

## CONTENTS

CHAPTER/ PARAGRAPH	SUBJECT	CPSE	PAGE NO.
	<b>PREFACE</b>		<b>vii</b>
	<b>EXECUTIVE SUMMARY</b>		<b>ix</b>
<b>ENERGY CLUSTER</b>			
<b>Chapter I</b>	<b>MINISTRY OF COAL</b>		
1.1	Avoidable payment towards hangar rent due to retention of inoperative helicopter and aircraft for over eight years	Coal India Limited	1
1.2	Avoidable payment of penal interest due to delayed payment of deployment charges of CISF	Central Coalfields Limited, South Eastern Coalfields Limited and Western Coalfields Limited	3
1.3	Violation of CVC guidelines resulted in undue benefit to private contractors	Neyveli Uttar Pradesh Power Limited	4
1.4	Avoidable payment of compensation charges	NLC TamilNadu Power Limited	5
<b>Chapter II</b>			
<b>MINISTRY OF PETROLEUM AND NATURAL GAS</b>			
2.1	Undue enrichment through recovery of turnover tax from consumers	Indian Oil Corporation Limited	8
2.2	Non-adherence to statutory requirement of pollution clearance resulted in infructuous expenditure	Indian Oil Corporation Limited	10
2.3	Idle investment towards installation of Naptha Splitter Unit	Numaligarh Refinery Limited	12
2.4	Loss due to flaring of High Pressure gas	Oil and Natural Gas Corporation Limited	14
2.5	Loss due to acquisition of low-lying marshy land and delay in putting up of land for its intended use	Oil and Natural Gas Corporation Limited	18
2.6	Avoidable expenditure due to delay in procurement of regular casing pipes	Oil and Natural Gas Corporation Limited	20

2.7	Avoidable expenditure due to idling of departmental rig at Mahanadi-Bengal-Andaman Basin, Kolkata and hiring of another rig at Tripura Asset	Oil and Natural Gas Corporation Limited	23
2.8	Non-creation of adequate facilities resulted in avoidable flaring of Low Pressure gas	Oil and Natural Gas Corporation Limited	25
2.9	Avoidable payment of penal interest due to non-maintenance of debt-equity ratio stipulated by the State Bank of India	ONGC Petro additions Limited	27
2.10	Undue benefit extended to private parties by awarding work in violation of CVC guidelines	ONGC Videsh Limited	29
<b>Chapter III</b>			
<b>MINISTRY OF POWER</b>			
3.1	Undue benefit to the contractor	NHPC Limited	32
<b>INDUSTRY CLUSTER</b>			
<b>Chapter IV</b>			
<b>MINISTRY OF FINANCE (Department of Financial Services)</b>			
4.1	Doubtful recovery of loan and interest	India Infrastructure Finance Company Limited	35
4.2	Non-recovery of dues from borrowers	IFCI Venture Capital Funds Limited	37
4.3	Non-recovery of service tax from other insurers under reinsurance acceptances	National Insurance Company Limited	44
4.4	Failure to obtain stop loss reinsurance cover resulted in loss	The New India Assurance Company Limited	45
4.5	Loss due to low fixation of premium rate and high claim ratio	The New India Assurance Company Limited	48
4.6	Short-collection of insurance premium	The Oriental Insurance Company Limited	50
<b>Chapter V</b>			
<b>MINISTRY OF HEAVY INDUSTRIES</b>			
5.1	Avoidable loss due to laxities in supply of Alternate Current Electrical Multiple Units	Bharat Heavy Electricals Limited	52

5.2	Non-safeguarding of financial interest resulted in additional burden towards payment of safeguard duty	Bharat Heavy Electricals Limited	54
5.3	Loss due to failure of Heavy Engineering Corporation Limited to ensure guaranteed availability of draglines	Heavy Engineering Corporation Limited	58
5.4	Infructuous expenditure on technical audit	Heavy Engineering Corporation Limited	61
<b>Chapter VI</b>			
<b>MINISTRY OF MINES</b>			
6.1	Unfruitful expenditure towards construction of Copper Ore Tailings Beneficiation Plant	Hindustan Copper Limited	65
6.2	Avoidable expenditure towards stamp duty and registration fee for Mining Lease	National Aluminium Company Limited	66
<b>Chapter VII</b>			
<b>MINISTRY OF STEEL</b>			
7.1	Imprudent financing resulting in non-recovery of dues	MSTC Limited	69
7.2	Avoidable extra expenditure towards Operation and Maintenance of the Beneficiation and Pelletisation Plants	NMDC Limited	71
7.3	Payment of registration charges and stamp duty twice for Mining Lease	NMDC Limited	75
7.4	Avoidable expenditure due to delay in decision making	Rashtriya Ispat Nigam Limited	77
7.5	Loss on account of rejection of medical claims	Steel Authority of India Limited	80
7.6	Avoidable expenditure towards payment of stamp duty and registration charges	The Bisra Stone Lime Company Limited	82
7.7	Avoidable expenditure on account of penal interest	The Orissa Mineral Development Company Limited	85
<b>Chapter VIII</b>			
<b>MINISTRY OF TEXTILES</b>			
8.1	Loss on account of extending undue benefit in fabric trading business to the group companies of strategic partner	India United Textile Mill Limited	88
8.2	Non-realisation of Transferable Development Rights	National Textile Corporation Limited	90

<b>INFRASTRUCTURE CLUSTER</b>			
<b>Chapter IX</b>	<b>MINISTRY OF CIVIL AVIATION</b>		
9.1	Loss of revenue due to inadequate assessment of electricity load	Airports Authority of India	93
9.2	Non-reimbursement of electricity charges due to lack of proper follow-up and pursuance	Airports Authority of India	95
9.3	Avoidable extra expenditure due to unilateral increase of royalty	Airports Authority of India	97
9.4	Avoidable payment of penalty due to delay in return of removed components by Air India Limited	Air India Limited	99
<b>Chapter X</b>	<b>MINISTRY OF ROAD TRANSPORT AND HIGHWAYS</b>		
10.1	Retention of extraneous clause in Concession Agreements of four laning BOT (Toll) projects	National Highways Authority of India	102
10.2	Undue benefit to concessionaire by resorting to post contract modification of damage computation clause in the agreement in violation of CVC guidelines	National Highways Authority of India	104
<b>Chapter XI</b>	<b>RECOVERIES AND CORRECTIONS/ RECTIFICATIONS BY CPSEs AT THE INSTANCE OF AUDIT</b>		
11.1	Recoveries at the instance of audit	Airports Authority of India, Air India Limited, Central Mine Planning and Design Institute Limited, Damodar Valley Corporation, Eastern Coalfields Limited, Heavy Engineering Corporation Limited, Indian Oil Corporation Limited, National Highways Authority of India, NLC India Limited, Northern	107

		Coalfields Limited, Oil and Natural Gas Corporation Limited, Power Grid Corporation of India Limited, SAIL Refractory Company Limited, The New India Assurance Company Limited, United India Insurance Company Limited	
11.2	Corrections/ rectifications at the instance of audit	Air India Limited and its subsidiaries, Cochin Shipyard Limited, Ferro Scrap Nigam Limited, Oil and Natural Gas Corporation Limited	107
<b>Chapter XII</b>	<b>FOLLOW-UP ON AUDIT REPORTS</b>	<b>(COMMERCIAL)</b>	<b>108</b>
	<b>Annexures</b>		<b>111</b>

