutureoperatingcashreceiptsorpayments,anditemsofin comeor expense associated with investing or financing cashflows?		
5	Does the entity disclose the following appropriately: a) Cash inflow from interest, b) Cash outflow from interest, c) Cash inflow from dividends, and d) Cash outflow from dividends?		
6	Are the cash flows arising from taxes on income separately disclosed and classified as cash flows from operating activities unless they can be specifically		

	identified with financing and investing activities?		
7	Whether the cash flows denominated in a foreign currency are reported in a manner consistent with Ind AS 21, The Effects of Changes in Foreign Exchange Rates by using an exchange rate that approximates the actual rate, e.g. a weighted average exchangerate?		
8	When accounting for an investment in an associate, a joint venture or a subsidiary accounted for by use of the equity or cost method, has the entity restricted its reporting in the statement of cash flows to the cash flows between itself and the investee (for example, to dividends and advances)?		
9	Whether an entity disclosed, together with a commentary by management, the amount of significant cash and cash equivalent balances held by the entity that were not available for use by the group?		
10	Whether entity disclosed the components of cash and cash equivalents and a reconciliation of the amounts in its statement of cash flows with the equivalent items reported in the balancesheet.		

Checklist on Indian Accounting Standard (Ind AS)-8Accounting policies, changes in Accounting Estimate and Errors

Sl. No	Particulars	Yes/No/ NA	Remarks
1	Whether the company has changed its accounting policy as required by IND AS; or to provide reliable and more relevant information about the efforts of transaction other events or condition of the of the entity's financial position, financial position or cash flows in the financial statements?		
2	Whether the entity accounting for a change in accounting policy resulting from the initial objection in accordance with the specific transitional provisions?		
3	Whether the change was included in the specific transitional provisions applying to that change or has voluntarily changed its policy and whether the change was applied retrospectively?		
4	If the change in accounting policy is applied retrospectively whether the entity has adjusted the opening balance of each affected component of equity for the earlier prior period presented and the other comparative amounts disclosed for each comparative amounts disclosed for each prior period presented?		
5	In case of impracticability to determine the cumulative effect or period specific effects of changing on accounting policy, whether the company has applied the new accounting policy to the carrying amount of assets and liability as at the beginning of the earlier period for which retrospective application is practicable?		
6	Whether disclosure in the effect of application of an Ind AS on the following were made : When initial application of an Ind AS has an effect on the current period or any prior period, would have such an effect except that it is impracticable to determine the amount of the		

	adjustment, or might have an effect on future periods, disclosure of: (a) the title of the Ind AS; (b) when applicable, that the change in accounting policy is made in accordance with its transitional provisions; (c) the nature of the change in accounting policy; (d) when applicable, a description of the transitional provisions; (e) when applicable, the transitional provisions that might have an effect on future periods; (f) for the current period and each prior period presented, to the extent practicable, the amount of the adjustment: (i) for each financial statement line item affected; and (ii) if Ind AS 33, Earnings per Share, applies to the entity, for basic and diluted earnings per share; (g) the amount of the adjustment relating to periods before those presented, to the extent practicable; and (h) if retrospective application required by paragraph 19(a) or (b) is impracticable for a particular prior period , or for periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.		
7	Whether disclosure as the effect of voluntarily change in accounting policy were made?When a voluntary change in accounting policy has an effect on the current period or any prior period, would have an effect on that period except that it is impracticable to determine the amount of the adjustment, or might have an effect on future periods, disclosure of: (a) the nature of the change in accounting policy; (b) the reasons why applying the new accounting policy provides reliable and more relevant information; (c) for the current period and each prior period presented, to the extent practicable, the amount of the adjustment: (i) for each financial statement line item affected; and (ii) if Ind AS 33 applies to the entity, for basic and diluted earnings per share; (d) the amount of the adjustment relating to periods before those presented, to the extent practicable; and (e) If retrospective application is impracticable for a particular prior period, or for periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.		
8	Whether the entity has not applied a new Ind As and it is not effective the disclosure made about the following : (a) this fact; and (b) known or reasonably estimable information relevant to assessing the possible impact that application of the new Ind AS will have on the entity’s financial statements in the		

	period of initial application.		
9	Whether Changes in the accounting estimate other than change in the rise to changes in assets and liabilities, or equity (these changes shall be recognised by adjusting the carrying amount of the related asset, liability or equity in the period of the change) was recognised prospectively be including it in profit or loss in; (a) the period of the change, if the change affects that period only; or (b) the period of the change and future periods, if the change affects both		
10	Whether the Company has disclosed the nature and amount of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in future periods?		
11	Whether disclosure has been made on the effect in future periods in case of impracticability of estimating the amount?		
12	Whether the error has arisen due to recognition,measurement, presentation or disclosure of elements of financial statement?		
13	Whether the correction of prior period errors retrospectivelywas carried out in the first set of financial statement approved for issue after their discovery by restating the comparative amounts for the prior period presented in which the error occurred or if the error occurred before the earliest prior period presented, restating the opening balance of assets, liabilities and equity for the earliest prior period presented?		
14	Whether in case of impracticability to determine the cumulative effect at the beginning of the current period, whether the entity has make efforts to correct the error prospectively for the earliest date practicable?		
15	Whether the company has made disclosure of prior period correct as follows : (a) the nature of the prior period error; (b) for each prior period presented, to the extent practicable, the amount of the correction: (i) for each financial statement line item affected (ii) if Ind AS 33 applies to the entity, for basic and diluted earnings per share; (c) the amount of the correction at the beginning of the earliest prior period presented; and (d) If retrospective restatement is impracticable for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected. Financial statements of subsequent periods need not repeat these disclosures.		

Checklist for Indian Accounting Standard (Ind AS 10) Events after the Reporting Period

Sl. No	Particulars	Yes/No / NA	Remarks
1.	**Adjusting events** If there are any events that have occurred between the end of the reporting period and the date on which the financial statements of the entity are approved for issue, that provide evidence of conditions that existed at the end of the reporting period in respect of the entity, has the entity treated these as adjusting events and adjusted the amount recognised in its financial statements to reflect such events occurring after the reporting period?		
2.	**Non adjusting events** If there are any events that are indicative of conditions that arose after the end of the reporting period, has the entity ensured that it has not adjusted the amounts recognised in its financial statements to reflect non- adjusting events after the reporting period?		
3	If there are any material non-adjusting events, non-disclosure of which could influence the economic decisions that users make on the basis of the financial statements, has the entity disclosed the nature of the event and an estimate of its financial effect, or a statement that such an estimate cannot be made, in the financial statements?		
4	**Dividend** If the entity has declared dividend to equity holders after the reporting period, has the entity not recognised a liability as at the end of reporting period and disclosed the dividend in the notes in accordance with the Ind AS 1, Presentation of financial statements?		
5.	**Going concern** Has the entity prepared its financial statements on a going concern basis if management determines after the reporting period either that it intends to liquidate the entity or to cease trading, or that it has no realistic alternative but to do so.		
6.	If the entity received information after the reporting period about conditions that existed at the end of the reporting period, whether disclosures updated related to those conditions, in the light of the new information?		
7.	Has the entity updated the disclosures in its financial statements to reflect information received after the end of the reporting period, even when the information does not affect the amounts that it recognises in its financial statement?		

Checklist forIndian Accounting Standards (Ind AS) 12Income Taxes

Sl. No.	Particulars	Yes/No/ NA	Remarks
1	Whether Current tax for current and prior periods to the extent unpaid has been recognised as liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, whether the excess has been recognised as an asset?		
2	Whether the Deferred tax liability has been recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which is not a business combination and does not affect accounting profit or taxable profit at the time of the transaction.		
3	Whether Deferred tax asset has been recognised for all deductible temporary differences to the extent it is probable that taxable profit will be available against which the deductible temporary differences can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and does not affect accounting profit or taxable profit (tax loss) at the time of the transaction.		
4	Whether Deferred tax asset has been recognised for the carry forward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised?		
5	Whether the entity has recognised a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interest in joint ventures, except to the extent that (a) the parent, investor or venturer is able to control the timing of the reversal of the temporary difference and (b) it is probable that the temporary difference will not reverse in the foreseeable future?		
6	Whether the entity has recognised a deferred tax asset for all deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint ventures, to the extent that, and only to the extent that, it is probable that (a) the temporary difference will reverse in the foreseeable future and (b) taxable profit will be available against which the temporary difference can be utilised.		
7	Whether the current tax liabilities (assets) for the current and prior periods has been measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or		

	substantively enacted by the end of the reporting period?		
8	Whether Deferred tax assets and liabilities has been measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period?		
9	Whether the measurement of deferred tax liabilities and deferred tax assets has reflected the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities?		
10	Whether the carrying amounts of deferred tax assets have been reviewed at the end of each reporting period? The entity has reduced the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction has been reversed to the extent that it becomes probable that sufficient taxable profit will be available.		
11	Whether current and deferred tax has been recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from (a) transaction or event which is recognised, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity or (b) A business combination.		
12	Whether current tax and deferred tax has been recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss. Similarly, current and deferred tax that relates to items that are recognised in the same or a different period (a) in other comprehensive income, has been recognised in other comprehensive income (b) directly in equity, has been recognised directly in equity.		
13	Whether the entity has offset current tax assets and current tax liabilities if, and if, the entity (a) has a legally enforceable right to set off the recognised amounts and (b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.		
14	The entity has offset deferred tax assets and deferred tax liabilities if, and only if (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities and (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authorities on either (i) the same taxable entity or (ii) different taxable entities which intend either to settle		

	current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.		
15	Whether the tax expense (income) related to profit or loss from ordinary activities has been presented in the statement of profit and loss?		
16	Whether the disclosures required as per paragraph 79, 81, 82 and 82A of this Ind AS have been made?		

Checklist for Indian Accounting Standards (Ind AS) – 16Property, Plant and Equipment

Sl.No.	Particulars	Yes/No/ NA	Remarks
1	Whether the property, plant and equipment has been recognized as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably?		
2	Does the entity have spare parts, stand-by equipment and servicing equipment that satisfies the definition and recognition criteria of PPE as per this standard? a) If yes, has the entity recognised such items as PPE , or b) If no, has the entity classified such items as inventories in accordance with Ind AS 2, Inventories?		
3	Whether an item of property, plant and equipment that qualifies for recognition as an asset has been measured at its cost?		
4	Has the entity measured cost by including: a) Its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and c)the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located		
5	With regard to self-constructed assets: a) Has the cost of self-constructed asset determined using the same principles as for an acquired asset? b) Has any internal profit been eliminated? c) Has any cost of abnormal amounts of wasted material, labour, or other resources incurred in self-constructing an asset been excluded from the cost of the asset?		
6	If payment of cash price equivalent of cost of an item of property, plant and equipment has been deferred beyond normal credit terms, whether the difference between the cash price equivalent and the total payment is recognised as interest over the period of credit unless such interest is capitalised in accordance with Ind AS 23?		
7	If property, plant and equipment has been acquired in exchange for a non-monetary asset, whether the same has been recognised at its fair value unless (a) the exchange transaction lacks commercial substance or (b) the fair value of neither the asset received nor the asset given up is reliably measurable?		

8	Has the entity chosen either the cost model or the revaluation model as its accounting policy and applied that policy to an entire class of property, plant and equipment?		
9	In case of Cost Model is adopted, whether the entity is carrying an item of property, plant and equipment after its recognition at its cost less any accumulated depreciation and any accumulated impairment losses?		
10	In case of Revaluation Model is adopted, whether the entity is carrying an item of property, plant and equipment after its recognition as an asset at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses?		
11	In case of Revaluation Model, If the revaluations have been made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period?		
12	If an item of property, plant and equipment is revalued whether the entire class of property, plant and equipment to which that asset belongs has been revalued?		
13	If an asset's carrying amount is increased as a result of revaluation, Whether the increase has been recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus?		
14	If an asset's carrying amount is decreased as a result of a revaluation, whether the decrease has been recognised in profit or loss?		
15	Has the entity recognised and disclosed the effects of taxes on income, if any, resulting from the revaluation of PPE in accordance with Ind AS 12, Income Taxes?		
16	Has the entity depreciated separately, each part of an item of PPE with a cost that is significant in relation to the total cost of the item?		
17	In case future economic benefits embodied in an asset are absorbed in producing other assets, is the depreciation charge constituting a part of cost of the other assets?		
18	Has the depreciable amount of an asset been allocated on a systematic basis over its useful life?		
19	Whether the residual value and the useful life of an asset has been reviewed at each financial year end and if expectations differ from previous estimates whether the change(s) have been accounted for as a change in an accounting estimate in accordance with Ind AS 8?		

20	With respect to depreciation: a) Has the entity selected a depreciation method that reflects the pattern in which the assets are expected to be consumed by the entity? b) Does the entity conduct a review of the depreciation method at least at each year end? c) Has the entity identified a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, if yes, has the method of depreciation been changed to reflect the changed pattern? d) Has the entity accounted for the change in point (c) above as a change in an accounting estimate in accordance with Ind AS 8?		
21	Has the entity included the compensation from third parties for items of PPE that were impaired, lost or given up in the statement of profit and loss when the compensation became receivable?		
22	Has the entity accounted for impairments or losses of items of PPE, related claims for or payments of compensation from third parties and any subsequent purchase or construction of replacement assets as separate economic events as follows: a) Recognised impairments of items of PPE in accordance with Ind AS 36, b) Derecognised items of PPE retired or disposed in accordance with this standard, c) Recognised compensation from third parties for items of PPE that were impaired, lost or given up is included in the statement of profit and loss when such sums become receivable, and d) Recognised the cost of items of PPE restored, purchased or constructed as replacements in accordance with this standard?		
23	Has the entity derecognised the carrying amount of an item of PPE when either of the below have occurred: a) When the asset has been disposed, or b) When no future economic benefits are expected from its use or disposal?		
24	Whether the disclosures required as per paragraph 73, 74 and 77 of this Ind AS have been made?		

Checklist for Indian Accounting Standard (Ind AS)-17Leases

Sl. No.	Particulars	Yes/No / NA	Remarks
	In case the entity is a Lessee		
1	Check whether the leases have been correctly classified as Finance and/or Operating lease and also the important and material conditions in the lease arrangements have been disclosed?		
2	In case of 'Finance Lease', at the commencement of the lease term, has the lessee recognised finance leases as assets and liabilities in their balance sheets at amountsequaltothelowerofthefairvalueoftheleasedpropertyand the present value of the minimum lease payments (each determined at the inception oflease)?		
3	Check whether the costs identified as directly attributable to activities performed by the lessee for finance lease (such as negotiating and securing leasing arrangements) are added to the amount recognised as an asset?		
4	A finance lease gives rise to depreciation expense for depreciable assets as well as finance expense for each accounting period. Accordingly,checkwhether: (a) the depreciation policy for depreciable leased was consistent with that for depreciable assets that were owned, and the depreciation recognised was calculated in accordance with Ind AS 16 PPE and Ind AS 38 Intangible Assets; and (b) If there was no reasonable certainty that the lessee would obtain ownership by the end of the lease term, whether the asset was fully depreciated over the shorter of the lease term and its useful life.		
5	If there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, check whether the period of expected use is the useful life of the asset; otherwise the asset is depreciated over the shorter of the lease term and its useful life?		
6	Check whether the lessee has made disclosures as per Paragraphs 31 and 32 of this Standard?		
7	In case of 'Operating Lease', check whether lease payments (excluding costs for services such as insurance and maintenance) were recognised as an expense on a straight-line basis over the lease term unless either: (a) another systematic basis was more representative of the time pattern of the user's benefit even if the payments to the lessors were not on that basis; or (b) the payments to the lessor were structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.		
8	Check whether the lessee has made disclosures as per Paragraph 35 of this Standard?		
	In case the entity is a Lessor		

9	In case of 'Finance Lease', check whether the lessor has recognised assets held under a finance lease in their balance sheet and present them as a receivable at an amount equal to the net investment in the lease?		
10	Initial direct costs are often incurred by lessors and include amounts such as commissions, legal fees and internal costs that are incremental and directly attributable to negotiating and arranging a lease. For finance leases other than those involving manufacturer or dealerlessors, check whether : (a) initial direct costs excluded general overheads such as those incurred by a sales and marketing team as well as costs incurred by manufacturer or dealer lessors in connection with negotiating and arranging a lease; and (b) as a result, they were excluded from the net investment in the lease and were recognised as an expense when the selling profit was recognised, which for a finance lease was normally at the commencement of the lease term.		
11	Whether the recognition of finance income was based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease?		
12	Check whether: (a) The manufacturer or dealer lessor has recognised selling profit or loss in the period, in accordance with the policy followed by the entity for outright sales, and if artificially low rates of interest were quoted, whether selling profit was restricted to that which would apply if a market rate of interest were charged? (b) Whether costs incurred by manufacturer or dealer lessor in connection with negotiating and arranging a lease were recognised as an expense when the selling profit was recognised?		
13	Manufacturers or dealers often offer to customers the choice of either buying or leasing an asset. In this regard, check whether the finance lease of an asset by a manufacturer or dealer lessor gave rise to two types of income: (a) profit or loss equivalent to the profit or loss resulting from an outright sale of the asset being leased, at normal selling prices, reflecting any applicable volume or trade discounts; and (b) finance income over the lease term.		
14	Whether: (a) the sales revenue recognised at the commencement of the lease term by a manufacturer or dealer lessor was the fair value of the asset, or, if lower, the present value of the minimum lease payments accruing to the lessor, computed at a market rate of interest. (b) the cost of sale recognised at the commencement of the lease term was the cost, or carrying amount if different, of the leased property less the present value of the unguaranteed residual value. (c) the difference between the sales revenue and the cost of sale is the selling profit, which is recognised in accordance with the entity's policy for outright sales.		

15	Manufacturer or dealer lessors sometimes quote artificially low rates of interest in order to attract customers. The use of such a rate would result in an excessive portion of the total income from the transaction being recognised at the time of sale. In this regard, if artificially low rates of interest are quoted, whether selling profit was restricted to that which would apply if a market rate of interest were charged?		
16	Whether costs incurred by a manufacturer or dealer lessor in connection with negotiating and arranging a finance lease were recognised as an expense at the commencement of the lease term as they were mainly related to earning the manufacturer's or dealer's selling profit?		
17	Whether the lessor has made disclosures as per Paragraphs 47 and 48 of this Standard?		
18	In case of 'Operating Leases', Whether the lease income from operating leases (excluding amounts for services such as insurance and maintenance) was recognised in income on a straight-line basis over the lease term, unless either: (a) another systematic basis was more representative of the time pattern in which use benefit derived from the leased asset was diminished, even if the payments to the lessors were not on that basis; or (b) the payments to the lessor were structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary according to factors other than inflation, then this condition is not met.		
19	Whether: (a) costs, including depreciation, incurred in earning the lease income were recognised as an expense. (b) lease income (excluding receipts for services provided such as insurance and maintenance) was recognised on a straight-line basis over the lease term even if the receipts were not on such a basis, unless another systematic basis was more representative of the time pattern in which use benefit derived from the leased asset was diminished.		
20	Whether initial direct costs incurred by lessors in negotiating and arranging an operating lease was added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income?		
21	Whether the depreciation policy for depreciable leased assets was consistent with the lessor's normal depreciation policy for similar assets, and depreciation was calculated in accordance with Ind AS 16 and Ind AS 38?		
22	Whether the manufacturer or dealer lessor has, wrongfully or mistakenly, recognised any selling profit on entering into an operating lease as it was not the equivalent of a sale?		
23	Check whether the lessor has made disclosures as per Paragraphs 56 and 57 of this Standard?		

24	If a sale and leaseback transaction results in a finance lease, whether any excess of sales proceeds over the carrying amount was deferred and amortised over the lease term instead of recognising the same immediately as income by a seller-lessee?		
25	If the leaseback is an operating lease, and the lease payments and the sale price are at fair value, there has in effect been a normal sale transaction and any profit or loss is recognised immediately. In this regard whether: (a) if a sale and leaseback transaction results in an operating lease, and it was clear thatthe transaction was established at fair value, whether any profit or loss was recognisedimmediately. (b) if the sale price was below fair value, whether any profit or loss wasrecognised immediately except that, if the loss was compensated for by future leasepayments at below market price, whether it deferred and amortised in proportion tothe lease payments over the period for which the asset was expected to be used. (c) if the sale price was above fair value, whether the excess over fair value was deferred and amortised over the period for which the asset was expected to be used.		

Checklist for Indian Accounting Standard (IND AS)-19Employee Benefits

Sl. No.	Particulars	Yes/ No/ NA	Remarks
1.	Whether the entity applied Ind AS 19 on all employee benefits, except to those to which Ind AS 102, Share-based Payment, applies?		
2.	In case of 'Short-Term Employee Benefits', Whether the entity has recognised the undiscounted amount expected to be paid in exchange for that service: (a) As a liability (accrued expense), after deducting any amount already paid. (b) As an asset (prepaid expense), if the amount already paid exceeds the undiscounted amount of the benefits, to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund. (c) As an expense, unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset (see, for example, Ind AS 2 Inventories and Ind AS 16 PPE).		
3.	**Short-term compensated absences** Has the entity recognised the expected cost of accumulating short-term compensated absences when the employees render service that increases their entitlement to future compensated absences or to compensatory payment? Has the entity accounted for accumulating short-term compensated absences which are vesting i.e. payable in cash? Has the entity recognised non-accumulating paid absences when they occur?		
4.	Whether the entity made a reliable estimate of its legal or constructive obligation under a profit-sharing or bonus plan?		
5.	In case of contribution payable to a 'Defined Contribution Plan', whether the entity has recognised the contribution payable in exchange for that service: (a) as a liability (accrued expense), after deducting any contribution already paid. (b) as an asset (prepaid expense), if the contribution already paid exceeds the contribution due for service before the end of the reporting period, to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund. (c) as an expense, unless another Ind AS requires or permits the inclusion of the contribution in the cost of an asset (for example, Ind AS 2 and Ind AS 16).		
6.	Whether contributions to a Defined Contribution Plan has been discounted using the discount rate specified in paragraph 83, when they are not expected to be settled wholly before twelve months after the end of the annual		

	reporting period in which the employees render the related service?		
7.	Whether the entity has disclosed the amount recognised as an expense for Defined Contribution Plans?		
8.	Where required by Ind AS 24, whether the entity has disclosed information about contributions to Defined Contribution Plans for key management personnel?		
9.	In case of 'Defined Benefit Plans', whether the entity has accounted for it by following the steps mentioned under Paragraph 57?		
10.	Whether the results of the valuation carried out by the qualified actuary were updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the end of the reporting period?		
11.	Whether the entity has recognised the net defined benefit liability (asset) in the balance sheet?		
12.	When an entity has a surplus in a Defined Benefit Plan, whether it has measured the net defined benefit asset at the lower of: (a) the surplus in the defined benefit plan; and (b) the asset ceiling, determined using the discount rate specified in paragraph 83.		
13.	In order to measure the present value of the post-employment benefit obligations and the related current service cost, whether the entity has: (a) applied an actuarial valuation method (as described under paragraphs 67–69); (b) attributed benefit to periods of service (as described under paragraphs 70–74); and (c) made actuarial assumptions (as described under paragraphs 75–98)		
14.	Before determining past service cost, or a gain or loss on settlement, whether the entity has remeasured the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions (including current market interest rates and other current market prices) reflecting the benefits offered under the plan before the plan amendment, curtailment or settlement.		
15.	Whether the entity has recognised a gain or loss on the settlement of a Defined Benefit Plan when the settlement occurred as described under Paragraph 111 and 112?		

16.	Sometimes, an entity is able to look to another party, such as an insurer, to pay part or all of the expenditure required to settle a defined benefit obligation. Qualifying insurance policies, as defined in paragraph 8, are plan assets. In such case, check whether the entity has: (a) recognised its right to reimbursement under the insurance policy as a separate asset, rather than as a deduction in determining the defined benefit deficit or surplus; and (b) disclosed a brief description of the link between the reimbursement right and the related obligation as required under Paragraph 140(b).		
17.	whether the entity has disclosed information that: (a) explains the characteristics of its Defined Benefit Plans and risks associated with them (as described under paragraph 139); (b) identifies and explains the amounts in its financial statements arising from its defined benefit plans (as described under paragraphs 140–144); and (c) describes how its defined benefit plans may affect the amount, timing and uncertainty of the entity's future cash flows (as described under paragraphs 145–147).		
18.	In case of 'Other long-term employee benefits', check whether the entity has: (a) applied paragraphs 56–98 and 113–115 in recognising and measuring the surplus or deficit in another long-term employee benefit plan; and (b) applied paragraphs 116–119 in recognising and measuring any reimbursement right.		
19.	For other long-term employee benefits, whether the entity has recognised the net total of the following amounts in profit or loss, except to the extent that another Ind AS requires or permits their inclusion in the cost of an asset: (a) service cost (as described under paragraphs 66–112); (b) net interest on the net defined benefit liability (asset) (as described under paragraphs 123–126); and (c) remeasurements of the net defined benefit liability (asset) (as described under paragraphs 127–130).		
20.	In case of Termination Benefits, whether the entity has recognised a liability and expense for termination benefits at the earlier of the following dates: (a) when the entity can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.		

Checklist for Indian Accounting Standard (Ind AS) – 20Accounting for Government Grants and Disclosure of Government Assistance

Sl. No.	Particulars	Yes/No/ NA	Remarks
1.	Whether the Entity has ensured that this standard is not applied when the entity deals with any of the following:		
	a)The special problems arising in accounting for government grants in financial statements reflecting the effects of changing prices or in supplementary information of a similar nature		
	b) Government assistance that is provided for an entity in the form of benefits that are available in determining taxable profit or tax loss, or are determined or limited on the basis of income tax liability. Examples of such benefits are income tax holidays, investment tax credits and accelerated depreciation		
	c) Government participation in the ownership of the entity		
	d) Government grants covered by Ind AS-41, Agriculture		
2.	Whether the entity has recognized government grants, including non-monetary grants at fair value if there is reasonable assurance that:		
	a)The entity will comply with the conditions attaching to them		
	b)The grants will be received		
3.	Have grants received in cash or as a reduction of a liability to the government, been accounted for in the same manner?		
4.	If the entity has received any forgivable loan from government, is there reasonable assurance that the entity will meet the terms for forgiveness of theloan?		
5.	If the entity has received any government loan at a below-market rate of interest, has the benefit of the below-market rate of interest been measured as the difference between the initial carrying value of the loan (determined in accordance with Ind AS 109, Financial Instruments), and the proceeds received?		
6.	Has the entity recognized the government grants in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the grants are intended to compensate?		
7.	Whether capital approach or income approach adopted by the entity for accounting of government grants?		
8.	If the grant is related to depreciable assets, has it been recognized in profit or loss over the periods and in the proportions in which depreciation expense on those assets is recognized?		
9.	If the grant is related to non-depreciable assets and does it required the fulfillment of certain obligations, has it been recognized in profit or loss over the periods that bear the cost of meeting the obligations?		
10.	If the grant has been received as part of a package of financial or fiscal aids to which conditions are attached, have the conditions been identified which give rise costs and expenses to determine the periods over which the grant will be earned?		

11.	If the government grant has become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs, has it been recognized in profit or loss of the period in which it becomes receivable?		
12.	If the entity has received a government grant in the form of a transfer of non-monetary assets, for the use of the entity, a) Has the entity accounted for the grant and the asset at the fair value of non-monetary assets? b) Has the entity presented by deducting the grant from the carrying amount of the asset. c) Has the Non-monetary grant has been recognised at a nominal amount.		
13.	Has the entity presented government grants related to assets, including non-monetary grants at fair value, in the balance sheet by setting up the grant as deferred income?		
14.	Has the grant set up as deferred income been recognized in profit or loss on a systematic basis over the useful life of the asset?		
15.	Have cash outflows associated with the purchase of the asset and cash inflows associated with the government grant been disclosed as separate items in the statement of cash flows?		
16.	Has the entity recognized grants related to income either:		
	a)As part of profit or loss, either separately or under a general heading such as other income		
	b)As a deduction in reporting the related expenses?		
17.	If any government grant has become repayable, has the entity accounted for repayment of government grant as a change in accounting estimate?		
18.	For repayment of a grant related to income, has the entity applied the repayment first against any unamortized deferred credit recognized in respect of the grant and the balance if any, has been recognized immediately in profit or loss?		
19.	For repayment of a grant related to an asset, has the entity recognized it by reducing the deferred income balance by the amount repayable?		
20.	In case of government assistance which cannot reasonably have value placed upon them and transactions with government which cannot be distinguished from normal trading transactions of the entity, has the entity disclosed the nature, extent and duration of such government assistance?		
21.	Whether the Government Assistance does not include the provision of infrastructure by improvement to the general transport and communication network and the supply of improved facilities such as irrigation or water reticulation which is available on an ongoing indeterminate basis for the benefit of an entire local community.		
22.	Has the entity disclosed the following: a) Accounting policy adopted for government grants, including the methods of presentation adopted in the financial statements.		
	b) The nature and extent of government grants recognized in the		

	financial statements and an indication of other forms of government assistance from which the entity has directly benefited. c) Unfulfilled conditions and other contingencies attaching to government assistance that has been recognized.		

Checklist for Indian Accounting Standard (Ind AS) – 21The Effects of Changes in Foreign Exchange Rates

Sl. No.	Particulars	Yes /No/ NA	Remarks
1	Has the entity applied this standard to the following: a) Transactions and balances in foreign currencies (except for those derivative transactions and balances that are within the scope of Ind AS 109, Financial Instruments, b) Translating the results and financial position of foreign operations that are included in the financial statements of the entity by consolidation or the equity method, and c) Translating an entity's results and financial position into a presentation currency?		
2	Whether generated fund from financing activities and receipts from operating activities are in functional currency?		
3	Whether the entity has foreign operation or the transaction made by the entity in foreign currencies?		
4	Whether the entity's presentation currency differs from its functional currency and if so, whether its results and financial position are also translated into the presentation currency?		
5	Has the entity applied this standard to transactions and balances in foreign currencies (except for those derivative transactions and balances that are within the scope of Ind AS 109, Financial Instruments)?		
6	Has the entity applied Ind AS 109 in cases where it follows hedge accounting for foreign currency items, including the hedging of a net investment in a foreign operation?		
7	Has the entity applied to the foreign currency transaction, the spot exchange rate between the functional and foreign currency as at the date of the transaction to the foreign currency amount, on initial recognition in functional currency for following: a) Buys or sells goods or services whose price is denominated in a foreign currency b) Borrows or lends funds when the amounts payable or receivable are denominated in a foreign currency c) Otherwise acquires or disposes of assets, or incurs or settles liabilities, denominated in a foreign currency		
8	Has the entity translated the following at the end of the reporting period: a)Foreign currency monetary items, using the closing rate b)Non-monetary items that are measured in terms of historical cost in a foreign currency, using the exchange rate at the date of the transaction c)Non-monetary items that are measured at fair value in a foreign currency, using the exchange rates at the date when the fair value was determined?		

9	a) Has the entity determined the carrying amount of an item in a foreign currency in conjunction with other relevant standards? (For example, property, plant and equipment may be measured in terms of fair value or historical cost in accordance with Ind AS 16, Property, Plant and Equipment.)?		
	b) Irrespective of whether the carrying amount is determined on the basis of historical cost or on the basis of fair value, if the amount is determined in a foreign currency, has the entity translated it into the functional currency in accordance with this standard?		
10	If the entity has non-monetary assets measured in foreign currency, has the entity determined the carrying amount by comparing a) The cost or carrying amount, as appropriate, translated at the exchange rate at the date when that amount was determined b) The net realisable value or recoverable amount, as appropriate translated at the exchange rate at the date when that value was determined		
11	Whether exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise except described in paragraph 32.		
12	Whether a gain or loss on a non-monetary item recognised in other comprehensive income, any exchange component of that gain or loss has been recognised in other comprehensive income. Conversely, whether a gain or loss on a non-monetary item recognised in profit or loss, any exchange component of that gain or loss has been recognised in profit or loss?		
13	If the entity has exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation, has the entity: a) Recognised exchange differences in statement of profit or loss of the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, b) In the financial statements that include the foreign operation and the reporting entity recognised exchange differences initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.		
14	a) Does the entity's presentation currency differ from its functional currency? b) If yes, has the entity translated its results and financial position into the presentation currency?		
15	Has the entity translated the results and financial position of a foreign operation into a presentation currency so that the foreign operation can be included in the financial statements of the reporting entity by consolidation or the equity method?		
16	Where the entity's functional currency is not the currency of a hyperinflationary economy, has the entity ensured that its results and financial position has been translated into a different presentation		

	currency using the following procedures: a) Translation of assets and liabilities for the balance sheet (including comparatives) at the closing rate at the date of that balance sheet, b) Translation of income and expenses for the statement of profit and loss (including comparatives) at exchange rates at the date(s) of the transactions, and c) All resulting exchange differences are recognised in other comprehensive income?		
17	Whether assets and liabilities (goodwill) arising from the acquisition of the foreign operation and fair value adjustment has been expressed in the functional currency of the foreign operation and translated at closing rate in accordance with paragraphs 39 and 42.		
18	Has the entity recognised the exchange differences in profit and loss account in the period in which they arise?		
19	Whether an entity has disclosed: a) the amount of exchange differences recognized in profit or loss except for those arising on financial instruments measured at fair value through profit or loss in accordance with Ind As 109 b)net exchange difference recognized in other comprehensive income and accumulated in a separate component of equity, and a reconciliation of the amount of such exchange differences at the beginning and end of the period		
20	In case presentation currency is different from the functional currency, whether the fact has been disclosed together with disclosure of the functional currency and the reason for using a different presentation currency?		
21	Whether change in the functional currency of either the reporting entity or a significant foreign operation, together with the reason for the change in functional currency and the date of change in functional currency has been disclosed?		
22	In case financial statements are presented in a currency that is different from its functional currency description that the financial statements as complying with Ind ASs only if they comply with all th requirements of each applicable standard including the translation method set out in paragraphs 39 and 42.		

Checklist for Indian Accounting Standard(Ind AS) -23 Borrowing Costs

Sl. No.	Particulars	Yes/No / NA	Remarks
1.	Has the entity excluded the following from the scope of Ind AS 23 a) Actual or imputed cost of equity, including preferred capital not classified as a liability b) A qualifying asset[1] measured at fair value c) Inventories that are manufactured or otherwise produced, in large quantities on a repetitive basis?		
2.	Has the entity identified its qualifying assets that necessarily take a substantial period of time to get ready for their intended use or sale and computed the borrowing costs that are directly attributable to the acquisition, construction or production of those assets?		
3.	If there is no qualifying asset, then has the entity recognised borrowing cost as an expense in the period in which it incurs then?		
4.	Does the borrowing cost include a)Interest expense calculated the effective interest method as described in Ind AS 109 b)Financial charges in respect of finance lease recognised in accordance with Ind AS 17 c)Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost		
5.	Where funds were borrowed specifically for obtaining a qualifying asset, has the entity determined the amount of borrowing costs (net) eligible for capitalisation after deducting any investment income on the temporary investment of those borrowings from the borrowing costs?		
6.	Where there was difficulty in identifying a direct relationship between particular borrowings and a qualifying asset and to determine borrowing costs eligible for capitalisation, whether the management exercised appropriate judgment, based on the accounting policies applied by the entity?		
7.	Where funds were borrowed generally and used them for obtaining a qualifying asset, has the entity computed and used a capitalisation rate to determine the borrowing costs eligible for capitalisation?		
8.	Has the borrowing cost capitalized during the period exceeded the amount of borrowing cost incurred during the same period?		
9.	Has the carrying amount of qualifying assets evaluated? Where the carrying amount of a qualifying asset exceeded its recoverable amount, whether it was written down/written off in accordance with the requirements of other Ind AS?		

[1](i) Inventories (ii) Manufacturing Plants (iii) Power Generation Facilities (iv) Investment Properties (v) Intangible Assets and (vi) Bearer Plants all are qualifying asset.

10.	Has the 'commencement date' for capitalization of borrowing costs as part of the cost of qualifying asset been considered as the date on which the entity first met all of the following conditions i.e. a)incurred expenditure for the asset b)incurred borrowing costs c)undertook necessary activities to prepare the asset for its intended use or sale		
11.	Whether the capitalization of borrowing costs was suspended during extended periods of construction when active development was suspended[2]?		
12.	Whether capitalization of borrowing costs was ceased on: a)Completion of physical construction/ substantial completion of all the activities necessary to prepare the qualifying asset for its intended use or sale? b)Completion of construction of a qualifying asset in parts, while construction was continued on other parts and each part was capable of being used.		
13.	Whether the borrowing costs which did not satisfy the criteria for capitalization have been recognized as an expense?		
14.	Where the entity applied Ind AS 29, Financial Reporting in Hyperinflationary Economics, whether the part of borrowing costs that compensated for inflation during the same period has been recognized as an expense in accordance with paragraph 21 of that Standard?		
15.	Whether the amount of borrowing costs capitalized during the period has been disclosed?		
16.	Whether the capitalization rate used to determine the amount of borrowing costs eligible for capitalization has been disclosed?		

[2] Except when (i) substantial technical and administrative work was carried out, and (ii) temporary delay was a necessary part of the process of getting an asset for its intended use or sale.

Checklist for Indian Accounting Standard (Ind AS) - 24 Related Party Disclosures

Sl. No.	Particulars			Yes/No	Remarks
1.	If the entity is				
	(a)	A parent company, or			
	(b)	An investor with joint control of, or significant influence over, an investee in accordance with Ind AS 110, Consolidated Financial Statements or Ind AS 27, Separate Financial Statements			
	Has the entity disclosed related party relationships and transactions and outstanding balances, including commitments in its consolidated and separate financial statements?				
2.	With respect to intra-group related party transactions, if the entity is an investment entity, then has it disclosed the same?				
3.	In identifying related parties, have the following been excluded				
	(a)	Entities with a director or other member of key management personnel in common with the reporting entity (unless there are other indicators or such companies are otherwise related parties),			
	(b)	Entities where a member of key management personnel of one entity has significant influence over the other entity (unless there are other indicators or such companies are otherwise related parties),			
	(c)	A joint venturer that shares joint control of a joint venture of the entity (unless there are other indicators or such companies are otherwise related parties),			
	(d)	i.	Providers of finance		
		ii.	Trade unions		
		iii.	Public utilities		
		iv.	Departments and agencies of a government that do not control, jointly control or significantly influence the entity, simply by virtue of their normal dealings with the entity (even though they may affect the freedom of action of an entity or participate in its decision making process)		
	(e)	A customer, supplier, franchisor, distributor or general agent with whom the entity transacts a significant volume of business, simply by virtue of the resulting economic dependence?			
4.	Whether relationships between a parent and its subsidiaries were disclosed irrespective of whether there had been transactions between them?				
5.	Whether an entity disclosed the name of its parent and, if different, the ultimate controlling party?				
6.	If neither the entity's parent nor the ultimate controlling party produced consolidated financial statements available for public use, whether the name of the next most senior parent that did so was disclosed?				
7.	Has the entity disclosed relationships when control exists, irrespective of whether there have been transactions between the related parties?				
8.	Has the entity disclosed key management personnel compensation in total for each of following categories				
	(a)	Short-term employee benefits			
	(b)	Post-employment benefits			
	(c)	Other long-term benefits			

	(d)		Termination benefits, and		
	(e)		Share based payment		
9.	If the entity had related party transactions during the periods covered by the financial statements, whether it disclosed the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements?				
10.	These disclosure requirements are in addition to those in Sl. No.4 At a minimum, disclosures should include:				
	(a)		the amount of the transactions		
	(b)		the amount of outstanding balances including		
		i.	commitments		
		ii.	their terms and conditions		
		iii.	whether they are secured		
		iv.	nature of the consideration to be provided in the settlement		
		v.	details of any guarantees given or received		
	(c)		provisions for doubtful debts related to the amount of outstanding balances;		
	(d)		the expense recognized during the period in respect of bad or doubtful debts due from related parties.		
11.	Whether the disclosures required in Sl. No. 6 was made separately for each of the following categories:				
	(a)		the parent		
	(b)		entities with joint control or significant influence over the entity		
	(c)		subsidiaries		
	(d)		associates		
	(e)		joint ventures in which the entity is a venturer		
	(f)		key management personnel of the entity or its parent		
	(g)		other related parties		
12.	Whether items of a similar nature were disclosed in aggregate except when separate disclosure was necessary for an understanding of the effects of related party transactions on the financial statements of the entity.				
13.	If a reporting entity applied for exemption, whether it disclosed the following about the transactions and related outstanding balances				
	(a)		the name of the government and the nature of its relationship with the reporting entity (i.e. control, joint control or significant influence)		
	(b)		the following information in sufficient detail to enable users of the entity's financial statements to understand the effect of related party transactions on its financial statements:		
		i.	the nature and amount of each individually significant transaction		
		ii.	for other transactions that are collectively, but not individually, significant, a qualitative or quantitative indication of their extent.		
14.	Has the entity disclosed that related party transactions were made on terms equivalent to those that prevail in an arm's length transactions provided that such terms can be substantiated?				

15.	Is the entity, a government related entity, that has related party transactions and outstanding balances, including commitments, with			
	(a)	A government that has control or joint control of, or significant influence over the reporting entity, and		
	(b)	Another entity that is a related party because the same government has control or joint control of, or significant influence over both the reporting entity and the other entity		
16.	Has the entity disclosed the following transaction with related parties:			
	(a)	Purchases or sales of goods (finished or unfinished),		
	(b)	Rendering or receiving of services,		
	(c)	Leases,		
	(d)	Transfers of research and development,		
	(e)	Transfers under license agreements,		
	(f)	Transfers under finance arrangements (including loans and equity contributions in cash or in kind),		
	(g)	Commitments to do something if a particular event occurs or does not occur in the future, including executory contracts (recognised and unrecognised),		
	(h)	Settlement of liabilities on behalf of the entity or by the entity on behalf of that related party, and		
	(i)	Management contracts including for deputation of employees		
17.	If there is a participation by a parent or subsidiary in a defined benefit plan that shares risks between group entities, has this been disclosed as a related party transaction?			

Checklist for Indian Accounting Standard (Ind AS)-27Separate Financial Statements

Sl. No	Particulars	Yes/No/ NA	Remarks
1.	Whether the entity has adopted to prepare separate financial statements?		
2.	Whether the entity which prepared separate financial statements, had accounted for investments in subsidiaries, joint ventures and associates either: (a) at cost, or (b) in accordance with Ind AS 109? If so, whether the uniform accounting principles were applied for each category of investments?		
3.	Whether the entity had recognised dividend from a subsidiary, a joint venture or an associate in its separate financial statements when its right to receive the dividend is established?		
4.	Whether the entity ceased to be an investment entity, or becomes an investment entity? If so, whether the entity had accounted for the change from the date when the change in status occurred?		
5.	Whether the entity elected, in accordance with Ind AS 28, to measure its investments in associates or joint ventures at fair value through profit or loss in accordance with Ind AS 109? If so, whether the entity had accounted for those investments in the same way in its separate financial statements?		
6.	Whether the entity was required, in accordance with Ind AS 110, to measure its investment in a subsidiary at fair value through profit or loss in accordance with Ind AS 109? If so, whether the entity had accounted for its investment in a subsidiary in the same way in its separate financial statements?		
7.	Whether the entity reorganized the structure of its group by establishing a new entity as its parent? If so, whether the new parent measured the cost at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the date of the reorganization?		
8.	Whether disclosures as per Ind AS-27 (as per para 16, 16A or 17) were made?		

Checklistfor Indian Accounting standards (Ind AS)-28Investments in Associatesand Joint Ventures

Sl. No.	Particulars	Yes/ No / NA	Remarks
1	Has the entity has significant influence over an investee, to be classified as an associate?		
2	If the entity is a party to a joint arrangement, in which the parties that have joint control have rights to the net assets of the arrangement, has thisjoint arrangement been classified as a joint venture?		

3	Is the classification of entities into subsidiary, associate and joint venture done appropriately on the basis set out in Q 1 and 2 above?		
4	Is the investment initially recognized at cost?		
5	Has the carrying amount of investment under equity method been increased or decreased to recognize the investor's share of profit/loss after the date of acquisition?		
6.	Has the entity reduced the carrying amount of investment under equity method to the extent of the distribution received from the associate or joint venture?		
7.	If there are any potential voting rights and other derivative instruments that currently give the entity access to returns, is the proportionate share allocated to the entity after considering the potential rights?		
8.	Are the investments or any retained interest in the investments that is not classified as held-for-sale, been classified as a non-current asset?		
9.	Are all investments in an associate or a joint venture accounted using the equity method unless they qualify for the exemptions in accordance with paragraph 17-19 of Ind AS 28?		
10.	If the investment or a portion of investment in associate or joint venture is classified as held for sale, are those investments/proportionate investment value measured as per Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations*?		
11.	If there are any investments or a portion of an investment, in an associate or a joint venture previously classified as held for sale that no longer meets the criteria to be so classified, have these been accounted using equity method retrospectively as from the date of its classification as held for sale?		
12.	If any of the investments have ceased to be associates or joint ventures, has the entity discontinued the use of the equity method from the date when its investment ceases to be an associate or a joint venture?		
13	Has the entity considered the aggregate of holdings by the entity, its parent and its subsidiary in associates and joint ventures?		

14	If the associate or joint venture has subsidiaries, associates or joint ventures, when applying the equity method, are the profit or loss, other comprehensive income and net assets taken into account those that are recognized in the associate's or joint venture's financial statements.		
15	Has the entity eliminated the gain/loss resulting from upstream/downstream transactions between the entity and its associate or joint venture to the extent of its share in the associate or joint venture?		
16	Has the entity accounted for goodwill/capital reserve arising out of difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities?		
17	a) Has the entity included the above goodwill, if any, in the carrying amount of the investment? b) If the entity's share of the net fair value of the investee's identifiable assets and liabilities is in excess of the cost of the investment, has the same been recognized directly in equity as capital reserve?		
18	Has the entity considered the most recent available financial statements of the associate or joint venture?		
19	In case where the financial statements of an associate or joint venture of an entity are prepared as of a date different from that used by the entity a) Have the necessary adjustments been made for the effects of significant transactions or events that occur between that date and the date of the entity's financial statements? (The difference in this case should not exceed three months), b) Is the difference between the end of the reporting period of the associate or joint venture and that of the entity more than three months, and c) Is the length of the reporting periods and any difference between the ends of the reporting periods the same from period to period?		
20	If an associate or joint venture uses accounting policies other than those of the entity for like transactions and events in similar circumstances have adjustments been made to make these accounting policies, conform to those of the entity when applying the equity method?		
21	If an associate or a joint venture has outstanding cumulative		

	preference shares that are held by parties other than the entity and are classified as equity, has the entity computed its share of profit or loss after adjusting for the dividends on such shares, whether or not the dividends have been declared?		
22	Is there any objective evidence of impairment of investment in the associate and/or joint venture?		
23	Has the entity limited the loss to be recognized to the extent of its interest in the associate or joint venture unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture?		

Checklist for Indian Accounting Standards (IndAS)-29Financial reporting in hyperinflationary economies

Sl. No.	Particulars	Yes / No/ NA	Remarks
1.	Has the entity applied this standard where the economic environment of a country which include, but are not limited to, the following? 1. The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency held are immediately invested to maintain purchasing power; 2. The general population regards monetary amounts not in terms of the local currency but in terms of a relatively stable foreign currency. Prices may be quoted in that currency; 3. sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short; 4. interest rates, wages, and prices are linked to a price index; and 5. the cumulative inflation rate over three years approaches, or exceeds, 100%		
2.	Whether the financial statements of an entity that reports in the currency of a hyperinflationary economy were stated in terms of the measuring unit current at the balance sheet date? Whether the comparative figures for prior period(s) should be restated into the same current measuring unit?		
3.	Whether Balance sheet amounts not already expressed in terms of the measuring unit current at the end of the reporting period are restated by applying a general price index?		
4.	Monetary items are not restated because they are already expressed in terms of the monetary unit current at the end of the reporting period. Whether this was followed?		
5.	Assets and liabilities linked by agreement to changes in prices, such as index linked bonds and loans, are adjusted in accordance with the agreement in order to ascertain the amount outstanding at the end of the reporting period. Whether this was followed?		
6.	All other assets and liabilities (non-monetary) that are carried at amounts current at the end of the reporting period, such as net realizable value and fair value, so they are not restated. All other nonmonetary assets and liabilities are restated. Whether this was followed?		
7.	Whether non-monetary items carried at cost or cost less depreciation are restated from the dates of their purchase? Whether Inventories of partly-finished and finished goods are restated from the dates on which the costs of purchase and of conversion were incurred?		

8.	Whether at the beginning of the first period of application of this Standard, the components of owners' equity, except retained earnings and any revaluation surplus, are restated from the dates the components were contributed or otherwise arose? Whether any revaluation surplus that arose in previous periods are eliminated?		
9.	Whether at the end of the first period and in subsequent periods, all components of owners' equity are restated from the beginning of the period or the date of contribution?		
10.	Whether all items in the statement of profit and loss are expressed in terms of the measuring unit current at the end of the reporting period?		
11.	Whether the gain or loss was estimated by applying the change in a general price index to the weighted average for the period of the difference between monetary assets and monetary liabilities?		
12.	Whether other income and expense items, such as interest income and expense, and foreign exchange differences related to invested or borrowed funds, are also associated with the net monetary position?		
13.	Items stated at current cost are not restated because they are already expressed in terms of the measuring unit current at the end of the reporting period. Whether this was followed?		
14.	Whether all amounts were restated into the measuring unit current at the end of the reporting period by applying a general price index?		
15.	Whether gain or loss on net monetary position is dealt as per Para 27 and 28?		
16.	Whether statement of cash flows is expressed in terms of the measuring unit current at the end of the reporting period?		
17.	Whether corresponding figures of Previous year are restated by applying a general price index so that the comparative financial statements are presented in terms of the measuring unit current at the end of the reporting period?		
18.	Consolidated financial statements – Whether the financial statements of subsidiary was restated by applying a general price index of the country in whose currency it reports before they are included in the consolidated financial statements?		
19.	Whether general price index that reflects changes in general purchasing power was adopted for this Standard?		
20.	Whether the following disclosures as per Para 39 were made 1. The fact that financial statements and other prior period data have been restated for changes in the general purchasing power of the reporting currency 2. Whether the financial statements are based on a historical cost approach or current cost approach and 3. Identity and level of the price index at the balance sheet date and moves during the current and previous reporting period 4. Duration of hyperinflation existing in the economy		

Checklistfor Indian Accounting Standard (Ind AS)-32Financial Instruments: Presentation

Sl. No.	Particulars	Yes/No/ NA	Remarks
1.	Whether the entity included all Financial Instruments (FIs) within the scope of this Standard, except where a financial instrument is required to be excluded from the scope of Ind AS 32 and the relevant Ind AS applied?		
2.	Whether the FIs are excluded from the scope of IND AS 32 and if so, the relevant AS applied?		
3	Whether the entity has contracts to buy or sell a non-financial item that can be settled net in cash or other financial instrument or by exchanging financial instrument?		
4	Whether the entity included the above contracts within the scope of Ind AS 32?		
5	Whether FI are classified as financial liability or equity instrument in accordance with contractual agreement?		
6	Whether FIs are in compound financial instrument or not?		
7	Whether the entity issued a puttable instrument?		
8	Whether the puttable instrument has been classified as an equity instrument only if the criteria given in para 16A (a) to 16A (b) of Ind AS 32 are met?		
9	Whether the entity has a F.I. that includes a contractual obligation to deliver to another entity a pro rata share of its net assets only on liquidation? If so, an instrument is classified as an equity instrument only if it meets the criteria set in para 16C (b) to16D.		
10	Whether an entity reclassifies a F.I?		
11	Whether the entity accounted the above reclassification of an instrument in accordance with 16E?		
12	Whether the F.I. is classified as financial liability as per para 17?		
13	If so, whether it meets the criteria stated in para 18?		
14	Whether the entity recognized a financial liability for the present value of the redemption amount for a contract that contains an obligation for an entity to purchase its own equity instruments for cash or any other financial instrument as per the criteria mentioned in para 23?		
15	Whether the entity classified F.I. as a financial liability if the entity is required to deliver cash or another financial asset or otherwise settle a financial instrument in such a way that it would be a financial liability, in the event of contingent future events?		
16	If the entity issued a derivative F.I. that gives one party a choice over how it is settled (e.g. net in cash or by exchanging shares for cash), has the same been recognized as a financial asset or a financial liability unless all of the settlement alternatives would result in it being an equity instrument?		

17	If the entity issued non-derivative financial instrument that has both a liability and an equity component, a) Has the entity classified these components separately- liabilities, assets or equity instruments? b) Has the entity presented the liability and equity components of the instrument separately in the balance sheet?		
18	Whether the entity assigned the residual amount to the equity component, after deducting from the fair value of the instrument as a whole the amount separately determined for the liability?		
19	Whether the entity determined the carrying amount of the liability component by measuring the fair value of a similar liability that does not have an associated equity component?		
20	On conversion of a compound convertible instrument at maturity, whether the entity derecognized the liability, retained the original equity component and ensured that no gain or loss is recognized?		
21	When the entity extinguished a compound convertible instrument before maturity, whether the entity recognized any resulting gain or loss on the liability or equity component in profit or loss?		
22	Whether the entity reacquired, sold, issued or cancelled its own equity instruments (treasury shares), the consideration paid or received been recognized as a deduction from/ addition to equity?		
23	Whether the entity recognized the interests, dividends, losses or gains relating to a financial instrument as income or expense in the profit and loss?		
24	Whether the entity allocated transaction costs that relate to the issue of a compound financial instrument to the liability and equity components of the instrument in proportion to the allocation of proceeds?		
25	Whether the entity disclosed above transaction costs accounted for as a deduction from equity separately in accordance with Ind AS1?		
26	Whether the entity accounted the transaction cost as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction?		
27	Whether the entity presented dividends (classified as an expense) in the profit or loss either with interest on other liabilities or as a separate item?		
28	Whether the entity recognized the gains or losses relating to changes in the carrying the amount of financial liability separately as income or expense in profit or loss?		
29	Whether the entity has a legally enforceable right to set off the recognized amounts?		
30	Whether the entity intends to either settle on a net basis or to realize the asset and settle the liability simultaneously?		
31	When accounting for a transfer of financial assetsdoes not qualify for derecognition, whether the entity ensured that the transferred asset and the associated liability are not offset and are presented separately in the financial statements?		
32	When the entity has a right to set-off but the entity does not intend to either settle on a net basis or to realize the asset and settle the liability simultaneously, whether the entity's credit risk of exposure		

	has been disclosed in accordance with para 36 of Ind AS 107?		
33	Whether the entity ensured that a financial asset and a financial liability are not offset in the circumstances set out in para 49?		
34	If the entity entered into a master netting arrangement with another counterparty, and the related financial assets and financial liabilities are not offset, whether the effect of this arrangement on the entity's exposure to credit risk has been disclosed in accordance with Ind AS 107?		

Checklist for Indian Accounting Standard (Ind AS)-33Earnings per Share

Sl. No.	Particulars	Yes/No/ NA	Remarks
1	Has the entity calculated and disclosed earnings per share in accordance with this Standard?		
2	Has the entity presented the disclosures required by this Standard both in the consolidated financial statements and separate financial statements?		
	Basic earnings per share		
3	Has the entity calculated basic earnings per share amounts for profit or lossattributable to ordinary equity holders of the parent entity and, if presented, profitor loss from continuing operations attributable to those equity holders?		
4	Has the entity calculated the basic earnings per share by dividing profit or loss attributable toordinary equity holders of the parent entity (the numerator) by the weightedaverage number of ordinary shares outstanding (the denominator) during theperiod?		
5	Has the entity,for the purpose of calculating basic earnings per share, considered the amounts attributable to ordinary equity holders of the parent entity in respect of: (a) profit or loss from continuing operations attributable to the parent entity; and (b) profit or loss attributable to the parent entity adjusted for the after-tax amounts of preference dividends, differences arising on the settlement of preference shares, and other similar effects of preference shares classified as equity.		
6	Are the after-tax amount of preference dividends that are deducted from profit or loss equal to: a) the after-tax amount of any preference dividends on non-cumulative preference shares declared in respect of the period; and (b) the after-tax amount of the preference dividends for cumulative preference shares required for the period, whether or not the dividends have been declared?		
7	Has the original issue discount or premium on increasing rate Preference shares, that is amortized to retained earnings using the effective interest method, been treated as a preference dividend for the purposes of calculating earnings per share?		
8	Where early conversion of convertible preference shares has been induced by an entity,whether the excess of the fair value of the ordinary shares or other consideration paid over the fair value of the ordinary shares issuable under the originalconversion terms is a return to the preference shareholders, and is deducted in calculating profit or loss attributable to ordinary equity holders of the parent entity?		
9	Has any excess of the carrying amount of preference shares over the fair value of theconsideration paid to settle them been added incalculating profit or loss attributable to ordinary equity holders of the parent entity?		
	Shares		
10	Has the weighted average number of ordinary shares outstanding during the period, as determined below been used, to calculate the basic earning per share?		

11	Are the Shares a included in the weighted average number of shares from the date consideration is receivable as per para 21?		
12	Are the Ordinary shares issued as part of the consideration transferred in a businesscombination included in the weighted average number of shares from the acquisition date?		
13	Are Ordinary shares that will be issued upon the conversion of a mandatorily convertibleinstrument included in the calculation of basic earnings per share from the date thecontract is entered into?		
14	Are contingently issuable shares are treated as outstanding and included in the calculation of basic earnings per share only from the date when all necessary conditions are satisfied?		
15	Have the weighted average number of ordinary shares outstanding during the period and for all periods presented been adjusted for events, other than the conversion of potential ordinary shares, that have changed the number of ordinary shares outstanding without a corresponding change in resources? (for example capitalization or bonus issue or a share split)		
	Diluted earnings per share		
16	Has the entity calculated diluted earnings per share amount for profit or loss attributable to ordinary equity holders of the parent entity and, if presented, profit or loss from continuing operations attributable to those equity holders?		
17	For the purpose of calculating diluted earnings per share, has the entity adjusted profit or loss attributable to ordinary equity holders of the parent entity, and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares?		
18	For the purpose of calculating diluted earnings per share, has the entity adjusted profit or loss attributable to ordinary equity holders of the parent entity, as calculated in accordance with paragraph 12, by the after-tax effect of: (a) any dividends or other items related to dilutive potential ordinary shares deducted in arriving at profit or loss attributable to ordinary equity holders of the parent entity as calculated in accordance with paragraph 12; (b) any interest recognized in the period related to dilutive potential ordinary shares; and (c) any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares.		
19	For the purpose of calculating diluted earnings per share, has the entity determined the number of ordinary shares as The weighted average number of ordinary shares **plus** the weighted average number of ordinary shares that would be issued on theconversion of all the dilutive potential ordinary shares into ordinary shares?		
20	Has the entity determined the number of ordinary shares that would be issued on conversion of dilutive potential ordinary shares from the terms of the potential ordinary shares?		

21	Does the entity have a subsidiary, joint venture or associate which has issued to parties (other than the parent or investors with joint control of, or significant influence over the investee), potential ordinary shares that are convertible into either ordinary shares of the subsidiary, joint venture or associate, or ordinary shares of the parent or investors with joint control of, or significant influence (the reporting entity) over, the investee? Do such potential ordinary shares of the subsidiary, joint venture or associate have a dilutive effect on the basic earnings per share of the reporting entity? If yes, has the entity included such potential ordinary shares in the calculation of diluted earnings per share?		
22	Have potential ordinary shares been treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuingoperations?		
	Options, warrants and their equivalents		
23	For the purpose of calculating diluted earnings per share, has the entity assumed theexercise of dilutive options and warrants of the entity?		
24	Have options and warrants been considered as dilutive only when they would result in the issue of ordinary shares for less than the average market price of ordinary shares during the period?		
25	Have employee share options with fixed or determinable terms and non-vested ordinary shares been treated as options in the calculation of diluted earnings per share, even though they may be contingent on vesting?		
26	Whether the dilutive effect of convertible instruments has been reflected in diluted earnings per share in accordance with paragraphs 33 and 36?		
28	Where the entity has issued a contract that may be settled in ordinary shares or cash at the entity’s option, has the entity presumed that the contract will be settled in ordinary shares, and the resulting potential ordinary shares included in diluted earnings per share if the effect is dilutive?		
29	For contracts that may be settled in ordinary shares or cash at the holder’s option, has the more dilutive of cash settlement and share settlement been used in calculating diluted earnings per share?		
30	Have contracts such as purchased put options and purchased call options (i.e. options held by the entity on its own ordinary shares) been excluded in the calculation of diluted earnings per share? (Because including them would be antidilutive.)		
31	Have contracts that require the entity to repurchase its own shares, such as written put options and forward purchase contracts, been reflected in the calculation of diluted earnings per share if the effect is dilutive?		
32	If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalization, bonus issue or share split, or decreases as a result of a reverse share split, has the calculation of basic		

	and diluted earnings per share for all periods presented been adjusted retrospectively?		
33	Has the entity presented in the statement of profit and loss basic and diluted earnings per share for profit or loss from continuing operationsattributable to the ordinary equity holders of the parent entity and for profit or loss attributable to the ordinary equity holders of the parent entity for the period for each class of ordinary shares that has a different right to share in profit for the period?		
34	Is earnings per share presented for every period for which a statement of profit and loss ispresented? Further,if diluted earnings per share are reported for at least one period, has the entity reported it for all periods presented, even if it equals basic earnings per share?		
35	If the entity reports a discontinued operation, has it disclosed the basic and dilutedamounts per share for the discontinued operation either in the statement of profitand loss or in the notes?		
36	Has the entity presented basic and diluted earnings per share, even if the amounts arenegative (i.e. a loss per share)?		
	Disclosure		
37	Disclosure of the following: (a) the amounts used as the numerators in calculatingbasic and diluted earnings per share, and areconciliation of those amounts to profit or lossattributable to the parent entity for the period. Thereconciliation shall include the individual effect ofeach class of instruments that affects earnings pershare. (b) the weighted average number of ordinary sharesused as the denominator in calculating basic anddiluted earnings per share, and a reconciliation ofthese denominators to each other. Thereconciliation shall include the individual effect ofeach class of instruments that affects earnings pershare. (c) instruments (including contingently issuableshares) that could potentially dilute basic earningsper share in the future, but were not included inthe calculation of diluted earnings per sharebecause they are antidilutive for the period(s)presented. (d)a description of ordinary share transactions orpotential ordinary share transactions, other thanthose accounted for in accordance with paragraph64, that occur after the reporting period and thatwould have changed significantly the number ofordinary shares or potential ordinary sharesoutstanding at the end of the period if thosetransactions had occurred before the end of thereporting period.		
38	Disclosure of, in addition to basic and diluted earningsper share, amounts per share using a reported component of the statement of profit and loss other than one required by this Standard.		

Checklist for Indian Accounting Standard (Ind AS) – 34Interim Financial Reporting

Sl. No.	Particulars	Yes/No/ NA	Remarks
1	Is the entity required to publish its interim financial reports for the applicability of this standard?		
2	If an entity publishes a complete set of financial statements in its interim financialreport, does the form and content of those statements conform to the requirements Ind AS 1: Presentation of Financial Statementsfor a complete set of financial statements.		
3	If an entity publishes a set of condensed financial statements in its interim financialreport, do the condensed statements include, at a minimum, each of the headings and subtotals that were included in its most recent annual financial statements and the selected explanatory notes as required by this Standard.		
4	If the entity is within scope of Ind AS 33, *Earnings per Share,* has it presented the basic and diluted earnings per share in its profit or loss for the interim period?		
5	If an entity's most recent annual financial statements were consolidated statements, did the entity prepare its interim financial report on a consolidated basis?		
	Significant events and transactions		
6	Has entity included in its interim financial report an explanation of events andtransactions that are significant to an understanding of the changes in financial positionand performance of the entity since the end of the last annual reporting period? Has the entity updated the information disclosed in relation to those events and transactions that were presented in the most recent annual financial report?		
7	If the entity considers any event as significant, has it disclosed such significant event(s)?		
	Other Disclosures		
8	Has the entity made the following disclosures either in the interim financial statements or incorporated by cross-reference from the interim financial statements to some other statement (such as management commentary or risk report) that is available to users of the financial statements on the same terms as the interim financial statements and at the same time. (a) a statement that the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements or,ifthose policies or methods have been changed, a description of the nature and effect of the change. (b) explanatory comments about the seasonality or cyclicality of interim operations. (c) the nature and amount of items affecting assets,liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence. (d) the nature and amount of changes in estimates		

	of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financialyears. (e) issues, repurchases and repayments of debt and equity securities. (f) dividends paid (aggregate or per share)separately for ordinary shares and other shares. (g) the following segment information (i) revenues from external customers, (ii) intersegment revenues, if included in themeasure of segment profit or loss (iii) a measure of segment profit or loss. (iv) a measure of total assets and liabilities for a particular reportable segment (v) a description of differences from the last annual financial statements in the basis of segmentation or in the basis of measurement of segment profit or loss. (vi) a reconciliation of the total of the reportable segments' measures of profit or loss to the entity's profit or loss before tax expense (tax income) and discontinued operations. (h) Events after the interim period that have not been reflected in the financial statements for the interim period. (i) the effect of changes in the composition of the entity during the interim period, includingbusiness combinations, obtaining or losingcontrol of subsidiaries and long-terminvestments, restructurings, and discontinuedoperations. (j) for financial instruments, the disclosures about fair value required by paragraphs 113.91–113.93(h), 113.94–113.96, 113.98 and 113.99 and paragraphs 107.25, 107.26 and 107.28–107.30. (k) for entities becoming, or ceasing to beinvestment entities, as defined in Ind AS 110,*Consolidated Financial Statements*, the disclosures in paragraph 112.9B.		
	Disclosure of compliance with Ind ASs		
9	If an entity's interim financial report is in compliancewith this Standard, that fact shall be disclosed. Aninterim financial report shall not be described as complying with Ind ASs unless it complies with all ofthe requirements of Ind ASs.		
10	Has the entity provided the following as part of its Interim report: (a) balance sheet as of the end of the current interim period and a comparativebalance sheet as of the end of the immediately preceding financial year. (b) statements of profit and loss for the current interim period and cumulativelyfor the current financial year to date, with comparative statements of profitand loss for the comparable interim periods (current and year-to-date) of theimmediately preceding financial year. (c) statement of changes in equity cumulatively for the current financial year todate, with a comparative statement for the comparable year-to-date period ofthe immediately preceding financial year.		

	(d) statement of cash flows cumulatively for the current financial year to date,with a comparative statement for the comparable year-to-date period of theimmediately preceding financial year.		
11	If the entity whose business is highly seasonal, then has the entity disclosed the financial information for the twelvemonths up to the end of the interim period and comparative information for the priortwelve-month period?		
12	If the entity assesses materiality in relation to the interim period financial data, does the entity recognize, measure, classify, or disclose an item for interimfinancial reporting purposes based on such materiality?		
13	If an estimate of an amount reported in an interimperiod is changed significantly during the final interimperiod of the financial year but a separate financialreport is not published for that final interim period,disclosure of the nature and amount of that change inestimate in a note to the annual financial statementsfor that financial year.		
	Recognition and measurement		
14	Has the entity applied the same accounting policies in its interim financial statementsas are applied in its annual financial statements, except for accounting policychanges made after the date of the most recent annual financial statements that areto be reflected in the next annual financial statements?		
	Revenues received seasonally, cyclically, or occasionally		
15	Has the entity ensured that revenues that are received seasonally, cyclically, or occasionally within a financial year are not anticipated or deferred as of an interim date, if anticipation or deferral would not be appropriate at the end of the entity's financial year.		
	Costs incurred unevenly during the financial year		
16	Has costs that are incurred unevenly during an entity's financial year beenanticipated or deferred for interim reporting purposes if, and only if, it is alsoappropriate to anticipate or defer that type of cost at the end of the financial year.		
	Use of estimates		
17	Have the measurement procedures to be followed in an interim financial report been designed to ensure that the resulting information is reliable and that all materialfinancial information that is relevant to an understanding of the financial positionor performance of the entity is appropriately disclosed.		
18	A change in accounting policy, other than one for which the transition is specified by a new Ind AS,shall be reflected by: (a) restating the financial statements of prior interim periods of the current financial year and the comparable interim periods of any prior financial years in accordance with Ind AS 8; or (b) when it is impracticable to determine thecumulative effect at the beginning of the financial year of applying a new accountingpolicy to all prior periods, adjusting the financialstatements of prior interim periods of the currentfinancial year, and comparable interim periodsof prior financial years to apply the new accounting policy prospectively from the		

	earliestdate practicable.		

Checklist for Indian Accounting Standard (Ind AS)-36Impairment of Assets

Sl. No.	Particulars	Yes/No /NA	Remarks
1	Has the entity excluded the following items from the scope of this Standard and applied the relevant Ind AS instead: (a) inventories (Ind AS 2, *Inventories*); (b) contract assets and assets arising from costs to obtain or fulfill acontract that are recognized in accordance with Ind AS 115, *Revenue from Contracts with Customers*; (c) deferred tax assets (see Ind AS 12, *Income Taxes*); (d) assets arising from employee benefits (see Ind AS 19, *Employee Benefits*); (e) financial assets that are within the scope of Ind AS 109, *Financial Instruments*; (f) biological assets related to agricultural activity within the scope of IndAS 41 *Agriculture* that are measured at fair value less costs to sell ; (g) deferred acquisition costs, and intangible assets, arising from aninsurer's contractual rights under insurance contracts within the scope of Ind AS 104, *Insurance Contracts*; and (h) non-current assets (or disposal groups) classified as held for sale in accordance with Ind AS 105, *Non-current Assets Held for Sale andDiscontinued Operations*.		
2	Has the entity included the following items within the scope of this Standard: (a) subsidiaries, as defined in Ind AS 110, *Consolidated Financial Statements*; (b) associates, as defined in Ind AS 28, *Investments in Associates and JointVentures*; and (c) joint ventures, as defined in Ind AS 111, *Joint Arrangements*. (For impairment of other financial assets, refer to Ind AS 109).		
3	Has the entity assessed at the end of each reporting period whether there is any indication that an asset may be impaired and if any such indication exists, the estimated the recoverable amount of the asset?		
4	Irrespective of whether there is any indication of impairment, has the entity tested the assets falling under any of the following categories for impairment on an annual basis: (a) intangible asset with an indefinite useful life or an intangibleasset not yet available for use for impairment annually by comparing itscarrying amount with its recoverable amount. (b) intangible asset not yet available for use by comparing its carrying amount with its recoverable amount and (c) goodwill acquired in a business combination In case the asset falls under category (a) & (b), has the entity		

	ensured that it has : • performed the impairment test for such asset at same time every year, although different intangible assets may be tested for impairment at different times; and • tested the intangible asset for impairment before the end of the current annual period, if such intangible asset was initially recognized during the current period.		
5	Has the entity considered, as a minimum, the indications as given in para 12 of Ind AS 36 to determine whether there is any indication that an asset may be impaired?		
6	Has the entity reviewed and adjusted the remaining useful life, the depreciation (amortization) method or the residual value of the asset, if there is an indication that an asset may be impaired, even if no impairment loss is recognized for the asset.		
	Measuring recoverable amount		
7	Has the entity measured the recoverable amount of the assets as the higher of an asset's fair value less costs of disposal and its value in use?		
8	Has the entity assessed the asset for impairment, if the recoverable amount of the asset does not exceed the asset's carrying amount?		
9	If it is not to measure fair value less costs of disposal of an asset, because there is nobasis for making a reliable estimate of the price, has the entity used the asset'svalue in use as its recoverable amount?		
10	If there is no reason to believe that an asset's value in use materially exceeds itsfair value less costs of disposal,has the entity opted to use the asset's fair value less costs of disposal as its recoverable amount?		
11	Has the recoverable amount been determined for an individual asset, unless the asset doesnot generate cash inflows that are largely independent of those from other assetsor groups of assets? If this is the case, has the recoverable amount been determined for thecash-generating unit to which the asset belongs unlesseither: (a) the asset's fair value less costs of disposal is higher than its carryingamount; or (b) the asset's value in use can be estimated to be close to its fair value lesscosts of disposal		
12	Do the estimates of future cash flows exclude: (a) cash inflows or outflows from financing activities; or (b) income tax receipts or payments.		
13	Has the entity estimated the net cash flows to be received (or paid) for the disposal of anasset at the end of its useful life as the amount that an entity expects toobtain from the disposal of the asset in an arm's length transaction betweenknowledgeable, willing parties, after deducting the estimated costs ofdisposal?		

14	While determining the estimate of net cash flows to be received (or paid) for the disposal of an assetat the end of its useful life has the entity ensured the following: (a) the prices used are the prevailing at the date of the estimate for similar assetsthat have reached the end of their useful life and have operated underconditions similar to those in which the asset will be used. (b) adjustments have been made to those prices for the effect of both future price increasesdue to general inflation and specific future price increases or decreases. However, if estimates of future cash flows from the asset's continuing useand the discount rate exclude the effect of general inflation, has the entity ensured that the effect inflation has been excluded from the from the estimate of net cash flows on disposal.		
	Foreign currency future cash flows		
15	Has the entity ensured that the future cash flows are estimated in the currency in which they will be generatedand then discounted using a discount rate appropriate for that currency? Has the entity ensured that the present value has been translated using the spot exchange rate at the date of the value inuse calculation?		
	Discount rate		
16	Is the discount rate (rates) a pre-tax rate (rates) that reflect(s) currentmarket assessments of: (a) the time value of money; and (b) the risks specific to the asset for which the future cash flow estimateshave not been adjusted.		
17	When an asset-specific rate is not directly available from the market, has the entityused surrogates estimate the discount rate?		
	Recognizing and measuring an impairment loss		
18	If, and only if, the recoverable amount of an asset is less than its carryingamount, has the entity reduced the carrying amount of the asset to its recoverableamount? (That reduction is an impairment loss.)		
19	Has the entity recognized an impairment loss on a non-revalued asset the in profit or loss?		
20	When the amount estimated for an impairment loss is greater than the carrying amount of the asset to which it relates, has the entity recognized a liability if, and only if, that is required by another Standard?		
21	After the recognition of an impairment loss, has the depreciation (amortization)charge for the asset been adjusted in future periods to allocate the asset'srevised carrying amount, less its residual value (if any), on a systematic basisover its remaining useful life?		
22	If an impairment loss is recognized, have the related deferred tax assets or liabilities been determined in accordance with Ind AS 12 by comparing the revised carryingamount of the		

	asset with its tax base?		
23	If there is any indication that an asset may be impaired, has the recoverable amountbeen estimated for the individual asset? If it is not possible to estimate therecoverable amount of the individual asset, has the entity determined therecoverable amount of the cash-generating unit to which the asset belongs? (the asset's cash-generating unit).		
24	Has the entity ensured that the recoverable amount of an individual asset is not determined if: (a) the asset's value in use cannot be estimated to be close to its fair value lesscosts of disposal (for example, when the future cash flows from continuinguse of the asset cannot be estimated to be negligible); and (b) the asset does not generate cash inflows that are largely independent ofthose from other assets. (In such cases, value in use and, therefore, recoverable amount, can be determinedonly for the asset's cash-generating unit.)		
25	If recoverable amount cannot be determined for an individual asset, has the entity identified the lowest aggregation of assets that generate largely independent cashinflows?		
26	Has, the entity made separate the disclosures about thecash-generating unit : • if an impairment loss is recognized or reversed for the cashgeneratingunit • if the entity determined that an asset belongs to a cash-generating unit different from that in previous periods, or • if the types of assets aggregated for the asset's cash-generating unit have changed.		
	Recoverable amount and carrying amount of a cash-generating unit		
27	Has the recoverable amount of a cash-generating unit been determined to be higher of the cash generating unit's fair value less costs of disposal and its value in use?		
28	Has the carrying amount of a cash-generating unit been determined on abasis consistent with the way the recoverable amount of the cash-generatingunit is determined?		
29	Does the carrying amount of a cash-generating unit: (a) includes the carrying amount of only those assets that can be attributeddirectly, or allocated on a reasonable and consistent basis, to the cashgeneratingunit and will generate the future cash inflows used in determiningthe cash-generating unit's value in use; and (b) does not include the carrying amount of any recognized liability, unless therecoverable amount of the cash-generating unit cannot be determinedwithout consideration of this liability.		

	Goodwill ***Allocating goodwill to cash-generating units***		
30	A. If the entity (as an acquirer) has goodwill acquired in a businesscombination: i) Has the entity allocated such good will to each of its cash-generating units, or groups of cash-generating units, that isexpected to benefit from the synergies of the combination, irrespective ofwhether other assets or liabilities of the acquiree are assigned to those units or groups of units; and ii) was the allocation done form the date of acquisition B. Does each unit or group of units to which the goodwill is soallocated: (a) represent the lowest level within the entity at which the goodwill ismonitored for internal management purposes; and (b) represent a size not be larger than an operating segment as defined by paragraph 5 ofInd AS 108, *Operating Segments,* before aggregation.		
	Testing cash-generating units with goodwill for impairment		
31	When goodwill relating to a cash-generatingunit has not been allocated to that unit, has the unit been tested for impairment, whenever there is an indication that the unit may be impaired,by comparing the unit's carrying amount, excluding any goodwill, with itsrecoverable amount?(Any impairment loss shall be recognized in accordancewith paragraph 104.)		
32	If a cash-generating unit described in paragraph 88 includes in its carrying amountan intangible asset that has an indefinite useful life or is not yet available for useand that asset can be tested for impairment only as part of the cash-generatingunit, has the entity be tested the unit for impairment annually.		
	Corporate assets		
33	If the entity has Corporate assets, have these been tested for impairment in accordance with para no.102 of the Standard?		
	Impairment loss for a cash-generating unit		
34	• Has the entity recognized an impairment loss for the cash-generating unit (thesmallest group of cash-generating units to which goodwill or a corporateasset has been allocated) if, and only if, the recoverable amount of the unit (group of units) is less than the carrying amount of the unit (group of units). • Has the entity allocated such impairment loss to reduce the carrying amount of theassets of the unit (group of units) in the following order: (a) first, to reduce the carrying amount of any goodwill allocated to thecash-generating unit (group of units); and (b) then, to the other assets of the unit (group of units) pro rata on the basisof the carrying amount of each asset in the unit (group of units).		
	Reversing an impairment loss		
35	If the entity has assessed at the end of each reporting period that there an indication that an impairment loss recognized in prior periods for an assetother than goodwill may no longer		

	exist or may have decreased, has the entity estimated the recoverable amount of thatasset?		
36	If there is an indication that an impairment loss recognized for an asset other thangoodwill may no longer exist or may have decreased, has the entity reviewed and adjusted in accordance with the Indian AccountingStandard applicable to the asset, even if no impairment loss is reversed for theasset?		
37	Has an impairment loss recognized in prior periods for an asset other thangoodwill been reversed if, and only if, there has been a change in theestimates used to determine the asset's recoverable amount since the lastimpairment loss was recognized and has the carrying amount ofthe asset been increased to itsrecoverable amount? (That increase is a reversal of an impairment loss.)		
	Reversing an impairment loss for an individual asset		
38	Where impairment loss has been reversed, has the entity ensured that the increased carrying amount of an asset other than goodwill attributableto a reversal of an impairment loss does not exceed the carrying amount thatwould have been determined (net of amortization or depreciation) had noimpairment loss been recognized for the asset in prior years.		
39	After a reversal of an impairment loss is recognized, has the entity ensured that the depreciation(amortization) to be charged for the asset has been adjusted in future periods toallocate the asset's revised carrying amount, less its residual value (if any), ona systematic basis over its remaining useful life.		
	Reversing an impairment loss for a cash-generating unit		
40	Has the entity ensured that the reversal of an impairment loss for a cash-generating unit has been allocatedto the assets of the unit, except for goodwill, on a pro rata with the carryingamounts of those assets andthese increases in carrying amounts treatedas reversals of impairment losses for individual assets and recognized inaccordance with paragraph 119.		
	Reversing an impairment loss for goodwill		
41	Has the entity ensured that an impairment loss recognized for goodwill has not been reversed in asubsequent period? (Ind AS 38, *Intangible Assets,* prohibits the recognition of internally generatedgoodwill. Any increase in the recoverable amount of goodwill in the periodsfollowing the recognition of an impairment loss for that goodwill is likely to be anincrease in internally generated goodwill, rather than a reversal of the impairmentloss recognized for the acquired goodwill)		
	Disclosure		
42	Has the entity disclosed the following for each class of assets: (a) the amount of impairment losses recognized in profit or loss during theperiod and the line item(s) of the statement of profit and loss in whichthose impairment losses are included. (b) the amount of reversals of impairment losses recognized in		

	profit or lossduring the period and the line item(s) of the statement of profit and lossin which those impairment losses are reversed. (c) the amount of impairment losses on revalued assets recognized in othercomprehensive income during the period. (d) the amount of reversals of impairment losses on revalued assetsrecognized in other comprehensive income during the period.		
43	Has the entity presented the information required in paragraph 126 alongwith other information disclosed for the class of assets.(For example, this information may be included in a reconciliation of the carrying amount of property, plant andequipment, at the beginning and end of the period, as required by Ind AS 16.)		
44	With respect to aggregate impairment losses and theaggregate reversals of impairment lossesrecognized during the period for which no informationhas been disclosed in accordance with paragraph36.130, disclosure of the following: (a) The main classes of assets affected byimpairment losses and the main classes of assetsaffected by reversal of impairment losses, and (b) The main events and circumstances that led to therecognition of these impairment losses andreversals of impairment losses?		
45	Optional disclosure regarding assumptions used todetermine the recoverable amount of assets (CGU)during the period.		
46	If any portion of the goodwill acquired in a businesscombination during the period has not been allocatedto a CGU (group of units) at the end of the reportingperiod, disclosure of the amount of unallocatedgoodwill together with the reasons why that amountremains unallocated.		
	Estimates used to measure recoverable amounts of cashgeneratingunits containing goodwill or intangible assets withindefinite useful lives		
47	Disclosure of the following information for each CGU(group of units) for which the carrying amount ofgoodwill or intangible assets with indefinite usefullives allocated to that unit (group of units) issignificant in comparison with the entity's totalcarrying amount of goodwill or intangible assets withindefinite useful lives: (a) The carrying amount of goodwill allocated to theunit (group of units), (b) The carrying amount of intangible assets withindefinite useful lives allocated to the unit (groupof units), (c) The basis on which the unit's (group of units')recoverable amount has been determined (i.e. value in use or fair value less costs of disposal), (d) If the unit's (group of units') recoverable amountis based on value in use: (e) if the unit's (group of units') recoverable amount is based		

	on fair value less costs of disposal, the valuation technique(s) used to measure fair valueless costs of disposal. (f) If a reasonably possible change in a keyassumption on which management has based itsdetermination of the unit's (group of units')recoverable amount would cause the unit's (groupof units') carrying amount to exceed itsrecoverable amount: • The amount by which the unit's (group ofunits') recoverable amount exceeds itscarrying amount, • The value assigned to the key assumption,and • The amount by which the value assigned tothe key assumption must change, afterincorporating any consequential effects of thatchange on the other variables used tomeasure recoverable amount, in order for theunit's (group of units') recoverable amount tobe equal to its carrying amount.		
48	If some or all of the carrying amount of goodwill orintangible assets with indefinite useful lives isallocated across multiple CGUs (groups of units), andthe amount so allocated to each unit (group of units)is not significant in comparison with the entity's totalcarrying amount of goodwill or intangible assets withindefinite useful lives, disclosure of this fact, togetherwith the aggregate carrying amount of goodwill orintangible assets with indefinite useful lives allocatedto those units (groups of units).		
49	If the recoverable amounts of any of those units(groups of units) are based on the same keyassumption(s) and the aggregate carrying amount ofgoodwill or intangible assets with indefinite usefullives allocated to them is significant in comparisonwith the entity's total carrying amount of goodwill orintangible assets with indefinite useful lives,disclosure of that fact together with the following: (a) the aggregate carrying amount of goodwillallocated to those units (groups of units), (b) the aggregate carrying amount of intangibleassets with indefinite useful lives allocated tothose units (groups of units), (c) a description of the key assumptions, (d) a description of management's approach todetermining the value(s) assigned to the keyassumption(s), whether those value(s) reflect pastexperience or, if appropriate, are consistent withexternal sources of information, and, if not, howand why they differ from past experience orexternal sources of information, and (e) if a reasonably possible change in the keyassumption(s) would cause the aggregate of theunits' (groups of units') carrying amounts toexceed the aggregate of their recoverableamounts: i) The amount by which the aggregate of theunits' (groups of units') recoverable amountsexceeds the aggregate of their carryingamounts, ii) The value(s) assigned to the key assumptions,and		

	iii) The amount by which the value(s) assigned tothe key assumption(s) must change, afterincorporating any consequential effects of thechange on the other variables used tomeasure recoverable amount, in order for theaggregate of the units' (groups of units') recoverable amounts to be equal to theaggregate of their carrying amounts.		
50	If the entity has used the most recent detailed calculation made in a preceding period, of therecoverable amount of a cash-generating unit (group of units) in accordancewith paragraph 24 or 99, and this is being carried forward and used in the impairment test forthat unit (group of units) in the current period provided specified criteria are met, Has the entity disclosed information for that unit (group of units) that isincorporated into the disclosures required by paragraphs 134 and 135 based on the carried forward calculation of recoverable amount?		

Checklist for Indian Accounting Standard (Ind AS)-37Provisions, Contingent Liabilities and Contingent Assets

Sl. No.	Particulars	Yes/No/ NA	Remarks
1	Has the entity excluded the following items from the scope of this standard and applied the relevant Ind AS, if any, instead: --financial instruments (including guarantees) thatare within the scope of Ind AS 109,*Financial Instruments;* ---executory contracts unless they areonerous; --specific type of provision, contingent liabilityor contingent asset, an entity applies for the following items that are covered by other Ind ASs: (a) income taxes (Ind AS 12, *Income Taxes*); (b) leases (Ind AS 17, *Leases*); © Construction Contracts (Ind AS 11/Ind AS 115); (d) employee benefits (Ind AS 19, *Employee Benefits*); (e) insurance contracts (Ind AS 104, *Insurance Contracts*). (f) contingent consideration of an acquirer in a business combination (IndAS 103, *Business Combinations*)		
	Recognition		
2	Has the entity recognized a *provision only when it satisfies the following conditions:* (a) an entity has a present obligation (legal or constructive) as a result of apast event; (b) it is probable that an outflow of resources embodying economic benefitswill be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation.		
	Present obligation		
3	In cases, where it is not clear whether there is a present obligation, has the entity taken in to account all available evidence, including additional evidence provided by events after the reporting period, and on this basis: a) recognized a provision (whether other recognition criteria are met), if it is more likely than not that a present obligation exists at the end of the reporting period, or b) disclosed a contingent liability, if it is more likely that no present obligation exists at the end of the reporting period and the possibility of outflow of resources embodying economic benefit is not remote?		
	Past event		
4	Has the entity recognized a provision only when there is a present obligation arising from the past event existing independently of the entity's future actions i.e. (a) where the settlement of the obligation can be enforced by law; or (b) in the case of a constructive obligation, where the event (which may be anaction of the entity) creates valid expectations in other parties that the entitywill discharge the obligation?		
	Probable outflow of resources embodying economic benefits		
5	Has the entity considered anoutflow of resources or other event to be probable if the event is morelikely than not to occur, i.e. the probability that the event will occur is greater thanthe probability that it will not?		

6	In case there are a number of similar obligations (e.g. product warranties or similarcontracts), has the entity determined the probability that an outflow will be required in settlementby considering the class of obligations as a whole?		
	Contingent liabilities		
7	Has the entity ensured that it has not recognized a contingent liability?		
8	Has the entity appropriately disclosed a contingent liability when a present obligation exists and the possibility of an outflow of resources embodying economic benefits is remote?		
9	Has the entity appropriately disclosed a contingent liability when an entity is jointly and severally liable for an obligation, and is required to treat the part of theobligation that is expected to be met by other parties as a contingentliability?		
10	Has the entity assessed previously disclosed Contingent liabilitiescontinually to determine whether an outflow of resources embodying economic benefits has become probable and recognized a provision in the financial statements if the change in the probability has occurred in the current period?		
	Contingent assets		
11	Has the entity ensured that it has not recognized a contingent asset?		
12	Has the entity appropriately disclosed contingent assets only when the inflow of economic benefits is probable?		
13	Has the entity recognized contingent assets only when the expected inflow of economic benefits is virtually certain and recognizedthe asset and the relatedincome in the financial statements of the period in which the change occurs?		
	Measurement		
14	Does the amount recognized as a provision represent the best estimate of the expenditure required to settle the present obligation at the end of thereporting period?		
15	Has the entity made the best estimate of the expenditure required to settle the present obligation by estimating rationally the amount required to pay to settle the obligation at the end of thereporting period or to transfer it to a third party at that time?		
16	Where the provision beingmeasured involves a large population of items, has the obligation been estimated byweighting all possible outcomes by their associated probabilities i.e. ‘expected value’.		
17	Has the entity measured the provision before tax and have the tax consequences of the provisionand changes in it been recognized in accordance with the provisions under Ind AS 12?		
	Risks and uncertainties		
18	Has the entity taken into account all risks and uncertainties that inevitably surround many events andcircumstances in reaching the best estimate of aprovision?		
	Present value		
19	Has the entity determined the amount of a provision as the present value of the expenditures expected to berequired to settle the obligation if the effect of thetime value of money on the provision is material?		

20	Is the discount rate (or rates) used by the entity a pre-tax rate (or rates) that reflect(s)current market assessments of the time value of money and the risks specificto the liability?		
	Future events		
21	Has the entity ensured that future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficientobjective evidence that they will occur?		
	Expected disposal of assets		
22	Has the entity ignored any gains from the expected disposal of assets while measuring a provision?		
	Reimbursements		
23	If the entity expects some or all of the expenditure required to settle a provision expected to be reimbursed by another party, has the entity ensured that : a)the reimbursement has been shall berecognized when it is virtually certain to be received if the entity settles the obligation. b)the reimbursement has been treated as a separate asset and provision is recognised for the full amount of liability c) the amount recognized is less than or equal to the amount of theprovision		
24	Has the entity ensured that the expenses relating to a provision are presented net of the amount recognized for areimbursement in the statement of profit and loss?		
	Changes in provisions		
25	Has the entity reviewed the Provisions at the end of each reporting period and adjustedto reflect the current best estimate?		
26	Has the entity reversed the provision when it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation?		
27	When a provision has been discounted, has the entity increased the carrying amount of a provision in eachperiod to reflect the passage of time and recognised the increase as borrowingcost.		
	Use of provisions		
28	Has the entity used the provision only for expenditures for which the provision wasoriginally recognized? (Setting expenditures against a provision that was originally recognized for anotherpurpose would conceal the impact of two different events.)		
	Application of the recognition and measurement rules		
29	Has the entity ensured that it does not recognize provisions for future operating losses?		
	Onerous contracts		
30	Has the entity recognised and measured the present obligation under the contract as a provision if the entity has contract that is onerous?		
31	Has the entity identified an onerous contract as a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it?		
	Restructuring		
32	Has the entity recognized the provision for restructuring costs only when the generalrecognition criteria for provisions set out are met?		

33	Has a constructive obligation to restructure been considered to arise only when an entity: (a) has a detailed formal plan for the restructuring identifying at least: (i) the business or part of a business concerned; (ii) the principal locations affected; (iii) the location, function, and approximate number of employees who will be compensated for terminating their services; (iv) the expenditures that will be undertaken; and (v) when the plan will be implemented; and (b) has raised a valid expectation in those affected that it will carry out therestructuring by starting to implement that plan or announcing its mainfeatures to those affected by it.		
34	If an entity starts to implement a restructuring plan, orannounces its main features to those affected, onlyafter the reporting period, disclosure is required under,Ind AS 10, *Events after the Reporting Period,* if therestructuring is material and non-disclosure couldinfluence the economic decisions that users make onthe basis of the financial statement?		
35	Has the entity recognized a provision for the future sale of sale of an operation only when it is committedto the sale, i.e. there is a binding sale agreement?		
36	Has the entity ensured that the restructuring provision includes only the direct expenditures arisingfrom the restructuring, which are those that are both: (a) necessarily entailed by the restructuring; and (b) not associated with the ongoing activities of the entity.		
37	Has the entity ensured that the restructuring provision do not include such costs as: (a) retraining or relocating continuing staff; (b) marketing; or (c) investment in new systems and distribution networks. (These expenditures relate to the future conduct of the business and are notliabilities for restructuring at the end of the reporting period. Such expendituresare recognised on the same basis as if they arose independently of a restructuring.)		
38	Has the entity ensured that identifiable future operating losses up to the date of a restructuring are notincluded in measuring a restructuring provision, unless they relate to an onerous contract as defined inparagraph 10?		
39	Has the entity ensured that the gains on the expected disposal of assets are nottaken into account in measuring a restructuring provision, even if the sale ofassets is envisaged as part of the restructuring?		
	Disclosure		
40	For each class of provision, disclosure of: (a) the carrying amount at the beginning and end ofthe period; (b) additional provisions made in the period, includingincreases to existing provisions; (c) amounts used (i.e., incurred and charged againstthe provision) during the period; (d) unused amounts reversed during the period; and		

	(e) the increase during the period in the discountedamount arising from the passage of time and theeffect of any change in the discount rate. Comparative information is not required.		
41	Disclosure of the following for each class of provision: (a) a brief description of the nature of the obligationand the expected timing of any resulting outflows ofeconomic benefits; (b) an indication of the uncertainties about the amountor timing of those outflows. Where necessary toprovide adequate information, an entity shalldisclose the major assumptions made concerningfuture events, as addressed in paragraph 48; and (c) the amount of any expected reimbursement, stating the amount of any asset that has been recognized for that expected reimbursement.		
42	Unless the possibility of any outflow in settlement isremote, for each class of contingent liability at the endof the reporting period disclosure of a brief descriptionof the nature of the contingent liability and, wherepracticable: (a) an estimate of its financial effect, (b) an indication of the uncertainties relating to theamount or timing of any outflow; and (c) the possibility of any reimbursement.		
43	Has the entity considered the nature of the items which is sufficiently similar for a single statement about them to fulfill the requirements ofparagraphs 85(a) and (b) and 86(a) and (b) for determining which provisions are contingent liabilities should be aggregated to treat asa single class of provision?		
44	Where a provision and a contingent liability arise fromthe same set of circumstances, disclosures asrequired by paragraphs 37.84–37.86 have been given that shows the link between the provision and thecontingent liability?		
45	Where an inflow of economic benefits is probable, disclosure of a brief description of the nature of thecontingent assets at the end of the reporting period, and, where practicable, an estimate of their financialeffect, measured using the principles set out forprovisions in paragraphs 37.36–37.52.		
46	Where any of the information required by paragraphs37.86 and 37.89 is not disclosed because it is notpracticable to do so, that fact shall be stated.		
47	In extremely rare cases, disclosure of some or all ofthe information required by paragraphs 37.84–37.89can be expected to prejudice seriously the position ofthe entity in a dispute with other parties on the subjectmatter of the provision, contingent liability orcontingent asset. In such cases, the information neednot be disclosed, but disclosure of the general natureof the dispute, together with the fact that, and reasonwhy, the information has not been disclosed.		

Check List for Indian Accounting Standard (Ind AS)-38Intangible Assets

Sl. No	Particulars	Yes/No/ NA	Remarks
Scope			
1	Has the entity excluded the items as given in the para 3 of Ind AS 38 from the scope of this standard and applied the relevant Ind AS instead?		
2	If the entity has an asset that has both tangible as well as intangible elements (e.g., computer software for a computer controlled machine tool), has the entity exercised judgment based on the accounting policies formulated and adopted by management?		
3	If the entity is a lessee in a finance lease of an underlying intangible asset that is excluded from the scope of Ind AS 17, (e.g., rights under licensing agreements for items such as motion picture films, video recordings, plays, manuscripts, patents and copyrights), has the entity included these assets in the scope of Ind AS 38?		
4	Has the entity treated an asset as an intangible asset under this standard only when the conditions of identifiability, control over a resource and existence of future economic benefits have been satisfied?		
5	Has the entity recognized expenditure to acquire it or generate it internally as an expense if the conditions mentioned in point 4 stated above are not satisfied?		
Identifiability			
6	Has the entity included an asset within the scope of this standard only if an asset is either: a) Separable, i.e., is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so, or b) Arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations		
Control			
7	Has the entity included an asset within the scope of this standard only if it controls the asset in terms of the power to control the economic benefits flowing from the underlying resource and to restrict the access of others to those benefits?		
8	Has the entity included an asset within the scope of this standard		

Sl. No	Particulars	Yes/No/ NA	Remarks
	only if there are future economic benefits resulting from the use of an intangible asset by the entity?		
Recognition and Measurement			
9	Has the entity recognized an intangible asset only if the following criteria are met: a) It is probable that the expected future economic benefits that are attributable to the asset will flow to the entity, and b) The cost of the asset can be measured reliably		
10	Has the entity assessed the probability of expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset?		
11	Has the entity measured an intangible asset initially at cost?		
Separate acquisition			
12	For separately acquired intangible assets, has the entity included the following in cost: a) Purchase price including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and b) Any directly attributable cost for preparing the asset for its intended use.		
13	For separately acquired intangible assets, has the entity excluded the following from the cost of an intangible asset? a) Cost of introducing new product or service (including costs of advertising and promotional activities), b) Cost of conducting the business in a new location or with the new class of customers (including cost of staff training), c) Administration and other general overheads, d) Cost incurred after the asset is capable of operating in the manner intended by the management, e) Initial operating losses such as those incurred while demand for the asset's output builds up, and f) Interest expense incurred where the payment for the intangible asset is deferred beyond the normal credit terms unless it is capitalized in accordance with Ind AS 23, Borrowing Cost.		
14	Has the entity recognised the income and related expenses of incidental operations in profit or loss and included them in their respective classifications of income and expense?		
Acquisition as part of a business combination			
15	If an intangible asset has been acquired under a business combination and for the estimates used to measure an intangible asset's fair value, there is a range of possible outcomes with different probabilities, has the entity considered such uncertainty in the measurement of the asset's fair value?		
Acquisition by way of a government grant			
16	If the entity has acquired an intangible asset free of charge, or for nominal consideration, by way of a government grant, has the entity recognized both the intangible asset and the grant initially at fair value in accordance with Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance?		

Sl. No	Particulars	Yes/No/ NA	Remarks
Exchange of Assets			
17	If the entity has acquired one or more intangible assets by way of exchange for a non-monetary asset(s) or a combination of monetary and non-monetary assets, has the entity measured the cost of such intangible asset at fair value?		
18	If the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable, has the entity measured the cost of such intangible asset acquired at the carrying amount of the asset given up?		
Internally generated goodwill			
19	Has the entity ensured that internally generated goodwill is not recognized as an asset?		
Internally generated intangible assets			
20	If the entity has an internally generated intangible asset in a development phase, is the expenditure on development phase of a project recognized as an intangible asset only if the entity demonstrates all of the following: a) The technical feasibility of completing the intangible asset so that it will be available for use or sale, b) Its intention to complete the intangible asset and use or sell it, c) Its ability to use or sell the intangible asset, d) How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness intangible asset, e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development?		
21	Has the entity included all directly attributable costs in determining the cost of internally generated intangible assets?		
Recognition of an expense			
22	Has the entity ensured that the expenditure on an intangible item is recognized as an expense when it is incurred unless: a) It forms part of the cost of an intangible asset that meets the recognition criteria or b)The item is acquired in a business combination and cannot be recognised as an intangible asset. If this is the case, it forms part of the amount recognised as goodwill at the acquisition date.		
Measurement after recognition			
23	The entity has an option to choose either the cost model or revaluation model as its accounting policy for subsequent measurement of intangible assets. If the entity has selected the cost model, has the entity carried recognised intangible assets at cost less any accumulated amortisation and any accumulated impairment losses?		
24	If the entity has selected the revaluation model, has the entity		

Sl. No	Particulars	Yes/No/ NA	Remarks
	measured previously recognised intangible assets at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses?		
Useful life			
25	If the entity has assessed the useful life of an intangible asset as finite, has it made this determination based on the length of, or number of production or similar units constituting, that useful life?		
26	Has the entity amortised the intangible assets with finite useful life and not the assets with indefinite useful life?		
27	Has the entity ensured not to choose a life that is unrealistically short while estimating the useful life of an intangible asset on a prudent basis?		
28	Has the useful life of an intangible asset that arises from contractual or other legal rights not exceed the period of the contractual or other legal rights?		
29	If the contractual or other legal rights are conveyed for a limited term that can be renewed, has the entity determined the useful life of the intangible asset to include the renewal period(s) only if there is evidence to support renewal by the entity without significant cost?		
30	Has the entity ensured that the useful life is the shorter of the periods determined by the economic factors (the period over which future economic benefits will be received by the entity) and legal factors (which restrict the period over which the entity controls access to these benefits)?		
31	Has the entity ensured that the depreciable amount of an intangible asset with a finite useful life is allocated on a systematic basis over its useful life?		
32	Has the entity ensured that the amortisation has begun when the asset is available for use (i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management) and that the amortisation has ceased at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with Ind AS 105 and the date that the asset is derecognized?		
33	Has the entity used one of the following amortization methods to allocate the depreciable amount of an asset on systematic basis over its useful life: i) The straight-line method, ii) The diminishing balance method, or iii) The units of production method		
34	Has the entity ensured that if it had used revenue generation as a basis for amortization, which is the predominant limiting factor, then it does so except in the following limited circumstances: a) In which the intangible asset is expressed as a measure of revenue, or b) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated		
35	Has the entity ensured that the residual value of an intangible asset		

Sl. No	Particulars	Yes/No/ NA	Remarks
	with a finite useful life is assumed to be zero unless: a) There is a commitment by a third party to purchase the asset at the end of its useful life, or b) There is an active market for the asset and, i) Residual value can be determined by reference to that market, or ii) It is probable that such a market will exist at the end of the asset's useful life?		
36	Has the entity ensured that the depreciable amount of an asset with a finite useful life is determined after deducting its residual value if the residual value is other than zero?		
37	Has the entity estimated an asset's residual value based on the amount recoverable from disposal using prices prevailing at the date of the estimate for the sale of a similar asset that has reached the end of its useful life and has operated under conditions similar to those in which the asset will be used?		
38	a) Has the entity reviewed at least at each financial year-end, the amortisation period and the amortisation method for an intangible asset of a finite useful life? b) Has the entity ensured that the amortisation period is changed, if the expected useful life of the asset is different from previous estimates, or there has been a change in the expected pattern of consumption of future economic benefits embodied in the asset? c) Has the entity ensured that changes are accounted for as changes in accounting estimates in accordance with Ind AS 8?		
39	Has the entity ensured that it does not amortise an intangible asset with an indefinite useful life and instead tests such an intangible asset for impairment by comparing its recoverable amount with its carrying amount in accordance with Ind AS 36, Impairment of Assets: a) Annually, and b) Whenever there is an indication that the intangible asset may be impaired?		
Retirements and disposals			
41	Has the entity derecognized intangible asset in the following cases: a) On disposal, or b) When no future economic benefits are expected from its use or disposal?		
Disclosure			
42	Has the entity disclosed the following, distinguishing between internally generated intangible assets and other intangible assets: a) Whether the useful lives are indefinite or finite and, if finite, the useful lives or the amortisation rates used, b) The amortisation methods used for intangible assets with finite useful lives, c) The gross carrying amount and any accumulated amortisation (aggregated with accumulated impairment losses) at the beginning and end of the period), d) The line item(s) of the statement of profit and loss in which any amortisation of intangible assets is included,		

Sl. No	Particulars	Yes/No/ NA	Remarks
	e) A reconciliation of the carrying amount at the beginning and end of the period showing:		
43	Has the entity disclosed the following information: a) A description of any fully amortized intangible asset that is still in use, and b) A brief description of significant intangible assets controlled by the entity but not recognised as assets because they did not meet the recognition criteria in this Standard or because they were acquired or generated before this standard was effective		

Checklistfor Indian Accounting Standard (IndAS)-40Investment property

Sl No	Particulars	Yes/No/ NA	Remarks
Scope			
1.	Whether the entity applied this standard to the following: i)Measurement in a lessee's financial statements of investment property interests held under a lease accounted for as a finance lease ii) Measurement in a lessor's financial statements of investment property provided to a lessee under an operating lease.		
2.	Whether the entity excluded the following items from the scope of this Standard: i)Biological assets related to agricultural activity (Ind AS 41: Agriculture and Ind AS 16: Property, Plant and Equipment) ii)Mineral rights and mineral reserves such as oil, natural gas and similar non-regenerative resources		
Classification of property as investment property or owner-occupied property			
3.	Whether management has correctly distinguished investment property from owner-occupied property and properly accounted under Investment property?		
4.	In case of the properties comprising a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes: a) if the portions could be sold separately (or leased out separately under a finance lease), whether the portions have been accounted separately. b) if the portion could not be sold separately, whether it has been accounted as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes		
5.	In cases where an entity provides ancillary services to the occupants of a property it holds: a)Whether such property is treated as investment property if the services are insignificant to the arrangement as a whole? b)In cases where services provided are significant, whether it has been accounted as owner-owned property?		
6.	Whether entity has developed criteria to exercise judgement consistently to determine whether a property qualifies as investment property in accordance with the definition of investment property (Para 5) and related guidance (Para 7-13).		
7.	In case acquisition of investment property is the acquisition of an asset or a group of assets or a business combination within the scope of Ind AS 103 (Business Combinations), whether it has been determined that the specific transaction meets the definition of a business combination as defined in Ind AS 103 and includes an investment property as defined in Ind AS 40 for which separate application of both Standards is required.		
8.	Where an entity owns property that is leased to, and occupied by, its parent or another subsidiary, whether the property is treated as investment property if it meets the definition (Para 5) in its standalone financial statements. Whether the same has not been included in the consolidated financial statement, as it is owner-occupied from the		

	perspective of the group.		
Recognition			
9.	Whether the asset has been recognised as Investment property by the management only when it fulfils or meets the recognition criteria as per para-16 of the IndAS-40?		
10.	Whether the costs incurred initially to acquire an investment property and costs incurred subsequently to add to, replace part of, or service a property has been evaluated at the time they are incurred and included in the investment property cost?		
11.	In case of part of investment property acquired through replacement, whether in the carrying amount of an investment property the cost of replacing part of an existing investment property at the time that cost is incurred is recognised if the recognition criteria are met.		
12.	Whether carrying amount of those parts that are replaced is derecognised in accordance with the derecognition provisions of this Standard.		
Measurement at Recognition			
13.	Whether management has booked the Investment property at its cost (purchase price and directly attributable expenditure) as per the requirement of Para-20 of this IndAS?		
14.	Whether the cost of an investment property excludes start-up costs (unless they are necessary to bring the property to the condition necessary for it to be capable of operating in the manner intended by management), operating losses incurred before the investment property achieves the planned level of occupancy, or abnormal amounts of wasted material, labour or other resources incurred in constructing or developing the property.		
15.	If payment for an investment property is deferred, whether management has booked the interest partas expense?		
16.	Whether initial cost of a property interest held under a lease and classified as an investment property has been recognised at the lower of the fair value of the property and the present value of the minimum lease payments and an equivalent amount has been recognised as a liability in accordance with Para 20 of Ind AS 17.		
17.	Whether the cost of investment properties acquired in exchange for a non-monetary asset or assets, or a combination of monetary and non-monetary assets, is measured at fair value unless the exchange transaction lacks commercial substance or the fair value of asset received and given is not reliably measurable?		
18.	If the acquired asset is not measured at fair value, whether its cost is measured at the carrying amount of the asset given up?		
19.	If the entity is able to measure reliably the fair value of either the asset received or the asset given up, whether the fair value of the asset given up is used to measure cost unless the fair value of the asset received is more clearly evident.		
Accounting Policy			
20.	Whether the entity has adopted as its accounting policy the cost model prescribed in Paragraph 56 of this Ind AS to all of its investment property.		
Fair Value Measurement			

21.	Whether the fair value of investment property has been measured in accordance with Ind AS 113?		
22.	Whether the entity has ensured that the fair value reflects, among other things, rental income from current leases and other assumptions that market participants would use when pricing investment property under current market conditions?		
23.	Where the fair value of the investment property was not reliably measurable on a continuing basis, whether the entity has measured the fair value of that investment property either when its fair value becomes reliably measurable or construction is complete (whichever is earlier)?		
Cost Model			
24.	Whether the investment properties of the entity after initial recognition have been measured in accordance with Ind AS 16's requirements for cost model?		
25.	Whether investment properties that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) has been measured in accordance with Ind AS 105 (Non-current Assets Held for Sale and Discontinued Operations)?		
Transfers			
26.	Whether transfers to, or from, investment property has been made when, and only, when there is change in use in accordance with Para 57 of this Ind AS?		
Disposals			
27.	Whether an investment property has been derecognised (eliminated from the balance sheet) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal?		
28.	Whether gains or losses arising from the retirement or disposal of investment property has been determined as the difference between the net disposal proceeds and the carrying amount of the asset?		
29.	Whether such gains or losses has been recognised in profit or loss (unless Ind AS 17 requires otherwise on a sale and leaseback) in the period of the retirement or disposal.		
30.	Whether compensation from third parties for investment property that was impaired, lost or given up has been recognised in profit or loss when the compensation becomes receivable?		
Disclosure			
31.	Whether management has disclosed its accounting policy for measurement of investment property?		
32.	When classification is difficult, whether the criteria used to distinguish investment property from owner-occupied property and from property held for sale in the ordinary course of business, has been disclosed?		
33.	Whether the extent to which the fair value of investment property (as measured or disclosed in the financial statements) is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued has been disclosed?		
34.	In case there is no valuation as above, whether the fact has been disclosed?		
35.	Whether the entity has disclosed the amounts recognised in profit or loss for:		

	i)Rental income from investment property; ii)Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period; and iii)Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the period		
36.	Whether the entity has disclosed the existence and amounts of restrictions on the realisability of investment property or the remittance of income and proceeds of disposal?		
37.	Whether the entity has disclosed contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements?		
38.	In addition to the above disclosures, whether the entity has made additional disclosures in accordance with Para 79 of this Ind AS?		

Checklist for Indian Accounting Standard (Ind AS)-41 AGRICULTURE

Sl No.	Particulars	Yes/No/ NA	Remarks
Scope			
1.	Whether the entity applied this standard to the following agriculture activity: a) Biological assets, b) Agricultural produce at the point of harvest, and c) Government grants related to biological asset?		
2.	Whether the entity excluded the following items from the scope of this standard and applied the relevant IndAS instead: a)Land related to agricultural activity,(refer IndAS*16 Property, Plant and Equipment* and Ind AS 40 *Investment Property*) b)Bearer plants related to agricultural activity, (refer Ind AS 16) c) Government grants related to bearer plants, (refer Ind AS 20 *Accounting for Government Grants and Disclosure of Government Assistance*), and d) Intangible assets related to agricultural activity? (refer Ind AS 38*Intangible Assets*)		
Recognition			
3	With respect to biological asset and agricultural produce, whether the entity recognized such items as an asset only if: a) The entity controls the asset as a result of past events, b)Itisprobablethatfutureeconomicbenefitsassociatedwiththeitem will flow to the entity,and c) The fair value or cost of the asset can be reliably measured?		
Measurement at recognition			
4	Whetherthe entity measured the agricultural produce harvested from an entity's biological assets at its Fair Value less Costs to Sell (FVLCTS) at the point of harvest?		
5	If the biological assets are physically attached to the land whether the		

	entity used information regarding the combined assets to measure the fair value of the biological assets? (Note:*Forexample, the fairvalueofrawlandandlandimprovementsmay be deducted from the fair value of the combined assets to arrive at thefair value of biologicalassets.*)		
Gains and losses			
6	Whether the entity included a gain or loss arising on initial recognition of a biologicalassetatFVLCTSandalsofromachangeinFVLCTSinitsprofit orlossfortheperiodinwhichitarises?		
7	Whether the entity included a gain or loss arising on initial recognition of an agriculturalproduceatFVLCTSinitsprofitorlossfortheperiodinwhichit arises?		
8	Whethertheentitycanreliablymeasurethefairvalueofabiologicalasset on initialrecognition: a) If yes, is it measured at FVLCTS, or b) Ifno,isitmeasuredatitscostlessanyaccumulateddepreciationandany accumulated impairmentlosses?		
9	Whether theentityreassessedthebiologicalassetatitsFVLCTSoncethefair value of such asset becomes reliablesubsequently?		
Government grants			
10	a) Ifthegovernmentgrantrelatedtoabiologicalassetisconditional, whether thegrant recognized inthestatementofprofitandlossonlywhenthe conditionsattachedtothegrantaremet?		
	b) Ifthegovernmentgrantrelatedtoabiologicalassetisnotconditional, whetherthegrant recognized inthestatementofprofitandlossonlywhenit becomesreceivable?		
Disclosure			
11	Whether theentitydisclosedtheaggregategainorlossarisingduringthe currentperiodoninitialrecognitionofbiologicalassetsandagriculture produce?		
12	Whether theentitydisclosedtheaggregategainorlossarisingduringthe currentperiodfromthechangeinFVLCTSofbiologicalassets?		
13	Whether theentityprovideddescriptionofeachgroupofbiologicalassets (in theformofnarrativeorquantifieddescription)?		
14	Whether the entity provided quantified description of each group of biological asset distinguishing between below: a)Consumable/bearer biological assets, or b)Mature/immature biological assets? If yes, Whether the entity disclosed the basis for making distinction?		

15	Whether the entity disclosed the following (if not disclosed else wherein information published with the financial statements): a)Describedthenatureofitsactivitiesinvolvingeachgroupofbiological assets, b) Described non-financial measures or estimates of the physical quantitiesofeachgroupofentity'sbiologicalassetsattheendof period,and c)Describednon-financialmeasuresorestimatesofthephysical quantitiesofoutputofagriculturalproduceduringtheperiod?		
16	Whether the entity disclosed the following: a) The existence and carrying amounts of biological assets whose title is restricted, b)Carryingamountsofbiologicalassetspledgedassecurityforliabilities, c) The amount of commitments for the development or acquisition of biological assets, and d)Thefinancialriskmanagementstrategiesrelatedtoagricultural activity?		
17	a)Is there a change in carrying amount of biological assets between the beginning and the end of the current period? b)If answer to aboveisyes, Whether the entity presenteda reconciliation of the changes? c) Whether the reconciliation include: i)The gain or loss arising from changes in FVLCTS, ii)Increases/decreases due to purchases/harvest, iii)Increases resulting from business combinations, iv)Decreases attributable to sales and biological assets classified as held for sale(or included in a disposal group that is classified as held for sale) in accordance with Ind AS 105, *Non-current Assets Held for Sale and Discontinued Operations*, v)Net exchange differences arising on the translation of financial statements in to a different presentation currency, and vi) Other changes? d)When asset measured according to Q 8(b) above, Whether the entity disclosed any gain or loss recognised on disposal of such biological asset and amounts relating to such biological asset separately in reconciliation mentioned in (c)above? e)Whenasset measured accordingtoQ8(b)above, Whetherthe entity includedfollowingadditionallyinthereconciliation: i)Impairmentlosses, ii)Reversals of impairment losses,and iii)Depreciation?		
Additional disclosures for biological assets where fair value cannot be measured reliably			

18	Iftheentitymeasuresbiologicalassetsattheircostlessanyaccumulated depreciation and any accumulated impairment losses (refer Q 8) at the endoftheperiod, Whetheritdisclosedthefollowing: a) Description of the biological assets, b) An explanation of why fair value cannot be measured reliably, c)Therangeofestimateswithinwhich fair valueishighlylikelytolie(if possible), d) The depreciation method used, e) Useful lives or depreciation rates used, and f) The gross carrying amount and the accumulated depreciation (aggregatedwithaccumulatedimpairmentlosses)atthebeginningandend of theperiod?		
19	Incasethefairvalueofbiologicalassetpreviouslymeasuredattheircost less any accumulated depreciation and any accumulated impairment losses becomes reliably measured during the current period, Whether the entity disclosedfollowing: a) A description of biological assets, b) An explanation of why fair value has become reliably measurable, and c) The effect of the change?		
20	Whether theentitydisclosedthenatureandextentofgovernmentgrants recognized in the financialstatements?		
21	Whether theentitydisclosedtheunfulfilledconditionsandothercontingencies attaching to governmentgrants?		
22	Whether theentitydisclosedsignificantdecreasesexpectedinthelevelof governmentgrants?		
23	Whether the entity disclosed any gain or loss recognized on disposal of biological assets measured at cost during the period?		

Checkliston Indian Accounting Standard(Ind AS)-101 First Time Adoptionof Indian Accounting Standards

Sr. No.	Particulars	Yes/No/NA	Remarks
SCOPE AND APPLICABILITY			
1	Is this the first Ind AS financial statements of the entity?		
2	Is this the interim financial report of the entity? If yes, whether it has been presented in accordance with Ind AS 34?		
3	Has the entity adopted Ind AS in accordance with Ind ASs notified under the Companies Act, 2013 and has EXPLICITLY stated the fact of compliance of Ind AS in its financial statement?		
RECOGNITION AND MEASUREMENT			
4	Has the entity prepared and presented an opening Ind AS Balance Sheet at the date of transition to Ind ASs?		
ACCOUNTING POLICY			
5	Has the entity used the same accounting policies in its opening Ind AS Balance Sheet and throughout all periods presented in its first Ind AS financial statements?		
6	Has, the entity has applied a new Ind AS that is not yet mandatory but its early applicability is permissible?		
7	Has the entity: a. Recognized all its assets and liabilities whose recognition is required by Ind ASs b. Derecognized all assets and liabilities whose recognition is not required by Ind ASs c. Reclassified those assets and liabilities or component of equity that were one type of assets and liabilities as per previous GAAP and are now of different type due to applicability of Ind ASs. d. Applied Ind ASs in measuringall recognized assets and liabilities.		
USE OF ESTIMATES IN FINANCIAL STATEMENTS			
8	Were the estimates at the date of transition to Ind AS consistent with estimates made for the same date in accordance with Indian GAAP (**unless there is objective evidence that those estimates were in error**)?		
9	If the entity has received information about estimates made under Indian GAAP after transition to Ind AS, requiring revision in the estimates, has the entity treated such information in the same manner as non-adjusting events after the reporting period in accordance with Ind AS 10, *Events after the Reporting Period?*		
10	If the entity is required to make any estimates in accordance with Ind AS at the date of transition to		

	Ind AS that were not required at that date under previous GAAP do these estimates reflect conditions that existed at the date of transition to Ind AS?		
PRESENTATION AND DISCLOSURE			
11	Does the entity's first Ind AS statement include: a. At least three Balance Sheet b. Two Statements of profit and loss c. Two Statements of cash flows d. Two Statements of changes in equity and e. Related notes (including comparative information for all statements presented)		
12	If the entity has included historical summaries or historical information in accordance with GAAP, has the entity: a. labelled the previous GAAP information prominently as not being prepared in accordance with Ind ASs, and b. disclosed the nature of the main adjustments that would make it comply with Ind ASs. An entity need not quantify those adjustments		
13	Has the entity explained how the transition from previous GAAP to Ind ASs affected its reported Balance sheet, financial performance and cash flows?		
14	If compliance to point 13 is yes, then whether the financial statements of entity included: a. reconciliations of its equity reported in accordance with Ind-ASs to its equity in accordance with previous GAAP on the date of transition to Ind AS; and, the end of the latest period presented in the entity's most recent annual financial statements in accordance with previous GAAP b. significant differences between previous GAAP and Ind-AS in respect of its total comprehensive income (or if it did not report such a total, profit or loss); c. disclosures, if entity had recognised impairment losses or reversals in the period beginning with the date of transition in accordance with Ind AS 36 *Impairment of Assets*		
15	If an entity did not present financial statements for previous periods, whether it has been disclosed by entity in its first Ind AS financial statements?		
16	Has the entity's first Ind AS financial statements disclosed, for each line item, if an entity uses fair value in its opening Ind AS Balance Sheet as *deemed cost* for an item of property, plant and equipment, an investment property or an intangible asset as : a. the aggregate of those fair values; and b. the aggregate adjustment to the carrying amounts reported under previous GAAP.		

17	Has the entity's first Ind AS separate financial statements disclosed the following, if an entity uses a deemed cost in its opening Ind AS Balance Sheet for an investment in a subsidiary, joint venture or associate in its separate financial statements,: a. the aggregate deemed cost of those investments for which deemed cost is their previous GAAP carrying amount; b. the aggregate deemed cost of those investments for which deemed cost is fair value; and c. the aggregate adjustment to the carrying amounts reported under previous GAAP.		
18	Has the entity prepared interim financial report in compliance to point 13, if yes, then whether the report for the comparable interim period of the immediately preceding financial year includes: a. a reconciliation of its equity in accordance with previous GAAP at the end of that comparable interim period to its equity under Ind ASs at that date b. a reconciliation to its total comprehensive income in accordance with Ind ASs for that comparable interim period (current and year to date).		
19	Has the entity explained changes in accounting policies or its use of the exemption contained in Ind AS, if any in its interim financial report and updated?		
20	Has the entity (a first-time adopter) of Ind AS disclosed in its most recent annual financial statements minimum discloser required under Ind AS 34?		

Checklist on Indian Accounting Standard (Ind AS)-102Share-based Payment

Sl. No.	Particulars	Yes/No/ NA	Remarks
1	**Applicability:** Has the entity applied this standard for all share based payment transactions whether or not entity can identify some or all of the goods received including: i) Equity settled share based payment transaction ii) Cash settled share based payment transaction iii) Transaction in which the entity receives or acquires the goods and services and the terms of the arrangement provide either the entity or supplier of those goods or services with a choice whether the entity settles the transaction in cash (or other assets) or by issuing other instrument.		
2	Does the entity have the following transactions (share based payments arising from business combinations): a) Equity instrument granted to employees of aquiree in their capacity as employees b) The cancellation, replacement or modification of share based payment arrangement because of business combinations or other equity restructuring.		
3	**Recognition:** a) Has the entity appropriately recognised a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction? b) Has the entity recognized as expensesthe goods or services received or acquired in a share based payment transactions that do not qualify for recognition as assets?		
4	**Equity settled share based payment transactions:** With regard to equity settled share based payment transactions: a) Has the entity measured the goods or services received and correspondingly increased equity directly at the fair value of goods or services received unless that fair value cannot be estimated reliably? b) Has the entity measured their fair value and correspondingly increase in equity or indirectly by reference to the fair value of the equity instrument granted if the entity cannot estimate reliably the fair value of the goods and services received?		
5	Where the equity instruments granted vest immediately, has the entity presumed that services rendered by the counterparty as consideration for the equity instruments have been received and recognised the services received in full, with a corresponding increase in equity on the grant date?		

6	**Transactions measured by reference to the fair value of the equity instrument granted**: Has the entity measured the fair value of equity instrument granted at the measurement date based on the market price if available?		
7	**Treatment of vesting condition:** i) Has the entity ensured that vesting condition other than market condition are not taken into account when estimating the fair value of the shares or shares options at the measurement date? ii) Has the entity revised the estimate to equal the number of equity instruments that ultimate vested on vesting date?		
8	**Modifications to the terms and condition on which equity instruments were granted including cancellation and settlements:** i) Has the entity recognized, as a minimum, the services received measured at the grant date fair value of the equity instrument granted, unless those instrument do not vest because of failure to satisfy the vesting condition (other than market condition) that was specified at the grant date? ii) Has the entity recognized the effect of modification that increased the total fair value of share based payment arrangement or are otherwise beneficial to the employees?		
9	**Cash settled share based payment transactions:** a) For cash settled share based payment if the entity has measured the goods or services acquired and the liability incurred at the fair value of the liability? b) Has the entity remeasured the fair value of the liability at the end of the reporting date and at the date of settlement with any changes in fair value recognized in Profit and Loss account for the period until the liability is settled?		
10	**Share based payment transactions with cash alternatives:** Has the entity accounted for share based transactions with cash alternatives as follows: a) As cash settled share base payment transactions, if and to the extent that entity has incurred a liability to settle in cash or other assets. b) As equity settled share base payment transaction, if and to the extent that no such liability has been incurred?		
11	**Share based payment transactions among group entities:** Has the entity receiving the goods or services measured the goods or services received as either an equity-settled or a cash-settled share-based payment transaction by assessing the nature of the awards granted, and its own rights and obligations in its separate or individual financial statements?		

12	**Disclosure:** With regard to the nature and extent of share-based transactions, whether disclosure of the following has been made: a) a description of each type of share-based payment arrangement that existed at any time during the period, including the general terms and conditions of each arrangement, and b) aggregated information for substantially similar types of share- based payment arrangements (unless separate disclosure of each arrangement is necessary).		
13	Disclosure of the number and weighted average exercise prices of share options for each of the following groups of options: (i) Outstanding at the beginning of the period, (ii) Granted during the period, (iii) Forfeited during the period, (iv) Exercised during the period, (v) Expired during the period, (vi) Outstanding at the end of the period, and (Vii) Exercisable at the end of the period.		
14	Disclosure of weighted average share price at the date of exercise with regards to share options exercised during the period. Disclosure of the weighted average share price during the period, if options were exercised on a regular basis throughout the period?		
15	For share options outstanding at the end of the period, whether disclosure of the range of exercise prices and weighted average remaining contractual life has been made?		
16	Whether disclosure of information has been made that enables users of the financial statements to understand how the fair value of the goods or services received, or the fair value of the equity instruments granted, during the period was determined?		
17	In case the fair value of goods or services received is measured as consideration for equity instruments of the entity indirectly, by reference to the fair value of the equity instruments granted, whether disclosures of the following have been made: a) For share options granted during the period, the weighted average fair value of those options at the measurement date andinformation on how that fair value was measured, b) For other equity instruments granted during the period (i.e. other than share options), the number and weighted average fair value of those equity instruments at the measurement date,		

	and information on how that fair value was measured		
18	Has the entity disclosed how that fair value was determined, if the entity has measured the fair value directly the fair value of goods or services received during the periode.g. whether fair value was measured at a market price for those goods or services?		
19	Has the entity disclosed the fact and given explanation as of why the presumption was rebutted, if the entity has rebutted the presumption that the fair value of goods or services received cannot be estimated reliably.		
20	Whether the entity has disclosed information that enables users of the financial statements to understand the effect of share-based payment transactions on the entity's profit or loss for the period and on its financial position?		

Checklist on Indian Accounting Standard (Ind-AS) - 103 Business Combinations

Sl. No.	Particulars	Yes/No/ NA	Remarks
1	Has the entity entered into a business combination during the period?		
2	Has any cost acquirer expects but not obliged to incur in the future to effect its plan to exit an activity of an acquiree or to terminate the employment of or relocate an acquiree's employees included in the liabilities at the acquisition date?		
3	Has acquirer measured the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values?		
4	If the acquirer has identified a contingent liability assumed in a business combination, has the acquirer recognised the contingent liability at the acquisition date only if it: a) Poses a present obligation that arises from past events, and b) Have fair value that can be measured reliably?		
5	Has the acquirer recognised and measured a deferred tax asset or liability arising from the assets acquired and liabilities assumed in a business combination in accordance with Ind AS 12, Income Taxes?		
6	Has goodwill as on the acquisition date been recognized correctly and measured as the excess of (a) over (b) below: (a) the aggregate of: (i) the consideration transferred measured in accordance with this Indian Accounting Standard, which generally requires acquisition-date fair value**;** (ii) the amount of any non-controlling interest in the acquiree measured in accordance with this Indian Accounting Standard; and (iii) in a business combination achieved in stages**,** the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree. (b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this Indian Accounting Standard.		
7	Iftheamountin 6(b)exceedsthe aggregate oftheamountsspecified in 6(a), has the acquirer recognised the resulting gain in other comprehensiveincomeontheacquisitiondateandaccumulatedthesame in equity as capital reserve only?		
8	Was the business combination achieved without transfer of consideration? If so, whether the acquisition method of accounting for a business combination has been correctly applied as per **para 43?**		
9	Whether the acquirer has reported in its financial statements provisional amounts for the items for which the accounting is incomplete and whether the measurement period has exceeded one year from the acquisition date in above case?		
10	Whether the acquirer has revised the accounting for a business combination only to correct an error in accordance with Ind AS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* after the measurement period ends?		
11	Whether consideration transferred in a business combination measured at fair value?		
12	Whether changes in the fair value of contingent consideration have been recognized after the acquisition date due to additional information		

	obtained after that date about facts and circumstances that existed at the acquisition date**?**		
13	Has the acquirer accounted for acquisition-related costs as expenses in the periods in which the costs are incurred and the services are received?		
14	Whether disclosure by the acquirer has been made regarding information thatenables users of its financial statements to evaluatethe nature and financial effect of a businesscombination that occurs either: (a) during the current reporting period; or (b)after the end of the reporting period but before thefinancial statements are approved for issue.		
15	Whether the disclosure by the acquirer has been made regarding information thatenables users of its financial statements to evaluatethe financial effects of adjustments recognised in the current reporting period that relate to businesscombinations that occurred in the period or previousreporting periods?		
16	Whether disclosures have been made for each material business combination or in the aggregate for individually immaterial business combinations thatare material collectively: (a) if the initial accounting for a businesscombination is incomplete for particular assets, liabilities, non-controlling interests or items of consideration and the amounts recognised in the financial statements for the business combination thus have been determined only provisionally: (i) the reasons why the initial accounting for the business combination is incomplete; (ii) the assets, liabilities, equity interests or items of consideration for which the initial accounting is incomplete; and (iii) the nature and amount of any measurement period adjustments recognised during the reporting period. (b) for each reporting period after the acquisition date until the entity collects, sells or otherwise loses the right to a contingent consideration asset, or until the entity settles a contingent consideration liability or the liability is cancelled or expires. (c) for contingent liabilities recognised in a businesscombination, the acquirer shall disclose the information required by paragraphs 37.84 and37.85 of Ind AS 37 for each class of provision. (d) a reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period showing separately (e) the amount and an explanation of any gain or loss recognised in the current reporting period that both: (i) relates to the identifiable assets acquired or liabilities assumed in a business combination that was effected in the current or previous reporting period; and (ii) is of such a size, nature or incidence that disclosure is relevant to understanding the combined entity's financial statements.		

17	Whether the following disclosures in the first financial statements following the business combination have been made: (a) names and general nature of business of thecombining entities, (b) date on which transferor obtains control of thetransferee, (c)description and number of shares issued, togetherwith the percentage of each entity's equity sharesexchanged to effect the combination, and (d) amount of any difference between theconsideration and the value of net assets takenover, and the treatment thereof.		
18	Has the entity entered into a business combination that is classified as a 'reverse acquisition' during the period and the consideration transferred correctly measured?		

Checklistfor Indian Accounting Standard (Ind AS) - 104 'INSURANCE CONTRACT'

Sl. No	Particulars	Yes/No/ NA	Remarks
1	Has the entity applied this standard if it: a) Issues insurance contracts, b) Issues reinsurance contracts, c) Holds reinsurance contracts, or d)Issues financial instruments with a discretionary participation feature?		
2	Has the entity separated embedded derivatives, if any, from their host insurance contract?		
3	If the derivative contract is itself an insurance contract, then has the entity applied this standard, else applied Ind AS 109?		
4	Has the entity included changes in the fair value of the separated embedded derivatives in profit and loss?		
5	Has some insurance contracts contain both an insurance component and a deposit component. If the entityhas unbundled those components?		
6	Hastheentityassessedattheendofeachreportingperiod, whether its recognized insuranceliabilitiesareadequate,usingcurrentestimatesof future cash flows under its insurancecontracts?		
7	If that assessment at point no-6 shows that the carrying amount of its insurance liabilities is inadequate in the light of the estimated future cash flows, whether the entire deficiency has been recognized in profit or loss?		
8	Has a reinsurance asset been considered as impaired if andif impaired, whether as per the para 20 of Ind AS 104?		
9	Whether the entity changed its accounting policies for insurance contracts? Whether changed accounting policies made the financial statements more relevant to the economic decision-making needs of users based on the criteria in Ind AS8?		
10	While the entity may continue the following practices, has it ensured that it has not changed its accounting policies to introduce any of the following practices: (a) measuring insurance liabilities on an undiscounted basis. (b) measuring contractual rights to future investment management fees at an amount that exceeds their fair value as implied by a comparison with current fees charged by other market participants for similar services. (c) Using non-uniform accounting policies for the insurance contracts (and related deferred acquisition costs and related intangible assets, if any) of subsidiaries, except as permitted by paragraph 24.		
11	Whether the related adjustment to the insurance liability (or deferred acquisition costs or intangible assets) has been recognized in other comprehensive income if, and only if, the unrealized gains or losses were recognized in other comprehensive income?		
12	Has the entity made disclosure stating the amounts arising from		

	insurance contract?		
13	Is the disclosure of accounting policies for insurance contracts and related assets, liabilities, income and expense made by the entity?		
14	Has the entity disclosed the process used to determine the assumptions that have the greatest effect on the measurement of the recognised amounts?		
15	Has the entity disclosed effect of changes in assumptions used to measure insurance assets and insurance liabilities, showing separately the effect of each change that has a material effect on the financial statements?		
16	Has the entity disclosed reconciliations of changes in insurance liabilities, reinsurance assets and, if any, related deferred acquisition costs?		
17	Whether the disclosure of information has been made by an insurer that enables users of its financial statements to evaluate the nature and extent of risks arising from insurance contracts made by the entity?		
18	Are the disclosure of its objectives, policies and processes for managing risks arising from insurance contracts and the methods used to manage those risks as per the Ind AS?		
19	Has the entity disclosed information about insurance risk (both before and after risk mitigation by reinsurance), including information about: (i) sensitivity to insurance risk. (ii) concentrations of insurance risk, including a description of how management determines concentrations and a description of the shared characteristic that identifies each concentration (e.g., type of insured event, geographical area or currency). (iii) actual claims compared with previous estimates (i.e., claims development). The disclosure about claims development shall go back to the period when the earliest material claim arose for which there is still uncertainty about the amount and timing of the claims payments, but need not go back more than ten years.		
20	Has the entity disclosed information about credit risk, liquidity risk and market risk would require if the insurance contracts were within the scope of Ind AS 107?		
21	Has the entity disclosed information about exposures to market risk arising from embedded derivatives contained in a host insurance contract if the insurer is not required to, and does not, measure the embedded derivatives at fair value?		
22	Whether disclosure has been made by an insurer either (a) or (b) as follows: (a) a sensitivity analysis that shows how profit or loss and equity would have been affected if changes in the relevant risk variable that were reasonably possible at the end of the reporting period had occurred; the methods and assumptions used in preparing the sensitivity analysis; and any changes from the previous period in the methods and assumptions usedOr if an insurer uses an alternative method to manage sensitivity to market conditions, by disclosing that alternative sensitivity analysis and the disclosures required by paragraph 107.41. (b) qualitative information about sensitivity, and information about those terms and conditions of insurance contracts that have a material		

	effect on the amount, timing and uncertainty of the insurer's future cash flows.		

Checklist of Indian Accounting Standard (Ind AS)-105Non-current Assets Held for Sale and Discontinued Operations

Sl. No	Particulars	Yes/No / NA	Remarks
1.	Whether an entity has classified only those Assets as Non-current Assets (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use?		
2.	Whether the non-current assets held for sale /distribution to owners measured at lower of the carrying amount and fair value less cost to sell/ distribution?		
3	If the entity is committed to a sale plan involving loss of control of a subsidiary, has it classified all the assets and liabilities of that subsidiary as held for sale, regardless of whether the entity will retain a non-controlling interest in its former subsidiary after the sale?		
4	Whether entity classified a non-current asset (or disposal group) as held for sale that is to be abandoned?		
5	If an entity has classified an asset (or disposal group) as held for sale, but the criteria to be held as sale for that asset are no longer met, whether the entity ceased to classify the asset (or disposal group) as held for sale?		
6	Whether the entity disclosed the following: (a) a single amount in the statement of profit and loss comprising the total of (i) the post-tax profit or loss of discontinued operations and (ii)the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation, (b) an analysis of the single amount into: (i) the revenue, expenses and pre-tax profit or loss of discontinued operations; (ii) the related income tax expense as required by paragraph 12, 81 (h), and (iii) the gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation. (iv) the related income tax expense as required by paragraph 12. 81 (h). The analysis may be presented in the notes or in the statement of profit and loss. (c) the net cash flows attributable to the operating, investing and financing activities of discontinued operations. (d) the amount of income from continuing operations and from discontinued operations attributable to owners of the parent.		
7.	Whether adjustments in the current period to amounts previously presented in discontinued operations that are directly related to		

	the disposal of a discontinued operation in a prior period are classified separately in discontinued operation?		
8.	If an entity ceases to classify a component of an entity as held for sale, the results of operations of the component previously presented in discontinued operations in accordance with paragraphs 105.33–105.35 has been reclassified and included in income from continuing operations for all periods presented?		
9.	Has the entity included in profit and loss from continuing operations, any gain or loss on the remeasurement of a non-current asset (or disposal group) classified as held for sale that does not meet the definition of discontinued operations?		
10	Whether disclosure of the following information have been made in the notes in the period in which a non-current asset (or disposal group) has been either classified as held for sale or sold: (a) a description of the non-current asset (or disposal group); (b) a description of the facts and circumstances ofthe sale, or leading to the expected disposal, and the expected manner and timing of that disposal; (c) the gain or loss recognised in accordance with paragraphs 105.20–105.22 and, if not separately presented in the statement of profit and loss, the caption in the statement of profit and loss that includes that gain or loss; (d) if applicable, the reportable segment in which the non-current asset (or disposal group) is presented in accordance with Ind AS 108,*Operating Segments*.		
11.	In case either paragraph 105.26 or paragraph105.29 applies, disclosure of, in the period of the decision to change the plan to sell the non-current asset (or disposal group), a description of the facts and circumstances leading to the decision and the effect of the decision on the results of operations for the period and any prior periods presented?		

Checklist of Indian Accounting Standard (Ind AS)-106Exploration for and Evaluation of Mineral Resources

Sl. No.	Particulars	Yes/No/ NA	Remarks
1	If the entity incured expenditure relating to the exploration and evaluation of mineral resources, has it applied the requirements of Ind AS 106?		
2	If the entity has transactions or other events such as: (a)Expenditures incurred before the exploration for an evaluation of mineral resources, and (b)Expenditures incurred after the technical feasibility and commercial viability of extracting a mineral resource are demonstrable? Has the entity excluded these expenditures when applying this standard?		
3	If entity while developing its accounting policies relating to exploration and evaluation assets applied paragraph 10 of Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.		
4	If the Exploration and evaluation assets have been measured at cost?		
5	If entity determined an accounting policy specifying which expenditures is recognized as exploration and evaluation assets and applied the policy consistently?		
6	Has the entity recognized the obligations for removal and restoration that are incurred as a consequence of exploration for and evaluation of mineral resources in accordance with Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets?		
7	a) Has the entity applied either cost model or revaluation model to the exploration and evaluation assets? b) If the latter has been applied, is it consistent with the classification of the assets as per this Ind AS?		
8	Whether an entity has changed its accounting policies for exploration and evaluation expenditures. If so whether the judgment of the management was in accordance with the criteria in Ind AS 8?		
9	Has the entity classified Exploration and Evaluation(E&E) Assets as tangible or intangible according to the nature of the assets acquired, and applied the classification consistently?		
10.	Exploration and Evaluation assets shall be assessed for impairment, and any impairment loss recognized, before reclassification. Whether impairment loss has been assessed and recognized?		
11.	In case, on assessment, facts and circumstances suggest that the carrying amount of exploration and evaluation assets exceeds its recoverable amount, whether disclosure has been made of any resulting impairment loss in accordance with Ind AS 36, except as provided by paragraph 106.21?		

12.	Whether the entity has tested E&E assets for impairment in the following circumstances: (list is not exhaustive) (a)The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed. (b)Substantive expenditures on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned. (c)Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area. (d)Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or by sale.		
13.	Whether accounting policy has been determined for allocating E&E assets to cash-generating units or groups of cash-generating units for the purpose of assessing such assets for impairment?		
14.	Whether Disclosure of information that identifies and explains the amounts recognized in its financial statements arising from the exploration for and evaluation of mineral resources has been made?		
15.	To comply with paragraph 106.23,if disclosures of the following have been made: (a)its accounting policies for exploration and evaluation expenditures including the recognition of exploration and evaluation assets. (b)the amounts of assets, liabilities, income and expense and operating and investing cash flows arising from the exploration for and evaluation of mineral resources.		
16.	Whether E&E assets have been treated as a separate class of assets and the disclosures required by either Ind AS 16 or Ind AS 38 consistent with how the assets are classifiedhave been made?		

Checklist on Indian Accounting Standard (Ind AS) – 107Financial Instruments: Disclosures

Sl. No.	Particulars	Yes/No/ NA	Remarks
Classes of financial instruments and level of disclosure			

1.	Whether the entity has grouped financial instruments into classes that are appropriate to the nature of the information disclosed and that take into account the characteristics of those financial instruments?		
Categories of Financial assets and liabilities: Balance Sheet			
2.	Whether the carrying amounts of each of the following categories, as specified in Ind AS 109, have been disclosed either in the balance sheet or in the notes: (a) Financial assets measured at fair value through profit or loss, showing separately (b) Financial liabilities at fair value through profit or loss, showing separately (c) Financial assets measured at amortised cost. (d) Financial liabilities measured at amortised cost. (e)Financial assets measured at fair value through other comprehensive income, showingseparately.		
Financial Assets and liabilities at fair value through Profit or loss			
3.	Whether the financial asset (or group of financial assets) has designated as measured at fair value through profit or loss that would otherwise be measured at fair value through other comprehensive income or amortised cost, disclosure has been made as per para 9 of the Ind AS 109?		
4.	Whether the entity has designated financial liability as at fair value through profit or loss in accordance with paragraph 109.4.2.2 and is required to present the effects of changes in that liability's credit risk in other comprehensive income (see paragraph 109.5.7.7), disclosure has been made as per para 10?		
5.	Whether the entity has disclosed: (a) detailed description of the methods used to comply with the requirements in paragraphs 9(c), 10(a) and 10A(a) and paragraph 5.7.7(a) of Ind AS 109, including an explanation of why the method is appropriate (b) if, the entity believes that the above disclosures of Ind AS 109 does not faithfully represent the change in the fair value of the financial assets or financial liability attributable to change in its credit risk, whether the reasons for reaching this conclusion and the factors it believes are relevant?		
Investments in equity instruments designated at fair value through other comprehensive income			
6.	In case investments in equity instruments are designated to be measured at fair value through other comprehensive income, as permitted by paragraph 109.5.7.5, whether disclosures have been made of: (a) investments in equity instruments have been designated to be measured at fair value through other comprehensive income. (b) the reasons for using this presentation alternative. (c) the fair value of each such investment at the end of the reporting period. (d) dividends recognised during the period, showing separately		

	those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. (e) any transfers of the cumulative gain or loss withinequity during the period including the reason for such transfers.		
Reclassification			
7.	Whether entity has disclosed if, in the current or previous reporting periods, it has reclassifiedany financial assets in accordance with paragraph 4.4.1 of Ind AS 109?		
8.	For each reporting period following reclassification until de-recognition, if entity has disclosed for assets reclassified out of the fair value through profit or loss category so that they are measured at amortised cost or fair value through other comprehensive income inaccordance with paragraph 4.4.1 of Ind AS 109?		
Collateral			
9.	Whether entity has disclosed: (a) the carrying amount of financial assets it has pledged as collateral for liabilities orcontingent liabilities, and (b) the terms and conditions relating to its pledge?		
10.	When an entity holds collateral (of financial or non-financial assets) and permitted tosell or repledge the collateral in the absence of default by the owner of the collateral, whether it has disclosed: (a) the fair value of the collateral held; (b)the fair value of any such collateral sold or repledged, and whether the entity hasan obligation to return it; and (c) the terms and conditions associated with its use of the collateral.		
Allowance account for credit losses			
11.	Has the entity ensured that the carrying amount of financial assets measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of Ind AS 109 is not reduced by a loss allowance and the entity has not presented the loss allowance separately in the balance sheet as a reduction of the carrying amount of the financial asset, but has disclosed the loss allowance in the notes to the financial statements?		
Compound financial instruments with multiple embedded derivatives			
12.	If an entity has issued an instrument that contains both a liability and an equitycomponent (see paragraph 28 of Ind AS 32) and the instrument has multiple embeddedderivatives whose values are interdependent (such as a callable convertible debt instrument), if it has disclosed the existence of those features?		
Default and breaches			
13.	For *loans payable* recognised at the end of the reporting period, whether the entity has disclosed: (a) details of any defaults during the period of principal,interest, sinking fund, orredemption terms of those loans payable;		

	(b) the carrying amount of the loans payable in default at the end of the reportingperiod; and (c) Whether the default was remedied, or the terms of the loanspayable wererenegotiated, before the financial statementswere approved for issue.		
Statement of profit and loss **Items of income, expense, gains or losses**			
14.	Whether the entity has disclosed the following items of income, expense, gains or losses either inthe statement of profit and loss or in the notes: (a) Net gains or net losses on: (i) financial assets or financial liabilities measured at fair value through profitor loss, showing separately those on financial assets or financial liabilitiesdesignated as such upon initial recognition or subsequently in accordancewith paragraph 6.7.1 of Ind AS 109, and those on financial assets orfinancial liabilities that are mandatorily measured at fair value through profit or loss in accordance with Ind AS 109. (ii) Financial liabilities measured at amortized cost. (iii) Financial assets measured at amortized cost. (iv) Investments in equity instruments designated at fair value through othercomprehensive income in accordance withparagraph 5.7.5 of Ind AS 109. (v) financial assets measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of Ind AS 109, showing separatelythe amount of gain or loss recognized in other comprehensive income during the period and the amount reclassified upon derecognition from accumulatedother comprehensive income to profit or loss for the period. (b) Total interest revenue and total interest expense (calculated using the effectiveinterest method) for financial assets that are measured at amortised cost or that are measured at fair value through other comprehensive income in accordance withparagraph 4.1.2A of Ind AS 109 (showing these amounts separately); or financial liabilities that are not measured at fair value through profit or loss. (c) fee income and expense (other than amounts included in determining the effectiveinterest rate) arising from: I. financial assets and financial liabilities that are not at fair value throughprofit or loss; and II. Trust and other fiduciary activities that result in the holding or investing ofassets on behalf of individuals, trusts, and retirement benefit plans, and otherinstitutions.		
	Other disclosures **Accounting policies**		
15.	Whether the entity disclosed of, In accordance with paragraph 117 of Ind AS 1 *Presentation of Financial Statements*, in the summary of significant accounting policies, the measurement basis(or bases) used in preparing the financial statements and the		

	other accounting policiesused that are relevant to an understanding of the financial statements?		
16.	Whether entity has explained its risk management strategy for each risk category of riskexposures that it decides to hedge and for which hedge accounting is applied?		
The amount, timing and uncertainty of future cash flows			
17.	Unless exempted by paragraph 23C, whether entity has disclosed by risk category quantitativeinformation to allow users of its financial statements to evaluate the terms and conditions of hedging instruments and how they affect the amount, timing and uncertainty of futurecash flows of the entity?		
18.	To meet the requirement in paragraph 23A, whether the entity has provided a breakdown thatdiscloses: (a) a profile of the timing of the nominal amount of the hedging instrument; and (b)if applicable, the average price or rate (for example strike or forward prices etc.) ofthe hedging instrument.		
19.	Has the entity disclosed in a tabular format, the amounts related to itemsdesignated as hedging instruments separately by risk category for each type of hedge as per para 24A and 24B?		
20**.**	Whether the disclosure has been made of the following, if the entity has designated a financial instrument, or a proportion of it, as measured at fair value through profit or loss because it uses a creditderivative to manage the credit risk of that financial instrument: (a) For credit derivatives that have been used to manage the credit risk of financial instruments designated as measured at fair value through profit or loss in accordance with paragraph 109.6.7.1, a reconciliation of each of the nominal amount and the fair value at the beginning and at the end of the period, (b) The gain or loss recognised in profit or loss on designation of a financial instrument, or a proportion of it, as measured at fair value through profit or loss in accordance with paragraph 109.6.7.1, and (c) On discontinuation of measuring a financial instrument, or a proportion of it, at fair value through profit or loss, that financial instrument's fair value that has become the new carrying amount in accordance with paragraph 109.6.7.4(b) and the related nominal or principal		
Fair value			
21.	Except as set out in paragraph 29, for each class of financial assets and financial liabilities, whether the entity has disclosed the fair value of that class of assets and liabilities in a way that permits it to be compared with its carrying amount?		
22.	Has the entity grouped financial assets and financial liabilities into classes and ensured that it offsets them only to the extent that their carrying amounts are offset in the balance sheet while disclosing fair values?		
Nature and extent of risks arising from financial instruments			

23.	Whether the entity has disclosed information that enables users of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the entity is exposed at the end of the reporting period?		
Qualitative Disclosures			
24.	For each type of risk arising from financial instruments, whether the entity has disclosed: (a) the exposures to risk and how they arise; (b) its objectives, policies and processes for managing the risk and the methods used tomeasure the risk; and (c) any changes in (a) or (b) from the previous period.		
Quantity Disclosures			
25.	For each type of risk arising from financial instruments, whether the entity has disclosed: (a) Summary quantitative data about its exposure to that risk at the end of the reportingperiod. (b) The disclosures required by paragraphs 36–42, to the extent not provided inaccordance with (a). (c) Concentrations of risk if not apparent from the disclosures made in accordance with (a) and (b).		
Credit Risk			
26.	Whether entity applied the disclosure requirements inparagraphs 35F–35N to financialinstruments to which the impairment requirements in Ind AS 109 are applied?		
27.	Whether the credit risk disclosures made in accordance with paragraphs 35F–35N of financial statements to understand the effect of credit riskon the amount, timing anduncertainty of future cash flows?		
28.	Whether entity has disclosed its credit risk management practices and how they relate to therecognition and measurement of expected credit losses?		
29.	Has the entity disclosed the following (a-c) and explained the inputs, assumptions and estimation techniques used to apply the requirements in section 5.5 of Ind AS 109: (a) the basis of inputs and assumptions and the estimation techniques used to: (i) measure the 12-month and lifetime expected credit losses; (ii) determine whether the credit risk of financial instruments have increasedsignificantly since initial recognition; and (iii) determine whether a financial asset is a credit-impaired financial asset. (b) how forward-looking information has been incorporated into the determination ofexpected credit losses, including the use ofmacroeconomic information; and (c) Changes in the estimation techniques or significant assumptions made during thereporting period and the reasons for those changes.		
30.	If the reconciliation has been made for class of financial instrument from opening balance to closing balance of the loss allowance, in a tabular form showing separately the changes during the period for:		

	(a) the loss allowance measured at an amount equal to 12-month expected credit losses, (b) the loss allowance measured at an amount equal to lifetime expected credit losses for: (i) financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets, (ii) financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired), and (iii) trade receivables, contract assets or lease receivables for which the loss allowances are measured in accordance with paragraph 109.5.5.15financial assets that are purchased or originated credit-impaired, including disclosure of the total amount of undiscounted expected credit losses at initial recognition on financial assets initially recognised during the reporting period.		
31.	Whether disclosure has been made of the contractual amount outstanding on financial assets that were written off during the reporting period and are still subject to enforcement activity?		
32.	Whether disclosure has been made of, by credit risk rating grades, the gross carrying amount of financial assets and the exposure to credit risk on loan commitments and financial guarantee contracts to enable users of financial statements to assess the entity's credit risk exposure and understand its significant credit risk concentrations separately as per para 107.35M & N?		
33.	If disclosure has been made as per para 107.36 by class of financial instrument for all financial instruments within the scope of Ind AS 107, but to which the impairment requirements in Ind AS 109 are not applied?		
Liquidity Risk			
34.	Whether the entity has disclosed: (a) a maturity analysis for non-derivative financial liabilities (including issued financial guarantee contracts). (b) a maturity analysis for derivative financial liabilities. (c) a description of how it manages the liquidity risk inherent in (a) and (b).		
Market Risk			
35.	Unless an entity complies with paragraph 41, whether the following disclosures as per Para 40 of Ind AS 107 have been made: (a) a sensitivity analysis for each type of market risk to which the entity is exposed atthe end of the reporting period, showing howprofit or loss and equity would havebeen affected by changes in the relevant risk variable that were reasonably possibleat that date; (b) The methods and assumptions used in preparing the sensitivity analysis; and (c) Changes from the previous period in the methods and		

	assumptions used, and thereasons for such changes.		
36.	If an entity prepares a sensitivity analysis, such as value-at-risk, whether the disclosures as per Para 41 of Ind AS 107 have been made?		
	Transfer of financial assets		
37.	Has the entity presented, in a single note in the financial statements, the disclosures for all transferred financial assets that are not derecognised and for any continuing involvement in a transferred asset, existing at reporting date, irrespective of when the related transferred transaction occurred?		
38.	Whether disclosure of information have been made to enable the users: (a) to understand the relationship between transferred financial assets that are not derecognised in their entirety and the associated liabilities, and (b) to evaluate the nature of, and risks associated with, the entity's continuing involvement in derecognised financial assets.		
Transferred financial assets that are derecognised in their entirety			
39	In case entity derecognises transferred financial assets in their entirety (see paragraph 3.2.6(a) and (c)(i) of Ind AS 109) but has continuing involvement in them, whether disclosure of the following have been made , as a minimum, for each type of continuing involvement at each reporting date: (a) the carrying amount of the assets and liabilities that are recognised in the entity's balance sheet and represent the entity's continuing involvement in the derecognised financial assets, and the line items in which the carrying amount of those assets and liabilities are recognised, (b) the fair value of the assets and liabilities that represent the entity's continuing involvement in the derecognised financial assets, (c) the amount that best represents the entity's maximum exposure to loss from its continuing involvement in the derecognised financial assets, and information showing how the maximum exposure to loss is determined, (d) the undiscounted cash outflow that would or may be required to repurchase derecognised financial assets (e.g. the strike price in an option agreement) or other amounts payable to the transferee in respect of the transferred assets. If the cash outflow is variable then the amount disclosed should be based on the conditions that exist at each reporting date, (e) a maturity analysis of the undiscounted cash outflows that would or may be required to repurchase the derecognised financial assets or other amounts payable to the transferee in respect of the transferred assets, showing the remaining contractual maturities of the entity's continuing involvement, and (f) qualitative information that explains and supports the quantitative disclosures required in (a)–(e).		
40.	Whether disclosures have been made of the following for each		

	type of continuing involvement for each period for which the statement of profit and loss is presented: (a) the gain or loss recognised at the date of transfer of the assets, (b) income and expenses recognised, both in the reporting period and cumulatively, from the entity's continuing involvement in the derecognised financial assets (e.g. fair value changes in derivative instruments), (c) if the total amount of proceeds from transfer activity (that qualifies for derecognition) in a reporting period is not evenly distributed throughout the reporting period (e.g. if a substantial proportion of the total amount of transfer activity takes place in the closing days of a reporting period): (i) when the greatest transfer activity took place within that reporting period (e.g. the last five days before the end of the reporting period), (ii) the amount (e.g. related gains or losses) recognised from transfer activity in that part of the reporting period, and (iii) the total amount of proceeds from transfer activity in that part of the reporting period.		
Supplementary information			
41.	If disclosures have been made for the additional information which the entity considers necessary to meet the objectives of paragraph 107.42B?		

Check-list on Indian Accounting Standard (Ind-AS)-108 Operating Segments

Sl.no	Particulars	Yes/No/N/A	Remarks
1.	Has the entity identified components : i) That engage in business activities from which they may earn revenues and incur expenses, ii) Whose operating results are regularly reviewed by the entity's Chief operating decision maker (CODM) to make decisions about resources to be allocated and to assess their performance, and iii) For which discrete financial information is available?		
2.	Whether the entity report separate information about each operating segment?		
3.	**a)**Has the entity reported separately information about an operating segment that meets any of the followingthresholds: i) Its reported revenue, including both sales to external customers and inter segment sales or transfers, is10 *percent* or more of the combined revenue, internal and external, of all operating segments, ii) The absolute amount of its reported profit or loss is 10 percent or more of the greater, in absolute amount, of (i) the combined reported profit of all operating segments that did not report a loss and (ii) the combined reported loss of all operating segments that		

	reported a loss,or iii) Its assets are 10 per cent or more of the combined assets of all operatingsegments? **b)**If there are any operating segments that do not meet any of the quantitative thresholds but may be considered reportable, has the entity separately disclosed information about these segments,if managementbelievesthatsuchinformationwouldbeusefultousers of the financialstatements?		
4.	If the total external revenue reported by operating segments constitutes less than 75 per cent of the entity's revenue,whether additional operating segments has been identified as reportable segments (even if they do not meet the criteria in paragraph 13 of Ind AS 108) until at least 75 per cent of the entity's revenue is included in reportable segments?		
5.	If an operating segment is identified as a reportable segment in the current period in accordance with the quantitative thresholds, whether the segment data for a prior period presented for comparative purposes has been restated to reflect the newly reportable segment as a separate segment, even if that segment did not satisfy the criteria for reportability in paragraph 13 in the prior period, unless the necessary information is not available and the cost to develop it would be excessive?		
6	Whether the required disclosure of information has been made to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates?		
7	Whether disclosure of the following general information has been made as per para 21& 22: (a) factors used to identify the entity's reportable segments, including the basis of organization e.g. whether management has chosen to organize the entity around differences in products and services, geographical areas, regulatory environments, or a combination of factors and whether operating segments have been aggregated, (b) the judgment made by management in applying the aggregation criteria in paragraph 108.12. This includes a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics, and (c) types of products and services from which each reportable segment derives its revenues		
8	Disclosure of the following has been made as per para 23:		

	(a) the measure of profit or loss for each reportable segment, (b) the measure of total assets and liabilities for each reportable segment if such amounts are regularly provided to the chief operating decision maker, (c)the following about each reportable segment if the specified amounts are included in the measure of segment profit or loss reviewed by the chief operating decision maker, or are otherwise regularly provided to the chief operating decision maker, even if not included in that measure of segment profit or loss: (i) revenues from external customers, (ii) revenues from transactions with other operating segment of the same entity, (iii) interest revenue, (iv) interest expense, (v) depreciation and amortisation, (vi) material items of income and expense disclosed in accordance with paragraph 1.97, (vii) the entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method, (viii) income tax expense or income, and (ix) material non-cash items other than depreciation and amortization.		
9	Whether entity disclose the following about each reportable segment if the specified amounts are included in the measure of segment assets reviewed by the Chief operating decision maker or are otherwise regularly provided to the chief operating decision maker, even if not included in the measure of segment assets: (a) The amount of investment in associated and joint ventures accounted for by the equity method, and (b) The amounts of additions to non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.		
10	Whether an explanation of the measurements of segment profit or loss, segment assets and segment liabilities for each reportable segment. Disclosure of the following: (a)The basis of accounting for any transactions between reportable segments. (b)The nature of any differences between the measurements of the reportable segments profits or losses and the entity's profit or loss before income tax expenses or income and discontinued operations, (c)The nature of any differences between the measurements of the reportable segments assets and the entity's assets, (d)The nature of any differences between the measurements of the reportable segments liabilities and the entity's liabilities. (e)The nature of any changes from prior periods in the measurement methods used to determine reported segment profit or loss and the effect, if any, of those changes on the		

	measure of segment profit or loss and (f)The nature and effect of any asymmetrical allocations to reportable segments, e.g. the entity might allocate depreciation expense to a segment without allocating the related depreciable assets to that segment.		
11	Whether reconciliations of the following material reconciling items separately identified and described. (a)The total of the reportable segments revenues to the entity's revenue. (b) The totals of the segments measures of profit or loss to the entity's profit or loss before tax expenses (tax income) and discontinued operations, however, if the entity allocated to reportable segments items such as tax expense (tax income), then it may reconcile the total of the segments measures of profit or loss to the entity's profit or loss after those items. (c)The total of the reportable segments assets to the entity's assets if the segment assets are reported in accordance with para 23 (d)The total of the reportable segments liabilities to the entity's liabilities if the segment liabilities are reported in accordance with para 23 and (e)The total of the reportable segments amounts for every other material items of information disclosed to the corresponding amount for the entity.		
12	If an entity changes the structure of its internal organisation in a manner that causes the composition of its reportable segments to change, whether the corresponding information for earlier periods, including interim periods, has been restated unless the information is not available and the cost to develop it would be excessive?		
13	(a) If the entity has changed the structure of its internal organization in a manner that causes the composition of its reportable segments to change, has the entity restated segment information for earlier periods, including interim periods, to reflect the change? (b)If not, then in the year in which the change occurs, disclosure of segment information for the current period on both the old basis and the new basis of segmentation, unless the necessary information is not available and the cost to develop it would be excessive?		
14	Has the Entity made disclosures as required even if the entity has only one reportable segment?		
15	Whether disclosure of the following geographical information has been made, unless the necessary information is not available and the cost to develop it would be excessive: (a)Revenues from external customers (i)Attributed to the entity's country of domicile and (ii)Attributed to all foreign countries in total from which the entity derives revenues. If revenues from external customers attributed to an individual foreign country are material, then		

	those revenues are disclosed separately. (b)Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts (i)located in the entity's country of domicile and (ii)located in all foreign countries in total in which the entity holds assets. If assets in an individual foreign country are material, then those assets are disclosed separately.		
16	If revenues from transactions with a single external customer amount to 10 percent or more of an entity's revenues, following information about the extent of its reliance on such customers: (a)disclosure of the fact (b)the total amount of revenues from each such customer, and the identity of the segment or segments reporting the revenues (c) For the above purpose, has a group of entities known to a reporting entity to be under common control been considered a single customer.		

Check list for Indian Accounting Standard (Ind AS) - 109 Financial Instruments

Sl. No.	Particulars	Yes/No/ NA	Remarks
1	Whether the Ind AS 109 is applicable to the entity under Audit as per provisions of paragraphs 1 & 2 of Ind AS 109?		
2	Whether the entity is covered by exceptions prescribed under paragraph 2 of Ind AS 109?		
3	Whether the entity has applied this Ind AS to all types of financial instruments except when another standard requires or permits a different accounting treatment?		
4	Whether an entity recognized a financial asset or a financial liability only when the entity becomes party to the contractual provisions of the instrument?		
5	If the purchase or sale of financial assets is classified as a regular way purchase or sale, the entity should consistently use trade date accounting or settlement date accounting for financial assets classified in the same category. Whether this has been done?		
6	Whether de-recognition of financial assets and financial liabilities have been made as per the provision of Ind AS 109?		
7	Whether the entity first consolidated all subsidiaries in accordance with Ind AS 110 and then applied the de-recognition provisions of Ind AS 109?		
8	Whether an entity derecognized a financial asset only if (i) the entity contractual rights to the cash flows from the financial asset have expired, (ii) the entity has transferred the financial assets as per the provision of Ind AS 109?		
9	Whether the entity has removed a financial liability from its balance sheet only when the obligation specified in the		

	contract has been discharged or cancelled or expires?		
10	Whether the accounting of financial assets and financial liabilities at the time of recognition and de-recognition has been made as per the relevant provisions of IndAS 109?		
11	Whether entity has classified the financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both (i) the entity’s business model (ii) the contractual cash flow characteristics.		
12	Whether the conditions of Ind AS were fulfilled before measuring a financial assetat (i) amortised cost, (ii) fair value through other comprehensive income and (iii) fair value through profit or loss?		
13	Whether an entity has classified the financial liabilities as subsequently measured at amortized cost except the conditions mentioned in the para 4.2.1 of Ind AS 109?		
14	An entity can reclassify financial assets only when it has changed its business model for managing financial Assets. Whether the entity has reclassified financial assets?		
15	Whether the entity reclassified all affected financial assets only when it has changed its business model for managing financial assets?		
16	Whether the provisions of measurement of reclassified financial assets as stipulated in Ind AS 109 have been followed?		
17	Reclassification of financial liabilities is not permitted by Ind AS 109. Check whether entity has reclassified its financial liabilities?		
18	Has the entity measured a financial assets(except trade receivable) or financial liabilities at its fair value at initial recognition?		
19	Has the entity considered transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities in the initial recognition amount, when the financial assets and financial liabilities not at fair value through profit or loss?		
20	Whether transaction cost has not been added or reduced when financial assets or financial liabilities are through fair value to profit or loss?		
21	Has the entity measured the expected credit losses of a financial instrument in a way that reflects: a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, b) Time value of money, and		

	c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economicconditions?		
22	Whether the credit risk on any financial instrument has increased significantly since initial recognition?		
23	Has the entity measured a loss allowance for the financial instrument at the reporting date at an amount equal to the life time expected credit losses?		
24	If at the reporting date the credit risk on a financial instrument has not increased significantly since initial recognition.Whether, the entity has measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit loss?		
25	Whether the entity has designated the hedging instruments and hedged items that qualify the conditions of the qualifying instruments and qualifying items?		
26	Whether only contracts with a party external to the reporting entity (i.e. external to the group or individual entity that is being reported on) has been designated as hedging instruments?		
27	Whether the hedging relationship qualifies for hedge accounting. If yes, whether the entity has accounted the hedge relationships as per provisions of the Ind AS 109?		
28	Whether compliance has been made to the disclosure requirements related to Financial Instruments (Ind AS 109) as prescribed under Ind AS 107?		

Check list for Indian Accounting Standard (Ind AS) – 110Consolidated Financial Statements

Sl. No.	Particulars	Yes/No/ NA	Remarks
1	Whether the Ind AS 110 is applicable to the entity when an entity controls one or more other entities as per provisions of paragraphs 1 & 2 of Ind AS 110?		
2	Whether the entity has covered by exceptions prescribed under paragraphs 4 of Ind AS 110?		
3	Whether the investor has assessed its control over the investee as per provisions of Ind AS 110?		
4	Whether the following conditions of control of an investee exist (i) power over the investee (ii) exposure or rights to variable returns from its involvement with the investee and (iii) the ability to use its power over the investee to affect the amount of the investor's returns?		
5	Whether the entity has prepared the consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances?		
6	Whether the entity has prepared the consolidated financial statements from the date the company obtains control of the investee?		
7	Whether the entity has prepared consolidated financial statements by (i) combining like items of assets, liabilities, income, expenses and cash flows of the parent with those of its subsidiaries. (ii) offsetting the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary (iii) eliminating in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Ind AS12, Income Taxes, applies to temporary differences that arise from the elimination of profits and losses resulting from intra group transactions?		
8	Whether the non-controlling interests have been presented in the consolidated balance sheet within equity, separately from the equity of the owners of the parent?		
9	Whether the consolidation procedures have been followed as per Ind AS 110?		
10	Whether the changes in parent's ownership interest in a subsidiary do not result in the parent losing control of the subsidiary as equity transaction?		
11	If the entity (parent) lost control of its subsidiary, whether the following been ensured: (i) the parent derecognizes the assets and liabilities of the subsidiary at their carrying amounts at the date when control is lost. (ii) recognize at its fair value, the consideration received,		

	if any, distribution of shares of the subsidiary to owners in their capacity as owners and any investment retained in the former subsidiary when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant Ind AS. (iii) Recognizes the gain or loss associated with the loss of control attributable to the former controlling interest?		
12	Whether an entity is an investment entity as per para 27 of Ind AS 110?		
13	Whether entity (parent) that either ceases to be an investment entity or becomes an investment entity has accounted change in its status prospectively from the date at which the change in status occurred?		
14	Whether the provisions under Section 129 and 134 of the Companies Act, 2013 have been complied with while preparing consolidated financial statements?		
15	Whether the General Instructions for the preparation of Consolidated Financial Statements prescribed by Companies Act, 2013 have been followed?		
16	Has the investment entity measured its investment in a subsidiary at fair value through profit or loss in accordance with Ind AS 109?		
17	Whether disclosure requirements related to Consolidated Financial Statements (Ind AS 110) as prescribed under Ind AS 112 have been fulfilled?		

Checklist for Indian Accounting Standards (Ind AS) – 111(Joint Arrangements)

Sl. No.	Particulars	Yes/No /NA	Remarks
1.	Whether the entity is a party to a joint arrangement? (If yes, the IndAS-112 shall be applicable to the entity)		
2.	Whether the entity and other parties to the joint arrangement are bound by a contractual arrangement which gives two or more of those parties joint control of the arrangement?		
3.	Whether decisions about the relevant activities require the unanimous consent of the parties that control the arrangement collectively when the contractual arrangement give all the parties, or a group of the parties, control of the arrangement collectively?		
4.	Whether the entities/parties have joint control of the joint arrangement? (*joint operators* or *joint venturers*)		
5.	Whether the type of joint arrangement (Joint Operation or Joint Venture) in which entity is involved has changed with change of circumstances?		
6.	Whether the joint operator recognised following in relation to its interest in a joint operation: (a) its assets, including its share of any assets held jointly; (b) its liabilities, including its share of any liabilities incurred jointly; (c) its revenue from the sale of its share of the output arising from the jointoperation; (d) its share of the revenue from the sale of the output by the joint operation;and (e) its expenses, including its share of any expenses incurred jointly?		
7.	Whether the joint operator accounted for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind ASs applicable to the particular assets, liabilities, revenues and expenses?		
8.	Whether the entity applied, to the extent of its share, all of the principles on business combinations accounting in Ind AS 103, and other Ind ASs that do not conflict with the guidance in this Ind AS and disclosed the information that is required in those Ind ASs in relation to business combinations?		
9.	Whether the gains and losses resulting from the transactions entered with the other parties to the joint operation such as a sale or contribution of assets, have been recognised only to the extent of the other parties' interests in the joint operations?		
10.	Whether the entity recognised the losses fully by the joint operator when such transactions provide evidence of a reduction in the net realisable value of the assets to be sold or contributed to the joint operation, or of an impairment loss of those assets?		

11.	Whether the entity recognised its share of the gains and losses on a transaction in a joint operation such as purchase of assets before reselling those assets to a third party?		
12.	Whether the entity (joint operator) recognised its share of losses of such transactions which provide evidence of a reduction in the net realisable value of the assets to be purchased or of an impairment loss of those assets?		
13.	Whether the entity participating in the joint operation without joint control has accounted for its interest in the arrangement, if the entity has rights to the assets and obligations for the liabilities relating to the joint operation?		
14.	Whether the entity participating in the joint operation not having (a) joint control of joint operation and (b) rights to the assets and obligations for the liabilities accounted for its interest in the joint operation in accordance with Ind ASs applicable to that interest?		
15.	Whether the joint venturer recognised its interest in a joint venture as an investment and accounted for that investment using the equity method in accordance with Ind AS 28, *Investments in Associates and Joint Ventures*, unless the entity is exempted from applying the equity method as specified in that standard?		
16.	Whether the party that participates in, but does not have joint control of a joint venture, has accounted for its interest in the arrangement in accordance with Ind AS 109, *Financial Instruments*, unless it has significant influence over the joint venture, in which case it shall account for it in accordance with Ind AS 28?		
17.	In its separate financial statements**, w**hether the joint operator accounted for its interest in a) the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the Ind ASs applicable to the particular assets, liabilities, revenues and expenses; & b) a joint venture in accordance with Para 10 of IndAS 27, Separate Financial Statement.		
18.	Whether the party that participates in without joint control of a joint venture, has accounted for its interest in the arrangement in accordance with Ind AS 109, *Financial Instruments,* unless it has significant influence over the joint venture, in which case it shall account for it in accordance with Ind AS 27?		

Checklist for Indian Accounting Standards (Ind AS) – 112Disclosure of Interest in Other Entities

Sl.No.	**Particulars**	**Yes/No/ NA**	**Remarks**
1.	Whether the IndAS-112 applicable to the entity as the entity has an interest in any of the following:		

	(a) subsidiaries (b) joint arrangements (i.e. joint operations or joint ventures) (c) associates (d) unconsolidated structured entities?		
2.	Whether the entity disclosed information about significant judgements and assumptions it has made (and changes to those judgements and assumptions) in determining: (a) that it has control of another entity, ie an investee as described in paragraphs 5 and 6 of Ind AS 110, *Consolidated Financial Statements*; (b) that it has joint control of an arrangement or significant influence over another entity; and (c) the type of joint arrangement (ie joint operation or joint venture) when the arrangement has been structured through a separate vehicle?		
3.	Whether the entity has determined itself as an investment entity in accordance with paragraph 27 of Ind AS 110. If yes, whether the entity has disclosed information about significant judgements and assumptions it has made in determining that it is an investment entity?		
4.	Whether the investment entity not having one or more of the typical characteristics of an investment entity (see paragraph 28 of Ind AS 110), has disclosed its reasons for concluding that it is nevertheless an investment entity?		
5.	When an entity becomes, or ceases to be, an investment entity, whether it has disclosed the change of investment entity status and the reasons for the change?		
6.	Whether the entity that becomes an investment entity has disclosed the effect of the change of status on the financial statements for the period presented?		
7.	If the period of financial statements of a subsidiary is different from that of the Consolidated financial statements (see paragraphs B92 and B93 of Ind AS 110)whether the entity has disclosed:(a) the date of the end of the reporting period of the financial statements of that subsidiary; and (b) the reason for using a different date or period?		
8.	Whether the entity has disclosed the information that enables users of its consolidated financial statements: (i) the composition of the group; and (ii) the interest that non-controlling interests have in the group's activities and cash flows; (iii) the nature and extent of significant restrictions on its ability to access or use assets, and settle liabilities, of the group; (iv) the nature of, and changes in, the risks associated with its interests in consolidated structured entities; (v) the consequences of changes in its ownership interest in a subsidiary that do not result in a loss of control; and (vi) the consequences of losing control of a subsidiary during the reporting period.		
9.	Whether as per requirement of para 12 of Ind AS 112 entity		

	have made disclosures which are material for each of its subsidiaries that have non-controlling interests?		
10.	Whether the entity disclosed the terms of any contractual arrangements that could require the parent or its subsidiaries to provide financial support to a consolidated structured entity, including events or circumstances that could expose the reporting entity to a loss (e.g. liquidity arrangements or credit rating triggers associated with obligations to purchase assets of the structured entity or provide financial support)?		
11.	If during the reporting period a parent or any of its subsidiaries has, without having a contractual obligation to do so, provided financial or other support to a consolidated structured entity (e.g. purchasing assets of or instruments issued by the structured entity), whether the entity has disclosed: (a) the type and amount of support provided, including situations in which the parentor its subsidiaries assisted the structured entity in obtaining financial support; and (b) the reasons for providing the support?		
12.	If the entity loses control of a subsidiary during the reporting period, whether the entity disclosed the gain or loss, if any, calculated in accordance with paragraph 25 of Ind AS 110, and: (a) the portion of that gain or loss attributable to measuring any investment retained in the former subsidiary at its fair value at the date when control is lost; and (b) the line item(s) in profit or loss in which the gain or loss is recognised (if not presented separately)?		
13.	Whether an investment entity that, in accordance with Ind AS 110, is required to apply the exception to consolidation and instead account for its investment in a subsidiary at fair value through profit or loss has disclosed the fact?		
14.	For each unconsolidated subsidiary, whether the investment entity has disclosed: (a) the subsidiary's name; (b) the principal place of business (and country of incorporation if different from the principal place of business) of the subsidiary; and (c) the proportion of ownership interest held by the investment entity and, if different, the proportion of voting rights held?		
15.	Whether the entity has disclosed: (a) for each joint arrangement and associate that is material to the reporting entity information regarding name, principal place of business, the nature of the entity's relationship with the joint arrangement or associate and the proportion of ownership interest or participating share held by the entity and, if different, the proportion of voting rights held (if applicable).		

	(b) for each joint venture and associate that is material to the reporting entity: (i) whether the investment in the joint venture or associate is measured usingthe equity method or at fair value. (ii) summarised financial information about the joint venture or associate asspecified in paragraphs B12 and B13. (iii) if the joint venture or associate is accounted for using the equity method,the fair value of its investment in the joint venture or associate, if there is aquoted market price for the investment. (c) financial information as specified in paragraph B16 about the entity's investments in joint ventures and associates that are not individually material: (i) in aggregate for all individually immaterial joint ventures and, separately, (ii) in aggregate for all individually immaterial associates?		
16.	Whether the entity has disclosed: (a) commitments that it has relating to its joint ventures separately from the amount of other commitments as specified in paragraphs B18–B20. (b) in accordance with Ind AS 37, *Provisions, Contingent Liabilities and Contingent Assets*, unless the probability of loss is remote, contingent liabilities incurred relating to its interests in joint ventures or associates (including its share of contingent liabilities incurred jointly with other investors with joint control of, or significant influence over, the joint ventures or associates), separately from the amount of other contingent liabilities?		
17.	Whether the entity has disclosed qualitative and quantitative information about its interests in unconsolidated structured entities, including, but not limited to, the nature, purpose, size and activities of the structured entity and how the structured entity is financed?		
18.	Whether the entity has disclosed in tabular format, unless another format is more appropriate, a summary of: (a) the carrying amounts of the assets and liabilities recognised in its financial statements relating to its interests in unconsolidated structured entities. (b) the line items in the balance sheet in which those assets and liabilities arerecognised. (c) the amount that best represents the entity's maximum exposure to loss from its interests in unconsolidated structured entities, including how the maximum exposure to loss is determined. If an entity cannot quantify its maximum exposure to loss from its interests in unconsolidated structured entities it shall disclose that fact and the reasons. (d) a comparison of the carrying amounts of the assets and liabilities of the entity that relate to its interests in unconsolidated structured entities and the entity's maximum exposure to loss from those entities?		
19.	If during the reporting period an entity has, without having a		

	contractual obligation to do so, provided financial or other support to any unconsolidated structured entity in which it previously had or currently has an interest, whether the entity has disclosed details of and reasons for providing that support?		

Checklist for Indian Accounting Standards (Ind AS) –113Fair Value Measurement

Sl. No.	Particulars	Yes/ No/ NA	Remarks
1	If the entity has the following types of transactions, has the entity ensured that these are measured based on the guidance in the relevant Ind AS and are not included within the scope of this standard: a) Share-based payment transactions within the scope of Ind AS 102,*Share-based Payment*, b) Leasing transactions within the scope of Ind AS 17, *Leases*, and c) Measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2, *Inventories*, or value in use in Ind AS 36, *Impairment of Assets*?		
2	Whether the fair value measurement framework described in this Ind AS applies to both initial and subsequent measurement if fair value is required or permitted by other Ind ASs?		
3	When measuring fair value whether entity has taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date?		
4	For determining the fair value, whether the entity has appropriately considered the following : a) Principal market, b) The most advantageous market, or c) The market in which the entity would normally enter into a transaction to sell theasset?		
5	Has the entity ensured that it has used the price in the principal market for the asset or liability, for which the said market is available, even if the price in a different market is potentially more advantageous as at the measurement date?		
6	Whether the entity has measured the fair value of an asset or a liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants acted in their economic best interest?		
7	Whether the price in the principal (or most advantageous) market used to measure the fair value of the asset or liability adjusted for transaction costs?		
8	Has the entity assumed that the current use of the non-financial asset is the highest and best use unless market participants suggest that a different use by the market participants would maximise the value of the asset?		
9	Where a quoted price for the transfer of an identical or a similar liability or entity’s own equity instrument is not available, has the entity measured the fair value of liability or equity instrument from the perspective of market participant who holds the identical item as an asset at the measurement date?		
10	When a quoted price for the transfer of an identical or a similar liability or entity's own equity instrument is not available and the		

	identical item is not held by another party as an asset, whether an entity has measured the fair value of the liability or equity instrument using a valuation technique from the perspective of a market participant that owes the liability or has issued the claim on equity?		
11	When measuring the fair value of a liability, whether entity has taken into account the effect of its credit risk (credit standing) and any other factors that might influence the likelihood that the obligation will or will not be fulfilled?		
12	While using the exception to measure the fair value for a group of financial assets and financial liabilities, has the entity applied the price within the bid-ask spread which is the most representative of the fair value in the circumstances to the entity's net exposure to those market risks?		
13	While using the exception, has the entity ensured that the market risks which the entity is exposed to within the group of financial assets and liabilities is substantially the same?		
14	Whether entity has used valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs?		
15	Has the entity selected the inputs that are consistent with the characteristics of the asset or liability that market participants would take into account in a transaction?		
16	Whether adequate disclosure of the following has been given by the entity: a) for assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the balance sheet after initial recognition, the valuation techniques and inputs used to develop those measurements, and b) for recurring fair value measurements using significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income for the period?		
17	To meet the objectives of above paragraph whether entity has considered all the following: (a) the level of detail necessary to satisfy the disclosure requirements; (b) how much emphasis to place on each of the various requirements; (c) how much aggregation or disaggregation to undertake; and (d) whether users of financial statements need additional information to evaluate the quantitative information disclosed?		
18	Whether disclosure of, at a minimum, of the information as per para 93 for each class of assets and liabilities measured at fair value in the balance sheet after initial recognition?		
19	Whether an entity has determined the appropriate classes of assets and liabilities based on the following: a) the nature, characteristics and risks of the asset or liability, and b) the level of the fair value hierarchy within which the fair value measurement is categorized?		
20	Whether an entity has disclosed and consistently followed policy for determining the transfers between levels in the fair value hierarchy that are deemed to have occurred?		
21	If an entity has made an accounting policy decision to use the		

	exception in paragraph 113.48, has it disclosed the same?		
22	Disclosure of the information required by paragraph 113.93(b)-(d) for each class of assets and liabilities not measured at fair value but for which the fair value is disclosed?		
23	In case entity has issued a liability with inseparable third-party credit enhancement and measured the same at fair value, disclosure of the existence of that credit enhancement and whether it is reflected in the fair value measurement of the liability?		
24	Whether the entity made a presentation of the quantitative disclosures required by Ind AS 113 in a tabular format unless other format is more appropriate?		
25	In case the entity used a market approach to measure fair value, whether the entity has used market multiples derived from a set of comparable assets, liabilities or a group of assets and liabilities?		
26	Has the entity used matrix pricing to value financial instruments such as debt securities etc?		
27	In case the entity used cost approach to measure fair value, does the cost approach reflect the amount that would be required currently to replace the service capacity of an asset?		
28	In case the entity used Income approach to measure fair value a) Has the entity measured the fair value by using any of the following techniques: i) Present value techniques, ii) Option pricing models, or iii) Multi-period excess earnings method? b) If not, is the valuation technique used by the entity appropriate and relevant?		

Checklist for Indian Accounting Standards (Ind AS) – 114Regulatory Deferral Accounts

Sl. No.	Particulars	Yes/No/ NA	Remarks
1	Whether the Company has applied the requirements of this standard in its *first Ind AS financial statements*, if and only if, it: i. Conduct rate regulated activities and ii. Recognized amounts that qualify as regulatory deferral account balances in its financial statements in accordance with previous GAAP?		
2	Whether the Company has applied the requirements of the Standard in its financial statements for subsequent periods, if and only if, in its first Ind AS financial statements, it recognized regulatory deferral account balances by electing to apply the requirements of this Standard?		
3	Whether the Company that is within the scope of, and that elects to apply, this Standard applied all of its requirements to all regulatory deferral account balances that arises from all of the entity's rate-regulated activities?		
4	Whether the Company has continued to apply previous GAAP accounting policies for the recognition, measurement, impairment and de-recognition of regulatory deferral account balances, except for any changes permitted by the Standard?		
5	Whether the presentation of such amounts has complied with the presentation requirements of this Standard, which may require changes to the entity's previous GAAP presentation policies?		
6	Whether the Company has made changes in its accounting policies for the recognition, measurement, impairment and de recognition of regulatory deferral account balances, and whether the changes has made the financial statements more relevant to the economic decision-making needs of users?		
7	Whether the Company has presented separate line items in the balance sheet for: a. the total of all regulatory deferral account debit balances; and b. the total of all regulatory deferral account credit?		
8	Whether the Company that elects to apply this Standard disclosed information that enables users to assess: a. the nature of, and the risks associated with, the rate regulation that establishes the price(s) that the entity can charge customers for the goods or services it provides; and b. the effects of that rate regulation on its financial position, financial performance and cash?		
9	Whether the Company has presented, in other comprehensive section of the statement of profit and loss, the net movement in all regulatory deferral account balances for the reporting period that relate to items recognized in other comprehensive income?		
10	When Company has presented earnings per share in accordance with IndAs 33 *Earnings per share*, whether the company presented additional basic and diluted earnings per share which are calculated using the earnings amounts required by Ind As 33		

	but excluding the movements in regulatory deferral account balances?		
11	Whether the Company has disclosed the following points to help a user of the financial statements assess the nature of, and the risk associated with the company's rate regulated activities: a. A brief description of the nature and extent of the rate regulated activity and nature of regulatory rate- setting process b. The identity of the rate regulators. If the rate regulator is a related party, the company shall disclose the fact, together with an explanation of how it is related c. How the future recovery of each class of regulatory deferral account debit balance or reversal of each class of regulatory deferral account credit balance is affected by risk and uncertainty?		
12	Whether the Company has disclosed the basis on which regulatory deferral account balances are recognized and derecognized and how they are measured initially and subsequently,including how regulatory deferral account balances are assessed for recoverability and how any impairment loss is allocated?		
13	Whether for each class of regulatory deferral account balance, the entity has disclosed the following: a. A reconciliation of the carrying amount at the beginning and the end of the period b. The rate of return or discount rate used to reflect the time value of money that is applicable to each class of regulatory deferral account balance c. The remaining period over which the Company expects to recover the carrying amount of each class of regulatory deferral account debit balance or to reverse each class of regulatory deferral account credit balance?		
14	When rate regulation affects the amount and timing of a company's income tax expense (income), whether the Company: a. Disclosed the impact of the rate regulation on the amounts of current and deferred tax recognized. b. Separately disclosed any regulatory deferral account balance that relate to taxation and related movements in that balance?		
15	When Company provides disclosure in accordance with Ins AS 112 *Disclosure of Interest in Other entities* for an interest in in a subsidiary, associate or joint venture that has rate regulated activities and for which regulatory deferral account balances are recognized in accordance with the standard, whether the Company disclosed the amounts that are included for regulatory debit and credit balances and the net movements of these balances for the interest disclosed?		
16	When Company concluded that a regulatory deferral account balance is no longer fully recoverable or reversible whether it disclosed that fact, the reason why it is not recoverable or reversible and the amount by which the regulatory deferral account balances has been reduced?		

Checklist for Indian Accounting Standard (Ind AS) – 115Revenue from Contracts with Customers

Sl. No.	Particulars	Yes/No /NA	Remarks
1	Whether the entity has applied this Standard to all contracts with customers, except the following: (a) lease contracts within the scope of Ind AS 17, Leases; (b) insurance contracts within the scope of Ind AS 104, Insurance Contracts; (c) financial instruments and other contractual rights or obligations within the scope of Ind AS 109, Financial Instruments, Ind AS 110, Consolidated Financial Statements, Ind AS 111, Joint Arrangements, Ind AS 27, Separate Financial Statements and Ind AS 28, Investments in Associates and Joint Ventures; and (d) non-monetary exchanges between entities in the same line of business to facilitate sales to customers or potential customers?		
2	Whether the entity has accounted for a contract with a customer that was within the scope of this Standard only when all of the following criteria have met: (a) the parties to the contract have approved the contract; (b) the entity identified each party's rights regarding the goods or services to be transferred; (c) the entity identified the payment terms for the goods or services to be transferred; (d) the contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and (e) it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer?		
3	Whether the contract with the customer was modified involving a change in the scope or price (or both) of a contract that was approved by the parties to the contract?If the parties to the contract have not approved a contract modification, whether entity has continued to apply this Standard to the existing contract until the contract modification is approved?		
4	Whether the entity has assessed the goods or services promised in a contract with a customer?		
5	Whether the entity has recognised revenue when (or as) the entity satisfied a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset?		
6	Whether the entity has transferred control of a good or service over time and, therefore, satisfied a performance obligation and recognised revenue over time, if one of the following criteria is met:		

	(a) the customer simultaneously received and consumes the benefits provided by the entity's performance as the entity performs; (b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or (c) the entity's performance does not create an asset with an alternative use to the entity (see paragraph 36) and the entity has an enforceable right to payment for performance completed to date?		
7	For each performance obligation satisfied over time whether the entity has recognised revenue over time by measuring the progress towards complete satisfaction of that performance obligation?		
8	Whether the entity has applied a single method of measuring progress for each performance obligation satisfied over time and the entity applied that method consistently to similar performance obligations and in similar circumstances?		
9	Whether entity has considered the terms of the contract and its customary business practices to determine the transaction price?		
10	If the consideration promised in a contract includes a variable amount: (a) Whether the variability relating to the consideration promised by a customer may be explicitly stated in the contract? (b) Whether the entity has estimated an amount of variable consideration by using the methods prescribed in Para 53?		
11	Whether the entity has recognised a refund liability if the entity had received consideration from a customer and expected to refund some or all of that consideration to the customer?		
12	Whether the refund liability has been measured at the amount of consideration received (or receivable) for which the entity does not expect to be entitled (i.e. amounts not included in the transaction price)?		
13	In determining the transaction price, whether the entity has adjusted the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer?		
14	To determine the transaction price for contracts in which a customer promises consideration in a form other than cash, whether the entity has measured the non-cash consideration (or promise of non-cash consideration) at fair value?		
15	Whether transaction price was allocated to each performance obligation (or distinct good or service) that depicts the amount of consideration to which the entity expects to be entitled in exchange for transferring the promised goods or services to the customer?		

16	Whether entity received a discount for purchasing a bundle of goods or services and if the entity has allocated a discount proportionately to all performance obligations in the contract?		
17	Whether the entity has recognised as an asset the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs?		
18	Whether the entity has disclosed qualitative and quantitative information about all of the following: (a) its contracts with customers ; (b) the significant judgements, and changes in the judgements, made in applying this Standard to those contracts ; and (c) any assets recognised from the costs to obtain or fulfil a contract with a customer in accordance with paragraph 91 or 95?		
19	Whether entity has aggregated or disaggregated disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have substantially different characteristics?		
20	Whether the entity has disclosed all of the following amounts for the reporting period unless those amounts presented separately in the statement of profit and loss in accordance with other Standards: (a) revenue recognised from contracts with customers, which the entity shall disclose separately from its other sources of revenue (b) any impairment losses recognised (in accordance with Ind AS 109) on any contracts receivables or contract assets arising from an entity's contracts with customers,which the entity shall disclose separately from impairment losses from other?		
21	Whether the entity has disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors?		
22	Whether entity has disclosed sufficient information to enable users of financial statements to understand the relationship between the disclosure of disaggregated revenue(in accordance with paragraph 114) and revenue information that is disclosed for each reportable segment, if the entity applies Ind AS 108, *Operating Segments*?		
23	Whether entity disclosed all of the following: (a) the opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers, if not otherwise separately presented or disclosed; (b) revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period; and (c) revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (for example, changes in transaction price)?		
24	Whether an entity has explained how the timing of satisfaction of its performance obligations relates to the typical timing of		

	payment and the effect that those factors have on the contract asset and the contract liability balances. The explanation provided may use qualitative information?		
25	Whether an entity has given explanation of the significant changes in the contract asset and the contract liability including any of the following: (a) changes due to business combinations. (b) cumulative catch-up adjustments to revenue that affect the corresponding contract asset or contract liability, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price (including any changes in the assessment of whether an estimate of variable consideration is constrained) or a contract modification; (c) Impairment of a contract asset. (d) A change in the time frame for a right to consideration to become unconditional (ie for a contract asset to be reclassified to a receivable)?		
26	Whether an entity has disclosed information about its performance obligations in contracts with customers, including a description of all as per Paragraph 119?		
27	Whether an entity has disclosed the information as per Para 120 about its remaining performance obligations in case of contract period more than one year and if the entity recognises revenue from the satisfaction of the performance obligation not in accordance with paragraph B16 of Appendix B of Ind AS?		
28	Whether an entity has disclosed the judgments, and changes in the judgments, used in determining both of the following: (a) The timing of satisfaction of performance obligations); and (b) The transaction price and the amounts allocated to performance obligations?		
29	Whether an entity has disclosed the following if entity satisfies over time (a) The methods used to recognise revenue (for example, a description of the output methods or input methods used and how those methods are applied); and (b) An explanation of why the methods used provide a faithful depiction of the transfer of goods or services?		
30	Whether an entity has disclosed the significant judgment made in evaluating when a customer obtains control of promised goods or services?		

COMPANIES WHERE THIS OFFICE IS THE PRINCIPAL AUDITOR

HINDUSTAN COPPER LIMITED

Company profile

Hindustan Copper Limited (HCL), a public sector undertaking under the of Ministry of Mines. HCL was incorporated on 9th November 1967. HCL process copper right from the stage of mining to beneficiation, smelting, refining and casting of refined copper metal into downstream saleable products.

During 2018-19, the Company posted a Profit before tax (PBT) of ` 230.35 Crore as against ` 122.04 Crore during the previous year registering a surplus of around 88.75%. The turnover of the Company was ` 1753.44Crore during FY 2018-19 as against ` 1647.90 Crore during FY 2017-18 registering a increase of around 6.40%.

Hindustan Copper Limited (HCL) is the only vertically integrated copper mining company in India having its own captive mines. Following are the key products manufactured by the Company:

- Copper Cathode
- Continuous Cast Copper Wire Rod
- Metal in Concentrate

HCL's mines and plants are spread across five operating Units, one each in the States of Rajasthan, Madhya Pradesh, Jharkhand and Maharashtra and Gujrat as named below:

- Khetri Copper Complex (KCC) at Khetrinagar, Rajasthan
- Indian Copper Complex (ICC) at Ghatsila, Jharkhand
- Malanjkhand Copper Project (MCP) at Malanjkhand, Madhya Pradesh
- Taloja Copper Project (TCP) at Taloja, Maharashtra
- Gujrat copper Project(GCP) at Bharuch, Gujarat

Physical performance of the Company

The comparative physical performance of production in FY 2018-19 vis-à-vis FY 2017-18 are as under:

Particulars	Unit	2018-19	2017-18
Ore	('000 Tonnes)	4,122	3,675
Metal in Concentrate(MIC)	Tonnes	32,439	31,793
Cathode	Tonnes	16,215	25,949
CC Wire Rod	Tonnes	21,450	22,211

The company has it's cooperate office at Kolkata and has four regional sales offices at Delhi, Mumbai, Bangalore and Kolkata.

Manpower

The Company has complied with the Presidential Directives and other Government instructions and statutory provisions in the matter of reservation and concessions for different categories. As on 31/03/2019, out of 2195 employees on the Company's roll, the total number of lady employees in the organization stands at 163 which is 7.43%of the total strength. In the year 2018-19 total employee benefit expenses were ` 31651.41 lakhs

Organisational setup

The company is headed by Chairman cum Managing Director (Shri Santosh Sharma) , C&MD is assisted by the Director Personal (Shri Anupam Anand), Director Finance (Shri S.K Bandyopadhyay) , Director operations (Shri Arun Kumar Shukla), Director Mining (Shri S K Bhattacharaya).Company has six independent director and one government nominated director

Capital Structure and key financial highlights

The authorized capital of the Company consists of 1800000000 equity shares of` 5/- each and 2000000,7.50% Non-cumulative redeemable preferential share of ` 1000 par value each The

President of India holds 70,35,87,852 equity shares (76.05%), Insurance Companies of India holds of equity shares of the company by is 12,01,78,560 (12.99%)

(`` In lacs)

Particulars	2018-19	2017-18
Reserves and surplus	1,16,850.59	1,06,468.09
Profit after tax	14551.05	7960.53
Earnings per share (face value of ` 5/-)	1.573	0.861

Objective of the Company

The Company has been entrusted with the responsibilities of fulfilling the long term objectives of the nation, such as the development and growth of copper industry on sound scientific basis by developing the copper deposits available in the country adapting modern technology to maximise indigenous production of copper, to minimize its import and to meet the demand of the country. The major activities of the Company cover the area of exploration, mining beneficiation, smelting, refining and production of cathodes, wire bar and CCR as saleable products. The entire marketing operation of all its products is carried out by the Company directly.

Vision

To strive to be a leading metal mining company and maximize total shareholder return by sustainably finding, developing, and mining copper ore and such other geologically associated minerals.

Marketing and Price Policy

The Hindustan copper limited has a well-established marketing and Price policy. There is a pricing formula for calculating the prices of various products. All customers are required to first get registered and login at Company website Then customers can Place Order On-Line mentioning the required details and submitting the order: Having Booking Option SPOT / WATCH HCL shall confirm the Quantity and Price accepted which shall be updated in the web booking site and an auto mailer shall be sent to customer’s registered e mail id. Thereafter the customers shall contact respective HCL Regional Sales Office for payment and lifting of material from HCL godowns.

Internal Audit & Internal Control

The Company has internal control systems and procedures commensurate with its size and nature of business. The Company has in place delegation of authority, policies and manuals approved by the Board.

As per Section 134(5) (e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented system and framework of Internal Financial Controls, which are adequate and operating effectively.

Regarding Internal Control, the study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

In case the internal control system does not exist or the system is weak then it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions

- Absence of appropriate segregation of duties consistent with appropriate control objectives;
- Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;
- Inadequate provisions for the safeguarding of assets;
- Evidence of failure to safeguard assets from loss, damage or misappropriation;
- Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;
- Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;
- Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;
- Absence of a sufficient level of control conscious within the Organization;
- Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements;
- Failure to follow up and correct previously identified deficiencies in internal control.

Applicable Rules, Acts, and Regulations

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
(c) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
(d) SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);
(e) SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
(f) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
(g) SEBI (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);
(h) SEBI (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);

- Corporate Governance Guidelines issued by the Department of Public Enterprise
- Secretarial Standards issued by The Institute of Company Secretaries of India.
- The Listing Agreements and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015,
- Laws Specifically applicable to the industry to which the company belongs, as identified by the management, that is to say:
- The Mines Act, 1952
- Explosive Act, 1884 and Explosive Rules, 2008
- Mines & Minerals (Development & Regulation) Act, 1957
- The Metalliferous Mines Regulations, 1961

- Indian Forest Act, 1927
- Other miscellaneous orders issued by the top management of the Company from time to time on diverse matters.
- Income Tax Acts & Rules.
- Sales Tax-State/CST
- Central Excise Acts & Rules

Audit Checks:

1. Examine in detail the operation of Mines with reference to the excavation plan originally contemplated, revised mine plan, mining method, selective mining technique, quality of originally envisaged, fall in quality of ore, impact on cost of mining per ton due to changes affected at the implementation stage necessitating additional equipment as well as residual life of the mine.
2. Examine the performance of the primary crusher, mechanical workshop for repair & maintenance of the equipment and the conveyor belt attached to the mine.
3. Examine the performance of the plants with reference to the utilisation of rated capacity, quality of the products, consumption of raw materials, cost of production, target vis-a-vis actual production and cost & variances particularly attributable to fall in quality of ore and problems of operation of the sand separation section and red mud separation section of the plant.
4. Mines development which is very vital for sustaining and increasing mines capacity As a result there had been significant imbalance between the rate of depletion and the rate of addition affecting the production capacity of them, mines. This aspects is to be examined during the audit.
5. Leased area actually available for mining vis-a-vis the area actually developed and brought under operation over the years. Huge area has been left unutilised including areas which have been abandoned without any mining over the years. This results not only in wastage of natural resources but also involves infructuous expenditure on payment of lease rent. This, therefore, should be examined
6. The grade of ore mined has fallen in quality over the years due to deficient mine planning coupled with old technology and equipment deployed having serious adverse impact on cost of production. This calls for examination.
7. The facilities exist for repair and maintenance of the mining equipment are quite inadequate to meet the day to day requirement. The breakdown of equipment is quite high and the time taken for repair is too long. In the process there has been considerable loss in machine and man hours. This should be critically examined highlighting its impact on loss of production and cost of production as well.
8. Examine the norms set for the industry vis-a-vis by the experts and by the company itself for the input; and output ratio in each process of production with actual-, and impact of variances
9. Examine the targets set for labour productivity i.e. output per man shift (OMS) vis-a-vis the actual variances, reasons for low OMS etc.
10. The reasons and impact on the lack of expertise of shaft sinking, mine development and construction and continued dependence on the foreign consultants in all critical activities including basic operations should be examined thoroughly
11. At the different mining levels room and pillar, horizontal cut and fill and post fill stopping methods which are neither high tonnage nor low cost have been employed. The impact of mining with these methods should be critically examined along with the improvements attempted, if any, with its outcome.
12. Production performance of each of the process plants should be examined keeping in view the size of the plant installed vis-a-vis the capacity required, technological gap, design deficiencies, norms of input-output ratio, poor quality of input such as concentrates processed in the smelter, target of production set vis-a-vis actual

production, cost of production, pattern of material consumption, quality of the product produced etc.

13. Examine the generation and commercial utilisation of different types of wastes in the process of production
14. Examine the idle equipment particularly those imported but could not be utilised.
15. Examine the material management and inventory control system.
16. Examine in depth the new projects set up, modernization and expansion scheme under implementation and /or implemented taking into account the approved detailed project report, cost estimates, time and cost overrun, achievements etc.
17. Examine the performance of the Smelter plant with reference to utilisation of rated capacity, production target, actual production, cost of production, variances particularly due to non-availability of required quantity and quality of ore
18. Examine the Research & Development activities and achievement thereto and the cost Involved.
19. Capitalisation of borrowing cost as per AS-16.
20. Examine the overall costing system and analysis of cost in each segment of the project and also keep in view the cost audit report.
21. Examine the expansion scheme, their objective and achievement with reference to cost and output.
22. Examine the budgetary system and the internal control system as well as reports of the internal auditors.
23. Examine energy audit report and see whether the suggestion made in the report to save energy has been implemented or not. If not, the reasons attributed by Management may be examined.
24. Examine TA rules, medical rules, LTA etc and examine the bills preferred by the employees in this regard. Ascertain whether the claims were genuine or otherwise.
25. Examine CBI/Vigilance report/cases.
26. Examine inventory control and Management system particularly with reference to slow moving non-moving etc.
27. Examine foreign collaboration agreement its terms of payment and implementation in company’s activity.
28. Examine pricing policy vis-a-vis credit system and debt collection system.
29. See the pending Income tax/Sales tax cases and find out the reasons for pending, amount involved etc.
30. Examine impairment of assets as per AS-28 and verify intangible assets as per AS-26.
31. Examine the provision for current tax and deferred tax as per AS-22.
32. Amendment to AS 2, 4, 6, 10, 13, 14, 21 and 29 issued by the Institute of Chartered Accountants of India, pursuant to issuance of amendments to Accounting Standards by the MCA.
33. The mines has life span which varies from 15 years to 40 years. After the mine has exhausted its reserve, it is necessary for the company who has taken the mines from the government on lease to put it on the same way it was handed over to the company. Mine closure is an important and strict compliance to be ensured by the auditors.
34. Examine the impact of cost of power to products, its impact on production and readiness for the future requirements

Status of disinvestment

Share Holding Pattern as on 31.03.2019

Shareholder	No of shares	%
President of India	70,35,87,852	76.05

Mutual Funds	137	0.00
Financial Institutions/Banks	1,38,11,003	1.49
Insurance Companies	12,01,78,560	12.99
Bodies Corporate	1,05,93,534	1.14
NRIs/FIIs/QFIs	45,99,661	0.50
Trusts & Foundations	99,225	0.01
Indian Public	7,22,99,429	7.81
IEPF	48,599	0.01
Total	**92,52,18,000**	**100.00**

No Disinvestment has been made during the year 2018-19.During the financial year 2013-14, 4.01% of the GOI shares were disinvested.

Periodicity of audit

Transaction audit and Accounts audit (Three phase audit) of the company is conducted every year The Company is divided into divisions for audit purpose,

1. Corporate Office, Kolkata along with following selected Sales offices/Godowns
   - Kolkata sales office
   - Godowns at Sankarail, Howrah
   - Godowns at Hyderabad
   - Godowns at Bangalore
2. Indian Copper Complex, Ghatsila
3. Khettri Copper Complex, Khetri along with following selected Sales offices/Godowns
4. New Delhi Sales office
   - Godown at Jaipur
   - Godown at Faridabad
   - Godown at Gaziabad
5. Malanjkhand Copper Project, Malanjkhand
6. Taloja Copper Project, Taloja along with Sales Office at Mumbai

NATIONAL ALUMINIUM COMPANY LIMITED

Company Profile

National Aluminium Company Limited (NALCO) is a Navratna CPSE under Ministry of Mines, Govt. of India. It was established on 7th January, 1981. The Company is a group 'A' CPSE having integrated and diversified operations in mining, metal and power with sales turnover of 11,386crore in financial year 2018-19. Presently, Government of India holds 52.00% equity of NALCO.

The company has presence in following sectors

- Bauxite Mines
- Alumina Refinery
- Aluminium Smelter
- Electricity Generation

Physical performance

The comparative physical performance of production and sales in FY 2018-19 vis-à-vis FY 2017-18 are as under:

Performance (Physical)

Particulars	Unit	2018-19	2017-18
Bauxite	MT	72,30,546	70,25,109
Alumina Hydrate	MT	21,52,500	21,05,500
Aluminium	MT	4,40,242	4,25,515
Power	MU	6,256	6,547
Wind Power	MU	363	252

PARTICULARS UNIT 2015-16

The company has corporate office in Bhubaneswar Orissa and regional marketing offices in Delhi, Kolkata, Mumbai & Chennai its branch offices at Bangalore, Pradeep, Ahmedabad and its 11 stockyards at various locations in the Country. The company serves foreign market also.

Nalco has fully computerised work environment. NALCO implemented SAP (System application and products in data processing. The company Finance module, Human resource module and Marketing department.

Joint ventures

The company entered into three joint ventures

1. NPCIL-NALCO Power Company Ltd:- India The company has formed a JV Company with Nuclear Power Corporation of India Limited (NPCIL) for establishing 2X700 MW Nuclear Power Plants at an estimated investment of Rs.11,459 crore at Kakrapara in Gujarat having ownership of 26.00% 26.00%
2. Angul Aluminium Park Pvt. Ltd :- JV Company has been formed with IDCO, Odisha for Angul Aluminium Park with 49.50% 49.50% ownership For development of downstream ancillary industries.
3. GACL NALCO Alkalies & Chemicals Pvt. Ltd:- The Company on 4th December 2015 formed a joint venture of caustic soda plant with Gujarat Alkalies & Chemicals Limited (GACL) with 40% of ownership.

Manpower

The Company has complied with the Presidential Directives and other Government instructions and statutory provisions in the matter of reservation and concessions for different categories. As on 31/03/2019, out of 6496 employees (including Trainees) on the Company's roll, the total number of lady employees in the organization stands at 359.In the year 2018-19 total employee benefits were total ``. 2072.28Cr

Organisational setup

The company is headed by Chairman cum Managing Director (Shri T K Chand) , C&MD is assisted by the Director Project &Technical (Shri S.K Roy),Director Finance (Shri Sridhar Patra), Director Commercial (Shri P.K Mishra),Director Production (Shri V Balasubhramanyam), Director Personal (Shri Basant Kumar Thakur).

Capital Structure and key financial highlights

The authorized capital of the Company consists of 6,00, 00, 00,000 equity shares of Rs 5/- each and 1,86,56,17,498 shares of par value of Rs.5/- each fully paid up. The Government of India holds 97,00,81,517equity shares (52.00%).

(In Crore)

Particulars	**2018-19**	**2017-18**
Reserves and surplus	9551.70	9538.35
Profit After Tax	1732.40	1342.41
Earnings per Share (`)	9.06	6.94
Revenue from operation(Net)	11499.32	9618.31

Objective of the Company

The main objectives of the Company are:

i) To carry on trade or business in India and abroad including beneficiation of mineral dressing, concentration, emulating, refining and extraction, manufacture and fabrication, purchase and sale of and generally dealing in all metal products and alloys and in particular to manufacture/produce and deal in alumina & aluminium products and bye products.

ii) To mine quarry, beneficiate, dress, refine, manufacture, process, fabricate purchase or otherwise acquire, sell or otherwise dispose or deal in bauxite and other aluminium bearing ores, alumina, aluminium, aluminium alloys and compounds, aluminium goods, wares and products & builds.

Internal Audit & Internal Control

The Company has entrusted its internal audit function to external Chartered Accountants' Firms to carry out audits at all locations and functional areas. Material observations of internal auditors are submitted to Audit Committee for its review, analysis and advice to further strengthen internal control. Action Taken Report thereon is submitted to Audit Committee periodically.

As per Section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented system and framework of Internal Financial Controls, which are adequate and operating effectively.

Regarding Internal Control the study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

In case the internal control system does not exist or the system is weak then it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

(i) Absence of appropriate segregation of duties consistent with appropriate control objectives;

(ii) Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;

(iii) Inadequate provisions for the safeguarding of assets;

(iv) Evidence of failure to safeguard assets from loss, damage or misappropriation;

(v) Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;

(vi) Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;

(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;

(viii) Absence of a sufficient level of control conscious within the Organization;

(ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and

(x) Failure to follow up and correct previously identified deficiencies in internal control.

Applicable Rules, Acts, Regulations

- The Companies Act, 2013 (the Act), and Rules made there under;
- The Companies Act, 1956 and Rules made there under, to the extent for specified sections in the Act, not yet notified;
- The Securities Contracts(Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The following Agreement, Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):-
- The Listing Agreement
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015;
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,
- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- The Mines Act, 1952;
- Mines & Minerals (Development & Regulation) Act, 1957;The Explosives Act, 1984;
- Environment Protection Act, 1986;
- The Forest Conservation Act,1980;
- The Water (Prevention & Control of Pollution Act), 1974;

- The Air (Prevention and Control of Pollution) Act, 1981;
- Indian Boilers Act, 1923;
- BPE/DPE Guidelines
- Other miscellaneous orders issued by the top management of the Company from time to time on diverse matters.
- Income Tax Acts & Rules.
- Sales Tax-State/CST
- Central Excise Acts & Rules

Audit Checks:

1 Examine in detail the operation of Bauxite Mines with reference to the excavation plan originally contemplated, revised mine plan, mining method, selective mining technique, quality of Bauxite originally envisaged, fall in quality of bauxite, impact on cost of mining per ton due to changes affected at the implementation stage necessitating additional equipment as well as residual life of the mine.

2 Examine the performance of the primary crusher, mechanical workshop for repair & maintenance of the equipment and the conveyor belt attached to the mine.

3 Examine the performance of the alumina plant with reference to the utilisation of rated capacity, quality of the products, consumption of raw materials, cost of production, target vis-a-vis actual production and cost & variances particularly attributable to fall in quality of bauxite and problems of operation of the sand separation section and red mud separation section of the plant.

4 Examine the handling system of alumina, its transportation to the Aluminium plant and also for transportation to Vizag for export along with cost involvement.

5 Verify the export of alumina from Paradip Port vis-à-vis Kolkata Port to Bangladesh.

6 Examine the performance of the steam generation plant attached to alumina plant.

7 Examine the performance of the Smelter plant with reference to utilisation of rated capacity, production target, actual production, cost of production, variances particularly due to non-availability of required quantity and quality of alumina from the alumina plant.

8 Examine the performance of the captive power plant, the cost of generation and distribution transmission loss, cost of maintenance etc. Verify recovery of dues from GRIDCO for sale of power.

9 Check the capitalisation of RPU and marketing of rolled product.

10 Examine the R & D activities e.g. Nickel plant and achievement thereto and the cost Involved.

11 Capitalisation of borrowing cost as per AS-16.

12 Examine the overall costing system and analysis of cost in each segment of the project and also keep in view the cost audit report.

13 Examine the expansion scheme, their objective and achievement with reference to cost and output.

14 Examine the budgetary system and the internal control system as well as reports of the internal auditors.

15 Examine energy audit report and see whether the suggestion made in the report to save energy has been implemented or not. If not, the reasons attributed by Management may be examined.

16 Examine TA rules, medical rules, LTA etc. and examine the bills preferred by the employees in this regard. Ascertain whether the claims were genuine or otherwise

17 Examine CBI/Vigilance report/cases.

18 Examine inventory control and Management system particularly with reference to slow moving non-moving etc.

19 Examine foreign collaboration agreement its terms of payment and implementation in company's activity.

20 Examine pricing policy vis-a-vis credit system and debt collection system.

21 Examine the pending court/arbitration cases and find out whether any award/order has been issued which are detrimental to the interest of the company.

22 See the pending Income tax/Sales tax cases and find out the reasons for pending, amount involved etc.

23 Examine impairment of assets as per AS-28 and verify intangible assets as per AS-26.

24 Examine the provision for current tax and deferred tax as per AS-22.

25 Amendment to AS 2, 4, 6, 10, 13, 14, 21 and 29 issued by the Institute of Chartered Accountants of India, pursuant to issuance of amendments to Accounting Standards by the MCA.

26 The mines has life span which varies from 15 years to 40 years. After the mine has exhausted its reserve, it is necessary for the company who has taken the mines from the government on lease to put it on the same way it was handed over to the company. Mine closure is an important and strict compliance to be ensured by the auditors.

27 Examine the impact of cost of power to products, its impact on production and readiness for the future requirements

Status of disinvestment

During 2017-18 Goverment of India divested 27,77,65,383 Nos fully paid equity shares (through OFS 17,80,69,927Nos, through employee offer 76,17,057 Nos and through ETF 9,20,78,399 Nos), consequent to which holding of Government of India came down from 1,44,14,82,490 Nos (74.58%) as on 31.03.2017 to 1,16,37,17,107 Nos (60.2%) as on 31.03.2018. During 2018-19 Government of India further divested 8,89,86,323 Nos of equity shares through ETF. Consequent to buyback and transfer of shares through ETF by Government of India during 2018-19, the holding of Government of India has come down from 1,16,37,17,107 Nos (60.20%) as on 31.03.2018 to 97,00,81,517 nos (51.99%) as on 31.03.2019.

Shareholding pattern as on 31st March 2019 is as follows:-

Shareholders	**No of Shares**	**% of Shares**
Government of India	97,00,81,517	52.00
Bank/Financial Institutions	15,02,17,875	8.05
Mutual Funds	21,83,11,450	11.70
Insurance Companies	1,600	negligible
Foreign Portfolio Investor	22,23,82,412	11.92
Bodies Corporate	12,41,94,446	6.66
Indian Public	17,27,85,994	9.26
Others	76,42,204	0.41
Total	**186,56,17,498**	**100.00**

Periodicity of audit

Transaction audit and Accounts audit (Three phase audit) of the company is being conducted every year. IT audit of the company has been conducted in the year 2018-19. Nalco has also been selected for the performance audit. The company is divided into three divisions for audit purpose,

1. Corporate office
2. Smelter and Captive power plant
3. Mines and refinery

CIL-NTPC URJA PRIVATE LIMITED (CNUPL)

Company Profile

This JV was incorporated on 27.04.2010 with Coal India Limited (CIL) in New Delhi for incorporation of Joint Venture Company with 50:50 equity participation. Joint venture for setting up the integrated power plant along with the mining of the coal. The company yet to commence the business. CIL has invested ` 0.08 Crore till 31.3.2016 in the joint venture.

Objective

Development of Brahmini & Chichro Patsimal coal mine blocks for meeting coal requirement of Farakka and Kahalgaon expansion projects of NTPC.

Promoters' Equity

NTPC: 50%
CIL: 50%

LOKTAK DOWNSTREAM HYDROELECTRIC CORPORATION LIMITED

Profile of the company

Loktak Downstream Hydroelectric Corporation Limited is a joint venture company of NHPC Limited (stake 74%) and State Government of Manipur (stake 26%) for implementation of Loktak Downstream Hydroelectric Project (66 MW) in Tamenglong district of Manipur to exploit the hydroelectric potential of tailrace discharge of Loktak Hydroelectric Project supplemented by Leimatak River. It is a subsidiary company of NHPC Limited.

Loktak Downstream Hydroelectric Project (66MW) is located on the river Leimatak in district Tamenglong of State of Manipur. Loktak Downstream Hydroelectric Corporation Limited (LDHCL) was incorporated on 23rd October 2009. The Company was promoted as a Joint Venture between NHPC Limited and the Government of Manipur with equity shareholding of 74% and 26% respectively. The Company is a non-listed Indian subsidiary Company of NHPC Limited as per Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Capital Structure

During the year ended 31st March, 2016 the company has neither issued / nor reduced any share capital. Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held is given blow

Particulars	31st March 2016		31st March 2015	
	In (%)	In No	In (%)	In No
NHPC LIMITED (Holding Company)	74	87092309	74	87092309
GOVT OF MANIPUR	26	117692309	26	117692309

Organisational setup

The management of the Company is vested in the Board of Directors. The Chairman of the Board is also the Managing Director who is assisted in various functions by other Executive and non-Executive Directors. All Directors including non-executive Directors are professional.

Objective of the Company

The main objects of the Company are as follows:

(i) Development of vast hydro-potential at faster pace and optimum cost eliminating time and cost overrun.
(ii) Completion of all ongoing projects within stipulated time frame.
(iii) Ensure maximum utilization of installed capacity and help in better system stability.
(iv) Generation of sufficient internal resources for expansion of setting up new projects.
(v) Corporate development along with simultaneous Human Resource Development.

Internal Audit & Internal Control

Internal Control

The study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

In case the internal control system does not exist or the system is weak then it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

1. Absence of appropriate segregation of duties consistent with appropriate control objectives;
2. Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;
3. Inadequate provisions for the safeguarding of assets;
4. Evidence of failure to safeguard assets from loss, damage or misappropriation;
5. Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;
6. Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;
7. Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;
8. Absence of a sufficient level of control consciousness within the organization;
9. Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and
10. Failure to follow up and correct previously identified deficiencies in internal control.

Applicable Acts, Rules, and Regulations

1. Companies Act, 2013
2. Electricity Act, 2003
3. Environment (Protection) Act, 1986
4. Water (Prevention and Control of Pollution) Act, 1974
5. Central Excise Act, 1944
6. Customs Act, 1962
7. Income Tax Act, 1961
8. Consumer Protection Act, 1986
9. Contract Labour (Regulation and Abolition) Act, 1970
10. Employees State Insurance Act, 1948
11. Employees Provident Funds and Misc. Provision Act, 1952
12. Information Technology Act
13. Foreign Exchange Management Act, 1999
14. Land Acquisition Act, 1894
15. Transfer of Property Act, 1882
16. Factories Act, 1948
17. Industrial Dispute Act, 1947
18. Minimum Wages Act, 1948
19. Payment of Gratuity Act, 1972
20. Payment of Wages Act, 1936
21. Trade Unions Act, 1926
22. Workmen's Compensation Act, 1923

Audit Checks

(i) Charging of depreciation as per CERC Notification wherever applicable;
(ii) Capitalisation of assets including borrowing cost, if any
(iii) Proper accounting of foreign exchange rate variation in case of foreign loan taken for the purpose of acquisition of assets
(iv) Physical Verification Certificates of assets

(v) Treatment of Insurance Spares
(vi) Present status of Capital WIP and its proper capitalisation
(vii) Treatment of capital expenditure on assets not owned by the company
(viii) Acknowledgement of contractors in respect of construction stores issued to them
(ix) Advice received from Corporate Office in respect of debtors and its proper accounting
(x) Physical Verification Certificates in respect of Inventory
(xi) Entries in Priced Stores Ledger (PSL) in respect of different items of inventory
(xii) Proper adjustment of stock in transit
(xiii) Bank Reconciliation Statement
(xiv) Confirmation from parties in respect of Loans and Advances
(xv) Realisability of Loans and Advances and provisions made there against Accounting of liabilities for the expenditure incurred during the accounting year
(xvi) Proper disclosure of Contingent Liabilities and whether any actual liability is included in it
(xvii) Monthly advice received from Corporate Office in respect of Sales and its proper accounting
(xviii) Justification of provisions written back, if any
(xix) Provision of incentive to employees, if any
(xx) Provision of gratuity, bonus etc.
(xxi) Accounting of taxes, duties, cess etc.
(xxii) Accounting of entries in respect of orders of the CERC pursuant to various Tariff Petitions
(i) Contracts for the procurement of stores, spares and other materials with particular attention as to the utility and timeliness, storage period and carrying cost of the same;
(ii) Terms of advances to suppliers of revenue/capital items and construction activities, mode of recovery/adjustment of interest & principal;
(iii) Agreements with contractors for the construction / supply of assets, inclusion of performance guarantee clause with proper bank guarantee
(iv) Proper justification for not going through the system of open tender, if any
(v) Proper justification for not awarding the contract to L1 bidder
(vi) Proper follow up of Legal / Arbitration cases
(vii) Proper maintenance of records relating to construction stores supplied to contractors and collection of hire charges
(viii) Loss of revenue due to forced outage for reasons attributable to the project, i.e., lack of proper maintenance, short supply of essential stores/materials etc.

Periodicity of the Audit

MAHANADI BASIN POWER LIMITED

Profile of the Company

Mahanadi Basin Power Limited (an SPV) is a wholly owned subsidiary of Mahanadi Coalfields Limited (MCL), which is a subsidiary of Coal India Limited (CIL) and having coal mines spread across the State of Odisha. The company was incorporated on 2.12.2011, Commencement of business certificate were issued by RoC on 06.02.2012

MBPL has been formed as an SPV with 100% share held by Mahanadi Coalfields Ltd and it's nominees with power generation capacity of 2x800 MW through Pit Head Power plant at Basundhara Coalfields. It is a wholly owned subsidiary of Mahanadi Coalfields Ltd (MCL) having its Registered Office at Plot No. G-3, Gadakana Chandrasekharpur, Bhubaneswar – 751017, Odisha. The Share Capital of Mahanadi Basin Power Limited as on 31.03.2016 was ` 5 lakh,

The main activity of the company is generation of Power .The Company is in Construction stage.

Role of the company

a. Acquisition of the land

b. Obtaining Water linkage and furl linkage

c. Conducting various technical studies and preparation of project information report

d. Obtaining all statutory clearances

e. Selection of Consultancy and engineer

Capital Structure

Authorised Share capital of the company as on 31.3.2016 is ` 5 lac .Divided into Equity shares 50000 of ` 10/- each. Paid up capital of the company stands same as authorised capital as on 31.3.2016.The entire Equity share capital is held by Mahanadi Coalfields Limited and its nominees.

Organisational structure

As per the Companies Act 2013, The SPV has:-

a. 7 (Seven) subscribers to the Memorandum of Association & Article of Association

b. 4(four) Director as nominated CMD, MCL on board of the SPV

c. A CEO has been posted to carry out the day to day activities of the SPV under the supervision and control of the Board of the SPV.

Manpower

Currently following directors have been nominated on the Board of Mahanadi Basin Power ltd

Chairman & Director Personnel Shri P.C Panigrahi

Director technical Shri J.P Singh

Director Finance Shri K.K Parida

Audit Checks

- Check whether all the necessary sanctions has been taken from various government departments and ministries.
- Check whether all rules and regulations are followed during and after the tendering according to DPC guidelines.
- Charging of depreciation as per CERC Notification wherever applicable;
- Capitalisation of assets including borrowing cost, if any
- Proper accounting of foreign exchange rate variation in case of foreign loan taken for the purpose of acquisition of assets
- Physical Verification Certificates for assets
- Present status of Capital WIP and its proper capitalisation
- Bank Reconciliation Statement
- Recoverability of Loans and Advances and provisions made there against
- Accounting of liabilities for expenditure incurred during the accounting year
- Provision of gratuity, bonus etc.
- Charging of depreciation as per CERC Notification wherever applicable;
- Capitalisation of assets including borrowing cost, if any

- Proper accounting of foreign exchange rate variation in case of foreign loan taken for the purpose of acquisition of assets
- Physical Verification Certificates of assets
- Treatment of Insurance Spares
- Present status of Capital WIP and its proper capitalisation
- Treatment of capital expenditure on assets not owned by the company
- Acknowledgement of contractors in respect of construction stores issued to them
- Advice received from ERHQ in respect of debtors and its proper accounting
- Physical Verification Certificates in respect of Inventory
- Entries in Priced Stores Ledger (PSL) in respect of different items of inventory, special attention is to be given to Coal
- Treatment of Missing and Unconnected wagons of coal
- Treatment of Escalation and settlement of claims in coal PSL
- Entries in respect of Stone content and Shortages (normal & abnormal) in coal PSL
- Proper adjustment of stock in transit
- Bank Reconciliation Statement
- Confirmation from parties in respect of Loans and Advances
- Realisability of Loans and Advances and provisions made there against Accounting of liabilities for the expenditure incurred during the accounting year
- Proper disclosure of Contingent Liabilities and whether any actual liability is included in it
- Justification of provision written back, if any
- Provision of incentive to employees, if any
- Provision of gratuity, bonus etc.
- Accounting of taxes, duties, cess etc.
- Timely payment of freight bills of railways and timely return of wagons to avoid penal charges and demurrage;
- Acceptance of escalation as per the strict terms of the coal agreement
- Contracts for the procurement of stores, spares and other materials with particular attention as to the utility and timeliness, storage period and carrying cost of the same;
- Terms of advances to suppliers of revenue/capital items and construction activities, mode of recovery/adjustment of interest & principal;
- Agreements with contractors for the construction / supply of assets, inclusion of performance guarantee clause with proper bank guarantee
- Proper justification for not going through the system of open tender, if any
- Proper justification for not awarding the contract to L1 bidder
- Proper follow up of Legal / Arbitration cases
- Proper maintenance of records relating to construction stores supplied to contractors and collection of hire charges
- Loss of revenue due to forced outage for reasons attributable to the project, i.e., lack of proper maintenance, short supply of essential stores/materials etc.

Periodicity of the audit

Transaction audit of the company has been conducted during the year 2014-15.Accounts audit has been conducted

Disinvestment

Disinvestment has not been made in the company as on 31.3.2016

Applicable Acts Rules and regulations

- The Companies Act, 2013 (the Act), and Rules made there under;
- The Companies Act, 1956 and Rules made there under, to the extent for specified sections in the Act, not yet notified;
- The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

- Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The following Agreement, Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):-
- The Listing Agreement (Applicable till 30th November, 2015);

a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,
e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
i) j The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

- The Mines Act, 1952;
- Mines & Minerals (Development & Regulation) Act, 1957;
- The Explosives Act, 1984;
- Environment Protection Act, 1986;
- The Forest Conservation Act, 1980;
- The Water (Prevention & Control of Pollution Act), 1974;
- He Air (Prevention and Control of Pollution) Act, 1981;
- Indian Boilers Act, 1923;
- BPE/DPE Guidelines
- Income Tax Acts & Rules.
- Sales Tax-State/CST
- Central Excise Acts & Rules
- National Electricity Policy– 2005
- National Electricity Plan
- National Tariff Policy–2006
- Integrated Energy Policy – 2006
- Hydro Power Policy – 2008
- Rural Electrification Policy – 2006
- National Solar Mission – 2010
- CEA Regulation on Equipment and Electrical works -last amendment in 2010
- CEA (Technical Standards for Construction of Electrical Plants and Electrical Lines) Regulation– 2010
- CEA (Safety requirements for construction, operation and maintenance of electrical plants &electric lines) Regulations, 2011

NORTH EASTERN ELECTRIC POWER CORPORATION LTD. (NEEPCO)

Company Profile

North Eastern Electric Power Corporation Ltd. (NEEPCO) was incorporated in 1976 to plan, investigate, design, construct, generate, operate & maintain power stations in the North Eastern Region of India. It was set up under the Ministry of Power and is conferred with the Schedule A-Miniratna Category-I CPSE status by the Government of India.

Principal business of the company is generation of power which constitute 92.24% of the total turnover. NEEPCO operates 5 hydro, 3 thermal and 1 solar power stations with a combined installed capacity of 1251MW. NEEPCO has 5 power projects under development which include 110 MW Pare HEP, 600 MW Kameng HEP, 36 MW of Steam Turbine of Tripura GBP, 60 MW Tuirial HEP and one 2 MW Solar Project.

NEPCCO has three associate companies, the corporation has its corporate office at Shillong

Generating Stations of NEEPCO:

S. No	Power Station	Installed capacity	Commercial Operation date
Hydro			
1.	Khandong Power Station	2X25=50	04.05.1984
2.	Kopili Power Station	4X50=200	12.07.1997
3.	Kopili HEP Stage II	1X25=25	26.07.2004
4.	DHEP (Doyang Hydro Electric Project)	3X25=75	10.07.2000
5.	RHEP(Ranganadi Hydro Electric Project)	3X135=405	12.04.2002
Thermal			
6.	AGTPP (Agartala Gas Turbine Project)	4X21=84	01.08.1998
7.	AGBPP (Assam Gas Based Power Project)	3x33.5+3x30=291	01.04.1999
Solar Power Project			
8.	TGBPP (Tripura Gas Based Combined Cycle Power Project)Tripura	5	March 2015

Tariff Determination Procedure

Each Generating Station has a separate tariff. Tariff is determined by the CERC as per the relevant CERC Regulations. Tariff is in terms of Annual Capacity Charges (ACC) and Energy Charge (EC). The ACC is calculated on the basis of the Annual Fixed Charges (AFC). The ECR for Hydro Stations is calculated on the basis of the AFC and Annual Design Energy, whereas for Thermal Stations it is based on the actual Landed Cost of Fuel.

The Annual fixed Charges (AFC) comprises of the following components:

- Interest on Loan.
- Depreciation.
- Return on Equity.
- Interest on Working Capital.
- O&M Expenses.

Objectives

According to the MOU, NEEPCO has set the following objectives for the year 2018-2019 commensurate with the aims, programmes and policies of the government evolved from time:

- Development of Hydro/Thermal/Renewable Projects

- ➢ To ensure optimum utilization of installed capacity so as to achieve maximum generation, optimum machine availability and high Plant Load Factor
- ➢ To make full efforts in the realization of outstanding dues from the beneficiaries in order to bring down the sundry debts.
- ➢ Adoption of improved technologies for power generation
- ➢ To improve the Quality Management System (ISO: 9001, OHSAS18001 and ISO 14001) ISO Certification as on 31.08.2016
- ➢ Preparation of DPRs for new schemes with emphasis on minimizing geological surprises.

Joint Ventures

1. Dibbin HEP (120 MW), Arunachal Pradesh- KSK Dibbin Hydro Power Private Limited (JV between KSK Energy Ventures and NEEPCO
2. Siang Upper Stage-I HE Project (6000 MW) And Siang Upper Stage-IIHE Project (3750 MW), Arunachal Pradesh. - Joint Venture mode between NEEPCO and NHPC for which format on of JV Company is in process.
3. Tipaimukh HE Project (1500 MW), Manipur- Joint Venture mode between NEEPCO and NHPC.
4. Kurung HEP (330 MW), Arunachal Pradesh- Govt. of Arunachal Pradesh and NEEPCO.
5. Margherita Coal Based Thermal Project (1320MW) - NEEPCO and APGCL with 51% and 49% share of equity respectively.
6. Power Generation Company (GENCO) -JV between NEEPCO and Govt. of Tripura.

Organisational setup

The company has a Chairman & Managing Director (Shri A.G. West Kharkongor) .C&MD is assisted by the Director (finance) Shri M.Shiva Shunmuganathan, Director (Personnel) Shri Anil Kumar,and Director (Technical) Shri V.K.Singh.

As on 31st March, 2019, the Board of Directors of the Company consist of 11 (eleven) Directors, including 4 (four) whole time Directors, 1 (one) Government part time Directors representing the Government of India and 6 (Six) Independent Directors.

Capital Structure and Key Financial highlights

NEPCCO is wholly owned enterprise of government of India. President of India and its nominees holds 100% equity of the company. Equity share capital of the corporation as on 31.03.2019 stood at Rs.3609.81 crore

Equity shares of the company are not listed in the stock exchange, Bonds of the company are listed in the Bombay Stock Exchange.

(` in crore)

Particulars	2018-19	2017-18
Revenue from Operation	2007.04	1632.95
Other income	101.37	31.72
Profit after Tax	214.01	284.54
Earnings per Share	0.60	0.82

Manpower

The Company has complied with the Presidential Directives and other Government instructions and statutory provisions in the matter of reservation and concessions for different categories. The corporation has total 2346 employees, out of which corporation has 883 Executives (including 4 board level) and 1463 non-executive employees. Corporation has total 385 women employees.

In the year 2018-19 total `2.50 crore was allocated for the training and development of the employees and development of the training infrastructure and actual expenditure incurred Rs.0.85 crore.

Internal Audit & Internal Control

The Company has entrusted its internal audit function to external Chartered Accountants' Firms to carry out audits at all locations and functional areas. Material observations of internal auditors are submitted to Audit Committee for its review, analysis and advice to further strengthen internal control. Action Taken Report thereon is submitted to Audit Committee periodically.

As per Section 134(5) (e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented system and framework of Internal Financial Controls, which are adequate and operating effectively.

Regarding Internal Control the study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

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(ii) Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;

(iii) Inadequate provisions for the safeguarding of assets;

(iv) Evidence of failure to safeguard assets from loss, damage or misappropriation;

(v) Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;

(vi) Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;

(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;

(viii) Absence of a sufficient level of control conscious within the Organization;

(ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and

(x) Failure to follow up and correct previously identified deficiencies in internal control.

Applicable Rules, Acts, Regulations

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2. The Companies Act, 1956 and Rules made there under, to the extent for specified sections in the Act, not yet notified;
3. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
4. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
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d. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,
f. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
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j. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

7. The Mines Act, 1952;
8. Mines & Minerals (Development & Regulation) Act, 1957;
9. The Explosives Act, 1984;
10. Environment Protection Act, 1986;
11. The Forest Conservation Act`, 1980;
12. The Water (Prevention & Control of Pollution Act), 1974;
13. The Air (Prevention and Control of Pollution) Act, 1981;
14. Indian Boilers Act, 1923;
15. BPE/DPE Guidelines
16. Income Tax Acts & Rules.
17. Sales Tax-State/CST
18. Central Excise Acts & Rules

9 Audit Checklist

1. Examine in detail the operation of Bauxite Mines with reference to the excavation plan originally contemplated, revised mine plan, mining method, selective mining technique, quality of Bauxite originally envisaged, fall in quality of bauxite, impact on cost of mining per ton due to changes affected at the implementation stage necessitating additional equipment as well as residual life of the mine.
2. Examine the performance of the primary crusher, mechanical workshop for repair & maintenance of the equipment and the conveyor belt attached to the mine.
3. Examine the performance of the alumina plant with reference to the utilisation of rated capacity, quality of the products, consumption of raw materials, cost of production, target vis-a-vis actual production and cost & variances particularly attributable to fall in quality of bauxite and problems of operation of the sand separation section and red mud separation section of the plant.
4. Examine the handling system of alumina, its transportation to the Aluminum plant and export along with cost involvement.
5. Verify the export of alumina from Paradip Port vis-à-vis Kolkata Port to Bangladesh.
6. Examine the performance of the steam generation plant attached to alumina plant.
7. Examine the performance of the Smelter plant with reference to utilisation of rated capacity, production target, actual production, cost of production, variances particularly due to non-availability of required quantity and quality of alumina from the alumina plant.

8. Examine the performance of the captive power plant, the cost of generation and distribution transmission loss, cost of maintenance etc. Verify recovery of dues from GRIDCO for sale of power.
9. Check the capitalisation of RPU and marketing of rolled product.
10. Examine the R & D activities e.g. Nickel plant and achievement thereto and the cost Involved.
11. Capitalisation of borrowing cost as per AS-16.
12. Examine the overall costing system and analysis of cost in each segment of the project and also keep in view the cost audit report.
13. Examine the expansion scheme, their objective and achievement with reference to cost and output.
14. Examine the budgetary system and the internal control system as well as reports of the internal auditors.
15. Examine energy audit report and see whether the suggestion made in the report to save energy has been implemented or not. If not, the reasons attributed by Management may be examined.
16. Examine TA rules, medical rules, LTA etc and examine the bills preferred by the employees in this regard. Ascertain whether the claims were genuine or otherwise
17. Examine CBI/Vigilance report/cases.
18. Examine inventory control and Management system particularly with reference to slow moving non-moving etc.
19. Examine foreign collaboration agreement its terms of payment and implementation in company's activity.
20. Examine pricing policy vis-a-vis credit system and debt collection system.
21. Examine the pending court/arbitration cases and find out whether any award/order has been issued which are detrimental to the interest of the company.
22. See the pending Income tax/Sales tax cases and find out the reasons for pending, amount involved etc.
23. Examine impairment of assets as per AS-28 and verify intangible assets as per AS-26.
24. Examine the provision for current tax and deferred tax as per AS-22.
25. Amendment to AS 2, 4, 6, 10, 13, 14, 21 and 29 issued by the Institute of Chartered Accountants of India, pursuant to issuance of amendments to Accounting Standards by the MCA.
26. The mines has life span which varies from 15 years to 40 years. After the mine has exhausted its reserve, it is necessary for the company who has taken the mines from the government on lease to put it on the same way it was handed over to the company. Mine closure is an important and strict compliance to be ensured by the auditors.
27. Examine the impact of cost of power to products, its impact on production and readiness for the future requirements
28. Examine Underutilisation of capacity by power stations.
29. Examine whether design energy had been reviewed in terms of CEA (Central Electricity Authority) guidelines. As design energy forms basis for recovery of fixed costs of power station. Design Energy is the key parameter in determining, Techno-Economic viability of a Hydro-Electric Scheme and therefore due care is taken for its realistic assessment.
30. Generation loss due to forced outages during monsoon season Non-review and non-inclusion of CWC guidelines in Disaster Management Plans.
31. Whether Plants designed to be operated by coal are operated on oil beyond normal requirement leading to increase in cost of generation whether the cooling system and super heaters are proved to be defective resulting in un-economic operation of Plants. Reasons for forced outages of the units should be thoroughly scrutinized
32. Whether the outages are due to shortage of coal, fuel, gas etc. Coal mills are important auxiliaries of Boiler. These are meant for firing pulverised coal to Boilers. According to design parameter, number of coal mills may vary from five to seven including standby mill.

33. All the coal mills (excluding standby) are required to be operated for acquiring required temperature in the Boiler for full load operation. Operation of less number of mills may lead to lowering of load resulting in reduced generation. During audit scrutiny, it should be seen that:

    i. All the mills are running when the unit is in operation.

    ii. Whether repairs and maintenance of coal mills are attended to regularly and on urgent basis.

    iii. Whether spare parts are stocked in store for emergency requirement etc. Grinding rolls/balls are important element of Coal Handling Plant for grinding of coal to its required size before reaching to coal tanker. It should be seen in audit that the management has ensured regular supply of grinding rolls/balls. Whether the work for repairing /maintenance of the shutdown unit is done and completed with utmost promptitude for bringing the same into operation.

34 Whether frequent shutdown of units is due to unsatisfactory maintenance of the plants, if so, it should be commented upon.

35 Whether a programme for maintenance of the unit is drawn up and adhered to.

36 Whether the percentage of consumption in auxiliaries exceeds the limits specified in the project reports.

37 Whether the metering devices in Power Station indicate the correct reading of energy exported and imported

38 Whether the total units generated and imported in the Power Station tally with the total units exported plus loss in auxiliaries, transformation loss and line loss.12. Whether damages to plants and equipment's occurred during guarantee period; such cases, if any, to be examined in detail.

a. Whether such damages occurred due to non-observance of operation instructions and faulty operation of unit – in such cases the responsibility for such loss is required to be fixed on the officials at fault.

b. Whether the claims have been lodged with the Insurance Company for such damages - status of realization of such claims as well as its adequacy to meet the cost of replacement/repairs.

c. Whether such issues have been brought to the notice of higher authorities indicating probable financial implications.

d. Whether effective steps have been initiated to stop recurrence of such incidence in future.

39 Analysis of thermal efficiency is a very important factor in scrutinizing the cost of generation. The Thermal Efficiency of generation is the ratio, expressed as percentage (a) of the amount of heat energy equivalent to the electricity sent out from the power station to the amount of heat energy contained in the fuel consumed in generation Improvement of thermal efficiency makes a valuable contribution to coal saving. Similarly reduction in the percentage of thermal efficiency will lead to the increase in cost of fuel. Reasons for any abnormal decrease in the percentage is required to be investigated thoroughly so that effective steps may be taken to achieve utmost economy in the consumption of coal.

i. In respect of Hydro Power stations, performance may be linked to availability of water and it should be seen that the generation was optimum.

ii. Whether consumption of balls and rings in thermal power station conforms to the norms.

iii. In case of Gas Turbine Power Station, receipt, consumption and storage of fuel may be thoroughly scrutinized.

iv. Auxiliary consumption should be looked into in detail. If the same is not within the norms, the reasons should be scrutinized and commented upon.

v. ORT Report, Minutes of the Monthly Co-ordination Meeting and Control Room Data should be analysed with reference to Plant Log Books and Plant Outage Data contained in the Power System Performance Report.

Projects:

1. Feasibility Report/Detail Project Reports of new projects should be studied in detail.
2. Administrative approval/Financial concurrence of a project should be seen and in this respect Delegation of Power of the officials sanctioning the project should also be linked.
3. For new power project, tying up the required sources for funds should be examined since delay in financial closure of the project leads to delay in execution of project with consequential cost overrun.
4. Successful implementation of any project within scheduled time frame and within approved cost is of paramount importance. Any deviation so far as the time of completion of the project is concerned and from the approved cost structure causes various repercussion on the economy both in the micro as well as macro level. So, if there is any time/ cost overrun, it should be thoroughly scrutinised and commented upon.
5. In all major contracts, both the contractors/supplier and the Project Authority are generally liable to fulfil certain obligations (like submission of Bank Guarantee for mobilisation advance, Performance Bank Guarantee (PBG) etc. and making available required work fronts, materials to be supplied free of cost etc.) – whether such obligations were met in time. In case of deviation/non-fulfilment of such obligation, detail analysis in regard to impact of such non-compliance is to be made.
6. Whether possible delay prone areas like land acquisition and Award of Contract are identified in advance and pro-active measures are taken.
7. In case of contracts with escalation clause, the escalation part in a contractor's bill may be thoroughly examined so as to determine whether escalation has been paid for works beyond the time allowed for completion.
8. For delay in execution of a job by the contractor- whether Liquidated Damage has been imposed as per contractual terms.
9. Tendering process for awarding of contracts should be looked into. Delay in finalisation in tender may enhance the cost of the work with associated delay in completion of the project.
10. Whether machineries/equipment supplied by vendors are functioning properly-If any defect/damage has been identified within the guarantee period, whether the same has been rectified by the supplier free of cost, if not, the reasons for the same may be examined.
11. Monitoring system for execution of the projects in vogue along with Management Information System (MIS) available for such monitoring should be studied in detail and procedural lapses, if any, need to be commented suitably.
12. On completion of the projects, Contracts Closing Committee Reports or the likes are generally prepared – such documents should be thoroughly examined to identify contracts/works requiring detail scrutiny.
13. Whether Renovation and Modernisation package has been taken up according to RLA Study Report; if not, the deviation may be thoroughly scrutinised.
14. Whether the benefits like increase in station generation, increase in PLF, availability of Plants, decrease in consumption of fuel and auxiliaries as envisaged at the time of taking up of R&M activities have been derived after completion of R&M Package. If not, reasons for poor performance should be examined in detail.
15. Whether extension of life of old Plants as contemplated during R&M has actually been extended as a result of R&M.

Environment Management & Pollution Control (EM&PC)

Each power station has a Pollution Control Cell and laboratory for testing purposes. Every Power Stations are expected to conduct Environment Impact Assessment Study to identity the adverse Impact of power Station on the environment.

Audit Checks

1. Review of Environment Monitoring System: - Every Power Stations are expected to conduct Environment Impact Assessment Study to identity the adverse Impact of power Station on the

environment. They are also to maintain Environment and Disaster Management Plan- this need to be studied in detail.

2. Whether the Power Stations are strictly adhering to the pollution control norms issued by Pollution Control Board/Authorities/Ministries.
3. Whether periodical testing to assess the suspended materials in air and water is done. If so, the level of suspended materials in air and water against the norms fixed by Pollution Control Boards should be looked into.
4. Reasons for fines/penalties imposed by Pollution Control Boards for non-fulfilment of pollution norms, if any, should be examined.
5. Audit should scrutinise the test reports of the power generating units in regard to combustible content in ash. Whether the range of combustibility .is within the approved designs norms: if not, steps taken to reduce the same.
6. Project undertaken (including installation of Electro Static Precipitator) in respect of pollution control measures should be scrutinized thoroughly to ascertain the time and cost overrun as well as its effectiveness in regard to meeting the statutory parameters.
7. It should be seen that fly ash collection is regularly done from ESP fields in order to ensure that the fields are in working condition for proper functioning.
8. Ash disposal system, method, its efficiency and suitability should be verified.
9. Contracts/Agreements with the contractors for evacuation of ash from ash ponds should be thoroughly scrutinized.
10. Use of beneficiated/blended coal by the thermal power plants should be verified with reference to orders of the Central Government.
11. Auditor should see that pipe lines for carrying ash slurry from Plants to ash ponds are adequate in size and are functioning properly without jamming. It should also be seen that pumps installed for the purpose are working properly and that (ii) there are no rupture /leakages in underground pipelines carrying ash slurry to ash ponds.
12. Steps taken to control noise pollution.
13. Afforestation efforts along with evidence of the same.
14. Liquid Waste Treatment –its adequacy and effectiveness.
15. Whether any dry ash extraction system is in place to facilitate mechanical loading of Fly Ash.
16. Whether any effective step has been initiated for productive and commercial use (like manufacture of building materials. Ash Dyke Raising and land development, underground mine stowing etc.) of huge quantum of ash generated in thermal power plants.
17. Adequacy of ash pond: Construction and operation of Ash Handling Plant, suitability and effectiveness and also Annual Maintenance Contract of Ash Handling Plant.
18. Transmission and Distribution
19. Whether the Corporation has fixed any norms regarding Transmission and Distribution Loss; reasons for variation between norms and actual loss should be thoroughly scrutinised and suitably commented upon.
20. Whether repair & maintenance of sub-stations, lines, feeders etc. are done regularly in order to prevent line loss and un-called for outage of lines etc.
21. Whether energy audit is being done, if so, the reports should be examined thoroughly.
22. To reduce the T & D loss, installation of check meters is necessary. Whether such meters have been installed and if so, their effectiveness should be scrutinised.
23. Whether the maintenance of transmission line is being carried out with outside agency in spite of having Corporation’s own skilled staff and necessary equipment/materials. If so, the reasons for doing the job by outside agency, may be scrutinised and commented upon.
24. Whether checking of all the meters with the consumers for defective metering, pilferage of energy etc. by consumers are being carried out.
25. Whether reconductoring of feeders are being done from time to time to prevent lowering of voltage at consumer end.

26. Whether tariff meters at consumers end are regularly compared with check meters at DVC's substation end to verify quantum of transmission loss
27. In order to verify proper utilisation of power transformers it should be seen that transformers are not lying idle (without load) and without sufficient justification.

Establishment Audit Checklist:

1. Scrutiny of records relating to appointment whether procedure adopted for recruitment is as per Corporation's directives and whether the appointment is within the sanctioned strength.
2. Detailed examination regarding justification for appointment of casual labourers.
3. Detailed scrutiny of payments made to casual labourers.
4. Compensations to displaced persons should be studied in detail. Any irregularity noticed should be commented upon.
5. Confidential/Disciplinary matters should be verified. Whether any disciplinary action recommended against any employee by competent authority has been strictly adhered to. If not, the fact should be highlighted.
6. Appointment of outside agency for recruitment purpose may be verified with reference to terms and conditions governing such appointment.
7. Sanction orders for release of funds to schools should be studied carefully to ensure that all necessary adjustments have been made before disbursement.
8. Whether all temporary advances sanctioned for welfare activities have been adjusted through proper records/vouchers before sanctioning further advance for the same purpose, if not, the point should be commented upon.
9. Justification, sanction and actual expenses towards advertisement for recruitment purposes should be studied in detail.
10. Tariff, Billing and Collection of Revenue

Scrutiny of Tariff and other energy charges:

The following points are to be seen in Audit:

1. Whether the tariff and other energy charges are fixed and revised at the regular interval in order to recover the cost of power –supply.
2. Whether the tariff and other energy charges are based on accurate, adequate and relevant cost data and other commitments given to consumers.
3. Whether approval of the Corporation is obtained before giving any commitments for fixing and time of revising the tariff and other energy charges to the consumer.
4. Whether approval of the Corporation is obtained before giving any concessions in tariff and other energy charges to any individual or group of consumer.
5. Whether extent and legality of the intervention, if any, of Government in fixing tariff and other charges is given due care before finalizing the tariff and other energy charges.
6. Auditors should keep a close watch as to the finalisation and implementation of tariff structure fixed by the CERC.

Scrutiny of energy bills:

Audit has to scrutinize individual Minimum Rent Bill (MRB) files, which are maintained consumer wise. It is to be seen:-

1. Whether the energy bills are prepared in the prescribed format and according to the procedure laid down.
2. Whether the bills are prepared as per the billing data based on monthly billing data sheet jointly signed by the representative of the consumer and the Corporation.
3. Whether the bills are prepared as per the tariff in force.
4. Whether rebate, if any, admissible for various reasons, such as peak/off peak demand, power factor, load frequency etc. are allowed based on joint meter reading statement as per the allowable rate and period.
5. Whether adjustment in respect of any advance payment, if any, are correctly made in the bills.

6. Whether all other energy charges, such as meter rent and minimum guaranteed energy charges are included correctly in the bills.
7. Whether any ad-hoc allotment of power allowed to consumer without considering actual drawal of power over a period of time, will result in lower charge for minimum guaranteed energy charges.
8. Whether all the consumers are served with bills every month.
9. Whether monthly energy bills are prepared promptly and dues, if any, recovered from the consumers or excess advance payment is refunded under proper acknowledgement.
10. Whether the billing is done as per the method laid down in the power-supply agreement in respect of consumers having defective or no meter.
11. Whether any concessions such as improvement in load frequency, power factor, peak/off-peak demand etc. which are given to low- performance consumers, who have already full filled the conditions before introduction of such concessions.
12. Whether criteria laid down for the benefit of lower tariff of sick consumers and other consumers are properly followed in preparation of the bills.

Audit of Purchase:

1. Whether appropriate vendor base for various items is being prepared maintained and updated at regular intervals, for which limited tender enquiry and/or single tender enquiry is to be issued.
2. Whether the vendor base includes only the vendors who have proven records of performance in respect of technical, financial and past purchases compliances.
3. Whether the limited tender or single tender was issued based on adequate reasons in the given circumstances.
4. Whether the limited tender or single tender enquiry is requested by the indenting officers only in writing and purely on technical ground or for emergency reason.
5. Whether the delayed tender, late tender and incomplete tender are dealt with appropriately as per the extant rules/regulations/practices of the Corporation.
6. Whether all tenders are opened on due dates, place and time specified in the NIT in the presence of intending tenders. Whether all corrections and over writings are initialled by the bidders and number of corrections and overwriting in each page recorded under the dated initials of the officer opening the tenders.
7. Whether the money receipt supports sale of tender document and the physical balance of tender documents got tallied with book balances..
8. Whether security deposit furnished by suppliers are noted in a register with sufficient details and reference to refund of security deposit is entered under proper attention against the relevant item.
9. Whether the bank guarantees furnished by suppliers are noted in a separate register and timely action taken for their renewal keeping in view the delivery period of materials.
10. Whether the purchase procedure starts immediately without any undue delay on receiving the indent.
11. Whether the indent is complete in all respect such as nature of purchase, technical specifications of items, estimated prices, backup- sheet, urgency etc.
12. Whether the tender type and duration is in line with the urgency and economy that the nature of the indent calls for.
13. Whether the technical and commercial terms and conditions for a bid is frozen before opening the price bids.
14. Whether purchase order placed on the lowest bidder who meet the technical specifications.
15. Whether the position of bidders (L 1/L 2) does not change in case of post-tender commercial/price negotiation.
16. Whether due price preferences are given to Govt. organizations/SSIs.
17. Whether the change in quantity of purchase in case of running contracts does not affect the L 1 and L 2 position of the bidder.

18. Whether the purchase orders invariably contain risk purchase clause where the purchase affect the related works/production/revenue/cost and of other project/works.

19. Whether the commission given to Indian and /or foreign agents are in line with the extant rules/regulations/orders/procedures prescribed by the Corporation/concerned Government/statutory authorities.

20. Whether the foreign purchases are made, as far as possible, with due consideration of import substitution, economy and foreign currency expenses.

21. Whether insurance clause clearly specifies the nature and extent of insurance responsibility on seller/purchasers.

22. Whether the technical specification is incorporated in the purchase orders without any ambiguity as per the user/indent requirement.

23. Whether the liquidated damages clause is incorporated in all the purchase orders where delay in delivery create complication in the execution of related works/projects and/or financial burden to the Corporation.

24. Whether the delivery terms and conditions including transport contractor's duty and responsibility are clearly spelt out in the purchase orders.

25. Whether the purchase of coal from different suppliers {viz. BCCL, CCL, ECL etc} is allocated so as to reduce the transportation cost.

26. Whether the purchase of coal is entered into so as to minimize cost on transportation on road vis-à-vis rail.

27. Whether a proper clause is entered into in the coal/other fuel purchase contract to fix the responsibility for determination of grade of coal/other fuel.

28. Whether all advances paid to suppliers against a particular purchase order are noted in a Register and final adjustment is watched through the same.

29. Whether the unloading of coal/other fuel from rail rack is done within the prescribed period allotted by the Railways/the Corporation.

30. Whether proper mechanism is in place so as to identify immediately the short supply of coal /other fuel and lodging of claim on transporters/suppliers.

31. Whether the comparative statements of the tenders are correctly prepared and checked by Accounts/Finance representative.

32. Whether the tenders are finalized within the validity period.

33. Whether a register of purchase order is maintained and progress of delivering watched.

34. Whether amendments to purchase order are approved by competent authority.

35. Whether the rates paid agree with those shown in the contract or agreement made or purchase order issued for the supply of the stores.

36. Whether the Certificates regarding quality and quantity of stores purchased have been furnished by the consignee or by the appropriate authority before payment is made.

37. Whether orders for purchase have been intentionally split up so as to avoid the necessity for obtaining sanction of the higher authority.

Stores Account:

Whether minimum and maximum stock limits are fixed and if so they are noted in the bin cards, and variations beyond permissible limits are brought to the notice of the higher authorities.

Receipt of Stores:

1. Whether the packages are cleared promptly on their receipt at the railway station and no demurrage/wharfage are paid due to delay in clearing the packages.

2. Whether proper agreements are made well in advance for any special un loading on transport facilities for heavy equipment.

3. Whether any discrepancies noticed between the actual consignments delivered and those as per suppliers invoice are brought to the notice of railway authorities/transporters and necessary entries are made in the R.R.Register.

4. Whether the certificate of damage and loss obtained before effecting outward delivery of the consignment.

5. Whether extant rules and procedures for preferring claims on railways are followed.

6 Whether verification of stores is conducted within a week of their receipt as per the extant procedure.

7. Whether shortages and losses revealed during stock verification are promptly reported to higher authorities for lodging claims against insurers and suppliers.

8. Whether the stores returned from Works are accompanied by a devolution note and are posted in the stores ledger.

9. Whether reference to the original requisition for work order for which materials were drawn is given in the devolution note and work concerned is credited with the correct amount.

Issue of Stores:

1. Whether issue are made on the authority of requisitions in proper form duly signed by the requisitioning officer.

2. That the issues are within the bill of quantity for the work concerned.

3. That proper acknowledgement is obtained on the requisitions in respect of materials issued to departmental employees, contractor and local bodies.

4. That the officer in-charge of stores maintains a register showing the receipts and issue of requisition books, devolution notes, etc.

5. That daily record of stores issued is kept and bin card and stores ledgers are posted concurrently.

6. Whether instructions issued by the Corporation's headquarters regarding safeguarding fraud, are followed strictly.

7. Whether the issue as per stores issue vouchers and gate passes tally.

8. That stores accounts are closed monthly and submitted to higher authorities on due dates.

9. Whether bin cards are maintained and posted correctly.

10. Balance appearing in the bin cards tally at any time with numerical accounts maintained in the ledger.

Valuation of Stores:

1. Whether materials received from suppliers are revalued at the invoice price plus taxes, excise duty, customs, freights, insurance, all incidental expenses, handling charges, local transportation charges, etc. upto the receipt in stores.

2. Whether the standard etc. fixed by the Corporation is revised taking into account ruling market prices.

Suppliers Bills:

1. Whether the triplicate copy of the bill is registered in the Register of Bills and the return of the verified Bills from the consignees is watched.

2. Whether, on receipt of the verified bills from the consignees, necessary entries are made in the Bill Register and verification of the bills are also made by the Stores Pricing Section.

3. Whether all recoveries due from the supplier on account of short supply, Railway or other freight charges, under charges paid on behalf of the supplier, demurrage/wharfage charges adjusted from the suppliers' bills.

4. Whether all the advance payments are adjusted from the supplier's bills.

5. Whether the purchase order will be referred to in regard to the terms of delivery dispatch particulars and other terms of the contract.

6. Whether the materials have been inspected and test certificate to this effect recorded on the face of store receipt voucher or on the face of the bills.

7. Whether the stock entry certificate/measurement book entry is recorded on the suppliers' bills.

Cash Books/Cash Accounts:

Verification of Cash Book/Cash Account requires greater attention. Following points should be carefully verified: -

1. It should be seen that instructions issued by the Corporation for writing Cash Book are strictly followed.
2. That the Cash Book is balanced daily.
3. That the actual balance of the cash in chest is invariably stated in the body of the cash book both in figures and words at the end of each month.
4. That the disbursing officer checks all the entries in cash book as soon as possible after the date of their occurrence and initials the book with date after the last entry is checked.
5. That the actual balance in cash chest is counted by the Disbursing Officer himself on the last working day of each month and where this is not possible, the cash balance is counted on the first working day of the following month before any disbursement is made on that day A Certificate is recorded in cash book under his dated signature that he has verified the cash balance in hand and found that it tallies with be balance as shown in the cash book and in case of discrepancy he invariably records a note in the cash book for prompt action.
6. That the cash held by sub-ordinate offices is checked at least once in two months by the Executive Engineer of the Division and that held in the Division by Superintending Engineer of Circle/Zone.
7. That the totalling of Cash Book is correct.
8. That each entry of payment is supported by a genuine voucher passed for payment by the Competent Authority with a certificate of disbursement signed by himself or an authorized sub-ordinate.
9. That all deductions shown in the vouchers other than the deduction creditable to the head of account or work to which payment relates are posted on the receipts side of the Cash Book.
10. That the vouchers contain full and clear particulars of the claims and all information necessary for its proper classification and identification in the account.
11. That the arrangement for the drawal of cash from treasuries/banks, custody, payment and accounting should be examined to see that they are in conformity with the prescribed rules.
12. All entries regarding receipt of cash as shown in the counterfoils of Receipt, Books as well as cash drawn from Banks are traceable, duly certified under proper dates and with correct particulars.
13. That there is no tendency to keep an unduly large balance in hand.
14. That there is no unusual time lag in issuing cheques to the payees after receipt of the passed bills in the cash section.
15. The register of cheque books is maintained as per rules.
16. That register for recording daily balance is verified by the officer-in-charge of the Cash Section.

Imprest

An imprest is a fixed sum of money given to an individual to enable him to make certain class of disbursements which may be entrusted to his charge by the Divisional Officer as the Drawing Officer in accordance with such rules and subject to such restrictions as laid down by the Corporation. In this connection it should be seen: -

1. That the holding of the imprest is covered by necessary sanction:
2. That the payments made from the imprest are for the objects for which it is meant.
3 The amount of imprest is kept as low as possible and does not exceed the prescribed amount without special sanction of the Corporation.
4. That the account of imprest cash is kept in duplicate, by the imprest holder in the imprest cash account in accordance with the instructions given in the Imprest Cash Account Form and the original copy supported by requisite vouchers is forwarded to the officer from whom the imprest is held for recoupment.

5. That an account is rendered to the office from whom the imprest is received for incorporation in his cash book before it is closed for the month.

6. That the imprest holder is responsible for safe custody of the imprest money.

7. That a certificate showing the balance of imprest as on 31st March is furnished to the Accounts Officer.

Temporary Advance

Temporary advance accounts should be scrutinized to see that -

1) Advances are utilized for the purpose for which they are meant.
2) Accounts of temporary advances are rendered within the prescribed period.
3) No. second. advance is issued if a previous advance is outstanding for the same work/purpose for more than the prescribed period.
4) A register is maintained in the Divisional Office to watch the receipt of the accounts of temporary advances from the officers concerned.
5) That the outstanding on this account at the close of the financial year is made nil or brought down to the minimum.
6) The temporary advance is paid on the basis of passed vouchers.
7) A certificate as on 31st March covering the balance or an acknowledgement & sent by the holder to the Accounts Officer concerned.

Cheque Books:

Cheque Books required by disbursing officers are obtained by them from the bank. It should be seen:

1. That the cheque books on receipt are carefully examined by the Disbursing Officer who should count the number of cheques contained in each book and record a certificate of count on the fly leaf.
2. That the cheque books must be kept under lock and key in the personal custody of the Disbursing Officer. Counter foils Summary Sheet of the cheque books should be carefully preserved.
3. That the Disbursing Officer draws cheques for the minimum of cash actually required to meet current disbursement only.
4. That in case of expiry of the Currency of Cheques due to non-presentation within three months after the date of issue, it may be received back by the drawer who should then destroy it and draw fresh cheques in lieu of it. The fact of destruction and the number and date of new cheque and old cheque are required to be recorded in the counter foils of old and new cheques and that necessary entries are recorded in the cash books.
5. On a cheque being lost, the Drawing Officer shall obtain a certificate from the Agent of the bank to the effect that the relevant cheque has not been paid and will not be paid in future on presentation. On receipt of such a certificate, the original cheque shall be cancelled and recorded in the accounts before issue of fresh cheque.
6. When a cheque is required to be cancelled, the fact of cancellation should be recorded. If it is in the possession of the drawer, it should be destroyed. If the cheque is not in the possession of the drawer, he should promptly request the bank to stop payment of the cheque and on receipt of confirmation from the bank, an entry for write back is to be passed in the books of accounts. A cheque remaining unpaid for six months after the date of issue should be cancelled and written back.
7. That a register of cheque book is maintained in the form prescribed by the Corporation.

Counter foils of paid cheques

1. It should be seen that the details recorded in the counter foils of cheque books agree with the entries made in the cash book.
2. In case of paid cheques, the endorsement thereon should be compared with the acquaintance on vouchers.
3. The monetary limits prescribed by the corporation from time to time for signing of cheques on behalf of the Corporation are duly observed and initials of concerned officer/officers are recorded in the counter foils.

Bank Reconciliation

A Bank Reconciliation Statement is required to be prepared monthly and the position of the differences should be clearly explained month wise separately in the monthly abstract and shown in monthly accounts submitted by the Corporation.

It should be seen: -

1. That the balance in the bank column of the cash book is reconciled with the balance reported by the bank in the pass book
2. That old items remaining unreconciled are brought to the notice of higher authorities for investigation
3. That prompt action is taken for early settlement of all differences.
4. That the closing balances at the end of the financial year as incorporated in the Annual Accounts are fully reconciled with the balance reported by the bank.

Audit of Establishment:

Expenditure on account of establishment is of two types viz. (i) Officers and (ii) non-officers. Expenditure on account of these employees can again be classified under (a) expenditure towards salary (b) expenditure towards travelling allowance, leave travel assistance and medical claims and (c) expenditure towards overtime allowance and honorarium, bonus (d) leave salary, gratuity etc. and (e) Pension a/c.

In the audit of establishment it should be seen that: -

1. The men in position are within the post sanctioned
2. All the recoveries (GPF,EPF, Insurance premium etc.) required to be made from the salary have been made and remitted properly to the concerned authorities.
3. In case of drawal of arrears, the original drawal is to be traced to satisfy that there was no double/excess payment. A note to the subsequent drawal in the form of arrears is to be noted against the original drawal in red ink.
4. Expenditure on account of travelling allowance, LTA and medical claims are in accordance with the norms prescribed by the Corporation.
5. The service books of employees are maintained upto date indicating therein the increments drawn, the leave account, annual verification certificate, all entries being attested by the competent authority, etc.
6. Bonus payments are made as per statutory provisions.
7. On superannuation, dues of the employees e.g. on leave salary, gratuity, and commutation of pensions etc. are paid as per rules of the Corporation Care should be taken that no excess amount is paid to the incumbent.
8. That settlement of pension account has been made as per Pension Rules prescribed by the Corporation.

Audit of Contingent Expenditure

It is to be seen that:-

1. The sub-vouchers available contain pay orders required by competent authority and they are supported by payees acknowledgement with dates of payment..
2. The details given in the sub-vouchers agree with the entries in other registers & records maintained in the office.
3. Any alternations in the figures have been attested by the officer authorising payment.
4. The sub-vouchers have been duly cancelled or defaced.

The checks to be exercised in respect of Annual Accounts of the Corporation are detailed below:-

1 The opening balances appearing in the various statements of the current year’s account should be tallied with the closing balance of the previous years accounts. The differences, if any, should be investigated and pointed out by audit.

2 Asset Register, works construction ledgers etc. should be checked to ensure that the figures of fixed assets have been correctly shown under appropriate categories.

3 That the date of commissioning of projects or brining them into beneficial use should be ascertained in order to determine the date of transfer from work-in-progress to completed works. Register of works, completion reports etc. may be seen.

4 That the cases where the additions during the year disclose minus figures, it should be seen that this is due to condemnation, disposal or destruction of the assets and their proper adjustment of the same have been carried out and depreciation has been calculated correctly. The asset register, schedule of obsolete assets may be looked into.

5 That the cases for adjustment of depreciation at the time of preparation of completion report should be examined in detail'

6 That in case of compensation paid to the licensee on acquisition, it should be verified that the amount has been allocated among the various assets acquired and correctly depreciated.

7 If any investment (out of Provident Fund, Depreciation Reserve Fund or any Reserve Fund) has been taken over from the acquired undertakings, it should be examined whether the amount of interest earned on the value of such investments has been credited to revenue. In respect of interest on other investment of the Corporation, it should be ensured that the same has been properly credited. The investment register and files relating to acquisition of assets may be verified.

8 That in respect of assets sold after condemnation, correct accounting procedure has been followed

9 That all cases of replacement should be examined to ensure that necessary adjustments are carried out in respect of cost of condemned assets.

10 In case of consolidated Revenue Account, it should be verified that all accrued income, outstanding liabilities and prepaid expenses have been fully taken into account.

11 That in respect of transactions of transfers within the division and inter-division transfers the adjustments have been correctly carried out and are supported by acceptance of debits etc. ATD and ATC registers in Units may be looked into.

12 That the cases of excesses and shortages detected during physical verification are adjusted in the accounts (the physical verification statement in Units may be verified).

13 That the balance appearing in the stores ledger are reconciled with balances appearing with Stores Accounts.

14 Minus balances appearing under the suspense heads should be investigated and commented upon. All balances outstanding under the suspense heads are required to be cleared by making necessary adjustments. Outstanding amount under the suspense heads should be reviewed.

15 That all payments made by headquarters on account of foreign supply, customs duty, port charges, payments to clearing agents, D.G.S.D. payments and payments to suppliers and contractors on behalf of circle/projects are duly adjusted in accounts. Similarly, all claims received by headquarters on account of insurance claims, refund of customs duty and claims from the railways are adjusted by the circle/project concerned.

16 That adequate provision is made under Bonus reserve to meet the liability on this account.

17 That the positions of pending claims with railway, insurance company, suppliers, contractors, etc. are required to be ascertained and commented upon.

18 That receipt and consumption of coal in furnace oil in the power stations are fully adjusted in the accounts.

19 That in respect of all advances granted by the Corporation, the figures are supported by schedules. The figures under the heads sundry debtors and sundry creditors should also be supported by detailed schedules. Schedules with reference to the subsidiary ledgers may be examined.

20 That the Bank reconciliation statement has been prepared and the balance figures shown in the Bank column of the Cash Book is correct.

21 That the rate of depreciation charged against different asserts have been correctly calculated with reference to life of assets prescribed and the residual value (the journal vouchers at Corporation's headquarters need to be seen thoroughly).

22 That the treatment of a portion of expenditure as Deferred Revenue Expenditure has been approved by the Corporation and such action is justified.

23 That the cases of unusual balances appearing in the accounts (i.e. items which should appear as debit balances shown as credit balances and vice versa) should be thoroughly scrutinized and commented upon.

24 `That the journal vouchers for carrying out adjustments, rectification, etc. in account should be scrutinized with all relevant details.

25 Whether all liabilities pertaining to the year including rent, premium on Insurance, Tax etc. have been provided for, after reversing the last year's balance wherever necessary.

26 Whether all accrued income and receipt have been documented.

27 Whether cost recoverable from outsiders including Public Sector Undertakings on account of jobs done by various workshops have been documented.

28 Whether all prepaid expenses i.e. expenses paid for a period beyond the last day of the current financial year on a/c of insurance, telephone rent, road tax. V.H.F. Licence fees etc. have been correctly worked out and a statement furnished with the annual account.

29 Whether closing stocks of stationery articles, stamps medicine, fertilizer and farm products have been correctly worked out.

30 Whether the earnest money whose tenders have been accepted have been transferred to the relevant accounts.

31 Whether all departmental charges leviable on deposit works up to close of the financial year have been adjusted in the final accounts.

32 Whether subsidy recovered and also subsidy recoverable for conservation schemes have been correctly exhibited in the a/cs of the unit concerned.

33 Whether the establishment charge, consumable storage, depreciation, interest and general overhead charges debit able to Fuel and Fuel- Stock of Thermal Power Station have been adjusted in the accounts.

34 Whether the operation and maintenance expenditure booked by one Accounts Office solely on behalf of other projects division, which could not be transferred quite in advance of the closure of the annual accounts at field level have been debited to Head Office Account for ultimate clearance in the Corporate Accounts office by corresponding credit to a/c.

35 Whether allocation of common department expenditure has been done on the basis of percentage approved by head of the department. Concerned.

36 Whether other adjustments as required under the instructions on closing of Annual Accounts have been carried out with regard to any special feature attached to any particular project.

37 Whether the working accounts of workshop like Motor Maintenance Shop, Central Mechanical & Fabricating Shop, M.M.E.W., Central Equipment Pool and Mining & Ropeway have been prepared and accounted for.

Status of disinvestment

NEPCCO is wholly owned enterprise of government of India. President of India and its nominees holds 100% equity of the company

Periodicity of audit

North Eastern Electric Power Corporation Limited has been divided into following units for Transaction Audit

- Corporate Office, Shillong (excluding O&M)
- Guwahati Office
- Kameng Hydro Electric Project, Arunachal Pradesh.
- Pare Hydro Electric Project, Doimukh, Arunachal Pradesh
- Tuirial Hydro Electric Project, Kolasib, Mizoram
- Agartala Gas Turbine Plant, Ramchandrapur, Tripura
- Assam Gas Based Power Plant, Dibrugarh, Assam
- Doyang Hydro Electric Plant, Wokha, Nagaland

- Kopili Hydro Electric Plant, Umrangso, Assam
- Ranganadi Hydro Electric Plant, Lower Subansiri, Arunachal Pradesh
- Tripura gas Based Power Project, Dhanpur, Tripura
- New Delhi Office

Accounts Audit

Selected for the Pilot Study for Thematic Audit on "Compliance of CERC orders"

SJVN THERMAL PRIVATE LIMITED

(A wholly owned subsidiary of SJVN Limited)

Company Profile

SJVN Thermal Pvt. Ltd has been formed as 100% subsidiary company of SJVN Ltd. The authorized share capital of SJVN Thermal Pvt. Ltd. is ``.3000 crore. The paid up share capital as on 31.03.2016 is `436.68 crore.

The Company has taken up the development of 1320 MW Coal based Thermal Power Project located near Chausa village in District Buxar of Bihar Ministry of coal, Govt. of India in the year 2013 has allocated Deocha Pachami coal block (2102 MT) located in Birbhum district of West Bengal to SJVN for Buxar Thermal Power Plant along with Six State Power Utilities.

Principal business activities of the company is generation of thermal power. Company came into existence on 7th may 2007.Company has not started any commercial operations.

Organisational Structure

SJVN thermal private Limited, is a fully owned subsidiary incorporated for execution of 1320MW Buxar Thermal Power Project in Bihar. As on 31st March 2016, the Board of company comprised, Chairmen (Shri A.S.Bindra) who is supported by two directors Shri N. L. Sharma and Shri R. K. Bansal.

Capital structure and Key financial highlights

The authorized share capital of SJVN Thermal Pvt. Ltd. is ```3000 crore. The paid up share capital as on 31.03.2016 is ``436.68 crore. The company has only one class of equity shares having par value of ``` 10/- per share. The holders of the equity shares are entitled to receive dividends and are entitled to voting rights proportionate to their shareholding at the meeting of shareholders

Net Worth of the company at the end of Fiscal 2016 has increased to ```43666.22 Lakh (Previous Year: ` -0.42 Lakh) mainly due to issue of equity shares amounting to ```43667.00 Lakh to SJVN Limited. Company has not started any commercial operations. As the project(s) of the company are under construction, the Company did not generate any operating revenue during the year. However, interest amounting to ```15.21 Lakhs is earned and shown as income in the accounts**.**

Internal Control Systems

The company has adequate Internal Control System and the transactions / processes are guided by delegation of powers, documented policies, guidelines and manuals in compliance with relevant laws and regulations. The organisational structure is well defined in terms of the authority / responsibility involved at each particular hierarchy / level. In order to ensure that all checks and balances are in place and internal control systems are in order, regular Internal Audit is conducted by an independent firm of Chartered Accountants. Significant Audit Observations and Action Taken Reports (ATRs) are considered by the Management and recommendations /directions are complied with accordingly. those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true & fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls.

Manpower

The Company does not have any employees and the employees in the company are posted by the holding company on secondment basis. The Salary, Wages, Allowances and Benefits including Retirement Benefits of such employees are paid / payable to the holding company and the same is recognised as an expense, charged to Expenditure during Construction (EDC).

Rules, Regulations, Guidelines and Acts

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. Secretarial Standards issued by the Institute of Company Secretaries of India - Applicable w.e.f.1st July, 2015-Generallycomplied with.

3. Compliance to the Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 as amended from time to time
4. Compliances/processes/systems under any other Law specifically applicable to the Company
5. National Policy on Hydro Power Development 2008
6. Electricity Regulatory Commissions Act,
7. 1998Electricity (Supply) Act,
8. 1948Indian Electricity Act, 1910
9. Electricity Act, 2003
10. Prevention and Control of Pollution Act, 1981
11. Environment (Protection) Act, 1986
12. Water (Prevention and Control of Pollution) Act, 1974
13. Boilers Act, 1923
14. Central Excise Act, 1944
15. Central Sales Tax Act, 1956
16. Customs Act, 1962
17. Income Tax Act, 1961
18. Wealth Tax Act, 1957
19. Contract Act, 1872
20. Sale of Goods Act, 1930
21. Contract Labour (Regulation and Abolition) Act, 1970
22. Employees State Insurance Act, 1948
23. Employees Provident Funds and Misc. Provision Act, 1952
24. Information Technology Act
25. Foreign Exchange Management Act, 1999
26. Minimum Wages Act, 1948
27. Payment of Gratuity Act, 1972

Audit Checks

1. Capitalisation of assets including borrowing cost, if any
2. Proper accounting of foreign exchange rate variation in case of foreign loan taken for the purpose of acquisition of assets
3. Physical Verification Certificates for assets.
4. Present status of Capital WIP and its proper capitalisation
5. Bank Reconciliation Statement.
6. Recoverability of Loans and Advances and provisions made there against
7. Accounting of liabilities for expenditure incurred during the accounting year.
8. Provision of gratuity, bonus etc.
9. Charging of depreciation as per CERC Notification wherever applicable;
10. Capitalisation of assets including borrowing cost, if any.
11. Proper accounting of foreign exchange rate variation in case of foreign loan taken for the purpose of acquisition of assets
12. Physical Verification Certificates of assets
13. Treatment of Insurance Spares
14. Present status of Capital WIP and its proper capitalisation
15. Treatment of capital expenditure on assets not owned by the company
16. Acknowledgement of contractors in respect of construction stores issued to them
17. Advice received from ERHQ in respect of debtors and its proper accounting
18. Physical Verification Certificates in respect of Inventory
19. Entries in Priced Stores Ledger (PSL) in respect of different items of inventory, special attention is to be given to Coal
20. Treatment of Missing and Unconnected wagons of coal
21. Treatment of Escalation and settlement of claims in coal PSL

22. Entries in respect of Stone content and Shortages (normal & abnormal) in coal PSL
23. Proper adjustment of stock in transit
24. Bank Reconciliation Statement
25. Confirmation from parties in respect of Loans and Advances
26. Realisability of Loans and Advances and provisions made there against Accounting of liabilities for the expenditure incurred during the accounting year
27. Proper disclosure of Contingent Liabilities and whether any actual liability is included in it
28. Monthly advice received from ERHQ in respect of Sales and its proper accounting
29. Justification of provision written back, if any
30. Provision of incentive to employees, if any
31. Provision of gratuity, bonus etc.
32. Accounting of taxes, duties, cess etc.
33. Provisions in coal agreement with coal supplying companies like quantum of coal required to be supplied etc.
34. Timely lodging of claims with coal supplying companies in respect of missing wagons etc.
35. Timely payment of freight bills of railways and timely return of wagons to avoid penal charges and demurrage;
36. Acceptance of escalation as per the strict terms of the coal agreement
37. Contracts for the procurement of stores, spares and other materials with particular attention as to the utility and timeliness, storage period and carrying cost of the same;
38. Terms of advances to suppliers of revenue/capital items and construction activities, mode of recovery/adjustment of interest & principal;
39. Agreements with contractors for the construction / supply of assets, inclusion of performance guarantee clause with proper bank guarantee
40. Proper justification for not going through the system of open tender, if any
41. Proper justification for not awarding the contract to L1 bidder
42. Proper follow up of Legal / Arbitration cases
43. Proper maintenance of records relating to construction stores supplied to contractors and collection of hire charges
44. Loss of revenue due to forced outage for reasons attributable to the project, i.e., lack of proper maintenance, short supply of essential stores/materials etc.

Tariff:

Tariff is determined by CERC based on the Tariff Regulations and its amendment issued from time to time. Sale of energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission (CERC) except for sale of wind power energy which is accounted for on the basis of tariff rates notified by Electricity Regulatory Authorities of respective states as amended from time to time. Recovery/refund towards foreign currency variation in respect of foreign currency loans as per CERC notification is accounted for on year to year basis.

Periodicity of the Audit

The transaction audit of the company is being conducted every year and account audit of the Corporation has not been conducted during the year 2015

Disinvestment

The company has not been selected for the disinvestment.

ALLBANK FINANCE LIMITED

Company profile

All Bank Finance Ltd (ABFL), is wholly owned subsidiary of 147 years old Allahabad Bank. It was incorporated on 29th September 1951 under the Companies Act 1913 as “Allahabad Bank Nominees Limited.” The company subsequently changed its name to “AllBank Finance Limited” on 15th February 1991 and registered with SEBI as Category I Merchant Banker. ABFL surrendered its NBFC licence in 2005.

AllBank Finance Ltd is today one of the leading Merchant Bankers & also holding license for Debenture Trusteeship since February, 2010. ABFL offers various financial services such as IPO Management, Debt / Loan Syndication, trusteeship services (debenture trustee / Security trusty) Structured finance, Placement of Equity Shares to Qualified Institutional Buyers(QIBs) , Investment Advisory & Portfolio Management services, Distribution of MF Schemes, TEV Study, Other Corporate Services including valuation of security and so on.

The company has corporate office In Mumbai, Registered office at Kolkata and Branch Office at Delhi.

Objective

The main objects for which the company was established were as follows:

- To carry on and to undertake the business of leasing
- To carry on the business of merchant banking in all respects.
- To give advice and/or to offer, give, take, circulate and or otherwise organize, accept or implement and takeover bid, buy-out deals, mergers, amalgamation, acquisition, diversification, rehabilitation of any business partnership firm or any other association of persons etc.
- To set up, incorporate, manage, provide and or participate in providing venture capital technology fund, underwriting fund or any other fund for seed capital, risk capital foundation including guarantee or such other financial assistance etc.
- To act as administrator or managers or advisors of any investment trusts or fund including any mutual funds, growth funds, income or capital funds, taxable or taxable exempt funds, provident funds, pension funds, gratuity funds, superannuation funds etc.
- To acquire, take-over, receive and accept from Allahabad Bank and from any other nominee, officer, representative, or agent of the Bank and any other persons under or through whom the Bank may be entitled, interested or concerned either as bankers, trustees ,executors, administrators or agent, and in any capacity or otherwise all or any stocks, shares, debentures stock, bonds, obligations, securities and investment of all kinds
- To engage in any one or more of the following forms of business namely:

acquiring, holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures stocks, bonds, obligations, securities and investments of all kinds purchasing and selling of bonds, scripts or other forms of securities on behalf of constituents or others, the negotiation of loans and advances receiving of all kinds of bonds, scripts or valuable on deposit or for safe custody or otherwise.

Undertaking and execution of trusts.

Objects incidental or ancillary to the attainment of main objects (important items)

(i) To deal in money market operations like issue/ purchase and sale of Commercial Papers, Treasury Bills, Units of various Mutual Funds, PSU Bonds, Debt Instruments including Debenture Bonds and Inter Corporate Deposits and any other financial instruments

(ii) To finance, lease or advance money to individuals or society to buy households articles, consumer durable, luxuries and other goods.

(iii) To invest the surplus funds of the company from time to time in deposits, units, government/company securities or other securities including shares, master shares, bonds, debentures, as from time to time be determined by the Directors and from time to time sell or vary investments and to execute all assignments, transfers receipts and documents that may be necessary in that behalf.

Organisational set up

The company is professionally managed and the Board comprises representatives from Allahabad Bank and independent the management of the affairs of the Company vests in the Board of Directors. Chairmen and managing director(C&MD) (Shri Rakesh Sethi) is supported by director (Credit)(Shri Matam venkatarao) and independent directors Shri Subir Das, Shri Ashok Vij, Shri Vinod kothari, Shri J.K Kharab, Shri Atul Kumar Goel, Shri K.S Venkataraman

Capital structure and key financial highlights

The Authorised capital of the Company is .` 15.00 Crore, having equity shares 1500000 of `100/- each and Paid up Capital of the Company as on 31.3.2016 was ` 15 crore. Allahabad bank holds 99.99% of the equity shares of the company.

During the year 2015-16, your Company's activities have been confined mostly to Debenture / Security Trusteeship, conducting TEV study, vetting of financials besides holding shares of various companies in trust. During the FY 2015-16, your Company generated total revenue of `994.62lacs against revenue of ` 827.70 lacs earned during the year 2014-15 out of which Investment income was `642.04 lacs for the year ended 31/03/2016 against `604.16 lacs earned during the year 2014-15 and revenue earned from other sources for the year ended 31/03/2016was `` 352.58 lakhs as against ` 223.54 lakhs for the year ended 31/03/2015

(Fig in ``)

Particulars	**2015-16**	**2014-15**
Revenue from Operations	33,890,257	17,459,102
Merchant banking & other fee based income	10715137	11691943
Other operative revenue	23175120	5767159
Other income	65572139	65310422
Profit After Tax	57451110	23041357
Reserves and surplus	506,004,399	448,553,289
Earning per equity share: (in ``)	38.30	15.36

Particulars of Employees

None of the employees are covered under section 134 of the Companies Act, 2013 read with Companies (particulars of Employees) Rules 1975

Internal control:

The Company has in place internal financial control systems, commensurate with the size and complexity of operations other regulatory and statutory compliances. The Company has no Internal Audit Wing of its own Pursuant to Section 138 of the Companies Act, 2013, chartered account firm, M/s M.V Damania & Coare has been appointed as Internal Auditor for the Company Internal audit is done on the basis of standard auditing practices and as per the guide lines of Institute of Chartered Accountants of India.

The study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information.

The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended.

Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

In case the internal control system does not exist or the system is weak it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

(i) Absence of appropriate segregation of duties consistent with appropriate control objectives;

(ii) Absence of appropriate reviews and approvals of transactions, accounting entries or systems output

(iii) Inadequate provisions for the safeguarding of assets;

(iv) Evidence of failure to safeguard assets from loss, damage or misappropriation;

(v) Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;

(vi) Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;

(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;

(vii) Absence of a sufficient level of control consciousness within the organisation;

(viii) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and

(ix) Failure to follow up and correct previously identified deficiencies in internal control.

Applicable Rules Acts and Regulations

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (`SCRA') and the rules made thereunder
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (`SEBI Act') :–

[a] The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

[b] The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

[c] The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the Audit Period);

[e] The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);

[f] The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

[g] The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [h] The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

6. The Payment of Wages Act, 1936
7. The Minimum Wages Act, 1948
8. Employees State Insurance Act, 1948
9. The Employees Provident Fund and Miscellaneous Provisions Act, 1952
10. The Payment of Bonus Act, 1965
11. The Payment of Gratuity Act, 1972

12. Industrial Disputes Act, 1947
13. Employees' Pension Scheme 1995
14. Central Excise Act, 1944
15. Secretarial Standards issued by The Institute of Company Secretaries of India.
16. The Listing Agreements entered into by the Company with Stock Exchange

Audit Checks

- The auditor should thoroughly examine / analyse the financial statements and ascertain whether Financial statements are prepared in accordance with acceptable accounting standards; Financial statements are presented with due consideration to the circumstances of the audited entity; Sufficient disclosures are presented about various elements of financial statements; and The various elements of financial statements are properly evaluated, measured and presented.
- Examine compliance with Companies Act in the matter of appointment of Directors, transactions with holding company, guidelines issued by the Reserve Bank of India, its holding Company and the Department of Banking, and Ministry of Finance,
- Examine vouchers and files to ensure accuracy and propriety of different transactions as and when undertaken,
- Party files relating to lease agreements terms and conditions and lease rentals incomes there against,
- Party files relating to Hire Purchase agreement,
- Compromise and foreclosure of lease and Hire Purchase agreements,
- Utilisation of surplus funds, cash management systems, Investments etc.,
- Unsettled disputed cases of underwriting agreements if any
- Files relating to unsettled share scam cases if any,
- Revival and amalgamation of the Company,
- Individual files relating to NPA,
- Income Tax files,
- Interest Tax files,
- Inter Corporate Deposit (party files), One time settlement cases, short and long term investments,
- Doubtful debts,
- Stock on hire and
- General claims like reimbursement of LTC, TA, Medical bills, and perquisites of the MD and other top officials.
- Extent of resources available, utilised and benefit actually reaped vs anticipated.
- Efficacy of infrastructure created, utilisation and whether any assets created been impaired subsequently? Reasons therefor.
- Whether there have been frequent changes of the CEO and also the whole time directors?
- Whether Non-Executive Directors from the industry having technical expertise in the related field have been nominated to the Board of Directors
- Whether the nominee Director of Government in the Board attended meetings regularly and participated in the deliberations mainly as regarding implementation of policy decisions of the Government?
- Marketing and Credit Policy- Market share, segment wise, whether making positive (cash & profit) contribution, review of marketing strategies, credit policy, doubtful debts etc.
- Inventory control and Management- Financial impact of deficiencies in inventory control system, system of identifying the requirement, mandatory spares, timely replenishment, and identification of obsolete and non-moving items.
- Assets utilisation-extent of utilisation, idle/impaired assets, infructuous investment etc.
- Manpower –Staffing pattern, norms, identification of surplus manpower Voluntary Retirement Scheme etc.

Disinvestment

The company has not been selected for the disinvestment

Periodicity of the Audit

Transaction audit and Accounts audit of the company is conducted every year .The company is divided into divisions for audit purpose,

Corporate Office at Kolkata along with following selected branch offices

(i) Mumbai (ii) New Delhi

NORTH EASTERN DEVELOPMENT FINANCE CORPORATION LTD (NEDFI)

Company profile

The North Eastern Development Finance Corporation Ltd (NEDFi) is a Public Limited Company registered under the Companies Act 1956 on 9th August, 1995. It is notified as a Public Financial Institution under Section 4A of the said Act and was registered as an NBFC in 2002 with RBI.

NEDFi is an ISO 9001:2008 certified company and it provides financial assistance in North Eastern Region of India by identifying, financing and nurturing commercially and financially viable projects in the region. NEDFi provides financial assistance to micro, small, medium and large enterprises for setting up industrial, infrastructure and agri-allied projects in the North Eastern Region of India and also Microfinance through MFI/NGOs. Besides financing, the Corporation offers Consultancy & Advisory services to the state Governments, private sectors and other agencies. The company conducts sector or state specific studies under its Techno-Economic Development Fund (TEDF) and is the designated nodal agency for disbursal of Govt. of India incentives to the industries in the North-East India under North–East Industrial and Investment Promotion Policy 2007 (NEIIPP 2007).

NEDFi has been promoted by Public Financial Institutions and Banks - Industrial Development Bank of India (IDBI), State Bank of India (SBI), Life Insurance Corporation of India (LICI), Small Industries Development Bank of India (SIDBI), ICICI Ltd., Industrial Finance Corporation of India Ltd. (IFCI), Specified Undertakings of Unit Trust of India (SUUTI) and General Insurance Corporation (GIC) and other insurance companies.

Organisational Structure

NEDFi being lean organisation, at present the organisation structure of NEDFi is flexible, flat. NEDFi is headed by Chairman cum Managing Director which is assisted by Executive Director, General Managers and senior managers for day to day operation of the corporation.

The Board of Directors of NEDFi comprises the CMD of NEDFi, representatives from shareholder institutions, DoNER, State Governments, NEC and individuals having wide experience in Industry, Economics, Finance and Management. Presently the company has nine directors.

Shareholding and Financial Highlights

The shareholders of the Corporation are IDBI, SBI, LICI, SIDBI, ICICI, IFCI, SIDI, GIC and its subsidiaries. NEDFi's authorised share capital is `500 crore. The paid up capital of `100 crore has been subscribed to as under:

S.No	Name	No of Shares	% of shareholding
1.	IDBI bank Ltd.	25000002	25%
2.	State Bank Of India	15000001	15%
3.	Life Insurance Corporation Of India	15000001	15%
4.	Small Industries Development of India	10000000	10%
5.	Unit Trust Of India	10000001	10%
6.	ICICI Ltd	10000001	10%
7.	Industrial Finance corporation OF India	10000001	10%
8.	The new India Insurance company	1000000	1%
9.	General Insurance Corporation Of India	1000000	1%
10.	National Insurance Company	1000000	1%
11.	Oriental Insurance Company	1000000	1%
12.	United India assurance co limited	1000000	1%

Financial Highlights

Operating Result	2017-18	2016-17
Interest income as percentage to average working funds (%)	7.87	8.11
Operating profit as a percentage to average working funds (%)	5.79	5.12
Return on average assets (%)	3.70	3.10
Earnings Per Share (`)	5.72	4.55
Total Income (In Cr)	146.94	145.30
Profit after Tax	57.21	45.46

Year	Sanction	Disbursement	No of Projects
2017-2018	289.16	251.41	553
2016-2017	394.88	349.09	472
2015-2016	361.86	302.99	422
2014-2015	312.03	387.20	428

Gross NPA was Rs.230.90 crore (19.64%) as against previous financial years Rs.305.13 crore (23.77%) and net NPA was Rs.154.41 crore (14.05%) as against previous financial year's Rs.221.04 crore (18.42%).

Manpower:

Total strength of employees in all categories in the organization as on 31st March,2016 is 114 Officers had been recruited at the entry level as Management Trainee (MT) through Campus Recruitment drives Training had been provided to officers in the different grades in reputed institutions like NIBM, Pune, IIBM, Guwahati, XLRI, Jamshedpur etc.

IT Infrastructure

During FY15, the Corporation has taken many initiatives to improve its IT infrastructure. The Corporation has implemented its own data centre, having secured network, servers, switches, etc. Also, a comprehensive software is being developed by an in-house IT professional team for Loan Management System (LMS) and Finance & Accounting Management System (FAMS), to improve its own internal processes and to connect and integrate the operations of the corporate office with branch offices. Corporate Social Responsibility

Internal control:

The Company has laid down set of structure procedure and set of standards which enables to implement internal financial control across the organisation and ensure that same are operating effectively and adequate

The study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information.

The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended.

Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

In case the internal control system does not exist or the system is weak it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

(i) Absence of appropriate segregation of duties consistent with appropriate control objectives;

(ii) Absence of appropriate reviews and approvals of transactions, accounting entries or systems output

(iii) Inadequate provisions for the safeguarding of assets;

(iv) Evidence of failure to safeguard assets from loss, damage or misappropriation;

(v) Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;

(vi) Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;

(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;

(vii) Absence of a sufficient level of control consciousness within the organisation;

(viii) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and

(ix) Failure to follow up and correct previously identified deficiencies in internal control.

Applicable Rules Acts and Regulations

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 (`SCRA') and the rules made thereunder
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (`SEBI Act') :–

[a] The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

[b] The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

[c] The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

[d] The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

[e] The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

[f] The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

[g] The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- Employees State Insurance Act, 1948
- The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- Industrial Disputes Act, 1947
- Employees' Pension Scheme 1995
- Central Excise Act, 1944

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- The Listing Agreements entered into by the Company with Stock Exchange
- Agenda and minutes of the meetings of the Board of Directors.
- Orders, directives, issued by the Holding Company, Reserve Bank of India, the Department of Banking.
- The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made there under;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
- Other laws, including the laws relating to Non-Banking Financial Companies to the extent applicable to the Company as per the representations made by the Company.

Audit Checks

- The auditor should thoroughly examine / analyse the financial statements and ascertain whether Financial statements are prepared in accordance with acceptable accounting standards; Financial statements are presented with due consideration to the circumstances of the audited entity; Sufficient disclosures are presented about various elements of financial statements; and The various elements of financial statements are properly evaluated, measured and presented.
- Examine compliance with Companies Act in the matter of appointment of Directors, transactions with holding company, guidelines issued by the Reserve Bank of India, its holding Company and the Department of Banking, and Ministry of Finance,
- Examine vouchers and files to ensure accuracy and propriety of different transactions as and when undertaken,
- Compromise and foreclosure of lease and Hire Purchase agreements,
- Utilisation of surplus funds, cash management systems, Investments etc,
- Unsettled disputed cases of underwriting agreements if any
- Revival and amalgamation of the Company,
- Individual files relating to NPA,
- Income Tax files,
- Interest Tax files,
- Inter Corporate Deposit (party files), One time settlement cases, short and long term investments,
- Doubtful debts,
- General claims like reimbursement of LTC, TA, Medical bills, and perquisites of the MD and other top officials.
- Extent of resources available, utilised and benefit actually reaped vs. anticipated.
- Efficacy of infrastructure created, utilisation and whether any assets created been impaired subsequently? Reasons therefor.
- Whether there have been frequent changes of the CEO and also the whole time directors?
- Whether Non-Executive Directors from the industry having technical expertise in the related field have been nominated to the Board of Directors.
- Whether the nominee Director of Government in the Board attended meetings regularly and participated in the deliberations mainly as regarding implementation of policy decisions of the Government?

Disinvestment

The company has not been selected for Disinvestment.

Periodicity of the Audit

Transaction audit and Accounts audit of the company is conducted every year .The company is divided into divisions for audit purpose,

Corporate Office at Kolkata along with following selected branch offices

(i) Mumbai

(ii) New Delhi

Accounts Audit

ANDREW YULE & COMPANY LIMITED

Company Profile

Andrew Yule & Company Founded in 1863 and incorporated as Private Limited in 1919. The Company was converted into Public Limited Company in 1948 and became a Central Public Sector Enterprise in 1979 with the acquisition of 49% equity share in 1974 and 2% in 1979 by Government of India.

The Company functions under the administrative control of the Ministry of Heavy Industries & Public enterprises, with its Registered Office and Head Office in Kolkata and regional offices at Delhi and Chennai The Company has recorded revenue from operations and other income of`352.60 crore during the financial year 2018-19 as compared to `389.14 crore as recorded in the previous year.

The Andrew Yule & Co has three subsidiary Companies

1. Tide Water Oil Co. (India) Ltd,
2. Katras Jherriah Coal Co. Ltd.
3. The New Beerbhoom Coal Co. Ltd.
4. Hooghly Printing Company Ltd.
5. Yule engineering Ltd
6. Yule electrical limited

Capital Structure:

The authorized capital of the Company as on 31st March 2019 was `11,000.00 lakh divided into 55,00,00,000 equity shares of `.2 each.

The Paid-up Equity Share Capital as on 31st March, 2019 was 97,79,01,956 divided into 48,89,50,978 ordinary shares of ``2/- each, fully paid up. During the year the Company has not issued any ordinary shares or shares with differential voting rights neither granted stock options nor sweat equity.

Objective

The macro objectives of the Company were optimum utilization of the capacity, higher productivity; faster promotion of export oriented and import substitution industries, etc. The micro objectives of the company approved by the Ministry in October 1983 inter-alia included the following:-

(i) To achieve continuous growth of the business.

(ii) To emerge as a major manufacturer of sophisticated and high technology oriented items required for the various core sectors.

(iii) Continuous up-gradation of technology.

(iv) To endeavour for higher sophistication to reduce reliance on imports.

(v) To maximise production and to reduce costs by instituting techniques of improved cost control.

(vi) To achieve self-reliance and endeavour for the generation of funds for its future growth and expansion.

(vii) To increase export potentials.

(viii) To maintain and monitor proper Inventory Control.

(ix) To provide active product support by way of quality goods, spares and technical service to the customers.

Organisational Set-up:

The Management of the affairs of the Company vests in the Board of Directors, which consists of one whole time Chairman and Managing Director/ Personal (Shri Debasis Jana) who is assisted by and three other whole time Directors , Director Finance(Shri Partha Das Gupta), Director Planning (Shri Sanjoy Bhattacharya) and Director Personnel (Shri K. Mohan). The company has two government nominated director and one Independent Directors.

Manpower

The Company has complied with the Presidential Directives and other Government instructions, laws as on 31/03/2019, the company has total 14713 employees(Executive 297 and non-executive 14416) out of 14713 employees on the Company's roll, the total number of lady employees in the organization stands at 6966 (executive 09 and non-executive 6957). In the year 2018-19 total employee benefit expenses were ` 16,349.01 lakhs

During the year 2018-19, total 14 mandays training programmes (internal-2 mandays and external-12 mandays) were conducted. Out of 102 participants who were imparted training during the year in various programmes, 48 were executives and unionized supervisors and 54 workers. Total 115 man days' of training was completed on various topics during the year 2018-19.

Financial Highlights

The Company ceased to be a Sick Industrial Company within the meaning of Section 3(1)(o) of SICA, as its net worth had turned positive. Company's results during the year 2018-19have declined as compared to the previous year. The Company has recorded revenue from operations and other income of` 311.51crore during the financial year 2018-19as compared to `370.28crore as recorded in the previous year. Profit before Tax (PBT) during the financial year 2018-19stood at ` 7.40crore as compared to `20.00crore for the previous financial year registering a decrease by 63.00%. Profit after Tax (PAT) for the financial year 2018-19had been `5.61 crore as compared to `13.57crore during the previous financial year 2017-18registering a decrease by 58.66%.

AUDIT CHECKS

1) To examine Tender Register, Job Register/ File, Sales Challan & Invoice Service/complaint Register, Collection Register, Customer Advance Details,
2) To examine Debtors Register and observe lapses, if any, in follow-up and realization, leniency in the matter of adequate safeguards e.g. absence of letter of credit security etc.
3) To examine Sales Indent Register, Planning Programme/Works Order Indent Register.
4) To examine Works Order Register, Testing Register, Job card/ Labour Booking Card to see whether there is any escalation of cost due to delay.
5) To examine Indent Register, Bin Card (Computerised), Material Log Register, Inspection Note, Rejection Note, Stores Receipt, Issue Documents and observe the adequacy of procurement.
6) To examine Payment Voucher, Debtors/Creditors/Stores/Supplier Advance/ Customer Advance Ledger, Cash/Bank/Petty Cash Vouchers/Job wise Consumption Register.
7) To examine basic Excise Documents such as Personal Ledger Accounts (PLA), Modvat Register, RG 23 Register, Excise Invoice and Stock Register.
8) To examine Management Information System, Budget/Flash Report/Job costing /Labour Hour Analysis and also examine the adequacy of Costing system and Budgetary Control.
9) To examine Supplier's Details, Purchase Indent, Procurement File (Job wise) Purchase Master File, Rejection Note Register, and Creditor's Register, Vendor Rating.
10) To check the liquidated damages and penalty deducted by customers.
11) To examine Employees Details, Leave Register, Monthly Payroll, Provident Fund & other deductions register, Incentive Documents.
12) To verify the adequacy of sales price estimates vis-à-vis marginal cost of products and analyse the unrealistic cost estimates leading to shortfall in contribution.
13) To verify fund management and observe avoidable interest and blocking up of fund, if any.
14) To examine Medical, Hospitalization, LTC /Leave Encashment, Bill Passing, Conveyance, Advance Registers.
15) To examine the Minutes Book of the meetings of the Committee. Of the Board of Directors.
16) To examine the Minutes Book of the Annual/Extra-ordinary General Meeting of the members of the Company
17) To check the avoidable extra expenditure due to delay in paying taxes, duties, port charges and delay in clearing from bonded warehouse.

18) To examine Register/Files maintained by HRD Department such as Personnel files Rules & Regulation files (Personnel Rules), Circular Register/File containing various Administrative Circulars., Release under Retirement/Resignation/VRS Register/Files.
19) To check the capital and revenue budgets.
20) To examine the Internal Audit System and its Report.
21) To examine the provision and payment of gratuity, leave encashment, superannuation fund.
22) To examine the deferred tax liability and provisions for current income tax.
23) To examine the segment information and related party transaction.
24) To Review the expenditure of Research & Development and investigate cases, if any, of infructuous expenditure on R&D schemes.
25) To examine the various legal files maintained in Legal Division.
26) To verify the debts of erstwhile Belting Division recovery of which remain doubtful
27) To check the claim and counter claims of various abandoned projects e.g. aquaculture, mushroom etc.
28) To examine the possible loss on investments.
29) To examine external commercial borrowings

Tea Division Audit Checks

i. To examine Daily Production, Sales and Stock records with reference to estimates and examine the shortfall, if any and reason for shortfall.
ii. To examine Excise/ CENVAT Record, Despatch Record, Stores Ledger, Bin Card., Monthly Garden Accounts & Ledger.
iii. To verify Cess on green tea leaf.
iv. To examine Indent file, Tender file, Purchase order book, Bill & G.R. Note Register, Goods Received Note, Advance Register.
v. To examine Crop book, Garden wise Marketing Register, Daily Counter Sales Register, Complementary Register (Tea)
vi. To examine the adequacy of the production planning and material management particularly in respect of excess purchase, holding of excess stock, non-disposal of non-moving stock e.g. packet tea.
vii. To verify all the expenses relating to day-to-day operations of Tea Estate.
viii. To check valuation of closing stock of bulk tea.
ix. To examine productivity of tea gardens and observe the avoidable circumstances against low productivity in gardens.

Internal Control

The Company has an adequate system of internal controls commensurate with its size and scale of operations. The Internal Audit function comprising of both external audit firms, who have been appointed as internal auditors, and also the in-house internal audit team conducts the audits at each unit of operation, branch, regional and head office as per the annual audit plan.

The study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

In case the internal control system does not exist or the system is weak then it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

(i) Absence of appropriate segregation of duties consistent with appropriate control objectives;

(ii) Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;

(iii) Inadequate provisions for the safeguarding of assets;

(iv) Evidence of failure to safeguard assets from loss, damage or misappropriation;

(v) Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;

(vi) Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;

(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;

(viii) Absence of a sufficient level of control conscious within the Organization;

(ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and

(x) Failure to follow up and correct previously identified deficiencies in internal control.

Applicable Acts, Rules and Regulations

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (`SCRA') and the rules made thereunder
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (`SEBI Act') :–

[a] The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

[b] The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

[c] The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

[d] The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

[e] The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

[f] The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

[g] The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

[h] The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

6. Factories Act,1948
7. The Payment of Wages Act, 1936
8. The Minimum Wages Act, 1948
9. Employees State Insurance Act, 1948
10. The Employees Provident Fund and Miscellaneous Provisions Act, 1952
11. The Payment of Bonus Act, 1965
12. The Payment of Gratuity Act, 1972

13. Industries (Development & Regulation) Act,1951
14. Plantation Labour Act,1951 and Rules made thereunder
15. Tea Marketing Control Order, 2003
16. Food Safety and Standards Act,2006
17. Tea Act,1953
18. Industrial Disputes Act,1947
19. Employees' Pension Scheme 1995
20. Trademarks Act,1999
21. Copyright Act,1957
22. Patents Act,1957
23. The Environment (protection) Act,1986
24. Central Excise Act,1944

Disinvestment

The Company has not been selected for disinvestment during the year 2018-19.

Periodicity of the Audit

The transaction audit of various units of the company is being conducted rotationally. The Company has been divided into following Divisions for Transaction audit. Accounts. Audit is also being conducted every year

The company is divided into following units for transaction audit.

- **Electrical Division**

1. Works at Kolkata
2. Transformer and Switchgear Unit, Chennai
3. Engineering Division, Kolkata

- **Division office, Kolkata**

1. Factory at Kalyani
2. Tea Division

- **Division office, Kolkata**

1. Tea Garden, West Bengal
2. Tea Garden, Assam
3. Northern Regional Office, New Delhi

BRIDGE & ROOF COMPANY (INDIA) LIMITED

Company Profile

Bridge & Roof Company (India) Limited was incorporated in the year 1920.The Company became a Govt. Company on 29th July 1972. The Company which was a wholly owned subsidiary of Balmer Lawrie and Company Limited ceased to be a subsidiary from December 1978 consequent upon the transfer of shares to the Govt. of India. From 1st April 1987, the Company became a subsidiary of M/s. Bharat Yantra Nigam Limited (BYNL) following the decision of the Govt. of India to transfer its shares to BYNL. The Company is under the administrative control of the Ministry of Heavy Industry with its Registered Office at Kolkata.

Bridge & Roof Company India ltd was awarded mini ratna status in the year 2010.The company has turnover of ` 2056.00 Crores for the year 2017-18, serving both Private and Public Sectors, Indian and Overseas. Utilising the most modern construction equipment and technology, with high degree of expertise and substantial in-house resources.

Bridge & Roof is one of the largest construction organizations in India. The project activities comprise construction of civil engineering, mechanical and structural erection and overseas construction works. Principal business activities of the company of the company are

- Construction of Utility Projects (35% of total turnover)
- Construction of other Civil Engineering Projects (54% of total turnover)

Manpower

The Company has 1260 employees in its permanent cadre. During the execution of specific projects, the company hires services of skilled and unskilled workforce, depending on the nature and duration of the project. Out of total 1260 employee, company has 670Group-A on its roll**.**

Capital Structure and key Financial Highlights

The authorized capital of the Company as on 31.3.2018 was `6000.00 lakh divided into 6, 00, 00,000 equity shares of `.10 each.

Paid-up capital of the company as on 31 March, 2018, stands at `5498.72 lakh comprising of 5, 49, 87,155 equity shares of `10/- each, of which 5, 46, 27,155 equity shares comprising 99.35% of the total paid-up capital, are held by the President of India.

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Particulars	**2017-18**	**2016-17**
Income	2055.99	1751.41
Gross Margin	51.74	48.78
Profit Before Tax	26.07	30.01
Dividend	--	4.91

Objectives

The main objects of the company are –

(a) To carry on all or any of the business of iron foundries, civil and mechanical engineers, builders and railways, Public works and General contractors and manufacturers of metal castings, machinery and implements etc.

(b) To carry on business of marine engineers, electrical engineers and contractors etc.

(c) To carry on the business of electric engineers and contractors and manufacturers and repairers of and dealers in electric, magnetic, galvanic and other apparatus and all machinery, apparatus and things required for or capable of being used in connection with the generation, supply, accumulation and employment of electricity.

(d) To erect, construct, maintain or alter, or assist in the erection, construction, maintenance or alteration of any building, erections or works etc.

Organisational Set-up

The management of the affairs of the Company is vested in the Board of Directors headed by a Chairman and managing director(C&MD).The day to day affairs are being looked after by the C&MD who is assisted by Director (Project Management), and Director (Finance) and other two government nominated Directors and top-level executives.

Internal Control

The study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

In case the internal control system does not exist or the system is weak then it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control:-

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

(i) Absence of appropriate segregation of duties consistent with appropriate control objectives.

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(iii) Inadequate provisions for the safeguarding of assets;

(iv) Evidence of failure to safeguard assets from loss, damage or misappropriation;

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(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;

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(ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and

(x) Failure to follow up and correct previously identified deficiencies in internal control.

Applicable, Rules, Regulations and Acts

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[a] The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

[b] The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
[c] The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the Audit Period);
[d] The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ;(
[e] The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
[f] The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
[g] The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
[h] The Securities and Exchange Board of India (Buyback of Securities) Regulations, ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

6. Factories Act, 1948
7. The Payment of Wages Act, 1936
8. The Minimum Wages Act, 1948
9. Employees State Insurance Act, 1948
10. The Employees Provident Fund and Miscellaneous Provisions Act, 1952
11. The Payment of Bonus Act, 1965
12. The Payment of Gratuity Act, 1972
13. Industries (Development & Regulation) Act, 1951
14. Industrial Disputes Act, 1947
15. Employees' Pension Scheme 1995
16. The Environment (protection) Act, 1986
17. Central Excise Act, 1944

Audit Checks

(i) Critically examine the performance against individual order or fabrication items with reference to Job statement, consumption of materials, norms of raw materials consumption vis-à-vis actual consumption, generation of scrap, incidence of rejection, delays along with the reasons for such delay and financial impact etc.

(ii) In case of marine freight container, the performance against the installed capacity, order book position etc.

(iii) Critically examine the contracts executed by the Project Divisions with reference to detail estimates, tenders showing the material and labour requirement vis-à-vis the actual performance there against.

(iv) Examine the sub-contract agreements with reference to supply of materials to contractors and recovery of cost.

(v) Examine the system of accounting of Project site accounts and return of imprest accounts by the project site authority.

(vi) Review the overseas activities of the company with reference to estimates, actual cost and reason for variation between estimates and actual cost component-wise and profit and loss position.

(vii) Examine R&D activities.

(viii) Examine costing system and analysis of costs.

(ix) Examine Budgetary Control System.

(x) Examine internal control and internal audit system.

(xi) Examine cash management system.

(xii) Examine the system of energy audit introduced by the company vis-à-vis the consumption pattern.

(xiii) Examine the foreign collaboration agreement achievement there against and absorption of technology over the years.

(xiv) Examine material management and inventory control system.

(xv) Examine the system of accounting of scrap generated and disposal of scrap.

(xvi) Examine TA, LTC & Medical Rules and settlement of claims relating thereto.

(xvii) Examine the House Building Advance Scheme introduced by the company particularly with reference to the interest subsidy granted vis-à-vis the instruction of Government of India.

Periodicity of the Audit

Transaction Audit and the accounts audit is being conducted every year .Company has been divided into following units for transition audit

- Registered Office, Kolkata along with the following selected units
- Head Office and Works, Kolkata
- Delhi Office
- Zonal office, Mumbai
- Chennai
- Regional Office, Vadodara
- Regional Office, Bhubaneswar

Disinvestment

Cabinet committee of Economic Affairs (CCEA) in its meeting held on 17.02.2016 had approved the mechanism for Strategic Disinvestment. Based on the CCEA decision, Department of investment and Public Assets Management(DIPAM) issued instruction on 29.02.2016 for strategic disinvestment of the Company. In this regard, DIPAM has appointed Transction Advisor and Legal Advisor for Strategic Disinvestment of B&R. Asset valuer was appointed by Department of Heavy industry.

Invitation for Expression of interest (EoI) by the Government of India for proposed Strategic Disinvestment in Bridge &Roof Company India Limited was issued on 12.10.2017,EOI consisted of preliminary information Memorandum(PIM) and other information for short listing of interested Bidders.Last date for submission of EOI to YES Bank after extension was 09.01.2018. No bids were received till the due dates.

THE BRAITHWAITE BURN AND JESSOP CONSTRUCTION CO. LTD.

Company Profile

The Braithwaite Burn and Jessop Construction Company Limited was incorporated on 26th January 1935 by Braithwaite & Company (India) Limited, Burn & Company Limited and Jessop & Company Limited. Subsequently, it became a Government Company under section 619(B) of the Companies Act, 1956 with effect from 25th March 1977.

BBJ become a subsidiary of Bharat Bhari Udyog Nigam Limited (BBUNL) in the year 1987 through transfer of its entire shareholding in the name of the President of India, through BBUNL. The Braithwaite Burn and Jessop Construction Company Limited (A Govt. of India Undertaking) stands amalgamated with Bharat Bhari Udyog Nigam Limited (A Govt. of India Enterprise) w.e.f. 10th July, 2015. The Ministry of Corporate Affairs, Govt. of India by certificate dated 18th November, 2015 issued by the office of the Registrar of Companies, Kolkata, West Bengal, has changed the name of the company Bharat Bhari Udyog Nigam Limited to "The Braithwaite Burn and Jessop Construction Company Limited" with effect from 18th November, 2015 pursuant to rule 29 of the Company Incorporation rule - 2014.

The Company is under the administrative control of Ministry of Industry having its registered office in Kolkata

Objective

The main object of the Company is to carry on all or any of the business of constructional Engineers, Mechanical Engineers, public works and general contractors, manufacturers of and dealers in bridges and steel frame buildings, and steel and iron structures of all kinds etc.

Memorandum of Association, however, permits inter-alia the following further objects/activities:

(i) Electrician, etc.
(ii) Mining, etc.
(iii) General Merchandise, etc.
(iv) Steel and Iron Contractors.
(v) Banking.
(vi) Lending money.
(vii) Business of general manufactures, etc.
(viii) Purchase, Lease, Exchange.
(ix) Construct Tramways, etc.
(x) Construct markets, etc.

The micro and macro objectives of the company have not yet been spelt out by the Management.

Organisational set-up:

The Chairman-cum-Managing Director of the holding Company i.e. BBUNL is the Ex-Officio Chairman of the Board of the Company. Besides, there are, at present three more Directors in the Board. There is one Chief Executive to look after the day to day activities of the Company.

Capital structure:

The authorised share capital of the Company as on 31.3.2018 was 3481000 Equity Shares of `.1000 each. The paid up capital as on that date was 1037305 equity share of rupees 1000 each fully paid up. President of India and its nominee’s holds 100% of the equity.

Financial Highlights

(` in Lakhs)

Particulars	2017-18	2016-17
Revenue from Operations	8844.06	8218.18
Profit after Tax	238.60	1716.21
Earnings per share	19.95	165.45

Activities of the Company

The Company does not have any manufacturing activity. It has been engaged in erection of bridges (2nd Hooghly Bridge in Calcutta and Brahamaputra Bridge, Jogigopa Assam and other bridges).The Company successfully completed the Cuttack-Raghunathpur Bridge, tourist Complex in Berhampur and Piling/Sub structure work for Metro Railways. With the experience of completing the prestigious Delhi Metro Railway Project over busy crossings in Metro Cities, the Company expects to undertake similar projects in Mumbai, Bangalore and in Kolkata. The Company started providing consultancy services for Bridge erection and dismantling work and company procured a consultancy job in Sri Lanka for USD 90000. The Company has no major amount of inventory. The purchases are made for the particular erection site work on the basis of the requirements and the costs are debited directly to the contract work-in-progress. At present the company is mainly engaged in supply, fabrication and erection of spans through type girders over river and erection of welded plate girders, construction of bridges, jetty and marine structure etc.

Manpower

The Company had 101 people in its permanent cadre as on 31.3.2015

Applicable Rules Acts and Regulations

(i) The Companies Act 2013, Rules & Orders.
(ii) Bureau of Public Enterprises Guidelines/directives as and when issued.
(iii) Directives of the holding company (BBUNL) in the matter of funds, executions, etc.
(iv) Income Tax Act.
(v) Sales Tax Act.
(vi) Central Excise Act.
(vii) Provident Fund Act.
(viii) Contract Labour Act.
(ix) Gratuity Act.

Audit Checks

(i) Examine how the rates were quoted and whether there was any deficiency in the matter leading to subsequent losses due to escalation in prices/costs.
(ii) Examine the job contracts in depth to ascertain:
(a) Wrong estimation of the costs.
(b) Delayed execution of the jobs and reasons therefor.
(c) Loss due to wrong estimation/avoidable time and cost over-run.
(d) Liquidated damage payment.
(iii) Examine wastefulness in the matter of execution of contracts.
(iv) Examine terms as settled with foreign collaborators /technicians and actual additional burden, if any, beyond the agreed terms and authorisation thereof.
(v) Examine purchases with reference to the requirement as to quality specification, quantity, tender evaluation, etc.
(vi) Examine utilisation of fund received from Government through the holding company.
(vii) Examine adequacy of the coverage of Internal Audit with reference to Internal Audit Manual and Reports and their effectiveness in plugging lapses for improving efficiency in Management.
(viii) Examine approved D.O.D list, Inspection Report/Certificate of the customer in respect of purchase of bought out items, fabricated works as used in the construction of bridges.
(ix) Examine Measurement Book, Abstract of payment, etc in connection with checking of payments to the contractors.
(x) Examine costing system and analysis of cost.
(xi) Examine budgetary control system and its effectiveness.
(xii) Examine TA, LTC, Medical Rules etc and settlement of claims relating there to.
(xiii) Examine the role of the holding company in the affairs of the Company keeping in view the expenses incurred by it for the holding company.

(xiv) Examine the system of energy audit introduced by the Company vis-à-vis the consumption pattern.

(xv) Examine whether there is any rise in price of material etc and whether the company got reimbursement of such rise in price of material etc.

(xvi) Examine the impairment of assets, if any in the light of AS-28.

(xvii) Verify intangible assets as per AS-26.

(xviii) Examine the provision for current tax and deferred tax as per AS-22.

Disinvestment

Disinvestment has not been made during the year 2015-16

Periodicity of the Audit

Transaction audit and accounts audit is being conducted every year.

HINDUSTAN CABLES LIMITED

Company Profile

Hindusta Hindustan Cables Limited (HCL), a Government of India Undertaking, under the Ministry of Heavy Industries and Public Enterprises is a pioneer in the field of telecom cables in India. The Company was set up at Rupnarainpur, West Bengal in 1952 to make the country self-reliant in the manufacture and supply of various types of telecom cables.

The Company took over management of Machine Tool Works, Narendrapur in Calcutta from Cycle Corporation of India in 1984.

The Company's main products are Jelly filled and Fibre optic cables. It has one of the largest capacities of 120 Lac* conductor kilometres (LCKM) of Jelly filled cables. Manufacturing capacity for fibre optic cables is 40,000 fibre kilometres (FKM) per annum.

The Company's Turnkey Project Division (TKP) is engaged in executing external plant network for DOT/MTNL. The main object of TKP Division involves designing network systems, connecting cable network through exchanges and interfacing with major Trunk routes, Satellites, Microwaves and other Telecommunication Channels. TKP Division has become one of the largest executor of External Telecom Plant Network in the country.

The Company has been making losses continuously since 1995-96. The Cabinet approved a package of assistance for the Company in January, 1999 whereupon it performed satisfactorily during the first two years but the performance declined thereafter due to a number of reasons and the entire net worth gradually eroded. The Company was registered with the BIFR vide case no. 505/2002 in the year 2002. The Company functions under the administrative control of Ministry of Industry and has four units viz. (i) Rupnarainpur Unit (ii) Hyderabad Unit (iii) Fibre Optics Project, Naini, Allahabad and (i) Machine tools works, Narendrapur, West Bengal. Besides the Company is also having 2 (two) regional offices at New Delhi, and Kolkata. The Registered and Corporate Office of the Company is in Kolkata

Status In BIFR

The company has been registered with the Board for Industrial & Financial Reconstruction (BIFR) in the year 2002 vide case No.505/2002. The company is still under examination by BIFR.

Organisational Setup

The management of the affairs of the Company is vested in the Board of Directors headed by Chairman-cum-Managing Director. The day to day affairs are looked after by the Chairman-cum-Managing Director (CMD) who is assisted by two whole time directors. The Rupnarayanpur Unit and Hyderabad Unit of the Company are headed by GMs, (unit head) who report directly to the CMD.

Capital Structure:

The Authorised Capital of the Company was raised to Rs.6000.00 crores. The subscribed and paid share capital as on 31.03.2018 stood at Rs. 48658811250 divided into 4865881125 Equity shares of Rs.10 each.

Manpower

The Company during the year has taken specific initiatives towards development of human resources and employee relations. Efforts were directed towards facilitating the organisation to meet the challenges. The manpower strength as on 31.3.2018 was 2508 as against 2843 as on 31.3.2017

Financial Highlights

Summarised position of the Company's results for the year 2017-18 compared to 2016-17 is given below:

(` In Lakhs)

Particulars	**2017-18**	**2016-17**
Gross Income	4290.78	514.55
Operating Profit/Loss	66369.64	294078.70
Profit/Loss	70616.45	234846.15

There is no production and internal generation of fund in the company since 2003, due to complete obsolescence of its products arising out of advent of wireless technology.

Activities:

The Company, since its inception, had focused on developing an excellent product range of telecom cables. The product remained excellent in quality during its use in terms of performance, durability, reliability and serviceability. Consequently, the Company earned a good reputation in the market.

The company has become a sick industrial company within the meaning of clause “o” of subsection (1) of section (3) of SICA, 1985 and the company has been registered with the Board for Industrial & Financial Reconstruction (BIFR) in the year 2002 vide case No. 505/2002 and at present facing a huge financial crisis the result of which the company is in default in making the periodical compliances to stock exchanges where its shares have been listed.

Since 1995-96, the Company had been incurring losses. The dismal financial performance had been primarily responsible for stoppage of production at all its three plants since February, 2004. Some of the complexities in the operations of the Company are mentioned below:

a) Inability to perform in a fiercely competitive market in the product mix that it manufactures and sells.

b) Absence of an effective marketing function in the organization structure with no existence of international and diverse market segments for its product mix.

c) Inability to manufacture and market the state-of-the-art products, particularly in the area of OFC technology.

d) High costs of overhead and employee benefits resulting in non-competitive prices of its products.

e) Drastic reduction in the prices of telecom cables in the open market.

f) Seemingly unplanned, haphazard, and irregular investment planning for new capacity addition and expansion.

g) Inability to complete new product and process development projects with high time and cost overrun and abandonment of the projects altogether in certain cases.

h) Persistent lack of management initiative and planning for implementation of cost reduction techniques during pre-production, production and post-production stages.

i) Setting up of ‘dependency syndrome’ among the management geared exclusively toward procurement of customer orders from single customer and attempt to fulfil its requirements in order to be able to act as it's so called ‘favoured’ supplier.

j) BSNL did not release any order of PIJF Cables under the policy or reservation.

k) Operations in all the Units remained suspended during the year because of non-availability of order at remunerative price and shortage of working capital.

Internal Audit & Internal Control:

The Company is having an audit committee consisting of directors duly constituted by the board of directors, for last several years. The terms of reference of audit committee are to review and discuss with the Auditors periodically about internal control systems, the scope of audit and the observations of the Auditors, review of financial statements before submission to the board, adequacy of internal control systems and any matter referred by the Board.

Regarding Internal Control, the study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

In case the internal control system does not exist or the system is weak then it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control:

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

(i) Absence of appropriate segregation of duties consistent with appropriate control objectives;

(ii) Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;

(iii) Inadequate provisions for the safeguarding of assets;

(iv) Evidence of failure to safeguard assets from loss, damage or misappropriation;

(v) Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;

(vi) Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;

(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;

(viii) Absence of a sufficient level of control conscious within the Organization;

(ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and

(x) Failure to follow up and correct previously identified deficiencies in internal control.

Applicable Acts Rules and regulations

1. The Companies Act, 2013(the Act) and the rules made thereunder;
2. The Depositories Act, 1996 and the Regulation and bye Laws framed Thereunder;
3. The Regulations and guidelines prescribed under the Securities And Exchange Board of India Act, 1992 (SEBI ACT)
    a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations
4. SICA 1985
5. BFIR regulations
6. Income Tax Act & Rules.
7. Central Excise Act & Rules.
8. Sales Tax.
9. Factories Act.
10. Government notification/circulars issued time to time.
11. The Payment of Wages Act, 1936
12. The Minimum Wages Act, 1948
13. Employees State Insurance Act, 1948
14. The Employees Provident Fund and Miscellaneous Provisions Act, 1952
15. The Payment of Bonus Act, 1965
16. The Payment of Gratuity Act, 1972
17. Industrial Disputes Act, 1947
18. Employees' Pension Scheme 1995

Audit Check

The following points are to be verified while conducting audit:

1) Review the progress reports of the manufacture of cables and examine the reasons for wide variations in the monthly production achieved, with respect to the target set.

2) Review the utilization of machines, materials and labour and see that machines and labour are not left idle for long.

3) Review the agreements with the Technical Consultants in respect of schemes of cables manufacture and manufacture of fibre optics with special reference to the financial provisions and adherence to production targets, etc.

4) Review the fixation of sale price of cables.

5) Review the cost of production of cables manufactured form year to year and investigate the reasons for wide variations in cost compared to the previous year.

6) Review the cost records and examine the reasons for variations between estimated and actual cost separately for material and labour.

7) Review the percentage of scrap and defective production and examine the disposal of the same.

8) Review the production with reference to capacity of the plant and targets fixed by the management annually and examine the reasons for wide variations, if any, in the production actually achieved.

9) Examine critically the projects undertaken by the company through its project division.

10) Examine internal control and internal audit system.

11) Examine R & D activities and achievement there against.

12) Examine energy audit system and steps taken for conservation of energy with achievement there against.

13) Examine material management and inventory control system in the light of the non-moving and slow moving item.

14) Examine the major performance of the company in the execution of the export orders received and executed.

15) Examine the budgetary control system.

16) Examine the latest position of reference to BIFR. Examine whether techno-feasibility study has been made. If so, viability object may be looked into.

17) Examine the manpower position with reference to the present capacity utilization to the plant.

18) Examine the provisions of agreement/contract entered with BSNL with regard to Turnkey jobs.

19) Examine the service charges recovered from BSNL is commensurate with the jobs undertaken.

20) Examine the treatment & accounting of free material received from BSNL for implementation of Turnkey jobs.

21) Examine the procedure undertaken for sale of scrap to other parties.

Periodicity of the Audit

Transaction Audit and Accounts audit of the company is being conducted every year on cycle. Company is divided into following units/offices for audit purpose.

Registered and Corporate Office at Kolkata along with the following selected units/offices

(i) Rupnarainpur Unit
(ii) Hyderabad Unit
(iii) Fibre Optic Project, Naini
(iv) Machine Tools Works, Narendrapur
(v) Regional Office, New Delhi
(vi) Regional Office, Secunderabad
(vii) Regional Office, Kolkata
(viii) R&D Centre, Hyderabad

Disinvestment

The Union Cabinet has given its approval on 28.09.2016, inter alia, for closure of the company as per the provisions of the Companies act 1956/2013, Industrial Dispute Act 1947 and other relevant Acts.

HINDUSTAN PAPER CORPORATION LIMITED.

Company Profile

The Government of India set up HPC Ltd. on May 29, 1970 to produce substantial volume of cultural varieties of paper and newsprint to maintain stability of price and to act as the catalyst for industrial growth in the North-eastern Region. The Company functions under the administrative control of the Ministry of Heavy Industries with its Registered Office at New Delhi and Corporate Office at Kolkata The total production during F.Y 2014-15 was 167321 MT as compared to 144057 MT during the previous year.

The main activity of the Company is to produce writing and printing paper. HPC group has three subsidiary companies. HPC is the holding company for

- Hindustan Newsprint Ltd. (HNL)
- Nagaland Pulp & Paper Company Ltd. (NPPC).
- Jagdishpur paper Mills Limited

Nagaon Paper Mill (NPM) and Cachar Paper Mill (CPM) function directly under HPC's control and their performance is reflected in HPC's operating results.

The Company has two paper mills, The units are:

- Nagaon Paper Mills at Nagaon (NPM)
- Cachar Paper Mills at Cachar(CPM)

The NPM and CPM uses bamboo as the raw material for the purpose of producing the paper. The capacity utilization of NPM and CPM together is presently more than the installed capacity which is the highest so far. The CPM has been awarded ISO-14001 Certification for its Environment Management Systems (EMS) issued by the Bureau Veritas Quality International (BVQI) in February 2002. The Company produces various varieties of writing and printing paper like cream, wove, Maplitho, Copier Paper, offset printing paper, Base Paper, Computer Stationery Deluxe Paper etc. Recently, the Company has launched the HPC Copier Paper in 75 GSM. For manufacturing and marketing of writing and printing paper and newsprint, HPC has been awarded the ISO-9002 Quality Systems Certificate in August 1998.

Capital Structure and Financial Highlights

The authorised capital of the Company was 10000000 of ` 1000 each and ` 13, 66,778 number of 7% non-cumulative redeemable preference shares The paid-up capital of the Company as on the same date was 7183043 number of equity shares of `1,000 each fully paid up, (out of which three equity shares are held by nominees and 990000 shares of 7% non-cumulative redeemable preference shares. The President of India holds 100% equity of the company.

The total production during F.Y 2014-15 was 167321 MT

(`In Lakhs)

S.no	Particulars	2014-15	2013-14
1.	Sales turnover(Paper)	818.80	661.16
2.	Profit/Loss	(-)331.29	(-)118.50

Objective of the Company:

- To be a major contributor to the cultural segment in paper industry in terms of volume, quality, production standard, R&D and technology up gradation.
- To preserve the ecological balance and explore eco-friendly production process to strike a harmonious relationship between nature and industry.
- To provide thrust on product diversification manufacture value-added items like computer stationery, Copier paper, S.S. Maplitho etc.
- To increase utilization of unconventional raw materials and adopt recycling method to reduce dependence on forest resources.
- To explore and implement technological up gradation of the existing equipment for improved quality and increasing productivity.

Organisational Setup

The management of the affairs of the Company is vested in a Board of Directors headed by the Chairman-cum-Managing Director, who is assisted by Director (Operation) and Director (Finance) and Director (Marketing).company also has four part time Executive Directors

Manpower

The Company has complied with the Presidential Directives and other Government instructions and statutory provisions in the matter of reservation and concessions for different categories. As on 31/03/2015, 1870 out of on the Company's roll, the total number of lady employees in the organization stands at 68.In the year 2015-14 .Company has total 331 Executive and 1539 non-Executive employees

Marketing:

The Company performs marketing of its products through 5 Regional Sales Offices (R.S.O). These are the North Regional Sales Office in Delhi (Scope Minar Complex), Western Regional Sales Office in Mumbai (R.C.F New Office Complex, Priyadarshan, and 1st Floor), Southern Regional Sales Office in Chennai (Ali Towers, 1st Floor, and 55 Greams Road), Eastern Regional Sales Office in Kolkata (Ruby Building, 75 Park Street) and North Eastern Regional Sales Office in Guwahati (R.G.Barua Road). The Regional sales Manager is the in-charge of the Regional Sales Office. Each R.S.O has a number of sales depots (headed by the Depot Manager) for conducting the sales activities. The Company generally does the whole sale business through the stockists deployed for the purpose. As per indents placed by the stockists to the R.S.O through the Depots, the R.S.O places order for papers to the mills (NPM or CPM) through the Corporate Office (CHQ). The mills supply the papers through railway or road transport to the respective depots. For such storage purpose the depots have to use godowns of Central Warehousing Corporation (CWC) or State Warehousing Corporation (SWC). Realization of sales are collected by the depots and deposited immediately with the bank (non-operative) linked with each depot. The linked bank transmits the deposited amount to the operative bank in Kolkata either on that very day or in the next day. Thus the R.S.Os has to supervise the following work of the depots under its control:

i) Collection of indents from the stockists

ii) Indent forwarded to Planning & Production Department (PPD) Cell, CHQ, by respective depot

iii) Receipt of goods in time and in good condition by the depots

iv) Drawl of goods by the stockists in time

v) Sales realization properly

vi) Cases of delay if any, made by the transporters,

vii) Any damage of goods while in transport and lodging of claims thereof to the insurer.

viii) All work related to collection of Sale Tax Forms from the stockists, payment of Sale Tax and related function with the Sale Tax Authority

RSOs also have to keep a watch on

i) Whether there is any payment of rent for surplus space of any godown for a considerable period.

ii) Whether godowns are adequately covered by insurance,

iii) Whether movement of stock are being followed properly and systematically so that piling of old stock can be avoided,

iv) Whether necessary steps for early disposal of damaged stock and stock received with defective quantity (production defects) are taken or otherwise,

v) Whether the depot management is allowing the cash discount and other incentives to the stockists following the price circulars issued by the Corporate Office from time to time.

Sometimes the R.S.Os and the mills also initiate direct sales to the parties without going through the stockists. These parties are the Central Ministerial Organization or Central/State Government Institutions. In the case of such sales the company can avoid allowing cash discount or incentives allowed to the stockists.

The R.S.Os collect physical stock position from the Depots periodically and furnish the same to the Corporate Office and mills for their acknowledgement/further action.

Internal Audit Control:

The study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

The company in having an internal audit section managed its own staff and has not hired services of CA's as internal auditor. As stated over by the statutory auditor the implementation of the internal audit system needs to be strengthen by inducting professionally qualified and experienced accountants in the internal audit department.

In case the internal control system does not exist or the system is weak then it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control;

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

(i) Absence of appropriate segregation of duties consistent with appropriate control objectives;

(ii) Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;

(iii) Inadequate provisions for the safeguarding of assets;

(iv) Evidence of failure to safeguard assets from loss, damage or misappropriation;

(v) Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;

(vi) Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;

(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;

(viii) Absence of a sufficient level of control conscious within the Organization;

(ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and

(x) Failure to follow up and correct previously identified deficiencies in internal control.

Applicable, Acts, Rules, and Regulations

- The Companies Act, 2013
- Sales Tax Act
- Income Tax Act, 1961
- Indian Accounting Standards
- Acts relating to Environment management
- Factories Act, Workmen's Compensation Act, Minimum Wages Act etc.
- Guidelines/circulars issued by the Corporate Centre
- Central Excise Act
- Sick Industrial Companies (Special provisions) Act,1958

- Customs Duty and rules
- Provident Fund Rules
- BFIR regulations
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- Employees State Insurance Act, 1948
- The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- Industrial Disputes Act, 1947
- Employees' Pension Scheme 1995

Audit Checks

1. Physical verification reports of inventories of each depot of different Regional Sales Offices.
2. Records of payment of rent for the godown space
3. Records on non-moving/ slow moving stock and damaged /defective stock and disposal thereof
4. Records on loss in-transit and missing in-transit
5. Records on realization from the debtors, old debts and correspondence with the debtors
6. Indents placed by the stockists and drawl of stock by them.
7. Cash discount/incentive allowed to the stockists during a period comparing with the circulars/ orders of the corporate office regarding allowing of such discount/incentive during that period.
8. Financial benefit achieved by the company through implementation of any special scheme of allowing special cash discount/incentive for a particular period
9. Observations made by the Statutory Auditors/Government Auditors/Internal Auditors on the accounts of the previous year(s)/current year;
10. Fixed Assets register (like Land and Buildings, Plant and Machinery, Electrical Installation, Roads and Culverts, Building including drainage, Water Supply Installation);
11. Physical Verification Report of coal, fuel stores land spares parts and chemicals and the MAOCARO Report;
12. Amount of claim lodged with the Insurance companies and its settlement during the year;
13. Amount of abnormal losses incurred and demurrage, if any, paid by the Company;
14. Exchange rate variation paid and its impact on the profitability of the Company;
15. Details of items entering into Capital Work-in-progress should be seen;
16. It should be seen whether the management has identified non-moving/slow-moving inventory and proper provision has been made;
17. Closing stock and unfinished paper stock;
18. Calculation of gratuity, leave encashment;
19. Materials issued to the contractors;
20. Materials issued on loan;
21. Details of prepaid expenses and expenses written-off during the year;
22. Details of sundry debtors-both secured and unsecured;
23. Reconciliation of Cash and Bank balances;
24. Details of Loans and Advances-unsecured considered good and unsecured considered doubtful;
25. The foreign collaboration agreements, achievements there against, and absorption of technology over the years;
26. The pricing policy vis-à-vis the credit system and debt collection system of the Company;
27. Details of debtors like major institutional buyers, universities, schools publishing houses etc.;
28. The costing system and analysis of cost in each segment of the plant/mill keeping in view the Cost Audit Report;
29. Credit system and debt collection system of the Company.

30. Closing stock and unfinished paper stock;
31. Balance remaining with the Central Excise Department and any other authorities;
32. Details of recovery of interest from subsidiaries and employees.
33. TA, LTC and Medical Rules of the company and settlement of claims relating thereto. (Relevant records: Service books of the employees to find out whether leave is duly sanctioned, pay is properly fixed and leave encashment is properly taken);
34. Scrutiny of dead stock registers. (Relevant records: dead stock register and physical verification report).
35. Scrutiny of IT planning to see whether the hardware and software are purchased and deployed rationally.(Relevant records : IT planning and control, purchase register, tender file, records relating to obsolete hardware and software):
36. Scrutiny of assets of the Company to find if the assets are free from encumbrances;
37. Scrutiny of all contracts, both Capital as well as Repairs and Maintenance (to see the basis of selection of parties i.e. whether on single tender basis or open/limited tender basis, records on past performance, physical and financial capability of the contractor/supplier, nature of contracts i.e. fixed price or cost-plus-contract, liquidity damage clause, price variation clause are included in the agreement);
38. Examining the details revenue realization from guest houses of different location;
39. Reports of outside agency or corporate Centre on Technical Audit, Energy Audit and Environment (Pollution Control) Audit;
40. Procedure for placing of purchase orders, execution of orders, desired benefit achieved there from, procurement of materials (indents, availability in stock, NIT, finalization of purchase orders, inspection of material on receipt, stock entry and payment to the supplier);
41. Disposal of unserviceable surplus / non-moving stores;
42. Procedure for utilization/consumption of stores;
43. The production performance of the Company with reference to the rated capacity of the plants, its utilization, and targets vis-à-vis actual production, consumption norms of raw materials vis-à-vis actual there against;
44. The overall costing system and analysis of cost in each segment of the mill/plant;
45. Scrutiny of investments made by the company;
46. Scrutiny of Expenditure on foreign travel and to see that it confirms to the orders of the Government and does not violate any of the points of the orders.
47. Moreover, the details of Environment Management Plan and Environment Management System are also to be seen (Like disposal of solid waste, minimum emission of bio-degradable substances, compliance with relevant environment legislation and regulation, promotion of proactive and compensatory afforestation.

Periodicity of the Audit

Transaction audit along with the audit of consolidated financial statements is being conducted every year The Corporation is divided into following units for conducting transition audit.

1. Transaction Audit
   i. Corporate Office, Kolkata
   ii. Chennai
   iii. Guwahati
   iv. Kolkata
   v. Mumbai
   vi. New Delhi
   vii. Cacher Paper Mill, Assam
   viii. Nagaon Paper Mill, Assam

2 Accounts Audit

3. Audit of Consolidated Financial Statements

Disinvestment

The Corporation has not been selected for disinvestment in the year 2015-16.

HOOGHLY PRINTING COMPANY LIMITED

Company profile

The Hooghly Printing Co. Ltd. (Company) is a fully owned subsidiary of M/s Andrew Yule & Company Limited (A Government of India Enterprise). It is under the administrative control of Ministry of Heavy Industry, Government of India. The Company has been in existence since 1922 and is one of the pioneer printing presses located in Eastern India and is renowned for its quality printing.

The primary activity of the Company is offset printing. It has been in the business for more than 94 years. The customer profile of the Company is mainly Central and State Government Departments. Earlier some corporate organisations, viz., Remington Rand, Dunlop, Shaw Wallace, Stewart and Lloyds, Jessop, Bharat Brakes & Valves were also clients but most of these organisations are either defunct or have ceased to be in operation. In 1991, the company started modernisation and upgradation of technology with the induction of Bi-colour and Four-colours offset machines.
The Company at present does not have plant & machinery with high degree of precision to print high volume technically sophisticated jobs. The Company presently operates with sheet-fed offset printing within a space area of 9500 square feet in its existing premises at Chowringhee Road, Kolkata. At present, it has two numbers of 4-colour machine (Delta and Heidelberg) and one number of bi-colour HMT machine. However, the Company due to space constraints in its existing premises had taken permission to use the premises of Togami unit of Andrew Yule Company Limited and sub-contracted the work relating to web Offset Printing and post press functions to two Sub-contractors M/s Sristi Graphics and M/s K. C. Printing & Allied Works and allow the Sub-contractor to use the Company's premises, electricity, consumables to carry out the work with their own equipments and labours. The Board of Directors' of the Company in its meeting held on 22nd February 2018 decided to close down the business operation of the Company considering that future prospect of the Company is not financially viable

Organisational set up

The Management of the affairs of the Company vests in the Board of Directors, which consists of one whole time Chairman and who is assisted by and four other whole time Directors

Capital structure and Key financial highlights

(` In Lakh)

Particulars	UoM	2015-16	2016-17	2017-18
Turnover (value)	`/Lakh	1705.36	1614.05	914.12
Capital Expenditure	`/ Lakh	0.33	3.28	4.67
Revenue expenditure	`/ Lakh	1660.26	1695.37	1292.01
Paid-up capital	`/ Lakh	102.71	102.71	102.71
Long term Borrowings	`/ Lakh	372.33	-	--
Inventory (closing)	`/ Lakh	131.21	122.35	27.75
Grant received from govt.	`/ Lakh	0.00	0.00	0.00
Profit before Tax	`/ Lakh	29.34	23.00	(357.16)
Profit after Tax	`/ Lakh	12.66	(3.31)	(362.04)

APPLICABLE RULES, ACTS AND REGULATIONS

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (`SCRA') and the rules made thereunder
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. Factories Act,1948
6. The Payment of Wages Act, 1936

7. The Minimum Wages Act, 1948 [04]
8. Employees State Insurance Act, 1948
9. The Employees Provident Fund and Miscellaneous Provisions Act, 1952
10. The Payment of Bonus Act, 1965
11. The Payment of Gratuity Act, 1972
12. Industries (Development & Regulation) Act,1951
13. Industrial Disputes Act,1947
14. Employees' Pension Scheme 1995
15. Trademarks Act,1999
16. Copyright Act,1957
17. Patents Act,1957
18. The Environment (protection) Act,1986
19. Central Excise Act,1944

Periodicity of the Audit

Transaction and accounts audit of the company has been conducted till the year 2017-18.

Disinvestment

Company has not been selected for the disinvestment during the year 2015-16

JAGDISHPUR PAPER MILLS LIMITED (JPML)

1. **Company Profile**

Jagdispur paper mills is a subsidiary of Hindustan Paper Corporation limited. To diversify its product profile HPC envisaged setting up of a green field paper mill project with 3 lakhs tps capacity at Jagdishpur, U.P .The approval of the project was accorded by the government of India in the year 2007.

The Company functions under the administrative control of the Ministry of Heavy Industries with its Registered Office at Lucknow.

Implementation of the project was envisaged in two phases (i) Installation of paper Machine and Captive Power Plant with associated equipment (ii) Installation of captive Pulp Mill including Chemical Recovery Boiler and other TG and associated equipment in phase II

M/s Poyry Forest Industry Consulting, Finland had prepared the initial DPR in 2005. As per the original DPR 300000 tpa single paper machine operating with imported pulp was not advisable due to highly volatile and fluctuating pulp cost hence necessitated review of the DPR. Revised DPR was prepared by SPB-PC IN revised DPR Project implementation has been considered in two phase as

Phase I: Paper Machine of Capacity 150000 tpa with 200 tpd Bagasse based Pulp and 100tpd wood – based pulp line and 30 MW Power Plant.

Phase II: Paper machine of capacity 150000 tpa and 100000 tpa wood based pulp plant and 30 MW Power Plant.

PIB cleared the Project in 2014 with revised investment to ` 3650 Cr and revised DPR. The revised project cost would be `1650 in Phase –I and ` 2000 in Phase II .The Govt equity portion in Phase I would be` 733 Crore and Debt would be `917 crore

The land Allotted by UPSIDC for the project, has become Sub-judice and possession could not be taken .The company still has to start its production.

2. **Capital Structure and financial Performance**

The authorised capital of the Company is 5000000 of ` 10/- each and issued, paid-up capital of the Company as on the same date is 50007 number of equity shares of `. 10/- each fully paid up.

3. **Organisational Setup**

The management of the affairs of the Company is vested in a Board of Directors headed by the Chairman, who is assisted by Directors Presently the Board consists of four directors

4. **Acts, Rules, and Regulations**

1. The Companies Act, 2013
2. Sales Tax Act
3. Income Tax Act, 1961
4. Acts relating to Environment management
5. Factories Act, Workmen’s Compensation Act, Minimum Wages Act etc.
6. Central Excise Act
7. Sick Industrial Companies (Special provisions) Act,1958
8. Memorandum of Association and Articles of Association
9. Divisional/departmental reports on production and sales
10. Provident Fund Rules

5 Internal Audit & Internal Control

The study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information.

In case the internal control system does not exist or the system is weak then it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

1. Absence of appropriate segregation of duties consistent with appropriate control objectives;
2. Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;
3. Inadequate provisions for the safeguarding of assets;
4. Evidence of failure to safeguard assets from loss, damage or misappropriation;
5. Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;
6. Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;
7. Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;
8. Absence of a sufficient level of control consciousness within the organization;
9. Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and
10. Failure to follow up and correct previously identified deficiencies in internal control.

6 Periodicity of the Audit

Transaction and accounts audit of the company has been conducted till the year 2014-15.

7 Disinvestment

Company has not been selected for the disinvestment during the year 2015-16

NAGALAND PULP & PAPER COMPANY LIMITED

Company Profile

Nagaland Pulp & Paper Company Limited (NP&PCL) was incorporated on September 14, 1971 at Tuli, District: Mokokchung, Nagaland as a joint venture Company of the Government of Nagaland (GoN) and Hindustan Paper Corporation Limited (HPC), a Government of India Enterprise under administrative control of DHI, Ministry of HI & PE (Equity participation being 12.5% and 87.5% respectively). The Company was set up to manufacture writing and printing paper with an installed capacity of 100 TPD (33,000 TPA) using bamboo as raw material. The project was implemented at a cost of around `83.75 crores in 1981. The commercial production of the Mill had started on 1st July, 1982 but subsequently owing to non-availability of grid power from GoN, poor performance of power boiler and lower capacity utlisation due to non-operational Reed pulping street, poor law and order situation and exodus of outside experts the Company started making loss continuously. The Company was referred to BIFR on 07/04/1992 and the Mill operation was suspended from 01/10/1992.

Financial restructuring was approved by GOI in 1995 and net worth became positive. BIFR discharged the company from its purview on 13/11/1995. However, it was once again referred to BIFR in May 1998 when net worth became negative in 1997 and BIFR issued winding up order on 04/03/2002. Parliament Standing Committee on Industry took steps for revival on 15/04/2002. GoN and NPPC appealed before AAIFR in April 2002 against BIFR's winding up order. Detailed project Report (DPR) for revival was submitted to DHI in December 2002. The updated DPR with cutoff date of 31/08/2006 was approved by CCEA on 23/11/2003 and informed DHI on 05/12/2006. Project Rehabilitation and Revival Scheme submitted by Monitoring Agency (IDBI) was sanctioned by BIFR on 27/06/2007 at an estimated cost of `552.44 crores.

Objective of the Company

The main objective of the company is to promote, establish, execute and run industries, projects or enterprises for manufacturing, selling and/or export of pulp, paper, newsprint and various products from pulp and paper.

Organisational Set-Up

The management of the Company is vested in the Board of Directors. The Chairman of the Board is assisted by the director. The company also has One CEO (Chief Executive officer) for its day to day functioning presently company has seven Directors including government nominated director.

Manpower

Year	Executives (Deputationists)	Executives (Regular)	Supervisors	Workmen
2013-14	E-16, S-01	03	05	195
2014-15	E-10, S-01	03	04	176
2015-16	E-07, S-01	02	03	151

Capital Structure and financial Performance

The authorised capital of the Company was 15000000 of ` 100/- each The paid-up capital of the Company as on the same date was 6662007 number of equity shares of `. 100/- each fully paid up, Hindustan Paper Corporation Limited holds 99.06% of the equity shares and Government of Nagaland holds 0.94% equity of the company.

The company incurred a net loss of Rs 1537.53 Lakhs the accumulated losses incurred by the company till 31.03.2015 amounts to `12846.65 lakhs.Net worth of the company stands at (-) ` 6184.64 lakhs as on 31.03.2015.

Applicable Acts, Rules, and Regulations

1. The Companies Act, 2013
2. Sales Tax Act
3. Income Tax Act, 1961
4. Indian Accounting Standards

5. Acts relating to Environment management
6. Factories Act, Workmen's Compensation Act, Minimum Wages Act etc.
7. Guidelines/circulars issued by the Corporate Centre
8. Reports on the Company by external agencies
9. Central Excise Act
10. Sick Industrial Companies (Special provisions) Act, 1958
11. Memorandum of Association and Articles of Association
12. Divisional/departmental reports on production and sales
13. Customs Duty and rules
14. Provident Fund Rules

7 Internal Audit & Internal Control

The study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

In case the internal control system does not exist or the system is weak then it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

1. Absence of appropriate segregation of duties consistent with appropriate control objectives;
2. Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;
3. Inadequate provisions for the safeguarding of assets;
4. Evidence of failure to safeguard assets from loss, damage or misappropriation;
5. Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;
6. Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;
7. Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;
8. Absence of a sufficient level of control consciousness within the organization;
9. Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and
10. Failure to follow up and correct previously identified deficiencies in internal control.

Periodicity of the Audit

Transaction and accounts audit of the company has been planned for the year 2015-16.

Disinvestment

Company has not been selected for the disinvestment during the year 2015-16

TYRE CORPORATION OF INDIA LIMITED.

Company Profile

The Tyre Corporation of India Limited was incorporated on 24.02.1984. By virtue of an ordinance the Central Government acquired the undertakings of "INCHEK Tyre Ltd." and "National Rubber Manufacturers Ltd." and vested the undertakings of the aforesaid companies in Andrew Yule and Company Limited on and from 14th February 1984. Subsequently, on 5th March 1984 Govt. of India re-vested the asset and certain liabilities of the aforesaid companies from M/s. Andrew Yule and Company Ltd. to Tyre Corporation of India Ltd. on a going concern basis.

There are three manufacturing units of the Company located at Tangra, Kankinara and Kalyani in West Bengal. The Tangra Unit of the Company has, however, been sold out. An Asset Sale Committee has been constituted for the purpose of making valuation of assets and disposal thereof for Kalyani unit which had been closed in the year 1992.

Due to non-availability working capital from banks, the company is doing now 100% jobbing work for other major tyre manufactures with effect from 1st April 2002.

The company has been incurring losses. Company incurred loss of `1322.95 lakhs during the year 2010-11 and `1453.30 during the year 2009-10.

Capital Structure:

The authorized capital of the Company as on 31.03.2011 was `300 crore divided in 30, 00,000 equity shares of `1000 each. The issued, subscribed and paid up capital of the Company as on 31.03.2011 was `2963079 equity shares of `100 each. Fully subscribed by the Govt. of India.

Registered Office:

The Registered Office of the Company is in Kolkata.

Objective of the Company:

The main objectives of the Company are to deal in and manufacture and sell of Rubber House of all kinds, Rubber sheets and Belting of all descriptions, moulded rubber goods of all kinds and reclaimed rubber of all types and to construct, produce, prepare, manufacture, press vulcanize, repair, purchase, sell import, export and generally to deal in tyres, semi-tyres of any type of vehicles for heavy, light and passenger transport, cars trucks and buses, motor cycles, moped, scooter, cycle and rickshaw, tractors, aeroplanes, industrial tyres and solid tyres, inner tubes, flaps, repair materials, technical articles and other various articles and appliances made for natural and synthetic rubber, their derivatives and substitute rubber latex, synthetic resins and plastics in general etc.

Management:

The Company is managed by a Board of Directors with the Chairman-cum-Managing Director as the Chief Executive. The day to day affairs of the Company are looked after by Chairman-cum-Managing Director. C&MD is supported by the directors.

Manpower

TCIL employed 167 Regular employee (36 Executives and 131 Non- Executives) as on 31.3.2011. Further, 33 nos. on Short Term contract and 653 Labourers through O & M contract since long time passed (presently engaged through Cooperative Society). The retirement age in the Company is 58 years.

Internal Control

Internal procedures needs to be strengthened commensurate with the size of the Company and nature of its business for the purchase of inventory, fixed assets and for sale of goods and services.

The study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

In case the internal control system does not exist or the system is weak then it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control:

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

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2. Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;
3. Inadequate provisions for the safeguarding of assets;
4. Evidence of failure to safeguard assets from loss, damage or misappropriation;
5. Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;
6. Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;
7. Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;
8. Absence of a sufficient level of control conscious within the Organization;
9. Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements and
10. Failure to follow up and correct previously identified deficiencies in internal control.

Applicable Rules, Acts and Regulations.

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. Sick Industrial Companies (Special provisions) Act, 1958
3. The Securities Contracts (Regulation) Act, 1956 (`SCRA') and the rules made thereunder
4. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
5. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
6. Factories Act, 1948
7. The Payment of Wages Act, 1936
8. The Minimum Wages Act, 1948
9. Employees State Insurance Act, 1948
10. The Employees Provident Fund and Miscellaneous Provisions Act, 1952
11. The Payment of Bonus Act, 1965
12. The Payment of Gratuity Act, 1972
13. Industries (Development & Regulation) Act, 1951
14. Industrial Disputes Act, 1947
15. Employees' Pension Scheme 1995
16. The Environment (protection) Act, 1986
17. Central Excise Act,1944

Audit Checks

- Review the Working efficiency of the workshops with special reference to idle labour and unabsorbed capacity of machine.
- Critically examine the product mix-whether the product mix decided is according to the market demand and to maximize profit.
- Review the inventory of raw materials viz. rubber, chemicals etc. with reference to their usable life, loss due to long storing.
- Costing system and analysis of cost with particulars reference to the Cost Audit Reports.
- Critically examine the contracts with technical collaborators, achievement there and absorption of technology.
- Examine the ongoing projects such as modernization of plants etc implemented or to be implemented with reference to cost benefit analysis of such projects originally envisaged vis-a-vis actual achievements there against, if any.
- Examine the re-imbursement of LTC, TA, Medical claims, entertainment expenses and perquisites to the Managing Director and other top officials.
- Critically examine the economics of running the depots/ branches.
- Examine the adequacy of internal control and as well as internal audit system.
- Examine budgetary control system
- Examine energy audit system, steps taken for conservation of energy and achievements there against.
- Examine House Building Advance Schemes and payment of interest subsidy thereon with reference to the Government directives.
- Examine the manpower position with reference to the volume of operation. Critically examine the payment to contractors' labourers with reference to prevalent rules & regulations.
- Examination of purchase order files relating to general stores & spares and coal.
- Examination of transportation contract for transporting coal and lubricant oil.
- Examination of physical verification report of Assets, inventories.
- Examination of norms for Inventory holding-ordering, re-ordering level of Inventory.
- Examination of status of statutory dues viz PF dues, sales tax due, customs dues and I. Tax dues.
- Examination of Sundry Debtors.

Disinvestment

The company has not been selected for the Disinvestment.

Periodicity of Audit

The accounts audit of the company has been planned for the year 2015-16.

YULE ENGINEERING LTD.

Profile

Yule Engineering Ltd is a fully-owned Subsidiary of M/s. Andrew Yule & Company Limited (A Govt. of India Enterprise). It is under the Administrative-control of Ministry of Heavy Industries, Government of India. Subsidiary incorporated in the name of Yule Engineering Ltd. as per Sanctioned Rehabilitation Scheme (SRS).

Transfer of Assets and Liabilities of Engineering division to 100% subsidiary incorporated in the name of Yule Engineering Ltd. as per Sanctioned Rehabilitation Scheme (SRS) is pending. All transactions for the year ended 31st March, 2016 relating to aforesaid Division entered into by the Group in the name of Andrew Yule & Co. Ltd. (AYCL) have been accounted for in the Books of Accounts of AYCL.

Capital structure and Key financial highlights

(`In Lakh)

Sl. No	Particulars	INR
1.	Share Capital	5
2.	Reserves and surplus	(1.76)
3.	Total Assets	16.15
4.	Total Liabilities	16.15
5.	Profit after Taxation	(0.13)

Activities of the Company

Engineering

- Industrial Fans.
- Air Pollution and Water Pollution Control equipment's.
- Turn-key projects involving the above products.

Applicable Rules, Acts and Regulations

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 (`SCRA') and the rules made thereunder
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Factories Act, 1948
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- Employees State Insurance Act, 1948
- The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- Industries (Development & Regulation) Act, 1951
- Industrial Disputes Act, 1947
- Employees' Pension Scheme 1995
- Trademarks Act, 1999
- Copyright Act, 1957
- Patents Act, 1957
- The Environment (protection) Act, 1986
- Central Excise Act, 1944

Audit Check

(i) To examine Offer File, Order File such as works order booking file, sales billing file collection record to see that adequacy of orders, satisfactory despatch and prompt realization of dues.

(ii) To check the effectiveness of technical foreign collaboration agreement and delay in absorption of imported technologies.

(iii) To check the details of sales returns, defective products & reasons thereof and cost of replacement.

(iv) To verify avoidable circumstances, if any, against suspended jobs involving blocking up of working capital.

(v) To examine Purchase Requisition File, Purchase Order File, Vendors Bill Register.

(vi) To examine the cases of excess costs, underutilization of capacity in terms of men and machines.

(vii) To examine Store Indent File, Store Receipt, Factory Administration Department File.

(viii) To examine Excise Duty Register, Inventory Records, Third Party Stock Record.

(ix) To examine Salary and Wages File, Mechanic Advance Control.

(x) To examine Cash & Bank Book with vouchers, Debtors Control Ledger, Suppliers Control Ledger, Tour Advance Ledger, General Ledger Accounts.

(xi) To examine the debts considered doubtful of recovery and all aspects of contingent liability.

(xii) To verify adequacy of outside contracts vis-à-vis existing unutilized capacity, if any.

Periodicity of the Audit

Transaction and accounts audit of the company has been conducted till the year 2013-14.

Disinvestment

Company has not been selected for the disinvestment during the year 2015-16

YULE ELECTRICAL LTD

Profile

Yule Electrical Ltd is a fully-owned Subsidiary of M/s. Andrew Yule & Company Limited (A Govt. of India Enterprise). It is under the Administrative-control of Ministry of Heavy Industries, Government of India. Subsidiary incorporated in the name of Yule Electrical Ltd. as per Sanctioned Rehabilitation Scheme (SRS).

Transfer of Assets and Liabilities of Engineering division to 100% subsidiary incorporated in the name of Yule Electrical Ltd. as per Sanctioned Rehabilitation Scheme (SRS) is pending. All transactions for the year ended 31st March, 2016 relating to aforesaid Division entered into by the Group in the name of Andrew Yule & Co. Ltd. (AYCL) have been accounted for in the Books of Accounts of AYCL.

Capital structure and Key financial highlights

(In Lakh)

S. No	Particulars	INR
1.	Share Capital	5
2.	Reserves and surplus	(10.15)
3.	Total Assets	-
4.	Total Liabilities	-
5.	Profit after Taxation	(0.08)

Activity of the company

Electrical

- HT and LT Switchgear
- Transformer
- Relay and Contactors
- Turn-key projects on power distribution.

Applicable Rules, Acts and Regulations

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 (`SCRA') and the rules made thereunder
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. Factories Act, 1948
6. The Payment of Wages Act, 1936
7. The Minimum Wages Act, 1948
8. Employees State Insurance Act, 1948
9. The Employees Provident Fund and Miscellaneous Provisions Act, 1952
10. The Payment of Bonus Act, 1965
11. The Payment of Gratuity Act, 1972
12. The Maternity Benefit Act, 1961
13. Industries (Development & Regulation) Act, 1951
14. Industrial Disputes Act, 1947
15. Employees' Pension Scheme 1995
16. Trademarks Act, 1999
17. Copyright Act, 1957
18. Patents Act, 1957
19. The Environment (protection) Act, 1986

20. Central Excise Act, 1944

Periodicity of the Audit

Transaction and accounts audit of the company has been conducted till the year 2014-15.

Disinvestment

Company has not been selected for the disinvestment during the year 2015-16

BALMER LAWRIE & COMPANY LIMITED.

Company Profile

The company was founded by two Scotsmen, George Stephen Balmer and Alexander Lawrie, in Kolkata, Balmer Lawrie & Co. Ltd. on 1st February 1867.Balmer Lawrie is a Miniratna - I Public Sector Enterprise under the Ministry of Petroleum and Natural Gas, Govt. of India, with a turnover of ` 2895 crores and a profit of ` 234 crores. Along with its five Joint Ventures and two subsidiaries in India and abroad,

Today Balmer Lawrie & Company has six business units–

- Industrial Packaging,
- Greases & Lubricants,
- Leather Chemicals,
- Travel & Vacations,
- Logistics
- Refinery & Oil Field Services with offices spread across the country and abroad.

The Company became a Government company within the meaning of Section 617 of the Companies Act, 1956 with effect from 29.7.1972.

Subsidiaries;

- Balmer Lawrie (UK) Ltd. [BLUK]
- Visakhapatnam Port Logistics Park Limited [VPLPL]

Joint Ventures;

- Balmer Lawrie Van-Leer Ltd. [BLVL]
- Transafe Services Ltd. [TSL]
- AVI-OIL India Private Ltd. [AVI-OIL]
- Balmer Lawrie Hind Terminals Pvt. Ltd. [BLHTPL]
- Balmer Lawrie (UAE) LLC [BLUAE]

The Company is the subsidiary of M/S. Balmer Lawrie Investments Ltd. by virtue of its acquiring 61.8% Equity Shares of BL from IBP Co Ltd, through a scheme of Arrangement and Reconstruction between IBP Co. Ltd, Balmer Lawrie Investments Ltd and their respective Shareholders and Creditors. The Registered Office of the Company is located in Kolkata.

SAP implementation has been completed in all the SBU's i.e. Greases & Lubricants, Industrial Packaging, Leather Chemicals, and Refinery & Oil Field Services.

Objectives:

The main objects of the company are: -

(i) To carry on and conduct in all its branches the business acquired and to develop and extend the same.

(ii) To carry on all or any of the business of general merchants.

(iii) To import, export, buy, sell, pledge, merchandise, manufactured and un-manufactured articles.

The following micro objectives have been laid down in the corporate plan of the company: -

(i) Growth, profit and stability.

(ii) Risk disbursement but without impairing strengths of the company.

(iii) Promotion of anticipatory culture.

(iv) Quest for technological up gradation and high standards of quality.

(v) Promotion of export oriented activities and maximise foreign exchange earnings including earnings through joint ventures.

(vi) Benefits to society at large.

Capital Structure:

The Authorised Share Capital of the Company as on 31.03.2019 was ` 300.00 crores comprising of 300, 000,000 shares of ` 10 each against which Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 114002564.

Performance Highlights -

The Financial performance of the Company for the last three years ending 31.03.2019 was as follows: -

(` in Lakh)

PARTICULARS	2016-17	2017-18	2018-19
Sales (Net of Excise Duty)	182808	175810	177520
Other Miscellaneous Income	7309	7093	8152
Total Expenditure	164707	156792	157661
Profit before Tax	25410	26111	28010
Provision for Tax	8369	7630	9160
Profit after Tax	17041	18481	18850

Financial Performance of major SBUs in 2018-19 was as follows:

(` in lakh)

SBUs	Revenue	Profit before Interest & Tax
IP	63676	5416
LI	18761	4373
LS	33246	7971
T&V	15977	6025
G&L	37600	3854
Others	9854	372

Organisational structure:

The management of the affairs of the company is vested in the Board of Director. The Chairman of the holding company is the Ex-Officio Chairman of the company also. The day to day affairs of the company are looked after by the Managing Director who is assisted by other top level executive The Board of the Company currently consists of seven (7) directors out of which five (5) are Functional /Executive / Whole-time Directors including one (1) Woman Director and two (2) are non-Executive Government nominee Directors.

Manpower

The Company has complied with the Presidential Directives and other Government instructions and statutory provisions in the matter of reservation and concessions for different categories. The corporation has total 1069 employees, out of which corporation has has total 90 women employees.

Activities:

The Company has a diverse business portfolio spanning manufacturing and services sectors with each major business being recognized as a Strategic Business Unit (SBU). Activity of each SBU is mentioned hereunder.

Name and Description of main products / services	% to total turnover of the company

Greases & Lubricating Oils	21.13%
Industrial Packaging (Steel Drums)	35.26%
Logistics Infrastructure & Services	29.24%

I. Industrial Packaging (Sbu-Ip)

SBU-Industrial Packaging is the largest manufacturer and market leader of 200 Litres capacity Steel Drums in India. SBU has its presence in meeting Steel Drum requirements also in neighbouring countries as well. The major clientele includes Global Transnational customers and also large Indian Companies.

II. Grease and Lubricants (Sbu-G&L)

The Company is a participant in the industrial lubricants segment and accounts for a large share of the automotive greases through its own range of products as well as contract manufacturing for other oil/lube companies. The Company also markets a comprehensive range of automotive oils and has a strong portfolio of speciality greases and oils for industrial applications. the SBU recorded a 7.94% negative growth in turnover over the previous year.

III. Leather Chemicals [Sbu – Lc]

IV. Logistics

Under this SBU, there are two verticals vi., Logistics Infrastructure and Logistics Services. Details are provided for each of these separately.

- Logistics Infrastructure
- Logistics Services [ls]

Logistics Infrastructure business comprises three main segments , Container Freight Station (CFS) typically set up in the vicinity of Ports, Warehousing & Distribution (W&D) and Temperature Controlled Warehouses (Cold Chains). Air freight services continue to be a dominant activity of LS and provides more than 50% of the SBU’s overall top line.

The Logistics Services SBU of the Company encompasses a wide array of products, which include Air Freight Services, Ocean Freight Services, Chartering, Project Cargo Management,

V. Travel & Vacations [Sbu-T&V]

Travel and Vacations is one of the largest tours & travel operator in the country which provides end to end domestic and international travel, ticketing, tourism and MICE related services to its clients. Operating from more than 80 locations across 19 cities

Travel facilitation industry in which the SBU operates is populated by large number of firms. There are around 1500 IATA approved agents and over 15000 non-IATA agents operating in the industry. Of these, only about 20 are large operators with multi-locational presence. The SBU, one of the largest operators in organized sector, operates through twelve branches spread across the country. It primarily caters to government, corporate and institutional clients.

VI. Leather Chemicals (Sbu-Lc)

Leather chemicals are classified as (i) Beam house (Tanning), (ii) Wet end (Fat liquoring, Re-tanning and Dyeing) and (iii) Finishing chemicals. The SBU primarily operates in Wet end sector with two broad product segments i.e. fat liquors and syntans (used for re-tanning) which account for one- third of the leather chemicals market in value terms.

VII. Refinery & Oil Field Services [Sbu-Rofs)

The SBU: Refinery & Oilfield Services is engaged in the activity of Mechanised Sludge, Sediment Cleaning & Hydrocarbon Recovery Services of the Crude oil storage tanks. This continues to be a niche industry with a very limited number of players and the Company is a pioneer and leader in this mar The SBU continues to enjoy sizable market share in the processing of oily sludge ket.

Internal control:

The SBU is governed by performance budget system and internal control measures to monitor performance against targets, norms. BIS certificate is available for all plants of the SBU. All the six plants under the SBU are certified to ISO 9001:2008 and ISO 14001:2004. Five plants are certified for ISO 18001:2007. Additional checks are maintained through Internal Audit, vigilance Inspection, etc.

The study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data. In case the internal control system does not exist or the system is weak it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

(i) Absence of appropriate segregation of duties consistent with appropriate control objectives;

(ii) Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;

(iii) Inadequate provisions for the safeguarding of assets;

(iv) Evidence of failure to safeguard assets from loss, damage or misappropriation;

(v) Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;

(vi) Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;

(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;

(viii) Absence of a sufficient level of control conscious within the organisation;

(ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and

(x) Failure to follow up and correct previously identified deficiencies in internal control.

Applicable Acts, Rules and Regulations.

- The Companies Act, 2013 (the Act) and the Rules made there under
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder
- The Depositories Act, 1956 and the Regulations and Bye-laws framed thereunder
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

i. SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
ii. SEBI (Prohibition of Insider Trading) Regulations, 2015
iii. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009
iv. SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
v. SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

vi. SEBI (Delisting of Equity Shares) Regulations, 2009(if applicable to the Company during the
vii. Audit Period);
viii. SEBI (Buyback of Securities) Regulations, 2015 (if applicable to the Company during the Audit Period);
ix. Corporate Governance Guidelines issued by the Department of Public Enterprise vide their OM.2005- GM dated 14th May, 2010

- Legal Metrology Act, 2009
- Customs Act, 1962
- Explosive Act, 1884 and Explosive Rules, 2008
- Foreign Trade Development and Regulation Act, 1992
- Secretarial Standards issued by the Institute of Company Secretaries of India which came into effect from 01.07.2015
- The Listing Agreements entered into by the Company with The BSE Limited and The National Stock Exchange of India Ltd. which were applicable upto 30.11.2015 and thereafter SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) from 01.12.2015 to 31.03.2016
- Factories Act and Rules.
- Workmen's Compensation Act.
- Sales Tax Act.
- Provident Fund Rules.
- Petroleum Act, 1934 (30-1934) and the rules made thereunder.
- The Oilfields (Regulation and Development) Act 1948
- The Petroleum pipelines (Acquisition of Right of User in land) Act, 1962
- Kerosene (Restriction on use and fixation of price) Order, 1993.
- Kerosene (Fixation of Ceiling prices) Order, 1970.
- Paraffin Wax (supply, Distribution and Price Fixation) Order, 1972.
- Light Diesel Oil (Fixation of Ceiling Price) Order, 1973,
- The ESSO (Acquisition of Undertaking in India) Act, 1974 (4 of 1974)
- The Oil Industry (Development) Act, 1974 (47 of 1974) and Rules 1975.
- Furnace Oil (Fixation of Ceiling Price and Distribution) Order, 1974.
- The Burmah-Shell (Acquisition of Undertaking in India) Act, 1976
- The Caltex Acquisition of shares of Caltex Oil Refining (India) Limited and of the Undertakings in India Caltex (India) Limited Act, 1977
- Domestic Gas Pvt, Limited and parcel Investment private Limited takeover of Management Act, 1979.
- Kosan Gas Acquisition Act. 1979.
- Lubricating Oils & Greases (Processing, Supply and Distribution) Regulation Order 1987.
- Liquefied Petroleum Gas (Regulation of supply and Distribution) Order, 1993.
- Motor Spirit and High Speed Diesel (Prevention of Malpractices in Supply and Distribution) Order, 1990

12. Audit checks

Propriety Audit

(i) Examine the performance of the company in respect of manufacturing activities pertaining to Barrels & Drums, Greases and Specialty Lubricants, Marine Freight Containers, LPG Cylinders, Leather Chemicals, Performance Chemicals and other Chemicals and Specialties with reference to the utilisation of rate capacity, orders received and executed, estimated and actual cost of production, targets vis-à-vis actual production, utilisation of raw materials, technological deficiencies, profit & loss position.

(ii) Examine the trading and services rendered by the company in the light of sales budget and actual there against, reasons for actual variances, marketing network of the company including market survey system, terms and conditions with the joint ventures and associates and profit & loss position.

(iii) Examine R&D activities and achievement there against.

(iv) Examine energy audit system, steps taken for conservation of energy and achievement there against.

(v) Examine costing system and analysis of costs.

(vi) Examine material management and inventory control system particularly in the light of the non-moving, slow moving and obsolete items.

(vii) Examine pricing policy, period of credit allowed and system existing for collection of debts.

(viii) Examine internal control and internal audit system.

(ix) Examine budgetary control system and its effectiveness.

(x) Examine foreign collaboration agreements, achievements there against and absorption of technology.

Accounts Audit

1. Activities like production, procurement and marketing for improving the working of the company.
2. Sales files Sundry Debtors, Bad and doubtful debts
3. Records of liabilities and term loan files, if any,
4. Files viz. Sales Tax, Municipal Tax, and Income Tax etc.
5. Cash book and test check of vouchers in details (of selected month)
6. Bank Book Bank Reconciliation Statement, Bank Statement with examination of receipts/payments / withdrawals etc.
7. Subsidy files, if any.
8. Fixed Asset Register
9. Physical verification report of stores and stock.

The Accounts Audit mainly covers compliance of Companies Act,2013 and the directives issued by the Institute of Chartered Accountants of India and Comptroller and Auditor General of India. The auditor should thoroughly examine / analyse the financial statements and ascertain whether:

- Financial statements are prepared in accordance with acceptable accounting standards;
- Financial statements are presented with due consideration to the circumstances of the audited entity;
- Sufficient disclosures are presented about various elements of financial statements; and
- The various elements of financial statements are properly evaluated, measured and presented.
- The methods and technique of financial analysis depend to a large degree on the nature, scope and objectives of audit, and on the knowledge and judgement of the auditor. Above all the accounts of the company should depict true and fair view.

Marketing

The retail marketing of petroleum products in India is done by the Public Sector Oil Marketing Companies (OMCs) i.e. Indian Oil Corporation Ltd (IOCL), Hindustan Petroleum Corporation Ltd (HPCL), Bharat Petroleum Corporation Ltd. (BPCL), Numaligarh Refinery Ltd. (NRL), Mangalore Refinery & Petrochemicals Ltd. (MRPL) and Private Companies such as Reliance, Essar, and Shell. Etc.

There are 320 Terminal/Depots, 186 LPG Bottling Plants, 52248 Retail Outlets, 13896 LPG Distributorships, and 6582 SKO/LDO Dealers in the country. The prices of sensitive petroleum products such as SKO, LPG and Diesel (HSD) is controlled by Government. All other products are deregulated and are subject to market forces. The Ministry regulates the distribution policies of the sensitive petroleum products including petrol (MS).

Distribution of shareholding as on 31st march 2019

Particulars	**Total No of Shares**	**% of Holding**
Institutional Investors	10606770	9.30
Bodies corporate	73998008	64.91
Individual	27059122	23.74
Others	2338664	2.05
Total	114002564	100

Company has not been selected for the Disinvestment in the year 2018-19.

Periodicity of the Audit

The company is divided into units and further into offices, sections for transaction audit of the corporation .Transaction audit is being conducted every year on rotation. Accounts audit is being conducted every year.

BALMER LAWRIE INVESTMENTS LIMITED

Profile of the Company

Balmer Lawrie Investments Limited, which was incorporated on 20 September 2001 under the Companies Act, 1956(Companies Act 2013) as special purpose vehicle to hold the shares of Balmer & Lawrie Co. ltd offloaded by IBP ltd. The Government of India in view of its planned deregulation of the oil and globalisation of the economy, decided to disinvest 33.58% of its total equity holding of 59.58% in IBP Co. Limited to a strategic partner with management control. In consequence to such disinvestment, the shareholding of IBP Co. Limited in its erstwhile subsidiary, Balmer Lawrie & Co. Limited, was decided to be de-merged in favour of Balmer Lawrie Investments Limited, which was incorporated on 20 September 2001 under the Companies Act, 1956(Companies Act 2013), in which the President of India holds 59.67% of its total paid up equity capital.

Balmer Lawrie Investments Limited is a non-banking financial Company as defined under section 45-I (f) of the Reserve Bank of India Act, 1934. On the basis of application given by the Company the RBI in exercise of their power conferred under section 45-NC of the Reserve Bank of India Act, 1934, has exempted the Company to comply with the formalities of registration and minimum net owned funds subject to the Compliance of the following provisions:

a. The Company shall not conduct any business of financial institution as specified in section 45-I(c) and (f) of the RBI Act, 1934, other than acquiring shares of Balmer Lawrie & Co. Ltd., from IBP Co. Limited and subsequent disinvestment of these shares;

b. The Company shall not deal with or transact in any other securities;

c. The Company shall divest its shareholding and wind up its business on completion of disinvestment of shares of Balmer Lawrie & Co. Ltd & the exemption granted hereunder stands cancelled in the event breach of any of the above conditions by the Company

Business

The Company does not carry on any business except to hold 1, 00, 64,700 equity shares of Rs.10/- each of Balmer Lawrie & Co. Ltd. The Registered Office of the Company is situated in the State of West Bengal. The registered and only office of the Company is situated at Kolkata

Organisational structure

Balmer Lawrie Investments Limited, is presently under the administrative control of the Ministry of Petroleum & Natural Gas, Government of India. The total strength of its Board is three and all are non-executive and out of which two are government nominee directors.

Subsidiary Companies:

The Company has three subsidiaries namely, Balmer Lawrie & Co. Ltd., Visakhapatnam Port Logistics Park Limited (VPLPL) and Balmer Lawrie (U.K.) Ltd. (BLUK) (since VPLPL and BLUK are the subsidiaries of Balmer Lawrie & Co. Ltd.).

Capital structure and financial highlights

The company has Authorised share capital of `.25, 00, 00,000/- (Rupees Twenty Five crore) divided into 2, 50, 00,000 Equity shares of Rs.10/- each.

Issued and subscribed capital of the Company is `.22, 19, 72,690/- (Rupees Twenty Two crore Nineteen lakhs Seventy Two thousand Six Hundred Ninety only) divided into 2, 21, 97,269 equity shares of `.10/- each.

The Equity shares of the Company are listed in the Calcutta Stock Exchange and BSE Limited

Financial results

(` In Lakhs)

Particulars	2018-19	2017-18
Profit before Tax	7818.90	5545.89
Provision for Tax	228.00	182.00
Net profit	7590.90	5363.89

The income of company is primarily dividend received from its subsidiary company Balmer and Lawrie ltd and interest income received from the deployment of surplus funds with scheduled commercial banks.
The surplus of the funds has been deployed with commercial banks in fixed deposit schemes. As on 31st march 2016 total amount deployed was ` 8300.

Manpower

The company for incorporated as special purpose vehicle to hold the shares of Balmer & Lawrie Co. ltd offloaded by IBP ltd.it holds 61.88%
The company does not has any employees of its own .the company does not have and functioning directors, all the directors are part time non-executive directors.

Internal financial control

Company appoints internal auditor as per section 138 read with rule 13 of companies (accounts) rules 2014 as well as sectorial auditor as per section 204 of the companies Act 2013.
The study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.
In case the internal control system does not exist or the system is weak it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:
(i) Absence of appropriate segregation of duties consistent with appropriate control objectives;
(ii) Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;
(iii) Inadequate provisions for the safeguarding of assets;
(iv) Evidence of failure to safeguard assets from loss, damage or misappropriation;
(v) Evidence that a system fails to provide complete and accurate output consistent with the auditee’s control objectives because of the misapplication of control procedures;
(vi) Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;
(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;
(viii) Absence of a sufficient level of control conscious within the organisation;
(ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and
(x) Failure to follow up and correct previously identified deficiencies in internal control.

Audit Checks

- See whether there is any erosion in the value of the security held by the Bank.
- Verify the One Time Settlement (OTS) proposals sanctions by the company.

- Valuation of securities on the basis of stock market value or the latest available balance sheet.
- Examine compliance of the requirements of AS-9 with respect to Revenue Recognition.
- Examine the resource mobilization strategy aimed at minimizing cost and replacing high cost funds with low cost ones.
- During transaction audit the auditor should ensure that IT issues are understood, documented and thoroughly examined and a para on level of computerization should be included in the report.
- Review of financial and risk management policies
- Interoperate loans and investments

List of acts rules and regulations

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder
(iii) The Depositories Act, 1956 and the Regulations and Bye-laws framed thereunder
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
b) SEBI (Prohibition of Insider Trading) Regulations, 2015
c) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009
d) SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
f) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
g) SEBI (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit Period);
h) SEBI (Buyback of Securities) Regulations, 1998 (not applicable to the Company during the Audit Period);
(vi) Corporate Governance Guidelines issued by the Department of Public Enterprise
(vii) Laws specifically applicable to the industry to which the Company belongs
d) Foreign Trade Development and Regulation Act, 1992
(i) Secretarial Standards issued by the Institute of Company Secretaries of India which came into effect from 01.07.2015
(ii) The Listing Agreements entered into by the Company with The BSE Limited and The National Stock Exchange of India Ltd. which were applicable up to 30.11.2015 and thereafter SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)

About Marketing

The retail marketing of petroleum products in India is done by the Public Sector Oil Marketing Companies (OMCs) i.e. Indian Oil Corporation Ltd (IOCL), Hindustan Petroleum Corporation Ltd (HPCL), Bharat Petroleum Corporation Ltd. (BPCL), Numaligarh Refinery Ltd. (NRL), Mangalore Refinery & Petrochemicals Ltd. (MRPL) and Private Companies such as Reliance, Essar, and Shell.
There are 320 Terminal/Depots, 186 LPG Bottling Plants, 52248 Retail Outlets, 13896 LPG Distributorships, and 6582 SKO/LDO Dealers in the country. The prices of sensitive petroleum products such as SKO, LPG and Diesel (HSD) is controlled by Government. All other products are deregulated and are subject to market forces. The Ministry regulates the distribution policies of the sensitive petroleum products including petrol (MS).

Periodicity of the Audit

Transaction audit and accounts audit being conducted every year.

Disinvestment

Disinvestment has not been made during the financial year 2015-16

NUMALIGARH REFINERY LIMITED (NRL)

Company Profile

Numaligarh Refinery Limited (NRL), which was set up at Numaligarh in the district of Golaghat (Assam) in accordance with the provisions made in the historic Assam Accord signed on 15th August 1985.The Numaligarh Refinery Limited was dedicated to the nation on 9th July, 1999. Commencement of commercial production were started in October, 2000NRL has been conferred the status of Mini Ratna PSU.

Product of NRL are LPG, Naphtha, Motor Spirit (MS), Aviation Turbine Fuel (ATF) Superior Kerosene Oil (SKO) High Speed Diesel (HSD), Raw Petroleum Coke (RPC) Calcined Petroleum Coke (CPC) & Sulphur.

The Company's refining business has continued to deliver record performance registering a growth of 10.14% as compared to the previous year due to better price realization. Record Profit before tax (PBT) of `1,882.86 crores was registered by the company in 2015-16 compared to `1,134.25 crores in the previous year. Higher profit during the year was mainly on account of better margin realization.

Physical Performance

Particulars	2015-16	2014-15
Crude(TMT)	2520	2777
Sales(TMT)	2619	2695

Joint Venture Companies

- **Brahmaputra Cracker and Polymer Limited (BCPL):**

NRL has 10% equity participation in the joint venture company Brahmaputra Cracker and Polymer Limited which has implemented the Assam Gas Cracker Project (the first ever Petrochemical project in North East India) in Dibrugarh district of Assam.

DNP Limited

Joint Venture between Assam Gas Company Limited,(AGCL), Oil India Limited (OIL) and Numaligarh Refinery Limited (NRL) and was incorporated on 15th June, 2007 with an authorized share capital of `170.00 crores. As on 31st March, 2016, the paid up share capital of DNP Limited was`167.25 crores. The present shareholding of the Company as on 31st March 2016 stands at AGCL (51%), NRL (26%) and OIL (23%). The registered office of the Company is at Guwahati, Assam with its operational headquarters at AGCL, Duliajan. The main object of DNP Limited is transportation

Capital Structure and Key financial highlights

The present authorized capital of the company is ` 1000 crores and paid up capital is `.735.63 crores. The shareholding pattern as on 31-03-2006 is given below:

Share Holders	**Shares**	**Percentage (%)**
Bharat Petroleum Corporation Limited	453545964	61.65
Govt. of Assam	90821337	12.35
Oil India Limited	191264202	26
Total	735631544	100

Financial performance that of the previous year are summarized below:

(`In Crore)

Particulars	**2015-16**	**2014-15**
Gross Revenue from Operations	11925.44	10827.05
Profit after Tax	1224.35	719.74
Earnings per share (Rs.)	16.64	9.76
Net Worth	3963.87	3359.29

Organisational structure

Board of Directors

NRL is a Government Company under Section 2(45) of the Companies Act, 2013 by virtue of being a subsidiary of Bharat Petroleum Corporation Limited (BPCL), a Government Company. In terms of Articles of Association of the Company, the number of Directors shall not be less than three and more than fifteen.

The company has a The Chairman and Managing Director, C&MD who is supported by Director Technical and Director Finance.

As on 31st March, 2016, the Board of NRL comprised of three Whole Time Directors including the Managing Director, two Independent Directors, one Part-time (Ex-Officio) Director from Govt. of India and two Part-time (Ex-Officio) Directors from Promoters, namely, BPCL (one) and Govt. of Assam (one).

Internal Control Systems and their adequacy

The Company has well established and adequate control mechanism with IT enabled services across the organization. NRL review business activities on a continuous basis to an independent internal audit department comprising of officers from finance and technical functions, conducts round the year risk focused audit to ensure sound systems and procedures in its business with robust checks and controls measures.

The audit committee, on behalf of the Board of Directors periodically assesses the adequacy and effectiveness of internal control systems in detecting fraud and irregularities, infringement of laws, nonconformity to rules and regulations, by reviewing the work and findings of Internal Audit

Manpower

The manpower strength of NRL as on 31st March 2016 was 878, as detailed below:

Group	Total Employees	Female
A.	436	35
B	-	-
C	440	9
D	2	
Total	878	44

The Training and Development department continued to play a critical role in imparting training and skill development at Numaligarh Refinery Limited for both management.

Audit Checks

1. Examine in detail the operation of Bauxite Mines with reference to the excavation plan originally contemplated, revised mine plan, mining method, selective mining technique, quality of Bauxite originally envisaged, fall in quality of bauxite, impact on cost of mining per ton due to changes affected at the implementation stage necessitating additional equipment as well as residual life of the mine.
2. Examine the performance of the primary crusher, mechanical workshop for repair & maintenance of the equipment and the conveyor belt attached to the mine.
3. Examine the performance of the alumina plant with reference to the utilisation of rated capacity, quality of the products, consumption of raw materials, cost of production, target vis-a-vis actual production and cost & variances particularly attributable to fall in quality of bauxite and problems of operation of the sand separation section and red mud separation section of the plant.
4. Examine the handling system of alumina, its transportation to the Aluminium plant and also for transportation to Vizag for export along with cost involvement.
6. Examine the performance of the steam generation plant attached to alumina plant.

7. Examine the performance of the Smelter plant with reference to utilisation of rated capacity, production target, actual production, cost of production, variances particularly due to non-availability of required quantity and quality of alumina from the alumina plant.

8. Examine the performance of the captive power plant, the cost of generation and distribution transmission loss, cost of maintenance etc. Verify recovery of dues from GRIDCO for sale of power.

9. Check the capitalisation of RPU and marketing of rolled product.

10. Examine the R & D activities e.g. Nickel plant and achievement thereto and the cost Involved.

11. Capitalisation of borrowing cost as per AS-16.

12. Examine the overall costing system and analysis of cost in each segment of the project and also keep in view the cost audit report.

13. Examine the expansion scheme, their objective and achievement with reference to cost and output.

14. Examine the budgetary system and the internal control system as well as reports of the internal auditors.

15. Examine energy audit report and see whether the suggestion made in the report to save energy has been implemented or not. If not, the reasons attributed by Management may be examined.

16. Examine TA rules, medical rules, LTA etc. and examine the bills preferred by the employees in this regard. Ascertain whether the claims were genuine or otherwise

17. Examine CBI/Vigilance report/cases.

18. Examine inventory control and Management system particularly with reference to slow moving non-moving etc.

19. Examine foreign collaboration agreement its terms of payment and implementation in company's activity.

20. Examine pricing policy vis-a-vis credit system and debt collection system.

21. Examine the pending court/arbitration cases and find out whether any award/order has been issued which are detrimental to the interest of the company.

22. See the pending Income tax/Sales tax cases and find out the reasons for pending, amount involved etc.

23. Examine impairment of assets as per AS-28 and verify intangible assets as per AS-26.

24. Examine the provision for current tax and deferred tax as per AS-22.

25. Amendment to AS 2, 4, 6, 10, 13, 14, 21 and 29 issued by the Institute of Chartered Accountants of India, pursuant to issuance of amendments to Accounting Standards by the MCA.

26. The mines has life span which varies from 15 years to 40 years. After the mine has exhausted its reserve, it is necessary for the company who has taken the mines from the government on lease to put it on the same way it was handed over to the company. Mine closure is an important and strict compliance to be ensured by the auditors.

27. Examine the impact of cost of power to products, its impact on production and readiness for the future requirements

Applicable Rules, Acts, Regulations

1. The Companies Act, 2013 (the Act) and the rules made thereunder; of Company Secretaries of India.
2. Factories Acts and Rules;
3. The Petroleum Act 1934 and Petroleum Rules, 2002;
4. Gas Cylinder Rules;
5. Indian Boiler Regulations;
6. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;
7. The Environment (Protection) Act, 1986;
8. Explosives Acts, 1884
9. Air (Prevention and Control of Pollution) Act, 1981;

10. The Electricity Act, 2003;
11. Guidelines from the Ministry of Petroleum & Natural Gas;
12. Order, Instructions, Guidelines of the Department of Public Enterprises, Government of India and other concerned Ministry including Government of Assam;
13. Other miscellaneous orders issued by the top management of the Company from time to time on diverse matters.
14. Income Tax Act & Rules.
15. Sales Tax-State/CST
16. Central Excise Petroleum Act, 1934 (30-1934) and the rules made thereunder.
17. The Oilfields (Regulation and Development) Act 1948
18. The Petroleum pipelines (Acquisition of Right of User in land) Act, 1962 (
19. Kerosene (Restriction on use and fixation of price) Order, 1993.
20. Kerosene (Fixation of Ceiling prices) Order, 1970.
21. Paraffin Wax (supply, Distribution and Price Fixation) Order, 1972.
22. Light Diesel Oil (Fixation of Ceiling Price) Order, 1973,
23. The ESSO (Acquisition of Undertaking in India) Act, 1974
24. The Oil Industry (Development) Act, 1974 (47 of 1974) and Rules 1975.
25. Furnace Oil (Fixation of Ceiling Price and Distribution) Order, 1974.
26. The Burmah-Shell (Acquisition of Undertaking in India) Act, 1976
27. The Caltex Acquisition of shares of Caltex Oil Refining (India) Limited and of the Undertakings in India Caltex (India) Limited Act, 1977
28. Domestic Gas Pvt, Limited and parcel Investment private Limited takeover of Management Act, 1979.
29. Kosan Gas Acquisition Act. 1979.
30. Lubricating Oils & Greases (Processing, Supply and Distribution) Regulation Order 1987.
31. Liquefied Petroleum Gas (Regulation of supply and Distribution) Order, 1993.
32. Motor Spirit and High Speed Diesel (Prevention of Malpractices in Supply and Distribution) Order, 1990

Marketing

The retail marketing of petroleum products in India is done by the Public Sector Oil Marketing Companies (OMCs) i.e. Indian Oil Corporation Ltd (IOCL), Hindustan Petroleum Corporation Ltd (HPCL), Bharat Petroleum Corporation Ltd. (BPCL), Numaligarh Refinery Ltd. (NRL), Mangalore Refinery & Petrochemicals Ltd. (MRPL) and Private Companies such as Reliance, Essar, and Shell.
There are 320 Terminal/Depots, 186 LPG Bottling Plants, 52248 Retail Outlets, 13896 LPG Distributorships, and 6582 SKO/LDO Dealers in the country. The prices of sensitive petroleum products such as SKO, LPG and Diesel (HSD) is controlled by Government. All other products are deregulated and are subject to market forces. The Ministry regulates the distribution policies of the sensitive petroleum products including petrol (MS).

Periodicity of the audit

Transaction Audit is being conducted rotationally and accounts audit is also being conducted every year The Company is divided into following units for transaction audit
(i) Registered office, Guwahati
(ii) Co-ordinating Office, New Delhi
(iii) Regional Office, Kolkata
(iv) Marketing Terminal, Siliguri

Disinvestment

Shareholding Pattern as on 31.3.2016

Share Holders	Shares	Percentage (%)

Bharat Petroleum Corporation Limited	453545964	61.65
Govt. of Assam	90821337	12.35
Oil India Limited	191264202	26
Total	735631544	100

The company has not been selected for disinvestment during the financial year 2015-16.

ASSAM ASHOK HOTEL CORPORATION LIMITED

Profile

Assam Ashok Hotel Corporation is subsidiary of The Indian Tourism Development Corporation limited (ITDC), ITDC holds 51% of the shares of the Assam Ashok Hotel corporation .ITDC came into existence in October 1966 and has been the prime mover in the progressive development, promotion and expansion of tourism in the country. To construct, take over and manage existing hotels and market hotels, Beach Resorts, Travellers' Lodges/Restaurants.

Presently, ITDC has eight subsidiaries, namely

1. Ranchi Ashok Bihar Hotel
2. Ashok Hotel Corporation Limited
3. Assam Ashok Hotel Corporation Limited.
4. Donyi Polo Ashok Hotel Corporation Limited
5. Pondicherry Ashok Hotel Corporation Limited
6. Punjab Ashok Hotel Company Limited
7. Utkal Ashok Hotel Corporation Limited
8. ITDC Aldeasa India Pvt. Ltd

The corporation has archived a turnover of `647.32 lakhs during the financial year 2014-15 as against `832.53 lakhs in the previous year 2013-14.The is a decrease by 22.24%.The corporation suffered loss of (118.80) lakhs during the year 2014-15

The Hotel Brahmaputra Ashok, a unit of Assam Ashok Hotel Corporation Limited was commissioned in Guwahati in the year 1987. In January 1982, Indian Tourism Development Corporation Limited (ITDC) approved setting up of a 3 star hotel as a joint venture with the Government of Assam at an estimated cost of `.150 Lakh at Guwahati on the bank of river Brahmaputra. The project cost was revised (June 1987) to ` 280.00 Lakh and the project was finally commissioned in June 1987. The Registered Office of the Company is at Guwahati.

In the matter of Assam Ashok Hotel Corporation Ltd. the lease period of the land taken on lease from the government of Assam is to expire on 08-07-2016. Our opinion is not qualified in respect of this.

Objectives

The main objects of the Company are:

- To carry on the business of owning, managing, running, constructing, purchasing, acquiring, operating or entering into contract with other parties with regard to operation of hotels, motels, restaurants, canteens, Cafeterias, lodges, guest houses etc.
- To establish, own and manage transport units, rental agencies, travel and transport counters etc.
- To develop tourism activities in the State of Assam.

Capital Structure

The corporation (ITDC) holds 51% of the shares of the Assam Ashok Hotel corporation ltd. The Authorized share capital of the company as on 31st March, 2015 was `.450.00 lakh divided into 45,000 equity shares of `1000/- each and Paid up capital Rs.100 lakh divided into 10,000 equity shares of `.1000/- each fully paid up out of which I.T.D.C holds 5100 equity shares of `1000/- each, and the Government of Assam holds balance 4900 shares of `1000/- each.

Manpower

The corporation had a strength of 65 employees. Out of the total employees the company has five women employees which constitutes 8%of the total strength of the total workforce.

Management

As per Article 85 of article of association of the company, the directors are nominated by ITDC Ltd & State government of Assam. The management of the Company comprises of the Chairman and Managing Director and other members on the Board of Directors. The day to day affairs of the Hotel is managed by a General Manager while a Manager (Accounts) is in-charge of the Accounts Department of the Company. Presently there are five director on the board of AAHCL.

Financial Highlights

The corporation has archived a turnover of ` 647.32 lakhs during the financial year 2014-15 as against ` 832.53 lakhs in the previous year 2013-14.The is a decrease by 22.24%.The corporation suffered loss of – (118.80) lakhs during the year 2014-15

(` In lakhs)

Sl.No	Particulars	2014-15	2013-14
1.	Occupancy	51	60
2.	Turnover	647.32	832.53
3.	Profit	(-)118.80	35.55

The Company has accumulated losses at the end of the financial year is `73448275, which is more than the net worth of the company.

Internal Audit and Internal Control

Regarding Internal Control the study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

In case the internal control system does not exist or the system is weak then it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

(i) Absence of appropriate segregation of duties consistent with appropriate control objectives;

(ii) Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;

(iii) Inadequate provisions for the safeguarding of assets;

(iv) Evidence of failure to safeguard assets from loss, damage or misappropriation;

(v) Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;

(vi) Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;

(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;

(viii) Absence of a sufficient level of control conscious within the Organisation;

(ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and

(x) Failure to follow up and correct previously identified deficiencies in internal control.

Applicable Acts Rules and Regulations

- Companies Act, 2013
- Environment (Protection) Act, 1986
- Water (Prevention and Control of Pollution) Act, 1974

- Central Excise Act, 1944
- Central Sales Tax Act, 1956
- Customs Act, 1962
- Income Tax Act, 1961
- Wealth Tax Act, 1957
- Consumer Protection Act, 1986
- Sale of Goods Act, 1930
- Sales Tax Act & Rules
- Provident Fund Rules.

Audit Checks

The followings major areas are to be looked

1. Review the particulars of Bed strength, earnings per Bed and occupancy ratio with reference to the tariff fixed. Also verify tariffs with reference to the cost statement.
2. See that proper checks on the consumption of foodstuffs issue of dishes on basis of Tickets, billing and realization have been exercised.
3. Examine the earning in Foreign Currency with reference to the receipt of the same and conversion into Indian Currency.
4. Review the terms of annual agreement entered into with the parties to use the rooms as holiday home.
5. Examine the system for allowing discount to the customers.
6. Examine the publicity activities undertaken by the company to improve upon the occupancy position of the hotel and tourism activities.
7. Examine the internal control system and internal audit.
8. Examine the system for purchase of raw materials, their accounting, issue, control over consumption with reference to norms fixed reasons for variances and corrective steps taken.
9. Examine the system followed for documentation and safe custody of receipt books, their issue.
10. Examine the system/records for daily sales, accounting of sale proceeds, remittance of the money/ cheque to Bank, custodian of the cash etc.
11. Examine the sundry debtor’s position and reasons for poor recovery.
12. Examine the working results of the company particularly for incurring losses.
13. Examine the steps taken for conservation of energy and achievement there against over the years.
14. Examine the CBI & Vigilance cases, if any.
15. Examine the TA, LTC and Medical Rules of the company and settlement of claims relating thereto.
16. Examine the inventory position.
17. Utilisation of government grants.
18. Capital work-in-progress

Periodicity of the audit

The transaction audit of the company has been conducted every year and account audit of the Corporation is not being conducted during the year 2015

Disinvestment

The company has not been selected for the disinvestment

DONYI POLO ASHOK HOTEL CORPORATION LIMITED

Profile

Donyi polo Ashok Hotel corporation is subsidiary of The Indian Tourism development corporation limited (ITDC), ITDC holds 51% of the shares of the Donyi polo Ashok Hotel corporation .ITDC came into existence in august 1987 and has been the prime mover in the progressive development, promotion and expansion of tourism in the country. To construct, take over and manage existing hotels and market hotels, Beach Resorts, Travellers' Lodges/Restaurants.

Presently, ITDC has eight subsidiaries, namely

1. Ranchi Ashok Bihar Hotel
2. Ashok Hotel Corporation Limited
3. Assam Ashok Hotel Corporation Limited.
4. Donyi Polo Ashok Hotel Corporation Limited
5. Pondicherry Ashok Hotel Corporation Limited
6. Punjab Ashok Hotel Company Limited
7. Utkal Ashok Hotel Corporation Limited
8. ITDC Aldeasa India Pvt. Ltd

The corporation has archived a turnover of ` 262.49 lakhs during the financial year 2014-15 as against ` 278.20 lakhs in the previous year 2013-14.The is a decrease by 5.65%.The corporation suffered loss of (2.83) lakhs during the year 2014-15

The Donyi polo Ashok Hotel Corporation is a Central Public sector Enterprise .It is a joint venture between ITDC limited and Arunachal Pradesh Industrial Development & financial corporation limited (APIDFCL) The Registered Office of the Company is at Itanagar.

Objectives

The main objects of the Company are:

- To carry on the business of owning, managing, running, constructing, purchasing, acquiring, operating or entering into contract with other parties with regard to operation of hotels, motels, restaurants, canteens, Cafeterias, lodges, guest houses etc.
- To establish, own and manage transport units, rental agencies, travel and transport counters etc.
- To develop tourism activities in the State of Arunachal Pradesh.

Capital Structure

The corporation (ITDC) holds 51% of the shares of the Donyi polo Ashok Hotel corporation ltd. The Authorized share capital of the company as on 31st March, 2015 was `.100.00 lakh divided into 100000 equity shares of `100/- each and Paid up capital `.99.75 lakh of which ITDC holds `50.89 lakh and that of APIDFC holding `48.86

Management

As per Article 85 of article of association of the company, the directors are nominated by ITDC Ltd & State government of Arunachal Pradesh. The management of the Company comprises of the Chairman and Managing Director and other members on the Board of Directors. Presently there are two director on the board with a Chairman and a Managing Director.

Financial Performances

The corporation has archived a turnover of `262.49 lakhs during the financial year 2014-15 as against ` 278.20 lakhs in the previous year 2013-14.The is a decrease by 5.65%.The corporation suffered loss of (2.83) lakhs during the year 2014-15

(`In lakhs)

S.No	Particulars	2014-15	2013-14
1.	Turnover	262.49	278.20
2.	Operating Profit	8.52	38.18
3.	Profit	(2.83)	22.74

Internal Audit and Internal Control

The company has internal control and internal audit commensurate to its size. The company appointed D. Patwary & Co as internal auditor for the year 2015.Regarding Internal Control the study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information.

In case the internal control system does not exist or the system is weak then it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

(i) Absence of appropriate segregation of duties consistent with appropriate control objectives;

(ii) Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;

(iii) Inadequate provisions for the safeguarding of assets;

(iv) Evidence of failure to safeguard assets from loss, damage or misappropriation;

(v) Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;

(vi) Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;

(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;

(viii) Absence of a sufficient level of control conscious within the Organisation;

(ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and

(x) Failure to follow up and correct previously identified deficiencies in internal control.

Applicable Acts Rules and Regulations

- Companies Act, 2013
- Environment (Protection) Act, 1986
- Water (Prevention and Control of Pollution) Act, 1974
- Central Excise Act, 1944
- Central Sales Tax Act, 1956
- Customs Act, 1962
- Income Tax Act, 1961
- Wealth Tax Act, 1957
- Consumer Protection Act, 1986
- Sale of Goods Act, 1930
- Sales Tax Act & Rules
- Provident Fund Rules.

Audit Checks

The followings major areas are to be looked

1. Review the particulars of Bed strength, earnings per Bed and occupancy ratio with reference to the tariff fixed. Also verify tariffs with reference to the cost statement.
2. See that proper checks on the consumption of foodstuffs issue of dishes on basis of Tickets, billing and realization have been exercised.

3. Examine the earning in Foreign Currency with reference to the receipt of the same and conversion into Indian Currency.
4. Review the terms of annual agreement entered into with the parties to use the rooms as holiday home.
5. Examine the system for allowing discount to the customers.
6. Examine the publicity activities undertaken by the company to improve upon the occupancy position of the hotel and tourism activities.
7. Examine the internal control system and internal audit.
8. Examine the system for purchase of raw materials, their accounting, issue, control over consumption with reference to norms fixed reasons for variances and corrective steps taken.
9. Examine the system followed for documentation and safe custody of receipt books, their issue.
10. Examine the system/records for daily sales, accounting of sale proceeds, remittance of the money/ cheque to Bank, custodian of the cash etc.
11. Examine the sundry debtor's position and reasons for poor recovery.
12. Examine the working results of the company particularly for incurring losses.
13. Examine the steps taken for conservation of energy and achievement there against over the years.
14. Examine the CBI & Vigilance cases, if any.
15. Examine the TA, LTC and Medical Rules of the company and settlement of claims relating thereto.
16. Examine the inventory position.
17. Utilisation of government grants.
18. Capital work-in-progress

Periodicity of the audit

The transaction audit of the company has been conducted every year and Certification audit has been conducted during the year 2015.

Disinvestment

The company has not been selected for the disinvestment

UTKAL ASHOK HOTEL CORPORATION LIMITED

Profile

Utkal Ashok Hotel corporation is subsidiary of The Indian Tourism development corporation limited (ITDC), ITDC holds 91.54 % of the shares of the Utkal Ashok Hotel corporation It has been the prime mover in the progressive development, promotion and expansion of tourism in the country. To construct, take over and manage existing hotels and market hotels, Beach Resorts, Travellers' Lodges/Restaurants.

During the year under review, ITDC released loan of total `3, 52,50,000/- at a rate of interest of 12.5% per annum to M/s Utkal Ashok Hotel Corporation Ltd., a joint venture subsidiary of ITDC for meeting out VRS liability of employees, payment of outstanding salaries of staff, statutory obligations and day-to-day expenditures.

The company has no operation.

Presently, ITDC has eight subsidiaries, namely

1. Ranchi Ashok Bihar Hotel
2. Ashok Hotel Corporation Limited
3. Assam Ashok Hotel Corporation Limited.
4. Donyi Polo Ashok Hotel Corporation Limited
5. Pondicherry Ashok Hotel Corporation Limited
6. Punjab Ashok Hotel Company Limited
7. Utkal Ashok Hotel Corporation Limited
8. ITDC Aldeasa India Pvt. Ltd

Capital Structure

The corporation (ITDC) holds 91.54% of the shares of the Utkal Ashok Hotel corporation ltd. 11,90,000 Equity Shares of ` 10 Each and 35,00,000 14% Non-cumulative Preference Share of ` 10 Each Redeemable on 30-03-2017.

Financial Performances

The corporation has no turnover during the financial year 2015-16 the corporation suffered losses of (-) 197.42 lakhs during the year 2015-16.The company has Reserves ` (-) 2330.05 lakhs.

During the year under review, ITDC released loan of total `3, 52, 50,000/- at a rate of interest of 12.5% per annum to M/s Utkal Ashok Hotel Corporation Ltd., a joint venture subsidiary of ITDC for meeting out VRS liability of employees, payment of outstanding salaries of staff, statutory obligations and day-to-day expenditures.

Internal Audit and Internal Control

Regarding Internal Control the study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

In case the internal control system does not exist or the system is weak then it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

(i) Absence of appropriate segregation of duties consistent with appropriate control objectives;

(ii) Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;

(iii) Inadequate provisions for the safeguarding of assets;

(iv) Evidence of failure to safeguard assets from loss, damage or misappropriation;

(v) Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;

(vi) Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;

(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;

(viii) Absence of a sufficient level of control conscious within the Organisation;

(ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and

(x) Failure to follow up and correct previously identified deficiencies in internal control..

Applicable Acts Rules and Regulations

- Companies Act, 2013
- Environment (Protection) Act, 1986
- Water (Prevention and Control of Pollution) Act, 1974
- Central Excise Act, 1944
- Central Sales Tax Act, 1956
- Customs Act, 1962
- Income Tax Act, 1961
- Wealth Tax Act, 1957
- Consumer Protection Act, 1986
- Sale of Goods Act, 1930
- Sales Tax Act & Rules
- Provident Fund Rules.

Audit Checks

The followings major areas are to be looked

1. Review the particulars of Bed strength, earnings per Bed and occupancy ratio with reference to the tariff fixed. Also verify tariffs with reference to the cost statement.
2. See that proper checks on the consumption of foodstuffs issue of dishes on basis of Tickets, billing and realization have been exercised.
3. Examine the earning in Foreign Currency with reference to the receipt of the same and conversion into Indian Currency.
4. Review the terms of annual agreement entered into with the parties to use the rooms as holiday home.
5. Examine the system for allowing discount to the customers.
6. Examine the publicity activities undertaken by the company to improve upon the occupancy position of the hotel and tourism activities.
7. Examine the internal control system and internal audit.
8. Examine the system for purchase of raw materials, their accounting, issue, control over consumption with reference to norms fixed reasons for variances and corrective steps taken.
9. Examine the system followed for documentation and safe custody of receipt books, their issue.

10. Examine the system/records for daily sales, accounting of sale proceeds, remittance of the money/ cheque to Bank, custodian of the cash etc.
11. Examine the sundry debtor's position and reasons for poor recovery.
12. Examine the working results of the company particularly for incurring losses.
13. Examine the steps taken for conservation of energy and achievement there against over the years.
14. Examine the CBI & Vigilance cases, if any.
15. Examine the TA, LTC and Medical Rules of the company and settlement of claims relating thereto.
16. Examine the inventory position.
17. Utilisation of government grants.
18. Capital work-in-progress

Periodicity of the audit

The company has no operations so no audit has been conducted

Disinvestment

The company has not been selected for the disinvestment

BRAHMAPUTRA CRACKER AND POLYMER LIMITED (BCPL)

Profile of the Company

The project Assam Gas Cracker project, the first ever Petrochemical project in entire North East India. The project came as a part of the historic Assam Accord signed on 15th August, 1985 with the motive of overall socio-economic development of the region. It was approved by the Cabinet Committee on Economic Affairs (CCEA) on 18th April, 2006. Subsequently a Joint Venture Company BCPL was incorporated on 08th January, 2007 as Central Public Sector Enterprise under the under the Department of Chemicals & Petrochemicals, Govt. of India.

GAIL (India) Limited is the main promoter having 70% of equity participation and the rest 30% is equally shared by Oil India Ltd (OIL), Numaligarh Refinery Limited (NRL) and Government of Assam.

BCPL comprises of four work stations, GDU Duliajan where Feed Natural Gas is received from M/s. Oil India Limited, Railway Siding where Naphtha received from M/s. NRL is unloaded, Lakwa GSU Cum C2+ Hydro Carbon Recovery Unit where Feed Natural Gas supplied by M/s. ONGC is processed and The Main Petrochemical Complex at Lepetkata, Dibrugarh where Polymers are being produced after processing the feed stocks

The principal end products of the complex are High Density Polyethylene (HDPE) and Linear Low Density Polyethylene (LLDPE) totalling 2, 20,000 Tonnes per Annum (TPA) and 60,000 TPA of Poly-Propylene (PP). The other products include Hydrogenated Pyrolysis Gasoline and Pyrolysis Fuel Oil.

Objects

- To produce petrochemical products using natural gas, naphtha or any petroleum products as feedstock and devise an effective distribution system for the same in North-east region of India.
- To develop market for petrochemical products, mainly in North-east region of the country.
- To relentlessly strive to exceed the expectations of the customers in delivering quality products through use of state of the art technologies and implementation of best practices in the areas of operations, safety, health and environment.

Manpower

The employee strength of your Company as on 31st March, 2015 was 434 including 353 executives and 81 non- executives out of which 60% are from the North East Region. In addition 52 executives are on secondment/deputation from the promoter Company i.e., GAIL. This includes 46 women employees comprising 10.3 % of the total workforce.

Moreover, continuous recruitment process is going on to hire more human resources in different disciplines having various skills, knowledge, experiences and ability to make up the balance requirement of human resources in your Company.

Internal Control

The company has a risk management policy is in place. Quarterly internal audit is being conducted by the Internal Auditors, M/s Deloitte Haskins & Sells. The progress and activities of your Company is being continuously monitored and reviewed at all levels including the holding Company, GAIL, the State and Central Government authorities.

Organisational structure

Board of Directors of Company consisted of eleven Directors including an ex-officio Chairman nominated by GAIL, two Government Nominees (representing MoC&F and MoP&NG), one Non Official Part time Director and two Functional Directors including the Managing Director. The Nominee Directors are appointed in accordance with the Joint Venture Agreement and the Articles of Association of the Company.

Capital structure and Financial highlights

The shares of company are held by the promoters in the proportion:

- GAIL: 67.56%,
- Government of Assam: 10.81%,
- Oil India Limited: 10.81%
- Numaligarh Refinery Limited: 10.81%.

As on 31st march 2015 the Authorised capital of the company was equity shares 2000000000 of ` 10/- each and Paid up capital of the company was 1173710113 equity shares of `10/- each.

Applicable Rules Regulations and Acts

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Petroleum Act 1934
3. Petroleum and Minerals Pipelines (Acquisition of Rights of User Inland) Act 1962 Explosives Acts
4. The Oil Industry (Development) Act 1974
5. The Mines Act 1952
6. Mines and Minerals (Regulations and Development) Act 1957
7. Guidelines from the Ministry of Chemicals and Fertilisers.
8. Order, Instructions, Guidelines of the Dept. of Public Enterprises, Gov. of India, and Government of Assam.
9. Petroleum Act, 1934 (30-1934) and the rules made thereunder.
10. The Oilfields (Regulation and Development) Act 1948
11. The Petroleum pipelines (Acquisition of Right of User in land) Act, 1962
12. Kerosene (Restriction on use and fixation of price) Order, 1993.
13. Kerosene (Fixation of Ceiling prices) Order, 1970.
14. Paraffin Wax (supply, Distribution and Price Fixation) Order, 1972.
15. Light Diesel Oil (Fixation of Ceiling Price) Order, 1973,
16. The ESSO (Acquisition of Undertaking in India) Act, 1974
17. The Oil Industry (Development) Act, 1974 (47 of 1974) and Rules 1975.
18. Furnace Oil (Fixation of Ceiling Price and Distribution) Order, 1974.
19. The Burmah-Shell (Acquisition of Undertaking in India) Act, 1976
20. The Caltex Acquisition of shares of Caltex Oil Refining (India) Limited and of the Undertakings in India Caltex (India) Limited Act, 1977
21. Domestic Gas Pvt, Limited and parcel Investment private Limited takeover of Management Act, 1979.
22. Kosan Gas Acquisition Act. 1979.
23. Lubricating Oils & Greases (Processing, Supply and Distribution) Regulation Order 1987.

24. Liquefied Petroleum Gas (Regulation of supply and Distribution) Order, 1993.
25. Motor Spirit and High Speed Diesel (Prevention of Malpractices in Supply and Distribution) Order, 1990

Disinvestment

Company has not been selected for Disinvestment.

Marketing

The retail marketing of petroleum products in India is done by the Public Sector Oil Marketing Companies (OMCs) i.e. Indian Oil Corporation Ltd (IOCL), Hindustan Petroleum Corporation Ltd (HPCL), Bharat Petroleum Corporation Ltd. (BPCL), Numaligarh Refinery Ltd. (NRL), Mangalore Refinery & Petrochemicals Ltd. (MRPL) and Private Companies such as Reliance, Essar, and Shell.

There are 320 Terminal/Depots, 186 LPG Bottling Plants, 52248 Retail Outlets, 13896 LPG Distributorships, and 6582 SKO/LDO Dealers in the country. The prices of sensitive petroleum products such as SKO, LPG and Diesel (HSD) is controlled by Government. All other products are deregulated and are subject to market forces. The Ministry regulates the distribution policies of the sensitive petroleum products including petrol (MS).

Periodicity of the Audit

The transaction and accounts audit of the company is being conducted every year, for transaction audit the company has been divided into following units

Registered Office at Guwahati along with the following selected offices

(i)Project Office at Dibrugarh

(ii)Project Execution Office, Noida

CENTRAL INLAND WATER TRANSPORT CORPORATION LTD.

Profile

The Central Inland Water Transport Corporation Ltd. (Corporation) was incorporated on 22nd February 1967 under the companies Act, 1956 and promoted by the Government of India, Government of West Bengal and Government of Assam by taking over the assets and certain liabilities of the erstwhile River Steam Navigation Company Ltd. (RSN Company) under a scheme of arrangement approved by the Kolkata High Court on 3rd May 1967. The Company started functioning as an independent Company with effect from May 1967 and commenced its business with effect from 5th June 1967. The Company is under the administrative control of Ministry of Shipping and Transport (MOST) with its Registered and Head Office at Kolkata.

Since its inception CIWTC was incurring losses due to inherent limitation and infrastructure bottle necks and never could become viable company. The Union cabinet at their meeting held on 31.8.2016 approved the Dissolution Of Central Inland Water Transport Corporation Ltd.

Capital Structure

The authorised capital of the Company as on 31.3.2016 was 251.00 crore comprising of 2510000 equity shares of `.1000 each. The paid up capital of the Company was 130.48 crore divided into 25, 09,323 nos equity shares `520/- each paid up .Contributed by the Government as follows.

a) Government of India 130.34 Core
b) Government of West Bengal 0.06 Crore
c) Government Of Assam 0.08 Crore

Financial Highlights

(In Lakh)

S.no	Particulars	2015-16	2014-15
1.	Operational Earnings	71.28	93.43
2.	Other Earnings	316.69	1075.86
3.	Net Profit/Loss	(288.65)	886.86

Objective of the Company:

As per Memorandum of Association, the main objects of the Corporation are:

•To establish, maintain and operate shipping, water transport and road transport and lighterage services.

•To purchase, charter, hire or acquire in any manner and to build, equip, operate and maintain ships, vessels and waterborne craft of every kind.

Management

The management of the Company vests in the Board of Directors. The day to day affairs of the Company are looked after by a full time Chairman-cum-Managing Director who is assisted by the Board of Directors and executives.

Man power

The Voluntary Retirement Scheme (VRS) was implemented in CIWTC .Out of 252 employees as on 31.3.2015, 247 employees were released under VRS and only five employees are continuing on companies roll.

Cabinet proposal on Dissolution of Central Inland Water Transport Ltd

The union Cabinet at their meeting held on 31.08.2016 approved the proposal on Dissolution of Central Inland Water Transport Ltd. as follows:

(i) (a) Movable Assets viz 13 nos. Vessels including Jetty Pontoons etc. are to be disposed of through e-auction by MSTC Ltd:

(b) 08 Nos. Vessels owned by CIWTC and presently under Arbitration are to be transferred to KoPT at a token amount of `.1 /- per vessel. After Arbitration process is over, the vessels can be disposed off through e-auction by MSTC Ltd. and the balance amount net of expenses would be deposited by Kopt in the consolidated fund of Govt. of India.

(ii) (a) Immovable Assets viz. 05 nos. parcels of CIWTC landed properties in the state of Assam at Uzanbazar, Pandu Ghat, Badarpur Steamer Ghat, Karimganj Steamer Ghat and Administrative control of Ministry of Shiping at Circle Rate. Also the Jogighopa land parcel in the state of Assam would be handed over to IWAI as custodian of land on behalf of Govt. of India.

(b) Immovable Assets viz 03 nos. parcels of CIWTC landed properties in the State of West Bengal (all encroached) at Panchpara, Podra and Goberia would be transferred to KoPT, a major Port under the Adminstrative control of Ministry of Shipping at a token price of Rs.1/- Per parcel. KoPT would facilitate eviction and it may be utilized the land for Inland Water Transport/ Port related activities. The value of land as per deposited in the consolidated fund of Govt. of India.

(c) Balance 09 parcels of landed properties of CIWTC Ltd. in the state of Assam would be offered in the following order of priority:-

(i) Central Government Ministries/ Departments at circle rate.

(ii) Central PSUs like GAIL, ONGC etc. at circle rate.

(iii) Government of Assam or State Undertakings rate.

(iv) E-auction through open bidding by MSTC Limited (A Govt. of India Enterprise) after due market valuation.

(v) In case of failure of E-auction, the balance (9 parcels of land maximum) land parcels would be transferred to IWAI at a token price of `. 1/- per parcel of land & further modalities of disposal of parcels of land based on ground realities with approval of Minister of shipping.

(iii) Balance five employees remaining on the roll of CIWTC to be offered the improved VRS again for a period of month, based on 2006 CDA/2007 IDA linked pay scale for the employees whichever is applicable. In case they are not willing, they would be retrenched under 1997 scale CRS;

(IV) Winding up of CIWTCL as per provisions of Parts VII, Chapter III read with Chapter IV of the Companies Act, 1956 and also authorizes the Minister of Shipping to take decisions on further modalities/ process of dissolution of CIWTC taking into account of ground realties.

Disinvestment

Disinvestment has not been made in the company

Periodicity of the Audit

The corporation is divided into units for transaction audit of the corporation .Transaction audit of the units being conducted rotationally and accounts audit is being conducted by the office

Transaction Audit

Head Office and Divisional Office, Kolkata

(i) Branch office, Haldia

(ii) Branch office, Guwahati

(iii) North East Marine Workshop at Guwahati

(iv)North East Marine Workshop at Dhubri

(v) North East Marine Workshop at Badarpur, Karimganj

(vi) North East Marine Workshop at Karimganj

JUTE CORPORATION OF INDIA LIMITED.

Company Profile

Jute Corporation of India Ltd. (JCI) under the administrative control of the Ministry of Textile was established in 1971 having its registered office in Kolkata, to function as the official agency in implementing its policy of providing minimum support price to the jute growers and to serve as stabilising agency in the raw jute sector. JCI was established by the Indian Government for the welfare of the jute growers, for example, granting them a certain amount of funds with the help of which they can have their own farming sector of jute. The JCI was first started as a small official agency at the beginning but then slowly it expanded its networking and now has almost spread in 7 states successfully for jute growing. The states which are eminent for jute growing in India include West Bengal, Bihar, Assam, Meghalaya, Tripura, Orissa, and Andhra Pradesh.

The Government of India fixes the minimum support price (MSP) for the JCI from time to time and the Price Support Operation is being set up to procure raw jute from the farmers which is based on the MSP fixed by the Government. The Jute Corporation of India Ltd. demands superior quality products and so the raw jute market in JCI receives a premium for its quality value. JCI also acts as the export inspection agency appointed by the Government of India and it inspects the jute just before being exported.

As per the policy decision of the Government, JCI is obliged to buy whatever quantity of jute is offered at support rates by the growers without any quantitative limit. The losses incurred by the JCI while implementing the open-ended policy of the Government of India to support the jute farmers are to be reimbursed by the Government of India. The JCI has been provided with an authorised and paid up Capital of Rs. 5 crores. As per authorisation of the Government of India, Reserve Bank of India has allowed special credit line for MSP operation by hypothecation of jute purchased by the Corporation. The margin money required to be mobilised for the Corporation for such credit has been dispensed with by giving a Government guarantee. The loss is determined after the sale of jute and the amount of loss is claimed by the Corporation for reimbursement through budgetary support.

Corporation made a profit after tax of `1768.20 lakh. The Earning Per Share (EPS) has substantially increased to `354 from `184 last year. This was made possible with the devotion and hard work of the employees and timely decisions taken by your Corporation regarding purchase, sales and other activities, under the overall guidance and supervision of the Board of Directors and other senior officials of the Ministry of Textiles. It is a fact that the commitment made by your Corporation in the MOU and the fulfillment thereof has a direct bearing on the financial result 2017-18.

Objective of the Company

- Protect the interest of jute growers by ensuring minimum support price to them for their produce
- Involve State Governments and Growers‘ Co-operatives in minimum support operation of raw jute
- Development of the marketing infrastructure and establishment of market linkage for raw jute
- Maintain an up-to-date database on raw jute market and disseminate relevant information and commercial intelligence for the benefit of jute growers and consumers
- Taking suitable steps to assist jute growers to get better returns
- Stabilisation of raw jute prices in the interest of jute economy
- Satisfying the buyer mills through maintenance of BIS standard of grading in raw jute through strict quality measures and timely supply
- Maintain a constant dialogue with jute growers, State Governments of the jute growing States, Apex Co-operatives acting as our agent, consumers, industries, financial institutions and our employees while framing policies & programmes on raw jute procurement
- Provide a monitoring and redressal system to ensure that our responses to the public are sent within the specified time as quickly as possible

- Make our rules and procedures as simple as possible and to be vigilant against all malpractices
- Up-gradation and expansion of skills of human resources and create an ambience where talent can bloom

Pricing Policy

The Commission for Agricultural Costs and Prices (CACP), Department of Agriculture & Co-operation, Govt. of India, recommended the Minimum Support Price (MSP) for TDN-3 instead of TD5 all India basis which was accepted by the Government of India to `2,700/- per quintal for the crop year 2015-16. This MSP was higher by `300/- per quintal than MSP of the crop year 2014-15. The Office of the Jute Commissioner, in turn, fixed the MSP of different varieties and grades of raw jute, based on the declared MSP. Due to low production during the crop year 2015-16 price of raw jute prevailed above the MSP throughout the year. Govt. of Republic of Bangladesh also imposed ban on export of jute. Due to this reason there was no MSP operation during the year

The cost of production is taken into account in determining MSP. Minimum Support Price (MSP) is a price announces by the Govt. of India on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP) for raw jute TD5 grade ex Assam. The office of Jute Commissioner, based on this price, notifies prices of all the grades (TD1 to TD8) for Tossa and other varieties of Mesta and Bimli grown in different parts of the country. The Govt. of India declared in the year 2014-15, MSP for TD5 at `2400/- per quintal for all India basis against `2300/- per quintal of 2013-14.

Policy decision of the government regarding JCI

The Government of India has been fixing minimum prices of different varieties and grades of jute and Mesta since 1966-67.As per the policy of the Government, JCI is obliged to buy whatever quantity of jute is offered by the growers at support rates without any quantitative limit. The losses incurred by the JCI while implementing the open-ended policy of the Government of India to support the jute farmers are to be reimbursed by the Government of India. As per authorisation of the Government of India, Reserve Bank of India has allowed special credit line for MSP operation by hypothecation of jute purchased by the Corporation. The margin money required to be mobilised for the Corporation for such credit has been dispensed with by giving a Government guarantee. After the sale of jute, the amount of loss is claimed by the Corporation for reimbursement through budgetary support.

Capital structure and financial highlights

The authorized capital of the Company as on 31.3.2018 was `5 crore divided into 500000 equity shares of `100 each and the issued and subscribed capital was ` 5 Crore .Equity shares comprising 100% of the total paid-up capital, are held by the President of India.

The total turnover of Corporation during 2017-18 was `232.93 crore. The Operating result shows a Net Profit after tax of `17.68 crore lakh after charging all Overhead Cost Profit after tax is `17.68 lakh as compared to `9.19 crore lakh of profit for the previous year.

The company's earnings per share (Face Value `100/-) for 2014-15 is `354 as compared to `184 to the previous year.

Organisational set up:

The day- to- day management of the company is vested with Board of Directors headed by the Chairman-cum-Managing Director (CMD). The CMD and other functional Directors conduct the business of the company as per powers delegated by the Board. The corporation has two government nominated directors and one director (Finance).

Grant of subsidy to maintain infrastructure for minimum support price (MSP) operation of the corporation

Cabinet Committee on Economic Affairs (CCEA) have approved providing subsidy to Corporation on continuous basis for maintaining its infrastructure for MSP operation irrespective of happening of actual MSP operation. Accordingly, CCEA vide its meeting dated 28.01.2015 have approved subsidy for four years i.e. Financial Years 2014-15, 2015-16, 2016-17 and 2017-18 at ` 55.00 crores, `52.11 crores, `49.38 crores and `46.78 crores respectively. Subsidy of `46.78 crores for the Financial Year 2017-18 has been received by your Corporation and based on aforesaid CCEA approval, said subsidy amount has been accounted for in Financial Year 2017-18.

Manpower

There were 279 number of regular and 167 number of casual employees in your Corporation as on 31.03.2018. To enhance competence of its manpower to make them more resourceful in their present job and also to prepare them for future roles. In this regard Corporation has imparted training to 82 numbers of its employees, in the areas of “Finance for Non-Finance”, Soft Skills, Pension and Retirement Benefits, Maintenance of SC/ST Register.

Internal Control :

Corporation has developed robust and comprehensive system of internal control towards achieving efficient resources, cost control, compliance with statutory requirements and ensuring reliability of financial reporting. The Audit Committee reviews the internal audit reports, financial performance of your Corporation and suggests improvements to strengthen internal control system.

As per the statutory auditors, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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the Internal control procedure was adequate commensurate with size of the corporation and the nature of its business for the purchase of inventory, fixed assets and sale of goods. The corporation had no sale of services. However, the internal control procedure in respect of the issue of Challan/Delivery Instructions had to be strengthened with regard to maintenance of seriality at the time of issue of material.

The study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

In case the internal control system does not exist or the system is weak it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control:

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

(i) Absence of appropriate segregation of duties consistent with appropriate control objectives;

(ii) Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;

(iii) Inadequate provisions for the safeguarding of assets;

(iv) Evidence of failure to safeguard assets from loss, damage or misappropriation;

(v) Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;

(vi) Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;

(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;

(viii) Absence of a sufficient level of control conscious ness within the organization;

(ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and

(x) Failure to follow up and correct previously identified deficiencies in internal control.

Applicable Rules , Acts and Regulations

1) The Companies Act 2013 rules and orders thereunder.
2) Income Tax Act.
3) West Bengal Sales Tax Act.
4) Gratuity Act.
5) Bengal Raw Jute Taxation Act 1941 for purchase of tax on raw jute.
6) Jute Packaging Materials (Compulsory use of Packing Commodities) Act, 1987 (JPMA),
7) Micro, small and medium enterprise development act, 2006
8) Workmen's Compensation Act
9) Provident Fund Rules
10) Factories Act.
11) Income Tax
12) The Minimum Wages Act, 1948
13) Employees State Insurance Act, 1948
14) The Employees Provident Fund and Miscellaneous Provisions Act, 1952
15) The Payment of Bonus Act, 1965
16) The Payment of Gratuity Act, 1972
17) Industrial Disputes Act,1947
18) Employees' Pension Scheme 1995
19) Central Excise Act,1944
20) The Jute Companies (Nationalisation) Act, 1980
21) Jute Packaging Materials (COMPULSORY USE) Act, 1987
22) National Jute Board Act, 2008
23) Jute Manufactures Development Act,1983

Audit Checks

1. Board Minutes, Agenda Papers, and Audit Committees Report will give valuable information relating to events, activities or plans involving significant financial involvement.

2. The company has guideline for procurement and for disposal of raw jute. The procedure actually followed for procurement and disposal of raw jute should therefore be thoroughly examined and the loss incurred if any, due to system deficiency should be quantified.

3. The company confines mainly to price support operations which is to be examined keeping in view the price actually given to the growers and the subsidy received from the Govt. of India. (Relevant records: file relating to minimum Support Price and consequential losses thereon).

4. Operations regarding domestic procurement of raw jute through the company's purchase centres and co-operatives bringing out the reasons and financial implications on account of underutilisation of the company's own infrastructure i.e., DPC and simultaneous procurement through co-operatives on payment of commission.

5. System followed for marketing of raw jute, accumulation of stock, loss incurred due to high inventory etc. (Relevant records: marketing register, inventory register).

6. Examine the system for raising bills on the buyers, collection of cheques from them, deposit of such cheques with Bank, delay in such operation and consequential loss of interest. (Relevant records: schedule of cheques, cases of dishonour of cheques) utilisation of the fund received from Govt. of India from time to time out of Jute Special Development Fund for implementation of the scheme for creation of infrastructural facilities in jute procurement Centres. (Relevant records: file relating to utilization of funds from the said Funds)

7. The company enters the market for procurement and sale of jute when the other traders actually sale and purchase jute. This aspect is to be examined and financial implications are to be highlighted. (Relevant records: file relating to minimum Support Price and consequential losses thereon).

8. Agreements for godown hiring keeping in view the financial terms and conditions, utilisation of space hired, procedure in force for such hiring, quantum of insurance taken with reference to stock holding at different godowns. (Relevant records: files relating to temporary/permanent godowns, whether godown space is being judiciously and profitably utilized).

9. Reasons for losses sustained by the company from year-to-year, steps taken for its viability and actual achievement there against, (Relevant records: Profit & Loss Accounts, Balance Sheets, stock register, sales register).

10. Internal control as well as the internal audit systems. (Relevant records: internal audit report of the DP Centres).

11. Examine TA, LTC, and Medical Rules of the company and settlement of claims relating thereto. (Relevant records: Service Books of the employees to find out whether leave is duly sanctioned, pay is properly fixed and leave encashment is properly taken)

12. CBI and vigilance cases. (Relevant records: Court cases, Arbitration cases)

13. Dead stocks register. (Relevant records: dead stock register and physical verification report).

14. IT planning for hardware and software and deploying it rationally. (Relevant records: IT planning and control, purchase register, tender file, records relating to obsolete hardware and software).

15. Examination of Central Accounts records relating to subsidy received from the Government of India.

16. Scrutiny of Provident Fund investment records.

17. Subsidy due from the Government of India.

18. Settlement of various claims and action taken by the occupant.

19. Scrutiny of collection of ‘C’ forms; purchase tax vis-à-vis the extant rules and regulations.

(i) Relevant areas specified under Proprietary Audit are to be verified whenever applicable.

(ii) Items of assets in the Balance Sheet are to be examined as regards their existence, value and ownership right of the Company.

(iii) Items of liabilities in the Balance Sheet are to be examined for the sufficiency of their quantum with reference to the actual or estimated contractual obligations.

(iv) Items of expenditure are to be compared with the previous year’s figures for pinpointing significant variations and to ensure that such variations are supported by reasonable clause.

(v) Items of income, sale, and service charges are to be compared with the previous year’s figures for pinpointing significant variation and to ensure that such variations are supported by reasonable cause.

(vi) Items of assets, liabilities, expenses and income, disclosures and Notes on Accounts are to be ascertained as per the requirement of Law/Accounting Standards.

Periodicity of the Audit

The transaction and accounts audit of the corporation are being done rotationally. Corporation has been divided into the following units for conducting transaction audit.

- Registered office at Kolkata along with the following selected Regional Offices

(i) Agartala,(ii) Barasat,(iii) Berhampore,(iv) Bethuadahari,(v) Cooch Behar,(vi) Cuttack,(vii) Dhubri

(viii) Guwahati,(ix) Krishnanagar,(x) Malda,(xi) Nagaon,(xii) Purnea,(xiii) Saharsa,(xiv) Sheoraphully,(xv) Siliguri,(xvi) Vizianagram

Disinvestment.

The President of India holds 100% Equity of the Jute Corporation of India

NATIONAL JUTE MANUFACTURES CORPORATION LIMITED.

Profile

The National Jute Manufactures Corporation (NJMC) Limited was incorporated as a Government Company on 3rd June 1980 under the Companies Act. The company formed through the nationalization of six jute mills, namely, Kinnison, Khardah, National, Alexandra, union, all in the state of West Bengal and RBHM Katihar in Bihar in 1980 is under the administrative control of Ministry of Textiles.

Due to financial losses the company was referred to the BIFR in August 1992. On 19th march 2010, the Cabinet finally approved the revival of NJMC Ltd. and on 31st March 2011, BIFR approved the revival scheme of NJMC Ltd.

The implementation of the revival scheme was supported by resuming operation in RBHM unit in January 2011 and was followed by re-opening of Kinnison and Khardah mills in September 2011.

Financial Performance

The performance for the financial years 2014-15 and 2013-14 are summarized below:

(In Crore)

Sl. No	Particulars	2014-15	2013-14
1.	Production (in M. Ton)	6313	9916
2.	Revenue from Operations	37.7	58.12
3.	Interest Income	20.35	17.98
4.	Profit / Loss (Rs. /Cr.)		
5.	Net Loss	0.49	6.55
6.	Cash Profit/Loss	1.23	(6.00)
7.	Accumulated Loss	304.92	304.43

During the year under review, National Jute Manufactures Corporation Limited manufactured sackings (B-Twill Bags) which were supplied to different State food procuring agencies against the Production Control Orders issued by the office of Jute Commissioner from time to time. As the Mills were not in operation throughout the year production decreased in comparison to previous year, the production target as projected in the BIFR revival scheme could not be achieved due to several factors. The revenue from operations was approximately around Rupees Thirty Seven crores less than previous year figure of Rupees. Fifty Eight crores. The cash profit was ` One crore twenty three lacs in comparison to cash loss of ` Six crores in previous financial year.

Subsidiary Company - BJEL

The company has one subsidiary, namely Bird Jute and Export Limited (BJEL). Due to continuous loss and erosion of net worth the company was declared sick and referred to BIFR in 1999. BIFR has approved the Revival Scheme in its last hearing held on 02.08.2012 at a total cost of `. 137.88 Crore. The accounts of the subsidiary company for the financial year ended 31st March 2015 was not finalized and have not been merged with the company's financial statement as on 31st March 2015. The Company has sought for extension of time for holding of its Annual General Meeting.

Performance as Compared To BIFR Projection

The financial year 2014-15 is the 4th year after BIFR approved the revival scheme on 31.3.2011. During the year total production was 6313 MT as against 63500 MT as projected in the revival scheme approved by BIFR.

The performance of the Company during the year vis-a vis BIFR projection for the 4th year is as follows.

S.No	Particulars	Actual	2014-15	BIFR Projection	4th Year
1.	Production in M.T	6313		63500	
2.	Total Revenue (`.in Cr.)	58.06		352.74	
3.	Interest Income (`. in Cr.)	20.35		-	

4.	Total Expenditure excluding Depn. (` in Cr)	58.54	344.17
5.	Cash Profit / (Loss) (`. in Cr.)	1.23	8.57

The net loss of the Company has decreased from `.6.55 Cr. in 2013-14 to ` 0.49 Cr. in 2014-15 and is within the estimated projections as per the BIFR Scheme.

Capital Structure:

The authorised capital of the Company `6000.00 lakh (600000 equity shares of `1000 each). The Issued/Paid-up/Subscribed Capital was `5579.74 lakh (557974 equity shares of `1000 each) as on 31.03.2007 fully subscribed by the Government of India out of which 366000 equity shares of ` 1000 each have been paid out of National Adjustment Account. President of India holds 99.99 % shares

Objectives:

The main objectives of the company are:

- To carry on the business of Jute Manufacturing in all its branches and to manage any such business of any person or a company entrusted to it by the Government;
- To acquire and undertake the whole or, any part of the business of any Person/ Company carrying Jute Manufacturing business which the company is authorized to carry on;
- To manage the business of any person or company acquired / undertaken by this company in such manner as may be conveniently done;
- The company is also entitled to carry on some specified objects as being incidental or ancillary to the attainment of the main objects specified as above.

Organisational set-up

The management of the affairs of the Company is vested with the Board of Directors headed by Chairman-cum-Managing Director.

Internal control:

The study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of Performance Audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

In case the internal control system does not exist or the system is weak then it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control:

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

(i)Absence of appropriate segregation of duties consistent with appropriate control objectives;

(ii) Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;

(iii) Inadequate provisions for the safeguarding of assets;

(iv) Evidence of failure to safeguard assets from loss, damage or misappropriation;

(v) Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;

(vi) Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;
(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;
(viii) Absence of a sufficient level of control conscious within the Organization;
(ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and
(x) Failure to follow up and correct previously identified deficiencies in internal control.

Applicable Rules, Acts and Regulations

- General financial rules 2005
- Jute Packaging Materials (Compulsory Use in Packing Commodities) Act 1987
- JPM Act - Notification for Percentage of Reservation
- JMDC ACT 1983
- Jute Manufacturers Cess Act 1983
- National Jute Board ACT 2008
- JMDC Procedural Rules 1984
- Jute Packaging Materials Rules of 26th August 1987
- The Companies Act 2013;
- Factories Act;
- Workmen's Compensation Act;
- Sales Act;
- Central Excise Act;
- Customs Act & Rules;

Audit Checks

- Examine the performance of the Company, effective utilization of the Plant & Machinery, Manpower, and Production with reference to the targets and actual, utilization of raw materials, cost of production etc. (Records- mill records related to performance, production etc.
- Steps taken for conservation of energy and achievements over the years. (Records-files relating to energy conservation)
- Budgetary system for valuable information relating to activities or plans involving significant financial involvement. (Records-budget from MIS vis-à-vis relevant files
- Costing system and analysis of costs. (Records-mills records relating to costing)Modernization and replacement scheme and its implementation and achievement after implementation. (Records- Mesta files in connection to modernization)
- Material management and inventory control system, the system for identifying surplus, non-moving and obsolete inventory. (Records- physical verification report, bin cards price stores ledger).
- House Building Advance (HBA) Scheme particularly the interest subsidy allowed on the HBA beyond the limit prescribed by the Government. (Records-HB advance register, circular)
- CBI and Vigilance Cases if any
- The system followed for marketing of raw jute, accumulation of stock, loss incurred due to high inventory etc. (Relevant records: marketing register, inventory register)
- Collection of C forms; purchase tax vis-à-vis the extant rules and regulations. (Records- whether "C" forms submitted are accepted by the Sales tax authority, assessment orders, correspondence with the sales tax authority)
- Settlement of claims and portfolio management (Records- claim register, joint report bank's offering)
- Examination of Administration and Personnel Department records ;(Records- pay fixation files, VRS files)

- IT plans, for the hardware and software and its deployment rationally. (Relevant records: IT planning and control, purchase register, tender file, records relating to obsolete hardware and software)
- Dead stock register, physical verification report
- Batch mixing vis-à-vis the industry norms resulting in higher consumption of jute.
- Process loss between raw jute and finished product incurred by the unit.
- Government grants for VRS utilized by the Company for the purpose other than for which it was granted.
- Measures taken by unit as required to be maintaining under order of Pollution Control Board.
- Items of assets in the Balance Sheet is to be examined as regards their existence, value and ownership right of the Company
- Items of liabilities in the Balance Sheet are to be examined for the sufficiency of their quantum with reference to the actual or estimated contractual obligation.
- Items of expenditure are to be compared with the previous year's figures for pinpointing significant variation and to ensure that such variations are supported by reasonable cause.
- Items of income, sale and service charges are to be compared with the previous year's figures for pinpointing significant variation and to ensure that such variations are supported by reasonable cause.
- Items of assets, liabilities, expenses and income, disclosures and notes on Accounts are to be ascertained as per the requirement of Law/Accounting Standards.
- The effectiveness and utilization of grants-in-aid released by the Central Government is monitored through the mechanism of utilization certificates.
- Rule209 of General Financial Rules 2005 prescribes the principles and procedures for Report of the CAG on Union Government Accounts 2013-14.
- Whether the utilization certificate to be submitted by the grantee as prescribed in Form GFR 19A. The UCs are required to be submitted by the grantees within twelve months of the closure of the financial year.
- Whether the achievement cum performance reports as per the Rule 212(3) of GFR has been submitted by the grantee bodies to the administrative Ministry/ Department within the stipulated time limit.
- Whether the Utilization Certificate disclose separately the actual expenditure incurred and the Loans and Advances given to suppliers of stores and assets, to construction agencies, to staff (for house building and purchase of conveyance, etc.), which do not constitute expenditure at that stage. These shall be treated as unutilized grants but allowed to be carried forward. While regulating the grants for the subsequent year, the amounts carried forward shall be taken into account.
- To examine Employees Details, Leave Register, Monthly Payroll, Provident Fund & other deductions register, The Plan and non-plan grant was disbursed by Government of India to institute for the implementation of various schemes/ purchase of assets etc.
- It is to be checked whether grant is used under the specific head or not.
- Whether the data of capital assets created by the grantees out of government grants has been maintained.
- Review the cases of Earnest money / Security deposit paid / made by the lying unrealized.
- Examination of Fixed Assets Register along with physical verification.
- Examination of expenditure under Capital- work- in- Progress.
- Examination of physical verification of inventories.
- Examination of slow moving, non-moving and obsolete stores.
- Examination of loans and advances.
- Examination of Cash Book, Bank Book, Bank Reconciliation Statement and paid vouchers.
- Examination of purchase files
- Examination of valuation of raw materials and other stores

- Examination of electricity and local taxes files

Periodicity of the Audit

The corporation has been divided into following units for transaction audit
Corporate office at Kolkata along with the following selected Jute Mills
(i) Khardah Jute Mill, Khardah
(ii) Kinnison Jute Mill, Titagarh
(iii) RBHM Jute Mill, Katihar
(iv) Alexandrua Jute Mill
(v) Union Jute Mill
(vi) National Jute Mill
Accounts Audit and transaction audit is being conducted on rotation.

Disinvestment

The president of India holds 99.99% shares of the corporation.

NEELACHAL ISPAT NIGAM LIMITED

Introduction

In pursuance of the decision of the Government of India (GoI) to set up 2nd Steel Plant in the State of Odisha, the Paradeep Steel Project was conceived (26 March 1982) as a unit of Steel Authority of India Limited (SAIL). NeelachalIspat Nigam Limited (NINL) was incorporated on 27 March 1982 as a wholly owned GoI Companyand the name of the project was changed to NINLfrom 27March 1982. Consequent upon the decision of GoI, the Project was handed over to SAIL during 1983 to set up an Integrated Steel Plant in Odisha. SAIL, however, did not implement the Project as originally envisaged and delayed the same for about 12 years and finally during 1992, Governmetn of Odisha (GoO) approached the GoI to transfer back the Project to GoO for them to develop early. Accordingly, the entire share capital held by GoI was transferred to GoO on 12 April 1994 under a Memorandum of Understanding (MoU) dated 14 April 1994 by transferringits equity shares amounting to Rs.7,72,90,000 (7,72,900 shares of Rs.100 each) along with assets and liabilities at a token value of Rs.1 each.

Subsequently, when GoO did not find any strategic investors to set up this steel plant, GoO approached MMTC[3] through Ministry of Commerce & Industry (MoC&I) to take up this Project for industrial development of the State. MMTC, though did not have experience in steel making, took the initiative to develop this one to be the first steel plant at Kalinga Nagar. Accordingly, a Promoters' Agreement was signed between MMTC and IPICOL[4] (as co-promoter, representative of GoO).During a Meeting (September 1995) chaired by the Chief Secretary, GoO, an undertaking was reached amongst MMTC and IPICOL to work as main promoters for implementing the project of iron and steel making complex at Duburi, Jajpur.On behalf of all promoters, MMTC accepted the total responsibility of management of NINL as core promoter. GoO inducted (January 1996) MMTC as the new promoter.Later on, the entire shareholding of GoO was transferred to IPICOL during 2001-02 to 2003-04.

NINL assigned (January 1996) MECON[5]to prepare an Updated Feasibility Report for the project after a study of the cost estimates of the following three alternative proposals:

Alternative I: Only pig iron production.

Alternative II: Partial steel billets and balance pig iron production.

Alternative III: Implementation of integrated steel plant in phases. First phase of only pig iron, partial steel billets and wire rod products.

NINL selected the concept of Alternative III for preparation of Feasibility Report.

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[3] Erstwhile Metals and Minerals Trading Corporation of India.

[4] Industrial Promotion & Investment Corporation of Odisha Ltd. (GoO undertaking)

[5] erstwhile Metallurgical and Engineering Consultants (I) Ltd.

In the meantime, a team of engineers from MECON, OSIL[6] and MMTC had visited ILVA Steel Works, Bagnoli, Italy in May 1992 and December 1994 to inspect a used Blast Furnace (BF) and to assess the condition of the equipment for their usability in India. Based on their assessment, it was decided to implement the project with a second hand BF from Italy of capacity 1915 m^3. The updated Feasibility Report was prepared (February 1996) by MECON considering the utilisation of this second hand BF along with other main plant units namely Sinter Plant, Power Plant, Oxygen Plant, Lime Plant, Basic Oxygen Furnace Shop, Continuous Casting Shop, Wire Rod Mill and matching service facilities. The report also indicated requirement of raw materials, plant and equipment, services, manpower, construction schedule, capital cost, production cost and financial analysis. The product mix envisaged for the proposed plant was as follows:

Sl. No.	Products	Quantity to be produced (Tonnes per Annum)
1	Pig Iron	4,92,000
2	Billets	2,76,000
3	Wire Rod	3,00,000

MMTC, IPICOL& OMC[7] promoted (1996-97)Konark MetCoke Ltd. (KMCL) with a view to create facility for supply of power at lower cost by utilizing BF Gas produced by NINL and to assure a stable supply of coke without depending on imported coke.KMCL was merged with NINL w.e.f. 08 December 2004.

PROJECT AT A GLANCE – DURING FEASIBILTY STUDY (FEBRUARY 1996)

The project at a glance as mentioned in the updated Feasibility Report (February 1996) was as under:

(A) Capital Cost

The estimated capital cost based on price levels prevailing in 1995 was as under:

Sl. No.	Item	Value (Rs. in Lakh)
1	Land and site development	54,18.80
2	Buildings	172,68.40
3	Plant and machinery	807,44.70
4	Know-how and engineering	57,00.00
5	Misc. fixed assets	209,05.00

6 Orissa Sponge Iron Limited.

7 Odisha Mining Corporation Ltd.(GoO undertaking)

6	Preliminary and capital issue expenses	18,00.00
7	Pre-operative expenses	16,95.00
8	Contingencies	65,68.00
9	Interest during construction	104,77.70
10	Margin money for working capital	26,95.80
	Total	1532,73.90
	Less: MODVAT benefit	66,64.20
	Estimated Capital Cost	**1466,09.70**

(B) Construction Schedule

Plant particulars	Months from Zero Date
BF, SP, power plant (one unit) and raw materials storage and handling plant (partly)	30
Power plant (balance units), raw materials and handling plant (balance), BOF shop, billet caster, lime plant, wire rod mill	36

(C) Major Plant Facilities

Sl. No.	Facility	Description	Running Days in a Year
1	Sinter Plant	1 X 180 M^2	330
2	Blast Furnace Plant	1 X 1915 M^3	350
3	Lime Kiln	1 X 200 TPD	
4	Basic Oxygen Furnace	2 X 80T	320
5	Converters (including one standby)	2 X 80T	320
6	Billet caster	1 X 6 Strand	
7	Power Plant	2 X 15 MW 1 X 25 MW	
8	Oxygen Plant	1 X 250 TPD	
9	Wire Rod Mill	Single strand	

(D) Annual Production Capacity

Sl. No.	Item	Quantity	As on 31.03.2018	As per Environmental Clearance
		(in MT)		
1	BF Coke		8,11,000	
2	BF Sinter	15,26,000	17,11,000	
3	Hot Metal (Gross)	10,99,000	10,99,000	
4	Pig Iron	4,92,000		4,30,000

5	Granulated Slag	3,05,000		
6	Liquid Steel	6,14,000	9,20,000	
7	Bilqlets	5,89,000	9,00,000	4,50,000
	Wire Rods	3,13,000		
	Billets	2,76,000		
	Crude Tar		35,000	
	Ammonium Sulphate		13,000	
	CO Gas (Ncum)		3,71,200	
	Steam		3,68,000	

(E) Annual requirement of Raw Materials

Production of every tonne of steel in an integrated steel plant requires about 4 tonnes of various raw materials. In this way, the cost of transportation of different raw materials becomes an important aspect while identifying the sources for various raw materials with respect to the location of plant. Further, the raw materials must fulfil the quality specification desired by the process and technological parameters (05.01). The gross major raw materials required for the BF, SP, SMS and Lime Plant would be received at plant site by railway wagons (08.02).

Sl. No.	Raw Material	Size (mm)	Gross Quantity (MT/year)	Daily Requirement considering 350 days in a year (MT)	Sources of procurement
1	Iron Ore				
	- BF grade lump	- 100	1,05,000	300	Gandhamardan/ Banspani
		10 – 30	3,18,000	910	Daitari/ Banspani
	- SP grade fines	- 10	14,20,000	4,050	- Do -
	- SMS grade lump	10 – 30	10,600		Banspani
2	Limestone				
	- BF/SP grade	5 – 75	1,45,000	415	Birmitrapur/ Satna-Maihar
	- SMS grade	30 – 60	1,17,500	335	Satna-Maihar/ Gotan
3	Dolomite				
	- BF/SP grade	5 – 75	1,08,000	310	Birmitrapur/ Baradwar/ BelhaJainti
4	Manganese Ore	10 – 30	40,000	115	Banspani
5	Bauxite	10 – 40	4,500		Banspani
6	Quartzite	10 – 50	45,000	130	Jajpur

Major Services

Sl. No.	Services	Unit	Quantity
1	Power	Mkwh/Year	400
2	Make-up Water	M^3/Hour	1,765

3	Compressed Air	Nm^3/Hour	12,000
4	Oxygen	Nm^3/Hour	7,200
5	Nitrogen	Nm^3/Hour	2,500
6	Argon	Nm^3/Hour	25
7	Process Steam	MT/Hour	20

(F) Manpower

Category	Nos.
Managerial and Executive	244
Non-executive	1,636
Total	**1,880**

Capital Structure

The authorized Share Capital of the Company was Rs.900000000.00 crore of `.10/- each) as on 31.03.2018 and the paid up Capital was `581.29 crore as on 31.03.2018.

Registered Office

The Registered Office of Neelachal Ispat Nigam Ltd (NINL) is at, Bhubaneswar, Orissa.

Objective of the Company

The main objects of the company are:

(i) To carry on in India and elsewhere the trade or business or manufacturing, prospecting, raising, operating, buying, selling, importing, exporting, purchasing or otherwise dealing:-

(ii) in iron and steel of all qualities, grades, types and kinds as iron masters, steel makers and steel converters;

(iii)in ferro-silicon, ferro-chrome and /or all products made of iron and steel, coking coal, manganese, ferro manganese, line stone, re-factories, iron are and other alloys.

(iv)As miners, setters, iron founders in all respective branches.

(v) In stainless steel, silicon steel, special steel, mild steel and in allied products, dolomite, limestone, refractory, iron ore, bauxite, cement, chemicals, fertilizers, manures, distilleries, dye making and industrial and non-industrial gas, line burners, stone quarrying concrete manufacturing in all respective branches and other allied inputs or other materials and for that purpose to construct, install, operate, manage and maintain all plants, mines, establishments, works etc.

Management

NINL, which was promoted by MMTC and IPICOL, has been in operation without any Administrative Ministry. On the other hand, it is a Board based Company, the constitution/ composition of its Board as has been spelt out under Clause 62 of the Articles of Association (AoA) of NINL is as follows:

Sl. No.	Particulars	Details
1	Chairman	The Chairman shall be nominated by the MMTC in consultation with IPICOL.
2	Managing Director	The Managing Director shall be nominated by MMTC.

3	Functional Directors	2 (Two) Independent Functional Directors (Whole Time) shall be nominated by MMTC.
4	Nominee Directors	Nominee Directors from the Promoters and Lending Institution will be as follows:
	MMTC	2
	IPICOL	1
	GoO	1
	CDC	1
	LGI	1
	FIs & Banks	2
5	Professional Directors	2 (Two) Independent Directors of National repute in Engineering, Technology, Finance, Administration and Management shall be nominated by MMTC in consultation with the other Promoters.

As evident from the above, MMTC has been playing vital part in formulation of the Board of NINL, which, in absence of Administrative Ministry, has been the only body to decide and approve plans of operations of NINL as well as oversee the performances of NINL. Thus, MMTC took the entire responsibility of management of NINL as core promoter.

Activities

Primary activity of the company is pig Iron which constitute around 81.61 of total turnover of the company.

Financial Performance

Financial Performances as well as Financial Positions of NINL during the period from 2012-13 to 2017-18 as tabulated below:

(Rs. in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Statement of Profit & Loss						
Net Sales	1,481.54	1,549.81	1,243.95	1,073.65	1,171.89	904.89
EBITDA (Operating Profit)	94.09	68.30	40.14	15.93	2.41	2.49
Depreciation	105.85	105.90	100.89	105.09	180.99	173.88
Interest	102.31	155.14	172.83	243.28	359.93	388.42
PBT	(114.07)	(207.72)	(233.58)	(332.44)	(538.51)	(559.81)
Tax Expenses	(34.93)	(60.51)	(0.91)	0.63	(182.74)	(184.37)
PAT	(79.15)	(147.22)	(232.67)	(333.07)	(355.78)	(375.44)
EBITDA margin(%)	6.35%	4.41%	3.23%	1.48%	0.21%	0.28%
PAT margin(%)	-5.34%	-9.50%	-18.70%	-31.02%	-30.36%	-41.49%
Balance Sheet						

Equity Capital	581.29	581.29	581.29	581.29	581.29	581.29
Reserves & Surpluses	315.88	168.66	(75.12)	(402.92)	(758.69)	(1,134.20)
Net Worth	918.53	771.31	527.53	199.73	(156.04)	(531.55)
Fixed Assets	1,265.83	1,160.51	1,065.21	2,891.04	2,713.86	2,545.69
Long Term Loans	1,661.46	1,740.59	1,654.49	2,038.12	2,031.01	1,947.75
Working Capital required	(86.63)	(279.37)	33.22	(104.67)	(107.03)	(330.05)
Working Capital loan/ assistance	101.08	82.01	60.94	38.39	77.62	90.10
Net Current Assets	635.45	673.43	470.95	445.85	570.66	573.72
Interest Due	11.05	20.98	13.25	17.75	36.23	56.01
Debt:Equity Ratio	1.93	2.49	4.80	13.70	(20.54)	(6.51)
Current Ratio	0.88	0.71	1.08	0.81	0.84	0.63

The operating profit (EBITDA) slipped to Rs.2.49 crore (2017-18) from Rs.94.09 crore (2012-13) in view of rising finance cost and depreciation without earning any revenue from the corresponding assets due to idling of the said assets for want of continuous supply of hot metal, pending capital repair of BF. Further, Profit After Tax (PAT) margin remained negative during all the period from 2012-13 to 2017-18 that ranged between (-) 5.34 per cent (2012-13) and (-) 41.49 per cent (2017-18). Failure to generate profit has compelled NINL to borrow funds. Due to excessive borrowing, debt equity ratio has worsened to (-) 6.51 (2017-18) from 1.93 (2012-13).

Besides above, excessive dependency on borrowed funds in view of abnormal delay in equity infusion (as analysed in Part-IIA/Para-1) coupled with operation of plants at much below their optimum capacity has resulted in non-recovery of Cost of Production/ Sales of the saleable products that ultimately eroded the net worth of NINL, which has become minus (-) Rs.531.55 crore as on 31 March 2017-18.

Internal Audit and Internal Control

The Company is not having any internal audit cell. Instead, the work of internal audit has been entrusted to an outside agency which, however, is not examining the technical parameters applicable to the industry with regard to procurement and consumption of materials, utilisation of machines and manpower.

Regarding Internal Control the study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

In case the internal control system does not exist or the system is weak then it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

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(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;
(viii) Absence of a sufficient level of control conscious within the Organization;
(ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and
(x) Failure to follow up and correct previously identified deficiencies in internal control.

Acts, Rules, Documents to be referred to

- Memorandum and Articles of Association.
- Board Agenda and Minute Book.
- Minutes of Annual General Meeting including Extra Ordinary General Meeting
- Capital and Revenue Budgets.
- Annual Plans.
- Income Tax Act & Rules.
- Central Excise Act/Rules.
- Sales Tax Act,
- Pension Scheme
- Factories Act.
- Provident fund Act.
- Purchase procedure manual
- Lease Agreement
- Companies Act, 2013
- Legal Metrology Act, 2009 2.
- Environment Protection Act, 1986
- The Water (Prevention & Control of Pollution Act),1974
- The Air (Prevention and Control of Pollution) Act, 1981
- The Hazardous Wastes (Management and Handling) Rules, 1989.
- Boilers Exploration Act, 1923.

Points to be seen in Audit:

i.) Examine the reasons for significant variation in production /capacity utilisation etc.

ii.) The facilities existing for repair and maintenance of the mining equipment are quite inadequate to meet the day to day requirement. The breakdown of equipment is quite high and the time taken for repair is too long. In the process there has been considerable loss in machine and man hours. This should be critically examined highlighting its impact on loss of production and cost of production as well.

iii.) Examine the norms set for the industry vis-a-vis by the experts and by the company itself for the input; and output ratio in each process of production with actual, and impact of variances.

iv.) Examine the targets set for labour productivity i.e. output per man shift (OMS) vis-a-vis the actual variances, reasons for low OMS etc.

v.) Production performance of each of the process plants should be examined keeping in view the size of the plant installed vis-a-vis the capacity required, technological gap, design deficiencies, norms of input-output ratio, poor quality of input such as concentrates processed in the smelter, target of production set vis-a-vis actual production, cost of production, pattern of material consumption, quality of the product produced etc.

vi.) Examine the idle equipment particularly those imported but could not be utilised.

vii.) Examine the material management and inventory control system.

viii.) Examine the adequacy of internal control system.

ix.) Examine in depth the new projects set up, modernization and expansion scheme under implementation and /or implemented taking into account the approved detailed project report, cost estimates, time and cost overrun, achievements etc.

x.) Examine the costing system, budgetary control etc. and their effectiveness.

xi.) Examine reimbursement of LTC, TA Medical Claims, Entertainment expenses and Perquisites of the CMD, other Directors and top officials for providing staff car, Housing facility etc. in the light of the instructions issued by BPE and the COPU.

xii.) Examine R & D activities.

xiii.) Examine the restructuring /revival /rehabilitation plan, sanctioned if any by the Govt.

xiv.) Examine the disinvestments proposal initiated by the Govt. Recommendation of the adviser in this regard, if any.

xv.) Examine adequacy of the coverage of Internal Audit with reference to Internal Audit Manual and Report and their effectiveness in plugging lapses for improving efficiency in management.

xvi.) Examination of contract documents relating to contracts entered by NINL with contractors for phase to programme.

xvii.) Examine measurement book, abstract of payment etc. in connection with checking payments to the contractors.

xviii.) Examine costing system and analysis of cost.

xix.) Examine budgetary control system and it effectiveness.

xx.) Examine contract and details of payments to stevedores.

xxi.) Examine files relating to import of coal/coke.

xxii.) Examine file relating to import/purchase of power from NESCU and export/sale of power to Grid-co.

xvi) Examine CBI/Vigilance report/cases.

xvii) Examine inventory control and Management system particularly with reference to slow moving non-moving etc.

xviii) Examine foreign collaboration agreement its terms of payment and implementation in company's activity.

xix) Examine pricing policy vis-a-vis credit system and debt collection system of the company.

xx) Examine the pending court/arbitration cases and find out whether any award/order has been issued which are detrimental to the interest of the company

Xxi .See the pending Income tax/Sales tax cases and find out the reasons for pending, amount involved etc.

xxi) Examine the impairment assets

xxii) Verify intangible assets

xxiii) Examine the provision for current tax and deferred tax

Disinvestment

The Company has not been selected for disinvestment during the year 2017-18

Shareholding pattern of NINL since 2000-01 till 2017-18 is as follows:

Shareholding position as on	Share Capital			Share Capital (Break-up between Promoters & Other Shareholders)			
	No. of Shares	Amount (Rs.)	No. of Shareholders*	MMTC	GoO (IPICOL & OMC)	Remaining	No. of shareholders (excepting MMTC & GoO)
31.03.2001	2,33,31,000	16,40,50,000	04	10.67	47.11	42.22	02
31.03.2002	2,61,09,500	19,18,35,000	06	38.45	23.88	37.67	03
31.03.2003	17,22,30,510	165,30,45,100	06	49.00	43.78	7.22	03
31.03.2004	17,92,98,723	172,37,27,230	06	49.00	44.08	6.92	03
31.03.2005	34,36,80,233	336,75,42,330	11	49.00	31.22	19.78	05
31.10.2006	40,27,31,123	395,80,51,230	20	50.28	26.56	23.16	17
31.03.2007 up to 31.03.2010	40,67,20,143	399,79,41,430	21	49.78	26.29	23.93	18
31.03.2011	48,64,36,509	479,51,05,090	20	41.50	31.87	26.63	17
31.03.2012 up to 31.03.2018	58,82,20,143	581,29,39,430	20	49.78	27.61	22.61	18

MSTC LTD.

Company Profile

MSTC Limited (formerly Metal Scrap Trading Corporation Limited) under the administrative control of the Ministry of Steel, Government of India, is a Mini Ratna Company. The headquarter of the Company is located at Kolkata with four Regional Offices and a few branch Offices across the country. The Company has a wholly owned subsidiary Company named Ferro Scrap Nigam Limited with its registered office at Bhilai. Out of the total paid up capital of the Company amounting to ` 17.60 crore, Government of India holds 89.85 per cent shares.

MSTC Limited is basically engaged in providing trading and commercial services to trade and industry. This is done broadly under the following two portfolios:

(i) **Agency Business** – MSTC acts as a service provider for disposal of scrap, sale of materials on behalf of customers/producers mainly through electronic media i.e., e-tender, e-auction using its own server.

(ii) **Trading** – In this portfolio MSTC provides trading services including trade financing for import of industrial bulk raw materials, supply of imported steam coal to power sector and export of various raw materials.

The Company has Equity Share of 3520000 equity shares of ` 10 each as on 30.09.2018. The company has a wholly owned subsidiary named Ferro Scrap Nigam Limited

Profit after tax stands at `3926.59 million on 30$^{th}$ November, 2018 as against a loss of `766.34 million on March, 2018. This year the total Revenue from operation 13,123.69 million as on 30th November, 2018.

Objective of the company

(a) To emerge as a diversified trading house with particular emphasis on bulk raw materials for steel industry sourced both indigenously and internationally and towards this end gradually build up tie-ups with international trading houses, develop warehousing system and logistics.

(b) To plan and organise disposal of scrap and secondary raisings, unserviceable stores, etc. of organisations, both in the public sector and private sector and to popularise e-auction.

(c) To promote e-commerce / e-transactions in above areas and also in transactional sale of prime products.

(d) To undertake these activities so as to ensure an optimum return on capital employed and to attain a return of 15% on the net worth.

(e) To ensure customers' satisfaction by providing prompt and efficient dealing with customers, principals and other business associates.

(f) To develop and maintain a competent, dedicated and motivated workforce.

(g) To achieve the aforesaid objectives, promote joint ventures with selected domain experts in the area of mining, logistics, warehousing, value addition to the merchandise etc.

Organisational Set-Up

The management of the Company is vested with a Board of Directors headed by the Chairman & Managing Director. Presently the company has Director Finance, director commercial and two directors nominated by the Government of India. The functional areas are looked after by executive officers of the rank of Chief General Manager/General Manager.

Manpower

The Company has complied with the Presidential Directives and other Government instructions and statutory provisions in the matter of reservation and concessions for different categories. As on 31/03/2015, out of 307 employees on the Company's roll, the total number of executive employee's organization stands at 170.In the year 2014-15

Internal Audit, Vigilance & Internal Control:

Risk Management Policy in MSTC was introduced in the year 2008-09. The policy has been revised since 1st April, 2013. MSTC makes it certain that the internal control system functions within the risk appetite of the company and is being fine-tuned to include more safeguards for being more effective.

M/s. H.P. Jhunjhunwala & Co., chartered accountants was assigned with the internal audit function of the company for the year and their reports are put up to the management at regular intervals and summarized statement of important issues are placed before the Audit Committee. The committee analyses the functions of the internal control system and recommendations of the committee are put up to the Board and those are implemented as per the considerations of the Board. Audit Committee also considers various financial statements for risk analysis and control.

The study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

In case the internal control system does not exist or the system is weak then it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control:

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

(i) Absence of appropriate segregation of duties consistent with appropriate control objectives;

(ii) Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;

(iii) Inadequate provisions for the safeguarding of assets;

(iv) Evidence of failure to safeguard assets from loss, damage or misappropriation;

(v) Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;

(vi) Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;

(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;

(viii) Absence of a sufficient level of control conscious within the Organization;

(ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and

(x) Failure to follow up and correct previously identified deficiencies in internal control.

Applicable Acts Rules and Regulations

- The Companies Act, 2013 ('the Act') and the rules made there under, as applicable :
- The Securities contract (Regulation) Act, 1956 ('SCRA') and the rules made there under
- The Depository Act, 1996 and the regulation and Bye-laws framed there under.
- Sales Tax Act
- Income Tax Act, 1961
- Indian Accounting Standards

- Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing
- Acts relating to Environment management
- Factories Act, Workmen's Compensation Act, Minimum Wages Act etc.
- Guidelines/circulars issued by the Corporate Centre

Audit Checks

(1) Extent of internal control and internal audit in various functional areas and the reports of internal auditors;

(2) Agenda papers of meetings of the Board of Directors which give valuable information relating to events, activities or plans involving significant financial involvement;

(3) Reports of special / investigative committees (e.g. Business Planning and Monitoring Committee, Operations Committee, Business Development Committee, Customer Relations Committee etc.) constituted by or with the approval of the Board;

(4) Agreements with customers for domestic business of supply of materials or marketing of their products with reference to:-

(a) System of tendering along with selection of customers and finalisation of contract;

(b) Transactions with respect to MOU/MOA signed between the company and the customers;

(c) System of acceptance, custody and refund of EMD from and to customers;

(d) System of receipt from customers and payments to steel plants/principals including settlement of accounts;

(e) Systems of regular reviews and follow up of debtors. Precedence of various lapses in this regard may be obtained by verifying the status of disputes with customers, suppliers etc. and various court cases. Knowledge of such drawbacks would help in suggesting steps to avoid recurrence of such lapses in future. The mechanism for collection of outstanding debts, policy for extending credit terms and sufficiency, mode and periodicity of persuasion for recovery of dues should be verified;

(5) Agreements with customers for foreign business with reference to: -

(a) System of tendering for selection of supplier and finalisation of purchase contract;

(b) Procedure of selection of customer's vis-à-vis the method of sale of imported materials;

(c) Procedure for settlement of demurrage, dispatch and quality complaints;

(d) System of raising provisional invoice and final invoice;

(e) Procedure for settlement of customer accounts along with realisation of amount due and interest;

(f) Maintenance and system of Bank Guarantee, performance guarantee bond, inland letter of credit etc.

(g) Settlement of customer accounts contract-wise after quantity reconciliation with respect to bill of lading quantity and sold quantity;

(h) Settlement of customer accounts after taking into account interest for the credit period enjoyed by the customer and furnishing statement of accounts to the customers.

(6) Terms of agency business, and the validity and prudence of such terms (including basis of calculation of commission);

(7) Tendering/auctioning process in agency services, whereby the company can ensure satisfaction of customers as well as principals, and at the same time, earn best amounts of commission;

(8) Special care has to be given to transactions effected through the e-auction portal, in order to assess its utility and reliability and also its compatibility to the required control measures;

(9) Due compliance of customs/excise/sales tax laws so as to: -

(a) Avoid penal consequences for non-compliance, and

(b) Take maximum lawful advantage of beneficial provisions by way of export incentives, exemptions, concessions, deductions, deferment of tax outgo etc.;

(10) Forward exchange contracts entered into (with respect to international transactions), from the viewpoint of their relevance/utility, cost involvement and risk factors in the prevalent market conditions;
(11) Compare the targets set internally or as per MOU with those actually achieved, and ascertain the reasons for any avoidable adverse variations to fix responsibility. In this connection, the monthly, quarterly and half-yearly reports of performance and reports of various committees may be verified;
(12) Level of inventory holding having regard to the contract commitments, reorder period, carrying cost, risk of obsolescence etc. The system for identifying surplus, non-moving and obsolete inventory may be checked. Steps taken for the speedy disposal of such inventories should be examined;
(13) Analysis of the capital budgets, fund requirement estimates and fund flow statements in order to assess the efficiency of fund management. A proper fund planning through cost benefit analysis of borrowing funds while investing surplus funds at lower rates of interest can significantly reduce the net borrowing cost of the company Periodical reconciliation of bank accounts shall be verified for ensuring proper and timely remittance/deposit of cheques, drafts etc. into the bank and their swift clearance;
(14) New projects contemplated by the company for implementation during the 10th five-year period, with regard to their technical, economic and operational feasibility. Proper care should be taken to examine the reasons and consequences of time overrun, cost overrun and loss of production/revenue due to such time overrun in implementing capital projects;
(15) Apart from what has been mentioned in (11) above, pending cases (having financial implications) before court, arbitration, appellate tribunal, CVC and/or CBI may be examined in order to independently assess the impact thereof;
(16) Corporate tax (income tax) planning measures may be verified to ensure effective tax management whereby: -
(a) All returns, reports and documents are filed with the authorities in time;
(b) Benefit is taken in respect of all allowable deductions, exemptions and incentives resulting in lower tax outgo;
(c) Penal consequences for non-compliance or wrong claims as to deductions/ exemptions are avoided;
(d) Requirement as to tax deduction at source is complied with in respect of payments made to employees, service providers etc.
(1) Relevant areas specified in (1) to (16) above may be verified wherever appropriate;
(2) Material items of assets in the Balance Sheet have to be examined as regards their existence, value and ownership right of the company thereto. Relevant Accounting Standards shall be referred to ascertain whether the valuation and depiction of such items are done properly;
(3) Material items of liabilities in the Balance Sheet have to be examined for the sufficiency of their quantum with reference to the actual or estimated contractual obligations;
(4) Material items of expenses of a recurring nature may be compared with the previous years' figures for pinpointing significant variation and to ensure that such variations are supported by reasonable cause;
(5) Sales, service charges, income from other sources etc. may be crosschecked with previous years' figures for locating areas of significant deviations, and to ensure that such variations are supported by reasonable cause. Individual transactions may also be test-checked with reference to the clauses of relevant agreements;
(6) Disclosures and Notes on Accounts stated as per the requirements of Law or of Accounting Standards shall be scrutinised to ensure their correctness and sufficiency.

Disinvestment

The Company has not been selected for disinvestment during the year 2014-15

Periodicity of the Audit

NORTH EASTERN INDUSTRIAL AND TECHNICAL CONSULTANCY ORGANISATION LIMITED (NEITCO)

Profile

North Eastern Industrial and Technical Consultancy Organization Limited (NEITCO) is a premier Consultancy Organization set up by the All India Financial Institutions, Nationalized Banks and State Level Development Agencies under the leadership of Industrial Development Bank of India (IDBI) to cater to the consultancy needs of the North Eastern Region. As of now, the shareholders comprise of institutions like IDBI Bank ltd, ICICI Bank, IFCI ltd, IIBI, SBI, UCO Bank, UBI, AIDC, MIDC, and APIDFC. It has its Headquarter at Guwahati and Branch Offices in Shillong and other places on North Eastern States.

Capital Structure

As against authorised share capital of `50.00 lakh (5000 equity shares of `1000/- each) the subscribed and paid up capital was `22.56 lakh (2256 equity shares of ` 1000/- each) as on 31st March 2014. The shares were mainly held by IDBI, IFCI, ICICI, IIBI, and Industrial Credit and Investment Corporation of India Limited.

Objective of the Company:

The main objectives of the Company were as under:

1. To identify industrial potential through surveys or otherwise.
2. To prepare project profiles, feasibility reports and pre-investment studies in respect of specific industries.
3. To identify potential entrepreneurs for implementation of projects and provide technical and administrative assistance for promotion and management of industries.
4. To undertake techno economic appraisal of projects.
5. To undertake market research and surveys for specific products and to act as an industrial management and financial consultant.

To cope with the main objectives and activities the company started four divisions namely

(1) Consultancy Division,

(2) Entrepreneurship Development programme (EDP),

(3) Project Division and (40 Rural Development Centre under the aegis of NEITCO AT Guwahati.

Management:

The overall Administration /management of the Company are vested with the Board of Directors. The day to day affairs of the Company is managed by the Managing Director and one senior Consultant who looks after Accounts and Finance Department.

Activities:

The performance of the Company since last few years was very poor because of low business and negligible activities. The Company was continuously incurring losses due to low income and non-realization of outstanding dues. The Company even after two decades of its establishment has not been able to establish itself. In this regard, IDBI the lead finance institution had appointed M/S Moore's Rowland Consulting private Limited (MRCL) for carrying out an independent study of NEITCO who submitted their report based on which NEITCO has been classified as non-performing and categorized as "B" i.e. non- viable. The MRCL report was considered in Board of Directors Meeting of IDBI in September, 2002 and it was resolved that IDBI should disassociate from the Company. Accordingly, in February 2003, IDBI informed MD, NEITCO that it has decided to disassociate itself from weak TCO like NEITCO and to withdraw their nominee from the Board.

Financial Highlights

(Amount in `)

S.No	Particulars	Amount
1.	Revenue from operation	34028397

2.	Other Income	47255
3.	Profit /Loss	189312.84
4.	Earning Per Share	83.92

Internal Audit and Internal Control:

Regarding Internal Control the study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

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Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

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4. Evidence of failure to safeguard assets from loss, damage or misappropriation;
5. Evidence that a system fails to provide complete and accurate output consistent with the auditee’s control objectives because of the misapplication of control procedures;
6. Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;
7. Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;
8. Absence of a sufficient level of control conscious within the Organization;
9. Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and
10. Failure to follow up and correct previously identified deficiencies in internal control.

Applicable Acts, Rules, and Regulations :

- Companies Act 2013 and Rules & Orders made there under.
- Income Tax Act.
- Provident Fund Act.
- Board Agenda Papers/Minutes
- Memorandum & Articles of Association.
- Payment of Gratuity Act.
- Sales Tax Acts of the States & CST.
- Various Management information techniques used i.e. MIS Report.
- Agenda & Minutes of the Audit Committee.
- Internal Audit Report of different years.

Audit Checks

- Project profiles, feasibility reports pre-investment studies
- Identification of potential entrepreneurs and providing of technical and administrative assistance
- Techno- economic appraisal.
- Results of market research, surveys for specific products.
- Activities and records of following divisions are to be studied :
- Consultancy division
- Entrepreneurship Development programme(EDP)
- Project Division
- Rural Development centre.
- Income generated from the aforesaid divisions and their utilisation may be reviewed
- Sundry debtors, bad and doubtful debts etc.
- Service charges for running and maintaining of ICICI's Development office.
- Rent, rates and taxes.
- Running and maintenance of vehicles, log books etc.
- Printing and stationery
- Cash Book cash Vouchers, etc. of a selected month.
- Bank Book, Bank statement, Bank Reconciliation statement, etc.
- Funds received from different sources upwards project implementation and their utilization.

Periodicity of the Audit

Transaction and account audit of the organisation has been conducted up to year 2014-15

Disinvestment

Disinvestment has not been made in the organisation during the year 2015-16.

VISAKHAPATNAM PORT LOGISTICS PARK LIMITED (VPLPL)

Profile

Visakhapatnam Port Logistics Park Limited (VPLPL) is a subsidiary of Balmer Lawrie & Co. Ltd., incorporated for setting up a Multi- Modal Logistics Hub (MMLH) at Visakhapatnam. As a part of its Strategic Plan, Balmer Lawrie has consistently been looking for opportunities for setting up logistics infrastructure facilities at ports and inland locations. In pursuance of this objective, the Company has vigorously worked with Visakhapatnam Port Trust (VPT) for the last several years for setting up a Multi- Modal Logistics Hub (MMLH) at Visakhapatnam in Joint Venture. The efforts have ultimately yielded results with the signing of Shareholders'/JV Agreement between your Company and VPT in March 2014.

The proposed JV Company was incorporated and christened as Visakhapatnam Port Logistics Park Limited (VPLPL). The JV will have equity participation between Balmer Lawrie and VPT in the ratio of 60:40. While Balmer Lawrie's contribution to equity would be in the form of cash, VPT's would be upfront lease rental of 53.025 acres of land allotted to VPLPL for a period of 30 years. VPT handed over the earmarked land to VPLPL in January 2015.

Capital Structure:

The authorized capital of the Company as on 31st March 2016 is `.12500.00 lakh divided into 125,00,0000 equity shares of `.10 each. Balmer and lawre limited holds 99.99%v of the shares. The Paid-up Equity Share Capital as on 31st March, 2016 is `10000 shares of `10/- each

Pricing Policy

The Tariff Authority for Major Ports (TAMP) was constituted in April 1997 to provide for an independent Authority to regulate all tariffs, both vessel related and cargo related, and rates for lease of properties in respect of Major Port Trusts and the private operators located therein.

Applicable Rules Acts and Regulations

- General Condition of Contract
- General Financial Rules 2005
- Calcutta Port Trust (Licensing of Stevedores) Regulations 1987
- Calcutta Port Trust (Distraint or Arrest and Sale of Vessels) Regulations 1989
- Port of Calcutta (Responsibility of Goods) Regulations 1975
- Land Policy Guidelines, 2014
- Policy for Determination of Tariff for Major Port Trust, 2015
- Reference Tariff Guidelines of 2013
- Tariff Guidelines, 2005
- Upfront Tariff Guidelines 2008
- The Major Port Trusts Act, 1963
- Upfront Tariff Guidelines 2008
- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The Explosives Act, 1884 and Gas Cylinder Rules, 2004
- The Legal Metrology Act, 2009 & Legal Metrology (Enforcement) Rules, 2011
- The Petroleum Act, 1934 and the Petroleum Rules, 2002
- The Merchant Shipping Act, 1958
- International Convention For The Safety Of Life At Sea, 2002
- The Indian Railways Act, 1989 & Wagon Investment Scheme
- Service Tax

- Customs and Central Excise Duty
- VAT
- CENVAT Credit
- Income Tax (TDS, TCS, etc.,)

Audit Checks

Turn Around Time [TAT] – TAT can be defined as the total time taken by the company for loading and unloading the material. E.g. In case of dispatch TAT is the difference between arrival time of the vehicle at company and departure time from the company after loading of material and invoice procedure. Less turnaround time reflects high proficiency and optimal use of resources

Hick in prices: - Unusual hick should be highlighted by the auditor after discussion the causes with the concerned department. Possible Reasons: - Hick in diesel prices, increase in duty, toll charges, seasonal effect etc. Above mentioned possible reasons are only for reference. Auditor should apply his experience and market conditions from internet etc. to conclude his opinion.

Capacity utilization: - Auditor should verify the utilization of the capacity to identify the capacity utilization Auditor can verify the weight of material available space and concerned payment to transporters.

Control over bill passing process of transports: - It is the most important aspect for transport audit. For having a better control, invoice of transporter should be linked with GRN in case of inward and with Sale Invoice of the company in case of Outward.

Charging of Penalty: Whether the penalties for delay in delivery / space occupation for long period of time, are recovered or not.

I. PP Projects

- Scope of project offered to the private operator should be carefully determined and should not be varied after bidding as this vitiates the sanctity of the bidding process.
- The Port should ensure adherence to the time frame fixed for completion of the bidding process from issue of tender to signing of CA
- Ports need to design a mechanism to ensure timely obtaining of environmental clearance for each project well before commencement of the tendering process.
- Ensure timely obtaining of environmental clearance for each project well before commencement of the tendering process.
- All the transactions involving financial implications are properly accounted for the initial accounts records are maintained accurately; strive to ensure real time transfer to the Port's account. This would prevent any arrears or need of follow up on this account
- There are no delays and / or irregularities in maintaining the Accounts reports;
- The provisions of accounting procedure, rules and regulations, orders and procedure in force and instructions issued by the Chairman/FA&CAO from time to time are not violated;
- It should be seen that all transactions (either cash or stock) are promptly and properly recorded in the relevant records and there is no delay/omission, etc., on this account.
- It should be seen that amounts received from the Finance Department or other sources have been taken to account on the same day.
- It should be seen that amounts received from the Finance Department on account of temporary advances etc., for disbursement are not retained in hand beyond the permissible time limit and the undisbursed amount, if any, is promptly deposited with Finance Department.
- The correctness of stock entry recorded on the vouchers in support of purchases should be checked in respect of one month.
- It should be seen that issues from the stock are made on proper requisition duly acknowledged by the recipients and correctly entered in the Stock Registers.
- The permanent and temporary advance cash books should be checked to see that these are correctly maintained and accounts thereof have been rendered to the Finance Department within the prescribed time. Irregularity or delay in adjustment should be reported.

- Arithmetical accuracy of the balances shown in the cash and stock books should be checked in all cases.
- The correctness of the amounts drawn in pay bills and TA bills should be checked with the attendance Registers, Tour particulars, vehicle log book, Register maintained in the respective sections/divisions.
- Whether Physical verification of all types of stores in different offices, hospital, guest houses and other offices of the Port Trust have been done and action taken on such physical verification reports.
- Any other items viz., stationery, furniture and stamp accounts are to be checked as deemed necessary.
- Register of books maintained in the Library should be checked to see the books purchased during the year have been taken to stock and proper record is maintained as to issues and returns.
- Whether the cash balance as per imprest account has been physically verified by the Accounts Officer.
- it should be seen that amounts due to the Port Trust are correctly assessed according to the prescribed rates, demands raised in proper time and collections credited to the Port Trust Accounts immediately.
- All instances of undue retention of authorized collections by other departments without remitting to the Finance Department should be reported.
- Unauthorized collections made by other departments should be reported. It should also be seen whether adequate steps have been taken to realize the arrears, if any. Refund due but not made to the parties shall also be reported.

II. **Estate Rentals, Water Supply and Energy Charges**: -

- It should be checked with reference to Buildings and Land Registers that rent is collected regularly for all buildings and land let out.
- It should be seen that rent is correctly assessed with reference to rules and orders in force.
- In checking receipt on account of supply of water it should be seen that demand has been raised in all cases of supply and the amounts so assessed are correct.
- In the case of electricity charges, it should be first verified whether the allocation among the Port, Port Users, Contractors and Employees have been properly made and demands raised properly and collections watched by the Electrical Division.

Miscellaneous Receipts: -

- The basis for assessment of miscellaneous dues such as furniture hire charges, hire charges of plant and machinery, hire of all equipment's/appliances, etc., demand and collections thereof should be verified.

III. **Check of Divisional office Records**: -

- While auditing the workshop accounts the job cards and out turn register should be checked in detail. The correctness of the allocation of expenditure on repair and maintenance of workshop to various works should be checked.
- The use of new parts should be traced into the log books and other connected registers.
- The account and manner of disposal of old and replaced parts should be particularly checked.
- In the case of jobs under taken on behalf of private parties, it should be seen whether the cost thereof has been collected according to rules, and credited to the Port Trust Accounts.
- The Log Books of vehicles, cranes, machineries, tugs, launches, all floating crafts, etc., should be checked regarding mileage run, working hours, consumption of fuel, lubricants, etc.
- It should be seen whether the log books have been properly maintained and entries thereon have been duly attested by the competent authority. Where the log book exhibits use of vehicle, machine etc., by private parties, it should be seen whether demand for full and correct hire charges have been made and the amount collected.

• If the log book reveals prolonged unused, the reason thereof should be investigated and reported.
• The accounts of Tools and Plant should be checked and observations reported.
• Whether contracts for supplies/works/hire of equipment, appliances, floating crafts, etc., have been made as per the prescribed procedure should be verified.
• While stock verifiers will confine themselves to stock balances as per bin cards, internal audit may test check entry of items from the goods received sheets and indents to the bin cards.
• The balancing of the bin cards should also be checked in order to ensure the correctness of quantitative balances. Special attention should be given to the review of ABC analysis, list of unutilized/missing/dead stock items and excessive balances.

Internal Control and Internal audit

Internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.
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(v) Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;
(vi) Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;
(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;
(viii)Absence of a sufficient level of control conscious within the organisation;
(ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and
(x) Failure to follow up and correct previously identified deficiencies in internal control.

Periodicity of the audit

The paid-up capital of the company is ` 1 lakh and turnover is Nil .As per headquarters instructions regarding audit of annual accounts of company having paid-up capital less than ` 500 crore or turnover is less the 5000 crore may be taken up on rotational basis once in the five year
VPLPL was incorporated on 24.07.2014 and the annual accounts for the year 2014-15were not reviewed.

Disinvestment

The company has not been selected for disinvestment.

NORTH EASTERN INDUSTRIAL CONSULTANTS LIMITED

Profile

North Eastern Industrial Consultants Limited was promoted by All India Financial Institutions (IDBI, IFCI, ICICI, and IIBI) Banks (SBI, UBI) and State Industrial Development Corporations of Manipur, Mizoram, Nagaland & Tripura on 31.07.1987 registered at Registrar of Companies Shillong on 31 July, 1987 and is categorised as Company Limited by Shares and a State Government Company.
North Eastern Industrial Consultants Limited registered address on file is Thangmeiband Polem Leikai, Opp. Abc India Ltd, Imphal Manipur India 795001, Imphal - 795001, Manipur, India.
North Eastern Industrial Consultants Limited is involved in Business Services Activity and currently company is in Dormant Status.

Objective of the Company

To create opportunity for entrepreneurs for self-employed and to collect market intelligence and advice on adopting the appropriate marketing strategy and otherwise assist industries in marketing their products .It also deals in Research and service for evaluating marketing and investment for development of industry. It also advises on setting up and organising laboratories design centres, machines shops and work shop's etc. to carry on business and testing.

Organisational Set –Up

The company does not have and Managing Director since August 2002 and it is operating with the General Manager as chief Executive with Financial and Administrative powers since then. Since March, 2003 the company does not have any regular chairman. Only since 4th March, 2013 Shri Rahul Rohtagi, GM, SIDBI has been appointed as regular Non- Executive Chairman. In the current year, the Board of Directors is constituted as below:
2013-14

(a) Shri Rahul Rohatgi, GM, SIDBI.
(b) Shri P.L Agrawal, MD, TIDC
(c) Smt M. Sinha, AGM,SIDBI
(d) Shri Om Monddra, Fortius International Pvt. Ltd, New Delhi appointed on 25.06.2013.
(e) Shri Y.L. Agrawal, Fortius International Pvt. Ltd, New Delhi
(f) Shri Gokul Patnaik,Global Agri System Pvt. Ltd, New Delhi

Financial Highlights

Receipt and Expenditure:

(In ` lakh)

2008-09	17.91	31.46
2009-10	13.35	29.55
2010-11	20.06	27.49
2011-12	18.59	27.62
2012-13	19.83	25.63

Current Commercial Activities:

The company has Entrepreneurship Development Program (EDP) as its principal activity since 1987. It has enhanced its activities in National Jute Board sponsored skill Development programs from 2004 to 2013. Government of India sponsored Evaluation Studies enabled the Company to earn substantial revenues. Working as TECHNICAL Agency for two Clusters under the SFURTI Scheme has also cause some revenue earning. Thus, National Jute Board (annually 35 skill Development Training), KVIC (Two Clusters), Ministry of Women & child Development (Evaluation of STEP Projects), NMFDC (Evaluation of impact of NMFDC Schemes in Tripura), NSTFDC (Evaluation of Impact of NSTFDC Schemes in Meghalaya), tec. Enabled the Company to survive. The Company is attempting to diversify into Agriculture sector planning as well. Company to survive. The Company is attempting to diversify into Agriculture sector planning as well. Company has also sought sponsorship of Central Government to start a vocational training institution for the minorities in North East.

Periodicity of the audit

Transaction Audit and account audit is being conducted rotationally. The organisation have been divided into various offices for transaction audit.

CREATIVE MUSEUMS DESIGNERS

Profile

Creative Museum Designers (CMD) was formed in December, 2011 as a company registered under section 25 (non-profit making company) of the Companies Act 1956, wholly owned by the National Council of Science Museums (NCSM), Ministry of Culture, Government of India. Being a company formed under Section 25 of Companies Act, 1956 it ensures that its profits and all other incomes are utilised only for the purpose of promoting its objectives and not for any other purpose, which was enshrined in it Memorandum of Association. The Company provides one stop solution for all museum needs, be it a science museum or a science centre or an archaeology/history museum or a panorama, planetarium, Science Park or any other edutainment facility. The Company takes up all kinds of museums/ science centre projects on turn-key basis, including conceptualisation, design & development of exhibits, exhibition galleries and travelling exhibitions, preparation of DPR, revival of old relics/heritage body and similar works.

Initially, the Company started its operation with financial assistance of ` 20 lakhs in the form of soft loan from its promoter, National Council of Science Museums (NCSM). The same has been returned (01.03.2014) by CMD to NCSM. Besides this, it has been supported by various infrastructural facilities from NCSM. The Company depends on National Council of Science Museums, its promoter, for the expertise and well trained human resources.

Objective of the company

To take up in India or in any part of the world all kinds of museums/ science centre projects on turn-key basis, including conceptualization, design & development of exhibits, exhibition galleries construction/renovation of buildings , prototyping manufacture assembly repair and maintenance etc. and all other museum/science centre related activities or description associated therewith and incidental thereto.

Share Capital

The company is formed U/s 25 of the companies act 1956 as a company limited by guarantee and there is no share capital

Financial highlights

(Amount In `)

Particulars	2014-15	2015-16
Revenue from Operation	32800103	4,26,10,276
Income after Tax	14575221.46	2,17,80,483
Reserves and Surplus	27100481.39	

Products of the company

- Science centre Cultural museums
- Interactive Thematic and basic science galleries
- Planetarium
- 3D Theatre
- Science Park/ Evolution theme park
- Exhibits

On-going Projects of the Company

S.No	Project	Client
1.	Science Galleries for Dr. B. Ambedkar Marathwada University, Aurangabad	Dr. Babasaheb Ambedkar Marathwada University
2.	Hall of Nuclear Power, Chennai	TNSCC(Tamilnadu science centre)
3.	DPR for National Geoscience Museum	Geological Survey of India
4.	Exhibition Galleries for Surat Science Centre	Surat Municipal Corporation
5.	DPR for National Biodiversity Museum, Hyderabad	MoEFCC (Ministry of environment and forests)
6.	Ranchi Planetarium	Jharkhand Council of Science & Technology
7.	Rain Museum, Sohra	Meghalaya Basin Development Authority

8.	Dumka Planetarium	Jharkhand Council of Science & Technology
7.	RBI Museum & Financial Literacy Centre	Reserve Bank of India

Internal Control

Considering the size and nature of business the Company is having an internal audit section constituting one Internal Audit Officer on Sr. Accountant, one U.D.C and one Field executive.

The study and evaluation of internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

In case the internal control system does not exist or the system is weak then it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

- (i) Absence of appropriate segregation of duties consistent with appropriate control objectives;
- (ii) Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;
- (iii) Inadequate provisions for the safeguarding of assets;
- (iv) Evidence of failure to safeguard assets from loss, damage or misappropriation;
- (v) Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;
- (vi) Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;
- (vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;
- (viii) Absence of a sufficient level of control consciousness within the organisation;
- (ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and
- (x) Failure to follow up and correct previously identified deficiencies in internal control.

Audit Checks

- ➢ Examine whether objectives for which the Company was incorporated has been achieved.
- ➢ Examine the services actually rendered by the Company to its clients and improvement made on that basis.
- ➢ Review the overall utilization of funds received from the Government / (NCSM) from time to time to ensure optimal utilization thereof.
- ➢ Review foreign collaboration agreements/arrangements and implication thereof on the overall performance of the company
- ➢ Examine the reimbursement of expenditure of LTC, TA, medical claims, and entertainment expenses, perquisites of the CMD, Directors and other top officials in providing staff car, flat or house and cost of maintenance of the same.
- ➢ Review the contracts obtained by the company
- ➢ Fund management i.e. persuasion for Govt. fund and its utilisation.

- Grants-in-aid
  - (i) To verify the grants-in-aid the following documents/papers need to be looked into:
  - (ii) Sanction Order of Govt. and the conditions of the sanctions.
  - (iii)Date of receipt of fund by the company and disbursing the same to its subsidiaries.
  - (iv)Treatment in accounts for such Grants-in-aid
  - (v) Treatment of grant for planned and unplanned expenditure
  - (vi)Interest on un disbursed amount collected by company and its treatment in accounts.
  - (vii) If the Grant appears to be in excess of requirements it is to be seen that the same is refunded to GOI/or treated as per advice of GOI.
  - (viii) Treatment of assets purchased from the grants.
- Examine the contracts executed by the Project Divisions with reference to detail estimates, tenders showing the material and labour requirement vis-à-vis the actual performance there against.
- Examine the sub-contract agreements if any with reference to the project
- Examine the system of accounting of Project site accounts
- Examine the foreign collaboration agreement achievement there against and absorption of technology over the years.
- Examine the system of accounting of scrap generated and disposal of scrap.
- To review the cases of Earnest money / Security deposit paid / made by the lying unrealized.
- Examination of Fixed Assets Register along with physical verification.
- Examination of expenditure under Capital- work- in- Progress.
- Examination of physical verification of inventories.
- Examination of slow moving, non-moving and obsolete stores.
- Examination of loans and advances.
- Examination of Cash Book, Bank Book, Bank Reconciliation Statement and paid vouchers.
- Examination of purchase files
- Examination of valuation of raw materials and other stores
- Examination of electricity and local taxes files.

Applicable Acts Rules and Regulations

- Companies' act 2013 and rules made thereunder
- The Building and Other constriction workers welfare Cess Act 1996
- The employee's provident funds and miscellaneous provisions Act 1952
- Industrial Dispute Act, 1947
- Minimum Wages Act, 1948
- Payment of Gratuity Act, 1972
- Payment of Wages Act, 1936
- Trade Unions Act, 1926
- Workmen's Compensation Act, 1923
- Contract Labour (Regulation and Abolition) Act, 1970
- Employees State Insurance Act, 1948
- Foreign Exchange Management Act, 1999

Disinvestment

The company has not been selected for disinvestment.

Periodicity of the Audit

Transaction audit and accounts audit of the creative museum designers is being conducted every year.

COMPANIES FOR WHICH WE ARE SUB –AUDITORS

NTPC LTD

Company's profile:

NTPC Ltd (Company) was incorporated in November 1975 with the objective to plan and promote development of thermal power in the country. As on 31.03.2019 the Company has an installed capacity of 47,325 MW of which 11,410 MW was in the country's Eastern region. During the year 2018-19 the Company earned a consolidated post-tax profit of ₹16,834.35 crore

NTPC BARH STPP

Background of the Barh STPP (Stage I &II):

Barh STPP was originally conceived as a coal based Super Thermal Power Plant having an ultimate capacity of 2000 MW (4 X 500 MW). The unit configuration of the project was subsequently revised (February 2000) to1980 MW (3 X 660 MW). The foundation stone of the project was laid by the Prime Minister on 6th March, 1999. The updated feasibility report was prepared in April, 2002. This project was proposed for the benefit of states and Union Territories of Northern and Western Region and the state of Bihar. The Techno-Economic clearance for the project was given by CEA in September 2001. MOEF also accorded 1st stage clearance in September, 2001. The Company thereafter planned to enhance the ultimate capacity of Barh Project to 3300 MW by adding two more units of 660 MW each under Stage-II of which the first unit (Unit-4) was put on commercial operation inMarch 2016and the second unit (Unit-5) was put on commercial operation in February 2016.

Project cost and financing:

The estimated cost of the project (Stage-I: 3 x 660 MW) as per initial approvalaccorded (21.02.2005) by the Board of Directors was ₹8692.97 crore (including IDC & WCM).The anticipated project cost has been later revised (Jan 2014) to ₹15,095.87 crore. The project was proposed to be financed based on the proposed overall Debt-Equity ratio of 70:30. Equity would be infused from internal resources whereas debt portion was proposed to be financed from external commercial and domestic borrowings/ bonds. The Board of Directors of the Company at their meeting held on February 29th2008 has accorded the investment approval for the Barh Super Thermal Power Project, Stage-II (2 x 660 MW) at an estimated cost of ₹7341.04 crore (including IDC & WCM). The actual cost of completion was ₹10,894.17 crore.

Project implementation schedule:

The present status of Barh Stage-I and Barauni TPP is given below:

No Of Units		BES	BDL	CES	TGES	BHT	BLU	TGBU	SBC	TGOFC	CHP	AHP	SYNC	FL	TOC	COD
Barauni Extn TPS U# 8 (250 MW) 11-03-2011	App. Sch													Mar-19	Aug-19	Aug-19
	Act/Ant.													Aug-19	Aug-19	Aug-19
Barauni Extn TPS U# 9 (250 MW) 11-03-2011	App. Sch													Mar-19	Jan-21	Jan-21
	Act/Ant.													Jan-21	Jan-21	Jan-21
Barh-I U# 1 (660 MW) 14-03-2005	App. Sch	Dec-10		May-11	May-11	Sep-12	Dec-19	Oct-12	Feb-20	Nov-19	Aug-20	Aug-20	Apr-20	Apr-20	Aug-20	Aug-20
	Act/Ant.	Mar-11		Feb-12	Aug-11	Feb-13	Dec-19	Dec-13	Feb-20	Nov-19	Aug-20	Aug-20	Apr-20	Apr-20	Jun-20	Jun-20
Barh-I U# 2 (660 MW) 14-03-2005	App. Sch	Jun-11		Nov-11	Nov-11	Apr-20	Jun-20	Apr-13	Aug-20	May-20	Feb-21	Feb-21	Oct-20	Oct-20	Feb-21	Feb-21
	Act/Ant.	Jul-11		Oct-12	Sep-11	Apr-20	Jun-20	Jan-15	Aug-20	May-20	Feb-21	Feb-21	Oct-20	Oct-20	Dec-20	Dec-20
Barh-I U# 3 (660 MW) 14-03-2005	App. Sch	Dec-11		Jul-12	May-12	Jul-20	Dec-20	Sep-20	Feb-21	Nov-20	Aug-21	Aug-21	Apr-21	Apr-21	Aug-21	Aug-21
	Act/Ant.	Jan-12		Nov-13	Mar-12	Jul-20	Dec-20	Sep-20	Feb-21	Nov-20	Aug-21	Aug-21	Apr-21	Apr-21	Aug-21	Aug-21

Financial information:

Financial information of the entity during the last years ending on 31.03.2019 is given below: -

₹ in crore

Particulars	2016-17	2017-18	2018-19
Operational revenue	3,723.03	3,480.78	794.21
Non-operational revenue	18.78	19.07	6.83
Total income	**3,723.03**	**3,480.78**	**801.04**
Total Revenue Expenditure	3,367.11	3,693.15	367.95
Profit/(Loss) before tax	376.03	-188.26	443.39
Long term borrowings, if any	-	-	-
Inventory (closing)	330.93	298.51	484.68
Grants received from Government, if any.	-	-	
Closing balance of CWIP	12,658.38	14,319.47	15,742.24
Capital expenditure incurred	1,857.00	1,664.00	1856.58

Operational information:

Operational information of Stage-II (3 x 660 MW) have been exhibited in the table given below:

Particulars	Unit of measurement	2016-17	2017-18	2018-19
Scheduled Generation	MWH	73,26,546	89,36,159	93,88,933
Actual Generation	MWH	71,58,481	87,78,261	93,33,719
PLF	%	66.09	80.19	85.14
Availability factor	%	84.88	94.12	93 .16
Auxiliary power consumption	%	5.75	5.07	4.95
Specific oil consumption	ml/kwh	0.875	0.277	0.326
Specific coal consumption	kg/kwh	0.666	0.649	0.591
Heat rate	kcal/kwh	2412.42	2332.67	2256.75

Internal Audit:

The Internal audit for the year 2018-19was conducted by M/s VinodSinghal& Co, Chartered Accountants.It was commensurate with the size and nature of business at NTPC Ltd.

Manpower strength:

The manpower strength of the entity during the last three years ending 31.03.2018are given below:

Year	2016-17		2017-18		2018-19	
	Sanctioned strength	**Incumbency**	**Sanctioned strength**	**Incumbency**	**Sanctioned strength**	**Incumbency**
Executives	255	337	301	302	301	265
Non-executives	421	113	206	109	206	100

IT system:

The Company has implemented the ERP-SAP IT system. This web based system covers the modules such as FICO, operations, projects, logistics,human resources, purchase and contracts andmaterials management.

However, Audit was allowed only limited access to SAP and to only few T-codes in the modules pertaining to accounting, logistics, HR and materials management. This access was unilaterally determined by the management without any consultation with Audit. Despite written and oral requests, Management did not provide the SAP manual or access to other modules or T-Codes.

Audit had sought view only access to all modules.

Key managerial personnel:

During the period covered by Audit following personnel held the charge of the entities covered.

Office	Officer holding charge	Period
Regional Executive Director, ER HQ-I, Patna	Shri M.P. Sinha	Up to 9 April 2018
	Shri S Narendra	From 9 April 2018
Executive Director Barh STPP	Shri VinodChoudhary	Up to 5 April 2018
	Shri Asit Kumar Mukherjee	6 April 2018 onwards

NTPC BONGAIGAON

Introduction with history of Project:

NTPC Bongaigaon is located at Salakati, Kokrajhar District situated in the Bodoland Territorial Councilregion of Assam. The major rivers are the Sankosh, Gadadhar, Hel, Saralbhaga, Gwrang and Champamati. Major Wildlife Sanctuaries are Chakrashila (Golden Langur), Ripu-Chirang (elephant) and the Kochugaon Reserved Forest.The district has extensive tropical evergreen forests in the north and places in the south west and south. The main cultivation is rice, taro and vegetables with pisciculture and animal husbandry being major activities. The Guwahati- New Jalpaiguri main railway line of the Northeast Frontier Railway passes through the district along with NH 31 and NH 31C which are the sole surface connections between the Northeast and the rest of India. Kokrajhar is a city in BTAD, Assam, one of the North East States and territories of India. Kokrajhar city is located along the bank of Gourang River. The North East Indian Railways divides the city into two sides, north and the south. Kokrajhar city is the headquarter of Kokrajhar district and the Bodoland Territorial Council (BTC). Kokrajhar is located at 90° 21' 0" (East) 26° 26' 21" (North) It has an average elevation of 38 metres (124 feet).

Project location- Village Kumguri near Salakti. District –Kokrajhar
Longitude -90° 21' 0" (East)
Latitude -26° 26' 21" (North)
Nearest Railway station- Kokrajhar(11 KM away from plant)
Nearest Airport- Lokapriya Gopinath Bordoloi Airport ,Guwahati (220 KM)
Nearest Cities- Kokrajhar (11 KM)
Bongaigaon – 40 KM
Guwahati- 220 KM
Nearest Airport- Lokpriya Gopinath Bordoloi International Airport, Guwahati – 220 KM

Brief history of BTPS (ASEB):

Promoter Assam Power Generating Company Ltd(APGCL)
Location Salakati in Kokrajhar district of Assam.
Installed Capacity 240 MW (4X60MW)
Fuel Coal
Date of Commissioning Unit I: March 1981
Unit II : March 1982
Unit III : May 1985
Unit IV : June 1986
Present Status All the four units were dismantled
The units were last run up to:
Unit I : June 1991
Unit II : February 2002
Unit III : November 2001
Unit IV : April 1998

Bongaigaon Thermal Power Station was situated at Salakati in the district of Kokrajhar in Assam. It consisted of four coal fired units of 60 MW each. These units came into operation during the year 1981 to 1986 in two stages. In the first stage, two units (Unit I & II) were commissioned in 1981 and 1982 respectively. In the second stage, two units (Unit-III & IV) were commissioned in 1985 and 1986 respectively. Major equipment like boiler, turbine, auxiliaries like BFP, CEP, PA fans, bowl mills etc. were supplied by BHEL. In coal handling plant, major equipment like primary and secondary crusher were supplied by TRF and wagon trippler was supplied by Heavy Engineering Corporation (HEC). Since commissioning none of the unit could deliver the desired level of generation for various reasons. Some of the main reasons were problem in the boiler, turbine, mill and other unit auxiliaries and also in the coal handling plant. During July 2002, the plant was running at a very low PLF of 4.6%, very high auxiliary power consumption of 22.68% very high specific oil consumption of 59.12 ml/kwhr and height specific coal consumption of 0.85 kg/kwhr with a coal of GCV 3500 Kcal/kg. None of the units could deliver the required level of generation and the annual PLF of the plant was only 24.23%. As a result, the station had to be shut down. It had been found that though it was technically feasible to renovate the existing units of BTPS, it would not have been economically viable as the tariff works out to about ` 3.16 per unit after carrying out R&M at an estimated cost of about ` 7 billion. Hence, capital grant/viability gap funding of ` 3.5 billion would have to be provided to bring down the tariff to an acceptable level of ` 2.50 per unit. The alternative was NTPC's proposal to set up a new 750 MW (3 X 250 MW) Thermal Power Station at the same location, at a total project cost of approximately ` 44.96 billion based on third quarter 2006 price level. The power station based on Flue Gas Desulphurization (FGD) technology due to high Sulphur content of NECL coal, involving additional cost of ` 0.5 crores/MW approximately. The foundation stone of NTPC BgTPP was laid by the then Hon'ble Prime Minister Dr. Manmohan Singh on 16th Jan 2006.

Administration:

During the period covered by Audit, following personnel held the charge of the NTPC Bongaigaon Unit/Project:

Head of the Project: ShriChandan Chakraborty, Chief General Manager (from 21.02.2019 to 16.07.2019) Executive Directorat present (from 17th July 2019 to till date of audit).

Head of Finance: Shri Jayanta Kr. Medhi, Dy. General Manager (Accounts & Finance), was the functional head of Finance at site (from 28th December 2018 to till date of audit).

Activities of the Unit:

NTPC Bongaigaon is headed by Executive Director for generating power of the 3x250 MW units. Presently, all the three Units with the capacity of 250 MW are under operation. The Unit 1 was commercialized on 01.04.2016. Unit 2 & unit 3 were commercialized on 01.11.2017 and 26.03.2019 respectively.

Performance of the Unit:

(a) Financial Performance: Financial Position of the Project for the last three years ending on 31.03.2019 was as follow: -

` in Crore

Particulars	2016-17	2017-18	2018-19
Turnover	973.82	925.45	1720.84
Capital Expenditure	320.92	270.54	217.88
Revenue Expenditure	883.68	1018.11	1581.32
Paid up Capital	-	-	-
Long Term Borrowing	250.48	217.24	54.93
Inventory(closing)	87.78	88.17	165.4
Grant Received from Government	-	-	-
Profit before Tax	102.43	-62.05	157.84

Profit after Tax	-	-	-

(b) The position of billing and its realization for the year 2018-19was as follows: -

Year	Billing SG		Realisation (` in crore)
2018-19	Million Units	` in crore	
	2285.742	2012.41	2024.91

Billing of last three years in BgTPP				
	Energy (in MU)			
Beneficiary	2016-17	2017-18	2018-19	2019-20(Upto June 2019)
DoP, ARUNACHAL	92,124,489.00	95,694,792.00	136,246,402.00	62,640,237.00
APDCL, ASSAM	992,706,907.00	1,007,748,983.00	1,573,826,553.00	612,398,883.00
MSPDCL, MANIPUR	57,360,719.00	29,784,566.00	103,249,184.00	61,911,685.00
MeECL, MEGHALAYA	189,667,170.00	0		0
P&ED, MIZORAM	89,964,590.00	104,815,309.00	153,409,037.00	49,379,960.00
DoP, NAGALAND	61,020,016.00	69,867,051.00	109,041,926.00	48,394,323.00
PGBISWANATH (PGCIL)	11,828,215.00	7,108,945.00	9,937,075.00	2,139,124.00
TSECL, Tripura	41,559,196.00	111,270,748.00	202,243,364.00	74,657,936.00
	1,536,231,302.00	1,426,290,394.00	2,287,953,541.00	911,522,148.00

Realisation of BgTPP is made together with ER-II billing in ER-II, NTPC, Kaniha. Therefore, it cannot be segregated for BgTPP realisation. Realisation of ER-II, NTPC of last three years was as follows:

NTPC, ER-II billing, realisation and outstanding dues for 2016-17

(All figures ` in Crore)

Customer	Outstanding as on 31.03.16	Gross Bill	Rebate	Total Bill	Realisation	Outstanding as on 31.03.2017	Realisation %
Gridco	0.00	3484.00	0.00	3484.00	3433.68	50.32	98.56
APDCL	0.00	836.53	1.15	835.38	576.66	258.72	69.03
MeECL	0.00	101.48	0.00	101.48	11.39	90.09	11.22
Arunachal Pradesh	0.00	59.13	0.61	58.53	58.52	0.00	100
Nagaland	0.00	67.19	1.12	66.07	66.07	0.00	100
Mizoram	0.00	56.17	0.12	56.05	55.08	0.97	98.27
Manipur	0.00	45.23	0.04	45.19	33.85	11.34	74.91
Tripura	0.00	40.19	0.00	40.19	5.00	35.19	12.44
PGCIL	0.00	7.06	0.11	6.95	6.95	0.00	100
Total	0.00	4644.69	3.04	4686.89	4240.25	446.64	90.47

NTPC, ER-II billing, realisation and outstanding dues for 2017-18

(All figures ` in Crore)

Customer	Outstanding as on	Gross Bill	Rebate	Total Bill	Realisation	Outstanding as on	Realisation %

	31.03.2017					31.03.2018	
Gridco	50.32	3567.70	9.31	3558.39	3589.97	18.74	100.89
APDCL	258.72	962.66	0.41	962.25	1123.90	97.07	116.80
MeECL	90.09	54.61	0.00	54.61	6.96	137.74	12.74
Arunachal Pradesh	0.00	68.80	0.20	68.60	58.44	10.16	85.19
Nagaland	0.00	78.77	1.44	77.33	77.33	0.00	100.00
Mizoram	0.97	69.60	0.04	69.86	78.80	-7.97	112.80
Manipur	11.34	46.80	0.00	46.80	51.48	6.66	110.00
Tripura	35.19	74.95	0.00	74.95	88.20	21.94	117.68
PGCIL	0.00	6.54	0.06	6.48	6.48	0.00	100.00
Total	446.64	4930.73	11.46	4919.27	5081.56	284.34	103.00

<u>NTPC, ER-II billing, realisation and outstanding dues for 2018-19</u>

(All figures ` in Crore)

Customer	Outstanding as on 31.03.2018	Gross Bill	Rebate	Total Bill	Realisation	Outstanding as on 31.03.2019	Realisation %
Gridco	18.74	3655.62	0.00	3655.62	3402.82	271.54	93.08
APDCL	97.07	1344.92	5.61	1339.31	1422.75	13.63	106.23
MeECL	137.74	102.12	0.00	102.12	20.83	219.03	20.40
Arunachal Pradesh	10.16	112.57	0.40	112.17	122.30	0.03	109.03
Nagaland	0.00	112.30	2.26	110.04	110.04	0.00	100.00
Mizoram	-7.97	110.62	0.44	110.18	99.11	3.10	89.95
Manipur	6.66	96.54	0.00	96.54	85.36	17.84	88.42
Tripura	21.94	135.04	0.15	134.89	156.83	0.00	116.27
PGCIL	0.00	7.29	0.13	7.16	7.69	-0.53	107.40
Total	284.34	5677.02	8.99	5668.03	5427.73	524.64	96

(C) LC opened by different power utilities up to 10.07.2019 was as follows: -

(` In crore)

Sl. No.	Power Utilities/Beneficiaries	LC required for BgTPP	LC opened
1	APDCL, Assam	167.28	167.28
2	MeECL, Meghalaya	13.6	0.00
3	Dept. of Power, Arunachal Pradesh	14.26	4.01
4	Dept. of Power, Nagaland	14.07	10.24
5	Dept. of Power, Mizoram	14.28	9.72
6	MSPDCL, Manipur	15.4	0.00
7	TSECL,Tripura	17.67	0.00
8	PGCIL, Meghalya	0.73	0.73

Economic Value Added:

(` In lakhs)

Particulars	2016-17	2017-18	2018-19
Capital Invested (beginning of Year)	652572.68	701052.05	745600.48
WACC	2.35%	2.58%	3.34%
NOPAT	10243.03	-6204.84	15783.78
Finance Charge	15,332.87	18096.75	24871.53
Economic Value Added	-5089.84	-24301.59	-9087.75

Project Cost and Financing:

The status of Non-current Assets as on 31.03.2019 was as follows: -

Particulars	Amount (`)
Property, Plant & Equipment	63491862555.17
Capital-Work-in-Progress	10580630205.23
Intangible Assets	804787.00
Other non-current assets	510414251.08
Total	**74583711798.48**

Project Implementation Schedule:

Implementation schedule of 3X250 MW Bongaigaon Thermal Power Projectwas finalized based on the following broad framework: -The major milestone planned viz-a-viz actual dates is given below: -

Sl. No.	Milestones	Unit-I		Unit-II		Unit-III	
		Planned	Actual	Planned	Actual	Planned	Actual
1.	Boiler Erection	Feb' 09	Feb' 09	June'09	Mar'10	Oct'09	Apr'12
2.	Boiler Drum Lifting	Jun '09	Jan'10	Oct'09	Oct'10	Feb'10	Feb'13
3.	Condenser Erection	Sep' 09	Feb' 10	Jan'10	Jan'16	May'10	Dec'16
4.	Turbine Erection start	Nov' 09	Mar' 11	Mar'10	Jan'16	Jul'10	Oct'16
5.	Boiler Hydro Test	Mar' 10	Jan'11	July'10	Apr' 12	Nov'10	Mar'14
6.	TG Box Up	Aug'10	Apr' 15	Dec'10	Nov'16	Apr'11	Mar'18
7.	Boiler Light Up	Aug'10	Nov' 14	Dec'10	Mar'16	Apr'11	Jul'17

8.	TG Oil Flushing Completion	Sep’10	May’ 15	Jan’11	Dec’16	May’11	Jun’18
9.	Steam Blowing Completion	Sep’10	Mar’ 15	Jan’11	Nov’16	May’11	Sep’18
10.	Synchronization and Coal firing	Nov’10	June’ 15	Mar’11	Feb’17	July’11	Jan’19
11.	Full Load	Jan’11	Jun’15	May’11	Mar’ 17	Sep’11	Feb’19
12.	COD		01.04.16		01.11.17		26.03.19

Coal requirement, linkage and transportation:

Blended Coal (Assam (NEC) coal for 2 units of 250 MW and coal from ECL mines for one Unit of 250 MW had been proposed to be used as fuel with FGD technology as per the Feasibility Study Report. It had been estimated that the daily maximum coal requirement for the project shall be about 4700 tonnes for Assam coal of gross calorific value of 6440 kcal/kg for 2*250 MW units and 5100 tonnes of coal from ECL mines for gross calorific value 2950 kcal/kg for one unit of 250 MW at 100% plant load factor and 2500 kcal/Kwh unit heat rate.

The envisaged mode of coal transportation from the coal mines to the power plant was by Indian Railways rakes in BOX-N wagons. Accordingly, provision of two numbers Wagon Tipplers had been kept in feasibility report.

NTPC entered into Fuel Supply Agreements with North Eastern Coal Field (NECL) and Eastern Coal Fields (ECL) in August 2013 and July 2013 respectively for supply of coal for its (3x 250 MW) Bongaigaon unit. Annual contracted quantity for NECL coal was 12.5 lakh tons per year and ECL coal was 4.00 lakh tons per year respectively. As FGD plant was not commissioned as planned, it was decided that the coal linkages of NECL mine will be swapped with NTPC Farakka TPP. Shifting of 0.625 million tonnes of coal from NEC to NTPC Farakka TPP will be over and above 0.2 million ton of coal already linked from NEC to NTPC Farakka TPP. Thus, coal requirementwas fulfilled by moving the same from NEC to NTPC Farakka and 0.625 million tonnes of coal was decided to be moved ECL to Bongaigaon over and above the existing linkage.Details of coal consumption during the year 2018-19are given below: -

Fuel Data (Domestic Coal in MT)					
Month	**Opening balance**	**Receipt**	**opening plus receipt**	**Consumption**	**Closing stock**
Month	Opening stock of coal	Coal received during the month	Opening Plus Receipt	Consumption	Closing stock of the coal
Apr-18	44768.863	192598.734	237367.597	143879.791	93487.806
May-18	93487.806	136545.65	230033.456	140888.102	89145.354
Jun-18	89145.354	119656.12	208801.474	143238.597	65562.877
Jul-18	65562.877	129675.37	195238.247	152893.956	42344.291
Aug-18	42344.291	128110.95	170455.241	141265.953	29189.288
Sep-18	29189.288	110233.08	139422.368	107911.255	31511.113
Oct-18	31511.113	74479.34	105990.453	98264.025	7726.428
Nov-18	7726.428	131584.48	139310.908	121321.678	17989.23
Dec-18	17989.23	111446.06	129435.29	106361.641	23073.649
Jan-19	23073.649	151879.09	174952.739	123148.803	51803.936
Feb-19	51803.936	240826.26	292630.196	173391.516	119238.68
Mar-19	119238.68	236482.59	355721.27	186049.411	169671.859

Water requirements/source:

The source of water for the erstwhile Bongaigaon Thermal Power Station (4*60 MW) was Champawati river which had a perennial flow and the water requirement for the project was met from the river throughout the year without provision of any dam for storage. At the time of preparation (September 2006) of feasibility study report, Make up water requirement for BgTPP was estimated to be about 3625 Cu.M/hr with once through ash water system. The allocated water quantity (40 cusecs) had been considered sufficient for meeting the make-up water requirement of this project.

Information Technology aspects:

A brief write up on the IT system of Bongaigaon Thermal Power Project. All the work are computerized and done through SAP.Five numbers of servers are available at Bongaigaon. 12 MBPS PGCIL link is commissioned as a standby to BSNL link to ensure 100% availability of SAP/ESS. All the business modules are covered under SAP/ESS. To ensure security the entire client PC's are installed with either with Window7 or Window 10 OS. All the PC's have been migrated to Active Directory Services (ADS). Trend Micro Antivirus is installed in every system. One Hi-path 4000 EPABX system with 800 lines is catering the need of communications amongst the employees of various departments. Two numbers of HD quality VC systems are being used to conduct VC with senior officials of NTPC and other agencies/beneficiaries located at different geographical locations making communication system simple and at its ease. IT department of the project is presentlyheaded by Deputy General Manager, Mrs. Sheeja Ambika Sasidharan.

The IT system is stabilized/customized according to the requirement of the company.

One time data entry is a must for the systems. All the adhoc reports and routine MIS are available on a mouse click, whereas regular backup is being taken without any manual intervention.

(a) Whether there is an IT system: Yes

(b) Whether the IT system is stabilised: Yes

(c) Whether the IT system requires human interference: No

Internal Audit:

Internal Audit of NTPC's Bongaigaon Thermal Power Project (BgTPP) for the 2018-19 was conducted by M/s A. J. S. & Associates, Chartered Accountants, Kolkata. As per the appointment letter, the scope of internal audit was Works including O&M contracts, Procurement, Accounts, Establishment-Accounts & HR, Stores, Autobase and construction Equipment, Township, Guest House & Hospital, Operations, Invoicing for sales, Debtors etc. Internal Audit of the Management is commensurate with the size and nature of the organisation/Unit.

KAHALGAON SUPER THERMAL POWER STATION

Introduction:

Kahalgaon Super thermal Power Station is the seventh of the series of Super Thermal Power Stations set up by NTPC Limited and the first of its kind in Bihar and second in the entire Eastern Region of NTPC. NTPC Limited Kahalgaon is situated 31 KM east of Bhagalpur district, on the Kiul-Howrah Sahibganj loop line of Eastern Railway. Existing generating capacity of the plant as on 31.03.2018 is 2340 MW (Stage-I: 4X210 MW and Stage-II: 3 x 500MW).

The leadership of the NTPC Ltd. has developed the Vision, Mission and Values after extensive discussion with both internal and external stakeholders of the organisation.

NTPC Vision	NTPC Mission	Kahalgaon Vision
To be the world's leading power company, energizing India's growth.	Provide reliable power and related solutions in an economical, efficient and environment friendly manner, driven by innovation and agility.	"To be the best power station in the country recognized by all the stakeholder, society, employees, statutory bodies, customers and owners on continual basis."

Kahalgaon-station Management has formulated KhSTPS specific Vision, in 2006. Corporate leadership, which includes the regional EDs and other BUHs envisioned future of the organisation with active participation of its employees. It also identified a set of shared values called core values of NTPC Ltd. which is the guiding principles for developing organisational culture and values amongst employees.

Required coal of the Station is transported from Rajmahal coalfields of Eastern Coalfields Limited by Merry-Go-Round (MGR) railway system and Rajmahal Siding through Pirpainti Station. Ultimately, it was proposed to have an integrated transport system for Chhuperbita and Hurra C Blocks including Pirpainti so that coal from any of the blocks could be diverted to either of the Super Thermal Power Stations i.e. Farakka Super Thermal Power Station and Kahalgaon Super Thermal Power Station. Further coal is also imported through contractors due to short supply of indigenous coal.

Project Implementation:

The Government of India approved the project in July 1985 with an estimated cost of ` 884.16 crore for Stage – I which was subsequently revised to ` 2038.97 crore (March 2004). The reasons for substantial variation of ` 1154.81 crore (130.61%) was mainly due to major explosion of the boiler which had occurred in October 1992 and thus the project was delayed by 3 years and the last unit (Unit – IV) was commissioned in August 2006.

In December 2002, Government of India, Ministry of Power approved the expansion of the Kahalgaon Thermal Power Project by carrying out Stage – II expansion programme by setting up of 3 X 500 MW unit at Kahalgaon.

The date of synchronization and date of declaration of commercial operation as per DPR vis-à-vis actual are as follows: -

Unit	Capacity in MW	Date of Synchronisation		Date of declaration of Commercial Operation Commercial Operation	
		As per DPR	Actual	As per DPR	Actual
I	210	July 1991	March 1992	March 1992	January 1995
II	210	July 1992	March 1994	March 1994	April 1995
III	210	July 1992	March 1995	March 1995	February 1996
IV	210	January 1993	March 1996	March 1996	August 1996
V	500	July 2006	March 2007	November 2006	August 2008
VI	500	December 2006	March 2008	January 2008	December 2008
VII	500	December 2006	March 2009	March 2008	March 2010

The power generated from the station is supplied to the states and union territories of Northern Region, Western Region, Eastern Region and Southern Region. Station achieved generation of 16316.76 MU @ 79.60 % PLF with annual DC of 91.43 % and annual availability of 93.57% for the financial year 2017-18.

Administration:

During the period covered under audit, Shri Rakesh Samuel, was the head of the unit (upto 31 March 2018) and Shri K. Sreedhar, from 1 April 2018 to date held the charge of Group General Manager.

Operational Performance:

Operational Performance of the Station for last three years ending 31st March 2018 was as follows: -

Sl. No.	Particulars	2015-16		2016-17		2017-18	
		Target	Actual	Target	Actual	Target	Actual
1.	Generation (MU)	15507.00	15275.02	15696.00	15947.75	15105	16316.76
2.	Plant Load Factor (%)	75.40	74.31	76.60	77.80	73.69	79.60
3.	Declared Capability (%)	93.50	92.49	90.70	93.20	88.99	91.43
4.	Machine AVF (%)	93.70	94.12	93.70	93.98	93.61	93.57
5.	Heat Rate (kcal/kwh)	2392	2392	2402	2415	2416	2424
6.	Aux. Power Consumption (%)	7.04	6.97	6.94	6.87	6.77	6.88
7.	Backing down (MU) -						
	i) Due to Grid restriction	0.00	3668.33	0.00	3148.24	0	2440.18
	ii) Due to Station problem	0.00	403.03	0.00	168.18	0	319.778

8.	Forced outage (Hrs.)	158.10	136.32	132.30	96.27	175.2	168.842
9.	Planned outage (Hrs.)	392.60	376.86	409.97	431.35	383.69	394.328
10.	Planned Outage (MU)	918.83	881.85	959.35	1009.36	897.83	922.728
11.	Sp. Oil Consmp. (ml/kwh)	0.35	0.44	0.45	0.39	0.42	0.33
12.	Coal Receipt (MT)	-	12679350		12434818	-	12407306
13.	Coal Consumption (MT)	-	12544552		12965621	-	12612660
14.	Coal Stock (MT)	-	1064825		498629	-	262849

Brief about internal audit:

M/s Goyal Parul & Co, Chartered Accountants was appointed as Internal Auditors of the Unit for the year 2017-18.

(a) Year in which last Internal Audit was conducted: 2017-18.

(b) Details of major irregularities observed by internal audit during last three years: Nil

Brief about IT System:

The Company implemented Enterprise Resource Planning (ERP) w.e.f. 01.08.2008 with the following Modules: -

- Finance & Accounting
- Human Resources
- Materials Management
- Contracts Management
- Project Systems – Planning/Monitoring
- Maintenance Management
- Operation Management

(d) Whether there is an IT system: Yes
(e) Whether the IT system is stabilised: Yes
(f) Whether the IT system requires human interference: No

Financial Performance:

(`in crore)

Particulars	2015-16	2016-17	2017-18
Turnover (in Value)	5032.24	5366.72	5169.18
Capital Expenditure	44.40	63.46	68.01
Revenue Expenditure	542.80	578.87	576.16
Paid up capital	--	--	--
Long term borrowings	--	--	--
Inventory (Closing)	474.75	408.12	299.29
Grant received from govt. if any	--	--	--
Profit Before Tax	833.37	927.61	943.52
Profit After Tax	833.37	955.11	949.61

Manpower:

Manpower position of the Station for the last three years ending 31st March 2018 is furnished hereunder: -

As on	31-03-2016	31.03.2017	31.03.2018
Executives	484	454	397
Non-Executives	655	616	590
Total	1139	1070	987

Environment Management

KhSTPS has been set up with most modern technology with integrated environmental issues for its Coal based Thermal Power Station. The Environment Management Group (EMG) at Corporate Centre of NTPC oversees the environmental activities of NTPC Power Stations. The EMG is required to carry out environmental audit of each plant. Center for Power Efficiency and Environment Protection (CENPEEP) of NTPC studies various options of increasing the operational efficiencies of the Power Plants of NTPC. The activities of this department were as follows: -

a) For both Stage– I and II all the conditions except utilisation of fly ash stipulated in environmental clearance by the Ministry of Environment & Forest (MoEF) for KhSTPP have been complied with.

b) Electrostatic Precipitator (ESP) of all the seven units of Stage – I (4 x 210 MW) and Stage – II (3 x 500 MW) are operational. There is high efficiency ESP's to keep the emission within the limits specified by the State Pollution Control Board.

c) MoEF& Central Pollution Control Board has issued a Charter of Corporate Responsibility on Environment Protection (CREP) on 13.03.2003 in the matter of identification and ash filling in the abandoned mines where ash filling has not been done till date as no mines could be specified by the mines authorities.

d) Zero discharge of plant effluents have been achieved with effect from 31/12/2011.

FARAKKA SUPER THERMAL POWER STATION

Brief description of the unit

Farakka Super Thermal Power Station with installed capacity of 2100 MW. Farakka Super Thermal Power Station is situated in Farakka area of Murshidabad District of West Bengal. The station has been completed in three stages, Stage I – 200 MW x 3 = 600 MW, Stage II – 500 MW x 2 = 1000 MW and Stage-III – 500 MW x 1 = 500 MW. The first stage comprising 3 units of 200 MW each was sanctioned by the Government of India in March, 1979 at an estimated cost of ` 320.87 crore. Unit- I, II and III were, however, commissioned on 01.04.1986, 24.12.1986 and 22.03.1988 respectively. Commercial Operation was declared from 01.11.1986, 01.10.1987 and 01.09.1988. The Second Stage, comprising 2 units of 500 MW each, was approved by the Govt. of India in September 1984 at an estimated cost of ` 1,008.39 crore, to be completed by 1991-92. Though the units were synchronized on 25.09.1992 (4^{th} Unit) and 07.03.1994 (5^{th} Unit), commercial operation commenced only on 01.07.1996 and on 01.04.1995 respectively. The third stage of the project (1*500 MW) was synchronized on 23.03.2011 and the commercial operation started on 04.04.2012. The source of water is the River Ganga. The linked coal mine is Lalmatia Coal Mines of Eastern Coalfields Limited transported through Merry-Go-Round (MGR) system with length of 81 KM.Power generated from Farakka Super Thermal Power Station is being fed by the 400 KV and 220 KV transmission lines benefiting following beneficiaries**:**

Sl. No.	**Name of Beneficiaries**	**Allocation (%)**	
		Stage – I & II	**Stage – III**
1.	West Bengal	31.50	32.20
2.	Bihar	31.40	26.50
3.	Jharkhand	8.60	17.00
4.	Odisha	14.20	17.10
5.	DVC	0.80	6.40
6.	Sikkim	1.50	0.00
7.	NVVN	0.30	0.00
8.	Northern Region	7.10	0.00
9.	North-Eastern Region	3.30	0.10
10.	Southern Region	1.30	0.70
TOTAL		**100.00**	**100.00**

Administration

During the period covered by Audit following personnel held the charge of the Farakka Super Thermal Power Station, NTPC:

CGM, FSTPS - Shri A. K. Sinha upto February 2018 and thereafter Shri K. Gupta.

General Managers: Shri S. Basu, General Manager (TS) till January 2018
Shri D. K. Gupta, General Manager (FM)
Shri A. Majumdar, General Manager (O&M)
Shri A. K. Arora, General Manager (Operation)
Shri Arun Kumar, General Manager (HR)

Head of Finance, FSTPS: - Shri A. Sengupta, Addl. General Manager (F&A).

Compliance Audit on the accounts and records of Farakka Super Thermal Power Station, a unit of NTPCLimited, for the year 2017-18 was taken up by an Audit Party from the Office of the Director General of Commercial Audit & Ex-Officio Member, Audit Board – I, Kolkata. The Audit Party comprised of Shri A. Patra, Asstt. Audit Officer (upto 27.12.2018) and Shri Kunal Kumar, Asstt. Audit Officer and supervised by Shri D. Roy, Senior Audit Officer. The audit was started on 14th December 2018 and completed on 3rd January 2019 at Farakka.

Operational Performance:

Performance of the Station for the last three years ending on 31.03.2018 is as follows:

Sl. No.	Particulars	2015-16		2016-17		2017-18	
		Target	Actual	Target	Actual	Target	Actual
1.	Installed Capacity (MW)	2100	2100	2100	2100	2100	2100
2.	Plant Availability (%)	90.00	86.35	89.09	92.39	92.00	91.67
3.	Generation (MU)	13882.00	12340.35	13277.00	13743.94	12959.00	13356.88
4.	Plant Load Factor (%)	75.26	66.90	72.17	74.71	70.45	72.61
5.	Total Outage (%) (a) Planned (b) Forced (c) Others		 5.99 7.60 -		 1.29 6.31 -	 5.65 2.50 -	 5.44 2.82 0.05
6.	Specific Oil Consumption (ML/KWH)	0.50	1.72	-	0.71	0.43	1.14
7.	Auxiliary Power Consumption (%)	6.54	7.13	-	7.22	6.30	7.16
8.	Oil Consumption- LDO (KL) HFO (KL)					 --	 -- 15258.50
9.	Coal Consumption (in MT)	--	8558898		9171385	--	8657541
10.	Cost of Generation (Rs./KWH)		NA		NA		NA

Financial Performance:

The financial Performance for the last four years ending on 31.03.2018 is given below:

(` in crore)

Particulars\Years	2014-15	2015-16	2016-17	2017-18
1. Turnover	5091.19	4484.11	4770.13	4713.76
2. Capital Expenditure	107.28	99.72	80.40	102.00
3. Revenue Expenditure	4865.32	4067.14	4332.91	4201.98
4. Paid up Capital	--	--	--	--
5. Long term borrowings	68.13	80.30	69.45	55.99
6. Inventory (closing)	484.54	529.96	491.90	437.22
7. Grants received from Government, if any	Nil	Nil	Nil	Nil
8. Profit before Tax	405.87	369.00	422.83	521.33
9. Profit after Tax	405.87	369.00	422.83	521.33

Inventory Position:

The inventory position of last three years ending 31.03.2018 is as follows:

(` in Crores)

Sl. No.	Types of Inventory	2015-16	2016-17	2017-18
1.	Consumable Stores	68.73	77.23	88.48
2.	Component & Other Spares	197.04	222.22	223.10
3.	Less: Provision for shortage	0.19	0.30	2.52
	Total	**265.58**	**299.15**	**309.06**

Man power Position

The position of manpower at FSTPS, NTPC Limited for the last three years ending 31.03.2018 is as follows: (In Nos.)

<table>
<tr><td>Year</td><td colspan="2">As on 31.03.2016</td><td colspan="2">As on 31.03.2017</td><td colspan="2">As on 31.03.2018</td></tr>
<tr><td></td><td>Sanctioned</td><td>Actual</td><td>Sanctioned</td><td>Actual</td><td>Sanctioned</td><td>Actual</td></tr>
<tr><td>Executive</td><td>402</td><td>456</td><td>402</td><td>433</td><td>402</td><td>392</td></tr>
<tr><td>Supervisor</td><td rowspan="2">476</td><td>7</td><td rowspan="2">476</td><td>7</td><td rowspan="2">476</td><td rowspan="2">654</td></tr>
<tr><td>Workmen</td><td>771</td><td>693</td></tr>
<tr><td>Total</td><td></td><td>1234</td><td></td><td>1133</td><td></td><td>1046</td></tr>
</table>

Environment Management

FSTPP, NTPC, has been set up with modern technology to cater to the environmental issues for the coal-based thermal power plant. Adequate technological provision has been considered during initial design of the plant and equipment as a preventive measure to minimize pollution. Corporate Environment Management Group (EMG) at Corporate Centre of NTPC oversees the environment activities of NTPC Power Station. Corporate EMG last visited the station in July, 2013. The first environment impact study was conducted by the Forestry and Ecology Agency, Hyderabad during 1994 to 1996. The second study was conducted by the same agency during March 1998 to 2000. As a result of various environmental actions taken NTPC, Farakka has been accredited with ISO 14001.

Internal Audit

a) The Internal audit of the Unit was conducted by M/s. K. G. Somani & Co., Chartered Accountantsfor the year 2017-18.

b) There was no major irregularities observed during the year 2017-18.

Brief about IT System

NTPC, Farakka implemented computerised system in 1986-87. The activities are computerised, with compilation of accounts, maintenance of ledgers, sub-ledgers and other financial accounting, preparation of bills and other calculations, recording of information about plant performance, parameters related to Projects, Maintenance and Operation of the Station through ERP which was implemented in 11.07.2008. The Operation System and Application System of the ERP are Oracle and SAP, respectively.

(a)	Whether there is an IT system	Yes
(b)	Whether the IT system is stabilised	Yes
(c)	Whether the IT system requires human interference.	No

NORTH KARANPURA SUPER THERMAL POWER PROJECT

Introduction:

NTPC is the largest power generating company in India with total installed capacity of 43,128 MW and having a plan to touch 1,28,000 MW by 2032. The feasibility report of North Karanpura Super Thermal Power Project (NKSTPP) was prepared in 1989 (2000 MW) However, the project did not progress further. The project (3 units* 660 MW) was again revived in the year 1998 as a Mega Power Project for the benefit of Northern & Western regions and is located near Tandwa village in Chatra District of Jharkhand on Hazaribagh Chatra State highway. About 2245 acres of land are being acquired for the project. However, the actual process work for construction of NKSTPP started after obtaining the approval from Cabinet Committee on Investment in the meeting held on 20.02.2013.

<u>Coal and Water System</u>

The coal requirement for the project is estimated as 9.52 Million Tonne/Annum (MTPA). Coal from Magadh block of North Karanpura Coalfields is proposed to be transported to the project site through conveyor belt system. Parallel double stream conventional troughed conveyors of 3000 MTPH rated capacity are envisaged for external coal handling plant. It is proposed to have one internal coal handling plant of 3000 MTPH rated capacity. The source of water for the project is the proposed reservoir located.

<u>Power Evacuation System and Start up Power</u>

The power generated from the project is to be evacuated through 02 Nos. of 400 kV Quad Double Circuit Lines (01 No. 400 kV Quad Double Circuit to Ranchi and 01 No 400 kV Quad Double Circuit to Gaya). The start-up power requirement of the project shall be drawn from 220 kV Chatti-Bariatu and Kerandari Coal mine common substation through 220 KV Double Circuit Line.

<u>Commissioning Schedule</u>

The commercial operation of the Unit 1, Unit 2 and Unit 3 is scheduled to start on October-2019, April-2020 and October- 2020 respectively.

Project Financing & Cost Estimate

The proposed tentative financing plan with a debt equity ratio of 70:30 is as given below:

Particulars	Foreign Component	Domestic Component
Equity	-	5650.52
ECB Loan	4237.90	-
Domestic Commercial Borrowings/Bonds	-	4237.90

The Current Project cost estimate as of 2nd Qtr. of 2018 is as follows: -

Particulars	(`in crore)
Project cost excluding Interest During	Direct Capital Outlay-

Construction (IDC) & Financing Charges (FC)	Commissioning Expenses – Expenditure During Construction-
IDC & FC	2510.85
Working Capital Margin (WCM)	240.26
Total	14366.58
Cost/MW (incl. IDC, FC & WCM)	7.256

Present status of the Projects:

M/s NTPC awarded the supply of EPC packages (3*660 MW) to M/s Bharat Heavy Electricals Limited, New Delhi. The details of purchase order issued by NTPC are mentioned below: -

Sl. No.	Purchase Order No.	Date	Value (` in crore)
1	6127	28/02/14	526.82
2	6128	28/02/14	5091.44
3	6129	28/02/14	2203.91
Total			**7821.45**

In order to execute the job by BHEL, an amount of `809.70 crore was given as mobilisation advance on 25.03.2014 and the work is in progress. The current status of the works as on 31.03.2018 is as follows: -

BHEL P.O No	Date	INR	EURO	USD
6127	28/02/14	0.00	0.00	0.00
6128	28/02/14	26196696183.00	28192943.07	58818139.22
6129	28/02/14	9721735096.00	0.00	0.00

Expenditure:

Expenditure incurred during the last three years is given below:-

(Amount` in crore)

Year	Salary & Wages (TRF to IEDC)	Land Acquisition (Paid from Provision)	Other	Total
2015-16	19.89	63.42	170.30	253.61
2016-17	27.28	20.07	233.76	281.11
2017-18	37.80	10.17	397.08	445.05

Financial Position:

Financial position of the Unit during the last three years, ending 31st March 2018 is given below: -

(Amount ` In Crore)

	2015-16	2016-17	2017-18
Turnover	NIL		
Capital Expenditure	615.73	2199.92	1605.70 (Prov)
Revenue Expenditure	6.14	21.11	89.94
Paid up Capital			
Long Term Borrowing	N.A.		
Inventory (closing)	N.A.		
Grant Received from Government	N.A.		

Profit before Tax	N.A.
Profit after Tax	N.A.

Manpower Position:

Manpower Position of the station during the last three years, ending 31st March, 2018 is given below:-

Employee	As on 31.03.2016	As on 31.03.2017	As on 31.03.2018
Executive	77	91	116
Non-Executive	08	08	13
Total	85	99	129

Administration:

During the period covered by audit, R. K. Singh held the post of Executive Director of the project.

Internal audit:

M/s Roy Ghosh & Associates, Chartered Accountants, Kolkata was appointed as Internal Auditors of the Project for the year 2017-18.

(c) Year in which last Internal Audit was conducted: 2017-18.

(d) Details of major irregularities observed by internal audit during last three years: Nil

IT aspects:

The major IT system running in NTPC, North Karanpura are as follows: -

i. **Enterprise Resource Planning (ERP)/Employee Self Service (ESS):** SAP ERP and ESS systems have been implanted company-wide in 2009. The Central servers are located at its corporate office, Delhi. All procurement, their payments are done through ERP. Employees self-claims etc. are done through ESS which is in turn connected to ERP database. Roles and authorization are also processed in ERP. Several types of reports are generated as and when required.

ii. **PRADIP:** In line withgovernment's directive, NTPC has taken initiative to become paperless and launched PRADIP (Pro-active and digital initiatives to become paperless) application in 2018. All file movements, internal approvals are being taken care by PRADIP. The server in this case is also kept in Delhi.

iii. **CLIMS:** The application CLIMS (Contract Labour Information and Management system) has been implemented at all projects/stations of NTPC in 2018, wherein details of contract labours are stored in centrally located server at WR 1 HQ, Mumbai through schedulers. Various reports are generated for MIS purpose through this application. Employee's attendance and wage processing are also a part of CLIMS application.

iv. **Mail System:** All employees of NTPC uses ZIMBRA email service which is centrally managed by corporate office and its servers are kept in Delhi. However, local IT department has administration authority for site users. All kind of logs and traces are stored in Central Servers

(g) Whether there is an IT system: Yes

(h) Whether the IT system is stabilised: Yes

(i) Whether the IT system requires human interference: No

TALCHER THERMAL POWER STATION

Introduction

Talcher Thermal Power Station is located near Talcher in the district of Angul in the state of Orissa. It is situated at about 150 km from Bhubaneswar. The plant is well connected by Road and Rail. Talcher Thermal has 6 units commissioned in 2 stages. Stage-I consists 4 units of 60 MW each commissioned between 1967 to 1969. Stage -II comprises 2 units of 110 MW each commissioned during 1982 to 1983. “Grid Corporation of Orissa” (GRIDCO) is the sole consumer of the TTPS since take over. Water is drawn from Brahmani River through pipelines of 7.5 kms. The Station is primarily linked to the Jagannath Mines of Mahanadi Coalfields Limited (MCL), which is about 8 km from the Power Station and the coal is fed through 7.6 km belt conveyor system. After installation of Railway Siding, coal is also been transported by Rail since June, 2004 discontinuing Road Transportation. This power plant was taken over by National Thermal Power Corporation (NTPC) on June 3, 1995 from the erstwhile Orissa State Electricity Board (OSEB) with the objective to improve its performance using NTPC's technical and management expertise. This plant has improved its overall performance substantially.

Administration

During the period covered by Audit, the plant was headed by Shri M.K.Singh Group General Manager. Shri Samir Kumar Mete, Additional General Manager (Finance) was the head of Finance.

Operating Performance

Unit-wise operating performance of TTPS for the last 3 years is tabled below: -

A. Year - 2015-16:

Sl. No.	Installed Capacity	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	Total
1	MW	60	60	60	60	110	110	460
2	Generation (MU)	515.65	494.32	518.48	500.90	855.65	878.75	3763.75
3	PLF (%)	97.84	93.79	98.38	95.04	88.55	90.95	93.15
4	Plant Availability (%)	95.00	92.17	94.67	92.24	89.21	92.23	92.18

B. Year- 2016-17

Sl. No.	Installed Capacity	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	Total
1	MW	60	60	60	60	110	110	460
2	Generation (MU)	520.15	505.62	512.06	473.72	904.44	843.52	3759.51
3	PLF (%)	98.96	96.20	97.42	90.13	93.86	87.54	93.30
4	Plant Availability (%)	94.86	94.64	94.11	87.09	94.06	87.94	91.88

C. Year – 2017-18

Sl. No.	Installed Capacity	Unit-1	Unit-2	Unit-3	Unit-4	Unit-5	Unit-6	Total
1	MW	60	60	60	60	110	110	460
2	Generation (MU)	520.47	514.16	507.13	516.40	802.16	920.42	3780.74
3	PLF (%)	99.02	97.82	96.49	98.25	83.25	95.52	93.28
4	Plant Availability (%)	95.12	94.74	94.26	94.89	83.73	95.45	92.28

Financial Performance

The financial performance for last 3 years of the station is tabled below:

(`in Crore.)

Sl. No.	Particular	As on 31.03.2016	As on 31.03.2017	As on 31.03.2018

1	Turnover	860.65	984.02	1001.21
2	Capital Expenditure	28.77	45.33	40.88*
3	Revenue Expenditure	828.03	876.33	820.49
4	Paid up Capital	Nil	Nil	Nil
5	Long Term Borrowings	Nil	Nil	Nil
6	Inventory (Closing)	71.11	105.06	95.35
7	Grants Received from Govt.	Nil	Nil	Nil
8	Profit Before Tax (PBT)	39.20	122.52	216.04
9	Profit After Tax (PAT)	N.A	N.A	N.A

* Including addition to assets and CWIP for the year 2017-18

Internal Audit

During the period covered under audit, Internal Audit has been conducted by M/s C.K.Prusti & Co., Chartered Accountants, Bhubaneswar. No major irregularity was observed by Internal Audit during last three years.

IT Aspects

TTPS implemented computerised system in office works including accounts in 2008. The activities include compilation of accounts, maintenance of ledgers, sub-ledgers and other financial accounting, preparation of bills and other calculations, recording of information about Plant Performance Parameters related to Projects, maintenance and operation of the station through ERP. The Operation System and Application System of the ERP are UNIX and SAP, respectively.

(a)	Whether there is an IT System	Yes
(b)	Whether the IT System is stabilized?	Yes
(c)	Whether the IT System requires human interface?	No

Manpower in position

The details of manpower of TTPS as on 31.03.2018 was as follows:

Executives	Non-executives	Total
192	235	427

Environment Management

TTPS has obtained consent with validity up to 31st March, 2021 for operating the Plant from Odisha State Pollution Control Board (OSPCB). The station has set up online stack monitoring system at all the units, online ambient air monitoring stations and online effluent monitoring system with provision of real time data transmission to the server of OSPCB and Central Pollution Control Board (CPCB). TTPS has achieved a milestone in ash handling practices (100% ash utilisation). The ash is being transported through pipes in slurry form to void South Balanda minefor back-filling to transform it into useful land. Permission for the same has been obtained for five years since 10.04.2017.

Audit objectives:

The following Audit objectives were set for this Compliance Audit:

- Whether the TPP's activities adhered to the CERC Regulations.
- Whether there appropriate directions, guidance and policy were framed by the top Management and whether the TPP adhered to such directions, guidance and policies
- Whether the TPP's activities were in consonance with canons of financial propriety
- Whether the award of the contracts proceeds through transparent, competitive and equitable.
- Whether contracts were executed economically, efficiently and effectively.
- Whether Management at the TPP has taken proper steps to prevent losses including instances of fraud, misappropriation, theft and embezzlement.
- Whether internal controls were commensurate with the size and nature of activities of the TPP.

Scope of Audit:

The scope of Compliance Audit included review of operational performance data, contracts, agreements /licenses, procurement of coal, utilization of ash, MIS reports, DPR, Board agendas & minutes, correspondences with CERC, tariff orders issued by CERC invoices/bills raised on the during the year, pending legal cases.

Audit Criteria:

- CERC regulations
- Directives from CEA
- GFR and guidelines issued by CVC
- Company’s internal policies and directives
- Cannons of Financial Propriety

INDIAN OIL CORPORATION LTD.
THE BONGAIGAON REFINERY
Brief overview of the Refinery:

The Bongaigaon Refinery (BGR) is the eighth refinery of Indian Oil Corporation Limited (IOCL). It was formed by the amalgamation of Bongaigaon Refinery & Petrochemicals Limited (BRPL) with IOCL on March 25, 2009. Bongaigaon refinery is situated at Dhaligaon in Chirang district of Assam, 200 km west of Guwahati.

It has two Crude Distillation Units (CDU), two Delayed Coker Units (DCU), a Coke Calcination Unit (CCU), a Diesel Hydro Treatment unit (DHDT) unit and a Reformer Unit with a processing capacity of 2.35 MMTPA of crude oil. The first CDU with a capacity of 1 MMTPA was commissioned in the year 1979. The capacity was increased to 1.35 MMTPA in 1986. The capacity was further increased to 2.35 MMTPA in 1995.

At present, the refinery produces a wide variety of petroleum products namely LPG, Naphtha, MS (E-III/IV), SKO, HSD (E-III/IV), LDO, LVFO, FO, RPC, etc. by processing Assam Crude and Low sulphur imported crude. The Assam crude is procured from Oil India Ltd. and ONGC. The Bongaigaon refinery (BGR) has also undertaken special endeavors toward environment protection and conservation. The refinery has developed an ecological park and a pond surrounding it which contains 65,000 cubic meter of water. Through the pond, the storm water draining out of the plant is routed for final discharge. Another natural pond with a capacity of 30,000 cubic meter of water has been developed into an environment-friendly park-cum-pond for migratory birds. In addition, a rain water harvesting system has been installed in the Bongaigaon township complex.

Process of Manufacture:

The present processing capacity of Bongaigaon Refinery is 2.35 MMTPA with a wide range of product mix and various processing units. Crude oil is a mixture of different hydrocarbon compounds and a valuable source for Naphtha, LPG, Gasoline, Kerosene and Diesel. The series of processes by which products are manufactured from Crude oil is collectively known as "refining".

On refining, crude oil is separated into its component parts or fractions, which are then further converted into the required finished products.

The product slate is achieved by carrying out processing of crude in following units:

(A) Crude Distillation Unit

The primary unit of Crude Oil processing in Bongaigaon Refinery is the Atmospheric Crude Distillation Unit (CDU). In the Crude Distillation Unit, the Crude Oil is heated to a temperature of 358°C and then it is fed to the Fractionating Tower. In this tower, the various fractions of Crude Oil are separated as per their boiling range.

The various products obtained from Crude Distillation Unit are Liquefied Petroleum Gas (LPG), Straight Run Naphtha (SRN), Superior Kerosene Oil (SKO), Reformer Feed Naphtha (RFN) and Straight Run Gas Oil (SRGO).

(B) Delayed Coking Unit (DCU)

The Delayed Coking Unit upgrades the heavy atmospheric residue obtained from CDU into various distillate products and other heavy products. It is basically a thermal cracking process. In the Delayed Coking Unit, the heavy residual feed stocks are heated to their coking temperatures (about 500°C) and the resultant mixture is allowed to stand for a longer period of time in insulated coke drums. In the Coke Drums, Petroleum Coke is formed and the other light cracked products are further separated in a fractionating tower by the process distillations.

The various products obtained from the Delayed Coking Unit are LPG, Coker Naphtha, Coker Kerosene (HSD), Light Gas Oil (LGO), Heavy Gas Oil (HGO), Coker Fuel Oil (CFO), Coker Residue and Raw Petroleum Coke (RPC).

(C) Naphtha Pre-treatment & Catalytic Reforming Unit

Naphtha produced from Crude Distillation Unit is passed through the Naphtha Pre-treatment unit for removal of impurities like Sulphur, Nitrogen and then processed in CRU at

498°C to 512°C temperature and 20 kg/sq.cm. pressure to produce reformate for blending in Motor Spirit (MS).

(D) Coke Calcination Unit (CCU)

The green Coke is obtained from the Delayed Coking Unit (DCU) when ground can not readily be bound together into an electrode of proper density. During baking, Green Coke gives off its volatile matter thus yielding very poor quality electrode. Green Coke is a poor conductor of electricity having a higher resistivity than the Calcined Coke.

Green Coke from DCU Coke yard with moisture content of about 7.5 wt% is screened, crushed and sent to a silo from where it is fed to Rotary Kiln. The Calcination of coke is carried out in the Rotary Kiln under controlled firing conditions. The necessary heat is supplied by a burner located centrally at the discharge end of the Kiln. It travels towards the discharge end of the Rotary Kiln due to its inclination and rotation. Moisture in the coke is evaporated in the preheat zone of the Kiln by exchanging heat with the outgoing flue gas. The Coke then enters the hotter zone of the Kiln, where the volatile matter is removed partially.

The remaining volatile matter is removed at the Calcination zone at an elevated temperature. The temperature at the fire hood side of the Kiln is maintained at 1250°C and the corresponding feed end temperature is about 850°C.

(E) Diesel Hydrotreater Unit (DHDT)

BGR has implemented the Diesel Hydro Treatment unit for treatment of HSD to meet the Euro-III/IV specifications as per the Auto Fuel Policy of the Government of India. The DHDT unit of capacity 1.2 MMTPA was successfully commissioned on 13.08.2011 and has the associated units HGU, SRU, AAU, ARU, SWSU, HPN, Tankages and Utilities & Off-sites etc. The DHDT unit is based on indigenous technology developed for the 1st time in the country by Research & Development centre of Indian Oil and Engineers India Limited (EIL).

(F) MSQ Unit

BGR has implemented the Motor Spirit Quality improvement (MSQ) project to produce MS to meet the Euro-III/IV specifications as per the Auto Fuel Policy of the Government of India.

The feed-stocks for the MSQ unit are Straight Run Naphtha (SRN) from CDU, C_5 Reformate from the Catalytic Reformer Unit and Coker Naphtha from the DCU. The project consists of two units, i.e. Feed Preparation Unit and Light Naphtha Isomerisation Unit comprising of a Reaction section, a Purification section and an LPG Recovery section. Phase-I of MSQ project was commissioned on 13.03.2010, Phase-IIA of MSQ project was commissioned on 30.09.2011 and MSQ Phase-IIB was commissioned on 15.12.2012.

Ongoing Projects:

(a) BS-VI project

As per declaration of GoI (06.01.2016), it was proposed to implement BS-VI grade fuel in the entire country w.e.f. 1st April 2020 i.e. switching over directly from BS-IV grade fuels to BS-VI grade fuel. Accordingly, the Board of Directors of IOCL approved the proposal for production of 100% BS-VI grade MS and HSD at Bongaigaon Refinery at a cost of ` 1042 crore with a scheduled completion by May 2019. The cost of the project was revised (22.05.2018) at an estimated cost of `1222 crore (at a price level of 1st quarter 2018).

For making the refinery BS-VI compliant, the management envisaged following new process units and revamp of the existing units:

Unit	Capacity
Revamp of Diesel Hydro Treating Unit (DHDT)	1.2 MMTPA to 1.58 MMTPA
Revamp of Hydrogen Generation Unit (HGU)	25 KTPA to 30 KTPA
New Naphtha Hydro-Treater (NHT)	235 KTPA
New Sulphur Recovery Unit (SRU)	1 x 10 MTPD

M/s EIL was awarded the job of EPCM by IOCL. Various work orders were issued to different vendors/parties for Civil/site structural works. However, against the scheduled physical progress of 99.5%, only 88.7% progress was achieved till July 2019.

(b) Indmax Project

The Board of IOCL approved (12.02.2016) for installation of INDMAX unit along-with associated facilities at Bongaigaon Refinery on LSTK mode of implementation at an estimated cost of ` 2582 crore (May 2015 price basis) including finance cost of ` 184 crore. In INDMAX project two process units namely, INDMAX FCC unit of 0.740 MMTPA and INDMAX Gasoline desulphurization (IGHDS) unit of 0.312 MMTPA are considered. However, against the scheduled physical progress of 99.61%, only 93.49.26% progress was achieved till July 2019.

Administration:

During the period covered under audit Shri Amarendra Kalita, CGM (I/C) held the charge of the refinery.

Production performance:

(a) Refinery

The Annual target, actual receipt of crude oil and crude throughput for the last three years ending 31.03.2019 is as under:

(Figures in MT)

	2016-17	2017-18	2018-19
Annual Target Plan	2400000	2450000	2200000
Actual Crude Oil Receipt	2464125	2396216	2510179
Actual Crude Oil Processed	2485805	2401588	2512767

(b) Secondary Processing Unit

The throughput of the Secondary Processing Units for the last three years ending 31.03.2019 is as under:

(Figures in MT)

	2016-17	2017-18	2018-19
Delayed Coker Unit	949033	940493	963817
Reformer Unit	137053	153348	150342
DHDT Unit	1315986	1396890	1475423
Coke Calcination Unit	0	0	28

(c) Yield Pattern

The yield pattern on crude throughput for the last three years ending 31.03.2019 is as under:

(Figures in % of throughput)

	2016-17	2017-18	2018-19
Light Distillates	16.6	17.6	17.5
Middle Distillates	67.1	66.7	67.3
Heavy Distillates	7.1	7.5	5.8
Total Distillates	90.9	91.8	90.6

(d) Major Refinery Products

The production performance (quantities) of main POL and other refinery products for the last three years ending 31.03.2019 is as under:

(Figures in MT)

Products	2016-17	2017-18	2018-19
LPG	59271	62278	68410
MS	190734	261235	277930
Naphtha (SRN)	176525	137549	151202
HSD	1330893	1266772	1454073
SKO	163839	140479	65773
ATF	27489	40535	40325
LDO	132949	145015	124088
RPC (including GNC)	140664	138144	129401
CPC	0	0	0
LVFO/FO	35494	39379	14635

Sales/dispatch Performance:

The chart showing the Product wise Sales/Dispatch performance of the Unit for the last three years ending 31.03.2019 is as under:

(Figures in MT)

Products	2016-17	2017-18	2018-19
LPG	57103	62389	69410
MS	188724	264234	277222
SRN	182094	135081	152820
HSD	1329410	1266984	1451253
SKO	165755	142197	65913
LDO	120505	146531	133903
LVFO/FO	37114	37956	14580
RPC	152428	150196	150476
CPC	402	2347	0
BONMEX-II	0	0	0

Financial Data:

The financial data of the refinery for last three years ending 31.03.2019 is given below:

Sl. No.	Particulars	2016-17	2017-18	2018-19
1.	Turnover (Quantity in MT)	2485791	2401586	2512773
2.	Turnover (Value in Crore)	8450.93	9214.64	11740.69
3.	Capital Expenditure (in Crore)	0.00	702.26	1179.14
4.	Revenue Expenditure (in Crore)	7025.87	7490.7	10334.6
5.	Paid up capital /Corpus	NA	NA	NA
6.	Long Term borrowings	NA	NA	NA
7.	Closing Inventory (in Crore)	395.75	805.91	917.9
8.	Grants received from Government, if any	Nil	Nil	Nil
9.	Profit Before Tax (in Crore)	1820.79	1700.43	1439.32
10.	Profit After Tax (in Crore)	1820.79	1700.43	1439.32

Internal Audit System:

To achieve optimum utilization of manpower, a decision at corporate level was taken w.e.f. Apr’16 that Internal Audit function of all the three North East Refineries viz. GR, BGR and Digboi shall be handled by a centralized Internal Audit team (IA-NER) stationed at Guwahati Refinery. Audit function from financial year 2016-17 onwards are now carried out by North East centralized Internal Audit team by visiting team of IA-NER from time to time as per Annual Audit Programme (AAP) duly approved by Competent Authority.

11. IT System:

All major business applications used at BGR are hosted centrally by Corporate IS at Gurgaon and requirements are met through use of SAP ERP. Employee related services like leave, online claims, declarations, travel and ticketing for official work, etc. are also provided through the SAP ESS service. Internet and Mail access is provided to authorized users through Internet Gateway at Refinery HQ which the users access through Corporate LAN and WAN. In addition, IS department at BGR provides and supports local applications which are required for day to day operations and also to enhance service quality for various users.

DIGBOI REFINERY (ASSAM OIL DIVISION)

Introduction:

Digboi refinery, located at Tinsukia in Assam, was commissioned in 1901 following the discovery of oil at Digboi in 1889, the first in India. The refinery has been operating as part of a separate Division viz., Assam Oil Division (AOD) within Indian Oil Corporation Limited (IOCL) since October 1981 when Assam Oil Company (AOC) was nationalized and merged with Indian Oil Corporation Limited. The Division had maintained its distinct identity as an integrated division having both refinery operations at Digboi and Marketing operation under it upto 2007-08. Thereafter, marketing activities of the AOD has been merged with Marketing Division, Eastern Region of IOCL.

Administration:

During the period covered by audit, Shri M. Pramanik, Executive Director held the charge of the Unit from 1st March 2016 to 31st December 2017. Ms. Shukla Mistry, Chief General Manager, held the charge of the unit from 1st January 2018.

Production Performance:

A. Distillate Yield: The refinery initially had a processing capacity of 0.50 MMTPA which was augmented to 0.65 MMTPA of crude oil in March 1996. The refinery was designated to process high wax crude oil of Assam. It receives crude oil from Oil India Ltd. (OIL) and JVC consortium. The refining performance of Digboi refinery for the last four years ending 31.03.2018 is as follows:-

Figures in MMT

Particulars	2015-16	2016-17	2017-18
Throughput	0.568	0.533	0.665
Light Distillates	0.085	0.093	0.119
Middle Distillates	0.307	0.308	0.399
Heavy Distillates	0.136	0.126	0.129

B. Unit Performance: The chart showing the major processing units of the refinery and its capacity utilization during the last four years ending 2017-18 is as follows:-

UNIT	CAPACITY (MMTPA)	2014-15		2015-16		2016-17		2017-18	
		T'put (MT)	%	T'put (MT)	%	T'put (MT)	%	T'put (MT)	%
CRUDE DISTILATION UNIT (AVU)	650000	594644	91.48	568957	87.53	547487	84.23	674961	103.84
CATALYTIC REFORMING UNIT (CRU)	90000	73195	81.32	71917	71.91	74321	82.58	81847	90.94

DELAYED COKING UNIT (DCU)	170000	218384	128.46	192622	113.31	221404	130.24	256846	151.09
WAX HYDROFINISHING UNIT (WHFU)	60000	30099	50.16	27456	45.76	30800	51.33	35327	58.88
SOLVENT DEWAXING/DEOILING UNIT (SDU)	210000	149936	71.40	148648	70.78	150456	71.65	175114	83.39
HYDROTREATING UNIT (HDTU)	330000	339081	102.75	273811	82.97	298550	90.47	395960	119.99

Financial Performance:

The financial performance for the last three years ending on 31.03.2018 is given below:-

(`in crore)

Years	2015-16	2016-17	2017-18
1. Turnover	2072.59	2160.67	2857.78
2. Capital Expenditure *	25.10	31.99	37.82
3. Revenue Expenditure	2024.17	2089.45	2608.00
4. Paid up capital	0.00	0.00	0.00
5. Long term borrowings	0.00	0.00	0.00
6. Inventory (closing)	272.52	318.70	324.57
7. Grants received from Government	0.00	0.00	0.00
8. Profit/ Loss before Tax	48.5681	71.22	249.78
9.. Profit/ Loss after tax	48.5681	71.22	249.78

Note: AOD Accounts comprises only Digboi refinery operation. Marketing related activities was merged with IOCL Marketing Division w.e.f. 01.06.2015.

Internal Audit & Control:

Internal audit department in IOCL is under the direct charge of Corporate Audit Chief, assisted by Divisional Audit Chiefs/Co-ordinators who look after the audit activities of divisions namely Refinery, Marketing, Pipeline, R & D and BD. Internal audit department at various locations collects and analyses permanent data regarding the locations to be audited. The auditing technique involves selecting the areas to be audited based on the approved internal audit programme, following the approved checklist, verification of the entire process, sampling/test checking, examining relevant documents and discussion with the auditee about the discrepancies observed. No significant audit observation was noticed during audit period 2016-18.

Brief about IT System:

(a) Whether there is an IT system. YES

(b) Whether the IT system is stabilized. YES

(C) Whether the IT system requires human interference. NO

Environment & Pollution Control:

The Unit maintains (i) the highest possible standard of safety for both the machine and the man behind it, (ii) constant monitoring of the environment parameters of plant, effluents and work and habitation areas; and (iii) keeping the health of the worker.

GUWAHATI REFINERY

Introduction:

Guwahati Refinery (GR) of Indian Oil Corporation Limited (IOCL) is the first public sector refinery in India built with Rumanian technology and dedicated to the nation on 1.01.1962. The present crude processing capacity of the refinery is 1 million metric tonne per annum (MMTPA). In addition to one primary processing unit (Crude Distillation Unit), there are four secondary processing units viz. Delayed Cooking Unit (DCU), INDMAX, Hydrotreater and MSQ units. There are two auxiliary units viz. Hydrogen Generation Unit (HGU) and Sulphur Recovery Unit (SRU).

The compliance audit on the accounts and records of Guwahati Refinery of IOCL for the year 2017-18 was conducted by an audit party from the Office of the Director General of Commercial Audit & Ex-officio Member, Audit Board-I, Kolkata during the period from 27.06.2018 to 13.07.2018 (including transit). The audit party consisted of Shri S. S. Thakur, Assistant Audit Officer and Shri S. Kr. Sharma, Assistant Audit Officer. The party was supervised by Shri S. Ghosh, Senior Audit Officer.

Administration:

During the period covered by audit, Shri Jogen Barpujari, Executive director was in charge of the Unit.

Production Performance:

The actual receipt and process of crude oil for the last three years ending on 31.03.2018 are as under: -

(A) Refinery

(Figures in MT)

Period	2015-16	2016-17	2017-18
Crude oil received	910164	863770	1020976
Crude oil processed	903523	863580	1023691

(B) Yield Pattern

The yield pattern on crude oil processed for the last three years is as follows:

(In % of crude processed)

Years	2015-16	2016-17	2017-18
Light distillates	14.8	14.23	15.99
Middle distillates	66.0	69.26	66.74
Total distillates	80.8	83.49	82.73

Financial Performance:

The financial performance for the last three years ending on 31.03.2018 is given below:

(`in crore)

Years	2015-16	2016-17	2017-18
1.Turnover (MT)	11163.97	967441.59	1114774.12
2. Turnover	3813.17	3917.21	4765.60
3. Capital Expenditure *	62.67	100.7	147.51
4. Revenue Expenditure	3487.74	3561.66	4277.10
5. Paid up capital	-	-	-
6. Long term borrowings	-	-	-
7. Inventory (closing)	507.85	505.21	1.41
8. Grants received from Government	-	46.3	1.41
9. Profit/ Loss before Tax	332.98	473.9	623.96
10. Profit/ Loss after tax	332.98	473.9	623.96

* 'Addition during the year' and 'Transfer from CWIP' as shown in notes no. 10 & 11 of the Annual Accounts of the respective years.

Highlights of ongoing important projects

BS VI PROJECTS:

Approval for BS- VI project at GR was accorded on 16th December 2016 at an estimated cost of `513 crore. Approved project facilities include New IndSelectG Unit, HDT Revamp, HGU Revamp, NHDT-ISOM revamp, INDAdept G Reliability Improvement & Auto Blending Station for Gasoline which is planned to be implemented by September 2019 for production of BS VI MS & HSD from April 2020. Brief details of the facilities are as under:

BS-VI	New Units/Revamp/Modifications envisaged
MS	New IndSelectG Unit along with CG Splitter (80 TMTPA)
	INDAdept G Revamp (Reliability improvement, no capacity augmentation)
	NHDT-ISOM: (20% cap augmentation) Auto Blending Station for Gasoline
HSD	HGU: (20% cap augmentation from 10 KTPA to 12 KTPA) HDT: (600 to 800 KTPA : 30% revamp)

CRU PROJECT:

Approval for CRU Project of unit capacity: 90 TMTPA was accorded in February 2017 at an approved Cost: `244 crore. Project Completion: June 2021 (52 months from approval)

PET COKE BOILER:

Approval for installation of New 80 TPH Petroleum Boiler accorded by Planning & Projects committee, for enhanced budget of `163.09 crore on 1st March 2018. Target mechanical completion of the project is by October 2018. Expected commissioning is by December 2018 based on the present progress of the project.

Internal Audit & Control:

Internal audit department in IOCL is under the direct charge of Corporate Audit Chief, assisted by Divisional Audit Chiefs/Co-ordinators who look after the audit activities of various divisions namely Refinery, Marketing, Pipeline, R & D and BD. Internal audit department at various locations collects and analyses permanent data regarding the locations to be audited. The auditing technique involves selecting the areas to be audited based on the approved internal audit programme, following the approved checklist, verification of the entire process, sampling/test checking, examining relevant documents and discussion with the auditee about the discrepancies observed. No significant audit observation was noticed during audit period 2016-17.

Brief about IT System:

There is a stabilized IT system which does not require human interference.

Environment & Pollution Control:

The Unit maintains (i) the highest possible standard of safety for both the machine and the man behind it, (ii) constant monitoring of the environment parameters of plant, effluents and work and habitation areas; and (iii) keeping the health of the worker. To reduce pollution from flare loss, GR established Flare Gas Recovery System (FGRS) in June, 2008.

PARADIP REFINERY

Introduction

The Govt. of India (GoI) decided in July 1992 to create additional refining capacity in the country. Accordingly, the responsibility of setting up of a refinery in Eastern India was vested with Indian Oil Corporation Limited (IOCL). The first stage approval for conducting detailed feasibility study was accorded by GoI in December 1994. The Detailed Feasibility Report (DFR) was prepared in February 1997 for setting up a 9.0 MMTPA grass root refinery at an estimated cost of `8791 crore (with FE component of `2376 crore) at Abhayachandrapur and adjoining villages in Paradip in the State of Odisha. The Stage-II approval for setting up of 9 MMTPA grass root refinery was accorded by GOI in July 1998 at an estimated cost of `8270 crore including FE component of `2484 crore. The Company acquired 3344.65 acres of land from Forest Department, Government of Odisha (GoO) and private parties for establishment of refinery, township and marketing facilities. As the site was in low-lying area, 1400 acres of land were reclaimed with sand dredged from nearby sea-creek. Infrastructural development activities like construction of approach road, bridges and allied facilities were either mostly completed or in progress at advanced stages. The viability of 9.0 MMTPA capacity refinery project was based on sales tax incentives granted by the Government of Odisha (GoO) which was subsequently withdrawn in February 2000 thereby affecting the viability of the project. The Board of the Company, therefore, decided to defer the project. The GoO restored the sales tax incentives in February 2004 and the Company decided to re-look into the viability of the project.

Considering the surplus position of petroleum products in the country and corporate objectives for value addition through diversification into petrochemicals, it was envisaged to integrate the refinery with petrochemicals. Accordingly, a feasibility study was carried out through Engineers India Ltd. (EIL) for a 15.0 MMTPA refinery-cum-petrochemical project. The Board of Directors accorded ‘in principle’ approval (March 2006) for setting up the refinery-cum-petrochemicals at an estimated cost of `25646 crore.

Foster Wheeler Energy Ltd. (FWEL), UK was appointed as the Project Management Consultant (PMC) in December 2006 for Front End Loading (FEL), Front End Engineering Design (FEED) and preparation of cost estimate. FWEL estimated the project cost at `52165 crore plus forward period escalation of `5053 crore. However, after internal assessment of the cost, Indian Oil project team estimated the project cost at `45153 crore (March 2008 prices) plus forward period escalation cost of `4379 crore.

In view of the magnitude of investment as well as the stressed financial condition of the company, the Project Evaluation Committee (PEC) opined that funding of this project under present circumstances would be a huge burden on the financial position and cash flow of the Company. It was, therefore, proposed (August 2008) that only the fuel refinery (15.0 MMTPA) without the petrochemical complex could be built in the first phase of the project at a cost of `29,777 crore alongwith product pipeline and marketing facilities at a cost of `1,053 crore and `414 crore respectively. Board approved the proposal in February 2009 with scheduled date of mechanical completion of First Unit - AVU: January 2012 and Last Unit - Alkylation: May 2012. The scheduled dates of commissioning and commercial production were March 2012 for the primary units and July 2012 for all the units.

Subsequently, an exercise to assess the revised cost estimate due to change in schedule of completion was done in December 2012 and the same was put up to Board for information in March 2014. The project cost was estimated at `32710 crore (including FC of `2195 crore) considering commissioning from September 2013 to March 2014. With the increase in time schedule from November 2013 and commissioning of the balance project considered in March 2015, the revised cost estimate of the project was worked out to `34555 crore with financial cost of `3220 croreandapproved by the Board on 17.10.2014which was 16.05% over the cost approved by the Board in February 2009. In this revised cost estimate, profitability improvement scheme for enhanced conversion in VGO/ HDT and data warehousing amounting to `60 crore was included which was not part of the originally approved cost.

In addition, the Company also planned for setting up a polypropylene (PP) project with capacity of 0.70 MMTPA at an estimated cost of `3150 crore. It is expected to be commissioned by 2017-18. A project management consultant was engaged and the construction work is currently going on.

The accounts and records of the Paradip Refinery Project (PDRP) for the year 2016-17 were test audited by a team from the Office of the Director General of Commercial Audit & Ex-officio Member, Audit Board-I, Kolkata-1 from 18.10.2017 to 07.11.2017. The audit team consisted of Shri A. Majhi, Assistant Audit Officer and Shri R. K. Thakur, Assistant Audit Officer. The work of the team was supervised by Shri D. Datta, Sr. Audit Officer.

Status of the Project

A. Assets Capitalized till 31.03.2017:

Sl. No.	**Particulars**	**Amount ` in crore**	**% of Total**
1	Process, Plants & Treaters	17391.79	51.63
2	Utilities	11516.61	34.19
3	Misc. Assets	303.48	0.90
4	Environment Plants	1799.79	5.34
5	Land (not part of assets, as treated as operating lease)	850.75	2.53
6	Roads & Buildings	1531.19	4.55
7	Intangible Assets	288.82	0.86
	Total Assets Own Funds	**33682.43**	**100.00**
8	BOOT Assets	3878.18	
	Total Assets of PDRP as on 30.06.2016	**37560.61**	

B. List of Assets yet to be capitalized as on 30.09.2017

Main units	**Sub units**	**Amount in ` crore**
Balance job of CPP	UB-4 and BOP	711.46

KSS	Unit No. 250 (Sanitary sewer) and Clean Agent System	41.45
South Jetty	Crude Oil Import Facility, Solid Waste Incinerator and Vapour Recovery unit	215.08

Brief about IT system

The company has adopted oracle ERP and SAP to enhance real time visibility of critical business parameters for the betterment of financial management, HR. FMS, Inventory/Stock management, MIS, Marketing, Sales etc.

Financial Performance

Description	2014-15	2015-16	2016-17
Turnover (in Quantity)	0	445421	6871130
Turnover (in Value)	0	1910.03	19842.46
Capital Expenditure	4134.10	4840.66	1636.16
Revenue Expenditure	694.73	2618.92	20128.19
Paid up capital /Corpus	-	-	-
Long Term Borrowing*	-	-	-
Closing Inventory	1157.71	2023.56	3224.76
Grants received from Government, if any	0	178.32	174.31
Profit Before Tax (loss)	(810.87)	(993.29)	(1445.95)
Profit After Tax	(810.87)	(993.29)	(1445.95)

*Borrowings are in the books of RHQ.

EASTERN REGION PIPELINES

Introduction

The Eastern Region Pipelines Division (ERPL) of Indian Oil Corporation Limited was set up in February 1986. The main function of this office is coordinating and planning operational activities of Eastern Sector Pipeline units with Head Office, Marketing Division, Refineries and other agencies.

In view of expansion of pipeline network, Pipeline network in the ERPL would increase from existing 3404 km to more than 8000 km covering states of Bihar, West Bengal, Assam, Uttar Pradesh, Odisha, Jharkhand, Chattisgarh, Andhra Pradesh and Telangana in the East and South-East parts of India. To effectively manage such a large network of pipelines in the region, re-organization of Eastern Region Pipelines into ERPL-I and ERPL-II was approved by the Competent Authority (May 2016).

The re-organization has been done based on geographical locations. ERPL-I will operate in the states of Assam, West Bengal, Bihar, Jharkhand and Uttar Pradesh. GSPL, BKPL, HMRBPL, PHBPL (Haldia-Bolpur section) and Construction Office, Kolkata are being looked after by ERPL-I.

Performance

The chart showing the details of installed capacity and throughput of four pipelines under Eastern Region Pipelines Division during the last five years ending 31st March 2017 is as follows:

Name of Pipeline	Installed Capacity (in TMT)	Throughput (in TMT)				
		2012-13	2013-14	2014-15	2015-16	2016-17
BKPL	3500	2535	2588	2263	2401	2519
HMRBPL	1350	1840	1849	1763	1800	1765
HBPL	1250	1146	997	1205	1351	1447
GSPL	1400	1711	1727	1787	1877	1953

Pipelines in Operation

Pipelines under Operation and Maintenance of this Region as on 31st March, 2017details of which are given below:

Name of the Unit	Year of Commissioning	Length / Diameter	Capital Cost as on 31.03.2017 (`in lakh)
Haldia-Barauni PL	1967/2014	528.58 Kms. – 12”	12074.22
Haldia- Mourigram-Rajbandh PL	1972	269.75 Kms. – 12”	
Barauni-Kanpur PL	1966	668.8 Kms. – 12”	27862.11
	2002	68 Kms. – 12” (Gawria- Lucknow)	
	2003	110.43 Kms. – 20” (Barauni- Patna)	
Guwahati-Siliguri PL	1964	435 Kms. – 8”	12161.05

Financial information

Details of financial information of pipelines under Eastern Region Pipelines Division during the last three years ending 31st March 2017 are as follows: -

Particulars	**ERPL (9201)**	**GSPL (9210)**	**HMRBPL (9220)**	**BKPL (9230)**
Turnover (Quantity & Value)				
2014-15				
Throughput (MMT)		1.787	2.968	2.263
COT (in crores)		43.16	128.25	107.15
2015-16				
Throughput (MMT)		1.865	3.155	2.39
COT (in crores)		42.83	141.61	115.46
2016-17				
Throughput (MMT)		1.954	3.202	2.51
COT (in crores)		44.13	143.80	126.74
Capital Expenditure (in Lacs)				
2014-15	22678.51	377.95	783.41	612.99
2015-16	11954.15	4025.31	833.93	3576.39
2016-17	26580.50	-254.06	2406.94	5918.49
Revenue Expenditure (in Lacs)				
2014-15		4973.62	7230.13	9250.9
2015-16		5305.54	7534.73	9989.7
2016-17		6295.66	8115.83	10296.82
Paid up Capital/ Corpus	Not Applicable			
Long Term Borrowings	NIL			
Closing Inventory (in `Lacs)				
2014-15		651.09	700.24	1208399
2015-16		929.9	510.75	983.96
2016-17		589.72	346.14	695.17
Grants received from Govt.	NIL			
Profit Before Tax (in `Lacs)				
2014-15		-632.05	5685.15	1617.88
2015-16		-934.58	6742.44	2565.01
2016-17		-1752.78	6407.22	3096.55

*Profit After Tax – Not given

Internal Audit

Pipelines division of IOCL has an independent internal audit department with a mix of officers from Finance and technical functions. The audit assignments are carried out as per approved annual audit programme throughout the year covering various aspects of the pipeline activities.

SOUTH EASTERN REGIONAL PIPELINE

Introduction

The Eastern Region Pipelines Division (ERPL) of Indian Oil Corporation Limited was set up in February 1986. The main function of this office was coordinating and planning operational activities of Eastern Sector Pipeline units with Head Office, Marketing Division, Refineries and other agencies.

With the coming up of 15 MMTPA Paradip Refinery in Odisha, following pipeline projects originating from Paradip were proposed:

(i) Paradip Raipur Ranchi Pipeline (PRRPL)
(ii) Paradip Haldia Durgapur LPG Pipeline (PHDPL)
(iii) PHDPL Augmentation and its extension upto Patna and Muzaffarpur
(iv) Paradip Hyderabad Pipeline (PHPL)
(v) PHBPL Augmentation

In view of expansion of pipeline network, Pipeline network in the ERPL would increase from the existing 3404 km to more than 8000 km covering states of Bihar, West Bengal, Assam, Uttar Pradesh, Odisha, Jharkhand, Chattisgarh, Andhra Pradesh and Telangana in the East and South-East parts of India. To effectively manage such a large network of pipelines in the region, re-organization of Eastern Region Pipelines into ERPL-I and ERPL-II was approved by the Competent Authority (May 2016).

ERPL-II was subsequently renamed as South Eastern Regional Pipeline (SERPL) with its Regional Head Quarter at Bhubaneswar and headed by Executive Director to look after the pipelines network in the states of Odisha, Chattisgarh, Andhra Pradesh, Telengana, Jharkhand (PRRPL only) and part of West Bengal. Based on the geographical jurisdiction, ERPL-II decided for four base locations at Paradip, Jatni, Sambalpur and Vizag for maintenance and administration purpose.

The latest geographical locations under jurisdiction of SERPL are as under:

Sl. No.	Pipeline unit	Location	State
1.	PRRPL	Paradip, Jatni, Sambalpur and Jharsuguda	Odisha
		Khunti	Jharkhand
		Raipur and Korba	Chattisgarh
2.	PHBPL	Paradip and Balasore	Odisha
3.	PHDPL	Paradip and Balasore	Odisha
4.	PHPL	Paradip and Behrampur	Odisha
		Vizag, Rajahmundry and Vijayawada	Andhra Pradesh
		Hyderabad	Telangana

For Paradip-Sambalpur-Raipur-Ranchi (PRRPL) Product Pipeline along-with associated facilities, Board of IOCL approved (Aug 2009) an estimated cost of `1793 crore including a foreign exchange component of ` 610 crore at March, 2009 price level. Facilities envisaged under the project have been commissioned progressively and put in operation since March 2016. As on March 2017, the following sections have been completed:

Section	Commissioning date
Paradip-Jatni	25.03.2016
Jatni- Sambalpur	09.01.2017
Sambalpur - Jharsuguda	16.01.2017
Sambalpur - Saraipalli	21.01.2017
Saraipalli – Raipur	24.01.2017
Saraipalli – Korba	30.01.2017

Jharsuguda-Ranchi	Yet to be commissioned

Besides, Pipeline division of IOCL intends to lay 1150 KM Long Paradip-Hyderabad Product Pipeline (PHPL) with intermediate pumping-cum-delivery stations at Behrampur, Visakhapatnam, Rajahmundry and Vijaywada. As on June 2017, survey works like detailed route survey, soil survey, cadastral survey were completed and activities relating to obtaining of permissions from different authority (road, railways, waterbodies, forests, etc.) were under process. An expenditure of ` 47.86 crore was incurred till June 2017 against this project.

Compliance Audit on the records of South Eastern Region Pipelines (SERPL), Bhubaneswar including PRRPL locations viz. Sambalpur, Korba and Paradip for the year 2016-17 was conducted by an audit party from the Office of the Principal Director of Commercial Audit & Ex-Officio Member, Audit Board-I, Kolkata from 10.07.2017 to 01.08.2017. The audit party consisted of Shri A. Majhi, Assistant Audit Officer and Shri R. K. Thakur, Assistant Audit Officer. The audit was supervised by Shri D. Datta, Audit Officer.

Performance

The chart showing the details of installed capacity and throughput of pipelines under South Eastern Region Pipelines Division during the last three years ending 31st March 2017 is as follows:

Name of Pipeline	Installed Capacity (in TMT)	Throughput (in TMT)		
		2014-15	2015-16	2016-17
PRRPL (Excluding Jharsuguda-Ranchi)	16900	NIL	NIL	911.5
PHBPL	15200	15938	18248	24771

Pipelines in Operation

Paradip-Ranchi-Raipur Pipeline, a product pipeline and Paradip-Haldia-Barauni Crude Pipeline (upto Odisha State) are under Operation and Maintenance of this Region as on 31st March 2017details of which are given below: -

(A) Paradip-Raipur-Ranchi Product Pipeline (PRRPL):

Pipeline section between	Year of commissioning	Length (in KM)	Diameter (in Inch)	Capital cost as on 31.03.2017 (` In lakh)
Paradip-Jatni	25.03.2016	105	18	12754.79
Jatni- Sambalpur	09.01.2017	285.25	18	33284.93
Sambalpur –Saraipalli	21.01.2017	117.10	16	12184.34
Saraipalli – Raipur	24.01.2017	127	14	11211.87
Saraipalli – Korba	30.01.2017	157	10.75	9890.62
Sambalpur –Jharsuguda	16.01.2017	65.6	12.75	4493.60
Jharsuguda- Ranchi	Yet to be commissioned			
			Total	**83820.15**

(B) Paradip-Haldia-Barauni Crude Pipeline (PHBPL):

Pipeline section between	Year of commissioning	Length (in KM)	Capital cost as on 31.03.2017 (` In lakh)
48" Pipeline from 3rd Oil Jetty	01/03/2000	11.00	2224.43
48" Offshore Pipeline	28.12.2008	19.73	21028.07
Transfer Pipeline from North Oil Jetty	30.01.2012	10.00	3951.21
Line 2A (Offshore Pipeline) SPM II	31.12.2012	21.28	20737.11

Line 2B (Offshore Pipeline) SPM-II	31.12.2012	21.30	20459.11
Line 3 SPM-III	31.03.2013	22.02	20369.55
Loop I (SPM-II with SPM-I)	31.03.2013	3.65	4555.56
Loop II (SPM-II with SPM-III)	31.03.2013	4.13	4712.24
Mainline Haldia- Barauni	01.03.1999	498.00	28531.79
Dockline	01.03.1999	8.00	1310.00
Mainline Augmentation (Haldia - Khana& Bolpur - Dumri Loopline)	27.09.2002	437.00	21482.31
Mainline Paradip - Haldia	28.12.2008	328.00	38441.86
PHBPL Augmentation (Khana - Bolpur loopline)	22.09.2015	37.00	3420.01
PHBPL Augmentation (Dumri - Barauni loopline)	31.03.2016	36.00	2634.77
		TOTAL	**193858.02**

Financial information

Details of financial information of pipelines under South Eastern Region Pipelines (SERPL) during the last three years ending 31st March 2017 are as follows:

Sl. No.	Particulars	PHBPL (9280)			PRRPL (9320)		
		2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
1.	Turnover (in TMT)	15938	18248	24771	NA	NA	911.5
2.	Turnover (in Crore)	1654.12	1761.42	1836.65	NA	NA	36.42
3.	Capital Expenditure	374.38	440.69	86.67	199.37	496.83	651.52
4.	Revenue Expenditure	415.40	381.43	449.01	NA	NA	0.00
5.	Paid-up Capital/Corpus Fund	Available at PLHO					
6.	Long term borrowings	Available at PLHO					
7.	Closing inventory (in crore)	114.81	92.20	54.99	NA	NA	NA
8.	Grants received, if any	No grant received from PLHO, only INDAS Adjustments			No Capital Grants, only Entry Tax exempted		
9.	Profit before tax	Not prepared at unit level					
10.	Profit after tax	Not prepared at unit level					

Internal Audit

Pipelines division of IOCL has an independent internal audit department with a mix of officers from Finance and technical functions. The audit assignments are carried out as per approved annual audit programme throughout the year covering various aspects of the pipeline activities.

OFFICE OF THE EXECUTIVE DIRECTOR (REGIONAL SERVICES)

Introduction

The Office of the Executive Director (Regional Services) of IOCL, Kolkata comprises various functional departments which carry out their functions independent of any supervision or control by the State offices. Aviation department, Finance department along with its constituent wings like Sales Tax, Service Tax, Excise and Customs, DGS & D, Pricing etc. and Regional Supply & Dispatch, Human Resources, Administration as well as Law departments fall under the purview of this office. The ERO office is also responsible for co-ordination with various State Offices and other external agencies/customers.

Formation of new department, Regional Contract Cell (RCC) in IOCL (Marketing Division) was approved (March 2015) by Chairman of IOCL. The RCC, Eastern Region has started functioning since July 2015 after positioning of manpower and infrastructure. The modalities of RCC Eastern Region, inter alia, consisted of contracts for works and purchase over ` 50 lakh pertaining to all the functions in the eastern region except contracts valid for a pan India coverage and global tenders which are being handled at HO.

A test audit of the transactions of Office of the Chief General Manager(Regional Service), IOCL, Kolkata for the year 2016-17 was conducted by an audit party from the Office of the Director General of Commercial Audit and Ex-officio Member, Audit Board-I, Kolkata from 13.11.2017 to 06.12.2017. The audit party consisted of Shri R. K. Thakur, Assistant Audit Officer and Shri A. Majhi, Assistant Audit Officer. The party was supervised by Shri D. Datta, Sr. Audit Officer.

Administration:

During the period covered under audit, Shri Gautam Bose held the charge of the region as Executive Director till 30th September 2017. Thereafter, Shri A. K. Basu, Chief General Manager I/c (RS) is heading the region.

Financial Position

Financial position of the Marketing Division (Eastern Region) of the Company during the last three years ending 2016-17 is given below:

(`in Crore)

Particulars	**2014-15**	**2015-16**	**2016-17**
Turnover (in Qty) - TMTs	14877.40	17659.50	21260.68
Turnover (in value)	81778.81	74093.41	92924.28
Capital Expenditure	1006.11	1614.01	1468.52
Revenue Expenditure	101787.79	77001.25	95761.43
Paid Up Capital/corpus	-	-	-
Long Term Borrowing	-	-	-
Inventory (Closing)	4093.71	3214.24	4757.39
Grants received from Government	-	-	-
Profit before Tax	(8482.72)	(2361.18)	8.37
Profit After Tax	(8482.72)	(2361.18)	8.37

IT system

IT department in ERO takes care of daily needs and issues faced by users placed at ERO/WBSO building, WBSO locations including AFSs, Terminals, Depots, BPs, CFAs, COCOs. IT department provides support through physical intervention like printer/scanner issues, processing of e-tender, coordinating with Vendor for sorting out routine issues, AMC support co-ordination etc.

Internal Audit

Internal Audit upto 2016-17 was carried out by the Internal Audit Wing of the company. There was no major observation related to internal audit.

WEST BENGAL STATE OFFICE

Introduction:

With a view to extend better customer service, it was decided by the Company in 1995-96 to decentralize its marketing activities by formation of State Offices headed by General Manager. Delegation of Authority was revised to give maximum autonomy to the State Offices to implement their obligations. The erstwhile Calcutta Empowerment Divisional Office (EDO) was converted into West Bengal State Office (WBSO) in April 1998. Four Divisional Offices, seven Installations/Terminals, three area offices and seven Bottling Plants are under the administrative control of WBSO.

Administration:

During the period covered by audit, Shri R. K. Mohapatra, Executive Director hold the in-charge of West Bengal State Office upto 04.03.2018 and, Shri D. Ray is holding the post of Executive Director of the unitsince 05.03.2018.

Financial Data:

Financial details of West Bengal State Office for the last three years are detailed below: *

Sl. No.	Particulars	2015-16	2016-17	2017-18
1.	Turnover (Quantity in TMT)	5376.76	6999.51	8146.82
2.	Turnover (Value in Crores)	27856.62	32159.95	37637.24
3.	Capital Expenditure (Value in Crores)	156.99	142.34	548.77
4.	Revenue Expenditure (Value in Crores)	773.46	806.67	893.95
5.	Paid up capital /Corpus	NA	NA	NA
6.	Long Term borrowings	NA	NA	NA
7.	Closing Inventory (Value in Crores)	1469.26	2754.95	2120.82
8.	Grants received from Government, if any	NIL	NIL	NIL
9.	Profit Before Tax	NA	NA	NA
10.	Profit After Tax	NA	NA	NA

*Trial balance/accounts are prepared on Region wise, so this data is not applicable here.

Throughput details:

The throughput details of WBSO locations for the last two years are as follows:-

Location Name	Product Name	Product SAP Code	Throughput 2016-17 (KL)	Throughput 2017-18 (KL)
Haldia Installation (SAP Loc Code: 2122)	MS BS-III	16600	62,330.021	0
	MS BS-IV	16400	17,206.980	297507
	NAPHTHA	20000	28021.686	302684
	SKO (PDS)	40000	181,623.02	117530
	LSHFHSD	51000	79,458.78	92941
	HSD BS-IV	56000	594,120.46	2036156
	HSD BS-III	58000	502,775.05	0

	FURNACE OIL	70100	74945.236	69153
Mourigram Terminal (SAP Loc Code: 2123)	MTO	103000	2478.023	2160
	MS BS-IV	16400	239,291.203	283037
	ATF	32000	134612.738	197230
	SKO (PDS)	40000	438,245.15	343392
	HSD BS-IV	56000	828,537.77	988784
	BIODIESEL (B-100)	107111	3,305.413	8766
	ETHANOL	106111	4,957.896	10
Rajbandh Terminal (SAP Loc Code: 2124)	MS BS-III	16600	236,241.925	0
	MS BS-IV	16400	63,999.282	271909
	SKO (PDS)	40000	127,716.739	106744
	ETHANOL	106111	2,894.285	4949
	HSD BS-IV	56000	258,192.176	156362
	HSD BS-III	58000	1,037,108.667	0
Siliguri Terminal (SAP Loc Code: 2125)	ETHANOL	106111	1,809.803	15
	MS BS-III	16600	210,640.040	0
	MS BS-IV	16400	35,246.692	237741
	SKO (PDS)	40000	84,743.583	80678
	SKO (NON-PDS)	45000	12,503.886	13985
	HSD BS-III	58000	1,055,830.73	0
	HSD BS-IV	56000	144,660.19	1088840
	ATF	32000	92575.531	112035
	LDO	60000	139.881	142
	FURNACE OIL (LOW VISC.)	72000	162.305	305
Budge Budge Terminal A (SAP Loc Code: 2127)	MS BS-IV	16400	0.000	0
	LSHFHSD	51000	2,268.11	1314
	LDO	60000	82,389.80	91424
	FURNACE OIL	70100	32247.864	25316
Port Blair Terminal (SAP Loc Code: 2128)	MS BS-IV	16400	21,656.209	23380
	MS BS-III	16600	1.843	0
	SKO (PDS)	40000	6,201.590	5049
	SKO (NON-PDS)	45000	519.096	451
	ATF	32000	33991.216	4931
	LSHFHSD	51000	43,726.28	57282
	HSD BS-IV	56000	116,131.70	124396
	HSD BS-III	58000	4.224	0
Haldia Terminal B (SAP Loc Code: 2129)	BIODIESEL (B-100)	107111	1,133.856	1139
	ETHANOL	106111	85.000	2
	MS BS-III	16600	64,114.99	0
	MS BS-IV	16400	9,839.270	71385
	SKO (PDS)	40000	40,871.648	54876
	HSD BS-IV	56000	42,434.31	501832
	HSD BS-III	58000	363,057.99	0

Rangpo Depot (SAP Loc Code: 2142)	SKO (NON-PDS)	45000	6,644.907	7921
	SKO (PDS)	40000	2,762.913	2860
	MS BS-III	16600	13,758.48	0
	MS BS-IV	16400	407.909	15370
	HSD BS-IV	56000	881.769	50705
	HSD BS-III	58000	45,711.62	0
Malda Depot (SAP Loc Code: 2143)	MS BS-III	16600	46,056.23	0
	MS BS-IV	16400	5,831.172	46570
	ETHANOL	106111	160.000	1
	SKO (PDS)	40000	42,689.23	42381
	HSD BS-IV	56000	33,089.449	207375
	HSD BS-III	58000	199,485.74	0
Hasimara Depot (SAP Loc Code: 2144)	MS BS-III	16600	34,283.01	0
	MS BS-IV	16400	1,469.747	21136
	SKO (PDS)	40000	81.542	120
	SKO (NON-PDS)	45000	3,028.935	1273
	HSD BS-IV	56000	12,781.84	64846
	HSD BS-III	58000	109,469.28	0

Internal Audit System:

Although Internal Audit Department of Eastern Region Office of IOCL works independently and functionally reports directly to the Chairman and in turn to BoDs through Audit Committee, administratively it is under the control of ED (RS) Eastern Region.

The scope of audit involves proprietary audit of departments of State Office and locations, audit through SAP and also specific assignments as decided by Regional Audit head/ Divisional Audit Head based on the approved internal audit programme, following the approved checklist, verification of the entire process, sampling/ test checking, examining relevant documents and discussion with the auditee about the discrepancies observed. Internal Audit upto 2017-18 was carried out by the Internal Audit Wing of the company. No major irregularities were observed by Internal Audit.

IT system:

IT department in ERO takes care of daily needs and issues faced by users placed at ERO/ WBSO building, WBSO locations including AFSs, Terminals, Depots, BPs, CFAs, COCOs. IT department provides support through physical intervention like printer/ scanner issues, processing of e-tender, coordinating with vendor for sorting out routine issues, AMC support co-ordination, etc.

BIHAR STATE OFFICE

Overview:

The Bihar State Office (BSO) looks after the marketing activities of the Company in the States of Bihar & Jharkhand. The following units are operating under BSO:

(a) *Terminals*

(i) Barauni Terminal, (ii). Jasidih Terminal, (iii). Patna Terminal

(b) *Depots*

(i) Ranchi Depot, (ii) Raxaul Depot, (iii) Tatanagar Depot.

(c) *Area Offices*

(i) Begusarai AO, (ii) Patna AO, (iii) Ranchi AO

(d) *Divisional Offices*

(i) Begusarai DO, (ii) Dhanbad DO, (iii) Jamshedpur DO, (iv) Muzaffarpur DO, (v) Patna DO, (vi) Ranchi DO.

(e) *Bottling Plants*

(i) Bokaro, (ii) Barauni, (iii) Patna, (iv) Muzaffarpur (v) Jamshedpur

Administration:

During the period covered by audit, R. S. Dahiya, General Manager (I/C) was in-charge of BSO, Indian Oil Corporation upto 02.03.2017. At present, Shri S. K. Sharma, Executive Director is holding the charge of Bihar State Office.

Operational performance:

Product wise sales (MT) of Bihar State Office during the last three years ending 31.03.2017 are given in the table below:

Product-wise sales (MT) of Bihar State Office, IOCL during the three years ending 31.03.2017

Product	**2014-15**	**2015-16**	**2016-17**
Motor Spirit	530207	2164490	494300
High Speed Diesel	2495447	6125635	2041600
Superior Kerosene Oil	676291	1440767	575200
FO	78186	66106	92500
LDO	11709	1664	14800
Bitumen	15740	586743	285600
LPG	617516	177814	696400

Total	4425 096	10563 219	420 0400

Internal Audit System:

Although, the internal audit department of Eastern Region Office of IOCL works independently and functionally reports directly to the Chairman and in turn to BoDs through Audit Committee, yet administratively it is under the control of ED (RS) Eastern Region.

The scope of audit involves proprietary audit of departments of State Office and locations, audit through SAP and also specific assignments as decided by the Regional Audit head/Divisional Audit Head based on the approved internal audit programme, following the approved checklist, verification of the entire process, sampling/test checking, examining relevant documents and discussion with the auditee about the discrepancies observed.

Brief about IT System:

(a) Whether there is an IT system. Yes
(b) Whether the IT system is stabilized. Yes
(c) Whether the IT system requires human interference. No

ODISHA STATE OFFICE

Introduction:

With the introduction of Strategic Business Units (SBU) concept in the Marketing Division of the Company, Eastern Region Office of the Marketing Division was decentralized and 4 (Four) State Offices were formed in April 1998 in the States of West Bengal, Bihar, Orissa and North East. The Odisha State Office (OSO) headed by General Manager regulates and monitors sales and services relating to petroleum products in all the 30 districts of Odisha. Under OSO, there are two divisional offices at Bhubaneswar and Sambalpur to look after the sales and collection of dues and to improve market participation. The Area Office, Bhubaneswar looks after the marketing of LPG. There are three depots viz. Bhubaneswar, Sambalpur and Balasore, two terminals at Paradeep and Jharsuguda, one LPG marketing terminal at Paradeep, two bottling plants at Balasore and Jharsuguda in the State of Odisha.

Compliance Audit of Odisha State Office of IOCL for the year 2016-17 along-with Bhubaneswar Depot, Paradeep Terminal and Paradeep LPG Terminal was carried out by an audit team consisting of Shri R. K. Thakur, Assistant Audit Officer and Shri A. Majhi, Assistant Audit Officer during the period from 12.12.2017 to 29.12.2017. The audit work was supervised by Shri D. Datta, Senior Audit Officer.

Administration

During the period covered by audit, Shri P. Bharat is holding the post of Chief General Manager of Odisha State Office.

Throughput

The chart showing the depot wise throughput figures for the last three years is as follows:

Location	Product	2014-15 (in KL)	2015-16 (in KL)	2016-17 (in KL)
Bhubaneswar Depot	MS	164331	185446	230859
	HSD	377700	414859	467256
	SKO	84265	76138	56416
	ATF	6171	808	0
	LSHFD	0	0	0
	FO	0	0	0
Balasore Depot	MS	58203	56467	575108
	HSD	221152	218696	182612
	SKO	56224	58032	42312

	ATF	0	0	0
	LSHFD	20520	12604	504
	FO	17403	2843	2890
Jharsuguda Terminal	MS	0	0	14157
	HSD	0	0	81350
	SKO	0	0	4986
	ATF	0	0	0
	LSHFD	0	0	0
	FO	0	0	0
Paradeep Terminal	MS	150216	181940	239698
	HSD	769406	282376	1284090
	SKO	120767	61333	97465
	ATF	0	0	0
	LSHFD	2529	8640	14537
	FO	0	0	550

Financial Data

Financial details of Odisha State Office for the last three years are detailed below:

Sl. No.	Particulars	2014-15	2015-16	2016-17
1.	Turnover (in Quantity)	1899807	2365501	3953090
2.	Turnover (in Value) ` in crore	85087447692	91277754724	157094568638
3.	Capital Expenditure, ` in crore	84.77	81.86	98.56
4.	Revenue Expenditure, ` in crore	153.57	208.13	263.03
5.	Paid up capital /Corpus	Not in OSO books	Not in OSO books	Not in OSO books
6.	Long Term borrowings			
7.	Closing Inventory	Stock valuation at Region level		
8.	Grants received from Government, if any	NIL		
9.	Profit Before Tax	-	-	-
10.	Profit After Tax	-	-	-

Internal Audit System

Internal audit department under the control of ED (RS) at Eastern Region is conducting the audit of Odisha State Office of IOCL and is functionally reporting directly to the Chairman and, in turn, to the Board of Directors through Audit Committee.

The scope of audit involves proprietary audit of departments of State Office and locations, audit through SAP and also specific assignments as decided by Regional Audit head/Divisional Audit Head based on the approved internal audit programme, following the approved checklist, verification of the entire process, sampling/test checking, examining relevant documents and discussion with the auditee about the discrepancies observed.

IT System

IT department in ERO takes care of daily needs and issues faced by the users placed at ERO/OSO office. OSO locations including AFs, Terminals, Depots, BPs, CFAs, COCOs. IT Department provides support through physical intervention like printer/Scanner issues, processing of e-tender, Co-ordination with vender for sorting out routine issues, AMC Support Co-ordination etc.

BD EXPLOSIVES OF IOCL

Introduction:

IBP Co. Limited was born in the then undivided British India as "Indo-Burma Petroleum Company Limited" at Burma, at present Myanmar. The developments that followed Second World War forced the Company to change its head quarters to Kolkata. Thereafter, the Company joined hands with the then Indian Oil Company (later formed as Indian Oil Corporation Limited after merger with Indian Refineries Company Limited) and carried out business in petroleum products at Mumbai and Kolkata.

Subsequently, it came under the Ministry of Petroleum and Natural Gas, Government of India as a Public Sector Company in 1974. The Indo Burma Petroleum Company Limited changed its name to IBP Co. Limited in 1983. During 2002, it was once again acquired by the IOCL and became one of its group companies. It was thereafter merged with its parent Company 'Indian Oil Corporation Limited' in May 2007 and remained under the Ministry of Petroleum & Natural Gas, Government of India.

Though predominantly an oil company, IBP also diversified its activities into engineering and chemicals. The venture into explosives by the chemical division was based on a suggestion from the Govt. of India when the country faced acute shortage of explosives for mining industry following an accident and strikes at the only major supplier in India viz IEL in 60's. As the country had to import huge quantities of explosives to meet consumption needs for over six months, severe difficulties were faced in storage, handling and transportation to mining areas. Finally, the Chary Committee, set up for the purpose, strongly recommended a company to be set up in public sector for manufacture of explosives. IBP, waiting for a diversification into chemicals, readily grabbed the opportunity and commenced its business in manufacture and marketing of industrial explosives.

The IBP's first packaged slurry explosive manufacturing plant was set up in Korba, Chhattisgarh in the year 1976 under the collaboration from Ireco Inc. USA. The unit commenced its commercial production in August 1977. Thereafter, it set up a plant at Kudremukh with a capacity of 5000 Tons per annum in 1980.

Subsequent plants were set up at Singrauli (MP) in the year 1983 followed by Block-II Dhanbad (Jharkhand), Kusmunda (Chhattisgarh), etc. In view of highly uneconomical operations, the Industrial Explosives plant at Korba manufacturing packaged explosives was closed in the year 2008. As on date, there are eleven plants set up in India reaching a peak production volume of more than 183193MT of bulk explosives.

During the year 2008, the IBP Division, BG-Explosives of IOCL entered into a five year long term agreement with Coal India Limited (CIL, the largest producer of coal in the world) for supply of bulk explosives. The long term agreement with CIL was subsequently renewed for the period 2013-18.

IOCL signed (16.07.2012) a MOU with CIL to explore the possibility of formation of a Joint Venture Company (JVC) to manufacture explosives and transfer the existing explosives business of Indian Oil to JVC. The objective of formation of JVC was to ensure strategic support from the largest off-taker for running the explosives business. The assured demand from CIL would boost the future capacity expansion programme as well as introduction of new products. Accordingly, E&Y was appointed as financial adviser for valuation of explosive business, who valued the business at ` 311 Crore.

Subsequently, the Board approved (22.12.2017) the formation of JVC between IOCL and CIL with 50% equity shareholding each and maximum investment of `155.50 Crore by Indian Oil in the said JVC. The Board also approved transfer of the Explosive business of IOCL to the proposed JVC with CIL through slump sale method considering a value of `311 Crore.

The proposed JV formation is subject to obtaining approval of the NITI Aayog. Application for obtaining approval from NITI Aayog was initiated in January 2018; however, NITI Aayogdenied to give the approval for formation of the JVC.

Plant Capacity:

The function of this Business Group (Explosives) is designing, manufacturing and marketing of industrial explosives viz. Site Mixed (Slurry/Emulsion) explosive. The Division, at present, has eleven (11) running plants, namely at (i) Singrauli (ii) Talcher (iii) Block-II, Dhanbad (iv) Rajmahal (v) Khottadih (vi) Kathara (vii) Kusmunda (viii) Malanjkhand (ix) Bolani, (x) Rajhara and (xi)) Ashoka.

The details showing the Licensed capacity, Installed capacity and Actual production of BG (Explosives) for the last three years are as under:

Class of goods sold	**Licensed Capacity (in MT)**			**Installed capacity (in MT)**			**Actual production (in MT)**		
	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19	2016-17	2017-18	2018-19
Bulk explosives	226548	288408	311765	131500	168400	172500	157661	176756	183193

Administration:

During the period covered by Audit, Shri Manish Sinha, Executive Director held the charge of unit.

Financial information:

The table showing the financial performance of this business group for the last three years is as under:

Particulars	2016-17	2017-18	2018-19
Turnover (in MTs)	157661	176756	183193
Turnover (` in lakh)	45163.30	47937.91	57642.92
Capital Expenditure (` in lakh)	1509.5	1061.11	883.66
Revenue Expenditure (` in lakh)	42303.83	44613.68	7485.61
Paid up Capital / corpus	At Corporate Level		
Long Term Borrowings			
Closing Inventory (` in lakh)	2778.58	2066.36	1236.70
Grants received from Government, if any			
Profir Before Tax (` in lakh)	2621.27	3174.90	5868.55
Profit After Tax	At Corporate Level		

Unit wise Manpower:

The chart showing the unit wise allocation of manpower of the running twelve (12) units of this Business Group as on 31.03.2019 is as under:

	Executives	Non- Executives	Total
Kolkata HO	15	5	20
Block-II Dhanbad	8	3	11
Singrauli	12	3	15
Rajmahal	1	0	1
Khottadih	1	0	1
Kathara	1	0	1
Kusmunda	7	2	9
Agucha	1	0	1
Talcher	5	1	6
Malanjkhand	1	0	1
Bolani	2	0	2
Rajhara	1	0	1
Ashoka	1	0	1
On Deputation	4	0	4
TOTAL	**60**	**14**	**74**

Internal Audit System:

Internal Audit Department of BD (Explosives) is under the administratively control of respective Region in which plant situated. Kolkata Administrative Office, Block-II and 4 satellite plants, Talcher and bolani are audited by Eastern Region Internal Audit department. Similarly, Singrauli, Kusmunda, Malajkhand and Rajhara plants are audited by Western Region Internal Audit department. Replies to POMs raised are replies online by the respective locations.

The scope of audit involves proprietary audit of administrative office and locations, audit through SAP and also specific assignments as decided by Regional Audit head/ Divisional Audit Head based on the approved internal audit programme, following the approved checklist, verification of the entire process, sampling/ test checking, examining relevant documents and discussion with the auditee about the discrepancies observed. Internal Audit upto 2018-19 was carried out by the Internal Audit Wing of the company. No major irregularities were observed by Internal Audit.

8. Brief about IT System:

(a) Whether there is an IT system. - Yes

(b) Whether the IT system is stabilized. - Yes

(c) Whether the IT system requires human interference. - No

The plants and Administrative office which are situated in a particular state are taken care by the IS department of the respective State Office of Marketing division. Capex approvals are made by Kolkata Administrative office and sent to the respective state offices for making necessary purchases.

AIR INDIA LIMITED

A brief overview of the organization

Air India Limited (Company) is the flag carrier Airline Company owned and managed by the Government of India. It operates a fleet of Airbus and Boeing aircraft serving 94 domestic and international destinations. The airline Company was founded by Shri J. R. D. Tata an Indian aviator and business tycoon in 1932 as Tata Air Services, a part of Tata Sons. Later the Company was renamed as Tata Airlines. In 1953, the Government of India passed the Air Corporations Act and purchased a majority stake in the carrier from Tata Sons. The Company was renamed as Air India International Limited and its domestic services were transferred to Indian Airlines as a part of a restructuring. In March 2007, Air India and Indian Airlines were merged by the Government of India and a new Company by the name National Aviation Company of India Limited (NACIL) was formed as the merged entity. Post-Merger, the Company was renamed (October 2010) as Air India Limited. Air India became the 27th member of Star Alliance on 11 July 2014.On 28 June 2017, the Government of India approved the privatisation of Air India. A committee has been set up to start the process.

The Company is headquartered at New Delhi while it has regional Offices at Kolkata, Mumbai and Chennai. The Regional Offices at headed by the respective Regional Executive Directors. This office has the audit jurisdiction over the Eastern Regional Office at Kolkata along with stations in the Eastern and North Eastern Region of India along with three International Stations at Dhaka, Kathmandu and Yangon.

AIR INDIA LIMITED, EASTERN REGION

Operational information:

Operational data of Air India Limited, Eastern Region during the last three years ended on 31.03.2019.(` in Crore)

Particulars	2016-17	2017-18	2018-19
Passenger (Turnover)	Accounted Centrally	Accounted Centrally	Accounted Centrally
Cargo(Turnover)	25.80	41.14	13.43
Capital Expenditure	0.79	0.85	3.23
Revenue Expenditure	376.32	538.51	619.62
Paid up capital	Not applicable	Not applicable	Not applicable
Long Term Borrowings	Not applicable	Not applicable	Not applicable
Inventory (Closing)	12.96	9.51	9.05
Grants received from Govt. if any	Accounted Centrally	Accounted Centrally	Accounted Centrally
Profit Before Tax	Not applicable	Not applicable	Not applicable
Profit After Tax	Not applicable	Not applicable	Not applicable

Manpower strength:

Manpower strength (sanctioned vis-a-vis actual) during the last three years ended 31.03.2019.

Particulars	As on 31.03.2017		As on 31.03.2018		As on 31.03.2019	
	Permanent	**Contractual**	**Permanent**	**Contractual**	**Permanent**	**Contractual**
Pilot and Co-pilots	45			11	3	1

			2		9	7
Cabin Crew	93	6	0	78	7 5	7 7
Aircraft maintenance crew	0			0	0	0
Ticketing and sales (Commercial Department)	312		49	0	2 14	0
Finance and Administration	89		6	0	8 0	0
Security	82		6		6 9	
Other personnel	224	2	10	29	1 92	2 8
Total	**845**	**03**	**53**	**11 8**	**6 69**	**1 22**

Internal Audit:
The Internal Audit of Eastern Region for the year 2017-18 and 2018-19 was conducted by M/s S R I Associates, Chartered Accountants Kolkata.
Information Technology aspects:
The Company maintains ERP-SAP system with the following modules: Finance & Accounts and Materials Management.

BHARAT HEAVY ELECTRICALS LIMITED
POWER SECTOR EASTERN REGION

Power Sector Eastern Region (PSER) is one of the four regional offices through which the erection, testing, commissioning activities of hydro and thermal power projects located in Eastern Region and North Eastern Region are operated, monitored and co-ordinated. In respect of power projects located in Eastern Region, functions related to services after sales, repair and maintenance and renovation and modernisation are carried out by PSER. PSER receives its work orders mainly from the Business Groups of the Company and some small orders directly from the customers.

Organisational set up:

BHEL, PSER is headed by the Executive Director who is assisted by GM (Projects), AGMs and Sr. DGMs and other supporting staff. During the period covered under audit, Shri Surinder Singh held the post of unit head as Executive Director.

Financial Performance:

A. Budgeted and Actual turnover and profit of PSER, BHEL for the last three years is given below: -

(`in crore)

Particulars	2016-17	2017-18	2018-19
Budgeted Turnover	2303.65	2532.85	2680.74
Actual Turnover	1736.45	1836.99	2422.34
Budgeted Profit	117.95	473.91	361.40
Actual Profit/Loss	99.21	-56.57	175.25

B. Financial information for Risk Assessment: -

(`in crore)

Sl. No.	Particulars	2016-17	2017-18	2018-19
1	Turnover	1736.45	1836.99	2422.34
2	Capital Expenditure	15.01	27.86	34.11
3.	Revenue Expenditure	1669.39	1910.07	2282.22
4.	Paid up Capital	NA	NA	NA
5.	Long Term Borrowings	0.77	0.57	0.88
6.	Inventory(closing)	0.81	1.25	17.27
7.	Grants received from Govt.	NIL	NIL	NA
8.	Profit/(Loss) before Tax	99.20	(56.57)	175.25
9.	Profit/(Loss) after Tax	98.66	(57.62)	127.92

Projects Information:

The information regarding New Projects started and Project closed during last Three years is as follows: -

Project Started		
2016-17	**2017-18**	**2018-19**
NSPCL, Rourkela	NIL	Barh Stage-I & II FGD
Tata Steel, Jamshedpur		Barh TSL, Kalinganagar
		North Karanpura, FGD

Projects closed					
2016-17		2017-18		2018-19	
Technical Closure	Commercial closure	Technical Closure	Commercial closure	Technical Closure	Commercial closure

Mejia 5 & 6	--	--	--	Lakwa	--
Mejia 7 & 8	--	--	--	Korba West	--
--	--	--	--	Monarchark	--
--	--	--	--	Singreni	--
--	--	--	--	Palatana	--

Order Book status:

The Order book status of PSER, BHEL, Kolkata for last three years is tabled below: -

(`in Cr.)

	2016-17		2017-18		2018-19	
Particulars	No. of orders	Contract Value	No. of orders	Contract Value	No. of orders	Contract Value
Job under execution as on 1st April		4874.48		4094.29		6333.93
Orders received during the year		848.62		4041.35		780.05
Order completed/executed during the year		1628.81		1801.71		2336.11
Order under execution as on 31st March of the year		4094.29		6333.93		4777.87

Manpower position:

The details of manpower of PSER, BHEL, Kolkata as during the last three years is as follows:-

Employee	As on 31.03.2017	As on 31.03.2018	As on 31.03.2019
Executive	450	416	403
Non-Executive	338	322	288
Total	788	738	691

Economic Value Added during the last three years:

(`in crore)

Particulars	2016-17	2017-18	2018-19
Capital Invested (beginning of Year)	NA	NA	NA
WACC	NA	NA	NA
NOPAT	98.66	-57.62	127.92
Finance Charge	19.75	11.84	13.50
Economic Value Added	NA	NA	NA

Internal Audit and IT System:

Internal Audit is conducted by the Internal Audit Department of BHEL and the internal audit upto 2018-19 is completed. No major irregularities observed by the Internal Audit during last three years.

(a)	Whether there is an IT System	Yes
(b)	Whether the IT System is stabilized?	Yes
(c)	Whether the IT System requires human interface?	Yes

Audit Scope:

Compliance audit of PSER, BHEL, Kolkata is being conducted on annual basis. As such, ongoing client contracts and contracts completed, purchase orders/work orders issued, establishment payments, Debtors balance outstanding and LD deducted by client, legal and arbitration cases settled during the audit period are major areas of this audit.

Audit Criteria

Audit was conducted at PSER office and site records were called for where necessary. To evaluate the subject matters, criteria sources are: DPE Guidelines, DOP, manuals, ministry instructions, contract documents etc.

BHARAT PETROLEUM CORPORATION LIMITED

Introduction

The organizational structure of BPCL was oriented towards functions suitable for a relatively stable environment with limited competition. Due to globalization and open competition, such structure suffers from poor customer focus, low responsiveness, low accountability, weak strategic thinking and low cost awareness.

A strong need was, therefore, felt to redesign the organization to ensure undivided attention to different segments of customers. To become internally competitive in deregulated scenario and to improve operational effectiveness which will result in enhanced profit, the Company has divided its business units into several Strategic Business Units (SBUs) viz. Refinery, Retail, Industrial & Commercial, Lubricants, LPG and supporting service units like Engineering & Project, Materials, HR Department, E&P, Internal Audit, Shared Services, Corporate Office and Legal Department which were kept to support SBUs. The new structure has become operative from June 1998. Due to such change in the overall organizational structure, the Company operates a number of Territory Offices at different strategic locations to give more focus on customer services and enhanced market participations.

Administration

During the period covered under audit, Mr. S. Mahalik, Head (Retail) East was in charge of the Eastern Regional Office.

Financial data

Financial details of ERO of BPCL for the last three years are detailed below:-

Sl. No.	**Particulars**	**2014-15**	**2015-16**	**2016-17**
1.	Turnover (in Quantity) in TKL	3911.18	4352.48	4209.74
2.	Turnover (in value) ` in crore	21712.94	21347.25	23350.14
3.	Capital Expenditure ` in crore	75.94	108.05	165.19
4.	Revenue Expenditure ` in crore	248.16	247.10	247.50
5.	Paid up capital/ Corpus		-	
6.	Long Term Borrowings		-	-
7.	Closing inventory		-	-
8.	Grants received from Government, if any		-	-
9.	Profit Before Tax		-	-
10.	Profit After Tax		-	-

* Computation of other financial data is not carried out at the Regional Level

Sales Performance

Sl. No.	**Product**	**2014-15 (in KL)**	**2015-16 (in KL)**	**2016-17 (in KL)**
1.	MS	813197	943888	1036972
2.	HSD	2861083	3108345	3114793
3.	SKO	293600	286546	241323
4.	LDO	17669	12896	11700
5.	Furnace Oil	72934	49093	41122
	TOTAL	4058483	4400767	4445909

Internal Audit System

Internal audit department of BPCL is located at Mumbai and works independently reporting directly to the Chairman and in turn to BoDs through Audit Committee. The audit of the eastern regions locations is undertaken by the internal audit team comprising adherence/ following to the approved checklists, verification of the different processes, sampling/ test checking, examining relevant documents followed by discussion with the auditee about the discrepancies observed. No major irregularities were reported by Internal Audit.

IT System

No application /system is hosted at ERO. All the applications/System are hosted at their data centers. Routers and switches are placed in ERO to provide LAN/ WAN connectivity to the two data centres. A small server called GUP is installed at ERO for the purpose of distribution of patches and antivirus signatures. Human interferences are for the user complaints which are logged in our BITSS system, hosted centrally at corporate office, Mumbai. A system called BITA+ is used to maintain assets records, which is integrated withSAP asset master. IS services ERO disposes obsolete assets and co-ordinates for processing for ADA.

Audit Scope

The scope of audit is to assess as to whether the provisions of the applicable laws, rules and regulations are being complied with. It includes an examination of the rules, regulations, orders, and instructions for their legality, adequacy, transparency, propriety and prudence and effectiveness, i.e., whether these are:-

a) Intra vires the provisions of the Constitution of India and the laws (legality);
b) Sufficiently comprehensive and ensure effective control over Government receipts, expenditure, assets and liabilities with sufficient safeguards against loss due to waste, misuse, mismanagement, errors, frauds and other irregularities (adequacy);
c) Clear and free from ambiguity and promote observance of probity in decision making (transparency);
d) Judicious and wise (propriety and prudence);
e) Effective and achieve the intended objectives and aims (effectiveness)

8. Audit Objectives

The main objectives of compliance audit are to assess:-

(i) Whether projects/ contracts were awarded in a fair and equitable manner and executed economically, efficiently and effectively in the unit?
(ii) Whether there was an effective monitoring mechanism in place for the contracts awarded?
(iii) Whether the company is incurring demurrage for shipping operations at Haldia?
(iv) Whether the company could recover old dues from Railways?
(v) Whether the facilities created are used as envisaged?

HINDUSTAN PETROLEUM CORPORATION LTD.
EAST ZONE OFFICE
Introduction:

Eastern Zone Office, Kolkata of Hindustan Petroleum Corporation Limited controls the following matters related to Eastern Zone:

(a) Operation of Retail Regional Offices and Terminals
(b) Supply and distribution of products
(c) Excise duty, Custom duty and Sales Tax matters
(d) Legal Matters

All the Retail Regional Offices are headed by functionaries who are under the administrative control of Chief General Manager, Eastern Zone. A test audit on the accounts and records of East Zone Office, Kolkata including (i) LPG, Direct and Retail Sales Regional Office at Kolkata (iii) Bokaro IRD (iii) Direct Sales Regional Office, LPG Regional Office and LPG Bottling Plant at Jamshedpur of Hindustan Petroleum Corporation Limited for the year 2016-17 was taken up from 01.02.2018 to 07.03.2018 by an audit team from the Office of the Director General of Commercial Audit and Ex-Officio Member, Audit Board-I, Kolkata. The audit team consisted of Shri A. Majhi, Assistant Audit Officer and Shri R. K. Thakur, Assistant Audit Officer and the audit was supervised by Shri D. Datta, Senior Audit Officer.

Administration:

During the period covered under audit, Shri D. K. Pattanaik, General Manager held the charge of East Zone Office upto 21.04.2016. Thereafter, Shri Alok Kumar Gupta, Chief General Manager-Retail is holding the charge of EZ office of HPCL.

Shri Kamal Kumar Chakraborty held the charge of Deputy General Manager I/c (Finance) of the East Zone Office of HPCL during the period covered under audit.

Scope, Objective and Criteria of Audit:

The scope of audit consisted of major transactions for the year 2016-17 with the objective of scrutiny of their regularity and propriety aspects. Aspects of records indicating the level of economy and efficiency in the transactions were also considered. Audit criteria consisted of examining the transactions from the principle of propriety, company's policies, terms of contract or agreement and other documents available with the audited entity.

Throughput:

Throughput details of East Zone Office locations for the last three years are given below:

(Qty. in KLs)

Product → Year ↓	MS	HSD	SKO (incl Industrial SKO	ATF + MTO	FO + LDO	Hexane
2014-15	769183	2497822	396929	42029	150644	527
2015-16	923965	2573399	344204	53626	189932	1417
2016-17	1379958	2365851	259008	56263	220732	858

Internal Audit System:

HPCL has an independent Internal Audit Department consisting of professionally qualified persons. Internal Audit function of HPCL-East Zone reports directly to the Internal Audit Department, HQO.

Internal Audit supplements the internal control processes through an extensive internal audit program, which is approved by the Audit Committee. It reviews the implementation of controls embedded in the business processes. Internal Audit covers all Regional Offices and major Locations through its annual reviews. All other locations are also covered periodically. Internal Audit endeavours to cover all the significant areas during its audit through selective review taken up on judicious basis. Internal Audit is carried out in HPCL on a continuous basis. Audit observations are raised/discussed at appropriate level and required action is taken by the concerned functions. Audit observations are contained in the audit reports issued.

Brief about IT system:

HPCL has centralized ERP system, JDE Edwards and Client server systems/ applications are hosted at Data Centre in ISC, Hyderabad and maintained centrally and Zonal IS Team at GMO-EZ is broadly responsible for the following activities:

(i) Support EZ users in doing their activities smoothly.
(ii) Ensure compliance of IS policies.
(iii) Maintain Hardware / LAN and support in WAN link maintenance.
(iv) Implement HQO initiatives.
(v) Perform Gap analysis and co-ordinate with HQO team for resolution.
(vi) Create informed IS users.

NHPC LTD
TEESTA LOW DAM -III POWER STATION
Introduction

In order to utilize potential of Teesta Basin in West Bengal, four projects were conceived by WBSEB in cascade. These were referred to as Teesta Low Dam Projects (TLDPs). The first two Projects viz Stage-I (40 MW) & Stage-II (80 MW) are on RangitRiver whose left bank falls on Sikkim before its confluence with Teesta River at Melli. Other two namely TLDP- Stage-III & IV are on Teesta River downstream of Rangit-Teesta confluence and located entirely in West Bengal. Only Stage-III and IV have been handed over to NHPC for implementation of power project. Consequent upon signing of MOU between Govt. of West Bengal, West Bengal State Electricity Distribution Limited and NHPC Ltd. for development of four Hydroelectric Projects, namely, Teesta Low Dam HEP-V (80 MW), Teesta Low Dam HEP-I &II (81 MW); Teesta Low Intermediate Stage (84 MW) and Ramam HEP Stage-I (48 MW) in Teesta Basin by NHPC, it has been decided that expenditure on these projects shall be accounted for in the books of TLDP-III. These 4 projects has been named as 'Teesta Basin Investigation Projects' with headquarter at TLD-III PS, Rambi (September 2015).

Project details

The capacity of Teesta Low Dam –III Power Station is 132 MW (4x 33). The sanctioned cost of the project (Net + IDC) is `768.92 crore with an expected energy benefit of 594.07 Million Units. The revised approved cost upto 31.03.2013 was `1972.99 crore. The Unit energy charge of generation ranged between `3.09 to `3.18 per unit during 2014-15.

Initially, the project obtained the Techno-Economic Clearance in November, 2002 and thereafter it received the environmental clearance in July, 2003.Thereafter, Public Investment Board gave it's clearance in April, 2003 and finally it got cabinet approval in October, 2003. The project received the formal forest clearance in April, 2004. The Commissioning schedule of the four units were revised and approved with respective dates for Unit-I, II, III and IV respectively as on September, October, November and December, 2009. But with multiple constraints like Floods and strikes by local political party the anticipated commissioning dates for Units-I to IV were revised in March, 2013. All the four units of project have since been commissioned and It has been declared as Power Station. The first two units have been commissioned on 1st April 2013 and 3rd Unit and 4th Unit were commissioned on 1st May 2013 and 19th May 2013 respectively.

Administration

During the period covered by audit Shri Vinod Kumar Karn, General Manager from 01.04.16 to 05.06.16, Shri Rais Mian, General Manager from 06.06.16 to 19.11.2016 and Debojit Chattopadhyay from 20.11.16 to 31.03.2017 held the charge of General Manager of the Power Station.

The Finance Division is headed by Shri M K Barnwal, Manager (F) during the period covered under audit.

Physical Performance

Sl. No.	**Particulars**	**2014-15**		**2015-16**		**2016-17**	
		Target	Actual	Target	Actual	Target	Actual
1.	Installed Capacity (MW)	132 MW					
2.	Plant Availability (%)	85	72.1	78	88.6	89.5	89.5
3.	Generation Power (MU)	540	394	520	515	565	554
4.	Plant Load Factor (%)						

5.	Total Outage (%) (a) Planned (d) Forced		 2.3 16.65		 0.78 4.15		 6.19 3.34
6.	Specific Oil Consumption (ML/KWH)	NA					
7.	Auxiliary Power Consumption (%)	1	2.02	1	1.74	1	1.60
8.	Coal Consumption	NA					

Financial Performance

The financial performance of the unit during last three years are as follows: **-(` in crore)**

Years	2014-15	2015-16	2016-17
1. Turnover (MU)			
2. Turnover	342.73	342.73	357.77
3. Capital Expenditure*	0.43	25.09	21.90
4. Revenue Expenditure	261.39	264.55	255.99
5. Paid up Capital			
6. Long term borrowings			
7. Inventory (closing)	0.49	1.98	3.62
8. Grants received from Government			
9. Profit/Loss before Tax	95.25	90.35	104.51
10. Profit/Loss after Tax	95.25	90.35	104.15

Pending Legal/Arbitration cases

Total pending legal/arbitration cases as on 31.03.2017 for the Teesta Low Dam - III Power station was `467.78 crore.

Man power position of the Company

The position of manpower at TLDP III Power Station, NHPC for the last three years is as following:

Year	**2014-15**		**2015-16**		**2016-17**	
	Sanctioned	Actual	Sanctioned	Actual	Sanctioned	Actual
Executive	62	86	62	95	62	88
Supervisor	34	26	34	03	34	03
Personnel	101	62	101	52	101	40
Total	**197**	**174**	**197**	**150**	**197**	**131**

Position of Inventory

Position of inventory of the unit for the last three years ending 31st March 2017: -

(`in crore)

Sl. No.	Type of inventory	2014-15	2015-16	2016-17
1.	Consumable stores	0.49	1.98	3.62
2.	Component & other spares			
3.	**Less**: Provision for shortages			
	Total	**0.49**	**1.98**	**3.62**

Internal Audit

The Internal audit was conducted by a team from Kolkata office in the year 2016-17.

There was no major irregularities observed during the 2016-17.

Brief about IT System

The ERP system facilitates defining lifecycle from its inception till its completion and operationalization. It enables import data form SCADA system automatically enabling fast, accurate and timely availability of information for efficient operation of power plants.it also facilitate centralized vendor database and monitoring of vendor performance, real time financial position in terms of cash flow, Profit& loss account etc.

(d)	Whether there is an IT system:	Yes
(e)	Whether the IT system is stabilized:	Yes
(f)	Whether the IT system requires human interference:	No

TEESTA LOW DAM – IV POWER STATION

Project

Teesta Low Dam–IV power station (4X40 MW) is a run of the river scheme with diurnal storage for peaking purpose. It is located at about 350 m upstream of TeestaKalijhora confluence on NH-31A and 18.3 Km downstream of Teesta Bridge near Teesta Bazar village in Darjeeling district of West Bengal. The project comprises of a 45 m high dam with 4 penstocks of 45 m length and 7 m diameter each. The surface power house with installed capacity of 160 MW houses 4 units of 40 MW capacity each designed to operate under the net rated head of 25.05 m and designed to generate 720 million units in a 90% dependable year with 95% machine availability. Unit I, II, III and IV were commissioned in the month of February, March, July and August 2016 respectively. The state of West Bengal is the sole beneficiary of this power station. With the construction of the project the area is also benefitted by development of infrastructure, education, medical facilities and employment avenues.

The project was sanctioned by the Government of India at a total cost of Rs.1061.38 crore including IDC and FC of Rs. 69.71 crore at March 2005 price level. As per tariff petition submitted before the CERC, the total cost was determined at Rs. 1837.62 crore including IDC and FC of Rs.423.71 crore (excluding normative IDC of Rs. 44.46 crore).

Technical Details:

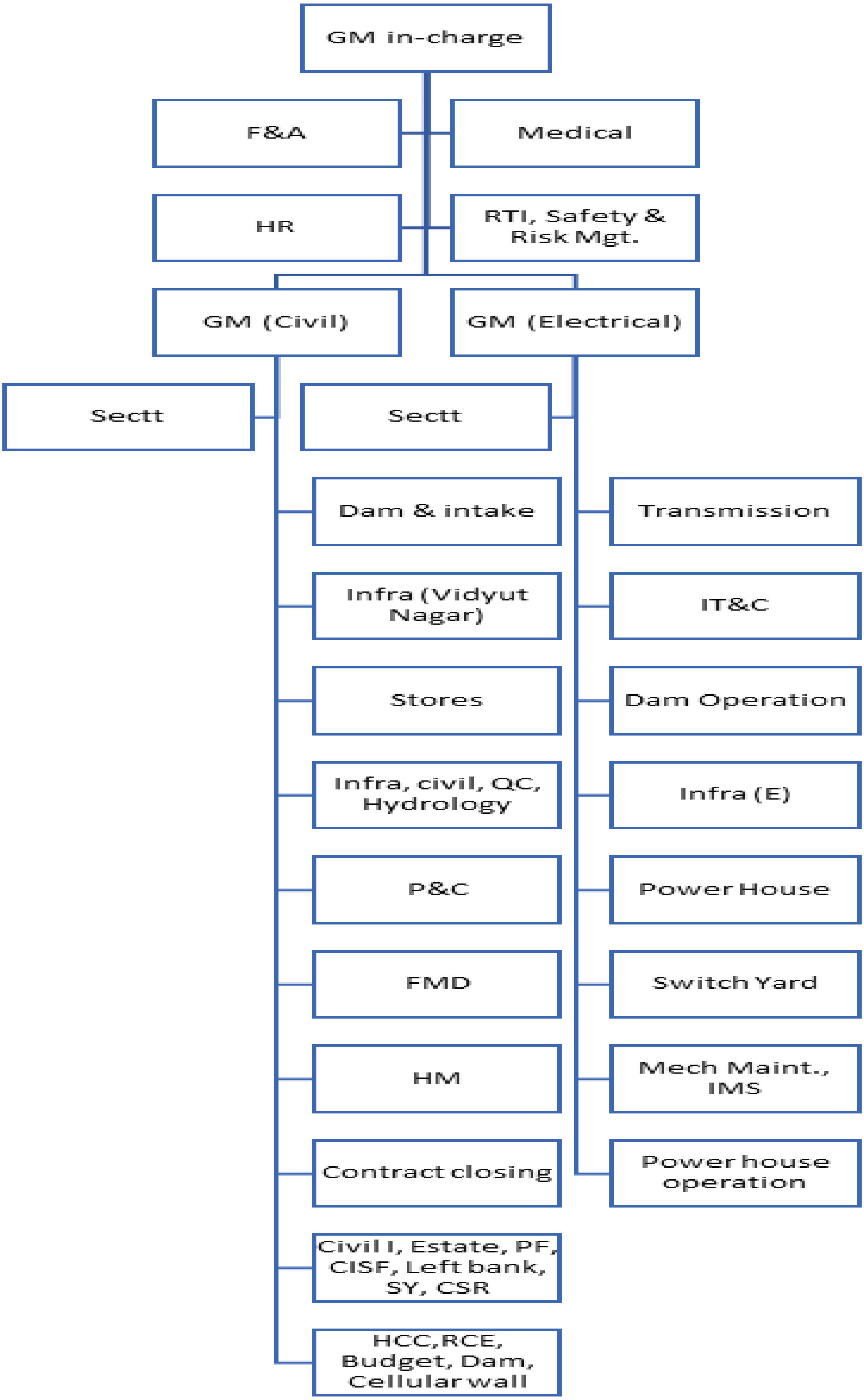
Dam:	45 m high Roller Compacted Concrete Dam.
FRL:	182.25 m
MDDL	179 m
Max TWL	155.4 m
Penstock Length	45 m
Penstock dia	7 m
TRT/Tail Pool Length	98 m
Diversion Channel	779.5 m long trapezoidal
Power House	Surface power house comprising of 4 units of 40 MW each
Type of Turbine	Kaplan
Rated head	25.05 m
Design discharge	699.8 cumecs (For all 4 units)
Number of guide vanes	24
Generator	
Rated Continuous output	44.5 MVA
Rated Voltage	11 ± 10% KV
No of Poles	48
Rated speed	125 RPM
Generator Step up Transformer (GSU)	
Type	3-Φ
LV Rating	11 Kv
HV Rating	220 kV
Rated MVA:	50
Type of cooling	OFAF
Switchyard	220 kV
Evacuation of Power	03 Lines

	TLD-IV – New Jalpaiguri (Line I & II)
	TLD-III - TLD-IV (Line III)

1. Status of Tariff petition.

The Company had filed tariff application for TLDP-IV. However, CERC had only allowed (November 2016) an interim tariff at the rate envisaged in the original DPR of the project. The Company was required to again file tariff petition with revised information sought by CERC.

Organisation



Brief about Internal Audit

Internal Audit for the year 2017-19 of TLD-IV has been conducted by the Internal Audit Wing (NHPC) with Headquarter at Kolkata.

(a) Year in which last Internal Audit was conducted: 2018-19.

(b) Details of major irregularities observed by internal audit during last three years: None

Brief about IT System

(a) Whether there is an IT system: Yes

(b) Whether the IT system is established: Yes

(c) Whether the IT system requires human interference: Yes (as per technical requirement, when it's required)

Financial Performance of Teesta Low Dam –IV Power Station

Financial performance of Teesta Low Dam – IV Power Station, NHPC Ltd. for the last three years ending 31.03.2017 are as follows:

Particulars	**2016-17**	**2017-18**	**2018-19**
Turnover**(**Rs**)**	1,86,15,01,977	1,78,03,41,016	2,97,95,19,468
Capital Expenditure**(**Rs**)**	3,53,00,09,024	11,81,41,936	35,33,86,074
Revenue Expenditure**(**Rs**)**	2,78,16,75,336	3,03,38,85,417	3,20,64,56,630
Paid up capital**(**Rs**)**	N.A. at Project Level	N.A. at Project Level	N.A. at Project Level
Long Term borrowings**(**Rs**)**	N.A. at Project Level	N.A. at Project Level	N.A. at Project Level
Inventory (Closing) **(**Rs**)**	30,80,755	1,08,86,386	1,62,75,735
Grant received from govt. **(**Rs**)**	Nil	Nil	Nil
Profit/Loss before tax**(**Rs**)**	(92,01,73,359)	(1,25,35,44,401)	(22,69,37,162)

Operational Performance

Particulars	**Unit of measurement**	**2016-17**	**2017-18**	**2018-19**
Generation	MU	603.14	495.13	708.41
PLF[8]	%	83.77	68.77	98.39
Declared capability	MW	160	160	160
Scheduled generation (ex-bus)	MU	581.49	481.63	687.16
Availability factor	%	92.15	80.39	93.67
Auxiliary power consumption	%	1.34	1.44	1.09
Reservoir capacity	M Cum	20.59	20.59	20.59
Total Outage hrs other than due to availability of water	Unit Hrs	13573:07:51	20911:48:21	16661:18:41
Outage hrs other than due to availability of water	Hrs	2741:47:57	1248:33:57	2533:24:00

Manpower

Year	**2016-17**		**2017-18**		**2018-19**	
	Sanctioned strength	**Incumbency**	**Sanctioned strength**	**Incumbency**	**Sanctioned strength**	**Incumbency**
Executives	109	114	109	119	109	106
Non-executives	176	159	176	50	176	38
Outsourced	-	347	-	341	-	341

Pending Legal / Arbitration cases

Total pending legal/arbitration cases as on 31 March 2019 for the Teesta Low dam (Stage-IV) Power Station were of Rs. 612.07 crore.

[8] Based on rated generation capacity at 720 million units in a 90% dependable year with 95% machine availability

Administration

Shri A.K. Ghosh (up to 2 May 2019) and Shri S K Aggarwal (from 10 May 2019) held the charge of General Manager of Teesta Low Dam – IV Power Station Unit. Shri D Chattopadhyay Executive Director held the post as additional charge between 3 May 2019 to 9 May 2019.

LOWER SUBANSIRI HYDRO ELECTRIC PROJECT
Project Background:

Subansiri Lower Hydro Electric Project is the biggest hydroelectric project undertaken in India so far and is a run of river scheme on river Subansiri. The project is located near North Lakhimpur on the border of Arunachal Pradesh and Assam. The installed capacity of the project is 2,000 MW and estimated annual energy generation from the Project is 7,421 MU in a 90% dependable year. The work of Subansiri Lower Project was started in January 2005 after getting all the requisite clearances from the concerned agencies of Government of India and State Government concerned. About 55% of the project work has been completed. The work of the project is at stand still due to agitation by some section of society in Assam since December 2011 on the pretext of dam safety and downstream impacts and stay on resumption of works by NGT, Kolkata vide order dated: 11/12/2015. Various committees constituted by Government have reviewed this project and submitted their recommendations. In January 2015, Ministry of Power, Government of India constituted a Project Oversight Committee (POC) to resolve the issue and consider early resumption of work. Two separate reports (one by experts of Government of India and other by Expert Group of Assam) have been submitted to MoP. MoP, GoI submitted both the reports of POC to NGT, Kolkata on 05/04/2016. MoP has endorsed the reports submitted by expert group nominated by Government of India. Further, MoP filed an affidavit dated: 24/08/2016 in NGT and prayed before the Tribunal to pass orders for resumption of construction of the dam in the larger interest of the nation.

(a).Month/Year of approval and start of construction:

CCEA approval accorded on 09/09/2003. Construction work of project started on 01/01/2005.

(b).DPR, Estimated or sanctioned cost, Revised estimate:

DPR cost (CEA/CWC concurred): `6,608.68 crores (December 2002). Sanctioned cost (CCEA approved): `6,285.33 crores (December 2002). Revised cost estimate: `17,435.15 crores (February 2016).

(c).Land acquisition status:

The construction of Subansiri Lower Project requires 4,035.56 ha land. Out of that, 4,030.56 ha land is forest land which has been diverted by MoEF in favour of NHPC for construction of Subansiri Lower Project. 5 ha land is private land which has been acquired through mutual negotiation.

(d).R&R status:

NHPC has paid full compensation to the concerned District Administrations which has been further disbursed among PAFs and affected class/community by the District Administration.

(e).Status of approvals/clearances including EC, FC, CRZC, WLC, SPCB consents:

TEC from CEA: 13/01/2003. Clearance from PIB: 01/04/2003. Clearance from NBWL: 27/05/2003. Environmental clearance: 16/07/2003. Clearance from CCEA: 09/09/2003. Forest clearance: 12/10/2004. SPCB consent renewed on: 16/06/2015.

(f).Any Court/Tribunal orders affecting/impeding project:

A case has been filed by an Assam based NGO before Hon'ble National Green Tribunal (NGT) in January 2013. In respect of Subansiri Project. MoP, GoI, MoEFCC, GoI, MoWR RD&GR, GoI, NHPC, State of Assam, State of Arunachal Pradesh and Brahmaputra Board are respondents in the case. Hon'ble NGT, Kolkata vide its order dated: 11/12/2015 has made clear that no construction work to the project is to be done but to undertake only emergency maintenance work for safety and protection of the public and property. Hearing of all parties on the matter concluded on 26/05/2017 and judgement is reserved as per NGT order dated: 26/05/2017.

Status of award of project packages and physical/financial progress:

Name of work	Work package	Date of award	Name of contractor	Physical progress	Financial progress upto February

					2017
	LOT-1 Dam and Diversion Tunnel	19/12/2003	Ms. BGS-SGS-SOMA JV	Excavation: 100%. Concreting: 42%	35%
Civil work	LOT-2 and 5, PH, HRT, Surge Shaft, Surge Tunnel	LOT-2: 19/12/2003. LOT-5: 14/05/2009.	Ms. L&T-ECCD * Ms. L&T Ltd.-ECCD has been relieved from contractual obligations in respect of LOT-2 and 5 in May-2015. For execution of balance works of LOT-2 and LOT-5 (new package LOT-6) with estimated cost of `1,344.28 crores, tendering has been done and it is at final stage of award of work.	Excavation: 90%. Concreting: 50%.	38%
HM works	LOT-3 Hydro-Mechanical	19/06/2006	Ms. TREL	Supply: 70%. Erection: 6%.	50%
E&M works	LOT-4 Electro-Mechanical	11/02/2005	Ms. ALSTOM	Supply: 97%. Erection: 7%	68%

Issues pending with other Ministries:

Subansiri Lower Hydro Electric Project was conferred 'in principle' Mega Power Project status by MoP vide letter dated: 24/09/2004. However, in the notifications dated: 10/09/2012 issued by Ministry of Finance, name of Subansiri H.E. Project is not appearing in the list of 'Mega Power project' due to which the benefits available under 'Mega Power project' were discontinued. The matter was taken up by MoP with MoF, Department of Revenue, MoF vide letter dated: 14/10/2015, requested to seek approval of the Cabinet. As desired by MoP, draft note for Cabinet has been forwarded to MoP by NHPC vide letter dated: 20/01/2016.

Issues pending with State Governments:

Consent of State Government of Assam for signing of Implementation Agreement is still awaited. Power Purchase Agreement (PPA) with Government of Arunachal Pradesh and Delhi are pending.

Manpower

Sl. No.	**Name of the Post**	**Post sanctioned**		**Post filled up**		**Post vacant**	
		2015-16	**2016-17**	**2015-16**	**2016-17**	**2015-16**	**2016-17**
1.	Executives (Group-A)	188	188	123	118	65	70
2.	Assistant Engineer/Officer,	76	76	21	21	55	55

	Supervisor, etc. (Group-B)						
3.	Skilled/Highly Skilled Workmen (Group-C)	107	107	90	76	17	31
4.	Unskilled Workmen (Group-D)	37	37	82	76	45	39
	Total:	**408**	**408**	**316**	**291**	**92**	**112**

Budget & Expenditure

(`in Lakhs)

Sl.No.	Expenditure Head	BE 2015-16	BE 2016-17	Expenditure during 2015-16	Expenditure during 2016-17
1.	Dam/Barrage	30,947.21	52,225.67	18,602.61	27,166.56
2.	Power House and Water Conductor System	4,941.41	11,477.00	2,253.91	6,902.41
3.	M/c & Spl T&P	2,996.79	524.10	(7.94)	499.19
4.	G.P & Equipment		8,009.42	1,580.72	946.66
5.	Building & Communication	4,038.64	2,852.60	254.43	1,535.89
6.	Anciliary Works	2,900.71	3,055.24	2,398.27	3,860.68
7.	Other Expenditure	2,658.41	723.97	1,676.88	633.63
8.	Suspense	1,158.05	0.00	2,950.04	(7,213.03)
9.	Direct & Administrative Expenses	12,555.54	16,653.00	8,693.34	8,317.32
A.	**TOTAL:**	**62,196.76**	**95,521.00**	**38,402.26**	**42,649.31**
B.	**(-) R/R**	31.21	0.00	2,524.76	2,074.02
C.	**TOTAL (A-B)**	**62,165.55**	**95,521.00**	**35,877.50**	**40,575.29**
D.	**(+) IDC**	38,587.13	49,854.00	39,768.04	36,388.13
E.	**GRAND TOTAL (C+D)**	**1,00,752.68**	**1,45,375.00**	**75,645.51**	**76,963.42**

Financial Performance

Information for Risk Assessment:

Sl. No.	**2014-15**	**2015-16**	**2016-17**
Turnover (in quantity and value)	Dealt at Corporate Level Office.		
Capital Expenditure (` in lakhs)	7958,81,46,367	8719,74,36,137	9535,82,57,619
Revenue Expenditure	25,86,30,225	51,30,54,207	23,30,42,875
Paid-up-Capital/Corpus (in case of Abs)	Dealt at Corporate Level Office.		
Long Term Borrowings	Dealt at Corporate Level Office.		
Inventory (Closing)	82,96,64,969	79,97,55,872	75,96,56,470
Grants received from Government, if any (` in lakhs)	Dealt at Corporate Level Office.		

Profit before tax	Dealt at Corporate Level Office.
Profit after tax	Dealt at Corporate Level Office.

Brief about Internal Audit:

(a)	Year in which the last Internal Audit was conducted	2017
(b)	Details of major irregularities observed by Internal Audit during the last year	NIL

Brief about IT System:

(a)	Whether there is an IT System?	Yes
(b)	Details the IT System is stabilised?	Yes
(c)	Whether the IT System requires human interface?	Yes

Administration

Shri Rakesh, Executive Director (Project) for the period 01/08/2012 till the date of Audit.

LOKTAK HYDRO-ELECTRIC POWER STATION

Background of the Project:

Loktak Multipurpose Project, was conceived by Govt. Of Manipur (GoM) for economic development and to deal with the unusual and difficult flood phenomenon and for irrigation of 23000 hectares of land in the Manipur Valley & hydro power generation of 105 MW.

Loktak Power Station (3@35 MW) is an integral part of Loktak Multipurpose Project of GoM. The construction of Project was undertaken by Central Government under the erstwhile Ministry of Irrigation and Power in 1970-71. The Project was transferred to NHPC Ltd. on 01.01.1977. The installed capacity of the power station is 105 MW with three units of 35 MW each. All the units were commissioned in April-May 1983 and the Power Station is in commercial operation since 1st June 1983. It caters the need of electricity of 7 states of North-East India. Excess power, if any, is transmitted to the national grid. The Tariff of the Power station is being fixed by CERC as per the prevailing CERC Tariff Regulations for each tariff period. The aim of the project was:

a) Generation of 70,000 KW firm power (at 60% load factor) and annual generation of 448 Million Unit (million Unit)
b) Lift-irrigation of 23,000 hectares of land in Manipur valley
c) Reduction of flood level around periphery of Loktak Lake by providing drainage capacity through additional channel towards the power station ultimately evacuating at Leimatak River. Loktak power project envisaged diversion of 58.8 Cumecswater from Loktak Lake with a view to utilise 42 Cumecs for power generation with a gross height of 312 Metres and supply of 16.8 Cumecs for lift irrigation.

The LPS equipment is going to complete its useful life in June 2018 as per the norms of defined in CERC Regulations and there is need for Renovation & Modernisation of LPS.

Administration:

The scope of compliance audit was 2016-17. Shri V.K. Karn was the project head up to 11.01.2017. Subsequently (13.01.2017), the charge of the project was taken over by Shri Bedi Ram and continuing (09.09.2017) as Project Chief Engineer, I/C. Finance section was headed by Sri Sarad Chandra Manager (Finance).

Operational Performance:

	Unit	2014-15	2015-16	2016-17
Installed capacity	MW	105	105	105
Designed energy	MU	448	448	448
Gross Generation	MU	372.473462	536.61	741.07
Saleable energy	Mu	317.35435	459.57	633.03

Financial Performance:

(Figures in `)

Particulars	**2014-15**	**2015-16**	**2016-17**
(a) Turnover (in Quantity and value)	372.47 MU	536.61 MU	741.07 MU
	1026612760	1642222944	1731503314
(b) Capital Expenditure	88043416	93039811	73899790
(c) Revenue Expenditure	1026660966	1035355252	1323471190
(d) Paid up Capital/Corpus	-	-	-
(e) Long term borrowings	-	-	-
(f) Inventory (closing)	32939635	26984615	15872128
(g) Grants received from Government	-	-	-
(h) Profit Before Tax	50389712	621413250	428734256
(i) Profit After Tax			

Manpower position:

	2014-15		2015-16		2016-17	
Category	**Sanctioned strength**	**Manpower**	**Sanctioned strength**	**Manpower**	**Sanctioned strength**	**Manpower**
Executive	68	72	68	77	68	70
Supervisor	34	04	34	01	34	0
Ministerial & Secretarial	24	33	24	30	24	28
Para-Medical	10	10	10	10	10	7
Technical workman & others	162	263	162	220	196	192
Total	**298**	**382**	**298**	**338**	**298**	**297**

Information Technology aspects:

Loktak Power Station, Manipur is presently having the following two separate LAN based on client-server technology. OFC Link connects both these LANs for resource sharing and for the communication. These two LANs are integrated with NHPC CO WAN through KU-Band VSAT and high speed Lease Line.

a) 100 node LAN at Loktak administrative complex – connecting various computers, Loktak Administrative building, Finance Wing, Hospital, Line Dept. and Central Store s, Workshop
b) 56 Node at Leimatak Power House-covering Power House Control Room, Turbine office and Divisional Office at Power House Office Complex, Hospital Leimatak

ERP has been implemented in Loktak Power Station along with installation of Ku Band VSAT WAN solutions for Loktak, Leimatak Power House and Ithai Barrage Location. 4 MBPS MPLS Link from BSNL is being used for ERP operations connecting directly with CO. Further two Internet Lease Line of 4 MBPS and 2 MBPS respectively are providing internet facilities to Leimatak Power House.

Internal Audit:

Internal Audit of Loktak Hydro-Electric Power Station, NHPC for the year 2016-17 was conducted by L.B. Jha & Co. Chartered Accountant. As per the appointment letter, the scope of internal audit were O&M contracts, Finance and Accounts, Human Resource and administration, O&M of Power House, Procurement Department, Stores Department, Workshop and Maintenance. Internal Audit of the Management is commensurate with the size and nature of the organisation/Unit.

Physical Verification of Construction Stores:

Physical verification of construction stores for Financial Year 2016-17 was conducted by Guha, Nandi & Co, Chartered Accountant. The report was submitted on 6th December, 2016.

Scope of Audit:

The scope of Compliance Audit includes review of operational performance data, contracts, agreements /licenses, MIS reports, DPR, Board agendas & minutes, correspondences with CERC, tariff orders issued by CERC invoices/bills raised on the during the year, pending legal cases.

Audit objectives

The following Audit objectives were set for this Compliance Audit:

- Whether TLDP-IV's activities adhered to the CERC Regulations.
- Whether there appropriate directions, guidance and policy were framed by the top Management and whether TLDP-IV'sadhered to such directions, guidance and policies
- Whether TLDP-IV's activities were in consonance with canons of financial propriety
- Whether the award of the contracts proceeds through transparent, competitive and equitable.
- Whether contracts were executed economically, efficiently and effectively.
- Whether Management at TLDP-IV's has taken proper steps to prevent losses including instances of fraud, misappropriation, theft and embezzlement.

- Whether internal controls were commensurate with the size and nature of activities of TLDP-IV.

Audit Criteria:

- Guidelines/Circulars/Officer order issued by the Ministry of Power, CEA and CERC.
- Delegation of Power and Budget, internal manuals etc. of the Company.
- Rules of propriety, cannons of propriety
- Agreement with the Contractors

STATUTORY CORPORATIONS

DAMODAR VALLEY CORPORATION (DVC).

Profile of the Corporation

Damodar Valley Corporation (DVC) is India's first multipurpose river valley project, It came into existence by the Act of the legislature. Known as DVC Act. DVC came into existence in the year 1948 with the objective of securing unified development of the valley falling within the States of Bihar (now Jharkhand) and West Bengal. The Total installed capacity of the DVC power plant is 7237.2MW.

While the main functions of the Corporation are flood control, irrigation, generation and distribution of power, its subsidiary activities included navigation, soil conservation, and promotion of public health, agricultural, industrial, economic and general progress in the valley.

Section 47 of the Damodar Valley Corporation Act,1948 states " The accounts of the Corporation shall be maintained and audited in such manner as may, in consultation with the Auditor General of India, be prescribed"

Rules 28 to 33 of the Damodar Valley Corporation Rules, inter-alia, state that the accounts of the Corporation shall be audited by the officer appointed by the Comptroller and Auditor General of India and the Audit Report shall be countersigned by the Comptroller & Auditor General of India (C & AG).Hence, C&AG not only prescribe the manner in which the accounts are to be maintained by the Corporation but also be is the sole-auditor of DVC .The audit of Damodar Valley Corporation has been entrusted to the Principal Director of Commercial Audit & Ex-officio Member, Audit Board-I, Kolkata.

Joint Ventures

Maithon power limited (MPL)

A joint venture between DVC and BSES Limited After exist of BSES, The TATA Power Company Limited Joined the JV. Shareholding is DVC (26%) and Tata power company Limited (74%).For construction of 1050MW (2x525MW) plants at Maithon Jharkhand.

Bokaro Power Supply Company Pvt Limited (BPSCL)

BPSCL was incorporated on 17.08.2001 and was converted into JV of DVC and SAIL with shareholding of 50% each. BPSCL is having installed capacity of 302MW/1880 Ton Steam PH BPSCL has also installed new unit with capacity of 36MW /300TPH during 2014-15

DVC EMTS coal mines limited

It's a JV of EMTA and DVC .A joint venture Company came into existence on 13.04.2005.the Company DECML was incorporated on05.07.2005. With equity participation of DVC (26%) and EMTA (74%).It's a JV to develop the coal mines of DVC.

National High Power Test Laboratory Pvt Ltd.

It's a joint Venture between DVC and NTPC, NHPC and power grid corporation of India and CPRI (inducted later) with 20% equity contribution by each. JV is incorporated for setting up an online high power test laboratory for short circuits test facilities in the country.

Damoder valley Tourism Development Pvt Limited

DVTDPL a joint venture of 50:50 between DVC and IL&FSIDC (IL & FS Infrastructure development corporation Limited for Tourism master planning Preparation of Tourism projects and planning in valley area.

MAMC (Mining and allied Machinery corporation limited)

This JV is in process between BEML , CIL & DVC to acquire the assets of MAMC ltd.(Mining and allied Machinery corporation limited)

Damodar Valley Corporation has eight Thermal Power Stations, Bokaro Thermal Power Station-B (210MW), Bokaro Thermal Power Station-A (500 MW) andChandrapura Thermal Power Station (630 MW) ,Durgapur Thermal Power Station (210 MW)and Mejja Thermal Power Station (2340MW), Durgapur Steel Thermal Power Station (1000MW) and Koderma Thermal Power Station (1000 MW), Raghunathpur Thermal Power Station (1200 MW). There are three hydel power stations at Tilaiya (4 MW), Maithon (63.20 MW) and Panchet (80 MW).

Generation in FY 2017-18 As compared to FY 2016-17

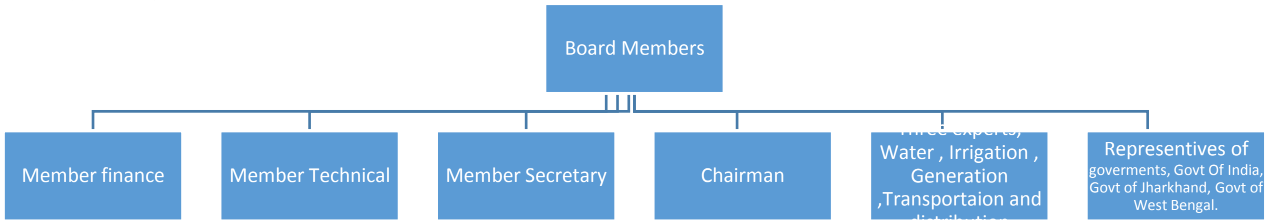
Type	Capacity(MW)	Generation MU	
		FY 2017-18	FY 2016-17
Thermal	7090.00	35691	33311
Hydel	147.20	267	270
Total Generation	**7237.20**	**35958**	**33581**

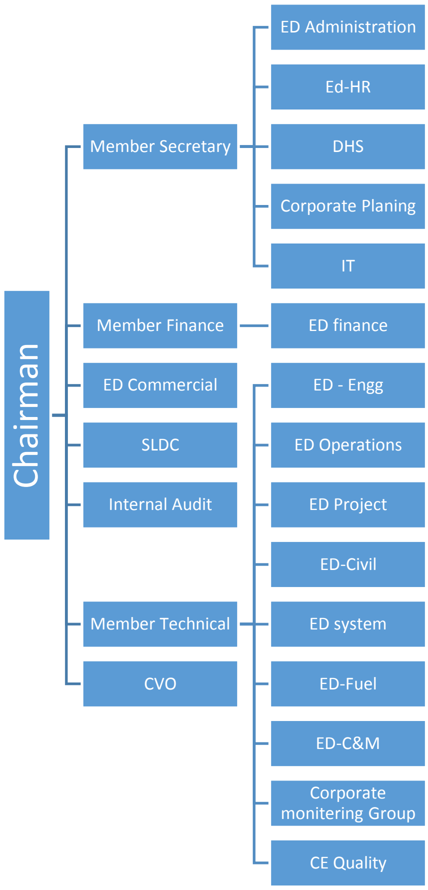
The Total installed capacity of the DVC power plant is 7237.20 MW.

The DVC Act, entrusted Comptroller & Auditor General of India for the audit of the Corporation being the sole auditor of Damodar Valley Corporation, the audit of the Corporation is carried out continuously round the year. For conducting smooth and effective audit, there is a Branch Office headed by a Group Officer at DVC Head Quarters in Kolkata besides four other Resident Audit Offices located at Bokaro, Chandrapura, and Maithon in Jharkhand and Durgapur in West Bengal.. Preparation of Annual Report including Audit Report in every year is done within a fixed time schedule. The said time schedule is finalized by DVC in consultation and with approval of the Principal Director.

Organisational Structure

With the amendment of DVC Act 1948 by parliament in 2011, as published DVC Board has been reconstructed and will be represented by ten members consisting of chairmen Member Technical, Member finance Member Secretary, one representative each from Central Govt . Govt of west Bengal and Jharkhand government and the independent experts from the fields of irrigation, water supply and generation or transmission or distribution of electricity.





Capital Structure and Financial highlights

According to Section 30 of DVC Act, 1948, the entire capital requirement of the Corporation is to be provided by participating governments. Total loan capital provided by the participating governments till 1968-69 amounted to. ` 214.72 Crore. There has been no contribution by participating governments after 1968-69.

In addition, the Corporation is ploughing back profit and retained interest to the respective capital accounts. Although Government of Bihar and Government of West Bengal Capital as on 31.3.2018 DVC recorded a turnover from the sale of power Rs. 14865.86 crore as against `14498.99 crore in 2016-17

(`` in Crore)

Particulars	**Power**	**Irrigation**	**Flood Control**	**Total**
Central Gov. Add transfer from Revenue account	1813.67	--	7.00	1820.67
Sub Total	1813.67	--	7.00	1820.67
West Bengal Gov.	1486.69	397.91	12.47	1897.07
Add transfer from Revenue account	-	50.05	-	50.05
Sub Total	1486.69	447.96	12.47	1947.12
Bihar Gov.	1781.28	0.27	-	1781.55
Add transfer from Revenue account	--	--	--	-
Sub Total	1781.28	0.27	-	1781.55
Total	5081.64	448.23	19.47	5549.34

(`` In Lakhs)

Revenue Income	**2017-18**	**2016-17**	**2015-16**
Sale of Power	1486586	1449899	1263993
Sale of water	12798	12717	26902
Rental & Wheeling			
Other income	112399	92708	18729
Profit/(Loss) after Tax	(84733)	(90660)	(114329)

Manpower

The Company has complied with the Presidential Directives and other Government instructions and statutory provisions in the matter of reservation and concessions for different categories. As on 31/03/2018, out of 7936 employees on the Company's roll, Out of the total 7936 employees total Grade A employees are 2731(2300 technical & 431 Non-technical) .The total number of lady employees in the organization stands at 541 ,constitute about 6.82% of the DVC workforce.In the year 2017-18 total employee benefits were total`1618.09 crore.

Audit Checks

1. Examine Underutilisation of capacity by power stations.
2. Examine whether design energy had been reviewed in terms of CEA (Central Electricity Authority) guidelines. As design energy forms basis for recovery of fixed costs of power station. Design Energy is the key parameter in determining, Techno-Economic viability of a Hydro-Electric Scheme and therefore due care is taken for its realistic assessment.
3. Generation loss due to forced outages during monsoon season Non-review and non-inclusion of CWC guidelines in Disaster Management Plans.
4. Whether Plants designed to be operated by coal are operated on oil beyond normal requirement leading to increase in cost of generation whether the cooling system and super

heaters are proved to be defective resulting in un-economic operation of Plants. Reasons for forced outages of the units should be thoroughly scrutinized

5. Whether the outages are due to shortage of coal, fuel, gas etc. Coal mills are important auxiliaries of Boiler. These are meant for firing pulverised coal to Boilers. According to design parameter, number of coal mills may vary from five to seven including standby mill.
6. All the coal mills (excluding standby) are required to be operated for acquiring required temperature in the Boiler for full load operation. Operation of less number of mills may lead to lowering of load resulting in reduced generation. During audit scrutiny, it should be seen that:

(i). All the mills are running when the unit is in operation.

(ii).whether repairs and maintenance of coal mills are attended to regularly and on urgent basis.

(iii).Whether spare parts are stocked in store for emergency requirement etc. Grinding rolls/balls are important element of Coal Handling Plant for grinding of coal to its required size before reaching to coal tanker. It should be seen in audit that the management has ensured regular supply of grinding rolls/balls. Whether the work for repairing /maintenance of the shutdown unit is done and completed with utmost promptitude for bringing the same into operation. Whether frequent shutdown of units is due to unsatisfactory maintenance of the plants, if so, it should be commented upon.

1. Whether a programme for maintenance of the unit is drawn up and adhered to.
2. Whether the percentage of consumption in auxiliaries exceeds the limits specified in the project reports.
3. Whether the metering devices in Power Station indicate the correct reading of energy exported and imported
4. Whether the total units generated and imported in the Power Station tally with the total units exported plus loss in auxiliaries, transformation loss and line loss.
5. Whether damages to plants and equipment's occurred during guarantee period; such cases, if any, to be examined in detail.
6. Whether such damages occurred due to non-observance of operation instructions and faulty operation of unit – in such cases the responsibility for such loss is required to be fixed on the officials at fault.
7. Whether the claims have been lodged with the Insurance Company for such damages - status of realization of such claims as well as its adequacy to meet the cost of replacement/repairs.
8. Whether such issues have been brought to the notice of higher authorities indicating probable financial implications.
9. Whether effective steps have been initiated to stop recurrence of such incidence in future.
10. Analysis of thermal efficiency is a very important factor in scrutinizing the cost of generation. The Thermal Efficiency of generation is the ratio, expressed as percentage(a) of the amount of heat energy equivalent to the electricity sent out from the power station to the amount of heat energy contained in the fuel consumed in generation Improvement of thermal efficiency makes a valuable contribution to coal saving. Similarly reduction in the percentage of thermal efficiency will lead to the increase in cost of fuel. Reasons for any abnormal decrease in the percentage is required to be investigated thoroughly so that effective steps may be taken to achieve utmost economy in the consumption of coal.
11. In respect of Hydro Power stations, performance may be linked to availability of water and it should be seen that the generation was optimum.
12. Whether consumption of balls and rings in thermal power station conforms to the norms.
13. In case of Gas Turbine Power Station, receipt, consumption and storage of fuel may be thoroughly scrutinized.
14. Auxiliary consumption should be looked into in detail. If the same is not within the norms, the reasons should be scrutinized and commented upon.
15. ORT Report, Minutes of the Monthly Co-ordination Meeting and Control Room Data should be analysed with reference to Plant Log Books and Plant Outage Data contained in the Power System Performance Report.

Projects:

1. Feasibility Report/Detail Project Reports of new projects should be studied in detail.
2. Administrative approval/Financial concurrence of a project should be seen and in this respect Delegation of Power of the officials sanctioning the project should also be linked.
3. For new power project, tying up the required sources for funds should be examined since delay in financial closure of the project leads to delay in execution of project with consequential cost overrun.
4. Successful implementation of any project within scheduled time frame and within approved cost is of paramount importance. Any deviation so far as the time of completion of the project is concerned and from the approved cost structure causes various repercussion on the economy both in the micro as well as macro level. So, if there is any time/ cost overrun, it should be thoroughly scrutinised and commented upon.
5. In all major contracts, both the contractors/supplier and the Project Authority are generally liable to fulfil certain obligations (like submission of Bank Guarantee for mobilisation advance, Performance Bank Guarantee (PBG) etc. and making available required work fronts, materials to be supplied free of cost etc.) – whether such obligations were met in time. In case of deviation/non-fulfilment of such obligation, detail analysis in regard to impact of such non-compliance is to be made.
6. Whether possible delay prone areas like land acquisition and Award of Contract are identified in advance and pro-active measures are taken.
7. In case of contracts with escalation clause, the escalation part in a contractor's bill may be thoroughly examined so as to determine whether escalation has been paid for works beyond the time allowed for completion.
8. For delay in execution of a job by the contractor- whether Liquidated Damage has been imposed as per contractual terms.
9. Tendering process for awarding of contracts should be looked into. Delay in finalisation in tender may enhance the cost of the work with associated delay in completion of the project.
10. Whether machineries/equipment supplied by vendors are functioning properly-If any defect/damage has been identified within the guarantee period, whether the same has been rectified by the supplier free of cost, if not, the reasons for the same may be examined.
11. Monitoring system for execution of the projects in vogue along with Management Information System (MIS) available for such monitoring should be studied in detail and procedural lapses, if any, need to be commented suitably.
12. On completion of the projects, Contracts Closing Committee Reports or the likes are generally prepared – such documents should be thoroughly examined to identify contracts/works requiring detail scrutiny.
13. Whether Renovation and Modernisation package has been taken up according to RLA Study Report; if not, the deviation may be thoroughly scrutinised.
14. Whether the benefits like increase in station generation, increase in PLF, availability of Plants, decrease in consumption of fuel and auxiliaries as envisaged at the time of taking up of R&M activities have been derived after completion of R&M Package. If not, reasons for poor performance should be examined in detail.
15. Whether extension of life of old Plants as contemplated during R&M has actually been extended as a result of R&M.

Environment Management & Pollution Control (EM&PC)

Each power station has a Pollution Control Cell and laboratory for testing purposes. Every Power Stations are expected to conduct Environment Impact Assessment Study to identity the adverse Impact of power Station on the environment.

Audit Checks

- Review of Environment Monitoring System: - Every Power Stations are expected to conduct Environment Impact Assessment Study to identity the adverse Impact of power Station on the environment. They are also to maintain Environment and Disaster Management Plan- this need to be studied in detail.

- Whether the Power Stations are strictly adhering to the pollution control norms issued by Pollution Control Board/Authorities/Ministries.
- Whether periodical testing to assess the suspended materials in air and water is done. If so, the level of suspended materials in air and water against the norms fixed by Pollution Control Boards should be looked into.
- Reasons for fines/penalties imposed by Pollution Control Boards for non-fulfilment of pollution norms, if any, should be examined.
- Audit should scrutinise the test reports of the power generating units in regard to combustible content in ash. Whether the range of combustibility .is within the approved designs norms: if not, steps taken to reduce the same.
- Project undertaken (including installation of Electro Static Precipitator) in respect of pollution control measures should be scrutinized thoroughly to ascertain the time and cost overrun as well as its effectiveness in regard to meeting the statutory parameters.
- It should be seen that fly ash collection is regularly done from ESP fields in order to ensure that the fields are in working condition for proper functioning.
- Ash disposal system, method, its efficiency and suitability should be verified.
- Contracts/Agreements with the contractors for evacuation of ash from ash ponds should be thoroughly scrutinized.
- Use of beneficiated/blended coal by the thermal power plants should be verified with reference to orders of the Central Government.
- Auditor should see that pipe lines for carrying ash slurry from Plants to ash ponds are adequate in size and are functioning properly without jamming. It should also be seen that pumps installed for the purpose are working properly and that (ii) there are no rupture /leakages in underground pipelines carrying ash slurry to ash ponds.
- Steps taken to control noise pollution.
- Afforestation efforts along with evidence of the same.
- Liquid Waste Treatment –its adequacy and effectiveness.
- Whether any dry ash extraction system is in place to facilitate mechanical loading of Fly Ash.
- Whether any effective step has been initiated for productive and commercial use (like manufacture of building materials. Ash Dyke Raising and land development, underground mine stowing etc.) of huge quantum of ash generated in thermal power plants.
- Adequacy of ash pond: Construction and operation of Ash Handling Plant, suitability and effectiveness and also Annual Maintenance Contract of Ash Handling Plant.

Transmission and Distribution

- Whether the Corporation has fixed any norms regarding Transmission and Distribution Loss; reasons for variation between norms and actual loss should be thoroughly scrutinised and suitably commented upon.
- Whether repair & maintenance of sub-stations, lines, feeders etc. are done regularly in order to prevent line loss and un-called for outage of lines etc.
- Whether energy audit is being done, if so, the reports should be examined thoroughly.
- To reduce the T & D loss, installation of check meters is necessary. Whether such meters have been installed and if so, their effectiveness should be scrutinised.
- Whether the maintenance of transmission line is being carried out with outside agency in spite of having Corporation's own skilled staff and necessary equipment/materials. If so, the reasons for doing the job by outside agency, may be scrutinised and commented upon.
- Whether checking of all the meters with the consumers for defective metering, pilferage of energy etc. by consumers are being carried out.
- Whether reconductoring of feeders are being done from time to time to prevent lowering of voltage at consumer end.

- Whether tariff meters at consumers end are regularly compared with check meters at DVC's substation end to verify quantum of transmission loss
- In order to verify proper utilisation of power transformers it should be seen that transformers are not lying idle (without load) and without sufficient justification.

Audit Checklist:

- Scrutiny of records relating to appointment whether procedure adopted for recruitment is as per Corporation's directives and whether the appointment is within the sanctioned strength.
- Detailed examination regarding justification for appointment of casual labourers.
- Detailed scrutiny of payments made to casual labourers.
- Compensations to displaced persons should be studied in detail. Any irregularity noticed should be commented upon
- Confidential/Disciplinary matters should be verified. Whether any disciplinary action recommended against any employee by competent authority has been strictly adhered to. If not, the fact should be highlighted.
- Appointment of outside agency for recruitment purpose may be verified with reference to terms and conditions governing such appointment.
- Sanction orders for release of funds to schools should be studied carefully to ensure that all necessary adjustments have been made before disbursement.
- Whether all temporary advances sanctioned for welfare activities have been adjusted through proper records/vouchers before sanctioning further advance for the same purpose, if not, the point should be commented upon.
- Justification, sanction and actual expenses towards advertisement for recruitment purposes should be studied in detail.
- Tariff, Billing and Collection of Revenue

Scrutiny of Tariff and other energy charges:

The following points are to be seen in Audit:

- Whether the tariff and other energy charges are fixed and revised at the regular interval in order to recover the cost of power –supply.
- Whether the tariff and other energy charges are based on accurate, adequate and relevant cost data and other commitments given to consumers.
- Whether approval of the Corporation is obtained before giving any commitments for fixing and time of revising the tariff and other energy charges to the consumer.
- Whether approval of the Corporation is obtained before giving any concessions in tariff and other energy charges to any individual or group of consumer.
- Whether extent and legality of the intervention, if any, of Government in fixing tariff and other charges is given due care before finalizing the tariff and other energy charges.
- Auditors should keep a close watch as to the finalisation and implementation of tariff structure fixed by the CERC.

Scrutiny of energy bills:

Audit has to scrutinize individual Minimum Rent Bill (MRB) files, which are maintained consumer wise. It is to be seen:-

1. Whether the energy bills are prepared in the prescribed format and according to the procedure laid down.
2. Whether the bills are prepared as per the billing data based on monthly billing data sheet jointly signed by the representative of the consumer and the Corporation.
3. Whether the bills are prepared as per the tariff in force.
4. Whether rebate, if any, admissible for various reasons, such as peak/off peak demand, power factor, load frequency etc. are allowed based on joint meter reading statement as per the allowable rate and period.
5. Whether adjustment in respect of any advance payment, if any, are correctly made in the bills.
6. Whether all other energy charges, such as meter rent and minimum guaranteed energy charges are included correctly in the bills.

7. Whether any ad-hoc allotment of power allowed to consumer without considering actual drawal of power over a period of time, will result in lower charge for minimum guaranteed energy charges.

8. Whether all the consumers are served with bills every month.

9. Whether monthly energy bills are prepared promptly and dues, if any, recovered from the consumers or excess advance payment is refunded under proper acknowledgement.

10. Whether the billing is done as per the method laid down in the power-supply agreement in respect of consumers having defective or no meter.

11. Whether any concessions such as improvement in load frequency, power factor, peak/off-peak demand etc. which are given to low- performance consumers, who have already full filled the conditions before introduction of such concessions.

12. Whether criteria laid down for the benefit of lower tariff of sick consumers and other consumers are properly followed in preparation of the bills.

Audit of Purchase:

1. Whether appropriate vendor base for various items is being prepared maintained and updated at regular intervals, for which limited tender enquiry and/or single tender enquiry is to be issued.

2. Whether the vendor base includes only the vendors who have proven records of performance in respect of technical, financial and past purchases compliances.

3. Whether the limited tender or single tender was issued based on adequate reasons in the given circumstances.

4. Whether the limited tender or single tender enquiry is requested by the indenting officers only in writing and purely on technical ground or for emergency reason.

5. Whether the delayed tender, late tender and incomplete tender are dealt with appropriately as per the extant rules/regulations/practices of the Corporation.

6. Whether all tenders are opened on due dates, place and time specified in the NIT in the presence of intending tenders. Whether all corrections and over writings are initialled by the bidders and number of corrections and overwriting in each page recorded under the dated initials of the officer opening the tenders.

7. Whether the money receipt supports sale of tender document and the physical balance of tender documents got tallied with book balances.

8. Whether security deposit furnished by suppliers are noted in a register with sufficient details and reference to refund of security deposit is entered under proper attention against the relevant item.
9. Whether the bank guarantees furnished by suppliers are noted in a separate register and timely action taken for their renewal keeping in view the delivery period of materials.
10. Whether the purchase procedure starts immediately without any undue delay on receiving the indent.
11. Whether the indent is complete in all respect such as nature of purchase, technical specifications of items, estimated prices, backup- sheet, urgency etc.
12. Whether the tender type and duration is in line with the urgency and economy that the nature of the indent calls for.
13. Whether the technical and commercial terms and conditions for a bid is frozen before opening the price bids.
14. Whether purchase order placed on the lowest bidder who meet the technical specifications.
15. Whether the position of bidders (L 1/L 2) does not change in case of post-tender commercial/price negotiation.
16. Whether due price preferences are given to Govt. organizations/SSIs.
17. Whether the change in quantity of purchase in case of running contracts does not affect the L 1 and L 2 position of the bidder.
18. Whether the purchase orders invariably contain risk purchase clause where the purchase affect the related works/production/revenue/cost and of other project/works.
19. Whether the commission given to Indian and /or foreign agents are in line with the extant rules/regulations/orders/procedures prescribed by the Corporation/concerned Government/statutory authorities.
20. Whether the foreign purchases are made, as far as possible, with due consideration of import substitution, economy and foreign currency expenses.
21. Whether insurance clause clearly specifies the nature and extent of insurance responsibility on seller/purchasers.
22. Whether the technical specification is incorporated in the purchase orders without any ambiguity as per the user/indent requirement.
23. Whether the liquidated damages clause is incorporated in all the purchase orders where delay in delivery create complication in the execution of related works/projects and/or financial burden to the Corporation.
24. Whether the delivery terms and conditions including transport contractor’s duty and responsibility are clearly spelt out in the purchase orders.
25. Whether the purchase of coal from different suppliers {viz. BCCL, CCL, ECL etc} is allocated so as to reduce the transportation cost.
26. Whether the purchase of coal is entered into so as to minimize cost on transportation on road vis-à-vis rail.
27. Whether a proper clause is entered into in the coal/other fuel purchase contract to fix the responsibility for determination of grade of coal/other fuel.
28. Whether all advances paid to suppliers against a particular purchase order are noted in a Register and final adjustment is watched through the same.
29. Whether the unloading of coal/other fuel from rail rack is done within the prescribed period allotted by the Railways/the Corporation.
30. Whether proper mechanism is in place so as to identify immediately the short supply of coal /other fuel and lodging of claim on transporters/suppliers.
31. Whether the comparative statements of the tenders are correctly prepared and checked by Accounts/Finance representative.
32. Whether the tenders are finalized within the validity period.
33. Whether a register of purchase order is maintained and progress of delivering watched.
34. Whether amendments to purchase order are approved by competent authority.
35. Whether the rates paid agree with those shown in the contract or agreement made or purchase order issued for the supply of the stores.

36. Whether the Certificates regarding quality and quantity of stores purchased have been furnished by the consignee or by the appropriate authority before payment is made.

37. Whether orders for purchase have been intentionally split up so as to avoid the necessity for obtaining sanction of the higher authority.

Stores Account:

Whether minimum and maximum stock limits are fixed and if so they are noted in the bin cards, and variations beyond permissible limits are brought to the notice of the higher authorities.

Receipt of Stores:

1. Whether the packages are cleared promptly on their receipt at the railway station and no demurrage/wharf age are paid due to delay in clearing the packages.
2. Whether proper agreements are made well in advance for any special un loading on transport facilities for heavy equipment.
3. Whether any discrepancies noticed between the actual consignments delivered and those as per suppliers invoice are brought to the notice of railway authorities/transporters and necessary entries are made in the R.R. Register.
4. Whether the certificate of damage and loss obtained before effecting outward delivery of the consignment.
5. Whether extant rules and procedures for preferring claims on railways are followed.
6. Whether verification of stores is conducted within a week of their receipt as per the extant procedure.
7. Whether shortages and losses revealed during stock verification are promptly reported to higher authorities for lodging claims against insurers and suppliers.
8. Whether the stores returned from Works are accompanied by a devolution note and are posted in the stores ledger.
9. Whether reference to the original requisition for work order for which materials were drawn is given in the devolution note and work concerned is credited with the correct amount.

Issue of Stores:

1. Whether issue are made on the authority of requisitions in proper form duly signed by the requisitioning officer.
2. That the issues are within the bill of quantity for the work concerned.
3. That proper acknowledgement is obtained on the requisitions in respect of materials issued to departmental employees, contractor and local bodies.
4. That the officer in-charge of stores maintains a register showing the receipts and issue of requisition books, devolution notes, etc.
5. That daily record of stores issued is kept and bin card and stores ledgers are posted concurrently.
6. Whether instructions issued by the Corporation’s headquarters regarding safeguarding fraud, are followed strictly.
7. Whether the issue as per stores issue vouchers and gate passes tally.
8. That stores accounts are closed monthly and submitted to higher authorities on due dates.
9. Whether bin cards are maintained and posted correctly.
10. Balance appearing in the bin cards tally at any time with numerical accounts maintained in the ledger.

Valuation of Stores:

1. Whether materials received from suppliers are revalued at the invoice price plus taxes, excise duty, customs, freights, insurance, all incidental expenses, handling charges, local transportation charges, etc. up to the receipt in stores.
2. Whether the standard etc. fixed by the Corporation is revised taking into account ruling market prices.

Suppliers Bills:

1. Whether the triplicate copy of the bill is registered in the Register of Bills and the return of the verified Bills from the consignees is watched.
2. Whether, on receipt of the verified bills from the consignees, necessary entries are made in the Bill Register and verification of the bills are also made by the Stores Pricing Section.

3. Whether all recoveries due from the supplier on account of short supply, Railway or other freight charges, under charges paid on behalf of the supplier, demurrage/wharf age charges adjusted from the suppliers' bills.

4. Whether all the advance payments are adjusted from the suppliers' bills.

5. Whether the purchase order will be referred to in regard to the terms of delivery dispatch particulars and other terms of the contract.

6. Whether the materials have been inspected and test certificate to this effect recorded on the face of store receipt voucher or on the face of the bills.

7. Whether the stock entry certificate/measurement book entry is recorded on the suppliers' bills.

Cash Books/Cash Accounts:

Verification of Cash Book/Cash Account requires greater attention. Following points should be carefully verified: -

1. It should be seen that instructions issued by the Corporation for writing Cash Book are strictly followed.

2. That the Cash Book is balanced daily.

3. That the actual balance of the cash in chest is invariably stated in the body of the cash book both in figures and words at the end of each month.

4. That the disbursing officer checks all the entries in cash book as soon as possible after the date of their occurrence and initials the book with date after the last entry is checked.

5. That the actual balance in cash chest is counted by the Disbursing Officer himself on the last working day of each month and where this is not possible, the cash balance is counted on the first working day of the following month before any disbursement is made on that day A Certificate is recorded in cash book under his dated signature that he has verified the cash balance in hand and found that it tallies with be balance as shown in the cash book and in case of discrepancy he invariably records a note in the cash book for prompt action.

6. That the cash held by sub-ordinate offices is checked at least once in two months by the Executive Engineer of the Division and that held in the Division by Superintending Engineer of Circle/Zone.

7. That the totalling of Cash Book is correct.

8. That each entry of payment is supported by a genuine voucher passed for payment by the Competent Authority with a certificate of disbursement signed by himself or an authorized sub-ordinate.

9. That all deductions shown in the vouchers other than the deduction creditable to the head of account or work to which payment relates are posted on the receipts side of the Cash Book.

10. That the vouchers contain full and clear particulars of the claims and all information necessary for its proper classification and identification in the account.

11. That the arrangement for the drawal of cash from treasuries/banks, custody, payment and accounting should be examined to see that they are in conformity with the prescribed rules.

12. All entries regarding receipt of cash as shown in the counterfoils of Receipt, Books as well as cash drawn from Banks are traceable, duly certified under proper dates and with correct particulars.

13. That there is no tendency to keep an unduly large balance in hand.

14. That there is no unusual time lag in issuing cheques to the payees after receipt of the passed bills in the cash section.

15. The register of cheque books is maintained as per rules.

16. That register for recording daily balance is verified by the officer-in-charge of the Cash Section.

Imprest

An imprest is a fixed sum of money given to an individual to enable him to make certain class of disbursements which may be entrusted to his charge by the Divisional Officer as the Drawing Officer in accordance with such rules and subject to such restrictions as laid down by the Corporation. In this connection it should be seen: -

1. That the holding of the imprest is covered by necessary sanction:

2. That the payments made from the imprest are for the objects for which it is meant.

3 The amount of imprest is kept as low as possible and does not exceed the prescribed amount without special sanction of the Corporation.

4. That the account of imprest cash is kept in duplicate, by the imprest holder in the imprest cash account in accordance with the instructions given in the Imprest Cash Account Form and he original copy supported by requisite vouchers is forwarded to the officer from whom the imprest is held for recoupment.

5. That an account is rendered to the office from whom the imprest is received for incorporation in his cash book before it is closed for the month.

6. That the imprest holder is responsible for safe custody of the imprest money.

7. That a certificate showing the balance of imprest as on 31st March is furnished to the Accounts Officer.

Temporary Advance

Temporary advance accounts should be scrutinized to see that -

1) Advances are utilized for the purpose for which they are meant.

2) Accounts of temporary advances are rendered within the prescribed period.

3) No. second. Advance is issued if a previous advance is outstanding for the same work/purpose for more than the prescribed period.

4) A register is maintained in the Divisional Office to watch the receipt of the accounts of temporary advances from the officers concerned.

5) That the outstanding on this account at the close of the financial year is made nil or brought down to the minimum.

6) The temporary advance is paid on the basis of passed vouchers.

7) A certificate as on 31st March covering the balance or an acknowledgement & sent by the holder to the Accounts Officer concerned.

Cheque Books:

Cheque Books required by disbursing officers are obtained by them from the bank. It should be seen:

1. That the cheque books on receipt are carefully examined by the Disbursing Officer who should count the number of cheques contained in each book and record a certificate of count on the fly leaf.

2. That the cheque books must be kept under lock and key in the personal custody of the Disbursing Officer. Counter foils Summary Sheet of the cheque books should be carefully preserved.

3. That the Disbursing Officer draws cheques for the minimum of cash actually required to meet current disbursement only.

4. That in case of expiry of the Currency of Cheques due to non-presentation within three months after the date of issue, it may be received back by the drawer who should then destroy it and draw fresh cheques in lieu of it. The fact of destruction and the number and date of new cheque and old cheque are required to be recorded in the counter foils of old and new cheques and that necessary entries are recorded in the cash books.

5. On a cheque being lost, the Drawing Officer shall obtain a certificate from the Agent of the bank to the effect that the relevant cheque has not been paid and will not be paid in future on presentation. On receipt of such a certificate, the original cheque shall be cancelled and recorded in the accounts before issue of fresh cheque.

6. When a cheque is required to be cancelled, the fact of cancellation should be recorded. If it is in the possession of the drawer, it should be destroyed. If the cheque is not in the possession of the drawer, he should promptly request the bank to stop payment of the cheque and on receipt of confirmation from the bank, an entry for write back is to be passed in the books of accounts. A cheque remaining unpaid for six months after the date of issue should be cancelled and written back.

7. That a register of cheque book is maintained in the form prescribed by the Corporation.

Counter foils of paid cheques:

8 It should be seen that the details recorded in the counter foils of cheque books agree with the entries made in the cash book.

9. In case of paid cheques, the endorsement thereon should be compared with the acquaintance on vouchers.
10. The monetary limits prescribed by the corporation from time to time for signing of cheques on behalf of the Corporation are duly observed and initials of concerned officer/officers are recorded in the counter foils.

Bank Reconciliation:

A Bank Reconciliation Statement is required to be prepared monthly and the position of the differences should be clearly explained month wise separately in the monthly abstract and shown in monthly accounts submitted by the Corporation.

It should be seen: -

1. That the balance in the bank column of the cash book is reconciled with the balance reported by the bank in the pass book
2. That old items remaining unreconciled are brought to the notice of higher authorities for investigation
3. That prompt action is taken for early settlement of all differences.
4. That the closing balances at the end of the financial year as incorporated in the Annual Accounts are fully reconciled with the balance reported by the bank.

Audit of Establishment:

Expenditure on account of establishment is of two type's viz. (i) Officers and (ii) non-officers. Expenditure on account of these employees can again be classified under (a) expenditure towards salary (b) expenditure towards travelling allowance, leave travel assistance and medical claims and (c) expenditure towards overtime allowance and honorarium, bonus (d) leave salary, gratuity etc. and (e) Pension a/c.

In the audit of establishment it should be seen that: -

1. The men in position are within the post sanctioned
2. All the recoveries (GPF, EPF, Insurance premium etc.) required to be made from the salary have been made and remitted properly to the concerned authorities.
3. In case of drawal of arrears, the original drawal is to be traced to satisfy that there was no double/excess payment. A note to the subsequent drawal in the form of arrears is to be noted against the original drawal in red ink.
4. Expenditure on account of travelling allowance, LTA and medical claims are in accordance with the norms prescribed by the Corporation.
5. The service books of employees are maintained upto date indicating therein the increments drawn, the leave account, annual verification certificate, all entries being attested by the competent authority, etc.
6. Bonus payments are made as per statutory provisions.
7. On superannuation, dues of the employees e.g. on leave salary, gratuity, and commutation of pensions etc. are paid as per rules of the Corporation Care should be taken that no excess amount is paid to the incumbent.
8. That settlement of pension account has been made as per Pension Rules prescribed by the Corporation.

Audit of Contingent Expenditure:

It is to be seen that:-

1. The sub-vouchers available contain pay orders required by competent authority and they are supported by payees acknowledgement with dates of payment.
2. The details given in the sub-vouchers agree with the entries in other registers & records maintained in the office.
3. Any alternations in the figures have been attested by the officer authorising payment.
4. The sub-vouchers have been duly cancelled or defaced.

The checks to be exercised in respect of Annual Accounts of the Corporation are detailed below:-

1 The opening balances appearing in the various statements of the current year's account should be tallied with the closing balance of the previous year's accounts. The differences, if any, should be investigated and pointed out by audit.

2 Asset Register, works construction ledgers etc. should be checked to ensure that the figures of fixed assets have been correctly shown under appropriate categories.

3 That the date of commissioning of projects or bringing them into beneficial use should be ascertained in order to determine the date of transfer from work-in-progress to completed works. Register of works, completion reports etc. may be seen.

4 That the cases where the additions during the year disclose minus figures, it should be seen that this is due to condemnation, disposal or destruction of the assets and their proper adjustment of the same have been carried out and depreciation has been calculated correctly. The asset register, schedule of obsolete assets may be looked into.

5 That the cases for adjustment of depreciation at the time of preparation of completion report should be examined in detail'

6 That in case of compensation paid to the licensee on acquisition, it should be verified that the amount has been allocated among the various assets acquired and correctly depreciated.

7 If any investment (out of Provident Fund, Depreciation Reserve Fund or any Reserve Fund) has been taken over from the acquired undertakings, it should be examined whether the amount of interest earned on the value of such investments has been credited to revenue. In respect of interest on other investment of the Corporation, it should be ensured that the same has been properly credited. The investment register and files relating to acquisition of assets may be verified.

8 That in respect of assets sold after condemnation, correct accounting procedure has been followed

9 That all cases of replacement should be examined to ensure that necessary adjustments are carried out in respect of cost of condemned assets.

10 In case of consolidated Revenue Account, it should be verified that all accrued income, outstanding liabilities and prepaid expenses have been fully taken into account.

11 That in respect of transactions of transfers within the division and inter-division transfers the adjustments have been correctly carried out and are supported by acceptance of debits etc. ATD and ATC registers in Units may be looked into.

12 That the cases of excesses and shortages detected during physical verification are adjusted in the accounts (the physical verification statement in Units may be verified).

13 That the balance appearing in the stores ledger are reconciled with balances appearing with Stores Accounts.

14 Minus balances appearing under the suspense heads should be investigated and commented upon. All balances outstanding under the suspense heads are required to be cleared by making necessary adjustments. Outstanding amount under the suspense heads should be reviewed.

15 That all payments made by headquarters on account of foreign supply, customs duty, port charges, payments to clearing agents, D.G.S.D. payments and payments to suppliers and contractors on behalf of circle/projects are duly adjusted in accounts. Similarly, all claims received by headquarters on account of insurance claims, refund of customs duty and claims from the railways are adjusted by the circle/project concerned.

16 That adequate provision is made under Bonus reserve to meet the liability on this account.

17 That the positions of pending claims with railway, insurance company, suppliers, contractors, etc. are required to be ascertained and commented upon.

18 That receipt and consumption of coal in furnace oil in the power stations are fully adjusted in the accounts.

19 That in respect of all advances granted by the Corporation, the figures are supported by schedules. The figures under the heads sundry debtors and sundry creditors should also be supported by detailed schedules. Schedules with reference to the subsidiary ledgers may be examined.

20 That the Bank reconciliation statement has been prepared and the balance figures shown in the Bank column of the Cash Book is correct.

21 That the rate of depreciation charged against different asserts have been correctly calculated with reference to life of assets prescribed and the residual value (the journal vouchers at Corporation's headquarters need to be seen thoroughly).

22 That the treatment of a portion of expenditure as Deferred Revenue Expenditure has been approved by the Corporation and such action is justified.

23 That the cases of unusual balances appearing in the accounts (i.e. items which should appear as debit balances shown as credit balances and vice versa) should be thoroughly scrutinized and commented upon.

24 `That the journal vouchers for carrying out adjustments, rectification, etc. in account should be scrutinized with all relevant details.

25 Whether all liabilities pertaining to the year including rent, premium on Insurance, Tax etc. have been provided for, after reversing the last year's balance wherever necessary.

26 Whether all accrued income and receipt have been documented.

27 Whether cost recoverable from outsiders including Public Sector Undertakings on account of jobs done by various workshops have been documented.

28 Whether all prepaid expenses i.e. expenses paid for a period beyond the last day of the current financial year on a/c of insurance, telephone rent, road tax. V.H.F. Licence fees etc. have been correctly worked out and a statement furnished with the annual account.

29 Whether closing stocks of stationery articles, stamps medicine, fertilizer and farm products have been correctly worked out.

30 Whether the earnest money whose tenders have been accepted have been transferred to the relevant accounts.

31 Whether all departmental charges leviable on deposit works up to close of the financial year have been adjusted in the final accounts.

32 Whether subsidy recovered and also subsidy recoverable for conservation schemes have been correctly exhibited in the a/cs of the unit concerned.

33 Whether the establishment charge, consumable storage, depreciation, interest and general overhead charges debit able to Fuel and Fuel- Stock of Thermal Power Station have been adjusted in the accounts.

34 Whether the operation and maintenance expenditure booked by one Accounts Office solely on behalf of other projects division, which could not be transferred quite in advance of the closure of the annual accounts at field level have been debited to Head Office Account for ultimate clearance in the Corporate Accounts office by corresponding credit to a/c.

35 Whether allocation of common department expenditure has been done on the basis of percentage approved by head of the department. Concerned.

36 Whether other adjustments as required under the instructions on closing of Annual Accounts have been carried out with regard to any special feature attached to any particular project.

37 Whether the working accounts of workshop like Motor Maintenance Shop, Central Mechanical & Fabricating Shop, M.M.E.W., Central Equipment Pool and Mining & Ropeway have been prepared and accounted for.

Disinvestment

The corporation has not been selected for the disinvestment in the year 2015

Periodicity of the Audit

A Pilot Study on "Water Resource Management and Dam Maintenance" has been planned during the year 2015 for thematic audit

The corporation is divided into units and further into offices, sections for transaction audit of the corporation .Transaction audit and accounts audit is being conducted every year.

AIRPORTS AUTHORITY OF INDIA

Brief profile of the organization:

Airports Authority of India (herein after called the Authority) was constituted by an Act passed by the Parliament in 1994 and came into existence being on 1st April 1995 by merging erstwhile National Airports Authority and International Airports Authority of India. The merger brought into existence a single organization entrusted with the responsibility of creating, upgrading, maintaining and also managing civil aviation infrastructure both on the ground and air space in the country. The Authority manages 126 airports which include 21 International Airports, 08 Customs Airports, 78 Domestic Airports and 19 Civil Enclave at Defence Airfields. The airports are clustered into the regional headquarters and two metro airports which are at par with the Regional Headquarters:

a. Northern Region
b. Eastern Region
c. North-Eastern Region
d. Western Region
e. Southern Region
f. Two metro airports at Kolkata & at Chennai.

Airports Authority provides air navigation services over 2.8 million square nautical miles of air space. Brief highlights of the year 2017-18 are shown in the table given below:-

Aircraft Movements (in numbers)	
International	437926
Domestic	1886625
TOTAL	2324551
Passengers (in numbers)	
International	65475516
Domestic	243277884
TOTAL	308753400
Freight (in MT)	
International	2143968
Domestic	1213060
TOTAL	3357028
Profit/(Loss) for the year 2017-18 (₹ in crore)	2801.64

Functions of the organization:

The main functions of Authority are described below: -

I. Design, development, operation and maintenance of international and domestic airports and civil enclaves.
II. Control and management of the Indian air space extending beyond the territorial limits of the country, as accepted by International Civil Aviation Organization.
III. Construction, modification and management of passenger terminals.
IV. Development and management of cargo terminals at international and domestic airports.
V. Provision of passenger facilities and information system at the passenger terminals at airports.
VI. Expansion and strengthening of operational area, viz. Runways, Aprons, Taxiways etc.
VII. Provision of visual aids.
VIII. Provision of communication and navigation aids, viz. ILS, DVOR, HP-DME, NDB MSSR, ADSB etc.

AAI (EASTERN REGION)

Airports in the Eastern Region:

The following airports are under the control of Regional Headquarters North-Eastern Region:

.Sl.	OPERATIONAL	Sl.	NON-OPERATIONAL

No.		No.	
1	Bhubaneswar	1	Asansol
2	Patna	2	Malda
3	Raipur	3	Balurghat
4	Ranchi	4	Chakulia
5	Port Blair (Civil Enclave)	5	Raxaul
6	Bagdogra (Civil Enclave)	6	Muzaffarpur
7	Gaya	7	Deoghar(under development)
8	Pakyong	8	Jogbani
9	Behala	9	Jharsuguda (under development)
10	Coochbehar		
11	Durgapur (This airport is owned & operated by M/s Bengal Aerotropolis Projects Ltd, CNS & ATC is operated by AAI).		

Operational information:

Operational data of Eastern Region of last three years			
Particulars	**2015-16**	**2016-17**	**2017-18**
Aircraft movement (Nos)			
a) International			
Bhubaneswar	4	7	623
Gaya	1345	1336	1485
PortBlair	22	20	8
Bagdogra	526	384	456
Ranchi	40	80	44
Patna	3	0	2
Total	**1940**	**1827**	**2618**
b) Domestic			
Raipur	10185	11280	12802
Bhubaneswar	14032	17071	22532
Gaya	748	857	954
PortBlair	10116	12504	14182
Bagdogra	8313	11215	15498
Ranchi	6552	8971	14965
Patna	13944	15508	21914
Total	**63890**	**77406**	**102847**
Passenger movement (Nos)			
a) International			
Bhubaneswar	16173	28810	91719
Gaya	110192	113015	128461
PortBlair	361	507	22
Bagdogra	38475	25444	24563
Ranchi	5646	5502	6255
Patna	0	0	0
Total	**170847**	**173278**	**251020**
b) Domestic			
Raipur	1206844	1396179	1628134
Bhubaneswar	1878559	2303623	3158916
Gaya	46952	64648	58209
PortBlair	870957	1237824	1549929
Bagdogra	1048764	1499072	2231205
Ranchi	734315	1030238	1772094
Patna	1584013	2112150	3111273
Total	**7370404**	**9643734**	**13509760**

Freight (MT)

a) International			
Ranchi	186	188	80
Total	**186**	**188**	**80**

b) Domestic			
Raipur	4353	4561	4093
Bhubaneswar	7002	8239	7843
Gaya	0	0	0
PortBlair	3842	4655	5682
Bagdogra	4227	4312	4986
Ranchi	3997	4653	4663
Patna	4414	6591	6879
Total	**27835**	**33011**	**34146**

Financial information:

(₹ in crore)

Income	2015-16	2016-17	2017-18
I. Airport Navigational Services	374.47	443.94	518.55
II. Airport Services	123.58	158.36	221.96
III. Non-Aeronautical Airport Services	52.79	65.35	73.46
IV. Cargo Revenue	1.80	3.66	
V. Airport Lease Revenue	-	-	-
VI. Other Income	7.72	92.09	2.07
VII. Total Revenue (I+II+III+IV+V+VI)	560.35	763.40	816.04
Total Revenue Expenditure	**494.88**	**581.89**	**725.34**
Profit/(Loss) before tax	**65.47**	**181.52**	**90.71**

Total Revenue expenditure (Budgeted vis-a-vis Actual)			
Actual	494.88	581.89	725.34
Budgeted	565.07	563.47	670.95
Total Capital expenditure (Budgeted vis-a-vis Actual)			
Actual	104.77	172.38	336.53
Budgeted	104.66	159.37	267.72

Manpower strength:

Manpower strength of ER during last three years						
Year	**2015-16**		**2016-17**		**2017-18**	
	Sanctioned strength	Actual incumbency	Sanctioned strength	Actual incumbency	Sanctioned strength	Actual incumbency
Executives	274	187	274	164	274	142
Non-Executives	57	27	57	27	57	26

Internal Audit:

Internal Audit of Eastern Region for the year 2017-18 was conducted by the following teams:-

Unit	Name of the team	Status

Regional Headquarters Eastern Region Kolkata	M/s Keshri & Associates, Chartered Accountants	Audit completed and report forwarded to CHQ
Ranchi Airport	M/s Manas Das & Co, Chartered Accountants	Audit completed and report forwarded to CHQ
Bhubaneswar Airport	M/s C. K. Prusty & Associates, Chartered Accountants	Audit completed and report forwarded to CHQ
Patna Airport	M/s C. K. Prusty & Associates, Chartered Accountants	Audit completed and report forwarded to CHQ
Raipur Airport	RIAC-ER	Audit completed and report forwarded to CHQ
Bagdogra Airport	RIAC-ER	Audit completed and report forwarded to CHQ
Pakyong Airport	RIAC-ER	Audit completed and report forwarded to CHQ

Information technology system:

Authority maintains an ERP SAP application system with the following modules- Finance, Human Resources & Materials Management.

Key managerial personnel:

During the year 2017-18, Shri Sanjay Jain was the Regional Executive Director of Eastern Region from 01.04.2017 to 02.07.2017 and Shri K. L. Sharma was the Regional Executive Director of Eastern Region the during the period from 03.07.2017 to 31.03.2018.

AAI (NORTH EASTERN REGION)

Airports in the North-Eastern Region:

The following airports are under the control of Regional Headquarters North-Eastern Region:

.Sl. No.	OPERATIONAL	Sl. No.	NON-OPERATIONAL
1	GUWAHATI	1	KAMALPUR
2	SHILLONG (BARAPANI)	2	YINGHIONG
3	SILCHAR (Civil Enclave)	3	KAILASHAHAR
4	AGARTALA	4	TURA (Draft MoU for taking over the airport by AAI from the State Govt. has been provided to State Govt. for acceptance.)
5	LENGPUI (Airport belongs to State Government. Authority is operating the ATC, CNS).	5	PASSIGHAT
6	IMPHAL	6	ALONG
7	DIMAPUR	7	DAPARIZO
8	JORHAT (Civil Enclave)	8	ZIRO
9	DIBRUGARH	9	ITANAGAR
10	TEZPUR (Civil Enclave)	10	RUPSI (under development)
11	TEZU	11	WALONG
12	LILABARI	12	Hollongi (under development)

Operational information:

Operational data of North Eastern Region of last three years			
Particulars	**2015-16**	**2016-17**	**2017-18**
Aircraft movement (Nos)			
a) International			
Guwahati	**512**	**490**	**504**
Imphal	**4**	**4**	**0**
Total	**516**	**494**	**504**
b) Domestic			
Guwahati	**28913**	**37383**	**40668**
Agartala	**7158**	**8899**	**10074**
Imphal	**6074**	**6594**	**6737**
Dibrugarh	**3213**	**2755**	**2706**
Silchar (Civil Enclave)	**3586**	**3205**	**4382**
Dimapur	**2307**	**2251**	**1488**
Jorhat (Civil Enclave)	**776**	**774**	**864**
Shillong	**500**	**570**	**476**
Lilabari	**334**	**420**	**424**
Tezpur (Civil Enclave)	**286**	**316**	**322**
Lengpui (State Government owns Airport AAI has control over CNS & ATC)	**2839**	**3510**	**3543**
Total	**55986**	**66677**	**71684**
Passenger movement (Nos)			
a) International			
Guwahati	**31897**	**30162**	**31449**
Imphal	**78**	**157**	**0**
Total	**31975**	**30319**	**31449**
b) Domestic			
Guwahati	**2752418**	**3759494**	**4636604**
Agartala	**921591**	**1183867**	**1379090**
Imphal	**766799**	**886181**	**987506**
Dibrugarh	**319646**	**305796**	**336851**
Silchar (Civil Enclave)	**200855**	**212228**	**366955**
Dimapur	**111756**	**144449**	**186390**
Jorhat (Civil Enclave)	**53224**	**58266**	**75414**
Shillong	**11565**	**13376**	**12957**
Lilabari	**6229**	**11042**	**13044**
Tezpur (Civil Enclave)	**5063**	**7889**	**8560**
Lengpui (State Government owns Airport AAI has control over CNS & ATC)	**175137**	**235613**	**295379**
Total	**5324283**	**6818201**	**8298750**

Financial information:

Financial information of NER during last three years (₹ in crore)			
TOTAL REVENUE	**182.52**	**231.28**	**265.69**
REVENUE FROM ANS	20.93	27.17	32.38
REVENUE FROM AIRPORT SERVICES	129.35	163.27	200.43
REVENUE FROM NON AERONAUTICAL AIRPORT SERVICE	29.43	35.49	27.29
CARGO	0.19	0.47	0.00
OTHER INCOME	2.62	4.87	5.59
TOTAL REVENUE EXPENDITURE	**288.58**	**345.86**	**445.55**
Profit and Loss Account (before tax)	**-106.05**	**-114.58**	**-179.86**

Manpower strength:

Manpower strength of NER during last three years						
Year	**2015-16**		**2016-17**		**2017-18**	
	Sanctioned strength	**Actual incumbency**	**Sanctioned strength**	**Actual incumbency**	**Sanctioned strength**	**Actual incumbency**
Executives	Executive Sanctioned Strength is maintained at CHQ	371	Executive Sanctioned Strength is maintained at CHQ	423	Executive Sanctioned Strength is maintained at CHQ	501
Non-Executives	1105	527	1105	509	780	485

Internal Audit:

Internal Audit of North Eastern Region for the year 2017-18 was conducted by M/s J. N. Gupta & Company Chartered Accountants. The Audit covered Regional headquarters along with Guwahati & Joprhat Airports. The Internal Auditor has submitted their report.

Information technology system:

Authority maintains an ERP SAP application system with the following modules-Finance Human Resources & Materials Management.

Key Management Personnel:

Shri D. K. Kamra was the Regional Executive Director of North-Eastern Region during the year 2016-17.

NATIONAL HIGHWAY AUTHORITY OF INDIA

A brief overview of the organisation:

National Highways Authority of India (Authority) was set up by an act of Parliament, the NHAI Act 1988 for the development, maintenance and management of national highways and for matter connected therewith or incidental thereto. The organisation became operational in Feb 1995.

Mandate of NHAI:

National Highways Authority of India (NHAI) is mandated to implement National Highways Development Project (NHDP) which is:

- India 's Largest ever highways project
- World class roads with uninterrupted traffic flow

The Government of India has launched major initiatives to strengthen and upgrade National Highways through various phases of National Highways Development Project (NHDP),India's largest ever highways project to construct world class roads to facilitate uninterrupted traffic flow. NHAI is mandated to implement NHDP along with other projects. Among total 1,15,435kms of national highways 72,000kms have been brought under NHDP alongwith other minor projects as on the date of audit. National Highways (NH) traverse the length and width of the country connecting the National and State capitals, major ports and rail junctions and link up with border roads and foreign highways and serve as arterial roads for movement of passengers and goods. While National Highways constitute only about 2% of the length of the country's road network, they carry about 40% of the road traffic.

As on March 31, 2017, out of the total 55,886 Km (7097 Km with Ministry of Road Transport & Highways) of National Highways that are planned to be developed and upgraded by NHAI, 39,581 Km of National Highways contracts have been awarded. Out of this 28,479 Km have been completed and work on 11,102 Km is in progress. Projects with a length of 9,208 Km is yet to be awarded for which the project preparations are in progress.

Functions of Authority:

The Authority may, for the discharge of its functions:

a) survey, develop, maintain and manage highways vested in, or entrusted to it;

b) construct offices, or workshops and establish and maintain hotels, motels, restaurants and rest rooms at or near the highways vested in, or entrusted to, it;

c) construct residential buildings for its employees;

d) regulate and control the plying of vehicles on the highways vested in, or entrusted to, it for the proper management thereof;

e) develop and provide consultancy and construction services in India and abroad and carry on research activities in relation to the development, maintenance and management of highways or any facilities thereat;

f) provide such facilities and amenities for the users of the highways vested in, or entrusted to, it as are in the opinion of the Authority, necessary for the smooth flow of traffic on such highways;

g) form one or more companies under the Companies Act, 1956 (1 of 1956) to further the efficient discharge of the functions imposed on it by this Act;

h) engage, or entrust any of its functions to, any person on such terms and conditions as may be prescribed;

i) advise the Central Government on matters relating to highways;

j) assist, on such terms and conditions as may be mutually agreed upon, any State Government in the formulation and implementation of schemes for highway development;

k) collect fees on behalf of the Central Government for services or benefits rendered under section 7 of the National Highways Act, 1956 (48 of 1956) , as amended from time to time, and such other fees on behalf of the State Governments on such terms and conditions as may be specified by such State Government; and

l) take all such steps as may be necessary or convenient for, or may be incidental to, the exercise of any power or the discharge of any function conferred or imposed on it by this Act.

Vision:

To meet the nation's need for the provision and maintenance of National Highways network to global standards and to meet user's expectations in the most time bound and cost effective manner, within the strategic policy framework set by the Government of India and thus promote economic wellbeing and quality of life of the people.

National Highways Development Project (NHDP):

National Highways Development Project (NHDP) is India's largest ever Highways Project in a phased manner. The National Highways have a total length of 72,000 (approx) km to serve as the arterial network of the country. Although National Highways constitute only about 2 per cent of the road network, it carries 40 per cent of the total road traffic. Rapidexpansion of passenger and freight traffic makes it imperative to improve the road network in the country. Accordingly, Government of India launched major initiatives to upgrade and strengthen National Highways through various phases of National Highways Development Project (NHDP).

i. NHDP Phase I: CCEA on 12thJanuary 2000 approved NHDP Phase-I - Four laning of 6,359 km. at a cost of ₹30,300.00 crore.

ii. NHDP Phase II: CCEA on 18thDecember 2003 approved NHDP Phase-II: Four laning of 6,702 km. at a cost of ₹34,339 crore in December 2003. These two phases comprise of Golden Quadrilateral (GQ), North-South and East-West Corridors (NS-EW), Port Connectivity and other projects. The GQ (5,846 km) connects the four major cities of Delhi, Mumbai, Chennai and Kolkata. The NS-EW Corridors (7,300 km) connect Srinagar in the North to Kanyakumari in the South, including a spur from Salem to Kochi and Silchar in the East to Porbandar in the West.

iii. NHDP Phase III: CCEA on 12thApril, 2007 approved upgradation of 12,109 km under NHDP Phase III at an estimated cost of ₹80,626 Cr.

iv. NHDP Phase–IV: CCEA on 18thJune 2008 approved upgradation/strengthening of 20,000 kms of national highways to 2/4 lane with paved shoulders on EPC/ BOT (Toll/Annuity) basis under NHDP Phase–IV.

v. NHDP Phase-V: CCEA on 5thOctober 2006 approved six laning of 6,500 km of national highways comprising 5,700 km of GQ and balance 800 km of other sections under NHDP Phase-V at a cost of ₹41,210 crore.

vi. NHDP Phase-VI: CCEA in November 2006 approved construction of 1000 km of expressways with full access control on new alignments at a cost of ₹16,680 Cr under NHDP-Phase-VI.

vii. NHDP Phase-VII: CCEA in December 2007 approved construction of ring roads, bypasses, grade separators, flyovers, elevated roads and tunnels at a cost of ₹16,680 Cr under the NHDP Phase-VII.

Prime focus of NHDP:

NHDP's prime focus is on developing International standard roads with facilities for uninterrupted flow of traffic with:

i. Enhanced safety features
ii. Divided carriageways and Service roads
iii. Better Riding Surface
iv. Grade separators
v. Better Road Geometry
vi. Over bridges and Underpasses
vii. Better Traffic Management and Noticeable Signage
viii. Bypasses and Wayside Amenities

Advantages of NHDP:

Advantages of having a well-developed network of world class highways are many for a nation like India -poised to surge ahead.

i. Savings in vehicle operating costs
ii. Benefits to trade especially in movement of perishable commodities.
iii. Faster, comfortable journeys
iv. Reduced maintenance costs
v. Reduced fuel consumption
vi. Safer travel
vii. All round development of areas

Project Financing and cost recovery mechanism

NHAI proposes to finance its projects by a host of financing mechanisms which are as follows: -

1) Through budgetary allocations from the Government of India/CESS –

In a historic decision, the Govt. of India introduced a CESS on both Petrol and Diesel. Further Parliament decreed that the funds so collected were to put aside in a Central Road Fund (CRF) for exclusive utilisation for the development of a modern road network. The developmental work that could be tapped to fund and the agencies to which it was available were -

- Construction and Maintenance of State Highways by State Governments
- Development of Rural Roads by State Governments
- Construction of Rail over-bridges by Indian Railways
- Construction and Maintenance of National Highways by NHDP and Ministry of Road Transport & Highways

2) Loan assistance from international funding agencies like Asian Development Bank and World Bank or other overseas lending agencies.

3) Market borrowing – NHAI proposes to tap the market by securities CESS receipts.

Private Sector Participation :

Major policy initiatives have been taken by the Government to attract foreign as well as domestic private investments. To promote involvement of the private sector in construction and maintenance of National Highways, some Projects are offered on Build, Operate and Transfer (BOT) basis to private agencies. After the concession period, which can range upto 30 years, this road is to be transferred back to NHAI by the Concessionaries. NHAI funds are also leveraged by the setting up of Special Purpose Vehicles (SPVs). The SPVs will be borrowing funds and repaying these through toll revenues in the future.

Cost Recovery has been envisaged basically through toll collection from the traffic travelling through the developed roads.

PIU KOLKATA

Overview of PIU Kolkata:

Project Implementation Unit- Kolkata was established in the year 2001. Details of packages and the status under PIU Kolkata under the jurisdiction of this office as on March 2018 was as follows:

Contract/State /Stretch	NH No.	Length (Km)	Date	6 Lane Completed (Km)	Funding pattern	Cost (` in crore)			Progress achieved
						Total project cost	Negative grant	Cumulative expenditure	
6-laning of Dankuni -	6	111.4	Date of commence	104.8 (equiva	DBFOT(Toll)	1396.18	Premium	2814.56	94.07 %

Kharagpur Section (Km. 17.6 to Km.129.0) of NH-6 under NHDP Phase-V			ment-01.04.2012 Date of completion (original)-28.09.2014. Anticipated ate of completion-31.05.2019	lent 6 lane)			(negative grant) of 126.06 (First Year) to be increased by 5% every year.		

Key managerial person:

During the year 2017-18the Project Director was held by Shri A.K.Singh (upto 19th December 2017) and Shri Subrata Nag (since19thDecember 2017 A/N till date) in PIU-Kolkata.

Financial information:

Financial information of PIU Kolkata, NHAI for the last three years is summarised below:

(`incrore)

Sl. No.	Particulars	2015-16	2016-17	2017-18
1.	Total Revenue	Not applicable in PIUs.		
2.	Profit Before Tax (PBT)	Not applicable in PIUs.		
3.	Paid up capital	Not applicable in PIUs.		
4.	Long Term Borrowings	Not applicable in PIUs.		
5.	Inventory (closing)	Not applicable in PIUs.		
6.	Grant received from Government	Not applicable in PIUs.		

Financial information of the PIU Kolkata for the last three years ending 2017-18is shown in the table given below:

(`in crore)

Year	Annuity payment	Premium/Negative grant received	Capital work in progress executed during the year	O & M expenses
2015-16	NIL	72.97	115.69	1.93
2016-17	NIL	57.95	66.12	1.71
2017-18	NIL	138.23	2.80	1.14

Total actual revenue and capital expenditure vis-à-vis budgeted figures for the last three yearsare given in the table shown below:

(`in crore)

Sl. No.	Particulars	2015-16	2016-17	2017-18
1	Total Revenue Expenditure			
	Actual	1.63	1.57	1.27
	Budgeted	2.03	2.34	2.05

2	Total Capital Expenditure			
	Actual cumulative CWIP	1560.06	1626.18	1627.22
	Budgeted	331.40	241.00	292.00

Manpower strength:

Manpower strength of the PIU during the last three years ending 2017-18sanctioned vis-a-vis actual incumbency is shown in the table given below:

Manpower strength of last three years						
	2015-16		**2016-17**		**2017-18**	
Year	**Sanctioned strength**	**Incumbency**	**Sanctioned strength**	**Incumbency**	**Sanctioned strength**	**Incumbency**
Executives	Not Available	2	Not Available	2	Not Available	2
Non-executives						
On contract basis		19		19		19

Internal Audit:

Internal Audit of PIU-Kolkata for the year 2017-18 was conducted by M/s. S. K. Patodia&Associates, Chartered Accountants. There were no major findings during the period 2017-18.

Brief about IT system:

The PIU maintains accounts in Project Financial Management System software.

PIU MALDA

Project Background of PIU Malda

National Highway (NH) – 34 originates from west of KolkataAirport about 1 km. north of the junction of Jessore Road and KaziNazrul Islam Avenue. It crosses the river Ganga over Farakka Barrage and terminates 2 km. north of DalkholaTown (Purnea More) at its intersection with NH – 31. NH – 31 stretches to Barhi in Bihar in the west and Siliguri/Sikkim/Assam in the north/north-east.

The Ministry of Road Transport and Highways (MoRT&H) has entrusted NHAI with the task of development of National Highway (NH) - 34 as a part of North South Corridor within the State of West Bengal under NHDP Phase III. The aim of the project is to augment the capacity of this section of National Highways by strengthening and widening the existing NH-34 double lane carriageway to four lane divided carriageway from Barasat (North of Kolkata) to Dalkhola. The work for development of NH-34 was divided into five packages - out of the five packages – Package 1 and 2 i.e. Barasat- Baharampore stretch is being implemented by Krishnanagar PIU and the other three packages viz. Package – 3, 4 and 5, from Baharampore to Dalkhola stretch are being implemented on Design, Build, Finance, Operate and Transfer (DBFOT) basis by Malda PIU.

Details of the present status of the Packages implemented by PIU Malda

The details of the packages 3 to 5 of four-laning of existing NH-34 to be implemented by Malda PIU are as under as on 31.03.2018.

Particulars/packages	**NHDP-III/BOT/WB/03**	**NHDP-III/BOT/WB/04**	**NHDP-III/BOT/WB/05**
Name of EPC Contractor	Hindustan Construction Co. Ltd	Hindustan Construction Co. Ltd	Hindustan Construction Co. Ltd

Name of the Concessionaire	M/s Beharampore-Farakka Highways Ltd	M/s Farakka-Raiganj Highways Ltd	M/s Raiganj-Dalkhola Highways Ltd
Length of existing section (km.)	100.625	100.229 (less 2.2 Km Farakka Barrage)	49.194
Date of Signing Concession Agreement (CA)	28.06.2010	19.07.2010	28.6.2010
Appointed Date	03.02.2011	03.02.2011	03.02.2011
Construction Period	910 (2 ½ years) days from the Appointed date	910 (2 ½ years) days from the Appointed date	910 (2 ½ years) days from the Appointed date
Scheduled date of completion	1.8.2013	1.8.2013	1.8.2013
Concession Period (from the date of Appointment date)	25 years	30 years	30 years
Cost of construction (`/crore) as per CA	998.79	1078.84	580.43
LA Cost, etc. of NHAI as per final DPR (excl. Grant) (`/crore)	36.67	100	26.65
Grant (`/crore)	393.39	414.54	225.54
Grant released (`/crore) (As on 31st March 2016)	393.39	400.91	-Nil-

Status of the Packages

Physical and financial progress of the packages as on 31.03.2018 is given below:

(a) Physical progress

Particulars	Package–3	Package–4	Package–5
Length of road in km.	100.625 km	102.229 km (less 2.2 Km Farakka Barrage)	49.194 km
Length completed in km.	86.100	88.48	Nil
% of completion	85.93	91.55	9.15

In respect of Package – 5, the Concessionaire demobilized from the site w.e.f. August 2011 due to non-availability of ROW as per Agreement. Further the project was terminated on 31.03.2017.

(b) Financial progress (` in crore) as on 31.03.2018.

(`/crore)

Particulars	Package–3	Package–4	Package–5
Total Project Cost (TPC) as per CA	998.79	1078.84	580.43
Cumulative Financial Progress (Planned)	1040.00	1220.00	551.73

Cumulative Financial Progress achieved	976.03 (as per MPR of June, 2018)	1165.88 (as per MPR, June 2018)	68.60 (as per MPR Oct, 2016)
% of achievement to TPC	97.72	108.06	11.82
% of achievement to Plan	93.85	95.56	12.43

Land Acquisition
(as on 19.07.2018)

Package-3 Berhampore-Farakka Section (from km. 191.416 to km. 295.000)
Package-4 Farakka-Raiganj Section (from km. 295.000 to km. 398.000)
Pakcage-5 Raiganj-Dalkhola Section (from km. 398.000 to km. 452.750)

Particulars	Package-3	Package-4	Package-5	Percentage		
				P-3	P-4	P-5
a. Total land required	611.915 Ha	676.498 Ha.	299.5381 Ha.			
b. Available ROW	391.620 Ha.	472.541 Ha.	79.323 Ha.	64.00%	69.97%	27.61%
c. Land to be acquired	220.295 Ha.	203.957 Ha.	220.2151 Ha.			
d. Status of 3(A) [Intention to acquire the land]:						
i. Already notified	220.295 Ha.	203.957	207.0245	100	100	94.01
ii. Could not be prepared due to non-availability of Mouza map	0	0	0	0	0	0
iii. Under publication	0	0	13.191 Ha.	0	0	5.99
e. Status of 3(D) [Vesting of land to Central Govt.]:	.					
i. Already notified	220.2031 Ha.	203.957 Ha	204.566 Ha	99.96%	100%	92.89%
f. Status of 3(G) [Submission of estimate]:						
i. Estimate received u/s 3G (1) & (2)	209.0711 Ha.	197.729 Ha.	193.1219 Ha.			
ii. Estimate approved	201.539 Ha.	197.0309 Ha.	186.945Ha			
g. Status of 3(H) [Deposition of fund]:						
i. Area for which fund deposited U/s 3H(1)	201.539 Ha.	197.0309 Ha.	186.945Ha.			
h. Status of 3(E) [Possession of land]:	185.9823 Ha.	195.3638 Ha.	186.2935 Ha.	84.42%	95.79%	84.6%

Administration:

A. Shri D. K. Hansaria held the charge of GM(T)/Project Director during the period covered under audit and the Shri Raju Kumar held the charge of Manager (Tech).

Organisation Structure:

NHAI, PIU-Malda

Organizational chart and incumbency details

Technical Division	**Finance Division**	**Land Acquisition**
⇩	⇩	⇩
Sh Raju Kumar Manager (Tech)	Sh Rana Mukharjee Jr A.O	Sh. Mohitosh Sutradhar (Asst LAO) (on contract)
Sh. Kumar Bikash Nag Site Engineer (contractual)	Sh. K.K. Yadav Jr. A.O.	Shamsul Haque (Asst LAO) (on Contract)
Shadab Alam Young Professional (Tech) (contractual)		Sh. Naru Gopal Dutta (Surveyor) (on Contract)
		Ismail Amin (Surveyor)(on Contract)

Financial Performance:

During last three year the financial performance of the project are as below:

(` Lakh)

1. **2.** Particulars	UoM	2015-16	2016-17	2017-18
Turnover (Qty.)	Qty	NA	NA	NA
Turnover (value)	`	NA	NA	NA
Capital Expenditure	`	NA	NA	NA
Revenue expenditure	`	87.43	103.05	123.67
Paid-up capital	`	NA	NA	NA
Long term Borrowings	`	NA	NA	NA
Inventory (closing)	`	NA	NA	NA
Grant received from govt.	`	NA	NA	NA
Profit before Tax	`	NA	NA	NA
Profit after Tax	`	NA	NA	NA

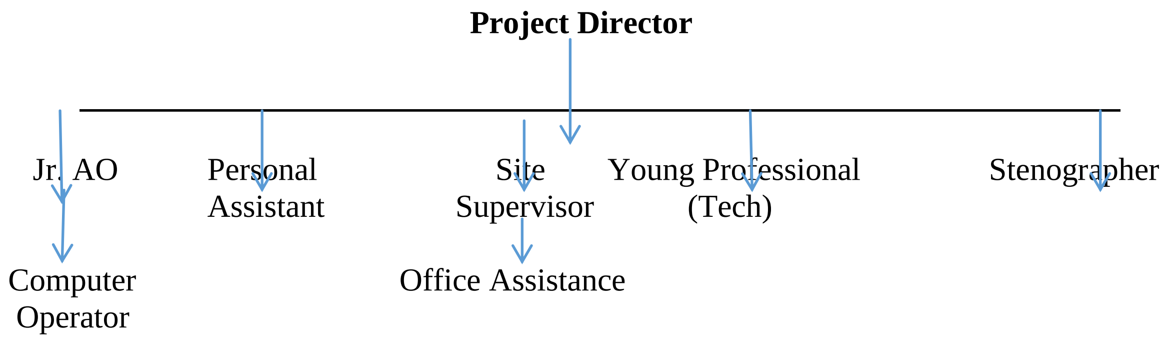
PIU NAGAON

The PIU Nagaon was established in May 2005. PIU Lumding was established as site office under PIU Nagaon in Nov 2005. In Jan 2012 both the PIUs were merged. Further, in the December 2013 PIU, Sivsagar was closed and all the relevant official document, files etc. was handed over to this PIU. The project under PIU, Sivsagar had been handed over to NHIDCL. PIU, Nagaon was being monitoring the project Pkg AS-16, AS-17, AS-18, AS-19, & AS-02 and after the merger of PIU, Lumding the Pkg AS-24, AS-25, AS-26, AS-27 & AS-15 was also came under the jurisdiction of PIU, Nagaon. All the above mentioned projects had been already completed.

2. **Administration:**

(A) During the period covered under audit Shri Alok Kumar was Project Director/ GM (T) and continuing till date. Shri Hemen Medhi working as Jr. A.O.

Organisation Structure:



Financial Performance:

(A) During last three year ending 31/03/2018 the financial performance of the project PIU, Nagaon as furnished below:

(Rs. crore)

3. Particulars	UoM	2015-16	2016-17	2017-18
Turnover (Qty.)	Qty	Nil	Nil	Nil
Turnover (value)	Rs	Nil	Nil	Nil
Capital Expenditure	Rs	228.62	177.35	197.04
Revenue expenditure	Rs	1.07	0.96	0.99
Paid-up capital	Rs	Nil	Nil	Nil
Long term Borrowings	Rs	Nil	Nil	Nil
Inventory (closing)	Rs	Nil	Nil	Nil
Grant received from govt.	Rs	Nil	Nil	Nil
Profit before Tax	Rs	Nil	Nil	Nil
Profit after Tax	Rs	Nil	Nil	Nil

(B) Budget v/s actual expenditure for last three year as furnished in the table below:

Sl. No	Particulars	Year (2015-16)	Year (2016-17)	Year (2017-18)
1.	Budget (Rs. In crore)	253.26	321.22	190.46
2.	Actual Expenditure	258.91	166.16	202.79

Scope of Audit:

The Area examined during the compliance audit of Project Implementation Unit, Nagaon, up to the year 2017-18 was to ensure with Policy & guidelines as per the National Highway Act. 1956, the land Acquisition Act, 1894 and other guidelines issued from Govt. of India as well as Ministry of Road Transport & Highway and Govt. of Assam. Effort was also made to find out the strength and weakness of the organization in issue of monitoring the various construction of Project under the jurisdiction of this PIU and internal control of the management as well as overall performance of the management.

Internal Audit:

Internal Audit of NHAI, PIU, Nagaon, Assam had been conducted for the years 2016-17 and 2017-18 by Chartered Accountants PVAR, & Associates, Golaghat, Assam and no major irregularities was observed

IT Application:

As per the information submitted, NHAI, PIU, Nagaon had IT implementation PFMS module for the financial Management only.

(g) Whether there is an IT system Yes

(h) Whether the IT system is stabilized Yes

(i) Whether the IT system requires human interference. No

PIU SHILLONG

Project Background of PIU Shillong

PIU-Shillong originally setup in April, 2011 and started functioning from PIU-Guwahati. In the year 2012, PIU-Shillong shifted from Guwahati to Shillong.

Status of theprojects implemented by PIU Shillong as on 30.11.2018

Sl. No	Name of the Projects	Scheduled completion Date	Physical Progress (%)	Remarks
1.	4-laning of JorabatShillong (Barapani) Section of NH 40 from 0.00 km to 61.800 Kms in the state of Assam and Meghalaya on DBFOT[9] pattern	10.01.2014	99.90	PCOD issued on 28.01.2016 except Umsing Bypass. Work under progress at Umsing Bypass
2.	2- laning of Shillong Bypass (61.80 km of NH 40 to 34.85 Km of NH 44) connecting NH 40 and NH 44 on DBFOT pattern	06.02.2014	100	Project completed, under O&M.
3.	Rehabilitation and upgradation of existing road to 2-lane with paved shoulders configuration in Jowai- Meghalaya/Assam border section of NH 44 from 69.200 Kms to 173.200 kms on EPC mode	16.05.2018	97.66	PCC issued w.e.f. 31.03.2018.

Land Acquisition Details

(as on 30.11.2018)

Land Particulars	Area of land in (Hec. and K.M.)	Project related to	Total expenditure	Character of land
Tamulikuchi, Byrni	13.50 Ha/ 4.20Km (Assam portion)	4 laning of JorabatBarapani section of NH 40	339996551.00	Residential, Agricultural and Marshy land
Jorabat to Barapani	155.13 Ha / 51.88 (Meghalaya portion)		1676414578.00	Agricultural land
Umsning	33.539 Ha -5.5 km Umsning Bypass		330433212.00	Arable, Homestead land
Jorabat to Tamulikuchi to Pahammawlein to Umtrew to Sumer	33.319 Ha – Additional land		495791452.00	Areable land

[9]Design, Build, Finance, Operate and Transfer

to Umiam				
Pahammawlein, Sumer etc.	2.828 Ha – Additional land for slope protection-LA under process		212041516.00	Areable land
	Other Expenses		356312.00	
	Total		**3055033621.00**	
Barapani to Mawrynkeneng	44.4085 Ha/48.76 Km	2-laning of Shillong Bypass	500756394.00	Agricultural land and etc.
Mawkhanu, Diengpasoh, Thangshalai, Mawrynkeneng	11.6432 Ha-Additional Land		93135972.00	Agricultural land and etc.
Umroi	1.620 Ha – Additional land under DC East Khasi hills acquired and 1.36 Ha – LA under process		40517781.00	East Khasi Hills –Arrable land and RiBhoi District – Non Arable land
	Other Expenses		132368.00	
	Total		**634542515.00**	
Jowai to Rathacherra	16.455 Ha under possession and handed over to Contractor	2 laning with paved shoulder of Jowai – Rathachhera section of NH 44	2028463234.00	Arable land

Toll collection during the last three years

(`in crore)

Sl. No	Year	Name of the Toll centre	Name of the toll collecting agency	Details of Toll	
				Collected	Deposited into CFI
1.	2015-16	Pahammawlein Toll Plaza	M/s Sahakar Global Ltd.	3.97	3.97
		Diengpasoh Toll Plaza	M/s Arya Toll Infra Ltd.	12.41	12.41
2.	2016-17	Pahammawlein Toll Plaza	M/s Sahakar Global Ltd.	28.20	28.20
		Diengpasoh Toll Plaza	Smt. NandiniTalukdar	11.34	11.34
3.	2017-18	Pahammawlein Toll Plaza	M/s Sahakar Global Ltd.	31.84	31.84
		Diengpasoh Toll Plaza	M/s Sahakar Global Ltd.	15.79	15.79

Administration:

During the period under audit, Lt Col Rajeev Malhotra held the charge of General Manager (Tech) cum Project Director of the PIU-Shillong.

Financial Performance:

During last three year the financial performance of the project are as below:

(`inLakh)

1. 2. Particulars	UoM	2015-16	2016-17	2017-18
Turnover (Qty.)	Qty	NA	NA	NA
Turnover (value)	`	NA	NA	NA
Capital Expenditure	`	NA	NA	NA
Revenue expenditure	`	91.24	88.65	100.42
Paid-up capital	`	NA	NA	NA
Long term Borrowings	`	NA	NA	NA
Inventory (closing)	`	NA	NA	NA
Grant received from govt.	`	NA	NA	NA
Profit before Tax	`	NA	NA	NA
Profit after Tax	`	NA	NA	NA

Internal Audit:

Internal Audit of NHAI, PIU-Shillong has been conducted for the years 2016-17 and 2017-18 by M/s PVAR & Associates, a Chartered Accountants firm and there were no major irregularities was observed.

IT Application

As per the information submitted, NHAI, PIU-Shillong had IT Application PFMS/AFMS for the Finance/Accounts module only.

(j) Whether there is an IT system — Yes

(k) Whether the IT system is stabilized — Yes

(l) Whether the IT system requires human interference — No

PIU JALPAIGURI

Introduction:

Project Implementation Unit (PIU) –Siliguri of National Highways Authority of India (NHAI) was established for construction of National Highways under NHDP- Phase II as part of East West Coridor in the state of West Bengal. PIU – Siliguri was closed and a new PIU, namely PIU – Jalpaiguri was opened w.e.f. 01.04.2014. The existing office at Siliguri was converted into Site office of new PIU – Jalpaiguri.

Administration:

Shri R. K. Chaudhary, Project Director was in charge of the PIU Jalpaiguri upto 18.12.2017 and Shri A. K. Singh held the charge of PIU as Project Director from 19.12.2017 till date. The other key officials of the PIU during the period 2016-17 and 2017-14 were as below:

- Shri P. Dasgupta, Manager (Technical)
- Shri A. Lal, Manager (Technical)
- Shri S. Majumdar, Jr. Accounts Officer

Major Activities in the PIU:

(a) Under Construction:

- Package 1: Widening and strengthening from 2-lane to 4-lane from Ghospukur to Dhubguri section (Chainage 0.00 km to 83.785 km) of NH-31D in the State of West Bengal.
- Package 2B: Widening and strengthening from 2-lane to 4-lane from Dhubguri to Falkatta section (Chainage 83.785 km to 113.200 km) of NH 31D in the State of West Bengal
- Package 2A: Widening and strengthening from 2-lane to 4-lane from Falakata to Salsalbari section (Chainage 113.200 km to 154.854 km) of NH 31-D in the State of West Bengal
- Construction of Islampur By-pass in the State of West Bengal.

(b) Under Operation and Maintenace:

- Dalkhola to Islampur (chainage 447.000 Km to 498.970) on NH31 with toll plazas at Surjapur (Chainage km. 451.000)
- Islampur to Ghoshpukur section (chainage 507.00 Km to 551) on NH31 with toll plazas at Paschim Madati (Chainage km 547.350)
- Salsalabari to Srirampur section (chainage 228 Km to 254.500)of NH 31C with toll plaza at Guabari (Chainage Km 243.000)

Status of the Under construction Projects:

(updated upto 31.03.2019)

Package	Length (in Km)	Project sanctioned cost (` in crore)	Land required	Land in possession (in Hectares)	Completion schedule	Physical Progress
Package 1	83.785	1754.51	582.21	561.17	13.06.2018	54.25%
Package 2B	29.415	Project under DPR	176.49	32.84	Not yet awarded	NA
Package 2A	41.654	1938.02	249.92	164.59	18.07.2021	0.00%
Islampur By-pass	10.310	304.76	69.09	69.09	13.01.2018	40.20%

5. Financial Performance:

(` in Crore)

Particulars	UoM	2015-16	2016-17	2017-18
Turnover (Qty.)	Tonne	NA	NA	NA
Turnover (value)*	`	90.8	92.5	130.58
Capital Expenditure (cumulative)	`	621.08	191.76	644.44
Revenue expenditure	`	0.88	1.16	1.68
Paid-up capital	`	NA	NA	NA
Long term Borrowings	`	NA	NA	NA
Inventory (closing)	`	NA	NA	NA
Grant received from govt.	`	NO	NO	NO
Profit before Tax	`	NA	NA	NA

Profit after Tax	`	NA	NA	NA

*Note: Toll (User Fee) collected from users of NH and remitted to the Government of India.

Internal Audit:

Internal Audit for the years 2017-18 was conducted by the M/s J. K. Sarawagi & Co., Chartered Accountants, New Delhi.

(a)	Year in which the last Internal Audit was conducted	2017-18
(b)	Details of major irregularities observed by Internal Audit during the last year	No major issue

IT System:

(a)	Whether there is an IT System?	Yes
(b)	Whether the IT System is stabilised?	Yes
(c)	Whether the IT System requires human interface?	No

PIU DURGAPUR

Overview of PIU Durgapur

Project Implementation Unit Durgapur was established in the year 1996. It is under the control of Regional Office Kolkata. Details of projects undertaken by the PIU are shown in the table given below:

Stretches name / change	Details of Toll Plaza	Name of concessionaire	Independent Engineer	Date of Award	Value of Award (` in crore)	Mode i.e. BOT (Toll), BOT	Schedule dcompletion date	Actual/ expected completion	Revised value of awar	Amount of Performance Bank
4-laning from Panagarh (Km. 517.0) to Palsit (Km. 581.457) in West Bengal	Palsit (Km. 585.692)	MapexInfrastructure Pvt. Ltd.	Unihorn Ltd.	26.09.2001	30 Semi-Annual Annuity amount of ` 55.50 Crore	BOT (Annuity)	20.12.2004	06.12.2005	N.A.	Project completed. PSBG released.
4-laning from Palsit (Km. 581.457) to Dankuni (Km. 646.00) in West Bengal	Dankuni (Km. 646.005)	EMAS Expressway Pvt. Ltd.	Dorsch Consult (I) Pvt. Ltd.	31.01.2002	30 Semi-Annual Annuity amount of ` 39.998 Crore	BOT (Annuity)	26.02.2005	08.12.2005	N.A.	Project completed. PSBG released.
6-laning of Barwa Adda (Km. 398.240) to Panagarh (Km. 521.120) including	Beliyad (Km. 438.500) and Banskopa (Km. 507.0	Barwa Adda Expressway Limited	SA Infrastructure Consultants Pvt. Limited	05.04.2013	`1665.00 crs. + ` 42.00 crs. Premium	BOT (Toll)	26.09.2016 (as per CA) 30.06.2019 (as per direction of Secretary,	N.A.	N.A.	PSBG of `107.19 crore valid till 30.06.2016

Panagarh Bypass	00) (Proposed)						RT&H during meeting held on 11th& 12th June 2018 at GOA under the Chairmanship of Hon’ble Minister (RTH, S&WR, RD&GR)			
Rehabilitation and Upgradation of JHR/WB Border – Puruliya-Balarampur-JHR/WB Border junction with NH-33 at Chandil (Jharkhand) section of NH-32(83km) in the state of West Bengal and Jharkhand		Dineshchandra R. Agrawal Infracon Ltd.	Not yet appointed	31.03.2018	708.30	EPC	Appointed date yet to be declared			Not yet submitted

Key managerial person:

During the year 2017-18, Lt. Col. Arindam Handique was the Project Director of PIU, Durgapur.

Financial information:

Financial information of the PIU Durgapur for the last three years ending 2017-18is shown in the table given below:

Year	Annuity payment	Toll collection	Capital work in progress	O & M expenses
2015-16	191.37	216.89	571.75	0.72
2016-17	191.39	250.70	453.58	1.31
2017-18	190.996	224.94	419.86	5.54

Further, total figures of actual revenue and capital expenditure vis-à-vis the budgeted figures for the last three years are given in the table below:

Sl. No	Particulars	2015-16	2016-17	2017-18
1.	Total Revenue Expenditure			
	Actual	1.51	1.67	2.10
	Budgeted	2.21	2.16	2.28
2.	Total Capital Expenditure			
	Actual	571.76	453.57	419.86
	Budgeted	572	574.10	596.12

Manpower strength

Manpower strength of the PIU during the last three years ending 2017-18 is shown in the table given below: -

Manpower strength of last three years						
	2015-16		2016-17		2017-18	
Year	**Sanctioned strength**	**Man in position**	**Sanctioned strength**	**Man in position**	**Sanctioned strength**	**Man in position**
Executives	N.A	2	N.A	2	N.A	3
Supervisory	N.A	N.A	N.A	N.A	N.A	2
Non-executives	N.A	N.A	N.A	N.A	N.A	Nil
On contract basis	N.A	10	N.A	10	N.A	8

Internal Audit Report

Internal Audit of PIU Durgapur for the year 2017-18 was conducted by M/s. Todi Tulsyan & Co. Chartered Accountants, Patna.There was no major observation in the Report.

Brief about IT system

(a) Whether there is an IT System. - Yes
(b) Whether the IT System is stabilized- Yes
(c) Whether the IT system requires human interference –Yes

PIU BONGAIGAON

Brief Description and Activity of the Unit:

The Project Implementation Unit, Bongaigaon was established in the year 2004. It is under control of Regional Office, Guwahati and looking after the national highway projects between Srirampur, West Bengal Border (Km. 0.00) to Barpeta Road, Assam, (Km 1013.00) stretch of National Highway –31C and 31.

The PIU, Bongaigaon is implementing the following packages. The status of the projects is as under:

Stretches name/ chainage	Name of Contractor	Name of Supervision Consultant	Date of Award	Value of Award (` in Crore)	Mode i.e. EPC	Scheduled completion date	Actual/ expected completion date	Revised value of award, if any (` in Crore)
Nalbari - Bijni (Km.1013-983 of NH-31) AS-8	M/s Punj Lloyd Ltd	M/s Egis BCEOM-STUP-Aarvee (JV)	03.11.2005	187.08	EPC	02.05.2008	31.03.2014	272.84

Nalbari - Bijni (Km. 983.00 - 961.50) AS - 09	M/s Punj Lloyd Ltd	M/s Egis BCEOM-STUP-Aarvee (JV)	03.11.2005	131.23	EPC (CESS FUND)	02.05.2008	31.01.2014	195.08
Bijni -WB Border (Km 93.0 - 60.00) AS - 10	M/s Gayatri-ECI (JV)	M/s Louis Berger Group Inc, USA	06.10.2005	248.69	EPC (CESS FUND)	05.04.2008	31.08.2016	448.90
Bijni -WB Border (Km 60.0 - 30.00) AS - 11	M/s Gayatri-ECI (JV)	M/s Louis Berger Group Inc, USA	06.10.2005	199.41	EPC (CESS FUND)	05.04.2008	03.03.2016	302.25
Bijni - WB Border (Km 30.0 - 0.00) AS – 12)	M/s Progressive Construction Ltd.	M/s Louis Berger Group Inc, USA	18.10.2005	218.38	EPC (CESS FUND)	17.04.2008	Terminated	204.72
Bijni - WB Border (Km 30.0 - 0.00) AS – 12 Balance Work)	M/s Simplex Infrastructures Ltd.	M/s Louis Berger Group Inc, USA	05.10.2017	129.17	EPC (CESS FUND)	04.04.2020	On-going	10.33

Organisational set up:

NHAI-PIU, Bongaigaon is headed by the Project Director who is assisted by JAO and other supporting staff. During the period covered under audit, Shri Dhruba Jyoti Borah, Manager (T) cum PD (from 01.04.2018 to 30.03.2019) and Shri Biswa Jyoti Lahkar, Dy. Manager (T) cum PD (from 30.03.2019 to till date)held the post of unit head.

Financial Performance of the PIU:

Financial Performance of the Bongaigaon PIU of NHAI for the last three years ending 31st March 2019 is as follows:

(` in Crore)

Sl. No.	Particulars	Account Head	2016-17	2017-18	2018-19
1	Details of capitalized/ CWIP	3	4	5	6
1	for Civil works	3305	50.36	22.15	12.39
2	for other consultancy services	NA	-	-	-
3	for Others	3399	.03	.68	4.03
4	for ROB	3308	0	0	0
5	for Interest During Construction	NA	-	-	-
6	for Supervision	3306	3.77	1.44	1.30
7	for Utility Shifting	3302	0	0	0
8	for Agency Charges	3499	0	0	0
9	for bridges	NA	-	-	-

Internal Audit:

M/s. P V A R & Associates, Chartered Accountant was appointed as Internal Auditors of Project Implementation Unit, Bongaigaon of National Highways Authority of India for the financial year 2018-19. Internal Audit is carried out on half-yearly basis. No major observations were raised by the internal auditor during the course of the audit.

Information Technology:

The Project Implementation Unit, Bongaigaon is using information technologies for preparation of technical data / reports like Monthly Progress Report, Strip Chart, and Executive Summary of each package and uploaded to the PMIS and e-Pace. PMIS and e-Pace is the basic monitoring system of NHAI. This PIU has Desktop and Laptop system which are well connected through LAN for data sharing and storage purpose and is using basic software like MS office and Auto CAD for preparation/ collection of technical data. Accounts department of this PIU using e-PFMS software for finance and accounts works.

PIU KHARAGPUR

Overview of the Unit:

Project Implementation Unit- Kharagpur was established in the year 2001. It is functioning from NHAI's own complex. The Unit is looking after the work of construction, repair, operation and maintenance of National Highway Projects. There is one operational road and one on-going project. The status of the road/ project as on 31.03.2019 is as under: -

Name of the Packages	Name of the Contractor	Cost of the Project (` crore)	Cost of the Project (Revised) (` crore)	Physical Progress (%)	Financial Progress (%)
Four laning of Chichira – Kharagpur Section of NH-6 from Km. 185.150 to Km. 134.400 including rehabilitation of existing 4-lane from Km. 134.400 to Km. 129.60 in the State of West Bengal under NHDP 48 on EPC mode.	Dilip Buildcon Ltd.	613.08	--	84.52	84.51
Construction of New Bridges and Repair of the Existing 4-laned Highways from Baleshwar to Kharagpur Section (Km 0+000 to Km 119+100) of NH-60 in the State of Orissa and West Bengal and its Operation and Maintenance under NHDP Phase I to be executed as BOT (Toll) on DBFOT pattern	Baleshwar Kharagpur Expressway Ltd	471	-	100	100

Manpowerand Key managerial person:

The Unit is headed by Project Director. He is assisted by one Manager (Tech.), one Jr. Accounts Officer, one Accountant, One Young Professional (YP). Other staff of this office including site engineers & LAO have been engaged through contractorsas per NHAI's policy.

During the period covered in this audit Shri T. K. Baidya held the post of Project Director.

Financial information:

Financial information of PIU Kharagpur, NHAI for the last three years is summarised below:

(` in crore)

Sl. No.	Particulars	2015-16	2016-17	2017-18
1.	Total Revenue	Not applicable in PIUs.		
2.	Profit Before Tax (PBT)	Not applicable in PIUs.		
3.	Paid up capital	Not applicable in PIUs.		
4.	Long Term Borrowings	Not applicable in PIUs.		
5.	Inventory (closing)	Not applicable in PIUs.		
6.	Grant received from Government	Not applicable in PIUs.		

CWIP on 31.03.2019 was ` 1690.57 crore

Internal Audit:

Internal Audit of PIU-Kharagpur was conducted by M/s. Todi Tulsyan &Co (2017-18) and M/s. J K Sarwagi & Co. (2018-19), Chartered Accountants.

There were no major findings during the period 2017-19.

Brief about IT system:

(a) Whether there is an IT System. - Yes

(b) Whether the IT System is stabilized- Yes

(c) Whether the IT system requires human interference - Yes

The PIU maintains accounts in Project Financial Management System software.

PIU KRISHNANAGAR

Introduction:

National Highway-34 is the principal north-south road transport route from Kolkata to Northern extremities of West Bengal via National Highway -31, which it joins at Dalkhola, 453 Km. from Kolkata. The Ministry of Road Transport and Highways (MORTH), Government of India (GOI) has decided to take up the development of 4/6- lane carriageway of Barasat-Dalkhola (Km. 31 to Km. 453) into five sections as (1) Barasat-Krishnagar [Km. 31 to Km. 115], (2) Krishnagar-Baharampore [Km. 115 to Km. 193], (3) Baharampore- Farakka [Km. 193 to Km. 295], (4) Farakka- Raiganj [Km. 295 to Km. 398], (5) Raiganj-Dalkhola [Km. 398 to Km. 453] in order to augment the capacity of Highway for safe and efficient movement of traffic.

The National Highway Authority of India (Authority) has been entrusted with the implementation of the development of the corridor. The Authority appointed (September 2006) M/s. Louis Berger Group Inc., USA as consultants to carry out the Feasibility Study and preparation of Detailed Project Report for rehabilitation and up gradation of 4/6 lane divided carriageway of Barasat-Baharampore (Km 31 to Km 193) section of National Highway -34 in West Bengal. The Consultant was instructed to complete the project for implementation in BOT mode.

The Consultant submitted the Preliminary Report in September 2007 and Final Report in April 2009. Based on the Report, Authority invited bids in the BOT (Toll) mode and there was no response for BOT (Toll) mode. Thereafter, the Authority invited bids in BOT (Annuity) mode for Barasat-Krishnagar and Krishnagar-Baharampore stretches. After observing formalities, the Authority awarded (November, 2011) the work of construction of Barasat-Krishnagar stretch to M/s. Madhucon Projects Ltd. which got terminated (vide letter dated: 03.05.2016) and handed over to State PWD. The work of construction of Krishnagar-Baharampore stretch was awarded to the Concessionaire SEW Krishnagar Baharampore Highways Limited on 21.02.2011 and the appointed date was 10.01.2012. The Concessionaire achieved physical progress of 85% (65.02 Km) of the project length as on 31.12.2018. Balance 11.34 Km remains incomplete due to law and order problem and arbitration.

Administration:

Shri S Saha, Project Director (from 16.11.2016 to 11.10.2018) and Shri S Pal, Project Director (officiating) were in charge (from 15.10.2018 to till date) of the Project Implementation Unit-Krishnagar, National Highways Authority of India during the period covered in audit.

Details of the Project:

The Project of 4-laning from Barasat to Baharampore was divided into two packages i.e. Package-I (Barasat to Krishnagar) and Package-II (Krishnagar to Baharampore) and a new project under BHARAT MALA Scheme - Chunakhali – Jalangi – Krishnanagar- Hanskhali – Duttaphulia – Helencha – Bangaon- Panchpota – Berigopalpur Ghat- Ichamati- Taranipur Ghat – Swarrupnagar - Bashirhat – Jangipur (NH-12) with a length of 329 KM in West Bengal, DPR is under progress. The details of 4-laning from Barasat to Baharampore are given below: -

SL No.	Particulars	Package-I	Package-II
1	Stretch Name	Barasat-Krishnagar	Krishnagar-Baharampore
2	Stretch in KM	KM 31 to KM 115	KM 115 to KM 191.7
3	Stretch Distance (KM)	84	78
4	Name of EPC Contractor	Terminated and not awarded till date	SEW Infrastructure Limited
5	Name of the Concessionaire	Barasat -Krishnagar Expressway Limited	SEW Krishnagar Baharampore Highways Limited
6	Package No.	NHDP-III/BOT/WB/01	NHDP-III/BOT/WB/02
7	PPP Model	DBFOT(Annuity)	DBFOT(Annuity)
8	Date of Letter of Award	Terminated by NHAI vide letter dated 03.05.2016 and handed over to PWD, Govt. of West Bengal for execution of 4-laning.	21st February 2011
9	Date of Concession Agreement (CA)	Not Applicable.	16th June 2011
10	Financial Closure Date	Not Applicable.	10th January, 2012
11	Appointed Date	Not Applicable.	10th January 2012
12	Construction Period in Days	Not Applicable.	910 as per Concession Agreement.
13	Schedule Completion Date	Not Applicable.	07.07.2014 as per Concession Agreement The Authority has given its approval on 27.12.2018 for starting the process of PCOD.

14	Annuity Payment as per CA	Not Applicable.	As per Concession Agreement, 25 installment of Half-yearly annuity payment of ` 61.2 crore was to be paid. As per Tripartite Agreement, NHAI, H.Q. has also approved one-time fund infusion upto `404.10 crore and restoration of missed annuities for 715 days (`3.92Crore missed annuities) which shall be payable after achieving completion in accordance with the Concession Agreement. This will be equal to `239.90 Cr.
15.	Cost of construction (`crore) as per CA	DPR for 4-laning work by PWD, GoWB has been prepared and submitted but the cost has not been finalized.	`702.16 Cr. as per Concession Agreement Revised TPC after one-time fund infusion by NHAI - ` 1154.50 Cr. (TPC of Concessionaire- `750.40 Cr. + Bridge Loan from NHAI - `404.10 Cr.). Total fund released by NHAI under OTFIS scheme was ` 271 crore.

Detailed Position of Land acquisition:

Land acquisition pose hurdle in completion of the construction of National Highway. Details of the Land acquisition for the two projects as on 31.03.2019 are as follows: -

Barasat-Krishnagar[package-I]	North 24-parganas (Area in Ha)	Nadia (Area in Ha)	Total (Area in Ha)
a. Total land Required	94.50	381.26	475.76
b. Available ROW	54.31	217.47	271.78
c. Land to be acquired	40.19	163.79	203.98
d. Status of 3(A)			
i. Already notified	40.19	163.79	203.98
e. Status of 3(D)			
i. Already notified	40.19	163.79	203.98
f. Status of 3(G)			
i. Estimate Received u/s 3(G)	39.28	128.9	168.18
ii. Fund deposited	211,77,95,066	825,08,60,690	1036,86,55,756
iii. Possession (%)	39.22	138.08	177.3
iv. Mutation (%)	0	21.35	21.35
Krishnagar-Baharampore	**Nadia**	**Murshidabad**	**Total**

[package-II]	(Area in Ha)	(Area in Ha)	(Area in Ha)
j. Total land Required	303.17	161.13	464.30
k. Available ROW	224.79	124.88	349.67
l. Land to be acquired	78.38	36.25	114.63
m. Status of 3(A)			
i. Already notified	78.38	36.25	114.63
j. Status of 3(D)			
i. Already notified	78.38	36.25	114.63
i. Status of 3(G)			
v. Estimate Received u/s 3(G)	68.73	34.05	102.78
vi. Fund deposited	413,68,61,773	186,93,98,403	600,62,60,176
vii. Possession (%)	66.83	32.03	98.86
Viii. Mutation (%)	27.71	5.12	32.83

As per Clause 10- Right of Way (RoW) of the Concession Agreement (CA), the Authority should procure 100% required land within 90 days from the appointed date. The Authority required additional land to the extent of 197.56 hectare for Barasat-Krishnagar and 105.61 hectare for Krishnagar- Baharampore stretch. The Authority issued notification for acquisition of land and further notification under Section 3(A) between December 2009 and April 2010, notification under Section 3(D) between July-August 2010 and December 2010.

Financial and Physical progress:

Physical and Financial Progress of Krishnagar-PIU, National Highway Authority of India, Krishnagar upto 31.03.2019 was summarized below: -

Particulars	Package-I****	Package-II
Physical Progress		
Length of road in km		78
Length completed (km)		65.02
% of completion		85%
Financial Progress		
Total Project Cost (TPC) revised		1154.50
Cumulative Financial Progress achieved (Civil cost)		714.57
% of achievement to TPC		61.90%

**** Contract terminated on 03.05.2016

Brief about Internal Audit:

Internal Audit of NHAI, PIU, Krishnagar has been conducted for the years 2017-18 by M/s Tambi and Jaipukar Chartered Accountants and for the years 2018-19 by a M/s Todi Tulsyan & company and there were no major irregularities was observed.

Brief about IT System:

The office is using windows 8 Desktop computers and PFMS/AFMS software provided by NHAI HQ for maintaining books of account of PIU.

PIU MALDA

Project Background of PIU Malda

National Highway (NH) – 34 originates from west of Kolkata Airport about 1 km. north of the junction of Jessore Road and Kazi Nazrul Islam Avenue. It crosses the river Ganga over Farakka Barrage and terminates 2 km. north of DalkholaTown (Purnea More) at its intersection with NH – 31. NH – 31 stretches to Barhi in Bihar in the west and Siliguri/Sikkim/Assam in the north/north-east.

The Ministry of Road Transport and Highways (MoRT&H) has entrusted NHAI with the task of development of National Highway (NH) - 34 as a part of North South Corridor within the State of West Bengal under NHDP Phase III. The aim of the project is to augment the capacity of this section of National Highways by strengthening and widening the existing NH-34 double lane carriageway to four lane divided carriageway from Barasat (North of Kolkata) to Dalkhola. The work for development of NH-34 was divided into five packages - out of the five packages – Package 1 and 2 i.e. Barasat- Baharampore stretch is being implemented by PIU-Krishnanagar and the other three packages viz. Package – 3, 4 and 5, from Baharampore to Dalkhola stretch are being implemented on Design, Build, Finance, Operate and Transfer (DBFOT) basis by PIU-Malda.

Details of the present status of the Packages implemented by PIU-Malda

The details of the packages 3 to 5 of four-laning of existing NH-34 to be implemented by PIU-Malda are as under as on 31.03.2019.

Particulars/ packages	**NHDP-III/BOT/WB/03**	**NHDP-III/BOT/WB/04**	**NHDP-III/BOT/WB/05**	**New Farakka Bridge Project**	**Dalkhola Bypasss**
Name of EPC Contractor	Hindustan Construction Co. Ltd	Hindustan Construction Co. Ltd	Hindustan Construction Co. Ltd		
Name of the Concessionaire	M/s Beharampore-Farakka Highways Ltd	M/s Farakka-Raiganj Highways Ltd	M/s Dineshchandra R. Agarwal Infracon Pvt. Ltd.	M/s Qingdao Construction Engineering Group Co. Ltd. RKEC Projects Ltd. (CQCE-RKEC JV)	M/s ABCI Infrastructure Pvt. Ltd.
Length of existing section (km.)	100.625	100.229	50.29	5.468	5.46
Date of Signing Concession Agreement (CA)	28.06.2010	19.07.2010	28.12.2018	06.09.2018	01.09.2017
Appointed Date	03.02.2011	03.02.2011	08.03.2019	20.12.2018	11.10.2017
Construction Period	910 days	910 days	910 days	1095 days	550 days
Scheduled date of completion	01.08.2013	01.08.2013	02.09.2021	19.12.2021	13.04.2019
Concession Period (from the date of Appointment date)	25 years	30 years	30 years	N.A.	N.A.
Cost of construction as per CA	`998.79 crore (TPC)	`1078.84 crore (TPC)	`1548.07 crore (TPC)/ `1028.70 crore (Agreement)	`521.2 crore (TPC `622.04 crore)	`104.955 crore (civil) `125.74 crore (capital)
LA Cost, etc. of NHAI as per final DPR (excl. Grant)	`36.67 crore	`100 crore		Miscellaneous `4.47 crore	`2.83 crore
Grant	`393.39	`414.54	N.A.	N.A.	N.A.
Grant released (As on 31st March 2019)	`393.39	`400.91	N.A.	N.A.	N.A.

Status of the Packages

Physical and financial progress of the packages as on 31.03.2019 is given below:

(a) Physical progress

Particulars	Package–3	Package–4	Package–5	New Farakka Bridge Project	Dalklhola Bypass (EPC)
Length of road.	100.625 km	102.229 km	50.29 km	5.468 km	5.46 km
Length completed in km.	86.100	89.38	Project is commenced on 08.03.2019	0	0
% of completion	86.54	92.74		12.38	57.81

(b) Financial progress as on 31.03.2019

(`incrore)

Particulars	**Package–3**	**Package–4**	**Package–5**	**New Farakka Bridge Project (EPC)**	**Dalklhola Bypass (EPC)**
Total Project Cost (TPC) as per CA	`998.79 crore	`1078.84 crore	`1548.07	`521.19 crore	`104.95 crore
Cumulative Financial Progress (Planned)	1040.00	1220.00	551.73		
Cumulative Financial Progress achieved	`1040.00 crore (planned till original completion date)	`1220.00 crore (planned till original completion date)	Project is commenced on 08.03.2019		
% of achievement to TPC	97.07	108.31		8.23	47.0
% of achievement to Plan	93.23	95.78			

Land Acquisition

(as on 31.03.2019)

Package-3 Berhampore-Farakka Section (from km. 191.416 to km. 295.000)

Package-4 Farakka-Raiganj Section (from km. 295.000 to km. 398.000)

Package-5 Raiganj-Dalkhola Section (from km. 398.000 to km. 452.750)

New Farakka Bridge Project

Dalkhola Bypass

<u>Particulars</u>	**Package 3**	**Package 4**	**Package 5**	**New Farakka Bridge Project**	**Dalkhola Bypass**	**Percentage**				
						P-3	**P-4**	**P-5**	**New Farakka Bridge Project**	**Dalkhola Bypass**
a. Total land required(in	612.8962	676.498	299.7599	17.2658	33.085					

Ha)										
b. Available ROW(in Ha)	391.620	472.541.	79.323	0	23.65					
c. Land to be acquired(in Ha)	221.2762	203.957	220.4369	17.2658	9.435					
d. Status of 3(A) [Intention to acquire the land]:										
i. Already notified	221.2762	203.957	207.0245	17.2658	9.435	100	100	93.92	100	100
ii. Could not be prepared due to non-availability of Mouza map	0.9812	-	-	-	-					
iii. Under publication	-	-	-	-	-					
e. Status of 3(D) [Vesting of land to Central Govt.]:										
i. Already notified(in Ha)	220.2031	203.957	207.0245	17.2658	9.435	99.52	100	93.92	100	100
f. Status of 3(G) [Submission of estimate]:										
i. Estimate received u/s 3G (1) & (2)	210.9618	197.7293	193.1219	0.4725 (Balance is Govt. Land)	9.435	95.80 of 3(D)	96.95 of 3(D)	93.29 of 3(D)	100	100
ii. Estimate approved	201.927	197.0759	192.4705	0.4725	9.435					
g. Status of 3(H) [Deposition of fund]:										
i. Area for which fund deposited U/s 3H(1)	201.927	197.0759	192.4705	0.4725	15.27					
h. Status of 3(E) [Possession of land]:										
i. Possession received from State Govt.	185.9823	195.3638	192.4705	Nil	8.5877 (Balance is Govt. Land)	92.1 of 3(H)	99.13 of 3(H)	100 of 3(H)	0	100

Administration:

B. Shri D. K. Hansaria held the charge of GM(T) cum Project Director during the period covered under audit and the Shri Raju Kumar held the charge of Manager (Tech).

C. **Organisation Structure:**

NHAI, PIU-Malda

<u>Organizational chart and incumbency details</u>

Technical Division
⇩
Shri Raju Kumar
Manager (Tech)

Finance Division
⇩
Shri Rana Mukherjee Jr. A.O

Land Acquisition
⇩
Shri Mohitosh Kumar Sutradhar (Asst LAO) (on contract)
Shri Subhas Sarkar (Asst LAO) (on

Shri Kumar Bikash Nag, Site Engineer (contractual)

Shri Shadab Alam, Young Professional (Tech) (contractual)
Shri Nayan Mandal (Peon)
Shri Sakti Karmakar (Peon)

Contract)
Shri Naru Gopal Dutta (Amin/Surveyor) (on Contract)
Shri Md. Ismail (Amin/Surveyor) (on Contract)
Shri PradipMandal (Office Assistant cum Computer Operator)
Shri Abhijit Biswas (Stenographer)

Financial Performance:

During last three year the financial performance of the project are as below:

(` in Lakh)

Particulars	UoM	2017-18	2018-19
Turnover (Qty.)	Qty	NA	NA
Turnover (value)	`	NA	NA
Capital Expenditure	`	NA	NA
Revenue expenditure	`	103.50	147.78
Paid-up capital	`	NA	NA
Long term Borrowings	`	NA	NA
Inventory (closing)	`	NA	NA
Grant received from govt.	`	NA	NA
Profit before Tax	`	NA	NA
Profit after Tax	`	NA	NA

Internal Audit:

Internal Audit of NHAI, PIU, Malda has been conducted for the year 2018-19 by a Chartered Accountants firm J. K. Sarawgi & Co. and there were no major irregularities was observed.

IT Application:

As per the information submitted, NHAI, PIU-Malda had IT implementation PFMS module for the financial Management only.

(m) Whether there is an IT system — Yes
(n) Whether the IT system is stabilized — Yes
(o) Whether the IT system requires human interference. — No

PIU NAGAON

Particulars of the Project Implementation Unit Nagaon:

Project Implementation Unit Nagaon was established on 24.06.2005. Status of works undertaken by the PIU as on 31.03.2019 is given below:

Sl. No.	Contract Stretch	District	Pkg No.	NH No	Length (km)	Pave Type	Date of commencement (as per contract)	Date of completion (Org)	Revised civil cost as on Aug 2019 (₹ in Crore)	Contractor/ Supervision Consultant	Date of substantial completion

1	2	3	4	5	6	7	8	9	18	23	26
1	Jagirod - Dharamtul (Km 205.00 - 230.50)	Morigaon	AS-19	37	25.500	Rigid & Flex.	25.11.05	30.06.08	546.81	M/s IL & FS E.C.C. Ltd/RITES Ltd	20.05.2015
2	Dharamtul-Raha (km 230.50 - 255.00)	Morigaon Nagaon	AS-02	37	10.000 14.500	R	25.11.05	30.06.08	372.91	M/s Madhucon Projects Ltd./ LASA Ltd.	14.11.2016
3	Km 255.000 to Km 262.725 & 15.943 Km of Nagaon Bypass	Nagaon	**AS-18**	37	23.663	Rigid & Flex.	16-Nov-05	15-May-08	352.91	M/s Patel-KNR (JV)/Scott Wilson India Pvt Ltd	30.04.2011
4	Km 5.500 to Km 35.862	Nagaon	**AS-17**	36	30.362	Rigid	25-Nov-05	1-Jul-08	341.51	M/s IL & FS E.C.C. Ltd/Scott Wilson India Pvt Ltd	31.07.2012
5	Km 0.000 to Km 22.000 including 4.140 Km of Daboka Bypass	Nagaon	**AS-16**	54	24.032	Rigid	25-Nov-05	28-Jun-08	219.3	M/s Punj Lloyd Ltd/Scott Wilson India Pvt Ltd	21.04.2011
6	Km 22.000 to Km 40.000 including	Nagaon	**AS-15**	54 E	18.000	Rigid	14-Mar-08	13-Sep-10	165.56	M/s Patel KNR (JV)/ Scott wilson	28.12.2011

	Lanka Bypass									India P Ltd	
7	Udali to Manderdisa (Km 40.000 to 60.500)	Hojai	AS-27	54 E	20.250	F	15.10.06	14.04.09	363.290	M/s Gayatri-ECI (JV) / SMEC	09.10.2017
8	Manderdisa to Hatikali (Km 60.500 to 83.400)	Dima Hasao District	AS-26		22.900	F	24.07.11	23.01.14	430.780	M/s Simplex Infrastructure Project Ltd. / SMEC	30.09.2017
9	Hatikali to Lailling (Km 83.400 to 111 - 000)		AS-25		27.600	F	02.03.11	31.08.13	349.960	M/s IL & FS Eng. Con. Co Ltd/ SMEC	31.03.2018
10	Lailing to Maibang (Km 111.000 to 127.000)		AS-24		15.450	F	14.02.11	13.08.13	251.390	M/s NKC Projects Ltd. / SMEC	31.03.2017
Total					**232.257**				**3394.420**		

Financial information:

Financial information of the PIU for the last three years

₹ in crore

Particulars	**2016-17**	**2017-18**	**2018-19**
Income	NA	NA	NA
Total Revenue Expenditure	0.96	0.99	1.33
Profit/(Loss) before tax	NA	NA	NA
Capital expenditure incurred	183.89	197.64	244.35

Particulars	2016-17	2017-18	2018-19
Total Budgeted Revenue Expenditure	1.09	1.02	1.11
Total Revenue Expenditure (Actual)	0.96	0.99	1.33
Total Budgeted CapitalExpenditure	321.22	190.46	93.34
Total Capital Expenditure (Actual)	183.89	197.64	244.35

Manpower strength:

Manpower strength of PIU Nagaon NHAI during last three years

Year	2015-16		2016-17		2017-18	
	Sanctioned strength	**Actual incumbency**	**Sanctioned strength**	**Actual incumbency**	**Sanctioned strength**	**Actual incumbency**
Executives	NA	5	NA	4	NA	5
Non-executives	NA	7	NA	7	NA	7
Total		12		11		12

Information technology:

The PIU has an ERP system AFMS for compilation of Accounts. Other functions are being discharged on standalone computers.

Key managerial personnel:

During the year 2018-19 Shri Alok Kumar General Manager (Tech) held the charge as Project Director.

AUTONOMOUS BODIES

Autonomous bodies Common points

Non- compilation of annual accounts in the Uniform Format may be commented upon in the SAR after ascertaining the status of switch over from the autonomous body concerned.

Format of SAR

The Separate Audit Reports (SAR) of Autonomous Bodies should contain

(i) Introduction,

(ii) Comments on accounts, and

(iii) Impact of comments on the accounts

On completion of each audit assignment the results are to be communicated by the Auditor in the form of written report called Separate Audit Report (SAR) setting out the audit observation and conclusions in the appropriate form.

The Separate Audit Report (SAR) should contain only 'comments on accounts'

Components of Financial statements of Autonomous bodies

Income and Expenditure Account

Schedules to the above Financial Statements

Disclosure of 'Significant Accounting Policies'

Disclosure of other information through 'Notes to Accounts'

Statement of Receipts and Payments

ASSURANCE MEMO ON THE DRAFT SAR

Assurance Memo on the Draft SAR of ………………. for the year ………..

1 The ....has drawn its accounts in the uniform format of accounts/new format of accounts prescribed.

2 The accounts contain the necessary approval of the competent authority.

3 The accounts comply with the relevant accounting standards issued by ICAI and cases on non-compliance have been commented in the DSAR.

4 The audit has been conducted as per the checklist mentioned in the appendix 8.6 of the Manual of Instructions for Audit of Autonomous Bodies and extant instructions/ circulars issued by Headquarters.

5 The information/documents to be submitted with the draft SAR to Headquarters is complete as per para 10.06 of Manual ofInstructions for Audit of Autonomous Bodies.

Sr. AO

INTERNAL CONTROL SYSTEM QUESTIONNER

Internal Control system in ....for the year ....

Sl. No.	Queries/Questionnaires	Findings
1	Whether .... has a well-devised organisational structure and an organisational chart has been prepared?	
2	Whether the organisational chart is already available?	
3	Does organisational chart shows a clear definition and allocation of duties and responsibilities of officers and employees?	
4(a)	Is there a plan of rotation of duties of employees dealing with cash, stock and other valuable?	
4(b)	If not, are they required to take annual holiday?	
5.	Is an accounting manual in use?	
6.	Is a chart of accounts in use?	
7.	Are accounts coded?	
8.	Are chart of accounts and accounting manual periodically reviewed and amended?	
9.	Whether PPT, Paradip is required by law to maintain cost accounting records?	
10(a)	Are accounting records made up to date?	
(b)	Are accounts computerised?	
(c)	Are accounts balanced monthly?	
(d)	Are control accounts kept in General Ledger in respect of all transactions, where volume, justifies it?	
(e)	Are subsidiary records recorded into respective control accounts periodically?	
11(a)	Is there a system of budgetary control?	
(b))	Does the budget cover all aspects of past business?	
12(a)	Is there a system of internal management's attention for any abnormal financial results?	
(b)	Is there a system of internal management reporting?	
(c)	Do such report brought to Management's attention for any abnormal financial results?	
13.	Are security deposits, fidelity guarantees obtained in respect of employees handling cash, store and valuables?	
14	Had Internal control of different branches/offices/divisions ever evaluated?	
15	Does the Head Office exercise control over branches/divisions through budget, target etc.?	
16.	Are all disbursement at branches/divisions controlled on impress basis?	
17	Is there an adequate control over stock/store?	
18	Is there an adequate control over inter-divisional transfer of stock and stores?	
19	Are daily reports and returns received from divisions in respect of	
(a)	Cash transactions?	

(b)	Services rendered?	
(c)	Receipt of materials?	
20	Are periodic report/returns received from divisions covering all operations?	
21	Is there proper check of report return at Head Office/Administration wing?	
22	Are inter office/division accounts reconciled periodically and reconciliation reviewed and followed up promptly?	
	Petty Cash	
23	Is petty cash maintained on	
	(i) Imprest basis?	
	(ii) Limited to reasonable amount?	
24	Does only one person handle petty cash whose duties are divorced from other cash receipts and disbursement?	
25	Is petty cash kept separate from cash of other sources and physically verified periodically by a senior officer, not connected with the custody or recording of such cash transactions?	
26	Are all payment vouchers cancelled on reimbursement to prevent misuse?	
27	Is prior approval of a responsible official required for paying cash against employees' cheques?	
28	Are stamps affixed by franking machines only?	
	Cash and bank receipts	
29	Are all cheques specially crossed by employees opening inward mail?	
30	Are detailed records of receipts prepared?	
31	Are bank deposits prepared and made someone other than those responsible for such receipts and for personal ledger?	
32	Are duplicate counterfoils of receipts and deposits slips received from banks?	
33	Are receipts given for over the counter collections?	
34	Is there reconciliation of such proofs of collections with amount banked?	
35	Are collections by divisions deposited in special bank accounts subject withdrawal only by finance wing?	
36	When representatives of PPTmake collections, whether money receipts issued to them were serially numbered?	
37	Is there a system of issuing permanent receipts in lieu of temporary provisional receipts issued by bill collectors etc.?	
38	Are collections properly received and banked	
	(i) In the same day?	
	(ii) In the next day?	
	(iii)After two to three days?	
	(iv)After three days?	
39	Are the receipts forms	
	(a) Serially numbered?	
	(b) Kept in safe custody?	

	(c) Controlled by register?	
	(d) Issued stock checked regularly?	
	(e) Made by an employee and checked by another?	
	(f) Accounted for including those cancelled?	
	(g) Partially used books not intended for receipts and cancelled?	
40	Are cancelled receipts preserved?	
41	Is the opening of bank accounts authorised by Board of Trustees/ Hqrs.?	
42	Are Sundry items such as interest, dividend, rent, commissions, other port dues charges, railway receipts, estate rentals etc. regularly checked by responsible officer to satisfy that correct amount has been received?	
43(a)	Is the cash balance verified frequently?	
43(b)	State the frequency to such verification?	
44	Are the cashier's duties taken over for a few days by someone else occasionally?	
45	If a rough cash book is maintained	
(a)	Is the fair cashbook written up properly?	
(b)	Is the fair cashbook checked with the rough cashbook by a person other than the cashier?	
	Cash and payments	
46	Does policy of PPT, Paradip prohibit disbursement directly from cash receipts?	
47	Are all disbursement made by Cheques?	
48	Are the names of the officials and the time upto, which they are allowed, authorized to sign? Cheques specified?	
49	Are unused cheques kept under proper physical control?	
50	Are cancelled cheques?	
51	Is the practice of signing the cheques?	
52	Are the payments made only against official invoices or equivalent documents?	
53	Are cheques accompanied by vouchers when presented for signature?	
54	Is the accounting distribution on the voucher checked at the time of payment?	
55	Are all supporting documents properly defaced and identified by cheque number at the time of signature?	
56	Is there a method to check if cheques are dispatched immediately?	
57	Are remittances by bank transfer (TT/MT) on letter of instruction subject to the same control as cheque payments?	
58	Is there a complete effective system in force for following up receipts from payees and filling complete vouchers?	
59	Is there a schedule of dates in each month for the recurring payment such as P.F. Tax deduced at source, telephone, electricity bills etc.?	
60	In respect of bill accepted	

(a)	Is there a record of such bills?	
(b)	Are they signed by officials authorised to do so?	
61	Are bank loans/overdrafts including temporary overdrafts arranged only by officials authorised by the Trust Board/ Hqtrs.?	
	Salaries and Wages	
62	Is there any physical control over personal records of the employees?	
63	Are identity Card	
(a)	Issued to all employees at the time of their appointment?	
(b)	Renewed periodically?	
64	Are time keeping and attendance reading functions separated from pay roll preparation?	
65	Is there adequate separation of employees checking in and out?	
66	Is overtime working authorized by a competent authority?	
67	Does preparation of payroll includes	
(a)	Check of original time records	
(b)	Check against employment and scale of pay records	
(c)	Check against production card.	
68	Are payroll checked independently by another person?	
69	Is the payroll completed in another permanent form before it is approved for payment?	
70	If payment is made in cash, is the net amount withdrawn from banks?	
71	Is the net amount payable sorted and tallied before payment starts?	
72	Whether salary credited to bank A/C. of employees or paid in cash?	
73	In case of payment of wage in cash, are employees identified at the time of payment and their signature obtained?	
74	Is written authority from an employee required for someone else to collect his wage?	
75	Are surprise checks made at the time of wage payment?	
76	Does a responsible officer regularly check unpaid wages?	
77	Are unpaid wages periodically deposited in Banks?	
78	Are deductions from wages properly recorded in control accounts?	
79	Is there a proper system of checking the ESI/ Medical Cards periodically against pay bill and salary records?	
	Borrowing/Repayment of Principal and Interest	
80	Is a schedule of repayment of AB loan Govt. of ..../India loans, wage and means advances maintained?	
81	Is a list of due dates of interest maintained?	
82	Is a separate Bank Account kept for payment of interest?	
83	Is a list of interest warrants/Payable prepared and reconciled note with total interest payable?	

84	Are payment of interest and repayment of principal is made under due approval of Trust Board?	
85	Are list of interest payable at the year-end and penal interest payable/prepared and duly accounted for in the annual accounts?	
	Investment	
86	Are scrip/FDR etc., kept by independent custodians with adequate security arrangements?	
87	Are scrip periodically/physically verified with the resister?	
88	Are transactions in investment authorized by Trust Board on a person to whom powers have been delegated?	
89	Is there a period review to ensure that all investment/incomes are received when due and accrued interest duly accounted for?	
90	Is a investment register kept showing	
(a)	The nature and description of the investment	
(b)	Certificate numbers and distinctive numbers	
(c)	Cost, amount paid up and face value	
(d)	Due date of receipt of interest	
(e)	Maturity dates	
(f)	Name of the Bank/Company in which investment made?	
	Stock and Stores	
91	Are stores and stock kept in assigned areas?	
92	Is so, whether access area is limited?	
93	Are stores and stocks insured against following	
(a)	Fine	
(b)	Cyclone/Flood	
(c)	Strike	
94	Is record maintained for insurance policies and they are reviewed periodically to ensure its adequacy?	
95	Are perpetual stock records kept for stores?	
96	Are stocks as per Bin Cards/Stores ledger periodically reconciled under-priced store ledger?	
97	Whether there is a system of perpetual inventory verification?	
(a)	If so, whether there is a periodical report of shortage/excess?	
(b)	Whether reasons for the difference investigated and proper action taken for the adjustment in stock and accounts reconciliation?	
98	Are the norms of stock ledger to be held?	
99	Is there a periodic reporting of	
(a)	Slow moving stock items	
(b)	Damaged items	
(c)	Obsolete items	
100	Are stores and stock physically verified at least once in a year by a person in dependent persons who are responsible for maintaining the records of the storekeeper?	

101	Are clerical steps (unit rates, addition, unit conversions, summarization cards etc.) in preparation of stock sheets checked independently?	
102	Are records maintained for	
(a)	Scrap available for sale	
(b)	Returnable containers?	
103	Does the store keeper issue stores etc. duly against 'Requisition Notes' signed by properly authorised officer?	
104	Are overhead rates	
(a)	Reviewed periodically by designated officers	
(b)	Adjusted in the light of current expenses	
105	Are standard list of dues/tariff rates maintained?	
106	Are credit limit fixed for individual partners and the said limit reviewed periodically?	
107	Are credit to customers and remittances pasted only from the entries in the cashbook on equivalent records?	
108	Are statements of accounts regularly sent to all customers/issues duly checking it under debtors' ledger?	
109	Are confirmations of balances obtained periodically?	
110	Is there any accounting control for writing off of bed debts?	
111	Whether debtor balances reviewed periodically and action for recovery taken?	
112	Are sale of scrap and wastage subject to same procedure and control?	

Senior Audit Officer

AUDIT CHECKS FOR CERTIFICATION AUDIT OF AUTONOMOUS BODIES

Audit Checks for Certification Audit of Autonomous Bodies				
1	**Previous year's Balance Sheet and audit report**	1	The auditor must inspect the last year's balance sheet to ensure that balances have been correctly recorded in the books of account.	
		2	Also note that corresponding figures of last year are also required to be given in the balance sheet.	
		3	Auditor should also inspect previous auditor's report and ensure that assurances given by management last year have been duly carried out by the entity.	
2	**Certificates required to be taken**		The auditor should obtain the following certificates from the management while conducting the audit.	
		1	Number of bank accounts together with certificate to bank reconciliation.	
		2	Name of financial institutions from whom loans have been taken specifying the nature of security.	
		3	Cash in hand	
		4	Certificate in respect of investment held by banker or other authorities.	
		5	Balance of inventories at year end.	
		6	Stock-in-transit.	
		7	Work- in progress with processors.	
		8	Contingent liabilities.	
		9	Actuary's certificate in respect of gratuity/pension.	
3	**Verification of the opening balances**.	1	Tally the opening balances of all ledgers with the previous year's balance sheet.	
		2	Verify the following ledgers for this purpose:	

			i. General Ledger	
			ii. Debtors' Ledger	
			iii. Creditors' Ledger	
			iv. Other Subsidiary Ledgers.	
		3	Tally the opening balance of cash with cashbook maintained by the entity.	
4	**Journal Vouching**	1	Check why debit balances have been written off of credit balances written back. Verify whether all these types of entries are duly authenticated by the management.	
		2	Check and verify that all the journal vouchers have correct head of account.	
		3	If there are entries relating to earlier of subsequent period, please check for their authenticity.	
		4	Prepare a list of unpicked items.	
		5	Check that all journal vouchers are duly supported by necessary evidence or explanation.	
		6	Verify whether all vouchers are property authorised by a responsible official of the audited organisation.	
5	**Stock records**	1	Check the opening stock from preceding year's inventories.	
		2	Check the receipts of raw materials while checking purchases.	
		3	Tally issues in the stock records with material issue note.	
		4	Track closing stock with physical inventory sheets.	
		5	Correlate consumption with production records.	
		6	Check that the materials given or taken on loan have been properly accounted and proper record has been duly maintained.	
		7	Check and ensure that slow-moving, obsolete and damaged items have been properly identified.	
		8	Check material consumption with excise and other records.	

		9	Verify whether proper cut-off procedures are duly adopted by the entity.	
		10	Rconcile opening stock production, sales and closing stock.	
		11	Also verify and examine the basis on which the inventories have been valued by the company.	
6	**Capitalisation of items**	1	Check all additions to assets with account heads and approval sand ensure that no inadmissible expenditure has been capitalized.	
		2	Make sure that the Guidelines of the ICAI regarding the capitalisation of interest during construction period has been duly complied with by the entity.	
		3	Examine the sale and disposal records of the assets sold or disposed off and the capital gain/loss thereof.	
		4	Verify whether proper authentication has been done whenever expenses are capitalised	
		5	In case the advances given to the contractors are transferred to relevant asset account, check whether these are transferred only after the security deposit has been withdrawn.	
		6	Verify whether proper basis and rate of construction have been applied while capitalising the advances given to contractors.	
7	**Posting records**	1	Check ledger posting from the following records:	
			Cash book.	
			Bank book.	
			Sales register.	
			Purchase register.	
			Debit notes.	
			Credit notes.	
			Journal.	
			Any other principal books.	

		2	If the entity a follows a system of summarised posting of sales/purchase register or debit notes/credit notes petty cash book, etc., ensure that these have been posted accordingly.	
		3	Make a list of items remaining unpicked and find out the causes for the same.	
8	**Leger scrutiny**	1	Note that the ledger scrutiny is one of the most ticklish tasks to be taken care of by the auditor in order to effect an efficient audit.	
		2	Please note that if your audit staff does not opt for such scrutiny and simply vouches the books with vouchers, etc., then in such a case, there is every possibility of frauds or errors remaining untraced.	
		3	The ledger scrutiny howevever, involves major analytical task. Following things are to be properly analysed for an effective ledger scrutiny:	
			(a) General Ledger	
			(b) Debtors Ledger	
			(c) Creditors Ledger	
			(d) Staff loan Ledger	
			(e) Advance Ledger	
			(f) Loan Ledger	
		4	The year-end balances of these Ledgers must be clearly with break up in precise terms.	
		5	Examine the expenses accounts properly to ensure that non-accrual expenses during the year have not been recorded and only expenses relevant to the period under audit have been entered in such account.	
		6	Also examine the revenue account to ensure that all revenues during the year are duly accounted and credit has not been taken for are revenue not accruing during the year.	

		7	Also verify the assets and liabilities and ensure that all assets and liabilities have been properly accounted and there is nothing included in these accounts, which does not represent assets or liability of the entity.	
		8	Make sure that the assets re-shown on their proper valuation (e.g. fixed assets at WDV and current assets at lower of historical cost or current market price).	
		9	Also ensure that contingent liabilities are not included in the liabilities.	
		10	While exercising a scrutiny of the creditors ledger, the auditor has to ensure the following:	
			(a) That the advances against goods have properly been adjusted against such goods. If not adjusted for more than a reasonable time, then also be taken care of.	
			(b) If credit balances lying with credtiors have remained unpaid for more than a reasonable time, then it must also be taken care of.	
			(c) Separation must be made for the items, which are not in the nature of purchases but merly loans. Please not that only authorised transactions need be recorded in such ledger.	
		11	Verify the debtors ledger by keeping the following specific points in mind.	
			(a) Categorisation is made for debtors outstanding for more than 6 months and otherwise.	
			(b) Doubtful debts must be calculated by scrutinsing the overdue debtors.	
			(c) Sale items must be destinguished with loan items.	
		12	Following specific accounts must be scrutinsed to check whether capital and revenue items have not been merged.	
			(a) Building Repairs	

			(b) Machinery Repairs	
			(c) Other repairs	
		13	Note that such categorisation will have far reaching consequences on the final result of the entity. It may result in over or under showing of profits in not considered according to established accounting principles.	
		14	Also check the fixed deposits registers, receipts and application.	
		15	Check the register of postage.	
		16	Also enquire into pending litigation/tax litigation / claims against the entity not acknowledged as debts /other contingent liabilities.	
		17	Prepare a list from cash book for cash payment in excess of Rs. 10,000 and examine the reasons thereof.	
		18	Make a list of loans or advances taken or given in excess of Rs. 20,000 and examine the reasons thereof.	
		19	Verify whether any material deviations have been noticed in the excess of income over expenditure (and vice versa) rate as compared with the previous year. If so, please call for the reasons thereof.	
		20	Verify whether any immovable assets have been sold during the previous year. If so, verify whether such transactions have been properly recorded.	
9	**Depiction of expenses in income & Expenditure A/c**		Note that any item under which expenses exceeds 1% of the total revenue of the entity or Rs. 50,000/- whichever is higher, shall be shown as separate and distinct item against an appropriate head in income and Expenditure Account.	

10	**Application of Accounting Standards/Notes and Instructions under this Manual**		Verify whether the requirement of the various accounting Standards as issued by the Institute of Chartered Accountants of India as required under this Manual have been adhered to by the entity. If not, audit report has to be suitably qualified by the auditor.	
11	**Other General Points**	1	Verify whether provisions for bonus and gratuity have been made and if not, then qualify the report.	
		2	Also check the basis for providing gratuity and bonus.	
		3	Check that the entity accounted for all the known incomes accruing during the year.	
		4	Check that income has accrued for materials processed but not invoiced/delivered.	
		5	Check that advance income has been properly adjusted.	
		6	Ensure that every material expenses, i.e. one percent of the turnover has been shown separately. If not, reasons thereof should be asked.	
		7	Check that non-recurring and extraordinary items have been shown separately.	
		8	List out all major variations after comparing accounts with previous year.	
		9	Compute the raw material consumption ratio to production for the year and compare with that of the previous year. If there is any major difference, detailed investigagation should be made.	
		10	Verify whether the basis of accounting for claims:	
		(a)	Made by the entity	

		(b)	Made on the entity in accordance with generally accepted principles.	
		11	Also ensure that a register for claims has been maintained.	
		12	Verify whether the accounting polices as disclosed in the accounts have been duly followed in preparation of the accounts.	
1	**Fixed Assets**	1	Check whether all fixed assets are physically in existence and in the ownership of entity by checking relevant records.	
		2	Verify the repair account to ensure that no items of capital nature are included therein.	
		3	Examine and ensure that additions to fixed assets do not carry revenue nature items.	
		4	Verify whether the expenditure prior to asset being put to use, has been duly capitalised, and also interest up to the date of commencement of use of asset has been capitalised in case of specific loans against the assets.	
		5	Verify whether the composite acquisition of assets for a lump price has been bifurcated into land and building and ether asset supported by proper evidence.	
		6	In case assets have been acquired in foreign currency loans, check whether adjustments are made as per accounting stature on foreign exchange. (As-11 as revised).	
		7	Verify whether government grants (including capital subsidy) are received towards cost of assets. If so, make a note on the treatment given. (As-12)	
		8	Verify whether the assets acquired under hire purchase agreement have been correctly and consistently accounted for.	
		9	Check whether fixed assets have been revalued during the year. If yes , then-	
		(a)	What is the basis of revaluation?	

		(b)	Fact of revaluation has to be disclosed for subsequent five years.	
		(c)	Quantum of revaluation has to be disclosed.	
		(d)	If a revalued asseat has been sold, have transfers been made from revaluation reserve to capital reserve. If not, give suitable note.	
		10	Verify whether immovable properties held as investment and as stock in trade have been shown accordingly in the accounts.	
		11	Verify whether any immovable assets have been sold during the year. If so, verify whether such transactions have been properly recorded.	
		12	Verify whether all assets were in use during the year and all items of fixed assets have been adequately insured.	
		13	Verify whether additions/deductions deletions of assets are duly authorised by executive Body and all additions are properly supported by documents of titles.	
		14	Obtain and verify the following:	
		(a)	List and value of fixed assets taken on lease.	
		(b)	An item wise list of 'capital work in progress.	
		(c)	Explanation for items appearing in capital work in progress for a long time without any movement.	
		15	Verify whether scientific research is also included in fixed assets, whether it will be written off in the year of acquisition. If yes, then note on the accounts should be given.	
		16	Check and ensure that proper depreciation is provided on fixed assets.	
		17	Verify whether all fixed assets are properly distinguished and charge, If any, on any asset is properly disclosed.	
		18	Verify whether there is proper authority for the purchase of assets.	

		19	Check the payment made by reference to the invoice received from the supplier.	
		20	Check that the title to the assets belongs to the entity.	
		21	Check that all expenses incidental to the purpose of assets have been duly capitalised.	
		22	In case the property is purchased through broker see the broker's note and also see that the brokerage paid on the purchase of the asset is duly capitalised.	
		23	Check that the fixed assets account has been duly credited and the cash amount has been debited with amount for which the assets has been sold.	
		24	Check and verify that proper adjustment has been made in profit and loss account/income and expenditure account on sale of fixed assets.	
		25	Verify the counterfoil or carbon copy of receipt issued to party.	
2	**Investments**	1	Verify whether the investments are within the limits lay down under the rules, If any, If yes, verify whether the compliance of the requirements of the provisions of the rules has been duly made. The investment made are not in unauthorized institutions and are in no way inherently risky.	
		2	In case the investments are purchased cum-dividend ensure that the dividend is actually received and the amount of dividend is excluded from the purchase price.	
		3	Check the purchase of investment by reference to the broker's bought note.	
		4	Check whether there are any restrictions on sale of investment? If yes, a note on accounts must be made.	

		5	Check whether investment have been physically verified and ensure that the investment are held in entity's name and a certificate there of is furnished to audit.	
		6	Check and ensure that the investments register is duly maintained and updated with each transaction of investment. Also check that the list of investment have been verified and correlated with investment register and ledger balance.	
		7	Check that trade and other investments and income there from have been separately shown in the accounts.	
		8	In the case of quoted investments, comparison of cost with stock exchange quotations at the year-end must be made on the basis of valuation where the cost or market value is to be disclosed.	
		9	In case of unquoted investments comparison of cost with breakup values at the year-end must be made.	
		10	Check and ensure that adequate provision has been made for significant fall in the value of investment.	
		11	In case investments have been made during the year ensure compliance with relevant rules/regulations /authority government's sanction etc and investment decision has been made on sound commercial judgment and the organisation has evolved a sound investment policy.	
		12	Check that the sale of investments is properly authorised.	
		13	Verify the sale proceeds by reference to the broker's sold note.	
		14	In case the shares are sold ex-dividend, vouch the receipt of dividend later on.	
		15	Verify that the profit or loss on the sale of investments in correctly adjusted in the accounts.	

		16	In case the investments are sold through bank, please vouch the sale proceeds by reference to the banker's advice.	
		17	In case the investments relate to any earmarked fund then please check that the profit or loss on sale of investments are duly transferred to that fund.	
3	**Cash and Bank Balances**	1	Cash & stamps in hand at the date of balance sheet should be counted and checked by the auditors.	
		2	Surprise check must be made to verify the physical counting of cash and stamps.	
		3	Verify whether unusually large cash balance was observed during the year. And if yes, then proper explanation must be obtained from the management.	
		4	Verify and trace outstanding entries in bank reconciliation statements to subsequent bank statements.	
		5	Check and ensure that losses, if any, due to exchange variation have been duly accounted for in case of foreign currency accounts.	
		6	Verify whether there exists a practice of maintaining a particular minimum sum in hand. If so, then ensure that the same has been duly maintained. If not, reasons must be enquired.	
4	**Debtors**	1	Check that Debtor's ledger trial balance agrees with the respective control account, if not, reasons thereof should be investigated.	
		2	Verify whether adequate provision for bad and doubtful debtors and loans and advance has been made.	
		3	Check if legal action has been taken on non-payears. If not, then explanation must be asked from management.	

		4	Check that all secured loans have been segregated and nature of security is stated against each category.	
		5	Verify whether review has been made for subsequent year's transactions for reversal of cheques credited during current year.	
		6	Check all credit notes issued after year-end date and ascertain whether they relate to current year.	
		7	In respect of debts due from non-residents, verify whether the balance at the end of year been converted in Indian currency at the rate prevailing at the balance sheet date.	
		8	Check details of any unusually large or abnormal balances outstanding at the year-end.	
		9	Check and ensure that confirmations from debtors have been called, and whether there is any discrepancy noticed as compared to records and if yes, then what action has been taken by the management.	
		10	Verify the counterfoil or carbon copy of the receipt issued to customer, to verify the amount received from debtors.	
		11	If any discount is allowed on receipt of amount from debtors then ensure that the discount is granted as per the policy of the company.	
		12	Verify whether a responsible official has authorised the allow ability of such discount.	
5	Loans and Advances	1	Check whether loans an advances made by the entity are properly secured and that the terms on which they are made are not prejudicial to the interest of the entity	
		2	If the loan is given on the basis of security verify that the amount of loan does not excised the value of security.	

		3	Check that the entity has authority to lend. If so, are the loans and advances in accordance with that authority.	
		4	Verify whether loans and advances made to individual and private concerns have been shown correctly as such or as deposit.	
		5	Check and compare balances with previous year-end and enquire into major variances.	
		6	Check advances to suppliers on capital account, for expenses and for supplies.	
6	**Bills Receivable**	1	Check the entries regarding receipt of cash against bills receivable by reference to the corresponding entry in bills receivable book.	
		2	Check that contingent liability in respect of bills receivable discounted with bank has been correctly determined an properly recorded in the books.	
		3	Check to trace out from the bills receivable book any bills, which have become due for payment but payment has not been received.	
		4	In cases where the bills have been dishonored, check the entries made for dishonor of bills.	
		5	Verify the bills that have been returned by the bank after dishonor and the payment subsequently made by the entity to the bank.	
		6	Check that the amount of dishonored bill is duly debited to debtors account.	
		7	Check the commission charged by bank and the recovery thereof from debtors.	
7	**Inventories**	1	Check the opening stock from the preceding years inventory.	
		2	Check and ensure that physical verification has been made and whether any material discrepancy has been noticed. If yes, what action has been taken after due explantion.	

		3	Tally issues in the stock records with material issue note.	
		4	Correlate consumption with production records.	
		5	Verify whether the goods in transit have been checked with subsequent receipt	
		6	Check that the inventories lying with third parties have been physically verified and confirmation obationed from them directly also.	
		7	Check and ensure that the material given/taken on loan has been properly adjusted.	
		8	Check and ensure that current job work -in- progress is to satisfaction.	
		9	Make a comparison of quantities in valuation summary with physical varifaction stock sheets.	
		10	Check the basis of valuation of	
			(a) Raw materials	
			(b) Work in progress.	
			(c) finished Goods.	
			(d) Stores and Spares.	
		11	Verify whether proper cut-off procedures are duly adopted by the entity.	
		12	Prepare a detailed note describing components of cost and check the basis of computing net realisable value.	
		13	Verify whether the costs are collocated on normal production or production for the year whichever is higher.	
		14	Check and ensure that excise duty and sales tax set off in not included in valuations of stock of raw materials.	
		15	Check and insure that proper adjustments have been duly made to eliminate any unreleased profit on stock supplied by other units.	

		16	Check that adequate provisions have been made in respect of slow moving or obsolete items and damaged items.	
		17	Check closing stock with physical inventory sheets.	
		18	Reconcile opening stock, production , sales and closing stock.	
8	**Miscellaneous Expenditure (to the extent not written off or adjusted)**	1	The auditor should satisfy himself that the period of amortisation of the expenditure is reasonable.	
		2	Examine details of any expenditure incurred that had been carried forward and state the basis on which the same is to be written off.	
		3	Give details of any amounts written off during the year, if not disclosed in the accounts.	
		4	Also satisfy yourself that the expenditure shown to have been incurred during the year actually occurred during the year and there is proper authority for the expenditure and for its deferral.	
		5	Also ensure that the criteria which previously justified the deferral of the expenditure continue to be met and the expected future revenue/other benefits related to the expenditure continue to exceed amount of unamortized expenditure.	
		6	Check whether kthe basis of carrying expenditure forward is cosisten with the practice of earlier years.	
		7	Verify whether the excutive body of the entity has passed resulution for deferring the expenses. Is it supported by any expert opinion.	

		8	In case of preliminary expenses, ensure that write off is in accordance with section 35D of the Income Tax Act.	
	Development Expenditure	1	Verify the development expinditure with reference to supporting documents such as purchase invoices, agreements with third parties, etc.	
		2	In case specific authorities approve the research programme, the auditor should review the report of such authorities.	
		3	Ensure that the deferred expinditure on research and development is duly allocated to future acconting periods on as systematic basis by reference either to the sale or use of t6he rrlated product or process or to the time period over which the related product or porcess is expected to be sold or used.	
		4	Examine that the criteria justifying the defferal of the expenditure on research and development and continues to be met and that the unamortised balance of the defereed expenditure on research and development should not exceed the expected future revenue/other benefits related thereto.	
	Expenditure during construction	1	Examine whether the deferral and the amortisation of expenditure incurred during the consturuction period are in accordance with recoginesed accounting polices and practices.	
		2	Where the expenditure incurred is heavy and is deferred and written off over a long period of time, the auditor should examine whether the deferral of the expenditure meets the relevant criteria.	
		3	Also verify whether the amount of periodic write-off of the expenditure is appropriate.	
		4	Ensure whether all the relevent disclosure requirments have been duly complied with.	
			Checklist for audit or items under liabilties	

1	**Corpus Fund and Reserves and Surplus**	1	Check the transfer to/from reserves corpus fund/reserves from the sanctios./Receipt and Payment Account/Income & Expenditure account of the body.	
		2	Ensure that all movements of reserves have been duly shown in accounts. Such movements must be reviewed with reference to applicable rules/regulations.	
		3	Any transfer to the general reserve out of statutory reserve must receive special attention.	
		4	Where reserve is specifically represented by earmarked investments, then the work 'fund' should be used.	
		5	Verify whether the grants, contributions and subsidies received for meeting capital expenditure have been shown as part of corpus fund. It may however be shown by way of deduction from the cost of the relevant asset.	
2	**Borrowings**	1	Check that the entity has power to borrow money.	
		2	Verify the terms and conditions of loans and also vouch the receipt of payment from the receipt issued to the lender.	
		3	Verify whether the loan has been taken against security. In this case secured loan must be properly disclosed by clearly disclosing the nature of security, must be correlated with register of charges.	
		4	Verify whether terms loans have been taken. If Yes, then installments due within 12 months must be duly show.	
		5	Registration of charges must be carefully checked, so as to ensure that assets cannot be re-charged by the entity.	

		6	Verify whether borrowing have been correlate with the interest expenses. And ensure that interest is properly calculated and recorded.	
		7	Check and ensure that the interest/panel interest accrued and due have been unclouded under loans and disclosed separately.	
		8	Check the minutes/govt. orders authorizing fresh loans.	
3	**Taxation**	1	Ensure that the provisions for taxation adequate cover estimated liability for taxation on income and wealth for the year including provisions for VAT, if any.	
		2	If the accounting year of the entity is not the 'financial year' ensure that the provision has been made in respect of income of the full accounting year.	
		3	If the entity accounts for deferred taxation, state basis of calculation and give details of movements in the year unless already shown in the accounts.	
		4	Ensure that all the necessary entries are made in respect of completed assessments including for the assessments which are disputed in appeal.	
		5	Verify whether there is any such situation that, in spite of book profits, no provision for taxation is made. Report must be qualified stating that no provision for tax has been made. Where assessment is completed, excess provision for taxation should be properly accounted for.	
		6	Check where assessment is completed excess provisions for taxation should be properly accounted for.	
		7	If no provisions for taxation, through applicable are made, then quality the report suitably.	
4	**Creditors**	1	Check and ensure that creditor's ledger trial balance agree with control registers. If not, give details.	

		2	Verify whether the list of creditors, outstanding for more than 12 months, has been obtained and the reasons must also be ascertained for no-payment.	
		3	Verify whether there are disputed creditors. And in any, list must be obtained and cases examined.	
		4	Check and ensure that direct confirmation has been obtained from selected creditors. And what action has been taken where any discrepancy has been noticed between balance as per party and balance as per books of account.	
		5	Check and ensure that the advances have been duly segregtaed from credit banances of parties and included on the asset side.	
		6	Verify whether andy ununually large debit or credit balances have been noticed, if yes, then look into the reasons.	
5	**Contingent Liabilities**	1	A contingent liability can be described as one which has not become known or which has not matured. It may or may not occur. Generally these liabilities are shown at the foot of balance sheet.	
		2	A note describing the system of recording contingent liabilities may be obatined and examined.	
		3	Verify whether there is dependable procuedure that all such calims and contingent liabilities will be brought to the notice of Finance/ Administration Head.	
		4	Obtain a list of contigent liabilities from the entity and correlate it with the following:	
			a) Minutes of the Executive Body meeting, if any.	
			b) Entity's purchase contract of liquidated damages / penalties /warrenties.	
			c) Income tax, Sales tax, and Exise records.	

			d) Confirmation from client's solocitors as to pending suits for claims against entity and reconcile the same with schedule of fees paid to solicitors / councel.	
			e) Certificate from client's bankers of contigent liabilities(e.g. bill discounted, letters of credit, guarenties etc.,)	
			f) labour union agreements wheather these have expired and wheather union have demanded a revision of additional remuneration or bonus.	
			g) Investment schedule for outstanding calls on investments.	
		5	Verify wheather last year's contigent liabilities have been duly followed and ensure that the same have been duly considered for the currents year's account.	
		6	Check that contigent liabilities in respect of bills receivable discounted with bank have been correctly determined and properly recorded.	
	Checklist for audit of Income & Expenditure Account			
	(a) Income			
1	**Sales.**	1	Verify the sales-invoices with delivery challans.	
		2	Verify whether corresponding entries in the stock records have been duly made.	
		3	Check and ensure that goods sent on approval basis, goods sent on consignment are not recorded as sales.	
		4	Check that goos delivered have been duly invoiced and vice versa.	
		5	Examine sales booked immediately after the year-end with dispatch notes/excise gate pass.	
		6	Verify whether provision has been made for materials still to be supplied where invoice has been raised for the entire supply.	

		7	Sorutinize dates of dispatch notes prepared immediately after year-end.	
		8	Check that sales returns have been properly recorded, credit notes issued and included in inventory.	
		9	Verify whether the rabtes and discounts have been adjusted properly.	
		10	In the case of long term contracts, what is the basis of accounting profits or loss and have provisions for losses been made if anticipated. If so, on what basis. If not, reasons must be enquired.	
		11	In selected cases, test check the rates per unit and it should be ensured that they are not below the reserve price.	
		12	Also discounts and rebates applicable must be test checked to verify the correctness of transactions.	
		13	Check and ensure that proper treatment is made for excise levialbe etc.	
2	**Commission received**	1	Obtain a list of names of parties from whom the commission is receivable and also the rate of commission in each case.	
		2	Verify the commissin received from the counter-folls or the carbon copices of the receipts issued to the parties.	
		3	Check the entry regarding commission due but bot received.	
		4	In case the commission is received from a party outside India then please check the same by reference to bank advice and also ensure that the requirment of FEMA have been duly complied with.	
3	**Income from Investment**		**Interest received on Debentures**	

		1	Verify the receipt of interest by reference to the interest warrant from the company.	
		2	Verify the certificates regareding tax deucted at source (TDS) on such interest.	
		3	Check that the full amount of interest is duly credited to the interest account.	
		4	Check that the interest is received as per the terms and coditions of the issue of debentures.	
			Interest received on government securities	
		1	Veirfy the interest received by reference to the interest warrant.	
		2	Check and ensure that the cheque received is duly realized.	
		3	Check and ensure that the cheque is in the name of the client.	
		4	Examine and ensure that provision is duly made in respect of interest accrued and due and also in respect of interest accrued but not due.	
4	**Dividend received**	1	Check that the dividend warrant is in the name of the auditee.	
		2	Verify the dividend received by reference to the dividend warrant and entry in the bank account.	
		3	Check that the dividend is actually realised.	
		4	In the shares are sold cum-dividend then ensure that the dividend is acually realised.	
		5	If the shares are purchased cum-dividend then ensure that the dividend is actually received.	
5	**Rent received**	1	Verify the receipt of rent by reference to the counterfoils or carbon copies of the rent receipts.	
		2	Check the entries made for the rent received in advance.	
		3	Verify that the amount received in advance is duly cerdited to 'rent received in advances account' and not to rent account. In the following year, vouch reverse entry.	

		4	Check entries in respect of rent outstanding in the following year reverse entry should be checked.	
6	**Investment received**		**INTEREST RECEIVED FROM BANKS**	
		1	Verify the entry in this regard by reference to the advice received from banks.	
		2	Check that the deposits are in the name of the cilient.	
		3	In respect of the interest on fixed deposits ensure that they are accounted for on accrual basis, as the interst is paid by the bank only after the expiry of the fixed deposit.	
			Interest received from parties to whom loans are given.	
		1	Check the the rate at which the interest is paid by the borrower is as per the terms and conditions of the agreement.	
		2	Check that the interstt is correctly credited to the interest account and the corresponding debit is raised to the cash/bank account.	
		3	Check and ensure that the cheque is actually realised.	
			Interest received from customers	
		1	Verify the receipt of interest by reference to the counterfoil or the carbon copies of the receipts.	
		2	In interest is received along with the debt, then check and ensure that interest element is separated and credited to the interest account. Check that the rate at which the interest is paid by the borrower is as per the terms and conditions of the agreement.	
		3	Verify that the cheque for the interest are in the same name of the entity. Also check that the cheque are actually realised.	
		4	Check that the interest is correctly credited to the interest account and the corresponding debit is raised to the cash/bank account.	

7	**Royalty received**	1	Verify the royalty agreement and provisions for calculating the royalty.	
		2	Verify the correspondence with the party and check the calculations for the royalty received.	
		3	Check the counterfoils/carbon copies of the issued to the party.	
8	**Miscellaneous receipts**	1	Depending upon the type and the character of the receipt, the auditor should verify the following-	
			i. Agreement or contract, if any entered into with the party	
			ii. Correspondence, if any with the parties	
			iii. Other documents, if any.	
		2	Check the calculations wherever applicable.	
		3	Check the counterfoils/carbon copies of the receipts issued to the party.	
9	**Bad debts recovery**	1	Verify entries in debtors account, cash/bank book and bad debts recovered account.	
		2	Vouch the receipt of amount from the receipts issued to the party.	
	(b) Expenditure		**Checklist for audit or income & Expenditure Account**	
1	**Salary and Wages**	1	Check salary charts with the payments in cash book/ Bank Book or journal.	
			Check attendance with time card or master register maintained by the company	
			Verify whether the statutory deductions in respect of the following have been correctly made.	
			(a) Provident Fund	
			(b) ESIC	
			(c) Income Tax (TDS)	
			(d) Any other item	

		4	Check overtime payments with the relevant registers and entity's rules.	
		5	Check whether the provisions of the payment on Bonus Act have been duly complied with while paying bonus.	
		6	Check incentive payment with its basics AD-hoc incentives should be listed out.	
		7	Check payment to contractors or casual workers. Also check whether statutory deductions have been duly made.	
		8	Check and ensure that the employee's are paid for leaves on which they have worked as per their agreement.	
		9	Tally the staff advances accounts with their salary accounts and see that the adjustments have been made on time.	
		10	Check increments with relevant approvals.	
		11	Examine the entries in the payroll/wage sheets with reference to relevant records, e.g. employee's records maintained by the personnel department showing details of pay such as basic pay, allowances, annual increments, leaves availed of, etc.	
		12	Examine whether any legal, regulatory or contractual requirements having a bering on the rate amount of wages and salaries haven been complied with. Similar considerations would also apply to payment made to a contractor for hire of labour.	
		13	Obtain a list of employees who have retired or otherwise left the services of the entity during the period under andit and examine that they have not been included in the payroll.	
			Managerial Remuneration	
	Managerial Remuneration	1	Pay particular attention to determine whether the salaries payble are as per the terms of contract with the employees concerned.	

		2	Check computation of the remuneration.	
		3	Check that remuneration and perquisites are not over availed by the managerical pepole. If so verify whether recovery has been made accordingly for such extra payments. If not the report should be qualified.	
		4	Verify whether the payment on account of medical expenses or reimbursement of the medical expenses is in accordance with the rules and regulations.	
2	**Bonus**	1	Ensure that provision for bonus is in accordance with the Payment of Bonus Act, 1965, and/or agreement with the employees or award of competent authority.	
		2	If bonus paid is in excess of statutory minimum limit then check for authority for the same.	
		3	Check the basis for providing the quantum of bonus.	
3	**Gratuity**	1	Verify whether appropriate provision for gratuity has been made as per relevant rules and regulations. If not qualify the report.	
		2	Check the basis for providing the quantum of gratuity.	
4	**Retirement Benefits**	1	Examine whether the entity Is liable to pay any retirement benefits to its employees such as provident fund, superannuating pension, gratuity, etc. whether in pursuance of requirements of any law and/or in terms of agreement with the employees.	
		2	If yes, examine whether the amount payable has been computed in accordance with the relevant legal and/or contractual requirements.	
		3	Ensure that provision for accruing gratuity/pension liability has been made properly and check the same with actuarial certificate.	
5	**Purchases**	1	Check that the purchases are duly authorised by a responsible officer.	

		2	Check cash purchases by reference to cash memos or receipted bill.	
		3	Check that the purchases account is duly debited.	
		4	Verify that the advance given against purchase of goods has been properly adjusted against the supply of goods.	
		5	In case any discount is availed of, please check that only the net amount is debited to the purchase account.	
		6	Make a comparison with stock register and creditors ledger to ensure that all amaterials included in stock has been recorded as purchases. Also check that the quantity maintained in the invoices is duly recorded into stock records.	
		7	Ensure that goods returned has been adjusted properly and exclude from stock. Also verify whether claims for defective matericals have been duly adjusted.	
		8	Cross-examine the rates and quantities from the order sheet and the goods actaullly received and recorded. If any discrepancy has been noticed, action must be taken forthwith.	
		9	Verify whether goods are as per delivery challan and matches with the ordered quality and quantity.	
		10	Verify whether supplier has allowed any cash discount. If yes, that it has been proerly accounted for.	
		11	Check whether any forward purchase contracts are outstanding at the year-end and properly accounted for.	
		12	Ensure that purchase and purchase returns relate to accounting period only.	
		13	Examine selected entries in the purchase journal with reference to the related purchase invoices, receipt records and other supporting documents such as the purchase orders.	

		14	Examine whether subsidies, rebates, duty drawbacks or other similar items have been properly accounted for.	
		15	Costs of purchase consist of the purchase price including duties and taxes freight inwards and other expenditure directly attributable to the acquisition. Trade discounts, rabates, duty drawbacks and other similar items are deducted in determining the cost of purchase.	
		16	For manufactuiong concerns check that whether purchases are bifurcated between materials for manufactuing and for trading.	
		17	Enquire into the resanons of over rulings in the purchase invoice and make sure that it is not done by the entity's staff.	
6	**Conversion costs (Power, fuel Processing charges)**	1	Check for relevant documentary evidence.	
		2	Compare the amount of expense on a particulr item with the corresponding figure for pervious years.	
		3	Work out the ratios of different items of conversion costs to total cost of production fot the current year and compare the same with the corresponding figures for preivious years. Any unusual relationship may be looked into.	
7	**Repair and maintenance**	1	Scrutinise the repairs and maintenance account to ascertain that new fixed assets and substantial improvements to existing assets have not been included in repairs and maintenance.	
8	**Excise Duty**	1	Note that excise duty is paid in advace and any amount so paid is set-off against the goods manuifactured and cleared on factory gate.	

		2	Check that the amount is deposited in a separate bank account through challan.	
		3	Check that the payment is duly authorised.	
		4	Check the payment made with the periodical statement issued by the excise department.	
		5	Check that the voucher is supported by receipted challan.	
9	**Depreciation**	1	Check whether depreciation on assets has been duly provided for by the entity. If so, check the calculation of depreciation.	
		2	The total depreciation arrived at should be compared with that of previous years to identify reasons for variations.	
		3	Examine whether the depreciation policy having regard to rate of depreciation and method of depreciation followed consistently Is adequate keeping in view the generally accepted basis of accounting for depreciation.	
		4	Verify whether the method of charging depreciation has been disclosed in accounts.	
		5	Ensure that depreciation on additions and deletions is proportionate. State the basis of verifying dates for additions/deletions of fixed assets.	
		6	Verify whether extra shift-working has been properly authorised. If yes, a certificate must be obatined.	
		7	Verify whether additional or exceptional depreciation charges have been shown in accounts separtely.	
		8	Check that all depreciable fixed assets have been depreciated accordingly.	
		9	It must be ensured that depreciation has also been charged to Income and Expenditure Account of the entity even if there is loss because it is a charge against surplus and not an appropriation.	

		10	Where assets have been revalued, then the amount of depreciation should be checked and any excess/shortfall should be adjusted accordingly.	
10	**Establishment and Administrative expenses**	1	Check for relevant documentary evidence.	
		2	Compare the amount of expense on a particular item with the corresponding figure for pervious years.	
11	**Travelling Expenses**	1	Examine the rules and regulations framed by the entity in respect of reimbursement of travelling expenses.	
		2	Check that payment Is made on the basis of documentary evidence produced by the person concerned to whom the expenses are reimbursed.	
		3	Check that the expenses are reimbursed on the basis of approval of appropriate authority.	
		4	Check whether the expenses reimbursed by the entity are on the basis of actual amount expended or on the basis o fixed allowance per day.	
		5	In the case of foreign travelling expenses, please check that the permission of RBI/ government has been duly obtained for the foreign exchange outgo involved.	
		6	In case any advance is given to employees, then check whether such advance has been appropriately adjusted.	
12	**Commission Paid to Agents**	1	Check that the rate of commission is as per the terms and conditions and also check the correctness of the amount.	
		2	If the commission is granted on the realisation of debtors, then see that the amount due from debtors is actually realised.	

		3	Verify the payment of commission by reference to the receipt given by the agent.	
		4	Check whether the payment of commission to agent is authorised.	
13	**Advertisement**	1	Generally advertisement are booked through agents and payment is made to the agents directly.	
		2	Check the bill given by the agent in this regard.	
		3	Check that the bill is appropriately supported by the paper cutting of the advertisement.	
		4	Check the payment for advertisement on the basis of recipt given by the agent in this regard.	
14	**Interest and financial charges**	1	Verify the amount of interest expense for the year with reference to the terms and conditions of relevent agreements.	
		2	If the entity has paid any penal interest it should also be examined. Such interest should be disclosed as part of normal interest.	
		3	Compare interest expenses for the period under audit with previous period and check for major deviations.	
15	**Sales Tax.**	1	Check the receipted challans in support of the payment voucher and also the assessment order where the assessment has been completed.	
		2	Check whether the assessee has recorded sales tax payment in respect of State Sales Tax and Central Sales Tax separately.	
		3	Check the returns and verify the calculations so as to ensure the correctness of the amount paid.	
16	**R & D expenses**	1	Examine whether provision have been made in accordance with the Accounting Standard.	
		2	Verify various items of expenses incurred on research and development with reference to suppoorting doucuments and related agreeements.	

17	**Audit fees**	1	It may be verified whether proviosionj for audit fees has been made.	
			Check for audit of Recitpts & Payments Account	
			(a) Receipts	
1	**Opening Balances**	1	Verify the openinng balances from the closing balances of the cash book of the previous year.	
		2	Examine whether the opening balances are duly entered in correct columns.	
2	**Cash Sales**	1	Verify the cash sales summary book with carbon copies of the memos.	
		2	Verify that the daily totals of the summary book agree with total cash sales recorded in cash book.	
		3	Check whether the cash is daily deposited into bank. If yes, verify the pay-in-slips.	
		4	If cash memos are cancelled then its original copy should be verified.	
		5	Verify that the cash discount paid. If any, is granted as per the policy of the auditee concern.	
3	**Receipt from Debtors**	1	Verify the counterfoll or carbon copy of the receipt issued to customer, to vrify the amount received from debtors.	
		2	Verify that the receipts issune to customers are serially numbered.	
		3	Verify that the unutilised receitp book remaing in the custody of a responsible official.	
		4	If any discount is allowed on receipt of amount from debtors then ensure that the discount is granted as per the policy of the entity.	
		5	Verify whether a responsible official has authorised the allow ability of such discount.	
		6	If amount is recived by cheque/bank draft then check that the amount has actually been realised.	

4	**Bills Receivable**	1	Check the entires regarding receipt of cash against bills receivalble by reference to the corresponding entry in bills receivable book.	
		2	Check bank pay-in-slip- for amount deposited in bank.	
		3	Check that contingent liability in respect of bills receivable discounted with bank has been correctly determined an properly recorded in the books.	
		4	Check and trace out from the bills receivable book any bills which have become due for payment but payment has not been received.	
		5	In cases where the bills have been dishonored, check the entries made for dishonor of bills.	
5	**Loans and Advances**	1	Check whether the auditee entity has power to borrow money.	
		2	Verify the terms and conditions of loans and also vouch the4 receipt of payment from the receipt issued to the lender.	
		3	Check and verify the the entries for interest accrued and due or interest accrued but not due, are correctly made in the books.	
		4	Check the following:	
		(a)	The resolution of the executive body/ orders of the government authorising to borrowing money.	
		(b)	That the amount borrowed does not exceed the limits, If any, specified in the resolution.	
6	**Recovery of Bad Debts**	1	Verify entries in debtors account, cash/bank book and bad debts recovered account.	
		2	Vouch the receipt of amount from the receipts issued to the party.	
7	**Sale of Fixed Assets**	1	Verify that the sale of fixed assets is authorised by appropriate authority.	

		2	Check the the fixed assets account has been duly credited and the cash account has been debited with amount for which the assets has been sold.	
		3	Check and verify that proper adjustment has been made in profit / loss on sale of fixed assets.	
		4	Verify the contefoll or carbon copy of receipt issued to party.	
8	**Sale of investment**	1	Check that the sale of investments is properly authorised.	
		2	Verify the sale proceeds by reference to the broker's sold note.	
		3	In case the shares are sold ex-dividend, vouch the receipt of dividend later on.	
		4	Verify that the profit or loss on the sale of investments in correctly adjusted in the accounts.	
		5	In case the investment are sold through band, vouch the sale proceeds by reference to the banker's advice.	
		6	In case the investment relate to any earmarked fund then please check that the profit or loss on sale of investment are duly transferred to that fund.	
9	**Receipt of Rent**	1	Verify the receipt of rent by reference to the counterfoils or carbon copies of the rent receipts.	
		2	Check the entries made for the rent received in advance.	
		3	Verify that the amount received in advance is duly credited to 'rent received in advances account' and not to rent account. In the following year, vouch reverse entry.	
		4	Check entries in respect of rent outstanding in the following year reverse entry should be checked.	
10	**Commission received**	1	Obtain list of names of parties from whom the commission is receivable and also the rate of commission in each case.	

		2	Verify the commission received from the counter-falls or the carbon coppices of the receipts issued to the parties.	
		3	Check the entry regarding commission due but but received.	
		4	In case the commission is received from a party outside India then please check the same by reference to bank advice and also ensure that the requirement of FEMA have been duly complied with.	
11	**Insurance Claims**	1	Check the copy of the insurance claim lodged with the company to verify the amount for which claim is lodged.	
		2	Check the copy of the receipt issued to the insurance company for the amount received.	
		3	Verify that the respective asset account has been duly adjusted for the amount of insurance claim.	
12	**Interest received from Banks**	1	Verify the entry in this regard by reference to the advice received from banks.	
		2	Check that the deposits are in the same name of the entity.	
		3	In respect of the interest on fixed deposits please ensure that they are accounted for on accrual basis, as the interst is paid by the bank only after the expiry of the fixed deposit.	
13	**Interest received on debentures subscribed to by the entity.**	1	Verify the receipt of interest by reference to the interest warrant received from the company.	

		2	Verify the certificates regareding tax deucted at source (TDS) on such interest.	
		3	Check that the full amount of interest is duly credited to the interest account.	
		4	Check that the interest is received as per the terms and coditions of the issue of debentures.	
14	**Interest received from parties to whom loans have been given**	1	Check that the rate of which the interest is paid by the borrowe is as per the terms and conditions of the agreement.	
		2	Verify that the cheque for the interest are in the same name of the entity.	
		3	Check that the interest is correctly credited to the interest account and the corresponding debit is raised to the cash/bank account.	
15	**Interest received on government securities**	1	Verify the interest received by reference to the interest warrant.	
		2	Verify and ensure that the cheque received Is duly realized.	
		3	Check and ensure that the cheque is in the name of the entity.	
		4	Examine and ensure that provision is duly made in respect of interest accrued and due and also in respect of interest accrued but not due.	
16	**Interest received from customers**	1	Verify the receipt of interest by reference to the counterfoil or the carbon copies of the receipts.	

		2	If interest is received along with the debt, them check and ensure that interest element is separated and credited to the interest account.	
17	**Receipt of Dividend**	1	Check that the dividend warrant is in the name of the auditee.	
		2	Veriy the dividend received by reference to the dividend warrant and entry in the bank account.	
		3	Check that the dividend is actually realised.	
		4	If the shares are sold ex-dividend then ensure that the dividend is actually realised.	
		5	If the shares are purchased cum-dividend then ensure that the dividend is actually received.	
18	**Royalty received**	1	Verify the royalty agreement and provisions for calculating the royalty.	
		2	Verify the correspondence with the party and check the calculations for the royalty received.	
		3	To check the counterfoils/carbon copies of the receipts issued to the party.	
19	**Miscellaneous receipts**	1	Depending upon the type and the character of the receipt, the auditor should verify the following-	
			(i) agreement or contract, if any entered into with the party.	
			(ii) corresponding, if any with the parties,	
			(iii) other documents, if any.	
		2	Check the calculations wherever applicable.	
		3	Check the counterfoils/carbon copies of the receipts issued to the party.	
			Checklist for audit of Receipts and Payments Account	

1	**Opening Balances**		This situation generally arises only in the case of cash book containing a bank column. In such cases, there can be credit balance in the bank column i.e., when there is overdraft. The auditor has to verify this from the cash book of previous year	
2	**Cash Purchases**	1	Check that the purchases are duly authorised by a responsible officer.	
		2	Check cash purchases by reference to cash memos or receipted bill.	
		3	Check that the purchase account account is duly debited.	
		4	In case and discount is availed of, pleas check that only the net amount is debited to the purchases account.	
3	**Payment to creditors**	1	Verify the payment to creditors with reference to the receipts issued by the creditors.	
		2	Check that the payment is an agreement with the invoice received from the parties.	
		3	In case the payment is made in full and final settlement, the difference should be adjusted.	
		4	Check the statements of account.	
		5	In case the payment is made in excess of the amount due or where a bill is paid twice, then enquire into the reasons therefore. Also ensure that the excess amount paid is received back form the creditor or deducted from the subsequent bills.	
4	**Bills Payable**	1	In case of bills payable when payment is made, the bill is returned by the person concerned. Check whether the bills so received are duly cancelled.	
		2	Verify the payment made by reference to the bills payable so cancelled.	
		3	Verify the payment made by reference to the bills payable in this regard.	

		4	Verify whether there are any bills in respect of which payment has not been made on due date.	
5	**Bills receivable dishonoured**	1	Verify the bills that have been returned by the bank after dishonor and the payment subsequently made by the client to the bank.	
		2	Check that the amount is duly debited to debtors account.	
		3	Check the commission charged by bank and the recovery thereof from debtors.	
6	**Purchase of Fixed Assets**	1	Verify whether there is proper authority for the purchase of assets.	
		2	Check the payment made by reference to the invoice received from the supplier.	
		3	Check that the title to the assets belongs to the entity.	
		4	Check that all expenses incidental to the purpose of assets have been duly capitalised.	
		5	In case the property is purchased through broker see the broker's note and also see that the brokerage paid on the purchase of the asset is duly capitalised.	
7	**Purchase of investment**	1	Check that the investment are purchased only on basis of appropriated authority.	
		2	In case the investment are purchased cum-dividend please ensure that the dividend is actually received and the amount of dividend id excluded from the purchase price.	
		3	Check the purchase of investment by reference to the broker's bought note.	
		4	Verify the investment physically, where investment are held by bankers, obtain a bankers, obtain a bankers' certificate in this regard.	

		5	Check and ensure that the investments are in the name of entity.	
8	**Loans and Advances**	1	Check the payment of loan by reference to the receipt given by the borrower.	
		2	If the loan is given on the basis of security verify that the amount of loan does not excised the value of security.	
9	**Repair to assets**	1	Check that the repairs are undertaken only on the basis of permission of appropriate authority.	
		2	Check that the repairs of capital nature are not debited to profit and loss account and the amount is included in the cost of assets.	
		3	In case the repairs are undertaken by the client internally then ensure that appropriate amount is duly transferred to the repairs account.	
10	**Patents and Copyrights**	1	Where the patents and copyrights are purchased please check the following:	
			(i) To check the agreement for purchase of patents and copyrights and verify the receipt for payment.	
			(ii) To check that all expenses connected with the purchase of patents and copyrights are duly included in the cost thereof.	
		2	Where patents are secured through research, check the following:	
			(i) To verify whether all the expenses incurred in connection with the research and equipment for creation of patents are duly capitillised as part of the cost of patents.	
			(ii) To check the evidence for all the expenses incurred and payments made.	
11	**Commission to Agents**	1	Check that the rate of commission is as per the terms and conditions and also check the correctness of the amount.	

		2	If the commission is granted on the realisation of debtors, then see that the amount due from debtors is actually realised.	
		3	Verify the payment of commission by reference to the receipt given by the agent.	
		4	Check whether the payment of commission to agent is authorised.	
12	**Travelling Expenses**	1	To examine the rules and regulations framed by the entity in respect of reimbursement of travelling expenses.	
		2	Check that payment Is made on the basis of documentary evidence produced by the person concerned to whom the expenses are reimbursed.	
		3	Check that the expenses are reimbursed on the basis of approval of appropriate authority.	
		4	Check whether the expenses reimbursed by the entity are on the basis of actual amount expended or on the basis o fixed allowance per day.	
		5	In the case of foreign travelling expenses, please check that the permission of RBI/ government has been duly obtained for the foreign exchange outgo involved.	
		6	In case any advance is given to employees, then check whether such advance has been appropriately adjusted.	
13	**Advertisement**	1	Generally advertisement are booked through agents and payment is made to the agents directly. Check the bill given by the agent in this regard	
		2	Check that the bill is appropriately supported by the paper-cutting of the advertisement.	
		3	Check the payment for advertisement on the basis of recipt given by the agent in this regard.	
14	**Excise Duty**	1	To note that excise duty is paid in advance and any amount so paid is set-off against the goods manufactured and cleared on factory gate	

		2	Check that the amount is deposited in a separate bank account through challan.	
		3	Check that the payment is duly authorised.	
		4	Check the payment id made periodically with the statement issued by the excise department.	
		5	Check that the voucher is supported by receipted challan.	
15	**Income Tax**	1	Check the accounting year for which the payment has been made. Also verify whether the payment is advance tax payment or payment on the final assessment.	
		2	Check the receipted challans for payment and also the assessment order, wherever applicable.	
		3	To see the orders on appels, If any.	
		4	To see that the ledger accounts for payment of income tax are maintained separately for different accounting years. This will be helfful where advance tax is paid every year in instalments and the final assessment is completed after a few years.	
		5	Check whether the interest on belated payment of income tax is properly recorded.	
16	**Sales Tax**	1	Check the received challan in support of the payment voucher and also the assessment order where the assessment has been completed.	
		2	Check whether the assessee has recorded sales tax payment in respect of State Sales Tax and Central Sales Tax separately.	
		3	Check the returns and verify the calculations so as to ensure the correctness of the amount paid.	

PROFORMA SHOWING THE PROGRESS OF AUDIT

Name of the Autonomous Body:

Sl. No.	Particulars	
1.	Date of submission of the accounts to the Audit by the Autonomous Body	
2.	Where applicable, reasons for returning the accounts for revision indicating why the accounts could not be certified with qualifications.	
3.	Date of submission of revised accounts to Audit where revision was considered essential.	
4.	Dates on which audit was taken up and completed.	
5.	Date of issue of draft SAR to Autonomous Body for replies / comments.	
6.	Date of receipt of replies/comments from Autonomous Bodies (if received).	
7.	Date of issue of draft SAR including replies/ comments of Autonomous Body along with an Aide-Memoir to CAG's office for approval.	
8.	(a) Date of CAG's office letter communicating approved SAR.	
	(b) Date of receipt of letter and approval at 8 (a).	
9.	Date of issue of final Audit Report to Govt. of India/ CAG's office.	
	English version	
	Hindi version (if required)	
10	Reasons for delay, if any, at various stages.	
11	Dates of presentation of the previous Audit Reports before Parliament.	**Annual Report:** **LokSabha:** **RajyaSabha:**

Senior Audit Officer

CHECK LIST

Item No.	Name of Item	Whether enclosed with draft SAR
1.	Proforma showing year, submission of accounts, dates of audit and status of presentation of previous audit reports before	

	Parliament/legislature dully filled in all respects.	
2.	Copy of resolution/ minutes of the authority approving the accounts/ revised accounts.	
3.	Two copies of draft SAR with	
	(a) Key-linking of figures with accounts	
	(b) Statement showing key-workings of the effect of audit comments on the accounts.	
4.	Aide-Memoir	
5.	Two copies of draft audit certificate.	
6.	One copy of authenticated annual accounts accepted in audit for certification.	
7.	A brief note on the evaluation of internal control.	
8.	(a) Total No. of units of the Autonomous Body.	
	(b) Number/ name/ location of units selected for audit, and	
	(c) Name of units whose comments have been considered while finalizing comments in SAR.	
9.	Statement regarding ranking of functions/ activities as per circular letter no. 101-Rep(AB)/79-2005 dated 20.04.2005.	

Senior Audit Officer

CERTIFICATE

Certified that:

1. The accounts have the approval of the competent authority/ management before submission to audit and a copy of resolution/minutes about approval of accounts is enclosed.
2. All investments in all accounts of the organisation as on 31stMarch .... (as mentioned on the asset side of the Balance Sheet) were under proper authorization/ orders of the Authority specifically delegated in this behalf.
3. The physical verification of assets of Port was not done since ..../ was done on........
4. The physical verification of inventory has not been done during the year ..../ was done on..................
5. Correctness of facts and figures in the audit comments included in the draft SAR is ensured.
6. Brief note on Internal Control required to be submitted to headquarters along with the Draft SAR as per Head Quarter's circular No. 249/Rep(AB)/91-03 dated 05.04.2004 has been prepared, issued to management and enclosed to the Draft SAR.
7. Risk analysis report and ranking of functions/activities of the organisation required to be submitted to the head quarters along with the SAR as per letter No. 101/REP(AB)-79/2005 dated 20.04.2005 has been enclosed to the Draft SAR.
8. The action taken note of the management to the previous year's Audit Report has been obtained and reviewed. Unsettled audit comments having material effect on the accounts have been carried forward to the present Draft SAR.
9. Previous years' balances were correctly brought forward and grand total shown are in agreement with the last year account.

Senior Audit Officer

List of records to be checked

1. Minutes and agenda of the meeting of Board of Trustees
2. General Ledger
3. Journal Vouchers
4. Subsidiary ledgers
5. Trial Balance and its groupings
6. Sub-schedules to the schedules and financial statements
7. Accounts codification/classification/manual
8. Major Port Trust Act
9. Common framework for financial reporting of Port Trusts by S.B.Billimoria& Co.
10. Review of Investments and accrued interest thereon.
11. Cash book, bank book, bank vouchers, cash vouchers
12. Past year comment verification.
13. Bank statements.
14. Provision for Gratuity and Pension.
15. Cenvat Credit Details
16. CISF Files & KV School
17. Temporary Advance Register
18. Capital Work in Progress
19. Depreciation Schedule
20. CSR Expenditure
21. Investment in M/s IPRCL
22. Files regarding PRD, BCD,Harbour Works Division I & II.
23. Various expenditures files
24. Various Works Audit files
25. Debtors' Files
26. Demand for Demurrage Files
27. Capitalisation of assets, addition/deletion details.
28. Government of India Loan and provision for liability thereof.
29. Various Outstanding Debtors Files
30. Records of all division, section relating to works
31. Construction files
32. Records of TM section
33. Fixed assets register, depreciation files/schedules
34. Advance files/ledgers
35. Bill registers for various incomes and expenditures
36. Railway workings files
37. Dues regarding Water charges files
38. Accrued expenditure records of sections
39. Legal files
40. Bills preferred by/on PPT
41. Various other registers maintained by various departments

Detailed calculation for Expenditure, Grants in Aid and percentage of Salary and Wages to total Expenditure

(₹ in Crore)

YEAR	Total Grants received	Total expenditure	Total salary expenditure	Percentage of salary to total expenditure
2016-17				
2017-18				
2018-19				
Total				
Average				
Weighted Points				

Senior Audit Officer

Risk Analysis and Ranking of Activities of ....

(Evaluated as per the criteria laid down in Head Quarter's circular No. 10/Rep(AB)/79/2005 dated 20.04.2005)

Risk Parameters Functional Areas/ Main activities	**Financial Materiality (L/M/H)**	**Significance (L/M/H)**	**Visibility (L/M/H)**	**Cover age (L/M/ H)**	**Past audit findings (including SAR comments) (L/M/H)**	**Overall grade (L/M/H)**
1	2	3	4	5	6	7
Estate Management						
Railway Working						
Port & Dock facilities						
Cargo Handling & Storage						
Mgt. & general Admn.						
Fin & Misc. Expenses						

(L= Low, M= Medium and H= High)

Senior Audit Officer

Workings:

A. Financial Materiality

Activity		Income	Expenditure	Ranking
		Amount (₹ in crore)	Amount (₹ in crore)	
1.	Estate Management/Rentals			
2.	Railway Earning/Working			
3.	Port & Dock facilities			
4.	Cargo Handling & Storage			
5.	Mgt. & General Admn. Expenses			
6.	Fin & Misc.			

B. Significance

Activity		Nature of activity	Ranking
1.	Estate Management		
2.	Railway Working		
3.	Port & Dock facilities		
4.	Cargo Handling & Storage		
5.	Management &General Administration		
6.	Fin & Misc. Expenses		

C. Visibility

Activity		Media reports/ Complaints	Ranking
1.	Estate Management		
2.	Railway Working		
3.	Port & Dock facilities		
4.	Cargo Handling & Storage		
5.	Management &General Administration		
6.	Fin & Misc. Expenses		

D. Coverage

Activity		**Extent of Coverage of**		**Ranking**
		C&AG Audit	**Internal Audit**	
1.	Estate Management			
2.	Railway Working			
3.	Port & Dock facilities			
4.	Cargo Handling & Storage			
5.	Management & general Administration			
6.	Finance&Miscellaneous Expenses			

E. Past Audit Findings including SAR comments

Activity		PA/DPs	Comments in SAR 2017-18	Ranking
1	Estate Management			
2	Railway Working			
3	Port & Dock facilities			
4	Cargo Handling & Storage			
5	Management &General Administration			
6	Finance& Misc. Activity			

GENERAL CHECKLIST FOR CERTIFICATION OF ACCOUNTS OF CENTRAL AUTONOMOUS BODIES		
Name of the Unit:		
Year of Audit:		
General Points		
No	Particulars	Comments
1	Whether the accounts of the entity have been approved by the competent authority?	
2	Whether the certificate for physical verification of cash was obtained from AB?	
3	Whether confirmation of Bank Balances */Fixed* Deposits from the respective Banks taken by AB/Internal Auditor?	
4	Whether confirmation of Debtors/Loans and Advances from respective parties was taken?	
5	Whether Significant Accounting Policies are formed in compliance of AS-1, specifically regarding basis of preparation of accounts such as accrual basis, Revenue Recognition, Valuation of Investment, Fixed Assets, Depreciation on Fixed Assets, Accounting of Earmarked funds and Endowment funds, Accounting of Grants, Retirement benefits and application of Accounting Standards?	
6	Whether bank reconciliation statement is being prepared regularly? If there are very old cases appearing in the bank reconciliation than the same needs to be properly investigated. If required suitable provisions for the same needs to be made in the accounts.	
7	Whether contingent losses have been accounted for as per the requirement of AS 4? The amount of a contingent loss should be provided for by a charge in the statement of I & E Account if it is probable that future events will confirm that, after taking into account any related probable recovery, an asset has been impaired or a liability has been incurred as at the balance sheet date, and a reasonable estimate of the amount of the resulting loss can be made. The existence of a contingent loss should be disclosed in the financial statements if above conditions is not met.	
8	Contingent gains should not be recognised in the financial statements.	
9	Assets and liabilities should be adjusted for events occurring after the balance sheet date that provide additional evidence to assist the estimation of amounts relating to conditions existing at the balance sheet date.	
10	In multi-unit ABs it may be checked that accounts of all units were merged in the consolidated financial statements. Wherever accounts of all the units have not	

	been merged, impact of the same on the accounts/Statement of I & E Accounts/assets and liabilities should be given and quantified. Further the certificate of physical verification of cash balance, bank balances, fixed deposits, investments, physical verification of fixed assets of field units should be verified.	
11	In multi-unit ABs, the grant transferred to field units should not be treated as expenditure until actual expenditure is done by unit by the yearend. If the grant was not utilised by the field units by year end than the same should be treated as unutilised grant.	
12	Whether there is change in rate/accounting policy on depreciation. If so, the same needs to be disclosed and quantified?	
13	Whether autonomous body has drawn its accounts in the uniform format of accounts/new format of accounts prescribed by MHRD in case of educational institutions?	
Fixed Assets		
1	Whether all additions to assets with account heads have been carried out with proper approvals and no inadmissible expenditure has been capitalized?	
2	Whether the sale and disposal records of the assets sold or disposed off during the year and the capital gain / loss thereof accounted for?	
3	Whether all fixed assets are physically in existence and certificate for the same has been obtained from AB?	
4	List of all works-in-progress as on 31st March with details of expenditure booked during current financial year should be checked. Whether all completed items have been removed from the work in progress and debited to concerned assets account?	
5	Existence of proper record relating to ownership of land	
6	Subsequent expenditures related to an item of fixed asset should be added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance in accordance with the accounting standard.	
7	Material items retired from active use and held for disposal should be stated at the lower of their net book value and net realisable value and shown separately in the financial statements.	
8	The assets acquired from the sponsored projects funds should be included in fixed assets schedule only if the ownership in these assets has been transferred to AB. If ownership of assets has not been transferred to AB than the same should be shown in Notes to Accounts with	

	full detail.	
Investment		
1	The value of investment as depicted in investment register should tally with the value of investment depicted in Balance Sheet. The discrepancy should be thoroughly checked and commented upon	
2	The investment should be physically verified and ensure that they are in the name of entity.	
3	Investments classified as short term investments should be carried in the financial statements at the lower of cost and fair value determined either on an individual investment basis or by category of investment, but not on an overall basis	
4	Investments classified as long term investments should be carried in the financial statements at cost. However, provision for diminution shall be made to recognise a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individual.	
5	Whether any investment is pledged by ABs against a short term/long term loan. If so, the same is disclosed suitably?	
Cash and Bank		
1	Whether the fixed deposits register tallies with certificates/confirmation issued by the bank?	
2	The figures of certificate of physical verification of cash in hand should be tallied with the figures depicted in Balance Sheet.	
Debtors		
1	Whether categorization is made for debtors outstanding for more than 6 months and otherwise?	
2	Whether old balances outstanding for more than 5 years at the year-end checked and reviewed? Doubtful debts must be calculated by scrutinizing the overdue debtors.	
3	Whether adequate provision for bad and doubtful debt has been made?	
Earmarked/Endowment Funds		
1	All transactions of these funds (revenue and capital in nature) should be routed through these funds.	
2	It may be seen that negative balances (overspent amount out of these funds) are authorized and receivable	
3	The profit or loss on sale of investments out of Earmarked Funds should be transferred to that fund.	
4	Interest earned on investment made out of these earmarked funds should be credited to the funds	
Current Liabilities		
1	Whether provisions for retirement benefits had been	

	made in the accounts on actuarial basis? Non-provision/under provision of retirement benefits should be suitably commented upon.	
2	Whether suitable provision for salary/allowances for the month of March has been made or not? It should be seen that AB should have made provision for these expenses during previous year also. If no opening provision had been made than suitable comment for the same also needs to be taken.	
3	Whether liability for unspent grant has been provided? The advances on capital accounts should not be treated as utilization of grant and should be shown as unutilized grant.	
4	Whether the assumptions made by the actuary were realistic and based on current trends?	
Income		
1	Whether grant in aid has been properly segregated and only grant for revenue purpose is recognized as income in I& E Accounts?	
2	The grant for capital expenditure should be routed through Balance Sheet.	
3	Grants received before 31st March but the cheques there against received in April or next financial year should be taken in the accounts and equal amounts should be shown as recoverable from the grantor.	
4	Whether loss/profit on sale of fixed assets has been properly accounted for?	
5	Whether all items of income such as rent for quarters, office premises,shops, banks and post offices, electricity charges due but notreceived/recovered have been accounted for?	
Expenditure		
	Whether the accrued expenditure for salary/rent/electricity bill etc hasbeen booked for 12 months ending March?	
	Whether Prepaid expenses against Insurance Premium, Annualmaintenance contracts and any other item of expenditure where thebenefits spills over to the next financial year and the periods covered bysuch payments have been accounted for properly?	
Receipt and Payment Account		
	It should be ensured that only actual cash transactions should be depictedin R & P Account as it is observed that sometime R & P Account includedreceivable/payable amounts.	
	Please check that closing balance of cash/bank balances of Receipt andPayment Accounts tally with the closing balance of cash/bank balances ofBalance Sheet	

Adequacy of Internal Audit System

No	Particulars	
1	Whether internal audit wing is established in the autonomous body?	
2	Whether internal audit covered all activities/wings of the autonomous body?	
3	Whether internal audit wing is reporting to the head of the autonomous body or not?	
4	Whether internal audit findings are promptly issued to the concerned wings and their response received timely?	
5	Outstanding internal audit para.	
6	Whether corrective measures are being taken on the findings of Internal Audit by the management?	
7	If internal audit is being conducted through Chartered Accountant firms, in that case again the above conditions as well as the appointment letter may be examined to ensure that all the important decisions/activities of the autonomous body were covered in audit.	

Adequacy of Internal Control System:

No	Particulars	
1	Whether there is clear delegation of powers amongst the management?	
2	Whether the Recruitment Policy and Rules are laid down?	
3	Whether there is Governance Body/BOG/ Management Committee/BODin place in the organization?	
4	Whether numbers of meeting of BOG/different committees were held as per the manual provisions? Deficiencies if any may be suitably pointedout?	
5	Whether the AB has its Accounting Manual?	
6	Whether Cash Book is being maintained in prescribed form?	
7	Whether a certificate after physical verification of cash is recorded by theofficer?	
8	Whether the surprise check of the cash is being carried out periodically?	
9	Whether bank reconciliation statement is being prepared regularly?	
10	Whether Internal Control safeguards are put in place by management of anorganisation to provide assurance that its activities are proceeding asplanned?	
11	Whether the system ensures that all the assets of the organisation and itsresources are safe from all type of loses?	

12	Whether Internal Control system ensures an essential information andcommunication within the organization?	
13	Whether Internal Control system is designed to provide reasonableassurance that all operations of the entity are strived to achieve its generalobjectives?	
14	Whether the MIS is available?	
15	Whether I.T. Controls are in place such as use of automated system?	
16	Whether there is standard guidelines/manual for the purchase/procurement in place in the organization?	
17	Whether there is laid down procedure for the appointment of consultant oncontract? Whether there is any system in vogue to assess the performanceof the consultant appointed on contract?	
18	Whether every transaction is supported by an authentic voucher andvouchers are serially numbered?	

System of Physical verification of fixed assets

No	Particulars	
1	System of physical verification of fixed assets. Whether done annually, biannually or otherwise? Whether fixed assets have been physically verified by the management at the end of the year?	
2	Whether any material deficiencies were noticed on physical verification and if so, the same have been properly dealt with in the books of accounts?	
3	Whether fixed assets register had been maintained in the proper format?	
4	Who carried out physical verification of fixed assets, independence of Person/*committee*	
5	In case no PV has been conducted the period from which it has not been one may also be brought out to show the gravity.	

System of Physical verification of inventory:

No	Particulars	
1	Whether the physical verification of inventory has been carried out by the management at reasonable intervals?	
2	Whether the item wise, highest and lowest levels of consumable stock have been fixed and maintained?	
3	Whether inventories were issued based on proper authentication?	

WORKINGS ON REVIEW OF ACCOUNTS

Particulars		**Financial Year**		
		2018-19	**2017-18**	**2016-17**
No		₹ in Crore	₹ in Crore	₹ in Crore

	(i) Capital Reserve			
1	Reserve for repayment of initial Investment			
2	Replacement, Rehabilitation, Modernisation Of Capital Assets Fund			
3	Development, Repayment of Loans & Contingencies Fund			
4	Capital Reserve			
4a	**Total Capital Reserve (Total of Point 1 to 4)**			
	(ii) Other Reserves			
5	General Reserve			
6	E. L. Encashment Fund			
7	Employees Welfare Fund			
7a	**Total General Reserve (Total of Point 5 to7)**			
	(C) Working Capital			
8	Current Assets			
9	Less Current Liability			
10	**Net Current Assets/Working Capital (8-9)**			
11	(D) Net Worth (Free Reserves minus accumulated deficit)			
	(E) Capital Employed			
11 (a)	**Net Fixed Assets**			
	Working capital (as calculated as point no C above)			
12	**Capital Employed excluding CWIP**			
	Add: Capital Working Progress			
13	**Capital Employed including CWIP**			

14	**Net Surplus before Provision for Tax**			
	(F) Return on Capital			
15	**Return on Capital Employed excluding CWIP** Net Surplus before Income Tax (14)/Capital Employed excluding CWIP (12)*100			
16	**Return on Capital Employed excluding CWIP** Net Surplus before Income Tax (14)/Capital Employed including CWIP (13)*100			
17	**Operating Income**			
	REVENUE			
	(i)Operating Income			
	(ii)Non-operating Income			
	TOTAL			
	EXPENDITURE			
	(i)Operating Expenditure			
	(ii)Non-operating Expenditure			
	TOTAL			
	Net Surplus/(Deficit) before tax			
18	**Percentage of Operating Income**			
	Net Surplus before Income Tax (14)/Operating income (17a)*100			
19	**Percentage of Net Fixed Assets**			
	Net Surplus before Income Tax (14)/Net Fixed Assets (11a)*100			
20	**Percentage of Net Worth**			
	Net Surplus before Income Tax (14)/Net Worth (11)*100			
21	Percentage of Current Assets to Current Liabilities			
21a	Current Assets			
21b	Current Liabilities			
	Current Assets/Current Liabilites %			
22	**Percentage of Quick Assets to Current Liabilities**			
	Quick Assets			

	Accrued Interest on Investment			
	Sundry Debtors			
	Cash & Bank Balance			
22a	Total Quick Assets			
22b	**Total Quick Assets (22a)/Current Liabilites (9)*100**			
23	**Percentage of Sundry Debtors to Operating Income**			
23a	Sundry Debtors			
	Sundry Debtors to Operating Income			
24	**Debt to Capital Reserve & General Reserve Ratio**			
	Capital Reserve (4a)			
	General Reserve (7a)			
	Total			
	Reserve for repayment of initial Investment/Debt			
24a	**Debt/Capital Reserve & General Reserve Ratio**			

DRAFT SEPARATE AUDIT REPORT

Draft Separate Audit Report of the Comptroller & Auditor General of India on the accounts of ....for the year ended 31st March, ...

1 We have audited the attached Balance Sheet of .... as at 31st March .... and the Profit and Loss Account for the year ended on that date under Section 19 (2) of Comptroller & Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 read with Section 102 (2) of the Major Port Trusts Act, 1963. Preparation of these financial statements is the responsibility of the ....'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

2 This Separate Audit Report contains the comments of the Comptroller & Auditor General of India (CAG) on the accounting treatment only with regard to classification, conformity with the best accounting practices, accounting standards and disclosure norms etc. Audit observations on financial transactions with regard to compliance with the Laws, Rules & Regulations (Propriety and Regularity) and efficiency-cum-performance aspects etc., if any, are reported through Inspection Reports/CAG's Audit Reports separately.

3 We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidences supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides reasonable basis for our opinion.

4 Based on our audit, we report that:

i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) The Balance Sheet and Profit and Loss Account dealt with by this report have been drawn up in the format approved by the Government of India under Section 102 (1) of the Major Port Trusts Act, 1963;

iii) In our opinion, proper books of accounts and other relevant records have been maintained by the ....as required under Section 102 (1) of the Major Port Trusts Act, 1963 in so far as it appears from our examination of such books.

iv) We further report that:

A BALANCE SHEET

A.1 Application of fund

A.1.1 Fixed Assets

A.1.2 Investments

A.1.3 Current Assets, Loans & Advances

Cash & bank balances

Bank Balance

Bank A/c

A.1.4 Current liabilities & provisions (Schedule-6)

B Profit & Loss Account

C.1 General

D. Management Letter: Deficiencies which have not been included in the Audit Report have been brought to the notice of …………………………… through a management letter issued separately for remedial/corrective action.

v. Subject to our observations in the preceding paragraphs, we report that the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.

vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Accounting Policies and Notes on Accounts, and subject to the significant matters stated above and other matters mentioned in Annexure-I to this Audit Report give a true and fair view in conformity with accounting principles generally accepted in India:

   a. In so far as it relates to the Balance Sheet, of the state of affairs of the ....as at 31 March ....; and

   b. In so far as it relates to Profit and Loss Account of the surplus for the year ended on that date.

5. A review of accounts showing the summarized financial results of the ....for the last three years ended 31 March .... is given in Annexure-II.

Place: Kolkata
Date:

Director General of Commercial Audit
& Ex-Officio Member Audit Boar-I,
Kolkata

ANNEXURE – I TO AUDIT REPORT

(a) Adequacy of the Internal Audit System: Internal Audit for the year ....was conducted by a firm of Chartered Accountants. The Audit coverage was not comprehensive. Moreover, no action taken note/compliance report on the observations were found on record. Further, it could not be ascertained whether the Internal Audit Reports were put up to the Chairman for review and appraisal of the Board of Trustees. Thus the Audit Objectives were not fulfilled and hence the Internal Audit was not adequate and commensurate with the size and nature of the business.

(b) System of Physical Verification of Fixed Assets: No Physical Verification of fixed assets was done after .... No effort was made to evolve system of verification either departmentally or through outsourcing. (Write as appropriate)

(c) System of Physical Verification of Inventories: The physical verification of inventory for the year ....has not been conducted. This exercise should be conducted annually for better management of inventory. (Write as appropriate)

(d) Regularity in payment of statutory dues: According to the information and explanations given to us and the records of the Trust examined by us, ... is generally regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax, Custom Duty, Service Tax, Sales Tax, Royalty, ESI dues, Cess etc. and any other material statutory dues applicable to the Trust.

(

Dy. Director

ANNEXURE – II TO AUDIT REPORT
FINANCIAL POSITION OF ....

REVIEW OF ACCOUNTS OF ...., PARADIP FOR THE YEAR ENDED 31 MARCH .... BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

Note: This review of Accounts has been prepared without taking into account the audit observation/comments contained in the Audit Report of the Comptroller and Auditor General of India.

1. INTRODUCTION

The audit of accounts of the .... was conducted under Section 19(2) of the Comptroller and Auditor General of India's (Duties, Powers and Conditions of Service) Act, 1971 read with Section 102 (2) of Major Port Trust Act 1963. The financial position of the Port Trust under broad headings for the last three years ending 31.03.2019 was as follows:

(₹ in Crore)

A. LIABILITIES	**2018-19**	**2017-18**	**2016-17**
(i) Capital Reserve (#)			
(ii) Other Reserve (@)			
(iii) Borrowings-			
(a) Inter Corporate Loan			
(b) Capital Debt. (Govt. of India Loan)			
(c) Institutional Loan (Asian Development Bank)			
(iv)Current Liabilities and Provisions			
(v) Other Liabilities (CPF/Pension fund etc.)			
TOTAL			
(B) ASSETS			
(i) Fixed Assets (Gross Block)			
(ii)Less: Depreciation			
(iii) Net Fixed Assets			
(iv) Work-in-Progress			
(v) Investments			
(vi) Current Assets, Loans & Advances			
TOTAL			
(C) Working Capital (*)			
(D) Net Worth (**)			
(E) Capital Employed (***)			
(F) Return on Capital Employed (****)			
(G) Capital Employed (Including Capital Work-in-Progress)			
(H) Return on Capital Employed (Including Capital Work-in-Progress)			

(#) Capital Reserve represents 'Reserve for repayment of initial investment', 'Replacement, Rehabilitation, modernisation of Capital Assets Reserve' and 'Reserve for Development, Repayment of Loans and Contingencies' and Capital Reserve as well.

(@) Other Reserve represents 'General Reserve', 'EL encashment fund' and 'Employees Welfare Fund'.

(*) Working Capital represents Net Current Assets i.e. Current Assets minus Current Liabilities.

(**) Net worth represents Free Reserves less accumulated deficit.

(***) Capital Employed represents net fixed assets plus Working Capital.

(****) Rate of Return represents percentage of Net Surplus (before provision for tax) to Capital Employed.

3. SUMMARY OF WORKING RESULTS

The working results of ....for the last three years ending 31 March .... are summarized below –

(` in Crore)

		2018-19	2017-18	2016-17
(A)	REVENUE			
	(i)Operating Income			
	(ii)Non-operating Income			
	TOTAL			
(B)	EXPENDITURE			
	(i)Operating Expenditure			
	(ii)Non-operating Expenditure			
	TOTAL			
(C)	Net Surplus/(Deficit) before tax			
(D)	Less: (i) Provision for taxation			
	(ii) Deferred Tax Liability			
(E)	Net Surplus/(Deficit) after tax			
(F)	Less: Mandatory appropriation/ Transfer to Reserve Fund			
(G)	Surplus/(Deficit) transferred to General Reserve fund			
(H)	Percentage of Net Surplus (before tax) to			
	(a) Operating Income			
	(b) Net Fixed Assets			
	(c) Net Worth			

4. RATIO ANALYSIS (LIQUIDITY AND SOLVENCY)

No	Ratios	2018-19	2017-18	2016-17
(a)	Percentage of Current Assets to Current Liabilities			
(b)	Percentage of Quick Assets to Current Liabilities			
(c)	Percentage of Sundry Debtors to Operating Income			
(d)	Debt to Reserve and Surplus			

Dy. Director

Financial implications of the audit comments incorporated in the Draft SAR of ....

Financial implications of the audit comments incorporated in the Draft SAR of Paradip Port Trust for the year 2018-19

` in crore

Sl. No.	Para no.	Balance sheet				Profit & Loss Account		Remarks
		Liablities		Assets		Surplus		
		Overstatement	Understatement	Overstatement	Understatement	Overstatement	Understatement	
1								
2								
3								
4								
5								
6								
7								
8								
9								
	Total							
		Liablities understated by		Assets overstated by		Net Surplus overstated		

CALCUTTA DOCK LABOUR BOARD

Profile

Calcutta Dock Labour Board (CDLB) was constituted on 02.09.1952 in terms of Section 5A of the Dock Workers (Regulation of Employment) Act, 1948. The Board started functioning from 05.10.1953 under the Calcutta Dock Workers (Regulation of Employment) scheme, 1951. This Scheme was revised in 1956. Another scheme, known as the Calcutta Unregistered Dock Workers (Regulation of Employment) scheme, 1957 was implemented from 1957. Both the Schemes were repealed and three new schemes were framed in 1970. Out of those three schemes, two schemes are still functioning and one scheme was revoked.

Calcutta Dock Labour Board is now administering the following two schemes:-

a. The Calcutta Dock Workers (Regulation of Employment) Scheme, 1970 (hereinafter referred to as General Scheme), and

b. The Calcutta Dock Clerical & Supervisory Workers (Regulation of Employment) Scheme, 1970.

The main functions of the board

1. Administering two Govt. of India Schemes for regulation of employment of registered dock workers in the Port of Kolkata.
2. Loading and Unloading of cargo on board the vessel in KDS of Kolkata Port by registered dock workers.

Objective of the Calcutta Dock Labour Board

1 Improve qualitative and quantitative on-board cargo handling in KDS of KoPT

2 Increase employment level of dock workers.

3 Increase average level of productivity

4 Maintain loss of man-days at zero level.

Organisational Set-Up

The Board was comprised of 15 members representing five members each from the Central Government, the dock workers and the employees of dock workers /shipping companies. A member other than a member representing the Central Government shall hold office for a period of three years from the date of notification of appointing him as a member but an outgoing member shall continue in office until the appointment of his successor was notified in the official Gazette.

The day to day activities are carried by the Chairmen who is assisted by the deputy Chairman and Chief accounts Officer. Currently Shri R.P.S. Kahlon, IAS held the post of Chairman and Shri G.M. Chatterjee held the post of Chief Account Officer

Performance of CDLB

Commodity wise traffic handled by the registered workers during the years 2013-14 to 2014-15 were as follows:-

Cargo	**Tonnage Handled (in MTs)**	
	2013-14	2014-15
General	77949	117716
Log	381196	187113
Iron & Steel	159339	139502
Bag	47925	14327
Bulk	54339	343216
Container(Tons)	5108843	5803447
Container(TEU)	483134	568389
Total(Tons)	5829591	6605321
Total No of vessels	1819	1822

Handled		

Financial Highlights of the CDLB

The Calcutta Dock Labour Board (CDLB) earned ` 5158.37 lakhs during the year 2014-15 against the ` 4698.75 lakhs of previous year CDLN made pension contribution of `4274.08 lacs in the year 2014-15 against the ` 3459.69 in the year 2013-14.

The Calcutta Dock Labour Board (CDLB) has been taking loan from CDLB (Employees) Provident Fund and CDLB (Regd. Dock Workers) Provident Fund. The amount of loan from General Fund of PF Trustees stood at `14.76 Crores as on 31.03.2015 in comparison with ` 13.13 Crores as on 31.03.2014 and `` 13.22 Crores as on 31.03.2013.

Man Power

CDLB has Total 154 employees on its roll as on 31/03/2015, out of 154 employees on the Company's roll, the total number of group A employees in the organization stands at 13.And total cargo handling workers stands 79 as on 31.3.2015

Merger with Kolkata Port trust:

The Board of Trustees of Kolkata Port Trust (KoPT) approved the proposal to merge CDLB with KoPT. Similar mergers have taken place in other ports. The employees of CDLB, whose strength is about 154, and pensioners, They will now become employees and pensioners of KoPT. But the matter could not be finalised yet as there has been huge outstanding liability in the areas of pension revision, commutation of pension, leave salary on superannuation, dearness relief, arrear pension etc.

The Board at its meeting on 27.06.2013 updated the fund support as on 31.03.2013 as `1226.35 Crores including `193.94 Crores being interest on arrears. Out of the said amount, it was proposed to sanction grant of `315.78 Crores for arrear on account of pension etc. and a further amount of `716.63 Crores for creation of pension fund in the form of 75% grant 25% interest free soft loan for 30 years with a moratorium of 10 years. The said proposal was under consideration of the Ministry.

Internal Audit:-

Board inducted Internal Audit Cell for exercising necessary control over the day to day function related to the finance and accounts. The cell was functioning under the control of one accounts officer and other audit personnel for conducting day to day audit in the field of expenses and revenue.

Internal Audit of the departments are conducted by the chartered accountants. The study of the internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

In case the internal control system does not exist or the system is weak it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

(i) Absence of appropriate segregation of duties consistent with appropriate control objectives;

(ii) Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;

(iii) Inadequate provisions for the safeguarding of assets;

(iv) Evidence of failure to safeguard assets from loss, damage or misappropriation;

(v) Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;

(vi) Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;

(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;

(viii)Absence of a sufficient level of control conscious within the organisation;

(ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and

(x) Failure to follow up and correct previously identified deficiencies in internal control.

Periodicity of the Audit

The Accounts of the board are audited under section 19(2) of the Comptroller and Auditor General of India's Duties, Powers and Conditions of Service Act, 1971. As per the manual of Autonomous Bodies Audit under section 19(2) it is essential to take up the certification of the Annual Accounts of the Port and the duty is cast on by the Comptroller and Auditor General of India by specific provision in the Parliamentary enactment.

i Transaction audit: Audit of transactions of funds of various functional departments is conducted independently throughout the year by the field audit parties.

ii Certification Audit: This relates Certification of Annual Accounts

iii Performance Audit: This audit is conducted in accordance with the instructions of the Comptroller & Auditor General of India

Applicable Rules Acts and Regulations

- Dock Workers (Regulation of Employment) Act, 1948
- The Dock Workers (Safety, Health & Welfare) Act, 1986
- The Major Port Trusts Act, 1963
- General Financial Rules 2005
- Calcutta Port Trust (Licensing of Stevedores) Regulations 1987
- Calcutta Port Trust (Distraint or Arrest and Sale of Vessels) Regulations 1989
- Port of Calcutta (Responsibility of Goods) Regulations 1975 (, 41 KB)
- Calcutta Port Rules 1994 (, 214 KB)
- Land Policy Guidelines, 2014
- Policy for Determination of Tariff for Major Port Trust, 2015
- Reference Tariff Guidelines of 2013
- Tariff Guidelines, 2005
- Upfront Tariff Guidelines 2008
- Autonomous bodies Audit Manual 2008
- Service Tax
- Income Tax (TDS, TCS, etc.,)

Audit Checks

- To Check The men in position are within the post sanctioned
- All the recoveries (GPF, EPF, Insurance premium etc.) required to be made from the salary have been made and remitted properly to the concerned authorities.
- In case of drawl of arrears, the original drawl is to be traced to satisfy that there was no double/excess payment.
- All the payments made are well supported by the bills and according to the applicable rules a note to the subsequent drawl in the form of arrears is to be noted against the original drawl in red ink.
- Expenditure on account of travelling allowance, LTA and medical claims are in accordance with the norms prescribed.
- The service books of employees are maintained upto date indicating therein the increments drawn, the leave account, annual verification certificate, all entries being attested by the competent authority, etc.
- Bonus payments are made as per statutory provisions.
- On superannuation, dues of the employees e.g. on leave salary, gratuity, and commutation of pensions etc. are paid as per applicable rules Care should be taken that no excess amount is paid to the incumbent.
- That settlement of pension account has been made as per Pension Rules prescribed To verify
- Establishment matters like pay fixation, timely recovery / adjustment of advances (TA, Medical, LTC etc.).
- To review whether PF dues (both Employees' and Employer's contribution) are deposited to RPFC regularly and reconciliation of the anomalies between PF Trustee and RPFC
- Examination of escalation bills and claimed bills for extra works and recovery thereon.
- It should be seen that instructions issued for writing Cash Book are strictly followed.
- That the Cash Book is balanced daily.
- That the actual balance of the cash in chest is invariably stated in the body of the cash book both in figures and words at the end of each month.
- That the disbursing officer checks all the entries in cash book as soon as possible after the date of their occurrence and initials the book with date after the last entry is checked.
- That each entry of payment is supported by a genuine voucher passed for payment by the Competent Authority with a certificate of disbursement signed by himself or an authorized sub-ordinate.
- That the vouchers contain full and clear particulars of the claims and all information necessary for its proper classification and identification in the account.
- The register of cheque books is maintained as per rules
- Examination of Bank account with reference to Bank Statement and Bank Reconciliation Statement, and Physical Verification report of cash
- Advances are utilized for the purpose for which they are meant.
- Accounts of temporary advances are rendered within the prescribed period.
- No. second. Advance is issued if a previous advance is outstanding for the same work/purpose for more than the prescribed period.

KOLKATA PORT TRUST

Profile of the Port

Kolkata Port is the only riverine Major Port in India, situated 232 kms. Up-stream from the Sand heads, having longest navigational channel amongst Major Ports of India and its navigational channel is one of the longest in the world. Kolkata is the earliest major port in the country .After freedom the Commissioners for the Port of Kolkata ran the port till January 1975 when Major Port Trusts Act, 1963, came into force.

The Port has two distinct dock systems - Kolkata Docks at Kolkata and a deep water dock at Haldia Dock Complex, Haldia The Kolkata Port Trust (KoPT) manages two separate dock agglomerations - the Kolkata Dock System (KDS) and the Haldia Dock Complex (HDC).

Kolkata Port handled 50.195 million tonnes (mt) of traffic in 2015-16, around 8.43% higher than the traffic handled during last fiscal which compares favourably with the growth of 4.31% registered by the major ports of India. Kolkata Dock System, one of the port's twin dock systems and port of Kolkata, formally commissioned way back in 1870, handled an all time high cargo traffic of 16.688 mt in 2015-16, recording a significant growth of 9.2% over last year. HDC, sister dock, too handled 33.507 mt in 2015-16, recording an impressive growth of 8.05% over the last year. In container traffic too, KoPT donned a mantle, recording a high of 6,62,891 TEUs in 2015-16, clocking an over 5% growth vis-à-vis last year, while retaining its 3rd rank amongst major container handling Ports. Incidentally, KDS also achieved the highest ever container throughput of 5, 77,749 TEUs in 2015-16, a noteworthy hike of 9.39% over the last year.

The port has eight departments, Administrative, Finance, Traffic, and Medical. Infrastructure & Civic facilities Division, Plant and Equipment, Marine, Material management division.

Key financial factors.

Traffic at Kolkata port increased to 46.293million tonnes in 2014-15 from 41.386 million tonnes handled in 2013-14

Kolkata port trust handled total 3267 vessels in the year 2014-15 which is highest among all the ports in India. Kolkata port handled 630094 TEUs during 2014-15 against 562020 TEUs in the year 2013-14

There is net deficient of ` 68.46 crore during the year 2014-15 as against net deficient of `70.23 crore for the previous year.

The port has achieved a record cargo throughput of 71.01 MMT and retained its 2nd position in cargo traffic among the major Ports. A quantity of ` 461.92 lakh tonnes cargo unloaded during the year 2014-15 and total 247.46 lakh tonnes cargo was loaded during the year 2014-15.

Manpower

The Company has complied with the Presidential Directives and other Government instructions and statutory provisions in the matter of reservation and concessions for different categories. As on 31/03/2015, out of 6450 employees on the Company's roll, the total number of class I employees in the organization stands at 452.

Pricing Policy

The Tariff Authority for Major Ports (TAMP) was constituted in April 1997 to provide for an independent Authority to regulate all tariffs, both vessel related and cargo related, and rates for lease of properties in respect of Major Port Trusts and the private operators located therein. The Major Ports Trust Act, 1963 was amended by Port Laws (Amendment) Act 1997 to constitute the TAMP

Applicable Rules Acts and Regulations

- General Condition of Contract

- General Financial Rules 2005
- Calcutta Port Trust (Licensing of Stevedores) Regulations 1987
- Calcutta Port Trust (Distraint or Arrest and Sale of Vessels) Regulations 1989
- Port of Calcutta (Responsibility of Goods) Regulations 1975 (, 41 KB)
- Calcutta Port Rules 1994 (, 214 KB)
- Land Policy Guidelines, 2014
- Policy for Determination of Tariff for Major Port Trust, 2015
- Reference Tariff Guidelines of 2013
- Tariff Guidelines, 2005
- Upfront Tariff Guidelines 2008
- The Major Port Trusts Act, 1963
- Upfront Tariff Guidelines 2008
- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The Explosives Act, 1884 and Gas Cylinder Rules, 2004
- The Legal Metrology Act, 2009 & Legal Metrology (Enforcement) Rules, 2011
- The Petroleum Act, 1934 and the Petroleum Rules, 2002
- The Merchant Shipping Act, 1958
- International Convention for The Safety Of Life At Sea, 2002
- The Indian Railways Act, 1989 & Wagon Investment Scheme
- Service Tax
- Customs and Central Excise Duty
- VAT
- CENVAT Credit
- Income Tax (TDS, TCS, etc.,)

Audit Checks

PP Projects

- Scope of project offered to the private operator should be carefully determined and should not be varied after bidding as this vitiates the sanctity of the bidding process.
- The Port should ensure adherence to the time frame fixed for completion of the bidding process from issue of tender to signing of CA
- Ports need to design a mechanism to ensure timely obtaining of environmental clearance for each project well before commencement of the tendering process.
- Ensure timely obtaining of environmental clearance for each project well before commencement of the tendering process.
- All the transactions involving financial implications are properly accounted for the initial accounts records are maintained accurately; strive to ensure real time transfer to the Port's account. This would prevent any arrears or need of follow up on this account
- There are no delays and / or irregularities in maintaining the Accounts reports;
- The provisions of accounting procedure, rules and regulations, orders and procedure in force and instructions issued by the Chairman/FA&CAO from time to time are not violated;
- It should be seen that all transactions (either cash or stock) are promptly and properly recorded in the relevant records and there is no delay/omission, etc., on this account.

- It should be seen that amounts received from the Finance Department or other sources have been taken to account on the same day.
- It should be seen that amounts received from the Finance Department on account of temporary advances etc., for disbursement are not retained in hand beyond the permissible time limit and the undisbursed amount, if any, is promptly deposited with Finance Department.
- The correctness of stock entry recorded on the vouchers in support of purchases should be checked in respect of one month.
- It should be seen that issues from the stock are made on proper requisition duly acknowledged by the recipients and correctly entered in the Stock Registers.
- The permanent and temporary advance cash books should be checked to see that these are correctly maintained and accounts thereof have been rendered to the Finance Department within the prescribed time. Irregularity or delay in adjustment should be reported.
- Arithmetical accuracy of the balances shown in the cash and stock books should be checked in all cases.
- The correctness of the amounts drawn in pay bills and TA bills should be checked with the attendance Registers, Tour particulars, vehicle log book, Register maintained in the respective sections/divisions.
- Whether Physical verification of all types of stores in different offices, hospital, guest houses and other offices of the Port Trust have been done and action taken on such physical verification reports.
- Any other items viz., stationery, furniture and stamp accounts are to be checked as deemed necessary.
- Register of books maintained in the Library should be checked to see the books purchased during the year have been taken to stock and proper record is maintained as to issues and returns.
- Whether the cash balance as per imprest account has been physically verified by the Accounts Officer.
- it should be seen that amounts due to the Port Trust are correctly assessed according to the prescribed rates, demands raised in proper time and collections credited to the Port Trust Accounts immediately.
- All instances of undue retention of authorized collections by other departments without remitting to the Finance Department should be reported.
- Unauthorized collections made by other departments should be reported. It should also be seen whether adequate steps have been taken to realize the arrears, if any. Refund due but not made to the parties shall also be reported.

Estate Rentals, Water Supply and Energy Charges: -

- It should be checked with reference to Buildings and Land Registers that rent is collected regularly for all buildings and land let out.
- It should be seen that rent is correctly assessed with reference to rules and orders in force.
- In checking receipt on account of supply of water it should be seen that demand has been raised in all cases of supply and the amounts so assessed are correct.
- In the case of electricity charges, it should be first verified whether the allocation among the Port, Port Users, Contractors and Employees have been properly made and demands raised properly and collections watched by the Electrical Division.

Miscellaneous Receipts: -

- The basis for assessment of miscellaneous dues such as furniture hire charges, hire charges of plant and machinery, hire of all equipment's/appliances, etc., demand and collections thereof should be verified.

Check of Divisional office Records: -

- While auditing the workshop accounts the job cards and out turn register should be checked in detail. The correctness of the allocation of expenditure on repair and maintenance of workshop to various works should be checked.
- The use of new parts should be traced into the log books and other connected registers.
- The account and manner of disposal of old and replaced parts should be particularly checked.
- In the case of jobs under taken on behalf of private parties, it should be seen whether the cost thereof has been collected according to rules, and credited to the Port Trust Accounts.
- The Log Books of vehicles, cranes, machineries, tugs, launches, all floating crafts, etc., should be checked regarding mileage run, working hours, consumption of fuel, lubricants, etc.
- It should be seen whether the log books have been properly maintained and entries thereon have been duly attested by the competent authority. Where the log book exhibits use of vehicle, machine etc., by private parties, it should be seen whether demand for full and correct hire charges have been made and the amount collected.
- If the log book reveals prolonged non-use, the reason thereof should be investigated and reported.
- The accounts of Tools and Plant should be checked and observations reported.
- Whether contracts for supplies/works/hire of equipment, appliances, floating crafts, etc., have been made as per the prescribed procedure should be verified.
- While stock verifiers will confine themselves to stock balances as per bin cards, internal audit may test check entry of items from the goods received sheets and indents to the bin cards.
- The balancing of the bin cards should also be checked in order to ensure the correctness of quantitative balances. Special attention should be given to the review of ABC analysis, list of unutilized/missing/dead stock items and excessive balances.

Internal Control and Internal audit

No internal Audit was conducted during the year 2014-15.internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

In case the internal control system does not exist or the system is weak it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

(i) Absence of appropriate segregation of duties consistent with appropriate control objectives;

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(iii) Inadequate provisions for the safeguarding of assets;

(iv) Evidence of failure to safeguard assets from loss, damage or misappropriation;

(v) Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;

(vi) Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;

(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;

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(ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and

(x) Failure to follow up and correct previously identified deficiencies in internal control.

Periodicity of the audit

The Accounts of the Port are audited under section 19(2) of the Comptroller and Auditor General of India's Duties, Powers and Conditions of Service Act, 1971. As per the manual of Autonomous Bodies Audit under section 19(2) it is essential to take up the certification of the Annual Accounts of the Port and the duty is cast on by the Comptroller and Auditor General of India by specific provision in the Parliamentary enactment. Section 105 of the Major Port Trust Act, 1963 specifically provides for Audit of the Accounts of the Board by the Comptroller and Auditor General of India.

Audit of the different units of Kolkata Port Trust is conducted half yearly/annually/biennially. The total number of auditee units at KoPT is 57 including following financial audit unit (certification work), which are mandatory for audit and being done annually

I Transaction audit: Audit of transactions of funds of various functional departments is conducted independently throughout the year by the field audit parties.

ii Certification Audit: This relates Certification of Annual Accounts along with CPF & NCPF Accounts, Certification of Annual Dredging Expenditure and Certification of Port Charges foregone annually by KoPT on various bilateral agreements.

iii Performance Audit: This audit is conducted in accordance with the instructions of the Comptroller & Auditor General of India for which specific themes/topics are selected with the approval of the Pr. D.A. (C)

NATIONAL JUTE BOARD

Profile of the Board

National Jute Board is governed by National Jute Board Act-2008, as framed by the Ministry of Textiles, Govt. of India and enacted by the Parliament on February 12, 2009. Board engages in research and human resource development programmes to explore new and innovative use of jute with the idea of enabling both the organized as well as the decentralized sector to compete and increase the global share of Indian jute goods consumption. Numbers of composite jute mills are 90.

National Jute Board (NJB) was established (April, 2010) under National Jute Board Act, 2008 subsuming the two erstwhile organizations, viz. Jute Manufactures Development Council (JMDC) and National Centre for Jute Diversification (NCJD) with the objective of development of the cultivation, manufacture and marketing of jute and jute products. The Board comprised of 34 members representing cross-section of disciplines and jute interests. The Secretary, Ministry of Textiles, Government of India was the ex-officio Chairperson of the Board. NJB has its head office located in Kolkata and has three different regional offices located in New Delhi, Hyderabad and Chennai.

National Jute Board Rules – 2010 was framed and notified on 04-08-2010 by the Ministry of Textiles, Govt. of India for carrying out the purposes of the National Jute Board Act 2008. National Jute Board Regulations – 2012 was framed and notified on 20-03-2012 by the Ministry of Textiles, Govt. of India for carrying out the purposes of the National Jute Board Act 2008.

There is 1 (One) 100%EOU in jute sector producing broadly high jute decorative fabrics, fine hessian cloth, jute bags and blended fabrics Namely Cheviot Co. Ltd. (Falta SEZ)

National Jute Board (NJB) is an [statutory body under the Administrative control of the Ministry of Textiles, Govt. of India and have their head office at Kolkata and 3 (three) branches at New Delhi, Chennai and Hyderabad

Present Schemes of the NJB

- Jute Integrated Development Scheme (JIDS)Jute Raw Material Bank (JRMB) Scheme to Supply Chain and Bulk Supply of JDPs for selective and mass consumption (Retail Outlet Scheme)
- Fast Track Schemes to Support Participation in Fairs and Business Delegations Abroad for Promotion of Exports of Lifestyle and other Diversified Jute Products (EMDA Scheme).
- Scheme for Workers' Welfare in the Jute Sector.
- Scholarship Scheme – Worker's Welfare – 2016.
- Incentive Scheme for Acquisition of Plants and Machinery (ISAPM).
- Common Facility Centres (CFCs) for Development and Promotion of Jute Diversified Products (JDPs)

Organisational Set-Up

National Jute Board is governed by National Jute Board Act - 2008, as enacted and framed by the Ministry of Textiles, Govt. of India. Day to day work is carried out by the Secretary Shri Arbind Kumar, Chief Finance Officer Sri N. Sengupta, Vigilance Officer and CPIO (central public information officer) Sri S. Pal, COO
and CMO Sri P. K. Sahu.

Grants-in-Aid

The Plan and non-plan grant was disbursed by Government of India to NJB for the implementation of various schemes. The Non-plan grant was paid by Govt. of India for meeting expenditure viz. salaries, allowance and other remuneration of the members,

officials, and other employees and Board expenses in discharge of its functions , objects and purposes as authorized by the NJB Act 2008.
Grants in Aid received and utilized during the financial year 2014-15, 2015-16 & 2016-17 of National Jute Board was as following:

(`in Crore)

Year	2014-15			2015-16			2016-17		
Grant in Aid	**Plan**	**Non-Plan**	**Total**	**Plan**	**Non-Plan**	**Total**	**Plan**	**Non-Plan**	**Total**
Received	NIL	45.10	45.10	NIL	53.69	53.69	NIL	58.00	58.00
Expenditure (net from other income)	NIL	45.52	45.52	NIL	49.70	49.70	NIL	61.33	61.33
Transfer from Capital Fund (+) / to Capital Fund (-)	NIL	0.42	0.42	NIL	(-) 3.99	(-) 3.99	NIL	3.33	3.33
Balance	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Manpower

Number of workers employed in composite jute mills (as on April 2014) are 52,762 approx. (permanent workers) and 1, 63,267 approx. (other workers). The number of workers figures relate to 66 out of 90 composite jute mills. Twenty one jute mills were under suspension of work/ closure or did not submit information on the date of report.
24131 workers have been trained in 39 jute mills 33 DVDs on 21 audio-visual modules on different process of production developed.

Internal Audit

National Jute Board engaged M/s M.C. Bhandari & Co., Chartered Accountants, Kolkata for conducting the internal audit for the year 2016-17. The firm has Internal Control and Internal audit
Internal Audit of the departments are conducted by the chartered accountants. The study of the internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.
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(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;
(viii)Absence of a sufficient level of control conscious within the organisation;
(ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and
(x) Failure to follow up and correct previously identified deficiencies in internal control.

Applicable rules and regulations

- General financial rules 2005
- Jute Packaging Materials (Compulsory Use in Packing Commodities) Act 1987
- JPM Act - Notification for Percentage of Reservation
- JMDC ACT 1983
- Jute Manufacturers Cess Act 1983
- National Jute Board ACT 2008
- JMDC Procedural Rules 1984
- Jute Packaging Materials Rules of 26th August 1987
- Service Tax
- Customs and Central Excise Duty
- VAT
- CENVAT Credit
- Income Tax (TDS, TCS, etc.,)

Audit Checks

1. Board implemented various schemes from time to time, it is to be checked that whether the scheme fulfilled its purpose.
2. Mills are expected to technologically upgrade themselves as the productivity is highly incidental to machinery and management practices.
3. The Plan and non-plan grant was disbursed by Government of India to NJB for the implementation of various schemes.
4. It is to be checked whether grant is used under the specific head or not.
5. Whether the data of capital assets created by the grantees out of government grants has been maintained.
6. Whether the utilisation certificate has been acquired and discloses separately the actual expenditure incurred and the loans and advances given to suppliers of stores and assets, construction agencies.
7. Whether system in place to of identifying the jute growers with the help of State governments.
8. Is MSP for all grades and locations is announced well before the commencement of the sowing season each year.
9. Make comprehensive Marketing plan so that the existing resources can be optimally utilised to transfer maximum return to jute farmers.

10. Take immediate steps to have suitable infrastructure at all the centres and idea of mobile purchase centres may be explored along with higher involvement of village level Self Help Groups for procuring raw jute.
11. Temporarily enhance its storage facility by hiring godown during peak procurement season in those areas where there are higher arrivals. Efforts may be expedited to hire godowns of National Jute Manufacturing Corporation in Kolkata.
12. Taken steps to ensure that provisions of the sales contract are strictly adhered to avoid delays in lifting of jute by the mills.
13. Make efforts to have back to back arrangement with the jute mills so that jute is directly transferred to mills.
14. The procedure actually followed for procurement and disposal of raw jute should therefore be thoroughly examined and the loss incurred if any, due to system deficiency should be quantified.
15. The company confines mainly to price support operations which is to be examined keeping in view the price actually given to the growers and the subsidy received from the Govt. of India. (Relevant records: file relating to minimum Support Price and consequential losses thereon).
16. Operations regarding domestic procurement of jute products through purchase centres and co-operatives bringing out the reasons and financial implications on account of underutilisation of the infrastructure.
17. Is there System in place for marketing of jute products, accumulation of stock, loss incurred due to high inventory etc. (Relevant records: marketing register, inventory register).
18. Examine the system for raising bills on the buyers, collection of cheques from them, deposit of such cheques with Bank, delay in such operation and consequential loss of interest. (Relevant records: schedule of cheques, cases of dishonour of cheques) utilisation of the fund received from Govt. of India from time to time out of Jute Special Development Fund for implementation of the scheme for creation of infrastructural facilities in jute procurement Centres. (Relevant records: file relating to utilization of funds from the said Funds)
19. Agreements for godown hiring keeping in view the financial terms and conditions, utilisation of space hired, procedure in force for such hiring, quantum of insurance taken with reference to stock holding at different godowns. (Relevant records: files relating to temporary/permanent godowns, whether godown space is being judiciously and profitably utilized).
20. Examine TA, LTC, and Medical Rules of the company and settlement of claims relating thereto. (Relevant records: Service Books of the employees to find out whether leave is duly sanctioned, pay is properly fixed and leave encashment is properly taken)
21. CBI and vigilance cases. (Relevant records: Court cases, Arbitration cases)
22. Dead stocks register. (Relevant records: dead stock register and physical verification report).
23. IT planning for hardware and software and deploying it rationally. (Relevant records: IT planning and control, purchase register, tender file, records relating to obsolete hardware and software).
24. Scrutiny of Provident Fund investment records.
25. Subsidy due from the Government of India.
26. Settlement of various claims and action taken by the occupant.

27. Scrutiny of collection of ‘C’ forms; purchase tax vis-à-vis the extant rules and regulations.
28. Items of income, sale, and service charges are to be compared with the previous year’s figures for pinpointing significant variation and to ensure that such variations are supported by reasonable cause.
29. Items of assets, liabilities, expenses and income, disclosures and Notes on Accounts are to be ascertained as per the requirement of Law/Accounting Standards.

Periodicity of the Audit

The Compliance audit on the accounts and records of National Jute Board, Kolkata for the year 2016-17 has been conducted. Audit of the accounts of the Board was conducted under Section 19(2) of the Comptroller and Auditor General’s (Duties, Powers and Conditions of Service) Act, 1971

As per the manual of Autonomous Bodies Audit under section 19(2) it is essential to take up the certification of the Annual Accounts

i Transaction audit: Audit of transactions of funds of various functional departments is conducted independently throughout the year by the field audit parties.

ii Certification Audit:

iii Performance Audit: This audit is conducted in accordance with the instructions of the Comptroller & Auditor General of India for which specific themes/topics are selected with the approval of the Pr. D.A. (C) as and when planned.

PARADIP PORT TRUST

Profile

Paradip is one of the Major Ports of India. It is the only Major Port in the State of Odisha situated 210 nautical miles south of Kolkata and 260 nautical miles north of Visakhapatnam on the east coast on the shore of Bay of Bengal.

The foundation stone of the Port was laid on 3rd January 1962 near the Confluence of the river Mahanadi and the Bay of Bengal.

Government of India took over the management of the Port from the Government of Odisha on 1st June 1965.Government of India declared Paradip Port as the Eighth Major Port of India on 18th April 1966 making it the first major port in the East Coast commissioned after independence.

The Port of Paradip, an autonomous body under the Major Port Trusts Act, 1963.

At present Paradip Port is handling various cargo like Crude Oil, POL products, Iron Ore, Thermal Coal, Chrome Ore, Coking Coal, Manganese Ore, Charge Chrome, Ferro Chrome, Ferro Manganese, Limestone, Hard Coke, Ingots and Moulds, Billets, Finished Steel, Scrap, Fertilizer, Fertilizer Raw Material, Clinker, Gypsum, Project Cargo and Containers.

The Port is now equipped with 15 (fifteen) berths, 3 (three) Single Point Moorings (SPM), 1 (one) Ro-Ro Jetty, a well maintained Approach and Entrance Channel having 17.1 Mtrs minimum depth to handle a wide range of vessels up to maximum LOA of 260 Mtrs.

The Port has 5 (five) nos. of tugs equipped with SRP, 3 of which have a Bollard Pull of 45 Tons and the remaining 2 are of 50 Tons Bollard Pull. A Vessel Traffic Management System is used to monitor movement of vessels by the Port Control. Paradip Port has its own Railway System having a route length of about 7.4 Kms and track length of 84 Kms with 19 full rake length railway sidings and 6 half rake length railway sidings to handle rail borne traffic efficiency. The existing capacity of the Port is 118.50 MMT per annum. With a slew of capacity augmentation programme on the anvil, the Port is getting ready to have a capacity of 325.00 MMT per annum by 2020.

The port has eight departments, Administrative, Electrical & Mechanical, Engineering, Finance & Accounts, Marine, Traffic, Medical.

Organisational Set Up

Functioning under Ministry of Shipping is administered by a Board of Trustees set up by the Government of India headed by the Chairman. The Trustees of the Trust Board are nominated by Government of India from various users of the Port such as shippers, ship owners, Government Departments concerned and also port labour. Day-to-day activities of ports are managed by the Chairman assisted by Deputy Chairman, Traffic Manager, Chief Engineers, Financial Advisor and Chief Accounts Officer (FA&CAO), Secretary (Administration), Deputy Conservator, and Chief Vigilance Officer.

Business Activities

i. **Port Harbour**

The Port of Paradip has an artificial lagoon type harbour protected by 2 (two) rubble mound “Break Waters” and approached by the dredged channel. The North Break Water is 538 mtrs long on the North-Eastern side of the Port and the South Break Water is 1217 mtrs long on the South-Eastern side.

ii. **Pilotage & Towage Facilities:**

The Pilotage is compulsory for all vessels above 200 MTs Gross Tonnage. The Pilotage service is available to all vessels during 24 hours and 365 days. The Pilot Boarding ground is about 3 miles SE of Breakwaters

iii. **Marine Pollutions Control & Reception Facilities**:

The Port Complies to all the Regulations of MARPOL 73/78 and has a Pollution Control Cell to monitor the Pollution in the Harbour. The Port has a Pollution Control Vessel with a Skimmer, chemical dispersant spray system and Oil Containment Boom. The Port also has a 300 T Oil Reception Barge

iv. Fresh Water Services:

Adequate fresh water supply services rendered to all vessels at berth through shore connection. All self-propelled fresh water barge is available to supply freshwater up to 350 MT at berth and at anchorage.

v. Storage Facilities

vi. Container Handling Facilities:

The Port handles containers in a limited manner with cargo support from NALCO, Marine Products Exporters, TISCO, JSL and others. The Port has 1000 TEU capacity container yard served with two railway sidings and 15 reefer plug points

vii. Dry Dock / Repairing Facilities:

The Port has a 500 Ton slipway along with workshop for repair and maintenance of Port crafts and barges. A Wet Basin for Port crafts is available close to the Slipway.

viii. Port Railways:

The Port has its own Railway system. The route length is 7.4 Kms and track length of 84 Kms. The Port is equipped with 7 nos. of Locomotives to undertake railway operations which is supported by 2 Locomotives on hire from RITES

ix. Electronic Data Interchange (EDI):

The Port has introduced EDI facility to all its port users for all payments made to the port. The concept is to connect the port users, the bank and the port for faster and easier transfer of funds. Port users are also submitting their documents to port electronically through PCS (Port Community System).

Financial highlights

S.No	Particulars	2014-15	2013-14
1	Vessels handled(In nos)	1454	1455
2.	Traffic handled(in lakhs tonnes)	710.11	680.33
3.	Operating Income(in Crores)	1016.15	914.60

The port has achieved a record cargo throughput of 71.01 MMT and retained its 2nd position in cargo traffic among the major Ports. A quantity of 461.92 lakh tonnes cargo unloaded during the year 2014-15 and total 247.46 lakh tonnes cargo was loaded during the year 2014-15.

Manpower

The Company has complied with the Presidential Directives and other Government instructions and statutory provisions in the matter of reservation and concessions for different categories. As on 31/03/2015, out of 1857 employees (including Trainees) on the Company's roll, the total number of class I employees in the organization stands at 113.

Applicable Rules Acts and Regulations

- The Major Port Trusts Act, 1963
- General Financial Rules 2005
- Calcutta Port Trust (Licensing of Stevedores) Regulations 1987
- Calcutta Port Trust (Distraint or Arrest and Sale of Vessels) Regulations 1989
- Port of Calcutta (Responsibility of Goods) Regulations 1975 (, 41 KB)
- Calcutta Port Rules 1994 (, 214 KB)
- Land Policy Guidelines, 2014
- Policy for Determination of Tariff for Major Port Trust, 2015
- Reference Tariff Guidelines of 2013

- Tariff Guidelines, 2005
- Upfront Tariff Guidelines 2008
- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The Explosives Act, 1884 and Gas Cylinder Rules, 2004
- The Legal Metrology Act, 2009 & Legal Metrology (Enforcement) Rules, 2011
- The Petroleum Act, 1934 and the Petroleum Rules, 2002
- The Merchant Shipping Act, 1958
- International Convention For The Safety Of Life At Sea, 2002
- The Indian Railways Act, 1989 & Wagon Investment Scheme
- Service Tax
- Customs and Central Excise Duty
- VAT
- CENVAT Credit
- Income Tax (TDS, TCS, etc.,)

Pricing Policy

The Tariff Authority for Major Ports (TAMP) was constituted in April 1997 to provide for an independent Authority to regulate all tariffs, both vessel related and cargo related, and rates for lease of properties in respect of Major Port Trusts and the private operators located therein. The Major Ports Trust Act, 1963 was amended by Port Laws (Amendment) Act 1997 to constitute the TAMP

Audit Checks

PP Projects

- Scope of project offered to the private operator should be carefully determined and should not be varied after bidding as this vitiates the sanctity of the bidding process.
- The Port should ensure adherence to the time frame fixed for completion of the bidding process from issue of tender to signing of CA
- Ports need to design a mechanism to ensure timely obtaining of environmental clearance for each project well before commencement of the tendering process.
- Ensure timely obtaining of environmental clearance for each project well before commencement of the tendering process.
- All the transactions involving financial implications are properly accounted for the initial accounts records are maintained accurately; strive to ensure real time transfer to the Port's account. This would prevent any arrears or need of follow up on this account
- There are no delays and / or irregularities in maintaining the Accounts reports;

Accounts

- The provisions of accounting procedure, rules and regulations, orders and procedure in force and instructions issued by the Chairman/FA&CAO from time to time are not violated;

- It should be seen that all transactions (either cash or stock) are promptly and properly recorded in the relevant records and there is no delay/omission, etc., on this account.
- ii. It should be seen that amounts received from the Finance Department or other sources have been taken to account on the same day.
- It should be seen that amounts received from the Finance Department on account of temporary advances etc., for disbursement are not retained in hand beyond the permissible time limit and the undisbursed amount, if any, is promptly deposited with Finance Department. iv.
- The correctness of stock entry recorded on the vouchers in support of purchases should be checked in respect of one month.
- It should be seen that issues from the stock are made on proper requisition duly acknowledged by the recipients and correctly entered in the Stock Registers.
- The permanent and temporary advance cash books should be checked to see that these are correctly maintained and accounts thereof have been rendered to the Finance Department within the prescribed time. Irregularity or delay in adjustment should be reported.
- Arithmetical accuracy of the balances shown in the cash and stock books should be checked in all cases.
- The correctness of the amounts drawn in pay bills and TA bills should be checked with the attendance Registers, Tour particulars, vehicle log book, Register maintained in the respective sections/divisions.
- Whether Physical verification of all types of stores in different offices, hospital, guest houses and other offices of the Port Trust have been done and action taken on such physical verification reports.
- Any other items viz., stationery, furniture and stamp accounts are to be checked as deemed necessary.
- Register of books maintained in the Library should be checked to see the books purchased during the year have been taken to stock and proper record is maintained as to issues and returns.
- Whether the cash balance as per imprest account has been physically verified by the Accounts Officer.

- It should be seen that amounts due to the Port Trust are correctly assessed according to the prescribed rates, demands raised in proper time and collections credited to the Port Trust Accounts immediately.
- All instances of undue retention of authorized collections by other departments without remitting to the Finance Department should be reported.
- Unauthorized collections made by other departments should be reported. It should also be seen whether adequate steps have been taken to realize the arrears, if any. Refund due but not made to the parties shall also be reported.

Estate Rentals, Water Supply and Energy Charges: -

- It should be checked with reference to Buildings and Land Registers that rent is collected regularly for all buildings and land let out.
- It should be seen that rent is correctly assessed with reference to rules and orders in force.
- In checking receipt on account of supply of water it should be seen that demand has been raised in all cases of supply and the amounts so assessed are correct.

- In the case of electricity charges, it should be first verified whether the allocation among the Port, Port Users, Contractors and Employees have been properly made and demands raised properly and collections watched by the Electrical Division.

Miscellaneous Receipts: -

- The basis for assessment of miscellaneous dues such as furniture hire charges, hire charges of plant and machinery, hire of all equipment's/appliances, etc., demand and collections thereof should be verified.

Check of Divisional office Records: -

- While auditing the workshop accounts the job cards and out turn register should be checked in detail. The correctness of the allocation of expenditure on repair and maintenance of workshop to various works should be checked.
- The use of new parts should be traced into the log books and other connected registers.
- The account and manner of disposal of old and replaced parts should be particularly checked.
- In the case of jobs under taken on behalf of private parties, it should be seen whether the cost thereof has been collected according to rules, and credited to the Port Trust Accounts.
- The Log Books of vehicles, cranes, machineries, tugs, launches, all floating crafts, etc., should be checked regarding mileage run, working hours, consumption of fuel, lubricants, etc.
- It should be seen whether the log books have been properly maintained and entries thereon have been duly attested by the competent authority. Where the log book exhibits use of vehicle, machine etc., by private parties, it should be seen whether demand for full and correct hire charges have been made and the amount collected.
- If the log book reveals prolonged unused, the reason thereof should be investigated and reported.
- The accounts of Tools and Plant should be checked and observations reported.
- Whether contracts for supplies/works/hire of equipment, appliances, floating crafts, etc., have been made as per the prescribed procedure should be verified.
- While stock verifiers will confine themselves to stock balances as per bin cards, internal audit may test check entry of items from the goods received sheets and indents to the bin cards.
- The balancing of the bin cards should also be checked in order to ensure the correctness of quantitative balances. Special attention should be given to the review of ABC analysis, list of unutilized/missing/dead stock items and excessive balances.

Internal Control and Internal audit

Internal Audit of the departments are conducted by the chartered accountants. The study of the internal control should be carried out according to the type of audit undertaken. In the case of regularity (financial) audit, study and evaluation are made mainly on controls that assist in safeguarding assets and resources, and assure the accuracy and completeness of accounting records. In the case of regularity (compliance) audit, study and evaluation are made mainly on controls that assist management in complying with laws and regulations. In the case of performance audit, they are made on controls that assist in conducting the business of the audited entity in an economic, efficient and effective manner, ensuring adherence to management policies, and producing timely and reliable financial and management information. The extent of the study and evaluation of internal control depends on the objectives of the audit and on the degree of reliance intended. Where accounting or other information systems are computerized, the auditor should determine whether internal controls are functioning properly to ensure the integrity, reliability and completeness of the data.

In case the internal control system does not exist or the system is weak it will be the duty of the auditor to plan for his course of audit. Extensive and detailed check of every transaction will be required because there may exist irregularity, fraud and misappropriation. Hence auditor should make risk analysis before taking up of audit.

Deficiencies in Internal Control

Auditors should report deficiencies in internal control that they consider to be reportable conditions. The following are examples of matters that may be reportable conditions:

(i) Absence of appropriate segregation of duties consistent with appropriate control objectives;

(ii) Absence of appropriate reviews and approvals of transactions, accounting entries or systems output;

(iii) Inadequate provisions for the safeguarding of assets;

(iv) Evidence of failure to safeguard assets from loss, damage or misappropriation;

(v) Evidence that a system fails to provide complete and accurate output consistent with the auditee's control objectives because of the misapplication of control procedures;

(vi) Evidence of intentional override of internal control by those in authority to the detriment of the overall objectives of the system;

(vii) Evidence of failure to perform tasks that are part of internal control, such as reconciliation not prepared or not timely prepared;

(viii) Absence of a sufficient level of control conscious within the organisation;

(ix) Significant deficiencies in the design or operation of internal control that could result in violations of laws and regulations having a direct and material effect on the financial statements; and

(x) Failure to follow up and correct previously identified deficiencies in internal control.

Periodicity of the Audit

The Accounts of the Port are audited under section 19(2) of the Comptroller and Auditor General of India's Duties, Powers and Conditions of Service Act, 1971. As per the manual of Autonomous Bodies Audit under section 19(2) it is essential to take up the certification of the Annual Accounts of the Port and the duty is cast on by the Comptroller and Auditor General of India by specific provision in the Parliamentary enactment. Section 105 of the Major Port Trust Act, 1963 specifically provides for Audit of the Accounts of the Board by the Comptroller and Auditor General of India.

Audit of the different units of Paradip Port Trust is conducted half yearly/annually/biennially.

i Transaction audit: Audit of transactions of funds of various functional departments is conducted independently throughout the year by the field audit parties.

ii Certification Audit: This relates Certification of Annual Accounts along with CPF & NCPF Accounts, Certification of Annual Dredging Expenditure and Certification of Port Charges foregone annually by Paradip on various bilateral agreements.

iii Performance Audit: This audit is conducted in accordance with the instructions of the Comptroller & Auditor General of India for which specific themes/topics are selected with the approval of the Pr. D.A. (C) as and when planned.

CENTRAL SILK BOARD, REGIONAL OFFICE, KOLKATA

Central Silk Board is a Statutory Body under the administrative control of the Ministry of Textiles, Govt. of India constituted under an Act of Parliament (Act No.LXI of 1948). To ensure close co-ordination of Central and States efforts for development of Sericulture industry, the Board has established several Regional Offices (RO) including Kolkata (West Bengal).

Activities of the Central Silk Board:

The Regional Office, Kolkata has the following activities:

(i) To officiate as Coordinator among West Bengal, Bihar, Odisha and Jharkhand states and CSB on various sericulture developmental schemes/ projects
(ii) Maintain close liaison with States and Central Govt. organizations located in West Bengal, Bihar and Jharkhand on issues related to Sericulture
(iii) Extend guidance and technical assistance to farmers/ State Govt./ NGOs/ SHGs in Sericulture practices.
(iv) Monitor the progress in implementation of various sericulture programmes and furnishes the review reports, etc. to the Board Secretariat.
(v) Assist the State Government in formulation and preparation of project proposals/ schemes.
(vi) Creation of Data base of statistical information on Silk industry in West Bengal, Bihar and Jharkhand.
(vii) Member of Research Advisory Committee, Regional Research Advisory Committee of CSB for suggesting research needs in silk industry and maintaining information base on R&D works and Package of Practices being developed for development of sericulture.
(viii) Member of Local Advisory Committee (LAC) of CSB and State Governments for fixing the Floor Price of Silk and Silk products to check exploitation of Mulberry, Eri, and Tasar Growers from middlemen.
(ix) Member of Advisory Committee of Promotion Cell to assists the weavers, silk producers for participating in various publicity programmes like exhibitions, buyers-sellers meet and linking them with Designers and Master Weavers, etc. for value addition of their products
(x) Assist in funding through agencies, e.g. NEDFI, NABARD, etc.
(xi) Member convener of State Sericulture Steering Committees
(xii) Organisation of meetings as and when required by the Board and State/ Central Govt.
(xiii) To co-ordinate or organise trainings/ workshops as directed by the Central Office, Bengaluru.

(A) Organisation Structure:

Deputy Secretary (Technical)

Assistant Director (Inspection)	Assistant (Technical)	Assistant Supdt. (Admin.)
		Upper Division Clerk
		Stenographer Gr. II
		Driver (Gr.I)
		M. T. S

Administration:

CSB Kolkata was headed by Shri Gopal Krishna Samanta, Dy. Secretary (Tech.).

Manpower:

The manpower position of the Regional Office, Kolkata as on 31.03.2018 is as follows:

Group A	Group B	Group C	Total
2	4	7	13

Budget allocation & expenditure: **(` in lakh)**

Year	Salary/Non Salary	Grant received		Expenditure		Surrender Grant (Refunded to C. O., Bangalore)	
		Plan	Non Plan	Plan	Non Plan	Plan	Non Plan
2015-16	Salary		233.70		233.62		0.082
	General	36.66		36.66		0.017	
	Capital	0.70		0.53		0.012	
	N.E. capital	8.07		8.05			
2016-17	Salary		268.30		268.24		0.063
	General	34.92		34.92			--
	Capital	10.64		10.63			0.01
	N.E. Capital	--					
2017-18	Salary		314.05		314.05		
	General		31.81		31.81		
	Capital		15.93		15.93		
	N.E. Capital						

Brief about IT System:

(a)	Whether there is an IT System?	Yes
(b)	Whether the IT System is stabilised?	Yes
(c)	Whether the IT System requires human interface?	No

Scope of audit:

The area examined during the compliance audit of Central Silk Board, Regional Office Kolkata for the year 2017-18 was to ensure compliance with the policy guidelines of the Board in connection with the various schemes implemented like IVLP/CPP/ CDP etc. Effort was also made to find out the strength and weakness of the Board in monitoring and co-ordinating with the state Govt. in identifying of the beneficiaries and to provide grant/assistance and also implementation of training programme to promote production of Silk through sericulture in the state of West Bengal, Bihar and Jharkhand.

Audit Objectives:

Compliance audit of Central Silk Board was taken up to examine whether:-

1. Fund Utilised properly.
2. Schemes have been implemented properly.

Audit criteria:

1. Annual Reports of the Board and RO, Kolkata.
2. Previous year's Inspection Report.
3. Internal Audit Report and Head Quarter/State Govt. Correspondence and circular guidelines
4. Various guidelines undertaken by the HQ

Audit Methodology:

The compliance audit has been conducted through study of various guidelines, Agenda & Minutes, Circulars, Orders issued by Governments from time to time.

Internal Control and Internal Audit:

The last internal audit of the Regional Office, Kolkata was conducted from the period 23.07.2018 to 26.07.2018 and physical verification of dead stock and library book of the Regional Office, Kolkata was also done by the Assistant Director (A&A), CSR & TI, Berhampore for the year 2017-18.

SILKWORM SEED PRODUCTION CENTRE (SSPC), CENTRAL SILK BOARD, DAKSHIN BHAWANIPUR

Organisation

The Directorate of Sericulture, Government of West Bengal has established the Silkworm Seed Production Centre (SSPC), Central Silk Board, Dakshin Bhawanipur, Uttar Dinajpur as a basic seed farm cum satellite grainage in the year 1995 to promote the Sericulture activity in the Dinajpur district. It was handed over to Central Sericultural Research & Training Institute, Berhampore in the year 1978. Consequent upon implementation of National Sericulture Project by the Central Silk Board in the year 1989, this centre was taken over by National Silkworm Seed Project, renamed as National Silkworm Seed Organization (NSSO), Bangalore and further renamed as Silkworm Seed Production Centre (SSPC). Since 1989, this centre is continuing as commercial Silkworm Seed Production Centre under technical and administrative control of NSSO, Bangalore.

The aim of this centre is to produce Hybrid Silkworm Seeds (DFLs) to meet the requirement of the commercial farmers to improve their socio-economic status through increased productivity as well as return. Emphases are being given to produce quality DFLs to meet the demand of commercial farmers. During the year, 2011-12, this SSPC has registered under Prestigious ISO 9001: 2008. Since 2007-08, this SSPC maintained its tract record by producing highest hybrid DFLs in Eastern Zone under NSSO. The centre is having three sericulture service centres (SSCs) and two sericulture service units (SSUs) located in West Bengal as follows :-

1) SSC Kaliyaganj
2) SSC Sujapur
3) SSC Mothabari
4) SSU Shersahi
5) SSU Jadupur

Administration

Dr.M.K. Ghosh, Scientist-D was in charge of the unit.

Production Performance

(in lakhs)

Particulars	2013-2014	2014-2015	2015-16
Procurement of Seed Coocons	Mul – 73.03 Biv – 21.95	Mul – 69.88 Biv – 21.67	Mul – 57.43 Biv – 20.58
Target	22.00	Tar – 22.00	Tar – 16.00
Production of DFLs	19.18	15.34	15.13

Financial Performance

a) <u>Grants in Aid(in Rupees)</u>

Particulars	2013-2014	2014-2015	2015-16

	GIA Received	Expenditure Incurred	GIA Received	Expenditure Incurred	GIA Received	Expenditure Incurred
Non-Plan	12178086	12178086	13119433	13119433	15341229	15341229
Plan-General	2094883	2094883	3895227	3895227	3747191	3747191
Plan-Capital	691648	691648	73961	73961	250829	250829

b) <u>Revolving Capital Fund (in Rupees)</u>

2013-2014		2014-2015		2015-16	
RCF Received	Expenditure Incurred	RCF received	Expenditure Incurred	RCF received	Expenditure Incurred
5150627.50	5150627.50	6994246.00	6994246.00	5780367.87	5780367.87

C) <u>Financial position of the Unit during last three years, ending 31st March 2016 is given below:</u>

(In Lakh)

	As on 31.03.2014	As on 31.03.2015	As on 31.03.2016
Turnover	-	-	-
Capital Expenditure	2.19	0.18	1.85
Revenue Expenditure	176.83	232.96	212.33
Paid Up Capital	NA	NA	NA
Long Term Borrowing	NA	NA	NA
Inventory (Closing)	NA	NA	NA
Grants received from Government	142.73	170.15	190.88
Profit before Tax	NA	NA	NA
Profit after Tax	NA	NA	NA

IT Aspect

SSPC, Central Silk Board, Dakshin Bhawanipur, Uttar Dinajpur maintained Windows XP and Windows 7 base operating software. The activities include compilation of accounts, maintenance of ledgers, sub-ledgers and other financial accounting, preparation of bills and other calculations, through Accounting & Payroll System, TDS/EPF/P-TAX etc. and MIS of DFLs etc.

Internal Audit

Internal Audit of the Unit was carried out by CA Manoharan. A, Joint Director (Finance), CSB Complex, BTM Layout, Madiwala, Bangalore for the year 2015-16. The firm has submitted its report.

No observation was made on Internal Audit Report.

ZONAL SILKWORM SEED ORGANISATION, MALDA (EZ) OF NATIONAL SILKWORM SEED ORGANISATION, CENTRAL SILK BOARD

ORGANISATION

Central Silk Board is a Statutory Body under the Administrative control of Ministry of Textiles, Govt. of India constituted under an Act of Parliament (Act No. LXI of 1948) to ensure close co-ordination of Central and States efforts for development of Sericulture industry in the country.

National Silkworm Seed Organisation (NSSO) is a separate entity under the Central Silk Board, established in the year 1975 to supplement the efforts of the State Governments in supplying high quality Bivoltine and Multivoltine silkworm seeds to the farmers. It had a mandate to maintain, multiply and supply authorised silkworm stocks, production and supply of quality industrial silkworm seeds and transfer of technologies in the field to improve the productivity and quality of silk. Zonal Silkworm Seed Organisation (ZSSO), Malda is a zonal unit in the state of West Bengal under the administrative and technical control of National Silkworm Seed Organisation, Bengaluru.

Mandate and Organizational Activities/ Functions

Mandate:

NSSO took up specific requirement of both parental and hybrid seed production and supply in traditional and non-traditional sericulture states and its mandate is:

- To maintain, multiply and supply reproductive seed true to the breed’s traits/ characteristics.
- To produce commercial silkworm seed meeting the prescribed quality standards.
- To introduce new systems/ technology in silkworm seed production and provide quality leadership.
- To guide others to bring in excellence in silkworm seed production by imparting training and technology transfer.

Functions:

Salient functions of National Silkworm Seed Organisation are:

- Introduction and popularization of high yielding mulberry varieties and silkworm hybrids in the field for commercial exploitation.
- Implementation of the programs to bridge the gap in seed requirement in Bivoltine front by generating Bi-voltine seed cocoons in different clusters.
- Production and supply of productive hybrid layings for commercial exploitation.
- Training of manpower in large scale Bivoltine loose egg production technology, P1 seed cocoon generation and chawki rearing.
- Organising farmers study tours from new states for promoting sericulture industry.
- Arranging supply of chawki reared silkworms through Franchise CRC network.
- Supply critical items (disinfectants) to P1 seed farmers.
- Transfer of proven technology to the farmers to help in increasing production/ productivity through:
    - Demonstration
    - Field days
    - Group discussions
    - Farmers visit
    - Workshops and seminars
    - Awareness and training programmes etc.
- Co-ordinate the seed supply and extension related programme with respective State Departments/ Research Institutes.

- Assisting and co-ordinating silkworm disease monitoring through survey and surveillance.

Brief Description and the details of the Programme

National Silkworm Seed Organisation (NSSO) plays pivotal role in production of both Bivoltine and Multivoltine basic silkworm seed. NSSO handles the multiplication and maintenance of P3, P2 and P1 seed on scientific lines. The Basic Seed Farms (BSF) located across the country under NSSO form the backbone of the organisation's operations through generation of quality seed cocoons and basic seed and meeting the requirement of basic seed in the country covering respective areas including the state departments. In this direction precise planning, scientific and systematic execution of seed maintenance and multiplication (P3, P2 and P1) at its 19 Basic Seed Farms (9 Bivoltine and 10 Multivoltine) and the lone Centre for Sericulture Development (CSD) ensures the generation of quality seed cocoons and production of basic seed by following one way system of multiplication of approved breeds and taking adequate safeguards for quality assurance in the seed multiplication chain to maintain the purity of the silkworm breed downward from the breeders to the farmers. The functioning of the Basic Seed Farms of NSSO has become significantly relevant with the advent of Central Seed Act, 2006.

The BSFs maintains mulberry garden for achieving quality mulberry leaf and harvesting of quality seed cocoons. Highly dedicated scientific and technical personnel at these farms contributed significantly resulting in surpassing the seed cocoon generation targets for the first time and basic seed production. The BSFs also generate and utilise the compost, vermicompost using seri-wastes and green manure.

The seed cocoon generation is organised with the farmers who are progressive and having matching infrastructure to carry out designated activities. The Adopted Seed Rearers (ASR) concept has proved to be very effective in terms of quality seed cocoons for the generation. The total requirement of Bivoltine seed cocoons for the preparation of Bivoltine hybrids and crossbreed dfls is met through Adopted Seed Rearers.

The Silkworm Seed Production Centres are situated at Bengaluru, Mysore, Chintamani, Ramanagara, Malavalli, Vijayapura in Karnataka, Hosur, Dharmapuri and Thirupatturin Tamilnadu, Chittoor, Madanapalli and Hindupur in Andhra Pradesh, Dehradun in Uttarakhand, Kalitha, Dakshin Bhavanipur, Raiganj and Berhampore in West Bengal, Palakkad in Kerala and Udhampur in Jammu & Kashmir. The maintenance of Quality Management System resulted in qualitative and quantitative improvement of commercial silkworm seed.

Moreover, NSSO is playing a leading role in diffusing the proven technologies and testifying the new technologies for their suitability and adaptability in the field before taking up for large scale popularisation. The Extension Units situated in different parts of the country (31 Sericulture Service Centres and 29 Sericulture Service Units) are involved in taking the new technical inputs and silkworm seed apart from new technology to the needy farmers at village level. The Units of NSSO are also involved in popularizing the concept of Cluster Promotion Programme in a large scale by organising 17 clusters in South-India to meet the greater objective of increasing the Bivoltine quality raw silk production in the country.

Administration

Dr. Malay Kumar Ghosh, Scientist-D was in-charge and Drawing and Disbursing Officer of Zonal Silkworm Seed Organisation (ZSSO), Malda.

Financial Position

The year-wise Plan and Non-plan Grants received under salary and non-salary components, actual expenditure and unspent balance during the last three years ending 31.03.2016 of the Zonal Silkworm Seed Organisation (EZ), Malda is as detailed below:

(Rs. in lakh)

Year	Salary/ Non-Salary	Grant Received		Expenditure		Surrender Grant	
		Plan	Non-Plan	Plan	Non-Plan	Plan	Non-Plan
2013-14	Salary	-	212.161	-	209.699	-	2.462
	General	11.701	-	11.701	-	-	-
	Capital	0.399	-	0.399	-	-	-
2014-15	Salary	-	404.83	-	404.68	-	0.15
	General	19.505	-	19.505	-	-	-
	Capital	8.11	-	7.72	-	0.39	-
2015-16	Salary		209.724		209.724		
	General	41.546		41.296		.250	
	Capital	2.250		1.479		0.771	

Manpower

The position of manpower of the Zonal Silkworm Seed Organisation (EZ), Malda as on 31.03.2016 is furnished below:

Group A	Group B	Group C	Skilled Farm Labour	Total
3	3	11	-	17

Internal Audit

Internal Audit for the year 2015-16 has been conducted by Zonal Silkworm Seed Organisation (EZ), Malda.

SSPC, BERHAMPORE, CENTRAL SILK BOARD

Organisation

Silkworm Seed Production Centre, Central Silk Board, Berhampore, (West Bengal) was established in the year 1986 in the State Govt. office campus at Panchanatala, Berhampore. Later the office was shifted to its newly constructed campus situated at Laldighi, BimalSinha Road in the year 1995 under National Sericulture Project. It functions under the control of Scientist-D & IC, ZSSO, Malda and overall administrative and technical control of the Director NSSO, Bangalore. SSPC, Berhamporeproduces quality disease free layings (DFLs) to meet the requirement of rearers in different districts of West Bengal. Apart from catering the need of its own commercial command area the centre supplies DFls to different states viz. U.P., Manipur, Assam, Himachal Pradesh, Mizoram, Nagaland, Orissa, Jharkhand, etc. The main objective of SSPC, Berhampore is to produce and supply disease free layings in order to generate good quality seed cocoons by the adopted silk growers, besides providing support through extension activities to the rearers through SSCs & SSUs. The centre is having three sericulture service centres (SSCs) and two sericulture service units (SSUs) located in West Bengal as follows :-

1) SSC Kalitaladiar, Malda
2) SSC Kaliachak, Malda
3) SSC Panchgram, Murshidabad
4) SSU Kahala, Malda
5) SSU Chandpur, Malda

Administration

During the period of audit Dr. L M Saha, Sc-D held the charge of the unit, till June 2015. Thereafter, Dr. Atul Saha, Sc-D (16.12. 2015 to till date) held the charge of the unit.

Production Performance

(in lakhs)

Particulars	2013-2014		2014-2015		2015-16	
	T	A	T	A	T	A
Procrement of Seed Coocons	-	92.63(MV) 22.05(BIV)	-	72.79(MV) 20.05(BIV)	-	58.65(MV) 14.93(BIV)
Production of DFLs		16.39		13.58	-	12.93

Financial Performance

b) <u>Grants in Aid(in Rupees)</u>

Particulars	2013-2014		2014-2015		2015-16	
	GIA Received	Expenditure Incurred	GIA Received	Expenditure Incurred	GIA Received	Expenditure Incurred
Non-Plan	16010399	16010399	1738912	1738912	20820999	20820999
Plan-General	1844736	1844736	3106793	3106793	3260733	3260733
Plan-Capital	1352521	1352521	130593	130593	128024	128024

b) Revolving Capital Fund (in Rupees)

2013-2014		2014-2015		2015-16	
RCF Received	Expenditure Incurred	RCF received	Expenditure Incurred	RCF received	Expenditure Incurred
5488514	5488514	5552172	5552172	4778779	4778779

c) Financial position of the Unit during last three years, ending 31st March 2016 is given below:

(In lakh)

	As on 31.03.2014	As on 31.03.2015	As on 31.03.2016
Turnover	-	-	-
Capital Expenditure	13.53	1.31	1.28
Revenue Expenditure	178.55	204.96	240.82
Paid Up Capital	NA	NA	NA
Long Term Borrowing	NA	NA	NA
Inventory (Closing)	NA	NA	NA
Grants received from Government	192.08	206.27	242.10
Profit before Tax	NA	NA	NA
Profit after Tax	NA	NA	NA

IT Aspect

SSPC, Central Silk, Board, Berhampore maintained Windows XP and Windows 7 base operating software. The activities include compilation of accounts, maintenance of ledgers, sub-ledgers and other financial accounting, preparation of bills and other calculations, through Accounting & Payroll System, TDS/EPF/P-TAX etc and MISof DFLs etc.

Internal Audit

Internal Audit of the Unit was carried out by the CA Manoharan. A, Joint Director (Finance), CSB Complex, BTM Layout, Madiwala, Bangalore.

ZONAL SILKWORM SEED ORGANIZATION OF NATIONAL SILKWORM SEED ORGANIZATION, SILKWORM SEED PRODUCTION CENTRE (SSPC), CENTRAL SILK BOARD, RAIGANJ

Organisation

Central Silk Board is a Statutory Body under the Administrative control of Ministry of Textiles, Govt. of India constituted under an Act of Parliament (Act No. LXI of 1948) to ensure close co-ordination of Central and States efforts for development of Sericulture industry in the country.

National Silkworm Seed Organisation (NSSO) is a separate entity under the Central Silk Board, established in the year 1975 to supplement the efforts of the State Governments in supplying high quality Bivoltine and Multivoltine silkworm seeds to the farmers. It had a mandate to maintain, multiply and supply authorised silkworm stocks, production and supply of quality industrial silkworm seeds and transfer of technologies in the field to improve the productivity and quality of silk. Zonal Silkworm Seed Organisation (ZSSO), Malda is a zonal unit in the state of West Bengal under the administrative and technical control of National Silkworm Seed Organisation, Bengaluru.

The Zonal Silkworm Seed Organization, O/o the Central Silk Board, Malda shifted at Raiganj, (from 01.08.2017) was established on 1982. There are 4 Nos. Silkworm Seed Production Centres, 5 Nos. Basic Seed Farms and 1 No. Centre for Sericulture Development and 13 Nos. SSCs and SSUs functioning under ZSSO. This 23 Nos. Units are catering the basic need of Sericultural farmers/ stake holders by producing and supplying quality Disease Free Layings (DFLs).

Mandate and Organizational Activities/ Functions

Mandate:

NSSO took up specific requirement of both parental and hybrid seed production and supply in traditional and non-traditional sericulture states and its mandate is:

- To maintain, multiply and supply reproductive seed true to the breed's traits/ characteristics.
- To produce commercial silkworm seed meeting the prescribed quality standards.
- To introduce new systems/ technology in silkworm seed production and provide quality leadership.
- To guide others to bring in excellence in silkworm seed production by imparting training and technology transfer.

Functions:

Salient functions of National Silkworm Seed Organisation are:

- Introduction and popularization of high yielding mulberry varieties and silkworm hybrids in the field for commercial exploitation.
- Implementation of the programs to bridge the gap in seed requirement in Bivoltine front by generating Bi-voltine seed cocoons in different clusters.
- Production and supply of productive hybrid layings for commercial exploitation.
- Training of manpower in large scale Bivoltine loose egg production technology, P1 seed cocoon generation and chawki rearing.
- Organising farmers study tours from new states for promoting sericulture industry.
- Arranging supply of chawki reared silkworms through Franchise CRC network.
- Supply critical items (disinfectants) to P1 seed farmers.

- Transfer of proven technology to the farmers to help in increasing production/ productivity through:
    - Demonstration
    - Field days
    - Group discussions
    - Farmers visit
    - Workshops and seminars
    - Awareness and training programmes etc.
- Co-ordinate the seed supply and extension related programme with respective State Departments/ Research Institutes.
- Assisting and co-ordinating silkworm disease monitoring through survey and surveillance.

Brief Description and the details of the Programme

National Silkworm Seed Organisation (NSSO) plays pivotal role in production of both Bivoltine and Multivoltine basic silkworm seed. NSSO handles the multiplication and maintenance of P3, P2 and P1 seed on scientific lines. The Basic Seed Farms (BSF) located across the country under NSSO form the backbone of the organisation's operations through generation of quality seed cocoons and basic seed and meeting the requirement of basic seed in the country covering respective areas including the state departments. In this direction precise planning, scientific and systematic execution of seed maintenance and multiplication (P3, P2 and P1) at its 19 Basic Seed Farms (9 Bivoltine and 10 Multivoltine) and the lone Centre for Sericulture Development (CSD) ensures the generation of quality seed cocoons and production of basic seed by following one way system of multiplication of approved breeds and taking adequate safeguards for quality assurance in the seed multiplication chain to maintain the purity of the silkworm breed downward from the breeders to the farmers. The functioning of the Basic Seed Farms of NSSO has become significantly relevant with the advent of Central Seed Act, 2006.

The BSFs maintains mulberry garden for achieving quality mulberry leaf and harvesting of quality seed cocoons. Highly dedicated scientific and technical personnel at these farms contributed significantly resulting in surpassing the seed cocoon generation targets for the first time and basic seed production. The BSFs also generate and utilise the compost, vermicompost using seri-wastes and green manure.

The seed cocoon generation is organised with the farmers who are progressive and having matching infrastructure to carry out designated activities. The Adopted Seed Rearers (ASR) concept has proved to be very effective in terms of quality seed cocoons for the generation. The total requirement of Bivoltine seed cocoons for the preparation of Bivoltine hybrids and crossbreed dfls is met through Adopted Seed Rearers.

The Silkworm Seed Production Centres are situated at Bengaluru, Mysore, Chintamani, Ramanagara, Malavalli, Vijayapura in Karnataka, Hosur, Dharmapuri and Thirupatturin Tamilnadu, Chittoor, Madanapalli and Hindupur in Andhra Pradesh, Dehradun in Uttarakhand, Kalitha, Dakshin Bhavanipur, Raiganj and Berhampore in West Bengal, Palakkad in Kerala and Udhampur in Jammu & Kashmir. The maintenance of Quality Management System resulted in qualitative and quantitative improvement of commercial silkworm seed.

Moreover, NSSO is playing a leading role in diffusing the proven technologies and testifying the new technologies for their suitability and adaptability in the field before taking up for large scale popularization. The Extension Units situated in different parts of the country (31 Sericulture Service Centres and 29 Sericulture Service Units) are involved in taking the new technical inputs and silkworm seed apart from new technology to the needy farmers at village level. The Units of NSSO are also involved in popularizing the concept of Cluster Promotion Programme in a large scale by organising 17 clusters in South-India to meet the greater objective of increasing the Bivoltine quality raw silk production in the country.

Administration

Dr. Kalidas Mondal, Scientist-D In-charge of the unit was Drawing and Disbursing Officer (DDO) of ZSSO, Malda during from 01.04.2016 to 03.10.2016 and Dr. Malay Kumar Ghosh, Scientist-D, SSPC, Dakshinbhowanipur was as In-charge and Drawing Disbursing Officer from 04.10.2016 to 31.03.2017. Now the office of CSB, ZSSO, Malda had been shifted to Raiganj, SSPC.

Dr. S. Ghosh, Scientist-D was in charge (From 10.06.14 to 02.08.16) and DDO of SSPC, Raiganj. At present, Dr. S. Roy Chowdhuri, Scientist-D (02.08.16 till date) was in-charge and Drawing and Disbursing Officer of Zonal Silkworm Seed Organization (ZSSO), SSPC, Raiganj.

Financial Position

The year-wise financial position during the last three years ending 31.03.2017 of the Zonal Silkworm Seed Organisation , SSPC, Raiganj was as detailed below:

Particulars	UoM	2014-15	2015-16	2016-17
Turnover(Quantity)	Tonne	-	-	-
Turnover Value	Rs.	6,52,569.00	7,59,216.00	6,61,278.00
Capital Expenditure (PLC)	Rs.	7,71,890.00	5,21,748.00	87,03,585.00
Revenue Expenditure(NP)	Rs.	4,04,67,761.00	3,62,58,894.00	4,48,80,976.00
Revenue Expenditure(PLG)	Rs.	1,95,04,698.00	2,47,06,639.00	2,10,24,840.00
Paid up Capital/Corpus	Rs.	N.A.	N.A	N.A
Long Term Borrowing	Rs.	N.A.	N.A	N.A
Inventory closing	Rs.	N.A.	N.A	N.A
Grants received from Govt.	Rs.	6,07,44,349.00	6,14,87,281.00	7,46,09,401.00
Profit Before Tax	Rs.	NIL	NIL	NIL
Profit After Tax	Rs.	NIL	NIL	NIL

Manpower

The position of manpower of the Zonal Silkworm Seed Organisation, Maldah at Raiganj for the last three years ending 31.03.2017 was furnished below:

2014-2015	2015-2016	2016-2017
TECHNICAL: Scientist-D - 01 Scientist-C - 01 T.A. - 01 **ADMINISTRATIVE:** Assistant Director (A&A) – 01 Assistant – 02 Jr. Steno. – 01 U.D.C. – 02 **SUPPORTING** Driver – 02 Attender – 02 Chowkidar – 03 Safaiwala - 01	**TECHNICAL:** Scientist-D - 01 Scientist-C - 01 T.A. - 01 **ADMINISTRATIVE:** Assistant Director (A&A) – 01 Assistant – 02 Jr. Steno. – 01 U.D.C. – 02 **SUPPORTING** Driver – 02 Attender – 02 Chowkidar – 03 Safaiwala - 01	**TECHNICAL:** Scientist-D - 01 T.A. - 01 F.A. - 01 **ADMINISTRATIVE:** Assistant Director (A&A) – 01 Assistant Supdt. – 01 Steno.Gr. II – 01 U.D.C. – 04 **SUPPORTING** Driver – 02 M.T.S – 06

Internal Audit

Internal Audit for the year 2016-17 has been conducted by Zonal Audit Team-B (ZAT-B) team of Central Silk Board, ZSSO.

Information Technology Aspect:

The office is maintaining two accounting softwares which had been installed by CSB, Headquarter, Banglore.

I. Financial Accounting System (FAS): The software is used for entries for the details of day to day receipt and payment vouchers for preparation of monthly and as well as Annual Receipt and Payment expenditure statement.

II. Pay Roll System (PRS): This software is utilized for preparation of monthly salary bills of staff members and wages bill of Farm workers only.

Brief about IT system:

(a)	Whether there is an IT system	Yes
(b)	Whether the IT system is stabilized	Yes
(c)	Whether the IT system requires human interference	Yes

Audit Objectives:

I. Scrutiny of Procurement of Cocoon seed and its procedure followed.
II. Verification of tender/contract.
III. Scrutiny of Cash Book

Audit Criteria:

I. CPWD Manual, GFR Rules, Receipt & Payment Rules, Contract Manual, Acts, Rules, circulars etc.
II. Issue of audit requisitions on various aspects to ascertain various standards fixed by the management etc. and replies of management, thereon.

SILKWORM SEED PRODUCTION CENTRE, NATIONAL SILKWORM SEED ORGANISATION, CENTRAL SILK BOARD, KALITHA, BIRBHUM

Organisation

Silkworm Seed Production Centre, National Silkworm Seed Organisation (NSSO), Central Silk Board, Kalitha, Birbhum (Centre) functions under the supervision of Sceintist D, ZSSO, Malda and overall administrative and technical control of Director, NSSO, Bangalore. The main objective of the Centre is to produce quality Disease Free Layings (DFLs) and its supply through Sericulture Service Centre (SSC)/ Sericulture Service Unit (SSU) and in some cases directly by the Centre. Further the Centre has been assigned to extend technical guidance to Pl silk growers as well as commercial rearers. In addition to that the Centre has mandate to improve economic condition of the sericulture farmers through maximum return from silkworm rearing.

The centre is having three Sericulture Service Centres and two Sericulture Service Units located in West Bengal as follows :-

1) SSC Alinagar
2) SSC Bhadrapur
3) SSC Gadadharpur
4) SSU Bishnupur
5) SSU Sherpur

Administration

During the period covered by audit (2014-15) Shri T.K. Biswas, Scientist- D in charge of the Silkworm Seed Production Centre, National Silkworm Seed Organisation, Central Silk Board, Kalitha, Birbhum.

Internal Audit

Internal Audit of the Unit for for the year 2015-16 was carried out by the zonal audit Team-CSR & TI, Behrampore.

Production Performance

(in lakhs)

Particulars	2013-14		2014-15		2015-16	
	Target	Achievement	Target	Achievement	Target	Achievement
Procurement of Seed Coocons	-	83.41(Mv) 17.27(Biv)	-	49.71(Mv) 15.38(Biv)	-	56.60(Mv) 14.06(Biv)
Production of DFLs	20	16.08	20	8.65	15	9.87

Financial Performance

a) Grants in Aid (in Rs.)

Particulars	2013-14		2014-15		2015-16	
	GIA Received	Expenditure Incurred	GIA Received	Expenditure Incurred	GIA Received	Expenditure Incurred
Non-Plan	11,357,482	11,357,482	16,844,713	16,844,713	96,21,666	96,21,666
Plan-General	1,460,731	1,460,731	2,436,435	2,436,435	29,65,354	29,65,354
Plan-Capital	1,101,012	51,442	77,400	23,400	1,10,891	1,10,891

b) Revolving Capital Fund (in Rs.)

2013-14		2014-15		2015-16	
RCF Received	Expenditure Incurred	RCF Received	Expenditure Incurred	RCF received	Expenditure Incurred
4,972,340	4,385,948	3,777,920	3,558,301	39,92,241	35,66,331

REGIONAL TASAR RESEARCH STATION, CENTRAL SILK BOARD, BARIPADA

Background of RTRS, Baripada

With the establishment of Central Tasar Research and Training Institute at Ranchi under Central Silk Board, Ministry of Textiles, Govt. of India in the year 1964, research and development activities of V*anya* (wild) silk viz. tropical and temperate Tasar were initiated. Over period of time, due to deforestation and other anthropogenic reasons many wild Tasar silkworm eco-races came under threat of extinction. So, Regional Tasar Research Stations were established in Tasar producing states to conduct research on conservation of this precious genetic resource. RTRS, a state level R & D unit came into existence in Odisha in the year 1986 as an annex to Research Extension Centre, Bangiriposi in Mayurbhanj district. During 1994 with intensification of activities the station started its operation at Baripada. Subsequently, apart from conservation, RTRSs functioned as multi-location trial-cum-training centres for the technologies developed at the main institute. Central Tasar Research and Training Institute at Ranchi is the R&D arm of Central Silk Board, Bengaluru.

Aims and objectives of RTRS

The aims and objectives of the centre were as mentioned below:-

i. To formulate and execute need based research projects on tropical Tasar culture;
ii. To work on the conservation of Tasar genetic resources through-
    a. Survey, collection, conservation, and maintenance of Tasar silkworm genetic resources available in Odisha;
    b. Characterisation, evaluation and utilisation of Tasar genetic resources;
    c. Protection of wild eco-races through *in situ* and *ex situ* conservation;
iii. To conduct field trials of different technologies developed by CTR&TI, Ranchi for their regional suitability;
iv. To disseminate the proven technologies to farmers through state Sericulture Department;
v. To transfer the technology through Farmers' adoption programme;
vi. To carry out Institute Village Linkage Programmes;
vii. To impart training to farmers, state officials on different aspects of Tasar culture;
viii. To provide technical support to State Sericulture Department in Tasar R&D activities as a nodal centre.

Administration

During the period covered under audit, the Unit was headed by Dr. Prasanta Kumar Kar, Scientist-D. The present Controlling Office of the unit is Central Tasar Research & Training Institute (CTR & TI), Ranchi, Jharkhand.

Grants-in-Aid

The Unit received various funds from CSB for meeting various expenditures. The following table shows the fund received vis-à-vis expenditure during the last three years ending 2015-16:

Financial Year	**Received**			**Utilised**			**Refund**		
	Non-Plan	Plan General	Plan Capital	Non-Plan	Plan General	Plan Capital	Non-Plan	Plan General	Plan Capital

2013-14	12107507	1648415	404485	12051689	1648415	404485	55818	Nil	Nil
2014-15	7670764	2672236	72000	7670764	2421276	71760	Nil	250960	240
2015-16	8599704	2710000	20000	8599704	2710000	19500	Nil	Nil	500

The non-plan and plan- general fund received by the unit was mainly spent on salaries and allowances of the officials of the unit along with wages.

Manpower

Manpower	Sanctioned strength	2013-14	2014-15	2015-16
Scientist	04	02	01	01
Technical Assistant	04	03	03	03
Administrative staff/Asstt. Superintendent (Admin)	02	01	01	01
Others	02	02	01	01

Internal Audit

The internal audit of the Unit for the year 2015-16 was conducted by the Zonal Audit Team-A, Central Tasar Research & Training Institute (CTR&TI), Ranchi from 17.05.2016 to 21.05.2016.

REGIONAL OFFICE , CENTRAL SILK BOARD , BHUBANESWAR

Operational Activities

Regional Office (RO), Central Silk Board (CSB), Bhubaneswar was established during the year 1982 with an aim and objective to assist the development of silk industry in the State of Odisha and encouraging sericultural development through CSB's research findings both in mulberry and non-mulberry sectors. Regional Office, Bhubaneswar is coordinating and monitoring the implementation of centrally sponsored Catalytic Development Project and other projects/schemes and to maintain a close liaison with State, Central Silk Board and Government of India as well. RO, Bhubaneswar has been entrusted to look after the development of Seri cultural activities in States of Madhya Pradesh and Chhattisgarh in addition to Odisha. Regional Office, Bhubaneswar is also rendering close coordination with CSB units located in the States of Odisha, Madhya Pradesh and Chhattisgarh viz. BTSSO (Tasar), Zonal Office of CSTRI (Post Cocoon), BSMTCs (Tasar), RECs (both Mulberry and Tasar), RSRS (Mulberry), RTRS (Tasar), DCTSCs (Reeling and Spinning) etc., for overall development of Sericultural activities in the States under jurisdiction.

Manpower:

Sl.No.	Name of the Post	Post sanctioned		Post filled up		Post vacant	
		2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
1.	Deputy Secretary (Technical)	1	1	1	1	-	-
2.	Superintendent	1	1	1	-	-	1
3.	Assistant Superintendent (Technical)	1	1	1	1	-	-
4.	Assistant (Technical)	1	1	-	-	1	1
5.	Assistant Superintendent	2	2	2	2	-	-
6.	Multi-Tasking Staff	6	6	6	6	-	-
7.	Staff Car Driver	1	1	1	1	-	-
	Total:	**13**	**13**	**12**	**11**	**1**	**2**

Budget & Expenditure

Sl.No.	Name of Centre	Budget allocation (Rs. in Lakhs)		Grants-in-Aid Received (Rs. in Lakhs)		Expenditure made (Rs. in Lakhs)	
		2015-16	2016-17	2015-16	2016-17	2015-16	2016-17
1.	**RO, Bhubaneswar**	108.21	81.67	105.3515	88.26	105.3515	88.24

Financial Data

Sl. No.	2014-15	2015-16	2016-17
Turnover (in quantity and value)	NA	NA	NA
Capital Expenditure (Rs. in lakhs)	1.16	1.79	0.79
Revenue Expenditure	NA	NA	NA
Paid-up-Capital/Corpus (in case of Abs)	NA	NA	NA
Long Term Borrowings	NA	NA	NA
Inventory (Closing)	NA	NA	NA
Grants received from Government, if any (Rs. in lakhs)	77.07	105.35	88.26
Profit before tax	NA	NA	NA
Profit after tax	NA	NA	NA

Internal Audit:

(1.) The Internal Audit Team from CRT&TI, Ranchi audited this Office w.e.f. 01/12/2016 to 14/12/2016 and made audit for the year 2015-16.

(2.) The Internal Audit Team from CRT&TI, Ranchi audited this Office w.e.f. 12/07/2017 to 17/07/2017 and made audit for the year 2016-17.

IT System:

There is a stabilised IT System which requires human interference.

REGIONAL OFFICE (RO) AND SHOWROOM & SALES DEPOT (SR&SD) OF COIR BOARD

Brief activities:

(a) Coir Board under the Ministry of Medium, Small and Micro Enterprises was set up under the Coir Industry Act, 1953 by the Govt. of India for the overall sustainable development of the Coir Industry in India. The functions of the Board as laid down under the Act include undertaking, assisting and encouraging scientific, technological and economic research, modernisation, quality improvement, human resource development, market promotion and welfare of all those who are engaged in this industry.

In order to have overall development of Coir industry in most of the coastal States of India where availability of coconut husk is the main raw-material of the industry, Regional/Sub- Regional Offices were established to undertake the following programmes:

(1) Field Training Programme - Mohila Coir Yojona (MCY) and Value Added Programme (VAP)
(2) Entrepreneurship Development Programme (EDP),
(3) Workshop,
(4) Seminar
(5) Awareness Programme
(6) Exposure Tour
(7) Human Resource Development (HRD)

Manpower:

The position of manpower of the office of the Manager, Showroom & Sales Depot and Sub-Regional Office, Kolkata as on 31.03.19 is given below:

Office	**Total**
Sub-Regional Office	2
Show Room & Sales Depot	4

Targets vs. Achievement:

(a) SRO, Kolkata: The Target vis-à-vis Actual Achievement of the SRO, Kolkata office of Coir Board for the year 2017-18 and 2018-19 are detailed below:

Activities	2017-18				2018-19			
	Target		Achievement		Target		Achievement	
	Physical (in Nos)	Financial (Rs.in lakh)	Physical (in Nos)	Financial (Rs.in lakh)	Physical (in Nos)	Financial (Rs.in lakh)	Physical (in Nos)	Financial (Rs.in lakh)
VAP-Training	50	1.75	40	1.36	80 (4 batches)	4.98	57	4.576
MCY-Training	50	1.75	40	1.36	240 (12 batches)	19.92	236	19.376
EDP	1	0.60	1	0.4855	1	1	1	0.63
Workshop	1	0.50	1	0.4697	1	0.65	1	0.52
Seminar	1	2	Nil	Nil	1	3	1	1.54

Awareness Programme	2	0.52	2	0.4357	3	0.90	3	0.76
Exposure Tour	1	75	Nil	Nil	1	1	Nil	Nil

Showroom and Sales Depot (SR&SD), Kolkata:

The Coir Board also has Showroom and Sales Depot in various towns and cities in different Sates of India. The SR&SD sells Coir products manufactured by various small and medium size entrepreneurs and it also participates in trade fares and promotes Coir products through their showrooms by direct selling.

Target and Achievement of SR&SD, Kolkata for the year last four years was as follows:

Year	Target Sale (Rs. in lakh)	Actual Sale (Rs.in lakh)	% age of achievement
2015-16	50	86.88	173
2016-17	50.00	37.78	75.56
2017-18	112.50	18.44	16.40
2018-19	150.00	05.46	3.64

The sales achievement of SR&SD, Kolkata was decreasing every year. No concrete decision was taken to promote sales by the management. Even though the Showroom is situated in prime location of Kolkata (Park Street).

(b) Financial Data:- Financial Data(RO Coir Board) Kolkata for the last three years is as follows:-

Particulars	**2016-17**	**2017-18**	**2018-19**
Turnover (in Quantity and Value)	Not Applicable		
Capital Expenditure			
Revenue Expenditure			
Paid up capital /Corpus (in case of ABs)			
Long term borrowings			
Inventory Closing			
Profit Before Tax			
Profit After Tax			

Administration:

During the period covered under Audit, the following officers held the charge of Sub-Regional Office, Kolkata and SR&SD.

Name of Officer	Office	Duration of charge
Shri Jomon Jacob	Sub-Regional Office, Kolkata	24th January, 2017 and continuing till date
Shri Gurnam Singh	SR & SD	April 2016 and continuing till date

Scope of Audit:

The Area examined during the compliance audit Coir Board, Kolkata for the year 2017-18 was to ensure with Policy & guidelines as per the Coir Industries Act 1953, Coir Industries registration Rules 2008 and other guidelines issued from Govt. of India as well as Ministry MSME. Effort was also made to find out the strength and weakness of the board in issue of monitoring the various Programme schemes implemented under SRO, Kolkata under the jurisdiction of this Office along with internal control of the management as well as overall performance Unit office.

Audit Objective:

Compliance audit of Coir Board, Kolkata was taken up to examine.

i. Whether the Programme and schemes of the Board are completed as per time schedule fixed by HO
ii. Whether the Board was adhering to the guidelines issued by the board.
iii. Whether the guidelines notifications issued by of Board & Ministry were complied in all respect.

Audit Criteria:

- i) Payment vouchers
- ii) Coir Industries Registration Rules 2008
- iii) Action Plan of the Coir Board Head Quarter
- iv) TA/LTC guide line issued by govt. of India
- v) GFR 2017

Audit Methodology:

The compliance audit started with the entry conference (05/08/2019) with Shri Jomon Jacob, (Extension Service Officer) with presence of other officials of the Board, issue of audit methodology included audit requisition for records/information/files, study of Schemes, MIS Report, internal Audit Report, verbal discussion with the management.

Internal Audit:

Internal Audit for the year 2016-17 has been conducted by the Internal Audit wing of Coir Board Head Office. No Major irregularities were observed by internal audit.

IT Aspect:

10. There was PFMS IT system was adopted by Coir Board on 01/01/2018.

(p)	Whether there is an IT system	Yes
(q)	Whether the IT system is stabilized	Yes
(r)	Whether the IT system requires human interference.	No

REGIONAL OFFICE OF SPICES BOARD, KOLKATA

Organisation

Spices Board, an autonomous body functioning under Ministry of Commerce and Industry, Govt. of India is the apex organisation for the development and worldwide promotion of Indian spices. Spices Board is responsible for the export promotion of the 52 scheduled spices and development of small cardamom and large cardamom. Spices Board was constituted on 26th February 1987 under the Spices Board Act 1986 (No. 10 of 1986) with the merger of the erstwhile Cardamom Board (1968) and Spices Export Promotion Council (1960). Spices Board is one of the five Commodity Boards functioning under the Ministry of Commerce & Industry. Its Head Quarter is in Cochin, Kerala.

The Board is the major link between the Indian exporters and the importers abroad. Its divergent activities include formulation and implementation for of programmes better production and quality improvement methods through systematic research and development activities, education and training of growers, processors, packers, exporters and registration and licensing. It acts as data bank and communication channel for importers and exporters and promoters of Indian spices abroad.

Spices Board has its focus on quality upgradation and value addition and this is achieved through accreditation systems like granting Indian Spices logo, Spices House Certificate and Brand Name Registration.

The Kolkata Regional Office is functioning under the H.O., Kochi. This Regional office is situated at 195-A, Park Street, Kolkata-700017, West Bengal. It looks after Marketing activities of Spices Board in West Bengal, Bihar, Orissa and controls the Field office of Ranchi, Jharkhand.

Administration:

During the period covered under audit Shri Vivek Jyoti Roy held the Post of Deputy Director (Marketing) upto 28.12.2015 then Smt. Jayashri, Assistant was in charge of this office upto 26.12.2016. During the audit period Shri Prabhu Pratap Kanel, Deputy Director was in charge of the Regional Office, Kolkata (w.e.f.26.12.2016).

Functions and Responsibilities

Functions and responsibilities regarding promotion of spices of the regional office of spices Board, Kolkata are as follows:

- i) development and regulation of export marketing of all spices;
- ii) implementing of marketing schemes;
- iii) registration of exporters
- iv) quality certification and control
- v) export promotion of all spices through support for:-
    - a) technology up gradation;
    - b) quality up gradation
    - c) brand promotion
    - d) research & product development
    - e) market linkage

Other responsibilities related export promotion of spices

- (i) collection and documentation of trade information from difference sources
- (ii) provision of quality evaluation services;
- (iii) provision of inputs to the Central Government on policy matters relating to import & export of spices;

Other various Multi faceted activities of the regional office are as follows:

(a) sampling/stuffing of the export consignments of chilli/chilli product and turmeric/turmeric products;
(b) guidance/assist to the exporters/traders to provide information in connection with spices exports and marketing schemes;
(c) collection & complication of export data from different land ports/sea ports;
(d) collection & perusing all India export/import data of spices from Director General of Commercial Intelligence & Statistics, Kolkata and onward transmission to H.O. time to time;
(e) participating in domestic trade fairs, seminars & workshops;

Activities performed during 2015-16

The Regional Office, Spices Board, Kolkata performed various activities related to marketing schemes, sampling/stuffing services, conducted on line and office line test for recruitment of staff, conducted staff meeting, registration to exporters during 2015-16 which are as follows:

1. One application received from M/s. Mida & Co Pvt. Ltd., Kolkata (for their project cost of Rs. 402.79 Lakhs) has been forwarded to HO for approval during 2015-16.
2. RO, Kolkata has organised and participated in three fair and exhibitions in 2015-16.
3. Registered 119 exporters in 2015-16 and 66 exporters from April to December 2016 under Kolkata jurisdiction.
4. Sampling and stuffing attended in 2015-16 is 1309 and total analytical charges collected was Rs. 38.60 lakh.

Internal Audit:

The Board's internal audit section headed by Dy. Director (Audit) has conducted audit for RO, Kolkata for the year 2015-16.

REGIONAL OFFICE (RO), SILIGURI, INCLUDING RO-JALPAIGURI, TEA BOARD

Administration:

The RO-Siliguri was headed by Shri Chandrashekhar Mitra, Deputy Director of Tea Development (Plantation) and was assisted by Shri R. Selvam, Assistant Director of Tea Development, RO - Siliguri and Dr. Amrita Chakraborty, Assistant Director of Tea Development (ADTD), RO - Jalpaiguri. Further, there were 14 Sub-Regional Offices (SRO) under RO-Siliguri. Out of which 3 SROs were headed by ADTDs viz. Darjeeling, Malbazar & Moynaguri and remaining other SROs were headed by Development Officers and Factory Advisory Officers. The SROs were mainly responsible for implementing various schemes imparted by RO-Siliguri. Shri T.B. Ghatani, was in Charge of Accounts -RO, Siliguri. Shri R. Kujur took the charge of Deputy Director of R.O Siliguri from 14.05.2016 and is continuing till date.

Men-in-Position: (As on 31.03.2016)

	Joint Director	Dy. Director	Asst. Director	OSD-Accounts	Development Officer	Asst. Administrative. Officer
Sanctioned strength	1	1	1	1	4	3
Present Position	Nil	1	1	1	2	Nil
Present Position including staff Personnel - 21 against sanction strength of 48						

Activities of the unit:

Since decentralization for payment of subsidies from September 2013 the unit entrusted to implement including payment of subsidies of various schemes of Government of India for development of mainly Tea Estates in rural areas. The ROs are implementing the following schemes:

i) Special purpose Tea Fund (SPTF)- for Replanting & uprooting of uneconomic tea bushes
ii) Plantation Development Scheme (PDS) - for irrigation purpose.
iii) Human Resource Development (HRD)-for providing tuition fees, book grants, uniform grants to the wards of the tea garden works.
iv) Quality Upgradation and Product Diversification (QUPDS)- Procurement of machineries under value addition
v) For providing financial assistance to the schedule caste tea growers (SCSP)
vi) Workshops conducted on Plant Protection code, General cultural practices, vermin composting & etc.

Financial Performance:

During the year 2015-16 amount received by the RO-Siliguri and disbursed under major schemes were as follows:

Sl. no	Name of the Scheme	Amount received from Head Office (Rs. in lakh)	Amount disbursed (Rs. in lakh)
1	SC Sub Plan scheme	30.00	7.59
2	HRD Scheme	79.07	79.24
3	PDS scheme	920.98	924.34
4	Orthodox subsidy	175.00	175.95

5	Small growers development-PPC workshops	10.00	4.88
6	QUPDS	30.00	28.42

Internal Audit:

During the period covered under audit, Internal Audit of RO-Siliguri was conducted by M/s Boobna & Co., Chartered Accountants appointed by Head Office. (Internal Audit Report was not made available to audit as the same is lying at HO)

DARJEELING TEA RESEARCH & DEVELOPMENT CENTRE (DTRDC), KURSEONG, TEA BOARD

Brief History of the Unit:

Darjeeling Tea Research & Development Centre was established at Kurseong in 1977 to support to Darjeeling tea industry on demand of the State Government and Tea Associations. DTRDC comprises four research laboratories viz. Bio-Chemistry, Farm Management, Plant Protection and Soil Science. DTRDC also has a library, Miniature Manufacture Unit, Green House and Automated Weather Station.

Administration:

During the period covered under audit, the unit was headed by Shri Mahipal Singh, Project Director and was assisted by Shri Manohar Singh, Senior Scientific Officer-Plant Protection, Shri Mrityunjay Choubey, Senior Scientific Officer Farm Management and Shri N. Kumar Senior Scientific Officer Bio-chemistry- and three Junior Scientific Officers and a contractual Farm Supervisor-Shri Anup Kumar Das. The accounting work was managed by a contractual Accountant- Shri Sudip Dutta. Shri A. Basu Majumder, Project Director took the charge on 04.01.2017 and is continuing till date.

Men-in-Position:

(as on 31.03.2016)

	Project Director	Soil Scientist	Sr. Scientific Officer	Jr. Scientific Officer	Farm Supervisor	Accountant
Sanction strength	1	1	4	5	1	1
Present Position	1	Nil	2	4	l-contractual engagement	1-contractual engagement
Present Position including staff Personnel -12 against sanction strength of 25						

Activities of the unit:

There were many in-house projects, in-house Collaborative Projects , externally Funded Project (Validation of tea descriptions for developing Distinctiveness, uniformity and stability funded by PPV&FRA, New Delhi) run by DTRDC. The other services like soil testing and advisory visits to tea gardens to address specific problems.

(A) The Major in-house Projects were as follows:

a. Determination of suitable pruning cycle of old Chinary tea bushes.
b. Seasonal and clonal variations in shoot extension rates and shoot numbers in tea clones.
c. Performance of Darjeeling tea clones in the nursery through vegetative propagation.
d. Extension, isolation and characterization of volatile flavoury compounds in Darjeeling tea.
e. Evaluation of plant extracts for the control of Blister Blight disease

(B) The Major in-house Collaborative Projects were as follows:

a. Nitrogen mineraralization and Phosphate solubilization of organic matter in acid soils of tea with UBKV, Coochbehar
b. Classical and molecular approaches for improvement in Darjeeling tea with TERI, New Delhi.

Achievements:

a. Research Paper Publication during 2015-16: 09

b. Technical Bulletin on Nursery and Pruning Cycle, etc.: 01
c. Soil Analytical Service: 70 numbers of soil/compost samples has been analyzed during 2015-16
d. Winter workshop during 2015-16: 01
e. Planters' Committee : 01

Internal Audit

During the period covered under audit, Internal Audit of DTRDC, Kurseong was conducted by an outside agency-M/s Boobna & Co., Chartered Accountants appointed by Head Office. (Internal Audit Report was not made available to audit as the same is lying at HO)

RUBBER BOARD, KOLKATA SUB-OFFICE

Brief History:

The Rubber Board is a statutory body constituted by the Government of India, under the Rubber Act, 1947, for the overall development of the Rubber Industry in the country.

Commercial cultivation of natural rubber was introduced in India by the British, although the experimental efforts to grow rubber on a commercial scale in India were initiated as early as 1873 at the Botanical Gardens, Calcutta. The first commercial *Hevea* plantations in India were established at Thattekadu (Kerala) in 1902. The importance of rubber production in India from strategic and security reasons had been realized by the government during the Second World War period. The rubber growers in India were encouraged to produce the maximum rubber required for the use during war. After the war, there were growing demands from the growers for setting up a permanent organization to look after the interests of the industry. Thereupon the government set up an ad-hoc committee in 1945 to study the situation and to make appropriate recommendation. On the recommendation of this ad-hoc committee, the government passed the Rubber (Production and Marketing) Act, 1947, on 18th April 1947, and the “Indian Rubber Board” was constituted forthwith. The Rubber Production and Marketing (Amendment) Act, 1954, amended the name of the Board as “The Rubber Board”.

Constitutions of the Rubber Board:

The Rubber Board functions under the Ministry of Commerce & Industry of the Government of India. The Board has a chairman appointed by the Central Government. He is the principal executive officer responsible for the proper functioning of the Board and implementation of its decisions and discharge of its duties under the Rubber Act.

Functions of the Rubber Board:

The functions of the Board as defined under the Act are:

(i) To promote by such measures as it thinks fit the development of the rubber industry.

(ii) Without prejudice to the generality of the foregoing provision the measures referred to therein may provide for:

a. Undertaking, assisting or encouraging scientific, technological or economic research.
b. Training students in improved methods of planting, cultivation, manuring and spraying.
c. The supply of technical advice to rubber growers
d. Improving the marketing of rubber.
e. The collection of statistics from owners of estates, dealers and manufacturers.
f. Securing better working conditions and the provision and improvement of amenities and incentives to workers.
g. Carrying out any other duties, which may be vested with the Board as per rules made under this Act.

(iii) It shall also be the duty of the Board:

a. To advise the Central Government on all matters relating to the development of the rubber industry, including the import and export of rubber.
b. To advise the Central Government with regard to participation in any international conference or scheme relating to rubber.
c. To submit to the Central Government and such other authorities as may be prescribed, half yearly reports on its activities and the working of this Act, and

d. To prepare and furnish such other reports relating to the rubber industry as may be required by the Central Government from time to time.

Departments and Divisions:

The Rubber Board has got the following departments and divisions under it:

- Rubber Production Department
- Rubber Research Institute of India
- Processing and Product Development Department
- Training Department
- Administration Department
- Finance and Accounts (F&A) Department
- Licensing and Excise Duty Department
- Statistics & Planning Department
- Market Promotion Department

Rubber Board Kolkata Sub-Office:

The Kolkata Sub-Office of the Rubber Board comes under License & Excise Duty (L&ED) department. The functions of the office includes the liaising work between the Rubber Board Headquarters and Dealers/ manufacturers coming under respective jurisdiction, concerning remittance of cess, submission of returns, application for issue/ renewal of licenses, inspection of units to ensure proper maintenance of records and accuracy of returns. The Sub Office, Kolkata is having the jurisdiction over the states of West Bengal, Assam, Bihar, Jharkhand, Orissa, Tripura, Manipur, Mizoram, Sikkim, Nagaland, Arunachal Pradesh and Andaman & Nicobar Island. However, w.e.f. May 2015, the jurisdiction has been restricted to West Bengal, Andaman & Nicobar Island, Bihar, Jharkhand, Orissa and Sikkim.

(A) **Functions of Kolkata Sub-Office**: The main functions of the Sub-office comprises of: inspection of the factory premises/ verification of documents of those who apply for special license to acquire rubber for manufacturing rubber products, inspection of business/ storage premises and verification of documents of those who desire of special license to deal in rubber, conducting regular/surprise inspections of the business/godown premises and verification of the books of accounts of the existing dealers, pursuing manufacturers for the timely submission of returns and remittance of cess dues, pursuing Revenue authorities to expedite recovery process of cess dues arrears in respect of those cases referred for revenue recovery, detection and prevention of clandestine transaction in rubber trade, maintain liaison work with various Central and State Government Departments etc.

(B) **Administration of Kolkata Sub-Office:** During the course of audit, Shri Mathew E A, Deputy Director (Excise) held the charge of the Rubber Board’s Kolkata Sub-Office upto 12.01.2017 and since then Shri Bijoy Gopal Karmakar, Dy. Director (E) held the charge during the period under audit.

Manpower Position:

The manpower position of the Rubber Board Kolkata Sub-Office as on 31.03.2017:

Sl. No.	Post	Strength
1.	Deputy Director (E)	1
2.	Asst. Director (Excise)	1
3.	Excise Duty Inspector	1
4.	Attender	1
	Total	**4**

Performance of the Kolkata Sub-Office

(A) Work done/ assignment undertaken:

Sl. No.		2012-13	2013-14	2014-15	2015-16	2016-17
1	No. of man days spent on tour	399	386	377	220	136
2	No. of manufacturing Units inspected	111	118	139	96	116
3	No. of dealership cases inspected	266	437	251	84	27
4	No. of liaison work/other duties attended	58	49	45	61	37
5	No. of pending half yearly returns collected	47	55	50	41	37

(B) Revenue Collection by during last five years ending on 31.03.2017 is as follows:

(in Rs.)

Sl. No.	Amount Collected as	2012-13	2013-14	2014-15	2015-16	2016-17
1	Cess	12, 88,958	38,60,939	29,22,401	30,82,250	24,54,989
2	Old cess Arrears/ Interest on cess	Nil	5,52,861	1,81,847	Nil	
3	License fee/ Service Charge	43,852	62,212	46,874	25,830	13,608
4	Compounding Charges	1,49,879	39,01,169	15,91,250	4,67,048	5,10,183
	Total (In Rs.)	**14,82,689**	**83,77,181**	**47,42,372**	**35,75,128**	**29,78,780**

Internal Audit

There was no Internal Audit done during 2016-17

IT Aspects

Rubber Board Sub Office functions as a Sub Office for liaison work of the Board and for linking the licensing and excise duty process of the Rubber Dealers and Manufactures of this region with the Board. All the licensing and Excise Duty functions are centralized and carried out by the Rubber Board Head Office, Kottayam. Rubber Board Sub Office, Kolkata does not involve in any IT developmental activities.

Objectives of the compliance audit

The main objectives of compliance audit is to verify whether the office is functioning properly inspection of the factory premises/ verification of documents of those who apply for special license to acquire rubber for manufacturing rubber products, inspection of business/ storage premises and verification of documents of those who desire of special license to deal in rubber, conducting regular/surprise inspections of the business/godown premises and verification of the books of accounts of the existing dealers, pursuing manufacturers for the timely submission of returns and remittance of cess dues, pursuing Revenue authorities to expedite recovery process of cess dues arrears in respect of those cases referred for revenue recovery, detection and prevention of clandestine transaction in rubber trade, maintain liaison work with various Central and State Government Departments etc.

Scope of Audit:

The scope of audit is to assess as to whether the provisions of the applicable laws, rules and regulations made there under and various orders and instructions issued by the Competent Authority are being complied with. It includes an examination of the rules, regulations, orders, instructions for their legality, adequacy, transparency, propriety and prudence and effectiveness, i.e., where these are:

f) Intra vires the provisions of the Constitution of India and the laws (legality);

g) Sufficiently comprehensive and ensure effective control over Government receipts, expenditure, assets and liabilities with sufficient safeguards against loss due to waste, misuse, mismanagement, errors, frauds and other irregularities (adequacy);

h) Clear and free from ambiguity and promote observance of probity in decision making (transparency);

i) Judicious and wise (propriety and prudence);

j) Effective and achieved the intended objectives and aims (effectiveness)

During the course of audit, the audit team also reviewed various activities carried out by Rubber Board, Sub Office, Kolkata during the period April 2016 to March 2017.

RUBBER BOARD, REGIONAL OFFICE, BARIPADA

Organisation:

The Rubber Board has established one of its Regional Office (RO) at Baripada in the year 1988. It is functioning under Rubber Production Department (RP Deptt.) of the Board. The main objective of this office is to develop rubber plantation in the districts of Mayurbhanj, Balasore and Keonjhar of Odisha and adjacent districts of West Bengal and Bihar.

In initial years the RO has successfully promoted individual plantations and group plantations in an area of 100 acres in these districts during the period from 1988 to 1995 under Board's different Plantation Development Schemes. It seems that the growers not come forward for rubber cultivation due to long gestation period, lack of finance etc. Then the RO has developed Tribal Rubber block Plantation Projects in joint collaboration with the state government agencies like District Rural Development Authority (DRDA) and Integrated Tribal Development Agency (ITDA). It became fruitful during 1995 with first tribal block plantation project in Jadunathpur village of Mayurbhanj district. This project is become the limelight for the development of rubber in Mayurbhanj district. Afterwards, 10 more tribal block plantation projects are taken up in different villages like Kendugadi, Shyamakhunta, Bisoi, Matiagarh, Astia, Bholagadia, Tadaki-Bhadusole, Kumargadia, Saratchandrapur and Routraipur.

Out of 11 Tribal projects, 4 projects are in production stage and have been handed over to the concerned Rubber Producers' Society (RPS). The beneficiaries (growers) are collecting latex, processing rubber and marketing the same collectively. Another 3 projects are in mature stage and are likely to be handed over to the concerned RPS shortly. Balance 4 projects are in immature state and cultural practices are going on. Apart from that continuous efforts are being made to bring more areas under rubber cultivation.

Function & Objective:

I. Expansion of rubber plantation under different plantation development schemes like individual, group and block plantation.
II. Support of technical knowledge to the rubber growers.
III. Imparting training on scientific rubber cultivations, maintenance, production, processing and marketing.
IV. Supporting RPSs in management activities.

Administration of Regional Office, Baripada:

During the period covered under audit Sri D. Sreekumar, Development officer held the charge of this Regional Office, Baripada up to July 2016 and Sri A. K. Kanhar, Asst. Development Officer held the charge since thereafter till date.

Man power position:

The manpower position of the Regional Office, Baripada as on 31.03.2016 is as follows:

Post	Strength
Assistant Development Officer	3
Field Officer	1
Jr. Farm Officer	2
Assistant	1
Jr. Assistant Gr. I	1
Farm Assistant	2
Staff Car Driver	1

Record Keeper	1
Total	**12**

Internal Audit:

Internal Audit was conducted by the Rubber Board, Head Office, Kottayam upto 2012-13. However, No Internal audit has been conducted for the period from 01/03/2013 to till date.

IT Aspects

This is not applicable to this Regional Office, Baripada.

RUBBER BOARD, REGIONAL RESEARCH STATION, DHENKANAL, ODISHA

Organization profile:

The Regional Research Station, Dhenkanal, Odisha performs its activities under Rubber Research Institute of India (RRII). Odisha was identified as one of the potential non-traditional region for rubber cultivation. Rubber Board in Dhenkanal started its research activities in an area of 30.8 ha in the year by establishing the Regional Station at Dhenkanal (Kadalipali) in the district of Dhenkanal.

The research wing activities were started as this region differs from the traditional regions with respect to climate extremities as high summer temperature, low rainfall, prolonged drought-low soil moisture, low soil depth and high velocity wind.

Manpower Position:

The status of Sanctioned strength and actual men in position as on 31.03.2016 was as follows:

Year	Group	Category	Sanctioned Strength	Men in position
2013-14	A	-	1	1
	B	-	3	1
	C	-	2	2
2014-15	A	-	1	1
	B	-	3	1
	C	-	2	2
2015-16	A	-	1	1
	B	-	3	1
	C	-	2	2

Areas of Research and Priorities of RRII:

The major disciplines of RRII at its headquarters are: Agronomy and Soils; Biotechnology; Botany; Genome Analysis; Germplasm; Plant Pathology; Plant Physiology , Exploitation Studies, Rubber Technology, Technical Consultancy and Agricultural Economics. The research supporting sections include Library, Instrumentation, Statistics, Computer and Maintenance. The research priorities are:

Improvement in production and productivity through

Evolving and introducing location specific high yielding clones Molecular biology and genetic engineering

Integrated approaches to reduce cost of production and improve quality competitiveness through:

1) Efficient field management systems to reduce immaturity period.
2) Introducing appropriate rubber based farming systems in different agro climatic regions.
3) Exploitation systems to reduce tapping cost.
4) Optimization of plant protection schedules.
5) Molecular approaches in plant disease control.
6) Use of alternative sources of energy for processing.
7) On-farm and shop-floor protocols to improve quality of processed rubber. Studies on modification of NR and on polymer blends.

Research support for extension of rubber cultivation to non-traditional areas by:

1. Selection and breeding of location specific clones.
2. Perfecting nutrient management and exploitation schedules.
3. Designing rubber based systems integrating region specific socioeconomic aspects.

4. Investigating all aspects of post-harvest technology, product development and marketing.

Major Research Contributions of RRII

1. Instrumental in India achieving high productivity.
2. Breeding and release of RRII 105, the outstanding rubber clone
3. Release of two more clones, RRII 414 and RRII 430 which have very high yield potential.
4. Agro technology for rubber production in non-traditional areas.
5. Development of transgenic plants through genetic engineering.
6. Plant protection systems for all diseases.
7. Management of major pests of rubber and allied crops.
8. Location specific and clone specific exploitation systems.
9. Development of Diagnosis and Recommendation Integrated fertilizer recommendation system.
10. Agro management techniques and rubber based farming systems for sustainable agriculture.
11. Expertise in ancillary products like rubber wood, honey, rubber seed oil, etc.
12. Pilot plant for production of oxidised NR and development of other modified forms.
13. Formulations and processes for different rubber products.
14. Alternative coagulants for latex and improved drying systems.
15. Semiautomatic cleaning machine for low grade sheet rubber.
16. Over two thousand research papers published in leading national and international scientific journals.

Research Project and Activities in Progress in Research Station:

In total twenty clones and twenty ortets are under evaluation towards the objective achievement under dry sub humid conditions viz. RRII 5, RRII 51, RRII 105, RRII 208, RRII 300, RRII 310, RRII 351, RRII 352, RRII 357, RRIM 600, RRIM 701, PR 255, PR 161, PB 310, PB 28/59, GT1, Haiken 1, IRCA 109, IRCA 111, SCATC 88-13, SCATC 93-14, Polyclonal.

Research Projects

Evaluation of Hevea elite clones in Orissa (1987)
Evaluation of polyclonal seedlings as planting material in Orissa
Evaluation of clones of rubber under Orissa conditions
Comparison of various Hevea clones with polyclonal seedlings in Orissa
Evaluation of few modern clones of Hevea in Orissa
Evaluation of ortets and few modern clones in Orissa
Efficiency evaluation of controlled upward tapping in Orissa
Disease Survey
Other Research Activities-Observation on wintering pattern in the region
Maintenance of source bush nursery

Project Performance Results

RRII 208 (48.53 g/t/t), followed by SCATC 88-13 (46.80 g/t/t), RRII 105 (40.53 g/t/t), RRIC 102 (40.92 g/t/t) and RRIM 600 (35.56 g/t/t) showed good yield performance. Clone SCATC93-14 (22.53 g/t/t) and RRII 300 (30.71g/t/t) showed poor yield performance. Polyclonal population trial (1989) has revealed good growth performance, adaptability and high yield of particular genotypes. Ten mother trees were selected among the population.

Highest and least yield for all the clones was recorded during Winter (Oct, Nov, Dec) and Summer (Apr, May, June). Selected ortets are showing good yield, adaptability and suggests ample scope of selection of good planting material

Financial Information regarding RRS:

The financial information during the last three years ending 31.03.2016 was as follows:

No	Particulars	2015-16	2014-15	2013-14
1	Turnover (in Quantity and Value)			
2	Capital Expenditure	Nil	Nil	Nil
3	Revenue Expenditure (Rs. in Lakh)	23.03	27.86	31.04
4	Paid up Capital/Corpus	Nil	Nil	Nil
5	Long Term borrowings	Nil	Nil	Nil
6	Inventory (Closing)	Nil	Nil	Nil
7	Grants received from Government	Nil	Nil	Nil
8	Profit Before Tax	Nil	Nil	Nil
9	Profit after Tax	Nil	Nil	Nil

Internal Audit:

As per the records submitted by the management the internal audit of Regional Research Station was conducted for the period 01.08.2006 to 28.02.2013. The major observations were as follows:

1. Lease agreement
2. Sale of Rubber
3. Accumulation of stock of rubber
4. Non-payment of Professional Tax

No internal audit was conducted during the period covered under audit.

Information Technology (IT) System

No major IT system/software was in force in the Regional Research station. Only simple home PCs are in use.

Administration

During the period 2015-16 covered under audit Dr. Bal Krishnan hold the post of Officer in Charge in the Research Station.

REGIONAL OFFICE, SECURITIES AND EXCHANGE BOARD OF INDIA, KOLKATA

Brief History of Organisation

Securities and Exchange Board of India (SEBI) was established by the Govt. of India on 12th April 1988. Initially SEBI was a non-statutory body without any statutory power. It was given statutory powers in 1992 with SEBI Act, 1992 passed by the Parliament. However in 1995, SEBI was given additional statutory powers by an amendment to the SEBI Act, 1992.

SEBI's Eastern Regional Office, Kolkata was established in the year 1993. There are four local offices under the jurisdiction of SEBI, ERO, Kolkata-

a. Bhubaneshwar Local Office
b. Guwahati Local Office
c. Patna Local Office
d. Ranchi Local Office

Objectives

The major objective of the organisation is to protect the interest of the investors in securities and to promote the development of securities market along with regulation of the securities market and other matters connected therewith or incidental thereto. .

Functions

SEBI has three functions rolled into one body:

a) Quasi legislative- It drafts regulations in its legislative capacity.
b) Quasi-judicial- It passes rulings and orders in its judicial capacity.
c) Quasi-executive- It conducts investigation and enforcement action in its executive capacity.

Internal Audit:

- Internal Audit of SEBI, Kolkata was done by M/S NBS & Co., Chartered Accountants for the year ended 31st March 2016. (Report for the period January to March 2016)

Administration

Shri S. V. Krishnamohan was the Regional Director of SEBI, ERO, Kolkata during the period covered under audit and thereafter Shri A. Sunil Kumar took charge as Regional Director with effect from 01.05.2015 and is continuing till date.

Finance:-

Financial data for the last three years including the period of Audit.

Particulars	2015-16	2014-15	2013-14
a. Turnover	NA	NA	NA
b. Capital Expenditure			
c. Revenue Expenditure (including depreciation)			
d. Paid up capital/ Corpus (in case of Abs)	NA	NA	NA
e. Long term borrowings	NA	NA	NA
f. Inventory (closing)			
g. Grants received from Govt, if any	NA	NA	NA
h. Profit Before Tax	NA	NA	NA
i. Profit After Tax	NA	NA	NA

IT System:-

There is a stabilised IT system in Regional Office, SEBI, Kolkata. There was no administrative rights provided at SEBI, ERO for IT System regarding human interference.

NATIONAL POWER TRAINING INSTITUTE (ER) DURGAPUR

Brief profile of the Institute:

National Power Training Institute (NPTI), an ISO 9001 & ISO 14001 organizations is an autonomous organisation of the Ministry of Power, Govt. of India is a National Apex body for Training and Human Resources Development in Power Sector with its Corporate Office at Faridabad. It is the only Institute of its kind in India, catering to the core power sector and allied energy sectors imparting its professional expertise in the field of training and HRD in Power Sectors through its Institutes at different regions of country viz. Nangal, Neyveli, Durgapur, New Delhi, Guwahati, Faridabad and Bangalore guided by the corporate office at Faridabad for the last four decades.

NPTI, Durgapur plays an important role in the field of HRD in the Power Sector as a leading institute in the Eastern Region since 1968. Durgapur, being a industrial hub of the Eastern India, NPTI (ER) enjoys the facilities of an Ultratech Educational Infrastructure with expertise from the faculties available in an around Durgapur from various power organisations like DVC, CESC Ltd, DPSC Ltd., Power Grid, WBPDCL, NTPC, SAIL Ltd, NSPCL to name a few.

The following main courses are conducted by NPTI, Durgapur:

I) B. Tech in Power Engineering. (4 years, 8 semesters)

II) Post Graduates Diploma in Thermal Power Plant Engineering (PGDC). (1 year, 2 semesters)

III) Post Diploma Course in Thermal Power Plant Engineering (PDC). (1 year, 2 semesters)

IV) Certificate of competency in Power Distribution.

Apart from the above certain vocational training programmes were also conducted throughout the year.

The above coursed are conducted both by the Institutes own faculties as well as hired and guest faculties.

Key management personnel:

During the year 2015-16 the following officials held the charge as Head of the Institution:

a) Atar Singh – 01.04.2015 to 28.10.2015.
b) Chittatosh Bhattacharya – 29.10.2015 to 20.11.2015.
c) Atish Banerjee – 21.11.2015 to 31.03.2016.

Existing Infrastructure

The NPTI, Durgapur campus is built and developed over a land of about 10 acres, further 5 acres land had been acquired separately for expansion. The campus is fully residential. Separate hostel accommodation is provided for both boys and girls. Other Infra-structural facilities available in the campus are faculty and staff quarters, canteen, medical centre, playground, gymnasium etc. The institute functions in four separate buildings, i.e. Institute building, Workshop building, Auxiliary building and B. Tech building. The institute has a modern library, having large collection of books as per the requirement of WBUT Circular. It also has an excellent computer lab well-equipped with LAN and internet connectivity.

Financial results

The Financial position of the Institute during the last three years ending 31st March 2016 is given below:

(`in lakh)

Particulars	2013-14	2014-15	2015-16

Revenue earning	528.78	532.33	482.10
Income over expenditure	93.11	3.15	-73.28

Grants-in-aid

Grants in aid received by NPTI (ER) during the last three years ending 31 March 2016 in summarised below:

(` in Lakh)

Year	Amount of grants received	
	Plan	Non-Plan
2013-14	22.19	Nil
2014-15	Nil	Nil
2015-16	Nil	Nil

Staff incumbency position vis-a-vis sanctioned strength & vacancy during last three years

Year	Sanctioned strength			Actual strength			Vacancy		
	Gr. A	Gr. B	Gr. C	Gr. A	Gr. B	Gr. C	Gr. A	Gr. B	Gr. C
2013-14	20	12	37	9	11	32	11	1	5
2014-15	20	9	39	10	9	25	10	0	14
2015-16	20	9	39	11	8	24	9	1	15

Details of courses pursued by students of NPTI ER Durgapur during the last three years

Years	Name of the course	Total no. of seats	Total no. of students enrolled
2013-14	PDC-13th Batch	60	56
	PGDC-18th Batch	75	76
	PDC-14th Batch	60	32
2014-15	PDC-15th Batch	60	30
	PGDC-19th Batch	75	75
	PDC-16th Batch	60	14
201516	PGDC-20th Batch	75	75
	PDC-17th Batch	60	19
	PGDC-21th Batch	75	10

Year	Name of the course	Total no. of seats	Total no. of students enrolled
2013-14	B.Tech-1st. Year	64	56
	B.Tech-2nd Year	64	62
	B.Tech-3rd Year	64	63
	B.Tech-4th. Year	64	64
2014-15	B.Tech-1st. Year	64	53
	B.Tech-2nd Year	64	63
	B.Tech-3rd Year	64	62
	B.Tech-4th. Year	64	62
2015-16	B.Tech-1st. Year	64	59
	B.Tech-2nd Year	64	58
	B.Tech-3rd Year	64	63
	B.Tech-4th. Year	64	62

MARINE PRODUCTS EXPORT DEVELOPMENT AUTHORITY, (MPEDA), REGIONAL OFFICE, KOLKATA

Brief History

The Marine Products Export Development Authority (MPEDA) was constituted in 1972 under the Marine Products Export Development Authority Act 1972 (No. 13 of

1972).MPEDA is a statutory body entrusted with the primary task of promotion of export of marine products and it functions under the Ministry of Commerce and Industry and acts as a coordinating agency with different Central and State Govt. establishments engaged in fishery production and allied activities. The role envisaged for the MPEDA under the statute is comprehensive- covering fisheries of all kinds, increasing exports, specifying standards, processing, marketing, extension and training in various aspects of the industry.

Brief activities of the unit:

The brief activities of the Authority (MPEDA) are:

1. Registration of infrastructure facilities for seafood Export trade.
2. Collection and dissemination of trade information.
3. Projection of Indian marine products in overseas markets by participating overseas fairs and organizing international seafood fairs in India.
4. Implementation of development measures vital to the industry like distribution of Insulated fish boxes, putting up fish landing platforms, improvement of peeling sheds, Modernization of industry such as upgrading of plate freezers, installation of IQF Machinery, generator sets, ice making machineries, quality control laboratory etc.
5. Promotion of aquaculture for production of shrimp and prawn for export.
6. Promotion of value added Sea-foods.
7. Promotion of Tuna fishery.
8. Implementation of organic farming.
9. Conservation management.

Administration

During the period covered under audit Shri K. V. Premdev, Deputy Director held the charge of Regional Office, MPEDA, Kolkata up to 08.05.2016, then Shri S. K. Patra joined as Deputy Director on 09.05.2016 and held the charge up to 28.04.2017 afterwards Shri S. S. Shaji held the charge of the office from 28.04.2017 and is continuing till date.

Staff Position

The total staff strength of the office was 10 as on 31.03.2017. The office was headed by Deputy Director (I/C) who is assisted by Deputy Director/Assistant Director.

Financial Position

For the last three years ending as on 2016-17

(in Rs.)

Financial Year	2014-15	2015-16	2016-17
Balance/Fund	As on 01.04.2015	As on 01.04.2016	As on 01.04.2017
Opening balance	254772	406506	277129
Received transfer of funds from Head Office	1634755	1304076	2288521
Received from other sources	1369676	987751	1145205
Expenditure during the year	2874817	2540076	4135539
Closing Balance (as on 31st March of the	406506	158257	450637

year			

Internal Audit

No internal audit has been conducted for the last three years.

IT Aspect

There is no IT system in Regional Office, MPEDA, Kolkata. However, the unit uses MS office for its day to day affairs.

KHADI AND VILLAGE INDUSTRIES COMMISSION, TRADING DIVISION, KOLKATA

Introduction

The Khadi and Village Industries Commission (KVIC) is a statutory body formed by the Government of India, under the Khadi and Village Industries Act 1956. It is an Apex organisation under the Ministry of Micro, Small and Medium Enterprises (MSME) with regard to Khadi and Village Industries within India, which seeks to - "plan, promote, facilitate, organize and assist in the establishment and development of Khadi and Village Industries in the rural areas in coordination with other agencies engaged in rural development wherever necessary." Its head office is based in Mumbai, with its six zonal offices in Delhi, Bhopal, Bangalore, Kolkata, Mumbai and Guwahati. Other than these zonal offices, it has offices in 29 states for the implementation of its various programs.

The Khadi Gramodyog Bhavan, Kolkata is a major sales outlet of KVIC to promote sales of KVI products in Eastern India. The activity of the Bhavan is to expose the wide range of Khadi and Village Industries products and provide Marketing Avenue to the institution in the State. The Bhavan procures goods from Khadi and Village Industries goods on consignment basis for promoting retail sales.

Administration:

Shri S. Roy held the post of Director, KVIC (Trading and Operation) Jyangra, Kolkata during the year 2017-18.

Manpower position:

Manpower position of this unit as on 31.03.2018 were as follows:

Sl. No.	Name of the post	Sanction Strength	Present Strength	Vacant
1	Manager	1	0	1
2	Accountant	1	0	1
3	Superintendent	1	0	1
4	Godown I/C	1	0	1
5	Accountant – II/ III/ Cashier	9	0	9
6	Readymade I/C/ Jr Incharge	5	0	5
7	Store Clerk/ SM - I	6	0	6
8	SM-II/ UDC	37	7	30
9	SM-III/LDC	27	6	21
10	MTS	19	12	7
11	Driver	2	0	2
12	Peon/ Watchman	10	0	10
13	Sweeper	2	0	2
Total		121	25	96

Present strength is much less than sanctioned strength.

Performance of KGB:

Target vis-à-vis achievement of KGB during the last three years ending 31.03.2018 are tabled below:-

(` in lakh)

Sl. No.	Particulars	Target	Achievement	Target	Achievement	Target	Achievement
1.	**Retail Sales**	**2015-16**		**2016-17**		**2017-18**	
	Khadi	701.43	633.93	824.00	663.25	824.00	504.24
	Polyvastra	1.50	0.36	0.50	0.80	1.00	0.14

	V. I.	85.00	74.56	97.00	82.73	97.00	66.25
	TOTAL	**787.93**	**708.85**	**921.50**	**746.88**	**922.00**	**570.63**
2.	**Govt. Supply**						
	Khadi	675.00	583.63	730.00	478.72	759.00	794.36
	Polyvastra	310.00	607.17	750.00	881.70	1146	722.14
	V. I.	--	--				
	TOTAL	**985.00**	**1190.80**	**1480.00**	**1360.42**	**1905.00**	**1516.50**

It is evident from the above table that the target during 2015-16, 2016-17 and 2017-18 in respect of retail sales could not be achieved. But in respect of Govt. supplies in the year 2015-16, achievement were 20.89% higher than the target. The main reason for such achievement was due to bulk orders from Railways (AT Supplies). However margin in Railway supplies is much less; so the financial position did not improve despite such target achievement. During 2017-18 the retail sales of khadi could not be achieved as well.

Grant-in-aid

During the year 2015-16, 2016-17 and 2017-18 grants received and utilisation thereof was as under:

(` in lakh)

Year	Purpose	Amount received	Amount utilised	Unspent
2015-16	Do	10.00	5.00	5.00 for 1 exhibition
Do	Utilised during 2015-16	--	1.05	2.45
2016-17	Special Khadi Exhibition	10.00	5.01	4.99
2017-18	Special Exhibition	20.00	10.00	10.00
Do	Swachha Pakhwara	2.00	0.05	1.95

Internal Audit

Internal audit is done by the Internal Audit wing of the commission. The internal audit for the year 2017-18 is yet to be done.

Information Technology (IT) Aspect:

Khadi Gramodyog Bhavan, Kolkata is approaching IFMS & KIMIS Online Software which has been developed by Central Office, KVIC, Mumbai. This office is linked to such software through Internet. However this office has no information regarding details and cost of those software.

KHADI & VILLAGE INDUSTRIES COMMISSION, STATE OFFICE, BHUBANESWAR INCLUDING MULTI-DISCIPLINARY TRAINING CENTRE BHUBANESWAR

Organization profile:

Khadi & Village Industries Commission (KVIC) is a statutory body created by an Act of Parliament (No. 61 of 1956 and as amended by Act. NO 12 of 1987 and No 10 of 2006). Established in April 1957, it took over the work of the former All India Khadi& Village Industries Board. It functions under the administrative control of the Ministry of Micro, Small and Medium Enterprises (MSME), Government of India. The main objectives of KVIC are providing employment, creating self-reliance amongst the people and building up of strong rural community spirit.

(A) State Office (SO), Bhubaneswar:

The State Office, Bhubaneswar has been functioning in its present premises since March 2009. The land of the office has been allocated by G. A. Department of Government of Odisha on long term lease basis in month of March 1995 and the construction of the office building and staff quarters has been carried out through CPWD.

The main function of SO, Bhubaneswar is to promote and implement different schemes on Khadi and Village Industries activities including the schemes of Ministry of MSME and other agencies, the programmes of which are allocated by the Central Office of KVIC Mumbai.

(B) Multi-Disciplinary Training Centre (MDTC):

Multi-Disciplinary Training Centre is a departmental training Centre of KVIC under the administrative control of the MSME, Government of India. It was functioning in the campus of Odisha Khadi & Village Industries Board (OK&VIB) since 1983 but after surrendering of the said land/premises to the Government of Odisha for establishment of State Handloom & Handicraft Museum, presently the Office of the MDTC is accommodated in a small portion of building on the plot of OK&VIB at Gandamunda, Bhubaneswar.

The training centre conducts training for the entire State of Odisha covering its 30 districts to unemployed youths of Rural as well as Urban areas, Rural Craftsman, Traditional Artisans and Women for generation of employment opportunities at large.

(C) Central Sliver Plant, Choudwar, Cuttack (CSP):

CSP Choudwar was one of the six plants set up in India by KVIC during seventh five year plan. Though land for the CSP, Choudwar was taken in the year 1992 and construction of Central Sliver Plant (building), office building, staff quarters etc. had been completed by 1996, plant and machinery had not been installed for which the plant could not commence its commercial operation. Land including buildings and other assets in the CSP, Choudwar is lying idle for more than twenty two years.

Administration:

(A) State Office:

The State Office has been functioning under the administrative control of the state Director. Shri Utkal Keshri, Dy. Director held the additional charge of State Office as State Director during the year 2017-18. At present, Shri Subhash B. Mane held the charge of State Office as State Director from September 2018 to till date.

(B) MDTC:

Shri Utkal Keshari (Dy. Director) held the charge of Principal and Drawing and Disbursing Officer of MDTC.

Manpower Position

2. The status of Sanctioned strength and actual men in position as on 31.03.2018 was as follows:

UNIT	Sanctioned Strength	Men-in-position
State Office	25	27
MDTC	09	05

Budget allocation vis-a vis-actual expenditure:

Approved budget and actual expenditure of the State Office, MDTC and Central Sliver Plant for the last three financial years ending 31 March 2018 is given below respectively:

State Office (Rs. in lakh)

Head of Account	Approved Budget			Actual Expenditure		
	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
Pay & Allowances*	---	---	---	---	---	---
TA Officers	Nil	1.00	1.00	1.18	0.68	0.40
TA Staff	Nil	5.00	6.40	4.23	6.75	6.06
Contingency	Nil	14.00	12.00	15.87	22.88	18.43

*Expenditure under the head of Pay & Allowances directly transfer to employees A/c from KVIC, Mumbai

MDTC (Rs. in lakh)

Head of Account	Approved Budget			Actual Expenditure		
	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
Pay & Allowances	---	---	---	---	---	---
TA Officers*	NIL	Nil	Nil	Nil	Nil	Nil
TA Staff	0.20	0.20	0.20	0.16	0.35	0.34
Contingency	NIL	0.00	0.00	0.00	0.00	0.00

Activities of the Organization:

The core activities of the organization are as follows:

i) Planning, promotion and organization and implementation of programmes for the development of Khadi and Village Industries (KVI) in the rural areas in co-ordination with other agencies in rural development.

ii) Building up of reserve of raw material and implements for supply to producers, creation of common service facilities for processing of raw material and provisions of facilities for marketing of KVI products. It also facilitates training of artisans engaged in KVI.

iii) Encouraging and promoting research in production techniques and equipment employed in KVI sector. It also promotes the use of non-conventional energy, bio-fertilizer and organic products.

iv) Providing financial assistance to institutions and persons who are engaged in the development and operations of KVI and guiding them through supply of designs, prototypes and other technical information.

Programmes and Schemes:

KVIC is entrusted to implement various programmers and schemes of Government of India for development of mainly khadi and village industries in rural areas. At present KVIC is implementing the following programmes:

vii) Prime Minister’s Employment Generation Programme (PMEGP).
viii) Market Development Assistance (MDA).
ix) Work shed Scheme for Khadi Artisans.
x) Khadi Reform and Development Programme under ADB Assistance (KRDP-ADB).
xi) Interest Subsidy Scheme.
xii) Welfare Measures and Social Security for Khadi Artisans:
  (a) Janashree Bima Yojana (JBY).
  (b) Artisans Welfare Fund Trust (AWFT)
xiii) Scheme of Fund for Regeneration of Traditional Industries (SFURTI).
xiv) Scheme for Strengthening of Infrastructure of Existing Weak Khadi Institutions and Assistance for Marketing Infrastructure.
xv) Marketing.

Financial Performance:

(a) Performance of the State Office for last three years ending 31st March 2018 is summarized below:

(Rs. In lakh)

Sl. No.	Programme/ Scheme	Year					
		2015-16		2016-17		2017-18	
		Grants received	Grants utilized	Grants received	Grants utilized	Grants received	Grants utilized
1.	MDA (Khadi)* including opening balances	204.12	157.99	248.05	251.187	169.29	169.29
2.	MDA (Polyvastra)						
3.	Work shed for Artisans	15.00	15.00	48.00	48.00	48.00	48.00
4.	PMEGP (MM) (except subsidy for A&N island) *including opening balance	6282.00	5736.32	2812.70	2752.70	NIL	NIL
5.	PMEGP (BF) (except subsidy for A&N island) *including opening balance	126.13	97.39	158.46	125.45	85.34	40.77
6.	Marketing	41.13	34.00	4.23	1.97	--	1.39
7.	Publicity	0.90	0.90	3.05	2.38	1.50	1.00

8.	IT	1.50	1.50	3.50	3.50	2.50	1.22

Pmance of MDTC, Bhubaneswar:

(b) Performance of MDTC, Bhubaneswar:

(in nos.)

Year	Target		Achievement	
	Courses	Persons to be trained	Courses	Persons trained
2015-16	11	1360	4	1031
2016-17	10	1460	3	1187
2017-18	10	2140	4	182 (including training of 65 candidates was ongoing)

Internal Audit:

The State Office has an Internal Audit wing of its own for conducting internal audit. However, internal auditor of commission carries out the cash and contingency audit of different field offices. The cash and contingency audit of KVIC Bhubaneswar for the year 2017-18 was conducted by internal audit party KVIC, Kolkata. The report of the same was submitted on 28.06.2018.

Information for Risk Assessment

(Rs.in Lakh)

Particulars	UoM	2015-16	2016-17	2017-18
Turnover (Qty.)	Million Tonne	Nil	Nil	Nil
Turnover (value)	Rs.	Nil	Nil	Nil
Capital Expenditure	Rs.	Nil	Nil	Nil
Revenue expenditure	Rs.	Nil	Nil	Nil
Paid-up capital	Rs.	Nil	Nil	Nil
Long term Borrowings	Rs.	Nil	Nil	Nil
Inventory (closing)	Rs.	Nil	Nil	Nil
Grant received from govt.	Rs.	5948.57	2727.51	819.03
Profit before Tax	Rs.	Nil	Nil	Nil
Profit after Tax	Rs.	Nil	Nil	Nil

IT System:

KVIC, Bhubaneshwar is having IT based information system.

(a)	Whether there is an IT System?	Yes
(b)	Whether the IT System is stabilised?	Yes
(c)	Whether the IT System requires human interface?	Yes

Scope of Audit

Scope signifies the intent of audit for conducting any specific audit programme. In this case, the scope of conducting Compliance Audit of KVIC, State Office, Bhubaneswar was to scrutiny and examine effective implementation of different programmes, monitoring of utilization of financial assistance along with promotion of research in production techniques and equipment employed.

Audit Objectives

Objectives are the guiding factors to conduct audit. They are the specific areas to be examined within the ambit of the overall scope. In this case, Audit Objectives for conducting Compliance Audit of KVIC, State Office, Bhubaneswar was to examine:-

(i) Whether programmes for development of Khadi and Village Industries (KVI) were implemented effectively and efficiently.

(ii) Whether raw materials and implements were supplied to producers timely as well as common service facilities for processing raw materials along with marketing of KVI products were created.

(iii) Whether finance assistance to institutions and persons engaged in the development and operation of KVI was properly monitored for their effective and economic utilization.

(iv) Whether research in production techniques and equipment employed in KVI sector were encouraged and promoted including promoting the use of non-conventional energy, bio-fertiliser and organic products.

Audit criteria

Audit criteria adopted for assessing the achievement of the audit objectives, during the Compliance Audit of KVIC, Bhubaneswar are follows:

(i) Programme Guidelines

(ii) Action Plan

(iii) Utilization Certificates

Audit Methodology

Audit Methodology is the procedure adopted for conducting audit in respect of collection of audit evidence in order to corroborate the audit findings. Audit was conducted through issue of requisitions for files and records. Based on the examination of records furnished by the Management, Audit Findings were framed and issued as Audit Queries to the Management. Subsequently, they were suitably incorporated in the Draft Inspection Report (DIR) and was discussed with the management in the Exit Meeting

GRANT IN AID AUDIT

Grants-in-aid are payments in the nature of assistance, donations or contributions made by one government to another government, body, institution or individual. Grants-in-aid are given by the Union Government to State Governments and/or Panchayati Raj Institutions. Union Government also gives substantial funds as grants-in-aid to other agencies, bodies and institutions. Similarly, the State Governments also disburse grants-in-aid to agencies, bodies and institutions such as universities, hospitals, co-operative institutions and others. The grants so released are utilized by these agencies, bodies and institutions for meeting day-to-day operating expenses and for creation of capital assets, besides delivery of services.

Organisations

1. CAPEXIL, Kolkata
2. Child & Social Welfare Society, PaschimMednipur*
3. EEPC, Kolkata
4. Indian Chamber of Commerce, Kolkata
5. Indian Council of Small Industries, Kolkata
6. Indian Jute industries research association Kolkata
7. Institute of Hotel Management, Catering Technology and Applied Nutrition, Arunachal Pradesh#
8. Institute of Hotel Management, Catering Technology and Applied Nutrition, Bhubaneswar
9. Institute of Hotel Management, Catering Technology and Applied Nutrition, Kolkata
10. MSME Tools Room (Central Tools Room and Training Centre), Bhubaneswar
11. MSME Tools Room (Central Tools Room and Training Centre), Kolkata
12. NilanchalSevaPartisthan, Puri, Odisha
13. Orissa PalliBikashPratishthan, District Khurda, Odisha*
14. Shellac and Forest Products Export Promotion Council (SHEFEXIL), Kolkata

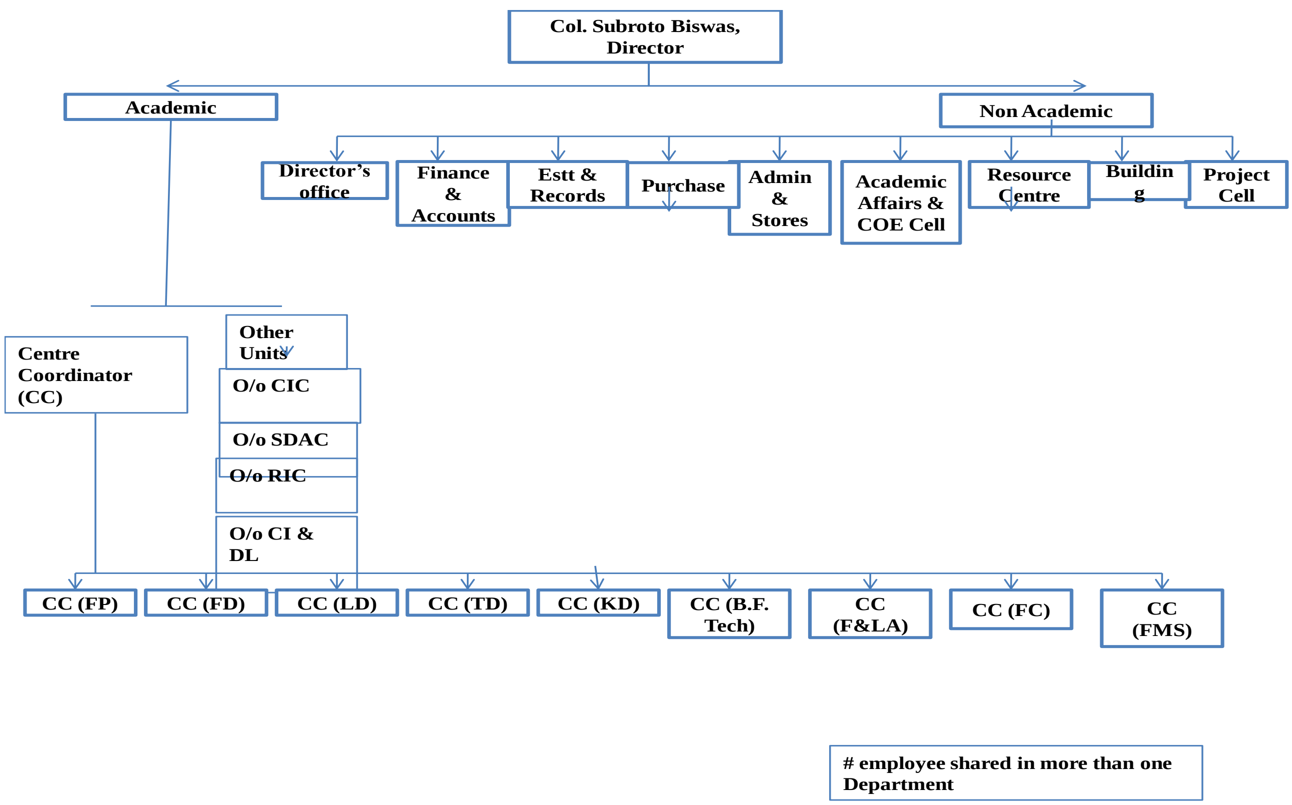
*Both organisations are NGO and presently dose not receive Grants from Government.
Institute has not been audited.

NATIONAL INSTITUTE OF FASHION TECHNOLOGY, KOLKATA

Brief History

The National Institute of Fashion Technology (NIFT) was established in 1986 as the premier Institute of Design, Management and Technology, developing professionals for taking up leadership positions in fashion business in the emerging global scenario under the aegis of Ministry of Textiles, Government of India. NIFT was granted statutory status under NIFT Act 2006, an Act passed by the Parliament of India empowering the Institute to award degrees and other academic distinctions. NIFT simultaneously became a Body Corporate. National Institute of Fashion Technology has 16 campuses including Srinagar. Kolkata, one of those 16 campuses, was established in 1995. NIFT Kolkata has regular courses provided (i) Bachelors Programme in Fashion Design (ii) Fashion & lifestyle accessories (ii) Textile Design, (iv) Knitwear Design, (v) Leather Design, (vi) Fashion Communication & Fashion Technology (vii) Design Space (vii) Masters Programme in Fashion Management apart from Continuing Education Programme being run from time to time.

Organisation Structure:



Administration

The post of Director was held by Col. Subroto Biswas.

The post of Deputy Director (F&A) was held by Shri S. Basu.

Financial Performance

NIFT Kolkata gets Capital Grant-in-Aid from time to time for capital expenditure. All other expenses are financed by the various fees received from the students. Students are awarded/ facilitated with Merit-cum-Means scholarship/subsidy based upon criteria. However, during the year 2017-18, as per the Income and Expenditure Account Rs. 2374.58 lakh is the excess of income over expenditure.

(A) **The Financial Performance of the Institute for the last three years was mentioned below**: (Rs. In lakhs)

		2015-16	2016-17	2017-18
(a)	Turnover	NA	NA	NA
(b)	Capital Expenditure	88.08	243.38	NA
(c)	Revenue Expenditure (including depreciation)	1397.26	1594.83	1825.72
(d)	Paid up capital/ Corpus (in case of Abs)	57.46	527.61	2955.61
(e)	Long term borrowings	NA	NA	NA
(f)	Inventory (closing)	NA	NA	NA
(g)	Grants received from Govt., if any	NA	32.45	30.40
(h)	Profit Before Tax	NA	331.33	2374.58
(i)	Profit After Tax	NA	331.33	2374.58

Brief about Internal Audit:

(a)	Year in which the last Internal Audit was conducted	2017-18 (internal audit outsourced to CA Firm)
(b)	Details of major irregularities observed by Internal Audit during the last year	No

Brief about IT System:

(a)	Whether there is an IT System?	Yes
(b)	Whether the IT System is stabilised?	Yes
(c)	Whether the IT System requires human interface?	Yes

Scope of Audit

The Area examined during the compliance audit of NIFT, Kolkata for the year 2017-18 was to ensure implementation of Policy & guidelines issued from Head Quarter, Delhi, Govt. of India Ministry of Textile. Effort was also made to find out the strength and weakness of the institute, with respect to collection of revenue from the student, proper utilization of Grant received from Govt. of India and internal control of the management as well as overall financial performance of the management.

Audit Objective

Compliance audit of NIFT, Kolkata was taken up to examine whether:

1. Prudent financial management exists
2. Adequate monitoring and internal control exists

Audit Criteria

1. Policy & Guideline issued by the Head Quarter New Delhi
2. Internal Audit Report
3. Office Memorandum(OM)/Circulars/Orders issued by Ministry of Textile

Internal Audit

Internal Audit of NIFT, Kolkata for the year 2017-18 was conducted by M/s Batliboi & Purohit a Company, Chartered Accountants, firm from Mumbai. No major irregularities have been reported during the year ending March 2018.

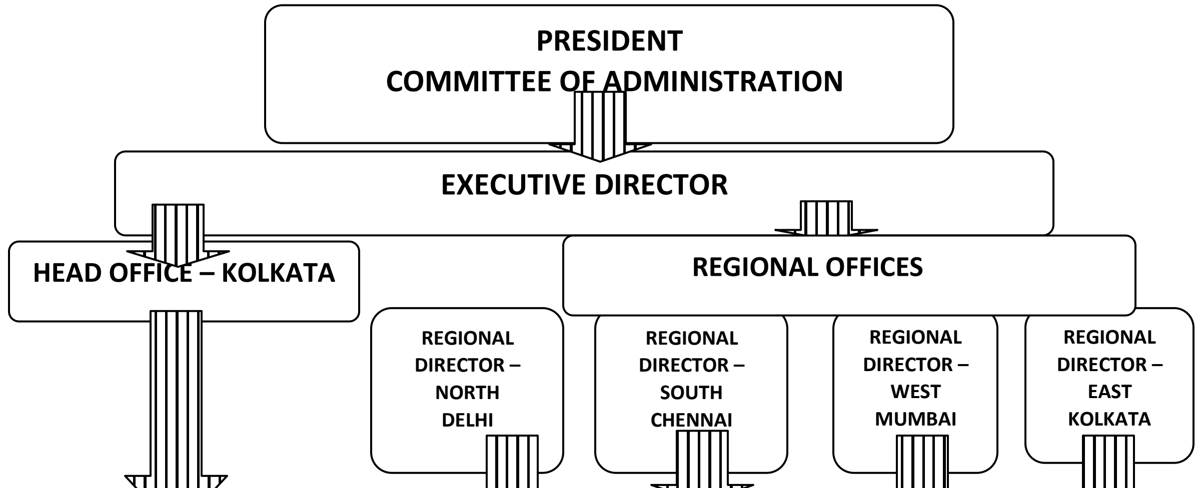
CHEMICALS AND ALLIED PRODUCTS EXPORT PROMOTION COUNCIL (CAPEXIL)

Introduction:

CAPEXIL, a non-profit organization, was setup in March 1958 by the Ministry of Commerce, Government of India to promote export of Chemicals and Allied Products from India. and since then has been the voice of Indian business community. With the Registered Office and Head Office at Kolkata, and having its Regional Offices at New Delhi, Mumbai, Kolkata and Chennai, CAPEXIL has more than 7738 (4497 active + 3241 inactive) members across the country and dealing with a wide range of product under mineral and non-mineral panels. CAPEXIL is an ardent advocate of exporters to the Government and the primary focus is to provide export assistance to its member exporters. CAPEXIL sends trade delegation to all major and developing markets around the world, showcases Indian merchandise all over the world through exhibitions, fairs, BSM. CAPEXIL can help the sourcing needs of an importer anywhere in the world, and also the selling needs of Indian exporters.

Organization Structure:

A. Organization chart of CAPEXIL



HEAD OFFICE - KOLKATA		NORTH-NEW DELHI	SOUTH - CHENNAI	WEST – MUMBAI	EAST – KOLKATA
EXECUTIVE DIRECTOR	1				
DIRECTOR	1			1	
JOINT DIRECTOR	1		1		
Dy. DIRECTORS	1	1	1	1	
EXECUTIVE OFFICERS	5	1	1	2	
ASST. EXECUTIVE OFFICERS	3			1	
ASSISTANT			1	1	
OTHER GROUP “C” STAFF	3	1	3	2	1
GROUP “D” STAFF	2				
TOTAL	**17**	**3**	**7**	**8**	**1**

Budget allocation & Expenditure:

Year	Grant received			Actual Utilisation of Grant			Excess/(Less) Grant
	MDA	MAI	Total	MDA	MAI	Total	
2015-16	20000000	0.00	20000000	16813431	0.00	16813431	3186569

2016-17	25072000	5350996	30422996	20389766	9350996	29740762	682234
2017-18	0.00	8200000	8200000	0.00	11547907	11547907	(-)3347907

Operational Performance:

(in USD Million)

Panels	Target 2016-17	Achievement 2016-17	Target 2017-18	Achievement 2017-18
A. Minerals and Ores				
Natural Stones and Products	1923.94	1860.25	1953.26	1938.89
Processed Minerals	1000.00	992.50	1050.00	1074.49
Bulk Minerals and Ores	2133.66	3142.23	3613.56	4300.27
TOTAL (A)	**5057.60**	**5994.98**	**6616.82**	**7313.65**
B. Non-Minerals				
Rubber Products	1200.00	1055.35	1215.00	1250.91
Auto Tyres and Tubes	1500.00	1498.84	1650.00	1826.23
Paints, Printing Ink and Allied products	1236.77	1110.36	1221.40	1295.26
Glass and Glassware	750.00	687.03	755.00	737.83
Plywood and Allied Products	855.00	800.49	880.54	881.04
Ceramics and Allied Products	1041.25	1183.61	1301.97	1402.23
Cement, Clinkers and Asbestos Cement Products	376.74	400.40	460.46	492.32
Paper, Paper Board and Paper Product	1180.00	1115.15	1170.91	1464.60
Books, Publications and Printing	290.00	282.53	310.78	265.88
Animal By Products	99.24	68.75	68.75	282.15
Ossein and Gelatine	58.00	50.88	50.88	53.96
Graphite, Explosives and Accessories	234.37	200.67	210.67	523.09
Miscellaneous Products	288.92	263.55	273.55	354.81
TOTAL (B)	**9110.29**	**8717.61**	**9569.91**	**10830.31**
GRAND TOTAL (A+B)	**14167.89**	**14712.59**	**16186.73**	**18143.96**

Financial Performance of CAPEXIL:

Particulars	UoM	2015-16	2016-17	2017-18
Turnover (Qty.)	In Million MT	--	--	
Turnover (value)	Rs.	90004252	11,54,23,352	8,22,78,408
Capital Expenditure	Rs.	3,92,702	73,800	10,23,954
Revenue Expenditure	Rs.	80,292,760	10,80,95,090	7,82,53,889
Paid-up Capital	Rs.	-	-	-
Long term Borrowings	Rs.	-	-	-
Inventory (Closing)	Rs.	-	-	-
Grant received from	Rs.	2,00,00,000	3,04,22,996	82,00,000
Profit before tax	Rs.	97,11,492	73,28,262	40,24,518
Profit after tax	Rs.	97,11,492	73,28,262	40,24,518

Administration:

During the period covered under audit, Shri T. K. Bhattchhayya held the charge of Executive Directorand Shri VineetJhabak held the charge of Joint Director of the council.

Scope of audit:

The area examined during the Grant-in-aid audit of CAPEXIL, Kolkata for the year 2017-18was to ensure Proper utilization of grants received from Ministry of Commerce & Industry and Export promotion Trade fair/Seminar/Conference are executed as per rules, guidelines and regulations issued by the Competent Authority.

Audit Objectives:

(a) Whether grants were utilised in most economic and efficient manner for export promotion Seminar/Trade fair as per norms/guidelines of Ministry of Commerce & Industry, Govt. Of India.
(b) Target and achievement of the council for the last 3 years.
(c) Whether proper monitoring system was prevalent on utilisation of grants

Audit criteria:

(a) Guideline of Market Access initiative (MAI) scheme issued vide No. 11/259/2011/-E&MDA
Government of India, Ministry of Commerce & Industries dated 4th August 2014.
(b) Guideline of Marketing Development Assistance Scheme vide 9/2/2012 –E&MDA Government of India, Ministry of Commerce & Industries dated 01.06.2013.
(c) CAPEXIL, Committee of Administration (CoA) Meeting Minutes for the year 2017-18.

Audit Methodology:

Review of Monthly progress report, Scrutiny of export promotion Trade fair/Seminar files and records, vouchers, bills etc received through requisitions.

Internal Audit:

During the year 2017-18 M/s Sil& Associates, a Chartered Accounted firm, Kolkata has been appointed as internal auditor. M/s Sil& Associates a Chartered

Accountant firm from Kolkata had submitted quarterly internal auditreport to the council during the year 2017-18.

IT aspect:

(a)	Whether there is an IT System?	Yes
(b)	Whether the IT System is stabilised?	Yes
(c)	Whether the IT System requires human interface?	No

INDIAN MARITIME UNIVERSITY, KOLKATA CAMPUS

Introduction:

Maritime Engineering and Research Institute, Kolkata was established at the onset of Independence in 1947 to fulfil the growing need of marine engineers in India. The Institution under Ministry of Shipping, Government of India was earlier named as Directorate of Marine Engineering Training with its headquarter in Calcutta and a branch at Bombay. The Institute was been renamed as Marine Engineering and Research Institute (MERI) in 1994. The erstwhile MERI has been subsumed with the Indian Maritime University (IMU) by the Act of Parliament namely Indian Maritime University Act, 2008 w.e.f. 14.11.2008. MERI offered 4 years B.Tech. (Maritime Engineering) course and degree was conferred by Jadavpur University. After formation of IMU, the stated degree is being conferred by IMU. It has quality management system as per ISO 9001:2000 standard and accredited as Grade One institution by CRISIL.

The Indian Institute of Port Management (IIPM), located at Shubhas Bhawan at 40 Circular Garden reach Road Kolkata - 43, offers training for Port and Marine personnel and undertakes projects. Port wing conducts training programmes on various areas of Port Operation and Management. The Marine wing conducts Post Sea Modular and Competency Courses for marine personnel in collaboration with FIMRO Mumbai. The Project wing undertakes consultancy and research works in the maritime field.

Compliance audit of Indian Maritime University, Kolkata Campus for the year 2018-19 has been conducted by an audit party from the Office of the Director General of Commercial Audit & Ex-officio Member, Audit Board-I, Kolkata during the period from 5th August, 2019 to 14th August, 2019. The Audit Party consisting of Shri Krishnendu De, Asstt. Audit Officer and Shri Ajay Prasad, Asstt. Audit Officer was supervised by Shri Prakash Kanti Thander, Sr. Audit Officer.

Objectives of IMU:

The objectives of the University are as follows:

i) To facilitate and promote maritime studies, training, research and extension work with focus on emerging areas of studies like oceanography, maritime history, maritime laws, maritime security, search and rescue, transportation of dangerous cargo, environmental studies and other related fields, and also to achieve excellence in these and connected fields;

ii) To promote advanced knowledge by providing institutional and research facilities in such branches of learning as it may deem fit and to make provisions for integrated courses in Science and other key and frontier areas of Technology and allied disciplines in the educational programmes of the University.

iii) To take appropriate measures for promoting innovations in teaching-learning process, inter-disciplinary studies and research, and to pay special attention to the promotion of educational and economic interests and welfare of the people of India.

iv) To promote freedom, secularism, equality and social justice as enshrined in the Constitution of India and to act as catalyst in socio-economic transformation by promoting basic attitudes and values of essence to national development; and

v) To extend the benefits of knowledge and skills for development of individuals and society by associating the University closely with local, regional and national issues of development.

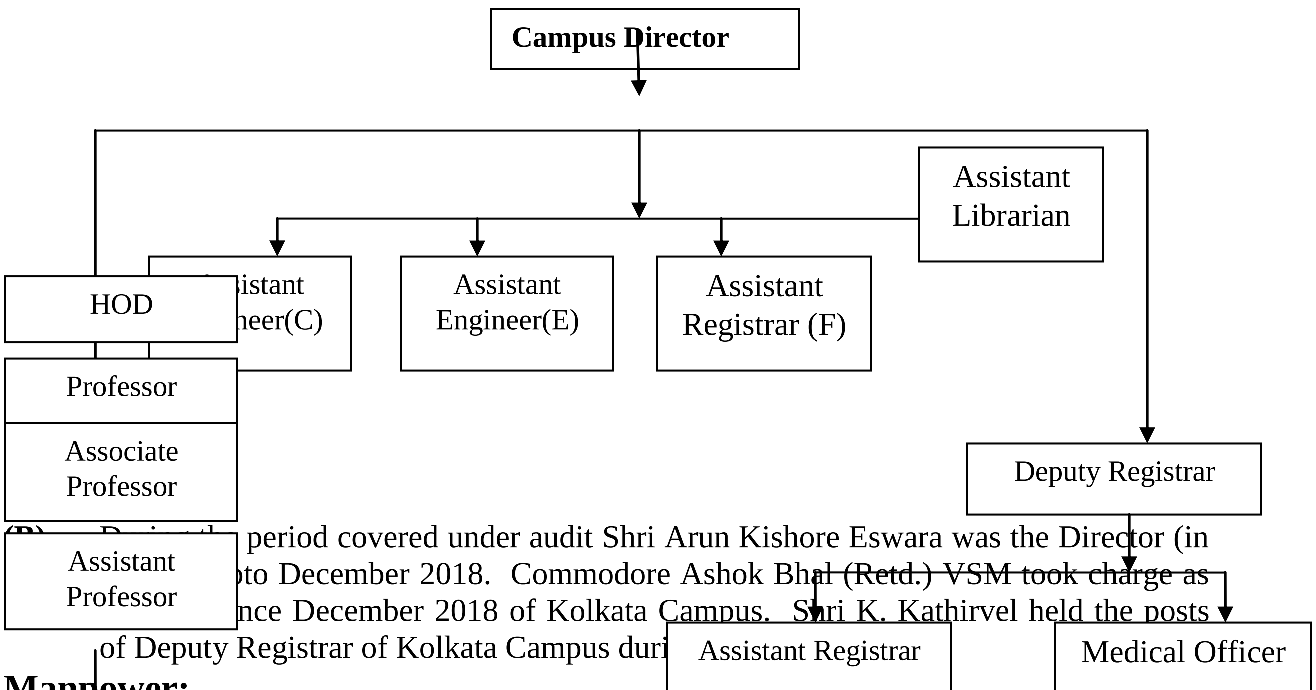
The Institute offers Graduate/Post Graduate, PhD level courses on Marine Engineering, Transportation and Logistics, Naval Architecture etc. in its various campuses at Chennai, Kolkata, Mumbai, Cochin and Vishakhapatnam.

Kolkata Campus offers 4 years B. Tech (Marine Engineering) course and one year Diploma in Nautical Science course. Apart from these two regular courses, IMU offers MEO class - I and other short term preparatory courses. Two regular courses are fully residential course with hostel facility for both boy and girl students.

Indian Institute of Port Management (IIPM) offers Management Development Programme (MDP) for Port and Marine personnel and undertakes projects. Port wing conducts training programmes on various areas of Port Operation and Management. The Marine wing conducts Post Sea modular & competency courses for maritime personnel in collaboration with FMIRO, Mumbai a company registered u/s 25, Company Act on fees sharing basis.

Organisation Structure:

(A) Organisation Structure of the University are as below: -



period covered under audit Shri Arun Kishore Eswara was the Director (in ... pto December 2018. Commodore Ashok Bhal (Retd.) VSM took charge as ... nce December 2018 of Kolkata Campus. Shri K. Kathirvel held the posts of Deputy Registrar of Kolkata Campus duri...

Manpower:

Details of sanctioned vis-à-vis actual men in position as on 31st March 2019 is as under:

Category	**Sanctioned**				**Actual**			
	MERI	IIPM	IMU	Total	MERI	IIPM	IMU	Total
Group-A (Gazetted)/Class-I	32	*12	Not Received from HQ	44	01	02	10*	13
Group-B (Gazetted)/Class-II	05	03	Do	08	00	01	--	01
Group-B (Non-Gazetted)	04	--	Do	04	01	--	02	03
Group-C (Non-Gazetted)/class-III	66	19	Do	85	18+02 (ad hoc)	08	08	36
Group- D/Class-V	80*	13	Do	93	32	07	--	39
Total	**187**	**47**	**Do**	**235**	**52+02** (ad hoc)	**18**	**20**	**92**

*Excluding the post of Director

Operational Performance of the Campus:

Available seats vis-à-vis actual no. of students admitted during the last three years ending 2018 are as follows:

B. Tech (ME) Course:

Year/Batch	Sanctioned strength (Nos.)	No. of students admitted
2016	286	250
2017	286	278
2018	286	231

M. Tech (ME) Course:

Year (Batch)	Sanctioned strength (Nos.)	No. of students admitted (Nos.)
2016	20	--
2017	20	--
2018	20	9

MBA (International Transportation & Logistic management) introduced in 2013.

Year (Batch)	Sanctioned strength (Nos.)	No. of students admitted (Nos.)
2016 (August)	15	--
2017 (August)	15	--
2018 (August)	15	11

Financial Position:

(a) Financial position of IMU, Kolkata Campus for the last three years ending 2018-19 is furnished below:

(` in lakh)

Financial position	As on 31.03.2017	As on 31.03.2018	As on 31.03.2019
Turnover (value)	2425.24	2545.62	2483.35
Capital Expenditure	715.79	392.24	345.55
Revenue Expenditure	2283.84	2421.86	2475.87
Paid Up Capital	NIL	NIL	NIL
Long Term Borrowing	NIL	NIL	NIL
Inventory (Closing)	2.50	7.37	13.74
Grants received from Government	600.05	627.12	857.77
Profit before Tax	0.00	0.00	0.00
Profit after Tax	0.00	0.00	0.00

Scope of Audit:

The area examined during the compliance audit of Indian Maritime University, Kolkata Campus for the year 2018-19 was to verify compliance of Policy & guideline issued by the Ministry of Shipping, and Indian Maritime University, Chennai HQ. Effort has also been made to find out the strength and weakness of the Campus as well as efficient, economical, effective award of contracts/ work orders and purchase orders.

Audit Objective: -

The compliance audit of Indian Maritime University, Kolkata Campus was taken up to examine whether: -

(i) Whether effective internal monitoring/control system existed in the university.
(ii) Whether the contracts and agreements executed efficiently and effectively.
(iii) Whether the fund received from Govt. of India or Ministry of Shipping utilized as per purpose for the fund provided.

Audit Criteria:

(i) Minutes of Meeting of Executive Committee and Finance Committee of the University
(ii) Major purchase/contracts issued by University.
(iii) Annual Accounts and IMU, Kolkata Campus.
(iv) Guideline and policy issued by IMU, Head quarter Chennai from time to time.

Audit Methodology

The compliance audit started with entry meeting (16/05/2018) with Deputy Registrar of the IMU Kolkata Campus with presence of the officials, issue of requisition for information and records of the University, study of minutes related to Finance Committee and Executive Committee meeting and Circulars and guideline issued from IMU, HQ and Ministry of Shipping.

7. Internal Audit:

(A) Internal Audit of IMU, Kolkata Campus was conducted by M/s. R. Subramanian & Co., LLP Chartered Accountants, Chennai during the year 2017-18. No major observations were submitted by them.

Internal Control:

The University is yet to prepare various manuals viz.

i) Internal Control Manual;
ii) Accounts Manual and
iii) Internal Audit Manual.

Brief about IT System:

(a)	Whether there is an IT System?	Yes
(b)	Whether the IT System is stabilised?	Yes
(c)	Whether the IT System requires human interface?	Yes

Information Technology:

Works relating to office management and accounting and financial management is done by Windows 7 operating system in MS Office and Tally ERP 9 and Saran Pay Pack-10.02 (Standard) with an estimated annual maintenance charges of Rs 20 lakh. Apart from this, various application software like Turbo Diesel (Simulation software), Mat Lab and Lib Sys are being used.

INDIAN COUNCIL OF SMALL INDUSTRIES, KOLKATA

Brief History of Organisation

Indian Council of Small Industries (ICSI) is a voluntary, non-profit making organisation, recognised by the Govt of India at national level and registered in 1987 under Societies Registration Act 1961. It is represented in different committees constituted by the Central and State Governments at various levels. Presently, it is functioning with its Head Office at Kolkata and Employment Assistance Centres (EACs) located at Durgapur, Bokaro and North 24 Parganas.

Objectives

ICSI's principal objective is to enhance the contribution of the small scale sector to growth and development of Indian Economy. It caters, the needs of the small, cottage, tiny and rural industries including handicrafts by way of finding tangible solutions of their problems. It interacts with Governmental and other authorities to promote projects and protect the interests of the Small Scale Sector. ICSI fosters the spirit of self-employment among the youth in preference to wage-employment and in the process tries to build up a nation-wide small scale movement.

Counselling, Retraining & Redeployment (CRR)-the main function of ICSI

Department of Public Enterprise (DPE) is implementing Counselling, Retraining & Redeployment (CRR) scheme to provide opportunities of redeployment through counselling and retraining to separated employees of Central Public Sector Enterprises (CPEs) rendered surplus due to manpower restructuring in CPSEs. Basic aim of the Scheme is to re-orient separated employees under Voluntary Retirement Scheme (VRS)/Voluntary Separation Scheme (VSS) through short duration training programme to enable them to adjust to their new environment and adopt new vocations. ICSI is working as a nodal agency for implementation of this CRR Scheme since 2001. Financial assistance for implementation of CRR scheme is being provided to ICSI by DPE based on approved norms of expenditure.

Other functions of ICSI

Apart from implementation of CRR scheme there are various other activities are being carried out by ICSI as follows:

(1) Representation at policy making level
(2) Entrepreneurship Development Programme
(3) Small Industries Development Consultancy
(4) Seminars, Symposia & Workshops
(5) Income Tax Help Centre
(6) Area Development Programme

Grants from Government

The details of grants received from various departments and ministries for the period 2013-14 to 2015-16 is as follows:

Year/Nature of Grant	Name of Ministry	Amount (Rs.in Lakh)
2013-14		
1. Plan/Non-Recurring	Ministry of Heavy Industries & Public Enterprises, Dept. of Public Enterprises, Govt. Of India under CRR Scheme	48.20
2. Plan/Non-Recurring	Ministry of Heavy Industries & Public Enterprises, Dept. of Public Enterprises, Govt. Of India under CRR Scheme	41.18
2014-15		
1. Plan/Non-Recurring	Ministry of Heavy Industries & Public Enterprises, Dept. of Public Enterprises, Govt. Of India under CRR Scheme	15.05
2. Plan/Non-Recurring	Ministry of Heavy Industries & Public Enterprises, Dept. of Public Enterprises, Govt. Of India under CRR Scheme	13.30
3. Plan/Non-Recurring	Ministry of Heavy Industries & Public Enterprises, Dept. of Public Enterprises, Govt. Of India under CRR Scheme	4.80
4. Plan/Non-Recurring	Ministry of Heavy Industries & Public Enterprises, Dept. of	6.55

	Public Enterprises, Govt. Of India under CRR Scheme	(received on 20.08.2015)
2015-16		
1. Plan/Non-Recurring	Ministry of Heavy Industries & Public Enterprises, Dept. of Public Enterprises, Govt. Of India under CRR Scheme	6.60 (received on 20.08.2015)
1. Plan/Non-Recurring	Ministry of Heavy Industries & Public Enterprises, Dept. of Public Enterprises, Govt. Of India under CRR Scheme	29.40 (received on 20.08.2015 & 16.02.16)

Internal Audit:-

Internal Audit of Indian Council of Small Industries, Kolkata was done by M/S CHANCHAL DAS & Co. For the year ended 31st March 2016.

Administration

Shri P. Kumar, President was in charge of the NGO during the period 2015-16 under audit. He was assisted by 11 numbers of contractual staff including staff at EACs.

SHELLAC AND FOREST PRODUCTS EXPORT PROMOTION COUNCIL (SHEFEXIL)

Organisation

Shellac and Forest Products Export Promotion Council (SHEFEXIL) was originally incorporated as Shellac Export Promotion Council (EPC). It was set up on 4th June 1957 to introduce orderliness & discipline in trade of Lac and to strengthen the export focus and improve competitiveness in the export market and to enhance foreign exchange earnings from exports of Lac and its various products. Shellac and Forest Products Export Promotion Council (SHEFEXIL) having its Registered Office at 'Vanijya Bhawan', International Trade Facilitation Centre, 1/1 Wood Street, 2nd Floor, Kolkata - 700016 is registered under section 25 of the Companies Act 1956. It functions within the parameters and provisions of Chapter 3 of Hand Book procedures, Volume I.

Shellac and Forest Products Export Promotion Council (SHEFEXIL), Kolkata was formed under sponsorship of Ministry of Commerce & Industry, Govt. of India to facilitate India's exports of shellac and lac based products. In April 2005, SHEFEXIL's role was enhanced as the Nodal EPC for India's Non Timber Forest Produce, to facilitate exports of Veg Saps & Extracts, Guar Gum, Sesame seeds, Herbs, Niger Seeds, Other Vegetable materials, Fixed Vegetable Oil, Cakes and more. October 2007, SHEFEXIL was declared as nodal EPC for the North Eastern region of India to facilitate all exports from the states of Assam, Arunachal Pradesh, Manipur, Nagaland, Meghalaya, Tripura, Mizoram & Sikkim.

Administration

During the period covered under audit, Shri G. L. Sarda was the Chairman and Shri A. G. Agrawal was Vice chairman of the Council. Ms. Dr Debjani Roy held the post of Executive Director of the Council during the period 2015-16.

Objectives

The objectives of the organisation is to increase in international trade, organise new programmes to develop industry competency, improve product mix, improve in marketing mix and increase in membership.

Major products

- Shellac & Lac based products
- Vegetable Saps & Extracts of Herbs
- Guar Gum
- Sesame Seeds (upto September 2015)
- Herbs
- Fixed vegetables, Oil cake and others
- Other vegetable materials
- Niger Seeds
- Multi products belonging to the North Eastern region

Membership Details

The Membership Strength of the Council during last three years ending 31.03.2016 is as under:

Types of Members	As on 31.03.2014	As on 31.03.2015	As on 31.03.2016
Ordinary Members	184	184	90
Associate Members	457	469	525
Nominated Members	03	03	03
Total	644	656	618

Financial Status

The financial position of the council during last three years is as follows:

(` in Lakh)

Particulars	2013-14	2014-15	2015-16
Income from Members and other income	285.23	246.03	197.96
Interest	69.08	95.69	89.47
Total Income	357.17	341.72	287.43
Total Expenses*	169.49	223.05	197.32
Surplus/(Deficit) for the year	187.68	118.67	90.12
Grant-in-Aid received from Govt. of India	35.00	15.00	Nil
Grant-in-Aid Utilised	2.85	4.33	Nil

* including income tax

Employee position

Types of Employees	2013-14	2014-15	2015-16
Executive	1	1	1
Assistant	1	1	1
Peon	2	2	2
Casual	7	7	6
Total	**11**	**11**	**10**

Internal Audit

During the period covered by audit, the internal audit was conducted by M/s. Ranjit Jain & Co., Chartered Accountants.

NILACHAL SEVA PRATISTHAN

INTRODUCTION

Nilachal Seva Pratisthan (NSP), a Non-Governmental Social Development Organisation,wasestablished during the year 1980 in response to the devastating cyclone of 1978 followed by a severe drought and lastly, an alarming flood in 1980 in Odisha. NSP concentrated on multifarious developmental activities, need based programs for socio-economic, health, environment & human resource development. The target population includes persons with disabilities, senior citizens, victims of substance abuse, distress & trafficked women, youth, children in need of care and protection and children in conflict with law. For welfare of target groups, NSP operates a number of projects. Presently, there are 47 no. of projects out of which 27 no. of projects are ongoing projects as on 31.07.2017, which were commenced during the years 1984-2017. Out of 27 no. of ongoing projects, NSP receives support from various Ministries of Government of India (GoI)/Departments of Government of Odisha (GoO) in respect of 22 no. of projects and remaining 5 no. of projects are implemented through self-financing/its own fund.

As at 31.03.2017, NSP has received Rs.2.29 crore as grant from the Government for different schemes. A detail annexure in this regard has been attached with this DIR.

ADMINISTRATION:

During the period covered under audit Shri Kanduri Charan Champati held the charge of Chairman of the Pratisthan.

GRANTS-IN-AID:

During the period from 2014-15 to 2016-17, the Pratisthan received Grants-in-Aid from Government of India which are given below:

(Rs. in crore)

Year	2014-15	2015-16	2016-17
Total Grants-in Aid receivable	7.53	9.19	7.33
Grants-in-Aid received during the year	2.58	3.13	2.29
Grants-in-Aid outstanding at 31 March	4.95	6.06	5.04
Total expenditure during the year	5.36	5.63	5.31
% of Grants-in-Aid received over total Grant-in-Aid receivable	34	34	31
% of expenditure over total Grants-in-Aid receivable	71	61	72
% of Grants-in-Aid received over total expenditure	48	56	43

As evident from the above table, during three (3) years ending 31 March 2017, percentage of receipt of grants over total grants receivable has been reduced from 34 to 31, resulting in increase in grants outstanding from 4.95 crore to 5.04 crore though the total grants receivable has been reduced from 7.53 crore to 7.33 crore as at 31 March 2017. Further, percentage of expenditure incurred by NSP over total grants receivable (i.e., sum total of outstanding and received) has been increased from 71 to 72 with decrease in percentage of actual grants received over total expenditure incurred from 48 to 43.

FINANCIAL PERFORMANCE

During the period 2014-15 to 2016-17, financial performance of the Pratisthan is as follows:

(Rs. in crore)

Year	2014-15	2015-16	2016-17
Total Income during the year	6.04	6.51	5.95
Total expenditure during the year	5.36	5.63	5.31
Excess of Income over expenditure	0.68	0.88	0.64

As evident from the above table, though there was increase in income over expenditure during 2015-16 from 0.68 crore to 0.88 crore, it reduced to 0.64 crore during 2016-17 due to decrease in total income earned by NSP from 6.51 crore to 5.95 crore.

MANPOWER POSITION

Manpower position of this unit as on 31.03.2017 was as follows:

Sl No	Staff category	Full time	Part time	Total
1	Administrative	5	-	5
2	Project manager/ Unit head	41	-	41
3	Field Manager	17	-	17
4	Social workers/ Councilors	20	12	32
5	Executives and Accounts	25	10	35
6	Medical/ Paramedical Staff	7	8	15
7	Care takers/ Subordinate staff	75	-	75
	Total	190	30	220

INFORMATION TECHNOLOGY (IT) ASPECT:

There is no separate application on IT at this unit. However, the unit is using desktop computers, printers along with internet modems.

INTERNAL AUDIT

There is no separate section for internal audit in the organization. However, in respect of grants received from the Government, internal audit was conducted by the Principal Accounts Office of the concerned Ministry/ Department.

SCOPE OF AUDIT

Scope signifies the intent of audit for conducting any specific audit program. In this case, scope of audit is to examine the optimum and prudent utilization of grants received from the Government of India against different projects including proper accounting of expenditure and grants receivable in the books of accounts

OBJECTIVES OF AUDIT

Objectives are the guiding factor to conduct audit. They are the specific areas to be examined within the ambit of the overall scope. In this case, objectives of audit is to ensure whether

a) Demand as well as utilization of Government Grants have been made as per the conditions laid down in respective scheme documents.

b) Schemes have been implemented effectively and efficiently in order to achieve the envisaged objectives of the respective schemes.

c) Books of accounts have been prepared by following the basic accounting principles as regards booking of expenditure, revenue recognition, accounting of grants including write off / write back of assets / liabilities.

AUDIT CRITERIA

Audit criteria to be adopted for assessing the achievement of the audit objectives through Grants-in-aid audit are:

a) Attaining objectives of various schemes through their implementation in a time bound manner;

b) Proper utilization of grants received as well as timely submission of utilization certificates to the Government;

AUDIT METHODOLOGY

For the purpose of collection of data and gathering audit evidence, the following audit methodologies were adopted:

a) Review of Annual Accounts, Annual Reports, Sanction Orders and Utilisation Certificates;

b) Examination of records regarding preparation of estimates and actual expenditure incurred there against;

c) Examination of records regarding implementation of the schemes including terms and conditions of the Government schemes, General Financial Rules and guidelines issued by the Ministry/ department;

d) Interaction with the Management, issue of Audit Queries, discussion through Entry and Exit Conference.

MICRO, SMALL & MEDIUM ENTERPRISES (MSME) TOOL ROOM (CENTRAL TOOL ROOM AND TRAINING CENTRE), KOLKATA

Organisation:

Micro, Small & Medium Enterprise (MSME), Centre Tool Room & Training Centre (CTTC), Kolkata, was established in the year 1978 under the Technical Co-operation Programme between Government of India and Government of Denmark. In order to provide greater autonomy, the Centre was established as a Govt. of India Society. The Management of affairs of the Centre rests with the Governing Council constituted by Govt. of India. Additional Secretary & Development Commissioner Ministry of Micro, Small & Medium Enterprises, (MSME), Govt. of India is the President of the Society and Chairman of its Governing Council. The Society had been renamed as MSME, Tool Room, Kolkata vide Office Memorandum No-2(14)/2007-MSME-Pol/697/2 dated-27.06.2007.

Administration:

During the period covered under audit, Shri Debdutta Guha held the post of General Manager and Shri Pradip Kumar Saha, Accounts Officer held the charge of Finance & Accounts.

Objective of the Unit:

a) Training of Tool – Makers for press tools, Jigs, fixture, dies and moulds.
b) Short- term courses primarily for representatives of small industries.
c) Manufacture of small and medium sized tools, such as Press tools, jigs and fixture, dies and moulds for plastics and metal castings and special purpose tools primarily for small scale units.
d) Common service facilities for the manufacture of tools, jigs, fixtures, dies, moulds and precision components preferably for small scale units providing advisory/ consultancy service and design assistance.
e) Recommending measures to standardize processes and components for tools, jigs, fixtures, dies, moulds, etc.
f) Provide Project Management Services for setting up Tool Rooms/ Mini Tool Rooms & Training Centre/ CAD-CAM Training centres.

Facilities:

MSME Tool Room, Kolkata is equipped with modern facilities for the manufacture of tools and for imparting training in the area of Tool & Die making. The production facilities include high precision machines of international standards like Computerized Numerical Controlled Milling machine, Wire Cut machine, Grinding machines, CNC Turning machines, like height gauge, tool makers microscope, hardness tester, C.M.M., Surface Testing equipment, etc. The Training Department is equipped with high quality machines like Milling Lathe, Surface, Cylindrical Grinding, EDM as well as CAD/CAM labs with latest work station and CAD/CAM software.

Manpower Position:

Staff Position as on	Group –A		Group – B		Group – C		Total	
	Sanctioned	In Position	Sanctioned	In Position	Sanctioned	In Position	Sanctioned	In Position
31.03.2016	17	10	16	7	79	34	112	51
31.03.2017	17	10	16	6	79	31	112	47
31.03.2018	17	10	16	5	87	28	120	43

Physical Performance:

Particulars	Year		
	2015-16	**2016-17**	**2017-18**
Number of Training Courses Conducted			
Long Term Courses	4	4	8
Medium Term Courses	13	13	17
Short Term Courses	162	220	221
Total	179	237	246
Number of Trainees Trained			
Long Term Courses	882	807	1316
Medium Term Courses	1262	1293	1201
Short Term Courses	5343	5704	5242
Total	7487	7804	7759

Financial Performance:

(` In Lakh)

Particulars		Financial Year					
		2015-16		**2016-17**		**2017-18**	
		Budget	**Actual**	**Budget**	**Actual**	**Budget**	**Actual**
Revenue Generated	Income from Training	1345.00	752.63	850.00	790.92	1100.00	1055.55
	Job work/Production Incomes (Sales Turn-over)	525.00	134.52	300.00	226.62	175.00	165.77
	Income from Interest	---	3.84	---	1.93	0.00	5.91
	Other Income	30.00	19.20	50.00	44.01	50.00	32.18
	Total	1900.00	910.19	1200.00	1063.48	1325.00	1259.41
Revenue Expenditure Incurred		1400.00	863.56	1000.00	857.80	800.00	939.87
Excess of Income over Expenditure	Without Depreciation	500.00	46.63	200.00	205.68	525.00	319.54
	With Depreciation	---	(157.62)		(34.53)		92.97

Financial performance of the centre during the year 2017-18 had improved with respect to previous financial year due to increase in receipt from training fees.

Grant-in-Aid:

Grant-in-Aid Received and spent by MSME Tool Room, Kolkata:

(` in lakhs)

SI No.	Particulars	2015-16	2016-17	2017-18
1.	Unspent balance brought forward	0.00	0.00	0.00
2.	Funds received during the year	441.88	0.00	346.84
3.	Funds utilised during the year	441.88	0.00	346.84
4.	Unspent balance carried forward	0.00	0.00	0.00

CTTC received no grant-in-aid during the year 2016-17.

Scope of Audit:

MSME Tool Room, Kolkata had a single campus in Bonhoogly, Kolkata. This is a training institute, which receives Grant-in-Aid of capital nature from time to time from

Government of India. The scope of audit in the utilisation of Grant-in-Aid during the year 2017-18.

Audit Objectives:

I. Utilisation and Accounting of Grant-in-Aid.
II. Other Important issues.

Audit Criteria:

I. Utilisation of Grant-in-Aid as per sanction orders.
II. Rules and Regulations of MSME.
III. GFR, Contracts Guidelines of CVC, Acts & circulars etc.

Internal Audit:

There was no internal audit either internally or through outsourced party during the year 2017-18.

IT Aspects:

MSME Tool Room, Kolkata implemented computerised system in 1996. Functional areas like Training, Production, Accounts and Administration are well equipped with IT system. The activities include compilation of accounts, maintenance of ledgers and other financial accounting, preparation of bills and other calculations, recording of information about Plant Performance Parameters related to Projects, maintenance and operation of the unit. Tally is used for accounting purpose.

CENTRAL TOOL ROOM & TRAINING CENTRE, MSME TOOL ROOM, BHUBANESWAR

A brief profile of the organization

MSME-Tool Room, Bhubaneswar (Central Tool Room & Training Centre) has been established under Technical Co-operation programme between Government of India and Denmark as a Government of India Society. The Centre started functioning in October 1991 with the Training Department followed by Production in the year 1994. The management of affairs of the Centre rests with the Governing Council constituted by Govt. of India. Additional Secretary and Development Commissioner (MSME), Governmnet of India, is the President of the Society & Chairman of the Governing Council. This is one of the leading Tool Room & Training Centres in India having state-of –the art machines and equipments. The Centre achieved self-sufficiency in the year 2003 with regard to recurring expenditure and covering depreciation since 2008.

Aims and objectives of the organization

- To develop production facilities of moulds, jigs, fixtures, gauges & other sophisticated tools preferable for Micro, Small & Medium Enterprises.
- To train manpower in the field of tool making & other allied engineering trades both for the fresher& for personnel already engaged in the field.
- To provide common facilities in precision machining & heat treatment.
- To provide consultancy facilities primarily for Micro, Small & Medium Enterprises in the field of tool engineering aimed at improvement in quality and productivity.

Services offered by the organization:

The Tool Room has the capabilities & can offer the following:

TOOL PRODUCTION:

- ❖ Plastic Moulds, Press Tools, Jigs & Fixtures, Gauges, Extrusion Dies, Die Casting Dies.
- ❖ Production of highly accurate Tools & Machine Components.
- ❖ Production with latest technologies like NC/CNC, CAM and Inspection by CNC 3D Coordinate Measuring Machine.
- ❖ Resetting, Re-sharpening & Maintenance of Dies & Tools.
- ❖ Tryout of Tools & Pilot Production.

TOOL DESIGN:

- ❖ Converting the ideas into reality by using CAD/CAM with the latest software and hardware.
- ❖ Design of dies & tools, moulds, jigs & fixtures, gauges etc. as per latest international standards for different industries.
- ❖ Tool related innovations for improved product design.
- ❖ Reverse Engineering & CAD support to Industry.

HEAT TREATMENT:

Vacuum Heat Treatment Technology with PLC Control System to Provide:

- ❖ High Quality distortion free Heat treatment.
- ❖ Very excellent texture of the finished tools & Components.

TRAINING:

The need to update & upgrade training programme due to rapid technological development has driven the Centre to tune the training and development of man power for smooth transition and adoption to contemporary manufacturing system to cater to wide range of industries.

LONG TERM TRAINING COURSES

- ❖ Diploma in Tool & Die Making Four years Diploma in Tool & Die Making (DTDM).
- ❖ Diploma in Mechatronics (DIM)
- ❖ ITI in Machinist Trade (ITIMT)
- ❖ Post Diploma in CAD/CAM
- ❖ Post Graduate/Diploma in Tool Die & Manufacturing (PDTDM).
- ❖ Post Graduate in Tool Design & CAD CAM (PGTD)
- ❖ Certificate Course in CNC Turning & Milling(CCTM)
- ❖ Advanced Machinist
- ❖ Condensed Course in Tool & Die Making
- ❖ CNC Machining Course:
- ❖ Industrial Automation & Robotics
- ❖ Aerospace Manufacturing Course
- ❖ Post Diploma in Structural Design and Analysis
- ❖ Post Diploma in Mechatronics
- ❖ Certificate Course in Welding Technology

SHORT TERM TRAINING COURSES

- ❖ Short term training for Workmen, Craftsmen & Engineers from different industries to upgrade their knowledge & skills.
- ❖ Need based sponsored/tailor-made technical training programmes for person from industries, institutions & for fresh Degree & Diploma holders.
- ❖ Customized training programme in CAD/CAM, CNC Technology etc. using Software like PROE, UNIGRAPHICS, Master CAM, Auto CAD, MDT, Finite Element Analysis, PLC, VLSI, Hardware and Networking with CCNA, etc.
- ❖ Seminars & workshops in High-tech specific areas.

CONSULTANCY

A highly professional wing is to assist, especially MSMEs in the field of Tool Design, Manufacturing and innovations for improved quality & productivity etc.

- ❖ Introduction of modern production technology.
- ❖ Use & maintenance of Precision Tools.
- ❖ Quality control & testing of tools & products.
- ❖ Guidance for modern tool design as per international standards & methods.
- ❖ Selection of proper raw materials for tools to ensure enhanced tool life.
- ❖ Adoption of Lean Manufacturing Concept.
- ❖ Consultancy for IPR, CFC & Mini tool room projects.
- ❖ Total Quality Management& Six Sigma Professional programmes.

Details of grants received from Government of India vis-a-vis utilization

Technology Centre Systems Programme: (TCSP) Bhubaneswar: Details of grant for TCSP programme at Bhubaneswar s is given in the table shown below.

(` in lakhs)

	2016-17
Opening balance	187.34
Amount received during the year	1250.00
Interest earned	26.28
Total	1463.62
Amount utilized	1565.15

Balance of funds at the end of the year	-101.53

Technology Centre Systems Programme: (TCSP) –Durg: Details of grant for TCSP Durg is given in the table shown below:

(` in lakhs)

	2016-17
Opening balance	0.00
Amount received during the year	100
Interest earned	1.01
Total	101.01
Amount utilized	90.97
Balance of funds at the end of the year	10.04

Note: Figures of 2017-18 are yet to be audited

Key managerial personnel

During the years 2016-17 & 2017-18, Shri Sibasis Maity was the Managing Director of Central Tool Room & Training Centre, MSME Tool Room, Bhubaneswar.

Audit objectives

The following objectives were set for this Grants-in-Aid Audit:

- To review whether compliance of guidelines issued by Government of India regarding utilization of grants has been made by the grantee.
- To review whether separate accounts have been maintained in respect of grants disbursed for each activity.
- To have an assurance that utilization certificate has been issued by the grantee as per prescribed rules & regulation.
- To ensure that the grant released by the grantor has not been utilized for any purpose other than that specified in the sanction order.

Scope of Audit

The Grants-in-Aid Audit is to be conducted as per provisions of section 14 (1) & 14 (2) of the Comptroller & Auditor General of India's Duties Powers & Conditions of Services Act 1971 and in accordance with the guidelines stipulated in Chapter-V of Manual of Standing Orders (Audit) issued (2002) by the Comptroller & Auditor General of India.

EEPC INDIA, FORMERLY KNOWN AS THE ENGINEERING EXPORT PROMOTION COUNCIL

Organisation:

EEPC India, formerly known as The Engineering Export Promotion Council, a non-profit making organization, was set up in 1955 by the Ministry of Commerce, Government of India to promote export of engineering goods from India. It is a trade advisory body and actively contributes to Government of India policies. EEPC India also has the mandate to promote foreign trade and investment in the Indian engineering sector. With the HQ at Kolkata, and four regional offices at New Delhi, Mumbai, Kolkata and Chennai and four sub-Regional Offices at Ahmadabad, Bangalore, Hyderabad and Jalandhar EEPC India have around than 13198 members across the country. EEPC India is an ardent advocate of exporters to the Government and the primary focus is to provide export assistance to its member exporters. It sends trade delegation to all major and developing markets around the world, showcases Indian exports all over the world through exhibitions, fairs.

Administration:

The posts of the Chairman and the Senior Vice Chairman during the period 2017-18 under audit were held by Shri Ravi Sehgal and Shri Mahesh K. Desai respectively.

Shri Suranjan Gupta and Shri Adhip Mitra held the post of Executive Director & and Additional Executive Director & Secretary respectively during the period 2017-18 under audit.

Promotional Activities:

During the year EEPC organized various activities both in India and abroad for promoting exports of engineering goods and services. EEPC participated in various exhibitions by setting up information booths and catalogue shows with the assistance of Indian Engineering exhibition, three Indian Engineering Exhibitions (INDEEs) in Brno, Hannover, Big five Dubai, Cuba and Thailand were organised by EEPC India.

Export Performance:

The export performance of the council of principal commodities for last two years is stated below:

(Figures in USD MN)

Principal Commodity	Cumulative Exports – 2017-18	Cumulative Exports – 2016-17
Motor Vehicle/cars	8482.61	7583.29
Product of Iron and Steel	6769.14	5929.19
Iron and Steel	11206.93	8708.26
Industrial Machinery for dairy, agriculture, food processing, textiles, paper, chemical, etc.	5341.03	4653.16
Auto Components/parts	5205.60	4225.64
Electric Machinery and Equipment	6701.83	4641.78
Aircrafts, Space crafts and Parts	2264.99	3211.95
Ships, Boats and Floating Structures	3075.18	4507.27
Aluminium and Products made of	4793.87	3256.04

Aluminium		
Copper and products made of copper	3481.25	2686.41
Other Miscellaneous items	2406.95	2111.75
IC Engineering and parts	2423.94	2122.4
Two and Three Wheelers	2001.15	1648.39
Machinery for ATMs, Injecting Moulding machinery, valves, etc.	1520.89	1269.5
Medical and Scientific Instruments	1649.66	1386.49
Other Construction Machinery	1440.98	1072.37
Air condition and Refrigeration Machinery and parts, Industrial Furnaces, Water Heaters and Centrifuges and Compressor	1294.32	985.13
Pumps of all types	366.86	764.21
Nuclear Reactors, Industrial Boilers and parts	606.49	671.05
Hand Tools, Cutting Tools	711.53	639.84
Implement made of Metals Zinc and products made of zinc	955.67	611.59
Nickle and products made of Nickle	46.53	93.29
Other Non-Ferrous metals and their products	504.82	446.84
Cranes, Lifts and Winches	385.12	388.88
Machine Tools	468.44	452.34
Bicycle & Parts	328.18	294.49
Accumulator and Battery	271.79	232.15
Lead of products made of lead	396.65	238.08
Railway Transport and parts	286.67	218.98
Office Equipments	78.23	117.91
Tin and product made of Tin	11.1	8.87
Electrodes, Accumulators and Batteries	43.94	40.64
Prime Mica & Mica Products	20.78	18.19

Membership Details for last three years:

The Membership Strength in the Council as was 11520, 11698 and 12337 as on 31.03.15, 31.03.2016 and 31.03.2017 respectively. The details are as under:

Types of Members	As on 31.03.16	As on 31.03.17	As on 31.03.18

Ordinary Members	5111	4558	4511
Associate Members	6554	7744	8675
Nominated Members	33	35	35
Total	**11698**	**12337**	**13198**

Financial Status:

The financial position of the council during last three years is as follows:

(` in Crore)

Particulars\Years	2015-16	2016-17	2017-18
1. Turnover (MU)	NA	NA	NA
2. Turnover	NA	NA	NA
3. Capital Expenditure	4.81	4.08	6.60
4. Revenue Expenditure	74.93	64.00	64.34
5. Paid up Capital	NA	NA	NA
6. Long term borrowings	NA	NA	NA
7. Inventory (closing)	NA	NA	NA
8. Grants received from Government	28.61	24.87	21.74
9. Profit/Loss before Tax	2.38	2.44	2.50
10. Profit/Loss after Tax	2.38	2.44	2.50

Employee position:

Year	As on 31.03.2016	As on 31.03.2017	As on 31.03.2018
	Actual	**Actual**	**Actual**
A	03	03	03
B	61	56	55
C	73	72	73
D	30	31	28
Total	**167**	**162**	**159**

Internal Audit

During 2017-18 R. K. Patodi & Co was appointed as internal auditor of EEPC, Kolkata.

Brief about IT System:

The ERP system of EEPC, Kolkata covered Finance, Membership and Award as its functional area since 2006. Microsoft Dynamics Navision & SQL Server has been used as Application Software.

(s) Whether there is an IT system Yes
(t) Whether the IT system is stabilised Yes
(u) Whether the IT system requires human interference. No

Scope of audit:

The scope of audit is to assess as to whether the provisions of the applicable laws, rules and regulations made there under and various orders and instructions issued by the Competent Authority are being complied with. It includes an examination of the rules, regulations, orders, instructions for their legality, adequacy, transparency, propriety and prudence and effectiveness, i.e., where these are:

k) Intra vires the provisions of the Constitution of India and the laws (legality);

l) Sufficiently comprehensive and ensure effective control over Government receipts, expenditure, assets and liabilities with sufficient safeguards against loss due to waste, misuse, mismanagement, errors, frauds and other irregularities (adequacy);

m) Clear and free from ambiguity and promote observance of probity in decision making (transparency);

n) Judicious and wise (propriety and prudence);

o) Effective and achieved the intended objectives and aims (effectiveness)

Objective of audit:

The main objectives of compliance audit are as follows are to assess:-

(vi) Whether government grants are spent in a fair and equitable manner and executed economically, efficiently and effectively in the unit?

(vii) Whether there was an effective monitoring mechanism are in place for spending of government grant?

(viii) Whether the work done by spending government grant in a proper and transparent manner?

CHILD AND SOCIAL WELFARE SOCIETY, MARKANDACHAK, PASCHIM MEDINIPUR

Brief history of the Organisation

Child and Social Welfare Society began its journey in one of the most underdeveloped district of West Bengal, Paschim Medinipurin 1969 in the name of Milani Club. Local youths of Markandchak and adjoining villages formed this club for sports and leisure. In the initial phase, they played Kabaddi, Football etc. and organised village festivals etc. In this way, a rapport with village population increased. Those youths gradually got themselves involved in the welfare work of village. During the devastating flood of 1978 they organised relief work with the help of Bengal Relief Society (BRS) and limited financial aid from District Council of Child Welfare (DCCW). This organisation worked extensively in association with Indian Red Cross society in the flood-prone area.

Starting in a thatched hut, the organisation today exists with three large buildings and other blocks in a campus of 14 acres of land. Those buildings and blocks accommodate elderly destitute people, orphan/ poor girls, students, staff, trainees etc. There are Society office, Craft-based Resource Centre, Common Facility Centres (for Bamboo and Mat hostel, etc. The organisation has been registered on 22.04.1977 under West Bengal Societies Act, 1961.

Aims and Objectives

- Ensuring access to basic needs of marginally placed children, women and old rural population by providing knowledge, organisation, skill, technology and infrastructure support.
- The objective being to salvage poor rural economy by creating additional employment in non-farm sector using locally available resources, traditional skills and merging the same with institutional finance, modern technology and upcountry marketing.
- Provide sound preventive and curative health care facilities at door steps to reduce maintenance cost and adopt older person to enable them to remain within respective family ambience.

Administration

During the period covered under audit, Shri Nikhil Kumar Burman held the post of General Secretary and look after the overall work of the organisation.

Staff Position

There were 28 numbers of full time staff and 16 numbers of part time staff in the Organisation during 2015-16. In addition, professionals are hired and volunteers are engaged as per requirement. However, Position of staff varies from time to time as per requirement.

Financial Performance

The financial performance of Child and Social Welfare Society for the last three years ending 31 March 2016was as follows –

Particulars	2013-14	2014-15	2015-16
Income	8,05,28,256	5,56,75,905	3,27,57,718
Expenditure	7,42,90,033	6,02,77,975	3,76,68,904
Surplus/Deficit (-)	62,38,223	(-)46,02,070	(-)49,11,186

Grant-in-Aid

The organisation receives Grant-in-Aid from Govt. of India, Govt. of West Bengal, Private organisations as well as foreign countries from time to time. Grant received during the last three years ending 31 March 2016 is given below –

Years	Grant received from Government of India (`)	Grant received from Government of West Bengal (`)	Reimbursement by Government of India for Fair, Training (`)	Utilisation of Grant received from Governments (`)	Grant received from Foreign countries (`)
2013-14	54,87,800	26,30,410	9,24,375	81,18,210	2,00,000
2014-15	4,87,800	19,68,525	16,00,000	24,56,325	72,625
2015-16	17,29,500	23,24,175	--	40,53,675	8,09,250

Internal Audit

During the year 2015-16, No internal audit was conducted.

IT Aspect

The organisation uses computers with Windows operating systems and MS Office application software in the area of accounts, administration & management, DTP and Photoshop, project works etc.

Risk assessment Information

Particulars	**UoM**	**2013-14**	**2014-15**	**2015-16**
Turnover (Quantity)	Tonne	--	--	--
Income (Value) excluding grant	`	645,74,866	494,60,330	2,82,94,161
Capital expenditure	`	52,88,745	--	90,600
Revenue Expenditure	`	690,01,288	602,77,975	369,84,364
Paid up Capital/ Corpus	`	--	--	--
Long term Borrowing	`	264,46,100	240,26,121	235,48,758
Closing Inventory	`	226,18,566	182,94,290	187,51,692
Grant received from Govt. (including reimbursement for workshop, projects etc.)	`	90,42,585	40,56,325	40,53,675
Grant received from others	`	2,00,000	72,625	8,09,250
Surplus/ Deficit(-)	`	62,38,223	(-)46,02,069	(-)49,11,185
PAT	`	--	--	--

CENTRAL INSTITUTE OF PLASTICS ENGINEERING AND TECHNOLOGY (CIPET), INSTITUTE OF PLASTIC TECHNOLOGY (IPT), BHUBANESWAR

Brief History:

Central Institute of Plastics engineering Technology (CIPET) was set up by the Department of Chemical & Petrochemical under the Ministry of Chemical & Fertilizer, Government of India (GOI) for Academic, Technology Support and Research (ATR) activities for the growth of Polymer and allied industries in the country. CIPET-IPT-Bhubaneswar centre was set up in 1986 offers regular Bachelors Degree program, Postgraduate and Ph. D Programs in the field of Polymer Science and Technology in order to provide qualified Human Resources to polymer and allied industries. The activity of the centre is divided as Academic and Technology Support Service. The activities are being executed through various Dept. Like Design, CAD/CAM/CAE, Tool Room, Inspection, Plastic Processing, Plastic Testing and Training.

Grants and its utilization as on 31.03.2019:

Sources	Projects	RECEIVED	UTILIZED	BALANCE
G.O.I	Pool Scientist Hostel	7,56,00,000.00	5,82,61,731.00	1,73,38,269.00
	Vertical Expansion	1,82,05,000.00	1,72,14,608.00	9,90,392.00
	G+3 Hostel	7,35,47,192.00	2,64,79,580.00	4,70,67,612.00
Govt.of Odisha	P.P.E.C	3,06,23,104.00	2,18,68,692.00	87,54,412.00
	JATANI Project	10,00,00,000.00	2,61,87,015.00	7,38,12,985.00
Total		**29,79,75,296.00**	**15,00,11,626.00**	**14,79,63,670.00**

Administration:

During the period covered by audit, Dr. P. S. G. Krishnan held the post of Principal Director & Head (up to 12.07.2019). At present Shri P. K. Sahoo, Principal Director & Head held the charge of institute Head (till the date of audit). The finance department was headed by Shri Bishnu Patra, Sr. Officer, Finance & Accounts (w.e.f. 17.07.2018 till the date of audit)

Financial Performance:

(Amount Rs. in Lakh)

Particulars	2016-17	2017-18	2018-19*
Turnover	1164.06	1248.07	1378.09
Capital Expenditure	229.11	305.86	41.76
Revenue Expenditure	1342.38	1304.33	1281.05
Paid up Capital	0.00	0.00	0.00
Long Term Borrowing	0.00	0.00	0.00
Inventory (closing)	0.00	0.00	0.00
Grant Received from Government	374.05	870.23	1235.47
Profit before Tax	(178.32)	(56.26)	97.04
Profit after Tax	NA	NA	NA

***2018-19: Audited Balance Sheet has not yet been received from CIPET Head Office, Chennai.**

Manpower Position:

The Details of manpower position of CIPET in the proforma given below;

<table>
<tr><th rowspan="2">Particular</th><th colspan="2">Supervisory</th><th colspan="2">Non-Supervisory</th><th colspan="2">Out sourcing</th><th colspan="2">Total</th></tr>
<tr><th>Sanctioned Strength</th><th>Actual Strength</th><th>Sanctioned Strength</th><th>Actual Strength</th><th>Sanctioned Strength</th><th>Actual Strength</th><th>Sanctioned Strength</th><th>Actual Strength</th></tr>
<tr><td>Technical</td><td rowspan="2">20</td><td>7</td><td rowspan="2">40</td><td>14</td><td rowspan="2">42</td><td>24</td><td rowspan="2">102</td><td rowspan="2">81</td></tr>
<tr><td>Non-Technical</td><td>3</td><td>15</td><td>18</td></tr>
</table>

Information Technology Aspect:

CIPET is using Tally ERP-9 in Finance& Accounts Department for smooth function of Financial Transactions except Tally, the institute is not having any IT System.

(a) Whether there is an IT system. Yes
(b) Whether the IT system is stabilised. Yes
(c) Whether the IT system requires human interference. No

Internal Audit:

S. K. Patodia & Associates, CA appointed by CIPET head office, Chennai, conducted internal audit of the institute for 2017-18 and 2018-19 (up to December 2018).

Scope of Audit:

Grants in Aid audit for last 5 years up to the year 2018-19.

Audit Objective:

I. Grants received and its utilization for last 5 years.
II. Procurement of Machineries/equipment.

Audit Criteria:

i) Norms, Rules and regulation for utilization of Grants.
ii)Notification/circulars issued by the concerned Ministry.
iii) General Financial Rule 2017.

FIELD OFFICES OF THE GOVERNMENT OF INDIA

DIRECTOR GENERAL OF FOREIGN TRADE (DGFT), REGIONAL AUTHORITY, CUTTACK

Introduction:

Function of the DGFT:

(i) DGFT has commitment to function as a facilitator of exports and imports. Focus on good governance, which depends on efficient, transparent and accountable delivery system. In order to facilitate international trade, DGFT consult various Export Promotion Councils as well as Trade and Industry bodies from time to time.

(ii) Niryat Bandhu-Hand Holding Scheme for new export/import entrepreneurs:

(a) DGFT is implementing the Niryat Bandhu Scheme for mentoring new and potential exporter on the intricacies of foreign trade through, counselling, training and outreach programmes.

(b) Considering the strategic significance of small and medium scale enterprises in the manufacturing sector and in employment generation, 'MSEM cluster' have been identified, based on the export potential of the product and density of industries in the cluster, for focused intervention to boost exports.

(c) Outreach shall organised in a structured way with the help of Export Promotion Councils as 'industries partners' and other willing 'knowledge partner ' in academia and research community to achieve the objective of Niryat Bandhu Scheme. Further, in order to ensure optimum utilisation of resources, efforts would be made to associate all the stake holders, including customs, ECGC, Banks and concerned Ministries.

(iii) Authority to specify procedures:

DGFT may specify procedure to be followed by an exporter and importer or by any licencing/regional authority RA or by any other authority for purposes of implementing provision of FT (D&R) Act, rules and orders made there under and FTP. Such procedure, or amendments if any, shall be published by means of a Public Notice.

Administration:

During the period of audit Shri N. Vaidyanathan, Asstt. Director General of Foreign Trade held the charge as head of the office till 05.02.2018 and thereafter Dr. Sukhbir Singh Badhal, Dy. Director General of Foreign Trade took the charge and continuing till date.

Financial Performance:

Year	**Budget Allocation (in lakh)**	**Actual expenditure (in lakh)**	**Surplus**
	Plan	Plan	
2014-15	263000	250603	12397
2015-16	350000	311374	38626
2016-17	Not Available	Not Available	Not Available
Year	**Budget Allocation (in lakh)**	**Actual expenditure (in lakh)**	**Surplus**
	Non-plan	Non-plan	

2014-15	Not Available	Not Available	Not Available
2015-16	5065114	4968311	40465
2016-17	6009592	5945899	63693

Scope of Audit:

The Area examined during the compliance audit of DGFT, Cuttack upto the year 2017-18 was to ensure with Policy & guidelines as per Foreign Trade Policy 2009-14 and 2015-20, Hand Book of Procedure 2015-20 and Foreign Trade Development and Regulation Act, 1992. Effort was also made to find out the strength and weakness of the organisation in issue of licence and monitoring the export obligation and internal control of the management as well as overall performance of the management.

Audit Objective:

Compliance audit of DGFT, Cuttack was taken up to examine whether:

3. Prudent financial management implementation of scheme and office expenditure
4. Issue of licence and monitoring.
5. Strengthen monitoring and internal control existed

Audit Criteria:

4. Foreign Trade Policy 2009-14 and 2015-20, Hand Book of Procedure 2015-20 and Foreign Trade Development and Regulation Act, 1992
5. Policy & Guideline issued by the Head Quarter.
6. Internal Audit Report
7. Order issued from Director General of Foreign Trade.

Audit Methodology:

The compliance audit starts with the entry conference with Dr. S. S. Badhal, DDGFT with presence of other officials of the concern department, issue of requisition for records, study of Foreign Trade Policy 2009-14 and 2015-20, Hand Book of Procedure 2015-20 and Foreign Trade Development and Regulation Act, 1992.

Internal Audit:

No internal audit has been conducted in this office under Risk Management system form Jt. DGFT Office, Kolkata.

ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE, KOLKATA OFFICE

Activities of the Organisation:

ADGFT, Kolkata, an Office under the administrative control of the Director General of Foreign Trade under the control of Ministry of Commerce & Industry, Government of India was established with the following activities.

Brief of activities being taken up by the unit are issuance of Import Export Code NO.(IEC),issuance of Advance Authorization (Norms and Nop Norms Cases),Amendment of Advance Authorization, Issuance of ARO(Advance Release Order), Issuance of Duty Free Intermediate Authorization (DIFA),Amendment of DIFA, Issuance of Export Promotion Capital Goods License ,Issuance of Invalidation Letter and Discharge Certificate for EPCG cases, Issuance of Status Certificate ,Issuance of Status Holder Incentive Scheme(SHIS), Amendment in SHIS, Issuance of Vishesh krishij Gram Udyog Yojna (VKGUY), Issuance of Export License for restricted items, Issuance of Service Provider Incentive Scheme, Issuance of Chapter 3 Incentive Schemes.

Administration:

During the period covered under audit from 2013-14 to 2016-17 (till date) the following officials held the charge of Additional Director General of Foreign Trade and Joint Director of General of Foreign Trade respectively.

Sl. No.	Name of the official (S/Shri)	Designation	Duration
01	Dr. L.B.Singhal	Additional Director General of Foreign Trade	April 2013 to May 2014
02	Sanjeev Nandwani		May 2014 to June 2016
03	S.B.S.Reddy		July 2016 to till date.
04	R.L.Meena	Joint Director General of Foreign Trade, Kolkata Office	2013 to June 2015
05	Abhijit Bakshi		September 2016 to till date
06	V.Sraman		2015 to till date
07	R.C.Katra		February 2016 to till date

Manpower

Information relating to Group and Category-wise sanctioned strength vis-à-vis men-in-position during the period from 2014-15 to 2016-17.

Year	Sanctioned strength			Men-in-position		
	S	**T**	**A**	**S**	**T**	**A**
2014-15	**Nil**	**Nil**	**298**	**Nil**	**Nil**	**210**
2015-16	**Nil**	**Nil**	297	**Nil**	**Nil**	196
2016-17	**Nil**	**Nil**	297	**Nil**	**Nil**	177

S=Scientific, **T**=Technical, **A**=Administrative

Finance (Budget & Expenditure)

Budget allocation vis-à-vis actual expenditure incurred during the period from 2014-15 to 2016-17.

Year	Budget Allocation (` in lakh)	Actual expenditure (` in lakh)	Surplus (+)/Deficit (-)
	Plan	Plan	
2014-15	55.07	55.07	Nil
2015-16	55.00	55.00	Nil
2016-17	30.00	30.00	Nil
Year	**Budget Allocation (` in lakh)**	**Actual expenditure (` in lakh)**	**Surplus (+)/Deficit (-)**
	Non Plan	Non Plan	
2014-15	1164.11	1095.58	68.53 (+)
2015-16	1120.79	1103.63	17.16 (+)
2016-17	1397.25	1326.79	70.46+)

Internal Audit Report:

(a) Brief about internal Audit- No Internal Audit was conducted during the period from 2013-14 to 2016-17.

(b) Details of major irregularities observed by internal audit during the last three years- Not Applicable as there was no internal Audit was conducted during the audit period.

Brief about IT system:

(a) Whether there is an IT System. - Yes

(b) Whether the IT System is stabilized- Yes

(C) Whether the IT system requires human interference –Yes

INTEGRATED FINANCE WING (SUPPLY DIVISION) MINISTRY OF COMMERCE & INDUSTRIES DEPTT. OF COMMERCE

Organization profile:

Integrated finance wing, Deptt. of Commerce (Supply Division). Min. of Commerce and Industry, Kolkata is functioning as a financial advisory body to Directorate of Supply & Disposal (D. S. & D), Kolkata in the matter of purchases, disposals, shipping clearance, litigation etc. The job assigned to this office is mainly confined to advising D. S. & D, Kolkata in deciding Rate Contracts of various items to be procured by the Various Government Departments and also State Government and related issues, from financial point of view. Since the job is essentially dependent on the demands of D. S. & D, Kolkata and other authorities, no target can be fixed. The job assigned to this office also involves close interaction with D. S & D, Kolkata and Directorate of Quality and Assurance (D.Q.A) Kolkata and the decision on various committees formed for the purpose. There is no mechanism for monitoring the various activities of D. S. & D, Kolkata and no point of time this office has been given any responsibility to monitor the said work. This office functions within the ambit of specific brief assigned by the Government department. No target for the above mentioned activities/works has been fixed, the work carried out by the Department is given in the table below:-

Year	Total no. of activities/works received from D. S. & D	Total No of activities/works carried out by the Deptt.	Total no. of activities/works could not completed by the Deptt.	Reason for non-completion/ Non carried out those activities	Remarks if any
2012-13	60	60	Nil	Nil	
2013-14	64	64	Nil	Nil	
2014-15	103	103	Nil	Nil	
2015-16	49	49	Nil	Nil	
2016-17	38	38	Nil	Nil	

Administration:

Integrated Finance wing (Supply Division) Ministry of Commerce & Industries Department of Commerce, 6, Esplanade (East), Kolkata-700 069 has been functioning under the administrative control of the Under Secretary Shri Arup Chakrabarty. Shri U. K. Biswas was D. D. O of the department till 28/02/2015 and thereafter Shri P. K. Malik, Section Officer took the charge of Drawing and Disbursing Officer and continuing till date.

Manpower Position:

Year	Sanctioned Strength	Men-in position
2012-13	10	8
2013-14	10	8
2014-15	10	8
2015-16	10	8
2016-17	10	8

Budget allocation vis a vis actual expenditure:

Actual budget received and actual expenditure of last five financial years is summarized in the table mentioned below:

(`)

Year	Budget Allocation		Actual Expenditure	
	Plan	Non-Plan	Plan	Non-Plan
2012-13	--	40,08,293	--	39,93,226
2013-14	--	41,45,168	--	41,40,886
2014-15	--	48,35,000	--	47,81,151

2015-16	--	46,15,000	--	45,44,728
2016-17	--	67,24,000	--	64,11,703

It is evident from the above table that there is no major difference between actual budget allocation vis-à-vis actual expenditure. And during the last five year department did not receive any budget in plan head.

Internal Audit:

Internal Audit of Integrated Finance wing (Supply Division) Ministry of Commerce & Industries Department of Commerce, 6, Esplanade Kolkata was conducted by an audit team from Internal Audit Wing, Office of the Chief Controller of Accounts Ministry of Commerce & Industry, Department of Commerce (Supply Division) for the period of 01/04/2013 to 31/03/2016 (for 3 financial years).

Brief about Internal Audit:

(a)	Year in which the last Internal Audit was conducted	2015-16 (for period of 2013-16)
(b)	Details of major irregularities observed by Internal Audit during the last year	No

Brief about IT System:

(a)	Whether there is an IT System?	No
(b)	Whether the IT System is stabilised?	No
(c)	Whether the IT System requires human interface?	No

List of Contract awarded during last five years as per mentioned below:-

(a) List of the contract awarded between ` 50 lakh and 100crore	Nil
(b) List of the contract executed between ` 50 lakh and 100crore	Nil
(c) List of the contract awarded above 100 crore	Nil
(d) List of the contract executed above 100 crore	Nil
(e) List of contract awarded less than 50 lakh	Nil

DIRECTORATE OF COMMERCIAL INTELLIGENCE & STATISTICS

A profile of the organization

The chequered history of evolution, developments, transformations and coming of age of the **DIRECTORATE GENERAL OF COMMERCIAL INTELLIGENCE AND STATISTICS** has been a mammoth exercise spread over a span of one hundred and forty years and carried out under the stewardship of capable and pragmatic visionaries. The Organization traces its origin to a statistical branch established in the Finance Department of the Government of India way back in 1862. Sir William W. Hunter was the first DG of the DGCI & S or the Director General of Statistics as he was designated, back in 1871. The process of progress and refinement of the methodology began as early as in 1902 when notable contributions for methodological improvement were made. In 1905, emphasis shifted from statistics to commercial intelligence. Thanks to the many faceted developments that took place during the following decades under the auspices of the UN in the fields of organization and management alongside the blending of economic theories with statistical techniques and tools, it was realised that there was no need for an artificial dichotomisation between economic-commercial intelligence and statistics in the focal organization like the DGCI & S any longer. Therefore, in 1925 the two wings were merged and the Directorate of Commercial Intelligence and Statistics came into being.

History of the DGCI & S is the history of introduction and unfailing continuation of various trade related statistical and other compilations and publications. In doing so the Directorate has supplemented the Government of India’s trade and export promotion programs by providing an intelligent information system. In addition the DGCI & S has been engaged in various other export promotional activities since it’s inception. These activities also encompass dissemination and analysis of trade information. The following paragraphs provide glimpses of the genesis and growth of its main publications and activities.

The publications containing commodity-country wise compilation of India's external trade statistics stands out as the organization's highly used publications. This statistics is being compiled since the inception of the Organization. But the metamorphosis of information structure on trade data signifies the huge leap that DGCI&S has taken in the field of information. Prior to partition separate accounts of Exports and Imports were kept for less than 10 product groups. Today the trade data is compiled at 8-digit ITC (HS) level covering around eleven thousand products. Statistics of Indian Foreign Trade used to be published till December 1956 along with other statistics in a monthly publication called "Monthly Accounts Relating to Foreign Trade and Navigation in India". After several renaming, this publication is available today as **'Monthly Statistics of Foreign Trade of India (MSFTI)'**. A separate publication called the 'Supplement to the Monthly Statistics of Foreign Trade of India' was introduced in 1960, the Volume II of which contained the trade statistics of principal countries in terms of commodities. Today the publication is available as the **'Statistics of Foreign Trade of India by countries (SFTIC)'**. A landmark change in the history of publication of foreign trade statistics came in the year 1981. DGCI&S has been bringing up a monthly brochure entitled **'Foreign Trade Statistics of India (Principal Commodities and Countries)'** since this year. This publication is perhaps the most sought after publication of this Directorate today.

A word or two on the computerization of our vast statistical data is in order here as DGCI & S witnessed a quantum leap in terms of computerization of its basic foreign trade statistics at this juncture. In April 1984, a decision was taken on the computerization of this office and the process of implementation was initiated in early 1985. Finally, the data processing system entered the modern era of electronic data processing with the installation of the microcomputer in 1987 and, thereafter, a mainframe computer in 1991.

The Indian Trade Journal, Interstate Movements of Goods by Rail, River and Air, etc are some of the other time honoured publications of this organization. The glorious tradition of our weekly publication, namely, the **'Indian Trade Journal'** began in April 5, 1906. This unique Journal on Government tenders and various trade related issues is still published on the Wednesday of every week. It is really a matter of awed interest to note that this weekly Journal has never missed a single week throughout its ninety-seven years of existence. The publication presently called **'Interstate Movements/Flows of Goods by Rail, River and Air'** which was earlier known as 'Accounts relating to the Inland (Rail and River borne) Trade Consignments of India' is one of the oldest publications of this organization dating back to 1917. **'Directory of Indian Exporters'** was another important publication of this organization, the first issue of which was brought out in 1919.The Directory had been discontinued.

Ever aware and pliant to the changing needs of time, DGCI & S has made alterations and new additions in the list of its immensely useful publications as and when required. The publication on coasting trade is a very old publication of this office. But prior to 1957, the data used to be published in the publication 'Accounts relating to Coasting Trade and Navigation of India'. A new publication, devoted exclusively to coasting trade, called **'Statistics of the Inland Coasting Trade Consignment of India'** was introduced in 1957. The supplementary publication known as the 'Supplement to the Monthly Statistics of Foreign Trade of India' introduced in 1960, has already been referred above. Volume I of the supplementary publication showed certain selected statistics on foreign trade. This volume was renamed in 1973 and since then the publication is known as **'Selected Statistics of Foreign Trade of India'**. Another new publication on shipping statistics, namely, **'Statistics of Maritime Navigation of India'** was introduced in the year 1957. After the year 1965, these statistics were published as appendices to MSFTI. But again a new publication called the **'Statistics of Foreign and Coastal Cargo Movements of India'** was introduced in 1966. A separate publication on **'Statistics of the Customs and Excise Revenue Collections of the Indian Union'**, as it is now known, was introduced in 1973. All these publications are regularly published by us even today.

Following the changes in the international classification norms, classification of traded commodities has undergone many changes, leading to revised editions of our publication on Trade Classification System. The Indian Trade Classification was introduced in January 1957. This compilation saw a major improvement in 1977 as India responded in the international efforts at comparability and harmonization of information. India adopted the Indian Trade Classification based on the United Nations Standard International Trade Classification (SITC) increasing the number of commodity classifications to a whopping 4850. Again, following the international Classification System known as Harmonized Commodity Description and Coding System evolved by the World Customs Organisation previously known as Customs Co-operational Council, Brussels, India is following an extended version of the above system of classification called the **Indian Trade Classification based on Harmonized Commodity Description and Coding System** since 1987. The revised edition effective from 1st of January 1996 was published in December 1995.

Besides, the DGCI & S undertakes many other activities relating to promotion of exports. Since its inception, **'dissemination of trade statistics'** has been an important activity of the Directorate. Port-wise, country-wise and commodity-wise foreign trade data at various levels of commodity-group disaggregation are available for the users today. International bodies, like the ESCAP, FAO, WTO, IMF, UNSD, etc, Central and State Government Ministries, and Departments, Commodity Boards, EPCs, individual firms, and researchers, are all users of this data. Similarly, **collection and dissemination of commercial information** to the commercial public as well as to the government and semi-government organizations have been among the principal services offered by the Directorate. Over time their has been a change in the nature and composition of enquiries received, but even today, this forms an integral part of the Directorate's activities. **Mediation in, and settlement of, commercial disputes** is another long-standing function of the Directorate. Till March 1976, this was the sole Government agency undertaking this type of activity. Today, Export Promotion Councils, Commodity Boards, etc. can also undertake this job. **Computation of Index Numbers of Foreign Trade of India** is another very old activity of this organization. Prior to January 1957, the Index Numbers used to be published with 1952-53 as base with export and import baskets of 16 and 17 commodity groups respectively. In 1987, the commodity basket was changed to 1075 export items (at 8-digit level HS classification) and 974 import items (at 8-digit level HS classification). Another important responsibility was added to the Directorate's work, namely, **scrutinizing and examining the merit of nominations for the National Export Awards**. This is done on the basis of certain criteria laid down by the Ministry of Commerce. The scheme is in operation since 1967.

Any documentation of the history of the DGCI & S would not be complete without reference to its **Commercial Library**. This is a commercial and technological reference library, established way back in 1919. The Library has a name and prestige of its own and serves a clientele comprising of businessmen, industrialists, students, teachers, and research workers in commerce and allied subjects.

The DGCI&S has witnessed certain revolutionary developments in recent years. The voluminous database was transferred from mainframe computer to the latest SUN SOLARIS system. VSAT and LAN have been installed. Personnel have been trained to work on computer. A great achievement of the recent past is in terms of reducing the time lag of some of our important publications. Our statistical publications namely 'Monthly Statistics of Foreign Trade of India (MSFTI)' and the weekly Journal namely "The Indian Trade Journal" were coming out with considerable lag. The "The Indian Trade Journal" has been put back on rail and for the past two years or more and it is available on the Wednesday of every week without fail. The time lag in case of the statistical publication mentioned above has been considerably reduced and has been brought down to around three months.

Financial information

Total plan & non-plan expenditure vis-a-vis budget allocation of the Directorate during last three years in ` are shown in the table given below:

	2014-15		2015-16		2016-17	
	Budget allocation	**Actual expenditure**	**Budget allocation**	**Actual expenditure**	**Budget allocation**	**Actual expenditure**
Non-plan	404052000	383860034	319178000	320549927	384700000	380869104
Plan	50000000	38551299	50000000	49977041	149200000	148942803

Operational information

As per data compiled by the Directorate total import & export by the country during the last three years in ` are shown in the table given below:

	2014-15	2015-16	2016-17
Export	18964454690632	17163780458047	18523396626440
Import	27370865783536	24902980812455	25774216585518

Manpower strength

The sanctioned strength of manpower vis-a-vis actual incumbency during the last three years has been shown in the table given below:

	2014-15		2015-16		2016-17	
Cadre	**Sanctioned strength**	**Actual incumbency**	**Sanctioned strength**	**Actual incumbency**	**Sanctioned strength**	**Actual incumbency**
Group-A	28 (ISS-20, IES-6, Ex-cadre-1, Others-1)	22 (ISS-15, IES-6, Ex-cadre-1)	28 (ISS-20, IES-6, Ex-cadre-1, Others-1)	21 (ISS-15, IES-5, Ex-cadre-1)	28 (ISS-20, IES-6, Ex-cadre-1, Others-1)	25 (ISS-19, IES-5, Ex-cadre-1)
Group-B	193 (Gazetted-58, Non-gazetted-135)	183 (Gazetted-58, Non-gazetted-125)	193 (Gazetted-58, Non-gazetted-135)	182 (Gazetted-124, Non-gazetted-58)	193 (Gazetted-58, Non-gazetted-135)	181 (Gazetted-57, Non-gazatted-124)
Group-C	204	144	204	155	204	148

Internal Audit

The Internal Audit of the Directorate for the period from 2013-14 to 2015-16 was conducted by an Internal Audit team from the Principal Accounts Office of the Ministry of Commerce. However management has not yet prepared compliance report thereon.

IT System

The IT Application system of the Directorate is ORACLE, 10g, 11g& 12C MS Office, Visual Basic, Visual Foxpro, Web logic, 12C ORACLE AS 10g

Key management personnel

During the year 2016-17 Dr. Dipankar Sinha Director General was the head of the organization till 31.07.2016 thereafter Dr. B. B. Pal Deputy Director General took charge as head of the organization till 23.03.2017 when Mr. Jotirmoy Poddar took charge as Director General.

DIRECTORATE OF SUPPLY & DISPOSAL, KOLKATA

Brief History of the Department

Directorate of Supplies & Disposal (DS&D), Kolkata is one of the regional offices of the Directorate General of Supplies & Diposals (DGS&D), New Delhi, which is an attached office of Department of Commerce, Ministry of Commerce & Industry, Government of India.

DGS&D was a regional Supply of purchase wing of DGS&D to facilitate the large concentration of particular industries at this place. The main function of DS&D, Kolkata was the procurement of Jute bags and conclusion of Rate contracts for items of common use.

However, the activities of procurement and supply of jute bags performed by DGS&D has been transferred to the Jute Commissioner of India, Ministry of Textiles, Kolkata w.e.f. 01.11.2016.

Previously, the procurement system of DGS&D helped:-

To buyers

- Facility of bulk rate and lowest competitive price
- Save time and efforts in tedious & frequent tendering at multiple user locations.
- Enable buying as and when required.
- Low level of inventory cost by timely supplies with minimal lead time.
- Available of quality goods with full quality assurance backup.
- Acts as benchmark for State Government/Public Sector Undertakings (PSU)

To Supplires

- Access to large volume of purchase without going through tendering and follow up at multiple user locations, which results in saving in administrative and marketing efforts and overheads, especially for small scale industries.
- Rate Contract lends respectability and image enhancement.
- Technical guidance is available especially to Small Scale units.
- Prompt and centralized payment for better cash flow and reduction in cost of workings.

Present Status of the Organisation

Recently, the Union Cabinet had given its approval for the following:-

- Setting up of a Special Purpose Vehicle (SPV) to be called Government e-Marketplace (GEM) as the National Public Procurement Portal as Section 8, Company registered under the Companies Act 2013, for providing procurement of goods and services required by Central and State Government organizations. GeM SPV shall provide an end to end online marketplace for Central and State Government Ministries/ Departments, Central & State Public Sector Undertakings (CPSUs & SPSUs), Autonomous institutions and Local bodies, for procurement of common use goods and services in a transparent and efficient manner.
- DGS&D shall be wound up and cease its functions by 31st October 2017. In case, it is not possible to wind up DGS&D by 31st October 2017, the Department may extend the date of closure with proper justification latest upto 31st March 2018.

Manpower Position

Sanctioned Strength	Actual Strength			
	2013-14	2014-15	2015-16	2016-17
157	111	98	89	79

Physical Performance

The Physical performance of the Department during the last three years ending 31st March 2017 were given below: -

(Each bales contains 500 bags)

Item	Unit	2013-14	2014-15	2015-16	2016-17
B. Twill jute Bags	Bales	24,18,121	22,43,453	25,18,012	16,19,196

Financial Performance

The Financial Performance of the Department during the last three years ending 31st March 2017 was as follows: -

Particulars	2013-14	2014-15	2015-16	2016-17
Capital Expenditure (`)	Nil	Nil	24,575	1,10,715
Revenue Expenditure (`)	5,93,86,047	5,49,27,260	5,65,41,574	5,95,07,060

Head of Account	Approved Budget (`)				Actual Expenditure (`)			
	2013-14	2014-15	2015-16	2016-17	2013-14	2014-15	2015-16	2016-17
Salary	60000000	50100000	51000000	53500000	54525018	50037489	50900258	53292430
O.E.	1100000	1200000	1550000	1350000	1099660	1198170	1549231	1349392
O.A.E	2700000	2400000	3313000	4130000	2685536	3067329	3311931	4126759
D.T.E	500000	600000	260000	220000	339025	211107	212162	167258
MED	400000	250000	330000	260000	379124	172141	312947	247511
RR&T	100000	50000	46000	43000	51416	42244	45357	42244
ADV & PUB	50000	Nil	13000	311000	8622	Nil	12704	297921
O.T.A	10000	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Minor Works	Nil	150000	Nil	Nil	Nil	Nil	Nil	Nil
Prof. Services	290000	150000	200000	40000	249989	150980	171159	34260
Grant in Aid	9000	14000	7000	10000	9000	7800	6900	Nil
Other Ch. (V)	40000	40000	44000	70000	38657	40000	43500	60000

Internal Audit

Internal Audit for the period 2012-13, 2013-14 and 2015-16 was conducted by CCA (Supply Division), New Delhi. However, Internal Audit Report for the period 2015-16 is still awaited. There were no significant irregularities observed by the Internal Audit during the period of 2012-13 and 2013-14.

Information Technology (IT)

The Department uses Public Financial Management system (PFMS).

1. Administration

During the period covered under audit, the following personheld the charge of the post of Dy. Directorate General of Supply & Disposal :

Name	Period
1. Shri K.S.P.S. Tomar	Upto 31.12.2012
2. Shri P. K. Kanchan	From 03.01.2013 to 26.09.2014
3. Shri Umesh Chandra	From 22.10.2014 to 24.12.2014
4. Shri M. H. Ansari	From 13.04.2015 to till date

APPENDIX A

List of Government Companies where this office is the Principal Auditor

Sl. No.	Name of the Company	Ministry
1.	Andrew Yule & Company Limited.	
2.	B B J Construction Company Limited.	
3.	BalmerLawrie& Company Limited.	
4.	BalmerLawrie Investment Company Limited	
5.	BhorSagar Port Limited	
6.	BieccoLawrie Limited.	
7.	Brahmaputra Cracker and Polymer Limited.	
8.	Bridge & Roof Company (India) Limited.	
9.	Central Inland Water Transport Corporation Limited.	
10.	CIL NTPC Urja Private Limited	
11.	Chattisgarh Copper Limited.	
12.	Creative Museum Designers, Kolkata (Sec. 25 Company)	
13.	Hindustan Cables Limited.	
14.	Hindustan Copper Limited.	
15.	Hindustan Paper Corporation Limited.	
16.	Hooghly Printing Company Limited.	
17.	Inland and Coastal Shipping Limited, Kolkata	
18.	Jagdishpur Paper Mills	
19.	Jute Corporation of India Limited.	
20.	Kolkata Port Infrastructure Development Limited.	
21.	Kolkata Riverfront Development Private Limited.	
22.	Loktak Downstream Hydroelectric Corporation Limited, Manipur	
23.	Mahanadi Basin Power Limited	
24.	M S T C Limited.	
25.	Nagaland Pulp and Paper Company Limited.	
26.	National Aluminium Company Limited.	
27.	National Jute Manufactures Corporation Limited.	
28.	NeelachalIspat Nigam Limited	
29.	North Eastern Development Finance Corporation Limited.	
30.	NEDFi Venture Capital Limited, Guwahati	
31.	NEDFI Trustees Limited, Guwahati	
32.	North Eastern Electric Power Corporation Limited.	
33.	North Eastern Industrial & Technical Consultancy Organisation Limited.	
34.	North Eastern Industrial Consultant Limited	
35.	Numaligarh Refinery Limited.	
36.	SJVNL Thermal Company Private Limited.	
37.	Utkal Ashok Hotel Corporation Limited.	
38.	Vishakhapatnam Port Logistics Private Limited	
39.	Yule Electrical Ltd	
40.	Yule Engineering Ltd	

APPENDIX B

List of Government Companies where this office is Sub-auditor

Sl	Name of the entity and the Principal Auditor	Ministry
1.	Air India Limited (ER&NER*), (Principal Auditor – MAB-II, Mumbai)	
2.	Air India Air Transport Services Limited (Eastern Region), (Principal Auditor – MAB-II, Mumbai)	
3.	Air India Engineering Services Limited (Eastern Region), (Principal Auditor – MAB-II, Mumbai)	
4.	Air India Express Limited (Kolkata Station) (Principal Auditor-MAB-II, Mumbai).	
5.	Bharat Heavy Electricals Limited, Power Sector Eastern Region, Kolkata(Principal Auditor – MAB-III, New Delhi)	
6.	Bharat Petroleum Corporation Limited (ER&NER*)(Principal Auditor-MAB-II, Mumbai)	
7.	Hindustan Petroleum Corporation Limited (ER&NER*),(Principal Auditor-MAB-II, Mumbai)	
8.	Indian Oil Corporation Limited (ER&NER*), (Principal Auditor-MAB-II, New Delhi)	
9.	NHPC Limited (ER&NER*), (Principal Auditor - MAB-III, New Delhi)	
10.	NTPC Limited (ER&NER*), (Principal Auditor-MAB-III, New Delhi)	
11.	Power Grid Corporation of India Limited (ER & NER*), (Principal Auditor-MAB-III, New Delhi)	

APPENDIX C

List of Statutory Corporations audited by this office

Sl. No	Name of the Statutory Corporation
This office is Sole Auditor	
1.	Damodar Valley Corporation (Principal Auditor)
This office is Sub-Auditor	
2.	Airport Authority of India (ER&NER*), (Principal Auditor-MAB-I, New Delhi)
3.	National Highways Authority of India (WB, Assam and Meghalaya), (Principal Auditor-MAB-I, New Delhi)

*ER&NER-Eastern & North-eastern Region

APPENDIX D

List of Autonomous Bodies audited by this office

Sl. No.	Name of the Autonomous Body
	This office is Sole Auditor
1.	Calcutta Dock Labour Board
2.	Kolkata Port Trust
3.	National Jute Board.
4.	Paradeep Port Trust
	This office is Sub-Auditor
5.	Footwear Design & Development Institute, Kolkata (Principal Auditor: MAB-II, New Delhi)
6.	Central Silk Board (Principal Auditor-MAB, Hyderabad).
7.	Coffee Board (Principal Auditor-MAB, Hyderabad).
8.	Coir Board (Principal Auditor-MAB, Chennai).
9.	Indian Maritime University (Principal Auditor-MAB, Chennai).
10.	Khadi Village Industries Commission (Principal Auditor–MAB-I, Mumbai).
11.	Marine Product Export Development Authority (Principal Auditor -MAB, Chennai).
12.	National Institute of Fashion Technology (Principal Auditor –MAB-II, New Delhi).
13.	National Power Training Institute (Principal Auditor –MAB-III, New Delhi).
14.	Rubber Board(Principal Auditor-MAB, Chennai).
15.	Spices Board(Principal Auditor-MAB, Chennai).
16.	Securities and Exchange Board of India, Kolkata(Principal Auditor–MAB-I, Mumbai).
17.	Tea Board of India (Principal Auditor-MAB-II, Kolkata).

APPENDIX E

No. of Grants-in-Aid audit (Sec 14 of CAG DPC Act, 1971) done by this office

Sl. No.	Name of the Entity
23.	CAPEXIL, Kolkata (Formerly Chemical and Allied Export Promotion Council of India).
24.	Child and Social Welfare Society, PaschimMedinipur, West Bengal.
25.	Central Institute of Plastic Engineering and Technology (CIPET) Extension Centre, Bhubaneswar Campus.
26.	CIPET, Bhubaneswar Campus-II
27.	CIPET, Laboratory for Advanced Research in Polymeric Materials (LARPM), Bhubaneswar
28.	CIPET, Balasore
29.	CIPET Extension Centre, Haldia Campus.
30.	EEPC India, Kolkata (Formerly Engineering Export Promotion Council of India).
31.	Indian Chamber of Commerce, Kolkata.
32.	Indian Council of Small Industries, Kolkata.
33.	Indian Jute Industries Research Association, Kolkata.
34.	Institute of Hotel Management, Catering Technology and Applied Nutrition, Kolkata.
35.	Institute of Hotel Management, Catering Technology and Applied Nutrition, Bhubaneswar.
36.	Institute of Hotel Management, Catering Technology and Applied Nutrition, Arunachal Pradesh.
37.	MSME Tools Room (Central Tools Room and Training Centre), Bhubaneswar.
38.	MSME Tools Room (Central Tools Room and Training Centre), Kolkata.
39.	NilanchalSevaParishan, Puri, Odisha.
40.	SHEFEXIL, Kolkata (Formerly, Shellac and Forest Product Export Promotion Council).
41.	Orissa PalliBikashPratisthan, Orissa.
42.	Rural Union for Demographic Rights and National Integration (RUDRANI).
43.	West Bengal State Export Promotion Society
44.	National Institute of Pharmaceutical Education & Research (NIPER)

APPENDIX F

No. of Field Offices of the Government of India audited by this office.

Sl. No.	Name of the field office of various Ministries, Government of India
1.	Regional PAO, Ministry of Textiles and Department of Commerce, Kolkata
2.	Additional Director General of Foreign Trade, Kolkata
3.	Deputy Director General of Foreign Trade, Shillong
4.	Joint Director General of Foreign Trade, Guwahati
5.	Deputy Director General of Foreign Trade, Cuttack
6.	Custodian of Enemy Property of India, Kolkata
7.	Deputy Director General, Kolkata Directorate of Supply and Disposal
8.	Assistant Director (Shipping), Esplanade, Kolkata Directorate of Supply and Disposal
9.	Assistant Director (Shipping), Remount Road, Kolkata Directorate of Supply and Disposal
10.	Integrated Finance Wing, Kolkata
11.	Deputy Director General, Directorate of Quality Assurance, Kolkata Directorate of Supply and Disposal
12.	Deputy Director of Quality Assurance, Kulti, Burdwan
13.	Deputy Director of Quality Control Cell, Kolkata
14.	Deputy Controller of Accounts, Department of Supply, Kolkata
15.	Director General of Commercial Intelligence and Statistics, Kolkata
16.	National Test House, Kolkata
17.	National Test House, Guwahati

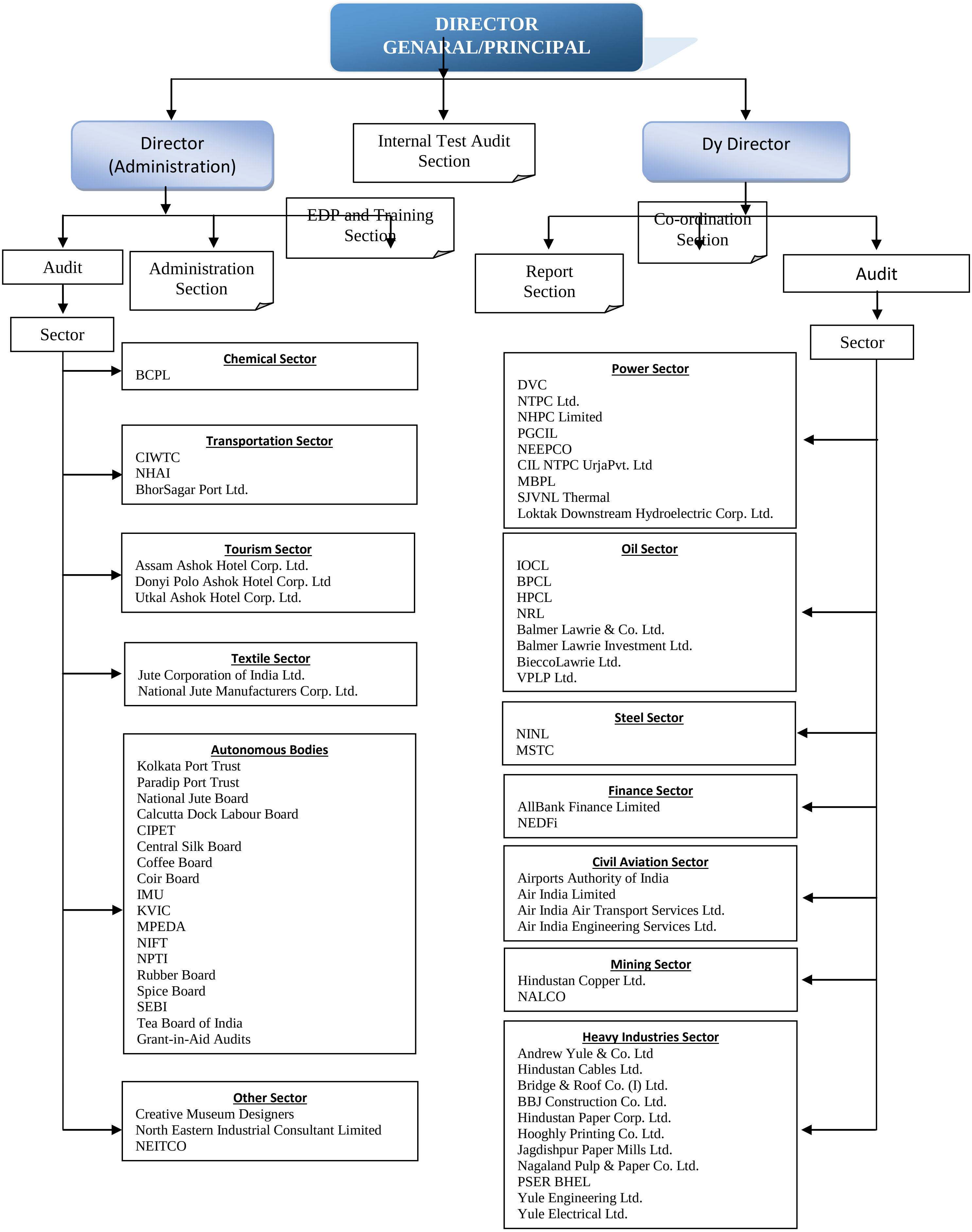
APPENDIX G

List of companies which are under liquidation or closed

S.no	Name of the company	Ministry
1.	Bharat Brakes & Valves Limited	
2.	Bharat Ophthalmic Glass Limited.	
3.	Cycle Corporation of India Limited	
4.	Industrial Investment Bank of India Limited	
5.	North Bengal Dolomite Limited	
6.	Orissa Industrial & Technical Consultancy Organisation Limited	
7.	R B L Limited.	
8.	Tyre Corporation of India Limited	

Above mentioned eight companies are under liquidation and details of the company are not available.

Appendix H


DIRECTOR GENARAL/PRINCIPAL
Director (Administration)
Internal Test Audit Section
Dy Director
EDP and Training Section
Co-ordination Section
Audit
Administration Section
Report Section
Audit
Sector
Sector
Chemical Sector
BCPL
Transportation Sector
CIWTC
NHAI
BhorSagar Port Ltd.
Tourism Sector
Assam Ashok Hotel Corp. Ltd.
Donyi Polo Ashok Hotel Corp. Ltd
Utkal Ashok Hotel Corp. Ltd.
Textile Sector
Jute Corporation of India Ltd.
National Jute Manufacturers Corp. Ltd.
Autonomous Bodies
Kolkata Port Trust
Paradip Port Trust
National Jute Board
Calcutta Dock Labour Board
CIPET
Central Silk Board
Coffee Board
Coir Board
IMU
KVIC
MPEDA
NIFT
NPTI
Rubber Board
Spice Board
SEBI
Tea Board of India
Grant-in-Aid Audits
Other Sector
Creative Museum Designers
North Eastern Industrial Consultant Limited
NEITCO
Power Sector
DVC
NTPC Ltd.
NHPC Limited
PGCIL
NEEPCO
CIL NTPC UrjaPvt. Ltd
MBPL
SJVNL Thermal
Loktak Downstream Hydroelectric Corp. Ltd.
Oil Sector
IOCL
BPCL
HPCL
NRL
Balmer Lawrie & Co. Ltd.
Balmer Lawrie Investment Ltd.
BieccoLawrie Ltd.
VPLP Ltd.
Steel Sector
NINL
MSTC
Finance Sector
AllBank Finance Limited
NEDFi
Civil Aviation Sector
Airports Authority of India
Air India Limited
Air India Air Transport Services Ltd.
Air India Engineering Services Ltd.
Mining Sector
Hindustan Copper Ltd.
NALCO
Heavy Industries Sector
Andrew Yule & Co. Ltd
Hindustan Cables Ltd.
Bridge & Roof Co. (I) Ltd.
BBJ Construction Co. Ltd.
Hindustan Paper Corp. Ltd.
Hooghly Printing Co. Ltd.
Jagdishpur Paper Mills Ltd.
Nagaland Pulp & Paper Co. Ltd.
PSER BHEL
Yule Engineering Ltd.
Yule Electrical Ltd.