

## PREFACE

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

- (i) Government companies,
- (ii) Statutory corporations, and
- (iii) Departmentally managed commercial undertakings.

2. This report deals with the results of audit of Government companies and Statutory corporations, including Bihar State Electricity Board and has been prepared for submission to the Government of Bihar under Section 19A of the Comptroller & Auditor General's (CAG) (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 for the year ended 31 March 2009 (Civil) - Government of Bihar.

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

4. In respect of Bihar State Road Transport Corporation and Bihar State Electricity Board which are Statutory corporations, the Comptroller and Auditor General of India is the sole auditor. As per the State Financial Corporations (Amendment) Act 2000, CAG has the right to conduct the audit of accounts of Bihar State Financial Corporation in addition to the audit conducted by the Chartered Accountants appointed by the Corporation out of the panel of auditors approved by the Reserve Bank of India. In respect of Bihar State Warehousing Corporation, the CAG has the right to conduct the audit of their accounts in addition to the audit conducted by the Chartered Accountants appointed by the State Government in consultation with the CAG. In respect of Bihar Electricity Regulatory Commission, the CAG is the sole auditor. The Audit Reports on annual accounts of all these corporations 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 the year 2008-09 as well as those which came to notice in earlier years but were not dealt with in the previous Reports. Matters relating to the period subsequent to 2008-09 have also been included, wherever necessary.

6. Audit in relation to the material included in this report has been conducted in conformity with the Auditing Standards issued by the CAG.