

## SUMMARY OF THE AUDIT OBSERVATIONS IN THE VARIOUS REPORTS OF 2007

S.No	Summary	Action Taken
1	<b>1.1(3 of 2007)</b> <b>Annual Accounts of Autonomous Bodies</b>	<p>In 2005-06, there were 259 central autonomous bodies whose accounts were to be certified under Section 19(2) and 20(1) of the CAG's (DPC) Act, 1971. Government of India released Rs.13222.69 crore towards grants and Rs.175.47 crore towards loan to 251 bodies during 2005-06. Information on the amount of Government grants released to the remaining 8 bodies was not available. Grant amounting to Rs.5257.28 crore (39.76 percent of total grants) were disbursed by the M/o Human Resources Development to 92 educational institutions, Rs.1007.59 crore (7.62 per cent of total grants) were disbursed by the Ministry of Health and Family Welfare to 23 health and research institutions and Rs.438.95 crore (3.32 per cent of total grants) were disbursed by the Ministry of Commerce to 7 autonomous bodies. Audited accounts for 2004-05 of 255 central bodies were to be placed before the Parliament by 31.12.05. Of these, audited accounts of 81 bodies were submitted for audit within the stipulated time. The accounts of 8 bodies were not submitted for audit by the concerned organizations as on December, 2006.</p>
2.	<b>6.1.1(11 of 2007)</b> <b>Export Credit Guarantee Corporation of India Ltd.</b>	<p>The Export Credit Guarantee Corporation of India Ltd. extends pre-shipment credit guarantee and post shipment guarantee to banks. Under the schemes, the company fixes a discretionary limit upto which banks are permitted to extend advances to an exporter. To exceed the limit, banks have to obtain prior approval of the company except where operation of the account was satisfactory. The company issues a 'Specific Approval List' containing the names and addresses of the exporters who have defaulted. Such exporters could be granted advance by the banks against the company's guarantee only if the company give its specific approval in writing. The City Union Bank Ltd.(CUBL) which had a</p>

3. **6.2.1(11 of 2007)**  
**The State trading**  
**Corporation of India Ltd.**

discretionary limit of Rs.40 lakh only sanctioned (July 2000) an advance credit facility of Rs.5.00 crore to Beautiful Diamonds Ltd.(Exporter) and reported(November, 2000) the same to the company. The CUBL had been availing of credit facility from a consortium of 13 other banks and operation of the account with them was irregular from 1998-99 due to non realization of export proceeds from Overseas buyers and had a working capital gap of around Rs.50.00 crore. .In spite of delay in payment by an CUBL and the embargo imposed by the Reserve Bank of India, the Company extended guarantee cover to an exporter resulting in a loss of Rs.2.95 crore.

The State Trading Corporation of India Ltd. purchased castor oil for export through a broker but made distress export of its own incurring loss of Rs.1.67 crore. Subsequently it did not recover the loss incurred despite a provision in the agreement with the broker in this regard

## Appendix II

### STATEMENT SHOWING THE PENDING (CIVIL) AUDIT PARAGRAPHS (PENDING WITH AUDIT AS ON 5.2.2008)

#### Statement showing the Pending (Civil) Audit Paragraphs pending with Audit as on 5.2.2008

S.No	Chapter No. & Report of Para	Subject	Status
1.	Chapter-4 (4 of 2004)	Failure of the authority to use Information Technology as a tool to monitor financial assistance schemes -APEDA	ATN sent to Audit on 27.5.05.
2.	3.2 (2 of 2005)	Loss due to non realization of revenue	ATN sent to Audit on 10.11.05.
3.	1.3 (4 of 2005)	Delay in presentation of reports in relation to accounts of Central Autonomous Bodies before both Houses of Parliament.	ATN sent to Audit on 20.9.05.
4.	7.9 (1 of 2006)	Injudicious re-appropriation to sub-head (Trade Commissioner)	ATN is under process
5.	2.1 (2 of 2006)	Blocking of funds and un-recovered arrears	ATN is under process
6.	2.2 (2 of 2006)	Erroneous release of Rs.1.40 Cr.	ATN is under process
7.	2.3 (2 of 2006)	Interest adjusted on utilized funds at the instance of Audit SEEPZ	ATN is under process
8.	15.1 (2 of 2006)	Follow up on Audit reports summerised position	ATN is under process
9.	1.1 (3 of 2006)	Annual accounts of autonomous bodies APEDA/EIA/MPEDA /Spices/ Tobacco/ EPC	ATN is under process
10.	1.1.1 (3 of 2006)	grant released during 2004-05 to Central Autonomous Bodies-Annual A/cs -EEPC, Kolkata/ FIEO/ IIFT/ QCI/ SEPC, Kolkata/ SGEP	ATN is under process
11.	1.1.2 (3 of 2006)	Delay in submission of accounts by autonomous bodies – EIA, Coffee Board	ATN is under process
12.	7.9(10 of 2007)	Injudicious re-appropriation to sub-had	ATN is under process
13.	1.1(3 of 2007)	Annual accounts of autonomous bodies	ATN is under Process
14.	1.1.2(3 of 2007)	Delay in submission of accounts of Central autonomous bodies	ATN is under process
15.	3.1(3 of 2007)	Loss due to non-realisation of service tax	ATN is under process.
16.	21 of 2007 Entire Report	Functioning of commercial wings in the Indian Mission/posts abroad	ATN is under process

## Appendix III

### STATEMENT SHOWING THE PENDING (COMMERCIAL) AUDIT PARAGRAPHS (PENDING WITH AUDIT AS ON 5.2.2008)

**Statement showing the Pending (Commercial) Audit Paragraphs pending with Audit as on 5.2.2008**

S.No	Chapter No. & Report of Para	Subject	Status
1.	5.1.4(3 of 2000)	Avoidable payment of interest on Income Tax - ECGC	Revised ATN sent to audit for vetting.
2.	6.3.1(2 of 2003)	Irregular payment of ex-gratia - PEC	Sent to Audit for deletion.
3.	2.1.17(2 of 2005)	System of Financial control and Accounts-STC	Revised ATN sent to audit for vetting
4.	5.3.1 ( 2 of 2005)	Loss in export due to violation of contract conditions. - PEC	ATN being sent to Audit for vetting.
5.	5.3.2 ( 2 of 2005)	Loss on accounts of insufficient financial security. - PEC	ATN being sent to Audit for vetting.
6.	5.1.1 (3 of 2005)	Avoidable payment of claims - ECGC	ATN sent to Audit for vetting.
7.	1.1(b) (11 of 2006)	Impact of comments on balance sheet & profit & loss A/Cs - PEC	ATN sent to audit for vetting..
8.	1.29(11 of 2006)	Accounts in arrear - PEC	ATN sent to audit for vetting..
9.	1.5.8(11 of 2006)	Service tax of Rs.13.40 crore should be deposited with Govt. or refunded to the Party -ITPO	ATN is under process.
10.	2.1.2(11 of 2006)	The accounts of exhibition/fairs needs to be finalized within two month of the closure of the fair -ITPO	ATN is under process.
11.	2.2.5(11 of 2006)	The discrepancies noticed in physical verification report with the fixed assets needed to be reconciled. -ITPO	ATN is under process.
12.	2.2.6(11 of 2006)	Comments from supplementary reports of statutory Auditors. - MMTC	Audit para sent to MMTC.
13.	2.6.3(11 of 2006)	The company did not prescribe internal audit standards/manual/ guidelines -ITPO	ATN is under process.
14.	Ch.XXVIII (12 of 2006)	Follow up on audit reports(Comm) -ITPO	ATN is under process.
15.	6.1.1(12 of 2006)	Loss of revenue due to non enhancement of licence fee and doubtful recovery of overdue amount. -ITPO	ATN sent to Audit for vetting
16.	6.2.1(12 of 2006)	Loss to exchequer in supply humanitarian aid to the Govt. of Tajikistan and Ivory coast Rs.6.11 crore -STC	ATN is under process.
17.	6.1.1( 11 of 2007)	Undue favour of an exporter loss of Rs.2.95 cr.	ATN sent to audit for vetting.
18.	6.2.1(11 of 2007)	Loss of Rs.167 crore due to not initiating action against a broker as per agreement	Revised ATN sent to Audit for vetting.