

CONTENTS

CHAPTER/ PARAGRAPH	SUBJECT	CPSE	PAGE NO.
	PREFACE		vii
	EXECUTIVE SUMMARY		ix
Chapter I			
MINISTRY OF CHEMICALS AND FERTILIZERS			
1.1	Excess contribution to employees' provident fund	The Fertilizers and Chemicals Travancore Limited and Madras Fertilizers Limited	1
Chapter II			
MINISTRY OF CIVIL AVIATION			
2.1	Review of operations of Airline Allied Services Limited	Airline Allied Services Limited	3
2.2	Review of execution of contracts for construction of runway, buildings and other structures at airports in Northern Region	Airports Authority of India	12
2.3	Charging inadmissible expenses to Escrow Account by Delhi International Airport Limited	Airports Authority of India	26
2.4	Undue favour to the contractor	Airports Authority of India	28
2.5	Short levy of liquidated damages	Airports Authority of India	30
2.6	Irregular payment of Incentive to cabin crew	Air India Limited	31
2.7	Additional expenditure on appointment of retired cabin crew	Air India Limited	34
Chapter III			
MINISTRY OF COAL			
3.1	Blending of precious steel grade coal with inferior washery grade coal	Bharat Coking Coal Limited	37
3.2	Improper procurement of 100 tippers	Bharat Coking Coal Limited	40

3.3	Avoidable Payment of Penal Charges	Central Coalfields Limited	44
3.4	Excess payment of perks and allowances	NLC India Limited	46
3.5	Avoidable expenditure on transportation of Lignite	NLC India Limited	48
Chapter IV	MINISTRY OF COMMERCE AND INDUSTRY		
4.1	Loss due to non-adherence to the directions of Functional Management Committee of Directors	MMTC Limited	50
4.2	Ineffective monitoring of contract resulting in non-recovery of dues	PEC Limited	52
Chapter V	MINISTRY OF FINANCE (DEPARTMENT OF FINANCIAL SERVICES)		
5.1	Non-adherence to Credit Policy	Cent Bank Home Finance Limited	56
5.2	Injudicious decision to continue with a residential project with Floor Area Ratio in excess of allowable limits making the project unviable	IFCI Infrastructure Development Limited	59
5.3	Doubtful recovery of dues	India Infrastructure Finance Company Limited	62
5.4	Inconsistency in credit appraisal and non-compliance with RBI guidelines	India Infrastructure Finance Company Limited	65
5.5	Violation of specific directions of the Ministry leading to loss of premium	The Oriental Insurance Company Limited	69
Chapter VI	MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES		
6.1	Avoidable payment of customs duty and safeguard duty	Bharat Heavy Electricals Limited	72
6.2	Diversion of funds in violation of Government orders	Hindustan Paper Corporation Limited	73
Chapter VII	MINISTRY OF HOUSING AND URBAN AFFAIRS		
7.1	Avoidable expenditure on construction of metro station	Delhi Metro Rail Corporation Limited	76

Chapter VIII	MINISTRY OF MINES		
8.1	Avoidable expenditure due to deficient contract clause	Hindustan Copper Limited	79
Chapter IX	MINISTRY OF PETROLEUM AND NATURAL GAS		
9.1	Inadequate due diligence resulting in non-recovery of dues	Balmer Lawrie & Company Limited	82
9.2	Irregular payment to employees in contravention of DPE Guidelines	Bharat Petroleum Corporation Limited	84
9.3	Delay in completion of Minimum work Program leading to avoidable payment of liquidated damages	GAIL (India) Limited	85
9.4	Avoidable payment of surcharge on excess drawn of water	Hindustan Petroleum Corporation Limited	87
9.5	Extra payment of ₹17.93 crore towards Discount/Incentive	Hindustan Petroleum Corporation Limited	90
9.6	Additional burden on RGGLV consumers due to incorrect declaration of Retail Selling Price of LPG	Indian Oil Corporation Limited	93
9.7	Extra cost due to laxity in finalisation of tender	Indian Oil Corporation Limited	94
9.8	Irregular payment to the executives in the form of Project Allowance	Indian Oil Corporation Limited	96
9.9	Payment of Performance Related Pay in contravention of DPE guidelines	Oil and Natural Gas Corporation Limited	98
9.10	Delay in hiring of low pressure gas compressor resulting in avoidable flaring of gas	Oil and Natural Gas Corporation Limited	99
9.11	Failure to recover the pending cash calls and loss of interest thereon	Oil and Natural Gas Corporation Limited	102
9.12	Wasteful expenditure on an unviable project	Oil and Natural Gas Corporation Limited	106
9.13	Avoidable payment of rent for unutilised facility	ONGC Petro additions Limited	109
Chapter X	MINISTRY OF POWER		
10.1	Loss due to disallowance of Capital Expenditure	NTPC Limited	112

10.2	Extra expenditure on water by NSPCL, Bhilai	NTPC-SAIL Power Company Private Limited	113
10.3	Performance of Telecom Business	Power Grid Corporation of India Limited	115
Chapter XI			
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS			
11.1	Non-recovery of damages and maintenance cost from the concessionaire	National Highways Authority of India	128
11.2	Non-recovery of damages from the concessionaires	National Highways Authority of India	130
11.3	Undue financial benefit to the concessionaire	National Highways Authority of India	132
11.4	Excess payment of bonus to concessionaire	National Highways Authority of India	134
11.5	Loss of interest on toll revenue due to delay in delinking of road stretch	National Highways Authority of India	136
11.6	Non-recovery of claims from concessionaire	National Highways Authority of India	137
11.7	Undue favour to a concessionaire	National Highways Authority of India	139
11.8	Loss of revenue due to non-collection of toll	National Highways Authority of India	142
Chapter XII			
MINISTRY OF STEEL			
12.1	Import, Shipping and Transportation of Coal	Steel Authority of India Limited	145
12.2	Sale of Secondary and By-products of Steel	Steel Authority of India Limited	154
12.3	Land and Township Management	Steel Authority of India Limited	161
12.4	Avoidable expenditure towards payment of stamp duty and registration charges	Steel Authority of India Limited	177
Chapter XIII			
MINISTRY OF TEXTILES			
13.1	Implementation of Yarn Supply Scheme	National Handloom Development Corporation Limited	180

Chapter XIV	RECOVERIES AND CORRECTIONS/RECTIFICATIONS BY CPSEs AT THE INSTANCE OF AUDIT		
14.1	Recoveries at the instance of audit	Airports Authority of India, Airline Allied Services Limited, Bharat Coking Coal Limited, Bharat Heavy Electricals Limited, Export Credit Guarantee Corporation of India Limited, Heavy Engineering Corporation Limited, Hindustan Petroleum Corporation Limited, HMCT & AN, Mineral Exploration Corporation Limited, National Highways Authority of India, National Insurance Company Limited, NBCC (I) Limited, Northern Coalfields Limited, New India Assurance Company Limited, NHPC Limited, New Mangalore Port Trust, Rashtriya Ispat Nigam Limited, Bhilai Steel Plant-SAIL, United India Insurance Company Limited and Western Coalfields Limited	191
14.2	Corrections/rectifications at the instance of audit	Heavy Engineering Corporation Limited, Indian Oil Company Limited, BPCL and National Highways Authority of India	191
Chapter XV	FOLLOW UP ON AUDIT REPORTS (COMMERCIAL)		192
	Appendix I		195
	Appendix II		198
	Appendix III		199
	Annexures		201

