## Report of the Comptroller and Auditor General of India

ON

**Public Sector Undertakings** 

For the year ended 31 March 2012

Government of Tamil Nadu Report No. 2 of 2013

## TABLE OF CONTENTS

Particulars	Reference to	
	Paragraph	Page
Preface		vii
Overview		ix-xiii
CHAPTER-I		
Overview of State Public Sector Undertakings		
Introduction	1.1-1.5	1-2
Investment in State PSUs	1.6-1.8	2_4
Budgetary outgo, grants/subsidies, guarantees and loans	1.9-1.11	4-5
Absence of accurate figure for investment in PSUs	1.12-1.13	5_6
Performance of PSUs	1.14-1.19	6-8
Arrears in finalisation of accounts	1.20-1.24	8-9
Winding up of non-working PSUs	1.25-1.27	9-10
Adverse comments on the accounts and internal audit of PSUs	1.28-1.32	10-14
Recoveries at the instance of audit	1.33	14
Disinvestment, Privatisation and Restructuring of PSUs	1.34	14
Reforms in Power Sector	1.35	15
CHAPTER-II		
Performance Audit relating to Government Companies		
Tamil Nadu Industrial Development Corporation Limited	2.1	
Executive summary		17
Introduction	2.1.1	18
Organisational set up	2.1.2	18
Scope and Methodology of Audit	2.1.3	18
Audit objectives	2.1.4	19
Audit criteria	2.1.5	19-20

Particulars I		Reference to	
	Paragraph	Page	
Audit findings	2.1.6 to 2.1.62	20-45	
Financial position and working results	2.1.7	20-21	
Working results	2.1.8	21-22	
Financial Management	2.1.9-2.1.12	22-25	
Planning	2.1.13-2.1.20	25-28	
Implementation of Special Economic Zone (SEZ) Projects	2.1.21-2.1.23	29	
Completed Special Economic Zones	2.1.24-2.1.35	29_33	
Special Economic Zone projects under implementation	2.1.36-2.1.41	34-36	
Investment in joint venture units	2.1.42-2.1.50	36_40	
Disinvestment	2.1.51-2.1.59	40-43	
Internal Control and Internal Audit	2.1.60-2.1.61	43_44	
Internal Audit System	2.1.62	44-45	
Acknowledgement		45	
Conclusion		45	
Recommendations		45-46	
Power Transmission Activities of Tamil Nadu Transmission Corporation Limited			
Executive Summary		47-48	
Introduction	2.2.1 – 2.2.2	48_49	
Scope and methodology of audit	2.2.3	49	
Audit objectives	2.2.4	49-50	
Audit criteria	2.2.5	50	
Brief description of transmission process	2.2.6	50-51	
Audit findings	2.2.7 to 2.2.45	51-77	
Planning and Development	2.2.8-2.2.9	51-54	
Project management of transmission system	2.2.10-2.2.16	54_59	
Performance of transmission system	2.2.17-2.2.22	59-62	
Maintenance	2.2.23-2.2.25	62-64	
Grid Management	2.2.26-2.2.33	64-70	
Energy Accounting and Audit	2.2.34	70-71	
Financial Management	2.2.35-2.2.39	71_74	

Particulars	Reference to	
	Paragraph	Page
Material Management	2.2.40-2.2.41	74-76
Monitoring and Control	2.2.42-2.2.45	76_77
Acknowledgement		77
Conclusion		77-78
Recommendations		78
CHAPTER-III		
Transaction Audit Observations	3	
Government companies		
Tamil Nadu Newsprint and Papers Limited		
Undue benefit to a private handling agent	3.1	79-80
Tamil Nadu State Transport Corporations		
Loss of interest	3.2	80-81
Tamil Nadu State Transport Corporation (Villupuram) Limited		
Loss due to injudicious financial projection	3.3	82-83
Tamil Nadu Minerals Limited		
Revenue loss	3.4	83_84
TIDEL Park Coimbatore Limited		
Avoidable extra expenditure	3.5	84_85
Tamil Nadu Police Housing Corporation Limited		
Construction of houses without administrative approval	3.6	85-86
Avoidable payment/liability of interest on income tax	3.7	87-88
Tamil Nadu Generation and Distribution Corporation Limited		
Undue benefit to a private power producer	3.8	88-89
Short realisation of revenue	3.9	89-90
Undue benefit to a power trader	3.10	90-92
Excess payment of performance incentive	3.11	92-93
Revenue loss	3.12	93-94
Excess payment of customs duty	3.13	94_95

Particulars		Reference to	
		Paragraph	Page
Genera	ı		
Follow-	up action on Audit Reports	3.14	95-97
	ANNEXURES		
1.	Statement showing particulars of up-to-date paid-up capital, loans outstanding and manpower as on 31 March 2012 in respect of Government companies and Statutory Corporation	1.6	101-111
2.	Summarised financial results of Government companies and Statutory Corporation for the latest year for which Accounts were finalised	1.14	112-117
3.	Statement showing equity/loans received out of budget, grants and subsidy received/receivable, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March 2012	1.9	118-121
4.	Statement showing investment made by the State Government in PSUs whose accounts were in arrears	1.22	122
5.	Statement showing financial position of Tamil Nadu Warehousing Corporation	1.14	123
6.	Statement showing working results of Tamil Nadu Warehousing Corporation	1.14	124
7.	Statement showing voltage-wise capacity additions planned, actual additions and shortfall in Tamil Nadu Transmission Corporation Limited during the five years up to 2011-12	2.2.9	125-127
8.	Statement showing delay in construction of sub-stations in Tamil Nadu Transmission Corporation Limited	2.2.11	128-129
9.	Statement showing maximum and minimum voltages to be maintained as per the Tamil Nadu Electricity Grid Code and actually recorded in Tamil Nadu Transmission Corporation Limited during the five years up to 2011-12	2.2.20	130

	Particulars	Reference to	
		Paragraph	Page
10.	Statement showing details of Remote Terminal Units in Sub-stations/Generators of Tamil Nadu Transmission Corporation Limited	2.2.27	131
11.	Details showing comfortable frequency when GMR power was not backed down by Tamil Nadu Transmission Corporation Limited	2.2.30	132-135
12.	Statement of avoidable additional expenditure on overdrawal at a frequency below 49.5 Hz by Tamil Nadu Transmission Corporation Limited	2.2.31	136
13.	Statement showing financial position of Tamil Nadu Transmission Corporation Limited for the five years ended 31 March 2012	2.2.35	137-138
14.	Statement showing working results of Tamil Nadu Transmission Corporation Limited for the five years ended 31 March 2012	2.2.36	139-140
15.	Statement showing paragraphs/performance audit reports for which explanatory notes were not received	3.14.1	141
16.	Statement showing the Department-wise outstanding inspection reports	3.14.3	142
17.	Statement showing Department-wise draft paragraphs/performance audit reports reply to which were awaited	3.14.3	143
	Glossary of Abbreviations		144_147