

SUMMARY OF ALL C&AG PARAS SINCE 2010

Year of Paras to be Settled	No. of Paras with Adverse Remarks	No. of settled Paras (Annexure-I)	No. of Paras Pending (Annexure-II)	Unsettled Paras pertains to	Unsettled Paras presently pending with	Nature of Paras
2017-22	28	23	5	BHEL	Reply for 5 Paras has been sent to C&AG/Lok Sabha	Procedural + Financial
	1	1	0	CCIL	---	---
2020-22	3	0	3	HECL	Reply for 1 Para has been sent to C&AG. And replies for 2 paras have been sent to DPE.	Procedural + Financial
2015-16	2	2	0	HPCL	---	---
	1	1	0	HMTMT	---	---
2015-16	1	0	1	SSL	Reply sent on 25.10.2023 to DPE.	Financial
2020-21	1	0	1	TSPL	Reply has been sent to C&AG on 03.10.2023	Procedural + Financial
Total:	37	27	10	10	---	---

STATUS OF CAG PARAS PERTAINING TO MHI

Sl. No	CAG Report / Para No	Gist of the Paras	Action taken and Learnings	Comments of AS&FA
BHEL				
1.	Report 29 of 2017-18-Competitiveness of BHEL in Emerging Market.	BHEL had fixed strategic Plan targets for the period 2012-17 with focus on diversification and innovation. However, BHEL did not set year wise milestones for implementation of the envisaged strategies. BHEL could not achieve any of the strategic plan targets till 2015-16.	Revised ATN explaining the reasons why diversification took longer time or at time not work out has been sent on 21.07.2023 to the Lok Sabha Secretariat. A copy has been Sent to C&AG on 29.09.2023. Learning-Year-wise milestone is to be prepared.	AS&FA in the review meeting directed that we may ask Audit to drop the Para.
2.	Report No.13 of 2019, Para 4.1 Undue benefit to employees towards Late Night Snacks Allowance	BHEL extended undue benefit to its employees towards payment of Late Night Snacks Allowance (LNSA) to the tune of Rs.16.69 crore, in violation of the Guidelines of DPE as well as its own Personnel Policy. Reply by BHEL- BHEL has stated that in line with the Audit observation, LNSA has been discontinued for all employees.	As desired by Audit , the reply may be sent and the same has been done on 07.09.2022.	AS&FA in the review meeting directed that we may ask Audit to drop the Para.
3.	Report 18 of 2020, Para 6.1 compliance on loss due to non-performance under a contract.	BHEL entered into a contract with Elektrik Uretim AS Genel Mudurlugu(EUAS), Turkey for rehabilitation and upgradation of eight units of Keban Hydroelectric Power Plant. Essential/detailed drawings were not provided by the client in Turkey due to which BHEL could not complete the job and LD was imposed. BHEL has explained the problems/constrains why the project failed.	Admin. Div. has furnished revised ATN on 26.9.2023 to Audit. Learning- All deliverables from the client side should be made abundantly clear in the contract. BHEL has not analysed all the issues which could arise in such foreign contracts and should have gone for contingency plans.	AS&FA in the review meeting directed that we may ask Audit to drop the Para.

Sl. No.	Report No & Audit Para No	Gist of the subject	Status, Problems and Learnings	Comments of AS&FA
4.	Report No.14 of 2021, Para 5.1, Avoidable loss of Rs.13.69 crore due to laxities in supply of ACEMU Traction Electrics Multiple Unit.	Bharat Heavy Electricals Limited suffered a loss of Rs.13.69 crore due to delay in supply of complete set of Alternate Current Electrical Multiple Unit. The deliveries were made in piece meal. The various units of BHEL were at fault which caused the problem.	Revised ATN has been sent to C&AG on 20.11.2023 Learning- Coordination among the units should be done and responsibility fixed so that such cases do not recur in future.	AS&FA in the review meeting directed that the reply should indicate the measures taken in this regard by BHEL which will help to drop the Para.
5.	Report No. 14 of 2021, Para 5.2 Non-safeguarding of financial interest resulted in additional burden towards payment of safeguard duty.	BHEL did not take cognisance of the proposed changes on tax structure and delivery schedules resulting in additional liability of Rs.11.58 crore towards payment of safeguard Duty for clearance of imports.	Revised ATN has been sent to C&AG on 20.11.2023 Learning-An advisory has been issued to all the production groups to be more vigilant.	AS&FA in the review meeting directed that the reply should indicate the measures taken in this regard by BHEL which will help to drop the Para.
HECL				
6.	Report No.18 of 2020, Para No.6.3- Land and Township Management (HEC).	Audit has pointed out that company does not have any profitable plan to utilize the remaining available land of 942.20 acres with HEC. Non-recovery of Rs.75.30 crore from Government of Jharkhand due to encroachment of land. Non-realization of Rs.48.92 crore from GRSE, non-renewal of lease with NIFFT and un-authorized occupation etc. The company is facing severe financial crunch and on the verge of closure, therefore, it is all the more important to make all out efforts to realise the pending amount.	Reply has been sent to DPE on 31.10.2023. Learning-An advisory has been issued all the production groups to be more vigilant.	AS&FA directed that Audit should be apprised of all financial constraints being faced by the company and also the steps they are taking to get back the pending amounts from various vendors /State Govt.

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7.	Report No.14 of 2021, Para 5.3 Loss due to failure of HECL to ensure guaranteed availability of dragline 14	HEC supplied three draglines to NCL which were commission in May, 2014(HMB-13), January 2016(HMB-15) and May, 2019(HMB-15)/ HEC was unable to ensure the guaranteed availability of two draglines, HMB-13 and HMB-14 and consequently NCL encashed (25.09.2019) four bank guarantees valuing 32.74 crore.	Reply has been sent to DPE on 20.10.2023. Learning- Concerted efforts are being made to optimally leverage the assets of the Company in the background of its precarious financial position.	AS&FA directed that Audit should be apprised of all financial constraints being faced by the company and also the steps they are taking to get back the pending amounts from various vendors /State Govt.
8.	Report No.14 of 2021, Para 5.4 Infructuous expenditure on technical audit	HEC entered into two technology transfer contracts including technical audit, without assurance of funds/in anticipation of getting manufacturing orders. Non-availability of funds and orders resulted in infructuous expenditure of Rs.12.47 crore (Rs.6.74 crore to CNITMASH, Russia and Rs.5.73 crore to OKBM, Russia) on technical audit.	Reply has been sent to DPE on 20.10.2023. Learning- Considering the future market scenario, sometimes preparatory investment are not immediately useful..	AS&FA directed that Audit should be apprised of all financial constraints being faced by the company and also the steps they are taking to get back the pending amounts from various vendors /State Govt.

Sl. No.	Report No & Audit Para No	Gist of the subject	Status, Problems and Learnings	Comments of AS&FA
SSL				
9.	Report No.21 of 2015, Para 1.8 - Unfruitful investment in salt refinery.	An amount of Rs.2,10,09,976/- was to be recovered against the contractor Pandian Engg. Ind.	The amount has been recovered. Information sought by the audit has been issued on 25.10.2023.	
TSPL				
10.	Report No.18 of 2020, Para 6.4- Avoidable payment of income tax	Avoidable payment of income tax: incorrect treatment of waiver of Government of India loan and other liabilities in the books of accounts by Tungabhadra Steel Products Limited resulted in avoidable payment of income tax of Rs.55.38 crore and further tax liability of Rs.41.18 crore. Audit in their vetting comments has stated that the Para may be retailed till Company takes up the issue with the Income Tax Deptt. and obtains revised assessment order for the incorrect accounting.	The matter was taken up with the Income Tax Deptt. and the matter was settled. Reply has been sent to C&AG on 03.10.2023. Learning- Financial procedure should be followed efficiently.	