

APPENDIX XI
(As referred to in para 2.3.3)

List of Central Statutory Corporations under the audit of CAG

Sl.No.	Name of the Corporation	Ministry
1.	Airports Authority of India	Civil Aviation
2	Central Warehousing Corporation	Consumer Affairs, Food and Public Distribution
3	Damodar Valley Corporation	Power
4	Food Corporation of India	Consumer Affairs, Food and Public Distribution
5	Inland Waterways Authority of India	Shipping
6	National Highways Authority of India	Road Transport and Highways

APPENDIX XII
(As referred to in Para 2.4.4.2 and 2.4.4.5)

Impact of CAG's comments on the accounts for the year 2005-06

1. Listed Companies

I.A Listed Government Companies

Sl. No.	Name of the Company	Ministry	Rs. in crore
Assets understated:			
1.	Indian Oil Corporation Limited	Petroleum	42.63
2.	Oil and Natural Gas Corporation Limited	Petroleum	61.53
3.	Shipping Corporation of India	Shipping	26.87
4.	Steel Authority of India	Steel	25.62
Total of Assets understated			156.65
Liabilities overstated:			
1.	GAIL India Limited	Petroleum	3.62
2.	Indian Oil Corporation Limited	Petroleum	16.45
3.	MMTC Limited	Commerce	171.14
Total of Liabilities overstated			191.21
Liabilities understated:			
1.	Oil and Natural Gas Corporation Limited	Petroleum	22.10
Total of Liabilities understated			22.10
Profit overstated:			
1.	Bharat Heavy Electricals Limited	Heavy Industry and Public Enterprises	30.74
2.	Steel Authority of India Limited	Steel	8.38
Total of Profit overstated			39.12
Profit understated:			
1.	MMTC Limited	Commerce	3.76
2.	Oil and Natural Gas Corporation Limited	Petroleum	20.22
3.	Shipping Corporation of India	Shipping	3.57
Total of Profit understated			27.55

I.B Listed deemed Government Companies

Sl. No.	Name of the Company	Rs. in crore
Assets overstated:		
1.	Eastern Investment Limited	0.24
Total of Assets overstated		0.24

II Unlisted Companies**IIA. Unlisted Government Companies**

Sl. No.	Name of the Company	Ministry	Rs. in crore
Assets overstated:			
1.	Air India Limited	Civil Aviation	7.55
2.	HSCC (India) Limited	Health and Family Welfare	5.01
3.	Indian Airlines Limited*	Civil Aviation	14.35
4.	Nuclear Power Corporation of India Limited	Atomic Energy	1.76
5.	Pawan Hans Helicopters Limited*	Civil Aviation	12.41
6.	Rail Tel Corporation of India Limited	Railways	0.40
Total of Assets overstated			41.48
Assets understated:			
1.	Central Warehousing Corporation	Consumer Affairs, Food and Public Distribution	0.68
2.	National Hydroelectric Power Corporation Limited	Power	30.06
Total of Assets understated			30.74
Liabilities overstated:			
1.	Pawan Hans Helicopters Limited*	Civil Aviation	22.61
Total of Liabilities overstated			22.61
Liabilities understated:			
1.	Bharat Gold Mines Limited	Mines	0.52
2.	Educational Consultants India Limited	Human Resource Development	0.23

* For the year 2004-05

3.	Indian Airlines Limited*	Civil Aviation	91.77
4.	Indian Renewable Energy Development Agency Limited	New and Renewable Sources of Energy	40.88
5.	National Buildings Constructions Corporation Limited	Urban Development and Poverty Alleviation	2.31
6.	National Hydroelectric Power Corporation Limited	Power	31.81
7.	National Projects Construction Corporation Limited	Water Resources	1.27
8.	Nuclear Power Corporation of India Limited	Atomic Energy	5.00
9.	Rural Electrification Corporation Limited	Power	638.80
10.	State Farms Corporation of India Limited	Agriculture and Co-operation	0.85
11.	Tamil Nadu Trade Promotion Organisation Limited	Commerce	0.63
Total of Liabilities understated			814.07
Profit overstated:			
1.	Andaman Nicobar Islands Integrated Development Corporation Limited*	Small Scale Industries and Agro and Rural Industries	0.90
2.	HSCC (India) Limited	Health and Family Welfare	0.38
3.	Indian Airlines Limited*	Civil Aviation	31.68
4.	Kutch Railways Limited	Railways	1.76
5.	National Buildings Constructions Corporation Limited	Urban Development and Poverty Alleviation	1.26
6.	National Hydroelectric Power Corporation Limited	Power	1.75
7.	Nuclear Power Corporation of India Limited	Atomic Energy	0.74
8.	Pawan Hans Helicopters Limited*	Civil Aviation	0.31
9.	Rural Electrification Corporation Limited	Power	27.52
Total of Profit overstated			66.30
Profit understated:			
1.	General Insurance Corporation of India Limited	Finance	264.14
2.	National Small Industries Corporation Limited	Small Scale Industries and Agro and Rural Industries	0.17
3.	Rashtriya Ispat Nigam Limited	Steel	2.37
4.	South Eastern Coalfields Limited	Coal	1.73
Total of Profit understated			268.41

Loss understated:			
1.	Airlines Allied Services Limited*	Civil Aviation	3.92
2.	Bharat Refractories Limited	Steel	3.25
3.	Heavy Engineering Corporation Limited	Heavy Industry and Public Enterprises	45.37
4.	Industrial Investment Bank of India Limited	Finance (Department of Banking)	0.18
5.	Konkan Railways Corporation Limited	Railways	6.18
6.	National Insurance Company Limited	Finance (Insurance division)	4.71
7.	National Jute Manufacturers Corporation Limited*	Textiles	4.06
Total of Loss understated			67.67

IIB Unlisted deemed Government Companies

Sl. No.	Name of the Company	Rs. in crore
Assets overstated:		
1.	All Bank Finance Limited	0.42
Total of Assets overstated		0.42
Assets understated :		
1.	Ahmedabad Vadodra Expressway Company Limited	0.08
2.	Mumbai- JNPT Port Road Company Limited	3.12
Total of Assets understated		3.20
Liabilities understated :		
1.	BOB Housing Finance Limited	14.78
2.	Calcutta Haldia Port Road Company Limited	0.70
3.	Cent Bank Home Finance Limited	3.81
4.	Chennai Ennore Port Road Company Limited	0.37
5.	PNB Housing Finance Limited	17.50
6.	Vishaka Patnam Port Road Company Limited	0.12
Total of Liabilities understated		37.28

* For the year 2004-04

Profit overstated:		
1.	Agriculture Insurance Company Limited	92.89
2.	UTI Technology Services Limited	0.22
Total of Profit overstated		93.11

APPENDIX XIII
(As referred to in paragraph 2.5)

Details of Companies indicating nature of the deficiencies relating to internal controls

Sl. No.	Name of the Company	Nature of Deficiency	Listed/ Unlisted	GC/DGC [▼]
1.	<i>Balmer Lawrie and Company</i>	(i) Surplus/ obsolete/non-moving items of stores, raw material and finished goods of Rs.7.74 crore were lying unused . (ii) Internal audit department needed to be strengthened and its area of coverage needed to be extended.	Listed	GC
2.	<i>Bharat Earth Movers Limited</i>	(i) The system of recovery of old outstanding dues needed to be strengthened. (ii) Internal Audit Manual needed updation. (iii) Internal audit system needed to be strengthened with regard personnel, extent of coverage such as information system audit, audit of cost records and documentation with timely reports.	Listed	GC
3.	<i>Bharat Heavy Electricals limited</i>	(i) The Company did not prescribe 'Minimum' and 'Maximum' levels of stocks of stores and spares parts and 'Economic Order Quantity' for procurement of stores. (ii) ABC analysis was not conducted to bring out required control on inventories. (iii) The system of arriving at overall profit/loss of each completed project, for the company as a whole, was not existent.	Listed	GC
4.	<i>Container Corporation of India Limited</i>	The system of monitoring the recovery of outstanding dues needed to be strengthened.	Listed	GC
5.	<i>Dredging Corporation of India Limited</i>	(i) There was no laid down investment policy. (ii) No standards were laid down for major expenditure items viz. fuel, manpower and repairs. (iii) The Company did not have a delineated fraud policy.	Listed	GC
6.	<i>GAIL India Limited</i>	(i) Adequate physical verification of stock was not carried out. (ii) The Company did not maintain minimum, maximum and reorder level of stock in the ERP sstem. (iii) Internal audit of the Company needed to be strengthened.	Listed	GC
7.	<i>Hindustan Copper Limited</i>	The Company had a stock of Rs. 35.01 crore of surplus, obsolete and non moving items which did not move for more than here years.	Listed	GC
8.	<i>Hindustan Organic Chemicals Limited</i>	The process of disinvestment initiated in 1999-2000 was yet to materialise.	Listed	GC

▼ GC: Government company; DGC: Deemed government company

9.	<i>HMT Limited</i>	Verification of assets given on lease was not done except in respect of assets leased to RIL.	Listed	GC
10.	<i>India Tourism Development Corporation Limited[∞]</i>	(i) Fixed Assets register was not maintained properly and the balances were not reconciled with the physical balances in some units. (ii) Internal audit needed to be strengthened in some units.	Listed	GC
11.	<i>Indian Oil Corporation</i>	(i) Non-moving stores of Rs. 142.93 crore were held for over five years and needed to be disposed off. (ii) There had been continuous increase in sundry debtors from Rs.3973.12 crore in 2003-04 to Rs.6699.48 crore in 2005-06.	Listed	GC
12.	<i>Mahanagar Telephone Nigam Limited</i>	(i) The Company did not have any system of obtaining confirmation from other service providers. These accounts were needed to be reconciled on monthly basis. (ii) Provisions for slow moving/non moving stores were not made in the accounts. (iii) The system of monitoring and adjustment of advances of contractors/suppliers needed to be strengthened. (iv) The extent of coverage of the areas of operation, frequency of reporting and the follow up of the internal audit observation needed to be strengthened. (v) There was no internal audit manual.	Listed	GC
13.	<i>National Aluminium Company Limited</i>	The Company did not have internal audit standards/manual/guidelines.	Listed	GC
14.	<i>Artificial Limbs Corporation of India Limited</i>	The maximum and minimum limits of stores and spares were not fixed. Non-moving, obsolete and surplus items of stores were not identified.	Unlisted	GC
15.	<i>Bharat Coking Coal Limited</i>	(i)The Company did not prescribe 'Minimum' and 'Maximum' levels of stocks of stores and spares parts and 'Economic Order Quantity' for procurement of stores. (ii) ABC analysis was not conducted to bring out required control on inventories.	Unlisted	GC
16.	<i>Bharat Refractories Limited</i>	The company did not have ABC analysis for control of inventory.	Unlisted	GC
17.	<i>Bharat Sanchar Nigam Limited</i>	(i) Disputed debts are not correctly entered in the mobile services. (ii) Inventory accounting was not proper in all the units. (iii) Minimum and maximum levels of inventory and economic order quantity for procurement of inventory were not fixed. (iv) Long term investment policy was not specified. (v) The quality of internal audit report was poor in many cases. (vi) Internal audit of the Company needed to be strengthened with regard to scope and coverage.	Unlisted	GC

[∞] Relates to 2004-05

18.	<i>Braithwaite Burn and Jessop Construction Company Limited</i>	The internal control procedures needed to strengthened further.	Unlisted	GC
19.	<i>Cement Corporation of India Limited</i>	The recovery of sundry debtors was poor.	Unlisted	GC
20.	<i>Central Coalfields Limited</i>	(i) SPL accounting of stores resulted into discrepancies and needed review for avoiding stock mismatches. (ii) The maximum and minimum limits of stores and spares were not fixed. (iii) ABC analysis was not conducted to bring out required control on inventories. (iv) Internal Audit Manual not revised since 1982. (v) The scope and reporting status of internal audit needed improvement in various areas.	Unlisted	GC
21.	<i>Coal India Limited</i>	(i) The basis of analyzing non moving stores lying for over five years was not properly explained. The slow moving stores were not identified. (ii) Reconciliation of Fixed Assets Register with the General Ledger was pending in many cases. Moreover, surveyed off items appeared in the asset register. (iii) Some old advances paid to contractors/suppliers were lying unadjusted for a long time.	Unlisted	GC
22.	<i>Container Corporation of India Limited</i>	There was no adequate system of regular identification and disposal of non-moving, obsolete and surplus items.	Unlisted	GC
23.	<i>Delhi Metro Rail Corporation Limited</i>	(i) The recovery of dues from sundry debtors was not satisfactory. (ii) The Company did not have a delineated fraud policy.	Unlisted	GC
24.	<i>Eastern Coalfields Limited</i>	The Company did not have delineated fraud policy.	Unlisted	GC
25.	<i>Electronics Corporation of India Limited</i>	(i) There was no reconciliation of assets lying at Zonal offices with the assets register at Corporate office. (ii) The scope and coverage of internal audit was not adequate.	Unlisted	GC
26.	<i>Export Credit Guarantee Corporation of India Limited</i>	(i) System of accounting and financial control needed to be strengthened in areas like pursuing recovery of claims and internal audit of the claim files. (ii) There was no system of periodical verification of cash. (iii) There was no system of periodical verification of cash. (iv) Internal audit system needed to be considerably strengthened in respect of scope, area and coverage.	Unlisted	GC
27.	<i>Heavy Engineering Corporation Limited</i>	The system of monitoring the timely recovery of outstanding dues was not commensurate with the size of the operations of the company.	Unlisted	GC
28.	<i>Hindustan Latex Limited</i>	Steps were required to bring down the outstanding dues.	Unlisted	GC

29.	<i>Hindustan Paper Corporation Limited</i>		(i) The Company did not have a delineated fraud policy. (ii) Internal audit system needed to be strengthened with regard to the size of the Company.	Unlisted	GC
30.	<i>Hindustan Prefab Limited</i>		The Company did not have internal audit manual.	Unlisted	GC
31.	<i>Indian Airlines Limited</i> [▼]		(i) The system of lodging of claims with outside parties was not satisfactory. (ii) No records were maintained for inventories lying with third parties and assets received as gift from Government and other authorities.	Unlisted	GC
32.	<i>Indian Vaccines Company Limited</i>		There was no system lodging of claims with the outside parties in time.	Unlisted	GC
33.	<i>Karnataka Meat and Poultry Marketing Corporation Promotion Organisation</i>		Internal audit of the Company needed to be strengthened to commensurate with the size of the company.	Unlisted	GC
34.	<i>Karnataka Trade Promotion Organisation</i>		There was no system of internal audit.	Unlisted	GC
35.	<i>Konkan Railway Corporation Limited</i>		(i) EDP system was not capable to generate party wise ledger accounts for the receivables/payables. (ii) Immediate steps were needed to ascertain the usability and working condition of the Bailey bridges and further strengthen the procedure for its procurement.	Unlisted	GC
36.	<i>Mahanadi Coalfields Limited</i>		(i) Effective steps were not taken for recovery of debts outstanding for three years and above. (ii) The Company did not have a delineated fraud policy.	Unlisted	GC
37.	<i>Mazagaon Dock Limited</i>		(i) The control procedures over stores as regards constant inventory pile were to be further strengthened. (ii) The system of monitoring timely recovery of outstanding dues was not adequate.	Unlisted	GC
38.	<i>MECON Limited</i>		Fixed assets register was not maintained to show full particulars.	Unlisted	GC
39.	<i>MSTC Limited</i>		The Company did not have a delineated fraud policy.	Unlisted	GC
40.	<i>National Aluminium Company Limited</i>		Economic order quantity was not calculated scientifically.	Listed	GC
41.	<i>National Hydroelectric Power Corporation Limited</i>		The system followed for identification of slow moving/obsolete items of stores and spares needed improvement.	Unlisted	GC
42.	<i>National Insurance Company Limited</i>		Securities pending with the custodian were not reconciled.	Unlisted	GC
43.	<i>National Scheduled Caste Finance and Development Corporation</i>		(i) Internal audit of the Company needed to be strengthened (ii) Delegation of powers at various levels were not defined and all powers vested with CMD.	Unlisted	GC

[▼] Relates to 2004-05

44.	National Scheduled Tribe Finance and Development Corporation	The Company did not have internal audit manual.	Unlisted	GC
45.	National Seeds Corporation Limited	The System of disposal of condemned seeds needed to be improved.	Unlisted	GC
46.	North Eastern Electric Power Corporation Limited	(i) The maximum and minimum limits of stores and spares were not fixed. (ii) The Company did not have a delineated fraud policy.	Unlisted	GC
47.	Northern Coalfields Limited	The Company did not have a delineated fraud policy.	Unlisted	GC
48.	Nuclear Power Corporation Of India Limited	The Trombay Villages Stores of Rs.170 crore remained unmoved over five years. Dues receivables of Rs.77.33 crore from SEBs/DPC in respect of Narora Power Station remained outstanding for over three years.	Unlisted	GC
49.	ONGC (Videsh) Limited	(i) Technical persons needed to be inducted in internal audit department in view of the operations of the Company being highly technical. (ii) Technical persons were required to be inducted in the internal audit.	Unlisted	GC
50.	Power Finance Corporation Limited	The Company did not formulate a delineated fraud policy.	Unlisted	GC
51.	Rural Electrification Corporation Limited	(i) The Company did not have an approved credit policy. (ii) Fixed Assets register was not updated since 2002-03.	Unlisted	GC
52.	State Farms Corporation of India Limited	The recovery of dues from sundry debtors was not satisfactory. There was no adequate system of identification and disposal of non moving, obsolete and surplus stores and spares and finished goods.	Unlisted	GC
53.	Tehri Hydro Development Corporation Limited	The system for identifying and monitoring the disposal of non-moving, obsolete and surplus items needed to be strengthened.	Unlisted	GC
54.	The New India Assurance Company Limited	(i) Internal audit system needed to be strengthened at Head Office and two Divisional Offices. (ii) Assets Register was not maintained and updated properly. (iii) Long term loans/ other loans to the employees remained unadjusted in four Divisional /regional Offices.	Unlisted	GC
55.	United India Insurance Company Limited	(i) The Investment Department needed to be strengthened with a technical research team. (ii) In order to have an internal control in place, the back office and front office operations needed to be segregated.	Unlisted	GC
56.	Vignyan Industries Limited	Internal audit of the Company needed to be strengthened with regard to scope and coverage.	Unlisted	GC
57.	BOB Housing Finance Limited	Internal audit system needed to be strengthened.	Unlisted	DGC
58.	BOB Cards Limited	Internal audit of the Company needed to be further strengthened with regard to scope and competence to coverage.	Unlisted	DGC

Report No.9 of 2007

59.	<i>Can Bank Financial Services Limited</i>	Verification of assets given on lease was not done except in respect of assets leased to RIL.	Unlisted	DGC
60.	<i>Canbank Factors Limited</i>	The Company did not have a delineated fraud policy.	Unlisted	DGC

APPENDIX XIV
(As referred to in paragraph 2.6)

Details of the PSUs which deviated from Accounting Standards

Government companies and deemed government companies

A) Deviations reported by the Statutory Auditors

Sl. No.	Name of the Company	Category	Government company(GC)/ deemed government company(DGC)	No. of the Accounting Standard
1.	Bharat Earth Movers Limited	Listed	GC	2
2.	HMT Limited	Listed	GC	13
3.	India Tourism Development Corporation Limited [∞]	Listed	GC	1,2,6,9,13,19, 21,23 and 27
4.	Madras Fertilisers Limited	Listed	GC	2 and 29
5.	Mahanagar Telephone Nigam Limited	Listed	GC	3,5,6,9 and10
6.	Bharat Sanchar Nigam Limited	Unlisted	GC	2,10 and15
7.	Cement Corporation of India Limited	Unlisted	GC	5
8.	Electronics Corporation of India Limited	Unlisted	GC	7
9.	Hindustan Antibiotics Limited [∞]	Unlisted	GC	9
10.	HMT Machine Tools Limited	Unlisted	GC	5 and 15
11.	MSTC Limited	Unlisted	GC	22
12.	National Bicycle Corporation Limited	Unlisted	GC	2
13.	National Seeds Corporation Limited	Unlisted	GC	13
14.	NTC (WBAB&O) Limited	Unlisted	GC	3
15.	State Farms Corporation of India Limited	Unlisted	GC	9,13 and15

[∞] Relates to 2004-05

B Deviations noticed by the CAG

Sl. No.	Name of the Company	Category	Government company(GC)/ deemed government company(DGC)	No. of the Accounting Standard
1.	Bogaingaon Refinery and Petrochemicals Limited	Listed	GC	9
2.	GAIL India Limited	Listed	GC	10
3.	Mahanagar Telephone Nigam Limited	Listed	GC	13
4.	MMTC Limited	Listed	GC	22
5.	Steel Authority of India Limited	Listed	GC	2
6.	Eastern Investment Limited	Listed	DGC	13
7.	Bharat Heavy Plate and Vessels Limited	Unlisted	GC	2 and 4
8.	Cotton Corporation of India Limited	Unlisted	GC	5
9.	India Renewable Energy Development Agency Limited	Unlisted	GC	22
10.	Indian Strategic Petroleum Reserves Limited	Unlisted	GC	21
11.	Industrial Investment Bank of India Limited	Unlisted	GC	29
12.	Konkan Railway Corporation Limited	Unlisted	GC	10
13.	Maharashtra Electros melt Limited	Unlisted	GC	29
14.	National Insurance Company Limited	Unlisted	GC	5
15.	NTC (Maharashtra North) Limited	Unlisted	GC	20 and 29
16.	NTC (Maharashtra South) Limited	Unlisted	GC	20
17.	Nuclear Power Corporation of India Limited	Unlisted	GC	10
18.	Power Finance Corporation Limited	Unlisted	GC	5 and 22
19.	Rashtriya Ispat Nigam Limited	Unlisted	GC	2
20.	Rural Electrification Corporation Limited	Unlisted	GC	22
21.	T N Trade Promotion Organisation Limited	Unlisted	GC	12
22.	Zenith Securities and Investment Limited	Unlisted	GC	29

23.	Agricultural Finance Corporation Limited	Unlisted	DGC	29
24.	All Bank Finance Limited	Unlisted	DGC	13
25.	Bhartiya Reserve Bank Note Mudran Limited	Unlisted	DGC	5
26.	BOB Asset Management Company Limited	Unlisted	DGC	28
27.	BOB Housing Limited	Unlisted	DGC	22
28.	BOB Shareholding Limited	Unlisted	DGC	3
29.	Cent Bank Home Finance	Unlisted	DGC	22
30.	Indfund Management Limited	Unlisted	DGC	3
31.	NABARD Consultancy Services Pvt. Limited	Unlisted	DGC	3, 9 and 20
32.	PNB Housing	Unlisted	DGC	22
33.	UTI Technology Services Limited	Unlisted	DGC	5