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New Delhi
Dated

Authenticated

Bhagey Gobardham

(BHAGEY GOBARDHAM)
Minister of State in the Ministry
of Programme Implementation

REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA

UNION GOVERNMENT
NO. 8 (COMMERCIAL) OF 1989

RESUME OF THE COMPANY AUDITORS' REPORTS AND
COMMENTS ON ACCOUNTS OF GOVERNMENT COMPANIES

REPORT OF THE
COMMISSIONER OF THE
INDIAN LANDS
ON THE

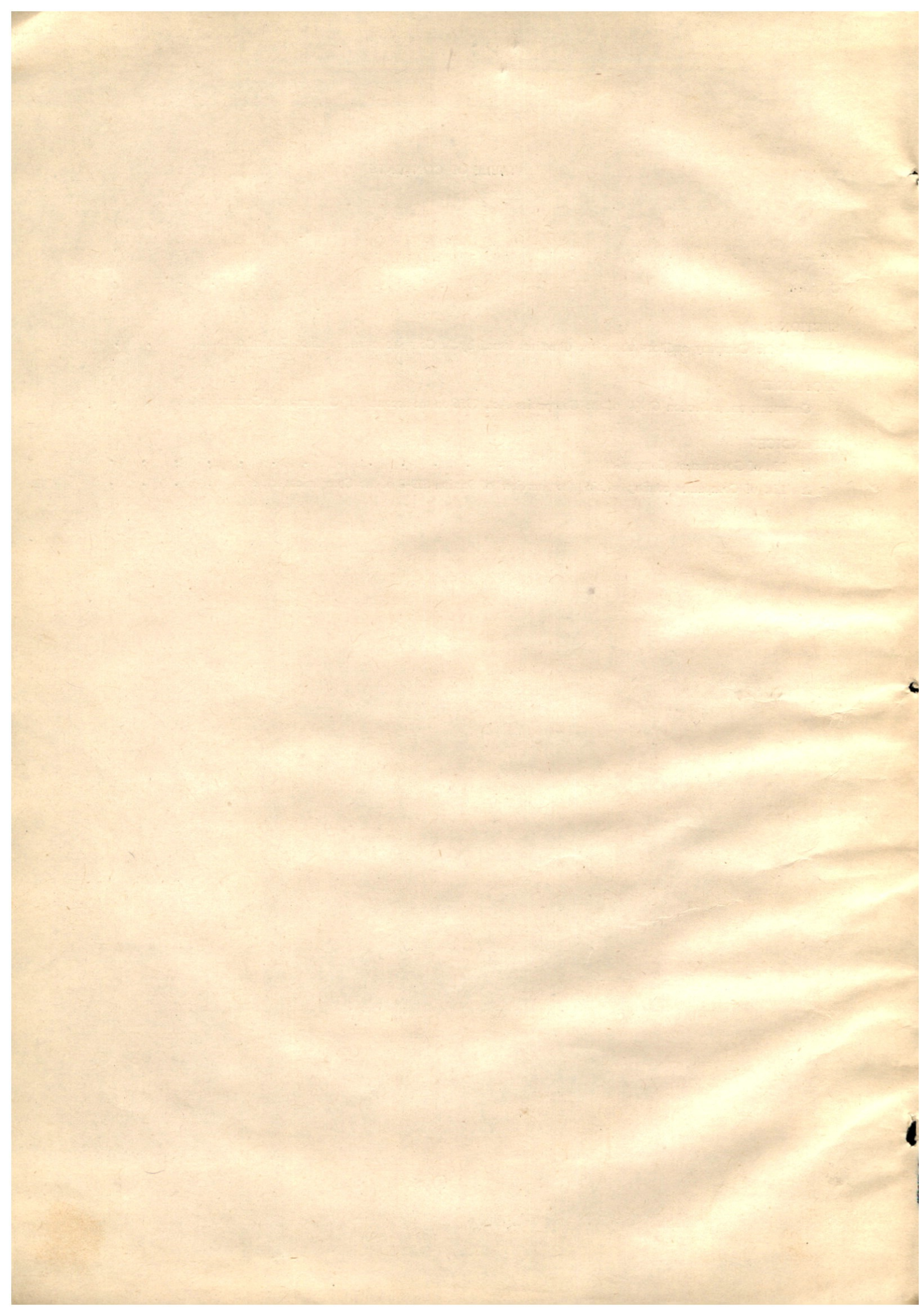
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PREFACE

The Reports of the Comptroller & Auditor General of India—Union Government (Commercial) are prepared in several parts and presented to Parliament. This part of the Report contains a resume of the reports of the Statutory Auditors of Government Companies submitted by them to the Comptroller & Auditor General in accordance with the directives issued to them under Section 619(3) of the Companies Act, 1956.

Statutory Auditors for Government Companies are appointed annually by the Company Law Board on the advice of the Comptroller & Auditor General under Section 619(2) of the Companies Act. The performance of the Statutory Auditors is evaluated by the Comptroller & Auditor General before they are recommended to the Company Law Board for re-appointment or fresh appointment. The Comptroller & Auditor General also issues guidelines and directions from time to time to the Statutory Auditors listing out the areas which should particularly be looked into by them. The reports of the Statutory Auditors are verified by the organisation of Comptroller & Auditor General and on a number of occasions, omissions and commissions in the Statutory Auditors' Reports are pointed out. Further, even on the accounts certified by the Statutory Auditors, a number of observations are made during the course of audit under Section 619(4) of the Companies Act. If the management agrees with the views expressed and revises the accounts, then a 'NIL' Comment' report is issued, where, however, the management has reservations in accepting the comments of the Statutory Auditors' as supplemented by the Comptroller & Auditor General's audit, the management is free to place its views before the Annual General Meeting and get the accounts adopted. It is not to be construed that nil comments in other cases are issued in a routine manner as presumed in some quarters. Often they are the outcome of the understanding and assurance given for future corrective action on certain aspects noted and subsequent clarifications furnished at the last stage of discussions. The supplementary audit of Comptroller and Auditor General also oversees, if any, undue comments have been made by the Statutory Auditors and thus provides a safeguard to the management.

It would be appropriate to point out that out of 258 odd Government Companies whose performance has been analysed in this report, 197 were selected for review. Out of the 61 Companies not selected for review, a total loss of Rs. 8046.06 lakhs was reflected by 19 Companies in their accounts.

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OVER-VIEW

(i) Section I of this report contains company-wise resume of the important points mentioned in the supplementary reports submitted by the company auditors in pursuance of the directives issued by the Comptroller and Auditor General of India under Section 619(3)(a) of the Companies Act, 1956. These reports on the accounts for 1986-87 in respect of 143 Companies and 51 subsidiary companies were received upto August 1988. Important observations on the accounts of each company have been classified according to the broad categories of deficiencies and are summarised below :—

Sl. No.	Broad categories of directives/brief narration of deficiencies	No. of Companies affected
(i)	System of Accounts and Book-keeping (Comments on adequacy of effectiveness of the system, deficiencies in the system, non-reconciliation of books, deficiencies in maintenance of asset registers, mistakes in classification of expenditure and other defects).	42
(ii)	Internal Control (Comments on internal audit, control procedures of various functions, variations between budgets and actuals).	66
(iii)	Cost Control (Deficiencies in cost control, deficiencies in manufacturing and production accounts, points thrown up by comparison of norms with actuals, comments on rejections.)	78
(iv)	Targets of production and achievements (Variations between targetted and actual production).	12
(v)	Balance Sheet (Comments on credit control, inventory control, inventory procedures etc.)	116
(vi)	General (Comments on non-maintenance of pro-forma accounts for service units for staff, deficiencies in accounts, man-power employed vis-a-vis envisaged, other general deficiencies).	4

32 Company Auditors did not submit their reports though these had become due up to August 1988.

II. Section II of this report contains Company-wise gist of important observations made during review of annual accounts of selected companies under Section 619(4) of the Companies Act, 1956.

The number of Central Government Companies including 619(B) Companies, which submitted their accounts for review under Section 619(4) of the

Companies Act and in respect of which comments were issued/accounts revised was as follows :—

	Government Companies	Section 619(B) Companies	Total
Total number of Companies.	240	39	279
No. of companies for which accounts received.	232	26	258
No. of companies whose accounts were selected for review.	182	15	197
No. of companies which revised their accounts, (after these had been certified by the Statutory Auditors), on the basis of observations made by the CAG and consequently were issued nil comments.	42	3	45
No. of companies in respect of which comments were issued.	48	5	53
No. of companies in respect of which no comments were required to be made.	92	7	99

Out of 98 Companies (including three Section 619-B-Companies), significant mistakes/omissions were noticed in 85 Companies and these are classified below according to their net effect on the accounts.

Sl. No.	Classification of audit observations	Number of Companies in which audit observations were made	Net financial effect (Rs. in lakhs)
1	2	3	4
1.	Over-statement of profit	18	4953.27
2.	Under-statement of profit	7	470.54
3.	Over-statement of loss	5	253.43
4.	Under-statement of loss	23	15390.02
5.	Misc. observations affecting final accounts :		
	(i) Omission to make provision/under provision.	8	3486.98
	(ii) Over-statement/under-statement of assets/liabilities.	8	5498.11
	(iii) Observations—other mistakes	11	34135.23
	(iv) Non-disclosure in accounts	5	3371.24

NOTE : In the above classification, certain companies appear more than once.

(v)

UNITED STATES DEPARTMENT OF THE ARMY
OFFICE OF THE ADJUTANT GENERAL
WASHINGTON, D. C.

On 01-28-58, a letter was received from the
619-B Company, 82nd Airborne Division, stating
that they had been assigned to the 82nd Airborne
Division, 24th Infantry Brigade, 1st Cavalry
Division, Vietnam.

The letter was received from the
Adjutant General, 619-B Company, 82nd Airborne
Division, 24th Infantry Brigade, 1st Cavalry
Division, Vietnam.

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SECTION I

REPORTS OF THE COMPANY AUDITORS UNDER THE DIRECTIVES ISSUED BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

In pursuance of the directives issued by the Comptroller and Auditor General of India under Section 619(3)(a) of the Companies Act, 1956, the special reports of the Company Auditors on the accounts for the year 1986-87 were received in the case of 143 companies and 51 subsidiary companies upto August 1988. The details of the Companies in respect of which supplementary reports were due but not received, and the Company in respect of which no remarks are incorporated in this report are given in Appendix I.

The important points contained in the special reports are given (company-wise) in the succeeding paragraphs.

1. Andaman and Nicobar Islands Forest and Plantation Development Corporation Limited

I. System of Accounts and Book-keeping

In Red oil Palm Project & Mayabunder project Sundry Debtors Register and in Forestry Project Sundry Creditors Register were not maintained.

II. Internal Control

There was no manual outlining the scope and programme of work for the Internal audit.

2. Andrew Yule and Company Limited

(Including Banarhat Tea Division, Mim Tea Division and Rajgarh Tea Division).

I. System of Accounts and Book-keeping

There was no separate cost Accounts Manual.

II. Budget Estimates

The Capital expenditure was not predetermined by the Company (Banarhat Tea).

III. Cost Control

(i) Actual cost of Fan & V. Belt was more than the standard cost.

(ii) Standard costing system was not in existence. (Rajgarh Tea).

IV. Credit Control

Debts to the extent of Rs. 126.10 lakhs (Rs. 34.16 lakhs from Government Departments and Rs. 91.94 lakhs from others) were outstanding for more than three years.

V. Inventory Control

The stores and spares valued at Rs. 7.37 lakhs had not moved for more than three years.

3. Assam Ashok Hotel Corporation Limited

I. System of Accounts and Book-keeping

(a) There was no effective system of reconciliation of books of accounts.

(b) Property or plant registers had not been maintained properly.

II. Internal Audit

Internal audit did not exist.

4. Balmer Lawrie and Company Limited

I. Credit Control

Debts to the extent of Rs. 26.35 lakhs (Rs. 20.68 lakhs from Government Departments and Rs. 5.67 lakhs from others) were outstanding for more than three years.

5. Bengal Chemicals and Pharmaceuticals Limited

I. System of Accounts and Book-keeping

(a) There was no manual laying down the detailed accounting procedures and specifying the duties and responsibilities of the officers of the Company at different levels.

(b) There was no system of drawing periodical trial balances.

(c) The products distributed to customers, doctors and others as samples, free gifts, etc. were not properly accounted for.

6. Bengal Immunity Limited

I. System of Accounts and Book-keeping

There was no accounting manual laying down the detailed accounting procedure specifying the financial powers, duties and responsibilities of different officers.

II. Internal Control

There was no Internal Audit Manual outlining the scope and programme of work for internal audit.

III. Cost Control

The Company had no standard cost system in operation.

7. Bharat Aluminium Company Limited

I. System of Accounts and Book-keeping

The accounting system was deficient in regard to the following :—

(a) Neither balance/statement of account had been confirmed by individual contractors

nor these were reconciled with respective Zone records. Further no physical verification of stores with contractors was being conducted.

- (b) No periodical reconciliation was carried out in case of township records maintained by Estate Section and Accounts Section.
- (c) No reconciliation was being made in respect of material sent to Fabricators and received back. No confirmation had been obtained from the parties with whom material was lying for fabrication.
- (d) The Company was not maintaining subsidiary ledger showing partywise details in respect of Sundry Creditors at Amarkantak mines. In the absence of this the advances made to suppliers for supplies were adjusted only through control account of sundry creditors. As a result of this the position of balances outstanding against a particular supplier remained misleading specially in the absence of reconciliation with the statement of account to be received from the Sundry Creditors.
- (e) No reconciliation was being carried out in respect of Sundry debtors balances between the records maintained at Kobra Plant and Zonal Offices.
- (f) Fixed Assets records maintained by the Company did not show full particulars, description, quantitative details and location thereof in most of the cases.

II. Cost Control

Standard cost of various main products had not yet been established.

III. Inventory Control

The stores and spares which had not moved for three years and more amounted to Rs. 857.94 lakhs.

IV. Credit Control

Debts outstanding for more than three years amounted to Rs. 47.66 lakhs (Rs. 13.60 lakhs Government Departments and Rs. 34.06 lakhs others).

8. Bharat Brakes and Valves Limited

I. System of Accounts and Book-keeping

Fixed assets register had not been reconciled with the financial ledger.

II. Internal Control

No manual outlining the scope and programme of work for internal audit had been drawn up.

III. Cost Control

The Company did not maintain any register for recording idle time for labour and/or machinery.

IV. Inventory Control

(a) There was no system of ascertaining surplus stores.

(b) Maximum, minimum and ordering limits for raw materials required for production were not fixed.

(c) Stores/spares valuing Rs. 22.84 lakhs had not moved for over three years.

V. Credit Control

Debts to the extent of Rs. 67.11 lakhs (Rs. 42.20 lakhs from Government Departments and Rs. 24.91 lakhs from others) were outstanding for more than three years.

9. Bharat Coking Coal Limited

I. System of Accounts and Book-keeping

Detailed records of assets acquired on nationalisation were not maintained.

II. Internal Control

No internal audit was carried out during the year 1986-87 (Katras Area IV, Sijua Area V, Bhowra Area XI, Govindpur Area III, CCWO, Kusunda Area VI, New Delhi Branch).

III. Cost Control

Standard costing system was not followed.

IV. Inventory Control

(a) Inventories of stores and spares had not been physically verified by the management (Katras Area IV, Sijua Area V, Bhowra Area XI and Kusunda Area VI).

(b) System of fixation of maximum and minimum levels of stores was not in vogue.

V. Credit Control

(a) The debts outstanding for 3 years and above amounted to Rs. 1205.11 lakhs;

(b) An amount of Rs. 2.28 crores pertaining to Sundry Debtors was being carried forward since 1974-75 without being linked up with advances received from customers.

VI. General

Proforma accounts were not maintained in respect of operation of various service units viz. transportation, canteen etc.

10. Bharat Dynamics Limited

I. Cost Control

System of fixing standard cost of various products had not been followed.

II. Inventory Control

Stock of raw materials and stores in terms of months consumption increased from 4.04 in 1984-85 to 12.32 in 1986-87.

11. Bharat Earth Movers Limited

I. Cost Control

Standard cost was not fixed by the Company.

II. Inventory Control

(a) Stores/spares declared surplus and awaiting disposal amounted to Rs. 227.44 lakhs.

(b) Maximum and minimum limits for stores/spares had not been fixed.

(c) Stores and spares valuing Rs. 643.80 lakhs had not moved for two years and more.

III. Credit Control

Debts outstanding for three years and above amounted to Rs. 703.87 lakhs from Government Companies and Rs. 28.73 lakhs from others.

12. Bharat Electronics Limited

I. System of Accounts and Book-keeping

Physical verification of fixed assets had not been carried out during the year. (Bangalore Complex, BEL Tank Electronic support Centre Madras, Kotdwara, Panchkula Unit).

II. Cost Control

(a) Standard cost was not fixed by the Company for its products.

(b) There was no system of ascertaining idle time for labour and machinery. (Kotdwara, MC Unit Machilipatnam, Talaja).

III. Inventory Control

(a) Raw materials, stores and spares valuing Rs. 994.14 lakhs had not moved for two years and more (Ghaziabad Rs. 211.82 lakhs, Machilipatnam Rs. 11.08 lakhs and Bangalore Rs. 771.24 lakhs).

(b) Maximum/minimum limits of stores and spares had not been fixed (Kotdwara, Machilipatnam, Pune, Talaja Units).

(c) The following discrepancies arising out of physical verification made during the year remained unadjusted pending investigation.

	Shortage	Excess
	(Rs. in lakhs)	
Bangalore complex	162.23	77.20

IV. Credit Control

(a) Debts outstanding for more than three years were as below :

	Govt. Deptts.	Others
	(Rs. in lakhs)	
MC Unit—Machilipatnam	10.52	4.10
Bangalore Complex	114.40	1.90

13. Bharat Gold Mines Limited

I. Inventory Control

Stores and spares valuing Rs. 58.60 lakhs had not moved for three years and more.

II. Credit Control

Debts outstanding for more than three years amounted to Rs. 85.47 lakhs.

14. Bharat Heavy Electricals Limited

I. Internal Control

There was no manual outlining the scope and programme of internal audit (IVP Goindwal).

II. Cost Control

(a) No norms were fixed for rejections ranged between 10.60 per cent to 33.90 per cent in respect of same items (HEEP Hardwar).

(b) System for ascertaining idle time of labour and machinery was not in force (HERP Varanasi, EPD Bangalore, TF Jhansi, IVP Goindwal).

(c) Standard costing had not been introduced (HPB Plant Trichy, Ramachandrapuram, TF Jhansi, IVP Goindwal).

III. Inventory Control

(a) Maximum and minimum limits of stores/spares had not been fixed (HERP varanasi, High tension ceramic insulator plant Jagdishpur, IVP Goindwal HEEP Hardwar).

(b) Stores valuing Rs. 1203.41 lakhs had not moved for two to three years and more (HPBP Trichy, BAP Ranipet, HEEP Hardwar, HEP Bhopal).

IV. Credit Control

Debts amounting to Rs. 4010.64 lakhs remained outstanding for a period of 3 years or more (HPBP Trichy, Ramachandrapuram, Industrial system group, Electro Porcelain Jhansi, Power Group SM (SR), power group construction Management, Northern Region Construction region, Bhopal, Control equipment division).

15. Bharat Heavy Plate and Vessels Limited

I. Inventory Control

Raw materials and other stores valuing Rs. 129.57 lakhs had not moved for three years and more.

II. Credit Control

Debts outstanding for three years and more amounted to Rs. 163.98 lakhs.

16. Bharat Leather Corporation Limited

I. Internal Control

(a) There was no Internal Audit Manual.

(b) No records were being maintained for realisable scrap which were accounted for only on realisation.

II. Cost Control

(a) Standard cost of the product had not been fixed.

(b) There was no system to ascertain idle time for labour and machinery.

III. Inventory Control

Maximum/Minimum levels of various items of stores had not been fixed.

17. Bharat Petroleum Corporation Limited

I. Inventory Control

Value of stores/spares which had not moved for the last 3 years amounted to Rs. 302.52 lakhs.

II. Credit Control

Debts outstanding for over 3 years and above amounted to Rs. 391.20 lakhs (Rs. 366.29 lakhs from Government Departments and Rs. 24.91 lakhs from others).

18. Bharat Process and Mechanical Engineers Limited

I. Cost Control

The foundry and machine tools divisions were not functioning since October 1975.

II. Credit Control

Debts outstanding for 3 years and above amounted to Rs. 50.43 lakhs.

19. Bharat Pumps and Compressors Limited

I. Credit Control

Debts outstanding for more than three years were Rs. 666.98 lakhs (Rs. 616.46 lakhs—Government Departments and undertakings and Rs. 50.52 lakhs—others).

20. Bharat Refractories Limited

I. Cost Control

There was no system of determining cost of different items manufactured.

21. Bharat Wagon and Engineering Company Limited

I. Internal Control

There was no manual outlining the scope and programme of the work of Internal Audit.

II. Targets of Production and Achievements

No norms had been fixed for consumption of basic raw materials in respect of L.P.G. Cylinders.

III. Cost Control

There was no system for ascertaining idle time for labour and machinery.

IV. Inventory Control

(a) Surplus and unserviceable stores were not determined in a systematic manner or on the basis of technical evaluation.

(b) Maximum/Minimum limits for stores and spares had not been fixed.

V. Credit Control

Debtors to the extent of Rs. 521.29 lakhs (Rs. 306.09 lakhs from Government Departments and Rs. 215.20 lakhs from others) were outstanding for more than three years.

22. Biecco Lawrie Limited

I. System of Accounts and Book-keeping

There was no manual laying down the detailed accounting procedures.

II. Internal Control

No manual outlining the scope and programme for internal audit had been drawn up.

III. Cost Control

There was no system for determining idle time for machinery.

IV. Credit Control

Debts to the extent of Rs. 28.21 lakhs (Rs. 21.80 lakhs from Government Departments and Rs. 6.41 lakhs from others), were outstanding for more than 3 years.

23. Bongaigaon Refinery and Petrochemicals Limited

I. System of Accounts and Book-keeping

The Company did not have any Accounting Manual.

II. Internal Control

There was no internal audit manual outlining the scope and programme for internal audit.

III. Cost Control

The Company was yet to introduce a system for ascertaining the idle time for labour and machinery.

IV. Inventory Control

The value of stores/spares which had not moved for more than 3 years was Rs. 287.96 lakhs.

24. Bridge and Roof Company (India) Limited

I. System of Accounts and Book-keeping

There was no system of preparation of periodical trial balances and reconciliation of control accounts with subsidiary ledgers.

II. Targets of Production and Achievements

Actual consumption of steel materials for freight containers was more than the norms.

III. Cost Control

(a) The company did not maintain any records for determining rejections in production.

(b) The system of standard costing for any of its products was not in existence.

(c) The Company did not maintain any records for the determination of idle time for labour and machinery.

IV. Credit Control

Debts of Rs. 125.17 lakhs were outstanding (Rs. 123.98 lakhs from Government and Rs. 1.19 lakhs from private parties) for more than three years.

25. Braithwaite & Company Limited

I. System of Accounts and Book-keeping

There was no Accounting Manual.

II. Cost Control

(a) The control accounts for contract-in-progress were not maintained and as such financial accounts and cost accounts remained unintegrated.

(b) There was no system of ascertaining idle time for labour and machinery.

III. Inventory Control

(a) Stores and raw materials of Rs. 19.05 lakhs had not moved for over 4 years.

(b) Limits for maximum and minimum items of stores were not fixed.

IV. Credit Control

Debts to the extent of Rs. 359.82 lakhs (Rs. 164.99 lakhs from Government Departments/undertakings and Rs. 194.83 lakhs from private parties) were outstanding for more than 3 years.

26. Brushware Limited

I. Internal Control

There was no manual for internal audit.

II. Cost Control

No records were maintained for determining the rejections in production.

27. Cawnpore Textiles Limited

I. Cost Control

There was no system of ascertaining idle time for labour and machinery.

28. Central Coalfields Limited

I. System of Accounts and Book-keeping

(a) Fixed Assets

Records in respect of Plant and Machinery were not completed in respect of location and other necessary details.

(b) Advances

Advances to Government amounting to Rs. 280.70 lakhs (Previous year Rs. 381.61 lakhs) had been accumulating for the past 26 years.

II. Credit Control

(a) Debts outstanding for more than three years stood at Rs. 1565.93 lakhs (coal sales). Details of debts outstanding in respect of sales other than coal were not available.

(b) Sundry debtors had been reduced by ad-hoc amount of Rs. 37.47 crores received from customers without linking with the accounts of the parties concerned.

III. General

No proforma accounts were maintained in respect of service units viz., water supply, school and hospital.

29. Central Inland Water Transport Corporation Limited

I. Cost Control

System of fixing standard cost was not in vogue.

II. Inventory Control

Physical verification of raw materials, components, loose tools and stores and spares of New-Alipore works, Rajabagan Dockyards and Port Blair Unit had not been carried out during the year.

III. Credit Control

(a) The Corporation did not have any uniform system for allowing credits.

(b) Debts to the extent of Rs. 335.87 lakhs (Rs. 277.23 lakhs from Government Departments and Rs. 58.64 lakhs from others) were outstanding for more than 3 years.

30. Central Mine Planning and Design Institute Limited

I. Inventory Control

(a) The maximum, minimum and re-ordering levels had not been fixed in respect of items of stores and spares parts.

(b) The value of stock of obsolete stores at the end of 1986-87 was Rs. 21.16 lakhs.

(c) The inventory held by the Company in terms of month's consumption was 20.46 at the end of 1986-87.

31. Chandigarh Child and Women Development Corporation Limited

I. Internal Control

Manual outlining the scope and programme of work for Internal Audit had not been drawn up.

32. Coal India Limited

I. System of Accounts and Book-keeping

No physical verification of assets was conducted during the year at NEC and Head Quarters.

II. Cost Control

There was no system for ascertaining idle time for labour and machinery.

III. Credit Control

Debts outstanding for three years and more amounted to Rs. 40.40 lakhs (Rs. 37.90 lakhs from Government Departments and Rs. 2.50 lakhs from others).

33. Cochin Refineries Limited

I. Inventory Control

Stores and spares did not move for more than 5 years (Rs. 139.61 lakhs) and 10 years (Rs. 74.81 lakhs).

34. Cochin shipyard Limited

I. Inventory Control

Stores and spares valuing Rs. 130.21 lakhs had not moved for three years and more.

II. Credit Control

Debts outstanding for more than three years amounted to Rs. 186.20 lakhs (Rs. 51.99 lakhs-Government Department and Rs. 134.21 lakhs-Others).

35. Cycle Corporation of India Limited

I. Inventory Control

There was no system in vogue for periodical verification of stock-in-trade.

II. Credit Control

Debts to the extent of Rs. 206.25 lakhs were outstanding from other parties for more than three years.

36. Eastern Coalfields Limited

I. System of Accounts and Book-keeping

Work order-wise/contractor-wise material issue and recovery register had not been maintained (Bankola, Kenda and Sonepur Bazari Areas).

II. Internal Control

The Company had no internal audit manual (Nirsa & Kapasara).

III. Cost Control

(a) The company had not introduced standard cost for its products.

(b) The company had no system of ascertaining the idle time for labour and machinery.

IV. Inventory Control

(a) Damaged/obsolete stores had not been identified by the company after 1983-84.

(b) Minimum and maximum limits of stores/spares had not been fixed.

(c) There was no system of periodical physical verification of stores and spares (Nirsa and Kapasara).

V. Credit Control

(a) Party-wise details of loans and advances were not maintained and no confirmations obtained from parties.

(b) The debts outstanding for 3 years and above amounted to Rs. 1619.80 lakhs.

37. Electronics Corporation of India Limited

I. System of Accounts and Book-keeping

There was no accounting manual.

II. Cost Control

(a) Standard costs had not been fixed.

(b) Norms of consumption of raw materials for major products had not been fixed.

III. Inventory Control

(a) Stores and spares valuing Rs. 588.37 lakhs had not moved for three years and more.

(b) Value of inventory pending disposal for more than one year was Rs. 226.46 lakhs and 2 years was Rs. 101.27 lakhs.

IV. Credit Control

Debts outstanding for three years and above were :-

Government Departments	Rs. 105.54 lakhs
Others	Rs. 13.76 lakhs.

38. Electronics Trade and Technology Development Corporation Limited

I. System of Accounts and Book-keeping

The Company did not maintain proper records for V.C.R.'s received under "Marg Darshan" as samples with proper details i.e. (a) how many received (b) to whom these were issued and (c) authority under whose orders issued.

II. Internal Control

There was no Manual outlining the scope and programme of work for the Internal Audit.

III. Inventory Control

The Company was not maintaining any record for stock lying with contractors.

IV. Credit Control

Debts outstanding for 3 years and above amounted to Rs. 226.71 lakhs (Government Departments—Rs. 168.81 lakhs and Others—Rs. 57.90 lakhs).

39. Engineers India Limited

I. Credit Control

Debts outstanding for three years and more amounted to Rs. 403.59 lakhs (Government Deptt. Rs. 362.98 lakhs and others—Rs. 40.61 lakhs as on 31-3-1987).

40. Engineering Projects (India) Limited

I. Cost Control

(a) No norms were fixed in respect of material issued free of cost to associates/sub-contractors for carrying out works with the result that it was not possible to verify the consumption with reference to the norms (Head Office).

(b) The Company had no system for ascertaining the idle time for labour and machinery (Head Office).

II. Credit Control

Debts outstanding for more than three years amounted to Rs. 78.84 lakhs (Government Department and undertakings) and Rs. 1210.04 lakhs (others).

41. Export Credit and Guarantee Corporation of India Limited

I. Internal Control

No specific procedure was followed by the Corporation for the purpose of "Write-off of debit balances in personal ledgers".

42. Ferro Scrap Nigam Limited

I. Credit Control

Debts to the extent of Rs. 9.17 lakhs were outstanding from Government Departments for more than 3 years.

43. Garden Reach Ship Builders and Engineers Limited

I. System of Accounts and Book-keeping

Full details in respect of some items of buildings and plants had not been recorded in the Fixed Asset Register.

II. Targets of Production

Norms/standards for consumption of major materials in respect of construction of ship building had not been fixed.

III. Cost Control

The system of fixing up the standard costs in respect of main products like ship building, ship repair, cranes,

diesel engine, deck machinery, conveyors, mine haulages and for general engineering was not in existence.

IV. Credit Control

Debts to the extent of Rs. 422.23 lakhs were outstanding (Rs. 407.96 lakhs from Government Departments and Rs. 14.27 lakhs from others) for more than 3 years.

44. Goa Shipyard Limited

I. Credit Control

Debts outstanding for more than 3 years amounted to Rs. 8.61 lakhs from Government Departments and Rs. 27.91 lakhs from others.

45. Heavy Engineering Corporation Limited

I. System of Accounts and Book-keeping

(i) Foundry Forge Plant

(a) No registers were maintained in respect of laboratory equipment, factory equipments, office equipment and furniture and fixture (FFP).

(b) Closing balance of bincards had not been reconciled with that of SPL in the absence of which balance of either could not be relied upon (Head Quarters).

II. Cost Control

Idle labour and machine hours were 26.8% and 40.0% of the available hours respectively. (HMBP).

III. Inventory Control

(a) Stores and spares valued at Rs. 169.10 lakhs had not moved for more than 3 years, (FFP, HMTP).

(b) Stock of finished goods amounting to Rs. 14.06 lakhs were lying for more than 3 years with customers. (FFP).

(c) Stock of finished goods was not physically verified (HMBP).

(d) Stores amounting to Rs. 191.89 lakhs were awaiting disposal as on 31-3-87 (HMBP).

(e) Shortages valued at Rs. 163.70 lakhs remained unadjusted for more than 3 years (HMBP).

IV. Credit Control

Debts outstanding for more than 3 years amounted to Rs. 914.96 lakhs in respect of FFP, HMBP and Head Quarters.

46. Hindustan Cables Limited

I. Credit Control

Debts to the value of Rs. 7.63 lakhs were outstanding from Government Department (P&T) for more than 3 years.

47. Hindustan Fertilizer Corporation Limited

I. System of Accounts and Book-keeping

The Company had no Accounting Manual of its own.

II. Internal Control

(a) The Company had no internal audit manual of its own in respect of its Marketing Division, Barauni Unit, Haldia Division, Calcutta Purchase Office, Fertilizer Production and Agricultural Research Division, Calcutta.

(b) Bulk items like steel and structural materials etc. had not been physically verified.

III. Cost Control

(a) Standard costs had not been fixed (Haldia Namrup, Durgapur and Barauni Units).

(b) There was no system for ascertaining the idle-time for labour and machinery (Barauni, Namrup and Haldia Units).

(c) Physical verification of finished goods and packing materials was not conducted (Marketing Division).

IV. Inventory Control

(a) The value of stores and spares which had not moved for 3 years and more amounted Rs. 2338.97 lakhs (Rs. 620.93 lakhs Namrup, Rs. 590.50 lakhs Barauni unit, Rs. 419.98 lakhs Haldia Division and Rs. 707.46 lakhs at Durgapur Unit).

(b) Maximum and minimum limits of stores and spares holding had not been fixed (Haldia Division and Namrup Units).

V. Credit Control

Debts outstanding for 3 years and more amounted to Rs. 334.34 lakhs (Haldia, Namrup and Barauni Units and Marketing Division).

48. Hindustan Insecticides Limited

I. Cost Control

(a) The standard cost of various products had not been fixed by the company.

(b) The company did not have system for ascertaining idle time for labour and machinery.

II. Inventory Control

Maximum and minimum level of stores/spares had not been fixed in most of the cases.

III. Credit Control

Debts outstanding for more than three years amounted to Rs. 342.09 lakhs (Rs. 340.44 lakhs from Government Department and Rs. 1.65 lakhs from others).

49. Hindustan Organic Chemicals Limited

I. Cost Control

There was no system for ascertaining idle time for labour.

II. Inventory Control

Stores and spares worth Rs. 17.05 lakhs had not moved for the last 5 years.

III. Credit Control

Debts outstanding for more than three years from parties other than Government Departments were Rs. 19.95 lakhs.

50. Hindustan Photo Films Manufacturing Company Limited

I. Inventory Control

Stores and spares valuing Rs. 46.51 lakhs had not moved for three years and more.

II. Credit Control

Debts outstanding more than three years amounted to Rs. 128.02 lakhs.

51. Hindustan Salts Limited

I. System of Accounts and Book-keeping

The block register maintained by the company did not indicate identification, situation and details of the assets nor was it reconciled with the physical holding of the assets.

II. Internal Control

(a) Goods inward records for directly chargeable items were not regularly scrutinised and no reconciliation was made of quantity and value as shown in purchase documents with respect in stock records.

(b) Inventory of spares imported from Poland valued at about Rs. 42 lakhs since long had not been prepared.

III. Cost Control

(a) There was no full-fledged costing system.

(b) Standard cost of main products had not been fixed.

IV. Inventory Control

(a) The stock adjustment account representing difference between actual physical balances of stores and numerical ledger balances, amounting to Rs. 10.42 lakhs (credit) had not been adjusted.

(b) The records in respect of fixed assets did not give detailed description and location of assets in some cases and also quantitative details of furniture and fixture.

(c) Total value of stores and spares which did not move during the last three years amounted to Rs. 2086.77 lakhs consisting of 86240 items (approx.)

(d) The closing stock had exceeded 6 months sales in Kuju Hazaribagh, Kathara, Rajarappa, Borkakhana and Argada Units.

52. Hindustan Steelworks Construction Limited

I. System of Accounts and Book-keeping

Unreconciled inter unit balances increased from Rs. 8.84 lakhs (debits) to Rs. 11.76 lakhs (debits) in the year 1986-87.

53. Hindustan Teleprinters Limited

I. Targets of Production and Achievements

No comparison had been made between quantity of consumption of raw materials and norms fixed in this regard.

II. Inventory Control

Maximum and minimum limits for any items of stores/spares had not been fixed.

54. Hindustan Vegetable Oils Corporation Limited

I. System of Accounts and Book-keeping

(a) The unit did not prepare capital, revenue, production and sales budgets (Calcutta unit).

(b) No fixed assets register had been maintained (Amritsar Branch).

II. Cost Control

There was no costing system to indicate the unit cost of production of major products (Calcutta Unit).

III. Inventory Control

Maximum and Minimum limits of holding of stores/spares had not been fixed (Calcutta Unit and Amritsar Branch).

55. Hindustan Zinc Limited

I. Cost Control

There was no system of ascertaining idle time for labour in Vizag, Agnigundala and Tundoo. There was no system of ascertaining idle time of machinery in Tundoo unit.

II. Inventory Control

The value of stores and spares which had not moved for more than three years amounted to Rs. 5.10 lakhs at Tundoo Unit. The details of such stores at Vizag Unit were not made available.

III. Credit Control

Debts outstanding from parties other than Government Departments for 3 years and above amounted to Rs. 10.67 lakhs at Vizag Unit.

56. H M T Limited

I. Cost Control

(a) There was no standard costing system in force (Specialised Watch Case Division Bangalore, Lamp Division Hyderabad).

(b) There was no system of ascertaining idle time for labour and machinery (Specialised Watch Case Division, Bangalore).

(c) No norms had been fixed for normal Wastages/losses in production (Lamp Division Hyderabad).

II. Inventory Control

(a) Maximum and Minimum limits for various items of stores and spares were not fixed (Pinjore, Ajmer, Machine Tools Division I & II and Die Casting Division, Lamp Division, Assembly Ancillary Division, Kalamassery).

(b) Stores and spares valuing Rs. 241.09 lakhs had not moved for three years and more (Pinjore, Ajmer, Watch Factory I & II, Watch Factory IV, Tumkur and Assembly Ancillaries Bangalore, Machine Tools Division I & II and Die Casting Division, MTM Division, Lamp Division, Kalamassery).

(c) Stores and spares valuing Rs. 34.14 lakhs declared surplus/obsolete were awaiting disposal at the end of the year (Pinjore, Watch Factory I & II, Kalamassery, Horological Machinery Division).

57. Hospital Services Consultancy Corporation (India) Limited

I. System of Accounts and Book-keeping

There was no Manual laying down the detailed accounting system and specifying the financial powers, duties and responsibilities of the officers.

II. Internal Control

Manual outlining the scope and programme of work for the internal audit had not been drawn up.

58. Hydrocarbons India Limited

I. System of Accounts and Book-keeping

The Company was not maintaining any manual or other instructions laying down the detailed accounting procedures.

II. Internal Control

No manual outlining scope and programme for internal audit had been drawn up.

59. Indian Drugs and Pharmaceuticals Limited

I. Cost Control

(a) There was no system for ascertaining idle time for labour/plant and machinery (Madras Plant, Muzaffarpur Plant, Hyderabad Plant, Rishikesh Plant and Gurgaon Plant).

(b) There was no standard costing system in vogue. (Gurgaon, Rishikesh Plant).

II. Credit Control

Debts outstanding for more than 3 years amounted to Rs. 1089.94 lakhs in respect of Rishikesh Plant and Rs. 448.48 lakhs in respect of other divisions/offices.

III. Inventory Control

The maximum and minimum level of stores had not been fixed. (Muzaffarpur Plant, Gurgaon Plant).

60. India Firebricks and Insulation Company Limited

I. Cost Control

- (a) Standard cost of products had not been fixed.
 (b) There was no system of ascertaining idle time for labour.

II. Inventory Control

The maximum and minimum limits of stores/spares holding had not been fixed.

61. Indian Iron and Steel Company Limited

I. System of Accounts and Book-keeping

(a) Pending completion of stock registers, negative balances amounting to Rs. 433.49 lakhs and Rs. 171.46 lakhs for stores and spares respectively had been deducted from the gross amount of stores and spares amounting to Rs. 8901.15 lakhs.

(b) An amount of Rs. 6.65 lakhs was written off as the same could not be linked up/adjusted against the liability for imported spares.

II. Cost Control

Percentage of rejection on gross production of H.S. Mill products, Black sheet plain, C.I. Spun Pipes and Non-ferrous castings was as high as 11.46, 17.72, 18.91 and 24.18 respectively.

III. Inventory Control

(a) The maximum and minimum levels in respect of stores had not been fixed.

(b) The value of non-moving stores and spares at Burnpur, Kulti and Chasnalla was Rs. 739.68 lakhs, Rs. 8.86 lakhs and Rs. 186.27 lakhs respectively.

(c) Stores and spares which did not move for 3 years or more were estimated at Rs. 739.68 lakhs in the case of Burnpur Works.

(d) The Company did not have any purchase manual.

IV. Credit Control

Debts to the extent of Rs. 817.79 lakhs and Rs. 99.89 lakhs were outstanding for more than three years from Government Departments and others respectively.

62. Indian Medicines Pharmaceuticals Corporation Limited

I. Internal Control

No internal audit was being conducted

II. Budget Estimates

No Budgets for capital, revenue, production and sales were being prepared.

III. Cost Control

No system for ascertaining the idle time for labour and machinery was in operation.

63. Indian Oil Blending Limited

I. Cost Control

There was no system of ascertaining idle time for labour and machinery.

II. Inventory Control

(a) Maximum and minimum limits of stores and spares had not been fixed.

(b) The value of stores and spares which had not moved for the last 3 years or more amounted to Rs. 2.96 lakhs.

64. Indian Oil Corporation Limited

I. Inventory Control

In the following units stores and spares had not moved out for over three years :—

(i) Haldia Refinery	Rs. 465.50 lakhs
(ii) B. K. Pipeline Barauni	Rs. 297.57 lakhs
(iii) Mathura Refinery (Refineries & Pipeline Division)	Rs. 1022.61 lakhs
(iv) Guwahati Refinery	Rs. 177.26 lakhs
(v) M.M.E.B. Pipeline (Mourigram)	Rs. 27.13 lakhs
(vi) Assam Oil Division	Rs. 133.24 lakhs
(vii) Guwahati Siliguri products Pipeline	Rs. 7.45 lakhs

In the following units stores declared surplus had not been disposed of :—

(i) Mathura Refinery (Refineries & Pipeline Division)	Rs. 384.00 lakhs
(ii) Guwahati Refinery	Rs. 25.79 lakhs
(iii) Assam Oil Division	Rs. 31.85 lakhs

II. Credit Control

Debts outstanding for more than 3 years amounted to Rs. 1897.12 lakhs (Government Departments Rs. 1165.44 lakhs and others Rs. 731.68 lakhs).

65. Indian Petrochemicals Corporation Limited

I. Inventory Control

The value of stores/spares which had not moved for the last 3 years amounted to Rs. 1,526.61 lakhs.

II. Credit Control

Debts outstanding for more than 3 years amounted to Rs. 41.53 lakhs from other than Government Departments.

66. Indian Rare Earths Limited

I. Cost Control

- (i) Standard costing system was not in existence.
- (ii) There was no system of ascertaining idle time for labour and machinery.

II. Inventory Control

The value of stores/spares which were not moved for over 3 years amounted to Rs. 47.15 lakhs (R.E. Division) and Rs. 34.14 lakhs (Minerals Division).

III. Credit Control

Debts outstanding for more than 3 years amounted to Rs. 5.54 lakhs from other than Government Departments.

67. Indian Railway Construction Company Limited

I. System of Accounts and Book-keeping

(a) There was no system of reconciliation of financial and stores records to ensure that goods paid for had actually been received and goods received had actually been accounted for. Materials issued for job/work fabrication to outside agencies and materials received back from such agencies were not accounted for properly.

(b) Bank reconciliation was not done regularly with the result that a bank account at company's project at Bombay had not been reconciled since its opening in 1979-80.

(c) Accuracy of plant and property register could not be ensured as it was neither completed nor updated.

II. Internal Control

(a) No internal audit manual had been drawn up.

(b) Internal Audit was not commensurate with the size of Company's business and needed to be strengthened.

(c) There was no proper purchase procedure but purchases were made on the basis of limited tenders and pre tender tie-ups.

III. Credit Control

Debts outstanding from private parties for more than three years amounted to Rs. 9520.83 lakhs.

IV. Cost Control

(a) There was no system of ascertaining idle time of labour and machinery.

(b) The Company had not fixed norms for consumption of major raw materials.

V. Inventory Control

(a) There was no system of pricing of stores issued.

(b) There was no system of maintaining maximum and minimum limits and determination of surplus and unserviceable stores.

68. Indian Telephone Industries Limited

I. Cost Control

Costing system was not introduced in Manakpur Unit.

II. Inventory Control

Stores and spares valuing Rs. 90.76 lakhs had not moved for three years and more (Raebareli Unit).

III. Credit Control

Debts outstanding for three years and more amounted to Rs. 677.60 lakhs—Government Departments—Rs. 475.56 lakhs and others Rs. 202.04 lakhs (Bangalore, Raebareli, Manakpur, Naini and Srinagar Units).

69. India Tourism Development Corporation Limited

I. System of Accounts and Book-keeping

1. The value of shortages and breakages was charged to consumption and customs duty on the shortages and breakages was debited to Rates and Taxes and, therefore, the total amount of shortages and breakages and duty paid there on could not be ascertained (Duty Free Shops, New Delhi).

2. The fixed assets registers were not kept upto date and were not reconciled with financial books (Akbar Hotel).

3. Proper fixed assets registers were not maintained showing full particulars such as location and verifications, marks of assets etc. (Hotel Janpath, Lalitha Mahal Hotel, Hotel Hassan).

4. No separate records were maintained to show the insurance claims lodged and realisation thereof (Duty Free Shops, New Delhi).

II. Budget Estimates

Budgets were not prepared in respect of duty free shops at Madras and Trivendrum (Madras Regional Office and other Units).

III. Credit Control

Debts amounting to Rs. 29.75 lakhs (Government Departments—Rs. 11.79 lakhs and other Rs. 17.96 lakhs) were outstanding for 3 years or above.

IV. General

Proforma accounts were not maintained for canteen (Lalitha Mahal Palace Hotel, Hotel Ashoka Hassan).

Manpower actually employed was more than the sanctioned strength at duty free shop Palam.

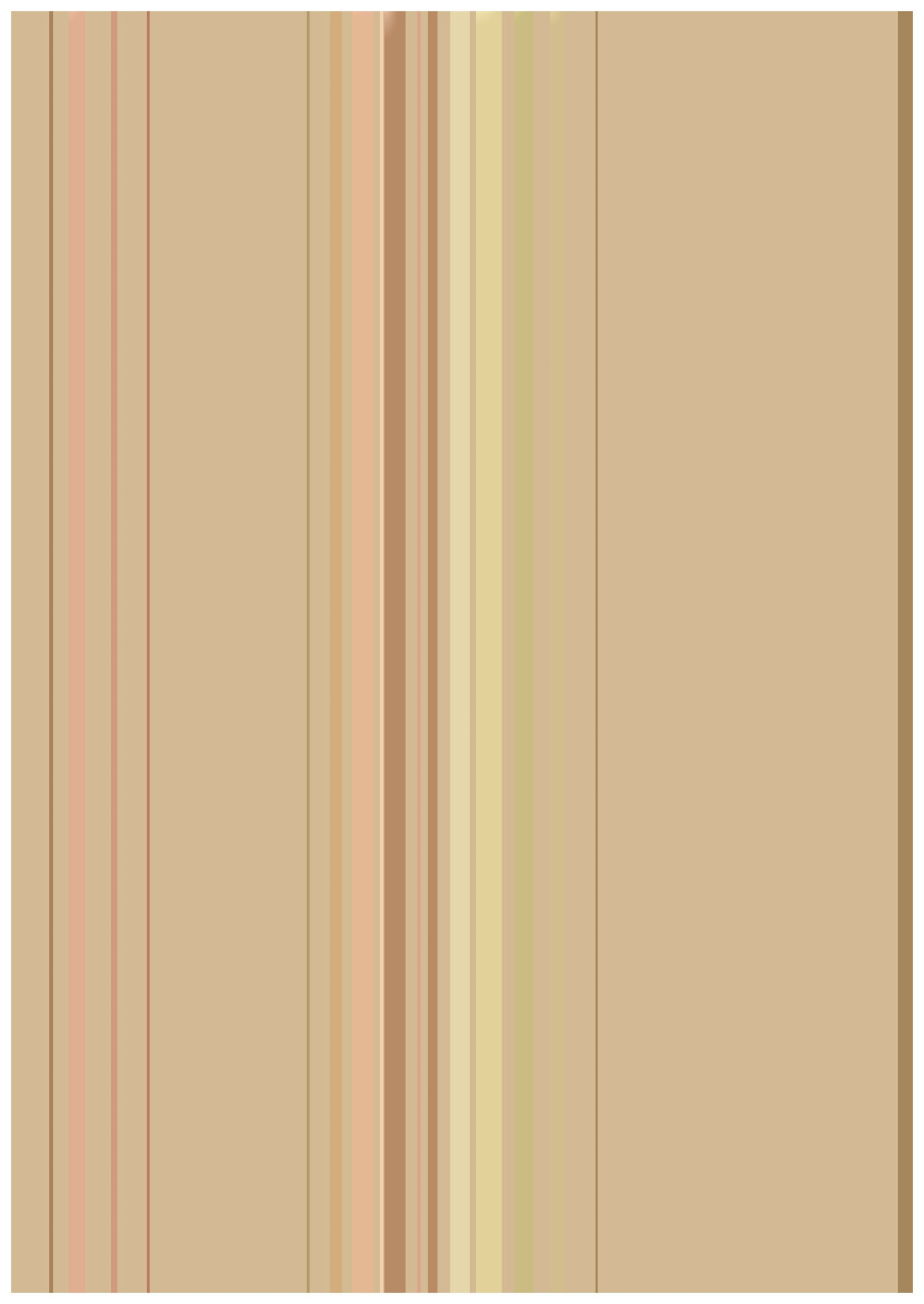
70. Indo-Burma Petroleum Company Limited

I. System of Accounts and Book-keeping

(i) The account with the Peoples Bank of Zanzibar was not reconciled periodically (Engineering Division).

(ii) The IOC settlement account balance was not reconciled and confirmed (Bombay Region).

(iii) Credits given by State Bank of India and the Canara Bank (Rs. 51,00,492.70) remained to be linked (Bombay Region).



II. Inventory Control

Maximum and minimum levels of holding of stores and spares had not been fixed.

79. Mazagon Docks Limited

I. Internal Control

There was no Internal Audit Manual.

II. Credit Control

Debts outstanding for more than 3 years and above amounted to Rs. 660.06 lakhs (Government Departments) and Rs. 263.06 lakhs (Others).

80. Metal Scrap Trade Corporation Limited

I. Internal Control

There was no internal audit manual.

II. Credit Control

Debts to the extent of Rs. 8.65 lakhs were outstanding from other parties for more than 3 years.

81. Mining and Allied Machinery Corporation Limited

I. System of Accounts and Book-keeping

(a) Periodical reconciliation of scrap generated, scrap issued/dispensed of and stock at the end of each period was not done.

(b) In absence of production records (except in Hot Shop), the W.I.P., scraps, wastage, shop rejection could not be verified.

II. Targets of Production and Achievements

The jobwise/machinewise rejection records were not maintained.

III. Cost Control

The company did not have system of standard costing.

IV. Inventory Control

Stores valuing Rs. 272.55 lakhs were lying in stock for more than three years.

V. Credit Control

Debts outstanding for three years and above amounted to Rs. 204.51 lakhs.

82. Mineral Exploration Corporation Limited

I. Cost Control

Area office had no system of determining idle time of machinery (Calcutta).

II. Credit Control

The debts outstanding for more than three years and above amounted to Rs. 19.21 lakhs (Government Departments).

83. Modern Food Industries (India) Limited

I. Targets of Production and Achievements

No targets had been fixed for the major products (Bhagalpur Unit).

II. Cost Control

(a) There was no system of ascertaining idle time of labour (Calcutta and Bhagalpur Units).

(b) There was no system of ascertaining idle time of machinery (Bhagalpur Unit).

(c) The Bun Plant valuing Rs. 19.42 lakhs had been lying idle since March 1978.

(d) No standard costing system was in use (Cochin and Bhagalpur Units).

(e) Norms for consumption of raw materials for major products had not been fixed (Bhagalpur Unit).

(f) Records were not maintained for determining the rejections in production (Bhagalpur Unit).

III. Inventory Control

(a) All stores and spares valuing Rs. 3.18 lakhs relating to the Bun Plant had not moved since 1978 due to non-operation of the plant (Calcutta Unit).

(b) Maximum/Minimum limits for stores items had not been fixed (Ranchi and Bhagalpur Units).

(c) The stock of stores/spares represented 37.51 months' consumption.

IV. Credit Control

Debts outstanding for 3 years and above amounted to Rs. 44.60 lakhs (Calcutta, Bhagalpur, Indore and Ranchi Units).

84. Nagaland Pulp and Paper Company Limited

I. Internal Control

There was no manual outlining the scope and programme of the work for internal audit.

II. Targets of Production and Achievements

Actual consumption of raw materials and chemicals for manufacture of its products was more than the norms fixed.

III. Cost Control

There was no system for ascertaining idle labour cost.

85. National Bicycle Corporation Limited**I. Internal Control**

(i) No internal audit manual was prepared.

(ii) The internal audit carried out had been restricted to cover only the financial aspects of the transactions of the Company.

II. Cost Control

There was no system for ascertaining idle time for labour and machinery.

III. Credit Control

(a) Debts outstanding for more than three years were Rs. 56.17 lakhs (Government Departments Rs. 4.51 lakhs and others Rs. 51.66 lakhs).

(b) The system of allowing credit did not take into account previous outstanding balances pending for a long time.

86. National Fertilizers Limited**I. Internal Control**

Coverage of internal audit needed to be extended to the following :—

- (i) Checking of interest on Bank and other borrowings.
- (ii) Checking of material transaction in works.
- (iii) Verification of godown stocks.
- (iv) Examination of sale and purchases.

II. Inventory Control

Store and spares amounting to Rs. 1265.13 lakh were not moved for more than 3 years.

87. National Handloom Development Corporation Limited**I. Internal Control**

There was no manual outlining the scope and programme of work for the internal audit.

II. Inventory Control

No maximum and minimum limits of stock of yarn had been fixed in any class of items.

88. National Hydro-Electric Power Corporation Limited**I. Internal Control**

The coverage of internal audit was almost nil during the year 1986-87 (Head Office). Timely action was not taken on the points raised in internal audit reports. No internal audit was conducted in case of Bairasiul Project during the year 1986-87.

II. Inventory Control

No maximum and minimum limits had been fixed for stores/spares.

89. National Instruments Limited**I. Internal Control**

There was no manual outlining the scope and programmes of internal audit.

II. Inventory Control

Stores and spares valuing Rs. 19.16 lakhs had not moved for more than 3 years

III. Credit Control

Debts to the extent of Rs. 18.02 lakhs were outstanding from Government Departments/Undertakings for more than 3 years.

90. National Insurance Company Limited**I. Internal Control**

(i) There was no system of internal audit (Gowhati D.O., Mehsana D.O.).

(ii) There was no system of internal control over accounts claims and under writing department (Kolhapur D.O.).

II. Budget Estimates

No budget was prepared (Madras D.O. III, Calcutta D.O. V).

III. Inventory Control

There was no system of physical verification of assets (Ahmedabad R.O.).

91. National Jute Manufactures Corporation Limited**I. System of Accounts and Book-keeping**

There was no laid down procedure for recording generation of scraps and wastes. (RBHM, National, Kinnison).

II. Internal Control

There was no internal audit manual, (RBHM, National, Khardah, Kinnison, Alexandra, Union).

III. Targets of Production and Achievements

Actual consumption of jute/raw material in respect of major products was more than the norms fixed. (National, Kinnison, Alexandra).

IV. Cost Control

(a) No standard costing system was in operation/standard cost of main products had not been fixed. (Kinnison, Alexandra, Khardah, Union).

(b) Precision winding machine (5 nos.) costing Rs. 17.79 lakhs received from Alexandra unit during 1984-85 were lying in packed condition (Union).

V. Inventory Control

(a) The value of non-moving items of stores for more than 3 years was Rs. 3.99 lakhs. (RBHM).

(b) No stock record was maintained for Diesel Oil and petrol etc. Purchases of these items were directly charged to consumption without accounting for the time to time issues and the year-end stock. (Kinnison).

92. National Mineral Development Corporation Limited (Panna Unit)

I. Inventory Control

(a) Stores/spares which had not moved for three years and more valued Rs. 10.26 lakhs.

(b) There was no system of fixing maximum and minimum limits for stores materials.

(c) The value of stores declared surplus or obsolete as on 31st March, 1987 amounted to Rs. 48.58 lakhs.

93. National Projects Construction Corporation Limited

I. System of Accounts and Book-keeping

(a) Scrap records were not maintained at the unit.

(b) Physical verification had not been conducted at Faridabad Unit.

II. Inventory Control

Maximum and minimum levels of holding of stores and spares had not been fixed. Surplus and obsolete stores had also not been identified periodically at the units.

94. National Seeds Corporation Limited

I. System of Accounts and Book-keeping

(a) Inter-unit transfers of stocks had not been evaluated and adjusted in the financial books.

(b) In some Regional offices customers ledgers had not been reconciled with the Central Ledger Balances even at the close of accounting year.

II. Internal Control

The Corporation had not drawn up any internal audit manual.

III. Inventory Control

The Corporation was having huge stocks of condemned and sub-standard seeds. The same had increased from Rs. 102.57 lakhs in 1985-86 to 143.78 lakhs during the year.

IV. Credit Control

Debts outstanding for more than three years amounted to Rs. 187.11 lakhs, i.e., Rs. 150.17 lakhs from Govt. Departments and Rs. 36.94 lakhs from others.

95. National Textile Corporation Limited

I. Cost Control

Standard costs had not been fixed.

96. National Textile Corporation (Andhra Pradesh, Karnataka, Kerala and Mahe) Limited

I. Cost Control

(a) Standard cost of the products were not fixed in the following units: —

- (i) Mysore Spinning and Manufacturing Mills.
- (ii) Minerva Mills.
- (iii) Sree Yallama Cotton Woollen & Silk Mills.
- (iv) Mahboob Shahi Kulburga Mills.
- (v) Netha Spinning Mills.
- (vi) Azamjahi Mills.
- (vii) Anantpur Cotton Mills.
- (viii) Parvati Mills.

(b) There was no system for ascertaining the idle time for labour in the following units :

- (i) Mahboob Shahi Kulburga Mills.
- (ii) Azam Jahi Mills.

(c) No records for determining the rejections in production were maintained in Netha Spinning Mills.

II. Inventory Control

(a) Maximum and minimum limits of stores and spares were not fixed in the following units :—

- (i) Minerva Mills.
- (ii) Mysore Spinning & Manufacturing Mills.
- (iii) Parvati Mills.

(b) Stores and spares worth Rs. 24.53 lakhs were not moved for two years and more.

III. Credit Control

Debts outstanding for three years and more amounted to Rs. 4.92 lakhs from Government Departments and Rs. 55.94 lakhs from others.

97. National Textile Corporation (Delhi, Punjab and Rajasthan) Limited

I. System of Accounts and Book-keeping

(a) There was no system of verifying quality of cotton purchased, selected and received which resulted in production of sub-standard finished goods (Ajudhia Textile Mills).

(b) The payments made to the cotton transport contractor were not supported by bills and the authenticity of payment could not be checked.

II. Internal Control

(a) There was no internal audit manual outlining the scope and programme of work (Edward Mills).

(b) No budgets were prepared during the year (Suraj Textile Mills).

III. Cost Control

(a) Norms for consumption of major items of raw-materials were not prescribed (Panipat Woollen Mills).

(b) No records for rejection in production were maintained (Panipat Woollen Mills).

(c) There was no system for ascertaining idle time for labour and machinery in Panipat Woollen Mills and actual idle time was not recorded in Ajudhia Textile Mills though there was a system of ascertaining idle time.

IV. Inventory Control

(a) Maximum and minimum limits of stores and spares had not been fixed (Suraj Textile Mills, Panipat Woollen Mills, Kharar Mills, Divisional Office Delhi, Ajudhia Textile Mills).

(b) There was no system for determination of un-serviceable or damaged stores and spares (Panipat Woollen Mills).

(c) Record showing sale of scrap and un-serviceable stores were not maintained and the closing stock of such items was not ascertained and valued (Ajudhia Textile Mills).

98. National Textile Corporation (Gujarat) Limited

I. Internal Control

There was no manual outlining the scope and programme of Internal Audit.

II. Targets of Production and Achievements

No norms had been fixed for the consumption of major raw materials. (Petlad Textile Mills, Viramgam Textile Mills, New Manekchowk Textile Mills).

III. Cost Control

(a) Standard costing system was not in vogue, (Mahalaxmi) Textile Mills, Head Office, Ahmedabad New Textile Mills).

(b) There was no system of ascertaining idle time for labour and machinery.

IV. Inventory Control

The maximum and minimum limits of stores and spares had not been fixed. (Mahalaxmi Textile Mills, Rajnagar Textile Mills, Ahmedabad Jupiter Textile Mills, Petlad Textile Mills).

V. Credit Control

Debts outstanding for three years and more amounted to Rs. 294.72 lakhs.

99. National Textile Corporation (Madhya Pradesh) Limited

I. Internal Control

Capital Budgets were not prepared during the year (Indore Malwa United Mills, Kalyanmal Mills).

II. Cost Control

Standard costing system had not been followed [Hira Mills (Ujjain), Swadeshi Cotton and Flour Mills, New Bhopal Textile Mills, Indore Malwa United Mills].

III. Inventory Control

(a) Maximum and minimum limits for stores/spares had not been fixed (Hira Mills, Swadeshi Cotton and Flour Mills).

(b) There was no system for determining value and quantum of surplus and un-serviceable stores (Indore Malwa United Mills, Kalyanmal Unit).

100. National Textile Corporation (Maharashtra North) Limited

I. Cost Control

(a) Standard cost of various products had not been fixed (India United Mills Nos. 1, 2 and 5 R.B. Bansilal Abhir Chand Spinning & Weaving Mills, Savatram Ramprasad Mills, RSRG Mohta Spinning and Weaving Mills, Model Mills, Vidarbha Mills).

(b) There was no system of ascertaining the idle time for labour and machinery (India United Mills No. 1).

II. Inventory Control

(a) Maximum and minimum limits of stores/spares holding had not been fixed (Savatram Ramprasad Mills).

(b) The value of stores/spares not moved since last 3 years amounted to Rs. 3.19 lakhs (Model Mills).

III. Credit Control

Debts outstanding for three years and more amounted to Rs. 45.39 lakhs in respect of Government Departments and Rs. 221.47 lakhs in respect of others.

101. National Textile Corporation (South Maharashtra) Limited

I. Internal Control

(a) No budget for capital expenditure was prepared (Digvijay Textile Mills).

(b) There was no Manual of Internal Audit (Chalisgaon Textile Mills, Head Office Marketing Division).

II. Cost Control

Standard cost of various products had not been fixed (Barshi Textile Mills, Jupiter Textile Mills).

III. Inventory Control

Maximum and minimum limits of stores/spares holdings had not been fixed (Mumbai Textile Mills, New Hind Textile Mills).

IV. Credit Control

Unit wise debts outstanding for three years and more were as under :—

	(Rs. in lakhs)	
	Govt. Deptts.	Others
1. Digvijay Textile Mills	2.22	19.32
2. Chalisingaon Textile Mills	—	18.95
3. Mumbai Textile Mills	2.24	8.45
4. Bharat Textile Mills	—	9.40
5. Dhule Textile Mills	—	13.40
6. H.O. (Marketing Division)	7.92	177.86
7. Jupiter Textile Mills	0.14	34.13
8. Apollo Textile Mills	1.88	18.00
9. New Hind Textile Mills	0.05	11.20
10. Nanded Textile Mills	1.38	31.00

102. National Textile Corporation (Tamil Nadu and Pondicherry) Limited

I. Cost Control

Standard costing system was not followed (Cambodia Mills, Pioneer Spinners).

II. Inventory Control

Maximum and Minimum limits for holding of stores had not been fixed (Coimbatore Spinning and Weaving Mills).

103. National Textile Corporation (U.P.) Limited

I. Internal Control

(a) There was no manual outlining the scope and programme of work for the internal audit. (Shri Vikram Mills, Swadeshi Cotton Mills and Rae Bareli Textile Mills).

(b) Capital, Revenue, Production and Sales budgets were not being prepared (Division Office-RSD Gaziabad).

II. Targets of Production and Achievements

(a) The Company had no system of ascertaining the idle time in case of labour (Swadeshi Cotton Mills).

(b) The targets of Production were not achieved and there was shortfall of 29.4 per cent (Yarn) during the year (Shri Vikram Mills).

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III. Cost Control

(a) No record for determining the rejections in production were maintained (Swadeshi Cotton Mills).

(b) Standard costs of various main products were not fixed. (Swadeshi Cotton Mills, Muir Mills, Shri Vikram Mills).

(c) There was no system of ascertaining the idle time for labour and machinery (Swadeshi Cotton Mills, Muir Mills, Rae Bareli Textile Mills).

IV. Credit Control

(a) Debts outstanding for three years and more were Rs. 48.08 lakhs (Government Departments) and Rs. 64.70 lakhs (Others). (Swadeshi Cotton Mills, Muir Mills).

V. Inventory Control

(a) No maximum and minimum limits of stores were fixed. (Swadeshi Cotton Mills, Vikram Cotton Mills).

(b) Value of stock not moved for more than three years amounted to Rs. 21.02 lakhs (Retail Sales Division Varanasi).

(c) Obsolete stores awaiting disposal for more than two years amounted to Rs. 3.86 lakhs (Muir Mills).

104. National Textile Corporation (West Bengal, Assam, Bihar and Orissa) Limited

I. Internal Control

Internal audit manual outlining the scope and programme of work for internal audit had not been drawn up.

II. Budget Estimates

No capital budget was prepared.

III. Cost Control

(a) Standard costs of various main products had not been fixed.

(b) There was no system for ascertaining the idle time for labour and machinery.

IV. Inventory Control

Minimum and maximum level of stock, economic order quantity etc. had not been fixed.

105. New India Assurance Company Limited

I. System of Accounts and Book-keeping

(a) Bank reconciliation statements had not been prepared (Cuttack D.O., Calcutta D.O. 3130, 3160, 3190, 3280 Bhubaneswar D.O.).

(b) Salvage and Assets Registers were not up-to-date (Belgaum D.O.).

II. Inventory Control

Fixed Assets Registers were not maintained. (Hubli D.O., Delhi Shahdra D.O., Delhi R.O. Delhi D.O., 5120, 5150, 5180, Aligarh D.O. Agra D.O.).

106. Neyveli Lignite Corporation Limited**I. Inventory Control**

Stores and spares valuing Rs. 58.64 lakhs declared surplus/obsolete were awaiting disposal for more than two years.

II. Credit Control

Debts outstanding for three years and more amounted to Rs. 32.06 lakhs (Rs. 29.21 lakhs Government Departments, Rs. 2.85 lakhs Others).

107. North Eastern Electric Power Corporation Limited**I. Internal Control**

There was no manual outlining the scope and programme of work for the internal audit.

II. Inventory Control

No maximum and minimum limits of stores had been fixed as the project was still under construction stage.

108. North Eastern Handicrafts and Handlooms Development Corporation Limited**I. Internal Control**

There was no manual outlining the scope and programme of work for the internal audit.

109. Northern Coalfields Limited**I. System of Accounts and Book-keeping**

Reconciliation of priced stores ledger balances with numerical ledger was not done.

II. Inventory Control

(a) Maximum and minimum limits had not been fixed for any item of stores/spares.

(b) Surplus and/or unserviceable stores were not determined.

(c) Stores which had not moved for 3 years at the year end amounted to Rs. 10.64 crores.

110. Oriental Insurance Company Limited**I. System of Accounts and Book-keeping**

Co-insurance/salvage Registers were not maintained (Udupi D.O.).

II. Internal Control

(a) Bank reconciliation statements were not prepared (Agra D.O. II).

(b) Claim history records and Register of Prohibited risks were not maintained (Bombay D.O. 4).

111. Paradeep Phosphates Limited**I. Internal Control**

Price stores ledgers for raw-material, packing and stores were not maintained. Hence there was no internal control on the same.

II. Cost Control

(a) The Company had not maintained any cost records.

(b) The Company had no system for ascertaining the idle time for labour and machinery.

112. Power Finance Corporation Limited**I. Internal Control**

No Internal Audit Manual outlining the scope and programme of work had been drawn up.

113. Pyrites, Phosphates and Chemical Limited**I. Cost Control**

The Company had no system to ascertain the idle time for labour and machinery.

II. Inventory Control

The plant and machinery declared surplus amounting to Rs. 26.26 lakhs were lying idle.

114. Rajasthan Drugs and Pharmaceuticals Limited**I. Internal Control**

No manual outlining the scope and programme of work for internal audit had been drawn up.

115. Rajasthan Electronics and Instruments Limited**I. Internal Control**

There was no manual laying down the scope and programme of internal audit.

II. Cost Control

(a) Detailed records showing the rejections in production were not maintained.

(b) Standard cost of various main products were not fixed.

III. Inventory Control

Maximum and minimum limits of various items of stores and spares were not fixed.

116. Rehabilitation Industries Corporation Limited**I. System of Accounts and Book-keeping**

Fixed assets registers did not contain details of office equipment, furniture, buildings etc.

II. Inventory Control

The minimum/maximum levels of stock had not been fixed.

III. Credit Control

Debts to the extent of Rs. 48.51 lakhs were outstanding (Rs. 28.41 lakhs from Government Department and Rs. 20.10 lakhs from others) for more than 3 years.

117. Richardson and Cruddas (1972) Limited**I. Internal Control**

There was no manual of Internal audit.

II. Cost Control

The Company had not fixed standard costs of its various products.

III. Credit Control

Debts outstanding for more than 3 years amounted to Rs. 18.03 lakhs (from other than Government Departments) and Rs. 24.78 lakhs (from Government Departments).

118. Scooters India Limited.**I. Internal Control**

There was no Internal Audit manual.

II. Inventory Control

(a) The company had not established the procedure for procurement and disposal of stores and spares.

(b) The maximum limit for holding the stores and spares of all the items had not been fixed.

(c) The value of unserviceable surplus and obsolete stores was Rs. 19.68 lakhs.

III. Credit Control

Debts amounting to Rs. 34.22 lakhs were outstanding for about 3 years and above.

119. Smith Stanistreet Pharmaceuticals Limited**I. Internal Control**

There was no Internal Audit Manual outlining the scope and programme of internal audit.

II. Cost Control

(a) Standard cost for various main products had not been fixed.

(b) The Company had no system of recording idle time for labour and machinery.

III. Inventory Control

The Company had not yet determined minimum, maximum and ordering levels of different items of stores and raw materials.

IV. Credit Control

Debts outstanding for more than 3 years were Rs. 10.44 lakhs from Government Department and Rs. 3.01 lakhs from other parties.

120. South Eastern Coalfields Limited**I. System of Accounts and Book-keeping**

Fixed assets register was not maintained except for asset cards for plant and machinery which were also not complete (Korba area).

II. Internal Control

(a)(i) Maximum, minimum and re-ordering limits for stores and spares had not been fixed (Jamuna-Kotma area, Sohagpur area, Hasdeo, Baikunthapur, Chirmiri area).

(ii) Inventory of stores and spares represented 10.47 months consumption in Sohagpur area, 10.41 months for Jamuna and Kotma area and 11.64 months in respect of Talcher and Ib-Valley area.

(b) Net shortage of coal amounting to Rs. 19.09 lakhs remained unadjusted in the account (Korba area).

III. Cost Control

The system of standard cost was not in vogue and there was no system for ascertaining the idle time of labour (Korba area).

121. Sponge Iron India Limited**I. Cost Control**

Standard cost of products had not been fixed.

122. State Farms Corporation of India Limited**I. System of Accounts and Book-keeping**

Fixed Assets Registers were not maintained up-to-date at Farms.

II. Inventory Control

(a) The physical verification of stock of farm produce, stores and spares was not being carried out periodically at the farm as per the Accounting Manual.

(b) The value of surplus/obsolete spare parts as on 30-6-1987 was Rs. 16.71 lakhs (Approx.)

(c) Maximum and minimum levels of stores items had not been fixed.

123. Steel Authority of India Limited*I. System of Accounts and Book-keeping*

Debits (Rs. 152.05 lakhs) and credits (Rs. 2.27 lakhs) had been kept in suspense pending adjustments thereof (Rourkela Steel Plant).

II. Internal Control

26,992.02 MT of imported coal had been lost in transit from Indian Ports (RSP).

III. Cost Control

(a) No norms for rejection in the production had been fixed (Bokaro Steel Plant).

(b) There was no system for determining idle time for labour (Bokaro Steel Plant, Rourkela Steel Plant).

(c) Standard cost for various products had not been fixed (Bokaro Steel Plant).

IV. Inventory Control

Items valued at Rs. 576.90 and 2624.15 lakhs respectively had not moved for more than 3 years (Bhilai and Durgapur Steel Plant).

124. Tannery and Foot Wear Corporation of India Limited*I. Targets of production and Achievements*

The targets fixed were not achieved. The shortfall in production ranged between 17.4 per cent to 38.3 per cent.

II. Credit Control

The amount outstanding for more than three years were Rs. 11.89 lakhs in respect of Government Departments and Rs. 19.52 lakhs in respect of others.

125. Triveni Structural Limited*I. Budget Estimates*

No capital budget was prepared.

II. Cost Control

No records determining rejection in the production were maintained.

III. Inventory Control

(a) Value of items of stores which had not moved for more than three years amounted to Rs. 61.40 lakhs.

(b) Maximum and minimum limits of all items under stores and spares were not fixed.

IV. Credit Control

Debts outstanding for more than 3 years were Rs. 15.34 lakhs (Government Departments), Rs. 80.22 lakhs (Government Companies) and Rs. 0.55 lakh (others).

126. Tungabhadra Steel Products Limited*I. Targets of Production and Achievements*

The targets fixed during the year were not achieved. Shortfall in the production of Hydraulic, structurals Transmission Towers etc, was 30.1 per cent.

II. Inventory Control

Non-moving items for more than three years were Rs. 5.48 lakhs.

III. Credit Control

The outstanding debtors for more than three years were as under :—

Government Departments—Rs. 38.97 lakhs
Public Sector Undertaking—Rs. 65.74 lakhs.

127. Tyre Corporation of India Limited*I. Internal Control*

The Manual outlining the scope and programme of work for the internal audit had not been drawn up.

II. Cost Control

(a) The system of standard costing was not in existence.

(b) The Company did not have any system of ascertaining the idle time of labour.

128. The Cotton Corporation of India Limited*I. Credit Control*

Debts outstanding for more than 3 years amounted to Rs. 319 lakhs (Rs. 257 lakhs from others and Rs. 62 lakhs from Government Departments).

129. The Fertilizer Corporation of India Limited*I. Cost Control*

(a) The consumption of raw materials was more than the norms fixed in respect of Ramagundam and Talcher Units.

(b) There was no system for ascertaining idle time for labour and machinery at Ramagundam, Talcher and Sindri Units.

II. Inventory Control

(a) Minimum and maximum limits of stores and spares had not been fixed at Ramagundam and Sindri Units.

(b) Value of stores and spares which had not moved for 3 years and above amounted to Rs. 440.19 lakhs at Talcher Unit, Rs. 1405.98 lakhs at Sindri Unit and Rs. 155.64 lakhs at Gorakhpur unit.

(c) Physical verification of stores, spares and packing material was not conducted at Jodhpur Mining Organisation.

130. The Fertilizers and Chemicals Travancore Limited

I. Inventory Control

Stores and spares valuing Rs. 1796.64 lakhs had not moved for more than three years.

II. Credit Control

Debts outstanding for more than three years amounted to Rs. 30.54 lakhs.

131. The Handicrafts and Handlooms Export Corporation of India Limited

I. Internal Control

There was no manual outlining the scope and programme of Internal Audit.

II. Credit Control

Debts outstanding for over 3 years from the parties other than Government Departments amounted to Rs. 159.91 lakhs.

132. The Mandya National Paper Mills Limited

I. Cost Control

- (a) There was no system of standard costing.
- (b) Records of idle time for labour were not maintained.

133. The Mica Trading Corporation of India Limited

I. Inventory Control

Stock of raw materials, stores and spares held represented 17.22 months consumption at the end of year.

134. The National Industrial Development Corporation Limited

I. Credit Control

Debts outstanding for over three years amounted to Rs. 76.56 lakhs (Government Departments Rs. 19.23 lakhs and others Rs. 57.33 lakhs).

135. The National Newsprint and Paper Mills Limited

I. Inventory Control

Maximum and minimum levels were not fixed in respect of non-stock items.

136. The National Small Industries Corporation Limited

I. Cost Control

There was no standard costing system in vogue (PDTC-Hawrah).

II. Credit Control

Debts outstanding for 3 years and above amounted to Rs. 1141.66 lakhs (Hirers) and Rs. 314.71 lakhs including Madras Regional Office (others).

137. The Projects and Development India Limited

I. Cost Control

No standard costing system was in operation.

II. Inventory Control

No physical verification in respect of raw materials, stores, spares and finished goods was conducted except in the case of chemicals and stores of R&D Division.

III. Credit Control

Debts outstanding for 3 years and more amounted to Rs. 162.30 lakhs against Government Departments and Rs. 22.92 lakhs against others.

138. The Projects and Equipment Corporation of India Limited

I. Internal Control

There was no manual outlining the scope and programme of work for internal audit.

II. Credit Control

Debts outstanding for more than three years amounted to Rs. 25.02 lakhs (Government Departments Rs. 1.26 lakhs and others—Rs. 23.76 lakhs).

139. The Shipping Corporation of India Limited

I. Internal Control

There was no manual outlining the scope and programme of work for internal audit.

II. Cost Control

- (a) No standard had been fixed for the cost of main products.
- (b) There was no system for ascertaining the idle time of labour/machinery.

III. Inventory Control

Maximum and minimum limits of stores/spares had not been fixed.

140. The State Trading Corporation of India Limited

I. Internal Control

A manual outlining the scope and programme of work for internal audit had not been drawn up (Corporate Office).

II. Cost Control

No norms were fixed by the management for consumption of raw materials in Leather Garment Factory, Madras.

III. Inventory Control

Maximum and minimum limits for stores and spares were not fixed in Leather Garment Factory Madras.

IV. Credit Control

Debts outstanding for more than three years or above amounted to Rs. 139.87 lakhs from Government Departments and Rs. 770.41 lakhs from other parties.

141. United India Insurance Company Limited

I. System of Accounts and Book-keeping

Property Register was not maintained (Mangalore D.O.).

II. Cost Control

Salvage Register had not been maintained. (Udupi D.O., Indore DOI, Aurangabad D.O.).

III. Inventory Control

Fixed Assets Register had not been maintained (Hyderabad D.O., New Delhi D.O. IX, Chillakalimpet D.O., Coimbatore DOI, Mysore Do).

142. U.P. Drugs and Pharmaceuticals Company Limited

I. Internal Control

(a) No internal audit system was operative in the Company.

(b) Capital Budget was not being prepared.

II. Cost Control

There was no system to calculate actual cost of production.

III. Inventory Control

Maximum and minimum limits of stores had not been fixed for any item of stores.

143. Vignyan Industries Limited

I. Cost Control

There was no system of ascertaining idle time for labour and machinery.

II. Inventory Control

No maximum and minimum limits had been fixed.

144. Water and Power Consultancy Services (India) Limited

I. Internal Control

There was no manual outlining scope and programme for the Internal Audit.

II. Credit Control

Debts amounting to Rs. 17.01 lakhs were outstanding for more than three years from other than Government Departments.

145. Weighbird (India) Limited

I. Cost Control

(a) Standard cost of various main products had not been fixed.

(b) There was no system of ascertaining idle time.

II. Inventory Control

No maximum and minimum limit of stores/spares holding had been fixed.

146. Western Coalfields Limited

I. Inventory Control

(a) There were no maximum and minimum limits of stores and spares fixed by any of the areas.

(b) Inventory of stores and spares in terms of number of month's consumption on 31st March, 1987 was as follows :—

(a) Kanhan Area	8.34 months.
(b) Patharkhera Area	9.90 months.

147. Zenith Securities and Investments Limited

I. Internal Control

There was no internal audit arrangement.

SECTION II
COMMENTS UNDER SECTION 619(4) OF THE
COMPANIES ACT, 1956 ON THE ACCOUNTS OF
GOVERNMENT COMPANIES

Under Section 619(4) of the Companies Act, 1956 :

- (a) The Auditor of a Government Company, appointed under Section 2 of the said section, is required to submit a copy of his report on the accounts of the Company to the Comptroller and Auditor General of India; and
- (b) The Comptroller and Auditor General of India has the right to comment upon or supplement the said audit report in such manner as he may think fit.

The provisions of the above section are also applicable in the case of Companies coming within the purview of Section 619-B of the Companies Act, 1956.

Out of 240 Government Companies (including 70 subsidiaries) of the Union Government as on 31st March, 1987 (details given in Appendix I) accounts of 232 Government Companies (including 67 subsidiaries) for 1986-87 were received upto August 1988. In addition, there were 39 Companies (details given in Appendix II) as on 31st March, 1987 falling within the purview of Section 619-B of Companies Act, 1956 in which Central Government and/or Central Government Companies and Corporations owned or controlled by the Central Government had dominant shares; out of these, accounts of 26 Companies for 1986-87 were received upto August 1988.

Out of 279 Companies (240 Government Companies including subsidiaries and 39 Section 619-B Companies) referred to above, the accounts of 197 Companies (182 Government Companies and their subsidiaries and 15 Section 619-B Companies) had been audited for purpose of comments upon or supplement to the Auditors' Reports. On the basis of C&AG's audit observations the accounts of 45 Companies were revised by the Management while in 53 cases, the comments were issued.

In the case of the following companies selected for audit under Section 619(4) of the Companies Act, 1956 (A) revisions having significant effect were made in accounts as a result of audit observations and (B) important mistakes/omissions were noticed in the course of audit of accounts :—

- (A) Names of Government Companies and particulars of the revisions made as a result of audit observations.

1. Bharat Coking Coal Limited

The loss for the year was increased by Rs. 3654.96 lakhs and the net prior period income reduced by Rs. 1443.06 lakhs as detailed below .—

(Rs. in lakhs)

Increase of loss	
1. <i>Non-provision of :</i>	
(i) Interim relief	3204.00
(ii) Depreciation	4.08
(iii) Liability on power and fuel	30.25
(iv) Railway freight	17.10
(v) Rates and Taxes	4.95
(vi) Loss of missing parts	18.84
(vii) Development expenses	26.00
(viii) Development abandoned CHP	63.24
(ix) Development expenses of dropped projects	49.34
(x) Service charges of holding Company	5.89
(xi) CISF Bonus	7.67
2. Over-valuation of stock in trade	204.17
3. Expenses on Power and Fuel and Transportation was charged to previous year instead of current year account.	17.91

2. Bharat Earth Movers Limited

The profit of the Company for the year had been reduced by Rs. 23.69 lakhs as detailed below :—

- (1) Profit decreased by Rs. 49.79 lakhs on account of .—

(Rs. in lakhs)

(i) Over-valuation of finished stock, work in-progress and stores	8.24
(ii) Short provision of liability of arrears payable to employees etc.	23.87
(iii) Over-statement of sales, misc. income and advance recoverable.	10.06
(iv) Under-statement of sundry creditors	3.60
2. Profit increased by Rs. 22.08 lakhs on account of :—	
(i) Excess provision of interest payable	19.68
(ii) Over-statement of depreciation (Net)	2.40
	22.08

3. Bharat Electronics Limited

The profit for the year had been decreased by Rs. 14.32 lakhs as detailed below .—

1. Profit decreased by Rs. 50.25 lakhs due to .—

	(Rs. in lakhs)
(i) Short provision in employees remuneration and benefits.	34.44
(ii) Non-adjustment of customs duty paid on the material put into use.	0.94
(iii) Non-provision of interest on Government loans.	10.01
(iv) Over-valuation of work-in-progress and Over-statement of income in respect of internal jobs.	4.86
	50.25

2. Profit increased by Rs. 35.93 lakhs due to :—

(i) Excess provision of depreciation on plant and machinery in Taloja Unit (Net).	33.02
(ii) Wrong allocation of expenditure	2.91
	35.93

4. Bharat Gold Mines Limited

The loss for the year had been decreased by Rs. 5.37 lakhs and prior period expenditure increased by Rs. 7.49 lakhs as under :—

(A)	(Rs. in lakhs)
(i) Items of capital nature (Plant and Machinery) charged to revenue earlier.	2.97
(ii) Decrease in salaries, wages and miscellaneous expenses.	2.29
(iii) Increase in miscellaneous receipts and recovery of township and other services.	0.82
	6.08

Less :

(i) Reduction in value of closing stock of scheelite.	0.51
(ii) Increase in expenses on hire of Machineries.	0.20
	0.71
Net effect	5.37

(B) Prior period expenditure increased by :—

(i) Contract expenses	5.62
(ii) Miscellaneous expenses on Seismic Laboratory, Salary and Wages.	1.87
	7.49

5. Bharat Heavy Plate and Vessels Limited

The profit for the year had been reduced by Rs. 138.19 lakhs by carrying out the following adjustments .—

	(Rs. in lakhs)
(i) Adjustment of shortage of Inventory noticed in Physical verification.	38.39
(ii) Accountal of consumption of bought out components and overhead income.	31.88
(iii) Reduction of sales in respect of goods not despatched.	61.39
(iv) Provision towards redundancy on Inventory.	6.02
(v) Rectification of accountal of consumption of material of previous year.	0.51
	138.19

6. Cement Corporation of India Limited

The loss of the Company increased by Rs. 99.25 lakhs due to following —

	(Rs. in lakhs)
(i) Writing back of unclaimed credit balances pending finalisation of refund of freight to customers on production of demands	25.27
(ii) Non-charging off the repair charges	5.10
(iii) Less charge of depreciation and of stores issued for consumption.	1.70
(iv) Wrong booking under deposits	16.55
(v) Wrong booking of depreciation	18.97
(vi) Provision of depreciation on double shifts instead of three shifts.	7.74
(vii) Non-provision for doubtful claims	19.89
(viii) Non-clearing of advances	2.52
(ix) Inclusion of unserviceable gunny bags in store.	2.71
	99.25

7. Central Coalfields Limited

The loss for the year increased by Rs. 2384 lakhs and the loss after prior period adjustments increased by Rs. 3621 lakhs as shown below .—

	(Rs. in lakhs)
(i) Under-provision of employees' remuneration and benefits.	2025.95
(ii) Under-provision of depreciation	3.43
(iii) Under-provision of other expenses	4.75
(iv) Excess accountal of receipts	20.16
(v) Over-valuation of stock	330.14
	2384.43
(vi) Prior period adjustments	1236.23
	3620.66

8. Coal India Limited

The loss for the year increased by Rs. 199.52 lakhs as detailed below .—

	(Rs. in lakhs)
(i) Non-provision of employees' remuneration and benefits.	131.88
(ii) Non-provision of charges for power and fuel.	10.10
(iii) Non-provision of interest	8.94
(iv) Non-provision of other expenses.	0.17
(v) Prior period adjustments	76.30
(vi) Accretion in stock	9.81
	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>
(vii) Excess account of receipts	26.50
(viii) Short provision of contractual expenses.	11.18
	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>
	199.52

9. Eastern Coalfields Limited

The loss for the year increased by Rs. 6088.84 lakhs on account of the following .—

	(Rs. in lakhs)
(i) Under-provision towards salaries, wages, bonus, allowances and contribution to provident and other funds.	5186.96
(ii) Under-statement of repairs	1.00
(iii) Under-provision of depreciation	26.20
(iv) Non-provision for obsolescence in stock	879.34
	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>
	6093.50
Less Excess provision of Interest during the year.	4.66
	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>
	6088.84

10. Goa Shipyard Limited

The profit before tax was reduced by Rs. 62.05 lakhs due to exclusion of profit earlier accounted for at 7½ per cent on the licence fee for construction of Missile Boat although the work had not commenced.

11. Heavy Engineering Corporation Limited

The loss of the Company increased by Rs. 70 lakhs as shown below .—

	(Rs. in lakhs)
(i) Short-provision on account of deduction made by Bhilai S.P. and Bokaro S.P. towards excess material supplied over weight provided in the contract.	45.00
(ii) Non-provision for appropriation in the value of costing and forgings declared surplus scrap due to valuation of those material at weighted average rate treating them as good material.	10.00
(iii) Short provision towards liquidated damages payable to Bhilai Steel Plant due to delay in supply of equipment as per contract for 4 MT stage (HMBP-48).	15.00
	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>
	70.00

12. Hindustan Aeronautics Limited

The profit of the Company for the year was increased by Rs. 13.80 lakhs as detailed below .—

(a) Profit increased by Rs. 92.34 lakhs on account of .—

	(Rs. in lakhs)
(i) Excess provision for (i) entry tax on imported material, (ii) replacement and other charges, and (iii) accrued leave reserve.	43.38
(ii) Under-statement of sales	17.20
(iii) Expenses on fabrication of supporting structures for worker's canteen wrongly taken to revenue.	1.66
(iv) Depreciation wrongly provided on a machine acquired for project.	0.83
(v) Expenditure of deferred revenue nature charged to revenue.	7.12
(vi) Wrong account of material and overheads.	20.29
(vii) Providing for refund to be received from supplier due to over-valuation of items.	1.86
	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>
	92.34

(b) Profit decreased by Rs. 78.54 lakhs on account of .—

	(Rs. in lakhs)
(i) Over-absorbed freight earlier taken to income.	20.28
(ii) Transfer of service expenses by services Division to Aircraft and Helicopter Division.	17.78
(iii) Non-amortisation of deferred revenue expenditure in respect of composite Drop Tanks.	5.85
(iv) Incorrect capitalisation of repair and overhaul charges.	2.06
(v) Wrong withdrawal of provision for customs duty payable on materials for overhaul of Garrett Engine.	5.54
(vi) Non-provision for deterioration of Garrett Engine.	4.10
(vii) Initial deposit received from M/s. Vayudoot earlier accounted for as income.	1.50
(viii) Difference in absorption due to accounting of additional charges.	3.17
(ix) Short provision for (i) redundancy, and (ii) depreciation.	2.90
(x) (a) Setting up the sales on cost plus basis consequent on reduction in man-hour rate.	1.91
(b) Adjustment for reduction in man-hour rate on account of increase in material overhead recovery.	13.18
(xi) Overvaluation of claims receivable	0.27
	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>
	78.54

13. Hindustan Antibiotics Limited

The loss for the year increased by Rs. 36.52 lakhs on account of provision for depreciation on plant and machinery and other assets in the Gentamycin and Vitamin 'C' Plant which was omitted earlier.

14. Hindustan Organic Chemicals Limited

The depreciation of Rs. 434.86 lakhs on Plant and Machinery at the Cochin Phenoyl Project commissioned during the year which was wrongly capitalised, was rectified and charged to revenue account affecting the valuation of work in progress and finished stores held for captive consumption.

15. Hindustan Shipyard Limited

The loss was increased by Rs. 464.05 lakhs as detailed below :—

- (a) Increase in loss by Rs. 528.28 lakhs due to non provision of :—

	(Rs. in lakhs)
(i) Penal interest due to non-payment of interest in time.	338.21
(ii) Full expenditure on Malkapuram Water Supply Scheme and depreciation of office building and plant.	6.51
(iii) Service charges for main engine for vessel 1120 series.	9.21
(iv) Hire charges on cranes payable to a private party.	8.70
(v) Arrear of wages on account of revision of wage structure.	46.50
(vi) Builders risk insurance	9.83
(vii) Increase in remuneration payable to officers (Ad-hoc Relief)	7.75
(viii) Interest on diversion of funds etc.	101.57
	528.28

- (b) Loss was decreased by Rs. 64.23 lakhs due to :—

(i) Write back of excess provision of ship movement expenses of customs Deptt.	2.08
(ii) Pre-paid expenses of Customs Deptt. wrongly charged to the year.	11.82
(iii) Increase in income	31.01
(iv) Increase in the value of work-in-progress.	19.32
	64.23

- (c) Net increase in loss

464.05

16. HMT Limited

The profit for the year had been increased by Rs. 5.41 lakhs as detailed below :—

- (a) Increase in profit due to :—

	(Rs. in lakhs)
(i) Wrong provision under obsolescence for material given on loan to a subsidiary but not returned.	0.97
(ii) Wrong provision for contingencies against the completed projects.	39.05
(iii) Provision made for bonus for which advance had already been made pending adjudication.	1.04
(iv) Excess provision for interest and taxes etc.	1.12
(v) Excess provision for LTC	2.90
	45.08

- (b) Decrease in Profit due to :—

(i) Non-provision of doubtful debts since provided for.	3.57
(ii) Short provision of water and electricity charges.	1.30
(iii) Capitalisation—non-provision of demurrage charges.	3.21
(iv) Non-provision of Sales Tax penalty imposed.	2.96
(v) Short provision of liability	15.42
(vi) Over-valuation of stock	13.21
	39.67

17. Indian Telephone Industries Limited

The profit for the year had been reduced by Rs. 55 lakhs as detailed below :—

- (a) Profit had been decreased by Rs. 61.66 lakhs due to :—

	(Rs. in lakhs)
(i) Short provision of interest on Government loans.	1.93
(ii) Non-provision of (i) Certain known bad and doubtful debts on account of liquidated damages, (ii) technical assistance fee payable to FACE, Italy and (iii) interest.	13.88
(iii) Short provision of bonus in Palghat unit.	4.15
(iv) Non-provision of liability towards incentive payment to workers in Naini Unit.	41.70
	61.66

- (b) Profit had been increased by Rs. 6.66 lakhs due to :—

(i) Non-accountal of precious metal scrap held in stock.	2.46
(ii) Excess provision of depreciation of vehicles and machinery.	1.83
(iii) Under-statement of sales and closing stock.	2.37

6.66

18. Mining and Allied Machinery Corporation Limited.

The loss of the Company for 1986-87 was increased by Rs. 9.62 lakhs as detailed below :—

	(Rs. in lakhs)
<i>Short provision for :</i>	
(i) Doubtful debts	6.81
(ii) Liability on sales-in-transit (Mining)	1.88
(iii) For excise duty	0.93
	9.62

19. National Textile Corporation (Andhra Pradesh, Karnataka, Kerala and Mahe) Limited

The loss for the year had been increased by Rs. 12.32 lakhs as detailed below :—

	(Rs. in lakhs)
1. Loss increased by Rs. 14.82 lakhs due to :	
(i) Short provision relating to prior period income/expenditure.	14.08
(ii) Short provision made for doubtful debts.	0.74
	14.82
2. Loss decreased by Rs. 2.50 lakhs due to :	
(i) Wrong accountal of decrease/increase in stock of finished goods and work-in-progress.	1.37
(ii) Excess provision of depreciation.	1.13
	2.50

20. Tungabhadra Steel Products Limited

The loss for the year had been increased to the extent of Rs. 11.30 lakhs as detailed below :—

	(Rs. in lakhs)
(i) Rectification of over-valuation of work-in-progress in respect of two jobs.	9.64
(ii) Provision of depreciation on plant and machinery.	1.02
(iii) Provision of liability towards hire charges on a diesel generator.	0.64
	11.30

21. The Projects and Development India Limited

The Profit for the year (Rs. 63.79 lakhs) was reduced by Rs. 36.87 lakhs as detailed below :—

	(Rs. in lakhs)
(i) Excess accountal of income for services rendered.	32.60
(ii) Excess valuation of inventories	4.27
	36.87

22. Videsh Sanchar Nigam Limited

The accounts of the Company were revised and its profits reduced by Rs. 1.68 crores.

(a) The profit of the Company was reduced by Rs. 1.68 crores as shown below :—

	(Rs. in lakhs)
<i>(a) Reduction in profit :</i>	
(i) Taking credit of amount received from Common Wealth Telecom concert which should have been credited to Government of India account.	172.52
<i>(b) Increase in profit</i>	
(i) Excess provision for salaries, wages & other expenses.	2.10
(ii) Income less accounted	2.03
Net decrease in profit	168.39

(B) Government Companies in the accounts of which important mistakes/omissions were noticed.

1. Andrew Yule and Company Limited

The profit for the year had to be viewed in the light of the fact that the sales included, despatches through carriers appointed by the Company against F.O.R destination contracts but not received by the customers by 31st March 1987, of the value of Rs. 244.19 lakhs (cost being Rs. 209.70 lakhs).

2. Balmer Lawrie and Company Limited

Investment Allowance Reserve included uncommitted reserve (Rs. 23.98 lakhs) in respect of assets already sold as pointed out in the comments on the accounts of the Company for 1983-84, 1984-85 and 1985-86.

3. Bharat Heavy Electricals Limited

In respect of damages suffered for the equipments in a fire accident during the previous year (1985-86) the Company made a provision for the total replacement cost and disclosed in that year's accounts that the amounts received from the under-writers would be taken credit of on receipt/acceptance. Contrary

to this, the Company has shown Rs. 300 lakhs received from the under-writers during the current year under "Advances received from customers and Others". This has resulted in overstatement of liabilities and understatement of profit for the year by Rs. 300 lakhs.

4. Bharat Process and Mechanical Engineers Limited

Loss for the year 1986-87 was understated by Rs. 7.05 lakhs due to non-provision of Adhoc Relief to officers from 1-1-1986 to 31-3-1987 (Rs. 6.18 lakhs) and non-provisions of loss on disposal of obsolete/slow moving/non-moving stock (Rs. 0.87 lakh).

5. Braithwaite and Company Limited

1. The loss of Rs. 678.42 lakhs was understated by Rs. 17.61 lakhs on account of over valuation of contract-in-progress.

2. The loss of Rs. 678.42 lakhs had also to be viewed in the light of non-provision of interest (Rs. 141.95 lakhs) and penal interest (Rs. 1.24 lakhs) due to non-payment of interest for the year 1986-87 although approval of Government of India for waiver was yet to be received.

3. Although the formal sanction from the Government of India for write off of loans and interest accrued there on upto 31st March, 1986 was pending Rs. 4431.45 lakhs had been deducted from unsecured loans and accumulated loss.

6. Burn Standard Company Limited

(A) The profit of Rs. 33.53 lakhs was overstated by Rs. 47.33 lakhs on account of the following:—

	(Rs. in lakhs)
(i) Booking of detention charges (including Rs. 16.04 lakhs relating to prior period) under capital work-in-progress instead of charging to revenue.	17.46
(ii) Under-statement of consumption of materials.	8.81
(iii) Short provision of interest on Government loan due to excess account of subsidy.	13.13
(iv) Under-provision of interest on defaulted provident fund dues.	6.31
(v) Short-provision for electricity charges	1.62
	47.33

(B) The profit was also to be viewed in the light of the fact that wagons not completed and delivered had been taken into sales (Rs. 813.19 lakhs) instead of in work-in-progress at prime cost (Rs. 532.33 lakhs) as per mode of valuation followed by the Company in respect of Engineering Units.

(C) (i) Capital work-in-progress—New Project off shore Fabrication Yard included value of sheet piles of Rs. 324.82 lakhs surplus to the requirement of the project.

(ii) A test check in audit had revealed that both labour cost and the on cost on labour booked were grossly understated. With the result the correctness of work-in-progress could not be vouchsafed.

7. Chandigarh Scheduled Castes Financial and Development Corporation Limited

The profit for the year (Rs. 4 lakhs) had been overstated by Rs. 1.05 lakhs on account of following:—

	(Rs. in lakhs)
(i) Excess credit of interest on fixed deposit receipts.	0.32
(ii) Account of interest on Special Central Assistance as income instead of crediting it to the Special Central Assistance Account.	0.73
	1.05

8. Cochin Refineries Limited

Profit for the year was overstated by Rs. 375.97 lakhs due to account of income pertaining to 1984-85 and 1985-86 in the current year consequent on revised pricing policy.

9. Hindustan Cables Limited

1. Profit of Rs. 1433.82 lakhs was overstated by Rs. 89.82 lakhs on account of the following:—

	(Rs. in lakhs)
(i) Inclusion of turnover tax with interest and profit element thereon in the selling price though not chargeable to the purchaser.	13.00
(ii) Inclusion of interest and profit element on royalty wrongly taken as part of sale price.	3.23
(iii) Understatement of consumption of raw material.	3.00
(iv) Inclusion of profit on goods (Rs. 662.69 lakhs) in sales, the property in which had not passed to the purchaser on account of non-completion of delivery.	71.53
(v) Over-valuation of work-in-progress and finished goods.	1.25
	92.01
(vi) Less: Non-account of accrued income of interest.	2.19
	89.82

2. The profit was also to be viewed in the light of the fact that no provision had been made for cost of replacement/rework in respect of goods (Rs. 233.38 lakhs) found to be defective by the customer and so accepted by the Company.

3. Export incentive receivable on export of cables amounting to Rs. 57.64 lakhs included in sales were not disclosed separately as required under Part-II of Schedule VI of the Companies Act.

4. Plant and machinery (Rs. 365.08 lakhs) though under observation and trial run as on 31-3-1987 was taken as part of gross block and depreciation amounting to Rs. 26.07 lakhs charged.

10. Hindustan Copper Limited

The loss of Rs. 886.88 lakhs had to be viewed in the light of the following:—

	(Rs. in lakhs)
(i) The closing stock of work-in-progress had been valued at derived realisable price instead of net realisable price after deducting the cost to be incurred to bring them to saleable form from the selling price. Though followed on a consistent basis, it was a departure from the generally accepted accounting standard leading to over-valuation of closing stock at ICC and Rakha with consequent under statement of loss.	43.36
(ii) Assumption of higher percentage of metal content in ore, slag, concentrates and reverts resulting in over-valuation of closing stock (Khetri, ICC and Malanj-khand).	292.64
(iii) Non-provision of liabilities for :	
(a) Interest on unsecured Government loan pending approval of the waiver by the Central Government (Note 15 of Schedule 23).	3057.99
(b) Interim relief to the workers	688.98
(c) Interest charges due against L/cs.	29.04
(d) Death benefit accrued to the employees who expired prior to 1986-87	22.43
(e) Unrecoverable balance lying with Calcutta Customs.	16.88
(f) Unutilised equipment pending disposal.	4.52
(g) Consultancy charges	6.12
	3825.96

11. Hindustan Fertilizer Corporation Limited

The loss for the year was understated by Rs. 2021.95 lakhs as no provision for the penal interest (Rs. 2021.95 lakhs) on loans was made pending waiver by Government of India.

12. Hindustan Insecticides Limited

1. Inventories included contaminated Butenadiol (17.561 MT) in Udyogamandal Unit but valued as good quality stock, resulting in overvaluation of stock by Rs. 3.74 lakhs.

2. Effluent Treatment Plants at Rasayani and Udyogamandal were depreciated @ 15% instead of 23.76%, the rate of depreciation applicable, resulting in short provision by Rs. 12.14 lakhs for 1986-87 and Rs. 20.58 lakhs for previous years.

13. Hindustan Petroleum Corporation Limited

Raw materials were understated by Rs. 6.74 crores due to non-provision of liability towards customs duty on the crude oil in respect of which the Bills of Entry had been filed before 31st March, 1987.

Sundry Creditors were also understated by a like amount.

14. Hindustan Steelworks Construction Limited

Pending sanction of the Government for waiver of interest for the year 1986-87 on plan/non-plan loans, liability amounting to Rs. 1009.49 lakhs had not been provided for resulting in decrease in loss by the same amount.

15. Indian Dairy Corporation

1. As per Operation Flood-II Project, the Operation Flood Reserve was to be credited with the value of imported donated commodities at Rs. 8.00 per Kg. for skimmed milk powder and Rs. 12.00 per Kg. for butter oil, prices being revised annually to match any change taking place in the wholesale price index of the Reserve Bank of India over whole sale price index of 1977-78. Due to non revision of prices annually, the Operation Flood Reserve received less credit of Rs. 26.81 crores during 1986-87 alone. The cumulative effect of non-revision of prices every year of these commodities resulting in understatement could not be ascertained.

2(a) Interest income of Rs. 1232.39 lakhs on funds available under Operation Flood-II Reserve was accounted for as interest deposits instead of crediting it to the operation Flood-II Reserve Accounts resulting in overstatement of interest and understatement of Operation Flood Reserve.

(b) Interest income of Rs. 2305.00 lakhs accrued during the moratorium period of loans was not accounted for resulting in understatement of income by Rs. 2305.00 lakhs.

3. Expenditure aggregating Rs. 282.63 lakhs on various schemes implemented by the Company through National Dairy Development Board was accounted for in the books of accounts on the basis of the statements of expenditure received from the Board without supporting vouchers. Supporting vouchers for this expenditure were not made available to Audit for scrutiny.

16. Indian Drugs and Pharmaceuticals Limited

1. Plant and Machinery included equipments valued at Rs. 33.41 lakhs on which no depreciation was charged in contravention of the changed accounting policy of charging depreciation on equipments withdrawn and returned to stores. (Hyderabad Plant).

2. The surplus earned by the Company during the period from 1970-71 to 1978-79 amounting to Rs. 2,743.16 lakhs on the trading activity in canalised imported bulk drugs was required to be deposited with the Government. The same had neither been deposited nor disclosed in the Accounts.

3. Accounting of the interest on the customs duty payable in respect of materials held in the bonded warehouse on cash basis instead of on accrual basis was contrary to the standard accounting principles, this had resulted in understatement of loss for the year by Rs. 22.16 lakhs.

17. Indian Iron and Steel Company Limited

(Rs. in lakhs)

(i) Loss for the year (Rs. 8757.87 lakhs) had to be viewed in the light of financial reliefs, viz. waiver of steel Development Fund contribution waiver, of interest on steel development fund loan and non-provision of interest.	6102.00
(ii) Short-provision of liability in respect of arrear of interim relief payable to the employees including Rs. 84.88 lakhs for the previous year.	424.27
(iii) Less charge/write back of depreciation	1706.75
(iv) Credit had been given to consumption on account of spares lying unused at shop/mill floor calculated on the basis of estimated value instead of actual price.	770.20

18. Indian Oil Corporation Limited

1. Sundry creditors were understated by Rs. 239.59 lakhs due to non-inclusion of the following :—

- (i) Rs. 137.57 lakhs being the sales tax differential on LPG sales for which payment was made @ 4% of Central Sales Tax as against 18% of Kerala Sales Tax.
- (ii) Liability of Rs. 95.68 lakhs towards customs duty on LPG steel in respect of which Bills of entry were filed with and passed for payment by Customs Authorities before 31st March 1987.
- (iii) Rs. 6.34 lakhs towards technical services rendered by foreign parties.

2. Pool account balance was computed after adjusting a claim of Rs. 65.43 lakhs on account of Ocean losses not sustainable as the full cost of imports is reimbursed through Pool Account without making any deduction for Ocean losses. The Profit of the year is overstated by like amount.

3. Opening stock in process did not include a sum of Rs. 117.90 lakhs being the differential in royalty rates to be charged on the opening stock in process, resulting in overstatement of profit for the year.

4. Other income included the following amounts surrenderable to Pool Account :

- (i) Rs. 56.00 lakhs received from a defaulter foreign party as penalty for non-fulfilment of contract for the supply of crude.
- (ii) Rs. 47.00 lakhs adventitious gains due to revision of Railway Freight effective from 1-12-1986.
- (iii) Rs. 142.54 lakhs on account of unclaimed/unspent liabilities created in the past but written back during the year.
- (iv) Other expenses did not include a provision for bank commission amounting to Rs. 24.00 lakhs relating to stock-in-trade (in transit).

5. An amount of Rs. 546.31 lakhs provided for in earlier years for doubtful debts, advances, claims and stores was written back during the year.

19. Jessop and Company Limited

The loss was increased by Rs. 20.51 lakhs due to revision of account on the basis of audit observations under Section 619(4) of the Companies Act, 1956. After revision of accounts the following comments were also issued.

The net loss of Rs. 80.18 lakhs for the year had to be viewed in the light of the following :—

	(Rs. in lakhs)
(i) Non-provision of interest and penal interest on Government loan.	1318.12
(ii) Over-statement of sales due to account of sale of structurals on ad-hoc price.	16.45
(iii) Over-valuation of finished stock	38.63

20. Jute Corporation of India Limited

1. The sundry debtors included a sum of Rs. 48.78 lakhs being the amount due from two units which had been wound up. The dues being unsecured were doubtful of recovery and should have been provided for. Due to non-provision for these debts the loss for the year stood understated to this extent.

2. The claims payable were understated by Rs. 16.45 lakhs due to non-provision of ad-hoc amount of 2.25 per cent on commercial sales to NJMC during 1985-86 for meeting the claims for short weight, quality, fibre value, etc. Consequently, the cumulative loss was also understated to this extent.

3. The loss was understated by Rs. 13.35 lakhs due to write back of interest on cash credit for earlier years without corresponding withdrawal of subsidy on the interest already credited.

21. Madan Industries Limited

1. The transfer of Rs. 16.21 lakhs pertaining to Investment Allowance Reserve to Profit and Loss Appropriation Account during the year 1986 in contravention of Income Tax Act resulted in understatement of loss for the year as well as reserves and surplus to that extent.

2. Non provision of depreciation amounting to Rs. 9.72 lakhs resulted in overstatement of assets and understatement of loss to that extent.

3. Interest on interest (including penal interest) on loans amounting to Rs. 14.41 lakhs was not provided for.

22. Madras Fertilizers Limited

The loans and advances included a claim of Rs. 8.97 lakhs shown as recoverable in respect of damaged fertiliser stocks taken delivery from Food Corporation of India. The claim is doubtful of recovery inasmuch as the stock was delivered on 'as is where is basis' and FCI had already rejected the claims.

The change in the method of valuation of finished and work-in-progress stock held in the plant by reckoning subsidy as an element of realisable value effected this year, has the effect of over valuation of inventories and corresponding reduction of loss for the year by Rs. 71.94 lakhs.

23. Mahanagar Telephone Nigam Limited

Profit after tax amounting to Rs. 13652.32 lakhs should be viewed in the light of followings:—

	(Rs. in lakhs)
(i) Non-provision of liability for balance payment and escalation charges in respect of supplies by Government and other agencies.	227.47
(ii) Accountal of revenue realised during the year which related to the period prior to formation of the Company and payable to Deptt. of Telecommunications.	15.67

24. Manganese Ore (India) Limited

No provision for the balance amount of income tax liability of Rs. 86.18 lakhs for the assessment years 1964-65 to 1982-83 had been made. Had this liability towards income tax been provided, the Company's working results would have shown a loss instead of the above profit and as such provision for payment of dividend of Rs. 21.55 lakhs on 7½ per cent cumulative preference shares need not have been made.

25. Mazagon Dock Limited

The loss for the year had been understated by Rs. 2.96 crores due to valuation of the vessel OSV VI under construction at cost ignoring the loss estimated to be incurred on its sale at a fixed price.

26. National Buildings Construction Corporation Limited

Loss of the Company for the year amounting to Rs. 2399.89 lakhs has to be viewed in the light of liability for penal interest amounting to Rs. 113.81 lakhs not provided in the accounts.

27. North Bengal Dolomite Limited

The loss for the year Rs. 1.37 lakhs had been understated by Rs. 26.66 lakhs due to:—

	(Rs. in lakhs)
(i) Capitalisation of part of revenue expenditure even though no prospective work was done during the year.	16.72
(ii) Non-inclusion of cost relating to closing stock of ores.	9.94

	26.66

28. Pyrites Phosphates and Chemicals Limited

The profit of Rs. 84.87 lakhs would have been converted into a loss of Rs. 471.60 lakhs but for the followings:—

	(Rs. in lakhs)
(i) Taking credit for subsidy yet to be sanctioned by Government of India.	116.78
(ii) Change in the basis of accounting during the year, of Head Office and Marketing Division resulting in credit.	30.97
(iii) The excess of expenditure over income relating to Ajhmore unit which discontinued the production and sale of Acid Grade Pyrite in 1982 consequent upon which, the FCI, which was sole customer stopped reimbursing cash expenses in respect of this unit after 31-3-1984. It was treated as deferred revenue expenditure even though there was no benefit qualifying the carry forward as unexpired cost.	408.72

29. Rashtriya Chemicals and Fertilizers Limited

(i) Other liabilities were understated by Rs. 31.14 lakhs due to non-provision of liability towards customs duty on the goods in transit in respect of which Bills of Entry was filed before 31st March, 1987.

(ii) The plant at Thal went into production on 1-6-1985. A sum of Rs. 117.74 lakhs paid to the consultant for providing the guarantee after the trial period of 6 months was debited to capital instead of to revenue.

(iii) Contribution of Rs. 81 lakhs for extending power transmission line owned by Maharashtra State Electricity Board was included in fixed assets instead of treating it as "Capital Expenditure Not Represented by Asset" to be written off over a period of maximum

5 years. Had this been done, the profit would have been less by Rs. 15 lakhs being the difference between the depreciation charged and the amount written off.

(iv) Closing stock was overstated by Rs. 43.46 lakhs by erroneous adoption of higher cost resulting in overstatement of profit for the year by a like amount.

30. Rehabilitation Industries Corporation Limited

The loss of the Company for the year which was originally worked out as Rs. 862.83 lakhs was increased by Rs. 42.73 lakhs as detailed below:—

	(Rs. in lakhs)
(i) Provision of interest on unsecured loan	36.78
(ii) Provision of liability in respect of Sales Tax	5.95
	42.73

31. Steel Authority of India Limited

The loss of Rs. 4087.24 lakhs had to be viewed in the light of:—

	(Rs. in lakhs)
(i) Less charging of depreciation	4666.09
(ii) Financial reliefs/concessions made available to the Company.	8917.60
(iii) Taking credit for entry tax in anticipation of completion of assessment or realisation.	460.82
(vi) Treating the expenditure representing compensation paid to employees under voluntary retirement scheme as deferred revenue expenditure.	371.90
(v) Non-provision of depreciation due to non-capitalisation of stripper yard crane and Washing Plant with effect from August 1986 and December 1985 respectively.	128.68

32. The Braithwaite Burn and Jessop Construction Company Limited

The loss of Rs. 195.26 lakhs for the year was understated by Rs. 9.93 lakhs on account of overvaluation of Contracts in progress due to recognition of income of excess of the that admissible.

33. The Fertilizer Corporation of India Limited

(i) The loss of the year had been understated by Rs. 493.91 lakhs due to non-provision of depreciation

of Sulphuric Acid and other plants including NPK Plant which had been shut down because of uneconomic working/technical problem (Para 3(i) a & b(ii) of Auditors Report).

(ii) Inventories had been understated by Rs. 82.35 lakhs due to non-accounting for the material in transit in which the property had passed on to the Company.

(iii) Expenditure (370.07 lakhs) of revenue nature incurred during the period from 1-4-1975 to 31-3-1987 and share of training and sales promotion expenses (Rs. 73.43 lakhs) allocated during the period 1971-72 to 1978-79 on the Korba Project which had been kept in abeyance since December 1974 were being treated as "Expenses During Construction" and "Deferred Revenue Expenditure" respectively though there had been no construction activity since 1975. [Para 3(iii) of Auditors' Report].

34. The Shipping Corporation of India Limited

The overall loss of Rs. 223 lakhs shown in the accounts was overstated by Rs. 163 lakhs due to the reimbursement of losses pertaining to the operation of "ONGC" on Andaman inter-island services (Rs. 91 lakhs) and Haj Services (Rs. 72 lakhs) being shown below the line though these services were eligible for 100 per cent subsidy from the Government of India and should have been adjusted before arriving at the net loss for the year.

35. The State Trading Corporation of India Limited

Profit for the year was overstated by Rs. 356.89 lakhs as detailed below:—

	(Rs. in lakhs)
(i) Interest charged in excess to Government due to inclusion of cost of office building still under construction in computing capital invested on items handled on behalf of Government.	288.64
(ii) Inclusion of interest on capital invested in customs duty on fatty acids sold on ex-jetty basis which was not justified as the sale proceeds were realised from the allottee in advance or in any case before the material was released from vessel.	45.64
(iii) Excess charges of overheads to Government in respect of transactions of edible oil (Rs. 9.27 lakhs) and sugar (Rs. 3.34 lakhs) on off-shore sales in addition to 1% service charges.	12.61
(iv) Excess charges on account of 1% service charges on landed cost in which clearing and handling charges incurred subsequent to landing of edible oil consignments were strongly included.	10.00

2. Stock of 5816 MT rebagged fully wet and moist imported sugar lying in one godown at Calcutta and Godowns of CWC at Paradeep had been valued as sound instead of damaged to be valued at 10% less according to accounting policy which resulted in over valuation of stock by Rs. 26.87 lakhs.

36. Vikrant Tyres Limited

The profit of Rs. 405.76 lakhs was overstated by Rs. 2107.58 lakhs due to the following:—

	(Rs. in lakhs)
(i) Non-provision of depreciation for extra and multiple shifts.	1143.57
(ii) Capitalisation of interest charges of Rs. 2588.78 lakhs during 1983-84 towards acquisition of fixed assets.	964.01

2107.58

New Delhi,

Dated : 26 MAR 1990

K. Tyagarajan

(K. TYAGARAJAN)

Chairman, Audit Board & Ex-Officio

Deputy Comptroller and
Auditor General (Commercial)

countersigned

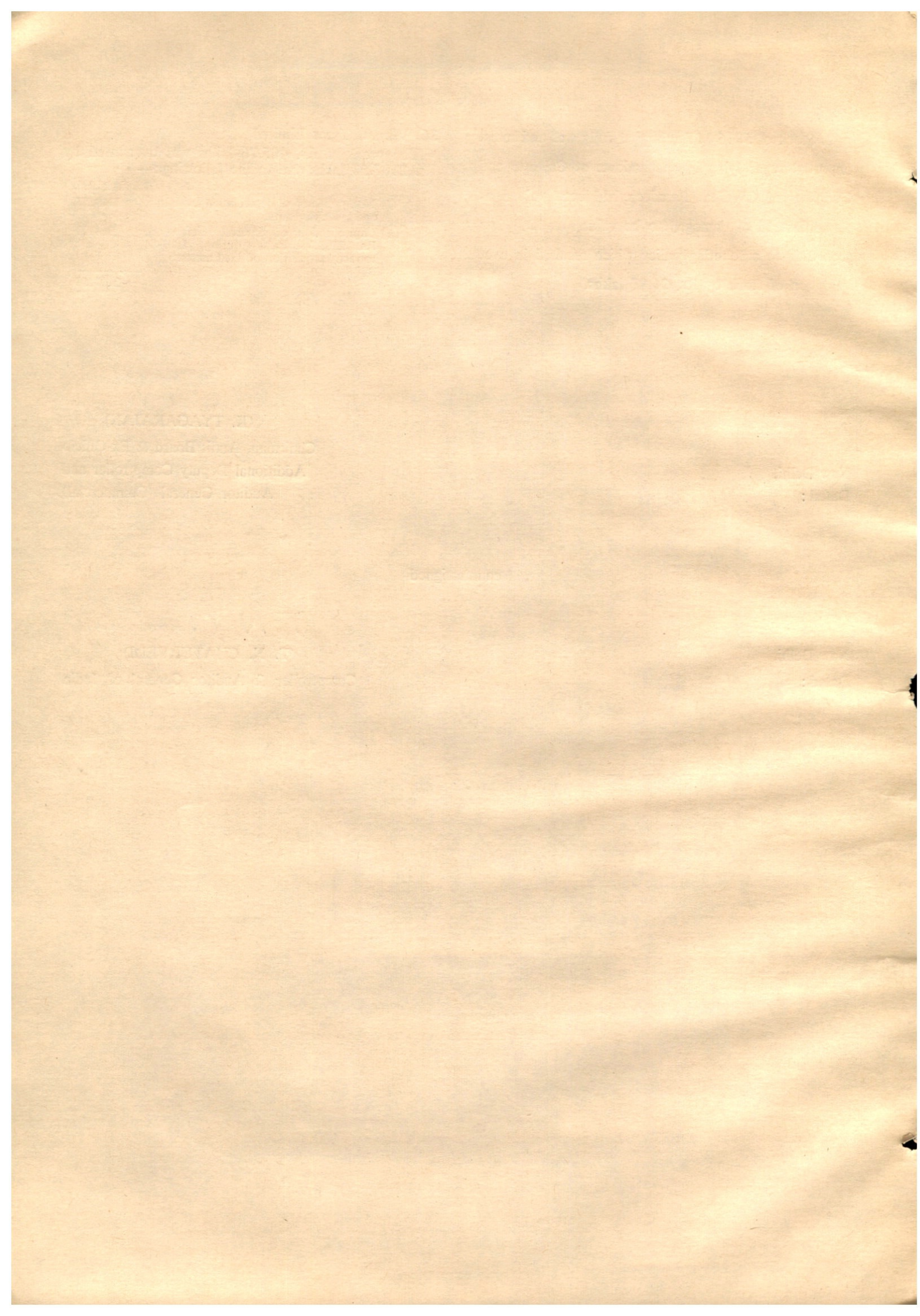
New Delhi,

Dated : 26 MAR 1990

T. N. Chaturvedi

(T. N. CHATURVEDI)

Comptroller & Auditor General of India



APPENDIX I

List of Government Companies

1. Air India Charters Limited.
2. Airlines Allied Services Limited.
3. Andaman and Nicobar Islands Forest and Plantation Development Corporation Limited.
4. Andrew Yule and Company Limited.
5. Artificial Limbs Manufacturing Corporation of India.
6. Assam Ashok Hotel Corporation Limited.
7. Balmer Lawrie and Company Limited.
8. Bengal Chemicals and Pharmaceuticals Limited.
9. Bengal Immunity Limited.
10. Bharat Aluminium Company Limited.
11. Bharat Bhari Udyog Limited.
12. Bharat Brakes and Valves Limited.
13. Bharat Coking Coal Limited.
14. Bharat Dynamics Limited.
15. Bharat Earth Movers Limited.
16. Bharat Electronics Limited.
17. Bharat Gold Mines Limited.
18. Bharat Heavy Electricals Limited.
19. Bharat Heavy Plate and Vassels Limited.
20. Bharat Leather Corporation Limited.
21. Bharat Ophthalmic Glass Limited.
22. Bharat Petroleum Corporation Limited.
23. Bharat Process and Mechanical Engineers Limited.
24. Bharat Pumps and Compressors Limited.
25. Bharat Refractories Limited.
26. Bharat Wagon and Engineering Company Limited.
27. Bharat Yantra Nigam Limited.
28. Biecco Lawrie Limited.
29. Bongaion Refinery and Petrochemicals Limited.
30. Bridge and Roof Company (India) Limited.
31. Birds Jute and Exports Limited.
32. Braithwaite and Company Limited.
33. Brushware Limited.
34. Burn Standard Company Limited.
35. Cownpore Textiles Limited.
36. Cement Corporation of India Limited.
37. Central Coalfields Limited.
38. Central Cottage Industries Corporation of India Limited.
39. Central Electronics Limited.
40. Central Inland Water Transport Corporation Limited.
41. Central Mine Planning and Design Institute Limited.
42. Central Road Transport Corporation Limited. (In liquidation with effect from 12th April, 1979).
43. Chandigarh Child and Women Development Corporation Limited.
44. Chandigarh Industrial and General Development Corporation Limited.
45. Chandigarh Scheduled Castes Financial and Development Corporation Limited.
46. Coal India Limited.
47. Cochin Refineries Limited.
48. Cochin Shipyard Limited.
49. Computer Maintenance Corporation Limited.
50. Cycle Corporation of India Limited.
51. Damodar Cement and Slag Limited.
52. Dredging Corporation of India Limited.
53. Delhi Scheduled Castes Financial and Development Corporation Limited.
54. Delhi State Civil Supplies Corporation Limited.
55. Delhi State Industries Development Corporation Limited.
56. Delhi State Mineral Development Corporation Limited.
57. Delhi Tourism Development Corporation Limited.
58. Eastern Coalfields Limited.
59. Educational Consultants India Limited.
60. Electronics Corporation of India Limited.
61. Electronics Trade and Technology Development Corporation Limited.
62. Engineers India Limited.
63. Engineering Project (India) Limited.
64. Export Credit and Guarantee Corporation Limited.
65. Ferro Scrap Nigam Limited.
66. Garden Reach Shipbuilders and Engineers Limited.
67. Gas Authority of India Limited.
68. Goa Antibiotics and Pharmaceuticals Limited.
69. Goa Meat Complex Limited.
70. Goa Shipyard Limited.
71. General Insurance Corporation of India.
72. Heavy Engineering Corporation Limited.
73. Hindustan Aeronautics Limited.
74. Hindustan Antibiotics Limited.
75. Hindustan Cables Limited.
76. Hindustan Copper Limited.
77. Hindustan Fertilizer Corporation Limited.
78. Hindustan Fluoro Carbons Limited.
79. Hindustan Insecticides Limited.
80. Hindustan Latex Limited.
81. Hindustan Newsprint Limited.
82. Hindustan Organic Chemicals Limited.
83. Hindustan Packing Company Limited.
84. Hindustan Photo Films Manufacturing Company Limited.
85. Hindustan Paper Corporation Limited.
86. Hindustan Petroleum Corporation Limited.
87. Hindustan Prefab Limited.
88. Hindustan Salts Limited.
89. Hindustan Shipyard Limited.

90. Hindustan Steelworks Construction Limited.
91. Hindustan Teleprinters Limited.
92. Hindustan Vegetable Oils Corporation Limited.
93. Hindustan Zinc Limited.
94. HMT Limited.
95. HMT Bearings Limited.
96. HMT (International) Limited.
97. Hooghly Dock and Port Engineers Limited.
98. Hooghly Printing Company Limited.
99. Hospital Services Consultancy Corporation (India) Limited.
100. Hotel Corporation of India Limited.
101. Housing and Urban Development Corporation Limited.
102. Hydrocarbons India Limited.
103. India Renewable Energy Development Agency Limited.
104. Indian Dairy Corporation Ltd.
105. Indian Drugs and Pharmaceuticals Limited.
106. Indian Firebricks and Insulation Company Limited.
107. Indian Iron and Steel Company Limited.
108. IISCO Ujjain Pipe and Foundry Company Limited.
109. Indian Medicines Pharmaceuticals Corporation Limited.
110. Indian Oil Blending Limited.
111. Indian Oil Corporation Limited.
112. Indian Petrochemicals Corporation Limited.
113. Indian Rare Earths Limited.
114. Indian Railway Construction Company Limited.
115. Indian Railway Finance Corporation Limited.
116. Indian Road Construction Corporation Limited.
117. Indian Telephone Industries Limited.
118. India Tourism Development Corporation Limited.
119. Indo-Burma Petroleum Company Limited.
120. Industrial Credit Company Limited.
121. Instrumentation Limited.
122. Jessop and Company Limited.
123. Jute Corporation of India Limited.
124. Karnataka Antibiotics and Pharmaceuticals Limited.
125. Kudremukh Iron Ore Company Limited.
126. Lagan Jute Machinery Company Limited.
127. Lubrizol India Limited.
128. Madhya Pradesh Ashok Hotel Corporation Limited.
129. Madras Fertilizers Limited.
130. Madras Refineries Limited.
131. Mahanagar Telephone Nigam Limited.
132. Maharashtra Antibiotics and Pharmaceuticals Limited.
133. Maharashtra Electro Smelt Limited.
134. Manganese Ore (India) Limited.
135. Maruti Udyog Limited.
136. Mazagon Dock Limited.
137. Metal Scrap Trade Corporation Limited.
138. Metallurgical and Engineering Consultants (India) Limited.
139. Mining and Allied Machinery Corporation Limited.
140. Mineral Exploration Corporation Limited.
141. Mishra Dhatu Nigam Limited.
142. Modern Food Industries (India) Limited.
143. Nagaland Pulp and Paper Company Limited.
144. National Aluminium Company Limited.
145. National Bicycle Corporation Limited.
146. National Buildings Construction Corporation Limited.
147. National Fertilizers Limited.
148. National Films Development Corporation Limited.
149. National Handloom Development Corporation Limited.
150. National Hydro-Electric Power Corporation [Limited.
151. National Instruments Limited.
152. National Insurance Company Limited.
153. National Jute Manufactures Corporation Limited.
154. National Mineral Development Corporation Limited.
155. National Projects Construction Corporation Limited.
156. National Research Development Corporation of India.
157. National Seeds Corporation Limited.
158. National Textile Corporation Limited, New Delhi.
159. National Textile Corporation (Andhra Pradesh, Karnataka, Kerala and Mahe) Limited.
160. National Textile Corporation (Delhi, Punjab and Rajasthan) Limited.
161. National Textile Corporation (Gujarat) Limited.
162. National Textile Corporation (Madhya Pradesh) Limited.
163. National Textile Corporation (Maharashtra North) Limited.
164. National Textile Corporation (South Maharashtra) Limited.
165. National Textile Corporation (Tamil Nadu and Pondicherry) Limited.
166. National Textile Corporation (U.P.) Limited.
167. National Textile Corporation (West Bengal, Assam, Bihar and Orissa) Limited.
168. National Thermal Power Corporation Limited.
169. Neelachal Ispat Nigam Limited.
170. New India Assurance Company Limited.
171. Neyveli Lignite Corporation Limited.
172. North Eastern Electric Power Corporation Limited.
173. North Eastern Handicrafts and Handlooms Development Corporation Limited.
174. North Eastern Regional Agricultural Marketing Corporation Limited.

175. Northern Coalfields Limited.
 176. Oil India Limited.
 177. Oriental Insurance Company Limited.
 178. Orissa Drugs and Chemicals Limited.
 179. Paradeep Phosphates Limited.
 180. Pawan Hans Limited.
 181. Pondicherry Ashok Hotel Corporation Limited.
 182. Power Finance Corporation Limited.
 183. Praga Tools Limited.
 184. Pyrites, Phosphates and Chemicals Limited.
 185. Rajasthan Drugs and Pharmaceuticals Limited.
 186. Ranchi Ashok Bihar Hotel Corporation Limited.
 187. Rajasthan Electronics and Instruments Limited.
 188. Rashtriya Chemicals and Fertilizers Limited.
 189. Rashtriya Ispat Nigam Limited.
 190. Rail India Technical and Economic Services Limited.¹
 191. Rehabilitation Industries Corporation Limited.
 192. Richardson and Cruddas (1972) Limited.
 193. Rural Electrification Corporation Limited.
 194. Sambhar Salts Limited.
 195. Scooters India Limited.
 196. Semiconductors Complex Limited.
 197. Smith Stanistreet Pharmaceuticals Limited.
 198. South Eastern Coalfields Limited.
 199. Spices Trading Corporation Limited.
 200. Sponge Iron India Limited.
 201. State Farms Corporation of India Limited.
 202. Steel Authority of India Limited.
 203. Tannery and Footwear Corporation of India Limited.
 204. Tea Trading Corporation of India Limited.
 205. Telecommunication Consultants India Limited.
 206. Trade Fair Authority of India.
 207. Triveni Structurals Limited.
 208. Tungabhadra Steel Products Limited.
 209. Tyre Corporation of India Limited.
 210. The Bangalore Animal Food Corporation Limited.
 211. The British India Corporation Limited.
 212. The Cashew Corporation of India Limited.
 213. The Cotton Corporation of India Limited.
 214. The Elgin Mills Company Limited.
 215. The Fertilizer Corporation of India Limited.
 216. The Fertilizers and Chemicals Travancore Limited.
 217. The Handicrafts and Handlooms Exports Corporation of India Limited.
 218. The Mandya National Paper Mills Limited.
 219. The Mica Trading Corporation of India Limited.
 220. The Minerals and Metals Trading Corporation of India Limited.
 221. The National Industrial Development Corporation Limited.
 222. The National Newsprint and Paper Mills Limited.
 223. The National Small Industries Corporation Limited.
 224. The Projects and Development India Limited.
 225. The Projects and Equipment Corporation of India Limited.
 226. The Shipping Corporation of India Limited.
 227. The Southern Pesticides Corporation Limited.
 228. The State Trading Corporation of India Limited.
 229. United India Insurance Company Limited.
 230. U.P. Drugs and Pharmaceuticals Company Limited.
 231. Uranium Corporation of India Limited.
 232. Utkal Ashok Hotel Corporation Limited.
 233. Vayudoot Limited.
 234. Videsh Sanchar Nigam Limited.
 235. Vignyan Industries Limited.
 236. Vijayanagar Steel Limited.
 237. Water and Power Consultancy Services (India) Limited.
 238. Weighbird (India) Limited.
 239. Western Coalfields Limited.
 240. Zenith Securities and Investments Limited.

- NOTES : 1. In respect of Serial Nos. 21, 31, 34, 44, 45, 55, 56, 59, 68, 71, 74, 76, 81, 83, 85, 89, 95, 108, 115, 116, 120, 124, 128, 132, 156, 176, 186, 188, 205, 206, 212 and 232 supplementary reports were not received from Statutory Auditors.
 2. In respect of Serial Nos. 1, 2 and 100 directions to Statutory Auditors were not issued.
 3. In respect of Serial Nos. 42, 53, 54, 57, 97, 103, 174, 180, 196, 204 and 233 accounts were in arrear and hence supplementary reports were not received.
 4. In respect of Serial Nos. 5, 11, 27, 36, 38, 39, 49, 51, 52, 67, 69, 78, 79, 80, 86, 87, 96, 98, 101, 110, 119, 125, 127, 129, 131, 134, 141, 144, 146, 148, 168, 169, 181, 183, 189, 190, 193, 194, 199, 210, 211, 214, 220, 227, 231, 234, and 236 no observations have been incorporated in this report as no important deficiency was noticed.
 5. In respect of Serial Nos. 1, 8, 9, 11, 12, 20, 21, 26, 27, 28, 35, 38, 39, 40, 43, 44, 50, 51, 59, 68, 78, 80, 91, 99, 109, 110, 120, 124, 132, 149, 151, 156, 169, 173, 178, 181, 185, 187, 195, 197, 200, 210, 212, 218, 230, 235, 236, 237 and 240 accounts were not selected for the purpose of review under Section 619(4) of the Companies Act, 1956.
 6. In respect of Serial Nos. 13, 15, 16, 17, 19, 30, 36, 37, 41, 46, 58, 70, 72, 73, 74, 82, 89, 90*, 94, 96, 107*, 117, 122*, 125, 126, 138, 139, 154, 159, 165, 175, 183, 189, 199, 202*, 208, 224, 234, and 238 accounts of the Companies were revised in the light of provisional comments raised under Section 619(4) of the Companies Act, 1956.

* In respect of these Companies, Comments under Section 619(4) of the Companies Act, 1956 were also issued.

APPENDIX II

List of Companies coming within the purview of Section 619-B of the Companies Act, 1956

1. Andhra Pradesh Industrial and Technical Consultancy Organisation Limited.
2. Accumeasures Punjab Limited (from 1978-79 onwards).
3. Agricultural Finance Corporation Limited.
4. Allied International Products Limited (in Liquidation).
5. Ashok Paper Mills Limited.
6. Becker Grey and Company (1930) Limited.
7. Bengal Assam Steamship Company Limited.
8. Bihar Industrial and Technical Consultancy Organisation Limited.
9. Derco Cooling Coils Limited.
10. Dishergarh Power Supply Company Limited.
11. Excellsior Plants Corporation Limited (From 1976-77 onwards) (In Liquidation).
12. Gaydey Iron and Steel Company Limited (under liquidation since 7-7-1977).
13. Gangawati Sugars Limited.
14. India Tea and Restaurants Limited.
15. Industrial and Technical Consultancy Organisation of Tamil Nadu Limited.
16. J&K Industrial and Technical Consultancy Organisation Limited.
17. Kerala Industrial and Technical Consultancy Organisation Limited.
18. Kohinoor Mills Limited.
19. Madan Industries Limited.
20. Maharashtra Industrial and Technical Consultancy Organisation Limited.
21. Mandovi Pellets Limited.
22. Nalanda Ceramics and Industries Limited.
23. North Bengal Dolomite Limited.
24. North Eastern Industrial and Technical Consultancy Organisation Limited.
25. Orissa Fertilizers and Chemicals Limited.
26. Orissa Industrial and Technical Consultancy Organisation Limited.
27. Punjab Tractors Limited.
28. Ruby Rubber Works Limited.
29. Shriram Pistons and Rings Limited.
30. Siporex India Limited.
31. Shyam Properties Limited.
32. Textile Processing Corporation of India Limited.
33. The Braithwaite Burn and Jessop Construction Company Limited.
34. The Industrial Credit and Investment Corporation of India Limited.
35. U.P. Industrial Consultants Limited.
36. Vikrant Tyres Limited.
37. Wagon India Limited.
38. Webel Electro Ceramics Limited.
39. West Bengal Consultancy Organisation Limited.

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- NOTES : 1. Accounts of the Companies at Serial Nos. 1, 5, 7, 9, 10, 24, 26, 30, 35, 37 and 39 were not selected for the purpose of review under Section 619(4) of the Companies Act, 1956.
2. Accounts of the Companies at Serial Nos. 2, 4, 6, 11, 12, 13, 18, 22, 25, 27, 28, 32 and 38 were not received.