

PREFACE

Government commercial enterprises, the accounts of which are subject to audit by the Comptroller and Auditor General of India, fall under the following categories:

- (i) Government companies,
- (ii) Statutory corporations, and
- (iii) Departmentally managed commercial undertakings.

2. This report deals with the results of audit of Government companies and Statutory corporations and has been prepared for submission to the Government of Uttar Pradesh under Section 19A of the Comptroller and Auditor General's (CAG) (Duties, Power and Conditions of Service) Act, 1971, as amended from time to time. The results of audit relating to departmentally managed commercial undertakings are included in the Report of the Comptroller and Auditor General of India (Civil) – Government of Uttar Pradesh.

3. Audit of accounts of Government companies is conducted by the Comptroller and Auditor General of India under the provisions of Section 619 of the Companies Act, 1956. There are, however, certain companies which, in spite of Government investment are not subject to audit by the Comptroller and Auditor General of India as Government holds less than *51 per cent* of their share capital.

4. In respect of Uttar Pradesh State Road Transport Corporation, Uttar Pradesh Avas Evam Vikas Parishad, Uttar Pradesh Jal Nigam, Uttar Pradesh Forest Corporation and Uttar Pradesh State Employees Welfare Corporation which are Statutory corporations, the Comptroller and Auditor General of India is the sole auditor. In respect of Uttar Pradesh State Financial Corporation, Uttar Pradesh State Warehousing Corporation, he has the right to conduct the audit of their accounts in addition to the audit conducted by the Chartered Accountants appointed by the State Government in consultation with CAG. The Audit Reports on the annual accounts of all these corporations are forwarded separately to the State Government.

5. The cases mentioned in this Report are those which came to notice in the course of audit during the year 1999-2000 as well as those which came to notice earlier but were not dealt with in the previous Reports. Matters relating to the period subsequent to 1999-2000 have also been included, wherever necessary.