

## PREFACE

1. The accounts of Government Companies set up under the provisions of the Companies Act (including Companies deemed to be Government Companies as per the provisions of the Companies Act) are audited by the Comptroller and Auditor General of India (CAG) under the provisions of Section 143(6) of Companies Act, 2013. The accounts certified by the Statutory Auditors (Chartered Accountants) appointed by the CAG under the Companies Act are subject to the supplementary audit by CAG whose comments supplement the reports of the Statutory Auditors. In addition, these Companies are also subject to test audit by CAG.
2. Reports in relation to the accounts of a Government Company or Corporation are submitted to the Government by CAG under the provisions of Section 19-A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, as amended in 1984.
3. The Audit Report for the year 31 March 2016 contains one Performance Audit and individual audit observations relating to CPSEs under the control of Ministry of Defence. Instances mentioned in this Report are among those which came to notice in the course of audit for the period 2015-16 as well as those which came to notice in earlier years. Results of audit of transactions subsequent to March 2016 in a few cases have also been mentioned.
4. All references to 'Companies or CPSEs or DPSUs' in this Report may be construed to refer to 'Central Government Companies' unless the context suggests otherwise.
5. The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.