

**FOLLOW-UP ACTION ON THE
REPORTS OF COMPTROLLER AND
AUDITOR GENERAL OF INDIA
(COMMERCIAL)**

**MINISTRY OF INDUSTRY
(DEPARTMENT OF PUBLIC ENTERPRISES)**

**COMMITTEE ON
PUBLIC UNDERTAKINGS
1998-99**

SECOND REPORT

TWELFTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

SECOND REPORT

COMMITTEE ON PUBLIC UNDERTAKINGS (1998-99)

(TWELFTH LOK SABHA)

FOLLOW-UP ACTION ON THE REPORTS
OF COMPTROLLER AND AUDITOR
GENERAL OF INDIA (COMMERCIAL)

MINISTRY OF INDUSTRY
(DEPTT. OF PUBLIC ENTERPRISES)



*Presented to Lok Sabha on 22.4.99
Lid in Rajya Sabha on 19.4.99*

**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1999/Chaitra, 1921 (Saka)

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(1997-98)**

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(1998-99)**

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3. **Shri P. K. Grover** — *Deputy Secretary*
4. **Shri R. C. Kakkar** — *Under Secretary*

INTRODUCTION

1. The Chairman, Committee on Public Undertakings, having been authorised by the Committee to present the Report on their behalf, present this second Report on Follow-up Action on the Reports of Comptroller and Auditor General of India (Commercial).

2. The Committee on Public Undertakings (1981-82) had in their 49th Report (7th Lok Sabha) observed that there was no system in the Ministries to monitor the follow up action by public undertakings on the conventional Audit Reports of C&AG although the comments of C&AG incorporated in the Annual Report of public undertakings were taken note of by the Ministries. The Committee had, therefore, recommended that there should be some automatic follow up action on the reports of C&AG by the Ministries. This recommendation was accepted by Government. The Audit have however, pointed out that the follow up action taken notes from the Ministries on the Reports of C&AG (Commercial) have not been received regularly and in time.

3. This Report deals with the non-submission/delay in submission of Action Taken notes by the Ministries on the Reports of C&AG of India (Commercial) which are presented to Parliament every year.

4. The Committee on Public Undertakings took evidence of the Secretaries of Ministries of Chemicals & Fertilizers (Department of Chemicals & Petrochemicals), Civil Aviation, Coal, Communications (Department of Telecommunications) and Finance (Insurance Division) on 21st December, 1998 and Ministries of Petroleum & Natural Gas, Railways, Steel and Textiles on 22nd December, 1998.

5. The Committee on Public Undertakings considered and adopted the Report at their sitting held on 17 March, 1999.

6. The Committee feel obliged to the Members of the Committee on Public Undertakings (1997-98) for the useful work done by them in sifting and analysing the data pertaining to the Report which forms the basis of this Report. The Committee would also like to place on record their sense of deep appreciation for the invaluable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

7. The Committee wish to express their thanks to the Secretaries of Ministries of Chemicals & Fertilizers (Department of Chemicals & Petrochemicals), Civil Aviation, Coal, Communications (Department of Telecommunications), Finance (Insurance Division), Petroleum & Natural Gas, Railways, Steel and Textiles who gave their considered views before the Committee and for placing before them the material and information they wanted in connection with examination of the subject.

8. The Committee would also like to place on record their appreciation for the valuable assistance rendered to them by the Comptroller & Auditor General of India.

NEW DELHI;
April 15, 1999

Chairra 25, 1921 (Saka)

MANBENDRA SHAH,
Chairman,
Committee on Public Undertakings.

R E P O R T

FOLLOW UP ACTION ON REPORTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA

Under Rule 312A of Rules of Procedure & Conduct of Business in Lok Sabha, the Committee on Public Undertakings *inter alia* takes up for examination the reports, if any, of the Comptroller & Auditor General of India (Commercial) on Public Undertakings. Since it is not possible for the Committee to go into all the Reports of C&AG presented during the year, it becomes incumbent for the Committee to be selective in their approach. Accordingly, at the beginning of their term every year the Committee generally select some audit reports of Comptroller & Auditor General of India according to their relative importance for indepth examination apart from the subjects/undertakings selected for independent examination by the Committee during the year.

2. The Report of the Comptroller and Auditor General of India (Commercial) which is presented to Parliament every year is brought out in several parts separately. 'Report No. 1—Review of Accounts' gives an overall appreciation of the performance of the Companies and Corporations as revealed by their accounts and information obtained in audit. 'Report No. 2—Comments on Accounts' gives a resume of the important comments of the C&AG on the accounts of the Companies and Corporations and the reports submitted by the Statutory Auditors (Chartered Accountants) on the audit of the companies in pursuance of the directions issued by the C&AG. 'Report No. 3—Audit Observations' contains the observations on individual topics of interest noticed in the course of audit of the Companies and Corporations and short reviews on aspects of their working. The remaining parts contain results of comprehensive appraisal conducted by the Audit Board of selected undertakings during that year.

3. The Committee on Public Undertakings (1981-82) during the course of their examination of the subject 'Public Undertakings—Management and Control Systems' observed that there was no system in the Ministries to monitor the follow up action by public undertakings on the conventional Audit Reports of C&AG although the comments of C&AG incorporated in the Annual Report of public undertakings were taken note of by the Ministries. The Finance Secretary during official evidence also stated that Bureau of Public Enterprises (now Department of Public Enterprises) had not issued any circular to Public Undertakings, to examine the audit reports and take action on them. DPE had also not called for any feedback from public undertakings in this regard. As such, the Committee

vide para 19 of Part II of their 49th Report (7th Lok Sabha) presented to Parliament on 30 April, 1982 recommended as follows:

"The C&AG's Report (Commercial) is presented in several parts in addition to his comments on the accounts published in the Annual Reports of the Undertakings. There should be some automatic follow-up action on these by the Ministries. These should be reviewed for suitable action at the periodical performance review meetings and at the time of review of the working before laying of the Annual Reports before Parliament."

4. In their action taken replies which were included in the 70th Report (7th Lok Sabha), the Ministry of Finance, Bureau of Public Enterprises stated the following:

"Government accept this recommendation. The administrative Ministries have been advised to take note of the recommendation while conducting the periodical performance review meetings and before laying the Annual Reports of the Ministries before Parliament."

5. The matter was again discussed by the Committee on Public Undertakings at their sitting held on 7th June, 1985 and it was decided that each Ministry/Department should be requested to furnish a brief note each on their review of the follow up action taken on the Reports of the Comptroller & Auditor General of India presented to Parliament during the period 1983-84 and 1984-85 and that the note should be got vetted by Audit before submission to the Committee. In pursuance of the above decision, the Lok Sabha Secretariat on 16th July, 1985 asked the Ministries/Departments to furnish notes duly vetted by Audit on their review of the follow up action on the reports of C&AG presented to Parliament during 1983-84 and 1984-85 (Appendix—I). Subsequently, the Committee on Public Undertakings at their sitting held on 5th February, 1992 reiterated that each Ministry/Department should furnish a brief note on review of the follow up action taken on each of the C&AG reports presented to Parliament after 1985. The note might be got vetted by audit before submission to the Committee. Accordingly on 17th February, 1992 the Ministries/Departments were requested by Lok Sabha Secretariat to furnish the same (Appendix—II).

6. The office of the Comptroller and Auditor General *vide* their letter dated 1st October, 1997 forwarded a statement showing the latest position of the receipt of action taken notes in respect of Reports of C&AG of India (Commercial) on Public Sector Undertakings presented to Parliament during the last five years. On being requested by Lok Sabha Secretariat, this statement was updated by the office of C&AG *vide* their letter dated 1st July, 1998. From the aforesaid Statement (Appendix—III), it is observed that 57 reports of C&AG (Commercial) were presented to Parliament during the period March, 1993 to July, 1998. Out of these

9 were examined by the Committee on Public Undertakings and 6 were under examination during 1997-98 and 5 are still under examination during 1998-99. In regard to the remaining 42 Reports action taken notes in respect of only 16 reports were received by the Audit from the concerned Ministries. Action taken notes in respect of 6 Reports were not required as the Reports contained statistical data. In respect of remaining 20 Reports the action taken notes had either not been received or received partially.

7. The Ministry-wise details in respect of Paras contained in Audit reports for which action taken notes were pending as on 16th December, 1998 are shown in Appendix-IV. It would be seen therefrom that the number of paragraphs contained in various Audit reports pertaining to different Ministries where follow-up action taken notes were pending is as follows:

Name of Ministry/Department	No. of Para
Department of Atomic Energy	8
Department of Bio-Technology	3
Ministry of Chemicals & Fertilizers (Department of Chemicals & Petro-chemicals)	20
Ministry of Civil Aviation	22
Ministry of Coal	150
Ministry of Commerce	22
Ministry of Communications (Department of Telecommunications)	56
Department of Defence Production & Supplies	27
Ministry of Environment & Forests	8
Department of Electronics	3
Department of Fertilizers	2
Ministry of Finance (Insurance Division)	74
Department of Banking	9
Ministry of Food	1
Ministry of Health & Family Welfare	5
Department of Heavy Industry	43
Department of Small Industries	5
Ministry of Mines	29
Ministry of Non-Conventional Energy Sources	1
Ministry of Petroleum and Natural Gas	139
Ministry of Power	3
Ministry of Railways	60

Name of Ministry/Department	No. of Para
Department of Science & Technology	4
Ministry of Steel	70
Ministry of Surface Transport	9
Ministry of Textiles	66
Ministry of Tourism	1
Ministry of Urban Development and Employment	18
Ministry of Water Resources	1
Department of Welfare	6
Total	865

8. In addition Action Taken Notes in respect of comprehensive appraisal conducted by the Audit Board on 11 undertakings *i.e.* Air India Limited, Central Coalfield Limited, Private Participation in production of crude oil JVS, Hindustan Copper Ltd., Durgapur Steel Plant, IOC Limited (Refinery and Pipelines Division), Andaman and Nicobar Island Forest Development Corporation Limited, New India Insurance Company Limited, Pricing of Petroleum Products, IOC Limited (Marketing) and Rourkela Steel Plant have not been received in Audit. Out of these the first five have been selected for examination by the Committee on Public Undertakings.

9. C&AG have also pointed out that there is no monitoring at the Govt. level for follow up action on Reports of C&AG of India (Commercial) as is the case in respect of Reports of C&AG of India (Civil). In respect of reports of the C&AG (Civil) a monitoring cell had been set up in the Ministry of Finance, Department of Expenditure on the recommendation of Public Accounts Committee. The vetted action taken notes on audit reports (Civil) of C&AG are to be furnished to that Committee through monitoring cell of the Ministry of Finance.

10. As may be seen from the statement given in paragraph 7 above, many of the Ministries/Departments had not reported the remedial/corrective action taken notes on the Reports of C&AG of India (Commercial). Since it was not possible to call all the Ministries, the Committee therefore, decided to call the representatives of the following nine Ministries/Departments, in whose case action taken notes on a large number of Audit paras were pending for a long time for eliciting the reasons for non-submission/delay in submission of Action Taken Notes on Audit Paras relating to them:

1. Ministry of Chemicals & Fertilizers
(Department of Chemicals & Petro-chemicals)
2. Ministry of Civil Aviation
3. Ministry of Coal
4. Ministry of Communications
(Department of Telecommunications)

5. Ministry of Finance
(Insurance Division)
6. Ministry of Petroleum & Natural Gas
7. Ministry of Railways
8. Ministry of Steel
9. Ministry of Textiles

The same are dealt with in the succeeding paragraphs.

**(a) Ministry of Chemicals & Fertilizers
(Department of Chemicals & Petro-chemicals)**

11. From the perusal of para 7 it is seen that action taken notes on 20 paragraphs were awaited from the Ministry of Chemicals & Fertilizers (Department of Chemicals & Petro-chemicals) as on 16th December, 1998. Out of 20 paragraphs, 6 pertained to the Audit Reports for the year 1993. Explaining the reasons for delay in submission of ATN the Secretary (Department of Chemicals & Petro-chemicals) stated the following:—

“It is a fact that for 1993, there are six comments on accounts on which Action Taken Notes and acceptance to the Audit observation has to be completed. Actually, there have been certain casualness in approach for which we could not get back to the C&AG and the Committee could not be apprised of the action taken. This is true not only for 1993, but also for other paragraphs. If we look at the figures, I have, in all, 26 comments on Accounts and 10 Audit Observations in the period between 1993 and 1998. The total is 36. Now, there are three Action Taken Notes on Audit Observations which are yet to be sent to the C&AG. We have managed to send 33 Action Taken Notes till last week end and one more is ready. So three are pending right now. I must admit that there has been a delay. The delay, in getting back to the Audit and subsequently apprising the Committee, has been on account of taking the matter a bit easily. In fact, this came to my attention about a month ago when I was reviewing this and now I had just started gearing up handling of these things within the Department. Partly, the delay arose because the work was not being properly coordinated at one focal point and I could not know at any point of time what was happening. But with the streamlining which was initiated a month ago, we expect that there would be better compliance in future.

(b) Ministry of Civil Aviation

12. In the case of the Ministry of Civil Aviation, 22 paragraphs were awaited as on 16th December, 1998. Of these 3 paras pertained to the Audit Report for the year 1993. Explaining the position in regard to this

pendency of submission of Action Taken Notes, the Secretary, Ministry of Civil Aviation stated during evidence as below:

"..... As far as the Ministry of Civil Aviation is concerned, by and large what Shri Dipak Chatterjee, Secretary, Department of Chemicals & Petro-chemicals said is right in the case of our Ministry also. Sometime in October I had streamlined the system in our Ministry. What I have done is that every Joint Secretary is required to review the position every month and the Financial Advisor puts up the file thereafter to me by the First week of every month. I have issued specific instructions in the month of October on this and we are monitoring it closely and vigorously. In our case, there were a total of 30 cases, out of which 17 Action Taken Notes have already been sent to the Audit. The remaining 13 are still there with us which I am pursuing. I am quite positive that latest by the end of January, 1999 we will see that all are complete and in future this pendency will not be there."

(c) Ministry of Coal

13. It is seen that as many as 150 paragraphs were outstanding in this Ministry pertaining to the Audit Reports, out of which 11 paras belong to the year 1993. With regard to the pendency of Audit paragraphs, the Secretary, Ministry of Coal stated:

"We have, in all, 147 out of which 38 are Audit paragraphs and 109 are various comments on accounts. I would like to say, acknowledge and confess that, in the Ministry we are really not in a position as to what kind of action has been taken. But generally, after talking to the companies one can say that some action has been taken. At the Ministerial level, we could not give you up-to-date position. About the year 1998, we can give you the position from day to day as to what action has been taken and some replies are already available with us. But, I think, in another three months' time we will be able to reply for all the 147 and I must confess again that there has been just a little laxity. We have set up a Committee both on the PAC side and COPU side. Whatever matters come to us, we will refer them to the Committee and Committee will give us a time schedule by which to go into it and then to reply to the C&AG."

He further added:

"..... there has been laxity in the whole matter, what I have seen is that in our Ministry even when some action has been taken by the PSUs, the Ministry has not been able to follow it up on time. So, it is really a matter of laxity. I think in the next two or three months, all these will be sorted out."

(d) Ministry of Communications**(Deptt. of Telecommunications)**

14. As far as the Deptt. of Telecommunications is concerned, 56 paragraphs were outstanding as on 16th December, 1998, out of which 4 pertain to the year 1993. Explaining the position in regard to this pendency, the Secretary, Deptt. of Telecommunications stated:

"It is true that quite a number of Action Taken Notes are pending. As per the information that we have, for the year 1998, 22 are there. But prior to that, about 48 or 50 are still pending. Some of the replies have been sent and essentially it is a question of timely monitoring and follow-up action. Much time is taken in obtaining information from the public sector undertakings. Some times, part information is there, some times if it is a question of debt etc., they keep on saying that some progress is there, but still some action is not complete."

Regarding monitoring mechanism he added:

"I would like to submit that the Department has a system now where these matter are reviewed once in a quarter before the full Telecom Commission itself and every month the pending Action Taken Notes are now coming up. It has also been included in the quarterly performance reviews of the public sector undertakings that our Members and Ex-Officio Secretaries have with reference to the public sector undertakings. I am sure, with these measures the Committee would soon see a very speedy progress in this regard and it will be our endeavour that definitely the Action Taken Reports for the remaining cases, prior to 1998, are sent within the next two or three months latest, if not earlier.

(e) Ministry of Finance (Insurance Division)

15. As regards the Ministry of Finance (Insurance Division), 74 Audit paragraphs were pending, out of which 13 paragraphs pertain to the year 1993. Explaining the position in regard to this pendency of Action Taken Notes, the Special Secretary (Insurance Division) stated:

"74 items are shown against the Insurance Division of the Ministry of Finance of which one relates to the Banking Division. So, out of 73 items, we have sent replies to 66; seven items remain and we will be sending the replies to these by the middle of January, 1999. We have been lax in sending the replies because we could not get them from our Corporations. It is primarily due to a very poor monitoring mechanism both in the Ministry as well as in the General Insurance Corporation and in their subsidiary companies. We are taking steps to see that this is strengthened and this position does not occur in future."

(f) Ministry of Petroleum & Natural Gas

16. This Ministry have as many as 139 Audit paras pending with them on which Action Taken Notes have not yet been furnished. Out of this,

19 paragraphs relate to the year 1993. Explaining the delay in submission of the Audit paragraphs, the Secretary, Ministry of Petroleum & Natural Gas stated as below:

“This is indeed unfortunate. These pendencies relate to the years 1993 to 1998. I would even say regrettable that these pendencies have been allowed to occur. We are trying to set right the matters and clean the stables. Not that I alone have attempted, but my predecessors have also attempted it. Based on their spade work, we have now sent 25 of these to the CAG since August, 1998 for vetting. Out of these 25, six have been returned. Two have been sent to the Lok Sabha Secretariat and four are on the way and they are being translated into Hindi. These paragraphs relate to 15 public sector undertakings under the Ministry of Petroleum. The break-up of these paras is such that 55 of these relate only to three oil majors, namely, Indian Oil Corporation, Bharat Petroleum and Hindustan Petroleum. Thirteen more relate to one company called Bieco Lawrie.

It would not be fair for me to say that there are any special reasons in the Ministry of Petroleum for the pendencies to be so high, except the volume of transactions in this Ministry and of all these PSUs put together is of the order of Rs. 1,50,000 crore. So, at that level of transactions, certain audited paras are bound to occur.

The other reasons is if pendencies are analysed, you will find that a lot of these cases refer to field establishments, field operation in far-flung areas of these companies. Our rough analysis is about 35 per cent to 40 per cent of these cases refer to field establishments in remote areas. Therefore, some time is involved in furnishing and getting replies. That certainly would not justify the time-limit of five or six years for it. It should all have been done much earlier.

I must admit that the main reason for the delay in furnishing reply is the Ministry itself. I have analysed the situation. The public sectors under the Ministry have been fairly prompt in sending their replies. It is in their interpretation of these replies and sending them to the C&AG that the delay occurs. Of course, one could plead lack of staff and other pressures. But we have to live with the situation and we fully recognise that these cannot be pleaded as an excuse.

In the actual matter of amending the situation, let me tell you what measures we have taken on hand since about August this year. The pendencies are analysed in every fortnightly meeting I have with the staff. That is the first thing. It is as a result of this we have been able to show this, though modest, liquidation of pendencies.

Secondly, we have, what is called, the quarterly progress review meeting with each public sector undertaking. Now, I have put this as

one of the items on the agenda is the quarterly progress review meeting of the undertaking to see that the replies come in and we take stock of the situation, undertaking by undertaking, clockwise."

..... I have initiated it in August this year. Then, we have appointed a Nodal Officer of the rank of an Under Secretary or a Deputy Secretary in each division of the Ministry to follow up the objections in respect of his desk. Similarly, in each public sector undertaking, there is a dedicated General Manager in-charge of audit whom we are holding responsible for this, under this system of review in which we are seeking to liquidate all the pendencies."

17. Asked to state the period by which the Ministry could clear the pendency and bring it up to date, the witness stated:

"I am aspiring to do this by 31st March, 1999. But the number of objection is very high for this Ministry. I don't want to enter into commitments here. It might spill over to the end of May. "

(g) Ministry of Railways

18. As regards the Ministry of Railways, 60 Audit paragraphs were pending, out of which 5 paras pertain to the year 1993. The Financial Commissioner, Railways, while explaining the position in regard to this pendency, stated the following:

"..... The Ministry of Railways is having under its administrative control five public sector undertakings, the Indian Railway Construction Company (I), the Rail India Technical and Economic Services, the Container Corporation of India, the Indian Railway Finance Corporation and the Konkan Railway Corporation.

The first question is about the latest pendency of the action taken note, we have a total of 57 as one date. I must confess that the precise reasons for the action taken notes not having been furnished are difficult to say. The fact is that we did not have a strong mechanism for monitoring the disposal of these audit action taken notes and now we will put in place a suitable mechanism. We are reviewing the performance of the public sector undertakings on a quarterly basis in the Ministry when all the Chief Executives are present.

I must confess that this item has not figured prominently in those meetings. So, I will make it a point now to have an emergency meeting shortly because I am anxious that we should not have to keep so many items pending."

19. Asked to furnish the time limit within which the pending would be cleared, the witness stated:

“Our effort will be to complete maximum possible within the next two months.....we will try to finish it by 31st March.”

(h) Ministry of Steel

20. As far as Ministry of Steel is concerned, 70 paras relating to Audit Reports were pending out of which 2 paras pertained to the year 1993. Explaining the position in regard to this pendency of submission of Action Taken Notes, the Secretary, Ministry of Steel stated:

“I will divide the Audit Paras into two parts, one part is of those pertaining to 1993-97 and the second part to 1998. In the first part 195 audit paras were there, out of which 171 have been disposed of and only 24 are pending. Between the time of your notice and your letter we have cleared two more. Therefore, only twenty two are pending.The delay has taken place at several places. It is partly due to the procedure we have to follow. We have 12 Public Sector Undertakings. The delay mainly was in the SAIL. First it goes to the internal finance from there to the Ministry and then to the SAIL corporate office. Then they make the corrections and then again the backward journey begins. As I said, 22 audit paras are pending. The Companies are SAIL, NMDC, MMTTC, VIZAG, Kudremukh and so on.

We have taken lot of actions to streamline the process. First, the internal finance mechanism is there. We have nominated the Director (Finance) as the nodal authority who takes the meetings every week to look into these cases. The Additional Secretary and we review it every fortnight. We have set up a review committee two months ago under the senior most Joint Secretary to monitor the progress. According to the timeframe, for 1993-97 now 22 cases are already in process. Some are in the final stages. I am taking eight weeks as the maximum time likely to take for these 22 cases. For the 1998 cases I am taking 12 weeks, that is, up to the 31st March.....”

(i) Ministry of Textiles

21. As far as Ministry of Textiles is concerned, 66 paras relating to Audit Reports pertaining to last 5 years were pending. Of these 24 Audit paragraphs pertain to the year 1993. Explaining the position of pendency, and reasons for delay in the submission of notes, the Secretary, Ministry of Textiles stated:

“At the outset, I would like to convey my deepest apologies for the delay which has occurred in replying to the Audit Paras which have been raised against our Ministry.

To give a brief outline, between 1993 and 1997, the outstanding audit Paras were 51, out of which we have sent Action Taken Reports for 47 from October, 1998 onwards. Out of the balance four, we found that one of Paras did not pertain to our Ministry.

In respect of 1998 Audit Report, there were 16 paras. We have sent very recently Action Taken Report for four. We have 12 Paras pending. So, in all we have 15 paras for which Action Taken Reports are to be sent. I can assure you that we shall be able to send all these before the end of January and after we receive vetting by C&AG, we will be able to deal with all these paras before the end of March.

I must also submit that we have set up an effective monitoring system under our Additional Secretary and Financial Advisor who regularly reviews the progress because most of the Paras relate to our public sector undertakings which are in different parts of the country. This Monitoring Cell has been set up during the current year. That is why we have been able to take action and dispose of most of the Paras, as I have reported. We also review the pendency and the action taken in the weekly senior officers' meeting which is taken by Secretary, Textiles. These meetings are attended by officers of the level of Deputy Secretary and above. We are able to take stock of what has been done and what remains to be done..... But I am fairly confident that by 31st January, we will be able to send all the Action Taken Reports which are pending in respect of our Ministry."

22. The Committee on Public Undertakings in their 49th report (7th Lok Sabha) inter-alia had recommended that there should be some automatic follow up action on the reports of C&AG (Commercial) presented to Parliament by Ministries. This recommendation was accepted by Government. Subsequently, in June, 1985 and February, 1992 all the Ministries/Departments were asked to furnish brief notes on the review of the follow up action taken on each of the C&AG reports (Commercial) presented to Parliament after 1985. The Committee are deeply perturbed to note that even after accepting the recommendation of the Committee, the Ministries/Departments have not implemented it in right earnest. Follow up action on the reports of C&AG presented to Parliament even as far back as 1993 are also pending. In fact there was no system of monitoring at the Government level for follow up action on the reports of C&AG (Commercial). As a result, the follow up action taken notes have not been received regularly and in time. As per information furnished by Audit, out of the 57 Reports of C&AG (Commercial) presented to Parliament from March 1993 to July, 1998, Action Taken Notes in respect of as many as 865 paragraphs of various reports pertaining to 30 Ministries/Departments were pending as on 16th December, 1998. In addition, such action taken notes in respect of comprehensive appraisal conducted by audit on 11 undertakings have also not been received.

23. The Committee took serious view of the casual attitude shown by the Ministries/Departments in finalising the Action-taken notes on the Reports of the C&AG of India (Commercial). The Committee, therefore, called for evidence the representatives of the Ministries/Department of Chemicals and Fertilizers (Department of Chemicals & Petrochemicals), Civil Aviation, Coal, Communications (Department of Telecommunications), Finance (Insurance Division), Ministry of Petroleum & Natural Gas, Railways, Steel and Textiles, in whose case action taken notes on a large number audit paras were pending for a long time. Almost of all of them have admitted that there was no strong and effective mechanism available in the Ministries/Departments for coordinating and monitoring the submission of follow up action on the Reports of C&AG (Commercial) which resulted in the huge pendency in their Ministries/Departments. It was only after the matter was taken up for examination by this Committee that some of them have set up monitoring mechanism for streamlining the existing system. Keeping in view the huge pendency of follow up on Audit paragraphs, this Committee would emphasize the need for evolving an effective monitoring mechanism in each Ministry to ensure timely submission of the action taken notes on each report of C&AG presented to Parliament. The Committee, therefore, strongly recommend that specific and immediate steps be taken by the Government for setting up monitoring cell in each Ministry to monitor the submission of the follow up action on Audit Reports (commercial) on individual undertakings. Besides, in case of reports containing paras relating to a number of undertakings, (under different Ministries) a monitoring cell should also be set up in the Department of Public Enterprises to monitor the follow-up action on such reports. Thereafter, the follow-up action taken notes duly vetted by audit in respect of all reports of C&AG (Commercial) presented to Parliament should be furnished to the Committee within six months from the date of presentation of the relevant audit reports.

NEW DELHI;

April 15, 1999

Chairra 25, 1921 (S)

MANBENDRA SHAH,

Chairman,

Committee on Public Undertakings.

APPENDIX I

(Vide Para 5 of the Report)

Copy of Lok Sabha Secretariat O.M. No. 301(1)-PU/85, dated 16th July, 1985

SUBJECT: *Follow-up action on the Reports of the Comptroller & Auditor General of India.*

The undersigned is directed to invite attention of the Ministry of Agriculture and Cooperation etc. to the following recommendations of the Committee on Public Undertakings contained in Para 19 (Part II) of their 49th Report (1981-82) and the action taken by Government thereon as reproduced on page 22 of the Committee's 70th Action Taken Report (1982-83):

"Recommendation S. No. 19 (Para 19, Part II) contained in the Forty-Ninth Report of C.P.U.

The C&AG's Report (Commercial) is presented in several parts in addition to his comments on the accounts published in the Annual Reports of the undertakings. There should be some automatic follow-up action on these by the Ministries. These should be reviewed for suitable action at the periodical performance review meetings and at the time of review of the working before laying of the Annual Reports before Parliament.

Reply of the Government vide page No. 22 of Seventieth Report of C.P.U.

Government accept this recommendation. The administrative Ministries have been advised to take note of the recommendation while conducting the periodical performance review meetings and before laying the annual reports of the Ministries before Parliament.

Ministry of Finance, Bureau of Public Enterprises, O.M. No. 11(10)/82-BPE (Parl.) dated 31st January, 1983."

At their sitting held on 7th June, 1985, the Committee on Public Undertakings have decided that each Ministry/Department should be requested to furnish a brief note each on their review of the follow-up action taken on the Reports of the Comptroller and Auditor General of India presented to Parliament during the period 1963-84 and 1984-85 and that the note should be got vetted by Audit before submission to the Committee.

It is requested that the note in respect of all the public undertakings under your Ministry/Department, as desired by the Committee on Public

Undertakings, duly vetted by Audit, may kindly be furnished to this Secretariat by 20th August, 1985 for being placed before the Committee.

4. Receipt of this O.M. may please be acknowledged.

Sd/-

(M.K. MATHUR)

Chief Financial Committee Officer

APPENDIX II

(Vide Para 5 of the Report)

Copy of the Lok Sabha Secretariat O.M. No. 301/1-PU/92,
dated 17th February, 1992

SUBJECT: Follow-up action on the Reports of the Comptroller & Auditor General of India.

The undersigned is directed to invite attention to this Secretariat O.M. No. 301(1)-PU/85 dated 16th July, 1985, wherein it was requested that each Ministry/Department should, *inter-alia*, furnish a brief note each on their review of the follow-up action taken on the Reports of the Comptroller and Auditor General of India presented to Parliament during the period 1983-84 and 1984-85, after getting the same vetted by Audit before submission to the Committee.

2. At the sitting held on 5th February, 1992, the Committee on Public Undertakings have reiterated that each Ministry/Department should furnish a brief note on the review of the follow up action taken on each of the Comptroller & Auditor General's Reports presented to Parliament after 1985. The note may be got vetted by audit before submission to the Committee.

3. It is requested that the note in respect of all P.U. under your Ministry/Department, as desired by the Committee on Public Undertakings, duly vetted by Audit, should be furnished to this Secretariat not later than 31st March, 1992 for being placed before the Committee.

4. Receipt of this O.M. may please be acknowledged.

Sd/-
(REVATHI BEDI)
Under Secretary

APPENDIX-III

(Vide Para 6 of the Report)

Copy of the letter received from the Office of the Comptroller and Auditor General of India, No. CA III, 109-97, dated 01.7.98

SUBJECT: *Follow up action on the Reports of Comptroller & Auditor General of India Union Government (Commercial)*

Sir,

I am directed to invite a reference to your letter No. 352/1-PU/97 dated 19 June 1998 on the subject cited above and to state that the updated list showing the details of Audit Reports (Commercial) presented in Parliament during last five years was sent to CPU Branch *vide* this office letter No. 393-CA-III/109-97 dated 31 March 1998 in response to your letter No. 4/1-PU/98 dated 25 March 1998. A copy of the said duly updated is sent herewith for further action at your end.

Yours faithfully,

Sd/-

(K.L. KAPOOR)

Sr. Administrative Office (CA III)

Encl: As above

**LIST OF REPORTS OF COMPTROLLER AND AUDITOR GENERAL (COMMCL.) ON
PSUs PRESENTED IN PARLIAMENT DURING LAST 5 YEARS**

Sl. No.	Name of the Report	No. of Report	Date of Presentation in Parliament	Remarks
1.	2	3	4	5
A. Reports Discussed by COPU				
1.	Burn Standard Co. Ltd.	3 of 1992	17.3.1993	1994-95
2.	Bharat Coluing Coat Ltd.	6 of 1992	31.3.1993	1994-95
3.	Mazagon Dock Ltd.	7 of 1992	4.3.1993	1994-95
4.	Cement Corpn. of India Limited	11 of 1992	11.3.1993	1993-94
5.	Indian Telephone Industries Ltd.	12 of 1992	11.5.1993	1995-96
6.	Hindustan Organic Chemicals Ltd.	4 of 1993	4.8.1993	1994-95
7.	Bokaro Steel Plant	6 of 1993	23.8.1993	1994-95
8.	NHPC Ltd.	5 of 1995	24.5.1995	1995-96
9.	Bhilai Steel Plant	11 of 1995	29.5.95	1995-96
10.	Rourkela Steel Plant	21 of 1995	25.7.96	1996-97 Partially discussed.
11.	Air India Ltd.	12 of 1995	29.5.1995	1996-97 -Do-
12.	ONGC Ltd.	23 of 1995	29.8.96	1996-97
B. Reports not discussed by COPU				
				ATN Received or not
13.	Hindustan Teleprinters Limited	8 of 1992	29.3.1993	No
14.	NLPA Limited	9 of 1992	28.4.1993	Received & vetted
15.	State Farms Corpn. Ltd.	10 of 1992	27.4.1993	Received & vetted
16.	Praga Tools Ltd.	13 of 1992	28.4.1993	Received & vetted
17.	Central Electronics Ltd.	14 of 1992	12.8.1993	Received & vetted
18.	Review of Accounts	1 of 1993	31.3.1993	Report contains statistical data and ATN on this Report not being sent.
19.	Comments on Accounts	2 of 1993	31.3.1993	List of Para Ministry wise for which ATNs have not been received enclosed.
20.	Audit Observations	3 of 1993	31.3.1993	-do-
21.	Goe Shipyard Ltd.	5 of 1993	29.7.1993	Received & vetted
22.	Review of Accounts	1 of 1994	21.4.1994	Report contains statistical data and ATN on this Report not being sent.

1	2	3	4	5
23.	Comments on Accounts	2 of 1994	21.4.1994	List of Paras Ministry wise for which ATNs have not been received enclosed.
24.	Audit Observations	3 of 1994	21.4.1994	-do-
25.	Central Warehousing Corporation	4 of 1994	9.5.1995	Received & vetted
26.	Review of Accounts	1 of 1995	10.5.1995	Report contains statistical data and ATN on this Report not being sent.
27.	Comments on Accounts	2 of 1995	10.5.1995	List of Paras Ministry wise for which ATNs have not been received enclosed.
28.	Audit Observations	3 of 1995	10.5.1995	List of Paras Ministry wise for which ATNs have not been received enclosed.
29.	BHEL	4 of 1995	24.5.1995	Received & vetted.
30.	ECIL	6 of 1995	31.5.1995	Received & vetted.
31.	IL Kota	7 of 1995	31.5.1995	Received & vetted.
32.	HMT Limited (MTBG Div.)	8 of 1995	31.5.1995	Received & vetted.
33.	ET&T Limited	9 of 1995	31.5.1995	Received & vetted.
34.	Central Coalfields Ltd.	10 of 1995	29.5.1995	-No-
35.	Modern Food Industries (India) Ltd.	13 of 1995	22.5.1995	Received & vetted.
36.	New India Assurance Co. Ltd.	14 of 1995	2.8.1996	-No-
37.	Hindustan Paper Corporation Ltd.	15 of 1995	29.2.1996	Received & vetted
38.	Andaman Nicobar Island Forest Devp. Corpn. Ltd.	16 of 1995	12.3.1996	-No-
39.	Food Corporation of India	17 of 1995	11.3.1996	Received & vetted
40.	Hotel Corporation of India Ltd.	18 of 1995	11.3.1996	Received and being vetted
41.	Pricing of Petroleum Products	19 of 1995	29.8.1996	-No-

1	2	3	4	5
42.	IOC Refinery	20 of 1995	29.8.1996	-No-
43.	Ferro Scrap Scrap Nigam Ltd.	22 of 1995	2.8.1996	Received and being vetted
44.	IOC Marketing	24 of 1995	29.8.1996	-No-
45.	Review of Accounts	No. 1 of 1996	28.7.1996	Report contains statistical data and ATN on this Report not being sent.
46.	Comments on Accounts	No. 2 of 1996	28.7.1996	List of Paras Ministry-wise for which ATNs have not been received enclosed.
47.	Audit Observations	No. 3 of 1996	28.7.1996	-do-
48.	Kudremukh Iron Ore Co.	No. 4 of 1996	20.2.97	Received and vetted.
49.	Private participation in production of crude oil with ONGC Ltd.	No. 5 of 1996	27.2.97	-No-
50.	Review of Accounts	No. 1 of 1997	28.7.97	Report contains statistical data and ATN on this Report not being sent.
51.	Comments on Accounts	No. 2 of 1997	28.7.97	List of Paras Ministry-wise for which ATNs have not been received enclosed.
52.	Audit Observations	No. 3 of 1997	28.7.97	-do-
53.	Review of Accounts	No. 1 of 1998	8.6.98	-do-
54.	Comments on Accounts	No. 2 of 1998	8.06.98	-do-
55.	Audit Observations	No. 3 of 1998	8.06.98	-do-
56.	Durgapur Steel Plant	No. 4 of 1998	11.06.98	Received and vetted.
57.	Hindustan Copper Ltd.	No. 5 of 1998	—	Likely to be laid on the Table of both Houses of Parliament during current session.

APPENDIX IV

(Vide para 7 of the Report)

Statement showing the details of audit Reports (Commercial) for which Action Taken Notes are pending as on 16 December 1998

No. and Year of Report	Name of the Report	Para No. if any
1	2	3
Department of Atomic Energy		
1. No. 2 of 1998	Comments on Accounts	Paras 1.2.1, 1.2.2, 1.2.3, 1.3.1, 1.3.2, 2.1.1, 2.5.1 and 2.6.1
Department of Bio-Technology		
1. No. 2 of 1997	Comments of Accounts	Paras 2.2.3 and 2.4.3
2. No. 3 of 1998	Audit Observations	Para 2.1
Department of Chemicals and Petro-Chemicals		
1. No. 2 of 1993	Comments on Accounts	Paras 1.3.4, 1.3.5, 1.3.8, 1.4.3, 2.1.4 and 2.5.3
2. No. 2 of 1994	Comments on Accounts	Paras 1.2.5 to 1.2.6, 1.3.7 and 2.1.2
3. No. 3 of 1994	Audit Observations	Para 1.5 and 1.6
4. No. 2 of 1996	Comments on Accounts	Para 1.2.2
5. No. 2 of 1997	Comments on Accounts	Paras 1.2.5 and 2.5.5.
6. No. 3 of 1997	Audit Observations	Paras 2.1, 2.2.1, and 2.2.2
7. No. 2 of 1998	Comments on Accounts	Paras 2.7.2 and 2.8.1
Department of Civil Aviation		
1. No. 3 of 1993	Audit Observations	Paras 3.7, 3.10 and 3.13
2. No. 2 of 1994	Comments on Accounts	Paras 1.2.3, 1.3.2 and 1.3.3
3. No. 3 of 1994	Audit Observations	Para 2.1
4. No. 3 of 1995	Audit Observations	Paras 3.1 and 3.2
5. No. 12 of 1995	Appraisal on Air India Ltd.	Selected by COPU for examination.
6. No. 3 of 1996	Audit Observations	Para 2.1.1
7. No. 2 of 1997	Comments on Accounts	Para 1.2.14
8. No. 3 of 1997	Audit Observations	Paras 3.1, 3.2.1 to 3.2.3 and 3.3.1 to 3.3.3
9. No. of 1998	Comments on Accounts	Para 2.2.4
10. No. 3 of 1998	Audit Observations	Paras 4.1.1 to 4.1.3 and 4.2
Ministry of Coal		
1. No. 3 of 1993	Audit Observations	Paras 5.1 to 5.11

1	2	3
2. No. 2 of 1994	Comments on Accounts	Paras 1.2.9, 1.3.5, 1.3.6, 2.1.4 and 2.4.1
3. No. 3 of 1994	Audit Observations	Paras 3.1 to 3.12
4. No. 2 of 1995	Comments on Accounts	Paras 1.2.8, 1.2.9, 1.3.2 to 1.3.4, 2.1.9 to 2.1.11, 2.2.8 to 2.2.10, 2.3.1 to 2.3.5, 2.4.7 to 2.4.12, 2.6.6 and 2.7.2
5. No. 3 of 1995	Audit Observations	Paras 4.1. to 4.11
6. No. 10 of 1998	Central Coalfields Ltd.	Selected by COPU for examination.
7. No. 2 of 1996	Comments on Accounts	Paras 1.3.6 to 1.3.8, 2.1.5 to 2.1.8, 2.2.7 to 2.2.12, 2.3.7 to 2.3.12, 2.4.5 to 2.4.10, 2.5.2 and 2.7.2
8. No. 3 of 1996	Audit Observations	Paras 3.1 to 3.5
9. No. 2 of 1997	Comments on Accounts	Paras 1.2.16 to 1.2.23, 1.3.8, 1.3.9, 2.2.11, 2.3.3., 2.3.4, 2.4.8, 2.5.9, 2.5.10 and 2.7.1
10. No. 3 of 1997	Audit Observations	Paras 4.1.1, 4.1.2, 4.2.1, to 4.2.3, 4.3, 4.4.1 and 4.4.2
11. No. 2 of 1998	Comments on Accounts	Paras 1.2.11, 1.2.12, 1.2.14, 1.2.15, 1.3.6, 1.3.7, 2.1.5 to 2.1.9, 2.2.5, 2.4.5 to 2.4.9, 2.5.6 to 2.5.9, 2.6.5, 2.6.6, 2.8.3 and 2.8.4
12. No. 3 of 1998	Audit Observations	Para 5.1
Ministry of Commerce		
1. No. 3 of 1994	Audit Observations	Paras 4.2 and 4.6
2. No. 3 of 1995	Audit Observations	Para 5.11
3. No. 2 of 1997	Comments on Accounts	Paras 2.5.7 and 2.7.2
4. No. 2 of 1998	Comments on Accounts	Paras 1.2.16 to 1.2.19, 2.1.10 to 2.1.12, 2.5.10, 2.6.7, 2.6.8 and 2.7.4
5. No. 3 of 1998	Audit Observations	Paras 6.1.1, 6.1.2 and 6.2 to 6.5
Department of Defence Production and Supplies		
1. No. 2 of 1996	Comments on Accounts	Paras 1.3.13, 2.1.9, 2.3.14 and 2.4.11
2. No. 3 of 1996	Audit Observations	Para 6.2
3. No. 2 of 1997	Comments on Accounts	Paras 1.2.30, 1.3.11, 2.1.10, 2.2.16, 2.4.11 and 2.4.13
4. No. 3 of 1997	Audit Observations	Paras 7.1.1 and 7.1.2
5. No. 2 of 1998	Comments on Accounts	Paras 1.2.21 to 1.2.24, 1.3.9 to 1.3.11, 2.1.14 to 2.1.16, 2.5.13, 2.5.14 and 2.8.7
6. No. 3 of 1998	Audit Observations	Para 8.1

1	2	3
Ministry of Environment & Forests		
1. No. 3 of 1994	Audit Observations	Para 11.1
2. No. 2 of 1995	Comments on Accounts	Paras 2.2.30
3. No. 16 of 1995	Andaman & Nicobar Island Forest Dev. Corpn. Ltd.	
4. No. 2 of 1996	Comments on Accounts	Paras 2.2.16 and 2.7.3
5. No. 2 of 1997	Comments on Accounts	Paras 2.2.18, 2.2.23, 2.4.17 and 2.5.13
Department of Electronics		
1. No. 2 of 1998	Comments on Accounts	Paras 1.2.25 and 2.6.11
2. No. 3 of 1998	Audit Observations	Para 9.1
Department of Fertilizers		
1. No. 3 of 1997	Audit Observations	Para 8.4.1
2. No. 3 of 1998	Audit Observations	Para 3.4.2
Ministry of Finance (Insurance Division)		
1. No. 2 of 1993	Comments on Accounts	Paras 2.1.13 to 2.1.16
2. No. 3 of 1993	Audit Observations	Paras 10.1 to 10.9
3. No. 2 of 1994	Comments on Accounts	Paras 2.1.7 to 2.1.10, 2.2.1 to 2.2.4 and 2.3.1 to 2.3.4
4. No. 3 of 1994	Audit Observations	Paras 9.1 to 9.5
5. No. 2 of 1995	Comments on Accounts	Paras 2.1.19 to 2.1.21, 2.2.15 to 2.2.17, 2.7.6 and 2.7.7.
6. No. 3 of 1995	Audit Observations	Para 9.1 to 9.13
7. No. 14 of 1995	New India Assurance Co. Ltd	
8. No. 2 of 1996	Comments on Accounts	Paras 2.1.14 and 2.2.20
9. No. 3 of 1996	Audit Observations	Paras 7.1 to 7.5
10. No. 2 of 1997	Comments on Accounts	Paras 1.3.13, 1.3.14, 2.1.11, 2.1.12, 2.2.19, 2.2.20 and 2.5.14
11. No. 3 of 1997	Audit Observations	Para 9.5
12. No. 2 of 1998	Comments on Accounts	Paras 1.2.28, 2.1.18, 2.2.9 and 2.6.15
13. No. 3 of 1998	Audit Observations	Paras 10.1, 10.2.1, 10.2.2 and 10.3
Department of Banking		
1. No. 2 of 1998	Comments on Accounts	Paras 1.2.26, 1.2.27, 2.1.17, 2.2.8, 2.2.10, 2.6.12, 2.6.13, 2.6.14 and 2.8.8
Ministry of Food		
1. No. 3 of 1998	Audit Observations	Para 11.1
Ministry of Health & Family Welfare		
1. No. 2 of 1997	Comments on Accounts	Paras 2.1.13, 2.2.22, 2.6.5 and 2.5.27
2. No. 2 of 1998	Comments on Accounts	Para 2.7.8
Department of Heavy Industry		
1. No. 3 of 1997	Audit Observations	Paras 12.1.3, 12.4.1 and 12.8

1	2	3
2. No. 2 of 1998	Comments on Accounts	Paras 1.2.38 to 1.2.40, 1.3.12, 1.3.19, 1.3.21, 2.1.21, 2.1.22, 2.1.29, 2.1.30, 2.2.12, 2.2.18, 2.3.4, 2.3.5, 2.3.7, 2.4.11 to 2.4.13, 2.4.16, 2.4.17, 2.5.16, 2.5.17, 2.6.17, 2.6.18, 2.6.21, 2.6.22, 2.7.9, 2.7.10 2.7.13 and 2.8.10
3. No. 3 of 1998	Audit Observations	Paras 12.1.1 to 12.1.5, 12.2, 12.3, 12.5, 12.7 and 12.9
Department of Small Industries		
1. No. 2 of 1995	Comments on Accounts	Paras 1.3.34 and 2.2.30
2. No. 3 of 1995	Audit Observations	Paras 12.19
3. No. 2 of 1996	Comments on Accounts	Para 1.3.30
4. No. 2 of 1997	Comments on Accounts	Para 1.2.49
Ministry of Mines		
1. No. 2 of 1994	Comments on Accounts	Paras 2.4.10 and 2.6.5
2. No. 3 of 1994	Audit Observations	12.4
3. No. 2 of 1995	Comments on Accounts	Paras 2.1.29, 2.1.30, 2.2.22, 2.4.25, and 2.5.10
4. No. 2 of 1997	Comments on Accounts	Paras 1.2.52, 2.4.36, and 2.7.6
5. No. 3 of 1997	Audit Observations	Para 13.3
6. No. 2 of 1998	Comments on Accounts	Paras 1.2.42, 1.3.22, 1.3.24, 1.3.25, 2.1.31, 2.1.32, 2.2.21, 2.2.22, 2.4.18, 2.4.19, 2.5.24, 2.5.25, 2.6.29, 2.6.30, 2.7.14, 2.7.15 and 2.8.15
7. No. 5 of 1998	Hindustan Copper Ltd.	Appraisal selected by COPU.
Ministry of Non-Conventional Energy		
1. No. 2 of 1998	Comments on Accounts	Para 1.2.43
Ministry of Petroleum and Natural Gas		
1. No. 2 of 1993	Comments on Accounts	Paras 1.2.10, 1.2.12, 1.2.13, 1.3.29, 1.3.30, 1.4.30, 2.4.29, to 2.4.31, 2.5.26, to 2.5.28 and 2.6.3
2. No. 3 of 1993	Audit Observations	Paras 16.4, 16.5, 16.7 and 16.9 to 16.11
3. No. 2 of 1994	Comments on Accounts	Paras 1.2.24, 1.3.35, 1.3.39, 2.1.13, 2.3.12, and 2.4.12 to 2.4.13
4. No. 3 of 1994	Audit Observations	Paras 13.1, 13.2, 13.4 to 13.6 and 13.12

1	2	3
5. No. 2 of 1995	Comments of Accounts	Paras 1.2.31, 1.2.33, to 1.2.36, 1.3.38 to 1.3.40, 2.1.31, 2.2.26, 2.2.27, 2.3.31, to 2.3.33, 2.4.26 to 2.4.30, 2.5.11 to 2.5.13 and 2.7.12.
6. No. 3 of 1995	Audit Observations	Paras 14.1 to 14.4, 14.6 to 14.14 14.16 to 14.18 and 14.23
7. No. 19 of 1995	Pricing of Petroleum Products	
8. No. 20 of 1995	IOC Ltd. (Refinery and Pipelines Divisions)	
9. No. 23 of 1995	ONGC Ltd.	
10. No. 24 of 1995	IOC Ltd. (Marketing)	
11. No. 2 of 1996	Comments on Accounts	Paras 1.2.22, 1.2.24, 1.3.35 to 1.3.38, 2.1.34, 2.2.42, 2.2.43, 2.3.46 to 2.3.49, 2.4.36 to 2.4.38, 2.4.40 to 2.4.43, 2.5.12, 2.5.13 and 2.7.5
12. No. 3 of 1996	Audit Observations	Paras 10.1, 10.2 & 10.3.3. to 10.3.5.
13. No. 5 of 1996	Private participation in production of Crude Oil-JVs	Selected by COPU for examination.
14. No. 2 of 1997	Comments on Accounts	Paras 1.2.54, 1.2.56, 1.2.57, 1.3.28, 2.1.24, 2.2.41, 2.3.22, 2.3.23, 2.4.38, 2.5.31 and 2.7.7
15. No. 3 of 1997	Audit Observations	Paras 14.1, 14.2, 14.4.1, 14.4.2 and 14.5
16. No. 2 of 1998	Comments on Accounts	Paras 1.2.44 to 1.2.49, 1.2.51, 1.3.27, 2.1.33, 2.2.23, 2.2.24, 2.4.20, 2.4.21, 2.6.31, 2.7.16 and 2.8.16
17. No. 3 of 1998	Audit Observations	Paras 13.1 to 13.3, 13.4.1, 13.4.2, 13.5.1 and 13.5.2
Ministry of Power		
1. No. 2 of 1998	Comments on Accounts	Paras 2.1.36 and 2.4.22
2. No. 3 of 1998	Audit Observations	Para 14.2.1
Ministry of Railways		
1. No. 2 of 1993	Comments on Accounts	Paras 1.2.16, 1.2.17, 1.4.34, 2.5.29 and 2.5.30
2. No. 2 of 1994	Comments on Accounts	Paras 1.2.28 and 1.3.44
3. No. 3 of 1994	Audit Observations	Para 15.1
4. No. 2 of 1995	Comments on Accounts	Paras 1.2.45 to 1.2.47, 1.3.45, 1.3.46, 2.1.33 to 2.1.36, 2.2.28, 2.2.29, 2.3.34, 2.4.33, 2.6.18 and 2.7.15
5. No. 3 of 1995	Audit Observations	Paras 16.1 to 16.6

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6. No. 2 of 1996	Comments on Accounts	Paras 1.2.31, 1.3.42, 2.1.37 to 2.1.39, 2.2.46, 2.2.47 and 2.3.51
7. No. 2 of 1997	Comments on Accounts	Para 1.2.65 to 1.2.67, 2.1.26, 2.1.27, 2.2.42, 2.3.26, 2.3.27 and 2.4.41
8. No. 3 of 1997	Audit Observations	Paras 16.1 and 16.2
9. No. 2 of 1998	Comments on Accounts	Paras 1.2.57, 1.2.58, 1.3.28, 1.3.29, 2.1.37, 2.1.38, 2.6.34, 2.7.18 and 2.7.19
10. No. 3 of 1998	Audit Observations	Paras 15.1.1, 15.1.2 and 15.1.3
Department of Science & Technology		
1. No. 2 of 1998	Comments on Accounts	Paras 2.1.39, 2.2.25, 2.7.20 and 2.8.19
Ministry of Steel		
1. No. 2 of 1993	Comments on Accounts	Paras 2.4.34 and 2.5.32
2. No. 2 of 1994	Comments on Accounts	Paras 1.2.30, 1.3.50, and 2.7.9
3. No. 2 of 1995	Comments on Accounts	Paras 1.2.48, 1.3.53, 1.3.54 and 2.1.37
4. No. 3 of 1995	Audit Observations	Paras 17.4 and 17.6
5. No. 21 of 1995	Rourkela Steel Plant	"
6. No. 2 of 1996	Comments on Accounts	Paras 1.2.33, 1.3.43, 2.1.42, 2.3.53, 2.4.51 and 2.6.20
7. No. 3 of 1996	Audit Observations	Para 12.2.4
8. No. 2 of 1997	Comments on Accounts	Paras 1.2.68, 2.2.31, 2.4.50 and 2.6.25
9. No. 3 of 1997	Audit Observations	Paras 17.1.1. to 17.1.3
10. No. 2 of 1998	Comments on Accounts	Paras 1.2.59 to 1.2.67, 1.3.30 to 1.3.37, 2.1.40, 2.1.41, 2.2.26 to 2.2.28, 2.4.23 to 2.4.26, 2.5.26 to 2.5.28, 2.6.35 to 2.6.37, 2.7.21 and 2.8.20 to 2.8.22
11. No. 3 of 1998	Audit Observations	Paras 16.1 to 16.5, 16.6.1 to 16.6.5 and 16.6.9
12. No. 4 of 1998	Durgapur Steel Plant	Selected by COPU for examination.
Ministry of Surface Transport		
1. No. 3 of 1997	Audit Observations	Para 18.2
2. No. 2 of 1998	Comments on Accounts	Paras 1.2.68, 1.3.38, 2.1.42, 2.1.43, 2.4.27 and 2.6.38
3. No. 3 of 1998	Audit Observations	Paras 17.1.1 and 17.1.2
Department of Telecommunications		
1. No. 2 of 1993	Comments on Accounts	Paras 1.4.4, 2.5.7, 2.5.8 and 2.6.1
2. No. 2 of 1994	Comments on Accounts	Paras 1.3.9 and 2.7.2
3. No. 2 of 1995	Comments on Accounts	Paras 1.2.14, 1.3.9 to 1.3.11, 2.3.13 and 2.5.3
4. No. 3 of 1995	Audit Observations	Para 6.3

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5. No. 2 of 1996	Comments on Accounts	Paras 1.3.10 and 2.2.13
6. No. 3 of 1996	Audit Observations	Paras 5.1.1, 5.1.3 and 5.1.4
7. No. 2 of 1997	Comments on Accounts	Paras 1.2.28, 1.2.29, 2.1.8, 2.1.9, 2.2.13, 2.2.14, 2.4.9, 2.5.11, and 2.6.3
8. No. 3 of 1997	Audit Observations	Paras 6.1, 6.2.2 and 6.3.1 to 6.3.8
9. No. 2 of 1998	Comments on Accounts	Paras 1.2.20, 1.3.8, 2.1.13, 2.2.6, 2.3.3, 2.4.10, 2.5.11, 2.5.12, 2.6.9, 2.6.10, 2.7.5, 2.8.5 and 2.8.6
10. No. 3 of 1998	Audit Observations	Paras 7.1.1 to 7.1.4, 7.2.1 and 7.2.2
Ministry of Textiles		
1. No. 2 of 1993	Comments on Accounts	Paras 1.4.43 to 1.4.50, 2.1.25 to 2.1.27, 2.3.15, 2.3.16, 2.4.37, 2.5.34, 2.5.36 to 2.5.38, 2.5.40 and 2.6.7
2. No. 3 of 1993	Audit Observations	Paras 23.2 to 23.5
3. No. 2 of 1994	Comments on Accounts	Para 1.2.32,
4. No. 3 of 1994	Audit Observations	Para 18.1
5. No. 2 of 1995	Comments on Accounts	Para 1.2.51, 1.3.59 to 1.3.66, 2.1.39, 2.4.40, 2.6.22, and 2.7.20
6. No. 3 of 1995	Audit Observations	Paras 19.1 to 19.2
7. No. 2 of 1996	Comments on Accounts	Paras 1.3.50, 2.2.52, 2.2.53, 2.4.54 and 2.4.55
8. No. 3 of 1996	Audit Observations	Para 14.1
9. No. 2 of 1997	Comments on Accounts	Para 2.4.56 and 2.6.26
10. No. 3 of 1997	Audit Observations	Paras 19.1.1 and 19.1.2
11. No. 2 of 1998	Comments on Accounts	Paras 1.2.69 to 1.2.71, 1.3.39 to 1.3.42, 2.1.44, 2.2.29, 2.2.30, 2.3.13, 2.4.28, 2.5.29, 2.6.39 and 2.7.22
12. No. 3 of 1998	Audit Observations	Para 18.1
Ministry of Tourism		
1. No. 2 of 1998	Comments on Accounts	Para 2.1.4
Ministry of Urban Development and Employment		
1. No. 2 of 1997	Comments on Accounts	Paras 1.2.77, 1.3.42, 2.1.38, 2.2.53, 2.4.59, 2.6.29 and 2.6.30
2. No. 2 of 1998	Comments on Accounts	Paras 1.2.72, 1.2.73, 1.3.43, 1.3.44, 2.1.45, 2.2.31, 2.3.14, 2.6.40, 2.7.23 and 2.8.23
3. No. 3 of 1998	Audit Observations	Para 19.1
Ministry of Water Resources		
1. No. 3 of 1995	Audit Observations	Para 21.1

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Department of Welfare		
1. No. 2 of 1997	Comments on Accounts	Paras 1.3.43, 2.1.39, 2.2.54 and 2.3.52
2. No. 2 of 1998	Comments on Accounts	Paras 1.2.74 and 1.2.75

APPENDIX V

MINUTES OF THIRD SITTING OF COMMITTEE ON PUBLIC UNDERTAKINGS HELD ON 23RD OCTOBER, 1998

The Committee sat from 1500 hrs to 1645 hrs.

PRESENT

Shri Manbendra Shah—*Chairman*

MEMBERS

2. Shri Lal Muni Chaubey
3. Smt. Sheela Gautam
4. Shri Vilas Muttemwar
5. Shri R. Sambasiva Rao
6. Shri H.P. Singh
7. Shri Tarit Baran Topdar
8. Shri Balram Singh Yadav
9. Shri Gopalsinh G. Solanki
10. Shri H. Hanumanthappa
11. Shri Jibon Roy

SECRETARIAT

1. Shri P.K. Grover — Deputy Secretary
2. Shri R.C. Kakkar — Under Secretary
3. Shri Cyril John — Assistant Director

OFFICE OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA

1. Shri A.K. Chakrabarti — Chairman, Audit Board
2. Shri B.B. Pandit — Member Secretary, Audit Board
3. Smt. Meena Chaturvedi — Director (Commercial)

2. The Committee considered the draft report on follow-up action on Audit Reports (Commercial) of Comptroller & Auditor General of India. It was decided that before finalising the Report, views of a few Ministries/ Departments in whose case action taken notes on a large number of Audit Paras are pending for a long time, should be taken.

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4.

The Committee then adjourned.

APPENDIX VI

MINUTES OF 10TH SITTING OF COMMITTEE ON PUBLIC UNDERTAKINGS HELD ON 21ST DECEMBER, 1998

The Committee sat from 1600 hrs. to 1725 hrs.

Shri Manbendra Shah—*Chairman*

MEMBERS

2. Shri Chittubhai D. Gamit
3. Smt Sheela Gautam
4. Shri B. Sambasiva Rao
5. Shri Ranjan Prasad Yadav

SECRETARIAT

1. Shri G.C. Malhotra — *Addl. Secretary*
2. Shri Joginder Singh — *Jt. Secretary*
3. Shri P.K. Grover — *Deputy Secretary*
4. Shri R. C. Kakkar — *Under Secretary*

2. The Committee held discussions with Shri Dipak Chatterjee, Secretary, Ministry of Chemicals & Fertilizers (Deptt. of Chemicals & Petrochemicals), Shri P. V. Jayakrishnan, Secretary, Ministry of Civil Aviation, Shri S.S. Boparai, Secretary, Ministry of Coal, Shri Anil Kumar, Secretary, Ministry of Communications (Deptt. of Telecommunications) and Shri B.K. Chaturvedi, Spl. Secretary, Ministry of Finance (Insurance Division) in connection with examination of aspects relating to "Follow-up action on Reports of C&AG of India (Commercial)". A copy of the verbatim proceedings of the sitting has been kept on record.

The Committee then adjourned.

Appendix VI

MINUTES OF 11TH SITTING OF COMMITTEE ON PUBLIC UNDERTAKINGS HELD ON 22ND DECEMBER, 1998

The Committee sat from 1600 hrs. to 1715 hrs.

Shri Manbendra Shah — *Chairman*

MEMBERS

2. Dr. S. Venugopalachary
3. Shri Lal Muni Chaubey
4. Shri Chittubhai D. Gamit
5. Shri Vinod Khanna
6. Shri P. R. Kyndiah
7. Smt. Geeta Mukherjee
8. Shri Vilas Muttemwar
9. Shri R. Sambasiva Rao
10. Shri H. P. Singh
11. Shri Ranjan Prasad Yadav

SECRETARIAT

1. Shri Joginder Singh — *Joint Secretary*
2. Shri P. K. Grover — *Deputy Secretary*
3. Shri R. C. Kakkar — *Under Secretary*

OFFICE OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA

1. Shri A. K. Chakrabarti — *Chairman, Audit Board*
2. Shri B. B. Pandit — *Member Secretary, Audit Board*
3. Smt. Meena Chaturvedi — *Director (Commercial)*

2. The Committee held discussions with Shri T.S. Vijayaraghavan, Secretary, Ministry of Petroleum & Natural Gas, Shri P.V. Vasudevan, Financial Commissioner, Railways, Shri A. K. Basu, Secretary, Ministry of Steel and Shri Shyamal Ghosh, Secretary, Ministry of Textiles in connection with examination of aspects relating to "Follow-up action on Reports of C&AG of India (Commercial)". A copy of the verbatim proceedings of the sitting has been kept on record.

(The Officers of the C&AG then withdrew)

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The Committee then adjourned.

Appendix VIII

MINUTES OF 18TH SITTING OF COMMITTEE ON PUBLIC UNDERTAKINGS HELD ON 17TH MARCH, 1999

The Committee sat from 1500 hrs. to 1700 hrs.

Shri Manbendra Shah — *Chairman*

MEMBERS

2. Dr. S. Venugopalachary
3. Shri Chittubhai D. Gamit
4. Smt. Sheela Gautam
5. Shri Vinod Khanna
6. Smt. Geeta Mukherjee
7. Shri R. Sambasiva Rao
8. Shri Tarit Baran Topdar
9. Shri Gopalsinh G. Solanki
10. Shri Jibon Roy
11. Shri Yerra Narayanaswamy

SECRETARIAT

1. Shri Joginder Singh — *Joint Secretary*
2. Shri P. K. Grover — *Deputy Secretary*
3. Shri R. C. Kakkar — *Under Secretary*

REPRESENTATIVES OF OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

1. Shri A. K. Chakrabarti — *Chairman, Audit Board*
2. Shri B. B. Pandit — *Member Secretary, Audit Board*
3. Shri G. Bhattacharjee — *Asstt. C&AG (C)*

REPRESENTATIVES OF MINISTRY OF PETROLEUM AND NATURAL GAS

1. Shri T. S. Vijayaraghavan — *Secretary*
2. Shri Shivraj Singh — *Joint Secretary*
3. Shri Ravi Saxena — *Jt. Secretary & FA*
4. Dr. Avinash Chandra — *Director General*
5. Dr. A. R. Sihag — *Director (EC)*

2. The Committee considered and adopted the Draft Report on Follow-up Action on Audit Reports (Commercial) of Comptroller & Auditor General of India with the following modifications:

Para No.	Line No.	Modifications
23	1st	The following sentence may be added at the beginning of the para:— “The Committee took serious view of the casual attitude shown by the Ministries/Departments in furnishing the follow-up Action Taken Notes on the reports of C&AG of India (Commercial)”.
23	1st	After the word ‘Committee’, Add ‘therefore’.

3. The Committee authorised the Chairman to finalise the Report on the basis of factual verification by Audit and to present the same to Parliament.

4.	xxxx	xxxx	xxxxx
5.	xxxx	xxxx	xxxxx
6.	xxxx	xxxx	xxxxx

The Committee then adjourned.