

## Preface

This report deals with the results of audit of Government Companies and Statutory Corporations for the year ended March 2014.

The accounts of Government Companies (including companies deemed to be Government Companies as per the provisions of the Companies Act, 1956) are audited by the Comptroller and Auditor General of India (CAG) under the provisions of Section 619 of the Companies Act 1956. The accounts certified by the statutory Auditors (Chartered Accountants) appointed by the CAG under the Companies Act are subject to supplementary audit by 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.

Reports in relation to the accounts of a Government Company or a Statutory Corporation are submitted to the Government of Andhra Pradesh by CAG for laying before State Legislature of Andhra Pradesh under the provisions of Section 19-A of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

In respect of Andhra Pradesh State Road Transport Corporation which is a Statutory corporation, the CAG is sole auditor. As per the State Financial Corporation (Amendment) Act, 2000, the CAG has right to conduct audit of accounts of Andhra Pradesh State Financial Corporation (APSFC) in addition to audit conducted by Chartered Accountants appointed by the APSFC Corporation out of panel of auditors approved by the Reserve Bank of India. In respect of Andhra Pradesh State Warehousing Corporation, the CAG has the right to conduct audit of accounts in addition to audit conducted by the Chartered Accountant appointed by State Government in consultation with the CAG. Audit Reports on the annual accounts of all these corporations/ Commission are forwarded separately to State Government.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2013-14 as well as those which came to notice in earlier years, but could not be reported in the previous reports; matters relating to the period subsequent to 2013-14 have also been included, wherever necessary.

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