

Appendix II

(Referred to in para 9.6)

Corrections/Rectifications at the instance of Audit

Name of the Ministry	Name of PSU	Audit observation/suggestion in brief	Action taken by the Management
Consumer Affairs and Public Distribution	Central Warehousing Corporation	<p>The Company had not made the accounting treatment for claims lodged with insurance company in accordance with its Accounting policy No 12</p> <p>The Company had not disclosed its accounting policy regarding creating provision for doubtful debts in accordance with the requirements of AS-1.</p>	<p>The Accounting policy 12 regarding insurance claims was amended.</p> <p>New accounting policy for creating a provision for bad and doubtful debts was adopted.</p>
Agriculture	National Seeds Corporation Limited	<p>The Company entered into an agreement with the transport contractor for transport of seeds on city to city basis and thus paid payments for</p>	<p>The payment term was changed to 'from loading point to delivery point' in the tender floated for new contract.</p>

Name of the Ministry	Name of PSU	Audit observation/suggestion in brief	Action taken by the Management
Heavy Industries	Bharat Heavy Electricals Limited	<p>higher distance following the contractual terms.</p> <p>The company failed to deduct the taxes and duties/freight, which are reimbursable by the customer as per the terms of the contract, from the landed cost, while preparing the comparative statement to find out L1, which resulted in loss of ₹ 3.29 lakh.</p>	<p>The management issued a detailed circular clarifying the treatment to be given for taxes and duties while preparing the CS landed cost for various types of contracts in future.</p>
Defence	Hindustan Aeronautics Limited	<p>Short term investments for less than 15 days were being processed without approval of committee as prescribed under the approved procedure for investment of surplus funds.</p>	<p>After incorporating the modifications suggested by audit, the procedure for short term investments was approved by the board.</p>
		<p>Inclusion of expenditure met towards schools run by the HAL under Corporate Social Responsibility in the past.</p>	<p>While compiling the CSR expenditure for the year 2010-11, expenditure towards Grant/aid etc to HAL schools was excluded</p>