

PREFACE

This Report contains two parts. **Part A** deals with the results of audit of Public Sector Undertakings, namely, Government Companies and Statutory Corporations of the Government of Odisha comprising both Power Sector and Non-Power Sector. **Part B** deals with results of audit of Departments and Entities under Economic Sector of the Government of Odisha.

PART-A: PUBLIC SECTOR UNDERTAKINGS

The Report on the Public Sector Undertakings for the year ended 31 March 2018 and has been prepared for submission to the Government of Odisha for laying before the State Legislature under provisions of Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, as amended from time to time.

2. Audit of the accounts of Government Companies is conducted by the Comptroller and Auditor General of India under the provisions of Section 139 and 143 of the Companies Act, 2013. According to Section 2(45) of the Act 2013, a Government Company means any Company in which not less than 51 *per cent* of the paid-up share capital is held by the Central Government or by any State Government or Governments or partly by the Central Government and partly by one or more State Governments, and includes a Company which is a subsidiary company of such a Government Company. Besides, any other Company¹ owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred as Government controlled other Companies. The audit arrangements of Statutory Corporations are prescribed under the respective acts through which the corporations are established.

3. This part deals with performance of 82 Public Sector Undertakings (PSUs) consisting of 79 Government Companies and three Statutory Corporations in the State of Odisha, the audit of which has been entrusted to the Comptroller and Auditor General of India. The Report includes an Introductory Chapter on the functioning of all the 82 PSUs. Thereafter, the report has been divided into two parts: **Part-I** deals with the analysis of the performance of eight Power Sector PSUs. The Government of Odisha's (GoO) financial stakes in the Power Sector PSUs stood at ₹15,337.42 crore as on 31 March 2018. The power sector received 24.97 *per cent* (₹587.69 crore) of the total budgetary outgo (₹2,353.44 crore) during the year 2017-18. The equity contributed by the State Government in power sector was mainly towards capital investment and construction of various projects. During the year, the Power Sector PSUs, at the aggregate level, incurred a loss of (-) ₹75.81 crore.

We have presented the details of the performance of the Power Sector PSUs and results of audit of these companies (six compliance audit paragraphs) in Part- I of the Report.

¹ Ministry of Corporate Affairs- Companies (Removal of Difficulties) Seventh Order 2014 dated 4 September 2014

4. **Part-II** of the report deals with the details of the performance of 74 Non-Power Sector Public Sector Undertakings, including 3 Statutory Corporations. These PSUs, at the aggregate level, incurred a loss of ₹280.59 crore during 2017-18. This Part includes a Performance Audit of Odisha State Seeds Corporation Limited.

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

5. The Report in **Part B** for the year ended 31 March 2018 has been prepared for submission to the Governor of Odisha under Article 151 of the Constitution of India.

It contains results of the compliance audit of the Departments of Agriculture and Farmers' Empowerment, Forest and Environment and Water Resources of Government of Odisha under the Economic Sector.

6. The audit observations featured in this Report are those which came to notice in the course of audit during the year 2017-18 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 after 31 March 2018 have also been included, wherever necessary.

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