

PREFACE

This Report contains two sections. **Section A** deals with the results of audit of Public Sector Undertakings, namely Government Companies and Statutory Corporations of the Government of Telangana comprising both Power Sector and Non-Power Sector. **Section B** deals with results of audit of Departments and Entities under Economic Sector of the Government of Telangana.

The Report on the Public Sector Undertakings for the year ended March 2018 has been prepared for submission to the Government of Telangana under the provisions of Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, for laying before the State Legislature.

2. The accounts of Government Companies (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 Section 139 and 143 of the Companies Act, 2013. The accounts certified by the Statutory Auditors (Chartered Accountants) appointed by the CAG under the Companies Act are subject to supplementary audit by officers of the CAG and the CAG gives his comments or supplements the reports of the Statutory Auditors. In addition, these companies are also subject to test audit by the CAG. The audit arrangements of Statutory Corporations are prescribed under the respective acts through which the corporations are established.

3. This report deals with analysis of performance of 75 Public Sector Undertakings (PSUs) consisting of 72 Government Companies and three Statutory Corporations in the State of Telangana the audit of which have been entrusted to the Comptroller and Auditor General of India. The Report includes an Introductory Chapter on the functioning of all the 75 PSUs. Thereafter, the report has been divided in two parts. Part-I deals with the analysis of the performance of the eight Power Sector PSUs and includes one Performance Audit of "Setting up of Singareni Thermal Power Plant at Jaipur" and four Compliance Audit paragraphs. Part-II of the report deals with the analysis of the performance of the 67 State PSUs (Non-Power Sector) and includes two Compliance Audit paragraphs.

4. The information given in this report pertains to the period since the formation of the Telangana State on 02 June 2014. As the demerged/ successor units of Telangana were incorporated during the years from 2014-15 to 2017-18, the performance of these PSUs have been considered from the date of their incorporation. Further, the information in this report is based on the audited/provisional accounts of the PSUs and the information furnished by the PSUs for the years for which the accounts were in arrears. The impact of finalization/ revision, if any, of the accounts by the PSUs would be reflected in the future reports.

SECTION-B: DEPARTMENTS AND ENTITIES (OTHER THAN PSUs) UNDER ECONOMIC SECTOR

5. The Report in **Section B** for the year ended 31 March 2018 has been prepared for submission to the Governor of Telangana under Article 151 of the Constitution of India.

It contains results of the compliance audit of the Department of Irrigation & Command Area Development.

6. The audit observations featured in this Report are those which came to notice in the course of audit during the year 2017-18 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 after 31 March 2018 have also been included, wherever necessary.

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