

Preface

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 619 of the Companies Act, 1956. As per the above provisions, the Statutory Auditors (Chartered Accountants) appointed by the CAG certify the accounts of such companies which are subject to supplementary audit by officers of the CAG and the CAG gives his comments or supplements the report of the Statutory Auditors. The Companies Act, 1956 empowers the CAG to issue directions to the Statutory Auditors on the manner in which the Company's accounts shall be audited.

2. The statutes governing some Corporations and authorities require their accounts to be audited by the CAG and reports to be given by him. In respect of five such Corporations *viz.* Airports Authority of India, National Highways Authority of India, Inland Waterways Authority of India, Food Corporation of India and Damodar Valley Corporation, the relevant statutes designate the CAG as their sole auditor. In respect of one Corporation *viz.* Central Warehousing Corporation, the CAG has the right to conduct a supplementary or test audit after audit has been conducted by the Chartered Accountants appointed under the statutes governing the Corporation.

3. Audit Reports in relation to the accounts of a Government Company or Corporation for the year ending March 2011 have been prepared for submission to the Government under Section 19-A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, as amended in 1984.

4. The accounts of the CPSEs reviewed in this Report cover the accounts for the years, 2008-09, 2009-10 and 2010-11 (to the extent received). In respect of CPSEs where any particular year's accounts were not received before 30 September 2011, the figures of the last audited accounts have been adopted.

5. In respect of some CPSEs, figures for the previous year might not agree with the corresponding figures shown in the Audit Report No. 2 of 2010-2011 owing to replacement of provisional figures by audited/revised figures.

6. All references to 'Government Companies/Corporations or CPSEs'/PSEs' in this report may be construed to refer to 'Central Government Companies/Corporations' unless the context suggests otherwise.