

PREFACE

This report contains two sections. **Section A** deals with the results of audit of Public Sector Undertakings, namely, Government Companies and Statutory Corporations of the Government of Andhra Pradesh comprising both Power and Non-Power Sector. **Section B** deals with results of audit of Departments and Entities (other than PSUs) under Economic Sector of the Government of Andhra Pradesh.

SECTION-A: PUBLIC SECTOR UNDERTAKINGS

This section deals with results of audit of Government Companies and Statutory Corporations for the year ended March 2018 and has been prepared for submission to the Government of Andhra Pradesh under the provisions of Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, for laying before State Legislature.

The accounts of the Government Companies (including Companies deemed to be Government Companies as per the provision of the Companies Act) are audited by the CAG under Section 139 and 143 of the Companies Act, 2013. The accounts certified by the Statutory Auditors (Chartered Accountants) appointed by the CAG under the Companies Act are subject to supplementary audit by officers of 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. The audit arrangements of Statutory Corporations are prescribed under the respective Acts through which the corporations are established.

This section deals with analysis of performance of 88 Public Sector Undertakings (PSUs) consisting of 85 Government Companies and 3 Statutory Corporations in the State of Andhra Pradesh, the audit of which have been entrusted to the Comptroller and Auditor General of India. The section includes an Introductory Chapter on the functioning of all the 88 PSUs. Thereafter, the section has been divided in two parts. **Part-I** deals with the analysis of the performance of the 8 Power Sector PSUs and includes three Compliance Audit paragraphs. **Part-II** of the section deals with the analysis of the performance of the 80 PSUs (Non-Power Sector) and includes one Performance Audit on "Activities of Andhra Pradesh Mineral Development Corporation Limited" and one Compliance Audit paragraph.

The instances mentioned in this section are those, which came to notice in course of test audit for the period 2017-18 as well as those which came to notice in earlier years, but could not be reported in previous Audit Reports. Matters relating to the period subsequent to 2017-18 have also been included, wherever necessary.

SECTION-B: DEPARTMENTS AND ENTITIES (OTHER THAN PSUs) UNDER ECONOMIC SECTOR

The Report in **Section B** for the year ended March 2018 has been prepared for submission to Governor of Andhra Pradesh under Article 151 of the Constitution of India for being laid before Legislature of the State.

This section contains significant results of Performance Audit and Compliance Audit of Agriculture and Cooperation Department; Animal Husbandry, Dairy Development and Fisheries Department; Municipal Administration and Urban Development Department; Revenue Department; Panchayat Raj and Rural Development Department; and Water Resources Department of Government of Andhra Pradesh.

The instances mentioned in this section are those which came to notice in the course of test audit for the period 2017-18 as well as those which came to notice in earlier years, but were not reported earlier. Instances relating to the period subsequent to 2017-18 have also been included wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the CAG.