PREFACE

Government commercial concerns, the accounts of which are subject to audit by the Comptroller and Auditor General of India (CAG) fall under the following categories:

- Government companies,
- Statutory corporations and
- Departmentally managed commercial undertakings.

2. This report deals with the results of audit of Government companies and Statutory corporations including Tamil Nadu Electricity Board and has been prepared for submission to the Government of Tamil Nadu under Section 19-A 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 Tamil Nadu.

3. Audit of the accounts of Government companies is conducted by the CAG under the provisions of Section 619 of the Companies Act, 1956.

4. In respect of Tamil Nadu Electricity Board, which is a Statutory corporation, the CAG is the sole auditor. In respect of Tamil Nadu Warehousing Corporation, CAG has the right to conduct the audit of its accounts in addition to the audit conducted by the Chartered Accountants appointed by the State Government in consultation with the CAG. In respect of Tamil Nadu Electricity Regulatory Commission, the CAG is the sole auditor. The Audit Reports on the annual accounts of these corporations/commission are forwarded separately to the State Government.

5. The cases mentioned in this Report are those, which came to notice in the course of audit during 2010-11 as well as those which came to notice in the earlier years but were not dealt with in the previous reports. Matters relating to the period subsequent to 2010-11 have also been included, wherever necessary.

6. Audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.