

Chapter I

1. Overview of State Public Sector Undertakings

Introduction

1.1 The State Public Sector Undertakings (PSUs) consist of State Government Companies and Statutory Corporations established to carry out activities of commercial nature while keeping in view welfare of the people. In Odisha, PSUs occupy an important place in the State economy. Working State PSUs registered a turnover of ₹ 11,294.70 crore as per their latest finalised accounts (September 2013) which was equal to 4.37 *per cent* of Gross State Domestic Product (GSDP) of ₹ 2,58,744.09 crore for 2012-13. Major activities of State PSUs are concentrated in Power and Manufacturing sectors. Working PSUs earned a profit of ₹ 890 crore in the aggregate as per their latest finalised accounts (September 2013). They had 0.21 lakh employees as on 31 March 2013.

1.2 As on 31 March 2013, there were 65 PSUs (including 62 Companies and 3 Statutory Corporations) as per details given below. None of these Companies was listed on the Stock Exchange.

Type of PSUs	Working PSUs	Non-working PSUs	Total
Government Companies ¹	34 ²	28	62
Statutory Corporations	3	-	3
Total	37	28	65

Audit Mandate

1.3 Audit of Government Companies is governed by Section 619 of the Companies Act, 1956. According to Section 617, a Government Company is one in which not less than 51 *per cent* of paid up capital is held by Government (s). A Government Company includes a subsidiary of a Government Company. Further, a Company in which 51 *per cent* of the paid up capital is held in any combination by Government (s), Government Companies and Corporations controlled by Government (s) is treated as if it was a Government Company (deemed Government Company) as per Section 619 B of the Companies Act.

1.4 Accounts of State Government Companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors, who are appointed by the Comptroller and Auditor General of India (CAG) as per provisions of Section 619 (2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by the CAG as per provisions of Section 619(4) of the Companies Act, 1956.

¹ Includes seven 619 B Companies of which six are working Companies

² One working 619 B Company namely Kalinga Bidyut Prasaran Nigam Private Limited was incorporated on 31 December 2012

1.5 Audit of Statutory Corporations is governed by their respective legislations. Out of three Statutory Corporations, the CAG is the sole auditor for Odisha State Road Transport Corporation. In respect of Odisha State Warehousing Corporation and Odisha State Financial Corporation, audit is conducted by Chartered Accountants and supplementary audit by the CAG.

Investment in State PSUs

1.6 As on 31 March 2013, investment (capital and long-term loans) in 65 PSUs (including 619 B Companies) was ₹ 10,471.51 crore as per details given in the table below:

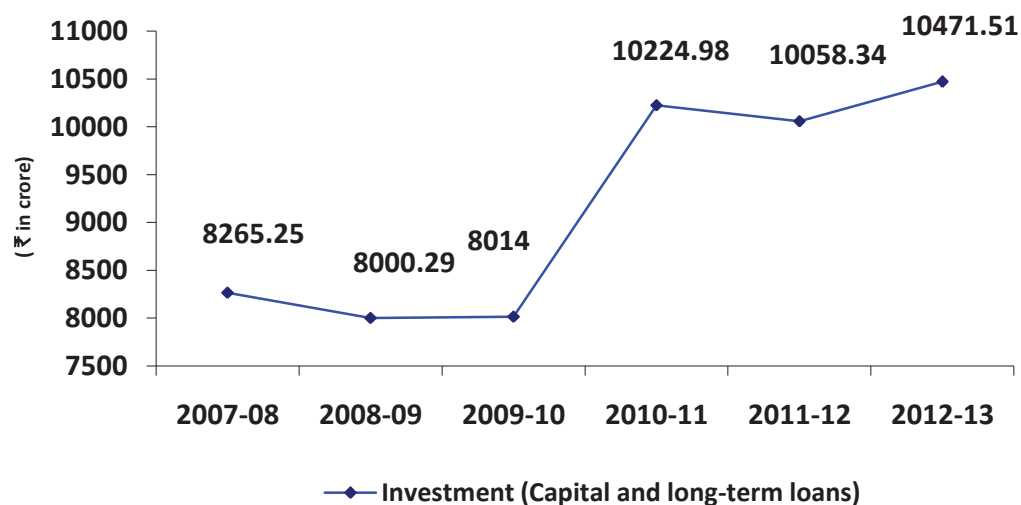
Type of PSUs	Government Companies			Statutory Corporations			Grand Total
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	
Working PSUs	2,109.68	7,519.82	9,629.50	578.39	146.20	724.59	10,354.09
Non-working PSUs	80.28	37.14	117.42	--	--	--	117.42
Total	2,189.96	7,556.96	9,746.92	578.39	146.20	724.59	10,471.51

(₹ in crore)

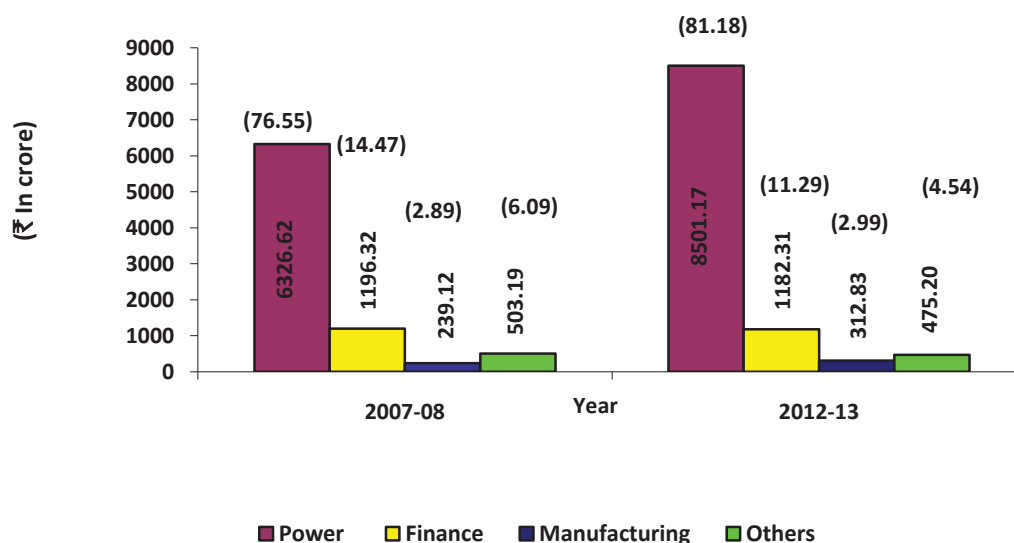
(Source: Information submitted by PSUs)

Summarised position of investment in State PSUs is detailed in **Annexure 1**.

1.7 As on 31 March 2013, of the total investment in State PSUs, 98.88 per cent was in working PSUs and the remaining 1.12 per cent in non-working PSUs. This total investment consisted of 26.44 per cent towards capital and 73.56 per cent in long-term loans. Investment had increased by 26.69 per cent from ₹ 8,265.25 crore in 2007-08 to ₹ 10,471.51 crore in 2012-13 due to increase in capital and loan in power sector as shown in the graph below:



1.8 Investment in various important sectors and percentage thereof at the end of 31 March 2008 and 31 March 2013 are indicated below in the bar chart.



(Figures in brackets show the sector percentage to total investment)

Thrust of PSU investment was mainly in power sector during six years ending 31 March 2013. Share of investment of power sector has marginally increased from 76.55 per cent in 2007-08 to 81.18 per cent in 2012-13 and in manufacturing sector from 2.89 per cent in 2007-08 to 2.99 per cent in 2012-13. Share of investment of financing sector has decreased from 14.47 per cent in 2007-08 to 11.29 per cent in 2012-13 and other sectors from 6.09 per cent in 2007-08 to 4.54 per cent in 2012-13.

Budgetary outgo, grants/subsidies, guarantees and loans

1.9 Details regarding budgetary outgo towards equity, loans, grants/subsidies, guarantees issued, loans written off, loans converted into equity and interest waived in respect of State PSUs are given in **Annexure 3**. Summarised details for three years ended 2012-13 are given below.

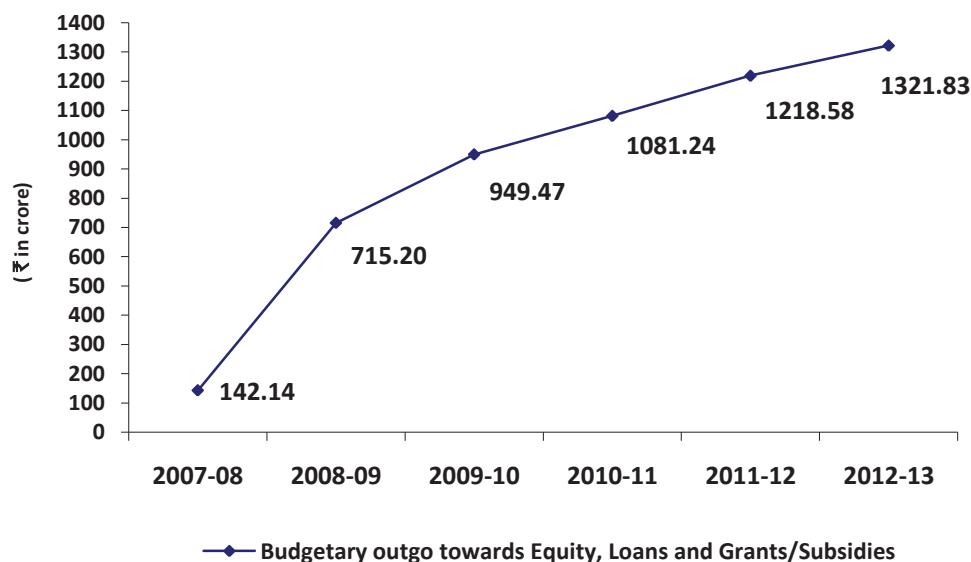
Sl. No.	Particulars	2010-11		2011-12		2012-13	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity Capital outgo from budget	4	73.00	1	43.00	3	61.72
2.	Loans given from budget	2	48.03	1	163.23	--	--
3.	Grants/Subsidy received	11	960.21	11	1,012.35	11	1,260.11
4.	Total outgo (1+2+3)	16 ³	1,081.24	13	1,218.58	13	1,321.83
5.	Loans converted into equity	--	-	--	--	--	--

³ Actual number of Companies and Corporations which received equity/loans/Grants/Subsidies from the State Government.

Sl. No.	Particulars	2010-11		2011-12		2012-13	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
6.	Loans written off	2	180.65	2	1.80	2	2.28
7.	Interest/Penal interest written off	--	--	--	--	--	--
8.	Total waiver (6+7)	2	180.65	2	1.80	2	2.28
9.	Guarantees issued	1	1,600.00	1	290.00	--	--
10.	Guarantee commitment	5	2,357.53	4	2,373.41	2	2,274.15

(Source: Information submitted by PSUs)

1.10 Details regarding budgetary outgo towards equity, loans and grants/subsidies for the past six years are given in a graph below:



It may be noticed that year-wise budgetary outgo of the State towards equity, loans and grants/subsidy to State PSUs showed increasing trend after 2007-08 and touched the highest figure of ₹ 1,321.83 crore during 2012-13 mainly due to release of subsidy of ₹ 1,182.66 crore to Odisha State Civil Supplies Corporation Limited and equity contribution of ₹ 50 crore to Odisha Power Transmission Corporation Limited.

1.11 As per guidelines (November 2002) of Government of Odisha, State PSUs were liable to pay guarantee commission (GC) at the rate of 0.5 per cent per annum on the maximum of guarantee sanctioned irrespective of amount of loan actually availed or outstanding there against. Guarantee commitment by Government at the end of 2012-13 was ₹ 2,274.15 crore against two PSUs. During 2012-13 two⁴ PSUs paid GC of ₹ 0.46 crore to State Government, while GC of ₹ 55.37 crore was outstanding in respect of five⁵ PSUs.

⁴ Sl No.A-13 and 25 of Annexure-2

⁵ Sl No.2,12,24,25 and 27 of Annexure-2

Absence of accurate figure for investment in PSUs

1.12 Figures in respect of equity, loans and guarantees outstanding as per records of State PSUs should agree with that of the figures appearing in the Finance Accounts of the State. In case the figures do not agree, PSUs concerned and the Finance Department should reconcile the differences. The position in this regard as at 31 March 2013 is stated below:

(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	2,439.39	2,209.43	229.96
Loans	Not Available	3,879.06	---
Guarantees	2,194.08	2,274.15	80.07

1.13 It was observed that differences occurred in respect of 30 PSUs⁶ and some of the differences were pending reconciliation since many years. Although office of the Accountant General (AG) had time to time written to the Administrative Departments of the State PSUs concerned highlighting issue of long pending differences for early reconciliation, no significant progress was, however, noticed. The Government and the PSUs may take concrete steps to reconcile the differences in a time-bound manner.

Performance of PSUs

1.14 Financial results of PSUs, financial position and working results of working Statutory Corporations are detailed in **Annexures 2, 5 and 6** respectively. A ratio of working State PSUs turnover to GSDP shows extent of PSUs activities in State economy. Table below provides details of turnover of working PSUs and GSDP for the period 2007-13.

(₹ in crore)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Turnover ⁷	7,257.81	8,093.78	8,573.26	9,320.78	11,450.16	11,294.70
Percentage of increase in turnover to previous year	--	11.52	5.92	8.72	22.85	-1.36
GSDP	1,06,466	1,22,165	1,50,946.38	1,86,356	2,26,236.14	2,58,744.09
Percentage of increase in GSDP to previous year	--	14.75	23.56	23.46	21.40	14.37
Percentage of turnover to GSDP	6.82	6.63	5.68	5.00	5.06	4.37

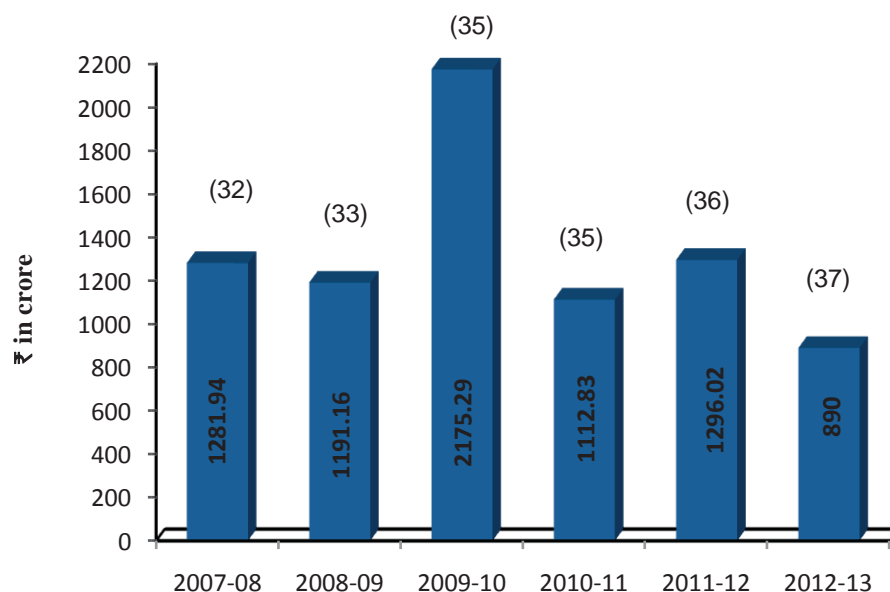
(Source: Annual Reports of PSUs and data from Government)

Turnover of PSUs did not increase in proportion to corresponding increase in GSDP except in 2011-12.

⁶ Including 8 non-working PSUs

⁷ Turnover of working State PSUs as per the latest finalised accounts as of 30 September 2013

1.15 Profit earned by working State PSUs during 2007-13 is given below.



■ Overall Net Profit earned by working PSUs as per their latest finalised accounts

(Figures in brackets show the number of working PSUs in respective years)

From above it can be seen that working PSUs earned overall profit in all the years which ranged between ₹ 890 crore (2012-13) and ₹ 2,175.29 crore (2009-10). Out of 37 working PSUs, 23 PSUs earned profit of ₹ 1,888.39 crore and seven PSUs incurred loss of ₹ 998.39 crore as per their latest finalised accounts during October 2012 to September 2013. One working PSU i.e., Odisha State Civil Supplies Corporation Limited prepared its accounts on 'no profit no loss' basis while six⁸ Companies have not yet started their operation/commercial production. Major contributors to profit were The Odisha Mining Corporation Limited (₹ 1,383.46 crore), Odisha Power Generation Corporation Limited (₹ 250.24 crore), Odisha State Beverages Corporation Limited (₹ 72.32 crore) and Odisha Hydro Power Corporation Limited (₹ 58.92 crore). Heavy losses were incurred by GRIDCO Limited (₹ 936.81 crore), Orissa Rural Housing and Development Corporation Limited (₹ 31.71 crore) and IDCOL Kalinga Iron Works Limited (₹ 27.54 crore).

1.16 Losses of PSUs are mainly attributable to deficiencies in financial management, planning, implementation of projects, running their operations and monitoring. A review of latest three years' Audit Reports of the CAG showed that working State PSUs incurred losses to the tune of ₹ 12,493.70 crore and made infructuous investment of ₹ 15.04 crore. Year-wise details from Audit Reports are stated in the following table:

⁸ Sl. Nos.A-16, 20, 23, 28, 29 and 31 of **Annexure 2**

(Amount: ₹ in crore)

Particulars	2010-11	2011-12	2012-13	Total
Net Profit	1,112.83	1,296.02	890.00	3,298.85
Controllable losses as per the CAG's Audit Report	929.60	4,492.46	7,071.64	12,493.70
Infructuous investment	--	2.44	12.60	15.04

1.17 Some other key parameters pertaining to State PSUs are given below:

(Amount: ₹ in crore)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Return on Capital Employed (<i>per cent</i>)	18.59	15.14	20.21	9.78	15.80	13.62
Debt	5,929.23	5,573.22	5,549.32	7,588.39	7,469.11	7,703.16
Turnover ⁹	7,257.81	8,093.78	8,573.26	9,320.78	11,450.16	11,294.70
Debt/Turnover ratio	0.82:1	0.69:1	0.65:1	0.81:1	0.65:1	0.68:1
Interest payment	478.85	402.59	358.19	361.09	970.85	976.32
Accumulated profit/(loss)	(17.36)	1,269.44	2,135.60	2,339.35	2,254.85	1,561.36

(Source: Information submitted by PSUs)

1.18 Above parameters showed mixed trend in financial position of the PSUs. Percentage of return on capital employed ranged between 9.78 (2010-11) and 20.21 (2009-10). Return on capital employed reduced to 13.62 *per cent* in 2012-13 as against 15.80 *per cent* in 2011-12 mainly due to decrease in profit of The Odisha Mining Corporation Limited from ₹ 1,880.59 crore to ₹ 1,383.46 crore. Debt turnover ratio increased from 0.65:1 in 2011-12 to 0.68:1 in 2012-13 due to decrease in turnover and increase in debt as compared to previous year. As against accumulated losses of ₹ 17.36 crore in 2007-08, though PSUs registered an increasing trend of accumulated profit upto 2010-11 (₹ 2,339.35 crore) indicating an improved performance, it reduced to ₹ 2,254.85 crore in 2011-12 with further reduction to ₹ 1,561.36 crore in 2012-13.

1.19 State Government formulated (December 2011) a dividend policy under which all profit making PSUs are required to pay a minimum dividend of 20 *per cent* on equity or a minimum of 20 *per cent* of post tax profit whichever is higher and in case of mining and power sector PSUs, minimum dividend should be 30 *per cent* of post tax profit. As per their latest finalised accounts, 23¹⁰ PSUs earned an aggregate post tax profit of ₹ 1,251.42 crore of which 8¹¹ PSUs declared/paid dividend of ₹ 472.84 crore.

⁹ Turnover of working PSUs as per the latest finalised accounts as of 30 September of respective years

¹⁰ Sl. No.A-1,2,3,4,5,6,7,8,11,13,14,15,17,21,22,25,26,27,30 & 33 and B-1,2 & 3 of **Annexure 2**

¹¹ Sl. No.A-3,4,13,21,22,25&26 and B-3 of **Annexure 2**

Arrears in finalisation of accounts

1.20 Annual accounts of Companies for every financial year are required to be finalised within six months from end of the relevant financial year under Sections 166, 210, 230, 619 and 619 B of the Companies Act, 1956. Similarly, in case of Statutory Corporations, their accounts are to be finalised, audited and presented to Legislature as per provisions of their respective Acts. Table below provides details of progress made by working PSUs in finalisation of accounts by September 2013.

Sl. No.	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
1.	Number of working PSUs	33	35	35	36	37
2.	Number of accounts finalised during the year	34	46	39	30	35
3.	Number of accounts in arrears	54	43	39	45	47
4.	Average arrears per PSU (3/1)	1.64	1.23	1.11	1.25	1.27
5.	Number of working PSUs with arrears in accounts	28	27	25	29	30
6.	Extent of arrears	1 to 5 years	1 to 5 years	1 to 5 years	1 to 4 years	1 to 5 years

1.21 From the table, it may be seen that though average arrears per PSU were in decreasing trend up to 2010-11, the same increased to 1.27 during 2012-13. Large number of 47 accounts relating to 30 working PSUs was in arrears as on 30 September 2013. Thus, concrete steps should be taken by the Companies for preparation of accounts as per statutory requirements with special focus on clearance of arrears in a time bound manner. Government, however, was pursued for finalisation of arrear accounts in a time bound manner.

1.22 In addition to above, there were also arrears in finalisation of accounts by non-working PSUs. Out of 28 non-working PSUs, 17¹² had gone into liquidation process. Remaining 11 non-working PSUs had arrears of accounts for 12 to 42 years.

1.23 As on September 2013 State Government has invested ₹ 1,317.61 crore (Equity: ₹ 58.00 crore and grants/subsidy: ₹ 1,259.61 crore) in 11 PSUs during the years for which accounts have not been finalised (**Annexure 4**).

1.24 Administrative Departments overseeing the activities of these entities have also to ensure that accounts are finalised and adopted by PSUs within the prescribed period. The Accountant General (AG) has brought out the position of accounts to the notice of Administrative Departments concerned every quarter. AG also highlighted (January 2013, May 2013 and August 2013) the matter to the Chief Secretary of Government of Odisha emphasising the need to expedite the clearance of backlog of accounts in a time bound manner. No

¹² Sl. No.C-1,3,4,5,6,7,9,10,12,14,15,18,19,20,24,25 and 26 of **Annexure 2**

significant progress was, however, noticed in this direction. As a result of this Audit could not assess the actual net worth of these PSUs.

1.25 It is, therefore, recommended that Government should monitor and ensure timely finalisation of accounts with special focus on arrears and comply with provisions of the Companies Act, 1956.

Winding up of non-working PSUs

1.26 There were 28 non-working PSUs (all Companies) as on 31 March 2013. Of these, 17 PSUs were under liquidation process. Number of non-working Companies at the end of each year during the past five years is given below:

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Number of non-working Companies	33	33	30	28	28

Non-working PSUs are required to be closed down as their continuance is a cost to exchequer with no purpose. During 2012-13 three¹³ non-working PSUs incurred an expenditure of ₹ 0.22 crore towards establishment expenditure, salary etc. Such expenditure was financed by State Government by way of grants.

1.27 Details of closure stages in respect of non-working PSUs are given below:

Sl. No.	Particulars	Number of Company
1.	Total number of non-working PSUs	28
2.	Of (1) above, the number under	
(a)	Liquidation by Court	10 ¹⁴
(b)	Voluntary winding up	7 ¹⁵
(c)	Closure i.e., closing orders/instructions issued but liquidation process not yet started	11

1.28 Companies which have taken the route of winding up by Court orders are under liquidation for a period ranging from 6 to 21 years. Process of voluntary winding up under the Companies Act is faster and needs to be adopted/pursued vigorously. Government may take an early decision regarding winding up of 11 non-working PSUs and expedite the liquidation process.

¹³ Sl. No. C-1,2 and 3 of Annexure 4

¹⁴ Sl. No.C-3,5,6,7,9,18,19,20,25 and 26 of Annexure 2

¹⁵ Sl. No.C-1,4,10,12,14,15 and 24 of Annexure 2

Accounts comments and Internal Audit

1.29 Thirty one working Companies forwarded 35 audited accounts to the Accountant General during October 2012 to September 2013. The audit reports of Statutory Auditors appointed by the CAG and the supplementary audit of the CAG indicate that quality of maintenance of accounts needs to be improved. Details of aggregate money value of comments of Statutory Auditors and the CAG for last three years are given below:

(Amount: ₹ in crore)

Sl. No.	Particulars	2010-11		2011-12		2012-13	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	14	1,145.50	6	616.09	12	687.10
2.	Increase in loss	3	65.22	6	969.20	4	46.66
3.	Non-disclosure of material facts	12	192.71	11	515.03	15	4,734.18
4.	Errors of classification	7	291.35	4	6.75	2	0.06

1.30 During 2012-13, Statutory Auditors had given qualified certificates for all 35 accounts. Compliance of the Accounting Standards (AS) by Companies remained poor as there were 44 instances of non-compliance with AS in 19 accounts during the year.

1.31 Some of the important comments are stated below:

The Odisha Mining Corporation Limited (2012-13)

- Non-provision of liability of ₹ 20.32 crore towards peripheral development and corporate social responsibility activities has resulted in understatement of Other Current Liabilities and overstatement of profit by ₹ 20.32 crore each.
- Overvaluation of stock of chrome ore (₹ 1.03 crore)/iron ore (₹ 9.64 crore) and inclusion of expenses (₹ 6.36 crore) not related to bringing chrome/iron ore stock to its present location at different mines/ Chrome Ore Beneficiation Plant resulted in overstatement of Current Assets – Inventory and profit for the year by ₹ 17.03 crore each.

Odisha Power Generation Corporation Limited (2012-13)

- Non-provision of ₹ 38.40 crore towards MAT credit and interest under section 244 A of IT Act payable to GRIDCO Limited as per the Power Purchase Agreement has resulted in understatement of Current Liabilities and overstatement of profit for the year by the same amount.

The Industrial Development Corporation of Odisha Limited (2011-12)

- Non-provision of ₹ 6.47 crore demanded by Forest Authority towards Net Present Value (₹ 6.27 crore) and wild life management plan (₹ 0.20 crore) of forest land at Behera Banjipalli mines has resulted in understatement of Other Expenses, Other Non-Current Liabilities as well as loss for the year by ₹ 6.47 crore each.

IDCOL Kalinga Iron Works Limited (2011-12)

- Non-provision of liability of ₹ 19.62 crore towards group gratuity (₹ 13.11 crore) and unutilised leave encashment (₹ 6.51 crore) as demanded by LIC of India resulted in understatement of Current Liabilities and loss for the year by ₹ 19.62 crore each.

The Industrial Promotion and Investment Corporation of Odisha Limited (2011-12)

- Non-provision of interest of ₹ 3.14 crore for the period 20 June 2008 to 31 March 2012 on outstanding State Government loan of ₹ 654.35 crore pending approval of Government for conversion to equity has resulted in understatement of finance cost, Other Current Liabilities and overstatement of profit for the year by ₹ 3.14 crore each.

1.32 Similarly, three working Statutory Corporations forwarded three accounts to the AG during October 2012 to September 2013. Of these, account of Odisha State Road Transport Corporation pertains to sole audit by the CAG and supplementary audit conducted for other two accounts. Details of aggregate money value of comments of Statutory Auditors and the CAG for the last three years are given below:

(Amount: ₹ in crore)

Sl. No.	Particulars	2010-11		2011-12		2012-13	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	2	4.52	4	17.99	3	16.59
2.	Non-disclosure of material facts	1	113.22	1	0.35	3	42.90

During the year, all three accounts received were given qualified certificates.

1.33 Some of the important comments in respect of accounts of Statutory Corporations are stated below:

Odisha State Warehousing Corporation (2011-12)

Non-provision of ₹ 6.63 crore towards additional tax liabilities assessed by Income Tax authorities for financial years 2003-04 to 2008-09 has resulted in understatement of provision for tax and overstatement of accumulated profit (Reserve Fund) by the same amount.

Odisha State Road Transport Corporation (2010-11)

Non-provision of ₹ 1.34 crore towards service tax for the period June 2007 to March 2011 demanded by tax authorities has resulted in understatement of expenditure and overstatement of net surplus for the year by ₹ 1.34 crore each.

1.34 Statutory Auditors (Chartered Accountants) are required to furnish a detailed report upon various aspects including internal control/ internal audit systems in the Companies audited in accordance with the directions issued by the CAG under Section 619(3)(a) of the Companies Act, 1956 and to identify areas which needed improvement. An illustrative resume of major comments made by Statutory Auditors on possible areas for improvement in internal audit/ internal control system in respect of 17 Companies¹⁶ for the year 2011-12 and 20 Companies¹⁷ for the year 2012-13 are given below:

Sl. No.	Nature of comments made by Statutory Auditors	Number of Companies where recommendations were made	Reference to serial number of the Companies as per Annexure 2
1.	Non-fixation of minimum/ maximum limits of store and spares	10	A-2,3,5,7,11,13,14,19,21 and 27
2.	Absence of internal audit system commensurate with the nature and size of business of the company	18	A-2,3,4,5,7,9,11,12,13,16,17,18, 19,21,22,27,30 and 34
3.	Non-maintenance of cost record	5	A-,3,4,7,11, and 27
4.	Non-maintenance of proper records showing full particulars including quantitative details, situations, identity number, date of acquisitions, depreciated value of fixed assets and their locations	14	A-2,3,4,5,9,11,13,14,16,18,19, 21,33 and 34

Recoveries at the instance of audit

1.35 During 2012-13 Audit pointed out recovery of ₹ 474.29 crore of which though Managements accepted ₹ 308.13 crore for recovery, no recovery was effected as on 30 September 2013. Out of recoveries pointed out in earlier years, ₹ 1.16 crore was recovered during 2012-13.

Status of placement of Separate Audit Reports

1.36 Following table shows status of placement of various Separate Audit Reports (SARs) issued by the CAG on accounts of Statutory Corporations in Legislature by the Government.

¹⁶ Sl. No.A-2,3,6,7,9,10,11,14,15,18,19,21,25,26,28,30 and 32 of Annexure 2

¹⁷ Sl. No.A-2,3,4,5,7,9,11,12,13,14,16,17,18,19,21,22,27,30, 33 and 34 of Annexure 2

Sl. No.	Name of Statutory Corporation	Year up to which SARs placed in Legislature	Year for which SARs not placed in Legislature		
			Year of SAR	Date of issue to the Government	Reasons for delay in placement in Legislature
1.	Odisha State Financial Corporation	2012-13	--	--	--
2	Odisha State Warehousing Corporation	2010-11	2011- 12	25 June 2013	Not furnished by Management/ Department
3.	Odisha State Road Transport Corporation	2009-10	2010-11	29 November 2012	Not furnished by Management/ Department

Delay in placement of SAR dilutes the financial accountability of Statutory Corporations. Government should ensure prompt placement of SARs of Odisha State Warehousing Corporation and Odisha State Road Transport Corporation in the Legislature.

Disinvestment, Privatisation and Restructuring of PSUs

1.37 Government of Odisha under Public Enterprise Restructuring Programme identified 35 PSUs for closure (13), privatisation (13) and restructuring (9) during 2005-07. It was noticed that at the end of March 2013, 2¹⁸ PSUs were closed and 3¹⁹ PSUs were privatised. Out of the balance 30²⁰ PSUs (Working: 19 and Non-working:11) action is in progress for closure of 10 PSUs, privatisation of 3 PSUs, restructuring of 9 PSUs and for the balance 8 PSUs, information was not furnished by Public Enterprises department.

Reforms in Power Sector

1.38 Under the Orissa Electricity Reform Act, 1995, Odisha Electricity Regulatory Commission (OERC) was formed in August 1996 with the objective of rationalisation of electricity tariff, for advising in matters relating to electricity generation, transmission and distribution in the State and issue of licenses. During 2012-13, OERC issued 104 orders (eight on Annual Revenue Requirements and Tariff related matters and 96 on others). OERC had submitted its accounts for 2010-11 under section 104 of the Electricity Act, 2003. Audit of the accounts of OERC had been undertaken by the CAG under section 19(3) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 read with Section 104(2) of the Electricity Act, 2003.

¹⁸ Orissa Timber and Engineering Works and General Engineering and Scientific Works

¹⁹ Hirakud Industrial Works Limited, IDCOL Cement Limited and IDCOL Rolling Mills Limited.

²⁰ Sl No.A- 2, 3, 4, 5, 6, 7,12, 13, 14, 17, 18, 19, 21 ,30, 32, 33 & 34; B- 1 & 2; and C- 7, 9, 13, 16, 18, 19, 20, 21, 22, 27 & 28 of **Annexure-2**

1.39 Memorandum of Understanding (MoU) was signed (June 2001) between Union Ministry of Power and State Government as a joint commitment for implementation of Reforms Programme in the power sector with identified milestones. The progress achieved so far in respect of important milestones is stated in the following table:

Sl. No.	Particulars	Milestone	Achievement as at March 2013
1.	Hundred <i>per cent</i> metering of all consumers	December 2005	94.12 <i>per cent</i> consumers metered
2.	Hundred <i>per cent</i> metering of all distribution feeders	March 2009	Metering completed upto 42.74 <i>per cent</i>
3.	Transmission and distribution losses will not exceed 34 <i>per cent</i> , which have to be brought down to 20 <i>per cent</i>	2009-10	Transmission and Distribution losses in 2012-13 was 38.23 <i>per cent</i>
4.	Hundred <i>per cent</i> electrification of all villages	March 2012	88.33 <i>per cent</i> villages were electrified

(Source: Information submitted by Department of Energy)