

## PREFACE

This Report for the year ended March 2014 has been prepared for submission to the President of India under Article 151 of the Constitution of India.

This Report of the Comptroller and Auditor General of India contains the results of audit of the financial transactions and performance reviews of projects/schemes of Ministry of Defence pertaining to Army, Ordnance Factories, Department of Defence, Department of Defence Production, Defence Research and Development Organisation, Military Engineer Services and Border Roads Organisation in 2013-14. The matters arising from the Finance and Appropriation Accounts of the Defence Services for 2013-14 have been included in Audit Report No. 1 of 2015 (Financial Audit).

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2013-14 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; matters relating to the period subsequent to 2013-14 have also been included, wherever necessary.

The Report includes 33 Paragraphs (including three performance reviews and five long paragraphs), reporting important audit observations as discussed from Chapter II onwards.

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

Audit wishes to acknowledge the cooperation received from Ministry of Defence at each stage of the audit process.