

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 (Duties, Powers 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. The State of Uttaranchal was formed on 9.11.2000 on bifurcation of the State of Uttar Pradesh. During the year 2000-01, 14 Government companies (seven working and seven non-working companies) were transferred to the State of Uttaranchal. The cases relating to Uttaranchal Hill Electronics Corporation Limited and Uttaranchal Power Corporation Limited would be included in the commercial chapter forming part of the report of Comptroller and Auditor General of India for the year ended 31st March 2002 (Civil)-Government of Uttaranchal. Similarly, the review on Implementation and Performance of Small and Mini Hydel Projects of Uttar Pradesh Jal Vidyut Nigam Limited, part of which covers post bifurcation of State of Uttar Pradesh is being included in the report and would also form part of commercial chapter in the civil report of Government of Uttaranchal for the year ended 31st March 2002.

4. Audit of accounts of Government companies is conducted by the Comptroller and Auditor General of India (CAG) under the provisions of Section 619 of the Companies Act, 1956. Audit of Uttar Pradesh State Employees Welfare Corporation, which is a registered society, is conducted under Section 19(3) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

5. In respect of Uttar Pradesh State Road Transport Corporation, Uttar Pradesh Avas Evam Vikas Parishad, Uttar Pradesh Jal Nigam and Uttar Pradesh Forest Corporation, which are Statutory

corporations, CAG is the sole auditor. As per State Financial Corporations (Amendment) Act, 2000, CAG has the right to conduct the audit of accounts of Uttar Pradesh State Financial Corporation, in addition to the audit conducted by the Chartered Accountants, appointed by the Corporation out of panel of auditors approved by the Reserve Bank of India. In respect of Uttar Pradesh State Warehousing Corporation, CAG has the right to conduct the audit of accounts in addition to the audit conducted by the Chartered Accountants appointed by the State Government in consultation with CAG. In respect of Uttar Pradesh Electricity Regulatory Commission also, CAG is the sole auditor. The Audit Reports on the annual accounts of all these corporations/commission are forwarded separately to the State Government.

6. The cases mentioned in this Report are those, which came to notice in the course of audit during the year 2001-2002 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 2001-2002 have also been included, wherever necessary.