



ACCOUNTS AT A GLANCE

2011-2012

PRINCIPAL ACCOUNTANT GENERAL (ACCOUNTS & ENTITLEMENT)
ODISHA, BHUBANESWAR



Government of Odisha

ACCOUNTS AT A GLANCE
2011-2012



Odisha Legislative Assembly

PRINCIPAL ACCOUNTANT GENERAL (ACCOUNTS & ENTITLEMENT)
ODISHA, BHUBANESWAR

PREFACE

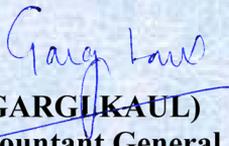
This is the fourteenth issue of our annual publication “**Accounts at a Glance**”.

The Annual Accounts of the State Government are prepared and examined under the direction of Comptroller and Auditor General of India in accordance with the requirements of the Comptroller and Auditor General’s (Duties, Powers and Conditions of Service) Act, 1971 for being laid before the Legislature of the State. The Annual Accounts consist of (a) Finance Accounts and (b) Appropriation Accounts. Finance Accounts are summary statement of accounts under the Consolidated Fund, the Contingency Fund and the Public Account. The Appropriation Accounts record the Grant-wise expenditure against provisions approved by State Legislature and offer explanations for variations between the actual expenditure and the funds provided. The Accountant General (Accounts and Entitlement) prepares the State Finance Accounts and the Appropriation Accounts.

“Accounts at a Glance” provides a broad overview of Governmental activities, as reflected in the Finance Accounts and the Appropriation Accounts. The information is presented through brief explanations, statements and graphs. These figures have been adopted from the Finance and Appropriation Accounts of Government of Odisha. In case of difference, the figures depicted in the Finance and Appropriation Accounts may be treated as correct.

We look forward to suggestions that would help us in improving the publication.

BHUBANESWAR
The 16th Nov’ 2012


(GARGI KAUL)
Principal Accountant General (A&E)



Principal Accountant General (A&E)

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Chapter I

OVERVIEW

1.1. Introduction

The Principal Accountant General (Accounts and Entitlements), Odisha compiles the accounts of receipts and expenditure of the Government of Odisha. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank of India. In addition the Principal Accountant General (A&E) prepares, annually, the Finance Accounts and the Appropriation Accounts, which are placed before the State Legislature after being duly checked by the Accountant General (G & SSA), Odisha and certification by the Comptroller and Auditor General of India.

1.2. Structure of Accounts

1.2.1. Government Accounts are kept in three parts:

Part I CONSOLIDATED FUND	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances, Inter State Settlement and Appropriation to Contingency Fund.
Part II CONTINGENCY FUND	Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped either by transferring the debit during the same financial year or by a fresh debit to the Consolidated Fund in the next financial year.
Part III PUBLIC ACCOUNT	Comprises of Small Savings & Provident Funds, Reserve Funds, Deposits & Advances, Suspense and Remittances transactions. While Small Savings & Provident Funds, Reserve Funds and Deposits represent repayable liabilities of the Government, the Advances represent receivables of the Government. Suspense and Remittances transactions are adjusting entries that are to be cleared eventually by booking to the final heads of account.

1.3. Finance Accounts and Appropriation Accounts

1.3.1. Finance Accounts

The Finance Accounts depict the Accounts of receipts and disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, accounts of the public debts and liabilities and assets as worked out from the balances as recorded in the Accounts. The Finance Accounts have been issued in two volumes, to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarized statements of overall receipts and disbursements and 'Notes to accounts' containing summary of significant accounting policies, quality of accounts and other items; Volume II contains other summarized statements (Part-I), detailed statements (Part-II) and appendices (Part-III).



Principal Accountant General (A&E)

Receipts and disbursements of the Government of Odisha as depicted in the Finance Accounts 2011-2012 are given below:

(₹ in crore)			
Receipts Total : 3,97,77	Revenue Total : 4,02.67	Tax Revenue	2,56,72
		Non Tax Revenue	64,43
		Grants-in-Aid	81,52
	Capital Total : -4,90	Recovery of Loans and Advances	1,32
		Borrowings and other Liabilities*	-6,22
Disbursements Total : 3,97,77	Revenue	3,46,60	
	Capital	44,96	
	Loans and Advances	6,21	

* Borrowings and other Liabilities; Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balance.

This year, the Government of India directly released ₹62,29 crore (₹62,58 crore last year) to the State Implementing Agencies/NGOs for implementation of various schemes and programmes. Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are exhibited in Appendix VII of Volume II of the Finance Accounts.

1.3.2. Appropriation Accounts

The Appropriation Accounts depict the expenditure of the State Government against amounts 'charged' on the Consolidated Fund or 'voted' by the State Legislature. There are 4 charged Appropriations and 38 voted Grants.

The Appropriation Acts, 2011-2012, had projected for gross expenditure of ₹5,07,73 crore and reduction of expenditure (recoveries) of ₹19,47 crore. Against this, the actual gross expenditure was ₹4,35,14 crore and reduction of expenditure was ₹14,09 crore, resulting in net savings of ₹72,59 crore (14 %) and an excess-estimation of ₹5,38 crore (28%) on reduction of expenditure. The gross expenditure includes ₹61 crore drawn on Abstract Contingent (AC) Bills, out of which ₹46 crore still outstanding at the end of the year for want of supporting Detailed Contingent (DC) bills.

During 2011-2012, ₹14,63 crore was transferred from the Consolidated Fund to Personal Deposit (PD) Accounts under the Public Account, which are maintained by designated Administrators for specific purposes. Normally, unspent balances under PD accounts are to be transferred back to the Government at the end of the financial year. However, details of such transfers, if any, and outstanding balances in individual PD accounts are available only with the treasuries, since they are responsible for maintaining such records.



1.4. Sources and Application of Funds

1.4.1. Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Governments to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹1,28 crore) maintained with the RBI. During 2011-2012, the Government of Odisha did not resort to OD facilities and has not availed of WMA.

1.4.2. Fund Flow statement

The State had a Revenue Surplus of ₹56,07 crore and a Fiscal Surplus of ₹6,22 crore representing 2.48 % and 0.27% of the State Gross Domestic Product (GSDP)¹. The Fiscal Surplus constituted 1.56% of total expenditure. Around 40.72% of the revenue receipts (₹1,63,96 crore) of the State Government was spent on committed expenditure like salaries (₹88,68 crore), interest payments (₹27,86 crore) and pensions (₹47,41 crore).

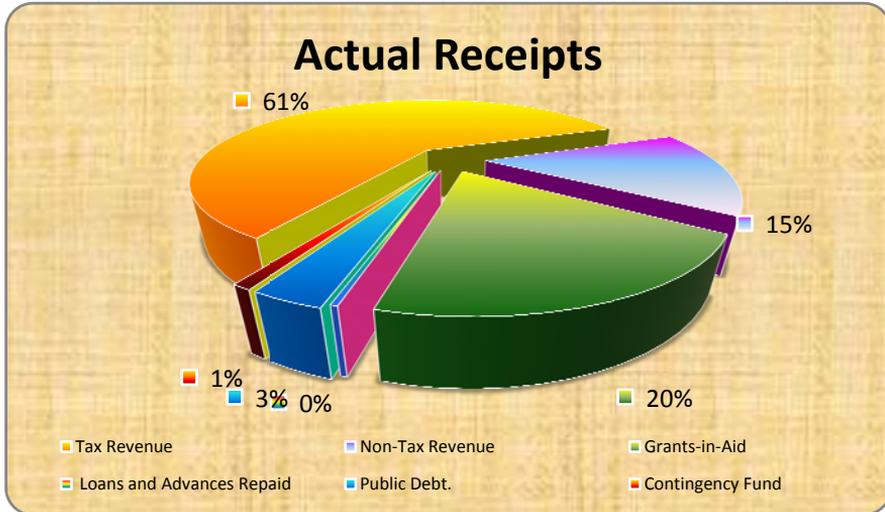
Sources and Application of Funds

		(₹ in crore)	
		PARTICULARS	AMOUNT
SOURCES	Opening Cash Balance as on 01.04.2011		-4,53
	Revenue Receipts		4,02,67
	Loans & Advances repaid		1,32
	Public Debt		13,54
	Small Savings Provident Fund & Others		24,92
	Reserves & Sinking Funds		16,61
	Deposits Received		40,13
	Civil Advances Repaid		1,13
	Suspense Account		10,14,50
	Remittances		72,40
	Contingency Fund		3,75
		TOTAL	15,86,44
APPLICATION	Revenue Expenditure		3,46,60
	Capital Expenditure		44,96
	Loans & Advances given		6,21
	Repayment of Public Debt		23,28
	Small Savings Provident Fund & Others		20,66
	Reserves & Sinking Funds		13,92
	Deposits Spent		34,59
	Civil Advances Given		1,13
	Suspense Account		10,27,40
	Remittances		72,31
	Contingency Fund		03
Closing Cash Balance as on 31 .3.2012		-4,65	
	TOTAL	15,86,44	

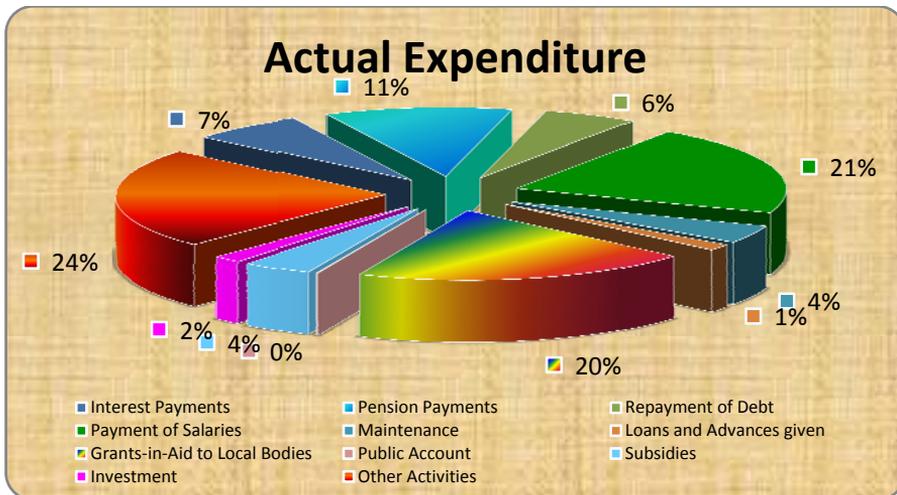
¹ GSDP for 2011-2012 is ₹22,62,36 crore (Advance Estimate) as intimated by the Joint Secretary to Govt. of Odisha, Finance Department, Bhubaneswar in their letter no. O.B and FA-12/2011-10130 dt.20.03.2012.



1.4.3. Where the ₹ came from



1.4.4. Where the ₹ went



1.5. Highlights of Accounts

	B.E 2011-12	Actuals	Percentage of actuals to B.E	Percentage of actuals to GSDP (b)
	(₹ in crore)			
1. Tax Revenue(a)	2,37,35	2,56,72	108	11
2. Non-Tax Revenue	37,99	64,43	170	3
3. Grants-in-aid & Contributions	88,49	81,52	92	4
4. Revenue Receipts (1+2+3)	3,63,83	4,02,67	111	18
5. Recovery of Loans and Advances	2,40	1,32	55	0.06
6. Borrowings & other Liabilities (e)	59,89	-6,22	-	-
7. Capital Receipts (5+6)	62,29	-4,90	-	-
8. Total Receipts(4+7)	4,26,12	3,97,77	93	18
9. Non-Plan Expenditure (d)	2,73,27	2,56,20	94	11
10. NPE on Revenue Account	2,69,56	2,49,40	93	11
11. NPE on Interest Payments out of 10	40,47	27,86	69	1
12. NPE on Capital Account	3,71	6,80	183	0.3
13. Plan Expenditure (f)	1,52,85	1,41,57	93	6
14. PE on Revenue Account	93,67	97,20	104	4
15. PE on Capital Account	59,18	44,37	75	2
16. Total Expenditure (9+13)	4,26,12	3,97,77	93	18
17. Revenue Expenditure (10+14)	3,63,23	3,46,60	95	15
18. Capital Expenditure (12+15) (c)	62,89	51,17	81	2
19. Revenue Surplus (4-17)	60	56,07	9345	2
20. Fiscal Surplus (4+5-16)	-59,89	6,22	-	0.3

- (a) Includes State's share of Union Taxes of ₹1,22,29 crore
- (b) GSDP during the year is ₹ 22,62,36 crore (Advance Estimate) as intimated by Finance Deptt. in their letter no. OB & FA-12 / 2011-10130 /F dt.20.03.2012.
- (c) Expenditure on Capital Account includes Capital Expenditure (₹44,96 crore) and Loans and Advances disbursed (₹6,21 crore).
- (d) Non-Plan Expenditure includes Revenue Expenditure (₹2,49,40 crore) Capital Expenditure (₹61 crore) and Loan & Advances disbursed (₹6,19 crore).
- (e) Borrowings and other Liabilities include net of Public Debt (₹-9,74 crore) net of Contingency Fund (₹3,72 crore), net of Public Account (₹-32 crore) and net of Opening & Closing Balance (₹ 12 crore)
- (f) Plan Expenditure includes Revenue Expenditure (₹ 97,20 crore), Capital Expenditure (₹44,35 crore) & Loans & Advances disbursed (₹2 crore).



1.6. What do the Deficits and Surpluses indicate?

Deficit	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
Revenue Deficit/Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.
Fiscal Deficit/Surplus	Refers to the gap between Total Receipts (excluding Fiscal borrowings) and Total Expenditure. This gap, therefore, Deficit/Surplus indicates the extent to which expenditure is financed by borrowings. Ideally, the Borrowings should be invested in capital projects.

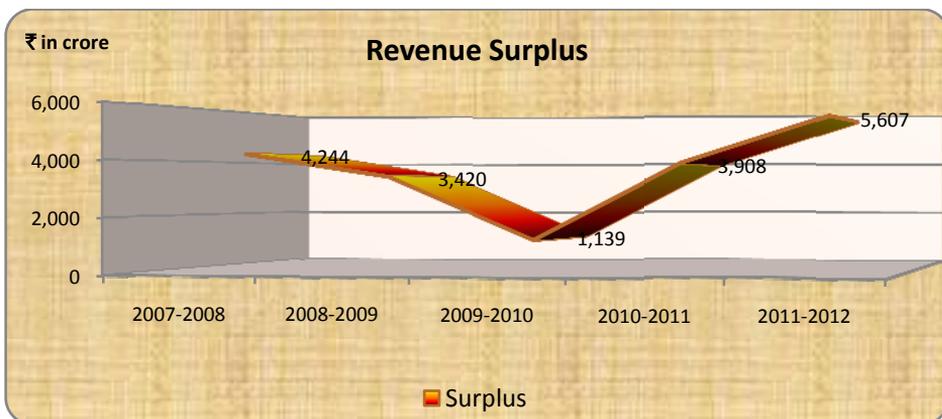
Revenue Deficit/Surplus, Fiscal Deficit/Surplus are the major yardsticks for judging the Fiscal performance of the Government. As per the recommendation of the 12th Finance Commission, the Government of Odisha enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005.

The Act provides for the responsibility of the State Government to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit and sustainable Debt management consistent with fiscal stability.

The State Govt. has amended the FRBM (Amendment) Act, 2005 on the basis of recommendations of the 13th Finance Commission. The FRBM (Amendment) Act., 2011 has made it mandatory for the State to generate revenue surplus, contain the fiscal deficit within 3% of GSDP, achieve Debt/GSDP ratio at Finance Commission recommended level and put in place a monitoring mechanism on implementation of FRBM Act.

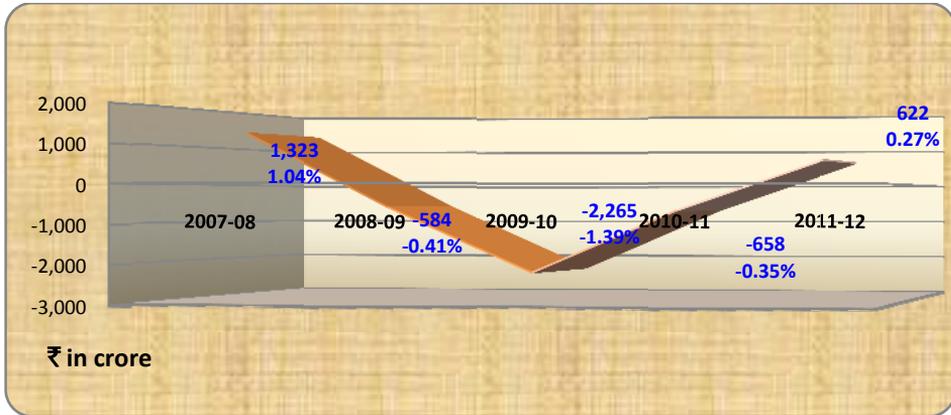
The State Govt. has achieved Revenue surplus since 2005-2006 and there has been an upward trend from 2009-2010. Similarly there has been a fiscal surplus of ₹6,22 crore during the year as compared to fiscal deficit of ₹6,58 crore during the previous year.

1.6.1. Trend of Revenue Surplus.



1.6.2. Trend of Fiscal Deficit.

Fiscal Deficit/Surplus



Figures in parentheses are percentage to GSDP

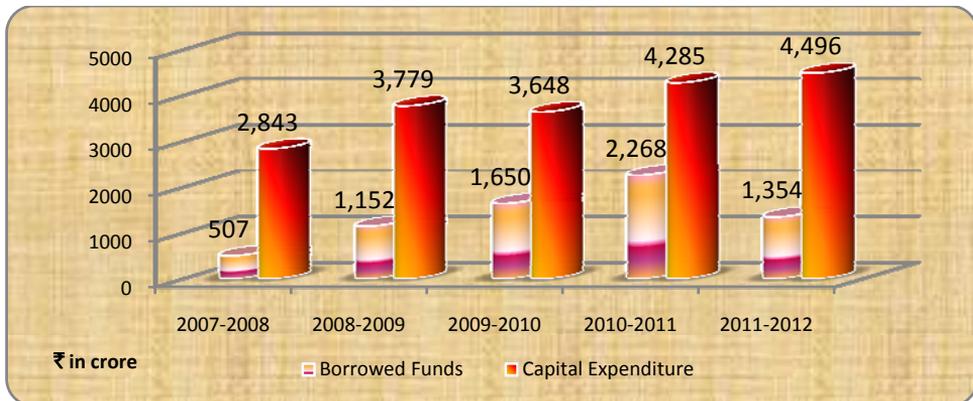
1.6.3. Proportion of borrowed funds spent on Capital expenditure.

It is desirable to fully utilize borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest. As the State Govt. have achieved revenue surplus with effect from 2005-2006 which is continuing till 2011-2012, it is apparent that the borrowed funds have been utilized for creation of capital assets during the above period. The statement is furnished below: -

(₹ in crore)

	Borrowed Funds	Capital Expenditure
2007-2008	5,07	28,43
2008-2009	11,52	37,79
2009-2010	16,50	36,48
2010-2011	22,68	42,85
2011-2012	13,54	44,96

Borrowed funds spent on Capital Expenditure



Chapter II

RECEIPTS

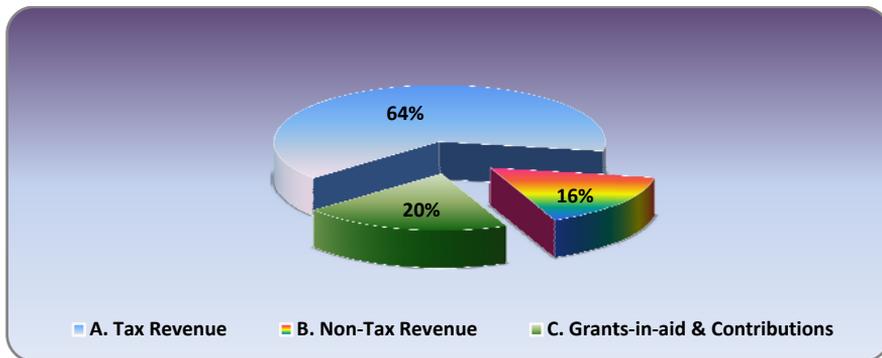
2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts of Government of Odisha for 2011-2012 were ₹3,97,77 crore.

2.2. Revenue Receipts

Tax Revenue	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.
Non- Tax Revenue	Includes interest receipts, dividends, profits etc.
Grants-in-Aid	Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid Materials & Equipments received from foreign Governments and channelized through the Union Government. In turn, the State Governments give Grants- in-aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc.

Revenue Receipts



Components of Revenue Receipts

Components	Actuals (₹ in crore)	% to Total Revenue
A. Tax Revenue	2,56,72	64
Taxes on Income & Expenditure	73,86	18
Taxes on Property & Capital Transactions	10,38	3
Taxes on Commodities & Services	1,72,48	43



B. Non-Tax Revenue	64,43	16
Interest Receipts, Dividends and Profits	8,63	2
General Services	2,06	1
Social Services	1,49	-
Economic Services	52,25	13
C. Grants-in-aid & Contributions	81,52	20
Total - Revenue Receipts	4,02,67	100

2.3. Trend of Receipts

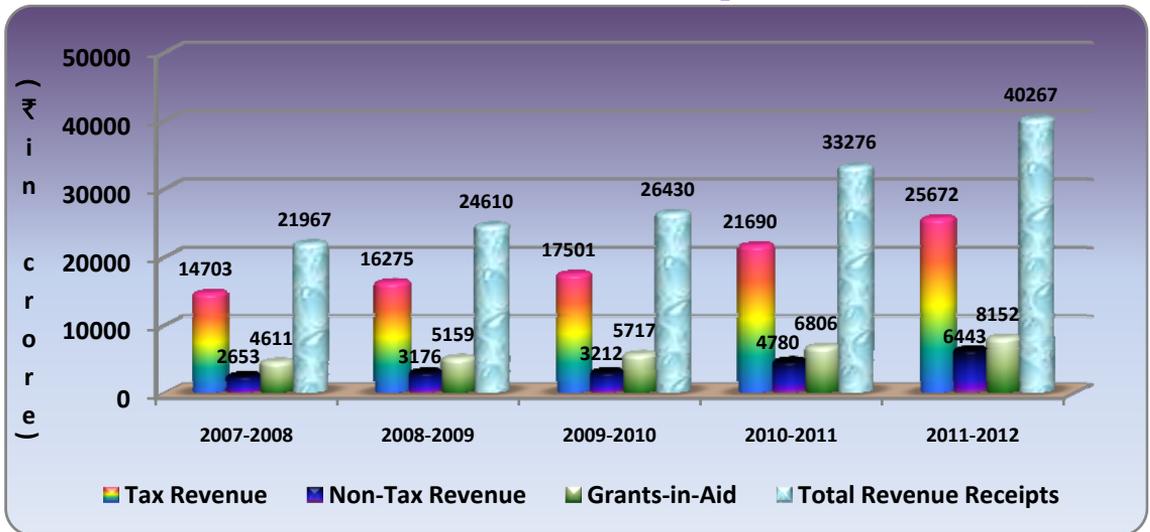
(₹ in crore)

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Tax Revenues	1,47,03	162,75	1,75,01	2,16,90	2,56,72
Non-Tax Revenues	26,53	31,76	32,12	47,80	64,43
Grants in Aid	46,11	51,59	57,17	68,06	81,52
Total Revenue Receipts	2,19,67	246,10	2,64,30	3,32,76	4,02,67
GSDP	12,92,74	14,84,91	16,37,27 (P)*	19,50,28 (Q)*	22,62,36 (A)*

Note: Figures in parentheses represent percentage to GSDP

* A- Advance Estimate, Q-Quick Estimate and P-Provisional.

Trend of Revenue Receipts



The GSDP increased by 21 % between 2010-2011 and 2011-2012 and growth in revenue collection was 21 %. While tax revenues increased by 21 %, non-tax revenues increased by 35 %. Major contributor to revenue was ₹81,97 crore (3.62 % of GSDP) under Taxes on Sales, Trades etc & Corporation Tax ₹48.13 crore (2.13 % of GSDP)



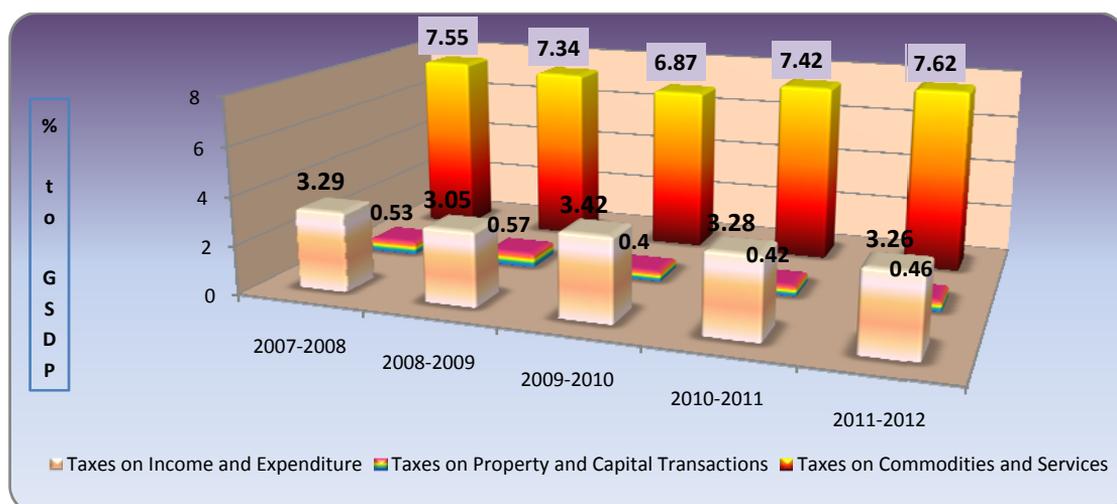
Principal Accountant General (A&E)

Sector-wise Tax Revenue

(₹ in crore)

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
i) Taxes on Income and Expenditure	42,48	45,32	55,94	64,04	73,86
ii) Taxes on Property and Capital Transactions	6,84	8,47	6,60	8,15	10,38
iii) Taxes on Commodities and Services	97,71	1,08,96	1,12,47	1,44,71	1,72,48
Total Tax Revenues	1,47,03	1,62,75	1,75,01	2,16,90	2,56,72

Trend of Major Taxes in proportion to GSDP



2.4. Performance of State's own tax revenue collection

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	Percentage to GSDP
(₹ in crore)				
2007-2008	1,47,03	78,46	68,57	5.30%
2008-2009	1,62,75	82,80	79,95	5.38%
2009-2010	1,75,01	85,19	89,82	5.49%
2010-2011	2,16,90	1,04,97	1,11,92	5.73%
2011-2012	2,56,72	1,22,29	1,34,43	5.94%



Principal Accountant General (A&E)

2.5. Efficiency of Tax Collection

A. Taxes on Properties and Capital Transactions

(₹ in crore)

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Revenue Collection	6,84	8,47	6,60	8,15	10,38
Expenditure on Collection	1,62	2,11	2,89	3,23	2,96
Efficiency of Tax Collection	24%	25%	44%	40%	29%

B. Taxes on Commodities and Services

(₹ in crore)

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Revenue Collection	97,71	1,08,96	1,12,47	1,44,70	1,72,48
Expenditure on Collection	66	1,06	1,19	1,46	1,39
Efficiency of Tax Collection	1%	1%	1%	1%	1%

Taxes on commodities and services form a major chunk of tax revenue. Tax collection efficiency is excellent. However, the collection efficiency of taxes on property and capital transactions can be improved.

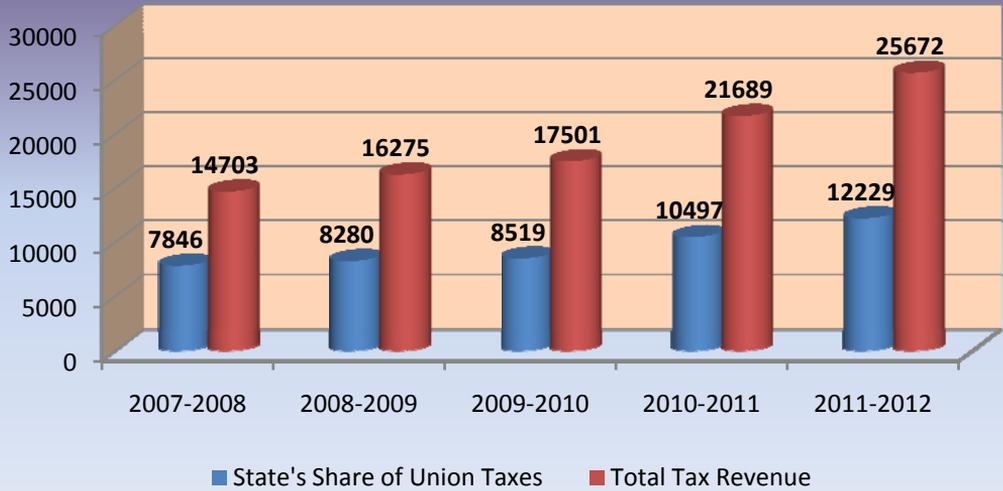
2.6 Trend in State's Share of Union Taxes over the last five years

(₹ in crore)

Major Head description	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Corporation Tax	24,90	27,15	35,06	41,03	48,13
Taxes on Income other than Corporation Tax	16,71	17,05	19,53	21,68	24,45
Taxes on Wealth	3	3	8	8	19
Customs	14,83	15,83	11,92	18,36	21,20
Union Excise Duties	14,16	13,80	9,60	13,35	13,72
Service Tax	7,83	8,94	9,00	10,47	14,60
Other Taxes and Duties on Commodities and Services	-	-	-	-	-
State's Share of Union Taxes	78,46	82,80	85,19	1,04,97	1,22,29
Total Tax Revenue	1,47,03	1,62,75	1,75,01	2,16,89	2,56,72
% of Union Taxes to Total Tax Revenue	53%	51%	49%	48%	48%

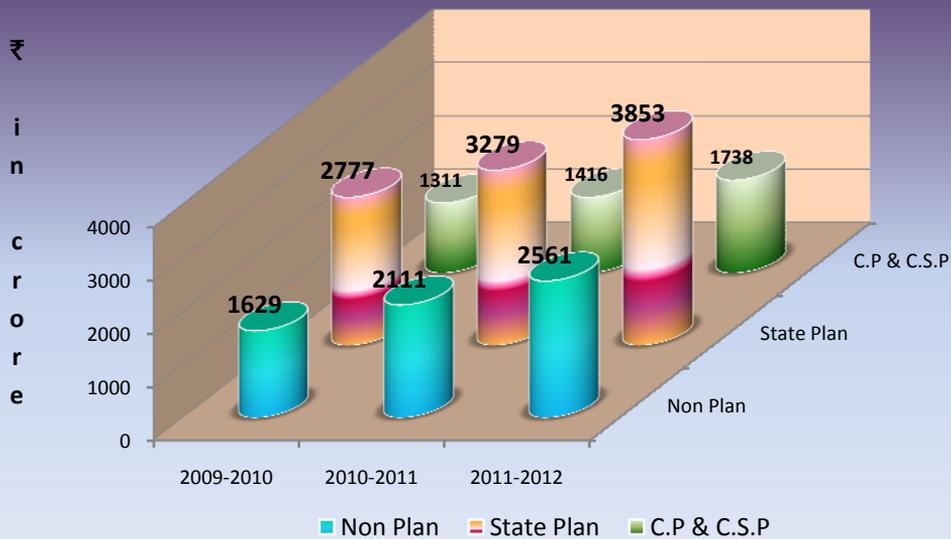


Trend in State's Share of Union Taxes



2.7 Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India, and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State's Non-plan Grants recommended by the Finance Commission. Total receipts during the year under Grants-in-Aid were ₹81,52 crore as shown below: -



The share of non-plan grants in total grants-in-aid increased from 31 % during 2010-2011 to 31.42 % in 2011-2012, while, the share of grants for plan schemes declined from 69% in 2010-2011 to 68.58 % in 2011-2012. As against a budget estimate of ₹70,57 crore of Union share in Plan schemes, the State Government has actually received ₹55,91 crore of Grants in Aid (79 % of BE).

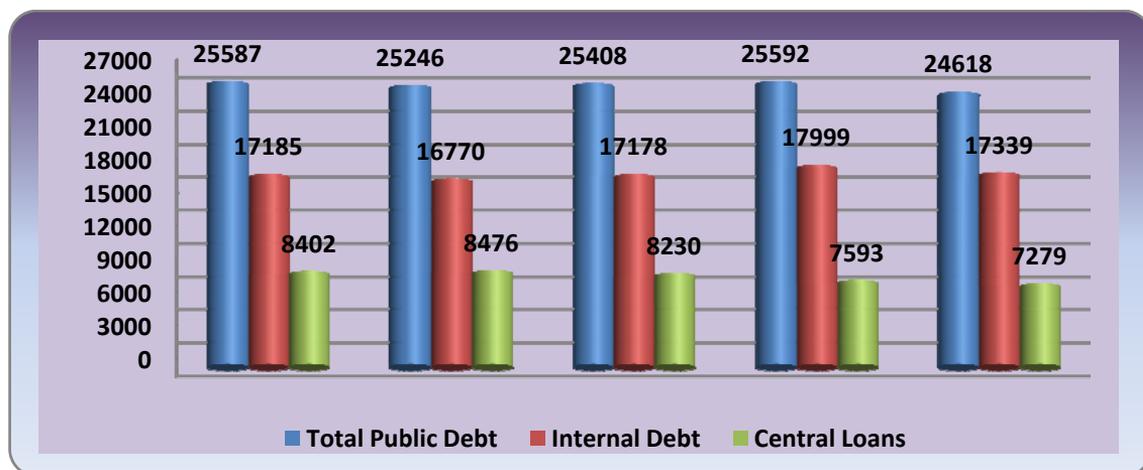
2.8. Public Debt

The outstanding Public Debt at the end of the 31st march 2012 was ₹ 2,46,18 crore comprising Internal debt of ₹1,73,39 crore and Loans and Advances from Central Government ₹72,79 crore.

Trend of Public Debt over last 5 years

(₹ in crore)

Description	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Internal Debt	17185	16770	17178	17999	17339
Central Loans	8402	8476	8230	7593	7279
Total Public Debt	25587	25246	25408	25592	24618



Net effect of Public Debt for last 5 years

(₹ in crore)

Description	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Internal Debt	-9,95	-4,15	4,08	8,20	-6,60
Central Loans	-3,43	74	-2,47	-6,36	-3,14
Total Public Debt	-13,38	-3,41	1,61	1,84	-9,74

Note: Negative figures indicate that repayment is in excess of receipts.



Principal Accountant General (A&E)

Chapter III

EXPENDITURE

3.1. Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is used to meet the day-to-day running of the organization. Capital expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. Expenditure is further classified under Plan and Non-Plan.

General Services	Includes Justice, Police, Jail, PWD, Pension etc.
Social Services	Includes Education, Health & Family Welfare, Water Supply, Welfare of SC-ST etc.
Economic Services	Includes Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.

3.2. Revenue Expenditure

Revenue Expenditure of ₹3,46,60 crore fell short of budget estimates by ₹ 16,63 crore due to less disbursement of ₹ 20,16 crore under Non-plan Expenditure and excess disbursement of ₹3,53 crore under Plan Expenditure.

The shortfall of expenditure against budget estimates under Revenue section during the last five years is given below:

	(₹ in crore)				
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Budget Estimates	1,84,21	2,27,07	2,89,19	3,24,82	3,63,23
Actuals	1,77,23	2,11,90	2,52,92	2,93,68	3,46,60
Gap	6,98	15,17	36,27	31,14	16,63
% of gap over B.E	4%	7%	13%	10%	5%



3.2.1 Sectoral distribution of Revenue Expenditure

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	4,38	1
(i) Collection of Taxes on Property and Capital transactions	2,96	-
(ii) Collection of Taxes on Commodities and Services	1,39	-
(iii) Other Fiscal Services	3	-
B. Organs of State	3,39	1
C. Interest Payments and Servicing of debt	27,86	8
D. Administrative Services	26,09	8
E. Pensions and Miscellaneous General Services	47,57	14
F. Social Services	1,43,38	41
G. Economic Services	87,32	25
H. Grants-in-aid and Contributions	6,61	2
Total Expenditure (Revenue Account)	3,46,60	100

3.2.2 Major components of Revenue Expenditure (2007 – 2012)

(₹ in crore)

Major components of Revenue Expenditure 2007 to 2011

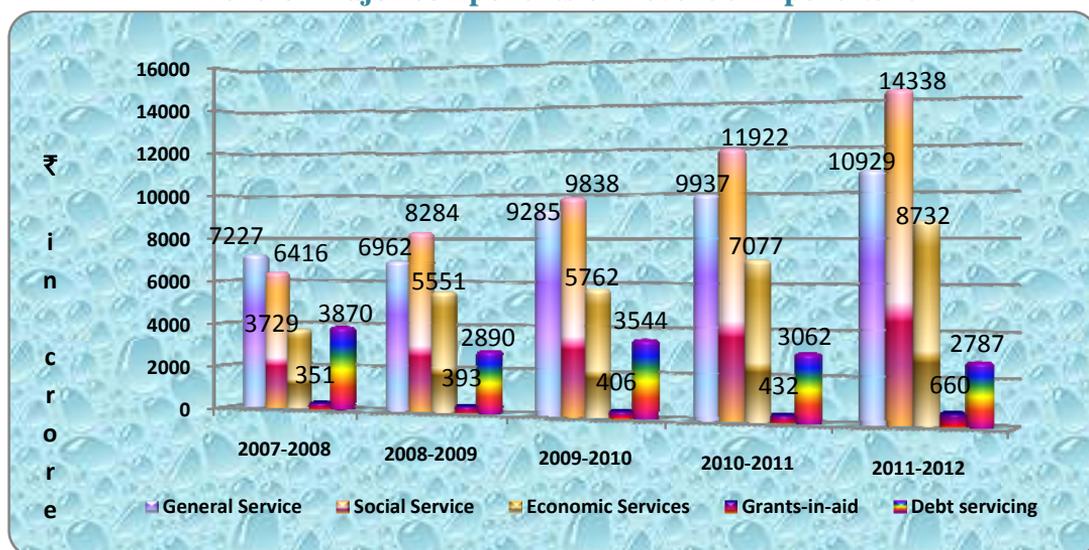
Year	General Services *	Social Services	Economic Services	Grants-in-aid	Total Revenue Expenditure	Debt. Servicing
2007-2008	72,27	64,16	37,29	3,51	1,77,23	38,70
2008-2009	69,62	82,84	55,51	3,93	2,11,90	28,90
2009-2010	92,85	98,38	57,62	4,07	2,52,92	35,44
2010-2011	99,37	1,19,22	70,77	4,32	2,93,68	30,62
2011-2012	1,09,29	1,43,38	87,32	6,61	3,46,60	27,86

* General Services includes MH 2048 (Appropriation for reduction or avoidance of debt), MH 2049 (Interest payments).



Principal Accountant General (A&E)

Trend of Major components of Revenue Expenditure



3.3. Capital Expenditure

Capital disbursements at 2.26 % of GSDP were less than Budget Estimate by ₹ 11,72 crore (less disbursement of ₹ 14,81 crore under Plan and excess disbursement of ₹3,09 crore under Non-plan).

3.3.1. Sectoral distribution of Capital Expenditure

During 2011-2012, the Government spent ₹ 15,38 crore on various Irrigation Projects (₹8,62 crore on Major Irrigation, ₹2,95 crore on Medium Irrigation, and ₹3,81 crore on Minor Irrigation) and ₹5 crore on Ports and Light Houses. Apart from above, the Government spent ₹ 3,75 crore on Construction of Buildings, and invested ₹ 7,18 crore in various Corporations /Companies/ Societies.

(₹ in crore)

SL No	Sector	Amount	Percentage
1.	General Services-Police, Public Works etc.	2,58	5
2.	Social Services-Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc & Others.	6,57	13
3.	Economic Services-Agriculture, Rural Development, Irrigation and Flood control, Energy, Industries, Transport etc.	35,81	70
4.	Loans and Advances disbursed	6,21	12
Total		5117	1,00

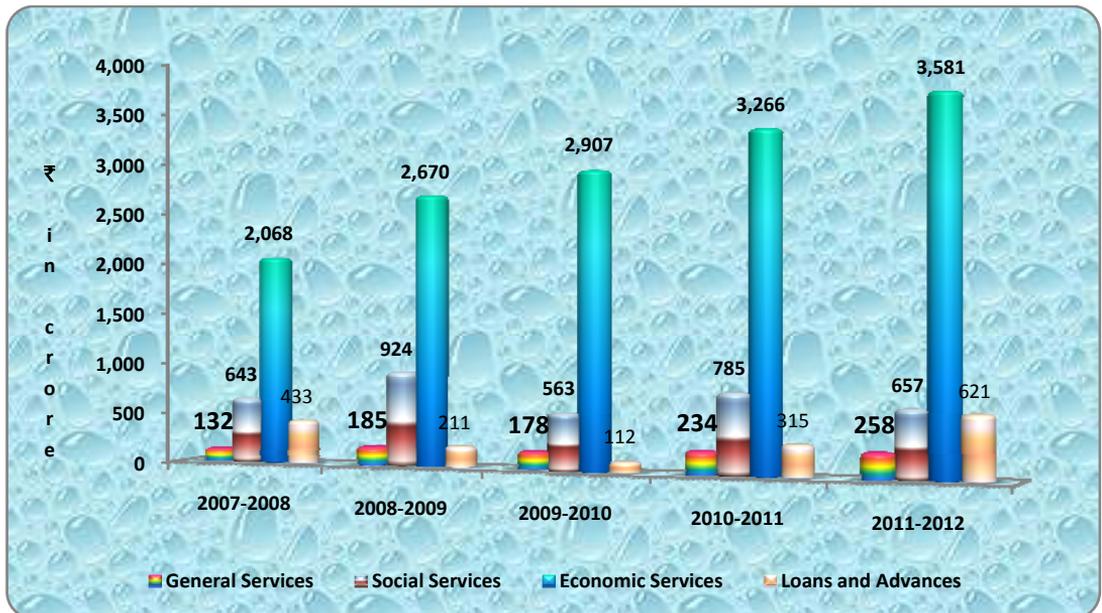


3.3.2 Sectoral distribution of capital expenditure over the last five years

(₹ in crore)

Sl. No.	Sector	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
1.	General Services	1,32	1,85	1,78	2,34	2,58
2.	Social Services	6,43	9,24	5,63	7,85	6,57
3.	Economic Services	20,68	26,70	29,07	32,66	35,81
4.	Loans and Advances	4,33	2,11	1,12	3,15	6,21
	Total	32,76	39,90	37,60	46,00	51,17

Trend of different sectors of Capital Expenditure



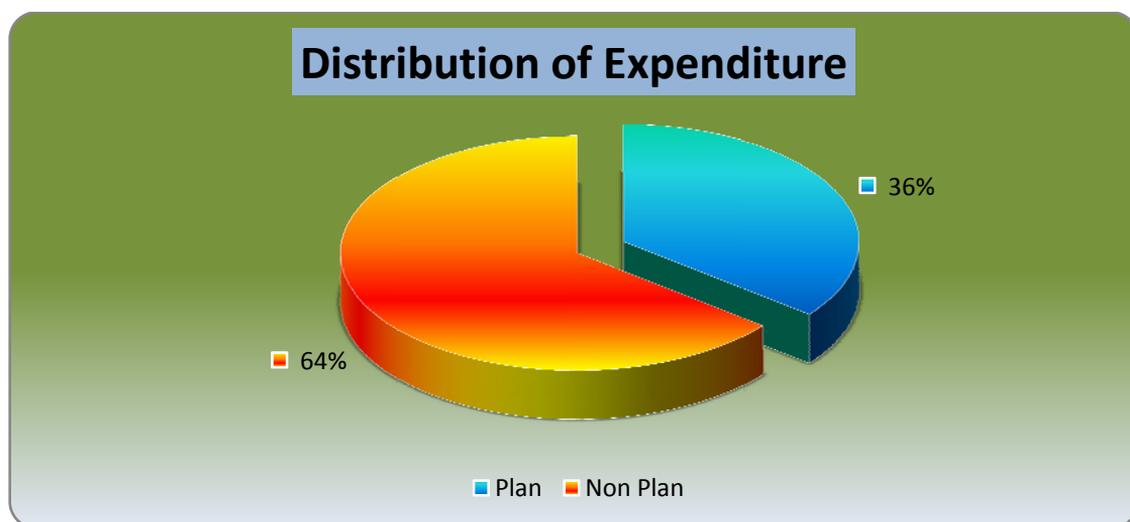
Chapter IV

PLAN & NON PLAN EXPENDITURE

4.1. Distribution of expenditure

The total expenditure during the year was ₹3,97,77 crore representing Plan expenditure of ₹1,41,57 crore and Non-plan expenditure of ₹ 2,56,20 crore.

Distribution of Expenditure



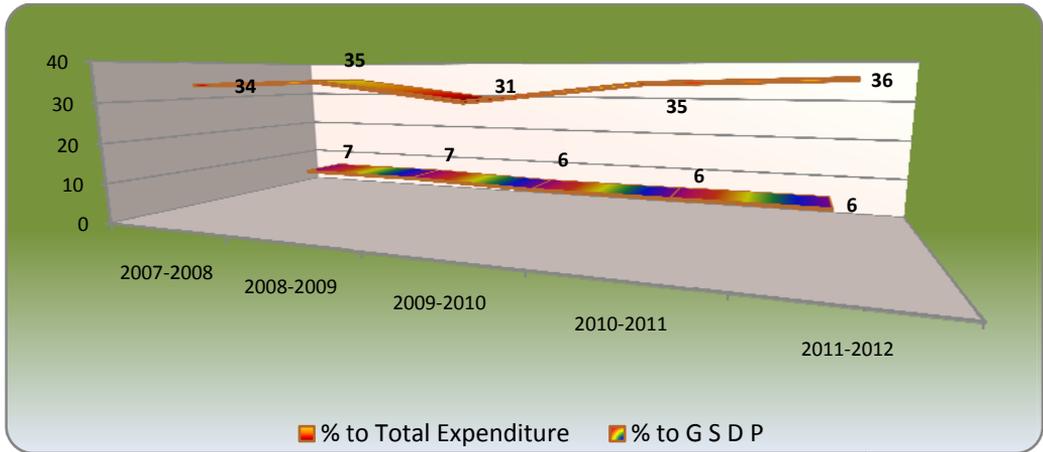
4.2. Plan Expenditure

During the year, Plan Expenditure, representing 36 percent of total disbursements, was ₹141,57 crore (₹1,23,84 crore under State Plan, ₹17,71 crore under Centrally Sponsored Plan Schemes and ₹2 crore under Loans and Advances).

Plan Expenditure as proportion of total expenditure and GSDP

Year	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Plan Expenditure (₹ in crore)	7046	8934	8902	11755	1,41,57
Percentage to Total Expenditure	34	35	31	35	36
Percentage to GSDP	6	6	5	6	6





4.2.1. Plan expenditure under Capital Account

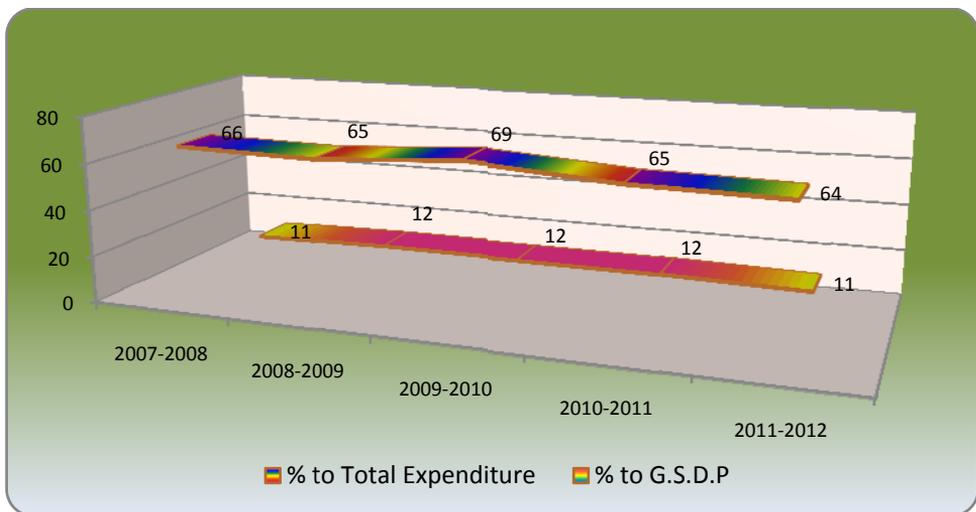
(₹ in crore)

Sector	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Total Capital Expenditure	32,76	42,40	37,60	46,00	51,17
Capital Expenditure (Plan)	29,57	36,26	32,87	43,62	44,37
%of Capital Expenditure (plan) to Total Capital Expenditure	90	86	87	95	87

4.3. Non-Plan Expenditure

Non-Plan Expenditure during the year, representing 64 percent of total disbursements, was ₹2,56,20 crore, (₹2,49,40 crore under Revenue and ₹6,80 crore under Capital).

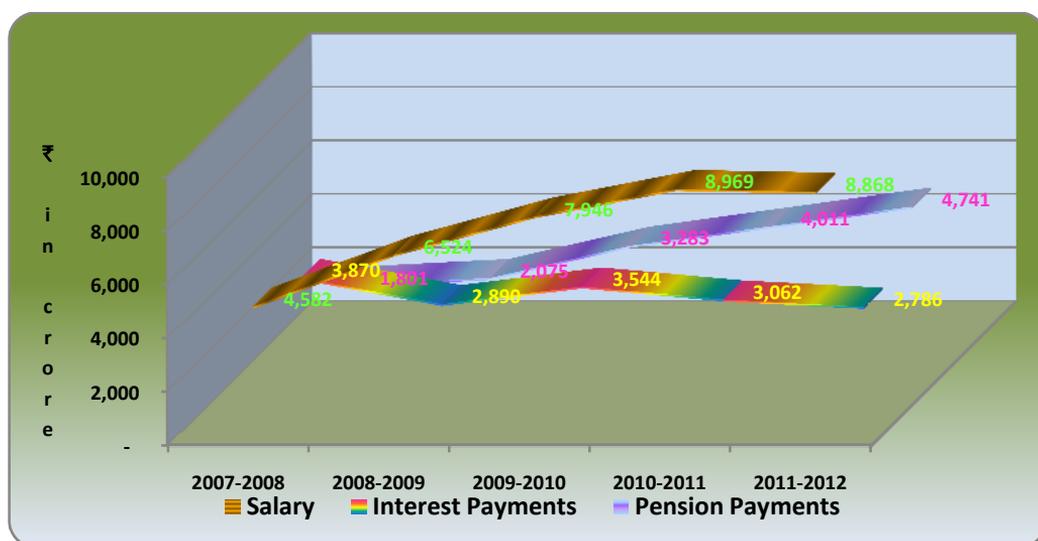
Non-Plan Expenditure as proportion of total expenditure and GSDP



4.4. Committed Expenditure

Trend of Committed Expenditure

Component	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Committed Expenditure	1,02,53	1,14,89	1,47,73	1,60,42	1,63,95
Revenue Expenditure	1,77,23	2,11,90	2,52,92	2,93,68	3,46,60
Revenue Receipts	2,19,67	2,46,10	2,64,30	3,32,76	4,02,67
% of committed expenditure to Revenue Receipts	47	47	56	48	41
% of committed expenditure to Revenue expenditure	58	54	58	55	47



The upward trend on committed expenditure leaves the government with lesser flexibility for developmental spending.



Chapter V

APPROPRIATION ACCOUNTS

The Appropriation Accounts of the Government of Odisha for the year 2011-2012 present the accounts of sums expended in the year ended 31st March 2012 compared with the sums specified in the Schedules appended to the Appropriation Acts passed under Articles 204 and 205 of the Constitution of India.

5.1. Summary of Appropriation Accounts for 2011-2012

(₹ in crore)

Sl. No	Nature of expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings (-) Excesses (+)
1.	Revenue						
	Voted	3,32,15	40,39		3,72,54	3,30,67	-41,87
	Charged	40,98	2,16	-	43,14	28,34	-14,80
2.	Capital						
	Voted	58,34	3,16		61,50	46,57	-14,93
	Charged	6	4	-	10	7	-3
3.	Public Debt	22,67			22,67	23,28	61
4.	Loans and Advances	6,28	1,50		7,78	6,21	-1,57
	Voted						
	Total	4,60,48	47,25	-	5,07,73	4,35,14	-72,59

5.2. Trend of Savings during the past five years

(₹ in crore)

Year	Savings (-)/ Excess (+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
2007-08	-30,83	-4,31	-9,28	-1,50	-45,92
2008-09	-79,52	-6,97	-4,65	-1,98	-93,12
2009-10	-58,41	-9,73	-2	-1,84	-70,00
2010-11	-55,58	-11,91	3,73	-46	-64,22
2011-12	-56,67	-14,96	61	-1,57	-72,59



5.3. Significant Savings

Substantial savings under a grant indicates either non-implementation or slow implementation of certain schemes/programmes.

Some grants with persistent and significant savings are given below:

(₹ in crore)

Grant	Nomenclature	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
REVENUE (Voted)						
3	Revenue and Disaster Management Department	35%	74%	48%	38%	17%
5	Finance Department	15%	43%	21%	26%	18%
8	Odisha Legislative Assembly	8%	7%	0.43%	36%	46%
12	Health and Family Welfare Department	15%	26%	29%	22%	12%
13	Housing & Urban Development Department	3%	8%	15%	10%	17%
19	Industries Department	9%	13%	18%	30%	34%
20	Water Resources Department	4%	15%	17%	15%	17%
22	Forest & Environment Department	14%	14%	14%	10%	11%
32	Tourism & Culture Department	2%	6%	4.52%	5%	24%
33	Fisheries and Animal Resources Development Department	20%	20%	24%	19%	15%
34	Co-operation Department	2%	-	9%	2.40%	16%
36	Women and Child Development Department	18%	9%	19%	15%	8%
CAPITAL (Voted)						
1	Home Department	25%	13%	42%	10%	15%
5	Finance Department	46%	29%	88%	45%	-
6	Commerce Department	39%	49%	34%	8%	-
7	Works Department	30%	17%	11%	16%	20%
10	School & Mass Education Department	-	14%	100%	100%	81%
13	Housing and Urban Development Department	23%	15%	14%	6%	30%
16	Planning & Co-ordination Department	-	-	-	1.47%	39%
19	Industries Department	-	-	-	38%	73%
20	Water Resources Department	30%	35%	32%	22%	21%
28	Rural Development Department	1%	12%	23%	7%	19%
30	Energy Department	100%	35%	-	-	21%
33	Fisheries and Animal Resources Development Department	95%	73%	13%	90%	66%
34	Co-operation Department	20%	40%	-	95%	86%
38	Higher Education Department	100%	8%	54%	-	36%



During 2011-2012, supplementary grants totaling ₹47,25 crore (11% of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below.

(₹ in crore)

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
1	Home Department	Revenue	18,43	1,34	17,88
4	Law Department	Revenue	1,75	5	1,49
7	Works Department	Revenue	9,87	18	9,53
		Capital	11,39	27	9,31
10	School and Mass Education Department	Revenue	50,99	2,13	48,93
12	Health and Family Welfare Department	Revenue	14,52	42	13,13
13	Housing and Urban Development Department	Revenue	12,00	31	10,19
15	Sports and Youth Services Department	Revenue	39	7	33
19	Industries Department	Revenue	2,54	50	2,00
		Capital	1,49	35	51
20	Water Resources Department	Revenue	10,43	38	9,01
			22,11	1	17,54
21	Transport Department	Revenue	38	2	37
22	Forest and Environment Department	Revenue	3,52	25	3,35
24	Steel and Mines Department	Revenue	39	1	37
25	Information and Public Relations Department	Revenue	33	1	31
26	Excise Department	Revenue	45	3	40
28	Rural Development Department	Revenue	9,38	7	8,95
		Capital	6,19	2	5,01
30	Energy Department	Revenue	24	1	21
32	Tourism and Culture Department	Revenue	70	6	58
33	Fisheries and Animal Resources Development Department	Revenue	3,34	2	2,81
34	Co-operation	Capital	27	1,50	24
36	Women and Child Development Department	Revenue	25,17	7,89	30,33



Chapter VI

ASSETS AND LIABILITIES

6.1 .Assets

The existing form of accounts do not easily depict valuation of Government assets like land, buildings etc., except in the year of acquisition/purchase. Similarly while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations except to the limited extent shown by the rate of interest and period of existing loans.

Total investments as share capital in Statutory corporations, Govt. companies, Joint stock companies and Co-operative societies stood at ₹29,08 crore at the end of 2011-2012. However, dividends received during the year were ₹2,86 crore (i.e. 10% on investment). During 2011-2012, investments increased by ₹7,18 crore, while dividend income increased by ₹1,84 crore.

Cash Balance with RBI stood at (-)₹4,53 crore on 31 March 2011 and decreased to ₹-4,65 crore at the end of March, 2012.

6.2. Debt and Liabilities

No law under Article 293 of the Constitution has been passed by the Legislature of the State laying down the limit within which the Government may borrow on the security of the Consolidated Fund of the State. However the Odisha Legislative Assembly has passed “THE ODISHA FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT ACT, 2005” (ODISHA ACT 6 of 2005) and “THE ODISHA FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT (AMENDMENT) ACT 2006 (ODISHA ACT 6 of 2006)

Details of Public Debt and total liabilities for last five years:

(₹ in crore)

Year	Public Debt	% to GSDP	Public Account (*)	% to GSDP	Total Liabilities	% to GSDP
2007-2008	2,55,87	20.11	1,72,91	13.59	4,28,78	33.70
2008-2009	2,52,46	17.69	1,82,35	12.78	4,34,81	30.47
2009-2010	2,54,08	15.65	2,00,19	12.33	4,54,27	27.98
2010-2011	2,55,92	13.73	2,14,13	11.49	4,70,05	25.22
2011-2012	2,46,18	10.88	2,39,54	10.58	4,85,72	21.46

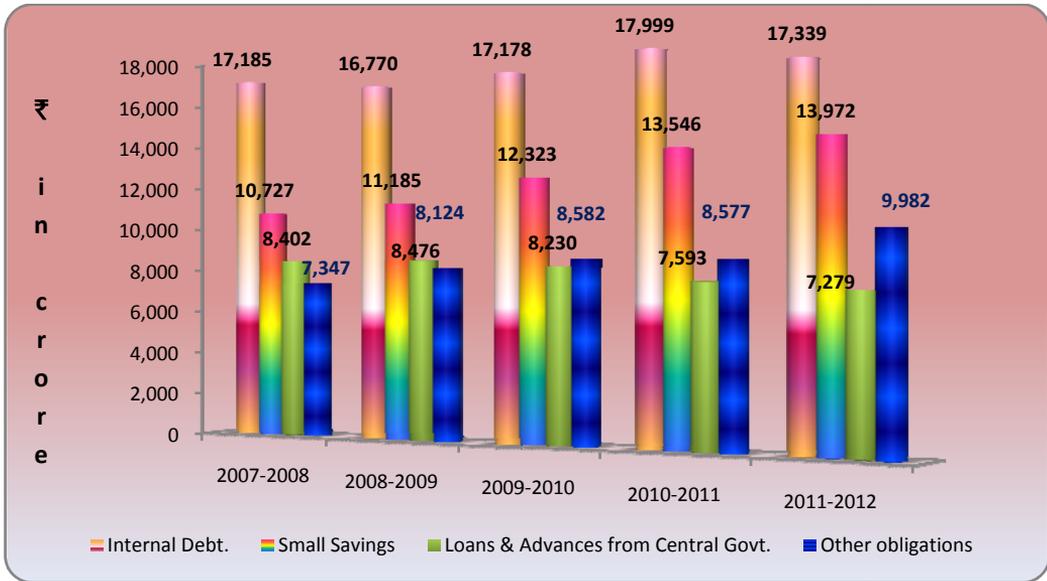
(*) Excludes suspense and remittance balances.

Note: Figures are progressive balances to end of the year.

There is a net increase of ₹15,67 crore (3.33%) in Public Debt and Other liabilities as compared to 2010-2011.



Trends in Government Liabilities



6.3 Guarantees

The position of guarantees by the State Government for the payment of loans and capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Cooperative Societies, etc., is given below.

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31st March	
		Principal	Interest
2007-2008	85,86	21,68	-
2008-2009	83,80	13,86	-
2009-2010	83,89	10,27	-
2010-2011	97,89	20,66	-
2011-2012	1,05,79	25,10	*

* As per Finance Department Resolution No. 46546 dated. 14.11.2006 the Government guarantees shall be confined to Principal amount borrowed by the Public Sector undertakings/Urban Local Bodies/Cooperatives Institutions/Companies etc.



Chapter VII

OTHER ITEMS

7.1 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2011- 2012 was ₹39,03 crore. Of this, Loans and Advances to Government Corporations, Companies, non-Government Institutes and Local Bodies amounted to ₹36,71 crore. Recovery of Principal aggregating to ₹33 crore and Interest amounting to ₹27 crore is in arrears at the end of 31st March 12.

7.2 Financial assistance to local bodies and others

During the past five years, Grants in Aid to local bodies etc., increased from ₹38,59 crore in 2007-2008 to ₹85,60 crore in 2011-2012. Grants to Zilla Parishads, Panchayat Samities and Municipalities (₹13,46 crore) represented 16 per cent of total grants given during the year.

7.3 Cash Balance and investment of Cash Balance

The Cash Balance decreased from ₹-4,53 crore at the beginning of the year 2011-2012 to ₹ -4,65 crore at its end. Investment held in Cash Balance Investment Account as on 31st March 2012 were ₹68,84 crore. During 2011-2012, interest receipt on Cash Balance investment increased by 142% in comparison to previous year. The details are furnished below:-

(₹ in crore)

Component	As on 1 st April 2011	As on 31 st March 2012	Net increase (+) / decrease (-)
1. Cash Balances	-4,53	-4,65	-12
2. Investments from cash balance (GOI Treasury Bills)	55,95	68,84	+12,89
3. Other Cash Balances	48,61	50,69	+2,08
i) Cash with Departmental Officers and permanent advance	48	46	-2
ii) Investment from earmarked fund balances	48,13	50,23	+2,10
(a) Sinking Fund	43,33	45,43	+2,10
(b) Guarantee Redemption Fund	4,80	4,80	-
TOTAL (1+2+3)	1,00,03	1,14,88	+14,85
Interest realized on Cash Balance Investment Account	2,27	5,49	+3,32



7.4 Reconciliation of accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the departmental figures with the accounts figures.

Before annual accounts are finalised, the Heads of the Departments reconcile the departmental accounts figures with those booked in accounts compiled by the Accountant General. The reconciliation of accounts figures is to be done monthly but in the year 2011-2012 out of 159 controlling officers, 155 have taken up verification work fully and four did the verification work partially during the year.

Particulars	Total no. of CCOs	Fully reconciled	Partially reconciled	Not reconciled
EXPENDITURE	159	155	4	-
RECEIPTS	100	100	-	-

7.5 Submission of accounts by Treasuries

The due dates for the receipt of the second list of vouchers in the Office of the Principal Accountant General (A&E) along with the cash account are 5th to 8th of the following month. Any delay in receipt of the vouchers from Treasuries causes delay in compilation of the monthly accounts and their exclusion results in portrayal of distorted picture of State Civil accounts. Such delay in rendition of accounts leads to delay in preparation and transmission of monthly and annual accounts to State Government and submission of Finance Accounts and Appropriation Accounts to the State Legislature. A review of the position of submission of monthly accounts by the Treasuries during the year 2011-2012 revealed that there has been delay of maximum 10 days in respect of two treasuries in the month of 08/2011 & 10/2011.

7.6 Abstract Contingent (AC) Bills and Detailed Contingent (DC) Bills

When money is required in advance or the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through AC bills. Such AC bills are required to be settled, within a maximum of 90 days, through submission of DC bills. To the end of 31st March 2012, 8537 DC bills amounting to ₹62,18 crore was outstanding which indicates that these instructions have not been followed.



Principal Accountant General (A&E)

7.7 Commitment on account of incomplete capital works

A total expenditure ₹1,37,42 crore was incurred up to the year 2011-2012 by the State Government on various incomplete projects which have been taken up by the Works Department, Water Resources Department, Housing & Urban Development Department and Rural Development Department.

7.8 Rush of Expenditure

The Financial rules stipulate that rush of expenditure particularly in the closing month of the financial year shall be regarded as a breach of financial regularity and should be avoided. However, the expenditure incurred under certain selected Heads of Account during March 2012 ranging between 50 % to 100 % of the total expenditure during the year indicate a tendency to utilize the budget at the close of financial year. The flow of expenditure during the four quarters of 2011-2012 under such heads are given below: -

Head of Account	Description	1 st	2 nd	3 rd	4 th	Total	During March	Percentage of expenditure during March, 2012 to Total Expenditure
		Quarter						
		(₹ in crore)						
2408	Food Storage and Warehousing	9.37	2,60.54	1,66.23	5,67.54	10,03.68	5,63.32	56.13
2801	Power	3.49	1.68	1.84	12.55	19.56	10.75	54.96
2852	Industries	4.61	4.75	5.80	48.64	63.80	34.37	53.87
3055	Road Transport	0.00	0.00	0.00	2.06	2.06	2.06	100.00
3604	Compensation and assignment to Local bodies and Panchayati raj Institution	56.75	1,21.55	95.43	3,87.38	6,61.11	3,49.76	52.91
4202	Capital Outlay on Education, Sports Arts and Culture	1.25	12.71	3.38	82.77	1,00.11	61.84	61.77
4405	Capital Outlay on Fisheries	5.39	5.39	5.39	100.00
4860	Capital Outlay on Consumer Industries	0.05	0.05	0.05	100.00





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