

PREFACE

1. This Report has been prepared for submission to the Government of Jammu and Kashmir under Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971, as amended from time to time.
2. Government commercial concerns, the accounts of which are subject to audit by the Comptroller and Auditor General of India (the CAG), fall under three categories, i.e., Government companies, Statutory corporations, and Departmentally managed commercial undertakings. This Report deals with the audit of Government companies and Statutory corporations.
3. This Report contains two chapters. Chapter-1 deals with introduction of the State Public Sector Undertakings (PSUs), and Chapter-2 deals with the findings of the Performance Audit of Jammu and Kashmir Projects Construction Corporation Limited and Performance Audit of "Assistance to States for Developing Export Infrastructure and Allied Activities (ASIDE) Scheme" in Jammu and Kashmir State and general issues relating to previous Audit Reports.
4. Audit of accounts of Government companies is conducted by the Comptroller and Auditor General of India under Section 19(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971 and under the provisions of Section 619A of the Companies Act, 1956.
5. The cases mentioned in this Report are among those which came to notice in the course of test audit of accounts during the year 2011-12 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to 2011-12 have also been included, wherever necessary.
6. The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.