



**Report of the
Comptroller and Auditor General of India
on
State Finances
for the year ended March 2014**



Government of Odisha

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Preface

1. This Report has been prepared for submission to the Governor of Odisha under Article 151 of the Constitution.
2. Chapters I and II of the Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2014. Information has been obtained from the Government of Odisha wherever necessary.
3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.
4. The Report containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.



EXECUTIVE SUMMARY

Executive Summary

Background

This Report on the Finances of the Government of Odisha is being brought out with a view to assess objectively the financial performance of the State during 2013-14 and to provide the State Government and State Legislature with timely inputs based on audit analysis of financial data. In order to give a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged by the State Government in the Fiscal Responsibilities and Budget Management (FRBM) Amendment Act 2011 under Mid Term Fiscal Plan (MTFP), in the Budget Estimates of 2013-14, and norms recommended by the Thirteenth Finance Commission (ThFC).

The Report

Based on the audited accounts of the State Government for the year ending March 2014, this Report provides an analytical review of the Annual Accounts of the State Government. The financial performance of the State has been assessed based on the FRBM Act, budget documents, ThFC recommendations and other financial data obtained from various Government departments and organisations. The Report is structured in three chapters.

Chapter I is based on the audit of Finance Accounts and makes an assessment of Odisha Government's fiscal position as of 31 March 2014. It provides an insight into trends in committed expenditure, borrowing pattern besides a brief account of central funds transferred directly to the State implementing agencies through off-budget route and resources generated through public private partnership mode.

Chapter II is based on audit of Appropriation Accounts and it gives the grant-by-grant description of appropriations and the manner in which the allocated resources were managed by the service delivery departments. Besides, comments arising out of audit of budgetary process and budget assumptions and outcome of inspection of treasuries have also been made in chapter-II.

Chapter III is an inventory of Government's compliance with various reporting requirements and financial rules. The Report also has an

appendage of additional data collected from several sources in support of the findings.

Appendix 4.1 at the end gives a glossary of selected terms related to State economy, as used in this Report.

Audit findings

Amendment to the State FRBM Act: In accordance with the ThFC recommendations the State Government amended (February 2012) the FRBM Act incorporating therein the continuation of the already achieved zero revenue deficit, setting a target of three *per cent* of fiscal deficit and review of compliance to provisions of FRBM Act through an independent agency as required by the ThFC.

However, disclosures like projection of Revenue Consequences of Capital Expenditure (RCCE) in the MTFP, Public Private Partnerships (PPPs) and related liabilities and bringing out statements on physical and financial assets and vacant public land and building were not included as recommended by ThFC to be featured under MTFP. Further, the Government has not prepared the outcome indicators of Fiscal Correction Path (FCP) during the period covered by ThFC.

Oversight over funds transferred directly from the GoI to the State implementing agencies: GoI directly transferred substantial amount of Grants-in-aid to the State implementing agencies for implementation of different schemes in the State. Funds flowing directly to the implementing agencies through off-budget route inhibit FRBM Act requirements of transparency and escape accountability. There is no single agency monitoring the use of these funds and no data is readily available on the amounts spent in major flagship and other important schemes. Unless uniform accounting practices are followed by all these agencies and there is proper documentation and timely reporting of expenditure, it will be difficult to monitor the end use of these direct transfers.

Revenue Receipts: Revenue Receipts showed progressive increase from ₹ 26430 crore in 2009-10 to ₹ 48947 crore in 2013-14 registering a growth of 85 *per cent*, yet the annual growth rate has increased by two *per cent* from 9 *per cent* in 2012-13 to 11 *per cent* during 2013-14.

Revenue Expenditure: Revenue Expenditure had a predominant share of 87 *per cent* of total expenditure in 2009-10 which decreased to 85 *per cent* in 2013-14. However, it increased by 19 *per cent* from ₹ 38238 crore in 2012-13 to ₹ 45618 crore in 2013-14 in absolute terms. NPRE as a proportion of Revenue Expenditure, decreased from 78 *per cent*

(₹ 19677 crore) in 2009-10 to 67 *per cent* (₹ 30610 crore) in 2013-14. Out of the total increase of ₹ 7380 crore in Revenue Expenditure during the current year over the previous year, increase in NPRE contributed 54 *per cent* (₹ 3965 crore) and the remaining 46 *per cent* (₹ 3415 crore) was Plan Revenue Expenditure (PRE). Increase in NPRE during the current year was mainly on Social Welfare and Nutrition (₹ 894 crore), Education, Sports, Art and Culture (₹ 428 crore), Agriculture & Allied Services (₹ 240 crore), Transport (₹ 127 crore) and Welfare of SC, ST and OBC (₹ 84 crore).

Fiscal position

Fiscal position of the State viewed in terms of trends in deficit/surplus indicators revealed that while the State continued to maintain revenue surplus, whereas the fiscal and primary surplus of previous year turned into deficit during 2013-14, revenue surplus decreased to ₹ 3329 crore during 2013-14 from ₹ 5699 crore in 2012-13. The Fiscal surplus of previous year turning into fiscal deficit during this year was due to increase in net capital expenditure and net loans and advances disbursed during the year.

Greater priority to capital expenditure: The Capital Expenditure (CE) increased significantly by 39 *per cent* over the previous year. However, the CE was 2.69 *per cent* of GSDP as against State Government's projection of 2.72 *per cent* for 2013-14 and less than the budget estimates.

Review of Government investments: As of 31 March 2014, Government had invested ₹ 3308.79 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives. Average return on this investment was 11.82 *per cent* in the last five years (13.67 *per cent* during 2013-14) while Government paid an average interest rate of 6.09 *per cent* to 7.63 *per cent* on its borrowings during 2009-10 to 2013-14.

Debt sustainability: During 2011-14 quantum spread together with primary deficit consistently remained positive resulting in a continuous decline in debt/GSDP ratio from 17 *per cent* in 2012-13 to 15 *per cent* in 2013-14. The trends in debt sustainability revealed that the incremental non-debt receipts of the State had been able to meet the incremental interest liabilities and incremental primary expenditure during the period 2009-12. However, it turned into negative of ₹ 619 crore and ₹ 4636 crore during 2012-13 and 2013-14 indicating non-sustainability of debt which needs to be addressed.

Financial Management and Budgetary Control

During 2013-14, there was overall saving of ₹ 12755.96 crore. The savings were mainly due to non-implementation of schemes, less requirement of

funds etc. This included savings of ₹ 8810.11 crore in seven cases under four grants and three appropriation exceeding ₹ 100 crore in each case.

There were instances of persistent savings exceeding ₹ 10 crore in 18 cases relating to 16 grants and one appropriation during 2009-14. There were instances of persistent savings, excess expenditure and expenditure without provision of funds, unnecessary/excessive supplementary provision, substantial surrenders, non-surrender of anticipated savings during the current year and instances of rush of expenditure during the last month of the financial year.

Financial reporting

State Government's compliance with various rules, procedures and directives relating to utilisation of funds was unsatisfactory as evident from delays in furnishing Utilisation Certificates (UCs) against the grants from various grantee institutions and issue of inaccurate UCs. This was mainly due to non-adherence to the existing instructions for watching timely receipt of UCs.

Information on financial assistance given to various institutions / authorities by different departments of the State Government have not been furnished to Audit as required under the provisions of Audit and Accounts Regulations 2007 and State Government rules.

As of September 2014, accounts of 24 bodies/authorities were not received in the office of the Accountant General (G&SSA), Odisha.

Delays were also noticed in submission of annual accounts by the departmentally managed commercial undertakings.

Cases of misappropriation, losses and defalcations were pending for settlement for long in many of the departments of State Government despite the same being pointed out regularly in earlier Audit Reports.

The Chief Controlling Officers did not submit Detailed Contingent Bills against the advances drawn on Abstract Contingent (AC) Bills of ₹ 114.49 crore as of March 2014.

A large amount of unspent balance (₹ 1287 crore) was lying in 874 Personal Deposit (PD) Accounts and were not credited back to Government Account.

Chapter-I

Finances of the State Government

Profile of the State

The State is located on the east coast of the country. It is the ninth largest State in terms of geographical area (155707sq.km) and the 11th largest by population. The State's population increased from 3.68 crore in 2001 to 4.19 crore in 2011 (provisional figures), recording a decadal growth of 14 *per cent* as indicated in **Appendix 1.1**. Population below the poverty line at 32.59 *per cent* was higher than the national average of 21.92 *per cent*. Odisha has a lower literacy rate, lower life expectancy at birth and higher infant mortality rate when compared to the all India average. The State has shown a higher economic growth in the past decade as the compound annual growth rate of its Gross State Domestic Product (GSDP) for the period 2004-05 to 2013-14 has been 15.68 *per cent* as compared to 15.49 *per cent* in General Category States. During the above mentioned period, its population grew by 12.56 *per cent* against 12.94 *per cent* in General Category States. General data relating to the State is given in **Appendix 1.1**.

Gross State Domestic Product (GSDP)

GSDP is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important economic indicator of the State Economy, as it depicts the increase in total value of production activities in the State. The trends in the annual growth of India's GSDP at current prices are indicated below:

Annual growth rate of GDP and GSDP (at current price).

Year	2009-10	2010-11 (3 rd R)	2011-12 (2 nd R)	2012-13 (1 st R)	2013-14 (AE)
India's Gross Domestic Product (GDP) (₹ in crore)	6108903	7248860	8391691	9388876	10472807
Growth rate of GDP (percentage)	15.18	18.66	15.77	11.88	11.54
State's GSDP (₹ in crore)	162946	197530	214583	255459	288414
Growth rate of GSDP (percentage)	9.74	21.22	8.63	19.05	12.90

R- Revised and AE-Advanced Estimate

The GSDP of the State increased from ₹ 255459 crore during 2012-13 to ₹ 288414 crore during 2013-14, thereby registering a growth of 12.90 *per cent* over the

The abbreviations used in this report have been expanded in the *Glossary of terms (and basis of calculation) and Acronyms used in the Report* at **Appendix – 4.1** at page **133**.

previous year, whereas National GDP registered a growth of 11.54 *per cent* over the previous year.

1.1 Introduction

This chapter provides a broad perspective of the finances of the Government of Odisha during 2013-14 and analyses critical changes in the major fiscal aggregates relative to the previous year, keeping in view the overall trends during last five years. The structure of Government Accounts and the layout of Finance Accounts are given at the *Appendix 1.2*.

1.2 Summary of Current Year's Fiscal Transactions

Table 1.1 presents the summary of the State Government's fiscal transactions during the current year (2013-14) vis-à-vis the previous year, *Appendix 1.3* shows the overall fiscal position of the State and *Appendix 1.4* shows details of receipts and disbursements during the current year.

Table 1.1: Summary of Current Year's fiscal operations

(₹ in crore)

Receipt			Disbursement				
	2012-13	2013-14		2012-13	2013-14		
Section A	Total	Total	Section A	Total	Non-Plan	Plan	Total
Revenue Receipts*	43936.91	48946.85	Revenue Expenditure	38237.55	30610.06	15007.69	45617.75
Tax Revenue	15034.13	16891.59	General Services	12423.26	13537.65	151.76	13689.41
Non-Tax Revenue	8078.03	8378.60	Social Services	14976.56	10079.08	8642.47	18721.55
Share of Union Taxes/ Duties	13965.01	15247.24	Economic Services	10196.24	6101.13	6213.46	12314.59
Grants from Government of India	6859.74	8429.42	Grants-in-aid and Contributions	641.49	892.20	---	892.20
Section B			Section B				
Miscellaneous Capital Receipts	---	0.03	Capital Outlay	5622.18	157.81	7598.59	7756.40
Recoveries of Loans and Advances	142.47	257.18	Loans and Advances Disbursed	216.02	---	---	463.55
Public Debt Receipts**	1879.55	2290.25	Repayment of Public Debt**	3179.86	---	---	2293.22
Contingency Fund	15.89	---	Contingency Fund	---	---	---	150.00
Public Account Receipts	27545.35	32677.32	Public Account Disbursement	24886.31	---	---	31256.60
Opening Cash Balance	11488.94	12867.19	Closing Cash Balance	12867.19	---	---	9501.30
TOTAL	85009.11	97038.82	TOTAL	85009.11			97038.82

Source: Finance Accounts for the respective years

The following are the significant changes during 2013-14, compared to the previous year:

- Revenue Receipts of the State increased by ₹ 5010 crore (11 *per cent*) over the previous year. This increase was mainly contributed by State's own Tax Revenue (₹ 1858 crore), Grants-in-aid (GIA) from Government of India (₹ 1569 crore), State's share of Union Taxes/Duties (₹ 1282 crore) and own Non-Tax Revenue (₹ 301 crore).

* does not include ₹ 4699.58 crore transferred directly to Non-Government Organisations (NGOs) / Voluntary Organisations in Odisha by Government of India (GoI).

** excluding net transactions under Ways and Means advances and overdrafts.

- Revenue Expenditure increased by ₹ 7380 crore (19 *per cent*) during 2013-14 over the previous year mainly due to increase in expenditure in Social Services Sector (₹ 3745 crore), Economic Services Sector (₹ 2118 crore), General Services Sector (₹ 1266 crore) and in disbursement of Grants-in-aid and contributions (₹ 251 crore).
- Capital outlay increased by ₹ 2134 crore (38 *per cent*) over the previous year, mainly on account of increase in expenditure on Transport (₹ 658 crore), Energy (₹ 487 crore), Water Supplies, Sanitation, Housing and Urban Development (₹389 crore) and Irrigation and Flood control (₹ 206 crore). Disbursement of Loans and advances increased substantially by ₹ 247 crore (115 *per cent*) from ₹ 216 crore in 2012-13 to ₹ 463 crore in 2013-14.
- Public Debt receipts increased by ₹ 411 crore (22 *per cent*) while repayment of public debt decreased by ₹ 887 crore (28 *per cent*).
- Public Account receipts (₹ 32677 crore) increased by ₹ 5132 crore (19 *per cent*) over the previous year mainly due to increase in Suspense and Miscellaneous (₹ 1697 crore), Reserve Fund (₹ 822 crore), Deposits and Advances (₹ 482 crore), Remittances (₹ 1800 crore) and Small Savings and Provident Fund (₹ 331 crore). Public Account disbursements (₹ 31257 crore) on the other hand increased by ₹ 6370 crore (26 *per cent*) during the same period mainly due to increase under Suspense and Miscellaneous (₹1653 crore), Remittances (₹ 1776 crore), Deposits and Advances (₹ 1263 crore), Reserve Fund (₹ 1345 crore) and Small Savings and Provident Fund (₹ 333 crore).
- Cash Balance of the State decreased by ₹ 3366 crore due to decrease in Cash Balance Investment by ₹ 3415 crore and Departmental Cash Balance by ₹ 2 crore, set off by increase in deposit with Reserve Bank of India by ₹ 51 crore.

1.2.1 Review of the fiscal situation

The Thirteenth Finance Commission (ThFC) recommended that every State needs to amend Fiscal Responsibility and Budget Management (FRBM) Act and work out a fiscal reform path to make credible progress towards fiscal consolidation. Keeping in line with the recommendations of the ThFC, the State Government amended (February, 2012) the State FRBM Act, 2005 which laid down the following fiscal targets:

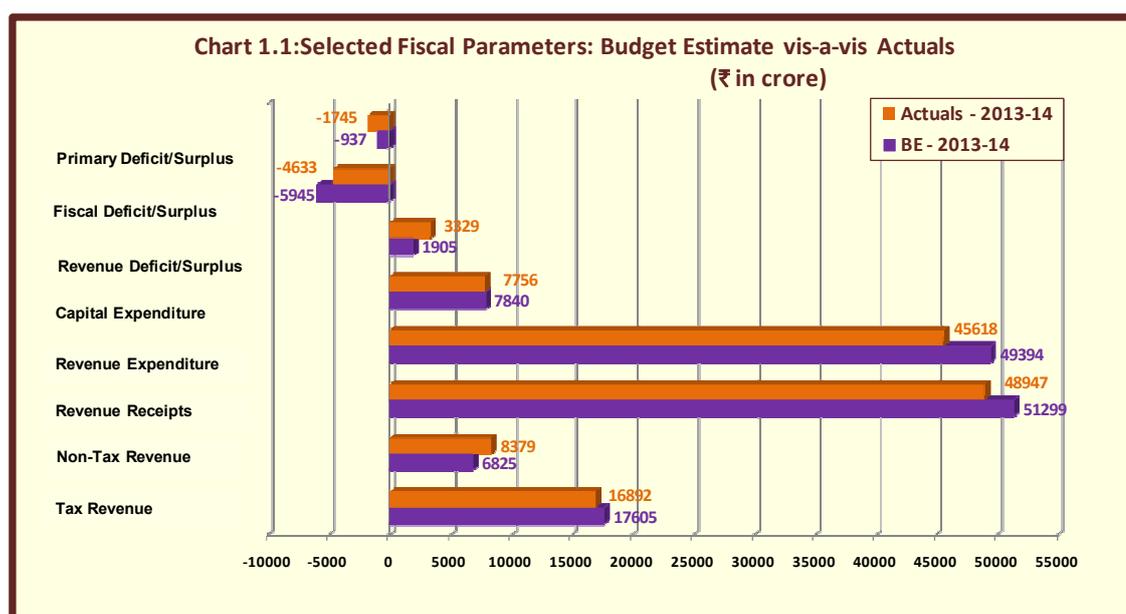
- Revenue deficit during 2011-12 and onwards to be maintained at Zero.
- Fiscal deficit to be contained within three *per cent* of the Gross State Domestic Product (GSDP) from 2011-12 and onwards.

- In order to bring the debt stock to a sustainable level, interest payment as a percentage to Revenue Receipt to be limited to 15 per cent.
- For the purpose of ensuring compliance to the provisions of the FRBM Act, the State Government shall entrust an agency independent of State Government who shall periodically make review of such compliance and submit reports thereof to the State Government for laying the same before the State Legislature

However, disclosures such as projection of Revenue Consequences of Capital Expenditure (RCCE), Public-Private Partnerships (PPPs) and related liabilities, statements on physical and financial assets and vacant public land and buildings were not included in the Mid Term Fiscal Plan (MTFP), even though recommended by ThFC. Further, the Government has not prepared the outcome indicators of Fiscal Correction Path (FCP) during the period covered by ThFC. The State has achieved the targets for Revenue, fiscal deficits, level of debt stock and interest payment, as laid down by ThFC/FRBM Act for the year 2013-14.

1.2.2 Budget Estimates and Actuals

Budget papers presented by the State Government provide estimation of Revenue and expenditure for a particular financial year. The importance of accuracy in estimation of Revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from Budget Estimates are indicative of non-attainment and non-optimisation of desired fiscal objectives. Compared to the Budget Estimates for 2013-14, there was considerable variation in actuals in the case of several key fiscal parameters. **Chart 1.1 and Table 1.2** present the Budget Estimates and actuals for some important parameters.



Source: Finance Accounts

Table 1.2: Variation in Budget Estimates and Actuals

Variation	Budget Estimates	Actual	Increase (+) / Decrease (-)
	(₹ in crore)		
Tax Revenue	17605	16892	(-)713
Non-Tax Revenue	6825	8379	(+)1554
Revenue Receipts	51299	48947	(-)2352
Revenue Expenditure	49394	45618	(-)3776
Capital Expenditure	7840	7756	(-)84
Revenue Deficit(-)/Surplus(+)	1905	3329	(+)1424
Fiscal Deficit(-)/Surplus(+)	(-)5945	(-)4633	(+)1312
Primary Deficit(-) /Surplus (+)	(-)937	(-)1745	(-)808

Source: Odisha Budget at a Glance 2014-15 and Finance Accounts 2013-14.

As may be observed from **Chart 1.1** and **Table 1.2**, the State's actual Revenue Receipts were less than the Budget Estimates by ₹ 2352 crore whereas, the State's own Tax Revenue was less than the Budget Estimates by ₹ 713 crore (four per cent) while Non-Tax Revenue was more than the Budget Estimates by ₹ 1554 crore (23 per cent). As a result, while the estimated Revenue surplus was only ₹ 1905 crore, the actual Revenue surplus was ₹ 3329 crore. Both Revenue Expenditure and Capital Expenditure were less than the Budget Estimate by ₹ 3776 crore and ₹ 84 crore respectively. The decrease in Capital Expenditure as compared to Budget Estimate underscores the need for greater attention thereto.

1.2.3 Major policy initiatives in the budget

During the year 2013-14, a separate agriculture budget was presented to the Legislature for the first time along with the General budget for the development of the Agriculture and Allied sectors. Allocation for this budget was ₹ 7161.84 crore. Major policy initiative of the budget 2013-14 along with status of implementation of some are brought out in **Table 1.3** below:

Table 1.3: Major policy announcement in the Budget and implementation thereof

Sl No	Department	Policy announcement details	Status of Implementation
1	Agriculture	Organic Farming: To promote organic farming in the State, ₹ 5.50 crore was provided in the budget for the first time under State Plan for 2013-14. The Agriculture Department will promote vermin hatchery, vermin compost units, bio-gas slurry units, green manure, bio-pesticides & bio-fertilisers as well as set up gene-bank units for primitive local varieties.	The scheme is being implemented by the DA&FP & DHO. During 2013-14, ₹ 5.50 crore was provided in the budget estimate. Due to delay in approval of this scheme, ₹ four crore was surrendered. An amount of ₹ 1.50 crore was released for expenditure during 2013-14. (Status: Work in Progress)
2		Jalanidhi and Sustainable harnessing of ground water in water deficit areas: In the 12th Plan period, it was proposed to install 1 lakh tube-well with an investment	₹ 125 crore was released under Jalanidhi. 13297 nos. of PLIPs were established during 2013-14. ₹ 165 crore was released under sustainable harnessing of ground

SI No	Department	Policy announcement details	Status of Implementation
		of ₹ 3000 crore, out of which 25000 borewells would be taken up during 2013-14. The total outlay for these two schemes amounts to ₹ 290 crore.	water during 2013-14. (Status: Work in Progress)
3	Cooperation	The Government decided to create 544 storage godowns of 1,34,800 Metric Tonne capacity for better post-harvesting management ₹ 83 crore was envisaged in 2013-14 under State Plan.	The entire budget provision of ₹ 83 crore was released for construction of godowns under RIDF at 124 PACS level including Consultancy fee to be paid to NABCONS for preparation of the DPRs under the said Scheme. (Status: Work in Progress)
4	Fisheries and Animal Resources Development	In order to accelerate the growth of fish production in the State, it was decided to launch a new scheme to promote intensive aqua culture and fish seed hatchery in 2013-14. An outlay of ₹ 12.50 crore was provided for the Scheme.	₹ 12.50 crore was provided for promotion of Dairy Entrepreneur, out of which an amount of ₹ 11.59 crore was released to SLBC / OSCB for achieving the target of beneficiaries of 3892 nos. (Status: Work in Progress)
5	Health and Family Welfare	Universal free distribution of medicine: The State Government has decided to establish Odisha State Medical Services Corporation which will handle procurement of drugs in an efficient and cost effective manner. Provision of ₹ 202.56 crore was made in 2013-14 for purchase of drugs.	Odisha State Medical Corporation has been established as per the Health & Family Welfare Department resolution No. 18844/H, dated 26th of June 2013. Expenditure of ₹ 185.04 crore (91 %) made against the provision of ₹ 202.56 crore during the financial year 2013-14 under "Medicine". (Status: Work in Progress)
6		Health Management Information System: For development of Health Information System, Government have decided to introduce Health Management Information System from the year 2013-14 onwards. Funds to the tune of ₹ 10 crore was provided in the BE for 2013-14 for the purpose under State Plan.	The project was approved in 2013. Out of the budget provision of ₹ 10 crore for 2013-14, an amount of ₹ 41.57 lakh was released to NISG. An amount of ₹ 758.43 lakh was re-appropriated and rest ₹ two crore remained unutilised.
7	Panchayati Raj	Cement Concrete Roads (CC Roads) ₹ 499 crore provided under State plan for construction of Cement Concrete Roads in which Gram Panchayat is taken as the unit.	The entire budget provision under CC Road Scheme has been released in respect of 6232 Gram Panchayats of the State @ ₹ 10 lakh per GP during the year 2013-14. Under the Scheme CC Road, length of 1713.72 Km. have been constructed by generating 149.12 lakh man-days and 17817 number of villages of the State have been covered. (Status: Work in Progress)
8	ST & SC Development	₹ 230 crore provided under State Plan for completion of 1168 ST Girls and Boys Hostels and construction of 900 new Hostels.	During 2013-14, a sum of ₹ 230 crore was provided in the Budget for completion of 1168 ST Girls and Boys Hostels taken up earlier and construction of 900 new Hostels. Out of the total 2068 hostels, 422 hostels completed, 1123 are in progress and balance 523 are yet to be started. (Status: Work in Progress)
9	Works	A new scheme for "Improvement of PWD roads in Urban Areas" has been	Of the 149 works covering 213 Km taken up during the year 2013-14, 142 have been awarded and seven

Sl No	Department	Policy announcement details	Status of Implementation
		launched for which ₹ 75 crore has been provided	works tender is under process. Out of 142 works awarded, 85 works have been completed. (Status: Work in Progress)

Source: Budget at a glance 2014-15, Government of Odisha.

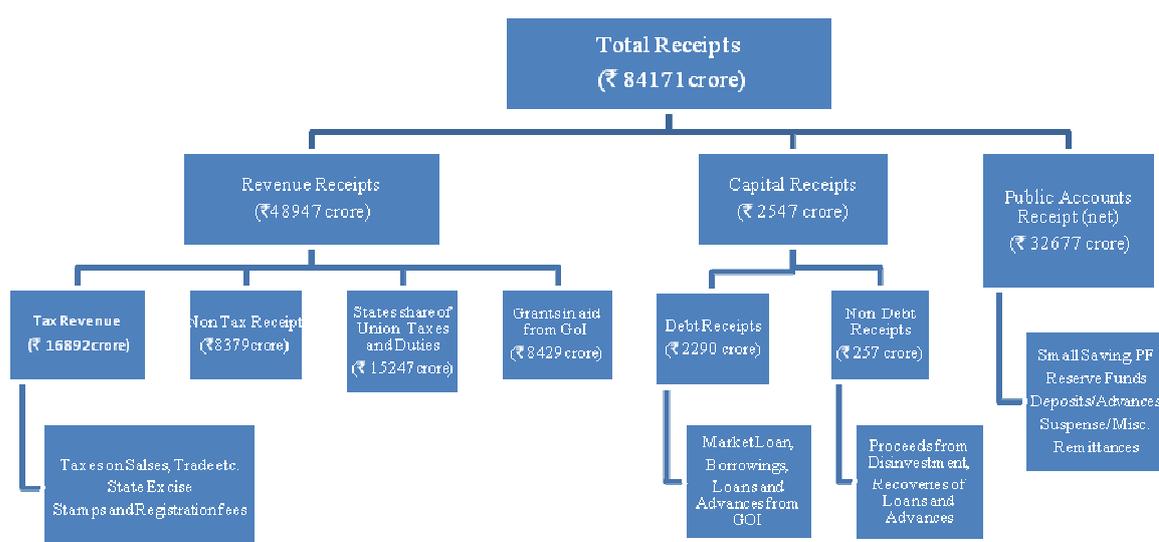
1.3 Resources of the State

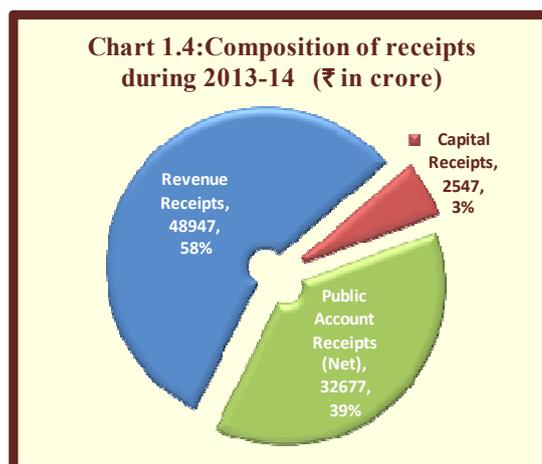
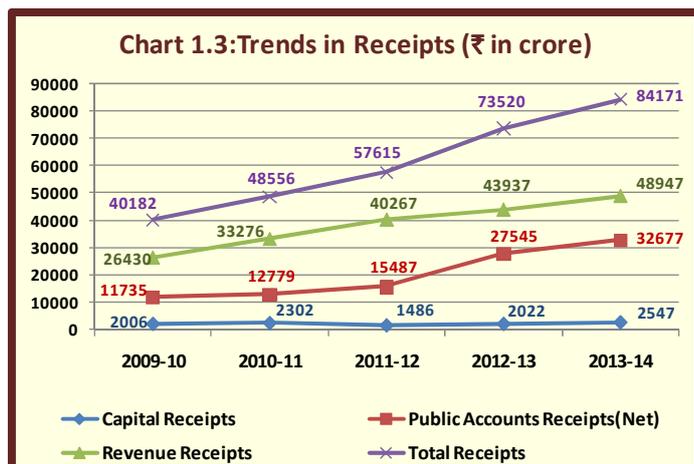
1.3.1 Resources of the State as per Finance Accounts

The progress of Government programmes depend on its resources and determines the expenditure threshold of the Government. Revenue and Capital are the two streams of receipts that constitute the resources of the State Government. Revenue Receipts consist of Tax Revenues, Non-Tax Revenues, State’s share of Union Taxes and Duties and GIA from Government of India (GoI). Total Capital Receipts comprises, Capital Receipts such as miscellaneous Capital Receipts from disinvestments, and other receipts are recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI as well as accruals from Public Account.

Table 1.1 and Chart 1.2 presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while Chart 1.3 depicts the trends in various components of the receipts of the State during 2009-14. Chart 1.4 depicts the composition of receipts of the State during the current year.

Chart 1.2: Components and sub-components of Resources





Source: Finance Accounts of Government of Odisha for respective years

During 2009-2014, total receipts increased by 109 per cent from ₹ 40182 crore in 2009-10 to ₹ 84171 crore in 2013-14, of which increase of Revenue Receipts was by 85 per cent from ₹ 26430 crore to ₹ 48947 crore during the period due to higher collection of State's own taxes as well as increase in State's share of Central tax transfer and GIA from GoI. However, the share of Revenue Receipts as percentage of total receipts decreased from 66 to 58 from 2009-10 to 2013-14. The share of Capital Receipts also decreased from five per cent in 2009-10 to three per cent in 2013-14. The share of Public Account receipts to the total receipts increased from 29 to 39 from 2009-10 to 2013-14.

1.3.2 Funds transferred to State implementing agencies outside the State Budget

Government of India has been transferring a sizeable quantum of funds directly to State implementing agencies¹ for implementation of various schemes/ programmes in social and economic sectors, which are recognised as critical. As these funds were not routed through State budget/ State treasury system, Finance Accounts did not capture the flow of these funds and to that extent, State's receipts and expenditure as well as other fiscal variables/ parameters thereto could not be ensured. However, an appendix (*Appendix -1.5*) giving details of funds transferred directly to State implementing agencies outside State budget is included in Finance Accounts by capturing data from the website of the Controller General of Accounts.

During the year 2013-14, Central fund of ₹ 4699.58 crore were transferred directly to State implementing agencies. Details in respect of some of the major transfers are furnished in **Table 1.4**.

¹ State implementing agencies include any organization/institution including Non-Government Organisation which is authorised by the State Government to receive funds from the Government of India for implementing specific programmes in the State.

Table 1.4: Funds transferred directly to the State implementing agencies for major plan schemes.

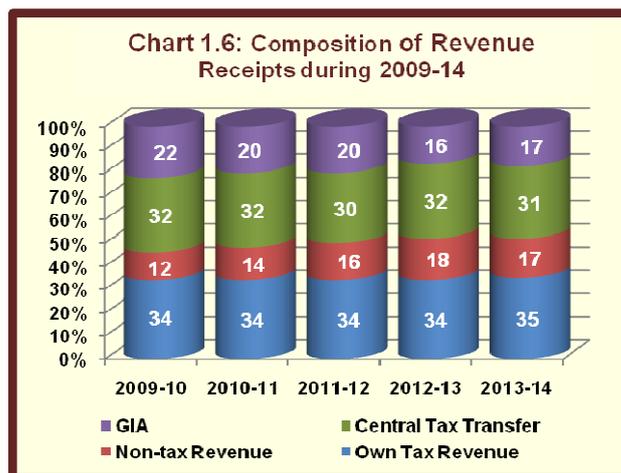
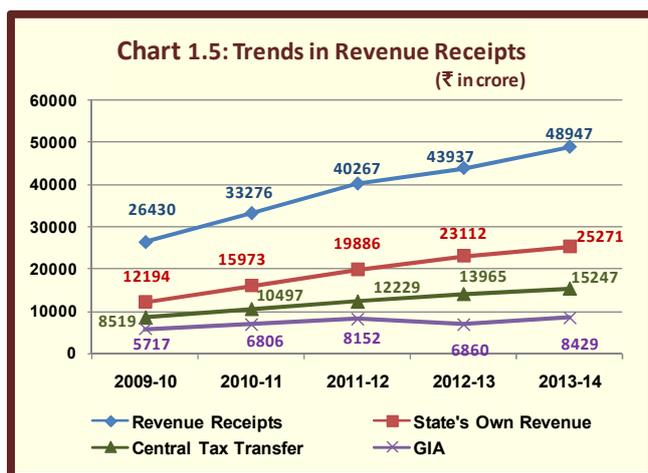
SI No	Name of the Scheme	Amount released (₹ in crore)		
		2011-12	2012-13	2013-14
1	Accelerated Rural Water Supply Programme	171.05	246.53	317.07
2	Integrated Watershed Management Programme	114.67	101.27	148.45
3	National Rural Employment Guarantee Scheme	978.22	847.98	757.53
4	Pradhan Mantri Gram Sadak Yojana	1969.95	87.25	758.91
5	Rural Housing (IAY)	629.99	458.65	444.63
6	Sarva Shiksha Abhiyan	927.20	1043.08	739.56
7	Swaranjayanti Gram Swarozgar Yojana	125.48	123.79	53.77
8	Rashtriya Madhyamik Shiksha Abhiyan	128.87	215.42	265.54

Considering that the quantum of direct transfers are significant (nine *per cent* of State's Revenue Receipts), it is imperative that the end use of this fund is monitored in a timely and effective manner by both the GoI and State Governments so that the intended outcomes are actually realised economically and efficiently. Further, funds flowing directly to the implementing agencies through off-budget route inhibit FRBM Act requirements of transparency and escape accountability. There is no single agency monitoring the use of these funds and no data is readily available on the amounts spent under these schemes. The State Government is yet to put in place an appropriate mechanism to ensure proper accounting of these funds in spite of this being pointed out by Audit in earlier Reports on State Finances.

The Government stated (October 2014) that financial transaction of six major schemes are tracked at all levels. Steps are being taken to improve monitoring and accountability. But Government is yet to develop a fully functional monitoring system.

1.4 Revenue Receipts

Revenue Receipts consist of State Government's own tax and Non-Tax Revenues, State's share of Central tax transfers and GIA from GoI. Statement-11 of the Finance Accounts depicts the Revenue Receipts of the Government. The State's share in Central taxes and GIA is determined on the basis of recommendation of the Finance Commission. Collection of central tax receipts and central assistance for plan schemes etc is also determined on the basis of recommendation of Finance Commission. The trends and composition of Revenue Receipts over the period 2009-14 are shown in *Appendix 1.3* and also depicted in **Chart 1.5** and **1.6** respectively.



Source: Finance Accounts of Government of Odisha for respective years

On an average, 52 per cent of Revenue came from State's own resources and the balance was from GoI in the form of State's share of taxes and GIA. An increase of ₹ 1858 crore (12 per cent) in own Tax Revenue, ₹ 301 crore (four per cent) in Non-Tax Revenue, ₹ 1282 crore (nine per cent) in State's share in Union taxes and duties and ₹ 1569 crore (23 per cent) in GIA resulted in increase of ₹ 5010 crore (11 per cent) in Revenue Receipts during 2013-14 over the previous year.

Revenue Receipts showed progressive increase from ₹ 26430 crore in 2009-10 to ₹ 48947 crore in 2013-14 registering a growth of 85 per cent. The trends in Revenue Receipts relative to GSDP are presented in Table 1.5 :

Table 1.5: Trends in Revenue Receipts relative to GSDP

	2009-10	2010-11 (3 rd R)	2011-12 (2 nd R)	2012-13 (1 st R)	2013-14 (AE)
Gross State Domestic Product (GSDP) (₹ in crore)	162946	197530	214583	255459	288414
Rate of growth of GSDP	9.74	21.22	8.63	19.05	12.90
Revenue Receipts (RR) (₹ in crore) *	26430	33276	40267	43937	48947
Rate of growth of RR (per cent)	7.40	25.90	21.01	9.11	11.40
RR/GSDP (per cent)	16.22	16.85	18.77	17.20	16.97
Buoyancy Ratios²					
Revenue Buoyancy with respect to GSDP	0.76	1.22	2.43	0.48	0.88
Rate of growth of own tax	12.35	24.61	20.10	11.83	12.36
State's Own Tax Buoyancy with respect to GSDP	1.27	1.16	2.33	0.62	0.96

Source: GSDP - Directorate of Economics and Statistics, Government of Odisha and Revenue Receipts – Finance Accounts of the respective years, RE- Revised and AE-Advanced Estimates, * Do not include GoI funds transferred to Non-Government organisations and others.

² Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, Revenue buoyancy at 0.6 implies that Revenue Receipts tend to increase by 0.6 percentage points, if the GSDP increases by one per cent.

- Revenue buoyancy widely fluctuated during the period due to fluctuations in the growth rate of Revenue Receipts.
- Revenue buoyancy with reference to GSDP which was above one during 2010-12 came down to less than one during 2012-13 as well as in 2013-14 indicating that the growth rate of GSDP was better than the growth rate of Revenue Receipt in the State.
- The States own tax buoyancy with respect to GSDP was also less than one during 2012-13 and 2013-14 indicating GSDP growth better than own tax growth .

1.4.1 State's Own Resources

The State's own resources comprised Revenue Receipts from its own tax and non-tax source. The actual receipts under State's tax and Non-Tax Revenue vis-à-vis assessment made by ThFC and the State Government in MTFP is indicated in **Table 1.6** below:

Table 1.6: Mobilisation of Own Tax Revenue and Own Non-Tax Revenue

(₹ in crore)

	Assessment made by ThFC	Assessment made by State Government in MTFP	Actuals
State's Own Tax Revenue	15388	17605	16892
State's Own Non-Tax Revenue	2831	6825	8379

The receipts under State's tax and Non-Tax Revenue during 2013-14 exceeded the assessment of ThFC by 10 *per cent* and 196 *per cent* respectively. However, the State's own Tax Revenue was less than assessment made in MTFP by ₹ 713 crore (four *per cent*) while Non-Tax Revenue was more by ₹ 1554 crore (23 *per cent*).

1.4.1.1 Tax Revenue

The sector wise components of Tax Revenue during 2009-10 to 2013-14 are shown in **Table 1.7**.

Table 1.7: Sector wise components of State's Tax Revenue

(₹ in crore)

Revenue Head	2009-10	2010-11	2011-12	2012-13	2013-14	% increase in 2013-14 over previous year
Taxes on Sales, Trades etc.	5409	6807	8197	9685	10729	11
State Excise	849	1094	1379	1499	1780	19
Taxes on Vehicles	611	728	788	746	860	15
Stamp Duty and Registration Fees	360	416	498	545	606	11
Land Revenue	292	391	522	420	431	3
Taxes on Goods and Passengers	815	1111	1312	1342	1613	20
Other Taxes ³	646	646	747	797	873	10
Total	8982	11193	13443	15034	16892	12

Source: Finance Accounts for the respective years

³ Other taxes include taxes on immovable property other than agricultural land, taxes and duties on electricity and agricultural income.

The Compound Annual Growth Rate (CAGR) of Tax Revenue for 2004-13 of the State was higher as compared to the other General Category States (*Appendix 1.1*). The Tax Revenue during the current year (₹ 16892 crore) increased by 12 per cent over the previous year (₹15034 crore). The Revenue through Taxes on Sales, Trade etc. (₹ 10729 crore) was the main source of State's Own Tax Revenue and registered an increase of 11 per cent (over the previous year), Taxes on Goods and Passengers (₹ 1613 crore) increased by 20 per cent, State Excise (₹ 1780 crore) increased by 19 per cent, Taxes on Vehicles (₹ 860 crore) by 15 per cent, Stamp Duty and Registration fees (₹ 606 crore) by 11 per cent and Taxes on Land Revenue (₹ 431 crore) by three per cent over the previous year.

The growth rate of Own Tax Revenue (OTR) with respect to GSDP was less than six per cent in 2013-14. To achieve the target of 7.5 per cent by 2014-15 as projected to ThFC (Para 7.6 of the recommendations), the State Government will have to take appropriate steps to gear up their OTR.

Major increase /decrease in current year's Own Revenue along with reasons are given in **Table 1.8**.

Table 1.8: Major increase /decrease in current year's Own Revenue

Sl No	Major Heads of Account	Increase (₹in crore)	Main Reasons*
1	0040- Taxes on Sales, Trade etc	1043.87	Due to more receipts of Tax collection under Central Sales Tax
2	0039- State Excise	281.49	Due to more receipts in License Fees on Excise Duty on Foreign Liquor, spirit and other items
3	0042- Taxes on Goods and Passengers	270.92	Due to more receipts of Taxes on entry of Goods to Local areas
4	0049- Interest Receipts	652.93	Due to more receipts of interest from GRIDCO on Power Bonds.
Sl No	Major Heads of Account	Decrease (₹in crore)	Main Reasons
5	0853- Non-Ferrous Mining and Metallurgical Industries	176.90	Due to decrease in receipts in collection of Fees, Rents and Royalties
6	0050- Dividends and Profits	112.13	Due to less receipts of Dividend from OMC and OPGC.

Source: *Reasons as per Finance Accounts 2013-14, Government of Odisha.

1.4.1.2 Non-Tax Revenue

The components of Non-Tax Revenue during 2009-10 to 2013-14 are given in **Table 1.9**:

Table 1.9: Components of State's own resources

Revenue Head						(₹ in crore)
	2009-10	2010-11	2011-12	2012-13	2013-14	% increase over previous year
Interest Receipts	379	261	576	588	1241	111.05
Dividends & Profits	251	102	286	565	452	-20.00
Non-Ferrous Mining and Metallurgy receipts	2021	3329	4572	5697	5519	-3.12
Other Non-Tax Receipts	561	1088	1009	1228	1167	-4.92
Total	3212	4780	6443	8078	8379	3.73

Source: Finance Accounts of Government of Odisha for respective years

The Compound Annual Growth Rate (CAGR) of Non-Tax Revenue for 2004-13 of the State was also higher as compared to the other general category States (*Appendix 1.1*). The non-tax revenue collected during 2009-14 ranged between 12 to 18 percent of revenue receipts. The Own Non-Tax Revenue (ONTR) (₹ 8379 crore) which constituted 17 per cent of Revenue Receipts during 2013-14 increased by ₹ 301 crore (four per cent) over previous year. The increase was mainly under Interest Receipts (₹653 crore) set off by decrease under Non-Ferrous Mining and Metallurgy Industries (₹177 crore) which includes mainly mineral concession fee, rent and royalty and Dividends and Profits (₹113 crore).

1.4.2 Grants-in-aid from Government of India

Grants-in-aid from GoI increased from ₹ 5717 crore in 2009-10 to ₹ 8429 crore during 2013-14 as shown in **Table 1.10**.

Table 1.10: Grants-in –aid from Government of India

Particulars						(₹ in crore)
	2009-10	2010-11	2011-12	2012-13	2013-14	
Non-Plan Grants	1629	2111	2561	1505	2729	
Grants for State Plan Schemes	2777	3279	3853	3484	3429	
Grants for Central Plan Schemes	167	192	109	183	122	
Grants for Centrally Sponsored Schemes	1144	1224	1629	1688	2149	
Grants for Special Plan Schemes	---	---	---	---	---	
Total	5717	6806	8152	6860	8429	
Percentage of increase over previous year	10.84	19.05	19.78	(-)15.85	22.87	
Total grants as a percentage of Revenue Receipts	21.63	20.45	20.24	15.61	17.22	

Source: Finance Accounts of Government of Odisha for respective years

Grants-in-aid from GoI increased by ₹ 1569 crore from ₹ 6860 crore in 2012-13 to ₹ 8429 crore in 2013-14. The increase was under grants for Non-Plan schemes (₹1224 crore), Centrally Sponsored Plan schemes (₹ 461 crore) set off by decrease in Central Plan schemes (₹ 61 crore) and State Plan schemes (₹ 55 crore). However, the percentage share of grants to Revenue Receipts decreased from 22 to 17 from 2009-10 to 2013-14.

1.4.3 Thirteenth Finance Commission Grant during 2013-14

As per recommendation of ThFC, GoI allocated ₹ 9658.76 crore under grants (both Non-Plan and Plan), to Government of Odisha for utilisation during 2010-15, of which allocation for 2013-14 was ₹ 2313.55 crore. Scrutiny of release of grant during 2013-14 revealed the following:

(i) Forfeiture of Thirteenth Finance Commission Grant

As per the recommendation of ThFC, if the State fails to meet the conditions attached to grants released during a fiscal year, it will lose the performance grant for the succeeding year. It was, however, observed that the conditions in respect of (i) formation of Independent Local Body Ombudsman, (ii) certification by C&AG regarding Technical Guidance and Supervision and (iii) empowering Local Bodies to levy Property Tax, have not been fulfilled by March 2013 due to which the State lost the performance grant amounting to ₹ 336.97 crore for the year 2013-14.

Further, the ThFC also recommended that grant of ₹ 46 crore for Water Sector for 2013-14 would be released only if the State set up a statutory and independent Water Regulatory Authority (WRA) by 31 March 2012. Non setting up of the WRA by 31 March 2012 led to loss of ₹ 46 crore for the year 2013-14.

(ii) Non-release /Short release of Thirteenth Finance Commission Grant

The ThFC recommended grant of ₹ 219.42 crore in respect of following components for 2013-14 (Table 1.11 & 1.12). However, the State Government failed to avail the grant as it failed to comply with the conditions as detailed below:

Table 1.11: Non-release of Thirteenth Finance Commission Grant during 2013-14

Sl No.	Purpose	Amount recommended by ThFC (₹ in crore)
1	Grant for UID	35.70
2	Construction of Anganwadi Center	100.00
3	Employee and Pension Database	7.50
4	Upgradation of Jails	25.00
5	Eco-restoration of Chilika Lake	12.50
6	Justice delivery	38.72
Total		219.42

Source: Thirteenth Finance Commission's Report and Finance Accounts 2013-14 of Government of Odisha

Similarly, there was short release of ₹ 66.23 crore as detailed below:

Table 1.12: Short-release of Thirteenth Finance Commission Grant during 2013-14

Purpose	Amount recommended by ThFC (₹ in crore)	Amount released by ThFC (₹ in crore)
Development and Upgradation of Distribution System	125.00	58.77
Total	125.00	58.77

The reasons for shortfall in release of grants were as under:

- The condition stipulated for release of grants under Employee and Pension Data Base was that the State would create a data base and ensure that the same would functionally integrate with the treasury on a transactional basis. As the State failed to create the database, GoI did not release grant of ₹ 7.50 crore for 2013-14.
- Grants for Construction of Anganwadi Center, justice delivery, incentive for issue of UID, Upgradation of Jails and Eco-restoration of Chilika Lake were not released due to non-submission/delayed submission of Utilisation Certificate in respect of grants released during previous years.

The Government (October 2014) agreed that it could not fulfill certain conditions imposed to become eligible for these grants.

1.4.4 Central Tax transfers

During 2013-14, Central tax transfers increased by ₹ 1282 crore over previous year and constituted 31 *per cent* of Revenue Receipts. The increase was mainly under Service Tax (₹ 445 crore), Taxes on Income other than Corporation Tax (₹ 373 crore), Union Excise Duties (₹180 crore) and Customs (₹ 167 crore).

1.5 Capital Receipts, recoveries of Loans and Advances and Debt etc.

The capital receipts are either non-debt capital receipts such as proceeds from disinvestment of equity in Government companies/corporations and recoveries of loans and advances or debt capital receipts credited under public debt sections of the Consolidated Fund. The public debt receipts fall broadly under two categories (a) Loans and advances from the Union Government and (b) borrowings from banks, financial institutions through issue of State Development Loans. Capital Receipts increased by ₹ 541 crore from ₹ 2006 crore in 2009-10 to ₹ 2547 crore during 2013-14 as shown in **Table 1.13**.

Table 1.13: Trends in growth and composition of Capital Receipts

(₹ in crore)

Sources of State's Receipts	2009-10	2010-11	2011-12	2012-13	2013-14
Capital Receipts (CR)	2006	2302	1486	2022	2547
Miscellaneous Capital Receipts	---	---	---	---	0.03
Recovery of Loans and Advances	356	34	132	142	257
Public Debt Receipts	1650	2268	1354	1880	2290
Rate of growth of debt Capital Receipts	43.23	37.45	(-)40.30	38.85	21.81
Rate of growth of non-debt Capital Receipts	50.85	(-)90.45	288.24	7.58	80.98
Rate of growth of GSDP	9.74	21.22	8.63	19.05	12.90
Rate of growth of CR (<i>per cent</i>)	44.52	14.76	(-)35.45	36.06	25.96

Source: Finance Accounts of Government of Odisha for respective years

Public debt receipts, which create future repayment obligations, increased by 39 *per cent* from ₹ 1650 crore to ₹ 2290 crore which is a matter of concern. Public debt receipts during the year (₹ 2290 crore) comprised internal debt of ₹1740 crore (76 *per cent*) and loans and advances from GoI (24 *per cent*). Debt receipts had a predominant share in capital receipts and were between 82 to 99 *per cent* during 2009-14 whereas non-debt receipts had a smaller share in capital receipts and ranged between one to 18 *per cent* during 2009-14.

1.6 Public Accounts Receipts

Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc. which do not form part of the Consolidated Fund of India, are kept in Public Account set up under Article 266(2) of the Constitution of India and are not subject to vote by the State legislature. Here the Government acts as a banker. The balance after disbursements is the amount of funds available with the Government for its use.

Table 1.14: Trends in growth and composition of Public Account Receipts

(₹ in crore)

Resources under various heads	2009-10	2010-11	2011-12	2012-13	2013-14
Public Account Receipts	11735	12779	15487	27545	32677
a. Small Savings, Provident Fund etc.	2571	2804	2492	3001	3332
b. Reserve Fund	736	603	1661	939	1760
c. Deposits and Advances	3134	3346	4126	6537	7019
d. Suspense and Miscellaneous	37	-2	-32	8527	10225
e. Remittances	5257	6028	7240	8541	10341

Source: Finance Accounts of Government of Odisha for respective years

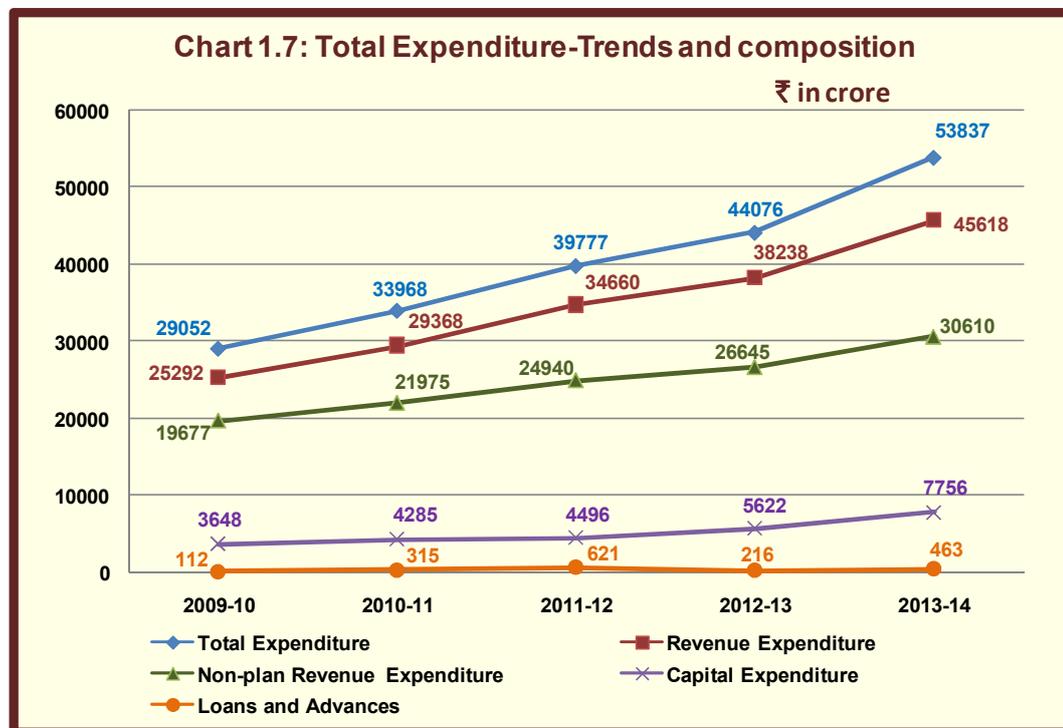
The share of Public Accounts receipts on total receipts increased from 29 *per cent* in 2009-10 to 39 *per cent* in 2013-14. As compared to 2012-13, the increase during 2013-14 was 19 *per cent* (₹ 5132 crore) which was mainly under Suspense and Miscellaneous, Remittances and Deposits and Advances, *etc.*

1.7 Application of Resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is, therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially the expenditure directed towards development of social sector.

1.7.1 Growth and Composition of Expenditure

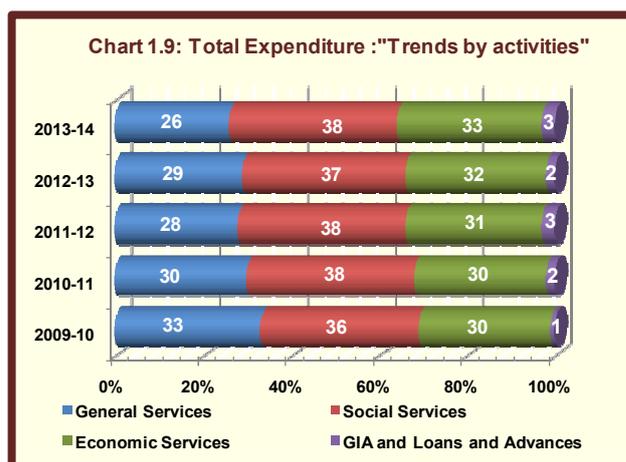
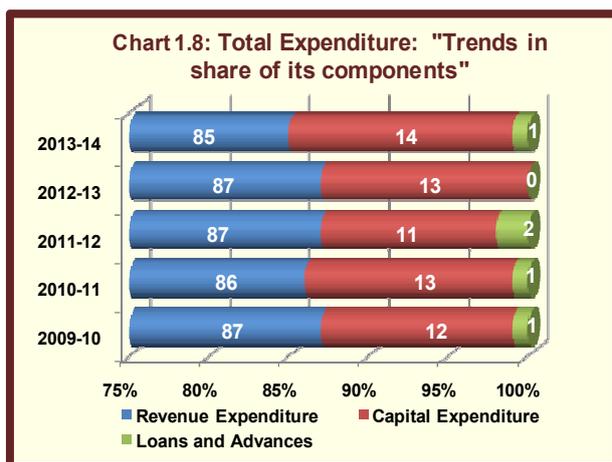
Chart 1.7 presents the trends in total expenditure over a period of five years (2009-14) and its composition both in terms of ‘economic classification’ and ‘expenditure by activities’ is depicted in Charts 1.8 and 1.9 respectively.



Source: Finance Accounts of Government of Odisha for respective years

Total expenditure of the State increased by 85 per cent from ₹ 29052 crore in 2009-10 to ₹ 53837 crore in 2013-14 due to increase in Revenue Expenditure (₹ 20326 crore), capital outlay (₹ 4108 crore) and disbursement of loans and advance (₹ 351 crore). While the share of Revenue Expenditure in the total expenditure decreased from 87 per cent during 2009-10 to 85 per cent in 2013-14, the share of Capital Expenditure increased from 12 per cent in 2009-10 to 14 per cent in 2013-14.

The increase of ₹ 9761 crore in total expenditure in 2013-14 over the previous year was on account of increase in Revenue Expenditure, Capital Expenditure and in disbursement of loans and advances by ₹ 7380 crore , ₹ 2134 crore and ₹ 247 crore respectively. The total expenditure was 18.67 per cent of GSDP during 2013-14 as compared to 17.25 per cent during the previous year.



Source: Finance Accounts of Government of Odisha for respective years

1.7.2 Total Expenditure

Total Expenditure (TE) consisted of expenditure on General Services including Interest Payments, Social and Economic Services and GIA and disbursement of Loans and Advances. The movement of relative shares of the component of expenditure is indicated in **Chart 1.9**

1.7.3 Revenue Expenditure

Revenue Expenditure (RE) is incurred to maintain the current level of services and payment of the past obligation and as such does not result in any addition to the State's infrastructure and service network. Revenue Expenditure had a predominant share of 87 *per cent* of total expenditure in 2009-10 which decreased to 85 *per cent* in 2013-14. However, it increased by 19 *per cent* from ₹ 38238 crore in 2012-13 to ₹ 45618 crore in 2013-14 in absolute terms.

In the context of State finances, the quality of expenditure has always been an important issue. Currently, revenue expenditure accounts for around 85 *per cent* of the State's aggregate expenditure, which is in the nature of current consumption, leaving only 15 *per cent* for investment in infrastructure and asset creation.

1.7.4 Non-Plan Revenue Expenditure

Non-Plan Revenue Expenditure (NPRE) recorded an increase of ₹ 3965 crore (15 *per cent*) from ₹ 26645 crore in 2012-13 to ₹ 30610 crore during the current year. The increase in NPRE is a cause of concern as it erodes the resource base for sparing budgetary resources for developmental interventions. However, NPRE as a proportion of Revenue Expenditure, decreased from 78 *per cent* (₹ 19677 crore) in 2009-10 to 67 *per cent* (₹ 30610 crore) in 2013-14. Out of the total increase of ₹ 7380 crore in Revenue Expenditure during the current year over the previous year, increase in NPRE contributed 54 *per cent* (₹ 3965 crore) and the remaining 46 *per cent* (₹ 3415 crore) was Plan Revenue Expenditure (PRE). Increase in NPRE during the current year was mainly on Social Welfare and Nutrition (₹ 894 crore), Education, Sports, Art and Culture (₹ 428 crore), Agriculture & Allied

Services (₹ 240 crore), Transport (₹ 127 crore) and Welfare of SC, ST and OBC (₹ 84 crore). Although NPRE exceeded ThFC's assessment (₹ 24583 crore) by ₹ 6027 crore, it remained below the assessment made by the Government in MTFP (₹ 37959 crore) for 2013-14 by ₹ 7349 crore, as indicated in **Table 1.15**.

Table 1.15: Comparative assessments of RE and NPRE and per cent of GSDP

(₹ in crore)

	Assessment made by ThFC	Assessment made by Government in MTFP	Actual in 2013-14
Revenue Expenditure	Not available	49394	45618
NPRE	24583 (8.52)	37959 (13.16)	30610 (10.61)

Note: Figures in brackets are percentage to GSDP (₹ 288414 crore) for 2013-14.

Source: Thirteenth Finance Commission's Report and Finance Accounts 2013-14 and Budget at a Glance 2014-15 on Government of Odisha

NPRE constituted 57 per cent of the total expenditure of the State during 2013-14. Its ratio with Revenue Expenditure declined from 78 per cent in 2009-10 to 67 per cent in the current year, an improvement over the previous period.

1.7.5 Capital Expenditure

Capital Expenditure (CE) of the State as proportion of total expenditure increased from 12 per cent (₹ 3648 crore) in 2009-10 to 14 per cent (₹ 7756 crore) in 2013-14. However, CE (₹ 7756 crore) increased significantly (38 per cent) during 2013-14 over the previous year (₹ 5622 crore) in absolute terms, mainly on account of increase in expenditure on Transport (₹ 658 crore), Irrigation and Flood control (₹ 206 crore), Water Supplies, Sanitation and Housing and Urban Development (₹ 389 crore) and Energy (₹ 487 crore). The CE during 2013-14, was 2.69 per cent of GSDP as against Government's projection of 2.72 per cent in Budget Estimate for 2013-14. The CE (₹ 7756 crore) was lesser by ₹ 84 crore against Budget Estimate (₹ 7840 crore) during the current year.

1.7.6 Committed Expenditure

Committed Expenditure of the State Government on Revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.16** and **Chart 1.10** present the trends in the expenditure on these components during 2009-14.

Table 1.16: Components of Committed Expenditure

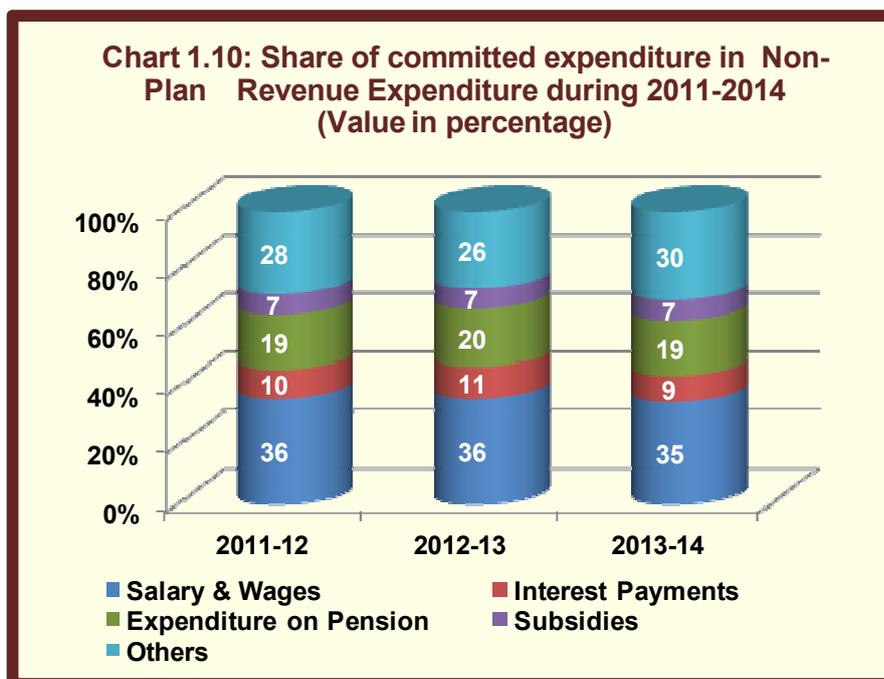
	(₹ in crore)					
	2009-10	2010-11	2011-12	2012-13	2013-14	
					BE	Actuals
Salaries* & Wages ,	7945 (27)	8969 (26)	8868 (22)	9615 (22)	13684	10713 (22)
Non-Plan Head	7484	8448	8385	9118	12443	10210
Plan Head**	461	521	483	497	1241	503
Interest Payments	3044 (10)	3061 (9)	2576 (6)	2807 (6)	5008	2888 (6)
Expenditure on Pensions	3283 (11)	4011 (12)	4741 (12)	5379 (12)	6728	5935 (12)
Subsidies	1008 (4)	1310 (4)	1744 (4)	1951 (4)	1552	2031 (4)
TOTAL	15280	17351	17929	19752	26972	21459

Figures in the parentheses indicate percentage to Revenue Receipts. **BE:** Budget Estimates

* also includes the salaries paid out of Grants-in-aid

** also includes the salaries and wages paid under centrally sponsored schemes

Source: Finance Accounts 2013-14, Government of Odisha and Odisha Budget at a Glance 2014-15.



Source: Finance Accounts of Government of Odisha for respective years

1.7.6.1 Salaries

Expenditure on salaries increased from ₹ 7945 crore in 2009-10 to ₹ 10713 crore in 2013-14 accounting for nearly 22 per cent of Revenue Receipts and 35 per cent of the NPRE of the State Government during the year. The salary expenditure (₹ 10713 crore) was ₹ 2964 crore more than the ThFC assessment of ₹ 7749 crore for 2013-14 in absolute terms. The expenditure on salary decreased to 23 per cent of Revenue Expenditure during 2013-14 as against 25 per cent in 2012-13.

1.7.6.2 Interest Payments

Interest payments during the current year (₹ 2888 crore) increased by ₹ 81 crore over the previous year's (₹ 2807 crore) and remained lower than the projections made in Mid Term Fiscal Plan (MTFP) (₹ 5008 crore), ThFC (₹ 5051 crore) and Budget Estimates (₹ 5008 crore) for the year 2013-14. During 2013-14, interest payment as percentage of total Revenue Receipts was six *per cent* which was lower than the projections of 9.76 *per cent* in MTFP.

1.7.6.3 Pensions

Expenditure on pension (₹ 5935) which was 12 *per cent* of total Revenue Receipts of the State during the year steeply increased by 81 *per cent* from ₹ 3283 crore in 2009-10 to ₹ 5935 crore in 2013-14. It also increased by ₹ 556 crore from ₹ 5379 crore in 2012-13 to ₹ 5935 crore in 2013-14. The increase in the current year over the previous year was mainly due to more expenditure under pensions on superannuation and other retirement allowances to Government servants. The State Government did not adequately estimate yearly pension liabilities for next ten years, as required under FRBM Act, 2005. The pension payment during the current year was higher than the projection made by ThFC (₹ 3506 crore) for the year.

The Government introduced a 'Defined Contributory Pension Scheme' for all employees recruited on or after 1 January 2005 for managing the future pension liability. The State Government has executed agreement with National Securities Depository Limited (NSDL), Mumbai, the Central Record Keeping Agency appointed by the Pension Fund Regulatory and Development Authority (PFRDA) as well as with New Pension Scheme (NPS) Trust, New Delhi for smooth management of NPS. An amount of ₹ 29.62 crore, being the employees contribution as well as employer's contribution, was kept under Public Accounts (8342-Other Deposits) for transfer to National Pension Scheme (NPS) Trust. Thus, the State Government's liability on this account was ₹ 29.62 crore as on 31st March 2014. This amount, has not been transferred to NPS, thus defeating the main objective of introducing the Defined Contribution Pension Scheme in order to limit future pension liabilities.

The ThFC (September 2010) recommended release of grant of ₹ 10 crore to assist the States to build the database of their employees and pensioners which should be integrated with an electronic payroll and pension payment system to facilitate error free and real time updates. Out of this, the Government of Odisha drew ₹ 2.50 crore during 2010-11. The balance amount of ₹ 7.50 crore was to be released by the Government as per recommendation of ThFC after the creation of database. The ThFC recommended completing this database in three years i.e by 2012-13. But the Government is yet to create the database.

The Government stated (October 2014) that transfer of employee's as well as employers contribution to the identified fund manager is being made on monthly

basis with minimum possible time lag. The modalities are being worked out by Director of Treasuries and Inspection, Odisha in consultation with Accountant General (A&E).

Regarding setting up of pensioner database Government stated that the State had already built the database of the pensioners in iOTMS. A Human Resources Management System (HRMS) has been put in place to capture the database of all the employees. However, the system is yet to capture the database of all the employees resulting in State not availing ₹ 7.50 crore grant.

1.7.6.4 Subsidies

States, for welfare of public at large provide subsidies/subventions to disadvantaged sections of the society. Subsidies are dispensed not only explicitly but also implicitly by providing subsidised public service to the people. Budgetary support to financial institutions and poor recovery of user charges from social and economic services provided by the Government fall in the category of implicit subsidies.

The State Government in its MTFP for 2007-08, aimed to rationalise general subsidy and reduce their overall volume gradually at a rate of 10 *per cent* per annum beginning from 2005-06. However, the expenditure on subsidies increased from ₹ 1008 crore in 2009-10 to ₹ 2061 crore (over 104 *per cent*) in 2013-14 which included food subsidy of ₹ 1283 crore due to disbursement of rice at one rupees per kilogram to people living below poverty line, ₹ 341 crore under Relief on account of Natural Calamities which consisted mainly of assistance to farmers affected by floods/cyclone for purchase of agricultural inputs etc, ₹ 157 crore under subsidy to Odisha Lift Irrigation Corporation Limited and ₹ 136 crore interest subsidy/subvention to the co-operative banks for providing crop loan at five *per cent* interest per annum to the farmers.

1.7.6.5 Future committed liabilities

Appendix XIV of Finance Accounts, 2013-14 depicts the information on committed liabilities of the State in the future as detailed in **Table 1.17**

Table 1.17: Committed Liabilities of the State for future

(₹ in crore)					
SI No	Nature of the Liability	Plan	Non-Plan	Likely year of the discharge	Balance Remaining
1.	Pensions	0	66667.02	2014-20	66667.02
2.	Interest payments	0	36488.51	2014-20	36488.51
3.	Repayment of Loan	0	12211.44	2014-20	12211.44
	TOTAL	0	115366.97		115366.97

Source: Finance Accounts 2013-14, Government of Odisha.

The total committed liabilities of the State stood at ₹ 115367 crore as at the end of the year. Out of total liabilities, pension payment obligations were 58 *per cent*, interest payment 32 *per cent* and loan repayment 10 *per cent*.

1.7.7 Financial Assistance by State Government to local bodies and other institutions

The quantum of assistance provided by way of grants to local bodies and others during the current year relative to the previous years is presented in the **Table 1.18**.

Table 1.18: Financial Assistance to Local Bodies etc.

	(₹ in crore)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Educational institutions (aided schools, aided colleges, universities, etc.)	697	1722	1859	668	1090
Municipal Corporations and Municipalities	645	1168	591	804	1359
Zilla Parishads and Other Panchayati Raj Institutions	3062	3556	1149	1227	1246
Development agencies	88	582	908	692	510
Other Institutions	2230	2058	4558	3632	5290
TOTAL	6722	9086	9065	7023	9495
Assistance as per percentage of RE	28	31	26	18	21

Source: Finance Accounts of Government of Odisha

Grants extended to local bodies and other institutions has significantly increased by ₹ 2472 crore (35 *per cent*) from ₹ 7023 crore in 2012-13 to ₹ 9495 crore in 2013-14. The increase over previous year was mainly due to increase in assistance to Municipal Corporations and Municipalities (₹ 555 crore), Educational Institutions (₹ 422 crore), Other Institutions (₹ 1658 crore) and Zilla Parishads and Other Panchayati Institutions (₹ 19 crore) which was partly set off by decrease in assistance to Development agencies (₹ 182 crore) resulting in increase in the share of grants and loans to the Revenue Expenditure from 18 *per cent* in 2012-13 to 21 *per cent* in the current year.

1.8 Quality of Expenditure

Availability of better infrastructure in the social, educational and health sector in the State generally reflects the quality of expenditure. Improvement in the quality of expenditure basically involves three aspects, viz., adequacy of the expenditure (i.e. adequate provisions for providing public services), efficiency of expenditure use (assessment of input –output relationship in terms of time etc.) and the effectiveness (assessment of outlay-outcome relationships for selected services).

1.8.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to the social sector and the economic infrastructure assigned to the State Governments are largely State subjects.

Enhancing human development levels requires the States to step up their expenditure on key social services like education, health etc. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if it is below the respective national average. **Table 1.19** analyses the fiscal priority of the State Government with regard to Development Expenditure, Social Expenditure and Capital Expenditure during 2013-14.

Table 1.19: Fiscal Priority and Fiscal capacity of the State in 2010-11 and 2013-14.

(In per cent)

Fiscal Priority by the State	AE/GSDP	DE#/AE	SSE/AE	CE/AE	Education/AE	Health/AE
General Category States* average (Ratio) 2010-11	15.78	65.09	36.88	13.49	17.48	4.37
Odisha State's average (Ratio) 2010-11	17.47	68.62	37.41	12.61	19.47	3.75
General Category States* average (Ratio) 2013-14	15.92	66.45	37.56	13.62	17.20	4.51
Odisha State's average (Ratio) 2013-14	18.67	71.86	37.98	14.41	15.67	3.63

As per cent to GSDP

* General Category States excluding Delhi, Goa and Puducherry

AE: Aggregate Expenditure, DE: Development Expenditure, SSE: Social Sector Expenditure, CE: Capital Expenditure

Development expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans & Advance disbursed

From the above Table, it may be seen that

- The ratio of the AE to GSDP in 2010-11 and 2013-14 (17.47 per cent and 18.67 per cent) was higher in Odisha as compared to other General Category States (15.78 per cent and 15.92 per cent).
- Development expenditure as a proportion of Aggregate expenditure in Odisha was also higher compared to the average of General Category States during 2010-11 as well as in 2013-14. Development expenditure consists of both economic service expenditure and social sector expenditure.
- Capital Expenditure as a proportion of Aggregate expenditure in Odisha was lower compared to the average of General Category States during 2010-11. However, in 2013-14, Odisha spent a higher proportion on this account as compared to General Category states. Increased priority to physical capital formation will further increase the growth prospects of the state by creating durable assets.
- Fiscal priority given to education in Odisha was higher than other General Category States in 2010-11, but in 2013-14, lower fiscal priority was given to this sector by the State as compared to other General Category States.
- Fiscal priority given to health sector in Odisha during 2010-11 as well as in current year based on the proportion of aggregate expenditure was lower than other General Category States. Greater fiscal priority needs to be accorded to the health sector.

1.8.2 Efficiency of Expenditure use

In view of the importance of public expenditure for attaining higher levels of social and economic development, it is important for the Government to take appropriate expenditure rationalisation measures so as to lay emphasis on provision of core public and merit goods⁴. Apart from improving the allocation towards Development Expenditure⁵, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years and which is further enlarged due to generation of a surplus on Revenue account since 2005-06, the efficiency of expenditure use is also reflected by the ratio of Capital Expenditure to total expenditure (and/or GSDP) and proportion of Revenue Expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.20** presents the trends in Development Expenditure relative to the Aggregate Expenditure of the State during the current year vis-à-vis budgeted and the previous years, **Table 1.21** provides the details of Capital Expenditure and the components of Revenue Expenditure incurred on the maintenance of the selected social and economic services.

Table 1.20: Development Expenditure

Components of Development Expenditure ⁵	2009-10	2010-11	2011-12	2012-13	2013-14	
					(BE)	(Actual)
Development Expenditure (a to c)						
a. Development Revenue Expenditure (DRE)	15600 (54)	18999 (56)	23070 (58)	25173 (57)	30395	31036 (58)
b. Development Capital Expenditure (DCE)	3470 (12)	4051 (12)	4238 (11)	5271 (12)	7508	7286 (14)
c. Development Loans and Advances	89 (0.3)	258 (0.8)	401 (1)	142 (0.3)	112	364 (0.7)
TOTAL	19159 (66)	23308 (69)	27709 (70)	30586 (69)	38015	38687 (72)

Figures in parentheses indicate *percentage* to aggregate expenditure,

*Source: Odisha Budget at a Glance 2014-15 and Finance Accounts 2013-14. Details in **Appendix 1.3**

⁵ The expenditure on social and economic services constitutes Development Expenditure.

Development expenditure comprising Revenue, Capital and expenditure on loans and advances on socio-economic services increased from ₹ 19159 crore in 2009-10 to ₹ 38687 crore in 2013-14. As a percentage of total expenditure, it increased from 66 in 2009-10 to 72 in 2013-14.

⁴ **Core public goods** are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc. **Merit goods** are commodities that the public sector provides free or at subsidised rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidised food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

⁵ Analysis of expenditure data is disaggregated into development and non development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorised into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.

It would be seen from the above that Development Revenue Expenditure which was ₹ 15600 crore during 2009-10 rose to ₹ 31036 crore during 2013-14, registering a growth of nearly 99 per cent.

During 2013-14, Development Revenue Expenditure increased by ₹ 5863 crore (23 per cent) in absolute terms and Development Capital Expenditure increased by ₹ 2015 crore (38 per cent) over the previous year.

The increase in Development Revenue Expenditure during 2013-14 over the previous year was mainly due to increase under Education (₹ 1019 crore), Rural Development (₹ 805 crore), Agriculture & allied activities (₹ 597 crore), Water Supplies, Sanitation and Housing & Urban Development (₹ 477 crore), Irrigation and Flood Control (₹ 354 crore) and Health & Family Welfare (₹ 131 crore). The increase in Capital Expenditure during 2013-14 over the previous year was mainly due to increase in expenditure on Transport (₹ 658 crore), Energy (₹ 487 crore), Water Supplies, Sanitation and Housing and Urban Development (₹ 389 crore) and Irrigation & Flood control (₹ 206 crore).

Table 1.21: Efficiency of expenditure in selected Social and Economic services

(In per cent)

Sectors	2012-13			2013-14		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		S & W	O & M		S & W	O & M
Social Services (SS)						
General Education	0.54	53.80	NA	1.85	53.19	NA
Health and Family Welfare	4.75	61.81	NA	7.38	61.44	NA
Water Supplies, Sanitation & Housing & Urban Development	25.84	6.73	29.40	32.83	5.11	24.26
TOTAL (SS)	7.45	36.32	2.18	8.44	32.36	2.05
Economic Services (ES)						
Agriculture & Allied Activities	1.16	19.67	NA	3.32	18.41	NA
Irrigation and Flood Control	65.80	16.01	40.90	61.30	13.45	28.34
Power & Energy	65.54	23.64	43.95	67.02	17.45	14.32
Transport	49.73	0.38	30.37	56.38	0.37	41.98
Total (ES)	28.23	13.87	10.96	30.49	12.40	9.05
TOTAL (SS+ES)	17.23	27.23	5.74	18.83	24.44	4.83

TE: Total Expenditure; CE: Capital Expenditure; RE: Revenue Expenditure; S&W: Salaries and Wages; O&M: Operations & Maintenance.

O&M figures are not available in General Education, Health and Family Welfare, Agriculture & Allied Activities and Transport Departments.

Source: Finance Accounts of Government of Odisha

Access to basic education, health services, drinking water and sanitation facilities are strong indicators of socio economic progress. Further, expenditure on economic services includes all such services that promote directly and indirectly productive capacity within the State by improving the quality of human resources. Therefore, it is pertinent to make an assessment with regard to expansion and efficient provision of these services in the State. **Table 1.21** summarises percentage of expenditure under different components of economic and social

services sectors incurred by the State Government in expanding and maintaining social and economic services in the State during 2012-13 and 2013-14.

The share of Capital Expenditure to total expenditure has increased in respect of Water Supplies, Sanitation, Housing & Urban Development, Health & Family Welfare (in Social Services) and Power and Energy and Agriculture and Allied services (in Economic Services) during 2013-14 as compared to the previous year whereas the share of the Operation & Maintenance expenditure has substantially increased in Transport set off by substantial decrease of the same in Power & Energy.

As seen from **Appendix 1.3**, expenditure on Social Services during 2013-14 (₹ 20447 crore) constituting 38 *per cent* of total expenditure (₹ 53837 crore) increased by 26 *per cent* over the previous year's expenditure (₹ 16182 crore) while in Development Expenditure (₹ 38687 crore), which was 72 *per cent* of total expenditure, there was an increase of 26 *per cent* over the previous year (₹ 30586 crore). Operation and Maintenance expenditure decreased by 0.91 *per cent* indicating that Revenue Expenditure on salaries continued to share a dominant proportion of Revenue Expenditure on Social Services (32 *per cent*). Capital Expenditure on Social Services relative to the total expenditure showed a increase (0.99 *per cent*) over the previous year.

It was observed that the salary component decreased in Social Services (3.96 *per cent*) as well as in Economic Services (1.47 *per cent*) during current year as compared to previous year.

Expenditure on economic services includes all such expenditure that promotes directly or indirectly, productive capacity within the State's economy. During 2013-14, total expenditure under economic services (₹ 18239 crore) increased by 27 *per cent* over previous year. The expenditure on total economic services (₹ 18239 crore) accounted for 34 *per cent* of total expenditure and 47 *per cent* of Development Expenditure.

1.8.3 Outcome Budget (Effectiveness of the Expenditure)

The concept of outcome budget is an important tool for effective Government management and accountability. It is a performance measurement tool that helps in better service delivery; decision-making; evaluating programme performance and results; communicating programme goals; and improving programme effectiveness. The exercise is primarily meant at converting financial outlays into measurable and monitorable outcome. The idea is to make the programme implementing agencies more result oriented by shifting the focus from 'Outlay' to 'Outcome'.

Outlay-outcome budget of three departments viz. Panchayati Raj, ST & SC Development and Fisheries & Animal Resources Development were reviewed for

the year 2013-14 and it was seen that the financial and physical targets were not fully achieved (*Appendix 1.6*).

In the Panchayati Raj Department, financial achievement in the major schemes i.e. Gopabandhu Grameen Yojana (GGY) for employment generation, Backward Region Grant Fund (BRGF), Indira Awas Yojana (IAY) and Mo Kudia for construction of houses etc. for rural people was poor as detailed below:

- In the GGY scheme for employment generation, although full funds for the year were utilised (₹ 225 crore) only 92 *per cent* (12278 projects) of the targeted number (13313 projects) of employment could be provided.
- In the BRGF scheme, 66 *per cent* (₹ 300 crore) of the funds allotted (₹ 453 crore) were utilised against which 67 *per cent* (8193) of the targeted number (12247) of projects could be completed.
- In the Indira Awas Yojana scheme, 55 *per cent* (₹ 224 crore) of the funds allotted (₹ 406 crore) were utilised against which only 41 *per cent* (158657) of the targeted number (387404) of houses could be completed.
- In the Mo Kudia scheme, although all funds for the year were utilised (₹ 218 crore) only 48 *per cent* (18668) of the targeted number (38998) of houses could be completed.
- In the Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) Scheme, although the funds for the year were utilised fully (₹ 38 crore), not a single building was completed against a target of 235 buildings.

In ST & SC Development Department the following deficiencies were noticed in the financial and physical achievement up to March 2014:

- In the scheme for construction of hostels for ST Girls, 98 *per cent* (₹ 224 crore) funds allotted (₹ 230 crore) were utilised, but only one *per cent* (11) of the targeted number (1000) of hostels could be completed.
- In two schemes, i.e. establishment of micro projects for primitive tribes and Grant-in-aid to State Tribal Development Cooperative Corporations for Minor Forest Produce (STDCC for MFP), the financial achievement was below 65 *per cent*, resulting in corresponding low achievement of physical targets.

The above facts are indicative of unrealistic budgeting or estimation of projects.

In Fisheries & Animal Resource Development Department,

- it was observed that in nine schemes (*Appendix 1.6*) though funds for the year were utilised fully in almost all schemes, the targeted physical outcomes were not achieved.
- It was further seen from the Outcome Budget that targets of five State Plan Schemes and five Centrally Sponsored Schemes could not be achieved due to receipt of fund at the fag end of the financial year. Besides, either due to funds not being sanctioned or Central Assistance not being received, 11 schemes were not implemented.

Not only was the achievement in terms of physical outcomes below the targets set, management of funds available also needed improvement.

1.9 Financial Analysis of Government Expenditure and Investment

In the post-FRBM framework, the State is expected to keep its fiscal deficit not only low but also meet its Capital Expenditure/Investment (including Loans and Advances) requirement out of its own source of Revenue. In addition, in a transition to complete dependence on market based resources, the State Government needs to initiate measures to earn adequate Return on its Investments (RoI) and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidy and take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other Capital Expenditure undertaken by the Government during the current year vis-à-vis previous years.

1.9.1 Financial Results of Irrigation Works

The financial results of 62 irrigation projects (13-major and 49-medium projects) with a Capital Expenditure of ₹ 4139.25 crore at the end of March 2014 showed that an amount of ₹ 237.75 crore was realised from these projects during 2013-14 by way of sale of water to industries. After meeting the working and maintenance expenditure of ₹ 238.10 crore and interest charges of ₹ 279.71 crore, the schemes suffered a net loss of ₹ 280.06 crore.

1.9.2 Incomplete Projects

Blocking of funds on incomplete works affects quality of expenditure negatively. The department-wise information pertaining to incomplete projects as on 31 March 2014 is given in **Table 1.22** as per the Budget at Glance 2014-15 and information furnished to Audit by the concerned Departments.

Table 1.22: Department-wise profile of incomplete projects

(₹ in crore)				
Department	No. of Incomplete Projects	Initial Budgeted Cost	Revised Total Cost of Projects	Cumulative Actual Expenditure as on 31 March 2014
Water Resources	56	152.09	189.84	119.45
Works	16	535.78	614.44	495.27
Employment and Technical Education & Training	1	1.75	1.78	1.29
Housing & Urban Development	3	8.66	11.46	2.12
Rural Development	114	355.16	364.51	256.33
TOTAL	190	1053.44	1182.03	874.46

Source: Details supplied by Department.

All the above 190 projects were lying incomplete due to the prolonged processes involved in land acquisition, matters lying sub-judice in Courts, finalising and revising the designs, shortage of funds and slow progress of work. Due to non-completion of projects, not only the benefits that were to accrue to the intended beneficiaries delayed, but also the cost to the exchequer increased due to time overrun involved in their completion.

Adequate efforts were not taken by the concerned Departments to complete the incomplete projects as early as possible, as ₹ 874.46 crore had already been spent on these incomplete projects and full benefits are yet to be realised.

1.9.3 Investment and Returns

As of March 2014, Government had invested ₹ 3308.79 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives. Average return on this investment was 11.82 per cent in the last five years (13.67 per cent during 2013-14) while Government paid an average interest rate of 6.09 per cent to 7.63 per cent on its borrowings during 2009-10 to 2013-2014 (Table 1.23).

Table 1.23: Return on Investment

(₹ in crore)					
Year	2009-10	2010-11	2011-12	2012-13	2013-14
Investment at the end of the year	2106.95	2190.37	2908.07	2964.28	3308.79
Return	250.78	101.58	286.23	564.53	452.40
Percentage of return	11.90	4.64	9.84	19.04	13.67
Average rate of interest on Government borrowing	7.63	7.39	6.09	6.54	6.56
Difference between interest rate and return	(-)4.27	(+)2.75	(-)3.75	(-)12.50	(-)7.11

Source: Finance Accounts of Government of Odisha for respective years

The investment of State Government at the end of 2013-14 included ₹ 2880.97 crore in 86 Public Sector Undertakings (PSU) comprising 83 Government Companies (₹ 2389.98 crore) and three Statutory Corporations (₹ 490.99 crore). Dividend of ₹ 452.40 crore was received from one Co-operative Society⁶, six

⁶ Credit Co-operatives: ₹ 0.64 crore.

Government Companies⁷ and one Rural Bank⁸ during 2013-14 of which Odisha Mining Corporation is the main contributor (₹ 400 crore).

As per information furnished in the Odisha Budget at a Glance 2014-15, Grid Corporation of Odisha Limited (GRIDCO) with accumulated loss of ₹ 1704.06 crore, Odisha State Road Transport Corporation (OSRTC) with ₹192.98 crore, Odisha State Financial Corporation (OSFC) with ₹ 399.91 crore and Odisha Forest Development Corporation (OFDC) with ₹ 145.05 crore were among the major loss incurring PSUs in the State as of 2012-13. During 2013-14, the Government invested ₹ 201.73 crore in three loss incurring PSUs i.e. Grid Corporation of Odisha Ltd (GRIDCO) (₹ 143.73 crore), Odisha Power Transmission Corporation Limited (OPTCL) (₹ 50 crore) and Odisha State Road Transport Corporation (₹ eight crore).

1.9.4 Loans and Advances by State Government

In addition to investments in Co-operative societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/ organisations. Loans and advances by the State Government increased by ₹ 206 crore from ₹ 3977 crore in 2012-13 to ₹ 4183 crore in 2013-14. During the year, Government advanced loan amounting to ₹ 463 crore and ₹ 257 crore was repaid by the loanee entities. Major portion of loans advanced during 2013-14 was to Energy sector (₹ 359 crore) and Government servants (₹ 99 crore). **Table 1.24** presents outstanding loans and advances as on 31 March 2014 and interest receipts vis-à-vis interest payments during the last three years.

Table 1.24: Average Interest Received on Loans Advanced by the State Government

(₹ in crore)

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2011-12	2012-13	2013-14
Opening Balance	3414	3903	3977
Amount advanced during the year	621	216	463
Amount repaid during the year	132	142	257
Closing Balance	3903	3977	4183
<i>Of which</i> outstanding balance for which terms and conditions have been settled			
Net addition	(+)489	(+)74	(+)206
Interest Receipts	16	16	610
Interest receipts as <i>per cent</i> to outstanding Loans and advances	0.41	0.40	14.58
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government.	6.07	6.48	6.46
Difference between interest payments and interest receipts (<i>per cent</i>)	(-)5.66	(-)6.08	(+)8.12

Source: Finance Accounts of Government of Odisha for respective years

⁷ Odisha Mining Corporation Limited: ₹ 400 crore, Odisha Forest Development Corporation Limited: ₹ 1.35 crore, Odisha Hydro Power Corporation: ₹ 14.14 crore, Odisha Power Generation Corporation Limited: ₹ 21.25 crore, Odisha State Cashew Development Corporation Limited: ₹ 0.34 crore and Agricultural Promotion and Investment Corporation Limited: ₹ 14.65 crore..

⁸ Odisha State Co-operative Land Development Bank ₹ 0.03 crore.

Loans outstanding as of 31 March 2014 aggregated ₹ 4183 crore. Of the total outstanding loans of ₹ 4183 crore, terms and conditions for loan amount of ₹ 1279.82 crore are yet to be settled. During the year, ₹ 1.46 crore was sanctioned without settling the terms and conditions. Terms & conditions for loan amount of ₹ 1278.36 crore advanced to Odisha Hydro Power Corporation (OHPC) Limited was not settled during last 18 years (Statement 16 of Finance Accounts 2013-14).

Scrutiny of the total outstanding loans revealed that loans amount ranging from ₹ 2741 crore to ₹ 3823 crore during 2009-10 to 2013-14 relating to 11 departments remained unaltered/marginally repaid for more than five years. **Table 1.25** shows closing balances remained at static levels indicating no repayment.

Table 1.25: Loans & advances rolling for a long time

(₹ in crore)

Sl.No	Name of Department	2009-10	2010-11	2011-12	2012-13	2013-14
1	Education	6.29	6.43	6.05	6.11	6.34
2	Housing & Urban Development	424.44	475.44	639.68	637.25	625.25
3	Information & Public Relation (I & PR)	0.54	0.54	0.54	0.54	0.54
4	Welfare of SC, ST & OBC	13.56	13.56	13.56	13.56	13.56
5	Agriculture	49.61	49.56	49.54	49.46	49.46
6	Fisheries & Animal Resources Development	19.21	19.21	19.21	19.21	19.21
7	Co-operation	68.04	67.90	83.67	81.22	78.45
8	Water Resources	5.92	6.17	6.09	6.01	5.93
9	Energy	1943.09	2148.09	2218.86	2296.20	2849.13
10	Micro Small and Medium Enterprises (Industries)	203.32	203.54	206.04	209.25	168.12
11	Finance	7.34	7.34	7.34	7.34	7.34
	Total	2741.36	2997.78	3250.58	3326.15	3823.33

Source: Finance Accounts of Government of Odisha for respective years

As seen above, in four cases (I & PR, Fisheries and Animal Resources Development, Finance and Welfare of SC, ST & OBC Development), the loans and advances remained constant over five years. In two cases (Water Resources department and Agriculture department) the loans and advances reduced marginally. Further, in two other cases (Education and Energy) loans and advances increased over the period of five year ending 2013-14 and in remaining three departments (H & UD, Co-operation and MSME) the repayment of loan was negligible.

Further scrutiny revealed that loans amounting to ₹ 2191.95 crore relating to 19 loanee entities remained in arrear for long periods as detailed in **Table 1.26:**

Table 1.26: Arrear loans from loanee entity

(₹ in crore)

Sl.No	Name of the Loanee entity	Loans disbursed during the current year 2013-14	Amount of arrears as on March 2014	Earliest period to which arrears relate
1	GRIDCO Ltd	358.56	1988.95	1998-1999
2	Tribal Development Co-operative Corporation of Odisha Ltd.	...	48.63	1982-2000
3	Odisha State Housing Board	...	37.02	1968-1998
4	Odisha State Textile Corporation	...	36.86	Not Available
5	Gangpur Weavers Co-operative Spinning Mill, Sundargarh	...	20.08	Not Available
6	Primary Weavers Co-operative Societies	...	11.58	Not Available
7	M/s Konark Television Ltd.	...	6.90	2003-2009
8	Utkal Spinning Mill, Khurda	...	6.74	Not Available
9	Konark Spinning Mill, Kesinga	...	6.06	Not Available
10	SPINFED	...	5.14	Not Available
11	Kalinga Weavers Co-operative Spinning Mill, Dhenkanal	...	4.47	Not Available
12	Gopinath Spinning Mill, Baliapal	...	4.40	Not Available
13	National Institute of Social Work and Social Science (NISWASS)	...	3.12	1997-98
14	Sri Jagannath Weavers Co-operative Spinning Mill, Nuapatan	...	3.04	Not Available
15	Sarala Spinning Mill, Tirtol	...	2.73	Not Available
16	Odisha State Co-operative Handicraft Corporation Ltd	...	2.25	2004-05
17	OCTP, Jagatpur	...	1.74	Not Available
18	Powerloom Weavers Co-operative Societies	...	1.19	Not Available
19	Odisha Spinning Mill, Tora, Baragarh	...	1.05	Not Available
		358.56	2191.95	

Source: Finance Account 2013-14

It is further revealed that loans amounting to ₹ 358.56 crore was advanced during 2013-14 to Grid Corporation of Odisha (GRIDCO) Limited from whom repayment of earlier loan to the extent of ₹ 1988.95 crore was in arrear. Reasons for disbursement during the current year were not explained. Besides this, ₹ 203 crore remained as arrear on 18 other loanee entities at the end of March, 2014, out of which ₹ 6.90 crore was in arrear from M/s Konark Television Ltd, which is a defunct company.

Thus, sanction of loan without assessing the loan repayment capacity of the loanee entity coupled with poor monitoring resulted in accumulation of unpaid loans for years together.

Interest receipts increased steeply from ₹ 16 crore in 2011-12 to ₹ 610 crore during the current year. Similarly, interest received against the total outstanding loans and advances increased from 0.41 per cent in 2011-12 to 14.58 per cent in

2013-14. While interest payment during 2013-14 was 6.46 per cent of its outstanding fiscal liabilities, the interest received was 14.58 per cent of the outstanding loans and advances. As a result, interest spread of Government borrowings which was negative during 2010-13 turned positive during current year which meant that the state borrowings were less expensive than the loans advanced by it.

The Government stated (October 2014) that ₹ 1278.36 crore outstanding against OHPC are not being serviced as the effect of up-valuation as well as debt servicing had been kept in abeyance till 2012-13 and may continue till 2014-15. The Finance Department has been pursuing the matter with GRIDCO for servicing of the loan. However, Government did not reply about non-repayment of loan by other entities.

1.9.5 Cash Balances and Investment of Cash Balances

Table 1.27 depicts the cash balances and investments made by the State Government out of cash balances during 2013-14. Total investment out of cash balances during 2013-14 were ₹ 3927.02 crore, major portion of which was in 14 days Government of India Treasury Bills (₹ 3874.94 crore). On these investments, the Government earned interest of ₹ 624.49 crore during the current year. Cash balance at the close of the current year decreased from ₹ 12864.68 crore of the previous year to ₹ 9498.77 crore during the current year and was reflected in cash balance investment accounts as follows.

Table 1.27: Cash balance and investment of cash balance

	Opening balance on 1/4/2013	Closing balance on 31/3/2014
(a) General Cash Balance -		
Cash in Treasuries	---	---
Deposits with Reserve Bank	(-)23.92	26.87
Deposits with other Banks	---	---
Remittances in transit - Local	---	---
Investments held in Cash Balance investment account	7341.81	3927.02
Total (a)	7317.89	3953.89
(b) Other Cash Balances and Investments		
Cash with departmental officers viz. Public Works Department Officers, Forest Department Officers, District Collectors	23.47	21.55
Permanent advances for contingent expenditure with departmental officers	0.32	0.33
Investment of earmarked funds	5523.00	5523.00
Total (b)	5546.79	5544.88
Grand total (a)+ (b)	12864.68	9498.77

Source: Finance Accounts 2013-14, Government of Odisha.

The State Government maintained more than the mandated minimum cash balance (₹1.28 crore) including the cash balance investment in GoI treasury bills with the

Reserve Bank of India as on 31 March 2014. One option for prudent financial management would be to maintain optimum cash balances and use the surpluses to settle some of the high cost bonds instead of investing the same in GoI Treasury bills with Reserve Bank of India at a relatively lower rate (five *per cent*) of interest. The State Government's closing debt stocks of 2013-14 included a few high interest bearing loans like 7.77 *per cent* Odisha Government Loan (OGL) 2015 (₹ 506 crore), 7.17 *per cent* OGL 2017 (₹ 191 crore), 7.36 *per cent* OGL 2014 (₹ 169 crore), 7.32 *per cent* OGL 2014 (₹ 218 crore) and nine *per cent* special security to National Small Savings Scheme (NSSF) of Government of India (₹ 8985 crore). The ThFC recommended (paragraph 7.127) that States with large cash balances should make efforts towards utilising their cash balances before resorting to fresh borrowings.

Analysis of Cash Balance

The primary reason for accumulation of cash balances is borrowing more than the fiscal deficit. The excess borrowings can be partially attributed to high inflow from NSSF. Other factors also contribute to cash balance of the State. One of them is the mechanism of release of central assistance wherein, grants are released to the State leading to a temporary build-up of cash balances that get used in due course of time. Transfer of unspent fund to deposit accounts maintained in the public account at the end of financial year leads to build-up of cash balance. In addition, flows from the centre not budgeted by State (direct transfer) and end of the year releases in Central Sponsored Schemes also leads to increase in cash balance.

Efficient debt management is an essential part of the cash management. With reduced fiscal deficit, it is essential that State follow the practice of borrowing on requirement rather than on availability. Further, ThFC also had suggested that there should be directed effort by the States with large balances towards utilising their existing cash balances before resorting to fresh borrowings. The Reserve Bank of India has also reiterated the fact and advised the States to manage their cash balance more efficiently. It is commendable to note that the State adhering to ThFC recommendation not only avoided any open market borrowings during 2013-14 but also discharged Odisha State Development Loans (OSDL) amounting to ₹885 crore.

1.10 Assets and Liabilities

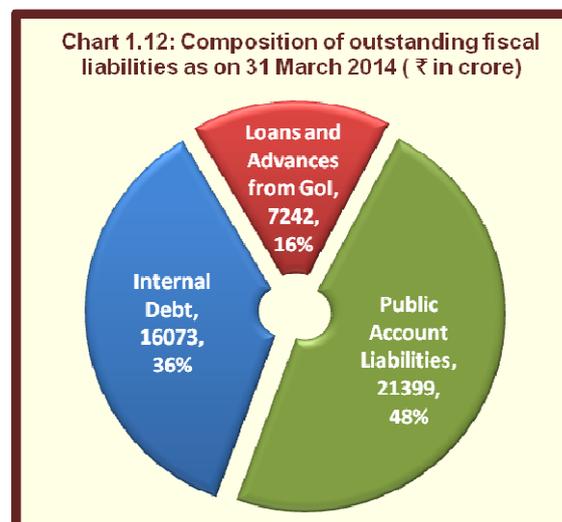
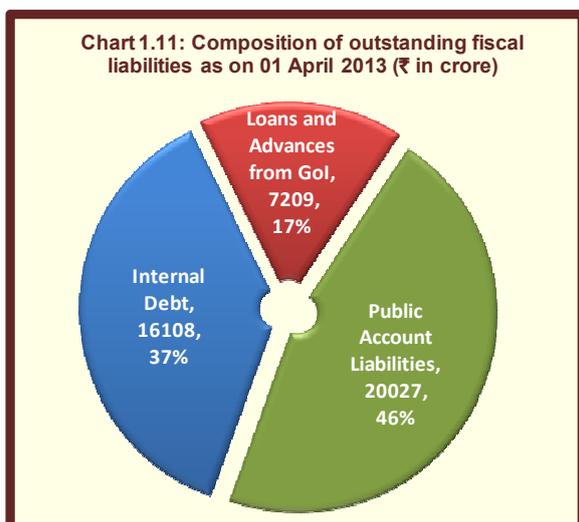
1.10.1 Growth and composition of Assets and Liabilities

Under the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government Accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. *Appendix 1.7* gives an abstract of such liabilities and the assets as on 31 March 2014, compared

with the corresponding position as on 31 March 2013. The liabilities consist mainly of internal borrowings, loans and advances from the GoI and receipts from the Public Account and Reserve Funds; the assets comprise mainly the capital outlay and loans and advances given by the State Government and instruments in which surplus cash is invested. After 2006-07, Government has accumulated huge cash balances and liquidated the past liabilities especially GoI loans and also made significant improvement in their fiscal balances owing to increase in its own receipts and the central transfers which helped the State Government in improving the asset-liability ratio during these years. During last five years, assets have increased substantially.

1.10.2 Fiscal Liabilities

Trends in outstanding fiscal liabilities of the State are presented in *Appendix 1.3*. However, the composition of fiscal liabilities during the current year vis-à-vis the previous year are presented in **Chart 1.11** and **1.12**



Source: Finance Accounts

Fiscal liabilities as it stood on 1 April 2013 was ₹ 43344 crore comprising internal debt of ₹ 16108 crore (37 per cent), Public Accounts liability of ₹ 20027 crore (46 per cent) and loans and advance of ₹ 7209 crore (17 per cent) from GoI. However, it increased by ₹ 1370 crore to ₹ 44714 crore as of 31 March 2014. The fiscal liabilities comprised internal debt of ₹ 16073 crore (36 per cent), public account of ₹ 21399 crore (48 per cent) and loans and advances of ₹ 7242 crore (16 per cent) as at the end of 2013-14. The internal debt of ₹ 16073 crore comprised mainly of market loans bearing interest (₹ 2921 crore), loans from National Bank for Agriculture and Rural Development (₹ 3904 crore) and special securities issued to National Small Savings Fund (₹ 8985 crore). The ThFC has recommended that by the year 2014-15, fiscal liability should be brought down to 25 per cent of GSDP. The Government has already been able to achieve this target during this year. The

fiscal liabilities at the end of 2013-14 constituted 15 *per cent* of GSDP which is two *per cent* less than previous year. This is a positive sign for the State finances.

1.10.3 Status of Guarantees – Contingent Liabilities

Guarantees are contingent liabilities on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended by the State Government.

As per Statement 9 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years is given in **Table 1.28**.

Table 1.28: Guarantees given by the Government of Odisha

(₹ in crore)

Guarantees	2011-12	2012-13	2013-14
Maximum amount guaranteed (₹ in crore)	10578.61	10578.61	10624.61
Outstanding amount of guarantees (₹ in crore)	2510.43	2251.23	1705.26
Percentage of maximum amount guaranteed to total Revenue Receipt of current year (percentage)	26.27	24.08	21.71
Percentage of outstanding guarantee to total Revenue Receipt of 2 nd preceding year less Grants-in-aid as provided in the MTFP (percentage)	12.12	8.50	5.31
Maximum amount of guarantee as per criteria: (not be more than 100 <i>per cent</i> of State's Revenue Receipt less Grants-in-aid of the 2 nd preceding year as provided in Finance Department Resolution No 52214/F, dated 12 November 2002)	20713	26470	32115

Source: Finance Accounts of Government of Odisha for respective years.

The outstanding guarantees decreased by 24 *per cent* from ₹ 2251 crore in 2012-13 to ₹ 1705 crore in 2013-14. Guarantees were given in respect of Power sector (4), Co-operatives sector (42), Housing & Urban Development (86), Irrigation sector (1), Roads and Transport sector (2), State Financial Corporation sector (7) and other infrastructure (19). Government in their resolution (19 March 2004) issued instruction to the Public Sector Undertakings/Urban Local Bodies/Co-operative Societies etc, who had borrowed or intended to borrow against Government guarantees to open an Escrow Account in a Nationalised Bank for timely repayment of guaranteed loans. As on 31 March 2014, Escrow Accounts have been opened by only 14 out of 161 such institutions.

Though no law has been enacted under Article 293 of the Constitution laying down maximum limits for such guarantees, the State Government imposed (November 2002) an administrative limit in Finance Department Resolution No.52214/F, dated 12 November 2002 prescribing that the total outstanding guarantee as on 1 day of April every year was not to exceed hundred *per cent* of the State's Revenue Receipts of the 2nd preceding year (as per the books of account

maintained by Principal Accountant General (A & E) Odisha. As per the above, the guarantee position was within the norms laid down in the said resolution as indicated in **Table 1.28**.

To provide for sudden discharge of State's obligation on guarantee, Twelfth Finance Commission (TFC) recommended that States should set up Guarantee Redemption Fund through earmarked guarantee fees. The Government has set up a "Guarantee Redemption Fund" during 2002-03 to meet the contingent liabilities arising out of the total outstanding liabilities. However, there was no transaction since 2008-09 though there were guarantee commission receipts and expenditure on account of discharge of guarantee obligation. As on 31 March 2014, ₹ 480 crore remained invested in the fund.

Further, in consideration of the guarantee given by the Government, the institutions in some cases are required to pay guarantee commission at rates varying from 0.01 *per cent* to one *per cent*. As per information supplied to Audit, Guarantee Commission or fee of ₹ 287.65 crore was in arrear from various sectors as shown in **Table 1.29**.

Table 1.29: Guarantee Commission received/to be received by the Government.
(₹ in crore)

Name of the Sector	Commission Received	Commission to be Received
Power	124.73	217.68
Co-operatives	1.60	3.91
Irrigation	0.00	0.00
State Financial Corporation	2.85	8.48
Housing and Urban Development	26.81	40.94
Roads and Transport	1.84	1.84
Other Infrastructure	4.41	13.54
Any Other	0	1.26
TOTAL	162.24	287.65

Source: Finance Accounts 2013-14, Government of Odisha.

The State Government has also taken a number of steps to enhance the credibility of the State finances in the financial market. One such measure was discharging the State Government guarantees through one time settlement (OTS). So far, the State Government have paid ₹744.99 crore under OTS schemes to discharge guarantee liabilities arising out of the default loanee organisations. During the year 2013-14, the Government have not invoked any guarantee and also not issued any letter of comfort.

1.10.4 Transactions under Reserve fund

i) Consolidated Sinking Fund (CSF): Twelfth Finance Commission has recommended that State should set up Sinking Funds for amortization of all loans including loans from banks, liabilities on account of National Small Savings Fund etc. and should not be used for any other purpose, except for redemption of Loans. Guarantee Redemption Fund is meant for discharge of the states' obligations on Guarantee. The State Government is required to contribute a minimum of 0.5 *per cent* of the total liabilities outstanding at the

beginning of the year to the Fund. The State Government, however, notified a Revised Scheme for constitution and administration of Consolidated Sinking Fund (CSF). According to the Scheme, the Government set up a CSF during the year 2003-04 for redemption of open market loans. In terms of the guidelines of the revised Scheme, the State Government is required to contribute a minimum of one *per cent* of the outstanding market loans at the end of previous year. The State Government has raised debt amounting to ₹ 43344.47 crore, out of which, ₹ 3806.06 crore constituted market loans. Accordingly, the amounts due to be contributed to the Fund was ₹ 216.72 crore (@ 0.5 *per cent* of total liabilities at the beginning of the year) in terms of the recommendations of the Twelfth Finance commission and ₹ 3.81 crore in terms of the Revised Scheme of the State Government. However, the State Government did not contribute any amount to the Fund during the year. Consequently, the Revenue Surplus during the year was overstated between ₹ 3.81 crore and ₹ 216.72 crore.

ii) Guarantee Redemption Fund: Guarantee Redemption Fund was constituted in the year 2002-03 as per recommendation of the Twelfth Finance Commission with a corpus of ₹ 20 crore. The balance at the credit of the fund as on 31 March 2014 is ₹ 480 crore. The Government of Odisha has discharged guarantee liabilities for ₹ 744.99 crore by charging different functional loan major heads at the end of 2013-14 without reimbursing any amount from the redemption fund. This amount will be charged to guarantee redemption fund only when the loan against the entity becomes irrecoverable. No guarantees were invoked during the year and the Government has also not made any contribution to the Fund during 2013-14. Non investment of the amount in the Fund has assisted the State Government in meeting its Fiscal Deficit.

iii) State Disaster Response Fund: As per recommendation of the ThFC the State Disaster Response Fund was constituted w.e.f. 2010-11. In terms of the guidelines, the Centre and State Government are required to contribute to the fund in proportion of 75:25. Accordingly, the Centre contributed ₹ 419.99 crore and the State Government has contributed ₹ 139.98 crore to the Fund during 2013-14. The balance in the Fund as on 31 March 2014 is ₹ 54.59 crore after incurring expenditure of ₹ 1449.47 crore during the year.

1.10.5 Inoperative Reserve Funds

Reserve Fund is created for specific and defined purposes under the Sector 'J' in the accounts of the State Government. These sources of the fund are the contributions or grants from the Consolidated Fund of India or State. After obtaining the vote of the Legislature, the expenditure incurred from the fund is initially accounted for under the Consolidated Fund. On the closure of the account, at the end of the year, the expenditure so incurred is transferred to the fund (Public

Account) through an operation of deduct entry in accounts. Funds may be further classified as ‘funds bearing interest’ and ‘funds not bearing interest’. All these funds (whether interest bearing or not) are intended to be used for the purposes for which they are created.

Twenty seven reserve funds have been created and maintained in the accounts of the State Government. Out of these 21 funds are inoperative or dormant for significant periods. The details of 21 major inoperative funds are given in **Table 1.30**.

Table 1.30: Inoperative reserve fund

(₹ in lakh)				
Sl. No	Major and Minor heads with nomenclature	Balance as on 31.03.2014		Year of last transaction
1.	8011-Insurance and Pension Funds 105-State Government Insurance Fund	Cr.	0.07	2003-04
2.	8012-Special Deposit and Accounts 123-Special Deposit for employees Provident Fund Scheme (Administration Fund)	Cr.	1.63	2002-03
3.	8013-Other Deposits and Accounts 01-Deposit Schemes for Retiring employees 101-Deposit Scheme for Retiring Govt. Employees, 1989	Cr.	38.81	1997-98
4.	8115-Depreciation/Renewal Reserve Fund 103-Depreciation Reserve Funds-Govt. Commercial Departments and Undertakings			
	Hirakud Dam Project Stage-I &II	Cr.	3,20.08	1987-88
	Duduma Transmission Scheme	Cr.	20.93	1987-88
	Hirakud Power Utilisation Scheme	Cr.	16.04	1987-88
	Cuttack Thermal Scheme	Cr.	19.41	1987-88
	Baripada Electricity Supply Scheme	Cr.	4.00	1987-88
	Town Electrification Scheme Group-I	Cr.	1.70	1987-88
	Town Electrification Scheme Group-II	Cr.	3.34	1987-88
	Electrification of Small Towns and Rural Areas, Group-III	Cr.	6.47	1987-88
	Expansion of Power facilities	Cr.	5.59	1987-88
	Talcher Thermal Scheme	Cr.	84.52	1987-88
5.	8121-General and Other Reserve Fund 101-General and Other Reserve Funds-Govt. Commercial Departments and Undertakings.	Cr.	1.88	1996-97
6.	8229-Development and Welfare Funds 103-Development Funds for Agricultural purposes 109-Co-operative Development Funds, State Co-operative Development Fund 123-Consumer Welfare Fund	Cr. Cr. Cr.	11.24 2.00 26.42	1967-68 1959-60 2004-05
7.	8235-General and Other Reserve Funds 102-Zamindari Abolition Fund 103-Religious and Charitable Endowment Funds 200-Other Funds: - Guarantee Reserve Fund, Passengers Amenities Reserve Fund	Cr. Cr. Cr. Cr.	59.19 1.51 2,50.28 6.00	1994-95 1983-84 1997-98 1982-83
TOTAL			8,81.11	

Source: Finance Accounts of Government of Odisha 2013-14 (Volume-1)

The credit balances are debt liability of the Government on which interest is paid by the Government to the fund if the fund is interest bearing. The funds at sl. no 4 and 5 were interest bearing fund. The above reserve funds remained inoperative for periods ranging from nine to 54 years.

The Government stated (October 2014) that 12 inoperative Reserve Funds had been identified and recommended for closure

1.11 Debt Sustainability

Debt management of the State Government is dealt in Finance Department of the Government by a specific branch. Specific policy/strategy for debt management, if any adopted by the State Government, was not found to be on record.

Apart from the magnitude of the debt of the State Government, it is important to analyse various indicators that determine the debt sustainability⁹ of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilisation¹⁰; sufficiency of non-debt receipts¹¹; net availability of borrowed funds¹²; interest burden payments (measured by interest payments to Revenue Receipts ratio) and maturity profile of State Government securities. **Table 1.31** analyses the debt sustainability of the State Government according to these indicators for the period of three years beginning from 2011-14.

Table 1.31: Debt Sustainability: Indicators and Trends

Indicators of Debt Sustainability	2011-12	2012-13	2013-14
Debt Stabilisation (Quantum Spread +/- Primary Deficit/Surplus)	9657	8458	1003
Sufficiency of Non-debt Receipts (Resource Gap)	1280	(-)619	(-)4636
Net Availability of Borrowed Funds	(-)3124	(-)3417	(-)2351
Burden of Interest Payments (IP/RR Ratio)	0.06	0.06	0.05
Maturity Profile of State Debt (In Years)			
0 – 1	2678	2299	2434
1 – 3	5375	5552	5071
3 – 5	4622	3822	3383
5 – 7	2585	2670	2848
7 and above	9353	8970	9008

Source: Finance Accounts of Government of Odisha for respective years

⁹ Debt sustainability is defined as the ability of the State to maintain a constant debt-GDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt

¹⁰ A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilise eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.

¹¹ Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

¹² Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.

During 2011-14, quantum spread together with primary deficit consistently remained positive resulting in continuous decline in debt/GSDP ratio from 17 *per cent* in 2012-13 to 15 *per cent* in 2013-14. This is a positive sign that debt is tending to be stable.

Another indicator for debt stability and its sustainability is the adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure. Negative resource gap indicates non-sustainability of debt while positive resource gap indicates sustainability of debt. Trends in **Table 1.31** reveal that the Government was experiencing positive resource gap during 2011-12. However it again turned into negative of ₹ 619 crore and ₹ 4636 crore during 2012-13 and 2013-14 respectively indicating non-sustainability of debt which needs to be addressed.

Debt sustainability of the State also depends on (i) the ratio of the debt redemption (Principal plus Interest Payments) to total debt receipts and (ii) application of available borrowed funds. The ratio of debt redemption to debt receipts indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds. The solution to a situation of debt trap lies in proper application of borrowed funds, i.e. (a) not using for financing Revenue Expenditure and (b) being used efficiently and productively for Capital Expenditure which either provides returns directly or results in increased productivity of the economy in general.

During the current year, the Government repaid principal plus interest on account of internal debt of ₹ 3052 crore, Government of India loans of ₹ 1629 crore and also discharged other obligation of ₹ 3842 crore, as a result of which payments exceeded the receipts during the year. Throughout the period 2011-14, the debt repayment was higher than fresh borrowings resulting in negative net availability of borrowed funds.

1.12 Fiscal Imbalances

Three key fiscal parameters - Revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government Account represents the gap between its expenditure and receipts. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of Revenue and fiscal deficits for the financial year 2013-14.

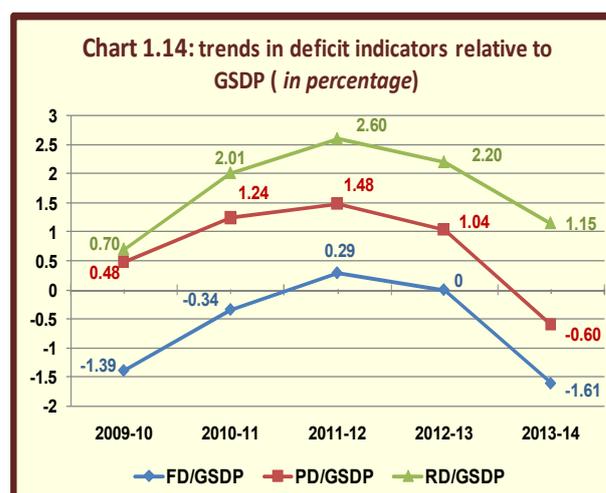
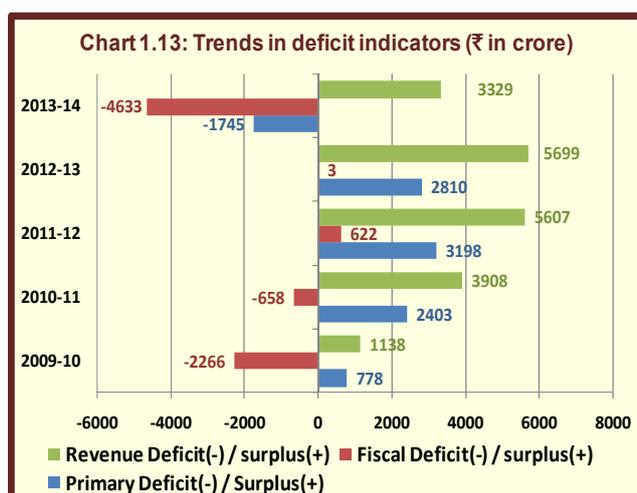
1.12.1 Trends in Deficits/Surpluses

Table 1.32, Chart 1.13 and 1.14 present the trends in deficits/surpluses indicators over the period 2009-14.

Table 1.32: Deficits/Surpluses

	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue deficit (-)/ surplus(+) (₹ in crore)	(+)1138	(+)3908	(+)5607	(+)5699	(+)3329
Fiscal deficit (-)/ surplus(+) (₹ in crore)	(-)2266	(-)658	(+)622	(+)3	(-)4633
Primary deficit (-)/ surplus(+) (₹ in crore)	(+)778	(+)2403	(+)3198	(+)2810	(-)1745
RD/GSDP (per cent)	(+)0.70	(+)1.98	(+)2.61	(+)2.23	1.15
FD/GSDP (per cent)	(-)1.39	(-)0.33	(+)0.29	(+)0.00	(-)1.61
PD/GSDP (per cent)	(+)0.48	(+)1.22	(+)1.49	(+)1.10	(-)0.60

Source: Finance Accounts of Government of Odisha for respective years



Source: Finance Accounts of Government of Odisha for respective years

Revenue surplus/deficit

Revenue surplus represents the difference between Revenue Receipts and Revenue Expenditure. Revenue surplus helps to reduce the borrowings. In 2005-06, after a gap of 22 years, the State was able to attain a Revenue surplus of ₹ 481 crore and continued to be a Revenue surplus State. During 2013-14, revenue receipts grew 11 per cent as against a growth rate of 19 per cent by revenue expenditure resulting in revenue surplus being brought down by ₹ 2370 crore as compared to previous year. However, the achievement was in line with the State’s FRBM (Amendment) Act, 2011 which prescribed reduction of Revenue deficit to zero for the financial year 2011-12 onwards.

Fiscal surplus/deficit

Fiscal surplus of three crore in 2012-13 turned into Fiscal deficit of ₹ 4633 crore during 2013-14 mainly on account of steep increase in the capital expenditure and in disbursement of loans and advances by the State. However, fiscal deficit was within the State's FRBM (Amendment) Act, 2011 target of not more than three per cent of GSDP.

Primary Surplus/deficit

The primary surplus of ₹ 2810 crore in 2012-13 turned into primary deficit of ₹ 1745 crore during the current year. While Fiscal Deficit represents the need for additional resources in general, a part of such resources may be needed to finance interest payment. Interest payment represents the expenditure of past obligation and is independent of current allocative priorities. During 2013-14, the Fiscal deficit was almost twice the interest payment. This meant that around 50 per cent of the fiscal deficit was due to revenue expenditure other than interest payment. Hence prudent reduction of revenue expenditure could enable the State government to attain primary surplus.

1.12.2 Components of Fiscal Deficit/Surplus and its Financing / Investing Pattern

The financing / investing pattern of fiscal deficit/ surplus underwent a compositional shift as reflected in the **Table 1.33**.

Table 1.33: Components of Fiscal Deficit/Surplus and its Financing/Investing Pattern
(₹ in crore)

Particulars		2009-10	2009-10	2010-11	2012-13	2013-14
Decomposition of Fiscal Deficit		(-)2266	(-)658	622	3	-4633
1	Revenue surplus	1138	3908	5607	5699	3329
2	Capital Expenditure	(-)3648	(-)4285	(-)4496	(-)5622	(-)7756
3	Net Loans and Advances	244	(-)281	(-)489	(-)74	(-)206
Financing Pattern of Fiscal Deficit*/Surplus						
1	Market Borrowings	(-)571	(-)623	(-)1046	(-)1308	(-)885
2	Loans from GoI	(-)247	(-)636	(-)314	(-)70	33
3	Special Securities Issued to National Small Savings Fund (NSSF)	610	1023	26	115	388
4	Loans from Financial Institutions	369	420	360	(-)37	461
5	Small Savings, PF etc.	1138	1223	426	691	689
6	Reserve fund	1	17	269	-107	(-)130
7	Deposits and Advances	145	154	554	1594	813
8	Suspense and Misc	1595	(-)809	(-)1290	(-)460	3437
9	Remittances	41	(-)4	9	4	28
10	Others	--	--	--	--	--
11	Increase / decrease in cash Balance	(-)629	69	12	(-)441	(-)51
12	Net of Odisha Contingency Fund	(-)188	(-)176	372	16	(-)150

*All these figures are net of disbursements/outflows during the year

Source : Finance Accounts of Government of Odisha for respective years

The Fiscal surplus of 2012-13 turned into a fiscal deficit and stood at ₹ 4633 crore in the current year. The factor contributing to the transformation of fiscal surplus to fiscal deficit was the increase in capital expenditure from ₹ 5622 crore in 2012-13 to ₹ 7756 crore during 2013-14 and in disbursement of loans and advances from ₹ 216 crore in 2012-13 to ₹ 463 crore during 2013-14 supported by decrease in revenue surplus from ₹ 5699 crore to ₹ 3329 crore during the same period. The fiscal deficit was largely managed by small savings, provident funds etc, Deposits and Advances, Special Securities issued to NSSF and Loans from financial institutions.

1.12.3 Quality of Deficit/Surplus

The ratio of Revenue deficit to fiscal deficit and the decomposition of primary deficit into primary Revenue deficit and Capital Expenditure (including loans and advances) would indicate the quality of deficit in the State's finances. The ratio of Revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of Revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) did not have any asset backup. In the case of Odisha, there has been a Revenue surplus since 2005-06. Bifurcation of the primary surplus (**Table 1.34**) would indicate the extent to which the deficit has been on account of enhancement in Capital Expenditure which may be desirable to improve the productive capacity of the State's economy.

Table 1.34: Primary deficit/Surplus – Bifurcation of factors

(₹ in crore)

Year	Non-debt receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary Revenue deficit (-) /surplus (+)	Primary deficit (-) / surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2009-10	26786	22248	3648	112	26008	4538	778
2010-11	33310	26307	4285	315	30907	7003	2403
2011-12	40399	32084	4496	621	37201	8315	3198
2012-13	44079	35431	5622	216	41269	8648	2810
2013-14	49204	42730	7756	463	50949	6474	(-)1745

Source: Finance Accounts of Government of Odisha for respective years

During 2013-14, non-debt receipts increased from ₹ 44079 crore to ₹ 49204 crore (12 per cent) against an increase of 21 per cent in Primary Revenue Expenditure.

Analysis of the factors resulting into primary revenue surplus of the State during 2008-13 revealed that the State was experiencing primary surplus during these years. However, during 2013-14, the State has had a primary deficit of ₹ 1745 crore. In other words, non-debt receipts of the State were not enough to meet the primary expenditure¹³ requirements in the Revenue account. Ideally incremental

¹³ Primary expenditure of the State defined as the total expenditure net of the interest payments indicates the expenditure incurred on the transactions undertaken during the year.

non-debt receipts every year should cover not only the primary expenditure but also incremental interest burden.

1.13 Public Private Partnerships (PPP)

Recourse to the PPP mode for project financing is generally encouraged because it frees valuable fiscal space for the provision of public goods in areas where such financing may not be forthcoming, as envisaged in ThFC. The Government of Odisha framed their PPP Policy in August 2007 to support private investment, particularly in the infrastructure sector, to utilise the efficiency and innovativeness of the private investors, besides tapping their capital. PPP projects in sectors that come under the purview of the Government of Odisha covers 19 infrastructure sectors such as Roads, Ports, Airports, Industrial Parks, Inland Container Depot and Logistic Hubs, Water Supply, Power Generation, Solid Waste Management, Railway related projects and agriculture production and marketing etc. Out of the 19 sectors, the Government has not entered into the PPP contracts in five of the sectors viz. Airports, Airstrips and Heliports, Inland Container Depots and Logistic Hubs, Sewerage and Drainage, Inland Water Transport and Agriculture Production and Marketing. In terms of the main types of PPP contracts, almost all contracts have been of the build, operate and transfer (BOT) type or build, own, operate and transfer (BOOT) type (either toll or annuity payment models) or close variants.

The status of the PPP in Odisha as on 31 March 2014 is given in **Table 1.35:**

Table 1.35: Status of projects as of 31 March 2014

Sector	₹ in crore)							
	Operational		Under Implementation		Under Pipeline		Total	
	Number	Cost	Number	Cost	Number	Cost	Number	Cost
Urban Development	4	156	6	500	13	1359	23	2015
Health	11	200	0	0	2	848	13	1048
Finance & Revenue	1	72	0	0	1	128	2	200
Transport	3	4861	6	12550	1	500	10	17911
Industrial Infrastructure	2	165	3	720	0	0	5	885
Roads	1	48	1	1293	10	2135	12	3476
Tourism	5	52	10	25	2	162	17	239
Education	14	35	0	0	3	47	17	82
Power Transmission	0	0	1	108	2	1526	3	1634
Total	41	5589	27	15196	34	6705	102	27490

A total number of 102 PPP projects in Odisha in different sectors are given in **Appendix-1.8**, out of which 41 projects have been completed, 27 are in implementation/construction stage and the rest 34 projects are still in the pipeline out of which nine projects relate to the year 2010-11. During the year 2013-14 only one project i.e. City Bus Services became operational which indicates that the progress was tardy.

1.14 Conclusions

- GoI directly transferred substantial amount of Grants-in-aid to the State implementing agencies for implementation of different schemes in the State. This is fraught with the risk of poor oversight. There is no single agency monitoring the use of these funds and no data is readily available on the amount spent in major flagship and other important schemes (*Paragraph 1.3.2*).
- During 2013-14, Revenue Receipts increased to around 11 *per cent* from around nine *per cent* during 2012-13 (*Paragraph 1.4*).
- Non-Plan Revenue Expenditure (NPRE) as a proportion of Revenue Expenditure, decreased from ₹ 19677 crore (78 *per cent*) in 2009-10 to ₹ 30610 crore (67 *per cent*) in 2013-14. Out of the total increase of ₹ 7380 crore in Revenue Expenditure during the current year over the previous year, increase in NPRE contributed 54 *per cent* (₹ 3965 crore) and remaining 46 *per cent* (₹ 3415 crore) was the Plan Revenue Expenditure (PRE) (*Paragraph 1.7.4*).
- Capital Expenditure of the State as a percentage to total expenditure increased from 12 *per cent* in 2009-10 to 14 *per cent* in 2013-14. The Capital Expenditure was 2.69 *per cent* of GSDP during 2013-14 as against the projection of 2.72 *per cent* in the Budget Estimates (*Paragraph 1.7.5*).
- 190 projects incurring expenditure of ₹ 874.46 crore were lying incomplete due to the prolonged processes involved in land acquisition, matters lying sub-judice in Courts, finalising and revising the designs, shortage of funds and slow progress of work. (*Paragraph 1.9.2*).
- Twenty one Reserve Funds out of 27 remained inoperative or dormant for significant period. (*Paragraph 1.10.5*)
- Out of 102 PPP projects, 41 projects are completed, 27 are in implementation/construction stage and the rest 34 projects are still in the pipeline (*Paragraph 1.13*).

Recommendations

- The State Government may consider putting in place an appropriate mechanism to ensure proper accounting of the funds transferred directly to the implementing agencies for implementation of different schemes, alongwith a monitoring mechanism.
- Government may consider taking steps to complete the incomplete projects as early as possible in a time bound fashion so that the intended benefits can be realised.

Chapter-II

Financial Management And Budgetary Control

2.1 Introduction

2.1.1 Appropriation Accounts are accounts of the actual expenditure, voted and charged, of the Government for each financial year compared with the amounts of voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual Capital and Revenue Expenditure on various specified services vis-à-vis those authorised by the Appropriation Acts in respect of both charged and voted items of budget. Appropriation Accounts, thus, facilitate management of finances and monitoring of budgetary provisions and are, therefore, complementary to Finance Accounts.

2.1.2 Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions. It also seeks to assess to what extent the Government/Executive has been able to manage the planned and intended allocation of its resources amongst various departments.

2.1.3 As per the Odisha Budget Manual (OBM), the Finance Department is responsible for preparation of the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the detailed estimates called “Demand for Grants”. In the preparation of the budget, the aim should be to achieve as close an approximation to the actual as possible. This demands the exercise of the foresight in both estimating revenue and anticipating expenditure. The budget procedure envisages that the sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year and neither larger nor smaller. A saving in an estimate constitutes as much of a financial irregularity as an excess in it. The budget estimates of receipts should be based on the existing rates of taxes, duties, fees etc.

Deficiencies in the management of budget and expenditure and violation of the OBM noticed in audit have been discussed in the subsequent paragraphs.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2013-14 against 40 grants and four appropriations was as given in **Table 2.1**:

Table 2.1: Summarised position of Actual Expenditure vis-à-vis Original/ Supplementary provisions

(₹ in crore)						
	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Expenditure	Savings (-)/ Excess (+)
Voted	I Revenue	44638.89	8124.37	52763.26	44263.19	(-)8500.07
	II Capital	7817.17	1059.68	8876.85	7816.99	(-)1059.86
	III Loans and Advances	251.40	233.56	484.96	463.55	(-)21.41
Total Voted		52707.46	9417.61	62125.07	52543.73	(-)9581.34
Charged	IV Revenue	5587.05	2.65	5589.70	2945.12	(-)2644.58
	V Capital	22.96	0.99	23.95	19.38	(-)4.57
	VI Public Debt- Repayment	2818.69	---	2818.69	2293.22	(-)525.47
Total Charged		8428.70	3.64	8432.34	5257.72	(-)3174.62
Grand Total		61136.16	9421.25	70557.41	57801.45	(-)12755.96

Source: The Odisha Appropriation Act 2013, Finance and Appropriation Accounts 2013-14, Govt. of Odisha

The expenditure figures were gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under Revenue heads (₹ 1590.56 crore) and Capital heads (₹ 79.98 crore). The overall saving of ₹ 12755.96 crore was due to savings in all the 40 grants and two appropriations under Revenue Section and 28 grants and two appropriations under Capital Section, which is offset by excess of ₹ 18.56 crore in three grants under Capital Section.

It is seen from the above table that against the original provision of ₹ 61136.16 crore, expenditure of ₹ 57801.45 crore was incurred, thereby not requiring any supplementary provision, as there were savings of ₹ 3334.71 crore from the original provision which clearly indicates inaccurate estimation of funds and lack of control mechanism.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit revealed that in 15 cases relating to 11 grants and three appropriations, savings exceeded ₹ 10 crore and by more than 20 per cent of total provision in each case (**Appendix 2.1**) amounting to ₹ 8993.78

crore. Out of the above, savings of as large as ₹ 8810.11 crore (98 per cent)¹ occurred in seven cases relating to four grants and three appropriations as indicated in **Table 2.2**.

Table 2.2: List of Grants with savings of ₹ 100 crore and above

(₹ in crore)						
Sl. No.	No. and Name of the Grant	Original	Supple- mentary	Total	Actual Expenditure	Savings
Revenue (Charged)						
1	2048-Appropriation for Reduction or Avoidance of Debt	500.07	---	500.07	---	500.07
2	2049- Interest Payments	5007.86	---	5007.86	2888.22	2119.64
Revenue (Voted)						
3	3- Revenue and Disaster Management	1960.32	4181.34	6141.66	3508.13	2633.53
4	5- Finance	8321.20	1096.25	9417.45	6662.73	2754.72
5	22-Forest and Environment	664.79	102.08	766.87	600.10	166.77
Capital (Charged)						
6	6003- Internal Debt	2275.41	--	2275.41	1775.32	500.09
Capital (Voted)						
7	39-Employment and Technical Education and Training	247.87	30.29	278.16	142.87	135.29
TOTAL		18977.52	5409.96	24387.48	15577.37	8810.11

Source: Appropriation Accounts for the year 2013-14, Government of Odisha.

Reasons furnished by the departments to Principal Accountant General (A&E), for unspent provision under few major heads of account as reported in Appropriation Accounts are given below:

03-Revenue and Disaster Management (Revenue-Voted)

- Anticipated savings of ₹ 3.67 crore under major head “2029-Land Revenue-NP-102-Survey and Settlement Operations-1167-Record-of-rights and Settlement Operations”, were due to (i) non-filling up of vacant posts (ii) non-approval of TA, LTC, RRT and (iii) resignation of DEO.
- Anticipated savings of ₹ 7.11 crore under major head “2030-Stamps and Registration-NP-03-Registration-001-Direction and Administration-0308-District Establishment”, were due to (i) vacancy in field offices and (ii) non-submission of claims in time.

¹ Exceeding ₹ 100 crore in each case

05-Finance (Revenue-Voted)

- Anticipated savings of ₹ 1337.16 crore under major head “2052-Secretariat General Services-NP-090-Secretariat-0488-Finance Department”, were due to (i) non-filling up of some vacant posts and (ii) less requirement of funds.
- Anticipated savings of entire provision of ₹ 7.50 crore under major head “2054-Treasury and Accounts Administration-NP-800-Other Expenditure-2555-ThFC Grant for Setting up a Database for Govt. Employees and Pensioners”, was due to non sanction of ThFC grant.
- Anticipated savings of (i) ₹ 113.96 crore under major head “2071-Pensions and Other Retirement Benefits-NP-01-Civil-104-Gratuity-0600-Gratuity, (ii) ₹ 103.68 crore under major head “2071-Pensions and Other Retirement Benefits-NP-01-Civil-105-FamilyPensions-1038-Pension and Pensionary Benefits and (iii) ₹ 923.54 crore under major head “2071-Pensions and Other Retirement Benefits-NP-01-Civil-109-Pensions to Employees of State Aided Educational Institutions-1036-Pension and Gratuity for Non-Government teachers of Secondary Schools and Colleges”, were attributed to less requirement of funds.

05-Finance (Capital-Voted)

- Anticipated savings of ₹ 4.83 crore under major head “4059-Capital Outlay on Public Works-NP-01-Office Buildings-051-Construction-0182-Construction of Buildings”, were attributed to (i) non finalisation of work in time and (ii) less requirement of funds.

22-Forest and Environment (Revenue-Voted)

- Anticipated savings of ₹ 3.15 crore under major head “2406-Forestry and Wild Life-NP-02-Environmental Forestry and Wild Life-110-Wild Life Preservation-2557-ThFC Grant for Preservation of Forest Wealth”, were due to (i) non-execution of work by the tenderer and (ii) theft of drawn money during transit.
- Anticipated savings of ₹ 72.34 crore under major head “2406-Forestry and Wild Life-SP-SS-01-Forestry-2556-ThFC Grant for Development and Maintenance of Forest”, was surrendered due to transfer of ThFC Grant from State Plan Scheme to Non-Plan Scheme.

39-Employment and Technical Education and Training (Capital -Voted)

- There was anticipated savings of ₹ 119.36 crore under major head “4202-Capital Outlay on Education, Sports, Arts and Culture-CP-SS-02-Technical Education-104-Polytechnics (i) 2463-Establishment of new Polytechnics, (ii) 2649-Introduction of Hospitality Sector courses at Women Polytechnic, Berhampur (iii) 2691- Construction of Hostels, (iv) 2692- Upgradation of existing Polytechnics and (v) 2702-Community Development Polytechnics

(CDPT)”. The amount was surrendered due to non-sanction of funds by Government of India.

2048-Appropriation for reduction or avoidance of Debt (Revenue - Charged)

- Entire provision of ₹ 500.07 crore was surrendered due to Government’s decision, not to transfer any sum to the Consolidated Sinking Fund, considering the ways and means position of the State.

6003-Internal Debt of the State Government (Capital - Charged)

- Anticipated savings of ₹ 500 crore under major head “6003-Internal Debt of the State Government-NP-111-Spl. Securities issued to NSSF of Central Government-1195-Loans”, were surrendered due to non-receipt of reply from the Government of India for pre-payment of NSSF Loan.

The above cases indicate lack of monitoring of the flow of expenditure in the department by the Chief Controlling Officers (CCOs) of such grants as required under Chapters IV and VI of OBM.

The Government stated (October 2014) that cases of committed liabilities like debt servicing, Interest payment provision was made to cover the likely requirement and under NDRF, the provision was made in anticipation of larger assistance from Government of India and there were also cases of non-release of central assistance, as a result savings occurred. However, the savings should be surrendered as soon as it was anticipated, so that the same amount could be utilised where necessary.

2.3.2 Persistent Savings

There were persistent savings of more than ₹ 10 crore in 18 cases in 16 grants and in one appropriation during 2009-14 as detailed in ***Appendix 2.2***. The savings ranged between ₹ 32.85 crore and ₹ 2754.72 crore during the year 2013-14. Persistent savings in a substantial number of grants over the years is indicative of over assessment of requirement of fund by the Government in Appropriation Act repeatedly without taking into account the previous years’ trends and adequately scrutinising the need and examining the flow of expenditure.

This has been pointed out repeatedly in earlier Audit Reports, but no action has been taken by the Government (October 2014).

2.3.3 Excess expenditure over provisions relating to previous years requiring regularisation by the State Legislature

According to Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Excess expenditure amounting to ₹ 580.28 crore was incurred over the provisions during 2010-11 and 2011-12 as detailed in **Table 2.3**. However, excess expenditure over the provisions amounting to ₹ 580.28 crore was recommended

for regularisation by the Public Accounts Committee in its Seventh report of 14th Assembly (December 2013), which is yet to be done.

Table 2.3: Excess expenditure over provisions relating to previous years requiring regularisation

Year	Number of		Grants/ Appropriations	Amount of excess (₹ in crore)
	Grants	Appropriations		
2010-11	4	1	07-Works, 22-Forest and Environment, 23-Agriculture, 28-Rural Development, 6004-Loans and Advances from Central Government	428.51
2011-12	1	1	05-Finance, 6004 - Loans and Advances from Central Government	151.77
Total	5	2		580.28

Source: Appropriation Accounts for the respective years, Government of Odisha.

2.3.4 Excess expenditure over Consolidated Fund of the State during 2013-14 requiring regularisation by the State Legislature

Table 2.4 contains the summary of total excesses in three grants amounting to ₹ 18.56 crore over and above what was authorised from the Consolidated Fund of the State (CFS) by the State Legislature during 2013-14. No demand for consideration of regularisation by the State Legislature has yet been placed. Thus, these excess expenditures remained unauthorised.

Table 2.4: Excess expenditure over provisions during 2013-14 requiring regularisation.

(₹ in lakh)				
Sl. No	Number and title of Grant / Appropriation	Total Grant / Appropriation	Actual Expenditure	Excess
Capital (Voted)				
1	22- Forest and Environment	240.09	269.23	29.14
2	26- Excise	600.00	627.06	27.06
3	31- Textile and Handloom	10.03	1810.00	1799.97
TOTAL		850.12	2706.29	1856.17 or 18.56 crore

Source: Appropriation Accounts for 2013-14, Government of Odisha.

The excess expenditure under (i) Grant 22-Forest and Environment due to misclassification of revenue expenditure of ₹ 29.23 lakh in capital section(voted) resulted in final excess of ₹ 29.14 lakh(₹ 29,13,522), (ii) Grant 26-Excise, excess of ₹ 27.06 lakh occurred under the major head “4059-SP-SS-01-051-1938-Construction/Repair of office building” and (iii) Grant-31-Textile and Handloom, expenditure exceeded by ₹ 1799.97 lakh due to conversion of loan of ₹ 1800 lakh sanctioned during 2009-10 into investment under the major head “4851-Capital

Outlay on Village and Small Industries-SP-DS-103-Handloom Industries-1878- Restructuring Plan for Sambalpuri Bastralaya”.

2.3.5 Unnecessary/Excessive supplementary provision

Supplementary provision aggregating to ₹ 1929.58 crore (₹ one crore or more in each case) obtained in 28 cases (24 grants), during the year 2013-14 proved unnecessary as the actual expenditure (₹ 28832.65 crore) did not come up to the level of original provision (₹ 32319.96 crore) as detailed in *Appendix-2.3*.

Similarly, supplementary provision aggregating to ₹ 7476.48 crore (₹ one crore or more in each case) proved excessive by ₹ 3885.37 crore over the total required supplementary provision of ₹ 3591.11 crore in 17 cases under 13 grants (one crore or more in each case) as detailed in *Appendix-2.4*.

This indicates that the CCOs did not adequately watch the actual requirement of funds for the remaining period of the financial year and monitor the flow of expenditure through the monthly expenditure control mechanism prescribed in Chapters IV and VI of OBM.

The Government stated (October 2014) that instructions would be issued by Finance Department to the concerned grant controlling authorities. The fact however remains that year after year, the State Government has been issuing instructions.

2.3.6 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Re-appropriations proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh in 142 sub-heads, of which excess / saving was more than ₹ one crore in 51 sub-heads (savings of ₹ 252 crore in 37 sub-heads under 8 grants and excess of ₹ 50.77 crore in 14 sub-heads under 7 grants) as detailed in *Appendix-2.5*.

The Government stated (October 2014) that re-appropriation should be made to meet the additional requirement of funds for expenditure under a unit and augmented provision through re-appropriation should be fully utilised. But this continued despite being commented in earlier Audit Reports.

2.3.7 Defective Re-appropriations / Re-appropriations on the last day of the financial year

According to Rule 139 of OBM, reasons for additional expenditure and savings should be explained in the re-appropriation statement which should reach the Finance Department by 10 March at the latest. As per the records of the office of

the Principal Accountant General (A&E), during 2013-14, 826 re-appropriation orders amounting to ₹ 3316.36 crore were issued, out of which three orders on defective re-appropriation amounting to ₹ 4.52 crore were issued during the year as given in **Table 2.5** below:

Table 2.5: Defective re-appropriations during the financial year

Sl No	Name of the Department	Head of Account from where re-appropriation was made	Amount (₹ in crore)	Order No./ Date
1	05-Finance Department	2230 and 2052 (Non Plan)	0.27	10843/ 13.03.2014
2	16- Planning and Co-ordination Department	4059-CP-SS 5475-SP-SS	3.85	141/ 04.01.2014
3	33- Fisheries and Animal Resources Development Department	2403-SP 2403-CSP	0.4	3767/ 30.03.2014
TOTAL			4.52	

Source: Information furnished by the office of the Principal Accountant General (A&E), Odisha

Again five re-appropriation orders aggregating to ₹ 488.45 crore were issued by the Finance Department on 31 March 2014, the last day of the financial year where there was no scope for expenditure during that year. It was also noticed that issue of such belated re-appropriation orders persisted during the year despite the irregularity being pointed out in the earlier Audit Reports.

2.3.8 Substantial surrenders

Surrenders of 100 *per cent* of total provision of ₹ 1169.07 crore were made under 18 sub heads (₹ 10 crore or more in each case) under 12 grants and one appropriation representing different schemes / programmes / projects and activities which are given at **Appendix-2.6**. The surrenders were attributed to non-release/non-receipt of central share (five cases), non-release of grants arising out of non-submission of pending utilisation certificates (one case), non-finalisation of proposals, agreements and tender processes (three cases), non-fulfillment of criteria stipulated by ThFC and transfer of ThFC grant from State Plan scheme to Non-Plan scheme (four cases) and the Governments decision not to transfer any sum to Consolidated Sink Fund in one appropriation (2048-Appropriation for reduction or avoidance of Debt). No reasons were assigned in four cases.

2.3.9 Surrender in excess of savings

In case of six grants, as against savings of ₹ 1128.70 crore (₹ 25 lakh or more in each case) as detailed in **Appendix-2.7**, the amount surrendered was ₹ 1151.19 crore resulting in excess surrender of ₹ 22.49 crore. The surrender indicated that the departments failed to exercise necessary budgetary controls of watching the flow of expenditure through the monthly expenditure statements.

The Government did not furnish any concrete reasons for the excess surrender (October 2014) and stated that it may be due to want of timely reconciliation of expenditure by Controlling Officer. But it is the duty of the Controlling Officers to reconcile the expenditure in time.

2.3.10 Anticipated savings not surrendered

As per Rule 146 of OBM, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. A review of saving of grants at the end of the 2013-14 and surrender thereof by the departments concerned revealed the following:

- In 25 cases (19 departments) savings of more than ₹ one crore remained to be surrendered, revealed that the departments partially refunded saving resulting in retention of ₹ 3690.26 crore (37 *per cent* of the total savings of ₹ 9944.20 crore in these cases) as per details given in ***Appendix 2.8***.
- Besides, as per information compiled by the office of the Principal Accountant General (A&E), Odisha, there were surrender of funds under different major heads of accounts in excess of ₹ 10 crore on the last working day of the financial year i.e. on 31 March 2014 in 65 cases aggregating to ₹ 7091.38 crore covering 10 *per cent* of the entire budget (***Appendix 2.9***).

Thus, the Chief Controlling officers overlooked the budgetary controls laid down in OBM.

Government stated (October 2014) that timely surrender of anticipated savings would be ensured at all levels.

2.3.11 Rush of expenditure

According to Rule 147 of OBM, rush of expenditure in the closing month of the financial year will ordinarily be regarded as breach of financial regularity, which should be avoided. Contrary to this, in respect of 77 schemes listed in ***Appendix 2.10***, Revenue / Capital Expenditure exceeding ₹ 10 crore and also more than 50 *per cent* (in each case) of the total expenditure for the year was incurred in March 2014. **Table 2.6** also represents the sub-heads (11 cases) where 100 *per cent* of expenditure was incurred during the last month of the financial year. Expenditure, which remained to be spread throughout the year was incurred in the last month of the year.

Table 2.6: Cases of rush of expenditure towards the end of the financial year 2013-14

Sl. No.	Grant No.	Major Head	Total expenditure during the year (₹ in crore)	Expenditure during March 2014	
				Amount (₹ in crore)	Percentage of total expenditure
1	11	2225-SP-SS-01-277-2888-DFID assisted	10.49	10.49	100
2	11	2225-CP-SS-03-277-2418-Post Matric Scholarship and stipend to OBC students	24.47	24.47	100
3	20	2702-NP-03-102-2896-Subsidy	156.72	156.72	100
4	20	4702-SP-DS-00-796-2624-Mega Lift Project under State Plan	42.32	42.32	100
5	23	2401-SP-SS-789-2866-Biju Krushak Kalyan Yojana	13.00	13.00	100
6	23	2401-SP-SS-796-2866-Biju Krushak Kalyan Yojana	17.59	17.59	100
7	28	5054-SP-DS-04-789-1230-Rural Roads	11.33	11.33	100
8	28	5054-SP-DS-04-796-1230-Rural Roads	13.97	13.97	100
9	30	4801-NP-80-190-1276-Share Capital Investment	143.73	143.73	100
10	30	6801-SP-SS-202-2886-Odisha's share for UMPP	233.56	233.56	100
11	38	2202-SP-SS-03-800-2887-Distribution of Laptops to Meritorious Students	30.00	30.00	100
			697.18	697.18	100

Source: Monthly Appropriation Reports for the month of March 2014.

Maintaining uniform pace of expenditure is a crucial component of sound public financial management, as it obviates fiscal imbalance and temporary cash crunches due to mismatch of Revenue Expenditure during a particular month arising out of unanticipated heavy expenditure in that particular month.

The Government stated (October 2014) that after introduction of Cash Management System expenditure during the month of March as percentage of total expenditure has come down from 27 per cent in 2009-10 to 24 per cent in 2013-14. However the fact remains that it exceeded the norm fixed by Finance Department of 'not more than 15 per cent.'

2.4 Advances from Contingency Fund

Contingency Fund of the State has been established under the Orissa Contingency Fund Act, 1967 in terms of provisions of Article 267(2) and 283(2) of the Constitution of India. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. The fund is in the nature of an imprest and required to be recouped by obtaining supplementary grants during the first session of Assembly immediately after the advance is sanctioned. During the year 2013-14, advances of ₹ 150 crore were withdrawn from the fund but not recouped.

Table 2.7: Un-recouped amount of the Contingency Fund of the State

(₹ in thousand)

Sl No	Period	Grant No.	Major Head of Account	Amount
1	2013-14	09-Food Supplies and Consumer Welfare	2408-Food, Storage and Warehousing	1500000
2	2013-14	30-Energy	4801-Capital Outlay on Power Projects	1
				1500001

Source: Information furnished by the office of the Principal Accountant General (A&E) and Finance Accounts 2013-14

2.5 Errors in Budgetary Process

The Odisha Budget Manual (Rule 46) requires the Controlling Officers to see that proper estimates are made which should take into account only such payments which are expected to be made during the budget year. The aim is to make the estimates as accurate as possible, not to over-estimate and show large savings at the end of the year.

Implementation of the Budget was not in conformity with the approved Budget leading to large-scale savings under the Revenue (voted) and Capital (voted) sections as under:

- Under Revenue (voted) the original grants and supplementary grants were ₹ 44638.89 crore and ₹ 8124.37 crore respectively aggregating at ₹ 52763.26 crore against which the actual expenditure was ₹ 44263.19 crore resulting in savings of ₹ 8500.07 crore. This was more than the supplementary provision.
- Similarly under Capital (voted), the original and supplementary grants were ₹ 7817.17 crore and ₹ 1059.68 crore respectively aggregating ₹ 8876.85 crore against which the actual expenditure was ₹ 7816.99 crore resulting in savings of ₹ 1059.86 crore. This was more than the supplementary provision.

In the above two cases, supplementary provision of ₹ 8124.37 crore in revenue (voted) and ₹ 1059.68 crore in capital (voted) obtained during the year, proved unnecessary as the expenditure did not come up to the level of original provision as indicated in **Table 2.8**.

Table 2.8: Actual Expenditure vis-à-vis Original/Supplementary provisions

(₹ in crore)

Sl No	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Expenditure	Savings(-)/ Excess(+)
1	Revenue (voted)	44638.89	8124.37	52763.26	44263.19	(-)8500.07
2	Capital (voted)	7817.17	1059.68	8876.85	7816.99	(-)1059.86
TOTAL		52456.06	9184.05	61640.11	52080.18	(-)9559.93

Source: Odisha Appropriation Act 2013, Finance and Appropriation Accounts 2013-14.

The aim of Budget preparation must be to estimate Revenue and expenditure as accurate as possible, not to overestimate and show large savings at the end of the year. However, it was noticed that 16 departments continued to make savings of more than ₹ 10 crore during last five years, despite repeated comments in the Audit Reports from 2009-10 to 2012-13 as detailed in *Appendix 2.2*.

2.5.1 Unrealistic forecasting of resources

Rule 46 of OBM stipulates that Budget of a State is based on the departmental estimate submitted by the Controlling officers. Both the departmental and the district estimate should always receive careful personal attention of the officers who submit them. They should be neither inflated nor under-pitched, but should be as accurate as possible. However, it was noticed that revised estimate 2013-14 for non-tax Revenue projection was ₹ 7475 crore, while actual realisation was ₹ 8379 crore, resulting in upward variation of resources of ₹ 904 crore, nearly 12 *per cent* above the revised estimate. In this connection trend of revenue projection for last five years (2009-10 to 2013-14) are given in **Table 2.9** below.

Table 2.9: Variation between Revised Estimate and Actuals on Revenue Resources for the periods 2009-10 to 2013-14

(₹ in crore)

Sl No.	Year		Revised Estimate	Actuals	Differences (Column 5-4)
1	2	3	4	5	6
1	2009-10	Tax Revenue	8920	8982	62
		Non-Tax Revenue	2912	3212	300
2	2010-11	Tax Revenue	10608	11193	585
		Non-Tax Revenue	3317	4780	1463
3	2011-12	Tax Revenue	13399	13443	44
		Non-Tax Revenue	5000	6443	1443
4	2012-13	Tax Revenue	15310	15034	(-)276
		Non-Tax Revenue	6500	8078	1578
5	2013-14	Tax Revenue	17105	16892	(-)213
		Non-Tax Revenue	7475	8379	904

Source: Budget at a glance and Finance Accounts for the respective years

It could be seen from the table above that revenue projection of tax and non-tax revenue were unrealistic such that the actual achievements were more than the projections for last five years.

2.5.2 Analysis of Cash Management System

Pursuant to the provisions of sub-section (1-a) of Section 8 of the Odisha Fiscal Responsibility & Budget Management Act, Government of Odisha implemented Cash Management System in 18 departments for 2013-14. The objectives of Cash Management System were:

- (i) Even pacing of expenditure within the Financial Year.
- (ii) Reducing rush of expenditure during last quarter especially in the last month of the financial year.

- (iii) Front loading of expenditure in the first three quarters of the financial year so that corrective measures can be taken in the mid year to achieve the fiscal objectives.
- (iv) Curb the tendency of parking of funds outside Government Account
- (v) Effective monitoring of expenditure pattern to improve the quality of expenditure
- (vi) Improve the quality of expenditure and
- (vii) Better ways and means management.

As per Finance Department circular No.14520 dated 12th April 2013, the level of expenditure at the end of third quarter was not to be less than 60 *per cent* and during the month of March, the same should not be more than 15 *per cent* of the budget provision.

However, it was noticed that out of 18, only seven departments spent minimum 60 *per cent* of the budget provision by the end of third quarter, while rest 11 departments failed to achieve the norm during 2013-14. Similarly, 13 departments exceeded 15 *per cent* of the budget provision for the month of March 2014 as indicated in **Table 2.10**.

Table 2.10: Analysis of Cash Management System

(₹ in crore)

Sl No	Grant No/ Deptt	Original Budget Provision	Aprl. 2013- Dec. 2013		March 2014	
			Expenditure during first 3 quarters	Percentage of Expenditure	Expenditure during the month	Percentage of Expenditure
1	7-Works	2536.68	1550.01	61	653.76	26
2	10-School and Mass Education	7160.84	4725.88	66	1034.16	14
3	11-ST, SC Dev. and Minorities and Other Backward Development	1965.04	1071.69	55	530.97	27
4	12- Health and Family Welfare	2207.18	1269.00	57	356.57	16
5	13-Housing and Urban Development	2390.46	1497.47	63	544.21	23
6	17-Panchayati Raj	3228.98	2395.45	74	616.27	19
7	19-Industry	28.73	8.15	28	(-)0.84	---
8	20-Water Resources	4048.25	1918.93	47	1252.20	31
9	22-Forest and Environment	667.39	392.70	59	94.90	14
10	23-Agriculture	1830.77	1056.14	58	947.60	52
11	28-Rural Development	2033.77	868.57	43	765.02	38
12	30-Energy	743.68	285.20	38	390.41	52
13	31-Handloom, Textile & Handicrafts	131.81	82.80	63	20.78	16
14	33-Fisheries and Animal Resources Development	449.61	246.99	55	72.99	16
15	36-Women & Child Development	3359.79	2306.92	69	1093.66	32
16	38-Higher Education	1452.99	968.91	67	288.68	20
17	39- Employment, Technical Education and Training	457.05	211.76	46	53.33	12
18	40-Micro, Small and Medium Enterprises	71.00	33.35	47	8.56	12

Source: Monthly Appropriation Accounts for December 2013 and March 2014

The Government stated (October 2014) that some of the Departments were allowed to exceed the expenditure limit for the 4th Quarter / March in view of the urgency of expenditure. However, 13 out of 18 departments covered under Cash Management System had exceeded the prescribed expenditure limit. This indicated that objective of Cash Management System was only partially met.

2.6 Outcome of review of selected grants

Review of the budget proposals, actual expenditure and fund management in respect of Panchayati Raj Department (Grant No - 17) and Rural Development Department (Grant No - 28) as reported in the Appropriation Accounts revealed the following irregularities:

2.6.1 Short/Excess surrender of savings / belated surrenders

Odisha Budget Manual provides (Rule 144 and 146) that all anticipated savings should be surrendered immediately after these are foreseen and latest by 10 March of the financial year without waiting till the end of the year.

During 2013-14, Panchayati Raj Department (Grant No.17) surrendered ₹ 388.39 crore as against total savings of ₹ 436.05 crore under revenue (voted) section and the Rural Development Department (Grant No.28) surrendered ₹ 29.56 crore as against total savings of ₹ 32.85 crore under capital (voted) section, resulting in non surrender of ₹ 47.66 crore and ₹ 3.29 crore respectively.

Further, during the year Rural Development Department surrendered ₹ 69.49 crore as against the total savings of ₹ 68.87 crore under revenue (voted) section, thereby surrendering an excess of ₹ 0.62 crore over the provision.

Besides, in violation of above provisions of OBM, these amounts were surrendered on 31 March 2014. Thus, the amounts surrendered were not in conformity with the actual savings thereby indicating lack of monitoring of monthly expenditure as provided in the OBM by the CCOs before passing the surrender orders.

2.6.2 Unnecessary supplementary provision

Supplementary Grants are obtained to cover the excesses that may be anticipated after mid-term review of the Grants/Appropriations during a financial year. But it was noticed that in Grant No.17 (Panchayati Raj Department), supplementary provision of ₹ 542.08 crore under revenue (voted) section obtained during December 2013 proved unnecessary in view of sizeable savings of ₹ 436.05 crore from the original Budget provision in the year. In Grant No.28 (Rural Development Department), supplementary provision of ₹ 3.55 crore under revenue (voted) section and ₹ 55.78 crore under capital (voted) section obtained during December 2013 proved unnecessary, as the department saved ₹ 68.87 crore in revenue (voted) and ₹ 32.85 crore under capital (voted) section out of the original provision. This showed that the CCOs of these two departments did not watch actual requirement of funds for the remaining period of the financial year due to failure of monthly expenditure control mechanism prescribed in the OBM.

2.6.3 Withdrawal of entire provision by way of surrender and re-appropriation

Panchayati Raj and Rural Development Departments made a provision of ₹ 20.29 crore and ₹ 66.68 crore respectively under different heads/schemes during 2013-14, but the total provisions were withdrawn by way of re-appropriation and surrendered on the last day of the financial year 2013-14 as indicated in **Appendix -2.11**.

This indicated that the CCOs prepared the budget and made allocation to different schemes/projects/objects of expenditure without sufficient basis and without carrying out the required due diligence as prescribed in the OBM.

2.6.4 Non-adherence to Cash Management System

Government of Odisha (Finance Department) in their circular (April 2013) implemented Cash Management System in 18 departments including the Panchayati Raj (Grant No. 17) and Rural Development (Grant No. 28) departments.

As per Cash Management System, Rural Development Department has to adhere to the Quarterly Expenditure Allocation (QEA) norm of 25 per cent, 15 per cent, 20 per cent and 40 per cent for of the Budget Estimates in First, Second, Third and Fourth quarter respectively as prescribed by the Finance Department for the year 2013-14. The distribution of the QEA vis-à-vis quarterly expenditure for the department during 2013-14 is given in **Table 2.11**.

Table 2.11: Budget Estimate and Quarterly Expenditure Allocation by Rural Development department.

Sl No	Budget Estimate	1 st Quarter		2 nd Quarter		3 rd Quarter		4 th Quarter	
		QEA	Expenditure	QEA	Expenditure	QEA	Expenditure	QEA	Expenditure
28-Rural Development Department									
3	2033.77	508.44 (25%)	270.01 (13%)	305.07 (15%)	287.71 (14%)	406.75 (20%)	310.85 (15%)	813.51 (40%)	1122.44 (55%)

Source: Monthly appropriation accounts 2013-14.

Rural Development department failed in adhering to the stipulated expenditure norms by 12 per cent, one per cent and five per cent during first quarter, second quarter and third quarter respectively against the targeted norm and also failed in achieving up to the third quarter norm (60 per cent of BE) by 18 per cent. The department also exceeded the expenditure by 15 per cent for the fourth quarter norm (40 per cent of BE).

Further, it was also seen from the monthly appropriation accounts that the monthly expenditure norm (15 per cent) for the month of March, 2014 i.e the last month of the year, exceeded by 22.62 per cent (₹ 459.95 crore) in case of Rural Development Department (March, 2014 expenditure was ₹ 765.02 crore).

The above not only violates instruction of the Cash Management System but also stands in the way of achieving the objective thereof like (i) even pacing of

expenditure within the financial year, (ii) reduce rush of expenditure during the last month of the financial year and (iii) effective monitoring of the expenditure pattern.

2.7 Outcome of Inspection of Treasuries

During 2013-14, 30 District Treasuries, eight Special Treasuries and 62 Sub-Treasuries were inspected by the officials of the Principal Accountant General (A&E), Odisha. Irregularities and lapses noticed during 2013-14, were brought to the notice of the Treasury Officers / Sub-Treasury Officers concerned through Inspection Reports. Some of the important irregularities and lapses noticed during inspection are given below:

2.7.1 Excess payment of pension and gratuity

During inspection of treasuries/sub-treasuries for the year ended 31 March 2014 by the office of the Principal Accountant General (A&E), excess payment of pension and gratuity amounting to ₹ 12.71 lakh was noticed as indicated in **Table 2.12** below:

Table 2.12: Outcome of inspection of treasuries

Sl No	Category	Amount (₹ in lakh)
1	Excess payment of pension due to arithmetical inaccuracy.	0.85
2	Excess payment due to delayed commencement of reduced pension on account of payment of commuted value of pension.	4.37
3	Excess payment of pension in favour of family pension due to payment at enhanced rate beyond the stipulated date.	0.78
4	Excess payment of pension due to other miscellaneous reasons.	6.71
TOTAL		12.71

Source: Treasury Inspection Report of the Office of the Principal Accountant General (A&E), Odisha

There is a need to improve the controls in the Treasury on pension and pension-related payments.

2.7.2 Outstanding pension claims from Central Pay and Accounts Office, New Delhi / Defence / Railways.

Treasuries in Odisha are not rendering Central Civil Pension/Central political pension vouchers to concerned accounting circle for reimbursement due to which claims of State Government to the extent of ₹ 9.99 crore as calculated up to 31 March 2014 remained in “8658- Suspense Account 101- PAO suspense” head. Details are given in **Table 2.13**:

Table 2.13: Outstanding pension claims from different Accounting Circle

Sl. No.	Name of the Accounting Circle	Outstanding amount (₹ in crore)
1	Central Pay & Accounts Office, New Delhi	7.18
2	Defence	2.02
3	Railways (SE Railway/ Eastern Railway/ Central Railway)	0.79
TOTAL		9.99

Source: Annual review report on the working of Treasuries 2013-14 prepared by office of the Principal Accountant General (A&E), Odisha

2.7.3 Irregularities in maintenance of Personal Ledger Accounts

Apart from Inspection of Treasuries, a special drive was undertaken by Principal Accountant General (A&E) to review the accounting of Personal Ledger Accounts at the Administrators level, (275 Administrators account) under 99 Treasuries were reviewed during 2013-14.

Review revealed that an amount of ₹ 36.03 crore remained unspent in respect of 1954 schemes operated by 196 PL Account Administrators coming under the jurisdiction of 99 Treasuries. There is diversion of fund of ₹ 4.7 crore in 25 schemes operated by 11 PL Administrators. Further, there was excess expenditure of ₹ 28.84 crore by 63 PL Administrators under different schemes resulting in minus closing balances. This practice resulted in erosion of legislative control over expenditure

2.8 Conclusions

- Avoidable supplementary provisions being made, defective orders for re-appropriation of fund, re-appropriation orders being issued on the last day of the year, substantial surrenders, surrender in excess of savings and anticipated savings not surrendered did not reflect prudent financial management by the Chief Controlling Officers (*Paragraphs 2.3.5 to 2.3.10*).
- Hundred *per cent* of Revenue and Capital provision were spent in some schemes /sub-heads during March 2014 instead of spreading it throughout the year leading to rush of expenditure (*Paragraph 2.3.11*).
- Instructions on Cash Management System were not sufficiently adhered to by the departments, resulting in non achievement of targeted periodical expenditure norm fixed by the State Government (*Paragraph 2.5.2*).

Recommendations

- Excess expenditure over provision in the grants out of the Consolidated Fund of the State needs to be regularised.
- Irregularities in Personal Ledger Accounts may be reviewed and settled in a time bound manner.

Chapter-III

Financial Reporting

A sound internal financial reporting with relevant and reliable information significantly contributes to efficient and effective governance. The reports on compliance and controls with adequacy, accuracy and effectiveness assist the State Government to meet its basic stewardship responsibilities for strategic planning and quick decision making. It, thus contributes to financial and operational health of the State Government with transparency and accuracy covering its various instrumentalities like local bodies, autonomous bodies etc.

This Chapter provides an overview and status of compliance of various broad significant financial rules, procedures and directives in so far as financial reporting is concerned by the State Government and its various subordinate offices during the current year.

3.1 Delay in furnishing Utilisation Certificates

Odisha General Financial Rule¹ (OGFR) provides that for the grants in which conditions are attached to their utilisation, utilisation certificates (UCs) should be furnished by the grantee institutions in duplicate (in form OGFR-7A) countersigned by the disbursing authorities so as to reach the Administrative Department by 1 June of the succeeding year. One copy of the certificate is to be retained in the Administrative Department and another copy is to be sent to the office of the Principal Accountant General (A&E), Odisha, by 30 June of that year.

Through the instrument of Utilisation Certificate, the grantor obtains assurance about non-diversion and proper utilisation of the funds placed at the disposal of the grantee and also gets a certificate from the grantee that the intended list of works have been executed, the details of which are available with him/her. Any delay in furnishing this report to the grantor or any inaccuracy in such reporting essentially undermines this control mechanism designed to ensure non-diversion and proper utilisation. This certificate from the final spending authority/ official/ agency/ grantee is subsequently countersigned by his/its senior officials at different stages/ levels till it reaches the level of the Chief Controlling Officer (CCO)-cum-Heads of Department (HODs) who ultimately countersigns it and submits it to the Government. At every stage of counter-signature, necessary due diligence is required to be exercised by the counter-signing authority.

Utilisation Certificates for ₹ 16829.84 remained outstanding against 34 grantee institutions as of March 2014 in the books of Principal Accountant General

¹ Rule 173 of OGFR

(A&E). Year wise break up of wanting UCs is given in **Table 3.1** and in **Appendix 3.1**

Table 3.1: Year wise break up of wanting Utilisation Certificates in respect of grants-in-aid
(₹ in crore)

Year	UC wanting	Number of grants-in-aid (GIA) vouchers for which UCs awaited.
2003-04	774.79	8962
2004-05	674.66	6138
2005-06	803.88	7377
2006-07	1045.44	2629
2007-08	1501.80	3197
2008-09	1690.75	5131
2009-10	2013.55	4124
2010-11	2366.28	6949
2011-12	3268.28	4799
2012-13	2690.41	5101
TOTAL	16829.84	54407

Source: Information compiled by the Office of the Pr. Accountant General (A&E), Odisha.

The major defaulting departments were Panchayati Raj (₹ 6249.59 crore), Planning and Co-ordination (₹ 3034.90 crore), Housing & Urban Development (₹ 1926.42 crore), ST, SC & Minorities & Backward Class Development (₹ 1096.51 crore), Rural Development (₹ 941.88 crore) and School and Mass Education (₹ 581.07 crore) constituting ₹ 13830.37 crore being 82.18 *per cent* of total outstanding UCs as of March 2013.

Besides, as of March 2014, UCs for ₹ 7939.98 crore of Central Assistance were pending against 30 departments as given in **Appendix 3.2**. The huge pendency was mainly on account of non-adherence to existing instructions in OGFR for watching timely receipt of UCs by CCO-cum-HODs and further release of grants to them as a matter of routine without insisting on UCs for earlier grants. In the absence of UCs, the two certificates (certifying non-diversion and non mis-utilisation) that the authority spending the Government grant is required to furnish, i.e. CCOs/HODs does not get complied with. Thus, Government which is the grantor received no assurance about the correct use of its grants. Such delays are also prone to fraudulent expenditure / transactions, diversion of funds and creation of fake assets for which the responsibility would be apportionable on the CCO-cum-HODs.

The Government stated (October 2014) that to enforce time line for submission of Utilisation Certificate, a detailed guideline had been issued (October 2014) wherein establishment of a separate mechanism to keep track of GIA sanctioned and submission of UCs within stipulated time has been prescribed.

3.2 Non-submission / delay in submission of details of grants / loans paid

In order to identify institutions/organisations which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971(C&AG's DPC Act), the Government / Heads of the Departments (HODs) are required to furnish to Audit every year, detailed information about the financial assistance given to various institutions, the purpose for which the assistance is granted and the total expenditure of the institutions. Further, Regulation on Audit and Accounts 2007 provides that Governments and HODs who sanction grants and / or loans to bodies or authorities shall furnish to the Audit by the end of July every year a statement of such bodies and authorities to which grants and / or loans aggregating ₹10 lakh or more were paid during the preceding year indicating (a) the amount of assistance (b) the purpose for which the assistance was sanctioned and (c) the total expenditure of the body or authority. The above obligation of the Government Departments and their HODs for furnishing necessary information through Finance Department was also mentioned in the C&AG's Report on State Finances for the years 2008-13 (paragraph 3.2). However, the Administrative Departments of the Government did not furnish necessary information through the Finance Department to the Accountant General and failed to meet the above obligation and no new bodies were identified under Section 14(1) of C&AG's DPC Act 1971 during the year 2013-14.

3.3 Delays in Submission of Accounts of Autonomous Bodies

As many as 204 autonomous bodies under various sectors of the Government of Odisha were identified for audit by the Comptroller and Auditor General of India covering verification and regulatory compliance audit of all their transactions, operational activities and accounts, review of systems and procedures and internal controls etc.

Twenty six bodies / authorities were identified under CAG's DPC Act for submission of accounts to audit as of March 2014. Of these, only two bodies / authorities viz., Odisha State Legal Services Authority (OSLSA) and Odisha Forestry Sector Development Project (OFSDP) submitted their accounts to audit up to 2012-13.

So far, the accounts of remaining 24 bodies/authorities, nine development authorities² under section 19(3) of C&AG DPC Act in the office of Accountant

² Nine Development Authorities viz., (i) Bhubaneswar Development Authority, (ii) Berhampur Development Authority, (iii) Cuttack Development Authority, (iv) Kalanganagar-Jajpur Development Authority, (v) Paradip Development Authority, (vi) Puri-Konark Development Authority, (vii) Sambalpur Development Authority, (viii) Rourkela Development Authority, (ix) Talcher-Angul-Meramundali Development Authority.

General (G&SSA), Odisha and 15 bodies/authorities³ under Section 14(1) of DPC Act of the Principal Accountant General (E&RSA) have not been received as of September 2014 despite entrustment of audit to the Comptroller and Auditor General of India.

The Government stated (October 2014) that instructions would be issued to the concerned Administrative Departments for ensuring timely submission of Accounts / Audit Reports of Autonomous Bodies.

3.4 Departmentally Managed Commercial Activities

Government departments which perform activities of quasi commercial nature are required to prepare proforma accounts in the prescribed format annually showing the working results of financial operations so that the Government can assess their performance. The finalised accounts of departmentally managed commercial and quasi-commercial activities reflect their overall financial health and efficiency in conducting their business. In absence of timely finalisation of accounts, investment of the Government remains outside the scrutiny of the Audit/State Legislature. Consequently, corrective measures, if any required, for ensuring accountability and improving efficiency cannot be taken in time. Besides, the delay in all likelihood may also open the system to risk of fraud and leakage of public money.

The CCO-cum-HODs of the Government are to ensure that these units prepare proforma accounts and submit the same to Accountant General of the State within a specified time frame for audit. As of March 2014, there were 16 such undertakings and none had prepared accounts up to 2013-14, except Chief Conservator of Forests, Kendu Leaves (Odisha), which has prepared the accounts up to 2005-06. Of these, four undertakings/activities remained inoperative or closed. Their assets and liabilities were not fully disposed of or liquidated by the Government. In respect of two schemes, viz. (i) Purchase and distribution of quality seeds to cultivators and (ii) Poultry Development, Government had not till date prescribed the preparation of proforma accounts. Only Personal Ledger Accounts were opened during 1977-78 for Purchase and distribution of quality seeds to cultivators.

³ Utkal Gomangal Samiti(UGS) (ii) CEO, Brakish Water Fisheries Development Agency, Balasore (iii) CEO, Brakish Water Fisheries Development Agency, Puri (iv)CEO, Brakish Water Fisheries Development Agency, Berhampur (v) Odisha Livestock resources development society, Cuttack (vi)Indira Gandhi Institute of Technology, Sarang (vii)Biju Patnaik University of Technology (BPUT) (viii) College of Engineering and Technology (CET), (ix) Veer Surendra Sai University of Technology,Burla (x) Odisha Industrial Infrastructure Development Corporation (IDCO), (xi)Institute of Enterprenureship Development, Bhubaneswar (xii) Institute of Textile Technology, Choudwar, Cuttack (xiii) Odisha Khadi and Village Industries Board (xiv) State Agency for Handloom Cluster (SADHAC), Bhubaneswar and (xv) State Institute for Development of Art and Craft (SIDAC), Bhubaneswar.

Despite repeated recommendations⁴ of the State Public Accounts Committee and comments in C&AG's Reports (Civil) up to 2007-08 and thereafter in the Reports on State Finances on Government of Odisha about the arrears in preparation of these accounts, there was no improvement in so far as preparation of proforma accounts by these undertakings was concerned. The department-wise position of arrears in preparation of proforma accounts and investment made by the Government are given in *Appendix 3.3*.

The Government stated (October 2014) that standard format for preparation of Proforma Accounts by the departmentally managed commercial entities would be prescribed in consultation with the Accountant General.

3.5 Inadequate departmental action on cases of misappropriations, losses, defalcations etc.

As per provisions of OGFR Vol. I (Rule-19), Government Officers are empowered to report such cases of loss of money, departmental revenue, stores or other properties to immediate superior officers as well as to Accountant General (G&SSA), Odisha where amount is ₹ 500 or more. Various departments of the State Government reported that there were 1748 cases of misappropriation, defalcation, etc. involving Government money amounting to ₹17.46 crore up to March 2014 on which final action was pending. The department-wise break up of pending cases and age wise analysis are given in *Appendix 3.4* and nature of these cases is given in *Appendix 3.5*. Age-wise profile of the pending cases and the number of cases pending in each category of theft and misappropriation/loss as of March 2014 as evident from these appendices are summarized in **Table 3.2(i)** and **Table 3.2(ii)**.

Table 3.2(i): Age -Profile of pending cases of Misappropriations, losses, defalcations, etc.

Age-Profile of the Pending Cases		
Range in Years	Number of Cases	Amount Involved(₹ in lakh)
0 - 5	11	53.95
5 - 10	56	276.20
10 - 15	126	282.63
15 - 20	290	419.97
20 - 25	352	196.10
25 & above	913	517.04
Total	1748	1745.89

Source: Compiled from the information received from various departments of the State Government.

⁴ 10th Assembly 14th Report para 12 and 25, 10th Assembly 33rd Report para-2 and 6.

Table 3.2(ii): Nature of pending cases of Misappropriations, losses, defalcations, etc.

Nature/Characteristics of the Cases	Number of Cases	Amount Involved (₹ in lakh)
Theft	796	400.81
Misappropriation/Loss of material	952	1345.08
Total	1748	1745.89
Cases of Losses Written off during the Year	0	0
Total Pending Cases	1748	1745.89

Source: Compiled from the information received from various departments of the State Government.

Reasons for which the cases (*Appendix-3.6*) were outstanding are classified into five categories, a summary of which is given **Table 3.3**:

Table 3.3: Reasons for Outstanding cases of Misappropriations, losses and defalcations etc.

Reasons for the Delay/Outstanding Pending Cases		Number of Cases	Amount (₹ in lakh)
i)	Awaiting departmental and criminal investigation	473	530.75
ii)	Departmental action initiated but not finalised	605	708.57
iii)	Criminal proceedings finalised but execution of certificate cases for recovery of the amount pending	32	19.91
iv)	Awaiting orders for recovery or write off	491	194.53
v)	Pending in the courts of law	147	292.13
Total		1748	1745.89

Source: Compiled from the information received from various departments of the State Government.

It is pertinent to mention that as many as 473 cases involving ₹ 5.31 crore were awaiting departmental and criminal investigation up to 49 years since the year 1965-66. Similarly, 491 cases involving ₹ 1.95 crore were awaiting orders for recovery or write off of the competent authority. The Departments concerned did not furnish the reasons for non-finalisation of 605 misappropriation and loss cases involving ₹ 7.08 crore on which departmental action had been initiated, though called for in Audit (May-2014).

The Government stated (October 2014) that cases of misappropriations, losses and defalcations are reviewed on monthly basis in Departmental Monitoring Committee (DMC) but no significant results seems to have been achieved during the year.

3.6 Pendency in adjustment of Abstract Contingent Bills

As per provisions of SR 260 and 261 of Odisha Treasury Code Vol. I (OTC) read with Rule 84 of the OGFR, every drawing officer has to certify in each Abstract Contingent (AC) bill that the detailed bills for all contingent charges drawn by him prior to first of the current month have been forwarded to the respective

Controlling Officers for counter signature and transmission to the Accountant General. The total amount of Detailed Contingent (DC) bills received up to 2013-14 was only ₹ 428.60 crore (78.92 per cent) against AC bills worth ₹ 543.10 crore drawn during 2004-05 to 2013-14 leading to outstanding balance of AC bills of ₹ 114.49 crore as on 31 March 2014. Year wise details are given in **Table 3.4**

Table 3.4: Pendency in submission of DC Bills against AC Bills

(₹ in crore)				
Year	Amount of AC bills	Amount of DC bills outstanding	Outstanding DC bills as percentage of AC bills	No of the outstanding AC bills
Up to 2009-10	241.46	4.96	2.05	1442
2010-11	35.54	2.49	7.01	374
2011-12	61.18	2.01	3.29	344
2012-13	74.14	10.03	13.53	226
2013-14	130.78	95.00	72.64	2517
TOTAL	543.10	114.49	21.08	4903

Source: Information compiled by the Office of the Pr. Accountant General (A&E), Odisha.

Department wise pending AC bills for the years up to 2013-14 are detailed in *Appendix-3.7* which shows that three major Departments viz. Home (₹ 92.17 crore), Higher Education (₹ 6.36 crore) and Planning & Co-ordination (₹ 5.32 crore) comprises 90.71 per cent of the total unadjusted AC bills. As the amount is already charged to the activities concerned as Revenue Expenditure, delayed adjustment of unspent balances may lead to booking of excess cost than actual expenditure and is also fraught with the risk of possible embezzlement of Government funds.

Withdrawal of money on an AC bill is accounted against the functional Major Head in the Consolidated Fund. Unless accounts are settled within the time allotted, the expenditure stands inflated. This would impact the fiscal indicators of the Government (Revenue surplus/Fiscal deficit).

Government stated (October 2014) that a module would be developed for online tracking of AC Bills and corresponding DC Bills which would help in reducing the pendency level.

3.6.1 Analysis of Pendency in adjustment of Abstract Contingent Bills of Higher Education Department

Higher Education Department was reviewed by Audit for pendency of AC Bills, since there was withdrawal of funds on AC bills on large scale and non-adjustment/ settlement of substantial number of AC bills by way of submission of DC bills over the years. An analysis of AC bill draws in VLC database of the Higher Education department revealed the following:

3.6.1.1 Money drawn on AC bills and retained with Drawing and Disbursing Officers

At the time of drawal of funds through AC bill, the expenditure is booked under the relevant service head. Therefore, it is essential to ensure utilisation of such funds for the specific purpose within the stipulated period, but not later than 31 March of the financial year. Non-submission on time entails breach of financial discipline and leads to risk of misappropriation. Funds drawn through AC bills remaining outstanding as of March 2014 are detailed in **Table 3.5**.

Table 3.5: Year wise outstanding AC Bills of Higher Education Department

year	Amount Drawn (in ₹)	No. of items	Outstanding AC bills (in ₹)	No. of items
2003-04	2943758	39	---	---
2004-05	6714332	146	5024008	92
2005-06	9495963	172	6284285	114
2006-07	7460084	181	6207218	92
2007-08	6941470	188	5234946	123
2008-09	6076220	176	3750748	115
2009-10	7264570	161	5439698	106
2010-11	11151275	230	6171138	157
2011-12	12374795	245	4624090	113
2012-13	14495490	218	4278455	73
2013-14	16997119	192	16550302	183
Total	101915076	1948	63564888	1168

Source: Information compiled by the Office of the Pr. Accountant General (A&E), Odisha

Non-submission of DC bills even after lapse of 10 years raises concerns about proper utilisation of amount drawn on AC bills. The outstanding AC bills for years together further indicated that government funds drawn for various purposes interalia on the plea of immediate payment were irregularly retained at DDO level. Further Rule 261 of OTC requires that a certificate shall be furnished by the DDOs to the effect that funds drawn on AC bills shall be spent within the same financial year. But, the funds were carried forward to the next financial year.

3.6.1.2 Drawal of AC bills in the Month of March

As per Article 202 of the Constitution, State Government may spend money within the authorized appropriation during the same financial year. Further, Rule 242 of the OTC stipulates that no money should be drawn from the Treasury unless it is required for immediate payment. Further, Rule 147 of Odisha Budget Manual (OBM) provides that rush of expenditure in the closing month of the financial year will ordinarily be regarded as breach of financial regularity, which should be avoided.

Scrutiny of Voucher Level Computerisation (VLC) package of office of the Principal Accountant General (A&E) generated report revealed that during 2003-04 to 2013-14, total amount of ₹ 74.03 lakh was drawn in the month of March, out of which ₹ 27.73 lakh remained outstanding as of March 2014, as detailed in the **Table 3.6**.

Table 3.6: Year wise break up of AC bills during the month of March

Sl No	Year	Drawal during March (in ₹)	Total Outstanding as on 31 March 2014 (in ₹)
1	2003-04	2015555	---
2	2004-05	735117	142456
3	2005-06	86371	17676
4	2006-07	663137	630707
5	2007-08	85372	---
6	2008-09	975311	938161
7	2009-10	191855	56683
8	2010-11	906221	412221
9	2011-12	293763	176509
10	2012-13	657465	6525
11	2013-14	792427	392213
		7402594	2773151

Source: Office of the Pr. Accountant General (A&E), Odisha

Amount drawn in the month of March were indicative of the fact that likelihood of actual expenditure of such drawals within the concerned financial years were remote and withdrawals were made merely to avoid lapse of appropriation.

3.6.1.3 *Drawal of funds on AC bills for Plan Expenditure*

Drawal of Plan funds in AC bill is not permissible as the same are not of contingent nature. Plan expenditure is intended to meet the distinct objectives of a Programme/ Scheme/ Project of a Central/State Plan. As such these are planned well in advance and earmarked for meeting specific purposes as envisaged in the concerned project/scheme details. Thus, there should be no occasion to draw money through AC bills route to make payments on the items of Plan expenditure under them.

Table 3.7 below depicts the AC bills drawn for Plan expenditure of the State Government remaining outstanding as of March 2014.

**Table 3.7: Year wise outstanding AC Bills (Plan scheme) of
Higher Education Department**

Sl. No.	Year	Drawal of AC bills in Plan Scheme (in ₹)	Total outstanding AC drawals (in ₹)
1	2004-05	133698	32838
2	2005-06	865292	555150
3	2006-07	85000	Nil
4	2007-08	Nil	Nil
5	2008-09	1560550	520975
6	2009-10	231550	231547

Sl. No.	Year	Drawal of AC bills in Plan Scheme (in ₹)	Total outstanding AC drawals (in ₹)
7	2010-11	324569	120915
8	2011-12	272411	1711
9	2012-13	715040	452910
10	2013-14	5142203	5129313
Total		9330313	7045359

Source: Office of the Pr. Accountant General (A&E), Odisha

Out of total AC bills of ₹ 93.30 lakh drawn for plan purposes during 2004-05 to 2013-14, ₹ 70.45 lakh, comprising 75.51 *per cent* of the total drawal, remained outstanding as of March 2014. Withdrawal of funds under Plan heads through AC bill mode was indicative of the fact that object level planning was deficient, items of expenditure were not linked while drawing the amount and thus moneys were simply drawn for future use awaiting finalisation of implementation modalities and to avoid lapse of appropriations. As a result, the Government funds so drawn on the pretext of immediate requirement were allowed to be parked outside Consolidated Fund at the end of each financial year.

3.7 Non-closure of in-operative / unwarranted Personal Deposit (PD) Account

Note below Rule 141 read with sub-rule (3) of OBM provides that money should neither be withdrawn from the Treasury unless it is required for immediate disbursement nor is it permissible to draw money from the treasury under Revenue heads of accounts which forms a part of the Consolidated Fund of the State and for placing it in Deposit head under Public Account of the State in order to avoid lapse of allotment. Parking of funds in PD account adversely affect the transparency of State accounts as it inflates the Revenue Expenditure to that extent and locks up resources which otherwise can be utilised elsewhere for development. Further, according to the provisions of the Odisha Treasury Code, Volume I (Rule 423) PD accounts remaining in-operative for three full financial years are to be closed automatically and the unspent balances transferred to Government Account for which the Treasury Officers are to furnish detailed information to the Principal Accountant General (A&E) immediately after 31 March of each financial year.

There were 874 PD Account holders in the State with a closing balance (unspent) of ₹ 1287 crore operating under the head 8443 and 8448 as Personal Deposits at the end of March 2014. During 2013-14, ₹ 2287.13 crore were transfer-credited from the Consolidated Fund of the State to these PD accounts and expenditure of ₹ 2413.07 crore was incurred therefrom resulting in net decrease of ₹ 125.94 crore in the cumulative closing balance at the end of the year.

All such drawals had the approval of the CCOs of the concerned Departments including of the Finance Department. This practice resulted in erosion of legislative control over expenditure, as drawals from PD Accounts in the

subsequent years neither required legislative approval nor was the expenditure incurred subject to legislative authority through the appropriation mechanism.

The Government stated (October 2014) that 51 number of inoperative PL accounts had been identified for closure during the current financial year out of which, 12 accounts were closed as of September 2014.

3.8 Booking under minor heads ‘800-Other Receipts and 800-Other Expenditure’

Crucial component of a transparent system of accounting is that the forms of accounts in which the receipts and expenditure of the Government are reported to the Legislature, are constantly reviewed and updated so that they correctly reflect the receipt and expenditure on all major activities of the Government in a transparent manner and to the level of disaggregation necessary to meet the basic information needs of all the important stakeholders.

Scrutiny of State Finance Accounts 2013-14 disclosed that under 29 major heads of account (both Revenue and Capital) ₹ 5124.13 crore (36 *per cent*) of total expenditure of ₹ 14078.66 crore were classified under the minor head of account ‘800-Other Expenditure’ in the accounts which also ranged between 10 and 100 *per cent* of the total expenditure under the respective major heads. Similarly, under 36 major head of account (Revenue Receipt), ₹ 883.52 crore (28 *per cent*) out of total receipts of ₹ 3137.39 crore was classified under ‘800-Other Receipts’, which ranged between 15 and 100 *per cent* of the total Revenue Receipts under the respective major heads of account.

Large amounts booked under the minor head ‘800’ affects the transparency in financial reporting as it fails to indicate disaggregated information on different activities of the Government separately in the accounts.

3.9 Fund management practices

Fund management entails strict adherence to prescribed rules and procedures in handling and retention of funds. Treasury and Financial Rules of the State Government require that no money is drawn from treasury unless it was required for immediate disbursement. All monetary transactions should be entered in the cash book under proper attestation as soon as these occurred. Expenditure should not be incurred on the items for which there is no specific allotment and sanction of Government.

3.9.1 Advances remaining unadjusted

As per Subsidiary Rule 37 Notes 9 of OTC Vol. I, the DDO is required to maintain a Register of Advance showing all the particulars like date, the name and designation of the officer receiving the advances, the purpose for which it is given,

date of submission of accounts/bill for payment made against such advances. The accounts so rendered are required to be checked and passed by the DDO. Further, as per Finance Department Notification No.43784/F dated 2nd December 1986, each item of outstanding advances as appearing in the cash book of the DDO is to be analysed and adjusted within one month of disbursement, failing which, the salary of the Government servant concerned should be withheld. Subsidiary Rule 509 of OTC Vol. I, envisages that the advance register should be reviewed frequently by the DDO to ensure that all the advances are cleared by adjustment without delay. Non-adherence not only results in understatement of actual expenditure but is also fraught with the risk of improper and irregular utilisation of the advance so drawn. Continued non-adjustment over a long period is also fraught with the risk of misappropriation and embezzlement.

Test check of records of 36 DDOs revealed that in case of 11 DDOs as of 31 March 2014 advances of ₹ 12.85 crore (**Appendix-3.8**) have not been adjusted since long. Age-wise analysis was also not available with these DDOs due to non-preparation of the list of outstanding advances and improper maintenance of the advance ledgers/registers. Due to lack of timely action to adjust the advances, the possibility of recovery of the advances is remote.

Besides, in respect of 20 DDOs, though advance ledger was maintained in the prescribed manner, advances amounting to ₹ 42.07 crore were still lying unadjusted (**Appendix-3.9**) up to March 2014 for the period ranging from one to 50 years. Advances have been given to the Government employees/supplier for departmental allied purposes, execution of work, imparting training and supply of agricultural implements. In absence of details, the scheme from which such advances were given was not ascertainable in audit. Such situation is also fraught with the risk of embezzlement of Government fund.

3.9.2 Misutilisation of undisbursed cash balance with DDOs.

In terms of Rule 8 and 11 of OGFR, no authority can incur expenditure or enter into any liability until the expenditure has been sanctioned by Government. Further, expenditure in excess of the amount of grant or appropriation, as well as expenditure not falling within the scope or intention of the grant would be treated as unauthorised expenditure.

Test check of records revealed that, in 13 out of 36 DDOs, expenditure of ₹ 26.65 lakh (**Appendix-3.10**) was incurred without any allotment and sanction by the competent authority. The amount is still kept in the shape of 'paid vouchers' by the offices.

3.9.3 *Discrepancy of ₹177.08 crore due to non-reconciliation between bank balance and cash book balance.*

Reconciliation of bank account figure with that of cash book figure is required to be done regularly at the end of each month in order to ensure accuracy of the transaction entered in the books of accounts. DDOs were required to carry out reconciliation at the end of each month to set right the mismatches/discrepancies, if any.

Audit noticed that in 16 out of 36 sample DDOs, difference of ₹ 177.08 crore (*Appendix-3.11*) between the balances in the cash book and the bank pass book as of March 2014 was not reconciled. In absence of reconciliation of cash balances, the authenticity of accounts maintained by these DDOs could not be vouchsafed in audit.

3.9.4 *Retention of time barred Cheques/Bank Drafts*

As per instructions of the Finance Department, under no circumstance should money be drawn and kept in Demand at Call Receipt (DCR), Term deposit, Bank Draft (BD) or in sealed bag or in any other form. Any such instance would be treated as temporary misappropriation except when specifically authorised by Finance Department in writing.

Scrutiny of records revealed that in four out of 36 sample DDOs, 68 time barred Cheques/Bank Drafts (BDs) amounting to ₹ 17.34 lakh (*Appendix-3.12*) formed part of closing balance as on 31 March 2014. These Cheques/Bank Drafts have lost their validity period (six months), but were neither revalidated nor deposited in the Bank account. In DSWO, Koraput the amount of BD (₹ 15.27 lakh) was depicted in the closing balance of the cash book which could not produced to audit. Retention of such BDs for long periods not only resulted in blockage of Government fund but also affected the ways and means position of the State.

3.10 **Conclusions**

- There is pendency in receipt of Utilisation Certificates (UCs) of grants-in-aid paid to various autonomous bodies. Government released grants as a matter of routine without simultaneously keeping a watch on timely receipt of UCs for grants given earlier, as required under the OGFR and sanction orders for release of such grants (*Paragraph 3.1*).
- Administrative Departments of the Government did not furnish to the Accountant General (G&SSA) information on the list of bodies / authorities to whom grants and / or loans were paid, the purposes for which such assistances were paid and position of utilisation of such assistance during 2013-14 as required under the provisions of C&AG's Audit and Accounts Regulations 2007. All the 16 departmentally managed

commercial entities did not prepare proforma accounts up to 2013-14 (except one which prepared accounts up to 2005-06), despite repeated comments in the earlier Audit Reports (*Paragraphs 3.2 and 3.4*).

- As per reports of different departmental offices, 1748 cases of misappropriation/ defalcation of Government money amounting to ₹ 17.46 crore were pending for enquiry up to 25 years or more (*Paragraph 3.5*).
- Contrary to the provisions of financial rules, Controlling Officers did not submit Detailed Countersigned Contingent Bills to the Principal Accountant General (A&E) in respect of ₹ 114.49 crore drawn on Abstract Contingent Bills (4903 cases) up to 31 March 2014. Besides, some departments allowed drawal of AC Bills despite AC Bills of earlier years remaining unadjusted (*Paragraph 3.6*).
- Funds remained unspent in many inoperative Personal Deposit Accounts for years together without being returned to concerned functional heads of accounts at the end of the respective years. Transfer of budgetary allocation from the Consolidated Fund to PD Account in the Public Account at the end of the financial year to avoid lapses adversely affected the transparency of the State's accounts and locked up resources which could otherwise have been used in other areas during that year. (*Paragraph 3.7*).
- An amount of ₹ 5124.13 crore (36 per cent) of total expenditure of ₹ 14078.66 crore were classified under the minor head of account '800-Other Expenditure' and similarly, ₹ 883.52 crore (28 per cent) out of total receipts of ₹ 3137.39 crore was classified under '800-Other Receipts' (*Paragraph 3.8*).
- A large number of DDOs test checked failed to comply with various financial rules and procedures prescribed in OTC Vol. I and OGFR Vol. I. They did not reconcile the cash book figure with that of figures of bank pass book balance, and expenditure incurred on items without having any allotment. These lapses reflected inadequacy in the internal control mechanism in their offices (*Paragraph 3.9*).

Recommendations

- Government may prioritise early submission of pending Utilisation Certificates at least in the first instance of the major defaulting departments like Panchayati Raj, Planning and Co-ordination, Housing & Urban Development, ST, SC & Minorities & Backward Class Development, Rural Development and School and Mass Education constituting 82.18 per cent of total outstanding UCs as of March 2014.

- In the matter of outstanding cases of misappropriation, losses and defalcations etc., Government may prioritise and finalise in the first instance at least the cases where departmental action has been initiated and recovery and write off cases.

Bhubaneswar
The

(Amar Patnaik)
Accountant General (G&SSA), Odisha

Countersigned

New Delhi
The

(Shashi Kant Sharma)
Comptroller and Auditor General of India

Appendices

Appendix 1.1 (Refer Page 1)

A brief profile of Odisha

A. General Data				
Particulars				Figures
1	Area			155707 Sq km
2	Population			
	a.	As per 2001 Census		3.68 crore
	b.	As per 2011 Census		4.19 crore
3	Density of Population (as per 2001 Census) . (All India Density = 325 persons per Sq. Km)			236 persons per Sq. Km
	Density of Population (as per 2011 Census) . (All India Density = 382 persons per Sq. Km)			269 persons per Sq. Km
4	¹ Population below poverty line (BPL) (All India Average= 21.92 per cent)			32.59 per cent
5	a.	Literacy (as per 2001 Census) (All India Average = 64.8 per cent)		63.08 per cent
	b.	Literacy (as per 2011 Census) (All India Average = 74.04 per cent)		73.45 per cent
6	Infant mortality ² (per 1000 live births). (All India Average = 40 per 1000 live births)			53
7	Life Expectancy at birth*** ³ . (All India Average =65.80 years)			63.0 years
8	Gini Coefficient**** ⁴			
	a.	Rural. (All India= 0.29)		0.26
	b.	Urban. (All India= 0.38)		0.39
9	Gross State Domestic Product (GSDP) 2013-14 at current price			₹ 288414 crore
10	Per capita GSDP CAGR (2004-05 to 2013-14)			14.88
11	GSDP CAGR (2004-05 to 2013-14)		Odisha	15.68
			Other General Category States	15.49
12	Population Growth ⁵ (2004-05 to 2013-14)		Odisha	12.56
			Other General Category States	12.94
B. Financial Data				
Particulars				
CAGR		2004-05 to 2012-13		2004-05 to 2013-14
		General Category States	Odisha	Odisha
(In per cent)				
a.	of Revenue Receipts.	16.93	17.80	17.07
b.	of Own Tax Revenue.	16.42	17.36	16.79
c.	of Non-Tax Revenue.	12.49	25.12	22.54
d.	of Total Expenditure.	15.37	15.80	16.49
e.	of Capital Expenditure.	17.01	23.25	24.80
f.	of Revenue Expenditure on Education.	17.44	17.53	17.14
g.	of Revenue Expenditure on Health.	16.50	13.12	12.51
h.	of Salary and Wages.	14.73	12.39	12.28
i.	of Pension.	18.34	19.89	18.79

Gini-coefficient is a measure of inequality of income among the population. Value rate is from zero to one, closer to zero inequality is less and closer to one inequality is higher

¹ Press note July 2013 Planning Commission BPL 2011-12 by Tendulkar methodology

² SRS Bulletin, September 2013

³ Economic Survey Indicators for 2010-11 as shown in Economic Survey of 2012-13

⁴ Planning Commission data for 2009-2010

⁵ Projected Total Population 2001-2026 by Census of India

APPENDIX – 1.2
(Refer paragraph 1.1 at page 2)

Structure and Form of Government Accounts

Part A: Structure and Form of Government Accounts

Structure of Government Account: The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I: Consolidated Fund: All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.

Part II: Contingency Fund: Contingency Fund of the State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

Part III: Public Account: Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc. which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State legislature.

PART B: Layout of Finance Accounts

Statement No.	About
<i>Volume - I</i>	
1	<i>Statement of Financial Position</i>
2	<i>Statement of Receipts and Disbursements</i>
3	<i>Statement of Receipts in Consolidated Fund</i>
4	<i>Statement of Expenditure in Consolidated Fund</i> <i>By function and nature</i> <i>Notes to Accounts</i> <i>Appendix-I</i>
<i>Volume - II</i>	
5	<i>Statement of Progressive Capital Expenditure</i>
6	<i>Statement of Borrowings and other Liabilities</i>
7	<i>Statement of Loans and Advances given by the Government</i>
8	<i>Statement of Grants-in-Aid given by the Government</i>
9	<i>Statement of Guarantees given by the Government</i>
10	<i>Statement of Voted and Charged Expenditure</i>
11	<i>Detailed Statement of Revenue and Capital Receipts by minor heads</i>
12	<i>Detailed Statement of Revenue Expenditure by minor heads</i>
13	<i>Detailed Statement of Capital Expenditure</i>
14	<i>Detailed Statement of Investments of the Government</i>
15	<i>Detailed Statement of Borrowings and other Liabilities</i>
16	<i>Detailed Statement of Loans and Advances given by the Government</i>
17	<i>Detailed Statement on Sources and Application of funds for expenditure other than Revenue Account</i>
18	<i>Detailed Statement on Contingency Fund and Other Public Account transactions</i>
19	<i>Detailed Statement on Investment of earmarked funds</i>

APPENDIX – 1.3
(Refer paragraph 1.2 at page 2)

Time Series data on the State Government Finances

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Part A. Receipts					
1. Revenue Receipts	26430	33276	40267	43937	48947
(i) Tax Revenue	8982(34)	11193(34)	13443 (34)	15034(34)	16892(35)
Taxes on Agricultural Income	Nil	Nil	Nil	Nil	Nil
Taxes on Sales, Trade etc	5409(60)	6807(61)	8197(61)	9685(64)	10729
State Excise	849(10)	1094(10)	1379(10)	1499(10)	1780
Taxes on Vehicles	611(7)	728(6)	788(6)	746(5)	860
Stamp Duty and Registration fees	360(4)	416(4)	498(4)	545(4)	606
Land Revenue	292(3)	391(3)	522(4)	420(3)	431
Taxes on Goods and Passengers	815(9)	1111(10)	1312(10)	1342(9)	1613
Other Taxes	646(7)	646(6)	747(5)	797(5)	873
(ii) Non-Tax Revenue	3212(12)	4780(14)	6443(16)	8078(18)	8379(17)
(iii) State's share of Union taxes and duties	8519(32)	10497(32)	12229(30)	13965(32)	15247(31)
(iv) Grants-in-aid from Government of India *	5717(22)	6806(20)	8152(20)	6860(16)	8429(17)
2. Miscellaneous Capital Receipts	Nil	Nil	Nil	Nil	0.03
3. Recoveries of Loans and Advances	356	34	132	142	257
4. Total Revenue and Non-debt capital receipts (1+2+3)	26786	33310	40399	44079	49204
5. Public Debt Receipts	1650	2268	1354	1880	2290
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1460	2042	1121	1436	1740
Net transactions under Ways and Means Advances and Overdrafts	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	190	226	233	444	550
6. Total Receipts in the Consolidated Fund (4+5)	28436	35578	41753	45959	51494
7. Contingency Fund Receipts	11	199	375	16	--
8. Public Account Receipts	11735	12779	15487	27545	32677
9. Total Receipts of the State (6+7+8)	40182	48556	57615	73520	84171
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	25292(87)	29368(86)	34660(87)	38238(87)	45618(85)
Plan	5615(22)	7393(25)	9720(28)	11593(30)	15008(33)
Non-Plan	19677(78)	21975(75)	24940(72)	26645(70)	30610(67)
General Services (including interest payments)	9285(37)	9937(34)	10929(32)	12423(32)	13689(30)
Social Services	9838(39)	11922(41)	14338(41)	14977(39)	18722(41)
Economic Services	5762(23)	7077(24)	8732(25)	10196(27)	12315(27)
Grants-in-aid and contributions	406(1)	432(1)	661(2)	642(2)	892(2)
11. Capital Expenditure	3648(12)	4285(13)	4496(11)	5622(13)	7756(14)
Plan	3257(89)	4157(97)	4435(99)	5603(99)	7598
Non-Plan	391(11)	128(3)	61(1)	19(1)	158
General Services	178(5)	234(6)	258(6)	351(6)	470
Social Services	563(15)	784(18)	657(14)	1205(22)	1725
Economic Services	2907(80)	3267(76)	3581(80)	4066(72)	5561

* Excludes funds transferred directly to NGOs / VOs in the State

	2009-10	2010-11	2011-12	2012-13	2013-14
12. Disbursement of Loans and Advances	112(1)	315(1)	621(2)	216	463
13. Total (10+11+12)	29052	33968	39777	44076	53837
14. Repayments of Public Debt	1489	2084	2328	3180	2293
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1052	1222	1781	2666	1775
Net transactions under Ways and Means Advances and Overdraft	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	437	862	547	514	518
15. Appropriation to Contingency Fund	Nil	Nil	Nil	Nil	Nil
16. Total disbursement out of Consolidated Fund (13+14+15)	30541	36052	42105	47256	56130
17. Contingency Fund disbursements	199	375	3	--	150
18. Public Account disbursements	9849	11408	14023	24886	31257
19. Total disbursement by the State (16+17+18)	40589	47835	56131	72142	87537
Part C. Deficits					
20. Revenue Deficit (-)/Revenue Surplus (+) (1-10)	1138	3908	5607	5699	3329
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-)2266	(-)658	622	3	(-)4633
22. Primary Deficit(-)/Primary Surplus(+) (21+23)	778	2403	3198	2810	(-)1745
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	3044(12)	3061	2576	2807	2888
24. Financial Assistance to local bodies etc.	6722	9086	9065	7023	9495
25. Ways and Means Advances/Overdraft availed (days)	--	--	--	--	--
Ways and Means Advances availed (days)	Nil/Nil	Nil/Nil	Nil/Nil	Nil/Nil	Nil/Nil
Overdraft availed (days)	Nil/Nil	Nil/Nil	Nil/Nil	Nil/Nil	Nil/Nil
26. Interest on Ways and Means Advances/ Overdraft	Nil/Nil	Nil/Nil	Nil/Nil	Nil/Nil	Nil/Nil
27. Gross State Domestic Product (GSDP)	162946	197530	214583	255459	288414(AE)
28. Outstanding Fiscal liabilities (year end)	40613	42191	42467	43344	44714
29. Outstanding guarantees (year end) (including interest)	1027	2066	2510	2251	1705
30. Maximum amount guaranteed (year end)	8389	9789	10579	10579	10625
31. Number of incomplete projects	35	68	150	151	190
32. Capital blocked in incomplete projects	115	227	352	347	874
Part E: Fiscal Health Indicators					
I Resource Mobilisation					
Own Tax revenue/GSDP	5.51	5.67	6.26	5.89	5.86
Own Non-Tax Revenue/GSDP	1.97	2.42	3.00	3.16	2.91
Central Transfers/GSDP	5.23	5.31	5.70	5.47	5.29
II Expenditure Management					
Total Expenditure/GSDP	17.83	17.20	18.54	17.25	18.67
Total Expenditure/Revenue Receipts	109.92	102.08	98.78	100.32	109.99

	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Expenditure/Total Expenditure	87.06	86.46	87.14	86.75	84.73
Expenditure on Social Services/Total Expenditure	35.80	37.41	37.70	36.71	37.98
Expenditure on Economic Services/Total Expenditure	29.84	30.45	30.96	32.36	33.88
Capital Expenditure/Total Expenditure	12.56	12.61	11.30	12.76	14.40
Capital Expenditure on Social and Economic Services/Total Expenditure.	11.94	11.93	10.65	11.96	13.53
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	0.70	1.98	2.61	2.23	1.15
Fiscal deficit/GSDP	(-)1.39	(-)0.37	0.29	0.00	(-)1.61
Primary Deficit (surplus) /GSDP	0.48	1.22	1.49	1.10	(-)0.60
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	24.92	21.36	19.79	16.97	15.50
Fiscal Liabilities/RR	153.66	126.79	105.46	98.65	91.35
V Other Fiscal Health Indicators					
Return on Investment	11.90	4.64	9.84	19.04	13.67
Balance from Current Revenue (₹ in crore)	3166	6606	9946	12437	12637
Financial Assets/Liabilities	0.87	0.95	1.07	1.19	1.25

APPENDIX – 1.4
(Refer paragraph 1.2 at page 2)

Abstract of receipts and disbursements for the year 2013-14

(₹ in crore)

2012-13	Receipts	2013-14	2012-13	Disbursements	Non-Plan	Plan	2013-14
Section A: Revenue							
43936.91	I.Revenue Receipts	48946.85	38237.55	I.Revenue Expenditure	30610.06	15007.69	45617.75
15034.13	Tax revenue	16891.59	12423.26	General services	13537.65	151.76	13689.41
			14976.56	Social Services	10079.08	8642.47	18721.55
8078.03	Non-tax revenue	8378.60	7263.07	Education, Sports, Art and Culture	5524.64	2757.73	8282.37
			1681.17	Health and Family Welfare	1306.29	506.92	1812.58
13965.01	State's share of Union Taxes	15247.24	1107.99	Water Supply, Sanitation, Housing and Urban Development	703.71	881.43	1585.14
			35.89	Information and Broadcasting	45.42	6.88	52.30
1505.49	Non-Plan grants	2729.19	1190.10	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	655.14	674.01	1330.15
3483.62	Grants for State Plan Schemes	3429.46	91.79	Labour and labour Welfare	51.87	95.08	146.95
			3532.58	Social Welfare and Nutrition	1723.15	3693.41	5416.56
1870.63	Grants for Central and Centrally sponsored Plan Schemes	2270.77	74.47	Others	68.86	26.64	95.50
	--		10196.24	Economic Services	6101.13	6213.46	12314.59
	--		4104.23	Agriculture and Allied Activities	2353.83	2347.29	4701.12
	--		2178.70	Rural Development	908.60	2075.03	2983.63
	--			Special Areas Programmes			
	--		1043.22	Irrigation and Flood control	1087.61	309.44	1397.05
	--		16.20	Energy	10.64	11.71	22.35
	--		254.51	Industry and Minerals	112.58	193.12	305.70
	--		1561.68	Transport	1508.34	196.43	1704.77
	--		56.32	Science, Technology and Environment	14.65	51.21	65.86
	--		981.38	General Economic Services	104.86	1029.25	1134.11
	--		641.49	Grants-in-aid and Contributions	892.20	--	892.20
--	II. Revenue deficit carried over	--	5699.35	II. Revenue Surplus carried over			3329.10
Section B : Capital							
11488.94	III.Opening Cash balance including Permanent Advances and Cash Balance Investment	12687.19	--	III. Opening Overdraft from Reserve Bank of India	--	--	--
Nil	IV.Miscellaneous Capital receipts	0.03	5622.18	IV. Capital Outlay	157.81	7598.59	7756.40

2012-13	Receipts	2013-14	2012-13	Disbursements	Non-Plan	Plan	2013-14
--	--	--	351.22	General Services	16.24	453.64	469.88
--	--	--	1204.91	Social Services	4.45	1720.34	1724.79
--	--	--	40.22	Education, Sports, Art and Culture	--	155.16	155.16
--	--	--	83.77	Health and Family Welfare	--	144.35	144.35
--	--	--	386.04	Water Supply, Sanitation, Housing and Urban Development	4.45	770.43	774.88
--	--	--	--	Information and Broadcasting	--	--	--
--	--	--	470.17	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	--	420.26	420.26
--	--	--	200.00	Social Welfare and Nutrition	--	195.37	195.37
--	--	--	--	Others	--	--	--
--	--	--	4066.05	Economic Services	137.11	5424.42	5561.73
--	--	--	48.16	Agriculture and Allied Activities	--	161.33	161.33
--	--	--	2.00	Rural Development	--	--	--
--	--	--	148.50	Special Area Programmes	--	148.50	148.50
--	--	--	2007.40	Irrigation and Flood Control	(-)2.10	2215.32	2213.22
--	--	--	287.53	Energy	143.73	630.34	774.07
--	--	--	-11.74	Industry and Minerals	(-)10.42	18.10	7.68
--	--	--	1544.65	Transport	5.81	2197.26	2203.07
--	--	--	39.54	General Economic Services	0.10	53.76	53.86
142.47	V. Recoveries of Loans and Advances	257.18	216.02	V. Loans and Advances disbursed			463.55
	From Power Projects	0.21	135.00	For Power Projects	358.56	--	358.56
	From Government Servants	57.33	73.96	To Government Servants	99.23	--	99.23
	From Others	199.64	7.06	To Others	5.76	--	5.76
5699.35	VI. Revenue Surplus brought down	3329.10	--	VI. Revenue Deficit brought down	--	--	--
1879.55	VII. Public debt receipts	2290.25	3179.86	VII. Repayment of Public debt			2293.22
--	External debt	--	--	External debt	--	--	--
1435.76	Internal debt other than Ways and Means Advances and overdrafts	1739.65	2665.72	Internal debt other than Ways and Means Advances and Overdrafts	1775.32	--	--
--	Net transactions under Ways and Means Advances	--	--	Net transactions under Ways and Means Advances	--	--	--
--	Net transactions under overdraft	--	--	Net transactions under overdraft	--	--	--
443.79	Loans and Advances from Central Government	550.60	514.14	Repayment of Loans and Advances to Central Government	517.90	--	--
--	VIII. Appropriation to Contingency Fund	--	--	VIII. Appropriation to Contingency Fund	--	--	--
15.89	IX. Amount transferred to Contingency Fund	--	--	IX. Expenditure from Contingency Fund			150.00

Appendices

2012-13	Receipts	2013-14	2012-13	Disbursements	Non-Plan	Plan	2013-14
27545.35	X. Public Account receipts	32677.32	24886.31	X. Public Account disbursements			31256.60
3001.00	Small Savings and Provident Funds	3332.33	2309.92	Small Savings and Provident Funds	--	--	2643.27
938.81	Reserve Funds	1760.46	545.80	Reserve Funds	--	--	1890.21
8527.91	Suspense and Miscellaneous	10224.62	8551.14	Suspense and Miscellaneous	--	--	10204.48
8540.73	Remittances	10341.10	8536.32	Remittances	--	--	10312.44
6536.90	Deposits and Advances	7018.81	4943.13	Deposits and Advances	--	--	6206.20
--	XI. Closing Overdraft from Reserve Bank of India	--	12867.19	XI. Cash Balance at end	--	--	9501.30
--	--	--	--	Cash in Treasuries and Local Remittances	--	--	--
--	--	--	-23.92	Deposits with Reserve Bank	--	--	26.87
--	--	--	23.79	Departmental Cash Balance including permanent Advances	--	--	21.88
--	--	--	12867.32	Cash Balance Investment	--	--	9452.55
90708.46	Total	100367.92	90708.46	Total			100367.92

APPENDIX – 1.5
(Refer paragraph 1.3.2 at page 8)

Funds transferred directly to State implementing agencies

Sl. No.	Government of India Scheme	Government of India release (₹ in lakh)		
		2011-12	2012-13	2013-14
1	Accelerated Rural Water Supply Programme	1,71,05.21	2,46,52.66	3,17,06.56
2	Administration and Monitoring Including HRD and Training MNRE	6.30	..	..
3	Adult Education and Skill Development Scheme Merged Schemes of Literacy Campaigns and Continuing Education	9,64.38	15,12.13	2,28.16
4	Afforestation and Forest Management	..	3,37.93	5,35.74
5	Assistance to State for Capacity Building Trauma Care	1,55.38	..	2,40.23
6	Assistance to Voluntary Organisation for Providing Social Defence Services Including Prevention of Alcoholism and Drug Abuse SJE	..	15.00	..
7	Atmospheric Observation System Network	..	72.40	62.06
8	Bioinformatics	5.50	6.32	9.91
9	Biotechnology for Societal Development	..	3.74	..
10	Capacity Building for Service Providers	16.00	..	1,61.88
11	Commission for Scientific and Tech Terminology DHE	18.95	25.00	20.00
12	Comprehensive Handloom Development Scheme (CHDS)	..	..	53.62
13	Comprehensive Scheme for Combating Trafficking	0.75	..	..
14	Conditional Cash Transfer Scheme for the Girl Child With Insurance Cover	..	1,08.44	..
15	Conservation of Natural Resources and Ecosystems	..	0.98	5.00
16	Crime and Criminal Tracking Network and Systems	3,92.49	..	..
17	Deafness	..	2,32.49	..
18	Development and Strengthening of Infrastructure Facilities for Production and Distribution of Quality Seeds	..	11,04.85	4,85.45
19	DISHA Programme for Women in Science	..	19.85	..
20	DRDA Administration	26,02.56	12,12.53	1,43.53
21	EAP Component of Cyclone Risk Mitigation Scheme	20,03.08	44,84.00	94,42.00
22	Educational Complexes in Low Literacy Pockets	6,00.00	69.07	13,79.32
23	Electronic Governance	8,54.24	..	4,00.76
24	Grants-in-Aid to State TDCCS for Minor Forest Produce Operation	..	..	40,00.00
25	Grid Interactive Renewable Power	..	..	1.84
26	Health Insurance for Unorganised Sector Workers	1,27.21	..	..
27	Health Insurance for Unorganised Sector Workers	1,16.16	..	..
28	Hospitals and Dispensaries under NRHM	70.67	..	..
29	HRD Training Programme Fellowship Exposure Visit Upgradation of Skills etc.	3.50	..	..

Sl. No.	Government of India Scheme	Government of India release (₹ in lakh)		
		2011-12	2012-13	2013-14
30	Human Resource Development Biotechnology	39.02	35.91	18.47
31	Human Resource Development Handicrafts	..	..	1.25
32	Human Resources for Health	..	13,51.50	..
33	India Meteorology Department	16.11	..	..
34	Information Education and Communication	1.18	..	..
35	Information Education and Communication	35.00	2.00	..
36	Information Publicity and Extension	46.28	31.47	..
37	Inspection and Maintenance Centre Strengthening of Public Transport and Creation of National Road Safety Board	67.50	..	..
38	Inspire	15.02	..	..
39	Integrated Handloom Development Scheme	55.65	..	..
40	Integrated Watershed Management Programme	1,14,66.59	1,01,26.90	1,48,44.78
41	International Cooperation Biotechnology	..	..	26.76
42	IT for Masses Gender	..	78.84	..
43	Livestock Insurance	1,00.00	39.46	2,95.00
44	Marine Research and Technology Development	20.03	..	..
45	Marketing and Export Promotion Scheme for Handloom and Textiles	63.09	23.00	..
46	Marketing Research Surveys and Information Network	16.60	0.88	12.78
47	Marketing Support and Services	21.47	60.17	51.60
48	Medical Rehabilitation	11.95	7.60	..
49	Mega Facilities for Basic Research	..	..	11.00
50	Micro Irrigation	8,23.00	20,00.00	25,85.94
51	Mission Mode Project on ePanchayats	50.00	..	..
52	MPs Local Area Development Scheme (MPLADS)	96,00.00	1,51,00.00	1,70,00.00
53	MSME Clusters Development Programme and MSME Growth Poles	69.40	11.66	36.59
54	Nagar Palika Yuva Krida Aur Khel Abhiyan	5,00.00	5,30.00	..
55	National Child Labour Project Including Grants-in-Aid to Voluntary Agencies	13,14.51	15,29.37	10,81.54
56	National Afforestation and Eco Development Board	1,07.50	..	..
57	National Afforestation Programme	3,64.79	..	..
58	National Aids Control Programme III	14,80.37	..	8,16.68
59	National Bamboo Mission	4,83.27	4,64.00	5,47.24
60	National Cancer Control Programme	3,34.15	..	..
61	National Food Security Mission	66,76.61	63,52.61	58,14.13
62	National Horticultural Mission	46,94.34	65,91.00	84,34.20
63	National Medicinal Plants Board	1,69.62	..	97.00
64	National Mental Health Programme	22,50.00	..	..
65	National Mission on Medicinal Plants	4,75.58	1,11.00	1,50.66
66	National Program for Land Resource Management CLR SRA ULR and CMLR DLR	..	..	62,52.10
67	National Programme for Control of Blindness	..	..	3.00
68	National Programme for Health Care for The Elderly	2,23.88	..	..

Sl. No.	Government of India Scheme	Government of India release (₹ in lakh)		
		2011-12	2012-13	2013-14
69	National Programme for Prevention and Control of Diabetes Cardiovascular Disease and Stroke	5,10.21	..	..
70	National Project for Cattle and Buffalo Breeding	6,00.00	..	7,00.00
71	National Project on Management of Soil & Health	..	..	5,77.38
72	National River Conservation Plan	5,00.00	..	..
73	National Rural Employment Guarantee Scheme	9,78,21.72	8,47,97.88	7,57,52.84
74	National Rural Health Mission (NRHM)	51.06	1,39.48	18.69
75	National Rural Health Mission (NRHM)	4,07,73.25	2,39,64.81	4,44,16.25
76	National Service Scheme	26.57	14.89	21.36
77	National ST Finance and Development Corporation and GIA to State ST Development and Finance Corporation	3,00.00	..	90.00
78	New Initiative in Skill Development Through PPP	13.50	..	..
79	Off Grid DRPS MNRE	1,25.09	50.00	0.47
80	Panchayat Empowerment and Accountability Incentive Scheme	1,02.92	..	..
81	Panchayat Mahila Evam Yuva Shakti Abhiyan	..	51.13	..
82	Polar Science	..	1.50	5.00
83	Pollution Abatement	..	5.57	..
84	Pradhan Mantri Gram Sadak Yojana Programme Component	19,69,95.27	87,25.14	7,58,91.50
85	Product Infrastructure Development for Destinations and Circuits	11,00.77	4,65.42	3,73.60
86	Project for Dairy Development Including for Clean Milk Production	6,02.75	..	3,06.50
87	Promotion of Sports Among Disability	0.67	..	1.36
88	Propagation of Right to Information Act PPG	..	..	39.70
89	R and D in New and Renewable Energy Technologies	11.21	..	..
90	R E in Urban & Industrial Sectors, New & Renewable Energy	4.59	..	..
91	Rajiv Gandhi Panchayat Sashaktikaran Abhiyan	..	..	1,90.00
92	Rashtriya Gram Swaraj Yojana	5,44.00	2,09.00	..
93	Rashtriya Madhyamik Shiksha Abhiyan	1,28,86.89	2,15,42.51	2,65,53.62
94	Remote Villages Programmes	26,37.42	..	..
95	Renewable Energy for Rural Applications for All Villages MNRE	6,60.98	2,69.81	7.25
96	Research and Development	2.14	..	..
97	Research and Development Department of Biotechnology	29.20	14.97	76.14
98	Research and Development for Conservation and Development	6.55	..	..
99	Research and Development Support SERC	4,00.37	48.50	9,21.78
100	Research and Mass Education Tribal Festivals and Others	7.50	10.00	10.00
101	Research Councils	0.68	..	..
102	Resource Support to State	..	4.40	..
103	Rural Housing IAY	6,29,99.06	4,58,65.04	4,44,62.65

Sl. No.	Government of India Scheme	Government of India release (₹ in lakh)		
		2011-12	2012-13	2013-14
104	Sarva Shiksha Abhiyan	9,27,19.98	10,43,07.62	7,39,56.08
105	Scheme for Human Resource Development FPI	46.00	..	..
106	Scheme for Setting up of 6000 Model Schools at Block Level as Benchmark of Excellence	1,28,85.00	..	..
107	Scheme for Strengthening of Institutions Including NIFTEM	..	..	..
108	Scheme of Institute of Excellence Top Class Institute (Top Class Education)	76.35	2,06.89	1,58.20
109	Science and Technology Programme for Socio Economic Development	16.55	..	12.80
110	Skill Development Initiative through PPP	3,06.75	16,83.75	1.19
111	Social Security for Unorganised Workers	..	..	70,51.44
112	Strengthening Promoting Agricultural Information System	4,00.00	..	..
113	Strengthening of Institutions for Medical Education Training and Research	2,94.04	..	..
114	Strengthening of the State Waqf Boards	..	6.26	..
115	Studies in Agricultural Economic Policy and Development	1,03.00	93.75	1,24.55
116	Support to State Extension Programme for Extension Reforms	48,82.35	42,49.98	35,26.50
117	Suvarna Jayanti Sahari Rojgar Yojana	10,41.64	16,69.30	23,03.62
118	Swaranjayanti Gram Swarozgar Yojana	1,25,48.12	1,23,79.25	53,76.85
119	Technology Development Programme	23.94	39.36	16.38
120	Technology Promotion Development and Utilisation Programme (TPDU DSIR)	0.20	..	..
121	Top Class Education for SCS SJE	0.73	1,11.76	57.52
122	Total Sanitation Campaign	11,12.15	..	..
123	Total Sanitation Campaign	1,00,59.55	..	..
TOTAL		62,28,65.61	38,92,32.73	46,99,58.00

Note: 1 The total releases shown in this Appendix exclude an amount of ₹ 4,35,53.72 lakh released to Central Bodies located in the State as well as the various other organisation outside the purview of the Government of Odisha.

2. Above information is based on the data availability in Central Plan Scheme Monitoring System (CPSMS) portal of Controller General of Accounts (CGA).

APPENDIX – 1.6
(Refer paragraph 1.8.3 at page 28)

Statement of outcome budget during the financial year 2013-14

Panchayati Raj Department

(₹ In lakh)

Sl. No.	Name of the Scheme	FINANCIAL			PHYSICAL		
		Financial Outlay for 2013-14	Financial Achievement	Short fall	Physical Target	Physical Achievement	Short Fall
1	Mo Kudia	21827	21827	Nil	38998	18668	20330 (52 %)
2	GGY	22500	22500	Nil	13313	12278	1035 (8 %)
3	BRGF	45317	29979	15338 (34 %)	12247	8193	4054 (33 %)
4	C. C. Road	49888	49888	Nil	23575	21809	1766 (7 %)
5	IAY	40637	22393	18244 (45 %)	387404	158657	228747 (59 %)

ST & SC Development Department

(₹ In lakh)

Sl. No.	Name of the Scheme	FINANCIAL			PHYSICAL		
		Financial Target (₹ Lakh)	Financial Achievement (₹ Lakh)	Shortfall	Physical Target	Physical Achievement	Short fall
STATE PLAN							
1	Construction of Hostels for ST Girls (1000 Nos)	23000	22445 (98%)	555	1000	11 (1%)	989 (99%)
CENTRAL PLAN							
1	Establishment of Micro Project for Primitive Tribes (GIA)	5000	2000 (40%)	3000	17 nos of Micro projects	Not Completed	100 %
2	GIA to STDCC for MFP operation	300	193 (64%)	107	Fair price support to 68 godowns.	Not completed.	100 %

Fisheries and Animal Resources Development Department

(₹ In lakh)

Sl. No.	Name of the Scheme	FINANCIAL			PHYSICAL		
		Financial Outlay	Financial Achievement	Short fall	Physical Target	Physical Achievement	Short Fall
STATE PLAN							
1	Organisation of Skill Upgradation training and Awareness Meet	65	65	Nil	700	426	274 (39 %)
2	Interest subvention on short term Credit Support to Fish Farmers	800	800	Nil	2000	Nil	2000 (100 %)
3	Interest subvention on long term Credit Support to Fish Farmers	450	450	Nil	2000	Nil	2000 (100 %)

Sl. No.	Name of the Scheme	FINANCIAL			PHYSICAL		
		Financial Outlay	Financial Achievement	Short fall	Physical Target	Physical Achievement	Short Fall
4	Empowering Fisherman through Mobile Advisory Services and Establishment of Toll free Call Centres for Fishermen Extension Services	388	379	9	100000	42192	57808 (58 %)
5	Promotion of intensive Aquaculture	1250	1250	Nil	2000 ha	677 ha	1323 ha (66 %)
CENTRALLY SPONSORED PLAN							
1	National Scheme of Welfare of Fishermen-Fisheries Training and Extension	44	44	Nil	570	Nil	570 (100 %)
2	Integrated Development of Inland Capture Resources	15	15	Nil	16 nos	2 nos	14 nos (88 %)
3	Development of Marine Fisheries –Motorisation of Traditional Crafts	189	189	Nil	1000	658	342 (34 %)
4	Development of Marine Fisheries –Safety of Fishermen at Sea	48	48	Nil	320	Nil	320 (100 %)

APPENDIX – 1.7
(Refer paragraph 1.10.1 at page 35)

Summarised financial position of the Government of Odisha as on 31 March 2014

(₹ in crore)

As on 31 March 2013			As on 31 March 2014
	Liabilities		
16108.53	Internal Debt -		16072.87
3805.97	Market Loans bearing interest		
0.09	Market Loans not bearing interest		
4.74	Loans from Life Insurance Corporation of India		
12297.73	Loans from other Institutions		
Nil	Ways and Means Advances		
Nil	Overdrafts from Reserve Bank of India		
7208.85	Loans and Advances from Central Government -		7241.55
46.47	Pre 1984-85 Loans		
27.17	Non-Plan Loans		
7135.21	Loans for State Plan Schemes		
----	Loans for Central Plan Schemes		
----	Loans for Centrally Sponsored Plan Schemes		
400.00	Contingency Fund		400.00
14663.47	Small Savings, Provident Funds etc.		15352.52
5161.84	Deposits		5595.04
5724.78	Reserve Funds Advances		5724.78
---	Suspense and Miscellaneous Balances		57.11
---	Remittance Balances		21.40
698.12	Miscellaneous Capital Receipts		698.15
9350.84	Cumulative excess of receipts over expenditure		12630.93
59316.43	Total		64044.38
	Assets		
42446.02	Gross Capital Outlay on Fixed Assets -		50202.42
2964.28	Investments in shares of Companies, Corporations etc.	3308.80	
39481.74	Other Capital Outlay	46893.62	
3976.69	Loans and Advances -		4183.06
2490.77	Loans for Power Projects	2849.13	
1034.82	Other Development Loans	996.62	
451.10	Loans to Government servants and Miscellaneous loans	337.31	

As on 31 March 2013			As on 31 March 2014
	Assets		
9.77	Advances		10.13
7.26	Remittance Balances		---
12.01	Suspense and Miscellaneous Balances		
12864.68	Cash -		9498.77
---	Cash in Treasuries and Local Remittances	---	
-23.92	Deposits with Reserve Bank	26.87	
23.79	Departmental Cash Balance including Permanent Advances	21.88	
**	Security Deposits	**	
5523.00	Investment of Earmarked Funds	5523.00	
7341.81	Cash Balance Investments	3927.02	
---	Deficit on Government Account -	---	
	(i) Less Revenue Surplus of the current year		
	(ii) Appropriation to Contingency Fund		
	Accumulated deficit at the beginning of the year		
59316.43	Total		64044.38

** Included under Suspense and Miscellaneous

Note: Closing balance of the contingency fund has been taken under liabilities

Explanatory Notes for Appendices 1.3 and 1.4

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in Appendix 1.4, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, etc. There was a difference of ₹ 2665.46 Lakh (Net Debit) between the figure reflected in the Accounts ₹ 2687.15 Lakh (Net Debit) and that intimated by the Reserve Bank of India ₹ 21.66 Lakh (Net Credit) relating to deposits with Reserve Bank of India included in the Cash Balance. After reconciliation and adjustment, the difference to the extent ₹ 857.49 Lakh (Net Debit) remains to be reconciled (May-2014).

APPENDIX – 1.8
(Refer paragraph 1.13 at page 46)

Status of Public Private Partnership Projects in Odisha as on 31 March 2014

COMPLETED PPP PROJECTS

Sl. No.	Name of Project	PPP Type	Status	Remarks
Sector: Urban Development				
1	Market-cum-Residential at Bhubaneswar	DBT	Operational	---
2	Commercial Shopping Complex at Bhubaneswar	DBOO	Operational	---
3	A.C. Market Complex at Bhubaneswar	DBOT	Operational	---
4	City Bus Service for larger Sambalpur region	O&M	Operational	---
Sector: Health				
5	Magnetic radio imaging centre at SCB Medical College	BOT	Operational	M/s. Kolkata Imaging Institute is the concessionaire.
6-14	Management of nine (09) primary health care centres in Keonjhar (1), Cuttack (3), Kendrapara (2) and Balasore (3)	O&M	Operational	Service level standards are defined. Costs were borne out of CSR funds by corporate.
15	Odisha Emergency Medical Ambulance Service (a) 108 Service (b) 102 Service (for pregnant women and sick infants under JSSK)	O&M	Operational	M/s. Zigitsa is the concessionaire.
Sector: Finance & Revenue Related				
16	E-registration System (e-dharani)	O&M	Operational	---
Sector: Transport				
17	Minor Port at Dhamara	BOOST	Operational	M/s DPCL is the concessionaire.
18	Minor brown field port at Gopalpur	BOOST	Operational	M/s GPL is the concessionaire phase-I is operational. Land acquisition for Phase-II is under way.
19	Driving Training Institute at Chhatia	O&M	Construction	Under Central Government Scheme. M/s Ashok Leyland is the concessionaire.
Sector: Industrial Infrastructure				
20	Up-gradation of common infrastructure in Kalinganagar Industrial Complex	Beneficiary Participation	Operational	Under the IIUS Scheme.
21	Up-gradation of common infrastructure in plastics and polymers park in Balasore	Beneficiary Participation	Operational	Under the IIUS Scheme.
Sector: Roads				
22	29 km Palaspanga- Bameberi Expressway	Beneficiary Participation	Operational	M/s KIDCO is the concessionaire.
Sector: Tourism				
23	Heritage hotel at Mahodadhinivas	DBOT	Operational	---
24	Eco camp at Ramchandi	DBOT	Operational	---

Sl. No.	Name of Project	PPP Type	Status	Remarks
25-27	Three (03) South Indian restaurants at Konark, Cuttack & Satapada	Lease & Transfer	Operational	---
Sector: Education				
28-41	Up-gradation of 14 numbers of Industrial Training Institutes at Puri, Cuttack, Umarkote, Chhatrapur, Barbil, Baripada, Takatpur, Dhenkanal, Malkangiri, Boudh, Baragarh, Anandapur, Khariar and Bolangir	BOO	Operational	Under Central Government Scheme.
Total – 41 Projects				

PPP PROJECTS IN PIPELINE UNDER IMPLEMENTATION

Sl. No.	Name of Project	PPP Type	Status	Remarks
Sector: Urban Development				
1	Integrated Residential complex at Ranasinghpur	DBOT	Construction	---
2	Integrated Residential complex at Patrapada	DBOT	Construction	---
3	Integrated Commercial Complex at Gadakan	BOT	Construction	---
4	Development of Foot Over Bridges at Master Canteen, RamaDevi College and Jaydev Vihar	DBOT	Construction	---
5	Municipal Solid Waste management facility for Berhampur	DBOT	Construction	M/s UPL is the concessionaire.
6	Energy efficient public street lighting project in Bhubaneswar	DBFOT	Construction	Consortium of M/s Saha Investment is the concessionaire.
Sector: Transport				
7	Minor port at Subarnarekha mouth (kirtania)	BOOST	Construction	M/s CPDCL is the concessionaire.
8	Minor port at Astaranga	BOOST	Construction	M/s Navayuga is the concessionaire.
9-10	Two (02) bus terminals at Dhenkanal & Angul	DBFOT	Construction	
11	Haridaspur-Paradeep railway corridor	Beneficiary Participation	Construction	M/s HPRDCL is the concessionaire.
12	Angul Sukinda Railway Corridor	Beneficiary Participation	Construction	M/s ASRL is the concessionaire.
Sector: Industrial Infrastructure				
13	Infopark in Bhubaneswar	BOT	Construction	
14	Biotech Park in Bhubaneswar	BOT	Construction	M/s Bharat Biotec is the concessionaire
15	Mega Food Park in Rayagada district	Joint venture	Construction	Under the scheme of MoFPI, GoI.
Sector: Roads				
16	4-laning of 165 km Sambalpur-Rourkela	BOT (Toll)	Conditions precedent period	M/s L&T is the concessionaire.
Sector: Tourism				
17-24	Development of eight (08) tourism department properties	Renovate, augment, operate & transfer	Construction	---

Sl. No.	Name of Project	PPP Type	Status	Remarks
25	Development of water sports facilities in selected water bodies at 15 locations	BOT	Construction	---
26	Development of houseboating facilities in selected water bodies at 15 locations	BOT	Construction	---
Sector: Power Transmission				
27	IB- Meramundali 400 KV D.C. line	BOT (Annuity)	Construction	---
Total – 27 Projects				

PPP PROJECTS IN PIPELINE

Sl. No.	Name of Project	PPP Type	Status	Remarks
Sector: Urban Development				
1	Bulk Water Supply project for IIT, NISER, Infocity-II and adjoining areas	BOOT	Pipeline	Bidding concluded
2	Municipal Solid waste management facility for Paradeep	DBOT	Pipeline	Bidding concluded
3	Development of Regional Land fill and Municipal Solid Waste Processing Facility for Bhubaneswar and Cuttack + Waste of Energy	DBOT	Pipeline	Bidding concluded
4	Municipal solid waste management facility for Sambalpur	DBOT	Pipeline	---
5	Development of truck terminal at Jagatpur	BOT	Pipeline	---
6	Integrated Residential and commercial complex at Suango	DBOT	Pipeline	Selection of developer has been completed.
7	Integrated Residential and commercial complex at Ranasinghpur	DBOT	Pipeline	Selection of developer has been completed.
8	Integrated Residential and commercial Complex at Paikarapur	BOT	Pipeline	Selection of developer has been completed.
9	Integrated Residential and Commercial Complex at Shankarpur	BOT	Pipeline	Selection of developer has been completed.
10-11	Two (02) bus terminals at Keonjhar and Barbil	O&M	Pipeline	Under Bidding
12-13	City bus service for larger Berhampur and Sambalpur regions	O&M	Pipeline	Under Bidding
Sector: Health				
14	Development of a Medical College and associated Hospital at Rayagada and Gajapati districts	DBFOT	Pipeline	RFQ issued. In principle approval obtained for Central VGF
15	Hospital and healthcare network project in Bhubaneswar	DBFOT	Pipeline	RfP issued.
Sector: Finance & Revenue Related				
16	Modernisation of seven border checkgates at Girisola, Jamsolaghat, Kereda, Sunki, Birahandi, Nalda and Govindpur	BOT	Pipeline	Possession of land is underway

Sl. No.	Name of Project	PPP Type	Status	Remarks
Sector: Transport				
17	Captive Port at Chudamani	BOO	Pipeline	MoU has been signed. Concession agreement is pending as the matter is sub-judice.
Sector: Roads				
18-27	1) 18 km Joda-Bamebari expressway in Keonjhar district. 2) 56 km Suakati-Dubuna road-ODR in Keonjhar district 3) 30 km Bisoi-Rairangpur road in Mayurbhanj district 4) 60 km Jamjhadi-Basudevpur-Dhamara road in Bhadrak district 5) 67 km Satkutia-Patna road in Keonjhar district 6) 32.5 km high level bridge over river IB in Jharsuguda district 7) 70 km Capital Region Ring Road bypassing Bhubaneswar & Cuttack 8) 102 km Sohela-Padampur-Nuapada road in Bargarh and Nuapada districts 9) 58 km Khalikote-Bairani-Aska road in Ganjam district 10) 25 ROBs identified in consultation with Indian Railways		Pipeline	Various technical studies underway
Sector: Tourism				
28	Development of amusement park and public aquarium project	DBFOT	Pipeline	EoI issued
29	Development of camping site, Eco cottages of Star category in Tampara, Ramchandi, dredged island of Chilka lake, Patisonapur	BOT	Pipeline	EoI issued
Sector: Education				
30-32	Development of three (03) Model residential Public Schools.	DBFOT	Pipeline	Application for Central VGF is under consideration
Sector: Power Transmission				
33-34	<u>Package 1</u> a) 400/220 kV sub-station at Khuntuni; 400 kV Meramundali – Mendhasal line at Khuntuni (Siaria) -1.022 km 400 Kv LILO of Meramundali – Duburi line at Khuntuni (Siaria)-41.223 km b) 400/220 kV AIS sub-station at Kuanramunda; 400 kV line from Lapanga to Kuanramunda (Laing) – 110.4 km; 400 kV line from Kuanramunda to Bisra – 22.5 km. Total Transmission Line- 175.15 km	DBFOT	Pipeline	Transaction Advisor engaged. Preliminary feasibility & survey work completed. Approval of unitary charge is pending with OERC.

Sl. No.	Name of Project	PPP Type	Status	Remarks
	<u>Package 2</u> a) 400/220 kV GIS sub-station at Paradeep b) 400 kV line from Duburi (new) to Paradeep(siju) – 128.01 km 400 kV line from Paradeep (Siju) to Uttara (Jatni) – 109.07 km Total Transmission Line – 237.08 km			
Total – 34 Projects				
Grand Total – 102 Projects (Odisha)				

APPENDIX – 2.1
(Refer paragraph 2.3.1 at page 50)

Statement of various grants/appropriations where saving was more than ₹ 10 crore in each case and more than 20 per cent of the total provision during 2013-14

(₹ in crore)

Sl. No.	Grant No	Name of the Grant/ Appropriation	Total Grant/ Appropriation	Actual Expenditure	Savings out of total Provision	Percentage of savings to total Provision
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Revenue (Charged)						
1	2048	Appropriation for Reduction or Avoidance of Debt	500.07	0	500.07	100
2	2049	Interest Payments	5007.86	2888.22	2119.64	42.33
Revenue (Voted)						
3	3	Revenue and Disaster Management	6141.66	3508.13	2633.53	42.88
4	5	Finance	9417.45	6662.73	2754.72	29.25
5	8	Odisha Legislative Assembly	46.97	28.44	18.53	39.45
6	15	Sports and Youth Services	85.85	55.99	29.86	34.78
7	19	Industries	20.82	9.80	11.02	52.93
8	22	Forest and Environment	766.87	600.10	166.77	21.75
9	27	Science and Technology	49.74	38.03	11.71	23.54
10	37	Information and Technology	139.53	78.96	60.57	43.41
11	40	Micro, Small and Medium Enterprises	72.59	53.45	19.14	26.37
Capital (Charged)						
12	6003	Internal Debt	2275.41	1775.32	500.09	21.98
Capital (Voted)						
13	10	School and Mass Education	24.20	9.82	14.38	59.42
14	19	Industries	9.50	-8.96	18.46	194.32
15	39	Employment and Technical Education and Training	278.16	142.87	135.29	48.64
Total			24836.68	15842.90	8993.78	36.21

Source: Appropriation Accounts 2013-14, Government of Odisha.

APPENDIX – 2.2
(Refer paragraphs 2.3.2 at page 53)

List of Grants indicating persistent savings during 2009-14

(₹ in crore)

Sl. No.	Number of the Grant and name of the Department	Amount of savings				
		2009-10	2010-11	2011-12	2012-13	2013-14
Revenue (Charged)						
1	2049- Interest Payments	1548.43 (34)	890.66 (23)	1470.90 (36)	1704.36 (38)	2119.64 (42)
Revenue (Voted)						
2	1-Home	170.68 (11)	122.58 (7)	188.84 (10)	192.66 (9)	175.54 (7)
3	3- Revenue and Disaster Management	604.97 (47)	702.40 (38)	701.91 (17)	1033.25 (55)	2633.53 (43)
4	5-Finance	889.31 (21)	1484.09 (26)	1061.41 (18)	1549.72 (22)	2754.72 (29)
5	10-School and Mass Education	624.83 (13)	846.07 (16)	418.64 (8)	806.54 (12)	509.22 (7)
6	11-ST, SC and Minorities and Other Backward Classes Welfare	107.14 (13)	83.40 (9)	79.25 (7)	168.51 (12)	263.10 (16)
7	12-Health and Family Welfare	466.95 (29)	341.03 (22)	180.54 (12)	201.73 (11)	303.30 (14)
8	13-Housing and Urban Development	160.91 (15)	105.82 (10)	212.74 (17)	100.91 (7)	87.89 (4)
9	16-Planning and Co-ordination	37.57 (7)	111.95 (24)	65.18 (5)	151.25 (13)	144.17 (12)
10	17-Panchayati Raj	227.22 (15)	38.95 (2)	190.20 (8)	437.70 (15)	436.05 (12)
11	20-Water Resources	135.27 (17)	139.12 (15)	179.54 (17)	158.94 (13)	117.70 (8)
12	22-Forest and Environment	54.99 (14)	38.91 (10)	42.57 (11)	98.06 (17)	166.76 (22)
13	33-Fisheries and Animal Resources Development	69.49 (24)	60.79 (19)	55.43 (16)	77.76 (21)	54.08 (13)
14	36-Women and Child Development	388.80 (19)	369.05 (15)	273.32 (8)	236.48 (7)	249.75 (6)
15	38-Higher Education	58.14 (6)	27.81 (2)	26.55 (2)	65.67 (5)	66.24 (4)
Capital (Voted)						
16	7-Works	91.98 (11)	186.92 (16)	234.87 (20)	102.04 (9)	59.92 (4)
17	20-Water Resources	383.69 (20)	453.47 (22)	457.77 (21)	254.06 (11)	529.08 (19)
18	28-Rural Development	169.63 (23)	33.97 (7)	119.75 (19)	63.84 (10)	32.85 (4)

Source: Appropriation Accounts for the respective years of Government of Odisha

Note: Figures in brackets represent percentage to total grants

APPENDIX – 2.3
(Refer paragraph 2.3.5 at page 55)

**Statement showing cases where supplementary provision
(₹ 1 crore or more in each case) proved unnecessary during 2013-14**

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
A Revenue (Charged)					
1	1-Home	46.73	39.38	7.35	1.76
Total for Charged		46.73	39.38	7.35	1.76
A Revenue (Voted)					
2	1-Home	2450.62	2394.24	56.38	119.17
3	4-Law	203.08	182.85	20.23	2.08
4	5-Finance	8321.20	6662.73	1658.47	1096.25
5	6-Commerce	54.61	53.94	0.67	2.98
6	8-Legislative Assembly	45.95	28.44	17.51	1.02
7	9-Food Supplies and Consumer Welfare	1374.37	1359.77	14.60	26.34
8	10-School and Mass Education	7136.61	6706.92	429.69	79.54
9	11-ST, SC and Minorities and Other Backward Classes Welfare	1505.91	1399.21	106.70	156.40
10	12-Health and Family welfare	2001.86	1807.68	194.18	109.12
11	13-Housing and Urban Development	1914.45	1880.55	33.90	53.99
12	14-Labour and Employment	69.53	69.34	0.19	1.31
13	15-Sports and Youth Services	72.66	55.99	16.67	13.19
14	19-Industries	19.23	9.80	9.43	1.59
15	21-Transport	41.92	39.28	2.64	1.62
16	22-Forest and Environment	664.79	600.10	64.69	102.08
17	25-Information and Public Relation	62.45	59.83	2.62	2.27
18	28-Rural Development	1290.09	1224.77	65.32	3.55
19	31-Textile and Handloom	131.71	123.09	8.62	7.60
20	33-Fisheries and Animal Resources Development	427.42	375.88	51.54	2.54
21	34-Co-operation	578.08	547.79	30.29	1.50
22	37-Information Technology	125.43	78.96	46.47	14.10
23	39-Employment and Technical Education and Training	209.18	195.05	14.13	13.92
24	40-Micro, Small and Medium Enterprises	71.00	53.45	17.55	1.59
Total for (Voted)		28772.15	25909.66	2862.49	1813.75
Total for Revenue		28818.88	25949.04	2869.84	1815.51
B Capital (Voted)					
25	11-ST, SC and Minorities and Other Backward Classes Welfare	459.12	420.26	38.86	19.88
26	20-Water Resources	2678.09	2207.91	470.18	58.90
27	21-Transport	116.00	112.57	3.43	5.00
28	39-Employment and Technical Education and Training	247.87	142.87	105.00	30.29
Total for Capital		3501.08	2883.61	617.47	114.07
Grand Total		32319.96	28832.65	3487.31	1929.58

Source: Appropriation Accounts 2013-14, Government of Odisha.

APPENDIX – 2.4
(Refer paragraph 2.3.5 at page 55)

**Statement showing cases where supplementary provision
(₹ 1 crore or more in each case) proved excessive during 2013-14**

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original Provision	Supplementary provision	Total Provision	Actual expenditure	Excess Supplementary provision
Revenue (Voted)						
1	2-General Administration	118.88	26.03	144.91	125.81	19.10
2	3-Revenue and Disaster Management	1960.32	4181.34	6141.66	3508.13	2633.53
3	7-Works	1322.47	72.52	1394.99	1363.81	31.18
4	17-Panchayati Raj	3226.98	542.08	3769.06	3333.01	436.05
5	20- Water Resources	1348.80	219.29	1568.09	1450.39	117.70
6	23-Agriculture	1822.22	200.38	2022.60	1926.21	96.39
7	32-Tourism and Culture	97.39	7.22	104.61	99.26	5.35
8	36-Women and Child Development	3189.79	978.43	4168.22	3918.47	249.75
9	38-Higher Education	1413.49	73.13	1486.62	1420.38	66.24
Total for Revenue		14500.34	6300.42	20800.76	17145.47	3655.29
Capital (Voted)						
10	1-Home	265.97	131.21	397.18	393.70	3.48
11	2-General Administration	57.20	3.33	60.53	57.92	2.61
12	7-Works	1209.50	271.07	1480.57	1420.65	59.92
13	13-Housing and Urban Development	474.02	182.67	656.69	612.44	44.25
14	28-Rural Development	740.48	55.78	796.26	763.41	32.85
15	30-Energy	725.00	490.49	1215.49	1132.63	82.86
16	32-Tourism and Culture	50.64	13.51	64.15	62.67	1.48
17	36-Women and Child Development	170.00	28.00	198.00	195.37	2.63
Total for Capital		3692.81	1176.06	4868.87	4638.79	230.08
Grand Total		18193.15	7476.48	25669.63	21784.26	3885.37

Source: Appropriation Accounts 2013-14, Government of Odisha.

APPENDIX – 2.5
(Refer paragraph 2.3.6 at page 55)

Statement showing excess / unnecessary re-appropriation of funds during 2013-14
(₹ in crore)

Sl. No.	Grant No.	Description	Net Re-appropriation	Final Excess(+) / Saving(-)
1	1-Home	2055-NP-104-1327-Special Police Organisation	20.49	-1.09
2	1-Home	2055-NP-109-0321-District Organisation	-8.18	-1.98
3	10-School and Mass Education	2202-NP-01-101-2401-Grants to Zilla Parishad for Primary School Teachers transferred from Sikhya Sahayak Cadre	-57.00	-3.49
4	10-School and Mass Education	2202-SP-DS-02-110-0984-Non-Government High Schools	79.26	-1.07
5	12-Health and Family Welfare	2210-SP-SS-05-105-2567-Regional Institute of Paramedical Science (RIPS)	-0.40	-3.60
6	13-Housing and Urban Development	2251-NP-090-0651-Housing and Urban Development Department	-0.01	-2.68
7	17-Panchayati Raj	2515-NP-198-2594-General Performance Grants to Local Bodies as recommended by ThFC.	-235.33	-29.37
8	20-Water Resources	2700-NP-80-800-1848-Maintenance of Critical Major Irrigation Project	-1.37	-7.22
9	20-Water Resources	2701-NP-80-800-2587-ThFC Award for Water Sector Management	-5.74	-2.77
10	20-Water Resources	2701-NP-80-800-2895-Grants	2.41	-2.31
11	20-Water Resources	2702-NP-03-102-2895-Grants	18.90	-3.80
12	20-Water Resources	2711-NP-01-800-1214-Rivers Embankment Maintenance	-0.85	-1.17
13	20-Water Resources	2711-NP-03-800-0851-Maintenance and Repair	2.54	-1.82
14	20-Water Resources	4700-SP-SS-19-789-2160-Accelerated Irrigation Benefit Programme (AIBP)	1.67	-3.15
15	20-Water Resources	4700-SP-SS-19-800-2160-Accelerated Irrigation Benefit Programme (AIBP)	-6.96	-10.55
16	20-Water Resources	4700-SP-SS-19-800-2176-JBIC Assisted Rengali Irrigation Project(EAP)- Phase-I	8.72	-1.29
17	20-Water Resources	4700-SP-SS-20-796-2160-Accelerated Irrigation Benefit Programme (AIBP)	10.86	-9.70
18	20-Water Resources	4700-SP-SS-20-800-2160-Accelerated Irrigation Benefit Programme (AIBP)	-30.86	-28.58
19	20-Water Resources	4701-SP-SS-53-796-2160-Accelerated Irrigation Benefit Programme (AIBP)	-0.96	-1.48
20	20-Water Resources	4701-SP-SS-65-789-2034-Orissa Integrated Irrigated Agrl. and Water Management Project (EAP)	0.31	-4.41

Sl. No.	Grant No.	Description	Net Re-appropriation	Final Excess(+) / Saving(-)
21	20-Water Resources	4701-SP-SS-65-796-2034-Orissa Integrated Irrigated Agrl. and Water Management Project (EAP)	4.78	-2.90
22	20-Water Resources	4701-SP-SS-65-800-2034-Orissa Integrated Irrigated Agrl. and Water Management Project (EAP)	-5.09	-23.35
23	20-Water Resources	4701-SP-SS-80-796-2345-Other Plan Programmes for Medium Irrigation	-0.47	-1.70
24	20-Water Resources	4701-SP-SS-97-800-2161-Rural Infrastructure Development Fund (RIDF)	5.12	-5.22
25	20-Water Resources	4702-SP-DS-789-2160-Accelerated Irrigation Benefit Programme (AIBP)	-2.50	-1.38
26	20-Water Resources	4702-SP-DS-789-2624-Mega Lift Project under State Plan	-22.00	-18.00
27	20-Water Resources	4702-SP-DS-796-2161-Rural Infrastructure Development Fund (RIDF)	-7.00	-4.62
28	20-Water Resources	4702-SP-DS-800-2160-Accelerated Irrigation Benefit Programme (AIBP)	-12.50	-1.35
29	20-Water Resources	4702-SP-DS-800-2535-Construction of control structure for instream storage schemes-Check dam	-20.00	-6.69
30	20-Water Resources	4702-SP-DS-800-2624-Mega Lift Project under State Plan	-37.70	-50.13
31	20-Water Resources	4711-SP-SS-01-789-2161-Rural Infrastructure Development Fund (RIDF)	31.79	-2.95
32	20-Water Resources	4711-SP-SS-03-103-2161-Rural Infrastructure Development Fund (RIDF)	-6.85	-1.49
33	20-Water Resources	4711-SP-SS-03-789-2161-Rural Infrastructure Development Fund (RIDF)	-8.88	-2.83
34	22-Forest and Environment	2406-NP-01-101-2556-ThFC Grant for Development and Maintenance of Forest	3.26	-2.28
35	28-Rural Development	5054-SP-DS-04-800-2161-Rural Infrastructure Development Fund (RIDF)	-7.25	-1.48
36	28-Rural Development	5054-SP-SS-80-796-1230-Rural Roads	-13.44	-1.60
37	28-Rural Development	5054-SP-SS-80-800-1077-Pradhan Mantri Gram Sadak Yojana	34.73	-2.50
			-266.50	-252.00
38	10-School and Mass Education	2202-NP-01-101-0538-General Primary Schools	81.57	2.64
39	10-School and Mass Education	2202-NP-01-101-0556-Government Upper Primary School	-34.85	1.21
40	10-School and Mass Education	2202-NP-02-109-1261-Secondary Schools	-2.31	1.02

Sl. No.	Grant No.	Description	Net Re-appropriation	Final Excess(+) / Saving(-)
41	12-Health and Family Welfare	2210-NP-01-110-0890-Medical College and Hospital, Cuttack	-2.49	1.70
42	12-Health and Family Welfare	2210-NP-03-103-1092-Primary Health Centre	4.72	1.64
43	13-Housing and Urban Development	3604-NP-192-2664-Compensation and Assignment under 3 rd State Finance Commission	0.11	1.26
44	20-Water Resources	4700-SP-SS-19-800-2177-JBIC Assisted Rengali Irrigation Project (EAP)- Phase-II	6.98	24.85
45	20-Water Resources	4701-SP-SS-58-796-2160-Accelerated Irrigation Benefit Programme (AIBP)	0.78	1.31
46	20-Water Resources	4701-SP-SS-80-800-2345-Other Plan Programmes for Medium Irrigation	0.63	1.68
47	20-Water Resources	4701-SP-SS-97-789-2161-Rural Infrastructure Development Fund (RIDF)	9.30	6.37
48	20-Water Resources	4711-SP-SS-01-103-2161-Rural Infrastructure Development Fund (RIDF)	103.57	1.32
49	31-Textile and Handloom	2851-SP-DS-103-1641-Promotion of Handloom Industries	0.32	2.28
50	33-Fisheries and Animal Resources	3451-NP-090-0499-Fisheries and Animal Resources Development Department	0.10	1.71
51	38-Higher Education	2202-NP-03-104-0973-Non-Government Colleges	-21.08	1.78
			147.35	50.77

Source: Monthly Appropriation Accounts, March 2014 (S), Government of Odisha.

APPENDIX – 2.6

(Refer paragraph 2.3.8 at page 56)

Statement showing results of substantial surrenders made during the year 2013-14
(₹ 10 crore or more in each case)

Sl. No.	Number and title of Grant	Name of the scheme (Head of Account)	Amount of Surrender (₹ in crore)	Percentage of Surrender	Reasons for Surrender
1	02-General Administration	2052-SP-SS-090- Secretariat-2616-District Innovation Fund	15.00	100	Surrender of the entire provision was due to non-sanction of funds in view of non-receipt of Utilisation Certificates
2	5-Finance	2075-NP-800-Other Expenditure-2897-Fund for Protection of Interest of Depositors	300.00	100	Reason for the surrender of the entire provision had not been intimated to Pr. AG (A&E), June 2014
3	10-School and Mass Education	2202- CSP- DS-02- Secondary Education-800-Other Expenditure-2110-Implementation of Information and Communication Technology Programme	31.60	100	Entire provision was surrendered due to non-receipt of Central assistance from Government of India
4	13-Housing and Urban Development	2217-SP-DS-04-Slum Area Improvement-800-Other Expenditure-2899-EAP assisted by World Bank	20.00	100	Total provision was surrendered due to non-finalisation of agreements
5	16-Planning and Co-ordination	3451-SP-SS-102-District Planning Machinery-2617-Capacity Building for District Planning and Monitoring	15.00	100	Total provision was surrendered due to non-finalisation of proposals
6		5475-SP-SS-800-Other Expenditure-2618-State Visibility Gap Fund (VGF) Assistance for Infrastructure Development	40.00	100	Total provision was surrendered due to non-completion of tender proposals for the project
7	17-Panchayati Raj	2515-NP-198-Assistance to Gram Panchayat-2595-Special Area Performance Grants to Local Bodies as recommended by ThFC	19.39	10	Total provision was surrendered due to non-fulfillment of criteria stipulated by ThFC Commission
8	19-Industries	2851-CSP-DS-102-Small Scale Industries-2548-Upgradation of Industrial Infrastructure at Plastic, polymer and allied cluster at Balasore under IIUs	10.49	100	Entire provision was surrendered due to non-receipt of central share
9	20-Water Resources	4701-SP-SS-80-General-796-Tribal Area Sub-Plan-2826-Canal Lining and System Rehabilitation Programme	20.55	100	Reason for the surrender of the entire provision has not been intimated to Pr. AG (A&E), June 2014

Sl. No.	Number and title of Grant	Name of the scheme (Head of Account)	Amount of Surrender (₹ in crore)	Percentage of Surrender	Reasons for Surrender
10	22-Forest and Environment	2406-SP-SS-01-Forestry-101-Forest Conservation, Development and Regeneration-2556-ThFC Grant for Development and Maintenance of Forest	28.94	100	Entire provisions were surrendered due to transfer of ThFC Grant from State Plan Scheme to Non-Plan Scheme.
11		2406-SP-SS-01-Forestry-789-Special Component Plan for Scheduled Castes-2556-ThFC Grant for Development and Maintenance of Forest	14.46	100	
12		2406-SP-SS-01-Forestry-796-Tribal Area Sub-Plan-2556-ThFC Grant for Development and Maintenance of Forest	28.94	100	
13		3435-CP-SS-03-Environmental Research and Ecological Regeneration-102-Environmental Planning and Coordination-2693-Climate Change Action Plan	10.00	100	
14		3435-CP-SS-03-Environmental Research and Ecological Regeneration-102-Environmental Planning and Coordination-2756-National Lake Conservation Plan	25.00	100	Entire provisions were surrendered attributing to non-receipt of allotment from Government of India
15	23-Agriculture	2401-CSP-DS-800-Other Expenditure-0842-Macro Management of Agriculture supplementation/complementation of State efforts through work plan	15.63	100	Entire provision was surrendered attributing to non-release of fund from Government of India
16	30-Energy	4801-SP-SS-05-Transmission and Distribution-800-Other Expenditure-2901-Cyclone proofing of Power infrastructure	50.00	100	Reason for the surrender of the entire provision has not been intimated to Pr. AG (A&E), June 2014
17	37-Information and Technology	2852-SP-SS-07-Telecommunication and Electronic Industries-202-Electronics-0776-Implementation of e-Governance Projects as per the National e-Governance Programme onetime ACA	24.00	100	Reason for the surrender of the entire provision has not been intimated to Pr. AG (A&E), June 2014
18	2048- Appropriation for reduction or avoidance of Debt	2048- Appropriation for reduction or avoidance of Debt-NP-101-Sinking Funds-1202-Reserve Funds	500.07	100	Entire provisions were surrendered due to Governments decision not to transfer any sum to Consolidated Sinking Fund, considering the ways and means position of the State.
Total			1169.07	100	

Source: Appropriation Accounts 2013-14 and Monthly Appropriation Accounts, March 2014(S)

APPENDIX – 2.7
(Refer paragraph 2.3.9 at page 56)

Statement showing surrender in excess of actual savings during 2013-14
(₹ 25 lakh or more)

(₹ in crore)

Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Saving	Amount surrendered	Amount surrendered in excess
1	10-School and Mass Education (Revenue Voted)	7216.14	509.22	509.86	0.64
2	11-ST, SC and Minority and Other Backward Classes Welfare (Revenue Voted)	1662.31	263.10	263.77	0.67
3	12-Health and Family Welfare (Capital Voted)	204.95	27.78	28.35	0.57
4	23-Agriculture (Revenue Voted)	2022.60	96.39	113.18	16.79
5	28-Rural Development (Revenue Voted)	1293.64	68.87	69.49	0.62
6	39-Employment and Technical Education and Training (Revenue Voted)	223.10	28.05	30.66	2.61
7	39-Employment and Technical Education and Training (Capital Voted)	278.16	135.29	135.88	0.59
Total		12900.90	1128.70	1151.19	22.49

Source: Appropriation Accounts 2013-14, Government of Odisha.

APPENDIX – 2.8
(Refer paragraph 2.3.10 at page 57)

Statement showing details of savings of ₹ 1 crore and above not surrendered during 2013-14

(₹ in crore)					
Sl. No.	Number and Name of Grants/Appropriation	Total Provision	Saving	Surrender	Saving which remained to be surrendered
(1)	(2)	(3)	(4)	(5)	(6)
Revenue (Charged)					
1	2-General Administration	9.45	4.73	0.78	3.95
2	2049-Interest Payments	5007.86	2119.64	588.02	1531.62
Revenue (Voted)					
3	1-Home	2569.79	175.54	171.44	4.1
4	3-Revenue and Disaster Management	6141.66	2633.53	1377.18	1256.35
5	5-Finance	9417.45	2754.72	2455.55	299.17
6	8-Odisha Legislative Assembly	46.97	18.54	0.76	17.78
7	9-Food Supplies and Consumer Welfare	1400.71	40.94	33.40	7.54
8	12-Health and Family Welfare	2110.98	303.30	263.35	39.95
9	15-Sports and Youth Services	85.85	29.86	18.15	11.71
10	17-Panchayati Raj	3769.05	436.05	388.39	47.66
11	20-Water Resources	1568.09	117.70	49.90	67.80
12	22-Forest and Environment	766.87	166.76	165.36	1.40
13	32-Tourism and Culture	104.61	5.35	1.64	3.71
14	36-Women and Child Development	4168.22	249.75	242.86	6.89
15	37-Information and Technology	139.53	60.57	24.87	35.70
16	38-Higher Education	1486.62	66.24	65.65	0.59
Capital (Charged)					
17	20-Water Resources	20.26	2.48	0.99	1.49
18	6004-Loans and Advances from Central Government	543.28	25.38	23.19	2.19
Capital (Voted)					
19	1-Home	397.18	3.48	0.85	2.63
20	3-Revenue and Disaster Management	51.48	6.47	5.16	1.31
21	7-Works	1480.57	59.92	51.39	8.53
22	19-Industries	9.50	18.46	8.04	10.42
23	20-Water Resources	2736.99	529.08	206.66	322.42
24	28-Rural Development	796.26	32.85	29.56	3.29
25	30-Energy	1215.49	82.86	80.80	2.06
Total		46044.72	9944.20	6253.94	3690.26

Source: Appropriation Accounts 2013-14, Government of Odisha.

APPENDIX – 2.9

(Refer paragraph 2.3.10 at page 57)

Statement showing grant / major head of account wise surrender of funds in excess of ₹ 10 crore on 31 March 2014.

Sl. No.	Grant Number	Major Head of Account	Total Provision (₹ in crore)	Amount of Surrender (₹ in crore)	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
1	1	2014-Administration of Justice	147.63	26.33	17.84
2		2052-Secretariat-General Services	86.45	11.38	13.16
3		2055-Police	1896.36	117.14	6.18
4		2070-Other Administrative Services	248.38	15.90	6.40
5	2	2052- Secretariat-General Services	50.34	16.14	32.06
6	3	2029-Land Revenue	428.69	26.82	6.26
7		2053-District Administration	126.82	13.49	10.64
8		2245-Relief on account of Natural Calamities	5445.43	1296.99	23.82
9		3454-Census Surveys and Statistics	36.15	26.82	74.19
10	4	2014-Administration of Justice	153.31	19.78	12.90
11	5	2040-Taxes on Sales, Trade etc.	98.81	20.74	20.99
12		2052-Secretariat-General Services	1881.81	44.70	2.38
13		2054-Treasury and Accounts Administration	106.29	11.64	10.95
14		2071-Pensions and Other Retirement Benefits	6708.00	775.67	11.56
15		2075-Miscellaneous General Services	600.00	300.00	50.00
16	7	2059-Public Works	429.05	18.19	4.24
17		3054-Roads and Bridges	818.35	11.04	1.35
18		5054-Capital Outlay on Roads and Bridges	1466.12	51.68	3.52
19	9	2408-Food, Storage and Warehousing	1363.22	32.45	2.38
20	10	2202-General Education	7166.61	441.41	6.16
21		2235-Social Security and Welfare	26.02	13.75	52.84
22		4202-Capital Outlay on Education, Sports, Arts and Culture	24.20	13.72	56.69
23	11	2225- Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	1588.97	259.08	16.30
24		4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	479.00	58.74	12.26
25	12	2210-Medical and Public Health	1833.17	190.92	10.41
26		2211-Family Welfare	255.01	69.44	27.23
27		4210- Capital Outlay on Medical and Public Health	167.45	23.77	14.20
28	13	2215-Water Supply and Sanitation	344.89	11.49	3.33
29		2217-Urban Development	673.97	65.63	9.74
30		4215-Capital Outlay on Water Supply and Sanitation	588.69	29.25	4.97

Appendices

Sl. No.	Grant Number	Major Head of Account	Total Provision (₹ in crore)	Amount of Surrender (₹ in crore)	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
31	15	2204-Sports and Youth Services	78.52	16.99	21.64
32	16	2401-Crop Husbandry	48.16	12.95	26.89
33		3451-Secretariat Economic Services	1055.57	95.32	9.03
34		3454-Census Surveys and Statistics	52.30	35.89	68.62
35		5475-Capital Outlay on Other General Economic Services	40.00	40.00	100.00
36	17	2501- Special Programmes for Rural Development	392.23	13.18	3.36
37		2505-Rural Employment	719.79	182.44	25.35
38		2515-Other Rural Development Programme	2249.40	185.49	8.25
39	19	2851-Village and Small Industries	12.70	10.49	82.60
40	20	2700-Major Irrigation	500.23	31.40	6.28
41		4700- Capital Outlay on Major Irrigation	1075.64	107.86	10.03
42		4701- Capital Outlay on Medium Irrigation	664.75	95.43	14.36
43	22	2406-Forestry and Wild life	671.05	35.95	5.36
44		3435-Ecology and Economic Services	84.29	46.56	55.24
45	23	2401-Crop Husbandry	1801.73	103.62	5.75
46	28	2215-Water Supply and Sanitation	422.13	35.34	8.37
47		3054-Roads and Bridges	580.02	21.29	3.67
48		5054-Capital Outlay on Roads and Bridges	772.96	28.45	3.68
49	30	4801-Capital Outlay on Power Projects	846.91	70.78	8.36
50		6801-Loans for Power Projects	368.58	10.02	2.72
51	31	2851- Village and Small Industries	136.76	15.72	11.49
52	33	2403-Animal Husbandry	271.11	35.44	13.07
53		2405-Fisheries	114.29	14.51	12.70
54	34	2015-Elections	29.77	29.08	97.68
55	36	2235-Social Security and Welfare	3290.12	233.42	7.09
56	37	2852-Industries	135.41	24.30	17.95
57	38	2202-General Education	1453.25	62.92	4.33
58	39	2230- Labour and Employment	121.85	20.99	17.23
59		4059-Capital Outlay on Public Works	15.39	13.21	85.83
60		4202-Capital Outlay on Education, Sports, Arts and Culture	224.69	119.41	53.14
61	40	2851-Village and Small Industries	60.43	17.46	28.89
62	2048	Appropriation for reduction or avoidance of Debt	500.07	200.07	40.01
63	2049	Interest Payments	5007.86	588.02	11.74
64	6003	Internal Debt of the State Government	2275.41	500.09	21.98
65	6004	Loans and Advances from the Central Government	543.28	23.19	4.27
Total			61855.84	7091.38	11.46

Source: Pr. Accountant General (A&E), Odisha.

APPENDIX – 2.10
(Refer paragraph 2.3.11 at page 57)

Statement showing rush of expenditure during 2013-14

Sl. No.	Grant Number	Head of account Scheme/Service	Expenditure incurred during January-March 2014	Expenditure incurred in March 2014	Total expenditure during the year	Percentage of total expenditure incurred during	
						January-March 2014	March 2014
(1)	(2)	(3)	(₹ in crore)			(7)	(8)
			(4)	(5)	(6)		
1	01	2015-NP-104-0784-Joint Election	97.6	64.19	97.97	99.62	65.52
2	01	2055-NP-115-0323-District Police	14.79	14.16	18.67	79.22	75.84
3	01	2055-NP-800-1713-Special Organisation for Anti-Naxal Operation	45.77	38.53	56.66	80.78	68.00
4	01	4059-SP-SS-60-051-2377-Construction of building for Jails	14.36	10.36	16.74	85.78	61.89
5	01	4059-SP-SS-60-051-2378-Construction of buildings for Courts	37.88	33.82	41.23	91.87	82.03
6	01	4059-SP-SS-60-796-2378-Construction of buildings for Courts	16.74	16.74	26.95	62.12	62.12
7	03	2245-NP-80-800-0836-Lumpsum Provision for other Works	167	167.00	167.48	99.71	99.71
8	03	2245-NP-80-800-1183-Relief Expenditure met from National Calamity Contingency Fund	621.67	716.91	746.30	83.30	96.06
9	05	2052-NP-090-0488-Finance Department	500.61	497.66	516.53	96.92	96.35
10	07	5054-SP-SS-03-796-1994-Odisha State Roads Project-Road Improvement Component (EAP)	10.9	10.90	19.59	55.64	55.64
11	10	2202-SP-DS-01-111-1928-Sarva Shiksha Abhiyan for Universalisation of Education	52.41	52.41	98.18	53.38	53.38
12	10	2202-SP-DS-01-789-1928-Sarva Shiksha Abhiyan for Universalisation of Education	84.42	84.43	122.37	68.99	69.00
13	10	2202-SP-DS-01-796-1928-Sarva Shiksha Abhiyan for Universalisation of Education	88.89	88.90	140.65	63.20	63.21
14	10	2202-SP-DS-02-800-1021-Other Relief Measures	28.45	17.99	28.45	100.00	63.23
15	11	2225-CP-DS-01-277-2365-Scholarship and Stipend for SC Students	77.06	76.18	78.89	97.68	96.56
16	11	2225-SP-SS-01-277-2888-DFID assisted	10.49	10.49	10.49	100.00	100.00
17	11	2225-CP-DS-02-277-2367-Scholarship and Stipend for ST Students	97.63	95.29	98.74	98.88	96.51
18	11	2225-CP-SS-03-277-2418-Post Matric Scholarship and stipend to OBC students	24.47	24.47	24.47	100.00	100.00
19	12	2210-NP-01-001-0618-Head	195.09	113.50	195.09	100.00	58.18

Sl. No.	Grant Number	Head of account Scheme/Service	Expenditure incurred during January-March 2014	Expenditure incurred in March 2014	Total expenditure during the year	Percentage of total expenditure incurred during	
						January-March 2014	March 2014
(₹ in crore)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		Quarter Organisation					
20	12	2210-SP-SS-05-105-2521-Upgradation of Medical College, Cuttack for starting new P.G. Course	26.66	26.43	32.27	82.62	81.90
21	13	2217-SP-DS-04-191-1840-National Urban Renewal Mission (NURM)	36.67	29.10	55.36	66.24	52.57
22	13	2217-SP-DS-04-796-1840-National Urban Renewal Mission (NURM)	20.19	15.60	28.94	69.77	53.90
23	13	2217-SP-DS-05-192-1840-National Urban Renewal Mission (NURM)	67.09	64.24	96.25	69.70	66.74
24	13	3604-NP-191-2665-Devolution recommended by 3rd State Finance Commission	18.28	13.28	18.28	100.00	72.65
25	13	3604-NP-192-2665-Devolution recommended by 3rd State Finance Commission	21.55	17.94	28.29	76.18	63.41
26	16	4059-CP-SS-01-051-2428-India Statistical Strengthening Project (ISSP)	25.28	19.98	26.93	93.87	74.19
27	17	2505-SP-SS-60-106-1872-National Rural Employment Guarantee Scheme	137.2	70.00	137.20	100.00	51.02
28	17	2505-SP-DS-60-789-1872-National Rural Employment Guarantee Scheme	44.5	43.75	85.50	52.05	51.17
29	17	2505-SP-DS-60-796-1872-National Rural Employment Guarantee Scheme	62.3	61.25	119.30	52.22	51.34
30	20	2700-NP-80-800-1012-Other Expenses	14.59	12.48	19.97	73.06	62.49
31	20	2702-NP-03-102-2895-Grants	40.23	39.95	46.23	87.02	86.42
32	20	2702-NP-03-102-2896-Subsidy	156.72	156.72	156.72	100.00	100.00
33	20	4700-SP-SS-01-800-2160-Accelerated Irrigation Benefit Programme (AIBP)	31.09	27.28	53.90	57.68	50.61
34	20	4700-SP-SS-20-800-2160-Accelerated Irrigation Benefit Programme (AIBP)	12.68	10.24	16.27	77.93	62.94
35	20	4701-SP-SS-58-800-2160-Accelerated Irrigation Benefit Programme (AIBP)	12.65	12.34	21.66	58.40	56.97
36	20	4702-SP-DS-00-796-2624-Mega Lift Project under State Plan	42.32	42.32	42.32	100.00	100.00
37	20	4711-SP-S-01-103-0101-Bank Protection Works on River Embankments	59.65	52.18	76.98	77.49	67.78
38	20	4711-SP-SS-01-103-2161-Rural Infrastructure Development Fund (RIDF)	100.85	90.01	152.46	66.15	59.04

Sl. No.	Grant Number	Head of account Scheme/Service	Expenditure incurred during January-March 2014	Expenditure incurred in March 2014	Total expenditure during the year	Percentage of total expenditure incurred during	
						January-March 2014	March 2014
(₹ in crore)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
39	20	4711-SP-SS-01-789-0101-Bank Protection Works on River Embankments	43.8	36.02	65.68	66.69	54.84
40	20	4711-SP-SS-02-103-1628-Improvement and Production to Saline Embankments	14.14	13.48	16.66	84.87	80.91
41	23	2401-SP-DS-103-0713-Input Subsidy on Seeds, Fertilisers, Bio-fertilisers, Insecticides, Bio-pesticides etc.	28.09	26.53	31.50	89.17	84.22
42	23	2401-SP-SS-115-2866-Biju Krushak Kalyan Yojana	82.77	60.57	84.77	97.64	71.45
43	23	2401-SP-SS-789-2161-Rural Infrastructure Development Fund (RIDF)	19.59	19.59	21.25	92.19	92.19
44	23	2401-SP-DS-00-789-2609-Promotion of improvement package of practices	16.28	15.08	17.19	94.71	87.73
45	23	2401-SP-SS-789-2866-Biju Krushak Kalyan Yojana	13.00	13.00	13.00	100.00	100.00
46	23	2401-SP-DS-796-0713-Input Subsidy on Seeds, Fertilisers, Bio-fertilisers, Insecticides, Bio-pesticides etc	12.08	10.66	12.08	100.00	88.25
47	23	2401-SP-SS-796-2161-Rural Infrastructure Development Fund (RIDF)	26.51	26.51	28.75	92.21	92.21
48	23	2401-SP-DS-796-2609-Promotion of improvement package of practices	17.08	12.65	17.45	97.88	72.49
49	23	2401-SP-SS-796-2866-Biju Krushak Kalyan Yojana	17.59	17.59	17.59	100.00	100.00
50	23	2401-SP-SS-800-2161-Rural Infrastructure Development Fund (RIDF)	69.14	69.14	75.00	92.19	92.19
51	23	2401-SP-DS-00-800-2609-Promotion of improvement package of practices	57.18	52.28	60.94	93.83	85.79
52	28	2216-NP-05-053-0853-Maintenance of Buildings under Chief Engineer, Rural Works	25	20.90	36.94	67.68	56.58
53	28	3054-NP-80-190-1230-Rural Roads	41.4	26.40	41.40	100.00	63.77
54	28	5054-SP-DS-04-789-1230-Rural Roads	11.33	11.33	11.33	100.00	100.27
55	28	5054-SP-DS-04-796-1230-Rural Roads	13.97	13.97	13.97	100.00	100.00
56	28	5054-SP-DS-04-800-2526-SCA for Special Programme for KBK	16.13	11.79	20.95	76.99	56.28
57	28	5054-SP-SS-80-800-1077-Pradhan Mantri Gram Sadak Yojana	74.73	44.73	74.73	100.00	59.86
58	30	4801-SP-SS-05-789-2813-Agriculture Feeder in High Agriculture Load Area	26.21	26.21	39.32	66.66	66.66

Appendices

Sl. No.	Grant Number	Head of account Scheme/Service	Expenditure incurred during January-March 2014	Expenditure incurred in March 2014	Total expenditure during the year	Percentage of total expenditure incurred during	
						January-March 2014	March 2014
(₹ in crore)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
59	30	4801-SP-SS-05-789-2815-Construction of Grid Substation	26.53	26.54	35.38	74.99	75.01
60	30	4801-SP-SS-05-796-2813-Agriculture Feeder in High Agriculture Load Area	23.92	23.92	35.88	66.67	66.67
61	30	4801-SP-SS-05-796-2815-Construction of Grid Substation	35.88	35.88	47.84	75.00	75.00
62	30	4801-SP-SS-05-800-2815-Construction of Grid Substation	66.58	66.59	95.78	69.51	69.52
63	30	4801-SP-DS-06-796-2055-Biju Grama Jyoti Yojana	12.72	12.72	23.53	54.06	54.06
64	30	4801-SP-DS-06-800-2055-Biju Grama Jyoti Yojana	31.07	31.06	56.32	55.17	55.15
65	30	4801-NP-80-190-1276-Share Capital Investment	143.73	143.73	143.73	100.00	100.00
66	30	6801-SP-SS-202-2886-Odisha's share for UMPP	233.56	233.56	233.56	100.00	100.00
67	34	4425-SP-DS-107-2875-Construction of Godown	33.48	33.48	51.74	64.71	64.71
68	36	2235-CSP-DS-02-102-1902-Repair/Addition/Alteration of Anganwadi Centres (Non-Residential Buildings)	15.5	11.98	15.50	100.00	77.29
69	36	2235-CSP-DS-02-102-1916-Construction of Building for Anganwadi Centres	131.26	102.37	131.26	100.00	77.99
70	36	2235-SP-DS-02-789-0731-Integrated Child Development Service Schemes	16.36	12.27	23.68	69.09	51.82
71	36	2235-CSP-DS-02-789-1916-Construction of Building for Anganwadi Centres	41.25	32.17	41.25	100.00	77.99
72	36	2235-CSP-DS-02-796-1916-Construction of Building for Anganwadi Centres	77.51	60.45	77.51	100.00	77.99
73	37	2852-SP-SS-07-202-2452-Horizontal Connectivity for OSWAN	18.92	18.92	27.92	67.77	67.77
74	38	2202-NP-03-102-1247-Sambalpur University	17.97	17.97	35.58	50.51	50.51
75	38	2202-NP-03-102-1528-Utkal University	34.23	34.23	67.86	50.44	50.44
76	38	2202-SP-SS-03-800-2887-Distribution of Laptops to Meritorious Students	30.00	30.00	30.00	100.00	100.00
77	6003	6003-NP-106-1195-Loan	55.15	55.14	110.29	50.00	50.00
Total			4788.34	4450.43	5705.36	83.93	78.00

Source: Monthly Appropriation Accounts of Pr. AG (A&E)

APPENDIX – 2.11
(Refer paragraphs 2.6.3 at page 63)

**Withdrawal of entire provision by way of surrender and re-appropriation by
the Chief Controlling Officers of the Grants No.17 and Grant No.28 during
2013-14**

(₹ in crore)

Sl. No.	Head of Account	Total Provision	Amount withdrawn	Remarks
17 - Panchayati Raj Department				
1	2515-NP-198-2595-Special Area performance Grants to Local Bodies as recommended by ThFC	19.39	19.39	Entire provision was surrendered due to non-fulfillment of criteria stipulated by ThFC Commission.
2	2515-SP-DS-789-2455-Rastriya Gram Swaraj Yojana (RGSY)	0.14	0.14	Entire provision was surrendered due to non-receipt of Government of India share.
3	2515-SP-DS-796-2455-Rastriya Gram Swaraj Yojana (RGSY)	0.48	0.48	Entire provision was surrendered due to non-receipt of Government of India share.
4	2515-SP-DS-800-2455-Rastriya Gram Swaraj Yojana (RGSY)	0.18	0.18	Entire provision was withdrawn due to non-receipt of Government of India share.
5	2015-NP-800-0174-Conduct of Zilla Parishad Election	0.10	0.10	Entire provision was surrendered without assigning any reason.
TOTAL		20.29	20.29	
28 - Rural Development Department				
6	2215-SP-DS-01-102-2161-Rural Infrastructure Development Fund (RIDF)	5.00	5.00	Entire amounts were withdrawn without assigning any reason.
7	2215-SP-DS-01-789-2161-Rural Infrastructure Development Fund (RIDF)	2.50	2.50	
8	2215-SP-DS-01-796-2161-Rural Infrastructure Development Fund (RIDF)	2.50	2.50	
9	2215-SP-DS-02-105-2147-Total Sanitation Campaign	34.36	34.36	
10	2215-SP-DS-02-789-2147-Total Sanitation Campaign	9.24	9.24	
11	2215-SP-DS-02-796-2147-Total Sanitation Campaign	12.39	12.39	
12	2215-CSP-SS-01-102-0007-Accelerated Rural Water Supply Programme	0.69	0.69	
TOTAL		66.68	66.68	

Source: Appropriation Accounts 2013-14, Government of Odisha.

APPENDIX – 3.1

(Refer paragraph 3.1 at page 68)

Statement showing details of utilisation certificates pending for receipt by different departments of the State Government as at the end of 2013-14

(₹ in crore)

Sl. No.	Name of the Department	Year	Amount
1	Agriculture	2003-04 to 2012-13	204.28
2	Co-operation	2003-04 to 2012-13	27.33
3	Commerce	2003-04 to 2012-13	0.01
4	Employment and Technical Education and Training	2003-04 to 2012-13	45.48
5	Energy	2003-04 to 2012-13	12.84
6	Finance	2003-04 to 2012-13	2.78
7	Fisheries and Animal Resources Development	2003-04 to 2012-13	22.54
8	Food Supplies and Consumer Welfare	2003-04 to 2012-13	22.22
9	Forest and Environment	2003-04 to 2012-13	7.13
10	General Administration	2003-04 to 2012-13	19.52
11	Health and Family Welfare	2003-04 to 2012-13	6.52
12	Higher Education	2003-04 to 2012-13	712.52
13	Home	2003-04 to 2012-13	2.88
14	Housing and Urban Development	2003-04 to 2012-13	1926.42
15	Industries	2003-04 to 2012-13	143.45
16	Information Technology	2003-04 to 2012-13	301.00
17	Information and Public Relation	2003-04 to 2012-13	0.27
18	Labour and Employment	2003-04 to 2012-13	1.23
19	Law	2003-04 to 2012-13	61.73
20	Micro, Small and Medium Enterprises	2003-04 to 2012-13	9.92
21	Panchayati Raj	2003-04 to 2012-13	6249.59
22	Parliamentary Affairs	2003-04 to 2012-13	0.19
23	Planning and Co-ordination	2003-04 to 2012-13	3034.90
24	Revenue and Disaster Management	2003-04 to 2012-13	635.34
25	Rural Development	2003-04 to 2012-13	941.88
26	ST, SC and Minorities and Other Backward Classes Welfare	2003-04 to 2012-13	1096.51
27	School and Mass Education	2003-04 to 2012-13	581.07
28	Science and Technology	2003-04 to 2012-13	21.91
29	Sports and Youth Services	2003-04 to 2012-13	24.13
30	Textile and Handloom	2003-04 to 2012-13	11.73
31	Tourism and Culture	2003-04 to 2012-13	78.22
32	Water Resources	2003-04 to 2012-13	98.04
33	Women and Child Development	2003-04 to 2012-13	526.10
34	Works	2003-04 to 2012-13	0.16
Total			16829.84

Source: Office of the Pr. AG (A&E), odisha

APPENDIX – 3.2

(Refer paragraph 3.1 at page 68)

Statement showing department wise receipt of Central Assistance and details of utilisation certificates wanting as on 31 March 2014

(₹ in crore)

Sl. No.	Name of the Department	U.C. pending as on 1 April 2013	Central Assistance received during the 1 April 2013 to March 2014	Total (3+4)	Total U.C. furnished	Total U.C. pending as on 31 March 2014
1	2	3	4	5	6	7
1	Home	148.56	229.52	378.08	289.36	88.72
2	General Administration	15.06	0.00	15.06	0.99	14.07
3	Revenue	28.06	62.51	90.57	20.50	70.07
4	Law	0.28	0.00	0.28	0.00	0.28
5	Works	179.51	238.33	417.84	211.36	206.48
6	Food Supplies and Consumer Welfare	6.43	24.05	30.48	15.08	15.4
7	Schools and Mass Education	338.05	851.04	1189.09	422.67	766.42
8	ST, SC and Minorities and Other Backward Classes Welfare	907.35	605.74	1513.09	566.73	946.36
9	Health and Family Welfare	21.71	118.01	139.72	128.56	11.16
10	Housing and Urban Development	531.24	465.91	997.15	327.53	669.62
11	Labour and Employment	0.26	0.00	0.26	0.07	0.19
12	Sports and Youth Service	23.16	17.84	41	28.16	12.84
13	Planning and Co-ordination	35.55	605.54	641.09	26.30	614.79
14	Panchayati Raj	1072.52	2024.09	3096.61	2110.72	985.89
15	Industries	17.41	0.00	17.41	0.00	17.41
16	Water Resources	241.48	129.87	371.35	123.02	248.33
17	Forest and Environment	104.19	126.07	230.26	115.66	114.6
18	Agriculture	154.39	1111.64	1266.03	362.34	903.69
19	Science and Technology	21.55	0.00	21.55	20.28	1.27
20	Rural Development	336.50	440.05	776.55	366.54	410.01
21	Energy	220.11	125.00	345.11	321.91	23.2
22	Textile and Handloom	25.64	2.93	28.57	7.30	21.27
23	Tourism and Culture	47.91	19.76	67.67	47.01	20.66
24	Fisheries and Animal Resources Development	33.64	142.23	175.87	52.95	122.92
25	Co-operation	15.00	15.00	30	11.40	18.6
26	Women and Child Development	1099.22	2165.64	3264.86	1882.52	1382.34
27	Information Technology	121.94	42.89	164.83	29.55	135.28
28	Higher Education	1.24	1.64	2.88	1.64	1.24
29	Employment and Technical Education & Training	155.34	31.63	186.97	74.47	112.5
30	Micro, Small and Medium Enterprises	0.55	6.99	7.54	3.17	4.37
Total		5903.85	9603.92	15507.77	7567.79	7939.98

Source: Budget at a glance 2014-15, Government of Odisha

APPENDIX – 3.3

(Refer paragraph 3.4 at page 71)

Statement of finalisation of accounts and the Government investments in departmentally managed Commercial and Quasi-commercial activities

Sl. No.	Name of the Activities/Schemes under the Department	No. of Activities/Schemes under the Department	Years from which Accounts are due	Investment as per the last accounts finalised (₹ in Lakh)	Remarks/Reasons for Delay in Preparation of accounts
Department: Forest and Environment					
1	Nationalisation of Kendu Leaves operated by Chief Conservator of Forests (Kendu leaves), Odisha	1	2006-07	70.09	Arrear of accounts for eight years.
Department : Agriculture and Cooperation					
2	Cold Storage Plant, Kumarmunda	1	1972	11.97	Arrear of accounts for 42 years
3	Cold Storage Plant, Similiguda	1	1977	16.15	Arrear of accounts for 37 years
4	Cold Storage Plant, Paralakhemundi	1	1984	6.36	Arrear of accounts for 30 years
5	Cold Storage Plant, Bolangir	1	1994	7.92	Arrear of accounts for 20 years
6	Cold Storage Plant, Bhubaneswar	1	1975	17.89	Transferred (March 1979) to Odisha State Seeds Corporation Limited. Arrear of accounts for seven years
7	Cold Storage Plant, Sambalpur	1	1971	NA	Transferred (March 1979) to Odisha State Seeds Corporation Limited. Arrear of accounts for 11 years
8	Purchase and Distribution of quality seed to cultivators	1	1977-78	NA	Proforma Accounts not prescribed by Government
Department : Food Supplies and Consumer Welfare					
9	Grain purchase scheme	1	1977-78	NA	Transferred (September 1980) to Odisha State Seeds Corporation Limited. Arrear of accounts for six years.
Department : Commerce and Transport					
10	State Transport service	1	1972-73	NA	Transferred (May 1974) to Odisha State Road Transport Corporation. Arrear of accounts for five years.
11	Director Printing, Stationary and Publication, Orissa Cuttack (Government Press)	1	1977-78	NA	Proforma accounts are not prepared though it is required under the provision of Odisha Government Press Manual. Arrear of account for 36 years.
Department : Fisheries and Animal Resources Development					
12	Poultry Development	1	--	NA	Proforma accounts not prescribed by the State Government
In-operative/Closed Activities/Schemes					Year from which remained closed or inoperative
13	Grain Supply Scheme	1	--	--	1958-59
14	Scheme for trading in Iron Ore through Paradeep Port	1	--	--	1966-67
15	Cloth and Yarn Scheme	1	--	--	1954-55
16	Scheme for exploitation and Marketing of fish	1	--	--	1982-83

NA: Not available

Source: Finance Accounts 2013-14, Government of Odisha.

APPENDIX – 3.4
(Refer paragraph 3.5 at page 71)

Department wise / duration wise break-up of the cases of misappropriation, defalcation etc.
(Cases where final action was pending at the end of March 2014)

(₹ in lakh)

Sl. No.	Name of the Department	Up to 5 years 2009-10 to 2013-14		5 to 10 years 2004-05 to 2008-09		10 to 15 years 2000-01 to 2003-04		15 to 20 years 1994-95 to 1999-2000		20 to 25 years 1989-90 to 1993-94		25 years to More from inception upto 1988-89		Total	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Agriculture	1	4.5	7	44.15	8	12.68	21	18.64	17	8.33	65	22.29	119	110.59
2	Commerce and Transport	0	0.00	1	0.49	2	5.70	0	0.00	4	2.01	5	2.01	12	10.21
3	Co-operation	0	0.00	0	0.00	0	0.00	1	0.94	2	3.25	0	0.00	3	4.19
4	Employment, Technical Education and Training	0	0.00	1	1.25	2	2.07	2	4.73	1	2.48	0	0.00	6	10.53
5	Energy	0	0.00	0	0.00	0	0.00	2	226.39	1	0.00	1	0.35	4	226.74
6	Excise	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.14	1	0.14
7	Finance	0	0.00	0	0.00	0	0.00	0	0.00	1	4.85	6	5.27	7	10.12
8	Fisheries and Animal Resources Dev.	0	0.00	1	0.31	1	0.15	6	2.73	7	1.58	16	71.96	31	76.73
9	Forest and Environment	6	48.05	1	0.02	8	59.51	96	38.24	83	43.52	249	113.23	443	302.57
10	Food Supplies and Consumer Welfare	0	0.00	0	0.00	0	0.00	0	0.00	1	0.10	2	2.94	3	3.04
11	General Administration	0	0.00	0	0.00	0	0.00	2	0.71	1	1.26	1	0.95	4	2.920
12	Health and Family Welfare	0	0.00	1	0.03	1	4.31	5	1.43	10	36.38	15	14.20	32	56.35
13	Higher Education	0	0.00	2	3.29	0	0.00	1	7.65	2	3.62	1	0.21	6	14.77
14	Home	0	0.00	0	0.00	0	0.00	1	12.70	1	0.50	1	1.77	3	14.97
15	Housing and Urban Development	0	0.00	5	21.90	15	12.52	13	10.92	8	12.19	34	13.26	75	70.79
16	Information and Public Relation	0	0.00	0	0.00	1	0.08	29	3.06	57	5.19	31	2.19	118	10.52
17	Law	1	0.05	1	2.21	1	0.55	1	2.08	4	2.09	1	0.42	9	7.40
18	Micro, Small and Medium Enterprises	0	0.00	1	11.59	0	0.00	1	0.08	1	0.05	0	0.00	3	11.72
19	Panchayati Raj	0	0.00	2	4.32	0	0.00	4	14.56	4	1.95	40	16.25	50	37.08
20	Revenue	0	0.00	3	110.24	2	0.36	3	2.09	6	4.62	51	29.43	65	146.74
21	Rural Development	0	0.00	8	61.23	9	4.70	22	7.17	25	17.48	33	6.51	97	97.09
22	School and Mass Education	0	0.00	0	0.00	2	12.20	2	14.80	3	3.11	6	6.91	13	37.02
23	ST, SC and Minorities and OBC Welfare	1	0.73	1	2.01	1	0.95	0	0.00	3	1.05	26	4.15	32	8.89
24	Water Resources	2	0.62	17	9.89	48	136.29	51	19.1	84	31.69	230	78.09	432	275.68
25	Women and Child Development	0	0.00	0	0.00	0	0.00	1	0.29	3	3.01	1	0.14	5	3.44
26	Works	0	0.00	4	3.27	25	30.56	26	31.66	23	5.79	97	124.37	175	195.65
	Total	11	53.95	56	276.20	126	282.63	290	419.97	352	196.10	913	517.04	1748	1745.89

Source: Compiled from the information received from various departments of the State Government.

APPENDIX – 3.5
(Refer paragraph 3.5 at page 71)

Department / Category wise details in respect of cases of loss of Government due to theft, misappropriation / loss of Government material

Sl. No.	Name of Department	Theft Cases		Misappropriation/ Loss of Government material		Total	
		Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Agriculture	50	17.64	69	92.95	119	110.59
2	Commerce and Transport	5	6.89	7	3.32	12	10.21
3	Co-operation	1	0.71	2	3.48	3	4.19
4	Employment, Technical Education and Training	4	3.81	2	6.72	6	10.53
5	Energy	2	1.52	2	225.22	4	226.74
6	Excise	0	0	1	0.14	1	0.14
7	Finance	0	0	7	10.12	7	10.12
8	Fisheries and Animal Resources Development	10	1.50	21	75.23	31	76.73
9	Forest and Environment	78	51.29	365	251.28	443	302.57
10	Food Supplies and Consumer Welfare	1	0.1	2	2.94	3	3.04
11	General Administration	2	0.71	2	2.21	4	2.92
12	Health and Family Welfare	11	6.39	21	49.96	32	56.35
13	Higher Education	2	0.3	4	14.47	6	14.77
14	Home	0	0	3	14.97	3	14.97
15	Housing and Urban Development	54	42.89	21	27.9	75	70.79
16	Information and Public Relation	111	8.56	7	1.96	118	10.52
17	Law	3	0.83	6	6.57	9	7.40
18	Micro, Small and Medium Enterprises	0	0	3	11.72	3	11.72
19	Panchayati Raj	13	16.99	37	20.09	50	37.08
20	Revenue	9	4.17	56	142.57	65	146.74
21	Rural Development	62	77.32	35	19.77	97	97.09
22	School and Mass Education	1	0.1	12	36.92	13	37.02
23	ST, SC and Minorities and Other Backward Classes Welfare	12	1.62	20	7.27	32	8.89
24	Water Resources	277	137.57	155	138.11	432	275.68
25	Women and Child Development	1	0.03	4	3.41	5	3.44
26	Works	87	19.87	88	175.78	175	195.65
Total		796	400.81	952	1345.08	1748	1745.89

Source: Compiled from the information received from various departments of the State Government.

APPENDIX – 3.6
(Refer paragraph 3.5 at page 72)

Reasons for which the cases were pending

(₹ in lakh)

Sl. No.	Name of the Department	(A) Under Departmental/ Criminal Investigation		(B) Departmental action started but not finalised		(C) Certificate case is pending		(D) Recovery order received/ awaited		(E) Case is sub-judice		Total	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	Agriculture	5	13.5	38	62.94	0	0.00	41	6.86	35	27.29	119	110.59
2	Commerce and Transport	5	6.54	3	1.07	0	0.00	2	0.94	2	1.66	12	10.21
3	Co-operation	0	0.00	1	0.94	0	0.00	0	0.00	2	3.25	3	4.19
4	Employment, Technical Education and Training	1	4.25	1	1.25	0	0.00	0	0.00	4	5.03	6	10.53
5	Energy	0	0.00	2	225.22	1	1.17	0	0.00	1	0.35	4	226.74
6	Excise	0	0.00	1	0.14	0	0.00	0	0.00	0	0.00	1	0.14
7	Finance	0	0.00	0	0.00	0	0.00	1	0.05	6	10.07	7	10.12
8	Fisheries and Animal Resources Development	0	0.00	18	55.37	0	0.00	6	4.72	7	16.64	31	76.73
9	Forest and Environment	36	105.46	48	47.55	0	0.00	351	147.02	8	2.54	443	302.57
10	Food Supplies and Consumer Welfare	0	0.00	0	0.00	0	0.00	1	0.10	2	2.94	3	3.04
11	General Administration	0	0.00	0	0.00	0	0.00	4	2.92	0	0.00	4	2.92
12	Health and Family Welfare	3	0.44	5	6.95	0	0.00	8	8.49	16	40.47	32	56.35
13	Higher Education	2	3.29	0	0.00	0	0.00	2	0.30	2	11.18	6	14.77
14	Home	0	0.00	0	0.00	1	12.70	0	0.00	2	2.27	3	14.97
15	Housing and Urban Development	32	41.66	41	25.85	0	0.00	0	0.00	2	3.28	75	70.79
16	Information and Public Relation	104	9.51	9	0.66	0	0.00	3	0.20	2	0.15	118	10.52
17	Law	1	0.05	1	2.21	1	0.15	2	0.89	4	4.10	9	7.40
18	Micro, Small and Medium Enterprises	1	11.59	1	0.08	0	0.00	1	0.05	0	0.00	3	11.72
19	Panchayati Raj	21	21.97	14	11.98	2	0.34	6	1.63	7	1.16	50	37.08
20	Revenue	5	1.66	13	6.68	20	4.85	16	5.15	11	128.40	65	146.74
21	Rural Development	52	78.19	40	18.78	1	0.03	1	0.04	3	0.05	97	97.09
22	School and Mass Education	5	10.65	1	1.31	0	0.00	0	0.00	7	25.06	13	37.02
23	ST, SC and Minorities and Other Backward Classes Welfare	2	2.74	4	3.20	0	0.00	22	2.42	4	0.53	32	8.89
24	Water Resources	151	179.03	241	82.62	5	0.26	21	12.27	14	1.5	432	275.68
25	Women and Child Development	0	0.00	4	3.30	0	0.00	1	0.14	0	0.00	5	3.44
26	Works	47	40.22	119	150.47	1	0.41	2	0.34	6	4.21	175	195.65
	Total	473	530.75	605	708.57	32	19.91	491	194.53	147	292.13	1748	1745.89

Source: Compiled from the information received from various departments of the State Government.

APPENDIX – 3.7
(Refer paragraph 3.6 at page 73)

Statement showing unadjusted AC bills for the years up to 2013-14

Sl. No.	Department	Number of AC bills	Amount (₹ in lakh)
1	Home	3170	9216.55
2	General Administration	24	135.77
3	Revenue	3	0.62
4	Law	185	15.26
5	Finance	14	54.52
6	ST, SC and Minorities and Other Backward Classes Welfare	1	45.08
7	Health and Family Welfare	75	174.28
8	Housing and Urban Development	17	12.68
9	Labour and Employment	3	17.57
10	Planning and Co-ordination	4	532.42
11	Panchayati Raj	38	125.15
12	Transport	1	359.96
13	Agriculture	2	1.81
14	Steel and Mines	186	35.71
15	Excise	3	0.05
16	Tourism and Culture	1	15.00
17	Fisheries and Animal Resources Development	4	49.04
18	Co-operation	3	21.53
19	Higher Education	1168	635.65
20	Food Supply and Consumer Welfare	1	0.00 (₹500)
Total			11448.65 or 114.49 crore

Source: Compiled from the information received from various departments of the State Government.

APPENDIX – 3.8
(Refer paragraph 3.9.1 at page 78)

**Statement showing the outstanding advance position as on 31 March 2014,
details of which could not be ascertained in audit due to improper
maintenance of Advance Ledger.**

(₹ in lakh)

Sl. No.	Name of the Drawing & Disbursing Officer	Amount of advance outstanding as on 31 March 2014
1	DSWO, Bhawanipatna	36.93
2	DSWO, Bolangir	313.23
3	DSWO, Balasore	2.00
4	CDPO, Chatrapur	72.01
5	DSWO, Koraput	17.14
6	DEO, Sambalpur	0.05
7	BDO, Binjharpur (PS)	470.00
8	BDO, Binjharpur (Govt.)	39.58
9	BDO, PS, Nuagaon (PS)	124.62
10	BDO, Rajkanika (PS)	208.77
11	Executive Officer, Notified Area Council, Ganjam	0.67
Total		1285.00

APPENDIX – 3.9
(Refer paragraph 3.9.1 at page 78)

Statement showing the details of DDO wise outstanding advance position as on 31 March 2014 the details of which are available with DDOs.

(₹ in lakh)

Sl.No.	Name of the Drawing & Disbursing Officer	Period		Amount of advance outstanding as on 31 March 2014
		From	To	
1	CDPO, Cuttack	20.12.2013	31.03.2014	0.4
2	DSWO, Cuttack	30.01.1973	19.03.2014	860.55
3	CDPO, Jajpur	12.07.2013	22.03.2014	2.77
4	DSWO, Jajpur	2005-06	2013-14	2.11
5	CDPO, Puintala, Bolangir	27.08.2013	23.10.2013	0.5
6	DSWO, Balasore	1980-81	2013-14	128.59
7	CDPO, Koraput	2011-12	2013-14	2.84
8	CDPO, Baripada	11.12.2012	12.02.2014	0.81
9	DSWO, Baripada	2010-11	2013-14	5.90
10	DSWO, Koraput	11.12.2013	14.02.2014	1.14
11	DSWO, Chatrapur	1975-76	2013-14	1.13
12	DPC, Sambalpur	2010-11	2013-14	3009.89
13	VSS Medical College, Burla, Sambalpur	1991-92	2013-14	54.21
14	MKCG Medical College, Beherampur	2007-08	2013-14	4.48
15	SCB Medical College and Hospital, Cuttack	1964-65	2013-14	1.71
16	SP, Sambalpur	2012-13	2013-14	1.62
17	Deputy Secretary, OHRC	2010-11	2011-12	1.45
18	Medical Officer Balakati	2002-03	2013-14	0.05
19	Director, Capital Hospital, BBSR	2002-03	2013-14	14.99
20	DSWO, Sambalpur	03.06.2013	14.03.2014	111.97
Total				4207.11

APPENDIX – 3.10
(Refer paragraph 3.9.2 at page 78)

Statement showing the details of paid vouchers as on 31 March 2014

Sl. No.	Name of the DDO	Period	Amount of paid voucher (in ₹)
1	DSWO, Bhawanipatna	31.03.2014	488860.00
2	DSWO, Cuttack	31.03.2014	47019.00
3	CDPO, Jajpur	31.03.2014	223686.00
4	DSWO, Bolangir	31.03.2014	101672.00
5	DSWO, Balasore	31.03.2014	199933.00
6	CDPO, Chatrapur	31.03.2014	127436.00
7	CDPO, Baripada	31.03.2014	6677.00
8	DSWO, Baripada	31.03.2014	77685.00
9	DSWO, Koraput	31.03.2014	742629.00
10	DSWO, Chatrapur	31.03.2014	145162.00
11	CDPO, Balasore	31.03.2014	11986.00
12	DEO, Sambalpur	N/A	10600.00
13	SCB Medical College and Hospital, Cuttack	31.03.2014	89984.00
14	MKCG Medical College, Berhampur	31.03.2014	391601.00
Total			2664930.00

APPENDIX – 3.11
(Refer paragraph 3.9.3 at page 79)

Statement showing the details of discrepancies between cash book & pass book balance

(in ₹)

Sl. No.	Name of the DDO	Balance as per pass book	Balance as per cash book	Difference
1	CDPO, Bhawanipatna	7057523.00	4521967.00	2535556.00
2	DSWO, Bhawanipatna	360293206.00	257758111.00	102535095.00
3	CDPO, Cuttack	4916738.00	4863167.00	53573.00
4	DSWO, Cuttack	299602188.00	370909617.00	71307429.00
5	CDPO, Jajpur	19826349.00	19531619.00	294729.00
6	DSWO, Jajpur	211068886.00	308735504.00	97666618.00
7	CDPO, Puintala, Bolangir	14279511.00	13560627.00	718884.00
8	DSWO, Puintala, Bolangir	201879993.00	183242105.00	18637888.00
9	DSWO, Balasore	351030776.00	215456348.00	135574428.00
10	CDPO, Chatrapur	11800982.00	9595712.00	2205270.00
11	CDPO, Koraput	15997235.00	15810323.00	186912.00
12	CDPO, Baripada	2666771.00	2632112.00	34659.00
13	DSWO, Baripada	384659175.00	256055302.00	1286038734.00
14	DSWO, Koraput	390614477.00	356189664.00	34424813.00
15	DSWO, Chatrapur	301931050.00	284090538.00	17840512.00
16	Deputy Secretary, OHRC	333745.00	314599.00	19146.00
Total		2577958605.00	2303267315.00	1770074246.00

APPENDIX – 3.12
(Refer paragraph 3.9.4 at page 79)

Statement showing the details of time barred Bank Drafts

Sl No.	Name of DDO	Nnumber of Cheques/ Bank Drafts	Period of BD	Amount (in ₹)
1	DSWO, Bolangir	3	1983-84	5425.00
2	DSWO, Balasore	5	1993-94	62264.00
3	DSWO, Koraput	1	NA	1527026.00
4	DSWO, Chatrapur	59	1995-96	139373.00
Total		68		1734088.00

APPENDIX – 4.1

Glossary of terms (and basis of calculation) and Acronyms used in the Report

Terms	Basis of Calculation
Appropriation Accounts	Appropriation Accounts presents the total amount of funds (Original and Supplementary) authorised by the Legislative Assembly in the budget grants under each voted grants and charged appropriation vis-à-vis the actual expenditure incurred against each and the unspent provisions or excess under each grant or appropriation. Any expenditure in excess of the grants requires authorisation by the Legislature.
Autonomous bodies	Autonomous Bodies (usually registered Societies or Statutory Corporations) are set up whenever it is felt that certain functions need to be discharged outside the governmental set up with some amount of independence and flexibility without day-to-day interference of the Governmental machinery.
Average interest paid by the State	$\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$
Balance from Current Revenue (BCR)	Revenue Receipts minus all Plan Grants and Non-Plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of avoidance of debt.
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth Rate
Buoyancy of a parameter (X) With respect to another parameter (Y)	$\text{Rate of Growth of parameter (X)} / \text{Rate of Growth of parameter (Y)}$
Committed expenditure	The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies on which the present executive has limited control.
Consolidated Fund of the State	The fund constituted under Article 266 (1) of the Constitution of India into which all receipts, revenues and loans flow. All expenditure from the CFI is by appropriation: voted or charged. It consists of two main divisions namely Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Public Debt and Loans etc.).
Contingency Fund	Legislature Assembly has by law established a Contingency Fund in the nature of an imprest into which is paid from time to time such sums as may be determined by such law, and the said fund is placed at the disposal of the Governor to enable advances to be made by him out of it for the purpose of meeting unforeseen expenditure pending authorisation of such expenditure by Legislature Assembly by law under Article 115 or Article 116 of the Constitution.
Contingent liability	Contingent liabilities may or may not be incurred by an entity depending on the outcome of a future event such as a court case.
Debt stabilisation	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt*rate spread), debt sustainability condition

Terms	Basis of Calculation
	states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.
Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.
Development Expenditure	Social Services + Economic Services
Escrow Account	In order to ensure fiscal discipline in Public Sector Undertaking/Urban Local bodies/Co-operative Institutions and State-owned Companies etc., and to ensure minimising the default on payment of government guaranteed loans the Government in Finance Department vide their Resolution No.11311/F dated 19 March 2004 have issued instructions that all Public Sector Undertakings/ Urban Local bodies/ Co-operative Institutions and State-owned Companies etc. who have borrowed against government guarantee will open an Escrow Account in a nationalised bank for timely repayment of guaranteed loans. The proceeds of this account shall first be utilised for payment of dues of the financial Institutions and it is only after meeting such payments that the surplus amount shall be diverted for other payments including salaries.
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Guarantee Redemption Fund	Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. Government of Odisha has constituted a guaranteed redemption fund during the year 2002-2003 with the objective of meeting the payment obligations arising out of the default in discharging the debt servicing for the loans guaranteed by Government.
Internal Debt	Internal Debt comprises regular loans from the public in India, also termed 'Debt raised in India'. It is confined to loans credited to the Consolidated Fund.
Interest received as <i>per cent</i> to Loans Outstanding	Interest Received/ [(Opening balance + Closing balance of Loans and Advances)/2]*100
Interest spread	GSDP growth – Average Interest Rate
Net availability of borrowed funds	Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.
Primary Deficit	Fiscal Deficit – Interest payments
Primary revenue expenditure	Primary revenue expenditure means revenue expenditure excluding interest payments.
Public Accounts Committee	A Committee constituted by the Legislative Assembly for the examination of the reports of the Comptroller and Auditor General of India relating to the appropriation accounts of the State, the

Terms	Basis of Calculation
	annual financial accounts of the State or such other accounts or financial matters as are laid before it or which the Committee deems necessary to scrutinise.
Quantum spread	Debt stock *Interest spread
Rate of Growth (ROG)	[(Current year Amount /Previous year Amount)-1]*100
Re-appropriation	Means the transfer of funds from one Primary unit of appropriation to another such unit.
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Sinking Fund	A Fund into which the government sets aside money over time, in order to retire its debt.
Sufficiency of non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
Supplementary grants	If the amount authorised by any law made in accordance with the provisions of Article 114 of the Constitution to be expended for a particular service for the current financial year is found to be insufficient for the purpose of that year or when a need has arisen during the current financial year for the supplementary or additional expenditure upon some ‘new service’ not contemplated in the original budget for that year, Government is to obtain supplementary grants or appropriations in accordance with the provision of Article 115 (1) of the Constitution.
Surrenders of unspent provision	Departments of the State Government are to surrender to the Finance Department, before the close of the financial year, all the anticipated unspent provisions noticed in the grants or appropriations controlled by them. The Finance Department is to communicate the acceptance of such surrenders, as are accepted by them to the Audit Officer and/or the Accounts Officer, as the case may be, before the close of the financial year.
State implementing Agency	State Implementing Agency includes any Organisation/Institution including Non-Governmental Organisation which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for Sarva Shiksha Abhiyan and State Health Mission for National Rural Health Mission etc.
Suspense and Miscellaneous	Items of receipts and payments which cannot at once be taken to a final head of receipt or charge owing to lack of information as to their nature or for any other reasons, may be held temporarily under the major head “8658-Suspense Account” in the sector “L. Suspense and Miscellaneous” of the Accounts, (Footnotes under the major head in the list of major/minor heads of account may be referred to for further guidance). A service receipt of which full particulars are not given must not be taken to the head “Suspense Account” but should be credited to the minor head “Other Receipt” under the revenue major head to which it appears to belong pending eventual transfer to the credit of the correct head on receipt of detailed particulars.

Acronyms	Full Form
AC	Abstract Contingency
AE	Aggregate Expenditure
BE	Budget Estimates
BOO	Built, Own and Operate
BOOT	Built, Own, Operate and Transfer
BOOST	Built, Own, Operate, Share and Transfer
BOT	Built, Operate and Transfer
BRGF	Backward Region Grant Fund
CAG	Comptroller and Auditor General of India
CDPO	Child Development Project Officer
CE	Capital Expenditure
CFS	Consolidated Fund of the State
DBOO	Design, Built, Own and Operate
DBFOT	Design, Built, Finance, Operate and Transfer
DBOOT	Design, Built, Own, Operate and Transfer
DBT	Design, Built and Transfer
DCC	Detailed Countersigned Contingency
DE	Development Expenditure
DRDA	District Rural Development Agency
DSWO	District Social Welfare Officer
FCP	Fiscal Correction Path
FRBM	Fiscal Responsibility and Budget Management
GIA	Grants-in-Aid
GoI	Government of India
GSDP	Gross State Domestic Product
IAY	Indira Awas Yojana
IP/RR	Interest Payment/ Revenue Receipt
MTFP	Medium Term Fiscal Plan
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
NPRE	Non-Plan Revenue Expenditure
NHM	National Horticulture Mission
NSSF	National Small Savings Fund
O&M	Operation and Maintenance
OBM	Odisha Budget Manual
OGFR	Odisha General Financial Rules
ONTR	Own Non-Tax Revenue
OTC	Odisha Treasury Code
OTR	Own Tax Revenue
OTS	One Time Settlement
PIA	Project Implementing Agencies
PMGSY	Pradhan Mantri Gram Sadak Yojana
PPP	Public Private Partnership
PSU	Public Sector Undertakings
RE	Revenue Expenditure

Acronyms	Full Form
RR	Revenue Receipts
S&W	Salaries and Wages
SSE	Social Sector Expenditure
TE	Total Expenditure
TFC	Twelfth Finance Commission
ThFC	Thirteenth Finance Commission
UC	Utilisation Certificates

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