

Preface

Government Public Sector Undertakings, the accounts of which are subject to audit by the Comptroller and Auditor General of India (CAG), fall under the following categories;

- (i) Government Companies, and
- (ii) Statutory Corporations.

2. The Report deals with the results of audit of Government Companies and Statutory Corporations and has been prepared for submission to the Government of Andhra Pradesh under Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 as amended from time to time.

3. Audit of accounts of Government Companies is conducted by the CAG under the provision of Section 619 of the Companies Act, 1956.

4. In respect of Andhra Pradesh State Road Transport Corporation which is a statutory corporation, CAG is the sole auditor. As per 'The State Financial Corporation (Amendment) Act, 2000, the CAG has the right to conduct the audit of accounts of Andhra Pradesh State Financial Corporation in addition to the audit conducted by Chartered Accountants appointed by the Corporation out of the panel of auditors approved by the Reserve Bank of India. In respect of Andhra Pradesh State Warehousing Corporation, CAG has the right to conduct the audit of accounts in addition to the audit conducted by the Chartered Accountant appointed by the State Government in consultation with the CAG. The Audit Reports on the annual accounts of all these corporations are forwarded separately to the State Government.

5. This Report contains a Performance Audit of the Andhra Pradesh State Financial Corporation (Chapter - 2), a Thematic Audit of land allotments by the Andhra Pradesh Industrial Infrastructure Corporation Limited (Chapter - 3), and other Compliance Audit observations (Chapter - 4).

6. The cases mentioned in this Report are those which came to notice in the course of audit during the year 2011-12 as well as those which came to notice in earlier years but were not dealt with in the previous Reports. Matters relating to the period subsequent to 31 March 2012 have also been included, wherever necessary.

7. Audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

