

**Report of the Comptroller and Auditor General of
India**

State Finances Audit Report

for the year ended March 2018

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Laid before the Orissa
Legislative Assembly
on.....

28 NOV 2018

**Government of Odisha
Report No. 1 of 2019**

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PREFACE

This Report has been prepared for submission to the Governor of Odisha under Article 151 of the Constitution.

The State Finances Audit Report of the Government of Odisha intends to assess the financial performance of the State during 2017-18 and to provide the State Legislature with inputs based on audit analysis of financial data. The Report attempts to analyse the financial performance against the targets envisaged by the Odisha Fiscal Responsibility and Budget Management (Amendment) Act, 2016, the Fourteenth Finance Commission Report and Budget Estimates of 2017-18. The Report contains three Chapters.

Chapter I is based on the audit of the Finance Accounts and makes an assessment of the Odisha Government's fiscal position as on 31 March 2018. It provides an insight in to the trends in revenue, expenditure, repayment of debt and borrowing patterns.

Chapter II is based on the audit of the Appropriation Accounts and gives grant-wise description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

Chapter III is an inventory of Government of Odisha's compliance to various reporting requirements and financial rules.

Exit Conference with Principal Secretary, Finance Department, Government of Odisha was held in February 2019 wherein the issues taken up for review for the State Finances Audit Report were discussed. Responses of the Government, wherever received, are suitably incorporated.

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



EXECUTIVE SUMMARY

Executive Summary

Finances of the State Government

Fiscal situation of the State

Revenue Receipts (₹ 85,204 crore) of the Government constituting 20.48 per cent of the Gross State Domestic Product (GSDP) (₹ 4,15,982 crore), increased by 14.67 per cent over the previous year (₹ 74,299 crore). The corresponding increase in the Revenue Expenditure during the year 2017-18 (₹ 71,837 crore) was 10.45 per cent over 2016-17 (₹ 65,041 crore) and was 17.27 per cent of GSDP. Capital Expenditure (CE) (₹ 21,109 crore) during 2017-18, increased by ₹ 2,638 crore (14.28 per cent) over the previous year (₹18,471 crore). CE relative to GSDP was 5.07 per cent in 2017-18.

(Paragraph 1.4.2, 1.5.3 & 1.5.4)

The State registered a Revenue Surplus of ₹ 13,367 crore. The Fiscal Deficit was ₹ 9,360 crore. The Revenue Surplus, however, was overstated by ₹ 453.30 crore and the Fiscal Deficit was understated by the same amount on account of i) more contribution towards National Pension System (NPS), ii) non-contribution to Consolidated Sinking Fund and iii) non-credit of interest to Reserve Funds and Deposits Accounts bearing interest. Effectively, the Revenue Surplus was ₹ 12,914 crore and Fiscal Deficit was ₹ 9,813 crore.

Fiscal Deficit (₹ 9,360 crore) was 2.25 per cent of GSDP (₹ 4,15,982 crore). It was meeting the fiscal target set out in its FRBM (Amendment) Act 2016, which was to maintain the fiscal deficit within 3 per cent of the GSDP and was in compliance of the ceiling of 3 per cent fixed by 14th Finance Commission.

Though Primary Deficit (₹ 4,372 crore) in 2017-18 decreased by 18.17 per cent in comparison to preceding year (₹ 5,343 crore), the non-debt receipts (₹ 85,461 crore) were insufficient to meet Primary Expenditure (₹ 89,833 crore).

As per the FRBM (Amendment) Act 2016, **Debt to GSDP** ratio (in per cent) was to be maintained less than or equal to 25 per cent for the years 2015-16 to 2019-20. Outstanding debt to GSDP ratio was 12.55 per cent in 2017-18 and though increasing, was meeting the fiscal target set out in the State's FRBM (Amendment) Act, 2016 and was in compliance of the ceiling of 25 per cent fixed by 14th Finance Commission.

The total Outstanding Liabilities to GSDP ratio which was 15.08 per cent in 2013-14 increased to 23.36 per cent during 2017-18.

(Paragraph 1.3.1)

Mobilisation and application of Resources

Revenue Receipts (₹ 85,204 crore) in 2017-18 grew by ₹ 10,905 crore (14.68 per cent) over 2016-17. These were, however, lower than the budget estimates (₹88,932 crore) by ₹ 3,728 crore.

(Paragraph 1.4.2)

Own Tax Revenue (₹27,914 crore) increased by 22.15 per cent over the previous year and was also higher than the budget estimates (₹26,800 crore) by ₹1,114 crore. Non Tax Revenue (₹ 8,398 crore) increased by 4.41 per cent over the previous year, but was lower than the budget estimates (₹9,500 crore) by ₹1,102 crore.

(Paragraph 1.4.2.1 and 1.4.2.4)

Revenue Expenditure (₹ 71,837 crore) for the year 2017-18 increased by ₹ 6,796 crore (10.45 per cent) over 2016-17 (₹ 65,041 crore) and was within the budget provision (₹ 82,237 crore) made for the year 2017-18.

(Paragraph 1.5.3)

Capital Expenditure (₹ 21,109 crore) during 2017-18, constituted 22.26 per cent of total expenditure (₹ 94,821 crore) and increased by ₹ 2,638 crore (14.28 per cent) over the previous year (₹18,471 crore). CE relative to GSDP was, however, 5.07 per cent in 2017-18 and during the past five years, it has not exceeded 5.17 per cent of GSDP (2013-14: 2.62 per cent, 2014-15: 3.52 per cent, 2015-16: 5.17 per cent and 2016-17: 4.90 per cent).

(Paragraph 1.5.4)

Efficiency in Tax Collection

The cost of collection on Sales, Trade etc. and State Excise decreased during 2017-18 as compared to previous year indicating greater efficiency (measured as cost of collection of tax as a percentage of the tax collection). Taxes on Vehicles, which contributes relatively less revenue is costlier to collect than the highest contributor of revenue, namely, Taxes on Sales, Trade and GST etc.

(Paragraph 1.4.2.2)

Adequacy of public expenditure

Total Expenditure relative to GSDP in Odisha was better than the General Category States. Odisha also fared favourably in its focus on Development Expenditure (₹ 71,353 crore) and Capital Expenditure (₹ 21,109 crore) in comparison to other General Category States. The State, however, lagged behind in the areas of Social Services Expenditure and Education in comparison to General Category States.

(Paragraph 1.5.5.1)

Committed Expenditure

Committed Expenditure of Government consists of interest payments (₹ 4,988 crore), salaries and wages (₹ 17,697 crore), pensions (₹ 8,693 crore) and subsidies (₹ 2,830 crore). The committed expenditure in 2017-18 was ₹ 34,208 crore and constituted 47.62 per cent of Revenue Expenditure (₹ 71,837 crore).

(Paragraph 1.5.3.1)

National Pension System

State Government employees recruited on or after 01 January 2005 are covered under National Pension System (NPS), which is a defined contributory pension scheme. Though the State Government started collecting pension contribution from the employees from 2006-07, it transferred to the National Securities Depository Limited (NSDL) only in 2010-11 an amount of ₹ 0.01 crore leaving a balance of ₹ 39.62 crore to be transferred to NSDL as on 31 March 2011. Similarly, every year thereafter, there was a short transfer to NSDL. As on 31 March 2018, there was a total short transfer of ₹ 20.72 crore to the NSDL.

Recommendation: *The State Government should ensure that employees' contribution be properly deducted and transferred to NSDL along with a matching contribution in a timely manner. Steps should be taken to transfer the balance amount of ₹ 20.73 crore immediately to NSDL.*

(Paragraph 1.5.3.3)

Investment in Public Sector Undertakings

As of 31 March 2018, the State Government's investment in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative societies stood at ₹ 4,974 crore. The Return on Investment from Corporations/Companies was low at 1.33 per cent, while the average rate of interest on Government borrowing was 7.58 per cent.

(Paragraph 1.6.1.2)

Loans and Advances given by the State Government

As of 31 March 2018, Loans and Advances given by the Government to Public Sector Companies, Autonomous Bodies and Corporations were ₹ 6,326 crore.

Terms and Conditions of loans amounting to ₹ 1,600.66 crore were yet to be settled as on 31 March 2018. The loans related to periods extending from 1979 to 2018.

(Paragraph 1.6.1.3)

Cash Balance

The cash balance at the end of March 2018 was ₹ 30,848.11 crore. The closing cash balances in the years 2015-16 and 2016-17 were ₹12,047.68 crore and ₹14,601.11 crore respectively. The State Government was maintaining large cash balance on a regular basis, while being a fiscal deficit State. As against the mandated minimum Cash Balance of ₹ 1.28 crore, the State Government maintained ₹ 557.03 crore with Reserve Bank of India as on 31 March 2018.

Besides, the 13th Finance Commission had recommended that the States with large cash balances should make efforts to utilize their cash balances before resorting to fresh borrowings. Out of a General Cash Balance of ₹25,305 crore, there was an untied Cash Balance of ₹13,436.83 crore. The State, however, resorted to borrowings of ₹12,013 crore at interest rates ranging from 6.94 to 8.24 *per cent*, contrary to the Finance Commission recommendation.

(Paragraph 1.6.1.4)

Consolidated Sinking Fund

The State Government had not made mandatory annual minimum contribution of ₹ 358.12 crore to the Consolidated Sinking Fund in 2017-18. There has been continuous non-contribution from 2013-14 to 2017-18, total amounting to ₹ 1,349.65 crore.

(Paragraph 1.6.2.2)

Debt Management

Outstanding debt (₹ 52,190 crore) increased by 24.21 *per cent* in 2017-18 over the preceding year (₹ 42,018 crore), at a rate higher than the growth of GSDP. Interest payment relative to revenue receipts at 5.85 *per cent* was, however, well below the target of 15 *per cent* fixed by Odisha FRBM (Amendment) Act, 2016 and in compliance of ceiling laid down by 14th Finance Commission. The ratio of Debt repayment to Tax Revenue decreased from 13.57 *per cent* in 2013-14 to 9.64 *per cent* in 2017-18.

(Paragraph 1.7)

Financial Management and Budgetary Control

Excess expenditure requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excess expenditure over a grant/appropriation regularised by the State Legislature. State Government did not get excess expenditure of ₹ 79.08 crore, over the allocation pertaining to the years 2013-14 to 2016-17 and ₹ 0.52 crore pertaining to 2017-18, regularised as of March 2019.

Recommendation: All the existing cases of excess expenditure need to be got regularised at the earliest and, in future, such un-voted expenditure may be completely stopped, except in case(s) of dire and extreme emergency, the cost of which cannot be met from the Contingency Fund.

(Paragraph 2.2.2.2)

Savings

In 2017-18, the total savings were ₹ 21,206 crore. Of this, ₹ 11,672 crore (55 per cent) pertained to 10 grants and one appropriation, in which savings were more than ₹ 100 crore and above 20 per cent of the total provision. There were persistent savings of more than ₹ 10 crore in 26 cases in 20 grants and one appropriation during the preceding five years.

Recommendation: All anticipated savings should be surrendered on time so that the funds can be utilised for other development purposes.

(Paragraphs 2.2.2.3)

Re-appropriations

Re-appropriations are meant for transfer of savings from one scheme / unit to another within the same grant and under same section (i.e., Capital, Revenue or Loans). The Finance Department had informed (February 2018) that the deadline for the re-appropriations was 26.02.2018. Despite that, there were 26 cases of re-appropriation orders amounting to ₹1,043.38 crore (one crore and above in each case) issued on 31 March 2018, for which there was no scope for expenditure during 2017-18.

Recommendation: Leveraging advancements in Information Technology, State Government may issue re-appropriations on the basis of real-time data on committed expenses and actual receipts.

(Paragraph 2.2.4)

Substantial surrenders

Surrenders of 100 per cent of total provision of ₹ 2,686.12 crore were made under 45 sub heads (₹ 10 crore or more in each case) under 17 grants. These represented different schemes / programmes / projects and activities. Similarly surrenders of ₹ 2,731.20 crore (21 grants) and ₹ 1,788.12 crore (15 grants) were made during the years 2015-16 and 2016-17 respectively.

(Paragraph 2.2.5)

Surrender in excess of savings

In ten cases (nine grants), there were savings of ₹ 8,128.15 crore. The amount surrendered was ₹ 8,312.17 crore, resulting in excess surrender (₹ 1 crore or more in each case), amounting to ₹ 184.02 crore.

(Paragraph 2.2.6)

Cash Management System and Rush of Expenditure

Pursuant to the provisions of sub-section (1-a) of Section 8 of the Odisha Fiscal Responsibility and Budget Management Act, 2016, Government of Odisha laid down guidelines for timely spending of Budgetary grants through Cash Management System in 20 departments during 2017-18. As per this, the level of expenditure at the end of the third quarter should not be less than 60 per cent and during the month of March, the same should not be more than 15 per cent of the gross budget provision. Out of 20 departments, only three departments had followed the guidelines for timely spending of budgetary grants as per the Cash Management System.

In terms of Rule 147 of Odisha Budget Manual, rush of expenditure in the closing month of the financial year is a breach of financial regularity. There were 18 schemes (sub-heads) in 11 departments, where 100 per cent of the total expenditure was incurred (₹ 1,169.43 crore) in March 2018.

(Paragraph 2.3)

Financial Reporting

Personal Deposit (PD) Accounts

There were 836 PD Account holders with a closing unspent balance of ₹ 13,509.35 crore as of 31 March 2018. Of this, an amount of ₹ 11,568.18 crore (85.63 per cent) related to one PD account of Odisha Mineral Bearing Areas Development Corporation (OMBADC), which was opened on the directions of the Hon'ble Supreme Court. The amount related to the compensation recovered in respect of illegally mined ores and was meant to be utilised for the benefit of the tribals in the affected districts and for area development work.

Further, contrary to Odisha Treasury Code, Government of Odisha failed to close 16 PD accounts with a closing balance of ₹ 0.19 crore where there were no transactions for over three financial years.

Recommendation: *The Finance Department is required to review all PD accounts and ensure that all amounts unnecessarily lying in these PD accounts are immediately remitted to the Consolidated Fund. Further, the Finance Department is required to reiterate the instructions contained in the financial rules and ensure*

that appropriate action is taken against departmental officers who fail to follow the rules.

(Paragraph 3.1)

Delay in submission of Utilisation Certificates (UCs)

During the year 2017-18, Government released ₹ 21,780.30 crore as Grants-in-Aid, for which UCs were not received in respect of ₹ 16,391.16 crore (75 per cent). There was, therefore, no assurance that the expenditure of ₹ 16,391.16 crore had actually been incurred for the purposes for which it was authorized. UCs for an amount aggregating ₹ 38,427.91 crore remained outstanding against 35 departments of the State as of March 2018 in the books of the Principal Accountant General (A&E), Odisha.

(Paragraph 3.4)

Outstanding Detailed Contingent bills

Sixteen Departments had drawn 764 Abstract Contingent bills for an amount of ₹ 17.63 crore from Government accounts in the financial year 2017-18 and submitted only 490 Detailed Contingent (DC) Bills for an amount of ₹ 3.08 crore. Thus, 274 DC bills amounting to ₹14.55 crore were not submitted by 12 departments before the close of the financial year. There is, therefore, no assurance that the amount of ₹ 14.55 crore had actually been incurred during the year for the purpose for which it was sanctioned / authorised by the Legislature. This is a possible overstatement of expenditure in the year 2017-18.

Non-submission of DC bills within the prescribed time is a breach of financial discipline and enhances risk of misappropriation of public money and is an unhealthy practice.

(Paragraph 3.5)

Chapter-I

Finances of the State Government



This Chapter provides an audit perspective on finances of the State Government during 2017-18 and analyses changes in major fiscal aggregates relative to 2016-17, keeping in view overall trends during the last five years.

The analysis is based on the details contained in the Finance Accounts of the Government of Odisha (GoO). A profile of the State with demographic and other details is in *Appendix 1.1*. The structure of Government Accounts is explained in *Part A* and the layout of Finance Accounts is given in *Part B* of the *Appendix-1.2*.

1.1 Gross State Domestic Product (GSDP)

The Gross State Domestic Product (GSDP)¹ of Odisha in 2017-18 at current prices was ₹ 4,15,982 crore. The trends in annual growth of Gross Domestic Product (GDP) of India and GSDP of the State at current prices and constant prices (Base year: 2011-12) are in **Table 1.1**. Growth in Odisha was higher than the all-India average at both current and constant prices during 2016-17 and 2017-18.

Table 1.1 GDP of India and GSDP of the State

Year	2013-14	2014-15 (TRE)	2015-16 (SRE)	2016-17 (FRE)	2017-18 (AE)
Current Prices					
India's GDP(₹ in crore)	1,12,33,522	1,24,67,959	1,37,64,037	1,52,53,714	1,67,73,145
Growth rate (<i>per cent</i>)	12.97	10.99	10.40	10.82	9.96
State's GSDP(₹ in crore)	2,96,475	3,14,267	3,30,874	3,77,202	4,15,982
Growth rate (<i>per cent</i>)	13.29	6.00	5.28	14.00	10.28
Constant Prices (Base year – 2011-12)					
India's GDP(₹ in crore)	98,01,370	1,05,27,674	1,13,86,145	1,21,96,006	1,30,10,843
Growth rate (<i>per cent</i>)	6.39	7.41	8.15	7.11	6.68
State's GSDP(₹ in crore)	2,65,892	2,70,670	2,92,792	3,23,218	3,46,294
Growth rate (<i>per cent</i>)	9.26	1.80	8.17	10.39	7.14

Source: Ministry of Statistics and Programme Implementation (figures as on 29 August 2018); TRE: Third Revised Estimates; SRE: Second Revised Estimates; FRE: First Revised Estimates; AE: Advanced Estimates

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 121.

¹ Gross Domestic Product (GDP) and Gross State Domestic Product (GSDP) refers to the market value of all officially recognized final goods and services produced within the Country and the State respectively in a given period of time, accounted without duplication and are an important indicator of the Country and State's economy.

1.2 Summary of Fiscal Transactions

Table 1.2 presents a summary of fiscal transactions of the State Government during 2017-18 vis-à-vis 2016-17 and 2015-16. Further details of receipts and disbursements as well as the overall fiscal position during 2017-18 are in *Appendix-1.3*. Time series data of Government Finances for the years 2013-18 is in *Appendix-1.4*.

Table 1.2: Summary of Fiscal Transactions

(₹ in crore)

	Receipts			Disbursements			
	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18	
Section A – Revenue Account²							
Tax Revenue	22,527	22,852	27,914	General Services	15,059	16,715	20,261
Non-Tax Revenue	8,711	8,043	8,398	Social Services	24,643	27,600	29,557
Share of Union Taxes/ Duties	23,574	28,322	31,272	Economic Services	18,188	19,714	20,757
Grants from Government of India	14,129	15,082	17,620	Grants-in-Aid and Contributions	916	1,012	1,262
Total Revenue Receipts	68,941	74,299	85,204	Total Revenue Expenditure	58,806	65,041	71,837
Section B: Capital Account³ & Others							
Miscellaneous Capital Receipts	--	--	--	Capital Outlay	17,090	18,471	21,109
Recoveries of Loans and Advances	228	89	257	Loans and Advances Disbursed	337	254	1,875
Public Debt ⁴ Receipts	9,790	11,223	12,862	Repayment of Public Debt	2,881	2,962	2,690
Contingency Fund	--	123	--	Contingency Fund	123	--	--
Public Account Receipts	31,098	41,627	71,874	Public Account Disbursement	28,766	38,080	56,439
Opening Cash Balance	9,997	12,048	14,601	Closing Cash Balance	12,051	14,601	30,848
Grand Total	1,20,054	1,39,409	1,84,798	TOTAL	1,20,054	1,39,409	1,84,798

Source: Finance Accounts of respective years

Composition of resources and application of funds of the Consolidated Fund of the State in the year 2017-18 is in *Appendix 1.5*.

1.3 Review of Fiscal Situation

1.3.1 Fiscal parameters

Three key fiscal parameters viz., (i) Revenue Surplus⁵ / Deficit, (ii) Fiscal Deficit⁶ and

² Revenue Account is the account of the current income and expenditure of the State. The income is derived mainly from taxes and duties, fees for services rendered, fines and penalties, revenue from Government estates such as forests and other miscellaneous items

³ Capital Account is the account of expenditure of a capital nature such as construction of buildings, laying of roads, irrigation and electricity projects. Such expenditure is met from sources other than current revenues, e.g. loans, surplus revenue of previous years, if any, and capital receipts

⁴ Comprises loans raised by Government such as market loans, loans from the Life Insurance Corporation of India, etc., and the borrowings from the Central Government

⁵ Revenue Surplus = Revenue Receipts – Revenue Expenditure

(iii) Primary Deficit⁷ help in assessing the fiscal situation of the Government. The way these deficits are financed assist in assessing the fiscal health of the Government. Trends in fiscal parameters (**Chart 1.1** and **Chart 1.2**) as per Finance Accounts indicate that the State's performance in 2017-18 was an improvement over the last year. Trends in Debt Sustainability (Ratio between debt and GSDP in *per cent*) and Outstanding liabilities to GSDP are shown in **Chart 1.3** and **Chart 1.4**.

Chart 1.1: Trends of Fiscal parameters

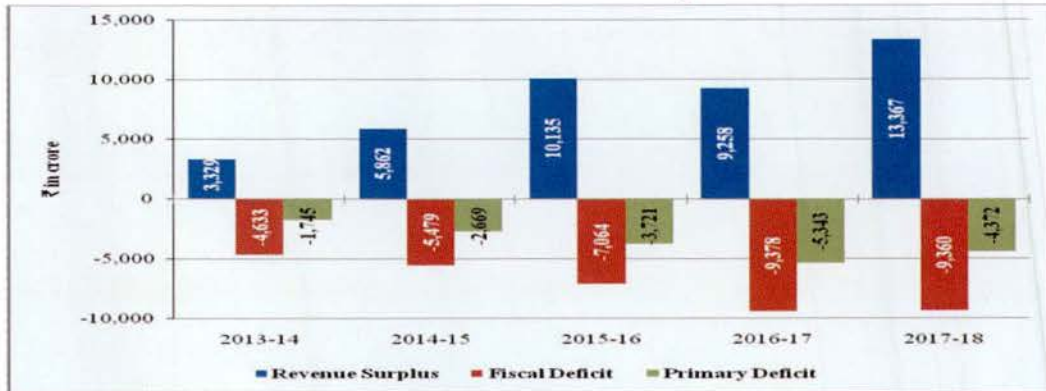


Chart 1.2: Fiscal Parameters vis-à-vis GSDP

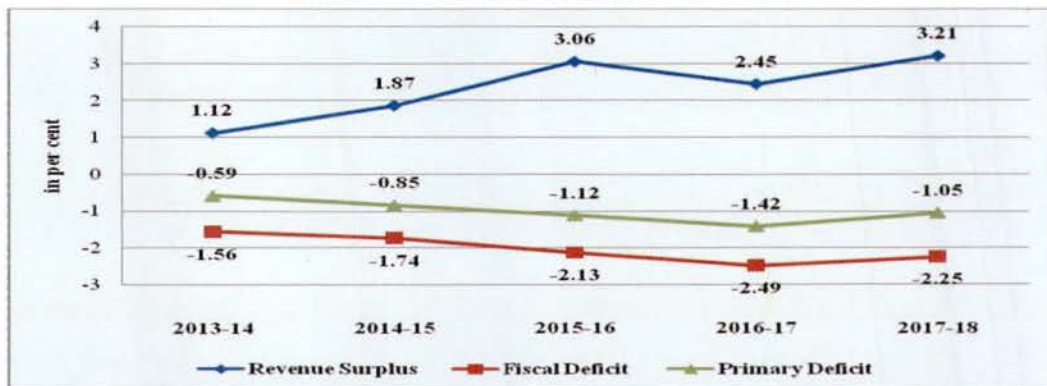


Chart 1.3: Debt Sustainability (i.e. Debt to GSDP Ratio)

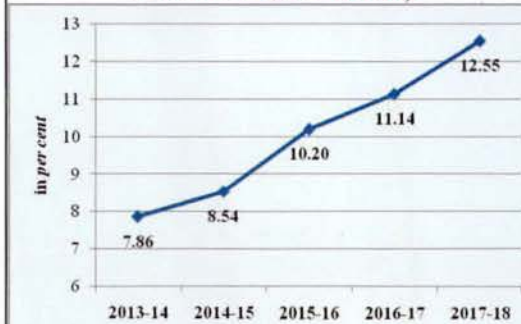
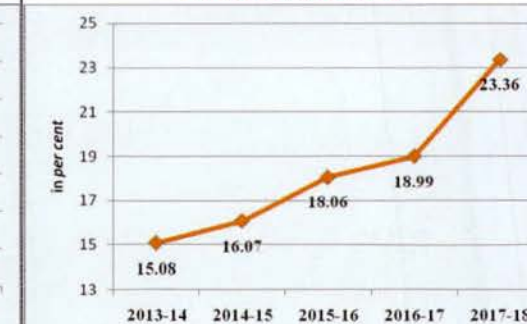


Chart 1.4: Total Outstanding Liabilities/GSDP



Source: Finance Accounts

- **Revenue Surplus** (₹ 13,367 crore) of the State in 2017-18 increased over previous

⁶ Fiscal Deficit = Revenue Expenditure + Capital Expenditure + Net Loans and Advances (-) Revenue Receipts (-) Miscellaneous Capital Receipts

⁷ Primary Deficit = Fiscal Deficit – Interest Payments

year (₹9,258 crore) by ₹4,109 crore as per Finance Accounts. The State has been a Revenue Surplus State since 2005-06 when after a gap of 22 years, the State was able to achieve Revenue Surplus of ₹ 481 crore. In 2017-18 while the growth of Revenue Receipts was 14.68 *per cent* over the previous year, it was able to contain the growth of its Revenue Expenditure to 10.45 *per cent* over the previous year during the same period, resulting in the Surplus. This achievement was in line with the State's FRBM (Amendment) Act 2016 which had prescribed reduction of Revenue Deficit to zero from 2011-12 onwards.

- **Fiscal Deficit** (₹ 9,360 crore), in 2017-18, has decreased marginally by ₹ 18 crore in comparison to preceding year (₹ 9,378 crore). Fiscal Deficit as a percentage of GSDP was 2.25 *per cent* and was meeting the fiscal target set out in its FRBM (Amendment) Act 2016 to maintain the Fiscal Deficit within three *per cent* of the GSDP.
- **Primary Deficit** (₹ 4,372 crore) in 2017-18 decreased by 18.17 *per cent* in comparison to preceding year (₹ 5,343 crore). Though Primary Deficit decreased, it was evident that the non-debt receipts⁸ (₹ 85,461 crore) were not sufficient to meet Primary Expenditure (₹ 89,833 crore).
- As per the FRBM (Amendment) Act 2016 **Debt to GSDP** ratio (in *per cent*) was to be maintained less than or equal to 25 *per cent* for the year 2015-16 to 2019-20. It was 12.55 *per cent* for the year 2017-18. The Debt-GSDP ratio (12.55 *per cent*), though increasing, was meeting the fiscal target set out in the State's FRBM (Amendment) Act, 2016.
- The total Outstanding Liabilities to GSDP ratio, which was 15.08 *per cent* in 2013-14 increased to 23.36 *per cent* during 2017-18.
- **It was observed that the Revenue Surplus was overstated by ₹453.30 crore and Fiscal Deficit was understated by the same amount on account of the following:**
 - (i) **More contribution of the Government towards New Pension System, (ii) Non contribution to Consolidated Sinking Fund and (iii) Non credit of interest to Reserve Funds and Deposit Accounts bearing interest as detailed in Table 1.3 below::**

Table 1.3: Impact on Revenue Surplus and Fiscal Deficit

Particulars	Impact on Revenue Surplus (in crore)		Impact on Fiscal Deficit (in crore)	
	Over Statement	Under Statement	Over Statement	Under Statement
More contribution to National Pension System (Para 1.5.3.3)	--	17.90	17.90	--
Non contribution to Consolidated Sinking Fund (Para 1.6.2.2)	358.12	--	--	358.12
Non credit of interest to Reserve Funds and	113.08	--	--	113.08

⁸ Non-debt receipts = Revenue receipts + Miscellaneous Capital receipts + Recoveries of Loans and Advances

Particulars	Impact on Revenue Surplus (₹ in crore)	Impact on Fiscal Deficit (₹ in crore)
Deposit Accounts bearing interest (Para 1.6.2.2)		
Total (Net Impact)	453.30 (Over-statement)	453.30 (Under-statement)

Source: Finance Accounts

Effectively, the Revenue Surplus and Fiscal Deficit of the State in 2017-18 was ₹12,914 crore and ₹ 9,813 crore respectively.

1.3.1.1 Composition and Financing of Fiscal Deficit

Fiscal deficit represents the total financing the State requires (predominantly by drawing on its cash and investment balances with the RBI and by borrowing) to meet the excess of the revenue and capital expenditure (including loans and advances) over revenue and non-debt receipts. The composition and financing of fiscal deficit are in **Table 1.4**.

Table 1.4: Components of Fiscal Deficit and their financing pattern

(₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18		
	Net	Net	Net	Net	Receipts	Disbursements	Net
A. Decomposition of Fiscal Deficit (1 to 3)	(-4,633)	(-5,479)	(-7,064)	(-9,378)	85,461	94,821	(-9,360)
1 Revenue surplus	3,329	5,862	10,135	9,258	85,204	71,837	13,367
2 Capital Expenditure	(-7,756)	(-11,075)	(-17,090)	(-18,471)	--	21,109	(-21,109)
3 Net Loans and Advances	(-206)	(-266)	(-109)	(-165)	257	1,875	(-1,618)
B Financing Pattern of Fiscal Deficit*/Surplus							
1 Net Borrowings	(-3)	3,534	6,909	8,261	12,862	2,690	10,172
a Internal Borrowings [#]	(-36)	3,655	6,797	8,028	12,013	1,982	10,031
b Loans from GoI	33	(-121)	112	233	849	708	141
2 Net Public Account	4,837	2,054	2,331	3,546	71,875	56,440	15,435
a Small Savings, PF etc	689	1,073	1,835	1,857	4,792	3,234	1,558
b Reserve fund	(-130)	(-35)	285	1,145	3,826	3,912	(-86)
c Deposits and Advances	813	915	230	607	40,357	26,460	13,897
d Suspense and Misc	3,437	99	(-32)	(-10)	99	21	78
e Remittances	28	2	(-51)	(-53)	22,801	22,813	(-12)
3 Contingency Fund	(-150)	150	(-123)	123	--	--	--
4 Total (1 to 3)	4,684	5,738	9,117	11,930	84,737	59,130	25,607
5 (-)Increase / (+)decrease in cash Balance	(-51)	(-259)	(-2,053)	(-2,552)	--	--	(-16,247)
6 Overall Surplus/ Deficit (4+5)	4,633	5,479	7,064	9,378	--	--	9,360

Source: Finance Accounts of respective years

Includes borrowings from other institutions also

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

1.3.1.2 Quality of Deficit/Surplus

The bifurcation of Primary Deficit indicates the extent to which deficit has been on account of enhancement of Capital Expenditure, which may be desirable to improve productive capacity of the Government.

Table 1.5: Primary deficit/surplus – bifurcation of factors

(₹ in crore)

Years	Non-debt receipts	Primary Revenue Expenditure ⁹	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary Revenue Surplus ¹⁰ (+)	Primary deficit (-) / surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2013-14	49,204	42,730	7,756	463	50,949	6,474	(-)1,745
2014-15	57,090	48,326	11,075	358	59,759	8,765	(-)2,669
2015-16	69,169	55,463	17,090	337	72,890	13,706	(-)3,721
2016-17	74,388	61,006	18,471	254	79,731	13,382	(-)5,343
2017-18	85,461	66,849	21,109	1,875	89,833	18,612	(-)4,372

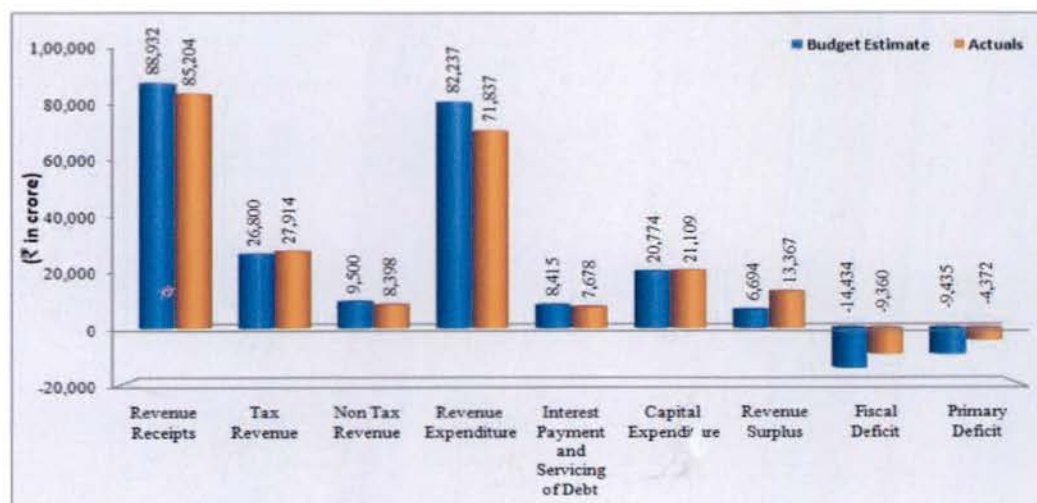
Source: Finance Accounts of respective years

As can be seen from above, non-debt receipts were insufficient to meet the Primary Expenditure.

1.3.2 Budget Estimates and Actuals

Shortfall of actual receipts and expenditure against budget estimates, either due to unanticipated and unforeseen events or under/over estimation of expenditure or revenue at the stage of budget preparation, adversely impacts the desired fiscal objectives. Actuals *vis-à-vis* Budget Estimates of selected fiscal parameters for 2017-18 are shown in **Chart 1.5**.

Chart 1.5: Budget Estimates and Actuals for the year 2017-18



Source: Finance Accounts and Budget at a Glance 2017-18.

⁹ Primary Revenue Expenditure = Revenue Expenditure – Interest payments

¹⁰ Primary Revenue Surplus = Non-Debt Receipts (Revenue Receipts + Miscellaneous capital Receipts + Recovery of Loans and advances) - Primary Revenue Expenditure

- Revenue Receipts fell short of Budget Estimates by 4.19 *per cent*. The shortfall on Revenue Receipts was mainly due to less receipt of Non-Tax Revenue by ₹ 1,102 crore (11.60 *per cent*), Grants from Government of India (GoI) by ₹ 3,590 crore (16.93 *per cent*) and Share of Union Taxes and Duties by ₹ 150 crore (0.48 *per cent*) than the BE. The State's own Tax Revenue was however, more than the BE by ₹ 1,114 crore (4.16 *per cent*).
- Revenue Expenditure was less than the BE by 12.65 *per cent* mainly due to less spending under General Sector by ₹ 4,592 crore and Social Sector by ₹ 4,984 crore.
- State Government provisioned higher budget under salaries and pension for implementation of 7th Central Pay Commission and payment of arrears. During the year, however, only 40 *per cent* of the arrears were released. This resulted in higher Revenue Surplus (₹13,367 crore) than estimated in the Budget (₹ 6,694 crore) by 99.68 *per cent*.
- Fiscal Deficit was less than the BE by 35.15 *per cent* due to reduction in expenditure.

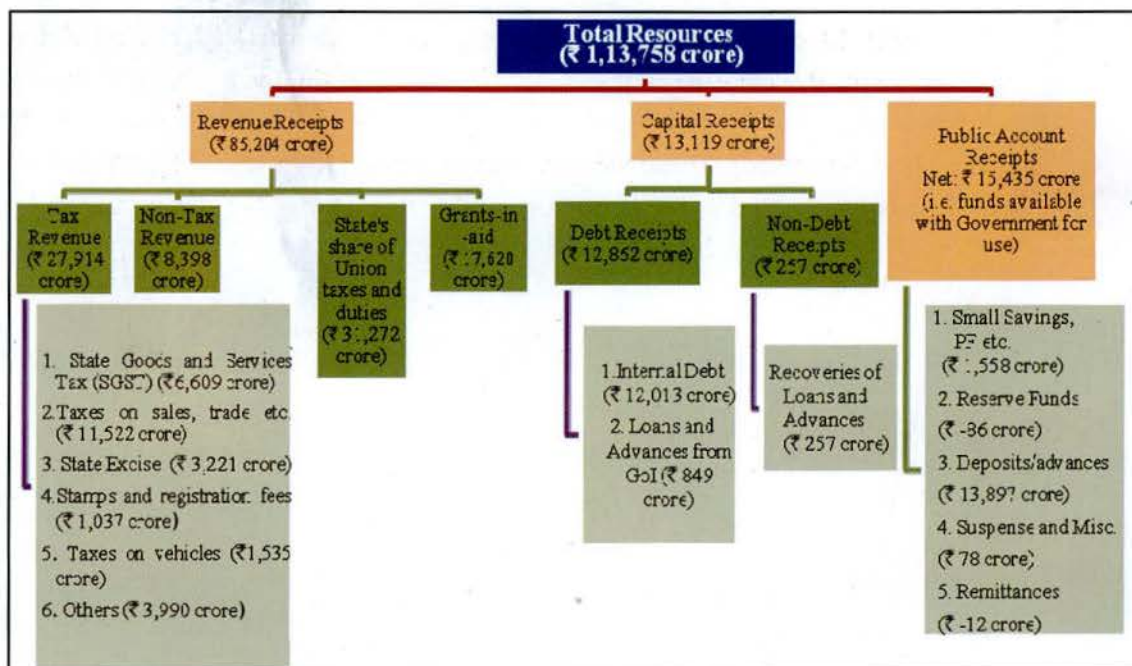
Recommendation 1: The Finance Department should rationalise the budget preparation exercise, so that the gap between the budget estimates and actuals is abridged.

1.4 Financial Resources of the State

1.4.1 Resources of the State as per Annual Finance Accounts

Revenue Receipts consist of Tax Revenues, Non-Tax Revenues, State's share of union taxes and duties and Grants-in-Aid from (GoI). Receipts under Capital comprise miscellaneous Capital Receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI. The net of Public Account Receipts comprises the balance after disbursements in small savings, provident funds, reserve funds deposits, suspense and remittances, etc. The balance, after disbursements in the Public Account is the fund available with the Government for use. The overall composition of the State resources (₹ 1,13,758 crore) in 2017-18 is in **Chart 1.6:**

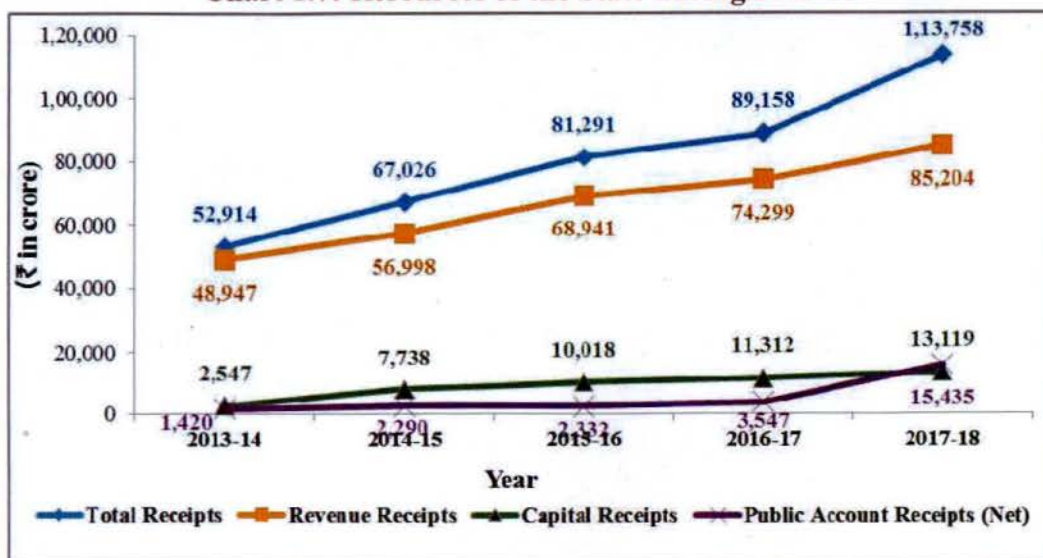
Chart 1.6: Composition of Resources in 2017-18



Source: Finance Accounts

Out of the total resources of ₹ 1,13,758 crore of the State Government during the year 2017-18, Revenue Receipts (₹ 85,204 crore) constituted 74.90 per cent of total resources. Capital Receipts (₹ 13,119 crore) and net Public Account Receipts (₹ 15,435 crore) constituted 13.57 per cent and 11.53 per cent of the total resources, respectively. **Chart 1.7** depicts the details under various components of the total resources of the State during the years 2013-18.

Chart 1.7: Resources of the State during 2013-18

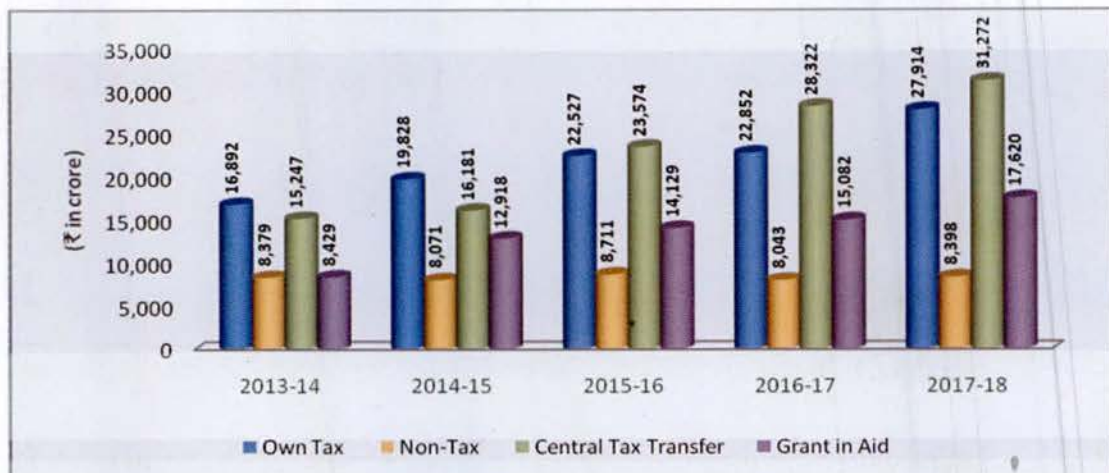


Source: Finance Accounts of respective years

1.4.2 Revenue Receipts

Statement 14 of the Finance Accounts gives details of the Revenue Receipts of the Government. Revenue Receipts (₹ 85,204 crore) of the Government constituting 20.48 per cent of the GSDP (₹ 4,15,982 crore), increased by 14.67 per cent over the previous year (₹ 74,299 crore). These were, however, lower than the budget estimates by ₹ 3,728 crore. The trends and composition of the Revenue Receipts during the years 2013-14 to 2017-18 are shown in **Chart 1.8**.

Chart 1.8: Composition of Revenue Receipts during the years 2013-14 to 2017-18-



Source: Finance Accounts of respective years

As can be seen, the own tax revenue, Central tax transfer and Grants-in-Aid have been increasing over the period of last five years, whereas non tax revenue has remained more or less constant.

1.4.2.1 State's Own Resources

The State's performance in mobilization of resources is assessed in terms of Tax Revenue and Non-Tax Revenue, not including the State's share in Central Taxes and Grants-in-Aid which is based on the recommendations of the Finance Commission. State's Tax Revenue grew by 17.53 per cent at a rate higher than the increase (10.28 per cent) in the economic base measured in terms of GSDP.

State's Own Tax Revenue

Components of State's Own Tax Revenue are shown in **Table 1.6**.

Table 1.6: Components of State's Own Tax Revenue

	(₹ in crore)					
	2013-14	2014-15	2015-16	2016-17	2017-18	
	Actuals	Actuals	Actuals	Actuals	Budget Projections	Actuals
State Goods and Services Tax	--	--	--	--	--	6,609
Taxes on Sales, Trades etc.	10,729	11,817	13,097	13,402	15,840	11,522
State Excise	1,780	2,035	2,547	2,786	3,600	3,221
Taxes on Vehicles	860	910	1,044	1,216	1,350	1,535

	2013-14	2014-15	2015-16	2016-17	2017-18	
	Actuals	Actuals	Actuals	Actuals	Budget Projections	Actuals
Stamp Duty and Registration Fees	606	800	2,157	1,364	1,150	1,037
Land Revenue	431	646	589	460	631	542
Taxes on Goods and Passengers	1,613	1,711	1,663	1,760	2,200	1,260
Other Taxes ¹¹	873	1,909	1,430	1,864	2,029	2,188
Total	16,892	19,828	22,527	22,852	26,800	27,914

Source: Finance Accounts of respective years

State's Own Tax Revenue in 2017-18 was ₹ 27,914 crore and constituted 32.76 per cent of total Revenue Receipts. Own Tax Revenue increased by 22.15 per cent over the previous year and was also higher than the budget estimates by ₹1,114 crore.

1.4.2.2 Efficiency in Tax Collection

The cost of collection of major taxes of the State decreased during the last three years (Table 1.7) leading to greater efficiency (measured as cost of collection of tax as a percentage of the tax collection).

Table 1.7: Tax collected and Cost of collection in percentage

		2015-16	2016-17	2017-18
Taxes on Sales, Trade, etc., and SGST	Gross Revenue Collection (₹ in crore)	13,097	13,402	18,131
	Cost of Collection (₹ in crore)	85	100	118
	Percentage to Gross Collection	0.65	0.75	0.65
State Excise	Gross Revenue Collection (₹ in crore)	2,547	2,786	3,221
	Cost of Collection (₹ in crore)	53	56	64
	Percentage to Gross Collection	2.08	2.01	1.99
Taxes on Vehicles	Gross Revenue Collection (₹ in crore)	1,044	1,216	1,535
	Cost of Collection (₹ in crore)	61	87	113
	Percentage to Gross Collection	5.84	7.15	7.36
Stamps and Registration fees	Gross Revenue Collection (₹ in crore)	2,157	1,364	1,037
	Cost of Collection (₹ in crore)	37	50	43
	Percentage to Gross Collection	1.72	3.67	4.15

Source: Finance Accounts of respective years

In 2017-18, State Government expended ₹ 113 crore (7.36 per cent of gross collection) in collecting Taxes on Vehicles of ₹ 1,535 crore. This was higher than the expenditure incurred (₹ 118 crore) in collecting taxes of ₹ 18,131 crore under Taxes on Sales, Trade and SGST etc., which was only 0.65 per cent of gross collection. This shows that Taxes on Vehicles, which contributes relatively less revenue is costlier to collect than the highest contributor of revenue.

¹¹ Other taxes include taxes on immovable property other than agricultural land, taxes and duties on electricity and agricultural income.

1.4.2.3 Goods and Services Tax (GST) Compensation

The State Government implemented the Goods and Services Tax (GST) Act from 01 July 2017. According to GST (Compensation to States) Act 2017, Central Government will compensate the States for loss of revenue arising on account of implementation of GST for a period of five years starting from 2017-18. The compensation payable to the State shall be calculated for every financial year after the receipt of final revenue figures, as audited by the Comptroller and Auditor General of India. The protected revenue for any year of a State shall be calculated applying the projected growth rate (14 per cent per annum) over the base year revenue of that State. The base year for calculation of revenue figures of taxes subsumed under GST was fixed as 2015-16.

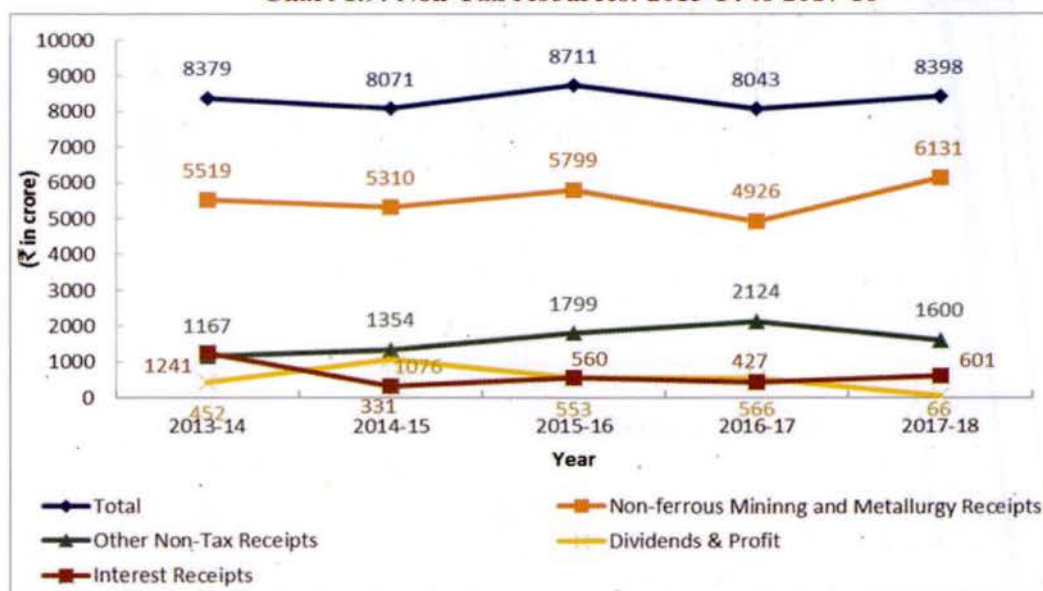
In case of Odisha, the revenue in the base year (2015-16) was ₹ 11,049.34 crore. The protected revenue for the year 2017-18 (for 9 months from the date of commencement of GST i.e., 01 July 2017 to 31 March 2018) assessed with respect to base year was ₹ 10,769.79 crore. During the period from 1 July 2017 to 31 March 2018, the State received an amount of ₹ 8,421.71 crore (including an amount of ₹ 1812.44 crore pre-GST taxes and ₹ 482 crore towards advance apportionment of Integrated GST).

The State received an amount of ₹ 2,019 crore¹² towards provisional GST compensation as of March 2018.

1.4.2.4 Non-Tax Revenue

Non-Tax Revenue (NTR) accounts for receipts from services rendered and supplies made by various Departments of Government and interest receipts.

Chart 1.9: Non-Tax resources: 2013-14 to 2017-18



Source: Finance Accounts of respective years

The following was observed in Audit:

¹² Excluding ₹ 245 crore compensation for the month of March 2018 received in May 2018.

The NTR in 2017-18 was ₹ 8,398 crore, which constituted 9.86 *per cent* of Revenue Receipts and increased by ₹ 355 crore (4.41 *per cent*) over previous year (₹ 8,043 crore). It is however, lower than the budget estimates by ₹1,102 crore.

- The increase was mainly under Non-ferrous Mining and Metallurgical Industries (₹ 1,205 crore) and Interest Receipts (₹ 174 crore). The increase was partly set off by decrease under Dividend Receipt (₹ 500 crore), Coal and Lignite (₹ 179 crore), Miscellaneous General Services (₹ 144 crore) and Forestry and Wildlife (₹ 69 crore).
- The growth of Dividends and Profits and Other Non-Tax Receipts was negative during 2017-18 over the previous year.
- The Compounded Annual Growth Rate (CAGR) of NTR for 2008-09 to 2016-17 of the State was higher (12.30 *per cent*) as compared to that of the General Category States (9.50 *per cent*) (**Appendix 1.1**). During 2017-18, however, growth rate of NTR of Odisha (4.40 *per cent*) was lower than the corresponding growth rate of General Category States (5.90 *per cent*).
- The NTR collected during 2013-14 to 2017-18 ranged between 10 to 17 *per cent* of Revenue Receipts of corresponding periods but in absolute terms remained more or less constant. As such, the State should ensure better management of its collection agencies so as to maximise non-tax revenue collection.

1.4.2.5 State's Share of Union Taxes and Duties

The devolution of different components of States share of Union Taxes during the years 2013-14 to 2017-18 is in **Table 1.8**.

Table 1.8: Devolution of different components of State's share of Union Taxes

Component of State's share of Union taxes	(₹ in crore)				
	2013-14	2014-15	2015-16	2016-17	2017-18
Corporation Tax	5,128	5,650	7,409	9,072	9,575
Customs	2,488	2,617	3,771	3,903	3,156
Income Tax	3,376	4,035	5,141	6,305	8,085
Other Taxes and Duties on commodities and services	--	--	18	--	--
Service Tax	2,484	2,386	4,086	4,564	3,561
Wealth Tax	14	15	2	21	--
Union Excise Duties	1,757	1,478	3,147	4,457	3,298
CGST	--	--	--	--	441
IGST	--	--	--	--	3,156
Grand total	15,247	16,181	23,574	28,322	31,272
Devolution as percentage of Revenue Receipts of the State	31	28	34	38	37

Source: Finance Accounts of respective years

As can be seen from the above, the devolution has been increasing over the last five years, however devolution as a percentage of Revenue Receipts decreased by one *per cent* during 2017-18 over the previous year.

1.4.2.6 Grants-in-Aid from Government of India

The details of Grants-in-Aid and its composition during the years 2013-14 to 2017-18 are in **Table 1.9**:

Table 1.9: Grants-in-Aid from Government of India

(₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18	
	Actuals	Actuals	Actuals	Actuals	BE	Actuals
Non Plan Grants	2,729	1,929	3,063	3,248	--	--
State Plan Grants	3,429	10,886	10,773	11,769	--	--
Grants for Central Plan Schemes	122	102	293	65	--	--
Grants for Centrally Sponsored Plan Schemes	2,149	0.08	0.04	0.1	--	--
Grants for Centrally Sponsored Schemes	--	--	--	--	17,516	12,900
Finance Commission Grants	--	--	--	--	2,694	2,406
Other Transfers/Grants to States/Union Territories with Legislatures	--	--	--	--	1,000	2,314
Total	8,429	12,917	14,129	15,082	21,210	17,620
Total grants as a percentage of Revenue Receipts	17.22	22.66	20.49	20.30	23.85	20.68

Source: Finance Accounts of respective years

The Government of India decided to give effect to the merger of plan/non-plan provisions in the Estimates for Budget 2017-18, after conclusion of the 12th Plan period (2012-17). With the removal of the Plan and Non-Plan distinction, Grants-in-aid from Centre comprises only (i) Finance Commission recommended grants for Local Bodies, (ii) grants for Disaster Response and (iii) grants for Central share of Central Sector and Centrally Sponsored Schemes. Percentage of Grants-in-Aid to Revenue Receipts increased from 17.22 in 2013-14 to 20.68 in 2017-18.

1.4.2.7 Transfers of funds directly to implementing agencies without routing through Consolidated Fund of the State

With effect from 01 April 2014, it has been decided by GoI to release all assistance related to the Centrally Sponsored Schemes/Additional Central Assistance to the State Government and not directly to implementing agencies. During 2017-18, however, the GoI released ₹ 4,669.14 crore directly to the implementing agencies for (i) Food Subsidy (₹ 3,029.95 crore), (ii) Mahatma Gandhi National Rural Employment Guarantee Scheme (₹1,013.23 crore), (iii) E-Court Phase-II (₹259.27 crore) and (iv) Member of Parliament's Local Area Development Schemes (₹132.50 crore). Similar direct releases to implementing agencies had happened in 2016-17 (₹1,110.26 crore) and 2015-16 (₹281.69 crore).

1.4.3 Receipts under Capital Section

The details of Capital Receipts and their composition for the years 2013-14 to 2017-18 are in **Table 1.10**:

Table 1.10: Composition of Capital Receipts

(₹ in crore)

Sources of State's Receipts	2013-14	2014-15	2015-16	2016-17	2017-18	
	Actuals	Actuals	Actuals	Actuals	BE	Actuals
Capital Receipts (CR)	2,547	7,738	10,018	11,312	17,133	13,119
Recovery of Loans and Advances	257	92	228	89	130	257
Public Debt Receipts	2,290	7,646	9,790	11,223	17,003	12,862

Source: Finance Accounts of respective years

During 2017-18, Capital Receipts (₹ 13,119 crore) constituted 11.53 per cent of the total receipts (₹ 1,13,758 crore) of the State. The State Government borrowed ₹12,013 crore from open market and other financial institutions and took loans of ₹ 849 crore from GoI. It may be seen from the above **Table** that Public debt receipts constituted major component of Capital Receipts (98 per cent).

1.4.3.1 Public Account Receipts

Receipts and disbursements in respect of 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 Public Account set up under Article 266(2) of the Constitution. These are not subject to vote by the State Legislature. Government acts as a banker or trustee. The balance after disbursements is the fund available with the Government for its own use. Composition of Public Account receipts and disbursements is detailed in **Table 1.11**:

Table 1.11: Composition of Public Account Receipts

(₹ in crore)

Resources under various heads	2013-14	2014-15	2015-16	2016-17	2017-18	
	Actuals	Actuals	Actuals	Actuals	BE	Actuals
A. Public Account Receipts						
Small Savings, Provident Fund etc.	3,332	3,471	4,088	4,424	3,513	4,792
Reserve Fund	1,760	658	1,933	4,141	3,580	3,825
Deposits and Advances	7,019	6,842	7,200	14,210	18,261	40,357
Suspense and Miscellaneous	10,225	210	174	23	160	99
Remittances	10,341	13,620	17,703	18,829	13,546	22,801
Total (A)	32,677	24,801	31,098	41,627	39,060	71,874
B. Public Account Disbursements						
Small Savings, Provident Fund etc.	2,643	2,398	2,253	2,567	2,713	3,234
Reserve Fund	1,890	401	1,647	2,996	3,579	3,911
Deposits and Advances	6,206	5,927	6,969	13,603	17,665	26,460
Suspense and Miscellaneous	10,205	168	142	32	156	21

Resources under various heads	2013-14	2014-15	2015-16	2016-17	2017-18	
	Actuals	Actuals	Actuals	Actuals	BE	Actuals
Remittances	10,313	13,617	17,755	18,882	17,824	22,813
Total (B)	31,257	22,511	28,766	38,080	41,937	56,439
Public Account Net (A)-(B)	1,420	2,290	2,332	3,547	(-) 2,877	15,435

Source: Finance Accounts of respective years

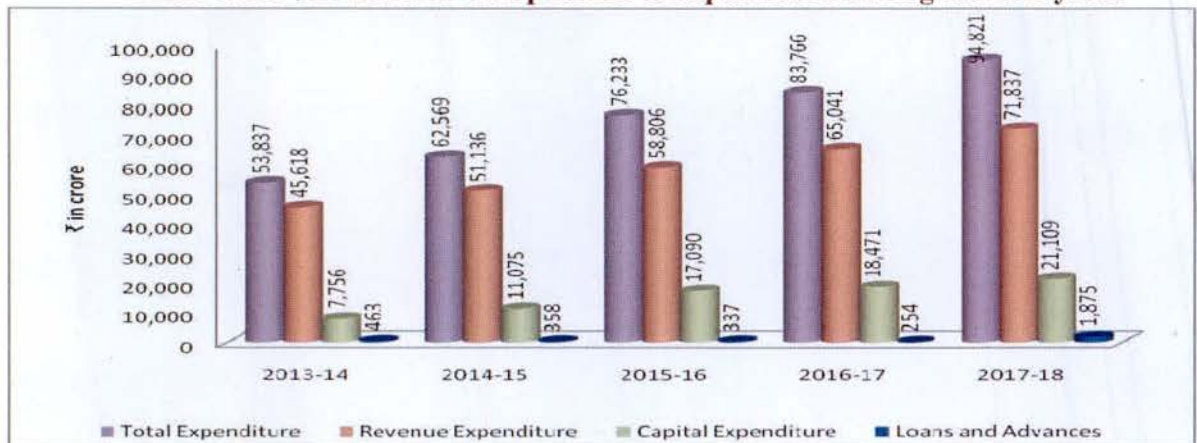
During the year 2017-18, net Public Account receipts (₹ 15,435 crore) contributed 13.56 per cent of the total resources (₹ 1,13,758 crore) of the State. The net Public Account receipts increased by ₹11,888 crore over the previous year, mainly due to increase in Deposits and Advances (Net) by ₹ 13,290 crore over previous year. The increase in Deposits and Advances was due to receipts of ₹11,568.18 crore relating to Odisha Mineral Bearing Areas Development Corporation (OMBADC) account. (Details in Paragraph 3.1.2).

1.5 Application of Resources

1.5.1 Growth and Composition of expenditure

The total expenditure in 2017-18 was ₹ 94,821 crore. Chart 1.10 presents the trends and composition of total expenditure during 2013 to 2018.

Chart 1.10: Growth and Composition of expenditure during last five years



Source: Finance Accounts of respective years

Around 3/4th of the total expenditure in 2017-18 was Revenue Expenditure. Social Services¹³ expenditure took precedence with 41.14 per cent over General Services (28.20 per cent) and Economic Services¹⁴ (28.89 per cent) in the total expenditure. Capital Expenditure, targeted towards creation of assets, constituted 22.26 per cent of the total expenditure, with Transport, Irrigation & Flood Control and Energy under the Economic Services (77.90 per cent) receiving priority.

¹³ Refers to welfare activities of the Government and includes (i) Education, Sports, Art and Culture, (ii) Health and Family Welfare, (iii) Water Supply, Sanitation, Housing and Urban Development, (iv) Information and Broadcasting, (v) Welfare of Scheduled Castes, Scheduled Tribes and Backward Classes, (vi) Labour and Labour Welfare, (vii) Social Welfare and Nutrition and (viii) Others.

¹⁴ Refers to economic development activity sectors of the Government and includes (i) Agriculture and allied services, (ii) Irrigation and Flood Control, (iii) Energy, (iv) Industries and Minerals, (v) Transport, (vi) Science, Technology and Environment, (vii) General Economic Services.

Component-wise major expenditure under Revenue and Capital sections incurred in 2017-18 is in **Table 1.12**.

Table 1.12: Major expenditure components under Revenue and Capital

(₹ in crore)

Revenue				Capital			
Component	Sector	2016-17	2017-18	Component	Sector	2016-17	2017-18
Education, Sports, Art and Culture	Social	11,809	13,788	Transport	Economic	6,767	7,148
Rural Development	Economic	7,991	9,018	Irrigation and Flood Control	Economic	5,799	6,841
Agriculture and Allied Activities	Economic	6,497	5,801	Energy	Economic	2,048	2,049
Social Welfare and Nutrition	Social	5,872	5,184	Water Supply, Sanitation, Housing and Urban Development	Social	1,371	2,006
Health and Family Welfare	Social	4,061	4,153	Health and Family Welfare	Social	668	774
Water Supply, Sanitation, Housing and Urban Development	Social	3,555	3,854	Education, Sports, Art and Culture	Social	360	746
Transport	Economic	1,981	2,224	Welfare of SCs, STs, Minorities and OBCs	Social	462	527
Welfare of SCs, STs, Minorities and OBCs	Social	1,985	2,218				
Irrigation and Flood Control	Economic	1,870	1,911				

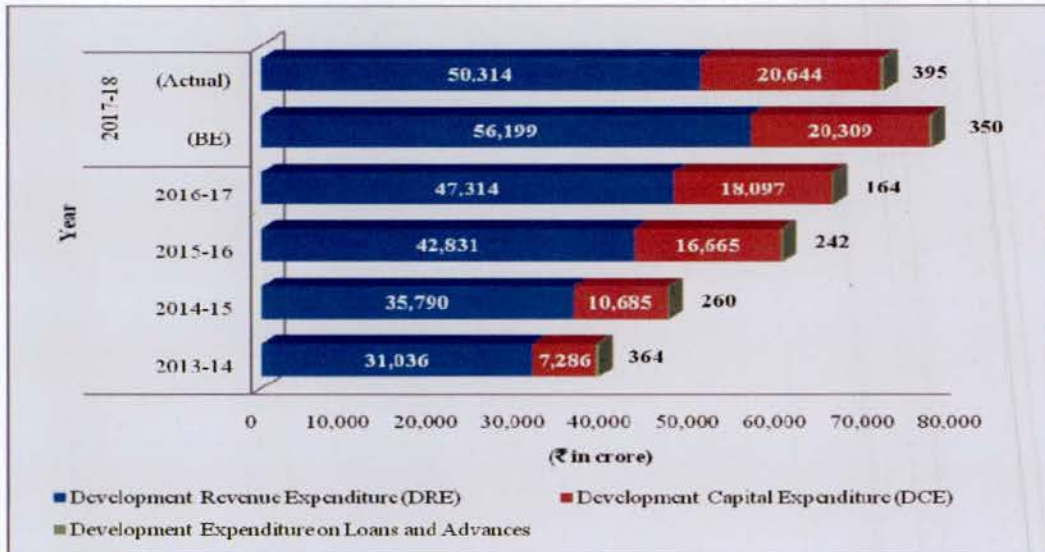
Source: Finance Accounts of respective years

- Revenue Expenditure (₹ 71,837 crore) was higher than the previous year's figures (₹ 65,041 crore) by 10.45 *per cent*. The increase over previous year was mainly due to higher outgo on Education, Sports, Art and Culture (₹ 1,979 crore), and Rural Development (₹ 1,027 crore) apart from committed Pension and other Retirement Benefits (₹ 1,850 crore), Interest payments (₹ 953 crore) and Subsidies (₹ 444 crore). Expenditure on Agriculture and Allied Activities and Social Welfare and Nutrition decreased as compared to previous year.
- Capital Expenditure during current year (₹ 21,109 crore) was higher than the previous year's figures (₹ 18,471 crore) by 14.28 *per cent*. This was mainly due to increase under Irrigation and Flood Control (₹ 1,042 crore), Water Supply, Sanitation, Housing and Urban Development (₹ 635 crore) and Transport (₹ 381 crore).

1.5.2. Development Expenditure of the State

Development expenditure of the State is the expenditure incurred on Social and Economic Services under Revenue, Capital and Loans and Advances sections. The details are given in *Chart 1.11*.

Chart 1.11: Development Expenditure



Source: Finance Accounts of respective years

During 2017-18, the Total Development Expenditure (₹ 71,353 crore) was 75.25 per cent of the Total Expenditure and 17.15 per cent of the GSDP. Development Revenue Expenditure (₹ 50,314 crore) and Development Capital Expenditure (₹ 20,644 crore) constituted 53.06 per cent and 21.77 per cent of Total Expenditure (₹ 94,821 crore) respectively, while the Development Loans and Advances (₹ 395 crore) constituted 0.42 per cent of Total Expenditure.

The share of Social Services (₹ 33,758 crore) and Economic Services (₹ 37,595 crore) constituted 35.60 per cent and 39.65 per cent of the Total Expenditure, respectively.

1.5.3 Revenue Expenditure

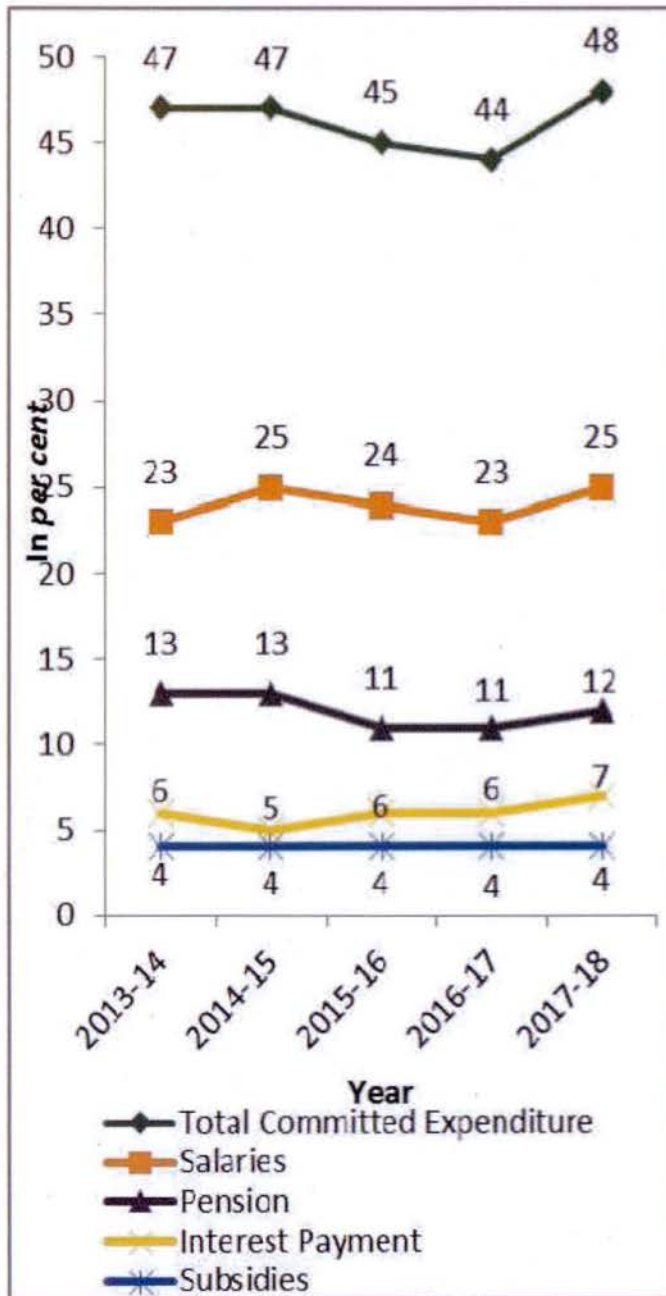
Revenue expenditure (₹ 71,837 crore) was 17.27 per cent to GSDP and was within the budget provision (₹ 82,237 crore) made for the year 2017-18. The Revenue Expenditure during the year increased by 10.45 per cent from 2016-17 (₹65,041 crore). It was, however lower than the budget estimates by ₹ 10,400 crore.

1.5.3.1 Committed Expenditure

Committed Expenditure of Government consists of interest payments (₹ 4,988 crore), salaries and wages (₹ 17,697 crore), pensions (₹ 8,693 crore) and subsidies (₹2,830 crore). The committed expenditure in 2017-18 was ₹ 34,208 crore and constituted 47.62 per cent of Revenue Expenditure (₹ 71,837 crore).

The following observations were noted in Audit:

Chart 1.12: Committed Expenditure as percentage of Revenue Expenditure



Source: Finance Accounts of respective years

Salaries and Pension

Committed expenditure measured as a percentage of Revenue Expenditure of the State, was steadily decreasing during the years 2013-17 (Chart 1.12). In 2017-18, it, however, increased by four per cent over the previous year. This was mainly due to payment of arrears of Salaries (16.58 per cent increase over last year) and Pension (27.03 per cent increase over last year) on account of implementation of 7th Pay Commission.

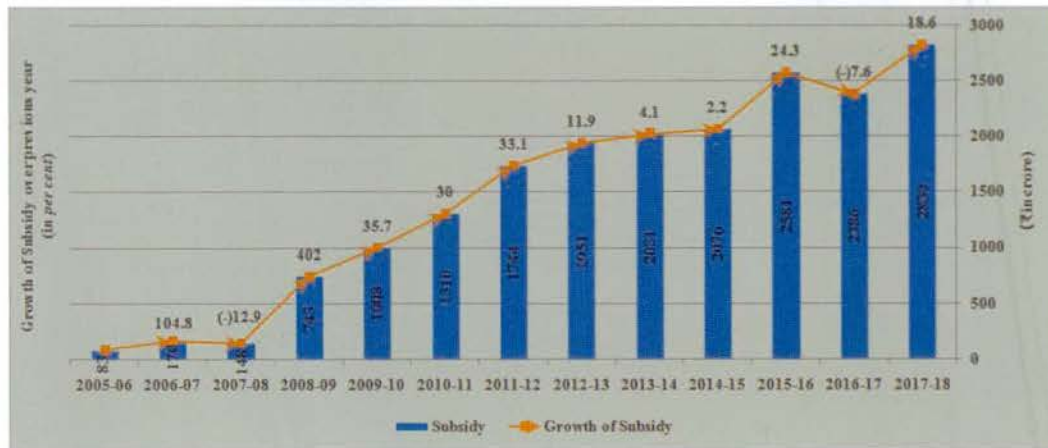
Interest Payments

In 2017-18, Interest payments (₹ 4,988 crore) as a percentage of Revenue Expenditure constituted seven per cent, an increase of one per cent over previous year (₹4,035). Interest payment relative to Revenue Receipts (₹85,204 crore) was however, 5.85 per cent, which was well below the fiscal target of 15 per cent set out in the Odisha FRBM (Amendment) Act, 2016.

Subsidies

The State Government in its Medium Term Fiscal Plan (MTFP) for 2007-08, had aimed at rationalization of general subsidy and reduction of their overall volume gradually at a rate of 10 per cent per annum beginning 2005-06. On the contrary, subsidies have increased and during the years 2013-18, general subsidy increased from ₹2,031 crore to ₹2,830 crore (Chart 1.13).

Chart 1.13: Growth of Subsidy from 2005-06 to 2017-18



Source: Finance Accounts of respective years

During 2017-18, Subsidies for Food Supplies & Consumer Welfare (₹ 886 crore) which accounted for 31.30 per cent of the total subsidies, showed a marginal decrease, as compared to previous year. Subsidies for Disaster Management increased by ₹ 391 crore due to relief on account of natural calamities (Table 1.13).

Table 1.13: Department-wise Subsidies

(₹ in crore)

Sl. No.	Department	2016-17	2017-18
1	Food Supplies & Consumer Welfare	970	886
2	Revenue & Disaster Management	363	754
3	Co-operation	726	697
4	Agriculture & Farmers' Empowerment	203	203
5	Industries	27	170
6	Fisheries & Animal Resources Development	10	56
7	Handlooms, Textiles & Handicrafts	47	50
8	Others	40	14
Total Subsidy		2,386	2,830
Total Revenue Expenditure (RE)		65,041	71,837
Subsidy as a percentage of RE		3.67	3.94

Source: Finance Accounts of respective years

1.5.3.2 Financial Assistance to Local Bodies and other institutions

Financial assistance to the tune of ₹ 21,780 crore was provided by the State Government to local bodies and other institutions by way of grants and loans in 2017-18 (Table 1.14). Grants extended to local bodies and other institutions had increased by ₹ 2,432 crore (12.56 per cent) from ₹ 19,348 crore in 2016-17 to ₹ 21,780 crore in 2017-18.

This increase was mainly due to increase in assistance to Educational Institutions (₹ 937 crore), Development Agencies (₹ 847 crore), Municipal Corporations (₹ 217 crore) and Zilla Parishads and other Panchayati Raj Institutions (₹ 444 crore), which was partly set off by decrease in assistance to Other Institutions (₹ 13 crore).

Table 1.14 Financial Assistance to Local Bodies and other institutions

(₹ in crore)

	2016-17	2017-18
Educational institutions (Aided Schools, Aided Colleges, Universities, etc.)	4,109	5,046
Municipal Corporations and Municipalities	1,575	1,792
Zilla Parishads and other Panchayati Raj Institutions	2,536	2,980
Development Agencies	2,132	2,979
Other institutions	8,996	8,983
TOTAL	19,348	21,780
Assistance as a percentage of Revenue Expenditure	30	30

Source: Finance Accounts of respective years

1.5.3.3 National Pension System

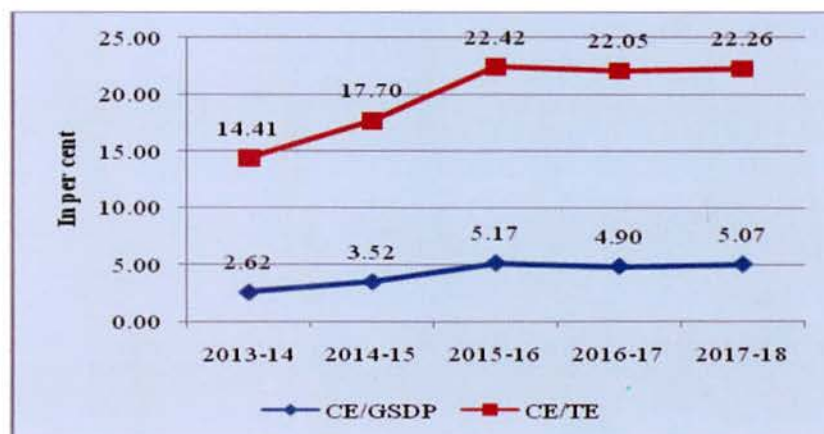
State Government employees recruited on or after 1 January 2005 are covered under National Pension System (NPS), which is a defined contributory pension scheme. It is mandatory for employees to contribute 10 *per cent* of basic pay and dearness allowance every month. The State Government has to make equal contribution. The Government has to transfer these contribution amounts along with details to the National Securities Depository Limited (NSDL) and to the fund managers appointed by the NPS Trust, respectively. Audit analysis showed that in 2017-18, under the NPS State Government collected from the State Government employees an amount of ₹414.93 crore. The State Government contributed ₹432.83 crore and transferred ₹ 862.24 crore to NSDL, with a balance of ₹ 20.72 crore yet to be transferred to NSDL. Though the State Government started collecting pension contribution from the employees from 2006-07, it transferred to the NSDL only in 2010-11 an amount of ₹ 0.01 crore leaving a balance of ₹ 39.62 crore to be transferred to NSDL as on 31 March 2011. Similarly, every year thereafter there was a short transfer to NSDL leaving a balance to be transferred as follows: 2011-12 ₹60.10 crore, 2012-13 ₹61.57 crore, 2013-14 ₹29.62 crore, 2014-15 ₹22.55 crore, 2015-16 ₹28.33 crore, and 2016-17 ₹35.21 crore. As on 31 March 2018, there was a total short transfer of ₹20.72 crore to the NSDL. The current liability stands deferred to future year(s). Further, the State Government has created interest liability on the amount not transferred to NSDL and has incorrectly used the funds that belongs to its employees, leading to possible uncertainty in the rate of return to the employees/avoidable financial liability to the Government and thus increasing the risk of failure of the Scheme itself.

Recommendation 2: The State Government should ensure that employees' contribution is properly collected and transferred to NSDL along with a matching contribution in a timely manner. Steps should be taken to transfer the balance amount of ₹20.72 crore immediately to NSDL.

1.5.4 Capital Expenditure (CE)

Capital Expenditure (₹ 21,109 crore) during 2017-18 constituted 22.26 per cent of total expenditure (₹ 94,821 crore). It increased by ₹ 2,638 crore (14.28 per cent) over the previous year. Capital Expenditure relative to GSDP was, however, 5.07 per cent in 2017-18 and though being a revenue surplus State, during the past five years, it has not exceeded 5.17 per cent relative to GSDP. The ratio of Capital Expenditure to Total Expenditure also remained more or less constant at 22 per cent during last three years as evident from the **Chart 1.14**.

Chart 1.14: Capital Expenditure as a percentage of GSDP and Total Expenditure



Source: Finance Accounts of respective years

Capital Expenditure in 2017-18 at ₹21,109 crore was in excess of the budget estimates (₹ 20,774 crore) by ₹ 335 crore. The increase was mainly on account of increase in expenditure on Water Supply and Sanitation (₹ 676.43 crore), Minor Irrigation (₹ 510.48 crore), Medium Irrigation (₹ 412.32 crore), Education, Sports, Art and Culture (₹ 385.42 crore), Roads and Bridges (₹ 291.24 crore), Major Irrigation (₹ 162.89 crore) and Medical and Public Health (₹ 106.12 crore), which was partly set off by decrease in spending on Social Services (₹ 50.27 crore) and Flood Control Projects (₹ 43.69 crore) compared to expenditure on these heads in the previous year as detailed in *Appendix 1.3*.

1.5.5 Quality of Expenditure

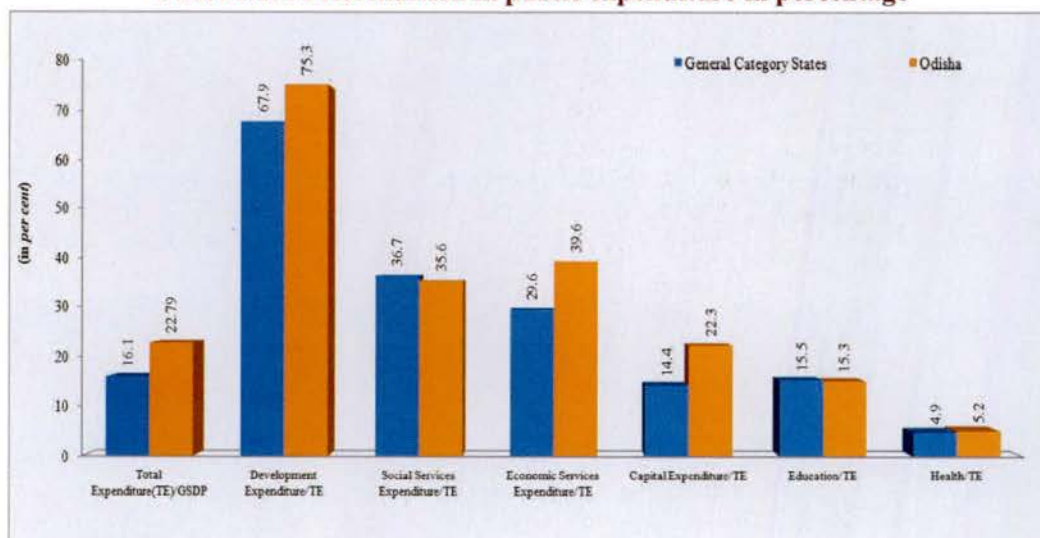
Quality of expenditure basically involves three aspects, viz., adequacy of the expenditure (i.e. adequate provisions for providing public services), efficiency of expenditure use

and effectiveness (assessment of outlay - outcome relationships for services).

1.5.5.1 Adequacy of Public Expenditure

Enhancing human development levels require 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) for a particular sector can be inferred if the ratios fall way below the respective National averages. **Chart 1.15** analyses the fiscal priority of the State Government with regard to development expenditure, social services expenditure, economic services expenditure and capital expenditure during 2017-18, vis-à-vis the average of the General Category States¹⁵.

Chart 1.15: Prioritisation in public expenditure in percentage



Source: Finance Accounts

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

Total Expenditure relative to GSDP in Odisha was better than the General Category States. Odisha fared favourably in its focus on Development Expenditure, Economic Services Expenditure, Capital Expenditure and Health vis-à-vis General Category States. The State, however, lagged slightly behind General Category States in the area of Social Services Expenditure and Education.

1.5.5.2 Effectiveness of Expenditure (Outcome Budget)

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 to convert financial outlays into measurable and monitorable

¹⁵ Andhra Pradesh, Telangana, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal

outcome. The idea is to make the programme implementing agencies more result oriented by shifting the focus from 'Outlay' to 'Outcome'.

Outlay-outcome budget for the year 2017-18 under few schemes covering three departments viz. Works Department, Panchayati Raj & Drinking Water Department and Rural Development Department were test checked. Some important findings are tabulated below:

Table 1.15: Outcome vis-à-vis outlay of selected schemes

Department	Observations
Works Department	Externally Aided Projects (Improvement of road in Km): Under Externally Aided Projects (Improvement of road in Km), the budget outlay was ₹ 229.35 crore in 2017-18. The department constructed only 48 Km road against the physical target of 100 Km by expending the total budget outlay of ₹ 229.35 crore (100 per cent). The department did not offer any reasons for such shortfall in outcome against outlay.
Panchayati Raj & Drinking Water Department	Gopabandhu Gramin Yojana (GGY): Gopabandhu Gramin Yojana (GGY) was launched to improve rural connectivity, water supply and electrification in 11 districts of Odisha. As against physical target of 65,000 projects, only 48,447 projects were completed, with a financial outlay of ₹ 300 crore (100 per cent) as of March 2018.
Rural Development Department	NABARD assisted RIDF (Rural Infrastructure Development Fund) scheme: The physical target of the scheme was to construct five bridges and 22 roads with the financial outlay of ₹93.76 crore. The department, however, constructed three bridges and 22 roads with utilisation of ₹88.27 crore. Thus, there was 40 per cent shortfall in achievement of physical target against bridges. The reason for shortfall was attributed to delay caused by the contractors. Mukhya Mantri Sadak Yojana: Out of financial outlay of ₹ 331.23 crore, ₹ 292.53 crore (88.32 per cent) were utilized as of March 2018. With a physical target to construct 800 Kms of road under the scheme, the department constructed only 462 Kms, as of March 2018. The shortfall in achievement of physical target (338 Kms, 42.25 per cent) was attributed to delay by the contractors. Special programme for KBK districts: Objective of the scheme was to improve rural roads. Out of financial outlay of ₹124.93 crore for construction of 30 roads, an amount of ₹25.20 crore (20 per cent) was utilized as of March 2018 for construction of six roads. The Government stated that the target could not be achieved due to delay in finalisation of the projects & time taken for tender process.

There is variance between the physical and the financial progress in the above mentioned schemes. The reasons for the divergence were sought from the departments (October 2018). Reply is still awaited.

1.6 Composition of Assets and Liabilities

While the Government accounting system does not provide for comprehensive accounting of fixed assets like land and buildings owned by the Government, these can be derived from the accounting of financial liabilities and assets created out of

expenditure incurred. **Appendix 1.6** gives an abstract of liabilities and assets, as on 31 March 2018, compared with the corresponding position as on 31 March 2017.

1.6.1 Government Assets

Government assets mainly comprise Capital Outlay, Investments, Loans and Advances given by the State Government and Cash Balances.

1.6.1.1 Capital outlays: 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 2018 is given in **Table 1.16**.

Table 1.16: Department-wise profile of incomplete projects.

Name of the Department	No. of incomplete projects as on 31/03/2017	New Projects identified to be completed during 2017-18	Total	No. of projects completed during 2017-18 as on 31.03.2018	No. of incomplete projects as on 31.03.2018	₹ in crore)		
						Initial Budgeted cost	Revised cost of projects	Cumulative actual expenditure as on 31.03.2018
RD	216	263	479	388	91	1,339.42	1,366.38	1,047.20
Works	17	93	110	90	20	1,955.30	1,916.51	1,456.80
WR	13	26	39	22	17	252.51	275.49	207.33
SD&TE	4	--	4	4	0	24.26	22.93	12.02
ST&SCDM &BCW	1	--	1	--	1	5.94	6.50	--
MS&ME	3	--	3	--	3	18.42	15.58	3.21
Commerce	6	--	6	4	2	27.79	31.32	26.58
F&ARD	2	3	5	--	5	104.45	104.44	62.34
Tourism	--	65	65	18	47	181.11	16.49	2.50
TOTAL	262	450	712	526	186	3,909.2	3,755.64	2,817.98

RD- Rural Development, WR- Water Resources, SD&TE- Skill Development and Technical Education, ST&SCDM, M&BCW- Scheduled Tribe & Scheduled Caste Development, Minorities and Backward Class Welfare, MS&ME- Micro, Small and Medium Enterprises and F&ARD- Fisheries and Animal Resources Development

Source: Information collected from the Finance Department.

Government had identified as many as 450 new projects and 262 carry over projects of previous years totaling 712 projects, for completion during the year 2017-18. Out of these, 186 projects remained incomplete. Departments have attributed the delay to issues like land acquisition, forest clearance, Naxal problems, etc. Due to non-completion of projects, not only the benefits that were to accrue to the intended beneficiaries were delayed, but the cost to the exchequer also increased due to time/cost overrun involved in their completion.

1.6.1.2 Investment in Public Sector Undertakings

As of 31 March 2018, the State Government's investment stood at ₹ 4,974.21 crore in Public Sector Undertakings (PSU) comprising Government Companies (₹ 3,741.51 crore), Co-operative Societies (₹ 679.57 crore), Statutory Corporations (₹ 550.99 crore)

and others¹⁶ (₹ 2.14 crore). Of this investment, ₹ 3,501.94 crore or 70 per cent of the total investment fetched no return by way of dividend.

Table 1.17: Return on Investment

Sl. No	Year	2013-14	2014-15	2015-16	2016-17	2017-18
1	Investment at the end of the year	3,308.79	3,504.87	3,881.32	4,423.02	4,974.21
2	Return in the form of Dividend (₹ in crore)	452.40	1,076.44	553.36	566.04	66.22
3	Rate of return (per cent)	13.67	30.71	14.26	12.80	1.33
4	Average rate of interest on Government borrowing (per cent)	6.56	5.90	6.06	7.62	7.58
5	Difference between RoR (per cent) and interest rate (3-4)	7.11	24.81	8.20	5.18	(-)6.25

Source: Finance Accounts of respective years

Table 1.17 shows that only ₹ 66.22 crore was received as dividend against total investment of ₹4,974.21 crore during 2017-18.

- It is observed that out of 147 entities, only 12 entities had paid dividend. These included two Rural Banks¹⁷, nine Government Companies¹⁸ (which included two Power Sector Companies) and one Statutory Corporation¹⁹.
- Out of the total investment of ₹4,974.21 crore, ₹2,684.35 crore (54 per cent) was invested in four²⁰ Power Sector Companies. Out of these, only two²¹ companies paid dividend of ₹ 35.92 crore (54 per cent).
- The percentage of return decreased from 12.80 per cent in 2016-17 to 1.33 per cent in 2017-18. This was mainly due to non receipt of dividend from Odisha Mining Corporation (OMC) during 2017-18 as against ₹400 crore, ₹1,001 crore, ₹500 crore and ₹500 crore received during the years 2013-14 to 2016-17 respectively.
- Out of 147 entities (72 inactive), 63 had defaulted in payment of dividend in 2017-18.

Government in its reply stated (March 2019) that the State Government had been pursuing with the PSUs for timely payment of dividends. It also stated that the bulk of dividend was received from Odisha Mining Corporation (OMC) in previous years. In the year 2017-18, however, following the orders of Honorable Supreme Court, OMC

¹⁶ Joint Stock Companies & Partnerships and Rural Banks

¹⁷ Rural Banks: Odisha State Co-operative Agriculture and Rural Development Bank: ₹ 0.13 crore & Odisha State Co-operative Bank: ₹0.46crore

¹⁸ Government Companies: Agricultural Promotion and Investment Corporation Limited (APICOL): ₹ 0.01 crore, Odisha State Cashew Development Corporation Limited (OSDCD): ₹ 0.47 crore, Odisha Forest Development Corporation Limited: ₹ 3.07 crore, Odisha Small Industries Corporation Limited (OSIC): ₹2.26 crore, Odisha Construction Corporation Limited(OCC) ₹ 10.64 crore, Odisha State Police Housing and Welfare Corporation: ₹ 4.65 crore, Odisha State Beverage Corporation Limited : ₹ 7.65 crore, Odisha Hydro Power Corporation (OHPC): ₹ 27.26 crore and Odisha Power Generation Corporation Limited: ₹ 8.66 crore.

¹⁹ Statutory Corporation: Odisha State Warehousing Corporation, Bhubaneswar: ₹ 0.96 crore

²⁰ OPGC ₹ 1007.04 crore, OPTCL ₹ 690.07 crore, GRIDCO ₹573.44 crore and OHPC ₹ 413.80 crore.

²¹ OHPC: ₹ 27.26 crore and OPGC: ₹ 8.66 crore

had to deposit ₹2,200 crore amount as fine in Odisha Minerals Bearing Area Development Corporation (OMBADC) account. Thus, the Corporation ended with no profit during the year. Therefore, no dividend was received from OMC during 2017-18 and accordingly, there was drastic fall in dividend receipt during the year.

1.6.1.3 Loans and Advances given by the State Government

Government provides Loans and Advances to Public Sector Undertakings and autonomous bodies such as Universities, Local Bodies and Urban Development Authorities and Corporations etc. **Table 1.18** presents the details of outstanding Loans and Advances for the years 2013-18:

Table 1.18: Details of Loans and Advances by the State Government

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2013-14	2014-15	2015-16	2016-17	2017-18
Opening Balance (₹ in crore)	3,977	4,183	4,449	4,557	4,708
Amount advanced during the year (₹ in crore)	463	358	337	254	1,875
Amount recovered during the year (₹ in crore)	257	92	228	89	257
Closing Balance (₹ in crore)	4,183	4,449	4,558	4,708*	6,326
Net addition (₹ in crore)	(+)206	(+)266	(+)109	(+)151	(+)1,618
Interest Receipts (₹ in crore)	610	14	181	36	41
Interest Receipts as a percentage of outstanding loans and advances (in per cent)	14.58	0.31	3.97	0.76	0.65
Interest Payments (in Crore)	2,888	2,810	3,343	4,035	4,988
Outstanding Liabilities (₹ in Crore)	44,714	50,493	59,753	71,623	97,164
Interest Payments as percentage to total outstanding Liabilities of the State Government. (in per cent)	6.46	5.57	5.59	5.63	5.13
Difference between Interest Receipts and Interest Payments (in per cent)	(+)8.12	(-)5.26	(-)1.62	(-)4.87	(-)4.48

*4722-4708 Difference of ₹ 14 crore was due to conversion of loan to Share Capital Investment

Source: Finance Accounts of respective years

Following observations are made in Audit:

- Loans and advances extended by the State Government increased more than four times from ₹ 463 crore in 2013-14 to ₹ 1,875 crore in 2017-18. Loans and advances outstanding rose from ₹4,183 crore in 2013-14 to ₹6,326 crore in 2017-18. Major portion of loans advanced during 2017-18 was to Indian Oil Corporation Limited (₹ 1,400 crore). Government of Odisha had entered into an agreement with Indian Oil Corporation Limited for providing fiscal incentive for Paradeep Refinery Project, as Viability Gap Funding (VGF²²), as a part of interest free loan of ₹10,500 crore over a period of 15 years.
- The current recovery of loan (₹ 257 crore) was 13.70 per cent of the advances (₹ 1,875 crore) made during the year and was an improvement over the previous year (₹ 89 crore). The actual recovery (₹ 257 crore), was, however, more than what was estimated in the Budget for recovery (₹130 crore) by 97.69 per cent.

²² Viability Gap Funding means a grant to support projects that are economically justified but not financially viable.

- Interest receipts substantially decreased from ₹ 610 crore in 2013-14 to ₹ 41 crore in 2017-18, with percentage of interest received to total outstanding loans and advances decreasing from 14.58 per cent in 2013-14 to 0.65 per cent in 2017-18. Interest payment on the other hand (₹4,988 crore) during 2017-18 was 5.13 per cent of its total outstanding liabilities (₹97,164 crore). As a result, interest spread of Government borrowings was negative (- 4.48 per cent) during the year which meant that the State's borrowings are more expensive than the loans advanced by it.

Government in its reply stated (March 2019) that higher interest receipts shown for the year 2013-14 is mainly on account of accounting adjustment of interest receivable from GRIDCO and other power sector utilities against the arrear electricity dues of the State Government Offices as one time settlement. The State Government has, however, been pressing the loanee entities for timely payment of interest on the loan, so that the position of realization of interest can be further improved.

Box 1.1: Non settlement of terms and conditions of loan

In terms of Odisha General Financial Rules, no loans or advances shall be sanctioned unless the loanee furnishes a written undertaking of the acceptance of its terms. Scrutiny of Finance Accounts, however, revealed that out of total outstanding loans of ₹ 6,326 crore, Terms and Conditions of loans amounting to ₹ 1,600.66 crore are yet to be settled as on 31 March 2018. The loans related to the periods extending from 1979 to 2018. Of these, the loan extended to Odisha Hydro Power Corporation Limited, which constitutes 79.86 per cent (₹1,278.36 crore) was taken during 1996-97.

This indicated lackadaisical approach of the Government towards recovery of loans and advances.

1.6.1.4 Cash Balance

The cash balance at the end of March 2018 was ₹ 30,848.11 crore. Cash balances and investments thereof made by the State Government during 2017-18 are given in **Table 1.19**.

Table 1.19: Cash balance and investment of cash balance

	(₹ in crore)	
	Opening balance on 1/4/2017	Closing balance on 31/3/2018
(a) General Cash Balance -		
Cash in Treasuries	--	--
Deposits with Reserve Bank	318.65	557.03
Deposits with other Banks	--	--
Remittances in transit - Local	--	--
Investments held in Cash Balance investment account	8,738.10	24,747.97
Total (a)	9,056.75	25,305.00
(b) Other Cash Balances and Investments		
Cash with departmental officers viz. Public Works	21.03	19.78

	Opening balance on 1/4/2017	Closing balance on 31/3/2018
Department Officers, Forest Department Officers, District Collectors		
Permanent advances for contingent expenditure with departmental officers	0.33	0.33
Investment in earmarked funds (Consolidated Sinking Fund- ₹ 5043 crore and Guarantee Redemption Fund- ₹ 480 crore)	5,523.00	5,523.00
Total (b)	5,544.36	5,543.11
Grand total (a)+ (b)	14,601.11	30,848.11

Source: Finance Accounts 2017-18.

The closing cash balances in the years 2015-16 and 2016-17 were ₹12,047.68 crore and ₹14,601.11 crore respectively. This indicates that the State Government maintained large cash balance on a regular basis, while being a fiscal deficit State at the same time.

- As per the Finance Accounts, the cash balance included an amount of ₹11,568.18 crore relating to Odisha Mineral Bearing Areas Development Corporation (OMBADC) account. Scrutiny of records revealed that Hon'ble Supreme Court of India had directed (02 August 2017) the State Government to keep the compensation recoverable in respect of the illegally mined ore under Section 21(5) of the Mines and Minerals (Development & Regulation) (MMDR) Act with OMBADC, a SPV (Special Purpose Vehicle) for undertaking tribal welfare and area development work.
- As against the mandated minimum Cash Balance of ₹ 1.28 crore, the State Government maintained ₹ 557.03 crore with Reserve Bank of India as on 31 March 2018.
- The Government invested cash balances amounting to ₹ 24,748 crore in GoI Treasury Bills (TB) and GoI Stocks. On these investments, the Government earned interest of ₹ 559.32 crore during the year.
- The 13th Finance Commission had recommended that the States with large cash balances should make efforts to utilize their cash balances before resorting to fresh borrowings. Out of a General Cash Balance of ₹25,305 crore, there was an untied Cash Balance of ₹13,436.83 crore. The State, however, resorted to market borrowings of ₹12,013 crore at interest rates ranging from 6.94 to 8.24 per cent, contrary to the Finance Commission recommendation.

Government in its reply stated (March 2019) that the cash balance included tied up balances like OMBADC Fund, State Disaster Response Fund, Consolidated Sinking Fund, Guarantee Redemption Fund etc., which cannot be used by the State Government for general purpose expenditure. If these balances are deducted, the amount of the cash balance is about ₹ 10,000 crore, which is the minimum balance required for one month's day to day expenditure.

The fact, however, remained that cash relating to OMBADC fund was only ₹11,568 crore. Even after deducting the tied up balances like CSF, GRF etc., the State was still left with untied cash balance of more than ₹ 13,000 crore. An amount of ₹12,013 crore

was borrowed at a higher interest rate from the market, while untied cash of more than ₹13,000 crore was available.

Recommendation 3: The State Government, before fresh borrowings should examine whether it is necessary to borrow funds at resorting to higher rates of interest when there are large cash balances available with them earning lower interest rates. GoO should avoid large cash balances resulting in avoidable interest burden.

1.6.2 Government Liabilities

Total Liabilities of the Government consist mainly of internal borrowings, loans and advances from GoI and balances in the Public Account.

1.6.2.1 Outstanding Liabilities

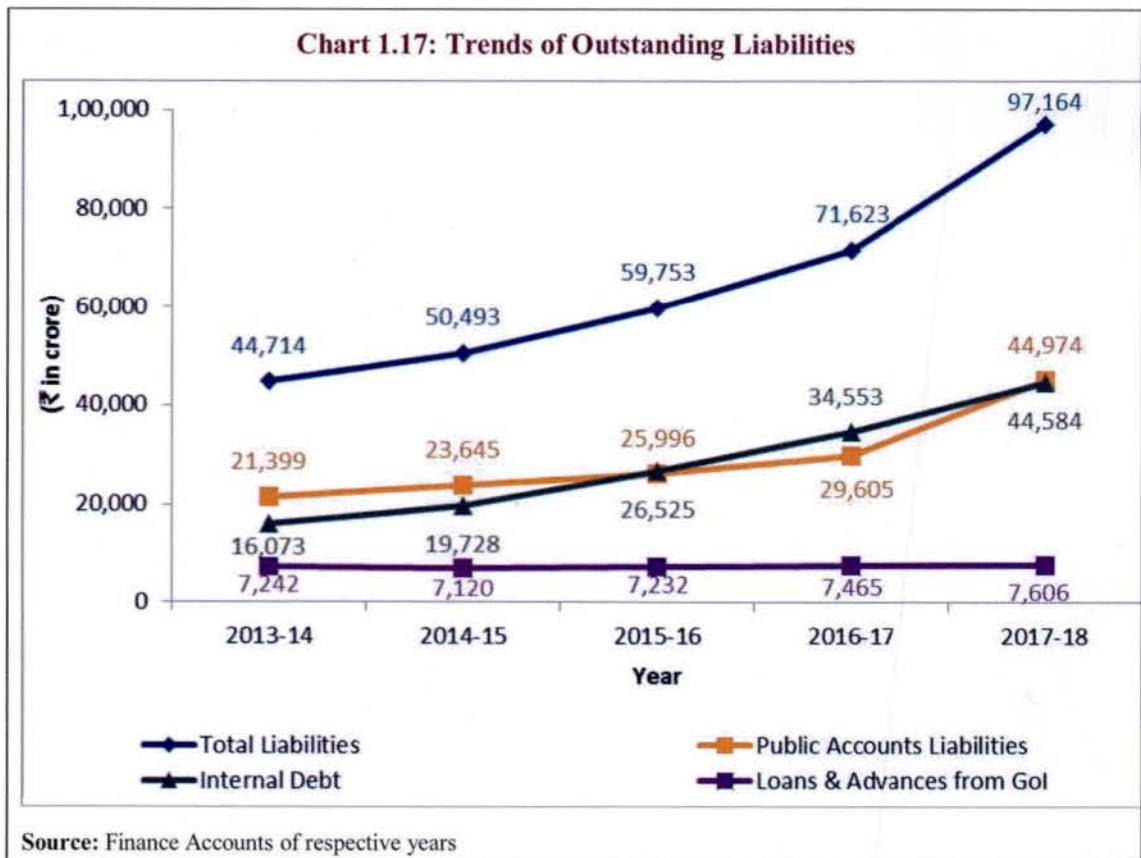
The components of Total Outstanding Liabilities are given in **Chart 1.16**.

Chart 1.16: Components of total outstanding liabilities of the State Government

Total Liabilities (₹ 97,164 crore)		
Internal Debt from Market, financial institutions, etc (₹ 44,584 crore)	Loans and Advances from Government of India (₹ 7,606 crore)	Public Account Liabilities where Government acts as a banker (₹ 44,974 crore)
Market Loans (₹ 23,531 crore)	Loans for Plan Schemes (₹ 7,588 crore)	Small Savings, Provident Fund, etc. (₹ 21,675 crore)
Loans from Financial Institutions (₹ 10,934 crore)	Non Plan Loans (₹ 18 crore)	Reserve Fund bearing Interest (₹ 1,364 crore)
Special Securities issued to NSSF (₹ 10,022 crore)		Reserve Fund not bearing interest (₹ 310 crore)
Other Loans (₹ 97 crore)		Deposit bearing interest (₹ 39 crore)
		Deposit not bearing interest (₹ 21,586 crore)

Source: Finance Accounts.

The trends of total Outstanding Liabilities during the last five years are presented in *Chart 1.17*.



The total Outstanding Liabilities of the State as of 31 March 2018 was ₹ 97,164 crore. **These are on an ascending trend (Chart 1.17) over the last five years. In 2017-18, the total outstanding liabilities of the Government stood at 1.14 times its Revenue Receipts.** They constitute 23.36 per cent of GSDP. The total liabilities grew by 35.66 per cent over the previous year and 117.30 per cent over 2013-14.

1.6.2.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Accounts of the State Government. These funds are met from contribution or grants from Consolidated Fund of India or State. Out of the gross accumulated balances of ₹ 7,197 crore lying in these Funds as on 31 March 2018, ₹ 5,523 crore was invested in Government Stock by Reserve Bank of India, leaving the total net accumulated balance of ₹1,674 crore as on 31 March 2018.

The transactions during the year 2017-18 under major reserve funds are detailed below:

i) Consolidated Sinking Fund (CSF): As per 12th Finance Commission recommendation, GoO set up Consolidated Sinking Funds for amortization of outstanding liabilities. The guidelines of the Reserve Bank of India, which is responsible for administering the fund, stipulate a minimum annual contribution of at least 0.5 per

cent of the outstanding liabilities at the end of the previous financial year to the CSF during the year. The State Government had not made mandatory annual minimum contribution of ₹ 358.12 crore to the Consolidated Sinking Fund in 2017-18. This had the impact of understating the fiscal deficit by an equivalent amount (Details in **Table 1.3**). There has been continuous non-contribution from 2013-14 to 2017-18, total amounting to ₹ 1,349.65 crore. As on 31 March 2018, while the total outstanding liability of the State Government was ₹97,164 crore, the balance in the Consolidated Sinking Fund was only ₹ 5,042.82 crore.

ii) Guarantee Redemption Fund (GRF): GRF was constituted in the year 2002-03, with the objective of meeting the payment obligations arising out of default in debt servicing of loans guaranteed by the Government. The State Government was required to contribute an amount equivalent at least to 1/5th of the outstanding invoked guarantees plus amount likely to be invoked as a result of the incremental guarantees issued during the year. The Government of Odisha had, however, not made any contributions to the Fund during 2017-18. The balance at the credit of the fund as on 31 March 2018 was ₹ 480 crore, which had been invested in Government of India securities by the Reserve Bank of India.

iii) State Disaster Response Fund (SDRF): During the year 2017-18, Central Government contributed ₹ 618 crore and the State Government contributed ₹ 206 crore to SDRF (75:25). Total funds in SDRF amounted to ₹5,275.27 crore (including interest received ₹45.05 crore from Investment of ₹ 2,954.95 crore in 91 days Treasury Bill). Out of the funds, State Government incurred expenditure of ₹ 3,911.51 crore during the year, leaving a balance of ₹ 1,363.74 crore as on 31 March 2018 in the Fund as against ₹ 1451.25 crore as on March 2017.

iv) Non-discharge of interest liabilities to Reserve Funds and Deposit bearing Interest

Government is liable to pay interest in respect of interest bearing Reserve Funds and Deposits. The details of interest on interest bearing Reserve Funds and Deposits for the period from 2013-14 to 2017-18 are presented in **Table 1.20**.

Table 1.20: Interest on Interest bearing Reserve Funds and Deposits

(₹in crore)

Name of the Fund	2013-14	2014-15	2015-16	2016-17	2017-18	Total Interest
Reserve Funds bearing Interest						
Depreciation Reserve Fund	0.36	0.36	--	--	--	0.72
State Disaster Response Fund	13.82	4.09	1.76	23.17	108.84	151.68
Total	14.18	4.45	1.76	23.17	108.84	152.40
Deposits bearing Interest						
Deposits of Government Companies, Corporations etc.	1.36	1.36	1.36	1.36	1.37	6.81
Defined Contribution Pension Scheme for Government Employees	5.36	2.58	1.97	2.29	2.85	15.05
Miscellaneous Deposits	--	--	0.01	0.02	0.02	0.05
Total	6.72	3.94	3.34	3.67	4.24	21.90
Grand Total	20.90	8.39	5.10	26.84	113.08	174.31

Source: Finance Accounts of respective years.

It can be seen from **Table 1.20** that the State Government was liable to pay interest amounting to ₹174.31 crore to these five funds during the last five years. Scrutiny of Finance Accounts revealed that the interest liabilities had not been discharged to the above interest bearing Reserve Funds and Deposits. This resulted in overstatement of Revenue Surplus to the tune of ₹ 113 crore during the year 2017-18 (Details in **Table 1.3**). Out of the above funds, State Disaster Response Fund suffered interest loss of ₹ 151.68 crore during last five years.

Government in its reply stated (March 2019) that it is not practically possible to invest the entire amount available in State Disaster Response Fund (SDRF) in auction Treasury Bills as some funds are required to be made available for natural calamities. Hence, the Principal Accountant General (A&E) would be moved for necessary amendment to the accounting procedure for SDRF. As per the accounting procedure mandated by Ministry of Home Affairs (September 2010), however, the SDRF has been constituted in Public Accounts under the category of Reserve Fund bearing Interest and State Government is liable to pay interest to the SDRF on half yearly basis.

1.6.2.3 Guarantees

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. The trends of Outstanding Guarantees for the years 2013-14 to 2017-18 are in **Chart 1.18**. Finance Department instructed (12 November 2002) that the total outstanding guarantee as on 1st April every year should not exceed hundred *per cent* of the State's Revenue Receipts (excluding grants-in-

aid) of the 2nd preceding year. The outstanding guarantees (₹ 1,711 crore) (**Chart 1.18**) at the end of 2017-18 stood at 3.12 *per cent* of total Revenue Receipts of the second preceding year less grants in aid (₹ 54,812 crore) and was within the ceiling (100 *per cent*) laid down in the said resolution.

Government categorised the guarantees as 100 *per cent* risk weighted i.e., the risk of default was borne by the State Government. Out of the loans guaranteed by the Government, 94 *per cent* was pertaining to Grid Corporation of Odisha Limited (GRIDCO) (**Chart 1.19**).

Chart 1.18: Status of Outstanding Guarantees

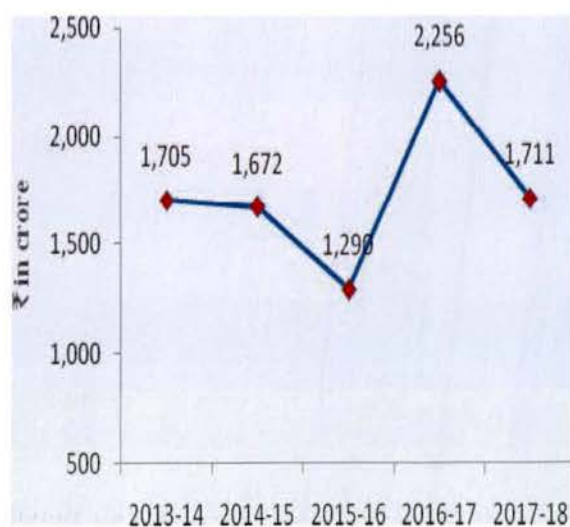
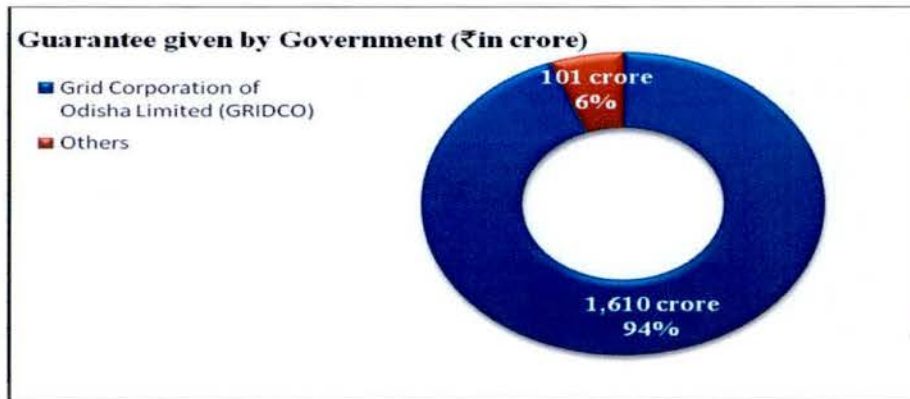


Chart 1.19: Bodies in receipt of guarantees at the end of 31 March 2018



Source: Finance Accounts

- In consideration of the guarantees 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. The State had received Guarantee Commission to the tune of ₹ 31.79 crore, which was 1.41 per cent of the outstanding guarantees at the beginning of the year. As per Finance Accounts, the State received ₹ 247.53 crore as Guarantee Commission or fee against the receivable amount of ₹ 341.88 crore as on 31 March 2018. The balance guarantee commission of ₹ 94.35 crore is yet to be received. Details are shown in **Table 1.21**.

Table 1.21: Guarantee Commission received/receivable by the Government

(₹ in crore)

Name of the Sector	No. of entities	Commission receivable	Commission received	Commission yet to be received
Power	4	271.48	209.44	62.04
Co-operatives	42	4.23	2.10	2.13
State Financial Corporation	7	8.53	2.88	5.65
Housing and Urban Development	86	40.97	26.82	14.15
Roads and Transport	2	1.84	1.84	0
Other Infrastructure	16	13.57	4.45	9.12
Others	4	1.26	--	1.26
TOTAL	161	341.88	247.53	94.35

Source: Finance Accounts 2017-18.

Government in its reply stated (March 2019) that the State Government is taking steps for timely collection of Guarantee Commission.

1.7 Debt Management

Outstanding Public Debt of the State Government (internal debt and loans & advances from GoI) as of 31 March 2018 is ₹ 52,190 crore. **The Outstanding debt increased by 24.21 per cent over the preceding year, at a higher rate than the growth of GSDP (10.28 per cent).**

1.7.1 Net availability of borrowed funds

The Net availability (₹ 5,184 crore) of borrowed funds (₹ 12,862 crore) after providing for interest payments (₹ 4,988 crore) and repayment of borrowings (₹ 2,690 crore), was positive (40 per cent), indicating availability of borrowed funds for purposes other than

debt repayment.

1.7.2 Public Debt Sustainability

The Public debt sustainability is defined as the ability of the State to service its debt in future. **Table 1.22 and Charts 1.20, 1.21 & 1.22** analyses the debt sustainability of the State during the five-year period 2013-18.

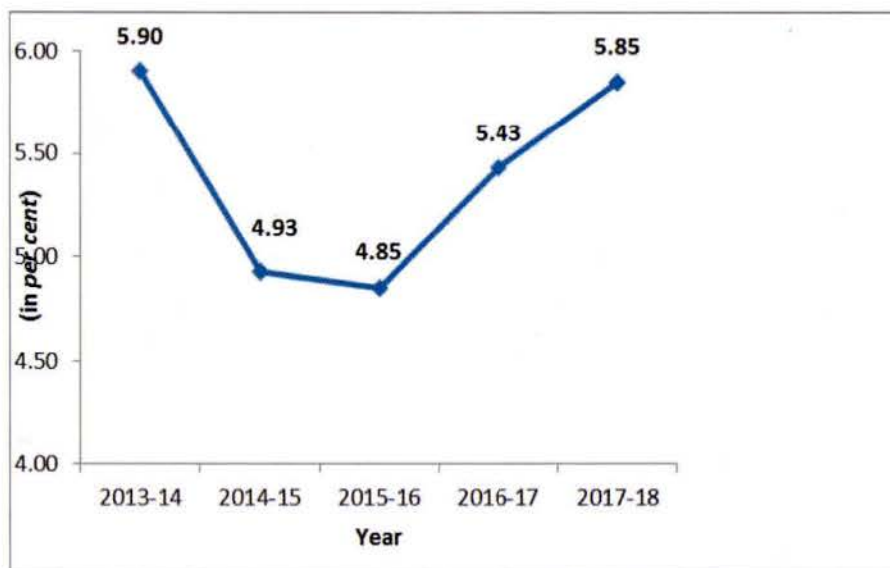
Table 1.22: Debt sustainability: Indicators during 2013-18

Indicators of Public Debt* Sustainability	2013-14	2014-15	2015-16	2016-17	2017-18
Outstanding Debt (₹ in crore)	23,315	26,848	33,757	42,018	52,190
Rate of growth of Outstanding Debt (in per cent)	(-)0.01	15.15	25.73	24.47	24.21
GSDP (at current prices) (₹ in crore)	2,96,475	3,14,267	3,30,874	3,77,202	4,15,982
Rate of growth of GSDP	13.29	6.00	5.28	14.00	10.28
Debt/GSDP ratio (in per cent)	7.86	8.54	10.20	11.14	12.55
Debt Receipts (₹ in crore)	2,290	7,646	9,790	11,223	12,862
Debt repayments (₹ in crore)	2,293	4,111	2,881	2,962	2,690
Interest payment	2,888	2,810	3,343	4,035	4,988
Tax Revenue (₹ in crore)	16,892	19,828	22,517	22,852	27,914

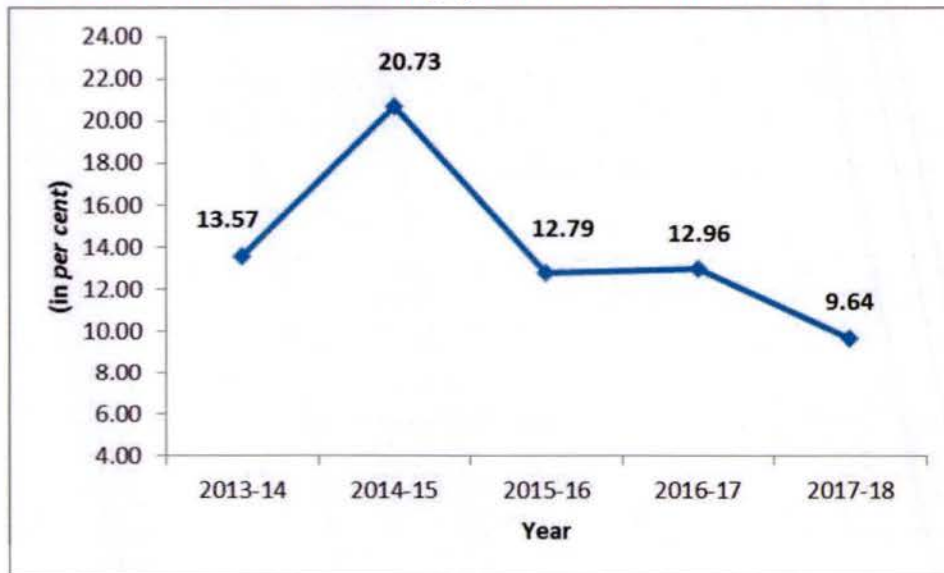
Source: Finance Accounts of respective years;

*Internal Debt and Loans from GoI

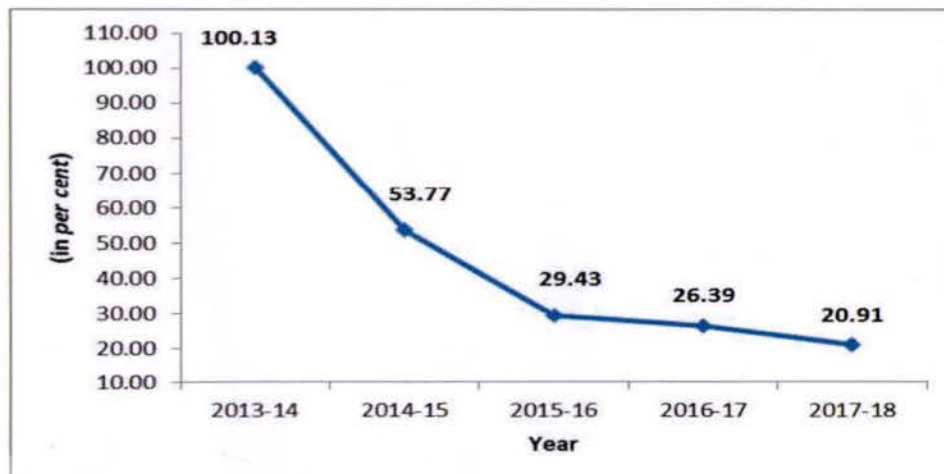
Chart 1.20: Interest payments as a per cent of Revenue Receipts



Source: Finance Accounts of respective years

Chart1.21:Trend of Debt Repayment versus Tax Revenue

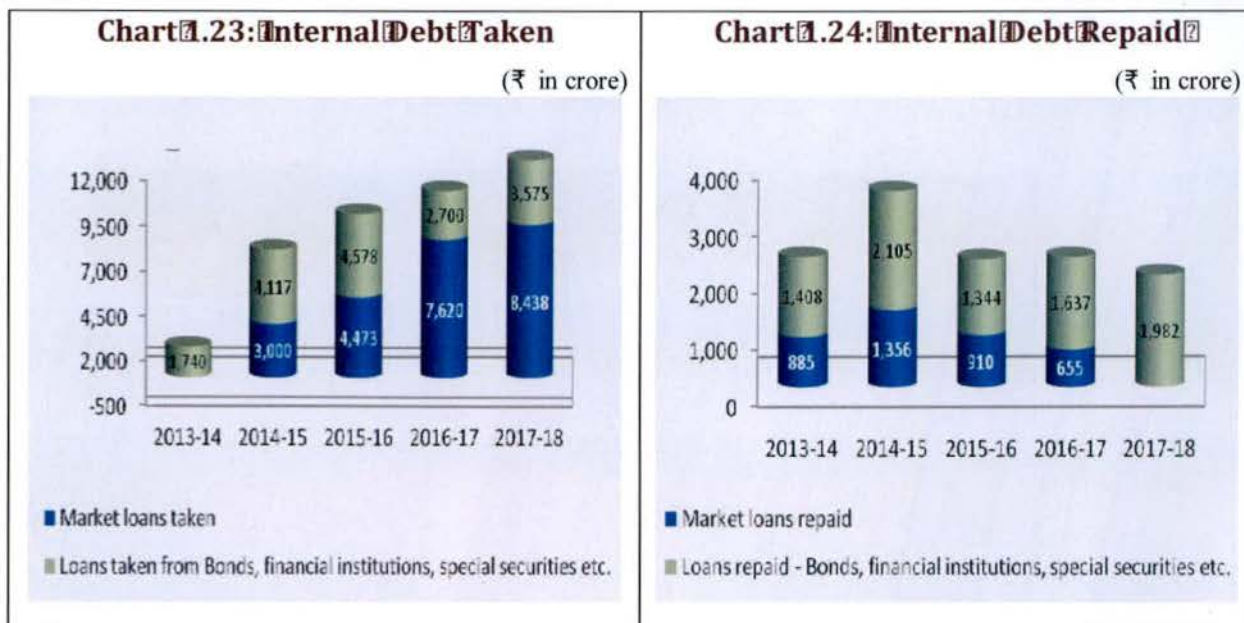
Source: Finance Accounts of respective years

Chart1.22:Trend of Debt Repayment versus Debt Receipts

Source: Finance Accounts of respective years

Interest payments relative to Revenue Receipts was at 5.85 per cent, which is well below the fiscal target of 15 per cent set out in the Odisha FRBM (Amendment) Act, 2016. The Public Debt Repayment as a percentage of Tax revenue has decreased from 12.96 per cent in 2016-17 to 9.64 per cent in 2017-18. This indicates that a little less than 10 per cent of tax revenue was utilized for debt repayment in 2017-18. Public Debt repayment as a percentage of Public Debt Receipts also decreased from 26.39 per cent in 2016-17 to 20.91 per cent in 2017-18, indicating decrease in utilisation of Public Debt Receipts for repayment of earlier Public Debt.

Market borrowings (₹ 23,531 crore) form a major portion (52.78 per cent) of the internal debt (₹ 44, 584 crore) of the State Government, with interest rates ranging from 4 to 13.99 per cent. In 2017-18, the State Government borrowed fresh market loans of ₹ 8,438 crore and no amount were repaid. The outstanding market borrowings as of 31 March 2018 were ₹ 23,531 crore. The net increase of market borrowings during the year was 55.91 per cent (₹ 8,438 crore) over previous year (₹ 15,093 crore).

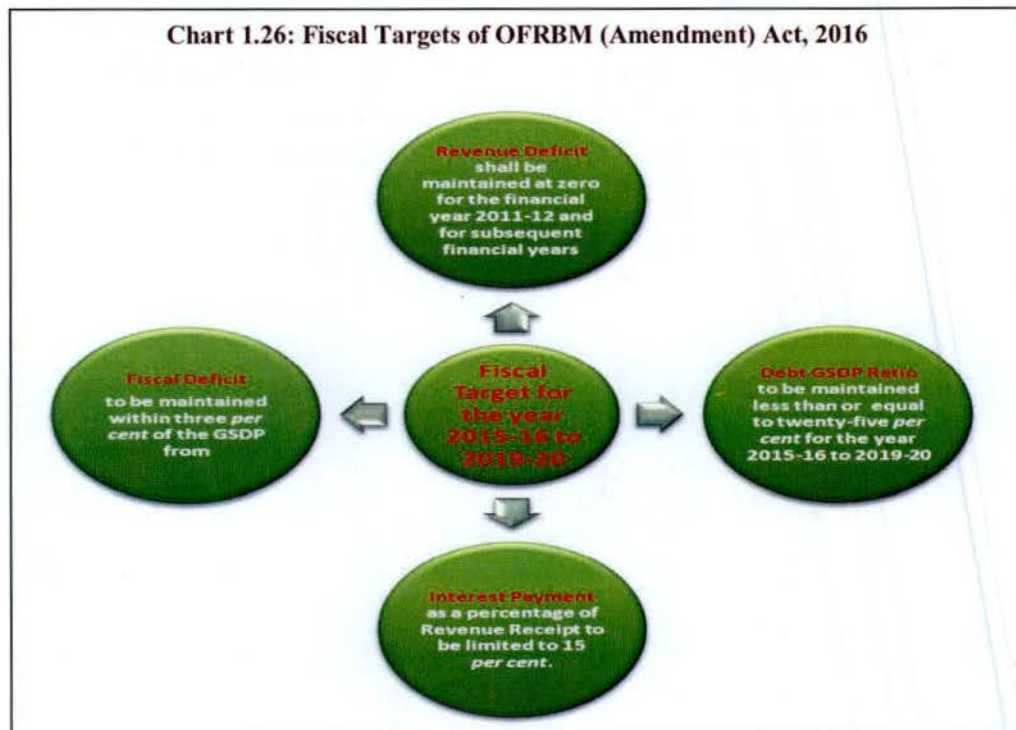


Source: Finance Accounts of respective years

1.8 Fiscal Reform Path

The State Government, in compliance with the recommendations of the 14th Finance Commission, amended Odisha Fiscal Responsibility and Budget Management Act (FRBM), 2005 and enacted the Odisha FRBM (Amendment) Act, 2016 with effect from 5 November 2016.

The following are the fiscal targets for the years 2015-16 to 2019-20:



Source: Odisha FRBM (Amendment) Act, 2016

Details of fiscal achievement with reference to the target set by the 14th Finance Commission and Odisha FRBM (Amendment) Act, 2016 Odisha are tabulated in **Table 1.23**.

Table 1.23: Fiscal targets and achievement during 2017-18

Key Fiscal Indicators	Target set by the FC-XIV	Targets in B.E.	Targets as per FRBM Act	Achievement
Revenue deficit (-)	Zero	₹ 6,694 crore revenue surplus	Zero	₹ 13,367 crore revenue surplus
Fiscal deficit (-) as percentage of GSDP	(-)3 per cent	₹ 14,435 crore fiscal deficit	(-)3 per cent	₹ 9,360 crore fiscal deficit (-)2.25 per cent
Debt as percentage of GSDP	25 per cent	18.51 per cent	25 per cent	12.55 per cent
Interest payment as percentage of Revenue Receipt	15 per cent	5.62 per cent	15 per cent	5.85 per cent
Ratio of Salary to State's Own Revenue	--	71.03 per cent	80 per cent	48.74 per cent
Ratio of non-interest committed revenue expenditure to State's own and Mandated Revenue	--	54.79 per cent	55 per cent	38.80 per cent

Source: FC-XIV Report, Budget at a Glance 2017-18 of GoO, FRBM Act and Finance Accounts 2017-18

As seen from the table above, the State has met all targets during 2017-18 set by the 14th Finance Commission and FRBM Act.

As per the provisions of Odisha Fiscal Responsibility and Budget Management Act, 2005 (Odisha FRBM Act, 2005), the State Government is required to entrust an agency, independent of the State Government interference, to make a review of compliance to the provisions of the Act and submit a report and cause it to be laid before the State Legislature.

In compliance with the said provisions of Odisha FRBM Act, 2005, the task of independent review of State's finances for the year 2015-16 was assigned to the National Institute of Public Finance and Policy (NIPFP), New Delhi. The NIPFP submitted the review report on 1st December, 2017, which was laid before the Legislative Assembly in March, 2018.

Chapter-II

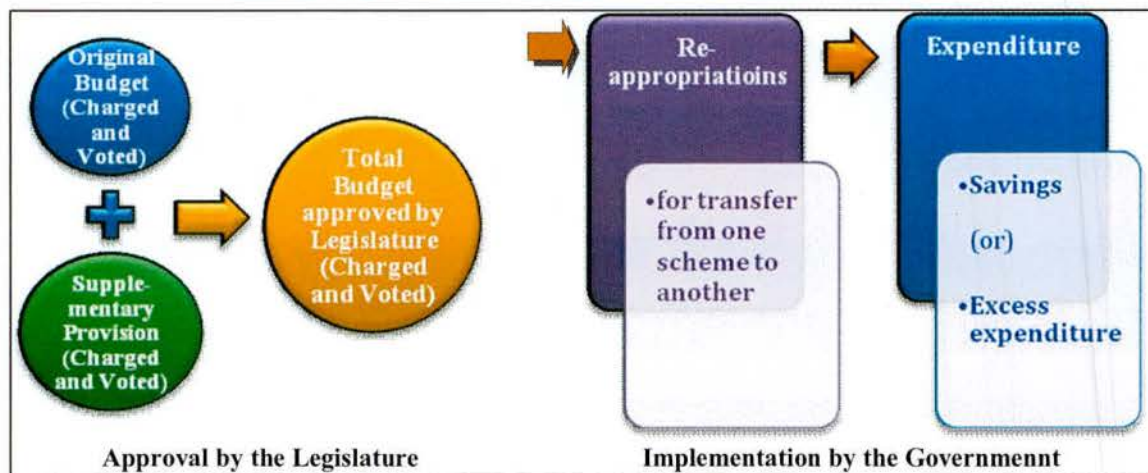
Financial Management And Budgetary Control

The Comptroller and Auditor General of India performs the audit of appropriations to ascertain whether the expenditure actually incurred under various grants underlying the budget is within authorisations given under the Appropriation Act for the year, that expenditure required to be charged under provisions of the Constitution is so charged, and whether, expenditure is incurred in conformity with the law, relevant rules, regulations and instructions. This chapter analyses the Appropriation Accounts of the Government for the year 2017-18.

2.1 Financial Accountability and Budget Management

The State Legislature initially approves the annual budget. The Government presents *Supplementary demands* (Para 166 of the Budget Manual) before the Legislature, when the initial allocation is found to be inadequate or expenditure has to be incurred on a new item. Further, Re-appropriation is a mechanism which allows the State Government to transfer Savings from one sub-head (usually a scheme) to another, provided such transfers occur **within the same grant¹ and under the same section²**. Appropriation Accounts captures the data along the entire process of budget formulation and implementation (*Chart 2.1*).

Chart 2.1: Flowchart of Budget Implementation



Source: Based on the procedure prescribed in Budget Manual and Appropriation Accounts

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure in 2017-18 against 42 grants and three appropriations is in **Table 2.1**:

¹ Grant means the amount voted by the Legislative Assembly in respect of a demand for grant

² Capital, Revenue or Loans

Table 2.1: Position of actual expenditure vis-à-vis allocations in 2017-18

(₹ in crore)

Nature of Expenditure		Original	Supplementary	Total	Actual Expenditure	Savings (-)/ Excess (+) with reference to total budget	Savings / Excess in percentage
Voted	I Revenue	80,129.16	5,912.44	86,041.60	68,028.36	(-)18,013.24	(-) 20.94
	II Capital	20,805.48	2,508.24	23,313.72	21,131.84	(-)2,181.88	(-) 9.36
	III Loans and Advances	685.47	0.00	685.47	475.42	(-)210.05	(-) 30.64
Total Voted		1,01,620.11	8,420.68	1,10,040.79	89,635.62	(-)20,405.17	(-) 18.54
Charged	IV Revenue	5,137.21	5.97	5,143.18	5,088.43	(-)54.75	(-)1.06
	V Capital	28.05	1.92	29.97	7.84	(-)22.13	(-) 73.84
	VI Public Debt -Repayment	3,414.64	0.00	3,414.64	2,690.21	(-)724.43	(-) 21.21
	VII Loans and Advances	0.00	1,400.00	1,400.00	1,400.00	0.00	0.00
Total Charged		8,579.90	1,407.89	9,987.79	9,186.48	(-)801.31	(-) 8.02
Grand Total		1,10,200.01	9,828.57	1,20,028.58	98,822.11	(-)21,206.48	(-) 17.67

Source: Appropriation Accounts 2017-18

The total provision for expenditure in 2017-18 was ₹ 1,20,028 crore. The actual gross expenditure during the year was ₹ 98,822 crore (82.33 per cent). There was an overall savings³ of ₹ 21,206 crore in 2017-18.

2.2.1 Revenue, Capital and Loans and Advances

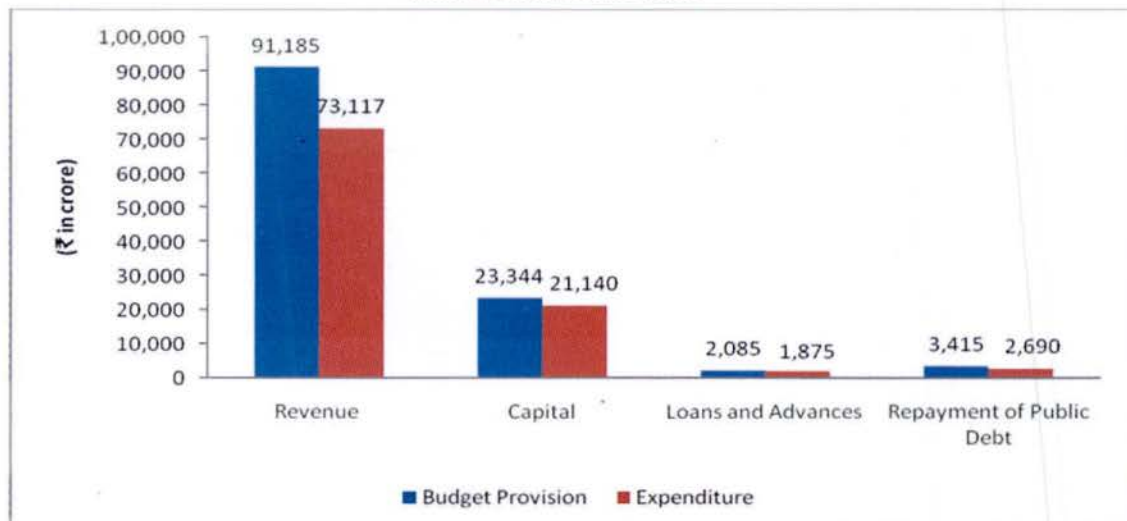
As per Rule 1 of the Odisha Budget Manual (OBM), the Government expenditure is categorised into three sections (i) Revenue expenditure⁴, (ii) Capital expenditure⁵ and (iii) Loans and advances⁶. Savings occurred in Revenue, Capital and Loans and Advances Account (*Chart 2.2*).

³ Savings is the term used for indicating the amount that could not be spent out of budget provision.

⁴ Revenue expenditure is the account of current expenditure of the State. For example, wages, salaries, maintenance works, repairs etc.

⁵ Capital Expenditure means expenditure of a Capital nature such as construction of irrigation projects, bridges, buildings, laying of roads, irrigation and electricity projects etc.

⁶ Loan account is the account of public debt incurred and discharged and loans and advances made by the State Government to local bodies, employees and others and recovered from them

Chart 2.2: Budget provisions and expenditure under Revenue, Capital and Loans and Advances Section

Source: Appropriation Accounts

Revenue Expenditure (₹73,117 crore) was lower than the Budget Estimates (₹ 91,185 crore) by 19.83 per cent. The programmes impacted by unspent savings of budget provisions were Pensions and other retirement benefits (₹ 1,656.70 crore) under Finance Department; Integrated Child Development Scheme (₹ 210.04 crore), and Maternity Benefit Programme-MAMATA (₹ 148.08 crore) under Women and Child Development Department.

Capital Expenditure (₹21,140 crore) was lower than the Budget Estimates (₹23,344 crore) by 9.44 per cent. The programmes impacted by unspent savings of budget provisions were Rashtriya Madhyamik Shiksha Abhiyan (₹ 188.41 crore) under School and Mass Education Department and Odisha Skill Development Project assisted by Asian Development Bank (₹100.00 crore) under Skill Development and Technical Education Department.

Loans and Advances were lower than the Budget Estimates (₹ 2,085 crore) by 10.07 per cent mainly due to surrender of funds under Loans for Cooperation (₹ 90 crore), Loans for Crop Husbandry (₹ 40 crore) and Loans for Consumer Industries (₹ 5 crore).

Repayment of Public Debt (₹ 2,690 crore) was also lower than the Budget Estimates (₹ 3,415 crore) by 21.23 per cent. This was mainly on account of less repayment to Central Government (₹ 602.84 crore) on account of debt raised from Special Securities issued to National Social Security Fund (NSSF).

2.2.2 Grant-wise analysis

As per the Budget Manual, the authority administering a grant is responsible for watching the progress of expenditure under its control and for keeping it within the sanctioned Grant or appropriation. The expenditure in Odisha Government is incurred

through 42 different Grants. For the purpose of determining excess expenditure or savings, Revenue (voted), Revenue (charged), Capital (voted), Capital (charged) and Loans (voted) are treated as independent grants. Savings and Excess expenditures for grants/ appropriations under Revenue, Capital and Loans and Advances section are in **Table 2.2:**

Table 2.2: Total excess or savings under different grants

Description	Revenue		Capital		Loans and Advances		Amount (₹ in crore)
	Number of grants ⁷	Number of appropriations ⁸	Number of grants	Number of appropriations	Number of grants	Number of appropriations	
Savings occurred in	42	1	33	1	--	1	2,1206.99
Excess expenditure occurred in	1	--	--	--	--	--	0.52

Source: Appropriation Accounts

The grants/appropriations where savings were more than ₹ 100 crore each and by more than 20 per cent of the total provision during 2017-18 are listed in **Appendix 2.1.**

2.2.2.1 Excess expenditure

As per Article 204 (3) of the Constitution of India, no money shall be withdrawn from Consolidated Fund of the State except under appropriations made by law passed in accordance with the provisions of this article.

Excess expenditure in current year: It was observed that excess expenditure of ₹ 0.52 crore was incurred in Grant No.8 - Odisha Legislative Assembly (Revenue-Voted) for the year 2017-18. As against provision of ₹ 46.82 crore, the Department of Odisha Legislative Assembly incurred expenditure of ₹ 47.34 crore under Revenue Voted section. The amount was spent under 2071-Pension & Other Benefits Unit.

Excess expenditures in previous years: Cases of excess expenditure are reported almost every year through Audit Reports on State Finances. Excess expenditure amounting to ₹ 79.08 crore in respect of six cases under four grants and one appropriation was incurred over the provisions during 2013-14 to 2016-17 as detailed in **Table 2.3.**

Table 2.3: Grants in which excess expenditure was made in last four years

(₹ in crore)

Sl. No.	Number and Name of the Grant	Amount of Excess			
		2013-14	2015-16	2016-17	TOTAL
Revenue Voted					
1.	22-Forest and Environment	0.29	0.25	-	0.54
2.	26-Excise	0.27	0.01 ⁹	-	0.28

⁷ Grants are the provisions voted by the Legislature for incurring voted expenditure

⁸ Appropriation is the provision made in the budget for incurring expenditure which is directly charged and not subject to the voting of the Legislature

⁹ ₹ 87,887 only

3.	31- Handlooms, Textile and Handicrafts	18.00	-	-	18.00
4.	13- Housing and Urban Development	-	-	3.63	3.63
5.	6003-Internal Debt	-	-	56.63	56.63
	TOTAL	18.56	0.26	60.26	79.08

Source: Appropriation Accounts for the respective years

Such repeated excess expenditures over grants approved by the State Legislature are in violation of the will of the Legislature and the basic principle of democracy that not a rupee can be spent without the approval of the House of People/ State Legislative Assembly and, therefore, need to be viewed seriously.

Recommendation 4: State Government may analyse the reasons for excess expenditure. The Finance Department should ensure that no Departmental controlling officers, including the Finance Department itself, resort to excess expenditure over the regular allocations approved by the State Legislature.

2.2.2.2 Excess expenditure requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excess expenditure over a grant/appropriation regularised by the State Legislature. The excess expenditure was to be regularized after discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). For this purpose, the Departments concerned are required to submit Explanatory Notes for excess expenditure to PAC through Finance Department.

The State Government, however, failed to get the excess expenditure amounting to ₹ 79.08 crore over and above the allocation, pertaining to the years 2013-14 to 2016-17 and ₹ 0.52 crore pertaining to 2017-18, regularised as of March 2019.

The Government in its reply stated (March 2019) that steps would be taken for regularization of the excess expenditure.

Recommendation 5: All the existing cases of excess expenditure need to be got regularised at the earliest.

2.2.2.3 Savings

In the year 2017-18, the total savings were ₹ 21,206 crore. Of these, ₹ 11,672 crore (55.04 per cent) pertained to 10 grants and one appropriation with savings of more than ₹100 crore each and by more than 20 per cent of the total provision (*Appendix 2.1*).

In addition, during the years 2013-18, there were cases of persistent savings of more than ₹100 crore each as shown in **Table 2.4**:

Table 2.4: Grants/Appropriations with persistent savings during the years 2013-18

Sl. No.	Grant No.	Name of the Grant/Appropriation	Amount of savings in crore (per cent)				
			2013-14	2014-15	2015-16	2016-17	2017-18
Revenue (Voted)							
1	1	Home	175.54 (7)	178.91 (6)	255.57 (8)	289.00 (8)	384.58 (9)
2	3	Revenue and Disaster Management	2,633.53 (43)	1,247.47 (36)	2,038.41 (39)	1,889.79 (37)	182.04 (19)
3	5	Finance	2,754.72 (29)	2,052.78 (23)	3,233.94 (33)	4,431.05 (38)	4,177.53 (32)
4	10	School and Mass Education	509.22 (7)	1,414.78 (15)	1,942.82 (18)	1,637.59 (14)	2,081.16 (15)
5	11	Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare	263.10 (16)	373.64 (20)	316.00 (14)	359.40 (15)	281.33 (11)
6	12	Health and Family Welfare	303.30 (14)	651.88 (19)	222.71 (7)	406.52 (9)	516.22 (11)
7	17	Panchayati Raj	436.05 (12)	2,064.92 (30)	1,439.68 (16)	664.93 (7)	1,971.73 (18)
8	20	Water Resources	117.70 (8)	333.91 (19)	152.85 (8)	129.86 (6)	241.00 (11)
9	36	Women and Child Development	249.75 (6)	1,107.72 (24)	351.31 (9)	798.74 (27)	922.38 (29)

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

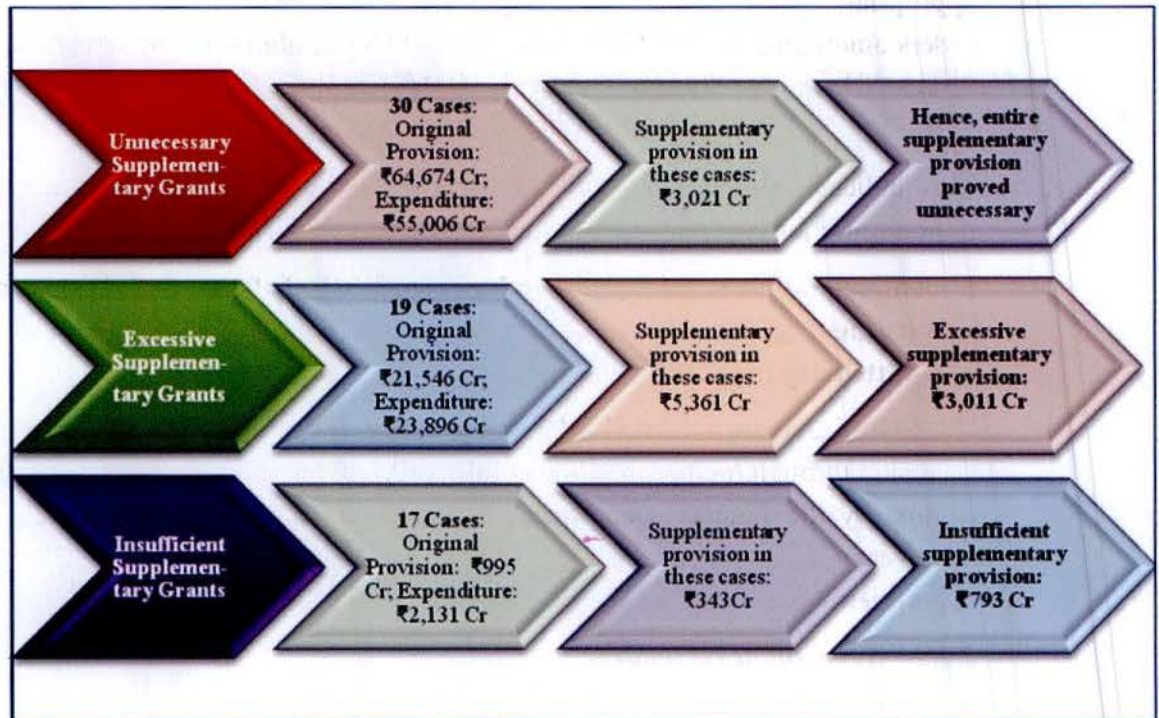
In the year 2017-18, there was a saving of ₹ 3,748.66 crore (65.29 per cent) against the budget provision of ₹ 5,741.36 crore under Disaster Management Department (Grant No.42).

Persistent Savings under School and Mass Education, Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare, Health and Family Welfare, Panchayati Raj and Women and Child Development Department indicated that the schemes under these departments did not receive the required priority by the Government and there was inefficiency in implementation by the departments concerned / implementing agencies.

2.2.3 Supplementary Grants

Audit analysis showed that supplementary grant (₹ one crore and above) of ₹ 3,021.33 crore i.e., 30.74 per cent of total supplementary grant was unnecessary in 30 cases relating to 23 grants (Appendix 2.2). Supplementary provision aggregating ₹ 5,361.05 crore proved excessive by ₹ 3,011.02 crore in 19 cases under 17 grants (Appendix 2.3). On the other hand, in 17 cases under seven grants (Appendix 2.4) the supplementary grant of ₹ 342.77 crore was not adequate to meet the requirement and fell short by 56.77 per cent (Chart 2.3).

Chart 2.3: Unnecessary, Excessive and Insufficient Supplementary Provisions



Source: Appropriation Accounts

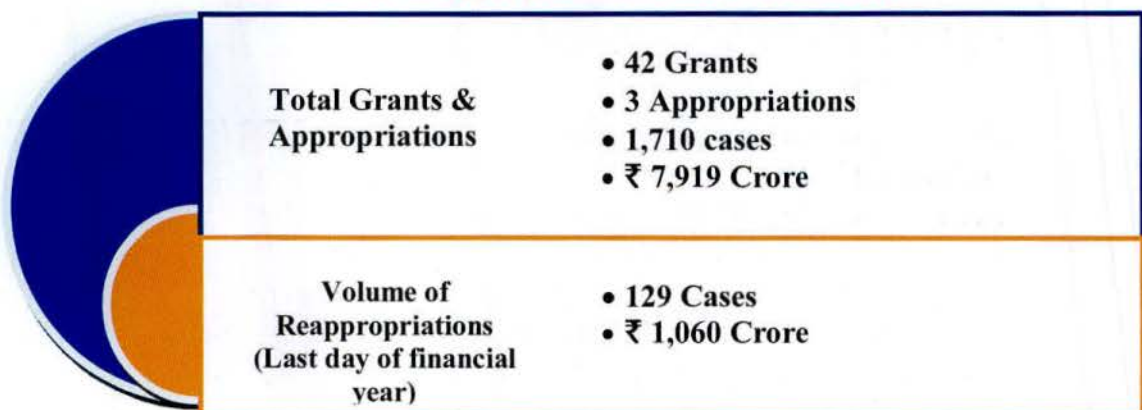
2.2.4 Re-appropriations

By definition, Re-appropriations are meant for transfer of savings from one scheme / unit to another within the same grant and under same section (*i.e.*, Capital, Revenue or Loans). It was observed that re-appropriation of funds proved unnecessary/excessive in 14 cases and insufficient in 10 cases and resulted in less expenditure of ₹ 62.93 crore and excess expenditure of ₹ 112.45 crore as detailed in *Appendix 2.5*.

During 2017-18, re-appropriation orders amounting to ₹ 7,918.94 crore (1,710 cases) were issued.

Audit analysis of Re-appropriations is depicted below:

Chart 2.4: Re-appropriation in the overall budget



Source: Appropriation Accounts

The Finance Department had informed (February 2018) that the deadline for the re-appropriations was 26.02.2018. Despite that, there were 26 cases of re-appropriation orders amounting to ₹1,043.38 crore (one crore and above in each case) issued on 31 March 2018, for which there was no scope for expenditure during 2017-18 (*Appendix-2.6*).

This indicates that the expenditure control mechanism was not adequate and that re-appropriation was not done on the basis of real-time data.

Recommendation 6: Leveraging advancements in Information Technology, State Government may issue re-appropriations on the basis of real-time data on committed expenses and actual receipts.

The State Government stated (March 2019) that in order to ensure that the augmented provision through re-appropriation is fully utilised, instructions were issued from time-to-time by the Finance Department to the grant controlling authorities. The fact, however, remains that requirement of funds was not properly assessed before the re-appropriation.

2.2.5 Substantial surrenders

Surrenders of 100 *per cent* of total provision of ₹ 2,686.12 crore were made under 45 sub heads (₹ 10 crore or more in each case) under 17 grants. These represented different schemes / programmes / projects and activities (*Appendix-2.7*). Similarly surrenders of ₹ 2,731.20 crore (21 grants) and ₹ 1,788.12 crore (15 grants) were made during the years 2015-16 and 2016-17 respectively. The surrenders were mainly attributed to late approval of projects and non-finalisation of tenders, non-release of Central share from Government of India, non-utilisation of funds etc.

The State Government stated (March 2019) that in some cases there was a need to make provision as natural calamity expenditure was unpredictable. It was further stated that out of the total surrendered amount, ₹ 300 crore which was provided for protection of interest of Depositors, was surrendered due to the reason that identification and verification of beneficiaries could not be completed, as it was a time consuming exercise. The fact remains that non-utilisation and ultimate surrender of funds resulted in denial of intended benefits to beneficiaries. No reason for surrender of funds in remaining 44 cases was given by the Government.

2.2.6 Surrender in excess of savings

In ten cases (nine grants), there were savings of ₹ 8,128.15 crore. The amount surrendered was ₹ 8,312.17 crore, resulting in excess surrender (₹ 1 crore or more in each case), amounting to ₹ 184.02 crore as detailed in **Table 2.5**.

Table 2.5: Surrender in excess of actual savings during 2017-18

(₹ in crore)

Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Savings	Amount surrendered	Amount surrendered in excess
1	1-Home (Revenue Voted)	4,195.76	384.58	386.44	1.86
2	4-Law (Revenue Voted)	343.05	63.12	64.83	1.71
3	5-Finance (Revenue Voted)	13,182.86	4,177.53	4,179.45	1.92
4	9-Food Supplies and Consumer Welfare (Revenue Voted)	1,005.51	19.92	21.54	1.62
5	11-ST & SC Development, Minorities and Backward Classes Welfare (Capital Voted)	582.02	54.66	67.11	12.45
6	12-Health and Family Welfare (Revenue Voted)	4,609.05	516.22	535.58	19.36
7	13-Housing and Urban Development (Revenue Voted)	4,142.82	428.86	496.56	67.70
8	13-Housing and Urban Development (Capital Voted)	1,016.55	49.65	53.02	3.37
9	17-Panchayati Raj (Revenue Voted)	11,246.67	1,971.73	2,031.15	59.42
10	28-Rural Development (Revenue Voted)	2,917.23	461.88	476.49	14.61
	TOTAL	43,241.52	8,128.15	8,312.17	184.02

Source: Appropriation Accounts 2017-18.

The excess surrender indicated that these departments had failed to exercise necessary budgetary controls by watching flow of expenditure through monthly expenditure statements.

Recommendation 7: The Government should prevent injudicious surrenders.

2.2.7 Anticipated savings not surrendered

As per Rule 146 of Odisha Budget Manual, the spending departments are required to surrender the grants/ appropriations or portion thereof to the Finance Department as and when the savings are anticipated. Finance Department instructions (February 2018) also stipulated that the surrender of unutilised funds should be made on or before 28.02.2018. A review of savings of grants and appropriations and surrender thereof showed the following:

- Out of total savings of ₹7,957.36 crore in 11 cases, only ₹6,722.65 crore was surrendered (short surrender by ₹ one crore and above in each case), leaving balances not surrendered aggregating ₹1,234.71 crore (15.52 per cent of total savings). Details are given in *Appendix-2.8*. Similarly, ₹1,097.43 crore (24 cases) and ₹ 343.05 crore (17 cases) were not surrendered during the years 2015-16 and 2016-17 respectively.
- Besides, in 45 cases against 25 grants and one appropriation (surrender of funds in excess of ₹10 crore) ₹12,392.75 crore was surrendered on the last working day of the financial year (*Appendix 2.9*). Similarly, ₹ 6,774.44 crore (33 cases) and ₹ 8448.64 crore (28 cases) were surrendered on the last working day of financial years 2015-16 and 2016-17 respectively.

In response to Para no. 2.3.10 of the Audit Report on State Finances for the year ended March 2015, the Government had stated (November 2015) that surrender of anticipated savings would be ensured through stabilization of the expenditure

reconciliation module of Integrated Financial Management System (IFMS). These irregularities, however, still persisted even after three years.

The Government stated (March 2019) that a sizeable amount of Central Assistance was received towards the fag-end of the financial year. As the expenditure reconciliation module of IFMS was more or less stabilised, the Controlling Officers would ensure that the anticipated savings were surrendered before the closure of financial year.

The IFMS was introduced in Odisha in 2013 with the aim of monitoring expenditure with reference to approved budget provision for better financial management. The reply of the Government indicated that the IFMS module was not fully stabilized, even after the assurance given by the Government in November 2015, resulting in persistent irregularities even after three years.

Recommendation 8: All anticipated savings should be surrendered in time so that the funds can be utilised for other development purposes.

2.2.8 Release of funds at the fag end of the financial year

As per Finance Department instructions (16 December 2017), the process of issuance of sanction order for release of funds as well as surrender of provision would be completed by 31.01.2018 to avoid rush of expenditure in the last month of the financial year.

Timely release of funds to the implementing agencies has a direct bearing on successful implementation of the schemes and avoiding rush of expenditure. An examination of sanction orders revealed that the Government released ₹ 624.90 crore for implementation of different schemes in 10 departments in the last week of March 2018 (*Appendix 2.10*). Of this, ₹ 39.81 crore was released on 31 March 2018 as detailed in **Table 2.6**. As such, there was no possibility of proper utilisation of these funds during the financial year 2017-18.

Table-2.6: Department-wise amount released on 31.03.2018

(₹ in crore)				
Sl. No	Name of Department	Purpose	Date	Amount
1	Health and Family Welfare	Continuance of National Health Mission	31/03/2018	9.79
		Continuance of National Health Mission	31/03/2018	6.22
		Continuance of National Health Mission	31/03/2018	11.70
2	Women and Child Development	Conducting Convergent Nutrition Action(CAN) Innovation Pilot under ISSNIP	31/03/2018	1.29
3	Home	Purchase of different clothing articles	31/03/2018	1.62
		Purchase of different equipment	31/03/2018	1.31
		Purchase of clothing articles	31/03/2018	5.92
		Purchase of Web equipment	31/03/2018	0.13
		Purchase of different types of Riot Control materials	31/03/2018	0.09
		Purchase of Body Protector Set	31/03/2018	0.09
		Purchase of different furniture	31/03/2018	0.06
		Purchase of different furniture	31/03/2018	0.30
		Purchase of Tubular Folding Steel Bed Cots	31/03/2018	0.12

Sl. No	Name of Department	Purpose	Date	Amount
		Purchase of Tubular Folding Steel Bed Cots	31/03/2018	0.47
		Purchase of Tubular Folding Steel Bed Cots	31/03/2018	0.24
		Purchase of Tubular Folding Steel Bed Cots	31/03/2018	0.38
		Purchase of different equipment	31/03/2018	0.08
			Total	39.81

Source: Sanction orders received from respective Departments

As evident from the table, Health & Family Welfare department accounted for 69.60 per cent (₹ 27.71 crore) of the total amount released. This indicated that the amount released was primarily to exhaust the budget provision.

2.3 Cash Management System and Rush of Expenditure

Pursuant to the provisions of sub-section (1-a) of Section 8 of the Odisha Fiscal Responsibility and Budget Management Act, 2016, Government of Odisha laid down guidelines for timely spending of Budgetary grants as per Cash Management System in 20 departments during 2017-18.

As per the regulation of expenditure 2017-18 in Cash Management System, the flow of expenditure should be evenly paced. In terms of Finance Department instructions dated 29 April 2017, the level of expenditure at the end of the third quarter should not be less than 60 per cent and during the month of March, the same should not be more than 15 per cent of the gross budget provision.

During 2017-18, cash management system was implemented in 20 departments. Out of these 20 departments, seven¹⁰ departments had spent minimum 60 per cent of the original budget provision by the end of third quarter. The Industry Department utilised only 23.87 per cent of the original provision by the end of third quarter. Similarly, 10¹¹ departments exceeded expenditure of 15 per cent of the original budget provision in the month of March 2018 (the excess ranged from 16.23 to 30.86 per cent) as indicated in Table 2.7.

Table 2.7: Analysis of cash management system

Sl. No.	Grant No/ Department	Original Budget Provision	April - December 2017		March 2018	
			Expenditure during first three quarters	Percentage of Expenditure	Expenditure during the month	Percentage of Expenditure
1	7-Works	4,972.43	2,861.33	57.54	892.68	17.95
2	9-Food Supplies and Consumer Welfare	1,006.72	628.14	62.39	146.18	14.52
3	10-School and Mass Education	13,897.23	7,586.11	54.59	2,716.49	19.55
4	11-ST & SC Development, Minorities and Backward Classes Welfare	2,950.37	1,528.7	51.81	910.42	30.86
5	12-Health and Family Welfare	5,712.33	3,225.17	56.46	854.98	14.97
6	13-Housing and Urban Development	4,492.31	2,438.55	54.28	1,085.44	24.16
7	17-Panchayati Raj	8,782.83	7,155.29	81.47	742.81	8.46
8	19-Industry	279.69	61.99	23.87	23.82	8.52

¹⁰ Sl.No.2,7,9,12,13,19 & 20 of Table 2.7

¹¹ Sl.No.1,3,4,6,9,10,12,13,17 & 19 of Table 2.7

Sl. No.	Grant No/ Department	Original Budget Provision	April - December 2017		March 2018	
			Expenditure during first three quarters	Percentage of Expenditure	Expenditure during the month	Percentage of Expenditure
9	20-Water Resources	9,224.88	5,717.76	62.02	1,496.04	16.23
10	22-Forest and Environment	747.16	367.79	49.23	122.59	16.41
11	23-Agriculture & Farmers' Empowerment	4,123.36	2,063.23	50.04	377.25	9.15
12	28-Rural Development	7,374.35	4,558.23	61.81	1,367.19	18.54
13	30-Energy	1,740.66	1,222.06	70.21	468.81	26.93
14	31-Handloom, Textile & Handicrafts	203.43	82.24	40.43	29.39	14.45
15	33-Fisheries and Animal Resources Development	782.24	400.15	51.15	95.59	12.22
16	36-Women & Child Development	2,883.08	1,539.62	53.40	387.27	13.43
17	38-Higher Education	2,094.72	1,089.62	52.02	405.89	19.38
18	39- Skill Development and Technical Education	804.84	398.22	49.48	71.40	8.87
19	40-Micro, Small and Medium Enterprises	149.52	92.25	61.70	37.55	25.11
20	41-Social Security and Empowerment of Persons with Disabilities	2,007.72	1,254.14	62.47	226.49	11.28

Source: Monthly Appropriation Reports for December 2017 and March 2018.

Thus, out of 20 departments, only three departments (Sl. No.2, 7 & 20) had followed the guidelines for timely spending of budgetary grants as per the Cash Management System.

2.3.1. In terms of Rule 147 of Odisha Budget Manual, rush of expenditure in the closing month of the financial year is a breach of financial regularity, which should be avoided. Contrary to this, there were 18 Schemes (sub-heads) in 11 departments, where 100 per cent of the total expenditure was incurred (₹ 1,169.43 crore) in March 2018 (*Appendix 2.11*).

High percentage of expenditure in March and especially on the last working day of the financial year indicates that uniform flow of expenditure during the year, a primary requirement of budgetary control, was not maintained. This indicated failure of Cash Management System in 17 departments.

Recommendation 9: The State Government should enforce rules to ensure that budget provisions are fully utilised and prevent rush of expenditure during fag end of the financial year.

2.4 Review of selected grants

A detailed scrutiny of two grants, viz., (i) Grant No. 23 - Agriculture and Farmers' Empowerment Department and (ii) Grant No. 12 - Health and Family Welfare Department, was conducted in Audit. At an aggregate level, there were savings under both grants.

Audit findings in this regard are discussed below:

2.4.1 Agriculture and Farmers' Empowerment Department (Grant No-23)

Budgetary control mechanism of the Agriculture and Farmers' Empowerment Department was scrutinized. Year-wise budget provisions (both Original and Supplementary) and total expenditure incurred under Revenue sections during 2015-16 to 2017-18 is given in **Table 2.8**. It was observed that during the years 2015-16 to

2017-18, the total expenditure under the Revenue section was less than the Original provision in all the three years. Thus, supplementary provision made during these years were unnecessary.

Table 2.8: Budget provision vis-à-vis Expenditure incurred during 2015-16 to 2017-18

		(₹ in crore)		
		2015-16	2016-17	2017-18
Revenue Expenditure	Original	3,009.08	3,403.21	3,871.76
	Supplementary	456.84	69.21	15.16
	Total provision	3,465.92	3,472.42	3,886.92
	Total Expenditure	3,005.57	2,980.34	2,940.84
	Savings	460.35	492.08	946.08
	Surrender	460.70	492.01	944.18
	Percentage of savings to Total provision	13.28	14.17	24.34
Capital Expenditure	Original	122.30	243.20	251.60
	Supplementary	34.20	0	0
	Total provision	156.50	243.20	251.60
	Total Expenditure	141.50	193.20	201.60
	Savings	15.00	50.00	50.00
	Surrender	15.00	50.00	50.00
	Percentage of savings to Total provision	9.58	20.56	19.87

Source: Appropriation Accounts 2015-16 to 2017-18, Government of Odisha.

Further, percentage of savings to total provision in Revenue section of the grant registered an increase of 11.06 per cent in 2017-18 from the savings of 13.28 per cent during 2015-16. In Capital section of the grant, an increase of 10.29 per cent from 9.58 per cent was registered during the said period.

Programme implementation

Test check of few Schemes revealed the following:

2.4.1.1 State Potato Mission

In order to make the State self-sufficient in potatoes by the year 2017-18, Government had launched State Potato Mission during 2015-16 for production, storage and distribution of potatoes in the State. The scheme was implemented through Directorate of Horticulture under Agriculture Department. Under the scheme, the department had to provide incentive to the farmers for undertaking large scale cultivation of potatoes in cluster, give incentive for production of seed potatoes in the farmer's field and to provide support for setting up of adequate number of cold storages in the State. The financial and physical target and achievement there against is detailed in **Table 2.9**.

Table 2.9: Budget provision, Expenditure on State potato mission for the year 2015-16 to 2017-18

Year	Budget provision	Allotment	Expenditure	Un-utilised balance	Percentage of utilisation against budget provision	Physical Target	Physical achievement	Shortfall
	(₹ in crore)					Establishment of cold storage (in numbers)		
2015-16	50.00	50.00	24.05	25.95	48.10	35	10	25

2016-17	60.00	15.00	2.60	12.40	4.33	10	7	3
2017-18	20.00	0.00	0.00	0.00	0.00	10	6	4
Grand Total	130.00	65.00	26.65	38.35		55	23	32

Source: Information furnished by Directorate of Horticulture, Odisha

- From the table, it can be seen that the percentage of utilisation of funds against budget provision ranged from zero to 4.33 *per cent* during 2016-17 and 2017-18.
- Against target of establishing 55 cold storages, the Department could establish only 23 cold storages resulting in a shortfall of 58.18 *per cent*, during the last three years.
- Due to inadequate utilisation of funds and non-achievement of physical target set under State Potato Mission, the intended benefits could not be achieved.

The Director of Horticulture stated (October 2018) that due to non-receipt of proposal for establishment of cold storages by private parties, non-availability of quality potato seed, high seed cost, late planting of potatoes etc., the target could not be achieved. The fact remained that the inadequate utilisation of funds, failure to provide the incentives and support to the farmers led to non-implementation of the Potato Mission.

Thus, the objective of achieving self sufficiency in production of potatoes by the year 2017-18 could not be achieved.

The Government accepted (March 2019) the audit observation.

2.4.1.2 Cashew Development

In order to ensure availability of adequate quantity of cashew quality seeds and other required material to the farmers in time and also to increase seed replacement rate of various agricultural crops, Government provided an interest free short term loan of ₹30 crore and ₹ 10 crore each to OAIC Ltd. and OSCDC Ltd.¹² respectively during 2016-17 and 2017-18. Test check of records revealed that there was no expenditure against the provision made during 2016-17 and 2017-18 as detailed in **Table 2.10**.

Table 2.10: Budget Provision, Expenditure for the year 2016-17 and 2017-18

(₹ in crore)

Sl. No.	Head of Account/Scheme	Year	Total provision	Expenditure
1	6401-00-103-3055-Corpus fund for Odisha cashew development Corp Ltd. - 48390 interest free loan 3rd procurement	2016-17	10.00	0.00
		2017-18	10.00	0.00
2	2401-00-103-2981-Corpus fund for Odisha Agro industries Ltd-48390 interest free loan 3rd procurement	2016-17	30.00	0.00
		2017-18	30.00	0.00
Total			80.00	0.00

¹² Odisha State Agro Industries Corporation (OAIC) Ltd. and Odisha State Cashew Development Corporation (OSDCD) Ltd.

Further scrutiny revealed that both the Corporations had stopped seed business from 2016-17. Hence, there was no need to make budget provision for these schemes during 2017-18. Even after one year after the corporations had stopped the seeds business, the department of Agriculture had been making budget provisions. The Director of Agriculture stated (October 2018) that seed requirement of farmers was met from Chief Minister's (CM's) special package. This raises serious doubt on the budget mechanism being followed by the department without ensuring its proper utilization. As a result the entire fund of ₹ 80 crore remained unutilized and subsequently surrendered.

2.4.1.3 National Food Security Mission

The objective of the scheme was to increase production of food grain and commercial crops, restoring soil fertility and enhancing farm level economy. Against the provision of ₹145.52 crore during 2017-18, ₹ 91.66 crore (62.99 per cent) was only utilized.

The Director stated (October 2018) that due to non-receipt of Central share, the State share could not be utilized. The reply was, however, silent regarding the reasons for non-receipt of Central share.

2.4.2 Health and Family Welfare Department (Grant No-12)

Details of Budget provision and expenditure incurred during 2015-16 to 2017-18 in Health & Family Welfare Department are given in **Table-2.11**.

Table 2.11: Budget provision vis-à-vis Expenditure incurred during 2015-18

		(₹ in crore)		
		2015-16	2016-17	2017-18
Revenue Expenditure	Original	3,234.27	4,054.97	4,552.33
	Supplementary	122.84	384.94	57.48
	Total provision	3,357.11	4,439.91	4,609.81
	Total Expenditure	3,134.38 (93)	4,033.27 (91)	4,093.04 (89)
	Savings	222.73	406.64	516.77
	Surrender	225.44	463.67	536.13
	Percentage of savings to Total provision	6.63	9.16	11.21
Capital Expenditure	Original	643.61	739.00	1,160.00
	Supplementary	35.00	80.00	57.30
	Total provision	678.61	819.00	1,217.30
	Total Expenditure	589.75 (87)	783.83 (96)	835.38 (69)
	Savings	88.86	35.17	381.92
	Surrender	1.20	42.95	381.95
	Percentage of savings to Total provision	13.09	4.29	31.37

Source: Appropriation Accounts 2015-16 to 2017-18, Government of Odisha.

As seen from the table, under Revenue section total provision of the grant registered an increase of ₹1,252.70 crore (37.31 per cent) from ₹3,357.11 crore in 2015-16 to ₹4,609.81 crore in 2017-18. Similarly, under Capital section total provision of the grant registered an increase of ₹538.69 crore (79.38 per cent) from ₹678.61 crore in 2015-16 to ₹1,217.30 crore in 2017-18.

2.4.2.2 Surrender of entire provision

Health and Family Welfare Department made provisions of ₹68.39 crore, under different heads for different schemes/programmes/activities during 2017-18. The entire amount was surrendered due to non-utilisation of the funds (**Table 2.12**).

Table 2.12: Withdrawal of entire provision by way of surrender

(₹ in crore)

Sl. No	Head of Account	Total Provision	Amount Surrender	Objectives of the schemes/programmes/activities
12- Health and Family Welfare Department				
1	2210-06-101-0957-Material and Equipment for Malaria Eradication	30.00	30.00	Purchase of material and equipment for malaria eradication
2	Purchase of Contraceptives, equipment and medicine 2211-00-200-1131	15.00	15.00	Purchase of Contraceptives, equipment and medicine.
3	Tertiary Care Programme-2210-03-800-3269	23.39	23.39	To provide health care services.
TOTAL		68.39	68.39	

Source: Compiled from information received from the Department.

The surrender of entire provision indicated failure on the part of the department for its proper utilization. As a result, the objectives of the schemes/ programmes for which the funds were provided for, could not be achieved.

2.4.2.3 Excessive/ unnecessary re-appropriation of funds

There were savings of ₹ 7.02 crore in three sub-heads and excess of ₹ 24.75 crore in one sub-head under Grant No. 12- Health and Family Welfare Department as detailed in **Table 2.13**.

Table 2.13: Excess / unnecessary re-appropriation of funds during 2017-18

(₹ in crore)

Sl. No.	Grant No.	Description	Net Re-appropriation	Final Excess(+)/ Saving(-)
1	12	2210-03-103-1092- Primary Health Centre	-18.03	-3.27
2	12	2210-01-110-2099- Improvement/ Renovation/ Repair of W/S, Sewerage and Sanitation Works of Hospitals and Dispensaries	-2.52	-1.09
3	12	2210-05-105-2099- Improvement/ Renovation/ Repair of W/S, Sewerage and Sanitation Works of Hospitals and Dispensaries	2.52	-2.66
Total			-18.03	-7.02
4	12	2210-05-105-0893- Medical College, Cuttack	9.94	24.75
Total			9.94	24.75

Source: Monthly Appropriation Reports, March 2018 (Sup), Government of Odisha.

This indicated that the controlling officer of the Department failed to monitor monthly expenditure as provided in OBM. The re-appropriation of funds & subsequent savings there-against raised doubt about the efficacy of budgeting mechanism followed by the department.

2.4.2.4 Un-necessary Budget provision

Budget provision of ₹ 2.00 crore for TB Control Programme and ₹30.00 crore for Material and Equipment for Malaria Eradication Programme was made in each year for the years 2015-16, 2016-17 and 2017-18. There was no expenditure there-against for above purposes as detailed in **Table 2.14**.

Table 2.14: Budget provision and expenditure for the year 2017-18

(₹ in crore)

Sl. No.	Name of the Scheme (Head of Account)	Year	Budget Allotment	Expenditure	% of saving
1	TB Control Programme 2210-01-200-1447	2017-18	2.00	0	100
		2016-17	2.00	0	100
		2015-16	2.00	0	100
2	Material and Equipment for Malaria Eradication 2210-06-101-0957	2017-18	30.00	0	100
		2016-17	30.00	0	100
		2015-16	30.00	0	100
Total			96.00	0	100

Source: Health and Family Welfare Department, Government of Odisha.

It was also observed that the entire amount of ₹ 96.00 crore was surrendered due to non-receipt of Central share. Since expenditure under the two heads were contingent upon receipt of Central share, the continuous provision of fund under these heads and its surrender in each year raises serious doubt about the budget mechanism being followed by the department.

Chapter-III

Financial Reporting

A reliable financial reporting mechanism aids exercise of controls on utilisation of funds. This Chapter provides an overview and status of compliance to various financial rules, procedures and directives during the year.

3.1 Personal Deposit (PD) Account

3.1.1 Personal Deposit Account framework

Personal Deposits (PD) are maintained in the treasuries in the nature of banking accounts. These are commonly known as Personal Ledger (PL) Accounts or Personal Deposit Accounts. As per Subsidiary Rule 423 of Odisha Treasury Code (OTC) Volume-I, Permission for opening of PD Accounts shall not be granted except after consultation with the Accountant General.

Note below Rule 141 read with sub-rule (3) of Odisha Budget Manual (OBM) provides that money should not be withdrawn from the Treasury unless it is required for immediate disbursement. It is also not permissible to draw money from the treasury under Revenue heads of accounts for placing it in Deposit head under Public Account of the State to avoid lapse of allotment.

There were 836 PD Account holders with a closing unspent balance of ₹13,509.35 crore as of 31 March 2018 as detailed in **Table 3.1**. There was 1.09 per cent increase in number of PD accounts and 1123.40 per cent increase in outstanding balances over the previous year.

3.1.2 Status of PD Accounts in Odisha

Table-3.1: Personal Deposit Account

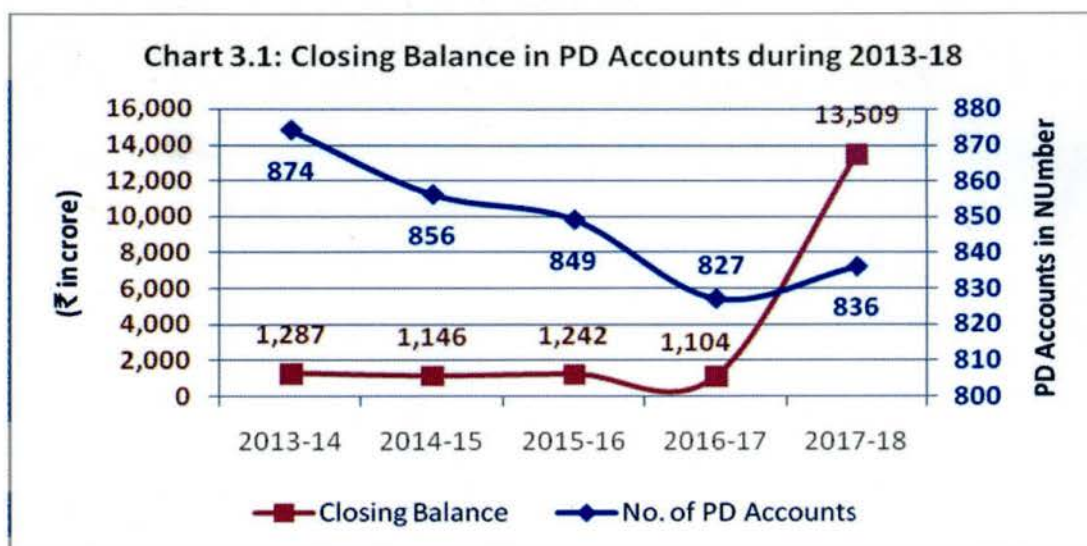
(₹ in crore)

Opening Balance as on 01/04/2017		Addition during the year 2017-18		Number of PD Accounts closed	Expenditure during the year including closed PD Accounts	Outstanding Balance as on 31/03/2018	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
827	1,104.24	17	14,136.02	8	1,730.91	836	13,509.35

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

It could be seen from the **Table 3.1** that while eight inoperative PD Accounts were closed during the year 2017-18, 17 new PD Accounts were opened with prior approval of Principal Accountant General (PAG) (A&E), Odisha. A sum of ₹14,136.02 crore was transferred to these Accounts. There was a net increase of

₹12,405.11 crore (1123.40 per cent) in the cumulative closing balance at the end



of the year 2017-18.

Source- Finance Accounts of respective years

- An analysis of closing balance revealed that out of ₹ 13,509.35 crore as on 31 March 2018, an amount of ₹11,568.18 crore (85.63 per cent) related to one PD account. The administrator of this account was the Chief Executive Officer (CEO), Odisha Mineral Bearing Areas Development Corporation (OMBADC). Scrutiny of records revealed that Hon'ble Supreme Court of India had directed (02 August 2017) the State Government to keep the compensation recoverable in respect of the illegally mined ore under Section 21(5) of the Mines and Minerals (Development & Regulation) (MMDR) Act with OMBADC, a Special Purpose Vehicle (SPV) for utilizing the fund for the benefit of the tribals in the affected districts and for area development work. In order to comply with the orders of the Hon'ble Supreme Court, an Account was opened (August 2017) and the receipts were kept under Major Head 8443-106-Personal Deposits for channelising the receipts and expenditure of the SPV. Government of Odisha in Finance Department had prescribed (29 August 2017) detailed accounting procedure for operation of the fund. The accounting procedure *inter alia* stipulated that 'keeping in view of the requirement of funds by executing agencies and administrative expenses of OMBADC, the administrator as mentioned above would work out the investible surplus amount and advise Finance Department for investment of surplus balance in 91/182/364 days Auction Treasury Bills as the case may be'. The OMBADC started receiving the compensation amount through the Public Account from December 2017.

It was further observed that the amount lying in OMBADC PD Account had not been utilised as of 31 March 2018. The Chief Executive Officer, OMBADC Odisha stated (January 2019) that the Hon'ble Supreme Court had appointed a retired judge as an oversight authority for effective functioning of OMBADC. A number of projects had been approved for execution and steps were being taken to release the funds to the concerned departments. The CEO, OMBADC further stated (April 2019) that the executing departments took time in submitting the DPRs as a result of which OMBADC could not release any fund till 28 February 2019. The fact remained that the funds had not been utilised for the purpose for which these were meant.

Balance ₹ 1,941.17 crore (₹13,509.35 crore – ₹11,568.18 crore) was as follows: (i) ₹ 743 crore in 113 PD Accounts of Urban Local Bodies, (ii) ₹ 283 crore in 314 PD Accounts of Rural Local Bodies, (iii) ₹ 80 crore in 297 PD Accounts of Educational Institutions and (iv) ₹ 835.17 crore in 111 PD Accounts of Other Agencies or Institutions like District Rural Development Agencies, Integrated Tribal Development Agencies, etc.

3.1.3 In-operative PD Accounts

As per Subsidiary Rule 423 of OTC Vol-I, if a PD Account remaining in-operative for a period of three full financial years after the year of last transaction, the account shall be closed automatically and the balance, if any, lying in the account shall lapse to Government. For this, the Treasury Officer shall submit to the Accountant General immediately after 31 March, a list of such PD Accounts indicating the balances lapsed.

During 2017-18, eight PD Accounts were closed. Sixteen in-operative PD Accounts, where no transaction had taken place for over three financial years after the year of last transaction were, however, yet to be closed. These 16 Accounts had unspent balances of ₹ 0.19 crore (*Appendix-3.1*). Out of the 16 in-operative PD Accounts, eight Accounts had zero balances. The remaining eight Accounts had balances ranging from ₹ 0.02 lakh to ₹ 9.40 lakh.

The Government in its reply stated (March 2019) that they were continuously working with the Office of the PAG (A&E) for closure of inoperative PD accounts to ensure due compliance in respect of operating PD accounts.

3.1.4 Non-reconciliation of PD Accounts

The balances in the PD accounts are required to be reconciled annually by the administrator with that of Treasury accounts. Out of 836 PD accounts, only 569 PD accounts (68.06 per cent) had been reconciled as of 31 March 2018.

Recommendation 10: The Finance Department is required to review all PD accounts and ensure that all schemes funds unnecessarily lying in these accounts are immediately utilized or remitted to the Consolidated Fund. Further, the Finance Department is required to reiterate the instructions

contained in the financial rules and ensure that appropriate action is taken against departmental officers who fail to follow the rules.

3.2 Opaqueness in accounts

Minor Head- 800 relating to Other Receipts and Other Expenditure is intended to be operated only when the appropriate minor head has not been provided in the accounts. Routine operation of Minor Head 800 is to be discouraged as it renders the accounts opaque. Transactions under this Minor Head during the years 2016-17 and 2017-18 are detailed in **Table 3.2**:

Table 3.2: Receipts and Expenditure under Minor Head 800

Year	Receipts ¹ (₹ in crore)	No. of Major Heads under which Minor Head 800 is operated	Receipts under Minor Head 800 (₹ in Crore (per cent))	Expenditure ² (₹ in crore)	No. of Major Heads under which Minor Head 800 is operated	Expenditure under Minor Head 800 - ₹ in Crore (per cent)
2016-17	74,299	53	13,311(18)	83,512	57	10,713(13)
2017-18	85,204	52	1,585 (2)	92,946	56	14,006 (15)

Source: Finance Accounts

Further, it was observed that the entire receipts (₹ 92 crore) under nine Major Heads were booked under Minor Head-800 (other receipts). Similarly, more than 50 per cent of the total expenditure under 15 Major Heads were booked under Minor Head – 800 (Other Expenditure).

Though the issue of classification of the receipts / expenditure under Minor Head 800 – Other Receipts / Expenditure had been continuously reported in the previous reports of the Comptroller and Auditor General of India, there has been little improvement. **The fact that such substantial proportion of the receipts / expenditure under the concerned Major Head are booked under Minor Head 800 is a cause for concern, since it severely impacts transparency.**

3.3 Non-Submission of Annual Accounts by Autonomous Bodies

Certification of accounts of Autonomous Bodies (ABs) set up by the State Government is conducted under Sections 19 or 20 of “Comptroller and Auditor General of India (Duties, Powers and Conditions of Service Act) 1971” (CAG’s DPC Act).

The ABs coming under the audit purview as per Section 19 or 20 of CAG’s DPC Act are required to submit annual accounts to audit before 30 June every year. In respect of 11 ABs which were to render annual accounts to C&AG, there were delays in submission of accounts ranging from one to more than six years (**Table 3.3**).

¹ Revenue Receipts

² Includes both Revenue and Capital

Table 3.3: Age-wise details of delay in submission of Annual Accounts of ABs

Sl. No	Delay in Number of Years	No. of Bodies/ Authorities
1	1	1
2	4	1
3	6 and above	9
Total		11

Source: Finance Department, Government of Odisha

Of these 11 bodies/ authorities, only two bodies/ authorities viz. Odisha State Legal Services Authority (OSLSA) and Odisha Building and Other Construction Workers Welfare Board submitted their accounts for financial audit up to 2016-17 and 2013-14 respectively.

Annual accounts for remaining nine bodies/ authorities³ due up to 2017-18 were not received as of September 2018. The accounts of these bodies/ authorities were in arrears for more than six years.

In the absence of annual accounts, the accounting/ utilisation of the grants and loans disbursed to these bodies/ authorities could not be verified in audit.

3.4 Non-submission of Utilisation Certificates

The Government gives grants to various bodies for specific purposes. Odisha General Financial Rules (OGFR) 173 stipulate that Utilisation Certificates (UCs) in respect of Grants-in-Aid (GIA) provided for specific purposes, should be obtained by the departmental officers from the grantees and forwarded to PAG (A&E) by 30 June of the succeeding year of expenditure to ensure that the funds have been utilised for intended purposes. Non-submission /delay in submission of the UCs weaken the control on utilisation and provides scope for misutilisation / misappropriation / diversion of funds.

During the year 2017-18, Government released ₹21,780.30 crore as Grants-in-Aid, for which UCs were not received in respect of ₹16,391.16 crore (75.26 per cent). There was, therefore, no assurance that the expenditure of ₹16,391.16 crore had actually been incurred for the purposes for which it was authorized. UCs for an amount aggregating ₹ 38,427.91 crore remained outstanding against 35 departments of the State as of March 2018 in the books of the PAG (A&E), Odisha. Year-wise break-up of pending UCs against 28,529 vouchers is summarized in **Table 3.4**.

³ (i) Bhubaneswar Development Authority, (ii) Berhampur Development Authority, (iii) Cuttack Development Authority, (iv) Kalinganagar-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 of H & UD Department.

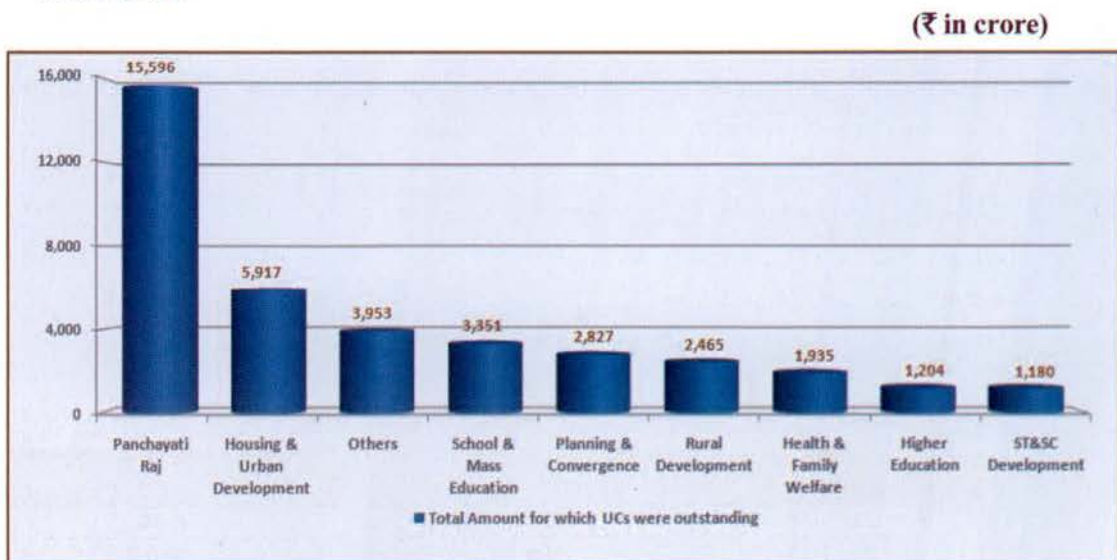
Table 3.4: Year-wise break up of pending UCs against GIA
(₹ in crore)

Years	Grants-in-Aid (G.I.A) against which UCs are awaited as of March 2018	
	Number of UCs	Amount
Up to 2012-13	15,183	3,163.40
2013-14	2,294	1,653.35
2014-15	2,314	3,171.24
2015-16	2,459	5,498.32
2016-17	3,361	8,550.44
2017-18	2,918	16,391.16
TOTAL	28,529	38,427.91

Source: Finance Accounts, Government of Odisha

Department-wise outstanding position of UCs of 35 departments is given in *Appendix 3.2*. The eight major defaulting departments accounted for 89.71 per cent of the total amount for which UCs were outstanding as of March 2018 (**Chart 3.2**). In comparison to 2016-17, the total amount for which the UCs were pending increased by ₹ 7,894 crore (25.85 per cent) in 2017-18.

Chart 3.2: Department-wise amounts for which UCs were outstanding as on 31 March 2018



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

3.4.1 UCs pending for more than ten years

UCs amounting to ₹ 1044.89 crore (5,510 vouchers) were pending for more than ten years in 22 departments as of March 2018 as detailed in *Appendix-3.3*. Panchayati Raj (₹421.84 crore), Revenue & Disaster Management (₹200.17 crore), Housing & Urban Development (₹180.57 crore) and Planning and Convergence (₹139.83 crore) Departments alone accounted for 90.19 per cent of the amount for which UCs were pending.

The Government in its reply stated (March 2019) that submission of Utilisation Certificates was a continuous process. Money from Centre and State go to the implementing agencies. The implementing agencies take some time for spending the money after observing the required formalities and then submit the UC, which enables them to get next tranche of release of funds. Hence, at any point of time, there would be some pendency in submission of Utilisation Certificate. Review of Department-wise pendency of Utilisation Certificates was, however, being made at the level of Finance Secretary regularly with the objective to improve the UC position.

Position with regard to submission of UCs had, however, not improved so far. High pendency of UCs is fraught with the risk of misappropriation/ diversion of funds and fraud.

3.5 Non-submission of Detailed Contingent Bills

The Odisha Treasury Code requires that advances drawn through Abstract Contingent (AC) bills are adjusted promptly through Detailed Contingent (DC) bills.

It was observed that 16 Departments had drawn 764 Abstract Contingent bills for an amount of ₹17.63 crore from Government accounts in the financial year 2017-18 and submitted only 490 Detailed Contingent (DC) Bills for an amount of ₹ 3.08 crore. Thus, 274 DC bills amounting to ₹14.55 crore were not submitted by 12 departments before the close of the financial year. There is, therefore, no assurance that the amount of ₹ 14.55 crore had actually been incurred during the year for the purpose for which it was sanctioned / authorised by the Legislature. This is a possible overstatement of expenditure in the year 2017-18. Further, 321 DC bills amounting to ₹6.04 crore for the years up to 2015-16 and 466 DC bills amounting to ₹16.62 crore pertaining to 2016-17 were yet to be submitted by the Departments (Table 3.5). Advances drawn and not accounted for increases the possibility of wastage / misappropriation / malfeasance etc.

Table-3.5: Details of pending DC bills

Year	No. of pending DC Bills	Amount (₹ in crore)
Up to 2015--16	321	6.04
2016-17	466	16.62
2017-18	274	14.55
Total	1061	37.21

Source: Compiled from the VLC database maintained by the Office of the PAG (A&E), Odisha.

3.5.1 Money drawn on AC bills in the month of March

An analysis of VLC data indicated that during 2013-14 to 2017-18, out of AC bills of ₹ 356.18 crore, ₹ 116.03 crore (32.58 per cent) were drawn during last month of the respective financial years. The percentage drawal of AC bills in the month of March ranged from 12 per cent to 68 per cent of the total amount of AC bills drawn during 2013-14 to 2017-18 as detailed in Table 3.6.

Table-3.6: Year-wise details of Money drawn on AC bills in the month of March

Financial Year	(₹ in crore)		
	Total amount drawn on AC bill	Total AC bill amount drawn in March	Percentage of drawal in March
2013-14	130.78	64.08	50
2014-15	72.23	17.38	24
2015-16	62.39	7.58	12
2016-17	73.15	15.02	21
2017-18	17.63	11.97	68
Total	356.18	116.03	33

Source: Compiled from the VLC database maintained by the Office of the PAG (A&E), Odisha.

Further analysis of VLC data revealed that AC bills aggregating ₹ 10.53 crore (2.96 per cent) were drawn on the last day of the financial year. Thus, it was evident that substantial drawals in the month of March and last working day of the financial year were made to avoid lapse of appropriations.

The Government stated (November 2017) that the matter was reviewed by Principal Secretary, Finance Department. The Financial Advisors and Controlling Officers were sensitised about timely submission of DC bills. The Government in March 2019 reiterated the same reply. No significant improvement in this regard was, however, noticed during the year 2017-18.

Non-submission of DC bills within the prescribed time is a breach of financial discipline and enhances risk of misappropriation of public money and is an unhealthy practice.

3.6 Other Financial Reporting Issues

1. Non submission of details of grants/loans paid

Regulation on Audit and Accounts 2007 provides that Government and Heads of Departments 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.

Twenty one out of 42 departments had furnished (as of September 2018), the details of grants-in-aid given to various bodies and authorities in the year 2017-18. In the absence of the information from remaining 21 departments⁴, reasonable

⁴ Health & Family Welfare , Micro, Small & Medium Enterprises , Panchayati Raj & Drinking Water , Works , ST&SC Development Minorities & Backward Classes Welfare , Excise , Labour & ESI , Agriculture & Farmers Empowerment , Law , Housing & Urban Development , Higher Education , Fisheries & Animal resources , Electronics & IT Department, Water Resources , Sports & Youth service , General Administration, Odisha Legislative, Transport, Public Grievance and Pension Administration, Revenue & Disaster Management, Social Securities and Empowerment of persons with disabilities Department..

assurance could not be provided to the Legislature/Government about the manner in which the grants sanctioned / released by them had been utilised. This dilutes the legislative control over the Government expenditure system.

2. Departmentally Managed Commercial Undertakings

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. As of March 2018, out of 16 departmental undertakings/schemes, only Chief Conservator of Forests (Kendu Leaves) had prepared accounts and up to 2011-12 only.

3. Discrepancy of ₹ 73.60 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 transactions entered in the books of accounts. DDOs are required to carry out reconciliation at the end of each month to set right the mismatches/discrepancies, if any.

It was observed that in 15 sampled DDOs, there was a difference of ₹ 73.60 crore between the balances in cash book and bank pass book as of March 2018. In absence of reconciliation of cash balances, the authenticity of accounts maintained by these DDOs could not be vouched for in audit.

4. Under-utilization of Building and Other Construction Workers (BOCW) Welfare Fund

The Building and Other Construction Workers (BOCW) Welfare Cess Act, 1996 and the BOCW (Regulation of Employment and Conditions of Service) Act, 1996 provide for constitution of Welfare Boards with the aim of improving the working conditions of workers and to provide financial aid to them, and to augment the resources of the Welfare Boards through levy and collection of cess on the cost of construction. The Labour Cess collected from all construction workers was required to be deposited in the Odisha Building and Other Construction Workers' Welfare Fund. The fund was to be utilized in extending different welfare measures to the registered beneficiaries engaged in different buildings and other construction works.

Though the collection of Labour Cess increased by ₹ 71.23 crore from ₹168.90 crore in 2013-14 to ₹ 240.13 crore in 2017-18, the percentage of utilization of fund ranged from 1.33 *per cent* in 2013-14 to 27.77 *per cent* in 2017-18. Due to poor utilization of the funds, the objective of collection of Labour Cess was not being achieved.

As per Rule 5 of the Building and Other Construction Workers' Welfare Cess Rules, 1998, the proceeds of the Cess was to be transferred to the Board (in the Head of Account of the Board) as per the accounting procedures of the State.

Further, in terms of Resolution (15 December, 2008) of Labour and Employment Department, Government of Odisha, the Cess was to be deposited under the Major Head of Account- 0230 into the Government Treasury (the Consolidated Fund of the State).

The Accounting Procedure formulated by the Odisha Building and Other Construction Workers Welfare Board (OB & OCWWB) had, however, stipulated that the Cess should be deposited in the bank account of the Board, to be operated by two joint signatories, viz., the Chairman and the Secretary of the Board. This was in contravention of the Building and Other Construction Workers' Welfare Cess Rules.

Scrutiny of records of OB & OCWWB showed that the Cess collected by various agencies was sent through cheques/ drafts to the Board and deposited in the savings bank account of the Board opened for the purpose, without being transferred from the Consolidated Fund of the State, in violation of Article 266(1) of the Constitution and the Building and Other Construction Workers' Welfare Cess Rules, 1998.



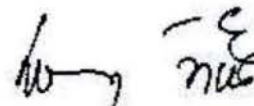
(BIBHUDUTTA BASANTIA)

Bhubaneswar

The

Accountant General (G&SSA), Odisha

Countersigned



(RAJIV MEHRISHI)

New Delhi

The

Comptroller and Auditor General of India

Appendices



APPENDIX-1.1
(Refer Introductory Para in Chapter I, page 1)

A brief profile of Odisha

A. General Data					
Particulars					Figures
1	Area				155707 Sq. Km
Population					
2	a.	As per 2001 Census			3.68 crore
	b.	As per 2011 Census			4.20 crore
3	Density of Population ¹ (as per 2011 Census). (All India Density = 382 persons per Sq. Km)				270 persons per Sq. Km
4	Population below poverty line ² (BPL) (All India Average = 21.9 per cent)				32.59 per cent
5	Literacy ³ (as per 2011 Census) (All India Average = 73.0 per cent)				72.90 per cent
6	Infant mortality ⁴ (per 1000 live births). (All India Average = 34 per 1000 live births)				44.00
7	Life Expectancy at birth ⁵ . (All India Average = 68.3 years)				66.90 years
Human Development Index					
8	a.	1999-2000. (All India = 0.387)			--
	b.	2007-2008 (All India = 0.467)			0.362
9	Gross State Domestic Product (GSDP) 2017-18 at current price				₹415982 crore
10	Per Capita GSDP CAGR (2008-09 to 2017-18)		Odisha		11.20
			General Category States		13.10
11	GSDP CAGR (2008-09 to 2017-18)		Odisha		12.10
			General Category States		14.50
12	Population Growth (2008-09 to 2017-18)		Odisha		7.80
			General Category States		11.60
B. Financial Data					
Particulars					
CAGR		2008-09 to 2016-17		2016-17 to 2017-18	
		General Category States	Odisha	General Category States	Odisha
		(In per cent)			
a.	of Revenue Receipts.	15.10	14.80	11.30	14.70
b.	of Own Tax Revenue.	14.90	14.00	12.20	22.20
c.	of Non Tax Revenue.	9.50	12.30	5.90	4.40
d.	of Total Expenditure.	15.80	16.20	4.70	13.20
e.	of Capital Expenditure.	14.00	21.90	1.00	14.30
f.	of Revenue Expenditure on Education.	14.50	12.90	6.20	15.90
g.	of Revenue Expenditure on Health.	16.20	21.20	10.70	1.90
h.	of Salary and Wages.	13.40	11.10	8.90	7.00
i.	of Pension.	16.20	16.10	22.90	27.00

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

- ¹ Census Info India 2011 Final Population Totals
² Economic Survey 2017-18 Govt of India (January 2018)
³ Economic Survey 2017-18 Govt of India (January 2018)
⁴ Economic Survey 2017-18 Govt of India (January 2018)
⁵ Economic Survey 2017-18 (January 2018)

APPENDIX - 1.2

(Refer Introductory Para in Chapter I, page 1)

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
Volume - I	
1	Statement of Financial Position
2	Statement of Receipts and Disbursements Annexure A. Cash Balances and Investment of Cash Balances
3	Statement of Receipts (Consolidated Fund)
4	Statement of Expenditure (Consolidated Fund)
5	Statement of Progressive Capital Expenditure
6	Statement of Borrowings and other Liabilities
7	Statement of Loans and Advances given by the Government
8	Statement of Investments of the Government
9	Statement of Guarantees given by the Government
10	Statement of Grants-in-Aid given by the Government
11	Statement of Voted and Charged Expenditure
12	Statement on Sources and Application of funds for expenditure other than revenue account
13	Summary of Balances under Consolidated Fund, Contingency Fund and Public Account
Volume - II	
14	Detailed Statement of Revenue and Capital Receipts by Minor heads
15	Detailed Statement of Revenue Expenditure by Minor heads
16	Detailed Statement of Capital Expenditure by Minor heads and Sub heads
17	Detailed Statement of Borrowings and Other Liabilities
18	Detailed Statement of Loans and Advances given by the State Government
19	Detailed Statement of Investments of the Government
20	Detailed Statement of Guarantees given by the Government
21	Detailed Statement on Contingency Fund and Other Public Account transactions
22	Detailed Statement on Investment of Earmarked Funds

APPENDIX – 1.3
(Refer paragraph 1.2)

Abstract of receipts and disbursements for the year 2017-18

(₹ in crore)

2016-17	Receipts	2017-18	2016-17	Disbursements	Administrative	Programme	2017-18
Section A: Revenue							
74299.39	I.Revenue Receipts	85,204.30	65,040.53	I.Revenue Expenditure-	37,245.50	34,591.80	71,837.30
22852.39	Tax Revenue	27,913.81	16,714.44	General Services	19,996.07	264.85	20,260.92
	--		27,599.95	Social Services-	12,280.44	17,276.39	29,556.83
8043.10	Non-Tax Revenue	8,398.48	11,808.99	Education, Sports, Art and Culture	8,844.74	4,943.60	13,788.34
	--		4,061.31	Health and Family Welfare	1,744.75	2,408.29	4,153.04
28321.50	State's Share of Union Taxes	31,272.06	3,555.05	Water Supply, Sanitation, Housing and Urban Development	919.94	2,934.28	3,854.22
	--		77.01	Information and Broadcasting	28.08	48.98	77.06
3248.00	Non-Plan Grants	--	1,985.32	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	478.19	1,739.39	2,217.58
11769.07	Grants for State Plan Schemes	--	118.84	Labour and Labour Welfare	82.09	59.78	141.87
	--		5,872.11	Social Welfare and Nutrition	78.10	5105.97	5,184.07
65.33	Grants for Central and Centrally Sponsored Plan Schemes	--	121.32	Others	104.54	36.11	140.65
	--		19,713.74	Economic Services-	4,968.99	15,787.91	20,756.90
--	Grants for Centrally Sponsored Scheme	12899.92	6,496.70	Agriculture and Allied Activities	1,455.21	4,346.21	5,801.42
	--		7,991.39	Rural Development	43.96	8,973.92	9,017.88
	Finance Commission Grants	2405.55	-	Special Areas Programmes	--	--	--
	--		1,870.11	Irrigation and Flood Control	1,207.97	703.42	1,911.39
	Other Transfer/Grants to States	2314.48	83.57	Energy	11.68	33.51	45.19
	--		487.82	Industry and Minerals	144.46	534.09	678.55
--	--		1,981.03	Transport	1,914.89	308.90	2,223.79
	--		54.34	Science, Technology and Environment	19.99	47.07	67.06
	--		748.77	General Economic Services	170.84	840.78	1,011.62
	--		1,012.40	Grants-in-aid and Contributions-	--	1,262.66	1,262.66
--	II. Revenue deficit carried over to		9,258.86	II. Revenue Surplus carried over	--	--	13,367.00

Section B : Capital							
12047.68	III. Opening Cash balance including Permanent Advances and Cash Balance Investment	14,601.11	--	III. Opening Overdraft from Reserve Bank of India	--	--	--
--	IV. Miscellaneous Capital Receipts	--	18,471.07	IV. Capital Outlay-	36.90	21,071.65	21,108.55
--	--	--	374.29	General Services-	12.45	452.12	464.57
--	--	--	3,001.21	Social Services-	5.08	4,195.87	4,200.95
--	--	--	360.16	Education, Sports, Art and Culture	--	745.57	745.57
--	--	--	667.94	Health and Family Welfare	--	774.06	774.06
--	--	--	1,371.36	Water Supply, Sanitation, Housing and Urban Development	5.08	2,001.04	2,006.12
--	--	--	--	Information and Broadcasting	--	--	--
--	--	--	461.82	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	--	527.36	527.36
--	--	--	2.32	Social Welfare and Nutrition	--	60.50	60.50
--	--	--	137.61	Others	--	87.34	87.34
--	--	--	15,095.57	Economic Services-	19.37	16,423.66	16,443.03
--	--	--	218.23	Agriculture and Allied Activities	--	124.83	124.83
--	--	--	--	Rural Development	--	--	--
--	--	--	148.50	Special Areas Programmes	--	148.50	148.50
--	--	--	5,799.07	Irrigation and Flood Control	--	6,841.06	6,841.06
--	--	--	2,048.16	Energy	(-)0.08	2,049.41	2,049.33
--	--	--	(-)1.95	Industry and Minerals	--	(-)2.01	(-)2.01
--	--	--	6,767.42	Transport	--	7,148.19	7,148.19
--	--	--	116.15	General Economic Services	19.45	113.68	133.13
89.01	V. Recoveries of Loans and Advances-	257.49	254.10	V. Loans and Advances disbursed-	1,875.41	--	1,875.41
--	From Power Projects	2.00	171.66	For Power Projects	225.47	--	225.47
79.04	From Government Servants	77.28	90.57	To Government Servants	79.94	--	79.94
9.97	-From Others	178.21	(-)8.13	To Others	1,570.00	--	1,570.00
9258.86	VI. Revenue Surplus brought down	13,367.00	--	VI. Revenue Deficit brought down	--	--	--
11223.44	VII. Public Debt Receipts-	12,861.60	2,962.04	VII. Repayment of Public Debt-	--	--	2,690.21
	External debt	--	--	External debt	--	--	--
10320.46	Internal debt other than Ways and Means Advances	12,013.25	2,291.84	Internal Debt other than Ways and Means Advances	--	--	1,982.43

	and Overdrafts			and Overdrafts			
--	Net transactions under Ways and Means Advances	--	--	Net transactions under Ways and Means Advances	--	--	--
--	Net transactions under Overdraft	--	--	Net transactions under Overdraft	--	--	--
902.98	Loans and Advances from Central Government	848.35	670.20	Repayment of Loans and Advances to Central Government	--	--	707.78
--	VIII. Appropriation to Contingency Fund	--	--	VIII. Appropriation to Contingency Fund	--	--	--
122.90	IX. Amount transferred to Contingency Fund	--	--	IX. Expenditure from Contingency Fund	--	--	--
41626.88	X. Public Account Receipts-	71,874.50	38,080.45	X. Public Account Disbursements-	--	--	56,439.42
4423.81	Small Savings and Provident Funds	4,792.17	2,567.08	Small Savings and Provident Funds	--	--	3,234.36
4140.57	Reserve Funds	3,825.82	2,995.63	Reserve Funds	--	--	3,911.53
22.56	Suspense and Miscellaneous	99.30	32.10	Suspense and Miscellaneous	--	--	21.09
18829.60	Remittance	22,800.52	18,882.28	Remittances	--	--	22,812.67
14210.34	Deposits and Advances	40,356.69	13,603.36	Deposits and Advances	--	--	26,459.77
--	XI. Closing Overdraft from Reserve Bank of India	--	14,601.11	XI. Cash Balance at end-	--	--	30,848.11
--	--		--	Cash in Treasuries and Local Remittances	--	--	--
--	--		318.65	Deposits with Reserve Bank	--	--	557.03
--	--		21.36	Departmental Cash Balance including permanent Advances	--	--	20.11
--	--		14,261.10	Cash Balance Investment	--	--	30,270.97
148668.16	Total	1,98,166.00	1,48,668.16	Total	--	--	1,98,166.00

APPENDIX – 1.4
(Refer paragraph 1.2)

Time Series data on the State Government Finances

(₹ in crore)

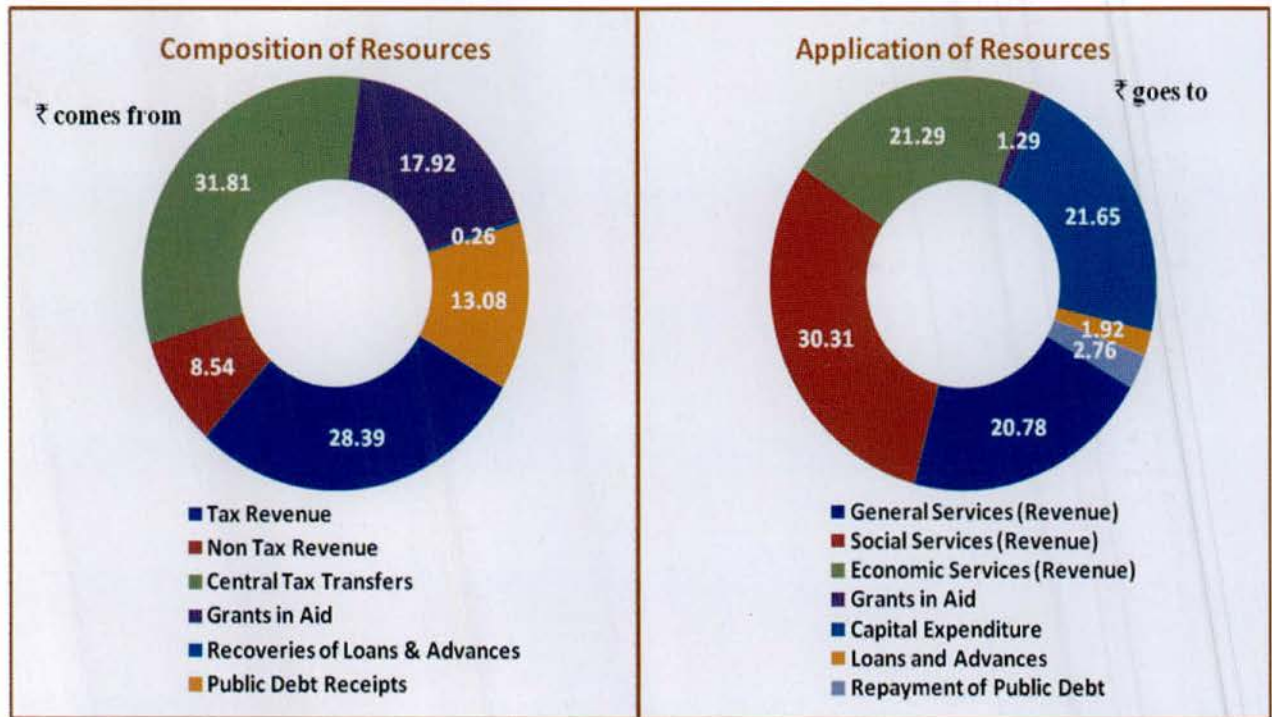
	2013-14	2014-15	2015-16	2016-17	2017-18
Part A. Receipts					
1. Revenue Receipts	48,947	56,998	68,941	74,299	85,204
(i) Tax Revenue	16,892(35)	19,828(35)	22,527(33)	22,852(31)	27,914(33)
State Goods and Services Tax (SGST)	Nil	Nil	Nil	Nil	6,609(24)
Taxes on Agricultural Income	Nil	Nil	Nil	Nil	Nil
Taxes on Sales, Trade, etc	10,729(64)	11,817(60)	13,097(58)	13,402(59)	11,522(41)
State Excise	1,780(11)	2,035(10)	2,547(11)	2,786(12)	3,221(12)
Taxes on Vehicles	860(5)	910(5)	1,044(5)	1,216(5)	1,535(5)
Stamps and Registration fees	606(4)	800(4)	2,157(10)	1,364(6)	1,037(4)
Land Revenue	431(3)	646(3)	589(3)	460(2)	542(2)
Taxes on Goods and Passengers	1,613(10)	1,711(9)	1,663(7)	1,760(8)	1,260(5)
Other Taxes	873(5)	1,909(10)	1,430(6)	1,864(8)	2,188(8)
(ii) Non-Tax Revenue	8,379(17)	8,071(14)	8,711(13)	8,043(11)	8,398(10)
(iii) State's share of Union taxes and duties	15,247(31)	16,181(28)	23,574(34)	28,322(38)	31,272(37)
(iv) Grants in aid from Government of India*	8,429(17)	12,918(23)	14,129(20)	15,082(20)	17,620(20)
2. Miscellaneous Capital Receipts	0.03	Nil	Nil	Nil	Nil
3. Recoveries of Loans and Advances	257	92	228	89	257
4. Total Revenue and Non debt capital receipts (1+2+3)	49,204	57,090	69,169	74,388	85,461
5. Public Debt Receipts	2,290	7,646	9,790	11,223	12,862
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1,740	6,035	9,051	10,320	12,013
Net transactions under Ways and Means Advances and Overdrafts	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	550	529	739	903	849
6. Total Receipts in the Consolidated Fund (4+5)	51,494	64,736	78,959	85,611	98,323
7. Contingency Fund Receipts	--	150	--	123	--
8. Public Account Receipts	32,677	24,801	31,098	41,627	71,874
9. Total Receipts of the State (6+7+8)	84,171	89,687	1,10,057	1,27,361	1,70,197
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	45,618(85)	51,136(82)	58,806(77)	65,041(78)	71,837(76)
Plan/Programme	15,008(33)	18,877(37)	23,270(40)	25,331(39)	34,591(48)
Non-Plan/Administrative	30,610(67)	32,259(63)	35,536(60)	39,710(61)	37,246(52)
General Services (including interest payments)	13,689(30)	14,529(28)	15,059(26)	16,715(26)	20,261(28)
Social Services	18,722(41)	20,964(41)	24,643(42)	27,600(42)	29,557(41)
Economic Services	12,315(27)	14,826(29)	18,188(31)	19,714(30)	20,757(29)
Grants-in-Aid and Contributions	892(2)	817(2)	916(1)	1,012(2)	1,263(2)
11. Capital Expenditure	7,756(14)	11,075(18)	17,090(22)	18,471(22)	21,109(22)
Plan/Program	7,598(98)	11,057(100)	17,076(100)	18,458(100)	21,072(100)
Non-Plan/Administrative	158(2)	18	14	13	37
General Services	470(6)	390(4)	425(3)	374(2)	465(2)
Social Services	1,725(22)	2,288(21)	2,929(17)	3,001(16)	4,201(20)

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

	2013-14	2014-15	2015-16	2016-17	2017-18
Economic Services	5,561(72)	8,397(76)	13,737(80)	15,096(82)	16,443(78)
12. Disbursement of Loans and Advances	463(1)	358(1)	337(1)	254(0)	1,875(2)
13. Total Expenditure (10+11+12)	53,837	62,569	76,233	83,766	94,821
14. Repayments of Public Debt	2,293	4,111	2,881	2,962	2,690
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1,775	2,379	2,254	2,292	1,982
Net transactions under Ways and Means Advances and Overdraft	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	518	650	628	670	708
15. Appropriation to Contingency Fund	Nil	Nil	Nil	Nil	Nil
16. Total disbursement out of Consolidated Fund (13+14+15)	56,130	66,680	79,114	86,728	97,511
17. Contingency Fund disbursements	150	Nil	123	Nil	Nil
18. Public Account disbursements	31,257	22,511	28,766	38,080	56,439
19. Total disbursement by the State (16+17+18)	87,537	89,191	1,08,003	1,24,808	1,53,950
Part C. Deficits					
20. Revenue Deficit (-)/Revenue Surplus (+) (1-10)	3,329	5,862	10,135	9,258	13,367
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-)4,633	(-)5,479	(-)7,064	(-)9,378	(-)9,360
22. Primary Deficit(-)/Primary Surplus(+) (21+23)	(-)1,745	(-)2,669	(-)3,721	(-)5,343	(-)4,372
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	2,888	2,810	3,343	4,035	4,988
24. Financial Assistance to local bodies etc.	9,495	13,686	17,779	19,348	21,780
25. Ways and Means Advances/Overdraft availed (days)	--	3	--	--	--
Ways and Means Advances availed (days)	Nil	3	Nil	Nil	Nil
Overdraft availed (days)	Nil	Nil	Nil	Nil	Nil
26. Interest on Ways and Means Advances/ Overdraft	Nil	1	Nil	Nil	Nil
27. Gross State Domestic Product (GSDP)	2,96,475 (2 nd R)	3,14,267 (2 nd R)	3,30,874 (2 nd R)	3,77,202 (1 st R)	4,15,982 (A)
28. Outstanding Fiscal liabilities (year end)	44,714	50,493	59,753	71,623	97,164
29. Outstanding guarantees (year end) (including interest)	1,705	1,672	1,290	2,256	1,711
30. Maximum amount guaranteed (year end)	10,625	10,886	10,891	12,281	12,281
31. Number of incomplete projects	190	206	31	267	186
32. Capital blocked in incomplete projects	874	1,073	2,323	3,602	2,818
Part E: Fiscal Health Indicators					
I Resource Mobilisation					
Own Tax Revenue/GSDP	5.70	6.31	6.81	6.06	6.71
Own Non-Tax Revenue/GSDP	2.83	2.57	2.63	2.13	2.02
Central Transfers/GSDP	7.99	9.26	11.39	11.51	11.75
Total Expenditure/GSDP	18.16	19.91	23.04	22.21	22.79

	2013-14	2014-15	2015-16	2016-17	2017-18
Total Expenditure/Revenue Receipts	109.99	109.78	110.58	112.74	111.29
Revenue Expenditure/Total Expenditure	84.73	81.73	77.14	77.65	75.76
Expenditure on Social Services/Total Expenditure	34.78	33.51	32.33	32.95	35.60
Expenditure on Economic Services/Total Expenditure	22.87	23.7	23.86	23.53	39.23
Capital Expenditure/Total Expenditure	14.41	17.7	22.42	22.05	22.26
Capital Expenditure on Social and Economic Services/Total Expenditure.	13.53	17.08	21.86	21.60	21.77
III Management of Fiscal Imbalances					
Revenue Deficit (Surplus)/GSDP	1.12	1.87	3.06	2.45	3.21
Fiscal Deficit/GSDP	(-)1.56	(-)1.74	(-)2.13	(-)2.49	(-)2.25
Primary Deficit (Surplus) /GSDP	(-)0.59	(-)0.85	(-)1.12	(-)1.42	(-)1.05
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	15.08	16.07	18.06	18.99	23.36
Fiscal Liabilities/RR	91.35	88.59	86.67	96.40	114.04
V Other Fiscal Health Indicators					
Return on Investment	13.67	30.71	14.26	12.80	1.33
Balance from Current Revenue (₹ in crore)	12,637	18,493	34,604	37,888	51,233
Financial Assets/Liabilities	1.25	1.32	1.43	1.48	1.49

APPENDIX 1.5
Composition of sources and application of funds in the Consolidated Fund of the State
(Refer paragraph 1.2)



Source: Finance Accounts

APPENDIX – 1.6
(Refer paragraph 1.6)

Summarised financial position of the Government of Odisha as on 31 March 2018

(₹ in crore)

As on 31 March 2017			As on 31 March 2018
	Liabilities		
34,553.42	Internal Debt -		44,584.24
15,092.82	Market Loans bearing interest	23,530.82	
0.08	Market Loans not bearing interest	0.08	
1.22	Loans from Life Insurance Corporation of India	0.81	
19,459.30	Loans from other Institutions	21,052.53	
--	Ways and Means Advances	--	
--	Overdrafts from Reserve Bank of India	--	
7,465.03	Loans and Advances from Central Government -		7,605.60
0.56	Pre 1984-85 Loans	0.56	
19.87	Non-Plan Loans	17.62	
7,444.60	Loans for State Plan Schemes	6,739.04	
--	Loans for Central Plan Schemes	--	
--	Loans for Central Sponsored Schemes	0.23	
--	Loans for State/Uts with Legislature Schemes	848.15	
400.00	Contingency Fund		400.00
20,117.51	Small Savings, Provident Funds, etc.		21,675.32
7,727.61	Deposits		21,624.96
7,282.66	Reserve Funds Advances		7,196.95
121.28	Suspense and Miscellaneous Balances		226.13
--	Remittance Balances		--
698.15	Miscellaneous Capital Receipts		698.15
37,887.81	Cumulative excess of receipts over expenditure		51,233.19
1,16,253.47	Total		1,55,244.53
	Assets		
96,853.38	Gross Capital Outlay on Fixed Assets -		1,17,966.93
4,423.01	Investments in shares of Companies, Corporations, etc.	4974.21	
92,430.37	Other Capital Outlay	1,12,992.72	
4,707.64	Loans and Advances -		6,325.57
3,269.96	Loans for Power Projects	3,493.43	
1,036.02	Other Development Loans	2,428.75	
401.66	Loans to Government servants and	403.39	

As on 31 March 2017			As on 31 March 2018
	Miscellaneous loans		
	Assets		
10.96	Advances		11.39
80.38	Remittance Balances		92.53
--	Suspense and Miscellaneous Balances		--
14,601.11	Cash -		30,848.11
--	Cash in Treasuries and Local Remittances	--	
318.65	Deposits with Reserve Bank	557.03	
21.36	Departmental Cash Balance including Permanent Advances	20.11	
--	Security Deposits	--	
5,523.00	Investment of Earmarked Funds	5,523.00	
8,738.10	Cash Balance Investments	24,747.97	
--	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	--	
1,16,253.47	Total		1,55,244.53

** 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 ₹ 21.60 crore (Net Debit) between the figure reflected in the Accounts ₹ 557.03 crore (Net Debit) and that intimated by the Reserve Bank of India ₹ 535.43 crore (Net Credit) relating to deposits with Reserve Bank of India included in the Cash Balance. After reconciliation and adjustment the difference to the extent ₹ 16.00 crore (Net Debit) remains to be reconciled (June 2018).

APPENDIX – 2.1

(Refer paragraph 2.2.2)

Statement of various grants/appropriations where saving was more than ₹ 100 crore each and more than 20 per cent of the total provision during 2017-18

(₹ 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	
						2016-17	2017-18
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Revenue (Voted)							
1	5	Finance	13,182.86	9,005.33	4,177.53	38	32
2	22	Forest and Environment	774.17	614.43	159.74	10	21
3	23	Agriculture and Farmers' Empowerment	3,886.58	2,940.53	946.05	14	24
4	33	Fisheries and Animal Resources Development	710.65	561.91	148.74	16	21
5	36	Women and Child Development	3,128.70	2,206.32	922.38	27	29
6	42	Disaster Management	5,741.36	1,992.70	3,748.66	-	65
Capital (Charged)							
7	6003	Internal Debt of the State Government	2,645.54	1,982.43	663.11	-	25
Capital (Voted)							
8	10	School and Mass Education	504.10	314.40	189.70	7	38
9	12	Health and Family Welfare	1,217.30	835.38	381.92	4	31
10	34	Co-operation	200.21	64.82	135.39	58	68
11	39	Skill Development and Technical Education	519.73	320.69	199.04	24	38
Total			32,511.20	20,838.94	11,672.26	-	36

Source: Appropriation Accounts 2017-18, Government of Odisha

APPENDIX – 2.2
(Refer paragraph 2.2.3)
Unnecessary Supplementary provisions during 2017-18
(₹ one crore or more in each case)

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
Revenue (Charged)					
1	1-Home	80.95	67.96	12.99	2.86
Revenue (Voted)					
2	1-Home	4,101.23	3,811.18	290.05	94.53
3	2-General Administration	161.78	144.43	17.35	10.91
4	3-Revenue and Disaster Management	954.59	788.07	166.52	15.52
5	4-Law	340.10	279.93	60.17	2.94
6	7-Works	2,194.98	1,846.45	348.53	7.67
7	9-Food Supplies and Consumer Welfare	1,003.72	985.59	18.13	1.79
8	10-School and Mass Education	13,429.42	11,744.07	1,685.35	395.81
9	11-ST & SC Development, Minorities & Backward Classes Welfare	2,486.63	2,324.48	162.15	119.18
10	12-Health and Family welfare	4,551.58	4,092.84	458.74	57.48
11	19- Industries	259.69	257.41	2.28	18.29
12	20-Water Resources	2,175.44	1,983.52	191.92	49.07
13	22-Forest and Environment	743.99	614.43	129.56	30.18
14	23-Agriculture and Farmer's Empowerment	3,871.42	2,940.53	930.89	15.16
15	28- Rural Development	2,914.52	2,455.34	459.18	2.71
16	29- Parliamentary Affairs	31.03	28.24	2.78	2.65
17	33-Fisheries and Animal Resources Development	702.22	561.91	140.31	8.43
18	34-Co-operation	837.16	822.18	14.98	4.77
19	36-Women and Child Development	2,833.03	2,206.32	626.71	295.67
20	38-Higher Education	2,024.72	1,712.23	312.49	33.21
21	39-Skill Development and Technical Education	326.67	297.75	28.92	10.36
22	41-Social Security and Empowerment of persons with Disabilities	2,007.71	1,914.79	92.92	63.75
23	42- Disaster Management	4,597.56	1,992.70	2,604.86	1,143.80
Capital (Charged)					
24	20-Water Resources	12.65	4.74	7.91	1.67
Capital (Voted)					
25	7- Works	2,762.50	2,715.90	46.60	10.39
26	10- School and Mass Education	467.70	314.40	153.30	36.40
27	12- Health and Family Welfare	1,160.00	835.38	324.62	57.30
28	20- Water Resources	7,034.49	6,842.64	191.86	485.28
29	32-Tourism and Culture	128.04	99.81	28.23	2.00
30	39-Skill Development and Technical Education	478.17	320.69	157.48	41.55
TOTAL		64,673.69	55,005.91	9,667.78	3,021.33

Source: Appropriation Accounts 2017-18, Government of Odisha.

APPENDIX – 2.3
(Refer paragraph 2.2.3)
Excessive Supplementary provisions during 2017-18
(₹ one crore or more in each case)

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original Provision	Supplementary provision	Total Provision	Actual expenditure	Excess Supplementary provision
Revenue (Charged)						
1	20-Water Resources	2.30	2.00	4.30	3.82	0.48
Revenue (Voted)						
2	13-Housing and Urban Development	3,644.79	498.03	4,142.82	3,713.97	428.85
3	14-Labour and Employees State Insurance	117.50	35.92	153.42	134.46	18.96
4	15-Sports and Youth Services	53.48	85.82	139.30	129.33	9.97
5	16-Planning and Convergence	542.27	322.35	864.62	813.88	50.74
6	17-Panchayati Raj	8,752.83	2,493.84	1,1246.67	9,274.94	1,971.73
7	21-Transport	121.13	27.37	148.50	125.28	23.22
8	25-Information and Public Relation	86.16	17.30	103.46	88.29	15.17
9	32-Tourism and Culture	166.06	20.32	186.38	174.24	12.14
10	35-Public Enterprises	7.64	2.09	9.73	9.02	0.71
11	40-Micro, Small and Medium Enterprises	149.52	16.87	166.39	154.39	12.00
Capital (Voted)						
12	1-Home	264.15	66.82	330.97	319.59	11.38
13	2-General Administration	139.40	65.79	205.19	164.21	40.98
14	11-ST&SC Development, Minorities and Backward Classes Welfare	463.74	118.28	582.02	527.36	54.66
15	13-Housing and Urban Development	845.00	171.55	1016.55	966.90	49.65
16	25-Information and Public Relation	2.00	1.68	3.68	3.59	0.09
17	28-Rural Development	4,459.33	721.99	5,181.32	4,936.61	244.71
18	30-Energy	1,658.30	683.03	2,341.33	2,275.77	65.56
19	38-Higher Education	70.00	10.00	80.00	79.98	0.02
Grand Total		21,545.60	5,361.05	26,906.65	23,895.63	3,011.02

Source: Appropriation Accounts 2017-18, Government of Odisha.

APPENDIX – 2.4
(Refer paragraph 2.2.3)
Inadequate supplementary provisions during 2017-18
(₹ one crore or more in each case)

(₹ in crore)

Sl. No.	Grant No	Number and Name of the Grant	Original Provision	Supplementary provision	Total Provision	Expenditure	Excess
1	13	13-Housing and Urban Development 2217-05-789-3256-Urban Transformation Initiative	23.93	5.17	29.10	89.98	60.88
2		2217-05-796-3256-Urban Transformation Initiative	32.62	22.08	54.70	68.86	14.16
3		2217-05-800-3256-Urban Transformation Initiative	88.45	178.75	267.20	474.59	207.39
4	15	15-Sports and Youth Services 2204-00-001-0708-Information, Education and Communication	0.15	0.82	0.97	3.77	2.80
5	20	20-Water Resources 4702-00-800-3253-Parvati Giri Megalift Project-RIDF	90.00	30.00	120.00	348.23	228.23
6		4711-02-103-1628-Improvement and Production to Saline Embankments	9.00	0.50	9.50	10.69	1.19
7		4711-03-789-2955-Drainage Improvement Programme	45.00	10.00	55.00	61.79	6.79
8		4711-03-796-2955-Drainage Improvement Programme	45.00	10.00	55.00	60.99	5.99
9	28	28-Rural Development 5054-04-789-2161-Rural Infrastructure Development Fund	8.50	0.0001	8.50	10.42	1.92
10		5054-04-796-2161-Rural Infrastructure Development Fund	11.50	0.0001	11.50	18.48	6.98
11		5054-04-800-2161-Rural Infrastructure Development Fund	30.00	0.0001	30.00	59.38	29.38
12	30	30-Energy 4801-06-789-2055-Biju Grama Jyoti	15.00	12.00	27.00	77.00	50.00
13		4801-06-800-2055-Biju Grama Jyoti	27.00	16.00	43.00	93.00	50.00
14	33	33-Fisheries and Animal Resources Development 2403-00-103-2490-Encouragement of commercial poultry entrepreneurs and backyard poultry production(ECPE&BPP)	2.31	1.80	4.11	8.38	4.27
15		2403-00-789-2490-ECPE&BPP	0.65	0.51	1.16	2.38	1.22
16	41	41-Social Security and Empowerment of Persons with Disability 2235-60-102-2097-Madhubabu Pension for Destitute	425.88	37.25	463.13	536.74	73.61
17		2235-60-796-2097-Madhubabu Pension for Destitute	139.93	17.89	157.82	205.91	48.09
Grand Total			994.92	342.77	1,337.69	2,130.59	792.90

Source: Appropriation Accounts 2017-18, Government of Odisha.

APPENDIX – 2.5
(Refer paragraph 2.2.4)

Excess / unnecessary re-appropriation of funds during 2017-18

(₹ in crore)

Sl. No.	Grant No.	Description	Net Re-appropriation	Final Excess(+)/ Saving(-)
1	1	2055-00-104-1327-Special Police Organisation	-2.18	-4.85
2	1	2055-00-109-0321-District Organisation	-1.03	-3.92
3	7	5054-03-796-1994-Odisha State Roads Project - Road Improvement Component (EAP)	6.57	-12.47
4	11	2225-02-796-3284-Infrastructure Development Fund Scheme for the KBK Districts	18.00	-12.45
5	12	2210-01-110-2099-Improvement/Renovation/Repair of W/S, Swerage and Sanitation works of Hospitals and Dispensaries	-2.52	-1.09
6	12	2210-03-103-1092-Primary Health Centre	-18.03	-3.27
7	12	2210-05-105-2099-Improvement/Renovation/Repair of Water Supply, Swerage and Sanitation works of Hospitals and Dispensaries	2.52	-2.66
8	13	2251-00-090-0651-Housing and Urban Development Department	-0.12	-4.12
9	13	3604-00-193-3051-Compensation and Assignment under 4th State Finance Commission	4.69	-1.47
10	20	2700-04-101-0851-Maintenance and Repair	0.39	-2.27
11	20	2700-80-001-0373-Engineer-in-Chief Office Establishment	-5.75	-1.50
12	20	2705-00-796-0594-Grants-in-Aid to Command Area Development Authority for Construction of field channels	7.00	-1.23
13	20	3451-00-090-1556-Water Resources Department	0.10	-9.99
14	28	5054-04-800-2161-Rural Infrastructure Development Fund (RIDF)	-30.00	-1.64
			-20.36	-62.93
15	1	2014-00-105-1270-Separation of Judiciary from Executive	0.04	1.01
16	1	2055-00-001-1712-Introduction of Commissionerate System in Twin Cities of Cuttack and Bhubaneswar	-0.75	10.59
17	11	4225-02-796-3284-Infrastructure Development Fund Scheme for the KBK Districts	2.00	12.45
18	12	2210-01-200-1447-T.B.Control Programme	0.03	2.22
19	12	2210-05-105-0893-Medical College, Cuttack	9.94	24.75
20	17	2501-06-102-2950-National Rural Livelihood Mission	22.24	12.38

Sl. No.	Grant No.	Description	Net Re-appropriation	Final Excess(+) / Saving(-)
21	17	2501-06-789-2950-National Rural Livelihood Mission	7.75	38.42
22	20	2700-08-101-0851-Maintenance and Repair	-0.60	8.26
23	20	4700-19-800-2951-Water Sector Infrastructure Development Programme(WSIDP)	0.78	1.34
24	28	5054-80-789-2161-Rural Infrastructure Development Fund (RIDF)	-3.00	1.03
			38.43	112.45

Source: Monthly Appropriation Reports, March 2018(S), Government of Odisha.

APPENDIX – 2.6
(Refer paragraph 2.2.4)
Re-appropriation of funds on 31 March 2018

Sl No	No. of the Grant/Appropriation and Name of the Department	Head of Account	Amount (in crore)
1	01-Home	2055	33.20
2	05-Finance	2071	59.36
3	07-Works	5054	3.54
4	07-Works	5054	1.00
5	07-Works	5054	6.13
6	07-Works	5054	7.50
7	09-Food Supplies and Consumer Welfare	2408	1.50
8	10-School and Mass Education	2202	70.19
9	12-Health and Family Welfare	2210	11.00
10	12-Health and Family Welfare	2210	1.50
11	12-Health and Family Welfare	2210	8.70
12	12-Health and Family Welfare	2210	7.70
13	12-Health and Family Welfare	2210	15.00
14	12-Health and Family Welfare	2210	1.93
15	13-Housing and Urban Development	2215, 2059 & 2216	7.70
16	13-Housing and Urban Development	2215 & 2217	123.45
17	16-Planning and Convergence	3451	3.00
18	17-Panchayati Raj	2515	1.00
19	23-Agriculture and Farmers Empowerment	2401	1.50
20	39-Skill Development and Technical Education	2230	1.50
21	39-Skill Development and Technical Education	2203	1.80
22	39-Skill Development and Technical Education	2203	2.02
23	42-Disaster Management	2245	20.36
24	2049-Interest Payments	2049	504.14
25	2049-Interest Payments	2049	143.36
26	6004-Loans and Advances	6004	5.30
TOTAL			1,043.38

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

APPENDIX – 2.7

(Refer paragraph 2.2.5)

**Surrenders of 100 per cent of total provisions made during the year 2017-18
(₹ 10 crore or more in each case)**

Sl. No.	Number and Name of the Grant	Name of the scheme (Head of Account)	Amount of Surrender (in crore)	Percentage of Surrender	Reasons for Surrender
1	5-Finance	2075-800-2897-Fund for Protection of Interest of Depositors	300.00	100	Entire provision was surrendered without assigning any reason
2	5-Finance	7615-200-0825-Payment through OTS of Guaranteed Loan towards Principal only of State PSUs / Corporations/Development Agency and Other Organisations	25.00	100	Surrendered Entire provision was attributed to non-utilisation of fund
3	7-Works	5054-03-337-3205-Odisha Road Infrastructure Development Project (EAP)	15.00	100	Withdrawal of provision was attributed mainly to non-finalisation of loan by the World Bank
4	7-Works	5054-04-789-3203-Augmentation of Basic Amenities and Development of Heritage and Architecture at Puri (ABADHA)	14.00	100	Surrendered due to late approval of Project and non-finalisation of tender
5	7-Works	5054-04-796-1860-Biju KBK Yojana.	14.00	100	Surrendered of provision was made as per Supplementary Statement of Expenditure
6	7-Works	5054-04-800-3203- Augmentation of Basic Amenities and Development of Heritage and Architecture at Puri (ABADHA)	56.00	100	Anticipated saving was surrendered due to(i) delay in initiation of survey work.(ii) late approval of project and (iii) non-finalisation of tender.
7	7-Works	5054-04-800-3204-Road Reconstruction Plan in LWE affected areas	20.00	100	Entire provision was Surrendered due to late approval of Projects and non-sanction of project.
8	10-School and Mass Education	2202-01-101-2053-Infrastructure Development	15.00	100	Entire provision was withdrawn without assigning any reason.
9	10-School and Mass Education	2202-02-110-2053-Infrastructure Development	35.00	100	Entire saving was Surrendered without assigning any reason
10	10-School and Mass Education	2202-02-800-2914-Scheme for Providing Education to Madrasas, Minorities and Disabled.	31.50	100	Non-release of Central share from Govt. of India
11	11-ST & SC Development, Minorities & Backward Classes Welfare.	2225-02-796-1860-Biju KBK Yojana	18.00	100	Entire saving was diverted by way of re-appropriation as per Supplementary Statement of Expenditure
12	11-ST & SC Development, Minorities & Backward Classes Welfare.	2225-04-800-2255-Multi-sector Development Programme	20.11	100	Surrendered due to less receipt of Central assistance
13	11-ST & SC Development, Minorities & Backward Classes Welfare.	4225-02-277-0047-Ashram School	40.00	100	Surrendered due to non receipt of Central assistance
14	11-ST & SC Development, Minorities & Backward Classes Welfare.	4225-04-800-2255-Multi-sector Development Programme	17.86	100	Surrendered due to non-receipt of Central assistance
15	13-Housing and Urban Development	2215-02-105-2131-Urban Sanitation Scheme	15.00	100	Entire Provision was diverted to other Head as per Supplementary Statement of Expenditure.
16	13-Housing and Urban Development	2217-05-796-3217-Maintenance of Open Space	15.75	100	Entire Provision was withdrawn based on Supplementary Statement of Expenditure.

Sl. No.	Number and Name of the Grant	Name of the scheme (Head of Account)	Amount of Surrender (in crore)	Percentage of Surrender	Reasons for Surrender
17	13-Housing and Urban Development	2217-05-800-3217-Maintance of Open Space	42.70	100	Entire Provision was withdrawn based on Supplementary Statement of Expenditure
18	13-Housing and Urban Development	2217-05-800-3218-Storm Water Drainage and Development of Water Bodies	24.40	100	Entire Provision was withdrawn based on Supplementary Statement of Expenditure
19	13-Housing and Urban Development	3054-80-191-3256-Urban Transformation Initiative (UNNATI)	50.91	100	Entire Provision was Surrendered to meet the requirement of other Head as per Supplementary Statement of Expenditure
20	13-Housing and Urban Development	3054-80-192-3256-Urban Transformation Initiative (UNNATI)	48.22	100	Entire Provision was Surrendered to meet the requirement of other head as per Supplementary Statement of Expenditure
21	17-Panchayti Raj	2515-101-3191-Madhubabu Legal Assistant Centre	10.00	100	Entire provision was surrendered without assigning any reason.
22	17-Panchayti Raj	2515-198-3096-Performance Grants to Local bodies recommended by 14 th Finance Commission	196.40	100	Entire provision was surrendered without assigning any reason.
23	20-Water Resources	2700-11-101-0239-Dam and Appurtenant Work-Maintenance	12.83	100	Entire provision was withdrawn due to non transfer of civil works of UIHEP to the control of Water Resources Department
24	20-Water Resources	2702-03-102-1860-Biju KBK Yojana	20.00	100	Entire provision was surrendered basing on the Supplementary Statement of Expenditure
25	20-Water Resources	2702-01-789-3229-Odisha Integrated Irrigation Project for Climate Change Resilient Agriculture(OIIPCRA)-EAP	10.00	100	Entire provision was attributed to non-finalisation of Project loan agreement with the World Bank
26	20-Water Resources	4700-15-800-2954-CAD & WM work in AIBP Project	26.99	100	Out of the anticipated saving was attributed to non-finalisation of tender and slow progress of work
27	22-Forest & Environment	3435-03-102-2693-Climate change Action Plan	10.00	100	Entire provision was surrendered due to non-receipt of fund from MOEF & CC, Gol.
28	23-Agriculture & Farmers' Empowerment	2401-00-119-3056-State Potato Mission	12.00	100	Entire provision was surrendered due to non-receipt of proposal from different districts for establishment storages.
29	23-Agriculture & Farmers' Empowerment	6401-103-2981-Corpus Fund for Odisha Agro Industries Corporation Ltd.	30.00	100	Entire provision was Surrendered without assigning any reason
30	23-Agriculture & Farmers' Empowerment	6401-103-3055-Corpus Fund for Odisha Cashew Development Corporation Ltd	10.00	100	Entire provision was Surrendered without assigning any reason
31	28-Rural Development	4215-01-102-3234-Mega Piped Water Supply Project-EAP	12.00	100	Entire provision was Surrendered without assigning any reason
32	28-Rural Development	5054-04-800-1860-Biju KBK Yojana	27.00	100	Entire provision was diverted to other head as per Supplementary statement of Expenditure.
33	28-Rural Development	5054-04-800-3233-Rural Roads EAP	12.00	100	Entire provision was surrendered to non-finalisation of Projects.
34	28-Rural Development	5054-80-796-1860-Biju KBK Yojana	10.35	100	Entire provision was diverted to other heads as per Supplementary Statement of Expenditure.

Sl. No.	Number and Name of the Grant	Name of the scheme (Head of Account)	Amount of Surrender (in crore)	Percentage of Surrender	Reasons for Surrender
35	30-Energy	4801-06-789-2153-Rajiv Gandhi Gramin VidyutiKarana Yojana	58.00	100	Out of surrendered of entire provision was attributed to non-release of fund by REC
36	30-Energy	4801-06-800-2153-Rajiv Gandhi Gramin VidyutiKarana Yojana	59.00	100	Entire provision was withdrawn due to non-release of fund by REC
37	30-Energy	4810-00-600-3236- Odisha Renewable energy Development Fund (OREDF)	40.00	100	Entire provision was Surrendered Stating to be due to non-implementation of the scheme by the Department
38	31-Handlooms, Textiles and Handicrafts	6851-00-195-3116-Odisha Crafts Skill Development and Rural Employment (UTKARSH) – World Bank (EAP)	20.00	100	Entire provision was surrendered attributing to non-implementation of programme
39	32-Tourism & Culture	5452-01-102-1468-Tourist Accommodation	30.00	100	Entire provision was surrendered due to non-release of funds by Gol under the Central Plan Scheme
40	34-Co-operation	4425-00-107-2875-Construction of Godowns	27.00	100	Specific reasons for surrender have not been intimated (June 2018)
41	39-Skill Development and Technical Education Department	4250-00-800-2937-Odisha Skill Development Project Assisted by ADB	100.00	100	Entire provision was Surrendered due to delay in agreement with GOI and ADB for implementation of Project
42	41-Social Security and Empowerment of Persons with Disability	2235-60-102-2851-Winter Allowance	78.00	100	Entire provision was surrendered as per Supplementary Statement of Expenditure
43	41-Social Security and Empowerment of Persons with Disability	2235-60-796-2851-Winter Allowance	29.90	100	Entire provision was surrender as per Supplementary Statement of Expenditure
44	42-Disaster Management	2245-02-112-1021-Other Relief Measures	26.20	100	Reasons of surrender have not been intimated
45	42-Disaster Management	2245-80-800-1183-Relief expenditure met from National Calamity Contingency Fund	1,000.00	100	Reasons for surrender of anticipated saving have not been communicated
TOTAL			2,686.12		

Source: Appropriation Accounts 2017-18 and Monthly Appropriation Reports, March 2018(S)

APPENDIX – 2.8

(Refer paragraph 2.2.7)

Statement showing details of savings of ₹ one crore and above and partially surrendered during 2017-18

(₹ in crore)

Sl. No.	Number and Name of Grants/Appropriation	Total Provision	Savings	Surrender	Savings which remained to be surrendered
(1)	(2)	(3)	(4)	(5)	(6)
Revenue (Voted)					
1	7-Works	2,202.65	356.20	336.04	20.16
2	10-School and Mass Education	13,825.23	2,081.16	2,079.83	1.33
3	11-ST & SC Development, Minorities and Backward Classes Welfare	2,605.81	281.33	268.73	12.60
4	20-Water Resources	2,224.51	241.00	225.43	15.57
5	23-Agriculture and Farmers' Empowerment	3,886.58	946.05	944.14	1.91
6	30-Energy	82.48	49.69	9.69	40.00
7	41-Social Security and Empowerment of Persons with Disabilities	2,071.46	156.67	35.54	121.13
8	42-Disaster Management	5,741.36	3,748.66	2,748.66	1,000.00
Total for Revenue		32,640.08	7,860.76	6,648.06	1,212.70
Capital (Voted)					
9	7-Works	2,772.89	56.99	44.09	12.90
10	19-Industries	20.00	4.80	0.00	4.80
11	33-Fisheries and Animal Resources Development	80.00	34.81	30.50	4.31
Total for Capital		2,872.89	96.60	74.59	22.01
Grand Total		35,512.97	7,957.36	6,722.65	1,234.71

Source: Appropriation Accounts 2017-18, Government of Odisha.

APPENDIX – 2.9

(Refer paragraph 2.2.7)

Grant / major head of account-wise surrender of funds in excess of ₹ 10 crore and more than 20 percent of the total provision in each case on 31 March 2018

Sl. No.	Grant Number	Major Head of Account	Total Provision (O+S) (in crore)	Amount of Surrender (in crore)	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
1	1	2014-Administration of Justice	246.42	55.99	22.72
2		2052-Secretariat-General Services	160.92	34.69	21.56
3	2	2051-Public Service Commission	24.76	10.15	40.99
4		2052-Secretariat-General Services	49.38	14.59	29.55
5		4059-Capital Outlay on Public Works	98.56	20.51	20.81
6		4216-Capital Outlay on Housing	28.15	10.36	36.80
7	3	2030-Stamps and Registration	47.90	14.12	29.48
8		2052- Secretariat-General Services	71.26	19.04	26.72
9		2506-Land Reforms	39.39	14.89	37.80
10	4	2014-Administration of Justice	273.34	56.49	20.67
11	5	2054-Treasury and Accounts Administration	161.48	37.22	23.05
12		2071-Pensions and Other Retirement Benefits	11,312.50	2,627.53	23.23
13		4059-Capital Outlay on Public Works	24.18	14.29	59.10
14		7610-Loans to Government Servants, etc.	110.00	30.05	27.32
15		7615-Miscellaneous Loans	25.00	25.00	100.00
16	7	3054-Roads and Bridges	1,374.42	276.93	20.15
17		4059-Capital Outlay on Public Works	60.60	22.40	36.96
18	10	4202-Capital Outlay on Education, Sports, Art and Culture	504.10	189.70	37.63
19	12	4210-Capital Outlay on Medical and Public Health	1,142.30	368.26	32.24
20	13	2251-Secretariat-Social Services	25.17	11.98	47.60
21	16	2401-Crop Husbandry	64.03	27.38	42.76
22		5475-Capital Outlay on Other General Economic Services	60.00	37.55	62.58
23	17	2505-Rural Employment	6,673.12	1,527.14	22.88
24	20	4700-Capital Outlay on Major Irrigation	2,325.72	468.32	20.14
25	21	4059-Capital Outlay on Public Works	25.00	10.90	43.60
26	22	2406-Forestry and Wild Life	707.83	145.77	20.62
27		3435-Ecology and Environment	50.93	13.63	26.76
28	23	2401-Crop Husbandry	3,152.78	693.92	22.01
29		2402-Soil and Water Conservation	548.79	232.60	42.38
30	26	2039-State Excise	84.05	19.71	23.45
31	28	2215-Water Supply and Sanitation	1,578.42	421.38	26.70

Sl. No.	Grant Number	Major Head of Account	Total Provision (O+S) (in crore)	Amount of Surrender (in crore)	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
32	30	4810- Capital Outlay on New and Renewable Energy	40.00	40.00	100.00
33	31	2851-Village and Small Industries	173.70	38.45	22.14
34		6851-Loans for Village and Small Industries	20.00	20.00	100.00
35	32	5452-Capital Outlay on Tourism	117.30	30.00	25.58
36	33	2403-Animal Husbandry	511.70	133.42	26.07
37		4405-Capital Outlay on Fisheries	12.00	12.00	100.00
38	34	4425-Capital Outlay on Co-operation	97.21	45.38	46.68
39		6425-Loans for Co-operation	100.00	90.00	90.00
40	36	2235-Social Security and Welfare	3,023.54	878.45	29.05
41		2236-Nutrition	94.34	43.20	45.79
42	39	4202-Capital Outlay on Education, Sports, Art and Culture	288.17	78.37	27.20
43		4250-Capital Outlay on Other Social Services	227.55	119.79	52.64
44	42	2245-Relief on Account of Natural Calamities	5,738.27	2,748.09	47.89
45	6003	Internal Debt of the State Government	2,645.55	663.11	25.07
TOTAL			44,139.83	12,392.75	28.08

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

APPENDIX – 2.10
(Refer paragraph 2.2.8)

**Release of money at the fag end of the Financial Year 2017-18
amounting to ₹ 624.90 crore**

Sl No	Name of Department - Scheme	Sanction order No	Date	Amount (₹ in crore)
1	Health and Family Welfare- Grants-in-Aid under Centrally Sponsored Scheme(CSS) for continuance of National Health Mission(NHM)	9829/H	29/03/2018	6.85
		10107/H	31/03/2018	9.79
		10113/H	31/03/2018	6.22
		10119/H	31/03/2018	11.70
		9823/H	29/03/2018	4.70
		9462/H	26/03/2018	2.88
			Total	42.14
2	Rural Development- Pradhan Mantri Gram Sadak Yojana(PMGSY)	285853015 62015/RD	29/03/2018	34.69
			Total	34.69
3	Women and Child Development- Convergent Nutrition Action(CAN) Innovation Pilot under ISSNIP out of CSS ICDS Scheme, State Resource Centre for Women(SRCW) under NMEW	5556	31/03/2018	1.29
		5180	29/03/2018	0.16
			Total	1.45
4	ST and SC Development- Supply of writing materials to the SC students pursuing their studies in SSD Department and Government and Government Aided Schools of S&ME Department, Scholarship & Stipend for SC Students	7101/SSD	29/03/2008	1.52
			Total	1.52
5	Home- Purchase of different Clothing articles, equipment, Web equipment, Riot Control materials, furniture, Bed cots, Security Related Expenditure, Modernisation of Police Force	1285	31/03/2018	1.62
		1288	31/03/2018	1.31
		1286	31/03/2018	5.92
		1287	31/03/2018	0.13
		1298	31/03/2018	0.09
		1297	31/03/2018	0.09
		1295	31/03/2018	0.06
		1294	31/03/2018	0.30
		1293	31/03/2018	0.12
		1292	31/03/2018	0.47
		1291	31/03/2018	0.24
		1290	31/03/2018	0.38
		1289	31/03/2018	0.08
		1279	29/03/2018	3.95
		964	23/03/2018	4.80
999	24/03/2018	2.48		
1283	29/03/2018	0.29		
			Total	22.33

Sl No	Name of Department - Scheme	Sanction order No	Date	Amount (₹ in crore)
6	Panchayati Raj- Mahatma Gandhi National Rural Employment Gurantee Scheme	5782	23/03/2018	300.00
			Total	300.00
7	Agriculture and Farmers' Empowerment- IDH), Rainfed Area Development of National Mission for Sustainable Agriculture(NMSA)	6845	29/03/2018	12.08
		6855	29/03/2018	3.37
		6850	29/03/2018	4.33
		6816	29/03/2018	2.47
			Total	22.25
8	Planning and Convergence- Ama Gaon Ama Vikash	4425	29/03/2018	75.00
			Total	75.00
9	Fisheries and Animal Resources Development- Pest-Des-Petties Remnants Control Programme(PPR-CP), National Livestock Mission- Livestock Development	3456	26/03/2018	0.40
		3189	29/03/2018	1.67
			Total	2.07
10	Housing and Urban Development- Atal Mission for Rejuvenation & Urban Transformation(AMRUT)	7964	27/03/2018	28.17
		7954	27/03/2018	20.76
		7974	27/03/2018	74.52
			Total	123.45
			Grand Total	624.90

Source: Sanction orders received from respective Departments

APPENDIX – 2.11

(Refer paragraph 2.3.1)

Rush of expenditure during last quarter & last month of 2017-18

Sl. No.	Grant Number	Head of account Scheme/Service Major Head/Sub Major Head/Minor Head/Sub Head/Description	Expenditure incurred during Jan-March 2018	Expenditure incurred in March 2018	Total expenditure during the year 2017-18	Percentage of total expenditure incurred during	
						Jan-March 2018	March 2018
(1)	(2)	(3)	(in crore)		(6)	(7)	(8)
			(4)	(5)			
1	10	2202-01-111-3285-State Support for SSA	100.00	100.00	100.00	100	100
2	11	2225-03-277-2418-Biii- Post Matric Scholarship and Stipend to OBC students	23.96	23.96	23.96	100	100
3	12	2210-06-101-3212-Free Diagnostic	23.72	23.72	23.72	100	100
4	13	2217-04-800-1899-World Bank Assisted EAP-Odisha Disaster Recovery Project	18.30	18.30	18.30	100	100
5	13	2217-05-800-2132-Other Urban Development Schemes under State Plan	54.27	54.27	54.27	100	100
6	14	2210-01-102-0648-Bii- Hospitals	28.07	28.07	28.07	100	100
7	16	3451-00-102-3292-Ama Gaon Ama Vikash	75.00	75.00	75.00	100	100
8	16	3451-00-796-3288-Special Development Council in Tribal Dominated Districts	175.50	175.50	175.50	100	100
9	17	2505-60-800-3227-Revolving Fund for MGNREGS	300.00	300.00	300.00	100	100
10	20	2702-03-102-2161- Rural Infrastructure Development Fund	159.67	159.67	159.67	100	100
11	20	2702-03-789-2161-Rural Infrastructure Development Fund	37.57	37.57	37.57	100	100
12	20	2702-03-796-2161- Rural Infrastructure Development Fund	49.94	49.94	49.94	100	100
13	21	5055-00-190-1276-Share Capital Investment	40.00	40.00	40.00	100	100
14	30	4801-05-190-2251-Implementation of Non-remunerative Transmission Projects in Backward Districts	20.00	20.00	20.00	100	100
15	30	4801-05-789-2251- Implementation of Non-remunerative Transmission Projects in Backward Districts	15.00	15.00	15.00	100	100
16	30	4801-05-796-2251- Implementation of Non-remunerative Transmission Projects in Backward Districts	15.00	15.00	15.00	100	100
17	30	4801-05-800-2304-Electrification for important Institutions and Sites	20.00	20.00	20.00	100	100
18	37	2852-07-202-0776-Implementation of e-Governance project as per national e-Governance programme online ACA	13.43	13.43	13.43	100	100
Total			1,169.43	1,169.43	1,169.43		

Source: Monthly Appropriation Reports 2017-18, Govt. of Odisha

APPENDIX – 3.1

(Refer paragraph-3.1)

**Statement showing details of inoperative PL Account as on 31 March 2018
(₹ in lakh)**

Sl.No	Name of the Administrator of PL Accounts	Balance
1	Asst. Engineer, Soil Conservation, Titilagarh, Bolangir	2.26
2	Asst. Soil Conservation Officer, Bhadrak	0.99
3	Soil Conservation Officer, Regudipada, Bolangir	0.02
4	Asst. Soil Conservation Officer, Patnagarh	9.40
5	Asst. Soil Conservation Officer, Parlakemundi, Gajapati	3.62
6	Asst. Soil Conservation Officer, Sub-Division, Machhkund, Koraput	NIL
7	Principal, Soil Conservation Training Institute, Koraput	NIL
8	Asst. Soil Conservation Officer, Nayagarh	NIL
9	Soil Conservation Officer, Burla, Sambalpur	NIL
10	Soil Conservation Officer (Hydrology), Bhubaneswar (Closed in 9/2018)	NIL
11	Soil Conservation Officer, (Survey), Bhubaneswar (Closed in 9/2018)	NIL
12	Asst. Soil Conservation Officer (Survey), Padampur, Bargarh (Closed in 9/2018)	0.03
13	Asst. Soil Conservation Officer, Deogarh	NIL
14	Spl. Planning Authority, Parlakhemundi, Gajapati	0.10
15	Asst. Soil Conservation Officer, Berhampur (Closed in 6/2018)	2.33
16	Director, Agriculture and Food Production Odisha, Bhubaneswar	NIL
Total		18.75

APPENDIX – 3.2
(Refer paragraph 3.4)

Statement showing details of GIA for which utilisation certificates are pending for receipt by different departments of the State Government at the end of 2017-18

(₹ in crore)

Sl. No.	Name of the Department	Amount outstanding as on 31.03.2018	No. of GIA Vouchers for which UCs were awaited
1	Agriculture & Farmers' Empowerment	22.59	20
2	Cooperation	74.93	36
3	Commerce	00.00	2
4	Electronics & Information Technology	456.20	198
5	Energy	41.44	2
6	Finance	0.23	6
7	Fisheries & Animal Resources Department	53.18	179
8	Food supplies and Consumer Welfare	26.25	46
9	Forest & Environment	47.52	38
10	General Administration	88.37	61
11	Handlooms, Textiles and Handicrafts	81.25	153
12	Health & Family Welfare	1,935.17	281
13	Higher Education	1,203.72	531
14	Home	0.35	9
15	Housing and Urban Development	5,917.30	9,761
16	Industries	66.44	19
17	Labour and Employees State Insurance	167.35	23
18	Law	122.19	150
19	Micro, small and Medium Enterprises	60.75	122
20	Panchayati Raj	15,595.79	7,902
21	Planning and Convergence	2,827.20	1,786
22	Disaster Management	221.81	19
23	Revenue and Disaster Management	736.72	402
24	Rural Development	2,465.10	38
25	ST & SC Development, Minorities and Backward classes	1,179.89	3,744
26	School & Mass Education	3,351.31	365
27	Science and Technology	153.31	168
28	Skill Development and Technical Education	262.28	157
29	Social Security and Empowerment of Persons with Disability	89.08	489
30	Sports and Youth Services	6.87	61
31	Tourism and Culture	179.64	601
32	Transport	49.79	3
33	Water Resources	438.35	310
34	Women and Child Development	505.44	842
35	Works	0.10	5
Total		38,427.91	28,529

Source: Compiled from the information received from PAG (A&E), Odisha.

*Amount shown as ₹ 0.00 against Commerce Department (₹ 8,400) is due to rounding of the amount

APPENDIX – 3.3

(Refer paragraph 3.4.1)

Statement showing details of GIA for which UCs are pending for more than ten years as on 31-03-2018
(₹ in crore)

Sl.No	Department Name	Period for which UC wanting	Outstanding UC amount	No. of GIA Vouchers for which UCs were awaited
1	Electronics & Information Technology	2003-2008	26.52	37
2	Finance	2003-2004	0.08	1
3	Fisheries & Animal Resources Department	2003-2008	2.11	21
4	General Administration	2003-2008	2.32	4
5	Higher Education	2003-2008	7.14	59
6	Housing and Urban Development	2003-2008	180.57	2,326
7	Law	2003-2008	2.92	39
8	Panchayati Raj	2003-2008	421.84	1,935
9	Planning and Convergence	2003-2008	139.83	369
10	Revenue and Disaster Management	2003-2008	200.17	194
11	Skill Development and Technical Education	2003-2008	10.02	35
12	Tourism and Culture	2003-2008	11.34	119
13	Rural Development	2003-2008	2.74	4
14	School and Mass Education	2003-2008	10.73	41
15	Science and Technology	2003-2007	3.14	9
16	Water Resources	2003-2008	1.72	19
17	Labour & Employees State Insurance	2004-2005	0.05	1
18	Micro, Small & Medium Entreprises	2005-2008	0.73	4
19	Sports & Youth Services	2006-2007	0.28	1
20	ST & SC Development, Minorities and Backward Classes	2006-2008	18.57	283
21	Co-operation	2007-08	0.21	1
22	Handlooms, Textiles and Handcrafts	2007-08	1.86	8
Total			1,044.89	5,510

Source : VLC database

APPENDIX – 4.1

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

Terms	Basis of Calculation
Appropriation Accounts	Appropriation Accounts present 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
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 Legislative 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	<p>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 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.</p>
Debt sustainability	<p>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.</p>
Development Expenditure	Social Services + Economic Services.
Escrow Account	<p>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.</p>
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts.
Guarantee Redemption Fund	<p>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.</p>
Internal Debt	<p>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.</p>

Interest received as <i>per cent</i> to Loans Outstanding	Interest Received/ [(Opening balance + Closing balance of Loans and Advances)/2]*100.
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 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.
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 of India 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 of India.
Surrender 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 closing 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 Siksha Abhiyan and State Health Mission for National Rural Health Mission, etc.

Suspense and Miscellaneous	<p>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.</p>
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Acronyms	Full Form
AC	Abstract Contingency
AE	Aggregate Expenditure
BE	Budget Estimates
BOO	Built, Own and Operate
BOOST	Built, Own, Operate, Share and Transfer
BOOT	Built, Own, Operate and Transfer
BOT	Built, Operate and Transfer
CAG	Comptroller and Auditor General of India
CE	Capital Expenditure
CFS	Consolidated Fund of the State
DBFOT	Design, Built, Finance, Operate and Transfer
DBOO	Design, Built, Own and Operate
DBOOT	Design, Built, Own, Operate and Transfer
DBT	Design, Built and Transfer
DCC	Detailed Countersigned Contingent
DDO	Drawing and Disbursing Officer
DE	Development Expenditure
DRDA	District Rural Development Agency
FCP	Fiscal Correction Path
FC XIV	Fourteenth Finance Commission
FRBM	Fiscal Responsibility and Budget Management
GDP	Gross Domestic Product
GIA	Grants-in-Aid
GoI	Government of India
GSDP	Gross State Domestic Product
IP/RR	Interest Payment/ Revenue Receipt
ITDA	Integrated Tribal Development Agency
JSSK	Janani Sishu Surakshya Karvakram
MPLAD	Member of Parliament Local Area Development
MTFP	Medium Term Fiscal Plan
NPRE	Non-Plan Revenue Expenditure
NSSF	National Small Savings Fund
O&M	Operation and Maintenance
OB&OCWWB	Odisha Building and Other Construction Workers Welfare Board
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
PPP	Public Private Partnership
PSU	Public Sector Undertakings
OEA	Quarterly Expenditure Allocation
RE	Revenue Expenditure
RR	Revenue Receipts
S &W	Salaries and Wages
SFC	State Finance Commission
SSE	Social Sector Expenditure
TE	Total Expenditure
UC	Utilisation Certificates
VLC	Voucher Level Computerisation
WCD	Women and Child Welfare Department