

**Report of the  
Comptroller and Auditor General of India  
on  
Public Sector Undertakings**

The Report has been laid on the table of the State Legislature Assembly on 22-07-2014.

**for the year ended 31 March 2013**

**Government of Madhya Pradesh  
*Report No.2 of the year 2014***

## Table of contents

Particulars	Reference to	
	Paragra ph(s)	Page(s)
<b>Preface</b>		(v)
<b>Overview</b>		(vii) – (xvi)
<b>Chapter-I</b>		
<b>Overview of State Public Sector Undertakings</b>		1-11
<b>Chapter-II</b>		
<b>Review relating to Government Companies</b>		
<b>Review on “Power Purchase Agreements entered into by MP Power Management Company Limited/ Board/ Government of MP with Private Power Producers for purchase of power and its operationalisation” during the period from 2008-09 to 2012-13</b>	2.1	13-33
<b>Review on the working of Madhya Pradesh Laghu Udyog Nigam Limited, Bhopal</b>	2.2	34-60
<b>Review on Materials Management of Madhya Pradesh Power Generating Company Limited</b>	2.3	61-75
<b>Review on Evaluation and Management of Build-Operate and Transfer Scheme in Madhya Pradesh Road Development Corporation Ltd.</b>	2.4	76-91
<b>Chapter-III</b>		
<b>Review relating to Statutory Corporation</b>		
<b>Review on the Working of Madhya Pradesh Warehousing &amp; Logistics Corporation</b>	3.1	93-113
<b>Chapter-IV</b>		
<b>Transaction Audit Observations</b>	4	
<b>Government companies</b>	--	
<b>Special Economic Zone Limited (Indore)</b>		
Avoidable Payment of Surcharge	4.1	115-116
Avoidable Payment of Income Tax	4.2	116
Avoidable Expenditure due to improper planning	4.3	117
<b>Madhya Pradesh Audhyogik Kendra Vikas Nigam (Indore) Limited</b>		
Failure of undertaking a due diligence check in allotment of land	4.4	118-119
Loss of interest due to poor fund management	4.5	119-120
<b>Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited</b>		
Loss of Revenue	4.6	120-121
Undue favour to the consumer by enhancing the load	4.7	121-122
<b>Madhya Pradesh Power Transmission Company Limited</b>		
Loss of interest	4.8	122-124
<b>Madhya Pradesh State Mining Corporation Limited</b>		
Loss of revenue due to failure in enforcing the terms and conditions of agreement	4.9	124-125
Avoidable Expenditure in award of contract	4.10	125-127

<b>Particulars</b>		<b>Reference to</b>	
		<b>Paragra ph(s)</b>	<b>Page(s)</b>
Development and Mining of Coal Block in the State of Madhya Pradesh		<b>4.11</b>	<b>127-133</b>
<b>General</b>			
Follow-up action on Audit Reports		<b>4.12</b>	<b>134-135</b>
<b>Annexures</b>			
<b>No.</b>	<b>Particulars</b>		
1.1	Statement showing particulars of up to date paid up capital, loans outstanding and manpower as on 31 March 2013 in respect of Government companies and Statutory corporations	<b>1.7</b>	<b>137-142</b>
1.2	Statement showing equity, loans, grants and subsidy received/receivable, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March 2013	<b>1.10</b>	<b>143-144</b>
1.3	Summarised financial results of Government companies and Statutory corporations for the latest year for which accounts were finalized	<b>1.15</b>	<b>145-150</b>
1.4	Statement showing financial position of Statutory corporations	<b>1.15</b>	<b>151-152</b>
1.5	Statement showing working results of Statutory corporations	<b>1.15</b>	<b>153-154</b>
1.6	Statement showing investment made by the State Government in working PSUs, whose accounts are in arrears	<b>1.22</b>	<b>155</b>
2.1.1	Details of PPAs signed by the Company/GoMP through MoU route, PSA with PTC and through competitive bidding route during the years 2006-07 to 2012-13	<b>2.1.1</b>	<b>156</b>
2.1.2	The details of planned vis-à-vis actual power scenario for the years from 2008-09 to 2012-13	<b>2.1.8.1</b>	<b>157</b>
2.1.3	Statement showing Idle Capacity Charges (Torrent)	<b>2.1.8.3</b>	<b>158</b>
2.1.4	Details of Scheduled CODs, Preponed CODs and Revised CODs in respect of Sasan UMPP	<b>2.1.11.2</b>	<b>159</b>
2.1.5	Statement showing Potential Loss due to revisions of CODs	<b>2.1.11.2</b>	<b>160</b>
2.1.6	Calculation of Additional cost of power	<b>2.1.13.1</b>	<b>161</b>
2.1.7	Details Showing PSAs entered with PTC and Rate of Trade Margin	<b>2.1.14.1</b>	<b>162</b>
2.1.8	Statement Showing the Avoidable Expenditure due to Payment of PTC's Trading Margin	<b>2.1.14.1</b>	<b>163-164</b>

Particulars		Reference to	
		Paragra ph(s)	Page(s)
2.1.9	Statement showing Idle Capacity Charges (Bina)	2.1.15.1	165
2.1.10	Statement showing Late Payment Surcharge incurred towards IPPs during April 2012 to June 2013	2.1.16.4	166
2.2.1	Organisational Structure of the Company	2.2.1	167
2.2.2	MoU Targets and Achievements	2.2.7, 2.2.11, 2.2.12	168
2.2.3	Statement showing of irregularities in execution of various civil works	2.2.10.2	169-170
2.2.4	Statement showing excess inventory held at Emporiums	2.2.11.1	171-172
2.2.5	Financial Position of the Company from 2008-09 to 2012-13	2.2.15	173
2.2.6	Statement showing the working results of the Company for the period from 2008-09 to 2012-13	2.2.15	174
2.3.1	Statements showing actual time taken for publication of NIT and awarding P.O. from the date of receipt of indent	2.3.7.1	175
2.3.2	Statements showing actual time taken for publication of NIT and awarding of P.O.	2.3.7.1	176
2.3.3	Statement showing inactive, slow and non-moving inventory/spares available at thermal plant stores	2.3.8.2	177-178
2.3.4	Statement showing excess holding of secondary oil exceeding 60 days	2.3.8.4	179
2.3.5	Statement showing Materials at Site neither devoluted to stores nor were shown as spares or scrap after replacement	2.3.9.2	180-181
2.4.1	Project Highways completed during the period April 2009 to March 2013 under BOT (Toll) and BOT (Toll + Annuity) Models of PPP	2.4.1	182
2.4.2	Project Highways selected out of ongoing projects under BOT (Toll)	2.4.3	183
2.4.3	Organization chart of Madhya Pradesh Road Development Corporation Limited, Bhopal	2.4.2	184
2.4.4	Execution of the project highways during the review period	2.4.6	185
2.4.5	Computation of unintended benefit passed on to the concessionaire by way of excess toll because of error in fixation of the toll rate	2.4.6.6	186
3.1	Organisational set up of the Corporation	3.2	187

Particulars		Reference to	
		Paragra ph(s)	Page(s)
3.2	Statement of loss suffered by the Corporation due to non-completion of Traditional Godown and Pre-Engineering Godown	3.12	188-189
3.3	Statement of short deduction of penalty	3.13	190-194
3.4	Statement of various irregularities noticed in construction of CAPs during 2008-09 to 2012-13	3.14 and 3.22	195-197
3.5	Calculation of 1% desired storage gain not achieved by Regional Offices during 2008-09 to 2012-13	3.18	198-199
3.6	Financial position, working results and operational performance of the Corporation for the period from 2008-09 to 2012-13	3.22	200
3.7	Working results of the Corporation for the last five years upto 2012-13	3.22	201
4.1	Status of Coal Block Allocated To Madhya Pradesh State Mining Corporation Limited, Bhopal	4.11.1	202-203
4.2	Potential loss due to not following the procedure for re-tendering and selection of unqualified JV partner in advance in respect of Amelia Coal Block	4.11.2	204
4.3	Details of delays in commencement of production as against the normative date of production	4.11.3	205
4.4	Details of Liquidated damages for delay in commencement of production	4.11.4	206
4.5	Statement showing paragraphs /reviews for which explanatory notes were not received	4.12.1	207
4.6	Statement showing Outstanding Inspection Report (IRs) and Paragraphs to which replies are awaited	4.12.3	208
4.7	Reviews and Draft Paragraphs (DPs) to which the replies are awaited	4.12.3	209