

PREFACE

This Report for the year ended March 2011 has been prepared for submission to the President of India under Article 151 of the Constitution for being tabled in Parliament. It relates to matters arising from the test audit of the financial transactions of Ministry of Defence pertaining to Army, Ordnance Factories, Department of Defence, Department of Defence Production, Defence Research and Development Organisation, Border Roads Organisation and Military Engineer Services. The matters arising from the Finance and Appropriation Accounts of the Defence Services for 2010-11 have been included in Audit Report No. 1 of the year 2011-12.

The Report includes 32 Paragraphs, reporting important audit observations as discussed from Chapter II onwards.

The cases mentioned in this Report are among those which came to notice in the course of audit for the period 2010-11. Matters relating to earlier years which could not be included in the previous Reports and matters relating to the period subsequent to 2010-11, wherever considered necessary have also been included.