

Laid before the Odisha
Legislative Assembly

on 02 MAY 2016

**Report of the
Comptroller and Auditor General of India
on
State Finances**

for the year ended March 2015

Government of Odisha

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The first part of the report is devoted to the description of the experimental conditions and the results obtained.

The second part of the report is devoted to the discussion of the results and the comparison with the theoretical predictions.

The third part of the report is devoted to the conclusions and the suggestions for further work.

The fourth part of the report is devoted to the references and the appendix.

The fifth part of the report is devoted to the summary and the acknowledgments.

The sixth part of the report is devoted to the bibliography and the index.

The seventh part of the report is devoted to the list of figures and the list of tables.

The eighth part of the report is devoted to the list of symbols and the list of abbreviations.

Preface

1. This Report has been prepared for submission to the Governor of Odisha under Article 151 of the Constitution.
2. Chapters I and II of the Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2015. Information has been obtained from the Government of Odisha wherever necessary.
3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.
4. The Report containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.



EXECUTIVE SUMMARY

Executive Summary

Background

This Report on the Finances of the Government of Odisha is being brought out with a view to assess objectively the financial performance of the State during 2014-15 and to provide the State Government and State Legislature with timely inputs based on audit analysis of financial data. In order to provide a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged by the State Government in the Fiscal Responsibilities and Budget Management (FRBM) Amendment Act 2011 under Mid Term Fiscal Plan (MTFP), in the Budget Estimates of 2014-15, and norms recommended by the Thirteenth Finance Commission (ThFC).

The Report

Based on the audited accounts of the State Government for the year ended March 2015, this Report provides an analytical review of the Annual Accounts of the State Government. The financial performance of the State has been assessed based on the FRBM Act, budget documents, ThFC recommendations and other financial data obtained from various Government departments and organisations. The Report is structured in three chapters.

Chapter I is based on the audit of Finance Accounts and makes an assessment of Odisha Government's fiscal position as of 31 March 2015. It provides an insight into trends in committed expenditure, borrowing pattern and resources generated through public private partnership mode.

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

Chapter III is an inventory of Government's compliance with various reporting requirements and financial rules. The Report also has an appendage of additional data collected from several sources in support of the findings.

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

Audit findings

Finances of the State Government

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

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

Revenue Receipts: Revenue Receipts showed progressive increase from ₹ 33276 crore in 2010-11 to ₹ 56998 crore in 2014-15 registering a growth of 71 *per cent*. The annual growth rate has increased by five *per cent* from 11 *per cent* in 2013-14 to 16 *per cent* during 2014-15.

State failed to avail general performance grant of ₹ 1049.15 crore due to non-fulfilment of conditions attached to ThFC grants.

Revenue Expenditure: Revenue Expenditure had a predominant share which was 82 *per cent* of Total expenditure in 2014-15. Revenue Expenditure increased by ₹ 5518 crore during current year. Plan Revenue Expenditure (PRE) contributed 70 *per cent* (₹ 3869 crore) of the increase in Revenue Expenditure. NPRE as a proportion of Revenue Expenditure, decreased from 75 *per cent* in 2010-11 to 63 *per cent* in 2014-15. Although NPRE exceeded ThFC's assessment by ₹ 5739 crore, it remained below the assessment made by the Government in MTFP (₹ 42422 crore) for 2014-15 by ₹ 10163 crore.

Public Debt: Public Debt receipts, increased by ₹ 5356 crore from ₹ 2290 crore to ₹ 7646 crore along with increase in capital outlay by ₹ 3319 crore. Repayment of public debt increased by ₹ 1818 crore (79 *per cent*) during the year.

Fiscal position: Fiscal position of the State is viewed in terms of trends in deficit/surplus indicators. The State continued to maintain revenue surplus. The fiscal and primary deficit of previous year continued during 2014-15, though it was within the limits prescribed by FRBM (Amendment) Act, 2011.

Greater priority to Capital Expenditure: The Capital Expenditure (CE) increased significantly by 43 per cent over the previous year. However, the CE was 3.56 per cent of GSDP as against State Government's projection of 5.55 per cent for 2014-15 and less than the budget estimates.

Review of Government investments: As of 31 March 2015, Government had invested ₹ 3504.87 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives. Average return on this investment was 15.58 per cent in the last five years (30.71 per cent during 2014-15) while Government paid an average interest rate of 6.09 per cent to 7.39 per cent on its borrowings during 2010-11 to 2014-2015.

Debt sustainability: During 2010-15, quantum spread together with primary deficit consistently remained positive resulting in a continuous decline in Debt/GSDP ratio. The trends in debt sustainability revealed that the incremental non-debt receipts of the State had been able to meet the incremental interest liabilities and incremental primary expenditure during the period.

Financial Management and Budgetary Control

During 2014-15, there was overall saving of ₹ 18774.84 crore. The savings were mainly due to non implementation of schemes, less requirement of funds etc. Major Policy initiatives in the budget could not be implemented due to lack of prior planning. There were savings of ₹ 12506.47 crore in 14 cases under nine grants and two appropriations exceeding ₹ 100 crore in each case.

There were instances of persistent savings by the departments exceeding ₹ 10 crore in 21 cases relating to 18 grants and one appropriation during 2010-15. There were instances of excess expenditure and expenditure without provision of funds, unnecessary/excessive supplementary provision, substantial surrenders, non-surrender of anticipated savings during the current year.

Monthly expenditure during the year was highly erratic. Rush of expenditure was noticed during month of March. Several instances of 100 per cent expenditure during March were found.

Financial Reporting

There were delays in submission of UCs of ₹ 20940 crore. State Government has no assurance and account of utilisation of this amount. This was mainly due to non adherence to the existing instructions for watching timely receipt of UCs from implementing agencies. Besides, UCs for ₹ 8561 crore were pending against 31 departments for submission to Central Government.

Information on financial assistance given to various institutions / authorities by different departments of the State Government have been furnished by 12 out of 40 departments to Audit as required under the provisions of Audit and Accounts Regulations 2007 and State Government rules.

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

The Chief Controlling Officers did not submit Detailed Contingent Bills against the advances drawn on Abstract Contingent (AC) Bills of ₹ 63.81 crore as of March 2015.

A large amount of unspent balance (₹ 1146 crore) was lying in 856 Personal Deposit (PD) Accounts and were not credited back to Government Account.

Labour Cess amounting to ₹ 773.34 crore at the end of 31 March 2015 was kept in bank accounts making the collected cess out of purview of legislative scrutiny. This also violates the Constitutional provisions.

Chapter-I

Finances of the State Government

Profile of Odisha

Odisha is located on the east coast of the country. It is the ninth largest State in terms of geographical area (155707 sq. km) and the 11th largest by population as per 2011 census. The State's population increased from 3.68 crore in 2001 to 4.20 crore in 2011, recording a decadal growth of 14 per cent as indicated in *Appendix-1.1*. Population below the poverty line at 45.9 per cent was higher than the national average of 29.5 per cent. Odisha has a lower literacy rate, lower life expectancy at birth and higher infant mortality rate when compared to the all India average. The State has shown a higher economic growth in the past decade as the compound annual growth rate of its Gross State Domestic Product (GSDP) for the period 2005-06 to 2014-15 has been 15.48 per cent as compared to 15.44 per cent in General Category States. During the above mentioned period, its population grew by 8.45 per cent against 12.76 per cent in General Category States. General data relating to the State is given in *Appendix-1.1*.

Gross State Domestic Product (GSDP)

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

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

Year	2010-11	2011-12	2012-13	2013-14	2014-15
India's Gross Domestic Product (GDP) (₹ in crore)	7248860	8391691	9388876	10472807	11509810#
Growth rate of GDP (in percentage)	18.66	15.77	11.88	11.54	9.90
State's GSDP (₹ in crore)	197530	220589	251220	272980	310810
Growth rate of GSDP (in percentage)	21.22	11.67	13.89	8.66	13.86

Source: For GSDP, the information as available in CSO website as on 31st July, 2015.

GSDP figures for the year 2014-15 relating to Gujarat, Himachal Pradesh, Kerala, Manipur, Mizoram, Sikkim and Tripura have been obtained from respective AGs/DESS.

Exclude three States / UTs namely Goa, A & N Islands and Chandigarh.

The GSDP of the State increased from ₹ 272980 crore during 2013-14 to ₹ 310810 crore during 2014-15, thereby registering a growth rate of 13.86 per cent over the previous year, whereas GDP registered a growth of 9.90 per cent over the previous year.

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 135*.

1.1 Introduction

This chapter is based on the audit of the Finance Accounts and makes an assessment of the State's fiscal position as on 31 March 2015. It provides a broad perspective of the finances of the State Government during 2014-15 and analyses critical changes in the major fiscal aggregates relative to the previous year, keeping in view the overall trends during last five years. The structure of Government Accounts and the layout of Finance Accounts are given at the *Appendix-1.2*.

1.2 Summary of Current Year's Fiscal Transactions

Table 1.1 presents the summary of the State Government's fiscal transactions during the current year (2014-15) vis-à-vis the previous year, *Appendix-1.3* shows the overall fiscal position of the State and *Appendix-1.4* shows details of receipts and disbursements during the current year.

Table 1.1: Summary of Current Year's fiscal operations

(₹ in crore)

Receipt			Disbursement				
	2013-14	2014-15		2013-14	2014-15		
Section A	Total	Total	Section A	Total	Non-Plan	Plan	Total
Revenue Receipts*	48946.85	56997.88	Revenue Expenditure	45617.75	32258.66	18877.09	51135.75
Tax Revenue	16891.59	19828.30	General Services	13689.41	14353.53	175.33	14528.86
Non-Tax Revenue	8378.60	8070.87	Social Services	18721.55	10482.69	10481.45	20964.14
Share of Union Taxes/ Duties	15247.24	16181.22	Economic Services	12314.59	6605.07	8220.31	14825.38
Grants from Government of India	8429.42	12917.50	Grants-in-aid and Contributions	892.20	817.37	--	817.37
Section B			Section B				
Miscellaneous Capital Receipts	0.03	--	Capital Outlay	7756.40	17.98	11056.65	11074.63
Recoveries of Loans and Advances	257.18	91.87	Loans and Advances Disbursed	463.55	98.48	259.52	358.00
Public Debt Receipts**	2290.25	7645.63	Repayment of Public Debt**	2293.22	4111.45	--	4111.45
Contingency Fund	--	150.00	Contingency Fund	150.00	--	--	--
Public Account Receipts	32677.32	24800.68	Public Account Disbursement	31256.60	--	--	22511.40
Opening Cash Balance	12867.19	9501.30	Closing Cash Balance	9501.30	--	--	9996.13
TOTAL	97038.82	99187.36	TOTAL	97038.82			99187.36

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

The following are the significant changes during 2014-15, compared to the previous year:

- Revenue Receipts of the State increased by ₹ 8051 crore (16.45 per cent) over the previous year. This increase was mainly contributed by State's own Tax Revenue (₹ 2936 crore), Grants-in-aid (GIA) from Government of India (₹ 4488 crore) and State's share of Union Taxes/Duties (₹ 934

* do not include ₹ 4699.58 crore and ₹ 207.07 crore transferred directly to Non-Government Organisations (NGOs)/ Voluntary Organisations in Odisha by Government of India (GoI) during 2013-14 and 2014-15 respectively.

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

crore). However, there was decrease in own Non-Tax Revenue (₹ 308 crore).

- Revenue Expenditure increased by ₹ 5517.99 crore (12.09 *per cent*) during 2014-15 over the previous year mainly due to increase in expenditure in Economic Service Sector (₹ 2510.79 crore), Social Service Sector (₹ 2242.59 crore), General Services Sector (₹ 839.45 crore) and less disbursement of Grants-in-aid and contributions (₹ 74.83 crore).
- Capital outlay increased by ₹ 3318.23 crore (42.78 *per cent*) over the previous year, mainly on account of increase in expenditure on Roads & Bridges (₹ 2225.34 crore), Medical and Public Health (₹ 269.42 crore), Education, Sports, Arts and Culture (₹ 205.74 crore) and Irrigation (₹ 610.83 crore). However, disbursement of Loans and advances decreased substantially by ₹ 105 crore (22.68 *per cent*) from ₹ 463 crore in 2013-14 to ₹ 358 crore in 2014-15.
- Public Debt receipts increased by ₹ 5355.38 crore (233.83 *per cent*) while repayment of public debt increased by ₹ 1818.23 crore (79.29 *per cent*).
- Public Account receipts (₹ 24800.68 crore) decreased by ₹ 7876.64 crore (24.10 *per cent*) over the previous year mainly due to decrease in Suspense and Miscellaneous (₹ 41767 crore), Reserve Fund (₹ 1102 crore) and Deposits and Advances (₹ 177 crore) which was set off by increase in Remittances (₹ 3279 crore) and Small Savings and Provident Fund (₹ 138 crore). Public Account disbursements (₹ 22511 crore) on the other hand, decreased by ₹ 8746 crore (28 *per cent*) during the same period.
- Cash Balance of the State increased by ₹ 494.83 crore.

1.2.1 Review of the fiscal situation

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

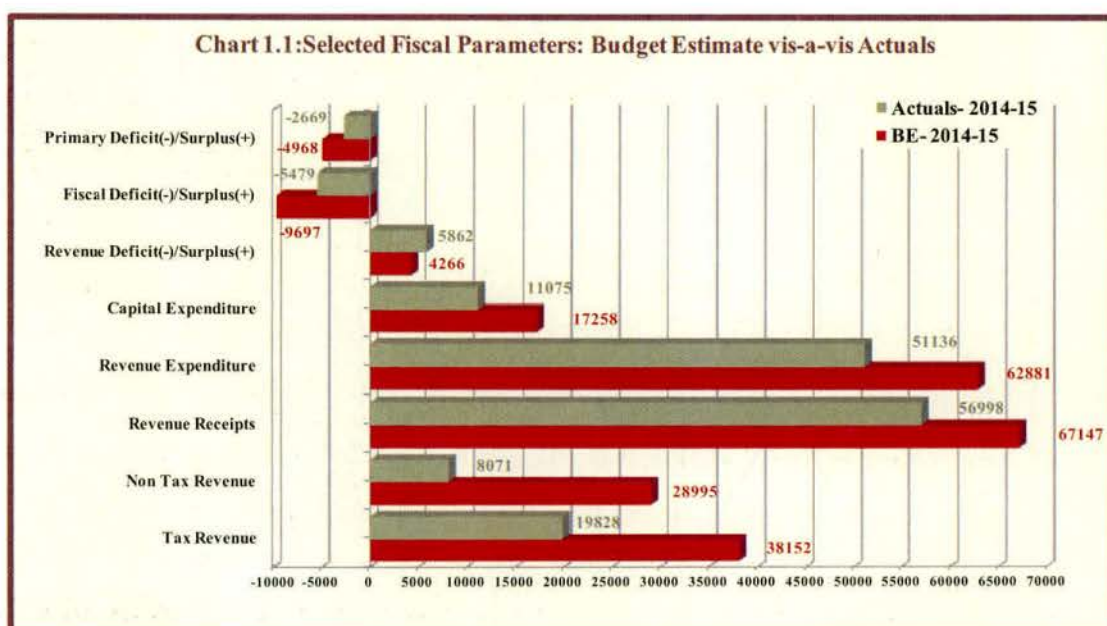
- Revenue deficit during 2011-12 and onwards to be maintained at Zero.
- Fiscal deficit to be contained within three *per cent* of the Gross State Domestic Product (GSDP) from 2011-12 and onwards.
- In order to bring the debt stock to a sustainable level, interest payment as a percentage to Revenue Receipt to be limited to 15 *per cent*.

- For the purpose of ensuring compliance to the provisions of the FRBM Act, the State Government shall entrust an agency independent of State Government who shall periodically make review of such compliance and submit reports thereof to the State Government for laying the same before the State Legislature.

However, disclosures such as projection of Revenue Consequences of Capital Expenditure (RCCE), Public Private Partnerships (PPPs) and related liabilities, statements on physical and financial assets and vacant public land and buildings were not included in the Mid Term Fiscal Plan (MTFP), even though recommended by ThFC. Further, the Government has not prepared the outcome indicators of Fiscal Correction Path (FCP) during the period covered by the ThFC. The State has achieved the targets for Revenue, fiscal deficits, level of debt stock and interest payment, as laid down by ThFC/FRBM Act for the year 2014-15.

1.2.2 Budget Estimates and Actuals

Budget papers presented by the State Government provide estimation of Revenue and expenditure for a particular financial year. The importance of accuracy in estimation of Revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from Budget Estimates are indicative of non-attainment and non-optimisation of desired fiscal objectives. Compared to the Budget Estimates for 2014-15, there was considerable variation in actuals in the case of several key fiscal parameters. **Chart 1.1** present the Budget Estimates and actuals for some important parameters.



Source: Finance Accounts for the year 2014-15 and Budget at a Glance 2014-15, Government of Odisha.

As may be observed from **Chart 1.1**, the State's actual Revenue Receipts were less than the Budget Estimates by ₹ 10149 crore whereas, the State's own Tax Revenue was less than the Budget Estimates by ₹ 18324 crore (48 per cent) while Non-Tax Revenue was less than the Budget Estimates by ₹ 20924 crore (72 per cent). Revenue expenditure was also less than Budget estimate by ₹ 11745 crore. As a result, Revenue surplus was ₹ 5862 crore instead of Budget estimate of ₹ 4266 crore. Capital expenditure was also less by ₹ 6183 crore.

1.2.3 Major policy initiatives in the budget

Major policy initiatives of the budget 2014-15 which could not be implemented during the financial year 2014-15 are given in **Table 1.2** below:

Table 1.2: Major policy announcement in the Budget and implementation thereof

Sl. No.	Department	Policy announcement details	Status of Implementation
1	Health and Family Welfare	Health Management Information System: For development of Health Information System, funds to the tune of ₹ 10 crore were provided in the Budget.	Due to non-implementation of Health Management Information System, scheme funds amounting ₹ 9.35 crore were diverted for DFID assisted Odisha Health Sector Plan (OHSP) Scheme in the Supplementary budget.
2	Rural Development Department	A new scheme "Mukhya Mantri Sadak Yojana" (MMSY) was introduced. Road connectivity to villages not covered under PMGSY was to be taken up for construction under the Scheme. A sum of ₹150 crore was provided for the new scheme during 2014-15.	The guidelines for the scheme "MMGY" were issued during February, 2015 for which there was little scope to utilise the budgetary allocation during 2014-15. Therefore, budget announcement was made without prior planning.
3	Energy Department	"State Capital Region Improvement of Power System" (SCRIPS) was launched in the current financial year with a sum of ₹ 100 crore, for providing a disaster resilient power system capable of providing quality and reliable power to the region.	Even at the end of the financial year, the e-tender was not floated.
4	Sports and Youth Services Department	For Development of Kalinga Stadium Sports Complex in Bhubaneswar, ₹ 28.13 crore was earmarked, which includes Synthetic Turfing for 2 nd Hockey stadium.	₹ 400 lakh has been re-appropriated to "Construction of Mini Stadium", ₹ 12.50 lakh was re-appropriated to "Construction of Staff quarters" and ₹ 1000 lakh was surrendered at the time of supplementary budget as per the instruction of P & C Department.
5	Co-operation Department	Financial Assistance to PACS for Establishment of Agri-Clinics- An Agri-Clinic Cell was to be established in selected PACS to provide consultative support to the farmers for maintaining proper health of their crops through dissemination of latest technology, knowledge and other agriculture related services. Accordingly, an amount of ₹ 3 crore was provided for the purpose.	The scheme could not be implemented during the financial year.
6	Panchayati Raj Department	Funds of ₹ 10 crore were provided under a new State Scheme "Mission Yuva Shakti" during 2014-15. This Scheme aims to mobilise the youth and achieve their holistic development. It is a convergence programme with a focus on tapping the existing potential of the youth, building their capacities and making them socially and economically empowered for improvement of their quality of life.	The scheme could not be implemented during the financial year.
7	Planning and Co-ordination Department	A sum ₹ 7 crore was provided for the new scheme "Innovation" to prepare technological innovation road map for promoting technological intervention in various sectors.	Out of ₹ seven crore a sum of ₹ 5.10 crore was surrendered and no expenditure was incurred from the balance amount of ₹ 1.90 crore till date.

Source: Budget at a Glance 2015-16, Government of Odisha.

As can be seen from above, the policy announcements were made without prior planning which resulted in failure.

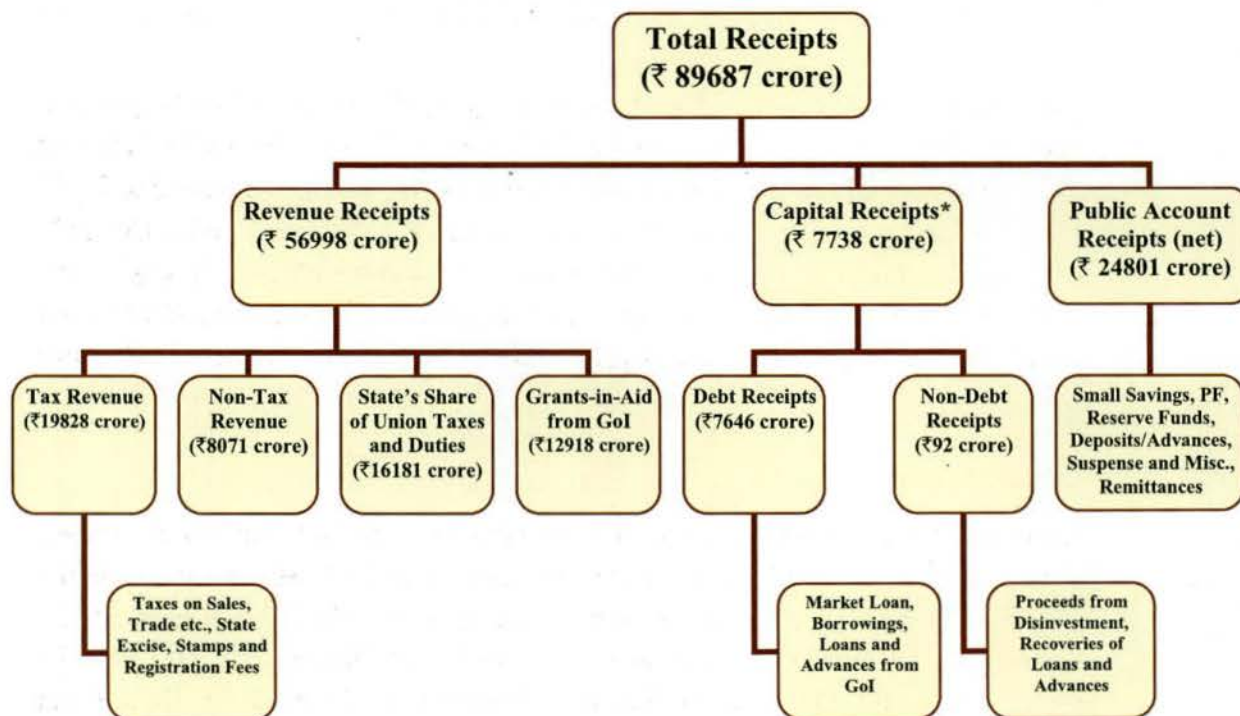
1.3 Resources of the State

1.3.1 Resources of the State as per Finance Accounts

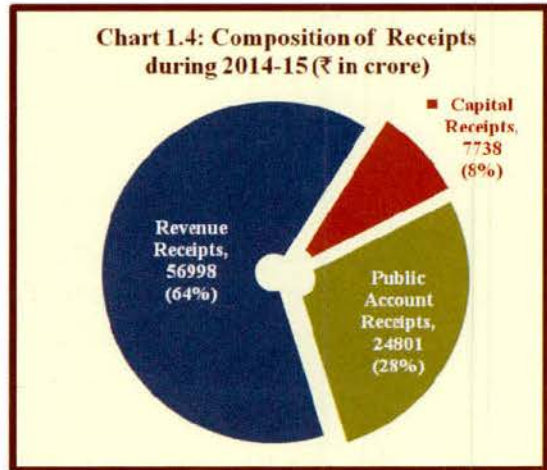
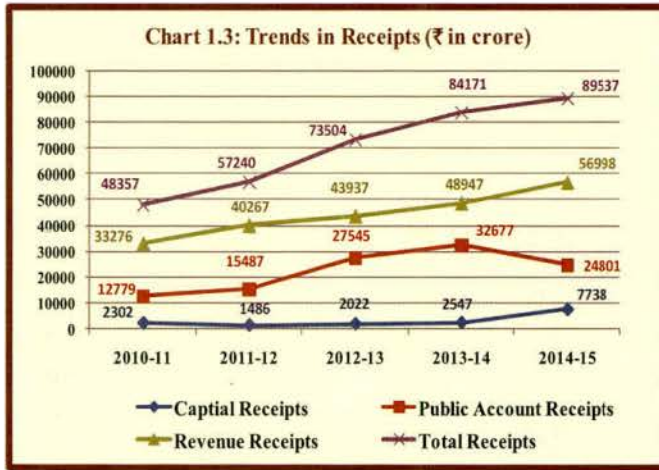
The progress of Government programmes depends on its resources and determines the expenditure threshold of the Government. Revenue and Capital are the two streams of receipts that constitute the resources of the State Government. Revenue Receipts consist of Tax Revenues, Non-Tax Revenues, State's share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

Table 1.1 and **Chart 1.2** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart 1.3** depicts the trends in various components of the receipts of the State during 2010-15. **Chart 1.4** depicts the composition of receipts of the State during the current year.

Chart 1.2: Components and sub-components of Resources



* Excludes ₹ 150 crore recouped to Odisha Contingency Fund



Source: Finance Accounts of Government of Odisha for respective years

During 2010-2015, total receipts increased by 84.71 per cent from ₹ 48556 crore in 2010-11 to ₹ 89687 crore in 2014-15, of which increase of Revenue Receipts was by 71.29 per cent from ₹ 33276 crore to ₹ 56998 crore during the period due to higher collection of State's own taxes as well as increases in State's share of Central tax transfers and GIA from GoI. However, the share of Revenue Receipts as percentage of total receipts decreased from 69 per cent to 64 per cent from 2010-11 to 2014-15. The share of Capital Receipts increased from five per cent in 2010-11 to nine per cent in 2014-15. The share of Public Account receipts to the total receipts increased from 26 per cent to 28 per cent from 2010-11 to 2014-15.

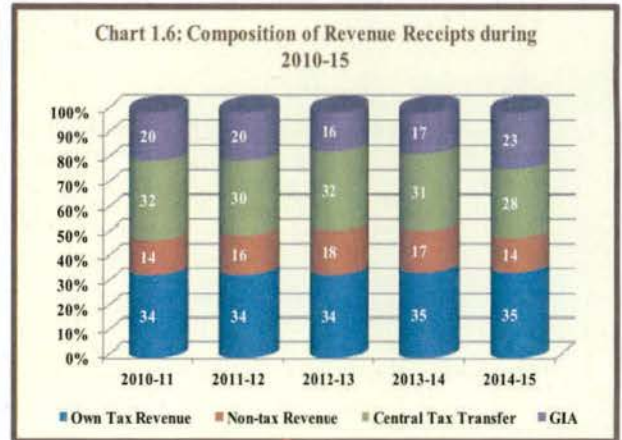
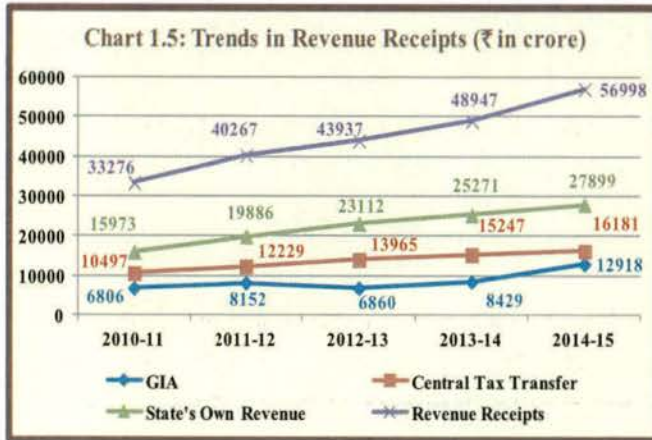
1.3.2 Funds transferred to State implementing agencies outside the State Budget

Direct transfer to State Implementing agencies by GoI was reduced by 96 per cent from ₹ 4699.58 crore in 2013-14 to ₹ 207.07 crore in 2014-15. Funds for Members of Parliament's Local Area Development Schemes (MPLADS) amounted to ₹ 135 crore. This was due to GoI's decision to release all assistance under Centrally Sponsored Schemes (CSS)/Additional Central Assistance (ACA) directly to the State Government and not to the implementing agencies. Thus, during 2014-15 the quantum of direct transfers was insignificant (0.36 per cent of State's Revenue Receipts).

1.4 Revenue Receipts

Revenue Receipts consist of State Government's own tax and Non-Tax Revenues, State's share of Central tax transfers and GIA from GoI. Statement 14 of the Finance Accounts depicts the Revenue Receipts and Capital Receipts of the Government. The State's share in Central taxes and GIA is determined on the basis of recommendation of the Finance Commission. Collection of Central tax receipts and Central assistance for plan schemes etc. is also determined on the basis of recommendation of Finance Commission. The trends and composition of

Revenue Receipts over the period 2010-15 are shown in *Appendix-1.3* and also depicted in **Chart 1.5** and **1.6** respectively.



Source: Finance Accounts of Government of Odisha for respective years

Overall, 49 per cent of Revenue came from State's own resources and the balance was from GoI in the form of State's share of taxes and GIA. An increase of ₹ 2936 crore (17 per cent) in own Tax Revenue, decrease of ₹ 308 crore (four per cent) in Non-Tax Revenue, increase of ₹ 934 crore (six per cent) in State's share in Union taxes and duties and ₹ 4489 crore (53 per cent) in GIA resulted in increase of ₹ 8051 crore (16 per cent) in Revenue Receipts during 2014-15 over the previous year.

Revenue Receipts showed progressive increase from ₹ 33276 crore in 2010-11 to ₹ 56998 crore in 2014-15 registering a growth of 71 per cent. The trends in Revenue Receipts relative to GSDP are presented in **Table 1.3**:

Table 1.3: Trends in Revenue Receipts relative to GSDP

	2010-11	2011-12	2012-13	2013-14	2014-15
Gross State Domestic Product (GSDP) (₹ in crore)	197530	220589	251220	272980	310810
Rate of growth of GSDP	21.22	11.67	13.89	8.66	13.86
Revenue Receipts (RR) (₹ in crore) *	33276	40267	43937	48947	56998
Rate of growth of RR (per cent)	25.90	21.01	9.11	11.40	16.45
R R/GSDP (per cent)	16.85	18.25	17.49	17.93	18.34
Buoyancy Ratios¹					
Revenue Buoyancy with respect to GSDP	1.22	1.80	0.66	1.32	1.19
Rate of growth of own tax	24.61	20.10	11.83	12.36	17.38
State's Own Tax Buoyancy with respect to GSDP	1.16	1.72	0.85	1.13	1.25

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

¹ Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, Revenue buoyancy at 0.6 implies that Revenue Receipts tend to increase by 0.6 percentage points, if the GSDP increases by one per cent.

- Revenue buoyancy fluctuated widely during the period due to fluctuations in the growth rate of Revenue Receipts.
- Revenue buoyancy with reference to GSDP was above one during 2010-15 except 2012-13 indicating that the growth rate of Revenue Receipts was better than the growth rate of GSDP.
- The States own tax buoyancy with respect to GSDP was also more than one during 2010-15, except in 2012-13, indicating growth of own tax was better than GSDP.

1.4.1 State's Own Resources

The State's own resources comprised Revenue Receipts from its Own Tax and Non-Tax source. The actual receipts under State's Tax and Non-Tax revenue vis-à-vis assessment made by ThFC and the State Government in MTFP is indicated in **Table 1.4** below:

Table 1.4: Mobilisation of Own Tax Revenue and Non Tax Revenue during 2014-15.

	Assessment made by ThFC	Assessment made by State Government in MTFP	Actuals
State's own Tax Revenue	17364	19513	19828
State's own Non-Tax Revenue	3068	8000	8071

Source: Finance Accounts, ThFC and MTFP of Government of Odisha

The receipts under State's Tax Revenue during 2014-15 increased by 14 per cent and Non-Tax Revenue exceeded the assessment of ThFC by 163 per cent. The State's own Tax Revenue was more than assessment made in MTFP by ₹ 315 crore (two per cent) while Non-Tax Revenue was more by ₹ 71 crore (one per cent).

1.4.1.1 Tax Revenue

The sector wise components of Tax Revenue during 2010-11 to 2014-15 are shown in **Table 1.5**.

Table 1.5: Sector wise components of State's Tax Revenue

Revenue Head	2010-11	2011-12	2012-13	2013-14	2014-15	% increase in 2014-15 over previous year
Taxes on Sales, Trades etc.	6807	8197	9685	10729	11817	10.14
State Excise	1094	1379	1499	1780	2035	14.33
Taxes on Vehicles	728	788	746	860	910	5.81
Stamp Duty and Registration Fees	416	498	545	606	800	32.01
Land Revenue	391	522	420	431	646	49.88
Taxes on Goods and Passengers	1111	1312	1342	1613	1711	6.08
Other Taxes ²	646	747	797	873	1909	118.67
Total	11193	13443	15034	16892	19828	17.38

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

² Other taxes include taxes on immovable property other than agricultural land, taxes and duties on electricity and agricultural income.

The Compound Annual Growth Rate (CAGR) of Tax Revenue for 2005-14 of the State was higher as compared to the other General Category States (*Appendix-I.I*). The Tax Revenue during the current year (₹ 19828 crore) increased by 17 per cent over the previous year (₹ 16892 crore). The revenue through Taxes on Sales, Trades etc. (₹ 11817 crore) was the main source of State's own Tax Revenue and registered an increase of 10 per cent, Taxes on Goods and Passengers (₹ 1711 crore) increased by six per cent, State Excise (₹ 2035 crore) increased by 14 per cent, Taxes on Vehicles (₹ 910 crore) by six per cent, Stamp Duty and Registration fees (₹ 800 crore) by 32 per cent and Taxes on Land Revenue (₹ 646 crore) by 50 per cent over the previous year.

The growth rate of Own Tax Revenue (OTR) with respect to GSDP was less than six per cent in 2014-15. Therefore the State could not achieve the target of 7.5 per cent by 2014-15 as projected by ThFC (Para 7.6 of the recommendations).

Major increase /decrease in current year's Own Revenue along with reasons are given in **Table 1.6**.

Table 1.6: Major increase /decrease in current year's Own Revenue

Sl. No.	Major Heads of Account	Increase (₹ in crore)	Main Reasons
1	1601-Grants-in-aid from Central Government	4488.08	Mainly due to receipts of Central Assistance for State Plan.
2	0040-Taxes on Sales, Trade etc.	1088.18	Due to more receipts under Value Added Tax
3	0043- Taxes and Duties on Electricity	1052.48	Due to more receipts of Duty on Captive Power.
4	0050- Dividends and Profits	624.04	Due to more receipts of dividends from Odisha Mining Corporation.
Sl. No.	Major Heads of Account	Decrease (₹ in crore)	Main Reasons
5	0049-Interest Receipts	910.51	Due to decrease in receipts of Interest from 91 days and other Treasury Bills, Interest from GRIDCO (WB Loan).
6	0038- Union Excise Duties	279.30	Due to less receipt of Net Proceeds of Union Excise Duty.
7	0853-Non-Ferrous Mining and Metallurgical Industries	208.71	Due to decrease in receipts in collection of Fees, Rents and Royalties.
8	0044-Service Tax	98.47	Due to less receipt of Net Proceeds of Service Tax.

Source: Finance Accounts 2014-15, Government of Odisha.

1.4.1.2 Non-Tax Revenue

The components of Non-Tax Revenue during 2010-11 to 2014-15 are given in **Table 1.7**:

Table 1.7: Components of State's own resources

Revenue Head	2010-11	2011-12	2012-13	2013-14	2014-15	(₹ in crore) % increase over previous year
Interest Receipts	261	576	588	1241	331	(-)73.33
Dividends & Profits	102	286	565	452	1076	138.05

Revenue Head	2010-11	2011-12	2012-13	2013-14	2014-15	% increase over previous year
Non-Ferrous Mining and Metallurgy receipts	3329	4572	5697	5519	5310	(-)3.79
Other Non-Tax Receipts	1088	1009	1228	1167	1354	16.02
Total	4780	6443	8078	8379	8071	(-)3.68

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

The Compound Annual Growth Rate (CAGR) of Non-Tax Revenue for 2005-14 of the State was also higher as compared to the other General Category States (*Appendix-1.1*). However, CAGR of the State was lower than the General Category States during 2014-15. The non-tax revenue collected during 2010-15 ranged between 14 to 18 *per cent* of revenue receipts. The Own Non-Tax Revenue (ONTR) (₹ 8071 crore) which constituted 14 *per cent* of Revenue Receipts during 2014-15 decreased by ₹ 308 crore (four *per cent*) over previous year. The decrease was mainly under Interest Receipts (₹ 910 crore) set off by increase under Dividends and Profits (₹ 624 crore).

The Government stated (November 2015) that decline in collection of Non-Tax Revenue is attributable to lower collection of mining revenue and less collection of interest and dividend.

1.4.2 Grants-in-aid from Government of India

Grants-in-aid from GoI increased from ₹ 6806 crore in 2010-11 to ₹ 12917 crore during 2014-15 as shown in **Table 1.8**.

Table 1.8: Grants-in-aid from Government of India

Particulars	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Non-Plan Grants	2111	2561	1505	2729	1929
Grants for State Plan Schemes	3279	3853	3484	3429	1741
Grants for Central Plan Schemes	192	109	183	122	9145
Grants for Centrally Sponsored Schemes	1224	1629	1688	2149	102
Grants for Special Plan Schemes	--	--	--	--	0.08
Total	6806	8152	6860	8429	12917
Percentage of increase over previous year	19.05	19.78	(-)15.85	22.87	53.24
Total grants as a percentage of Revenue Receipts	20.45	20.24	15.61	17.22	22.66

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

Grants-in-aid from GoI increased by ₹ 4489 crore (53.26 *per cent*) from ₹ 8429 crore in 2013-14 to ₹ 12918 crore in 2014-15. The increase was under grants for Central Plan Schemes (₹ 9023 crore), while there was decreased in GIA under State Plan Schemes (₹ 1688 crore), Non-Plan Grants (₹ 800 crore) and Centrally Sponsored Schemes (₹ 2047). Percentage share of grants to Revenue Receipts increased from 20.45 to 22.66 from 2010-11 to 2014-15.

1.4.3 Optimisation of ThFC grants during 2010-15.

As per recommendation of ThFC, GoI allocated ₹ 9658.81 crore under grants (both Non-Plan and Plan), to Government of Odisha for utilisation during 2010-15, of which allocation for 2014-15 was ₹ 2492.12 crore. Scrutiny of release of grant during 2010-15 revealed the following

(i) Non-release of ThFC grant during 2014-15

The Thirteenth Finance Commission recommended ₹ 2492.12 crore for 2014-15 on various components relating to different departments. However ₹ 992.36 crore was not released by GoI due to non-compliance by the departments to conditions attached to grants as detailed in **Table 1.9**.

Table 1.9: Non-release of ThFC grants during 2014-15

(₹ in crore)		
Sl. No.	Purpose of Grant	Amount recommended by ThFC
1	Grant for PRI (Performance)	312.23
2	Grant for ULB (Performance)	59.77
3	Grant for Special Area (Performance)	21.60
4	Elementary Education	232.00
5	Water Sector	46.00
6	Grant for UID	35.70
7	District and State Statistical System	6.00
8	Construction of Anganwadi Centre	100.00
9	Upgradation of Health Infrastructure	87.50
10	Police Training	17.50
11	Upgradation of Jails	25.00
12	Establishment of Market Yards	15.00
13	Delivery of Justice	34.06
Total		992.36

Source: Information collected from the departments

(ii) Short release of performance grant amounting to ₹ 1049.15 crore during 2010-15.

As per the recommendation of ThFC, if the State fails to meet the conditions attached to grants released during a fiscal year, it would lose the performance grant for the succeeding year. It was, however, observed that the conditions in respect of (i) formation of Independent Local Body Ombudsman, (ii) certification by C&AG regarding Technical Guidance and Supervision and (iii) empowering Local Bodies to levy Property Tax were not fulfilled by March 2015 due to which the State lost the general performance grant amounting to ₹1049.15 crore as detailed in **Table 1.10**.

Table 1.10: Short-release of General Performance Grants during 2010-15

(₹ in crore)					
Sl. No.	Name of the Scheme	Implementing Department	Grant recommended	Grant released	Short-release
1	Grants for PRIs (Performance)	Panchayati Raj	897.00	63.80	833.20
2	Grants for ULBs (Performance)	Housing and Urban Development	171.70	21.41	150.29
3	Grants for Special Area (Performance)	Panchayati Raj and Housing and Urban Development	75.60	9.94	65.66
Total			1144.30	95.15	1049.15

(iii) **Loss of Thirteenth Finance Commission Grant amounting to ₹ 2228.91 crore during 2010-15.**

As per recommendation of ThFC, an amount of ₹ 4832.36 crore was granted to 19 schemes under 16 departments during 2010-15 out of which only ₹ 2603.45 crore was released. Thus, there was a loss of ₹ 2228.91 crore to the State during 2010-15 (*Appendix-1.5*) due to non fulfillment of the conditions. Some of the cases are discussed below:

- a) ThFC recommended grant of ₹ 184 crore for Water Sector during 2010-15. The first installment of ₹ 46 crore was released during 2011-12 with stipulation that the State would set up a statutory and independent Water Regulatory Authority (WRA) by 31 March 2012. Non setting up of the WRA by 31 March 2012 led to loss of ₹ 138 crore during 2012-13 to 2014-15.
- b) As per recommendation of ThFC, an amount of ₹ 10 crore was granted for creation of Employee and Pension database during 2010-15. The first installment of ₹ 2.50 crore was released during 2010-11 with stipulation that the State would create required database and ensure that the same would functionally integrate with the treasury on a transactional basis. As the State failed to create the database, GoI did not release the balance grant of ₹ 7.50 crore during 2011-15.
- c) ThFC had recommended an amount of ₹ 1016 crore for Elementary Education for the financial year 2010-11 to 2014-15. Grants for the years 2012-13 and 2014-15 amounting ₹ 204 crore and ₹ 232 crore respectively were not released by GoI as the growth rate of expenditure under the Major Head 2202-01-Elementary Education was lower than the growth rate (eight *per cent*) stipulated by ThFC.
- d) ThFC recommended grant of ₹ 178.50 crore for giving an incentive of ₹ 100 per person (BPL) to register for the UID with a condition that the amount would be paid to the BPL beneficiaries after successful enrollment at Central ID Data Repository (CIDDR).

Due to non availability of beneficiaries list, the funds received in the first tranche (first installment of ₹ 17.85 crore was released during 2010-11) could not be distributed to the targeted beneficiaries for which subsequent tranches (₹ 160.65 crore) were not released by GoI.

1.4.4 Central Tax transfers

During 2014-15, Central tax transfer increased by ₹ 934 crore over previous year and constituted 28 *per cent* of Revenue Receipts. The increase was mainly under Taxes on Income other than Corporation Tax (₹ 659 crore), Corporation Tax (₹ 523 crore) and Customs (₹ 129 crore). The increase was set off by decrease in Union Excise Duties (₹ 279 crore) and Service Tax (₹ 98 crore).

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

The capital receipts are either non-debt capital receipts such as proceeds from disinvestment of equity in Government companies/corporations and recoveries of loans and advances or debt capital receipts credited under public debt sections of the Consolidated Fund. The public debt receipts fall broadly under two categories (a) Loans and advances from the Union Government and (b) borrowings from banks, financial institutions through issue of State Development Loans. Capital Receipts increased by ₹ 5191 crore from ₹ 2547 crore during 2013-14 to ₹ 7738 during 2014-15 as shown in **Table 1.11**.

Table 1.11: Trends in growth and composition of Capital Receipts

(₹ in crore)

Sources of State's Receipts	2010-11	2011-12	2012-13	2013-14	2014-15
Capital Receipts (CR)	2302	1486	2022	2547	7738
Miscellaneous Capital Receipts	--	--	--	0.03	--
Recovery of Loans and Advances	34	132	142	257	92
Public Debt Receipts	2268	1354	1880	2290	7646
Rate of growth of debt Capital Receipts	37.45	(-)40.30	38.85	21.81	233.89
Rate of growth of non-debt Capital Receipts	(-)90.45	288.24	7.58	80.98	(-)64.20
Rate of growth of GSDP	21.22	11.67	13.89	8.66	13.86
Rate of growth of CR (<i>per cent</i>)	14.76	(-)35.45	36.06	25.96	203.81

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

Public debt receipts, which create future repayment obligations, increased by 237 *per cent* from ₹ 2268 crore in 2010-11 to ₹ 7646 crore in 2014-15, which is a matter of concern. Public debt receipts during the year comprised internal debt of ₹ 7117 crore (93 *per cent*) and loans and advances from GoI of ₹ 529 crore (seven *per cent*). Debt receipts had a predominant share in capital receipts and were between 90 to 99 *per cent* during 2010-15 whereas non-debt receipts had a smaller share in capital receipts and ranged between one to 10 *per cent* during 2010-15.

The Government stated (November 2015) that Public debt receipts increased in order to finance higher capital outlay.

1.6 Public Account Receipts

Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc. which do not form part of the Consolidated Fund of India, are kept in Public Account set up under Article 266(2) of the Constitution of India and are not subject to vote by the State Legislature. Here the Government acts as a banker. The balance after disbursements is the amount of funds available with the Government for its use. Composition of Public Account Receipt by the Government was detailed in **Table 1.12**.

Table 1.12: Trends in growth and composition of Public Account Receipts

(₹ in crore)

Resources under various heads	2010-11	2011-12	2012-13	2013-14	2014-15
Public Account Receipts	12779	15487	27545	32677	24801
a. Small Savings, Provident Fund etc.	2804	2492	3001	3332	3471
b. Reserve Fund	603	1661	939	1760	658
c. Deposits and Advances	3346	4126	6537	7019	6842
d. Suspense and Miscellaneous	-2	-32	8527	10225	210
e. Remittances	6028	7240	8541	10341	13620

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

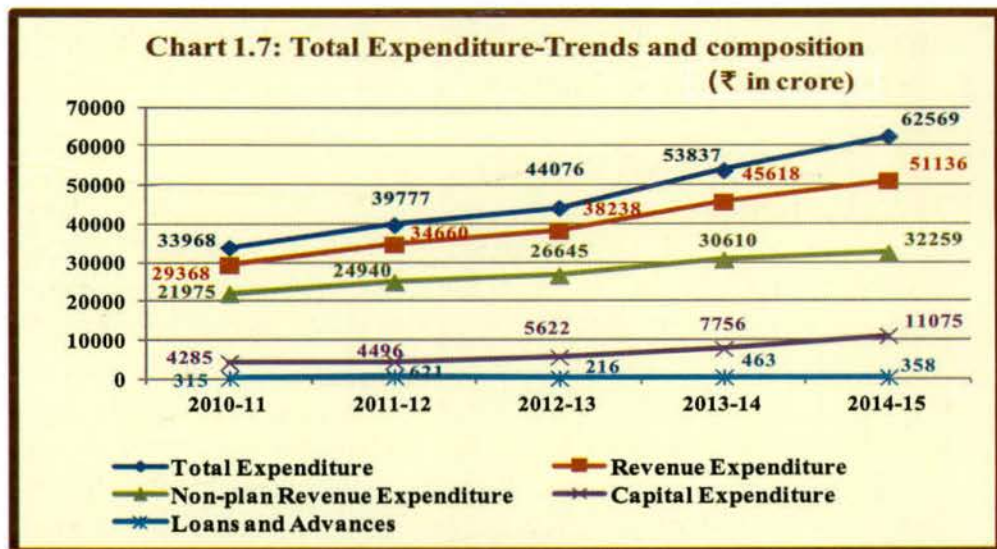
The share of Public Account receipts on total receipts increased from 26 *per cent* in 2010-11 to 28 *per cent* in 2014-15. As compared to 2013-14, the decrease during 2014-15 was 24 *per cent* (₹ 7876 crore) which was mainly under Suspense and Miscellaneous, Reserve Fund and Deposits and Advances, etc.

1.7 Application of Resources

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

1.7.1 Growth and Composition of Expenditure

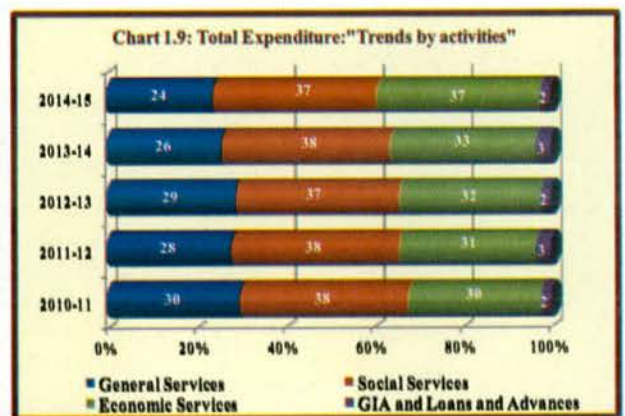
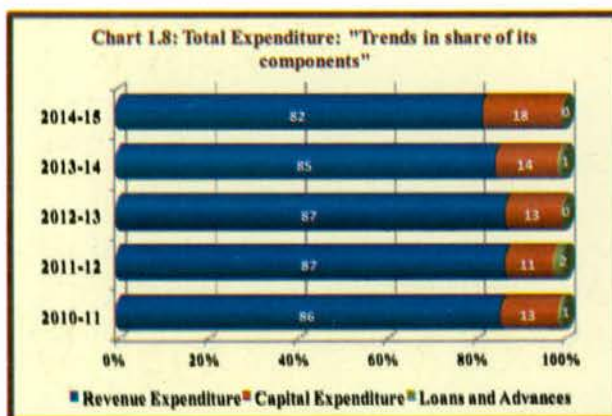
Chart 1.7 presents the trends in total expenditure over a period of five years (2010-15) and its composition both in terms of 'economic classification' and 'expenditure by activities' is depicted in **Charts 1.8** and **1.9** respectively.



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

Total expenditure of the State increased by 84 per cent from ₹ 33968 crore in 2010-11 to ₹ 62569 crore in 2014-15 due to increase in Revenue Expenditure (₹ 21768 crore), Capital outlay (₹ 6790 crore) and disbursement of Loans and Advances (₹ 43 crore). While the share of Revenue Expenditure in the Total Expenditure decreased from 86 per cent during 2010-11 to 82 per cent in 2014-15, the share of Capital Expenditure increased from 13 per cent in 2010-11 to 18 per cent in 2014-15.

The increase of ₹ 8732 crore in Total Expenditure in 2014-15 over the previous year was on account of increase in Revenue Expenditure and Capital Expenditure by ₹ 5518 crore and ₹ 3319 crore respectively. The Total Expenditure was 20.13 per cent of GSDP during 2014-15 as compared to 19.72 per cent during the previous year.



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

1.7.2 Total Expenditure

Total Expenditure (TE) consisted of expenditure on General Services including Interest Payments, Social and Economic Services and GIA and disbursement of

Loans and Advances. The movement of relative shares of the component of expenditure is indicated in **Chart 1.9**.

1.7.3 Revenue Expenditure

Revenue Expenditure (RE) is incurred to maintain the current level of services and payment of the past obligation and as such does not result in any addition to the State's infrastructure and service network. Revenue Expenditure had a predominant share of 86 *per cent* of Total Expenditure in 2010-11 which decreased to 82 *per cent* in 2014-15. However, it increased by 12 *per cent* from ₹ 45618 crore in 2013-14 to ₹ 51136 crore in 2014-15 in absolute terms.

In the context of State finances, the quality of expenditure has always been an important issue. Currently, revenue expenditure accounts for around 82 *per cent* of the State's aggregate expenditure, which is in the nature of current consumption, leaving only 18 *per cent* for investment in infrastructure and asset creation.

1.7.4 Non-Plan Revenue Expenditure

Non-Plan Revenue Expenditure (NPRE) recorded an increase of ₹ 1649 crore (five *per cent*) from ₹ 30610 crore in 2013-14 to ₹ 32259 crore during the current year. The increase in NPRE is a cause of concern as it erodes the resource base for sparing budgetary resources for developmental interventions. However, NPRE as a proportion of Revenue Expenditure, decreased from 75 *per cent* (₹ 21975 crore) in 2010-11 to 63 *per cent* (₹ 32259 crore) in 2014-15. Out of the total increase of ₹ 5518 crore in Revenue Expenditure during the current year over the previous year, increase in NPRE contributed 30 *per cent* (₹ 1649 crore) and the remaining 70 *per cent* (₹ 3869 crore) was Plan Revenue Expenditure (PRE). Increase in NPRE during the current year was mainly on Pension and Miscellaneous General Services (₹ 775 crore), Education, Sports, Art and Culture (₹ 837 crore), Agriculture & Allied Services (₹ 234 crore), Health and Family Welfare (₹ 173 crore) and Rural Development (₹ 122 crore). Although NPRE exceeded ThFC's assessment (₹ 26520 crore) by ₹ 5739 crore, it remained below the assessment made by the Government in MTFP (₹ 42422 crore) for 2014-15 by ₹ 10163 crore, as indicated in **Table 1.13**.

Table 1.13: Comparative assessments of RE and NPRE and *per cent* of GSDP

(₹ in crore)

	Assessment made by ThFC	Assessment made by Government in MTFP	Actual in 2014-15
Revenue Expenditure	Not available	49394	51136
NPRE	26520 (8.53)	42422 (13.65)	32259 (10.38)

Note: Figures in brackets are percentage to GSDP (₹ 310810 crore) for 2014-15.

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

NPRE constituted 52 *per cent* of the total expenditure of the State during 2014-15. Its ratio with Revenue Expenditure declined from 75 *per cent* in 2010-11 to 63 *per cent* in the current year, an improvement over the previous period.

1.7.5 Capital Expenditure

Capital Expenditure (CE) of the State as proportion of Total Expenditure increased from 13 *per cent* (₹ 4285 crore) in 2010-11 to 18 *per cent* (₹ 11075 crore) in 2014-15. However, CE (₹ 11075 crore) increased significantly (43 *per cent*) during 2014-15 over the previous year (₹ 7756 crore) in absolute terms, mainly on account of increase in expenditure on Roads and Bridges (₹ 2225 crore), Irrigation and Flood Control (₹ 610 crore), Medical and Public Health (₹ 269 crore) and Education, Sports, Arts and Culture (₹ 206 crore). The CE during 2014-15, was 3.56 *per cent* of GSDP as against Government's projection of 5.55 *per cent* in Budget Estimate for 2014-15. The CE (₹ 11075 crore) was lesser by ₹ 6183 crore against Budget Estimate (₹ 17258 crore) during the current year.

1.7.6 Committed Expenditure

Committed Expenditure of the State Government on Revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.14** and **Chart 1.10** present the trends in the expenditure on these components during 2010-15.

Table 1.14: Components of Committed Expenditure

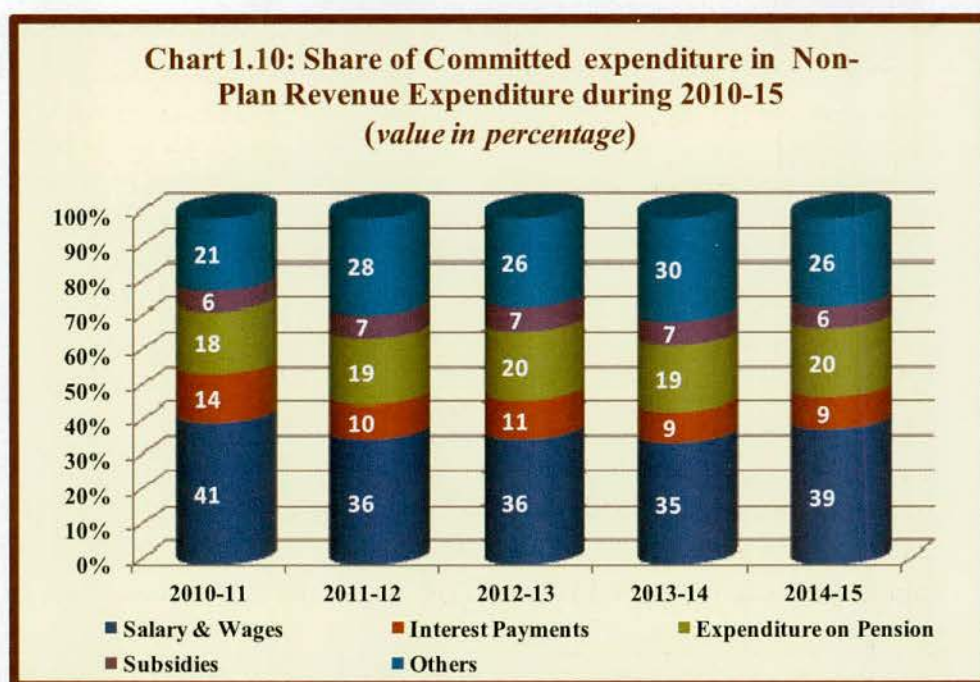
	2010-11	2011-12	2012-13	2013-14	2014-15	
					BE	Actuals
Salaries* & Wages	8969 (26)	8868 (22)	9615 (22)	10713 (22)	17030	12553
Non-Plan Head	8448	8385	9118	10210	14383	11822
Plan Head**	521	483	497	503	2647	731
Interest Payments	3061 (9)	2576 (6)	2807 (6)	2888 (6)	4729	2810
Expenditure on Pensions	4011 (12)	4741 (12)	5379 (12)	5935 (12)	7811	6417
Subsidies	1310 (4)	1744 (4)	1951 (4)	2031 (4)	1593	2076
TOTAL	17351	17929	19752	21567	31163	23856

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

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

** also includes the salaries and wages paid under Centrally Sponsored Schemes

Source: Finance Accounts 2014-15, Government of Odisha and Odisha Budget at a Glance 2015-16.



Source: Finance Accounts of Government of Odisha for respective years

1.7.6.1 Salaries

Expenditure on salaries increased from ₹ 8969 crore in 2010-11 to ₹ 12553 crore in 2014-15. This accounted for nearly 22 per cent of Revenue Receipts and 39 per cent of the NPRES of the State Government during the year. The salary expenditure (₹ 12553 crore) was ₹ 4342 crore more than the ThFC assessment of ₹ 8211 crore for 2014-15 in absolute terms. The expenditure on salary increased to 25 per cent of Revenue Expenditure during 2014-15 as against 23 per cent in 2013-14.

1.7.6.2 Interest Payments

Interest payments during the current year (₹ 2810 crore) decreased by ₹ 78 crore over the previous year's (₹ 2888 crore) and remained lower than the projections made in Mid Term Fiscal Plan (MTFP) (₹ 5008 crore), ThFC (₹ 5630 crore) and Budget Estimates (₹ 4729 crore) for the year 2014-15. During 2014-15, interest payment as percentage of total Revenue Receipts was five per cent which was lower than the projections of 9.76 per cent in MTFP.

1.7.6.3 Pensions

Expenditure on pension (₹ 6417 crore) which was 11 per cent of total Revenue Receipts of the State during the year increased by 60 per cent from ₹ 4011 crore in 2010-11 to ₹ 6417 crore in 2014-15. It also increased by ₹ 482 crore from ₹ 5935 crore in 2013-14 to ₹ 6417 crore in 2014-15. The increase in the current year over the previous year was mainly due to more expenditure under pensions on superannuation and other retirement allowances to Government servants. The State Government did not adequately estimate yearly pension liabilities for next 10

years, as required under FRBM Act, 2005. The pension payment during the current year was higher than the projection made by ThFC (₹ 3856 crore) for the year.

The Government introduced a 'Defined Contributory Pension Scheme' for all employees recruited on or after 1 January 2005 for managing the future pension liability. The State Government has executed agreement with National Securities Depository Limited (NSDL), Mumbai, the Central Record Keeping Agency appointed by the Pension Fund Regulatory and Development Authority (PFRDA) as well as with New Pension Scheme (NPS) Trust, New Delhi for smooth management of NPS. An amount of ₹ 22.55 crore, being the employees contribution as well as employer's contribution, was kept under Public Account (3342-Other Deposits) for transfer to National Pension Scheme (NPS) Trust. Thus, the State Government's liability on this account was ₹ 22.55 crore as on 31 March 2015. This amount has not been transferred to NPS, thus defeating the main objective of introducing the Defined Contributory Pension Scheme in order to limit future pension liabilities.

1.7.6.4 Subsidies

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

The State Government in its MTFP for 2007-08, aimed to rationalise general subsidy and reduce their overall volume gradually at a rate of 10 *per cent* per annum beginning from 2005-06. However, the expenditure on subsidies increased from ₹ 1310 crore in 2010-11 to ₹ 2076 crore (over 58 *per cent*) in 2014-15 which included food subsidy of ₹ 1212 crore due to disbursement of rice at one rupees per kilogram to people living below poverty line, ₹ 302 crore under Relief on account of Natural Calamities which consisted mainly of assistance to farmers affected by floods/cyclone for purchase of agricultural inputs etc, ₹ 30 crore under subsidy to Odisha Lift Irrigation Corporation Limited and ₹ 181 crore interest subsidy/subvention to the Co-operative banks for providing crop loan at five *per cent* interest per annum to the farmers.

1.7.6.5 Future Committed Liabilities

Appendix-XII of Finance Accounts, 2014-15 depicts the information on committed liabilities of the State in the future as detailed in **Table 1.15**.

Table 1.15: Committed Liabilities of the State for future

(₹ in crore)

Sl. No.	Nature of the Liability	Plan	Non-Plan	Likely year of discharge	Balance
1	Pensions	0	73347.41	2015-21	73347.41
2	Interest payments	0	33562.91	2015-21	33562.91
3	Repayment of Loan	0	11649.41	2015-21	11649.41
Total			118559.73		118559.73

Source: Finance Accounts 2014-15, Government of Odisha.

The total committed liabilities of the State stood at ₹ 118559.73 crore as at the end of the year. Out of total liabilities, pension payment obligations were 61.86 per cent, interest payments were 28.31 per cent and loan repayments were 9.83 per cent of the total liabilities.

1.7.7 Financial Assistance by State Government to Local Bodies and other Institutions

The quantum of assistance provided by way of grants to local bodies and others during the current year relative to the previous years is presented in the Table 1.16.

Table 1.16: Financial Assistance to Local Bodies etc.

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Educational institutions (Aided Schools, Aided Colleges, Universities, etc.)	1722	1859	668	1090	1659
Municipal Corporations and Municipalities	1168	591	804	1359	1185
Zilla Parishads and Other Panchayati Raj Institutions	3556	1149	1227	1246	1169
Development Agencies	582	908	692	510	1367
Other Institutions	2058	4558	3632	5290	8306
TOTAL	9086	9065	7023	9495	13686
Assistance as per percentage of RE	31	26	18	21	27

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

Grants extended to local bodies and other institutions has significantly increased by ₹ 4191 crore (44 per cent) from ₹ 9495 crore in 2013-14 to ₹ 13686 crore in 2014-15. The increase over previous year was mainly due to increase in assistance to Educational Institutions (₹ 569 crore), Other Institutions (₹ 3016 crore) and Development Agencies (₹ 857 crore) which was partly set off by decrease in assistance to Municipal Corporations (₹ 174 crore) and Zilla Parishads and Other Panchayati Raj Institutions (₹ 77 crore) resulting in increase in the share of grants and loans to the Revenue Expenditure from 21 per cent in 2013-14 to 27 per cent in 2014-15.

1.8 Quality of Expenditure

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

1.8.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to the social sector and the economic infrastructure assigned to the State Governments are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health etc. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if it is below the respective national average. **Table 1.17** analyses the fiscal priority of the State Government with regard to Development Expenditure, Social Expenditure and Capital Expenditure during 2014-15.

Table 1.17: Fiscal Priority and Fiscal Capacity of the State in 2011-12 and 2014-15.

(In per cent)

Fiscal Priority by the State	AE/GSDP	DE#AE	SSE/AE	ESE/AE	CE/AE	Education/AE	Health/AE
General Category States* average (Ratio) 2011-12	15.98	65.39	36.63	28.76	13.23	17.10	4.68
Odisha State's average (Ratio) 2011-12	17.47	68.62	37.41	30.96	12.61	19.47	3.75
General Category States* average (Ratio) 2014-15	16.49	69.12	36.50	32.61	14.01	16.23	5.04
Odisha State's average (Ratio) 2014-15	18.67	71.86	37.98	37.12	14.41	15.67	3.63

As per cent to GSDP

* General Category States excluding Goa and Puducherry

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

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

From the above table, it may be seen that

- The ratio of the AE to GSDP in 2011-12 and 2014-15 (17.47 per cent and 18.67 per cent) was higher in Odisha as compared to other General Category States (GCS).
- Development expenditure as a proportion of aggregate expenditure in Odisha was also higher compared to the average of GCS during 2011-12 as well as in 2014-15. Development expenditure consists of both economic service expenditure and social sector expenditure.
- Capital Expenditure as a proportion of aggregate expenditure in Odisha was lower as compared to the average of GCS during 2011-12. However,

in 2014-15, Odisha spent a higher proportion on this account as compared to GCS. Increased priority to physical capital formation will further increase the growth prospects of the state by creating durable assets.

- Fiscal priority given to education in Odisha was higher than other GCS in 2011-12, but in 2014-15, lower fiscal priority (15.67 *per cent*) was given to this sector by the State as compared to other GCS.
- Fiscal priority given to health sector in Odisha during 2011-12 and 2014-15 (3.75 *per cent* and 3.63 *per cent*) based on the proportion of aggregate expenditure was lower than other GCS. Greater fiscal priority needs to be accorded to the health sector.

1.8.2 Efficiency of Expenditure use

In view of the importance of public expenditure for attaining higher levels of social and economic development, it is important for the Government to take appropriate expenditure rationalisation measures so as to lay emphasis on provision of core public and merit goods³. Apart from improving the allocation towards Development Expenditure⁴, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years and which is further enlarged due to generation of a surplus on Revenue account since 2005-06, the efficiency of expenditure use is also reflected by the ratio of Capital Expenditure to total expenditure (and/or GSDP) and proportion of Revenue Expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.18** presents the trends in Development Expenditure relative to the Aggregate Expenditure of the State during the current year vis-à-vis budget and the previous years, **Table 1.19** provides the details of Capital Expenditure and the components of Revenue Expenditure incurred on the maintenance of the selected social and economic services.

³ **Core public goods** are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights, pollution free air and other environmental goods and road infrastructure etc. **Merit goods** are commodities that the public sector provides free or at subsidised rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidised food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

⁴ Analysis of expenditure data is disaggregated into development and non development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorised into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.

Table 1.18: Development Expenditure

(₹ in crore)

Components of Development Expenditure ⁵	2010-11	2011-12	2012-13	2013-14	2014-15	
					(BE)	(Actual)
Development Expenditure (a to c)						
a. Development Revenue Expenditure (DRE)	18999 (56)	23070 (58)	25173 (57)	31036 (58)	56518	35790
b. Development Capital Expenditure (DCE)	4051 (12)	4238 (11)	5271 (12)	7286 (14)	11796	10685
c. Development Loans and Advances	258 (0.8)	401 (1)	142 (0.3)	364 (0.7)	545	260
TOTAL	23308 (69)	27709 (70)	30586 (69)	38687 (72)	68859	46735 (75)

Figures in parentheses indicate *percentage* to aggregate expenditure.

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

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

Development expenditure comprising Revenue, Capital and expenditure on Loans and Advances on socio-economic services increased from ₹ 23308 crore in 2010-11 to ₹ 46734 crore in 2014-15. As a percentage of total expenditure, it increased from 69 *per cent* in 2010-11 to 75 *per cent* in 2014-15.

It would be seen from the above that Development Revenue Expenditure which was ₹ 18999 crore during 2010-11 rose to ₹ 35789 crore during 2014-15, registering a growth of nearly 88 *per cent*.

During 2014-15, Development Revenue Expenditure increased by ₹ 4753 crore (15 *per cent*) in absolute terms and Development Capital Expenditure increased by ₹ 3399 crore (47 *per cent*) over the previous year.

The increase in Development Revenue Expenditure during 2014-15 over the previous year was mainly due to increase under Education (₹ 1520 crore), Rural Development (₹ 1470 crore), Agriculture & Allied Activities (₹ 919 crore), Water Supplies, Sanitation and Housing & Urban Development (₹ 332 crore) and Health & Family Welfare (₹ 882 crore). The increase in Capital Expenditure during 2014-15 over the previous year was mainly due to increase in expenditure on Transport (₹ 2225 crore), Irrigation and Flood Control (₹ 611 crore), Health & Family Welfare (₹ 269 crore) and Education, Sports, Arts and Culture (₹ 206 crore).

Table 1.19: Efficiency of expenditure in selected Social and Economic services

(In *per cent*)

Sectors	2013-14			2014-15		
	Ratio of CE to TE	In RE, the share of S & W	O & M	Ratio of CE to TE	In RE, the share of S & W	O & M
Social Services (SS)						
General Education	1.85	53.19	NA	3.54	52.50	NA
Health and Family Welfare	7.38	61.44	NA	12.98	47.79	NA
Water Supplies, Sanitation & Housing & Urban Development	32.83	5.11	24.26	24.99	4.75	22.65
TOTAL (SS)	8.44	32.36	2.05	9.58	34.02	2.04

Sectors	2013-14			2014-15		
	Ratio of CE to TE	In RE, the share of S & W	O&M	Ratio of CE to TE	In RE, the share of S&W	O & M
Economic Services (ES)						
Agriculture & Allied Activities	3.32	18.41	NA	2.36	16.98	NA
Irrigation and Flood Control	61.30	13.45	28.34	67.35	15.52	32.21
Power & Energy	67.02	17.45	14.32	16.47	10.67	7.38
Transport	56.38	0.37	41.98	70.61	0.38	42.24
Total (ES)	30.49	12.40	9.05	31.50	11.74	8.41
TOTAL (SS+ES)	18.83	24.44	4.83	21.14	24.79	4.68

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

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

Source: Finance Accounts of Government of Odisha

Access to basic education, health services, drinking water and sanitation facilities are strong indicators of socio-economic progress. Further, expenditure on economic services includes all such services that promote directly and indirectly productive capacity within the State by improving the quality of human resources. Therefore, it is pertinent to make an assessment with regard to expansion and efficient provision of these services in the State. **Table 1.19** summarises percentage of expenditure under different components of social and economic services sectors incurred by the State Government in expanding and maintaining social and economic services in the State during 2013-14 and 2014-15.

The share of Capital Expenditure to total expenditure has increased in respect of General Education and Health & Family Welfare (in Social Services) and Irrigation and Flood Control and Transport (in Economic Services) during 2014-15 as compared to the previous year whereas the share of the Operation & Maintenance expenditure has substantially increased in Irrigation and Flood Control set off by substantial decrease of the same in Health & Family Welfare and Power & Energy.

As seen from *Appendix-1.3*, expenditure on Social Services during 2014-15 (₹ 23252 crore) constituting 37 per cent of total expenditure (₹ 62569 crore) increased by 14 per cent over the previous year's expenditure (₹ 20447 crore), while in Development Expenditure (₹ 46735 crore), which was 75 per cent of total expenditure, there was an increase of 21 per cent over the previous year (₹ 38687 crore). Operation and maintenance expenditure decreased by 3.11 per cent indicating that Revenue Expenditure on salaries continued to share a dominant proportion of Revenue Expenditure on Social Services (34.02 per cent). Capital Expenditure on Social Services relative to the total expenditure showed an increase (13.51 per cent) over the previous year.

Expenditure on economic services includes all such expenditure that promotes directly or indirectly, productive capacity within the State's economy. During 2014-15, total expenditure under economic services (₹ 26656 crore) increased by

26 per cent over previous year. The expenditure on total economic services (₹ 26656 crore) accounted for 43 per cent of total expenditure and 57 per cent of Development Expenditure.

1.8.3 Outcome Budget (Effectiveness of the Expenditure)

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

Outlay-outcome budgets of four departments viz. Fisheries & Animal Resources Development, Panchayati Raj, Rural Development and Water Resources departments were reviewed for the year 2014-15 and it was seen that the financial and physical targets were not fully achieved (*Appendix-1.6*).

In Fisheries and Animal Resources Development department though the financial target has been fully achieved, the physical target has not been achieved to that extent in the following schemes:

- In Interest Subvention on Short Term Credit Support to Fish Farmers Scheme, the financial target was fully achieved, but the physical target was not achieved. The achievement was only 94 hectares (five per cent) of land as against a target of 2000 hectares of land.
- In interest Subvention on Long Term Credit Support to Fish Farmers Scheme, the financial target has been fully achieved, but the physical target achievement was 1531 hectares (77 per cent) against a target of 2000 hectares.
- Similarly, in the Empowering Fishermen through Mobile Advisory Services and Establishment of Toll free Call Center for Fishermen Extension Services Scheme, the financial target has been fully achieved, but the physical target achievement was 65 per cent.

In Panchayati Raj department, although the financial target in major schemes i.e. Gopabandhu Grameen Yojana (GGY) for employment generation, Construction of CC Road, Non-Residential Buildings and *Mo Kudia* for rural people etc. were fully achieved but the physical achievement was very poor. The details of such shortfalls are given below:

- In *Mo Kudia* Scheme, although the funds for the year were fully utilised (₹ 330 crore), only 17 per cent (8166 nos.) of the targeted number (46675 nos.) of houses could be completed.
- In GGY Scheme for employment generation, although the funds for the year were fully utilised (₹ 225 crore), 77 per cent (8908 projects) of the targeted number (11588 projects) were completed.
- In Construction of CC Roads, the funds for the scheme were fully utilised, but the physical achievement was 83 per cent.
- In Construction of Non-residential Buildings, though the financial target (₹ 10 crore) was fully achieved, only 12 (12 per cent) out of 98 targeted projects were completed.
- In Indira Awas Yojana, 76 per cent (₹ 887 crore) of the funds utilised out of allotted funds (₹ 1169 crore), against which 39 per cent (59739 nos.) of the targeted number (152966 nos.) of houses were completed.
- In National Rural Livelihood Mission, 41 per cent (₹ 135.91 crore) of the allotted (₹ 327.82 crore) funds were utilised, but the physical achievement was only nine per cent (5132) out of targeted 57237 number of Self Help Groups (SHG).
- In Rajiv Gandhi Sashaktikaran Yojana, the financial target achievement was 29 per cent (₹ 43.89 crore) against ₹ 150 crore. The physical target achievement was only eight per cent (12) out of targeted 157 numbers of buildings.

In Rural Development department, the financial and physical achievements are given below:

- In Works PWS Scheme, against the financial target achievement of 85 per cent (₹ 51.25 crore) against ₹ 60 crore, the physical target achievement was seven per cent (47 units out of the target of 669 units).
- In Construction of Office Building, financial target achievement was 54 per cent (₹ 2.69 crore against a target of ₹ 5 crore), whereas the physical target achievement was 43 per cent (19 numbers out of the targeted 44 numbers).
- In Construction of Residential Building, financial target achievement was 93 per cent (₹ 5.60 crore against ₹ six crore), whereas the physical target achievement was 44 per cent (28 numbers out of the targeted 63 numbers).

In Water Resources Department, it was observed that:

In the Accelerated Irrigation Benefit Programme (AIBP), financial target achievement was 54 *per cent* (₹ 633.71 crore against ₹ 1176.16 crore), but the physical target achievement was only 11 *per cent* (2930 hectares against a target of 27200 hectares).

In Rural Infrastructure Development Fund (RIDF), the financial target achievement was 53 *per cent* (₹ 121.68 crore against ₹ 231 crore), but the physical target achievement was 19 *per cent* (1680 hectares against 9038 hectares).

In Biju Krushak Vikash Yojana (BKVY), financial target achievement was 11 *per cent* (₹ 23 crore against a target of ₹ 203 crore), but the physical target achieved was 38 *per cent*.

1.9 Financial Analysis of Government Expenditure and Investment

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

1.9.1 Financial Results of Irrigation Works

The financial results of 62 irrigation projects (13-major and 49-medium projects) with a Capital Expenditure of ₹ 4334.12 crore at the end of March 2015 showed that an amount of ₹ 318.17 crore was realised from these projects during 2014-15 by way of sale of water to industries. After meeting the working and maintenance expenditure of ₹ 240.11 crore and interest charges of ₹ 292.43 crore, the schemes suffered a net loss of ₹ 214.37 crore.

1.9.2 Incomplete Projects

Blocking of funds on incomplete works affects quality of expenditure negatively. The department-wise information pertaining to incomplete projects as on 31 March 2015 is given in **Table 1.20** as per information furnished to Audit by the concerned Departments.

Table 1.20: Department-wise profile of incomplete projects.

Department	No. of Incomplete Projects	Initial Budgeted Cost	Revised Total Cost of Projects	(₹ in crore)
				Cumulative Actual Expenditure as on 31 March 2015
Water Resources	59	162.75	166.98	135.94
Works	29	725.58	836.58	680.77
Employment and Technical Education & Training	3	8.76	8.54	4.8
Housing & Urban Development	2	4.43	5.07	5.05
Rural Development	113	316.83	327.68	246.47
TOTAL	206	1218.35	1344.85	1073.03

Source: Information collected from the respective Departments.

All the above 206 projects were incomplete due to the prolonged processes involved in land acquisition, matters lying sub-judice in Courts, finalising and revising the designs, shortage of funds and slow progress of work. Due to non-completion of projects, not only the benefits that were to accrue to the intended beneficiaries delayed, but also the cost to the exchequer increased due to time overrun involved in their completion.

Adequate efforts were not made by the concerned Departments to complete the incomplete projects early, as ₹ 1073.03 crore had already been spent on these incomplete projects and full benefits were yet to be realised.

1.9.3 Investment and Returns

As of March 2015, Government had invested ₹ 3504.87 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives. Average return on this investment was 15.58 per cent in the last five years (30.71 per cent during 2014-15) while Government paid an average interest rate of 6.09 per cent to 7.39 per cent on its borrowings during 2010-11 to 2014-2015 (Table 1.21).

Table 1.21: Return on Investment

Year	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Investment at the end of the year	2190.37	2908.07	2964.28	3308.79	3504.87
Return	101.58	286.23	564.53	452.40	1076.44
Percentage of return	4.64	9.84	19.04	13.67	30.71
Average rate of interest on Government borrowing	7.39	6.09	6.54	6.56	5.90
Difference between interest rate and return	(+)2.75	(-)3.75	(-)12.50	(-)7.11	(-)24.81

Source: Finance Accounts of Government of Odisha for respective years

The investment of State Government at the end of 2014-15 included ₹ 3035.88 crore in 87 Public Sector Undertakings (PSU) comprising 84 Government Companies (₹ 2544.89 crore) and three Statutory Corporations (₹ 490.99 crore).

Dividend of ₹ 1076.44 crore was received from one Co-operative Society⁵, eight Government Companies⁶ and one Statutory Corporation⁷ during 2014-15 of which Odisha Mining Corporation is the main contributor (₹ 1000.82 crore).

As per information furnished in the Odisha Budget at a Glance 2015-16, Grid Corporation of Odisha Limited (GRIDCO) with accumulated loss of ₹ 1681.43 crore, Odisha State Financial Corporation (OSFC) with ₹ 399.50 crore, Odisha State Road Transport Corporation (OSRTC) with ₹ 193.17 crore, and Odisha Forest Development Corporation (OFDC) with ₹ 141.58 crore were among the major loss incurring PSUs in the State as of 2013-14. The major profit making PSUs are Odisha Mining Corporation (OMC) ₹ 5864.17 crore, Odisha Power Generation Corporation (OPGC) ₹ 747.26 crore, IDCO ₹ 620.10 crore, Odisha Hydro Power Corporation (OHPC) ₹ 610.41 crore and Odisha State Beverage Corporation (OSBC) ₹ 226.79 crore. During the year 2014-15, the Government invested ₹ 100 crore in Angul-Sukinda Railways Limited (₹ 45 crore) and M/s Haridaspur-Paradeep Railways Company Limited (₹ 55 crore) for completion of railways lines.

1.9.4 Loans and Advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/ organisations. Loans and advances by the State Government increased by ₹ 266 crore from ₹ 4183 crore in 2013-14 to ₹ 4449 crore in 2014-15. During the year, Government advanced loans amounting to ₹ 358 crore and ₹ 92 crore was repaid by the loanee entities. Major portion of loans advanced during 2014-15 was to Energy sector (₹ 130 crore), Agriculture sector (₹ 125 crore) and Government servants (₹ 90 crore). **Table 1.22** presents outstanding loans and advances as on 31 March 2015 and interest receipts vis-à-vis interest payments during the last four years.

Table 1.22: Average Interest Received on Loans Advanced by the State Government

(₹ in crore)

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2011-12	2012-13	2013-14	2014-15
Opening Balance	3414	3903	3977	4183
Amount advanced during the year	621	216	463	358
Amount repaid during the year	132	142	257	92
Closing Balance	3903	3977	4183	4449
<i>Of which</i> outstanding balance for which terms and conditions have been settled				

⁵ Credit Co-operatives: ₹ 0.32 crore.

⁶ Odisha Mining Corporation Limited ₹ 1000.82 crore, Agriculture Promotion and Investment Corporation Limited: ₹ 0.07 crore, Odisha Forest Development Corporation Limited: ₹ 1.22 crore, Odisha Construction Corporation Limited(OCC) ₹ 0.35 crore, Odisha Hydro Power Corporation: ₹ 2.64 crore, Odisha Power Generation Corporation Limited: ₹ 16.25 crore, Odisha State Cashew Development Corporation Limited: ₹ 0.62 crore and Odisha State Beverage Corporation Limited ₹ 52.72 crore,

⁷ Odisha State Warehousing Corporation, Bhubaneswar ₹ 1.43 crore.

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2011-12	2012-13	2013-14	2014-15
Net addition	(+)489	(+)74	(+)206	(+)266
Interest Receipts	16	16	610	14
Interest Receipts as <i>per cent</i> to outstanding Loans and advances	0.41	0.40	14.58	0.31
Interest Payments as <i>per cent</i> to outstanding Fiscal Liabilities of the State Government.	6.07	6.48	6.46	5.57
Difference between Interest Payments and Interest Receipts (<i>per cent</i>)	(-)5.66	(-)6.08	(+)8.12	(-)5.26

Source: Finance Accounts of Government of Odisha for respective years

Loans outstanding as of 31 March 2015 aggregated to ₹ 4449 crore. Of the total outstanding loans of ₹ 4449 crore, terms and conditions for loan amount of ₹ 1411.41 crore are yet to be settled. Terms & conditions for loan amount of ₹ 1278.36 crore advanced to Odisha Hydro Power Corporation (OHPC) Limited was not settled during last 19 years. Loans amounting to ₹ 131.06 crore were disbursed to three loanee⁸ entities against whom earlier loans were in arrears.

Scrutiny of the total outstanding loans revealed that loan amounts ranging from ₹ 2998 crore to ₹ 3823 crore during 2010-11 to 2014-15 relating to 11 departments remained unaltered/marginally repaid for more than five years. **Table 1.23** shows that closing balances remained at static levels indicating no repayment.

Table 1.23: Loans and Advances rolling for a long time

(₹ in crore)

Sl. No.	Name of Department	2010-11	2011-12	2012-13	2013-14	2014-15
1	Education	6.43	6.05	6.11	6.34	6.04
2	Housing & Urban Development	475.44	639.68	637.25	625.25	625.73
3	Information & Public Relation (I & PR)	0.54	0.54	0.54	0.54	0.54
4	ST, SC Dev and Minorities and Backward Classes Welfare	13.56	13.56	13.56	13.56	11.25
5	Agriculture	49.56	49.54	49.46	49.46	31.62
6	Fisheries & Animal Resources Development	19.21	19.21	19.21	19.21	19.40
7	Co-operation	67.90	83.67	81.22	78.45	72.58
8	Water Resources	6.17	6.09	6.01	5.93	5.85
9	Energy	2148.09	2218.86	2296.20	2849.13	2849.13
10	Micro Small and Medium Enterprises (Industries)	203.54	206.04	209.25	168.12	167.51
11	Finance	7.34	7.34	7.34	7.34	7.34
	Total	2997.78	3250.58	3326.15	3823.33	3796.99

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

⁸ (i) Grid Corporation of Odisha Limited (₹ 130.42 crore), (ii) Shree Jagannath Weaver's Co-operative Spinning Mills, Nuapatna (₹ 0.37 crore) and (iii) Utakl Weaver's Co-operative Spinning Mills, Khurdha (₹ 0.27 crore)

As seen from above, in three cases (Energy, I & PR and Finance Department), the loans and advances remained constant over the last five years. In four cases (Education, Housing and Urban Development, Fisheries & Animal Resources Development and Water Resources departments), the repayment of loan was negligible. Further, in four departments (ST, SC Dev and Minorities and Backward Classes Welfare, Agriculture, Co-operation and Micro, Small and Medium Enterprises), the loans and advances were reduced marginally.

Further scrutiny revealed that loans amounting to ₹ 175.02 crore relating to 19 loanee entities remained in arrears for long periods as detailed in **Table 1.24**.

Table 1.24: Arrear of loans from loanee entities

(₹ in crore)

Sl. No.	Name of the Loanee entity	Amount of arrears as on March 2015	Earliest period to which arrears relate
1	The Odisha Film Development Corporation Limited	1.29	2008-09
2	Industrial Development Corporation of Odisha Limited	76.34	Not mentioned
3	National Institute of Social Work and Social Science (NISWASS)	3.45	1997
4	Odisha Pisciculture Development Corporation	2.91	1999-2000
5	FISHFED	2.29	1990-91
6	Odisha Textiles Mills, Chaudwar	28.48	1995-96
7	Odisha State Textiles Corporation (Bhaskar Textiles Mills, Jharsuguda)	7.41	1986-87
8	Odisha State Co-operative Handicraft Corporation Limited	2.15	2005-06
9	Odisha Weaver's Co-operative Spinning Mills, Tora, Baragarh	1.05	2005-06
10	Gopinath Weaver's Co-operative Spinning Mills, Baliapala	4.40	2005-06
11	Utkal Weaver's Co-operative Spinning Mills, Khurda	6.74	2005-06
12	Sarala Weaver's Co-operative Spinning Mills, Tirtol	2.73	2005-06
13	Kalinga Weaver's Co-operative Spinning Mills, Dhenkanal	2.47	2005-06
14	Gangpur Weaver's Co-operative Spinning Mills, Kerei	5.69	1995-96
15	Konark Cotton Grower's Co-operative Spinning Mills, Kesinga, Kalahandi	6.06	2003-04
16	SPINFED, Bhubaneswar	6.87	1980.81
17	Madhu Nagar Powerloom Weaver's Co-operative Societies	1.17	1961-62
18	Primary Handloom Weavers Co-operative Societies Ltd.	10.72	1959-60
19	Sri Jagannath Weavers Co-operative Spinning Mills, Nuapatna	2.80	1985-86
		175.02	

Source: Finance Account 2014-15 of Government of Odisha

It is further revealed that fresh loans of ₹ 130.42 crore were advanced during 2014-15 to Grid Corporation of Odisha (GRIDCO) Limited from whom repayment

of earlier loan to the extent of ₹ 1988.95 crore was in arrears. Reason for disbursement during the current year was not explained. Thus, sanction of loan without assessing the loan repayment capacity of the loanee entity coupled with poor monitoring, resulted in accumulation of unpaid loans for years together.

Interest receipts decreased from ₹ 16 crore in 2011-12 to ₹ 14 crore during the current year. Similarly, interest received against the total outstanding loans and advances decreased from 0.41 per cent in 2011-12 to 0.31 per cent in 2014-15. While interest payment during 2014-15 was 5.57 per cent of its outstanding fiscal liabilities, the interest received was 0.31 per cent of the outstanding loans and advances. As a result, interest spread of Government borrowings was negative during the year which meant that the state borrowings were more expensive than the loans advanced by it.

The Government stated (November 2015) that steps would be taken to specify the terms and conditions of these loans in consultation with the Administrative Departments concerned and the transfer of assets will be taken up after consultation with the concerned PSUs.

1.9.5 Cash Balances and Investment of Cash Balances

Table 1.25 depicts the cash balances and investments made by the State Government out of cash balances during 2014-15. Total investment out of cash balances during 2014-15 were ₹ 3870.55 crore, major portion of which was in 14 days Government of India Treasury Bills (₹ 3813.91 crore). On these investments, the Government earned interest of ₹ 311.40 crore during the current year. Cash balance at the close of the current year increased from ₹ 9498.77 crore of the previous year to ₹ 9993.57 crore during the current year and was reflected in cash balance investment accounts as follows:

Table 1.25: Cash balance and investment of cash balance

	(₹ in crore)	
	Opening balance on 1/4/2014	Closing balance on 31/3/2015
(a) General Cash Balance -		
Cash in Treasuries	--	--
Deposits with Reserve Bank	26.87	578.65
Deposits with other Banks	--	--
Remittances in transit - Local	--	--
Investments held in Cash Balance investment account	3927.02	3870.55
Total (a)	3953.89	4449.20
(b) Other Cash Balances and Investments		
Cash with departmental officers viz. Public Works Department Officers, Forest Department Officers, District Collectors	21.55	21.04
Permanent advances for contingent expenditure with departmental officers	0.33	0.33
Investment of earmarked funds	5523.00	5523.00
Total (b)	5544.88	5544.37
Grand total (a)+ (b)	9498.77	9993.57

Source: Finance Accounts 2014-15, Government of Odisha.

The State Government maintained more than the mandated minimum cash balance (₹ 1.28 crore) including the cash balance investment in GoI treasury bills with the Reserve Bank of India as on 31 March 2015. One option for prudent financial management would be to maintain optimum cash balances and use the surplus to settle some of the high cost bonds instead of investing the same in GoI Treasury bills with Reserve Bank of India at a relatively lower rate (five per cent) of interest. The State Government's closing debt stocks of 2014-15 included a few high interest bearing loans like 7.77 per cent Odisha Government Loan (OGL) 2015 (₹ 506 crore), 7.17 per cent OGL 2017 (₹ 191 crore), 6.20 per cent OGL 2015 (₹ 220 crore) and nine per cent special security to National Small Savings Scheme (NSSF) of Government of India (₹ 10075 crore). The ThFC recommended (Paragraph 7.127) that States with large cash balances should make efforts towards utilising their cash balances before resorting to fresh borrowings.

Analysis of Cash Balance

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

Efficient debt management is an essential part of the cash management. With reduced fiscal deficit, it is essential that State follows the practice of borrowing on requirement rather than on availability. Further, ThFC also had suggested that there should be directed effort by the States with large balances towards utilising their existing cash balances before resorting to fresh borrowings. The Reserve Bank of India has also reiterated the fact and advised the States to manage their cash balance more efficiently.

1.10 Assets and Liabilities

1.10.1 Growth and composition of Assets and Liabilities

Under the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government Accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. *Appendix-1.7* gives an abstract of such liabilities and the assets as on 31 March 2015, compared with the corresponding position as on 31 March 2014. The liabilities consist mainly of internal borrowings, loans and advances from the GoI and receipts from

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

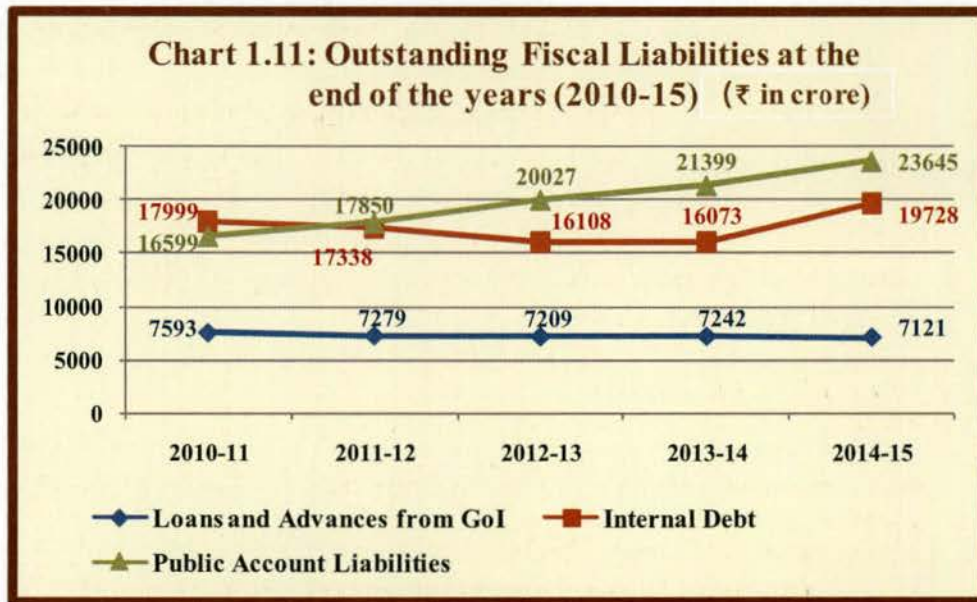
1.10.2 Fiscal Liabilities

Trends in outstanding fiscal liabilities of the State are presented in *Appendix-1.3*. However, the composition of fiscal liabilities during the current year vis-à-vis the last five years are presented in **Table 1.26** and **Chart 1.11**.

Table 1.26: Outstanding fiscal liabilities at the end of the year

Outstanding Fiscal Liabilities		2010-11	2011-12	2012-13	2013-14	2014-15
Public Account Liabilities	Actuals (₹ in crore)	16599	17850	20027	21399	23645
	Growth rate	9.17	7.54	12.20	6.85	10.50
	Percentage of revenue receipts	49.88	44.33	45.58	43.72	41.48
Internal Debt	Actuals (₹ in crore)	17999	17338	16108	16073	19728
	Growth rate	4.78	(-)3.67	(-)7.09	(-)0.22	22.74
	Percentage of revenue receipts	54.09	43.06	36.66	32.84	34.61
Loans and Advances from GoI	Actuals (₹ in crore)	7593	7279	7209	7242	7121
	Growth rate	(-)7.74	(-)4.14	(-)0.96	0.46	(-)1.67
	Percentage of revenue receipts	22.82	18.08	16.41	14.80	12.49

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



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

Fiscal liabilities stood on 1 April 2014 at ₹ 44714 crore comprising internal debt of ₹ 16073 crore (36 per cent), Public Account liability of ₹ 21399 crore (48 per cent) and loans and advance of ₹ 7242 crore (16 per cent) from GoI. However, it increased by ₹ 5779 crore to ₹ 50493 crore as of 31 March 2015. The fiscal liabilities comprised internal debt of ₹ 19728 crore (39 per cent), public account liability of ₹ 23645 crore (47 per cent) and loans and advances of ₹ 7121 crore (14 per cent) as at the end of 2014-15. The internal debt of ₹ 19728 crore comprised mainly of market loans bearing interest (₹ 4565 crore), loans from National Bank for Agriculture and Rural Development (₹ 4940 crore) and special securities issued to National Small Savings Fund (₹ 10075 crore). The ThFC has recommended that by the year 2014-15, fiscal liability should be brought down to 25 per cent of GSDP. The Government has already been able to achieve this target during this year. The fiscal liabilities at the end of 2014-15 constituted 14 per cent of GSDP which is one per cent less than previous year. This is a positive sign for the State finances.

1.10.3 Status of Guarantees – Contingent Liabilities

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

As per Statement 20 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years is given in **Table 1.27**.

Table 1.27: Guarantees given by the Government of Odisha

(₹ in crore)

Guarantees	2012-13	2013-14	2014-15
Maximum amount guaranteed (₹ in crore)	10578.61	10624.61	10885.61
Outstanding amount of guarantees (₹ in crore)	2251.23	1705.26	1671.77
Percentage of maximum amount guaranteed to total Revenue Receipt of current year (percentage)	24.08	21.71	19.10
Percentage of outstanding guarantee to total Revenue Receipt of 2 nd preceding year less Grants-in-aid as provided in the MTFP (percentage)	8.50	5.31	4.51
Maximum amount of guarantee as per criteria (not be more than 100 <i>per cent</i> of State's Revenue Receipt less Grants-in-aid of the 2 nd preceding year as provided in Finance Department Resolution No. 52214/F, dated 12 November 2002)	26470	32115	40518

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

The outstanding guarantees decreased by two *per cent* from ₹ 1705 crore in 2013-14 to ₹ 1672 crore in 2014-15. Guarantees were given in respect of Power sector (4), Co-operatives sector (42), Housing & Urban Development (86), Irrigation sector (1), Roads and Transport sector (2), State Financial Corporation sector (7) and other infrastructure (16). Government in their resolution (19 March 2004) issued instruction to the Public Sector Undertakings/Urban Local Bodies/Co-operative Societies etc, who had borrowed or intended to borrow against Government guarantees to open an Escrow Account in a Nationalised Bank for timely repayment of guaranteed loans. As on 31 March 2015, Escrow Accounts have been opened by only 14 out of 161 such institutions.

Though no law has been enacted under Article 293 of the Constitution laying down maximum limits for such guarantees, the State Government imposed (November 2002) an administrative limit in Finance Department Resolution No.52214/F, dated 12 November 2002 prescribing that the total outstanding guarantee as on 1st April every year was not to exceed hundred *per cent* of the State's Revenue Receipts of the 2nd preceding year (as per the books of account maintained by Accountant General (A&E) Odisha). As per the above, the guarantee position was within the norms laid down in the said resolution as indicated in **Table 1.27**.

To provide for sudden discharge of State's obligation on guarantee, Twelfth Finance Commission (TFC) recommended that States should set up Guarantee Redemption Fund through earmarked guarantee fees. The Government has set up a "Guarantee Redemption Fund" during 2002-03 to meet the contingent liabilities arising out of the total outstanding liabilities. However, there was no transaction since 2008-09 though there were guarantee commission receipts and expenditure on account of discharge of guarantee obligation. As on 31 March 2015, ₹ 480 crore remained invested in the fund.

Further, in consideration of the guarantee given by the Government, the institutions in some cases are required to pay guarantee commission at rates varying from 0.01 per cent to one per cent. As per information supplied to Audit, ₹ 172.97 crore was received as Guarantee Commission or fee against the arrear of ₹ 303.22 crore as shown in Table 1.28.

Table 1.28: Guarantee Commission received/to be received by the Government.

(₹ in crore)		
Name of the Sector	Commission Received	Commission to be Received
Power	135.02	233.09
Co-operatives	2.02	4.04
Irrigation	--	--
State Financial Corporation	2.87	8.51
Housing and Urban Development	26.81	40.94
Roads and Transport	1.84	1.84
Other Infrastructure	4.41	13.54
Any Other	--	1.26
TOTAL	172.97	303.22

Source: Finance Accounts 2014-15, Government of Odisha.

During the year 2014-15, the Government has not invoked any guarantee and also not issued any letter of comfort.

1.10.4 Transactions under Reserve fund

i) Consolidated Sinking Fund (CSF): Twelfth Finance Commission has recommended that State should set up Sinking Funds for amortization of all loans including loans from banks, liabilities on account of National Small Savings Fund etc. and should not be used for any other purpose, except for redemption of Loans. Guarantee Redemption Fund is meant for discharge of the States' obligations on Guarantee. The State Government is required to contribute a minimum of 0.5 per cent of the total liabilities outstanding at the beginning of the year to the Fund. The State Government has raised debt amounting to ₹ 44713.80 crore, out of which, ₹ 2921.18 crore constituted market loans. Accordingly, the amount due to be contributed to the Fund was ₹ 223.57 crore (@ 0.5 per cent of total liabilities at the beginning of the year) in terms of the recommendations of the Twelfth Finance Commission. However, the State Government did not contribute any amount to the Fund during the year. Consequently, the Revenue Surplus during the year was overstated by ₹ 223.57 crore.

ii) Guarantee Redemption Fund (GRF): Guarantee Redemption Fund was constituted in the year 2002-03 as per recommendation of the Twelfth Finance Commission with a corpus of ₹ 20 crore. The balance at the credit of the fund as on 31 March 2015 was ₹ 480 crore. The Government of Odisha has discharged guarantee liabilities for ₹ 744.99 crore by charging different functional loan major heads at the end of 2014-15 without reimbursing any amount from the redemption fund.

iii) State Disaster Response Fund (SDRF): As per recommendation of the ThFC the State Disaster Response Fund was constituted w.e.f 2010-11. In terms of the guidelines, the Centre and State Government are required to contribute to the fund in proportion of 75:25. Accordingly, the Centre contributed ₹ 276.98 crore and the State Government has contributed ₹ 92.34 crore to the Fund during 2014-15. The balance in the Fund as on 31 March 2015 is ₹ 23.42 crore after incurring expenditure of ₹ 400.49 crore during the year.

iv) Funds for Protection of Interest of Depositors: The State Government created a new fund in 2014-15 i.e. “Fund for Protection of Interest of Depositors” with a corpus of ₹ 300 crore to safeguard the interest of small and genuine depositors of the State. The Fund has to be maintained in the Public Account under section ‘Reserve Funds not bearing interest’. No expenditure was made out of the Fund during 2014-15.

1.10.5 Inoperative Reserve Funds

Reserve Fund is created for specific and defined purposes under the Sector ‘J’ in the accounts of the State Government. The sources of the fund are the contributions or grants from the Consolidated Fund of India or State. After obtaining the vote of the Legislature, the expenditure incurred from the fund is initially accounted for under the Consolidated Fund. On the closure of the account, at the end of the year, the expenditure so incurred is transferred to the fund (Public Account) through an operation of deduct entry in accounts. Funds may be further classified as ‘funds bearing interest’ and ‘funds not bearing interest’. All these funds (whether interest bearing or not) are intended to be used for the purposes for which they are created.

Ten reserve funds have been created and maintained in the accounts of the State Government. Out of these, nine funds are inoperative or dormant for significant periods and one reserve fund (Consumer Welfare Fund) was created in 2012-13. The details of nine major inoperative funds are given in **Table 1.29**.

Table 1.29: Inoperative Reserve Funds

(₹ in lakh)

Sl. No.	Major and Minor heads with nomenclature	No. of Reserve Funds	Balance as on 31.03.2015	Year of last transaction
1	8011-Insurance and Pension Funds 105-State Government Insurance Fund	01	Cr. 0.07	2003-04
2	8012-Special Deposit and Accounts 123-Special Deposit for Employees Provident Fund Scheme (Administration Fund)	01	Cr. 1.63	2002-03
3	8013-Other Deposits and Accounts 01-Deposit Schemes for Retiring Employees 101-Deposit Scheme for Retiring Govt. Employees, 1989	01	Cr. 38.81	1997-98
4	8121-General and Other Reserve Fund 101-General and Other Reserve Funds - Government Commercial Departments and Undertakings.	01	Cr. 1.88	1996-97

Sl. No.	Major and Minor heads with nomenclature	No. of Reserve Funds	Balance as on 31.03.2015		Year of last transaction
5	8229-Development and Welfare Funds 109-Co-operative Development Funds, State Co-operative Development Fund	01	Cr.	2.00	1959-60
6	8235-General and Other Reserve Funds 102-Zamindari Abolition Fund 103-Religious and Charitable Endowment Funds 200-Other Funds: - Guarantee Reserve Fund Passengers Amenities Reserve Fund	04	Cr. Cr. Cr. Cr.	59.19 1.51 1,10.88 6.00	1994-95 1983-84 1997-98 1982-83
TOTAL		09		221.97	

Source: Finance Accounts of Government of Odisha 2014-15 (Volume-1)

The credit balances are debt liability of the Government on which interest is paid by the Government to the fund if the fund is interest bearing. The above reserve funds remained inoperative for periods ranging from 11 to 55 years.

The Government stated (November 2015) that in order to close the nine inoperative reserve funds, consent of the administrative departments concerned are being sought for by Finance Department. However, the fact remains that the nine inoperative or dormant funds exist even after commitment of Government earlier (October 2014) for closure of these funds.

1.11 Debt Sustainability

Debt sustainability is generally measured in terms of level of debt, primary deficit and interest cost in relation to nominal GSDP. A secular falling Debt/GSDP ratio can be considered as leading towards stability. The ratio of interest payments to revenue receipts is also used to measure debt sustainability. In this section, assessment of the sustainability of public debt is made using trends observed in critical variables.

This section assesses the sustainability of debt of the State Government in terms of (i) Debt/GSDP ratio (ii) IP/RR ratio and (iii) Maturity Profile of State Government Securities. **Table 1.30** analyses the Debt-GSDP ratio of the State Government according to these indicators for the period of five years beginning from 2010-11 to 2014-15.

Table 1.30: Trends in Debt-GSDP Ratio

Year	Total Debt (₹ in crore)	GSDP (₹ in crore)	ThFC Recommendations (Percentage)		Debt/GSDP (Percentage)
			All States	Odisha	
2010-11	25592	197530	26.7	31.0	12.96
2011-12	24618	220589	26.1	30.6	11.16
2012-13	23317	251002	25.5	30.2	9.29
2013-14	23314	272980	24.9	29.8	8.54
2014-15	26849	310810	24.3	29.5	8.64

Source: Finance Accounts of Government of Odisha for respective years

The trend in the Debt-GSDP ratio is an important indicator which signifies sustainability of the public debt. In Odisha, Debt-GSDP ratio was 12.96 *per cent* in 2010-11 which declined to 8.64 *per cent* in 2014-15. Also, this rate is less than the recommended figure stipulated by the ThFC (29.5 *per cent*).

Table 1.31: Trends in Interest Payment- Revenue Receipts ratio

(₹ in crore)

Year	Revenue Receipts (RR)	Growth over previous year (Percentage)	Interest payment (IP)	Growth over previous year (Percentage)	IP / RR (Percentage)
2010-11	33276	25.90	3061	0.56	9.20
2011-12	40267	21.01	2576	(-)15.84	6.40
2012-13	43937	9.11	2807	8.97	6.39
2013-14	48947	11.40	2888	2.89	5.90
2014-15	56998	16.45	2810	(-)2.70	4.93

Source: Finance Accounts of Government of Odisha for respective years

The trend in the Interest Payment (IP) – Revenue Receipts (RR) ratio is also another important indicator to measure sustainability of the public debt. In the state, IP-RR Ratio was 9.20 *per cent* by the end of March 2011, which has decreased to 4.93 *per cent* by the end of March 2015. During 2010-11 to 2014-15 the rate of growth of RR is more than the rate of growth of IP.

Table.1.32: Debt Maturity Profile

(₹ in crore)

Years	2010-11	2011-12	2012-13	2013-14	2014-15
0 – 1	2265(8.9)	2678(10.9)	2299(9.9)	2434(10.4)	2676(10.0)
1 – 3	5079(19.8)	5375(21.8)	5552(23.8)	5637(24.2)	4628(17.2)
3 – 5	5174(20.2)	4622(18.8)	3822(16.4)	3383(14.5)	5831(21.7)
5 – 7	3143(12.3)	2585(10.5)	2670(11.4)	2848(12.2)	3287(12.2)
7 and above	9931(38.8)	9358(38.0)	8974(38.5)	9012(38.7)	10427(38.9)
Total	25592	24618	23317	23314	26849

Source: Finance Accounts of Government of Odisha for respective years

Figures in brackets are the percentage to total debt.

The debt maturity profile of the State (**Table 1.32**) indicates that the State Government has to repay 17 *per cent* (₹ 4628 crore) of its debt between 1-3 years, 22 *per cent* (₹ 5831) between 3-5 years and 51 *per cent* (₹ 13746 crore) in the next seven years.

Table 1.33: Debt Sustainability: Indicators and Trends

(₹ in crore)					
Indicators of Debt Sustainability	2010-11	2011-12	2012-13	2013-14	2014-15
Debt Stabilisation (Quantum Spread +/- Primary Deficit/Surplus)	8929	9657	8458	1003	1501
Sufficiency of Non-debt Receipts (Resource Gap)	1608	1280	(-)619	(-)4636	(-)5479
Net Availability of Borrowed Funds	(-)1654	(-)3124	(-)3417	(-)2351	(-)1181

Source: Finance Accounts of Government of Odisha for respective years

During 2011-15, quantum spread together with primary deficit consistently remained positive resulting in continuous decline in debt/GSDP ratio. This is a positive sign indicating that debt is tending to be stable.

During the current year, the Government repaid principal plus interest on account of internal debt of ₹ 4826 crore, Government of India loans of ₹ 1031 crore and also discharged other obligation of ₹ 9538 crore, as a result of which payments exceeded the receipts during the year.

1.12 Fiscal Imbalances

Three key fiscal parameters - Revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government Account represents the gap between its expenditure and receipts. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of Revenue and fiscal deficits for the financial year 2014-15.

1.12.1 Trends in Deficits/Surpluses

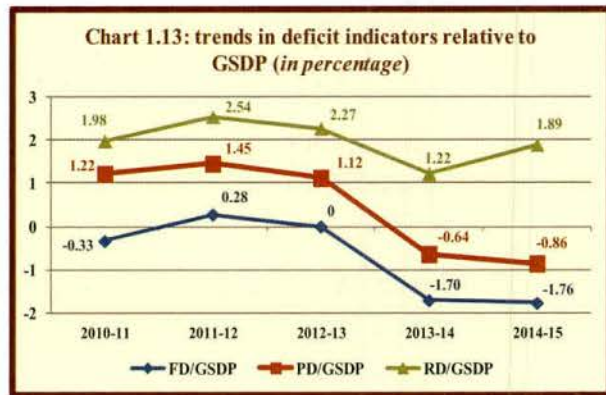
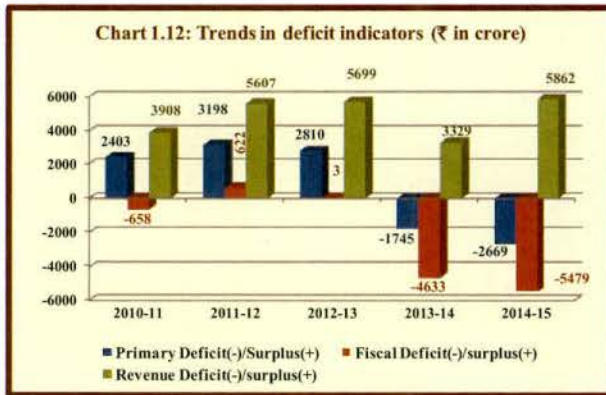
Table 1.34, Chart 1.12 and 1.13 present the trends in deficits/surpluses indicators over the period 2010-15.

Table 1.34: Deficits/Surpluses

	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue deficit (RD) (-)/ surplus (+) (₹ in crore)	(+)3908	(+)5607	(+)5699	(+)3329	5862
Fiscal deficit (FD) (-)/ surplus (+) (₹ in crore)	(-)658	(+)622	(+)3	(-)4633	(-)5479
Primary deficit (PD) (-)/ surplus (+) (₹ in crore)	(+)2403	(+)3198	(+)2810	(-)1745	(-)2669

	2010-11	2011-12	2012-13	2013-14	2014-15
RD/GSDP (per cent)	(+)1.98	(+)2.54	(+)2.27	1.22	1.89
FD/GSDP (per cent)	(-)0.33	(+)0.28	(+)0.00	(-)1.70	(-)1.76
PD/GSDP (per cent)	(+)1.22	(+)1.45	(+)1.12	(-)0.63	(-)0.86

Source: Finance Accounts of Government of Odisha for respective years



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

Revenue surplus/deficit

Revenue surplus represents the difference between Revenue Receipts and Revenue Expenditure. Revenue surplus helps to reduce the borrowings. In 2005-06, after a gap of 22 years, the State was able to attain a Revenue surplus of ₹ 481 crore and continued to be a Revenue surplus State. During 2014-15, revenue receipts grew 16 per cent as against a growth rate of 12 per cent by revenue expenditure resulting in revenue surplus being increased by ₹ 2533 crore as compared to previous year. However, the achievement was in line with the State’s FRBM (Amendment) Act, 2011 which prescribed reduction of Revenue deficit to zero for the financial year 2011-12 onwards.

Fiscal surplus/deficit

Fiscal surplus of three crore in 2012-13 turned into fiscal deficit of ₹ 5479 crore during 2014-15 mainly on account of steep increase in the capital expenditure by the State. However, fiscal deficit (₹ 5479 crore) was within the State’s FRBM (Amendment) Act, 2011 target of not more than three per cent of GSDP (₹ 9324 crore).

Primary Surplus/deficit

The primary deficit of ₹ 1745 crore in 2013-14 increased to ₹ 2669 crore during the current year. While Fiscal Deficit represents the need for additional resources in general, a part of such resources may be needed to finance interest payment. Interest payment represents the expenditure of past obligation and is independent of current allocative priorities. During 2014-15, the Fiscal deficit was almost twice the interest payment. This meant that around 50 per cent of the fiscal deficit was due to revenue expenditure other than interest payment. Hence prudent

reduction of revenue expenditure could enable the State Government to attain primary surplus.

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

The financing / investing pattern of fiscal deficit/surplus underwent a compositional shift as reflected in the **Table 1.35**.

Table 1.35: Components of Fiscal Deficit/Surplus and its Financing/Investing Pattern
(₹ in crore)

Particulars		2010-11	2011-12	2012-13	2013-14	2014-15
Decomposition of Fiscal Deficit		(-)658	622	3	(-)4633	(-)5479
1	Revenue surplus	3908	5607	5699	3329	5862
2	Capital Expenditure	(-)4285	(-)4496	(-)5622	(-)7756	(-)11075
3	Net Loans and Advances	(-)281	(-)489	(-)74	(-)206	(-)266
Financing Pattern of Fiscal Deficit*/Surplus						
1	Market Borrowings	(-)623	(-)1046	(-)1308	(-)885	(-)1533
2	Loans from GoI	(-)636	(-)314	(-)70	33	(-)121
3	Special Securities Issued to National Small Savings Fund (NSSF)	1023	26	115	388	1090
4	Loans from Financial Institutions	420	360	(-)37	461	1033
5	Small Savings, PF etc	1223	426	691	689	1073
6	Reserve fund	17	269	-107	(-)130	256
7	Deposits and Advances	154	554	1594	813	915
8	Suspense and Misc	(-)809	(-)1290	(-)460	3437	99
9	Remittances	(-)4	9	4	28	2
10	Others	--	--	--	--	--
11	Increase / decrease in cash Balance	69	12	(-)441	(-)51	(-)552
12	Net of Odisha Contingency Fund	(-)176	372	16	(-)150	150

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

Source: Finance Accounts of Government of Odisha for respective years

The Fiscal deficit of 2013-14 increased by ₹ 846 crore and stood at ₹ 5479 crore in the current year. The factor contributing to increase in fiscal deficit was the increase in capital expenditure from ₹ 7756 crore in 2013-14 to ₹ 11075 crore during 2014-15. The fiscal deficit was largely managed by small savings, provident funds etc, Deposits and Advances, Special Securities issued to NSSF and Loans from financial institutions.

1.12.3 Quality of Deficit/Surplus

The ratio of Revenue deficit to fiscal deficit and the decomposition of primary deficit into primary Revenue deficit and Capital Expenditure (including loans and advances) would indicate the quality of deficit in the State's finances. The ratio of Revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of Revenue deficit to

fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) did not have any asset backup. In Odisha, there has been a Revenue surplus since 2005-06. Bifurcation of the primary surplus (**Table 1.36**) would indicate the extent to which the deficit has been on account of enhancement in Capital Expenditure which may be desirable to improve the productive capacity of the State's economy.

Table 1.36: Primary Deficit/Surplus – Bifurcation of factors

(₹ in crore)

Year	Non-debt receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary Revenue deficit (-) /surplus (+)	Primary deficit (-) / surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2010-11	33310	26307	4285	315	30907	7003	2403
2011-12	40399	32084	4496	621	37201	8315	3198
2012-13	44079	35431	5622	216	41269	8648	2810
2013-14	49204	42730	7756	463	50949	6474	(-)1745
2014-15	57090	48326	11075	358	59759	8765	(-)2669

Source: Finance Accounts of Government of Odisha for respective years

During 2014-15, non-debt receipts increased from ₹ 49204 crore to ₹ 57090 crore (16 per cent) against an increase of 13 per cent in Primary Revenue Expenditure.

Analysis of the factors resulting into primary revenue surplus of the State during 2010-13 revealed that the State was experiencing primary surplus during these years. However, during 2013-14 and 2014-15, the State has had a primary deficit of ₹ 1745 crore and ₹ 2668 crore respectively. In other words, non-debt receipts of the State were not enough to meet the primary expenditure⁹ requirements in the Revenue account. Ideally incremental non-debt receipts every year should cover not only the primary expenditure but also incremental interest burden.

1.13 Public Private Partnerships (PPP)

Recourse to the PPP mode for project financing is generally encouraged because it frees valuable fiscal space for the provision of public goods in areas where such financing may not be forthcoming, as envisaged in ThFC. The Government of Odisha framed their PPP Policy in August 2007 to support private investment, particularly in the infrastructure sector, to utilise the efficiency and innovativeness of the private investors, besides tapping their capital. PPP projects in sectors that come under the purview of the Government of Odisha cover 19 infrastructure sectors such as Roads, Ports, Airports, Industrial parks, Inland Container Depot and Logistic hubs, Water Supply, Power Generation, Solid Waste Management, Railway related projects and agriculture production and marketing etc. Out of the 19 sectors, the Government has not entered into the PPP contracts in five of the sectors viz. Airports, Airstrips and Heliports, Inland Container Depots and Logistic

⁹ Primary expenditure of the State defined as the total expenditure net of the interest payments indicates the expenditure incurred on the transactions undertaken during the year.

Hubs, Sewerage and Drainage, Inland Water Transport and Agriculture Production and Marketing. In terms of the main types of PPP contracts, almost all contracts have been of the build, operate and transfer (BOT) type or build, own, operate and transfer (BOOT) type (either toll or annuity payment models) or close variants.

The status of the PPP in Odisha as on 31 March 2015 is given in **Table 1.37**:

Table 1.37: Status of projects as of 31 March 2015

Sector	(₹ in crore)							
	Operational		Under Implementation		Under Pipeline		Total	
	Number	Cost	Number	Cost	Number	Cost	Number	Cost
Urban Development	4	156	8	888	6	919	18	1963
Health	11	200	0	0	0	0	11	200
Finance & Revenue	1	72	0	0	0	0	1	72
Transport	3	4861	6	12550	0	0	9	17411
Industrial Infrastructure	2	165	3	720	0	0	5	885
Roads	1	48	1	1293	0	0	2	1341
Tourism	5	52	10	25	0	0	15	77
Education	14	35	0	0	0	0	14	35
Energy	0	0	1	108	1	50	2	158
Total	41	5589	29	15584	7	969	77	22142

Source: Figures furnished by Planning & Co-ordination Department, Government of Odisha

A total number of 77 PPP projects in Odisha in different sectors are given in **Appendix-1.8**, out of which 41 projects have been completed, 29 are in implementation/construction stage and the rest seven projects are still in the pipeline. During the financial year, the number of operational projects remained the same whereas under implementation projects increased by two.

1.14 Conclusion

- Revenue Receipts increased by five per cent from around 11 per cent in 2013-14 to around 16 per cent in 2014-15 (**Paragraph 1.4**).
- Non-Plan Revenue Expenditure (NPRE) as a proportion of Revenue Expenditure, decreased from 75 per cent in 2010-11 to 63 per cent in 2014-15. Out of the total increase of ₹ 5518 crore in Revenue Expenditure during the current year over the previous year, increase in NPRE contributed 30 per cent (₹ 1649 crore) and remaining 70 per cent (₹ 3869 crore) was the Plan Revenue Expenditure (PRE) (**Paragraph 1.7.4**).
- Capital Expenditure of the State as a percentage of total expenditure increased from 13 per cent in 2010-11 to 18 per cent in 2014-15. However, it was still 3.56 per cent of GSDP during 2014-15 as against the projection of 5.55 per cent in the Budget Estimates (**Paragraph 1.7.5**).
- The total committed liabilities of the State stood at ₹ 118559.73 crore at the end of the year. Out of these, pension payment obligations were 61.86

per cent, interest payments 28.31 per cent and loan repayments were 9.83 per cent (Paragraph 1.7.6).

- Outlay-outcome budgets of four departments viz. Fisheries & Animal Resources Development, Panchayati Raj, Rural Development and Water Resources departments were reviewed for the year 2014-15 and it was seen that the financial and physical targets were not achieved (*Paragraph 1.8.3*).
- Expenditure of over ₹ 1073 crore was incurred on 206 projects which were still incomplete due to the prolonged processes involved in land acquisition, matters lying sub-judice in Courts, finalisation and revision of designs, shortage of funds and slow progress of work. (*Paragraph 1.9.2*).
- Out of 10 Reserve Funds, nine remained inoperative or dormant for significant periods. (*Paragraph 1.10.5*).
- During 2010-15, quantum spread together with primary deficit consistently remained positive resulting in continuous decline in Debt/GSDP ratio, which is a positive sign indicating that debt is tending to be stable. (*Paragraph 1.11*).
- Out of 77 PPP projects, 41 projects were complete, 29 in implementation/construction stage and the remaining seven projects are still in pipeline (*Paragraph 1.13*).

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Chapter-II

Financial Management And Budgetary Control

2.1 Introduction

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

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

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

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

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2014-15 against 40 grants and four appropriations was as given in **Table 2.1**:

Table 2.1: Position of actual expenditure vis-à-vis original/supplementary provisions for the year 2014-15

(₹ in crore)

Nature of Expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Expenditure	Savings (-)/ Excess (+)	Amount Surrendered	Amount surrendered on 31 March	Percentage of amount surrendered on 31 March to unspent provision	
1	2	3	4	5	6	7	8	9	
Voted	I Revenue	58993.16	2512.05	61505.21	48891.02	(-)12614.19	12025.96	11523.17	91
	II Capital	13787.71	502.52	14290.23	11197.39	(-)3092.84	2545.41	2284.37	74
	III Loans and Advances	546.44	0.00	546.44	358.00	(-)188.44	195.51	192.28	102
Total Voted		73327.31	3014.57	76341.88	60446.41	(-)15895.47	14766.88	13999.82	88
Charged	IV Revenue	5325.12	3.11	5328.23	2881.25	(-)2446.98	2427.88	1927.88	79
	V Capital	13.02	9.50	22.52	9.34	(-)13.18	12.61	12.61	96
	VI Public Debt -Repayment	3055.50	1475.16	4530.66	4111.45	(-)419.21	419.21	419.21	100
Total Charged		8393.64	1487.77	9881.41	7002.04	(-)2879.37	2859.70	2359.70	82
Grand Total		81720.95	4502.34	86223.29	67448.45	(-)18774.84	17626.58	16359.52	87

Source: The Odisha Appropriation Act 2014, Finance and Appropriation Accounts 2014-15, Govt. of Odisha

The expenditure figures were gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under Revenue heads (₹ 636.53 crore) and Capital heads (₹ 132.10 crore). The overall saving of ₹ 18774.84 crore was due to savings in all the 40 Grants and two Appropriations under Revenue Section and 34 Grants and two Appropriations under Capital Section, which is offset by excess of ₹ 0.01 crore in one grant under Capital Section.

It is seen from the above table that against the original provision of ₹ 81720.95 crore, expenditure of ₹ 67448.45 crore was incurred, thereby not requiring any supplementary provision, as there were savings of ₹ 14272.50 crore from the original provision which clearly indicates inaccurate estimation of funds and lack of control mechanism.

Further, it was also noticed that against the total savings of ₹ 18774.84 crore during the year, departments surrendered ₹ 17626.58 crore, out of which ₹ 16359.52 crore (87 per cent) was surrendered on the last day of the financial year i.e 31 March 2015. In Loans and Advances (voted section), though there were savings of ₹ 188.44 crore, department had surrendered ₹ 195.51 crore, resulting in excess surrender of ₹ 7.07 crore above the total savings in the section. Out of the

total surrender (₹ 195.51 crore) in Loans and Advances (voted) section, ₹ 192.28 crore were surrendered on 31 March i.e. the last day of the Financial year.

Thus, the Chief Controlling Officers overlooked the budgetary controls laid down in OBM and made inaccurate estimation for the budget provision.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

During the year the outcome of the appropriation audit revealed that in 18 cases relating to 13 grants and two appropriations, savings exceeded ₹ 10 crore and by more than 20 per cent of total provision in each case (*Appendix-2.1*) amounting to ₹ 12722.94 crore. Out of the above, savings as large as ₹ 12506.47 crore (98 per cent)¹ occurred in 14 cases relating to nine grants and two appropriations as indicated in **Table 2.2**.

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

(₹ in crore)						
Sl. No.	No. and Name of the Grant	Original	Supple- mentary	Total	Actual Expenditure	Savings
Revenue (Charged)						
1	2048-Appropriation for Reduction or Avoidance of Debt	500.00	0	500.00	0	500.00
2	2049- Interest Payments	4729.18	0	4729.18	2810.27	1918.91
Revenue (Voted)						
3	3-Revenue and Disaster Management	3365.39	80.60	3445.99	2198.52	1247.47
4	5-Finance	8710.13	300.00	9010.13	6957.35	2052.78
5	13-Housing and Urban Development	2169.30	110.63	2279.93	1779.13	500.80
6	17-Panchayati Raj	6809.10	52.06	6861.16	4796.24	2064.92
7	28-Rural Development	1695.48	685.63	2381.11	1625.15	755.96
8	34-Co-operation	827.35	3.23	830.58	601.97	228.61
9	36-Women and Child Development	4522.41	0.12	4522.53	3414.81	1107.72
Capital (Voted)						
10	11-Scheduled Tribes & Scheduled Castes Development and Minorities & Backward Classes Welfare	601.15	2.32	603.47	436.02	167.45
11	13-Housing and Urban Development	867.06	20.37	887.43	560.69	326.74
12	28-Rural Development	2983.40	56.06	3039.46	2213.83	825.63
13	30-Energy	1251.75	0	1251.75	726.92	524.83
14	34-Co-operation	280.60	65.00	345.60	60.95	284.65
TOTAL		39312.30	1376.02	40688.32	28181.85	12506.47

Source: Appropriation Accounts for the year 2014-15, Government of Odisha.

¹ Exceeding ₹ 100 crore in each case

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

03-Revenue and Disaster Management (Revenue-Voted)

- Anticipated savings of ₹ 6.06 crore under major head “2506-Land Reforms-NP-102-Consolidation of Holdings-0483-Field Establishment (Circle Office)”, was due to (i) non-finalisation of pay under ORSP Rule, 2008 and (ii) non-submission of RCM, FRC and NAC claims.

05-Finance (Revenue-Voted)

- Anticipated savings of (i) ₹ 7.25 crore under major head “2040-Taxes on Sales, Trade etc.-NP-001-Direction and Administration-0308-District Establishment” and (ii) ₹ 3.11 crore under major head “2040-Taxes on Sales, Trade etc.-NP-001-Direction and Administration-1158-Range Administration”, were due to vacancy of post, non-submission of admissible claims, non-completion of procurement process and observance of economy.
- Anticipated savings of ₹ 1.05 crore under major head “2040- Taxes on Sales, Trade etc.-NP-001-Direction and Administration-1515-Upgraded Check Gates in Commercial Tax Organisation”, was due to (i) non-filling up of vacant posts, (ii) non-submission of admissible claims and (iii) non-availing of LTC.
- Anticipated savings of ₹ 310.75 crore under major head “2052-Secretariat-General Services- NP- 090- Secretariat- 0488- Finance Department”, was attributed mainly to meet the additional requirement of funds under other heads as per Supplementary Statement of Expenditure and vacancy of posts.
- Anticipated savings of entire provision of ₹ 7.50 crore under major head “2054-Treasury and Accounts Administration-NP-800-Other Expenditure-2555-ThFC Grant for setting up of a Database for Government Employees and Pensioners”, was due to non-sanction of funds by ThFC.
- Anticipated savings of entire provision of ₹ 300.00 crore under major head “2075-Miscellaneous General Services-NP-800-Other Expenditure-2897-Fund for Protection of Interest of Depositors”, was due to non-utilisation of Reserve Fund during the year.

11- Scheduled Tribes and Scheduled Castes Development, Minorities and Backward Classes Welfare (Capital-Voted)

- Anticipated savings of (i) ₹ 32.00 crore under major head “4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other

Backward Classes-SP-DS-01-Welfare of Scheduled Castes-277-Education-0649-Hostels” and (ii) ₹ 69.16 crore under major head “4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes-SP-DS-02-Welfare of Scheduled Tribes-277-Education-0047-Ashram School”, were surrendered due to non-receipt of Central Assistance.

13-Housing and Urban Development (Revenue-Voted)

- There were anticipated savings of (i) ₹ 71.91 crore under major head “2217-Urban Development-SP-DS-05-Other Urban Development Schemes-192-Assistance to Municipalities/ Municipal Councils-1840-National Urban Renewal Mission (NURM), (ii) ₹ 63.64 crore under major head “2217-Urban Development-SP-DS-05-Other Urban Development Schemes-789-Special Component Plan for Scheduled Castes-1840-National Urban Renewal Mission” and (iii) ₹ 85.20 crore was under major head “2217-Urban Development-SP-DS-05-Other Urban Development Schemes-796-Tribal Area Sub-Plan -1840-National Urban Renewal Mission”, were due to non-receipt of additional Central Assistance.

13-Housing and Urban Development (Capital-Voted)

- There were anticipated savings of ₹ 176.35 crore under major head “4215-Capital Outlay on Water Supply and Sanitation-SP-SS-02-Sewerage and Sanitation-106-Sewerage Services-2138-EAP assisted by JBIC, Japan for Integrated Sewerage and Sanitation Project for Bhubaneswar and Cuttack”, were stated to be based on actual requirement.
- Anticipated savings of entire provision of ₹ 5.00 crore under major head “4215-Capital Outlay on Water Supply and Sanitation-SP-SS-02-Sewerage and Sanitation-106-Sewerage Services-2718-EAP assisted by JBIC, Japan for Integrated Sewerage and Sanitation Project in Urban Areas”, were due to non-acquisition of land.

28-Rural Development (Revenue-Voted)

- There were anticipated savings of (i) ₹ 17.54 crore under major head “2059-Public Works-NP-80-General-001-Direction and Administration-0453-Executive Engineer, Rural Works-Establishment Charges”, (ii) ₹ 0.87 crore under major head “2059-Public Works-NP-80-General-001-Direction and Administration-1422-Superintending Engineer, Rural Works -Establishment” were due to non-drawal of salaries for want of LPC of the EEs and SEs of the newly created divisions and non-drawal of arrear salaries of the JEs.

28-Rural Development (Capital-Voted)

- Anticipated savings of (i) ₹ 23.50 crore under major head “5054-Capital Outlay on Roads and Bridges-SP-DS-04-District and Other Roads- 789-

Special Component Plan for Scheduled Castes-2161-Rural Infrastructure Development Fund (RIDF)” and (ii) ₹ 75.18 crore under major head “5054-Capital Outlay on Roads and Bridges-SP-DS-04-District and Other Roads-800-Other Expenditure-2161-Rural Infrastructure Development Fund (RIDF)” were due to (i) non-finalisation of guidelines and project list of RIDF in time and (ii) as per actual requirements.

34-Co-operation (Revenue-Voted)

- Reduction of the anticipated savings of ₹ 2.30 crore under the major head “2425-Co-operation-SP-SS-107-Assistance to Credit Co-operatives-2053-Infrastructure Development” was due to non-release of fund by Finance Department.
- Reduction of anticipated savings of (i) ₹ 2.90 crore under the major head “2425-Co-operation-SP-SS-107-Assistance to Credit Co-operatives-2845-Agro Service Centre” and (ii) entire amount of ₹ 2.90 crore under the major head “2425-Co-operation-SP-SS-107-Assistance to Credit Co-operatives-2876-Soil Testing and Quality Control Laboratory” were due to non-submission of Utilisation Certificates for previous years.

34-Co-operation (Capital-Voted)

- Entire provision of anticipated savings of (i) ₹ 70.00 crore under “4425-Capital Outlay on Co-operation-SP-DS-107-Investment in Credit Co-operatives-2875-Construction of Godown”, (ii) ₹ 35.50 crore under “4425-Capital Outlay on Co-operation-SP-DS-789-Special Component Plan for Scheduled Castes-2875- Construction of Godown” and (iii) ₹ 44.50 crore under “4425-Capital Outlay on Co-operation-SP-DS-796-Tribal Area Sub-Plan -2875- Construction of Godown” were surrendered due to non-construction of godowns by the Executing Agency.

2049-Interest Payments (Revenue-Charged)

- Anticipated savings of ₹ 237.60 crore under major head “2049-Interest Payments-NP-01-Interest on Internal Debt-101-Interest on Market Loans-0754-Interest Payment on Market Loans”, was due to raising of market loan in the last quarter of the financial year by the State Government.

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

The Government stated (November 2015) that instructions would be issued to the Departments to frame their estimates on realistic basis and avoid excessive savings to minimise year end savings and surrenders.

2.3.2 Persistent Savings

There were persistent savings of more than ₹ 10 crore in 21 cases in 18 grants and in one appropriation during 2010-15 as detailed in *Appendix-2.2*. The savings ranged between ₹ 23.07 crore and ₹ 2064.92 crore during the year 2014-15. Persistent savings in a substantial number of grants over the years is indicative of over assessment of requirement of fund by the Government in Appropriation Act repeatedly without taking into account the previous years trends and adequately scrutinising the need for funds.

This has been pointed out repeatedly in earlier Audit Reports, but no action has been taken by the Government (November 2015).

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

According to Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Excess expenditure amounting to ₹ 598.84 crore was incurred over the provisions during 2010-11, 2011-12 and 2013-14 as detailed in **Table 2.3**.

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

Year	Number of		Grants/ Appropriations	Amount of excess (₹ in crore)
	Grants	Appropriations		
2010-11	4	1	07-Works, 22-Forest and Environment, 23-Agriculture, 28-Rural Development, 6004-Loans and Advances from Central Government	428.51
2011-12	1	1	05-Finance, 6004 - Loans and Advances from Central Government	151.77
2013-14	3	-	22-Forest and Environment, 26-Excise and 31-Handlooms, Textile and Handicrafts	18.56
Total	8	2		598.84

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

However, excess expenditure over the provisions amounting to ₹ 580.28 crore pertaining to the year 2010-11 and 2011-12 was recommended for regularisation by the Public Accounts Committee in its Seventh Report of 14th Assembly (December 2013), which is yet to be done.

2.3.4 Excess expenditure over Consolidated Fund of the State during 2014-15 requiring regularisation by the State Legislature

During 2014-15, Excise Department made an expenditure of ₹ 500.88 crore against the total provision of ₹ 500 crore in the Capital (voted) section, thereby an excess expenditure of ₹ 0.88 crore was made over and above the amount authorised from the Consolidated Fund of the State (CFS) by the State

Legislature. The excess expenditure occurred under the head “4059-Capital Outlay on Public Works-State Plan-State Sector-01-Office Buildings-051-Construction-1938-Construction/repair of Office Buildings”. No demand for consideration of regularisation by the State Legislature has yet been placed. Thus, the excess expenditure remained unauthorised.

2.3.5 Unnecessary/Excessive supplementary provision

Supplementary provision aggregating to ₹ 2045.61 crore (₹ one crore or more in each case) obtained in 31 cases (21 grants and one appropriation), during the year 2014-15 proved unnecessary as the actual expenditure (₹ 47493.11 crore) did not come up to the level of original provision (₹ 58810.79 crore) as detailed in *Appendix-2.3*.

Similarly, supplementary provision aggregating to ₹ 2449.93 crore (₹ one crore or more in each case) proved excessive by ₹ 947.41 crore over the total required supplementary provision of ₹ 1502.52 crore in 11 cases under 10 grants and one appropriation (one crore or more in each case) as detailed in *Appendix-2.4*.

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

2.3.6 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Re-appropriations proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh in 105 sub-heads, of which excess / saving was more than ₹ one crore in 33 sub-heads (savings of ₹ 111.03 crore in 17 sub-heads under nine grants and excess of ₹ 49.26 crore in 16 sub-heads under eight grants) as detailed in *Appendix-2.5*.

The Government accepted (November 2015) that re-appropriation should be made to meet the additional requirement of funds for expenditure under a unit and augmented provision through re-appropriation should be fully utilised.

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

According to Rule 139 of OBM, reasons for additional expenditure and savings should be explained in the re-appropriation statement which should reach the Finance Department by 10th March at the latest. As per the records of the Office of the Accountant General (A&E), during 2014-15, 547 re-appropriation orders amounting to ₹ 11945.50 crore were issued, out of which five re-appropriation orders aggregating to ₹ 469.42 crore were issued by the Finance Department (four

cases) and Home Department (one case) on 31 March 2015, the last day of the financial year where there was no scope for expenditure during that year as given in **Table 2.4** below.

Table 2.4: Re-appropriations on 31 March 2015 (last day of the financial year)

Sl No	Name of the Department	Head of Account from where re-appropriation was made	Amount (₹ in crore)	Order No./ Date
1	Finance Department	2071-Non Plan	433.04	9230/31.03.2015
2	Finance Department	7610-Non Plan	1.74	9234/31.03.2015
3	Finance Department	2049-Non Plan	34.06	9236/31.03.2015
4	Finance Department	6003- Non Plan	0.08	9232/31.03.2015
5	Home Department	2055- Non Plan	0.50	932/31.03.2015
TOTAL			469.42	

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

It was also noticed that issue of such belated re-appropriation orders persisted during the year despite the irregularity being pointed out in the earlier Audit Reports.

2.3.8 Substantial surrenders

Surrenders of 100 per cent of total provision of ₹ 1881.76 crore were made under 39 sub heads (₹ 10 crore or more in each case) under 13 grants representing different schemes / programmes / projects and activities which are given at **Appendix-2.6**. The surrenders were attributed to non-release/non-receipt of central share (14 cases), to meet additional requirement of funds under other heads as per supplementary statement of expenditure (two cases), non-construction of godowns by the executing agency (three cases), non-assessment of exact damage during Khariff 2014 (two cases), non-utilisation of Reserve fund during the year (one case), non-completion of survey and planning works (one case), introduction of the cash management system (one case) and non-finalisation of modalities for expenditure (one case). No reasons were assigned by the departments to the Accountant General (A&E) office in 14 cases.

2.3.9 Surrender in excess of savings

In case of six grants (seven cases), as against savings of ₹ 7482.27 crore (₹ one crore or more in each case) as detailed in **Appendix-2.7**, the amount surrendered was ₹ 7717.97 crore resulting in excess surrender of ₹ 235.70 crore. The excess surrender indicates that the departments failed to exercise necessary budgetary controls of watching the flow of expenditure through the monthly expenditure statements.

The Government stated (November 2015) that Finance department will issue an advisory to the Departments to enforce the reconciliation mechanism and

surrender the exact amount of savings. But, despite repeated assurances, the department had not taken any concrete steps to ensure timely reconciliation.

2.3.10 Anticipated savings not surrendered

As per Rule 146 of OBM, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. A review of saving of grants at the end of 2014-15 and surrender thereof by the departments concerned revealed the following:

- In 15 cases (11 grants and one appropriation) savings of more than ₹ one crore in each case remained to be surrendered, revealed that the departments partially refunded saving resulting in retention of ₹ 1379.80 crore (21 per cent of the total savings of ₹ 6638.82 crore in these cases) as per details given in *Appendix-2.8*.
- Besides, as per information compiled by the Office of the Accountant General (A&E), Odisha, there were surrender of funds under different major heads of accounts in excess of ₹ 10 crore on the last working day of the financial year i.e. on 31 March 2015 in 86 cases (in 29 grants and three appropriations) aggregating to ₹ 16105.27 crore covering 21 per cent of the total budget provision in these cases (*Appendix-2.9*).

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

Government stated (November 2015) that surrender of anticipated savings would be ensured through stabilisation of the expenditure reconciliation module of IFMS.

2.3.11 Rush of expenditure

According to Rule 147 of OBM, rush of expenditure in the closing month of the financial year will ordinarily be regarded as breach of financial regularity, which should be avoided. Contrary to this, in respect of 74 schemes listed in *Appendix-2.10*, Revenue / Capital Expenditure exceeding ₹ 10 crore and also more than 50 per cent of the total expenditure (in each case) for the year was incurred in March 2015. **Table 2.5** represents the sub-heads (22 cases) where 100 per cent of expenditure was incurred during the last month of the financial year.

Table 2.5: Cases, where entire expenditure was incurred in March 2015

Sl. No.	Grant No.	Major Head	Total expenditure during the year (₹ in crore)	Expenditure during March 2015	
				Amount (₹ in crore)	Percentage of total expenditure
1	2	2217-SP-SS-01-800-2224-Improvement of Open Space	10.00	10.00	100
2	4	2235-NP-60-200-2552-ThFC Grant for Improving Justice Delivery	11.63	11.63	100
3	5	2075-NP-00-797-2897-Fund for Protection of Interest of Depositors	300.00	300.00	100

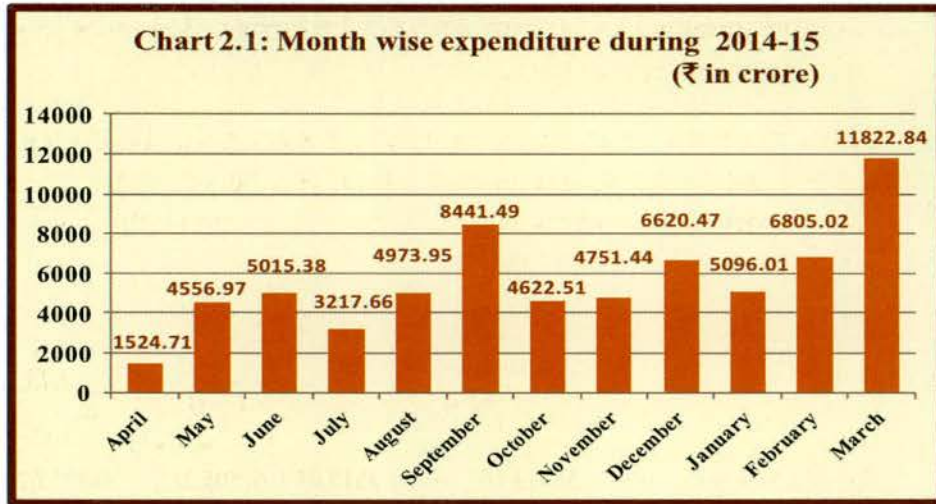
Sl. No.	Grant No.	Major Head	Total expenditure during the year (₹ in crore)	Expenditure during March 2015	
				Amount (₹ in crore)	Percentage of total expenditure
4	10	4202-SP-SS-01-201-1192-Repair, Renovation and Restoration	10.00	10.00	100
5	11	2225-SP-DS-03-277-2418-Post Matric Scholarship and Stipend to OBC	14.08	14.08	100
6	13	2215-SP-SS-02-105-2131-Urban Sanitation Scheme	10.00	10.00	100
7	13	3045-NP-80-191-2582-Maintenance of Roads and Bridges under ThFC Award	12.22	12.22	100
8	13	3045-NP-80-192-2582-Maintenance of Roads and Bridges under ThFC Award	12.75	12.75	100
9	20	2702-SP-DS-03-102-2161-Rural Infrastructure Development Fund (RIDF)	85.83	85.83	100
10	20	2702-SP-DS-03-789-2161-Rural Infrastructure Development Fund (RIDF)	29.62	29.62	100
11	20	2702-SP-DS-03-796-2161-Rural Infrastructure Development Fund (RIDF)	19.59	19.59	100
12	23	6401-SP-SS-00-103-2979-Corpus Fund for Odisha State Seeds Corporation Ltd.	25.00	25.00	100
13	23	6401-SP-SS-00-105-2980- Corpus Fund for Odisha State Co-operative Marketing Federation Ltd.	75.00	75.00	100
14	23	6401-SP-SS-00-105-2981- Corpus Fund for Odisha Agro Industries Corporation Ltd.	25.00	25.00	100
15	27	2810-SP-SS-00-102-0247- Demonstration of Improved Choolah	10.00	10.00	100
16	28	2215-SP-DS-02-105-2940- Nirmal Bharat Abhiyan	40.12	40.12	100
17	28	2215-SP-DS-02-789-2940- Nirmal Bharat Abhiyan	15.42	15.42	100
18	28	2215-SP-DS-02-796-2940- Nirmal Bharat Abhiyan	32.24	32.24	100
19	28	3054-NP-80-190-1230- Rural Roads	48.00	48.00	100
20	30	6801-SP-SS-00-205-2612- CAPEX Programme for Development and Up-gradation of Distribution System	67.34	67.34	100
21	33	4403-SP-SS-00-101-2161- Rural Infrastructure Development Fund (RIDF)	10.80	10.80	100
22	37	2852-SP-SS-07-202-0776- Implementation of e-Governance Projects as per the National e-Governance Programme- One time ACA	19.10	19.10	100
			883.74	883.74	100

Source: Monthly Appropriation Reports for the month of March 2015.

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

Monthly expenditure of the State of Odisha² is presented in **Chart 2.1**. As can be seen from the graph, maximum expenditure is booked in month of March (17.53 per cent), i.e. just before the closing of annual accounts and September (12.52 per cent), i.e. just before the supplementary budget.

² Prepared from Monthly Appropriation Accounts excluding Deduct-recoveries



2.4 Advances from Contingency Fund

Contingency Fund of the State has been established under the Orissa Contingency Fund Act, 1967 in terms of provisions of Article 267(2) and 283(2) of the Constitution of India. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. The fund is in the nature of an imprest and required to be recouped by obtaining supplementary grants during the first session of Assembly immediately after the advance is sanctioned. Its corpus was ₹ 400 crore. Advance of ₹ 150 crore drawn in the previous year (2013-14) was recouped during the year.

2.5 Errors in Budgetary Process

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

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

- Under Revenue (voted) the original grants and supplementary grants were ₹ 58993.16 crore and ₹ 2512.05 crore respectively aggregating at ₹ 61505.21 crore against which the actual expenditure was ₹ 48891.02 crore resulting in savings of ₹ 12614.19 crore. This was more than the supplementary provision.
- Similarly under Capital (voted), the original and supplementary grants were ₹ 13787.71 crore and ₹ 502.52 crore respectively aggregating ₹ 14290.23 crore against which the actual expenditure was ₹ 11197.39

crore resulting in savings of ₹ 3092.84 crore. This was more than the supplementary provision.

In the above two cases, supplementary provision of ₹ 2512.05 crore in revenue (voted) and ₹ 502.52 crore in capital (voted) obtained during the year, proved unnecessary as the expenditure did not come up to the level of original provision as indicated in **Table 2.6**.

Table 2.6: Actual Expenditure vis-à-vis Original/Supplementary provisions

(₹ in crore)						
Sl. No.	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Expenditure	Savings (-)/ Excess (+)
1	Revenue (voted)	58993.16	2512.05	61505.21	48891.02	(-)12614.19
2	Capital (voted)	13787.71	502.52	14290.23	11197.39	(-)3092.84
TOTAL		72780.87	3014.57	75795.44	60088.41	(-)15707.03

Source: Odisha Appropriation Act 2014, Finance and Appropriation Accounts 2014-15.

The aim of Budget preparation must be to estimate revenue and expenditure as accurate as possible, not to overestimate and show large savings at the end of the year. However, it was noticed that 18 departments continued to have savings of more than ₹ 10 crore during last five years, despite repeated comments in the Audit Reports from 2010-11 to 2014-15 as detailed in **Appendix-2.2**.

2.5.1 Unrealistic forecasting of resources

Rule 46 of OBM stipulates that Budget of a State is based on the departmental estimate submitted by the Controlling Officers. Both the departmental and the district estimate should always receive careful personal attention of the officers who submit them. They should be neither inflated nor under-pitched, but should be as accurate as possible. However, it was noticed that revised estimate of 2014-15 for tax revenue was ₹ 19274 crore and the actual realisation was ₹ 19828 crore, resulting in upward variation of resources of ₹ 554 crore, nearly three *per cent* above the revised estimate. Similarly, in non-tax revenue the projection was ₹ 7606 crore, while the actual realisation was ₹ 8071 crore, resulting in upward variation of resources of ₹ 465 crore, nearly six *per cent* above the revised estimate. Trend of revenue projection for last five years (2010-11 to 2014-15) is given in **Table 2.7** below.

Table 2.7: Variation between Revised Estimate and Actuals on Revenue Resources for the periods 2010-11 to 2014-15

(₹ in crore)					
Sl. No.	Year		Revised Estimate	Actuals	Differences (Column 5-4)
1	2	3	4	5	6
1	2010-11	Tax Revenue	10608	11193	585
		Non-Tax Revenue	3317	4780	1463
2	2011-12	Tax Revenue	13399	13443	44
		Non-Tax Revenue	5000	6443	1443
3	2012-13	Tax Revenue	15310	15034	(-)276
		Non-Tax Revenue	6500	8078	1578

Sl. No.	Year		Revised Estimate	Actuals	Differences (Column 5-4)
1	2	3	4	5	6
4	2013-14	Tax Revenue	17105	16892	(-)213
		Non-Tax Revenue	7475	8379	904
5	2014-15	Tax Revenue	19274	19828	554
		Non-Tax Revenue	7606	8071	465

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

It could be seen from the table above that revenue projection of tax and non-tax revenue was unrealistic during last five years and the actual achievement for non-tax revenue was more than the projections for last five years. There is a need for the Government to have a better system of forecasting of resources.

2.5.2 Analysis of Cash Management System

Pursuant to the provisions of sub-section (1-a) of Section 8 of the Odisha Fiscal Responsibility & Budget Management Act, Government of Odisha implemented Cash Management System in 18 departments for 2014-15. The objectives of Cash Management System were:

- (i) Even pacing of expenditure within the Financial Year.
- (ii) Reducing rush of expenditure during last quarter especially in the last month of the financial year.
- (iii) Front loading of expenditure in the first three quarters of the financial year so that corrective measures can be taken in the mid-year to achieve the fiscal objectives.
- (iv) Curb the tendency of parking of funds outside Government Account
- (v) Effective monitoring of expenditure pattern to improve the quality of expenditure
- (vi) Improve the quality of expenditure and
- (vii) Better ways and means management.

As per Finance Department circular No.13081 dated 11 April 2014, the level of expenditure at the end of 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 budget provision.

However, it was noticed that out of 18, only five departments spent minimum 60 per cent of the budget provision by the end of third quarter, while remaining 13 departments failed to achieve the norm during 2014-15. Similarly, nine departments exceeded 15 per cent of the budget provision for the month of March 2015 as indicated in **Table 2.8**.

Table 2.8: Analysis of Cash Management System

(₹ in crore)

Sl. No.	Grant No./ Department	Original Budget Provision	April 2014 - December 2014		March 2015	
			Expenditure during first 3 quarters	Percentage of Expenditure	Expenditure during the month	Percentage of Expenditure
1	7-Works	3887.01	2275.35	59	714.01	18
2	10-School and Mass Education	9352.12	5562.23	59	785.70	8
3	11-ST, SC Dev. and Minorities and Other Backward Development	2456.29	1128.16	46	384.23	16
4	12- Health and Family Welfare	3922.73	2048.41	52	629.28	16
5	13-Housing and Urban Development	3038.65	1029.97	34	807.03	27
6	17-Panchayati Raj	6834.23	4298.60	63	398.71	6
7	19-Industry	18.87	13.84	73	8.89	47
8	20-Water Resources	5111.77	2579.81	50	1009.41	20
9	22-Forest and Environment	718.21	427.12	59	89.46	12
10	23-Agriculture	2734.99	1747.50	64	309.12	11
11	28-Rural Development	4679.44	2153.06	46	1085.01	23
12	30-Energy	1283.18	405.71	32	139.27	11
13	31-Handloom, Textile & Handicrafts	146.77	64.38	44	33.03	23
14	33-Fisheries and Animal Resources Development	525.08	324.61	62	91.66	17
15	36-Women & Child Development	4666.66	2275.00	49	601.54	13
16	38-Higher Education	2202.92	1280.39	58	305.19	14
17	39- Employment, Technical Education and Training	513.98	334.94	65	50.84	10
18	40-Micro, Small and Medium Enterprises	96.84	54.64	56	11.63	12

Source: Monthly Appropriation Reports for December 2014 and Finance Accounts 2014-15, Govt. of Odisha

The Government stated (November 2015) that none of the departments have exceeded the expenditure limit of 40 per cent of the Budget Estimate during last quarter and only one department i.e. Textile and Handloom Department (22 per cent) has exceeded the expenditure limit of 15 per cent of the Budget Estimate during March which was allowed by Finance Department in order to facilitate expenditure for important schemes.

The reply is not acceptable as supplementary provision is made if the original provision is found insufficient, which can be prudently done in case expenditure is made in initial period of the financial year as per the percentage fixed by the Government. Besides, in several schemes 100 per cent expenditure was made during March as mentioned in Para 2.3.11.

2.6 Outcome of review of selected grants

Review of the budget proposals, actual expenditure and fund management in respect of Housing and Urban Development Department (Grant No. 13) and Water Resources Department (Grant No. 20) as reported in the Appropriation Accounts revealed the following irregularities:

2.6.1 Short/Excess surrender of savings / belated surrenders

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

During 2014-15, Housing and Urban Development Department (Grant No.13) surrendered ₹ 497.27 crore as against total savings of ₹ 500.80 crore under revenue (voted) section resulting in non-surrender of ₹ 3.53 crore. Water Resources Department (Grant No.20) surrendered ₹ 317.83 crore as against total savings of ₹ 333.91 crore under revenue (voted) section and ₹ 556.82 crore as against total savings of ₹ 558.12 crore under capital (voted) section, resulting in non-surrender of ₹ 16.08 crore and ₹ 1.30 crore respectively.

Further, during the year, Housing and Urban Development Department surrendered ₹ 331.85 crore as against the total savings of ₹ 326.74 crore under capital (voted) section, thereby surrendering an excess of ₹ 5.11 crore over the provision.

Thus, the amounts surrendered were not in conformity with the actual savings thereby indicating lack of monitoring of monthly expenditure as provided in the OBM by the CCOs before passing the surrender orders.

2.6.2 Unnecessary supplementary provision

Supplementary Grants are obtained to cover the excesses that may be anticipated after mid-term review of the Grants/Appropriations during a financial year. But it was noticed that in Grant No.13 (Housing and Urban Development Department), supplementary provision of ₹ 110.63 crore under revenue (voted) and ₹ 20.37 crore under capital (voted) section obtained during December 2014 proved unnecessary in view of sizeable savings of ₹ 390.17 crore and ₹ 306.37 crore respectively from the original Budget provision in the year. In Grant No.20 (Water Resources Department), supplementary provision of ₹ 74.12 crore under revenue (voted) and ₹ 11.91 crore under capital (voted) section obtained during December 2014 proved unnecessary, as the department saved ₹ 259.78 crore under revenue (voted) and ₹ 546.21 crore under capital (voted) sections respectively, out of the original provision. This showed that the CCOs of these two departments did not watch actual requirement of funds for the remaining period of the financial year due to failure of monthly expenditure control mechanism prescribed in the OBM.

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

Housing and Urban Development and Water Resources Departments made a provision of ₹ 64.77 crore and ₹ 289.84 crore respectively under different heads/schemes during 2014-15, but the total provisions were withdrawn by way of re-appropriation and surrender during the financial year 2014-15 as indicated in *Appendix -2.11*.

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

2.6.4 Non-adherence to Cash Management System

Government of Odisha (Finance Department) in their circular (August 2014) laid down the Guidelines for timely spending of budgetary grants through the Cash Management System in 2014-15 in 18 departments including the Housing and Urban Development (Grant No. 13) and Water Resources (Grant No. 20) Departments.

As per Cash Management System, both the departments had to adhere to the Quarterly Expenditure Allocation (QEA) norm of 25 per cent, 15 per cent, 20 per cent and 40 per cent for of the Budget Estimates in First, Second, Third and Fourth quarter respectively as prescribed by the Finance Department for the year 2014-15. The distribution of the QEA vis-à-vis quarterly expenditure for the departments during 2014-15 is given in **Table 2.9**.

Table 2.9: Budget Estimate and Quarterly Expenditure Allocation by Housing and Urban Development and Water Resources Departments.

Sl. No.	Budget Estimate	1 st Quarter		2 nd Quarter		3 rd Quarter		4 th Quarter	
		QEA	Expenditure	QEA	Expenditure	QEA	Expenditure	QEA	Expenditure
13-Housing and Urban Development Department									
1	3038.65	759.66 (25%)	159.28 (5%)	455.80 (15%)	500.30 (16%)	607.73 (20%)	370.39 (12%)	1215.46 (40%)	1310.75 (43%)
20-Water Resources Department									
2	5111.77	1277.94 (25%)	840.25 (16%)	766.77 (15%)	695.63 (14%)	1022.35 (20%)	1043.93 (20%)	2044.71 (40%)	1721.87 (34%)

Source: Monthly Appropriation Reports 2014-15.

Housing and Urban Development department failed to adhere to the stipulated expenditure norms by 20 per cent and eight per cent during first quarter and third quarter respectively against the targeted norm and also failed to achieve up to the third quarter norm (60 per cent of BE) by 27 per cent. The department also exceeded the expenditure by three per cent for the fourth quarter norm (40 per cent of BE).

Similarly, Water Resources department failed to adhere to the stipulated expenditure norms by nine per cent, one per cent and six per cent during first, second and fourth quarter respectively. It also failed to achieve up to the third quarter norm by 10 per cent against the 60 per cent of BE.

Further, it was also seen from the monthly appropriation accounts that the monthly expenditure norm (15 per cent) for the month of March, 2015 i.e the last month of the financial year, exceeded by two per cent (₹ 47.37 crore) in case of Housing

and Urban Development Department (expenditure in March 2015 was ₹ 807.03 crore).

The above not only violates instruction of the Cash Management System but also stands in the way of achieving the objective thereof like (i) even pacing of expenditure within the financial year, (ii) reduce rush of expenditure during the last month of the financial year and (iii) effective monitoring of the expenditure pattern.

2.7 Outcome of Inspection of Treasuries

During 2014-15, 30 District Treasuries, eight Special Treasuries and 62 Sub-Treasuries were inspected by the officials of the Accountant General (A&E), Odisha. Irregularities and lapses noticed during 2014-15, were brought to the notice of the Treasury Officers / Sub-Treasury Officers concerned through Inspection Reports. Some of the important irregularities and lapses noticed during inspection are given below:

2.7.1 Excess payment of pension and gratuity

During inspection of treasuries/sub-treasuries for the year ended 31 March 2015 by the office of the Accountant General (A&E), excess payment of pension and gratuity amounting to ₹ 32.82 lakh was noticed as indicated in **Table 2.10** below:

Table 2.10: Outcome of inspection of treasuries

Sl. No.	Category	Amount (₹ in lakh)
1	Excess payment of pension due to arithmetical inaccuracy.	0.44
2	Excess payment due to delayed commencement of reduced pension on account of payment of commuted value of pension.	4.42
3	Excess payment of pension in favour of family pension due to payment at enhanced rate beyond the stipulated date.	14.21
4	Excess payment of pension due to other miscellaneous reasons.	13.75
TOTAL		32.82

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

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

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

Treasuries in Odisha are not rendering Central Civil Pension/Central Political Pension vouchers to concerned accounting circle for reimbursement due to which claims of State Government to the extent of ₹ 5.36 crore as calculated up to 31 March 2015 remained under “8658- Suspense Account 101- PAO Suspense” head. Details are given in **Table 2.11**:

Table 2.11: Outstanding pension claims from different Accounting Circles

Sl. No.	Name of the Accounting Circle	Outstanding amount (₹ in lakh)
1	Central Pay & Accounts Office, New Delhi	479.34
2	Defence	56.20
3	Railways (SE Railway/ Eastern Railway/ Central Railway)	0.40
TOTAL		535.94

Source: Annual Review Report on the working of Treasuries 2014-15 prepared by Office of the Accountant General (A&E), Odisha

2.8 Conclusion

- Avoidable supplementary provisions being made, defective orders for re-appropriation of fund, re-appropriation orders being issued on the last day of the year, substantial surrenders, surrender in excess of savings and anticipated savings not surrendered did not reflect prudent financial management by the Chief Controlling Officers (*Paragraphs 2.3.5 to 2.3.10*).
- Hundred *per cent* of Revenue and Capital provisions were spent in certain schemes /sub-heads during March 2015 instead of spreading it throughout the year leading to rush of expenditure (*Paragraph 2.3.11*).
- Instructions on Cash Management System were not strictly adhered to by the departments, resulting in non achievement of targeted periodical expenditure norm fixed by the State Government (*Paragraph 2.5.2*).

Recommendations

- Government may consider issuing instructions to all the departments to ensure surrender of unutilised allocations as soon as they are foreseen so that the funds can be allocated to other needy departments.
- Excess expenditure over provision in the grants out of the Consolidated Fund of the State needs to be regularised.

Chapter III

Chapter III

Chapter-III

Financial Reporting

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

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

3.1 Delay in furnishing of Utilisation Certificates

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

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

¹ Rule 173 of OGFR

Utilisation Certificates for ₹ 20940.07 crore remained outstanding against 33 grantee institutions as of March 2015 in the books of Accountant General (A&E). Year wise break up of wanting UCs is given in **Table 3.1** and in **Appendix 3.1**

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

Year	UC wanting as of March 2015	Number of grants-in-aid (G.I.A) vouchers for which UCs are awaited.
Up to 2003-04	489.02	2054
2004-05	396.37	1384
2005-06	398.56	1229
2006-07	463.95	1200
2007-08	571.42	2058
2008-09	640.58	2441
2009-10	771.64	1683
2010-11	793.96	3212
2011-12	969.03	2795
2012-13	1043.91	2420
2013-14	4357.01	4487
2014-15	10044.62	4207
TOTAL	20940.07	29170

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

The major defaulting departments were Panchayati Raj (₹ 7609.65 crore), Planning and Co-ordination (₹ 3306.66 crore), Housing & Urban Development (₹ 2365.87 crore), School and Mass Education (₹ 1508.11 crore), Revenue and Disaster Management (₹ 1185.46 crore), ST, SC, Minorities & Backward Class Development (₹ 1054.61 crore), Health and Family Welfare (₹ 889.43 crore) and Water Resources (₹ 592.81 crore) constituting ₹ 18512.60 crore being 88.41 per cent of total outstanding UCs as of March 2015. However, in comparison to 2013-14 pendency of UCs position has been reduced by ₹ 10291 crore involving 33931 number of grants-in-aid vouchers.

Besides, as of 31 December 2014, UCs for ₹ 8561.07 crore of Central Assistance were pending against 31 departments as given in **Appendix 3.2**. The huge pendency was mainly on account of non-adherence to existing instructions in OGFR for watching timely receipt of UCs by CCO-cum-HODs and further release of grants to them as a matter of routine without insisting on UCs for earlier grants. In the absence of UCs, the two certificates (certifying non-diversion and non mis-utilisation) that the authority spending the Government grant is required to furnish, i.e CCOs/HODs, does not get complied with. Thus, Government, which is the grantor received no assurance about the correct use of its grants. Such delays are also prone to fraudulent expenditure / transactions, diversion of funds and creation of fake assets for which the responsibility would be apportionable on the CCO-cum-HODs.

The Government accepted that there is scope of improvement through continuous monitoring and release of further grants-in-aid should be based on submission of UC only.

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

In order to identify institutions / organisations which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971(C&AG's DPC Act), the Government / HODs are required to furnish to Audit every year, detailed information about the financial assistance given to various institutions, the purpose for which the assistance is granted and the total expenditure of the institutions. Further, Regulation on Audit and Accounts 2007 provides that Governments and HODs who sanction grants and / or loans to bodies or authorities shall furnish to the Audit by the end of July every year a statement of such bodies and authorities to which grants and / or loans aggregating ₹10 lakh or more were paid during the preceding year indicating (a) the amount of assistance (b) the purpose for which the assistance was sanctioned and (c) the total expenditure of the body or authority. The above obligation of the Government Departments and their HODs for furnishing necessary information through Finance Department was also mentioned in the C&AG's Report on State Finances for the years 2008-14 (paragraph 3.2). However, during 2014-15, 12 departments have furnished information regarding receipt of grants by the institutions / organisations under their jurisdiction to the Accountant General as detailed in *Appendix-3.3*. Twelve new bodies² were identified under Section 14(1) of C&AG's DPC Act 1971 during the year 2014-15.

3.3 Delays in Submission of Accounts of Autonomous Bodies

As many as 167 autonomous bodies under various sectors of the Government of Odisha were identified for audit by the Comptroller and Auditor General of India covering verification and regulatory compliance audit of all their transactions, operational activities and accounts, review of systems and procedures and internal controls etc.

Eleven bodies / authorities were identified under CAG's DPC Act for submission of accounts to audit as of March 2015. Of these, only two bodies / authorities viz., Odisha State Legal Services Authority (OSLSA) and Odisha Forestry Sector Development Project (OFSDP) submitted their accounts to audit up to 2013-14.

² Odisha Backward Classes Finance and Development Cooperative Corporation Limited (OBCFDCC), Training Centre for Teachers of Visually Handicapped (TCTVH), Odisha State Handloom Weavers Co-operative Societies Limited (BOYONIKA), Sambalpuri Bastralaya Handloom Co-operative Society Limited, Odisha State Co-operative Handicraft Co-operation Limited (Utkalika), Odisha State Tassar & Silk Federation Limited (SERIFED), Odisha Spinning Mills Federation Limited (SPINFED), Odisha Co-operative Coir Corporation Limited, Odisha Rajya Talgur Samabaya Sangha Limited, Odisha State Fisherman Co-operative Federation Limited (FISHFED), Society for Prevention to Cruelty to Animals (SPCA), Odisha State Poultry Products Co-operative Marketing Federation Limited.

So far, the accounts of remaining nine development authorities³ under section 19(3) of C&AG DPC Act have not been received in the Office of Accountant General (G&SSA), Odisha as of October 2015 despite entrustment of audit to the Comptroller and Auditor General of India.

The Government replied (November 2015) that an Office Memorandum has been issued for modalities of submission of accounts and Audit Report of Autonomous bodies receiving grant-in-aid. However, the memorandum is silent on timely submission of accounts to the office of Accountant General.

3.4 Departmentally Managed Commercial Activities

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

The CCO-cum-HODs of the Government are to ensure that these units prepare proforma accounts and submit the same to Accountant General of the State within a specified time frame for audit. As of March 2015, there were 16 such undertakings and none had prepared accounts up to 2014-15, except Chief Conservator of Forests, Kendu Leaves (Odisha), which has prepared the accounts up to 2010-11. Of these, four undertakings/activities remained inoperative or closed. Their assets and liabilities were not fully disposed off or liquidated by the Government. In respect of two schemes, viz. (i) Purchase and distribution of quality seeds to cultivators and (ii) Poultry Development, Government had not till date prescribed the methodology of preparation of proforma accounts. Only Personal Ledger Accounts were opened during 1977-78 for 'Purchase and distribution of quality seeds to cultivators'.

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

³ Nine Development Authorities viz., (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.

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

arrears in preparation of proforma accounts and investment made by the Government are given in *Appendix 3.4*.

The Government assured (November 2015) to prescribe the format and procedure for preparation of Proforma Accounts of Departmentally managed commercial activities.

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

As per provisions of OGFR Vol. I (Rule-19), Government Officers are empowered to report such cases of loss of money, departmental revenue, stores or other properties to immediate superior officers as well as to Accountant General (G&SSA), Odisha where amount is ₹ 500 or more. Various departments of the State Government reported that there were 1324 cases of misappropriation, defalcation, etc. involving Government money amounting to ₹ 15.76 crore up to March 2015 on which final action was pending. The department-wise break up of pending cases and age-wise analysis are given in *Appendix 3.5* and nature of these cases is given in *Appendix 3.6*. Age-wise profile of the pending cases and the number of cases pending in each category of theft and misappropriation/loss as of March 2015 as evident from these appendices are summarised in **Table 3.2 (i)** and **Table 3.2 (ii)**.

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

Range in Years	Age-Profile of the Pending Cases			
	Number of cases		Amount involved (₹ in lakhs)	
	2013-14	2014-15	2013-14	2014-15
0 - 5	11	12	53.95	53.88
5 - 10	56	43	276.20	159.47
10 - 15	126	69	282.63	264.36
15 - 20	290	227	419.97	270.74
20 - 25	352	272	196.10	394.99
25 & above	913	701	517.04	432.19
Total	1748	1324	1745.89	1575.63

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

The above table indicates that the number of cases of misappropriations, losses and defalcations were reduced to 1324 (₹ 15.76 crore) from 1748 (₹ 17.46 crore) in 2014-15 over previous year.

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

Nature/Characteristics of the Cases	Number of Cases	Amount Involved (₹ in lakhs)
Theft	723	401.44
Misappropriation/Loss of material	601	1174.19
Total	1324	1575.63
Cases of Losses Written off during the Year	0	0
Total Pending cases	1324	1575.63

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

Reasons for which the cases (*Appendix-3.7*) were outstanding are classified into five categories, a summary of which is given **Table 3.3**.

Table 3.3: Reasons for outstanding cases of misappropriations, losses and defalcations etc.

Reasons for the Delay/Outstanding Pending Cases		Number of Cases	Amount (₹ in lakh)
i)	Awaiting departmental and criminal investigation	438	505.47
ii)	Departmental action initiated but not finalised	566	691.75
iii)	Criminal proceedings finalised but execution of certificate cases for recovery of the amount pending	32	19.91
iv)	Awaiting orders for recovery or write off	148	66.86
v)	Pending in the courts of law	140	291.64
Total		1324	1575.63

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

It is pertinent to mention that as many as 438 cases involving ₹ 5.05 crore were awaiting departmental and criminal investigation up to 50 years since the year 1965-66. Similarly, 148 cases involving ₹ 0.67 crore were awaiting orders for recovery or write off of the competent authority. The Departments concerned did not furnish the reasons for non-finalisation of 566 misappropriation and loss cases involving ₹ 6.92 crore on which departmental action had been initiated.

The Government stated (November 2015) that these matters are being continuously monitored through Departmental Monitoring Committees.

3.6 Pendency in adjustment of Abstract Contingent Bills

As per provisions of SR 260 and 261 of Odisha Treasury Code Vol. I (OTC) read with Rule 84 of the OGFR, every drawing officer has to certify in each Abstract Contingent (AC) bill that the detailed bills for all contingent charges drawn by him prior to first of the current month have been forwarded to the respective Controlling Officers for counter signature and transmission to the Accountant General (A&E). The total amount of Detailed Contingent (DC) bills received up to 2014-15 was only ₹ 551.70 crore (89.63 per cent) against AC bills worth ₹ 615.51 crore drawn during 2004-05 to 2014-15 leading to outstanding balance of DC bills of ₹ 63.81 crore as on 31 March 2015. Year-wise details are given in **Table 3.4**.

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

Year	AC bills drawn		DC bills outstanding		Amount of outstanding DC bills as percentage of AC bills
	No.	Amount	No.	Amount	
Up to 2010-11	91903	277.18	570	2.23	0.80
2011-12	10347	61.18	78	0.66	1.08
2012-13	10227	74.14	53	3.90	5.26
2013-14	11122	130.78	295	24.58	18.79
2014-15	12862	72.23	5586	32.44	44.91
TOTAL	136461	615.51	6582	63.81	10.37

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

Department-wise pendency of AC bills for the year up to 2014-15 are detailed in *Appendix-3.8* which shows that three major Departments viz. Home (₹ 51.40 crore), Commerce and Transport (₹ 3.60 crore) and ST, SC, Minorities and Backward Class Development (₹ 2.48 crore) comprised 90.08 per cent of the total unadjusted AC bills. Further, it was noticed that the outstanding DC bills decreased by ₹ 83.12 crore in 2014-15 over the previous year (₹ 114.49 crore). As the amount is already charged to the activities concerned as Revenue Expenditure, delayed adjustment of unspent balances may lead to booking of excess cost than actual expenditure and is also fraught with the risk of possible embezzlement of Government funds.

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

3.6.1 Analysis of Pendency in adjustment of Abstract Contingent Bills of Home Department

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

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

At the time of drawal of funds through AC bill, the expenditure is booked under relevant service head. Therefore, it is essential to ensure utilisation of such funds for the specific purpose within the stipulated period, but not later than 31 March of the financial year. Non-submission on time entails breach of financial disciplines and leads to risk of misappropriation. Funds drawn through AC bills remaining outstanding as of March 2015 are detailed in **Table 3.5**.

Table 3.5: Year-wise outstanding AC Bills of Home Department

Year	AC Bill Drawn		Outstanding DC bills	
	No. of items	Amount	No. of items	Amount
Up to 2010-11	87449	231.21	302	1.22
2011-12	9812	32.77	29	0.05
2012-13	9759	54.16	23	0.02
2013-14	10598	119.52	256	23.87
2014-15	12372	51.30	5409	26.25
Total	129990	488.96	6019	51.41

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

Out of the total AC bills of ₹ 488.96 crore drawn up to 2014-15, DC bills for ₹ 51.41 crore remained outstanding even after lapse of 12 years, which raises serious concerns about proper utilisation of amount drawn on AC bills. The outstanding DC bills for years together further indicated that Government funds drawn for various purposes *inter-alia* on the plea of immediate disbursement were irregularly remained at DDO level. Further, Rule 261 of OTC requires that a certificate shall be furnished by the DDOs to the effect that funds drawn on AC bills shall be spent within the same financial year. But, the funds were carried forward to the next financial year.

3.6.1.2 Drawal of AC bills in the Month of March

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

Scrutiny of Voucher Level Computerisation (VLC) package of Office of the Accountant General (A&E) generated report revealed that during 2010-11 to 2014-15, total amount of ₹ 106.94 crore was drawn in the month of March only, which constituted 37.18 *per cent* of total drawal of ₹ 287.64 crore during the years, as detailed in the **Table 3.6**.

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

(₹ in crore)				
Sl. No.	Year	Total bills drawn during the year	Drawal during the month of March	Percentage against total bills drawn
1	2010-11	29.89	7.56	25.29
2	2011-12	32.77	6.31	19.26
3	2012-13	54.16	27.47	50.72
4	2013-14	119.52	61.10	51.12
5	2014-15	51.30	4.50	8.77
Total		287.64	106.94	37.18

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

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

3.6.1.3 Drawal of funds on AC bills for Plan Expenditure

Drawal of Plan funds in AC bill is not permissible as the same are not of contingent nature. Plan expenditure is intended to meet the distinct objectives of a Programme /Scheme /Project of a Central/State Plan. As such, these are planned

well in advance and earmarked for meeting specific purposes as envisaged in the concerned project/scheme details. Thus, there should be no occasion to draw money through AC bills route to make payments on the items of Plan expenditure under them.

Table 3.7 below depicts the AC bills drawn for plan expenditure of the Home Department remaining outstanding as of March 2015.

Table 3.7: Year-wise AC bills drawn on Plan Scheme of Home Department

(₹ in lakh)

Sl. No.	Year	Drawal of AC bills on Plan Scheme (CP/SP/CSP)	No. of items	Outstanding DC bills on Plan Scheme (CP/SP/CSP)	No. of items
1	Up to 2010-11	179.74	115	56.98	20
2	2011-12	0.05	1	0	0
3	2012-13	558.58	14	0	0
4	2013-14	0.10	2	0	0
5	2014-15	1.99	10	1.51	8
Total		740.46	142	58.49	28

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

Out of total AC bills of ₹ 488.96 crore drawn for Home Department, ₹ 7.40 crore were drawn for Plan Scheme, which constituted 1.51 *per cent*, out of which ₹ 0.58 crore, comprising 7.84 *per cent* of the total drawal for Plan Scheme, remained outstanding as of March 2015. Withdrawal of funds under Plan Heads through AC bill mode was indicative of the fact that project level planning was deficient, items of expenditure were not linked while drawing the amount and thus moneys were simply drawn for future use awaiting finalisation of implementation modalities and to avoid lapse of appropriation. As a result, the Government funds so drawn on the pretext of immediate requirement were allowed to be parked outside Consolidated Fund at the end of each financial year.

Government assured (November 2015) to clear the pending DC bills prior to 2012-13 by the end of November 2015.

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

Note below Rule 141 read with sub-rule (3) of OBM provides that money should neither be withdrawn from the Treasury unless it is required for immediate disbursement nor is it permissible to draw money from the treasury under Revenue heads of accounts which form a part of the Consolidated Fund of the State and for placing it in Deposit head under Public Account of the State in order to avoid lapse of allotment. Parking of funds in PD account adversely affect the transparency of State accounts as it inflates the Revenue Expenditure to that extent and locks up resources which otherwise can be utilised elsewhere for development. Further, according to the provisions of the Odisha Treasury Code, Volume I (Rule 423) PD

accounts remaining in-operative for three full financial years are to be closed automatically and the unspent balances transferred to Government Account for which the Treasury Officers are to furnish detailed information to the Accountant General (A&E) immediately after 31 March of each financial year.

There were 856 PD Account holders in the State with a closing balance (unspent) of ₹ 1146 crore operating under the head 8443 and 8448 as Personal Deposits at the end of March 2015. During 2014-15, ₹ 2461.03 crore were transfer-credited from the Consolidated Fund of the State to these PD accounts and expenditure of ₹ 2601.87 crore was incurred therefrom resulting in net decrease of ₹ 140.84 crore in the cumulative closing balance at the end of the year.

All such drawals had the approval of the CCOs of the concerned Departments including of the Finance Department. This practice resulted in erosion of legislative control over expenditure, as drawals from PD Accounts in the subsequent years neither required legislative approval nor was the expenditure incurred subject to legislative authority through the appropriation mechanism.

The Government stated (November 2015) that concerned administrators are being reminded to furnish the proposal for closure of inoperative account.

3.8 Booking under minor heads '800-Other Receipts and Other Expenditure'

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

Scrutiny of State Finance Accounts 2014-15 disclosed that under 58 major heads of account (both Revenue and Capital) ₹ 6596.75 crore (10.60 *per cent*) of total expenditure of ₹ 62211 crore were classified under the minor head of account '800-Other Expenditure' in the accounts which also ranged between 51 and 100 *per cent* of the total expenditure under the respective major heads. Similarly, under 54 major heads of account (Revenue Receipt), ₹ 10861.89 crore (19.06 *per cent*) out of total receipts of ₹ 56998 crore was classified under '800-Other Receipts', which ranged between 55 and 100 *per cent* of the total Revenue Receipts under the respective major heads of account.

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

3.9 Labour Cess amounting to ₹ 773.34 crore kept in Boards Account without Legislative scrutiny

The Government of India in the Ministry of Labour & Employment have enacted the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (BOCW Act,1996) with the objective of regulating the Employment and Conditions of Service of the Building and Other Construction Workers and to provide their safety, health and welfare measures. As per section 18 of the Act, every State shall constitute a Board for welfare of the construction workers. The fund for the purpose was to be raised by levy and collection of cess not less than one *per cent* and not more than two *per cent* of the cost of construction incurred by employers/builders. Accordingly Government of Odisha enforced the provisions of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 by promulgating Odisha Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2002.

As per Article-266(1) of the Constitution of India, all revenues received by the State Government shall form part of the Consolidated Fund of the State. The BOCW Act 1996 provides that the proceeds of the cess shall be transferred to the head of account of the Board under the accounting procedure of the State Government.

Scrutiny of records of Odisha Building and Other Construction Workers Welfare Board (OB & OCWWB) revealed that the cess collected by various agencies were sent through cheques/drafts to the Board or deposited in the savings bank account of the Board opened for the purpose through District Labour Offices. The cess so collected was kept in shape of savings bank account and fixed/term deposit receipts in violation of constitutional provisions and the BOCW Act 1996. The year-wise position of receipt and expenditure of cess from inception to 31 March 2015 is detailed in **Table 3.8**.

Table 3.8: Year-wise Receipt and Utilisation of Labour Cess

(₹ in crore)						
Year	Opening Balance	Receipt	Interest Accrued	Total	Expenditure	Closing Balance
2010-11	22.48	73.46	3.43	99.37	0.42	98.95
2011-12	98.95	103.56	8.86	211.37	0.30	211.07
2012-13	211.07	132.23	25.43	368.73	0.81	367.92
2013-14	367.92	168.90	35.34	572.16	7.62	564.54
2014-15	564.54	210.94	36.72	812.20	38.86	773.34

Source: Compiled from the information received from Odisha Building and Other Construction Workers Welfare Board

Moreover, as can be seen from the table, the board could utilise only five *per cent* of the total money received.

The Board however, stated that the labour cess needs to be utilized for welfare of Building and other Construction workers as per Supreme Court Writ Petition No.318/2006. Accordingly, in the 12th meeting of OB & OCWWB, the Board decided to deposit the cess in designated bank account of the Board after approval of the department. However, the judgement of Supreme Court did not mention about keeping the cess collected in bank account.

The Government agreed (November 2015) to review the position as there is a risk in management of large amount of funds kept outside Public Account.

3.10 Fund Management Practices

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

3.10.1 Advances remaining unadjusted

As per Subsidiary Rule 37 Notes 9 of OTC Vol. I, the DDO is required to maintain a Register of Advance showing all the particulars like date, name and designation of the officer receiving the advances, the purpose for which it is given, date of submission of accounts/bill for payment made against such advances. The accounts so rendered, are required to be checked and passed by the DDO. Further, as per Finance Department Notification No.43784/F dated 2nd December 1986, each item of outstanding advances as appearing in the cash book of the DDO is to be analysed and adjusted within one month of disbursement, failing which, the salary of the Government servant concerned should be withheld. Subsidiary Rule 509 of OTC Vol. I, envisages that the advance register should be reviewed frequently by the DDO to ensure that all the advances are cleared by adjustment without delay. Non-adherence not only results in understatement of actual expenditure but is also fraught with the risk of improper and irregular utilisation of the advance so drawn. Continued non-adjustment over a long period is also fraught with the risk of misappropriation and embezzlement.

Test check of records of 57 DDOs of the departments where Cash Management System was implemented revealed that in case of four DDOs advances of ₹ 2.34 crore as of 31 March 2015 have not been adjusted since long, details of which were not available. Advances lying in Executive Officer, Dhenkanal Municipality were ₹ 73.57 lakh, Block Development Officer, Balikuda were ₹ 91.50 lakh, Executive Officer, Baripada Municipality were ₹ 20.78 lakh and Block Development Officer, Tirtol were ₹ 47.73 lakh. Age-wise analysis was also not available with these DDOs due to non-preparation of the list of outstanding

advances and improper maintenance of the advance ledgers/registers. Due to lack of timely action to adjust the advances, the possibility of recovery of the advances is remote.

Besides, in respect of 23 DDOs, though advance ledger was maintained in the prescribed manner, advances amounting to ₹ 7.43 crore were still lying unadjusted (*Appendix-3.9*) up to March 2015. Advances have been given to the Government employees/suppliers for departmental allied purposes, execution of work, imparting training and supply of agricultural implements. In absence of details, the scheme from which such advances were given was not ascertainable in audit. Such situation is also fraught with the risk of embezzlement of Government fund.

3.10.2 Misutilisation of undisbursed cash balance with DDOs.

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

Test check of records revealed that, in six out of 57 DDOs, expenditure of ₹ 6.59 lakh was incurred without any allotment and sanction by the competent authority at the end of the March 2015. The amount is still kept in the shape of 'paid vouchers' by the offices.

3.10.3 Discrepancy of ₹40.81 crore due to non-reconciliation between bank balance and cash book balance.

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

Audit noticed that in 17 out of 57 sample DDOs, difference of ₹ 40.81 crore (*Appendix-3.10*) between the balances in cash book and bank pass book as of March 2015 was not reconciled. In absence of reconciliation of cash balances, the authenticity of accounts maintained by these DDOs could not be vouchsafed in audit.

3.10.4 Retention of time barred Cheques /Bank Drafts

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

Scrutiny of records revealed that in 13 cases out of 57 DDOs, time barred Cheques / BDs amounting to ₹ 8.44 lakh (*Appendix-3.11*) formed part of closing balance as on 31 March 2015. These Cheques/Bank Drafts have lost their validity period (six months), but were neither revalidated nor deposited in the Bank account. Retention of such BDs for long periods not only resulted in blockage of Government fund but also affected the ways and means position of the State.

3.10.5 Non-accountal of interest amounting to ₹ 3.70 crore in Cash Book.

Rule 6(1) of OTC Vol. I requires that in the Department of the Government all money received on account of revenue of the State should be kept in the Public Account of the State.

Scrutiny of records of 57 DDOs revealed that in nine DDOs though interest was accrued and credited to different pass books (*Table 3.11*), the same was not accounted for in the relevant cash book as detailed below:

Table 3.11: Interest not accounted for as on 31 March 2015

Sl. No.	Name of the DDO	Interest not accounted for (₹ in lakh)
1	BDO, Jagatsinghpur.	2.78
2	BDO, Balikuda.	15.50
3	PD, DRDA, Boudh.	4.07
4	BDO Bahanaga	1.07
5	PD, DRDA, Keonjhar	13.24
6	BDO, Tirtol	1.81
7	DSWO, Kendrapara	156.03
8	DSWO, Jagatsinghpur	171.67
9	PD, DRDA, Koraput	4.30
Total		370.47

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

This resulted in non-accountal of interest amounting to ₹ 3.70 crore.

3.11 Conclusion

- There is pendency in receipt of UCs of grants-in-aid paid to various autonomous bodies. Government released grants as a matter of routine without keeping a watch on timely receipt of UCs for grants given earlier, as required under the OGFR and sanction orders for release of such grants (*Paragraph 3.1*).
- As per reports of different departmental offices, 1324 cases of misappropriation / defalcation of Government money amounting to ₹ 15.76 crore were pending for settlement up to 25 years or more (*Paragraph 3.5*).
- Contrary to the provisions of financial rules, Controlling Officers did not submit Detailed Countersigned Contingent Bills to the Accountant General (A&E) in respect of ₹ 63.81 crore drawn on Abstract Contingent Bills (6582 cases) up to 31 March 2015. Besides, some departments allowed

drawal of AC Bills despite AC Bills of earlier years remaining unadjusted (*Paragraph 3.6*).


- Labour cess amounting to ₹ 773.34 crore at the end of March 2015 was kept in bank accounts violating the resolution by the Government of Odisha, Labour and Employees State Insurance department (*Paragraph 3.9*).
- A large number of DDOs test checked, failed to comply with various financial rules and procedures prescribed in OTC Vol. I and OGFR Vol. I. They did not reconcile the cash book figure with that of figures of bank pass book balance. These lapses reflected inadequacy in the internal control mechanism in their offices (*Paragraph 3.10*).

Recommendations

- Government may prioritise early submission of pending Utilisation Certificates by the defaulting departments. The pendency in submission of Utilisation Certificates should be cleared by addressing the departmental officers to obtain Utilisation Certificates from the organisations to whom grants were given.
- In the matter of outstanding cases of misappropriation, losses and defalcations etc., Government may prioritise and finalise in the first instance, at least the cases where departmental action has been initiated and cases which are awaiting orders for recovery and write off.

Bhubaneswar
The

10 DEC 2015


(R Ambalavanan)
Accountant General (G&SSA), Odisha

Countersigned

New Delhi
The

14 DEC 2015


(Shashi Kant Sharma)
Comptroller and Auditor General of India

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Appendices



Appendix-1.1 (Refer Page 1)

A brief profile of Odisha

A. General Data					
Particulars					Figures
1	Area				155707 Sq. Km
2	Population				
	a.	As per 2001 Census			3.68 crore
	b.	As per 2011 Census			4.20 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= 29.5 per cent)				45.9 per cent
5	Literacy (as per 2011 Census) (All India Average = 73.0 per cent)				72.87 per cent
6	Infant mortality ³ (per 1000 live births). (All India Average = 40 per 1000 live births)				51
7	Life Expectancy at birth ⁴ . (All India Average =67.5 years)				64.8 years
8	Gini-Coefficient ⁵				
	a.	Rural. (All India= 0.29)			0.26
	b.	Urban. (All India= 0.38)			0.39
9	Gross State Domestic Product (GSDP) 2014-15 at current price				₹ 310810 crore
10	Per Capita GSDP CAGR (2005-06 to 2014-15)		Odisha		14.45
			Other General Category States		13.86
11	GSDP CAGR (2005-06 to 2014-15) ⁶		Odisha		15.48
			Other General Category States		15.44
12	Population Growth ⁷ (2005-06 to 2014-15)		Odisha		8.45
			Other General Category States		12.76
B. Financial Data					
Particulars					
CAGR		2005-06 to 2013-14		2013-14 to 2014-15	
		General Category States	Odisha	General Category States	Odisha
(In per cent)					
a.	of Revenue Receipts.	15.76	16.85	16.10	16.45
b.	of Own Tax Revenue.	15.32	16.43	10.51	17.38
c.	of Non Tax Revenue.	13.53	23.66	10.07	-3.68
d.	of Total Expenditure.	15.23	17.61	19.32	16.22
e.	of Capital Expenditure.	14.61	28.58	21.87	42.79
f.	of Revenue Expenditure on Education.	17.10	17.22	14.55	18.84
g.	of Revenue Expenditure on Health.	16.20	18.99	28.73	53.01
h.	of Salary and Wages.	15.23	12.95	11.75	17.25
i.	of Pension.	18.70	20.46	12.43	8.12

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 Report of the Expert Group(Rangarajan) to Review the methodology for Measurement of Poverty, Planning Commission (June 2014)

³ SRS Bulletin, September 2014

⁴ Economic Survey for 2014-15

⁵ Planning Commission data for 2009-2010

⁶ Directorate of Economics and Statistics

⁷ Projected Total Population 2001-2026 by Census India

APPENDIX - 1.2
(Refer paragraph 1.1 at page 2)

Structure and Form of Government Accounts

Part A: Structure and Form of Government Accounts

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

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

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

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

PART B: Layout of Finance Accounts

Statement No.	About
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 at page 2)

Time Series data on the State Government Finances

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Part A. Receipts					
1. Revenue Receipts	33276	40267	43937	48947	56998
(i) Tax Revenue	11193(34)	13443 (34)	15034(34)	16892(35)	19828(35)
Taxes on Agricultural Income	Nil	Nil	Nil	Nil	Nil
Taxes on Sales, Trade, etc	6807(61)	8197(61)	9685(64)	10729(64)	11817(60)
State Excise	1094(10)	1379(10)	1499(10)	1780(11)	2035(10)
Taxes on Vehicles	728(6)	788(6)	746(5)	860(5)	910(5)
Stamps and Registration fees	416(4)	498(4)	545(4)	606(4)	800(4)
Land Revenue	391(3)	522(4)	420(3)	431(3)	646(3)
Taxes on Goods and Passengers	1111(10)	1312(10)	1342(9)	1613(10)	1711(9)
Other Taxes	646(6)	747(5)	797(5)	873(5)	1909(10)
(ii) Non-Tax Revenue	4780(14)	6443(16)	8078(18)	8379(17)	8071(14)
(iii) State's share of Union taxes and duties	10497(32)	12229(30)	13965(32)	15247(31)	16181(28)
(iv) Grants in aid from Government of India *	6806(20)	8152(20)	6860(16)	8429(17)	12918(23)
2. Miscellaneous Capital Receipts	Nil	Nil	Nil	0.03	Nil
3. Recoveries of Loans and Advances	34	132	142	257	92
4. Total Revenue and Non debt capital receipts (1+2+3)	33310	40399	44079	49204	57090
5. Public Debt Receipts	2268	1354	1880	2290	7646
Internal Debt (excluding Ways and Means Advances and Overdrafts)	2042	1121	1436	1740	6035
Net transactions under Ways and Means Advances and Overdrafts	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	226	233	444	550	529
6. Total Receipts in the Consolidated Fund (4+5)	35578	41753	45959	51494	64736
7. Contingency Fund Receipts	199	375	16	--	150
8. Public Account Receipts	12779	15487	27545	32677	24801
9. Total Receipts of the State (6+7+8)	48556	57615	73520	84171	89687
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	29368(86)	34660(87)	38238(87)	45618(85)	51136(82)
Plan	7393(25)	9720(28)	11593(30)	15008(33)	18877(37)
Non-Plan	21975(75)	24940(72)	26645(70)	30610(67)	32259(63)
General Services (including interest payments)	9937(34)	10929(32)	12423(32)	13689(30)	14529(28)
Social Services	11922(41)	14338(41)	14977(39)	18722(41)	20964(41)
Economic Services	7077(24)	8732(25)	10196(27)	12315(27)	14826(29)
Grants-in-aid and contributions	432(1)	661(2)	642(2)	892(2)	817(2)
11. Capital Expenditure	4285(13)	4496(11)	5622(13)	7756(14)	11075(18)
Plan	4157(97)	4435(99)	5603(99)	7598(98)	11057(100)
Non-Plan	128(3)	61(1)	19(1)	158(2)	18
General Services	234(6)	258(6)	351(6)	470(6)	390(4)
Social Services	784(18)	657(14)	1205(22)	1725(22)	2288(21)
Economic Services	3267(76)	3581(80)	4066(72)	5561(72)	8397(76)

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

	2010-11	2011-12	2012-13	2013-14	2014-15
12. Disbursement of Loans and Advances	315(1)	621(2)	216(1)	463(1)	358(1)
13. Total Expenditure (10+11+12)	33968	39777	44076	53837	62569
14. Repayments of Public Debt	2084	2328	3180	2293	4111
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1222	1781	2666	1775	2379
Net transactions under Ways and Means Advances and Overdraft	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	862	547	514	518	650
15. Appropriation to Contingency Fund	Nil	Nil	Nil	Nil	Nil
16. Total disbursement out of Consolidated Fund (13+14+15)	36052	42105	47256	56130	66680
17. Contingency Fund disbursements	375	3	--	150	Nil
18. Public Account disbursements	11408	14023	24886	31257	22511
19. Total disbursement by the State (16+17+18)	47835	56131	72142	87537	89191
Part C. Deficits					
20. Revenue Deficit (-)/Revenue Surplus (+) (1-10)	3908	5607	5699	3329	5862
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-)658	622	3	(-)4633	(-)5479
22. Primary Deficit(-)/Primary Surplus(+) (21+23)	2403	3198	2810	(-)1745	(-)2669
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	3061	2576	2807	2888	2810
24. Financial Assistance to local bodies etc.	9086	9065	7023	9495	13686
25. Ways and Means Advances/Overdraft availed (days)	--	--	--	--	3
Ways and Means Advances availed (days)	Nil/Nil	Nil/Nil	Nil/Nil	Nil/Nil	3
Overdraft availed (days)	Nil/Nil	Nil/Nil	Nil/Nil	Nil/Nil	Nil/Nil
26. Interest on Ways and Means Advances/ Overdraft	Nil/Nil	Nil/Nil	Nil/Nil	Nil/Nil	1
27. Gross State Domestic Product (GSDP)	197530	220589	251002	272980	310810
28. Outstanding Fiscal liabilities (year end)	42191	42467	43344	44714	50493
29. Outstanding guarantees (year end) (including interest)	2066	2510	2251	1705	1672
30. Maximum amount guaranteed (year end)	9789	10579	10579	10625	10886
31. Number of incomplete projects	68	150	151	190	206
32. Capital blocked in incomplete projects	227	352	347	874	1073
Part E: Fiscal Health Indicators					
I Resource Mobilisation					
Own Tax Revenue/GSDP	5.67	6.09	5.99	6.19	6.38
Own Non-Tax Revenue/GSDP	2.42	2.92	3.22	3.07	2.60
Central Transfers/GSDP	5.31	5.54	5.56	5.59	5.21
II Expenditure Management					
Total Expenditure/GSDP	17.20	18.03	17.56	19.72	20.13
Total Expenditure/Revenue Receipts	102.08	98.78	100.32	109.99	109.77
Revenue Expenditure/Total Expenditure	86.46	87.14	86.75	84.73	81.73

	2010-11	2011-12	2012-13	2013-14	2014-15
Expenditure on Social Services/Total Expenditure	37.41	37.70	36.71	37.98	37.16
Expenditure on Economic Services/Total Expenditure	30.45	30.96	32.36	33.20	37.12
Capital Expenditure/Total Expenditure	12.61	11.30	12.76	14.41	17.70
Capital Expenditure on Social and Economic Services/Total Expenditure.	11.93	10.65	11.96	13.53	17.08
III Management of Fiscal Imbalances					
Revenue Deficit (Surplus)/GSDP	1.98	2.54	2.27	1.22	1.89
Fiscal Deficit/GSDP	(-)0.33	0.28	0.00	(-)1.70	(-)1.76
Primary Deficit (Surplus) /GSDP	1.22	1.45	1.12	(-)0.64	(-)0.86
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	21.36	19.25	17.27	16.38	16.25
Fiscal Liabilities/RR	126.79	105.46	98.65	91.35	88.59
V Other Fiscal Health Indicators					
Return on Investment	4.64	9.84	19.04	13.67	30.71
Balance from Current Revenue (₹ in crore)	6606	9946	12437	12637	18493
Financial Assets/Liabilities	0.95	1.07	1.19	1.25	1.32

APPENDIX – 1.4
(Refer paragraph 1.2 at page 2)

Abstract of receipts and disbursements for the year 2014-15

(₹ in crore)

2013-14	Receipts	2014-15	2013-14	Disbursements	Non-Plan	Plan	2014-15
Section A: Revenue							
48946.85	I.Revenue Receipts	56997.88	45617.75	I.Revenue Expenditure-	32258.65	18877.09	51135.74
16891.59	-Tax Revenue	19828.30	13689.41	General Services	14353.53	175.33	14528.86
--	--	--	18721.55	Social Services-	10482.68	10481.45	20964.13
8378.60	-Non-Tax Revenue	8070.87	8282.37	-Education, Sports, Art and Culture	6361.64	3460.41	9822.05
--	--	--	1812.58	-Health and Family Welfare	1479.10	1294.43	2773.53
15247.24	-State's Share of Union Taxes	16181.22	1585.14	-Water Supply, Sanitation, Housing and Urban Development	779.94	1112.58	1892.51
--	--	--	52.30	-Information and Broadcasting	37.18	4.76	41.94
2729.19	-Non-Plan Grants	1929.34	1330.15	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	684.17	745.17	1429.34
3429.46	-Grants for State Plan Schemes	10886.18	146.95	-Labour and Labour Welfare	57.11	205.05	262.16
--	--	--	5416.56	-Social Welfare and Nutrition	993.21	3617.68	4610.89
2270.77	-Grants for Central and Centrally Sponsored Plan Schemes	101.98	95.50	-Others	90.33	41.36	131.69
--	--	--	12314.59	Economic Services-	6605.07	8220.31	14825.38
--	--	--	4701.12	-Agriculture and Allied Activities	2587.97	3025.49	5613.46
--	--	--	2983.63	-Rural Development	1030.92	3415.33	4446.25
--	--	--	--	-Special Areas Programmes	--	--	--
--	--	--	1397.05	-Irrigation and Flood Control	988.03	388.37	1376.40
--	--	--	22.35	-Energy	8.58	36.38	44.96
--	--	--	305.70	-Industry and Minerals	112.49	262.24	374.73
--	--	--	1704.77	-Transport	1739.19	156.35	1895.54
--	--	--	65.86	-Science, Technology and Environment	15.77	38.32	54.09
--	--	--	1134.11	-General Economic Services	122.12	897.82	1019.94
--	--	--	892.20	Grants-in-aid and Contributions-	817.37	--	817.37
--	II. Revenue deficit carried over to	--	3329.10	II. Revenue Surplus carried over	--	--	5862.14
Section B : Capital							
12867.19	III. Opening Cash balance including Permanent Advances and Cash Balance Investment	9510.30	--	III. Opening Overdraft from Reserve Bank of India	--	--	--

2013-14	Receipts	2014-15	2013-14	Disbursements	Non-Plan	Plan	2014-15
0.03	IV.Miscellaneous Capital Receipts	--	7756.40	IV. Capital Outlay-	17.98	11056.65	11074.63
--	--	--	469.88	General Services-	11.30	378.50	389.80
--	--	--	1724.79	Social Services-	3.70	2284.69	2288.39
--	--	--	155.16	-Education, Sports, Art and Culture	--	--	--
--	--	--	144.35	-Health and Family Welfare	--	413.78	413.78
--	--	--	774.88	-Water Supply, Sanitation, Housing and Urban Development	3.70	835.09	838.79
--	--	--	--	-Information and Broadcasting	--	--	--
--	--	--	420.26	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	--	436.02	436.02
--	--	--	195.37	-Social Welfare and Nutrition	--	143.99	143.99
--	--	--	--	-Others	--	94.91	94.91
--	--	--	5561.73	Economic Services-	--	--	--
--	--	--	161.33	-Agriculture and Allied Activities	--	141.55	141.55
--	--	--	--	-Rural Development	--	--	--
--	--	--	148.50	-Special Areas Programmes	--	148.50	148.50
--	--	--	2213.22	-Irrigation and Flood Control	--	2850.79	2850.79
--	--	--	774.07	-Energy	--	596.50	596.50
--	--	--	7.68	-Industry and Minerals	(-2.95)	--	(-2.95)
--	--	--	2203.07	-Transport	5.85	4552.45	4558.30
--	--	--	53.86	-General Economic Services	0.08	103.67	103.75
257.18	V. Recoveries of Loans and Advances-	91.87	463.55	V. Loans and Advances disbursed-	--	--	358.00
0.21	-From Power Projects	--	358.56	-For Power Projects	--	130.42	130.42
57.33	-From Government Servants	66.08	99.23	-To Government Servants	90.40	--	90.40
199.64	-From Others	25.79	5.76	-To Others	--	137.18	137.18
3329.10	VI. Revenue Surplus brought down	5862.14	--	VI. Revenue Deficit brought down	--	--	--
2290.25	VII. Public Debt Receipts-	7645.63	2293.22	VII. Repayment of Public Debt-	--	--	4111.45
--	-External debt	--	--	-External debt	--	--	--
1739.65	-Internal debt other than Ways and Means Advances and Overdrafts	6034.48	--	-Internal Debt other than Ways and Means Advances and Overdrafts	--	--	2379.44
--	- Net transactions under Ways and Means Advances	--	--	- Net transactions under Ways and Means Advances	--	--	--
--	- Net transactions under Overdraft	--	--	-Net transactions under Overdraft	--	--	--
550.60	-Loans and Advances from Central Government	529.10	--	-Repayment of Loans and Advances to Central Government	--	--	649.98
--	VIII. Appropriation to Contingency Fund	--	--	VIII. Appropriation to Contingency Fund	--	--	--

Appendices

2013-14	Receipts	2014-15	2013-14	Disbursements	Non-Plan	Plan	2014-15
--	IX .Amount transferred to Contingency Fund	150.00	150.00	IX. Expenditure from Contingency Fund	--	--	--
32677.32	X. Public Account Receipts-	24800.68	31256.60	X. Public Account Disbursements-	--	--	22511.41
3332.33	-Small Savings and Provident Funds	3470.60	2643.27	-Small Savings and Provident Funds	--	--	2397.81
1760.46	-Reserve Funds	658.35	1890.21	-Reserve Funds	--	--	401.11
10224.62	-Suspense and Miscellaneous	209.85	10204.48	-Suspense and Miscellaneous	--	--	167.63
10341.10	-Remittance	13619.78	10312.44	-Remittances	--	--	13617.51
7018.81	-Deposits and Advances	6842.11	6206.20	-Deposits and Advances	--	--	5927.35
--	XI. Closing Overdraft from Reserve Bank of India	--	--	XI. Cash Balance at end-	--	--	9996.13
--	--	--	--	Cash in Treasuries and Local Remittances	--	--	--
--	--	--	--	Deposits with Reserve Bank	--	--	578.65
--	--	--	--	Departmental Cash Balance including permanent Advances	--	--	21.37
--	--	--	--	Cash Balance Investment	--	--	9393.55
100367.92	Total	105049.50	100367.92	Total			105049.50

APPENDIX – 1.5
(Refer paragraph 1.4.3 at page 13)

Loss of Thirteenth Finance Commission Grant amounting to ₹ 2228.91 crore

(₹ in crore)

Sl. No.	Name of the scheme	Implementing Department	Grant recommended	Grant released	Grant Not released
1	Grant for PRIs (Performance)	Panchayati Raj	897.00	63.80	833.20
2	Grant for ULBs (Performance)	Housing and Urban Development	171.70	21.41	150.29
3	Grant for Special area (Performance)	(i)Panchayati Raj (ii)Housing and Urban Development	75.60	9.94	65.66
4	Elementary Education	School and Mass Education	1016.00	580.00	436.00
5	Grants for Forests	Forest and Environment	330.96	308.41	22.55
6	Water Sector	Water Resources	184.00	46.00	138.00
7	Grant for UID	Information and Technology	178.50	17.85	160.65
8	District Innovation Fund	General Administration	30.00	27.19	2.81
9	Employees and Pension database	(i)General Administration (ii)Finance	10.00	2.50	7.50
10	Eco restoration of Chilika lake	Forest and Environment	50.00	45.00	5.00
11	Construction of Anganwadi Centre	Women and Child Development	400.00	300.00	100.00
12	Upgradation of health infrastructure	Health and Family Welfare	350.00	262.50	87.50
13	Incentive grant for Energy sector	Energy	500.00	450.00	50.00
14	Police Training	Home	70.00	52.50	17.50
15	Upgradation of Jail	Home	100.00	75.00	25.00
16	Fire Service	Home	150.00	135.00	15.00
17	Preservation of Monuments and Buddhist heritage	Culture	65.00	58.50	6.50
18	Establishment of Market yards	Co-operation	60.00	45.00	15.00
19	Delivery of justice.	(i) Home (ii) Law (iii) Works	193.60	102.85	90.75
Total			4832.36	2603.45	2228.91

APPENDIX – 1.6
(Refer paragraph 1.8.3 at page 26)

Statement of outcome budget during the financial year 2014-15
Fisheries and Animal Resources Development Department

(₹ in lakh)

Sl. No.	Name of the Scheme	FINANCIAL			PHYSICAL		
		Financial Outlay for 2014-15	Financial Achievement	Shortfall	Physical Target	Physical Achievement	Shortfall
1	Interest Subvention on Short Term Credit Support to Fish Farmers.	31121	31121 (100%)	Nil	2000	94 (5%)	1906 (95%)
2	Interest Subvention on Long term Credit Support to Fish Farmers.	45184	45184 (100%)	Nil	2000	1531 (77%)	469 (23%)
3	Empowering Fishermen through Mobile Advisory Services and Establishment of Toll free Call Center for Fishermen Extension Services	46000	46000 (100%)	Nil	100000	65000 (65%)	35000 (35%)

Panchayati Raj Department

(₹ in lakh)

Sl. No.	Name of the Scheme	FINANCIAL			PHYSICAL		
		Financial Outlay	Financial Achievement	Shortfall	Physical Target	Physical Achievement	Shortfall
1	Mo Kudia	33010	33010 (100%)	Nil	46675	8166 (17%)	38509 (83%)
2	GGY	22500	22500 (100%)	Nil	11588	8908 (77%)	2680 (23%)
3	BRGF	39683	17946 (45%)	21737 (55%)	10944	9036 (83%)	1908 (17%)
4	C.C.Road	49856	49856 (100%)	Nil	21556	17974 (83%)	3582 (17%)
5	IAY	116924	88695 (76%)	28229 (24%)	152966	59739 (39%)	93227 (61%)
6	Construction of Non-Residential Building	1000	1000 (100%)	Nil	98	12 (12%)	86 (88%)
7	MGNREGS	188412	103530 (55%)	84882 (45%)	633.13	534.79 (84%)	98.34 (16%)
8	NRLM	32782	13591 (41%)	19191 (59%)	57237	5132 (9%)	52105 (91%)
9	RGSKY	15000	4389 (29%)	10611 (71%)	157	12 (8%)	145 (92%)

Rural Development Department

(₹ in lakh)

Sl. No.	Name of the Scheme	FINANCIAL			PHYSICAL		
		Financial Outlay	Financial Achievement	Shortfall	Physical Target	Physical Achievement	Shortfall
1	Works PWS Schemes	6000	5125 (85%)	875 (15%)	669	47 (7%)	622 (93%)
2	Construction of Office Building	500	269 (54%)	231 (46%)	44	19 (43%)	25 (57%)
3	Construction of Residential Building	600	560 (93%)	40 (7%)	63	28 (44%)	35 (56%)

Water Resources Department

(₹ in lakh)

Sl. No.	Name of the Scheme	FINANCIAL			PHYSICAL		
		Financial Target	Financial Achievement	Shortfall	Physical Target	Physical Achievement	Shortfall
1	Accelerated Irrigation Benefit Programme (AIBP)	117616	63371 (54%)	54245 (46%)	27200	2930 (11%)	24270 (89%)
2	Rural Infrastructure Development Fund (RIDF)	23100	12168 (53%)	10932 (47%)	9038	1680 (19%)	7358 (81%)
3	Biju Krushak Vikash Yojana (BKVY)	20300	2300 (11%)	18000 (89%)	23200	8884 (38%)	14316 (62%)

APPENDIX – 1.7
(Refer paragraph 1.10.1 at page 34)

Summarised financial position of the Government of Odisha as on 31 March 2015

(₹ in crore)

As on 31 March 2014			As on 31 March 2015
	Liabilities		
16072.87	Internal Debt -		19727.92
2921.09	Market Loans bearing interest	4564.76	
0.09	Market Loans not bearing interest	0.09	
2.65	Loans from Life Insurance Corporation of India	1.01	
13149.04	Loans from other Institutions	15162.06	
--	Ways and Means Advances	--	
--	Overdrafts from Reserve Bank of India	--	
7241.55	Loans and Advances from Central Government -		7120.67
48.03	Pre 1984-85 Loans	0.56	
26.14	Non-Plan Loans	24.14	
7167.38	Loans for State Plan Schemes	7095.98	
--	Loans for Central Plan Schemes	--	
--	Loans for Centrally Sponsored Plan Schemes	--	
400.00	Contingency Fund	--	
15352.52	Small Savings, Provident Funds, etc.		16425.31
5974.81	Deposits		6890.16
5595.04	Reserve Funds Advances		5852.28
57.11	Suspense and Miscellaneous Balances		99.22
21.40	Remittance Balances		23.67
698.15	Miscellaneous Capital Receipts		698.15
12630.93	Cumulative excess of receipts over expenditure		18493.22
64044.38	Total		75730.60
	Assets		
50202.42	Gross Capital Outlay on Fixed Assets -		61277.11
3308.80	Investments in shares of Companies, Corporations, etc.	3504.87	
46893.62	Other Capital Outlay	57772.24	
4183.06	Loans and Advances -		4449.19
2849.13	Loans for Power Projects	2979.55	
996.62	Other Development Loans	1100.27	
337.31	Loans to Government servants and Miscellaneous loans	369.37	

As on 31 March 2014			As on 31 March 2015
Assets			
10.13	Advances		10.73
--	Remittance Balances		--
--	Suspense and Miscellaneous Balances		--
9498.77	Cash -		9993.57
--	Cash in Treasuries and Local Remittances		--
26.87	Deposits with Reserve Bank	578.65	
21.88	Departmental Cash Balance including Permanent Advances	21.37	
**	Security Deposits		--
5523.00	Investment of Earmarked Funds	5523.00	
3927.02	Cash Balance Investments	3870.55	
--	Deficit on Government Account -	--	
--	(i) Less Revenue Surplus of the current year	--	
150.00	(ii) Appropriation to Contingency Fund	--	
--	Accumulated deficit at the beginning of the year	--	
64044.38	Total		75730.60

** 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 ₹ 63.21 crore (Net Debit) between the figure reflected in the Accounts ₹ 578.65 crore (Net Debit) and that intimated by the Reserve Bank of India ₹ 515.45 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 ₹ 61.18 crore (Net Debit) remains to be reconciled (May-2015).

APPENDIX – 1.8
(Refer paragraph 1.13 at page 45)

Status of Public Private Partnership Projects in Odisha as on 31 March 2015

COMPLETED PPP PROJECTS

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

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

PPP PROJECTS IN PIPELINE UNDER IMPLEMENTATION

Sl. No.	Name of Project	PPP Type	Status	Remarks
Sector: Urban Development				
1	Integrated Residential complex at Ranasinghpur	DBOT	Construction	--
2	Integrated Residential complex at Patrapada	DBOT	Construction	--
3	Integrated Commercial Complex at Gadakana	BOT	Construction	--
4	Development of Foot Over Bridges at Master Canteen, Rama Devi College and Jaydev Vihar	DBOT	Construction	--
5	Municipal Solid Waste Management Facility for Berhampur	DBOT	Construction	M/s UPL is the concessionaire
6	Development of Regional Landfill and Municipal Solid Waste Processing Facility for Bhubaneswar and Cuttack + Waste to Energy	DBOT	Construction	M/s Essel Bhubaneswar MSW Ltd. Is the concessionaire
7	Energy efficient public street lighting project in Bhubaneswar	DBFOT	Construction	Consortium of M/s Saha Investments is the concessionaire
8	Bulk Water Supply project for IIT, NISER, Infocity-II and adjoining areas	BOOT	Conditions precedent period	Consortium of M/s MEIL is the concessionaire
Sector: Transport				
9	Minor port at Subamarekha mouth (Kirtania)	BOOST	Construction	M/s CPDCL is the concessionaire
10	Minor port at Astaranga	BOOST	Construction	M/s Navayuga is the concessionaire
11-12	Two (02) bus terminals at Dhenkanal & Angul	DBFOT	Construction	
13	Haridaspur-Paradeep railway corridor	Beneficiary Participation	Construction	M/s HPRDCL is the concessionaire
14	Angul Sukinda Railway Corridor	Beneficiary Participation	Construction	M/s ASRL is the concessionaire
Sector: Industrial Infrastructure				
15	Infopark in Bhubaneswar	BOT	Construction	
16	Biotech Park in Bhubaneswar	BOT	Construction	M/s Bharat Biotech is the concessionaire
17	Mega Food Park in Rayagada district	Joint venture	Construction	Under the scheme of MoFPI, GoI.

Sl. No.	Name of Project	PPP Type	Status	Remarks
Sector: Roads				
18	4-laning of 165 km Sambalpur-Rourkela	BOT(Toll)	Conditions precedent period	M/s L&T is the concessionaire
Sector: Tourism				
19-26	Development of eight (08) tourism department properties	Renovate, augment, operate & transfer	Construction	--
27	Development of water sports facilities in selected water bodies at 15 locations	BOT	Construction	--
28	Development of houseboating facilities in selected water bodies at 15 locations	BOT	Construction	--
Sector: Power Transmission				
29	IB- Meramundali 400 KV D.C. line	BOT (Annuity)	Construction	M/s Sterlite is the concessionaire
Total – 29 Projects				

PPP PROJECTS IN PIPELINE

Sl. No.	Name of Project	PPP Type	Status	Remarks
Sector: Urban Development				
1	Municipal Solid waste management facility for Paradeep	DBOT	Pipeline	Bidding concluded
2	Municipal solid waste management facility for Sambalpur	DBOT	Pipeline	Rfp has been modified and re-bidding is to be done
3	Integrated Residential and commercial complex at Suango	DBOT	Pipeline	Selection of developer has been completed.
4	Integrated Residential and commercial complex at Ranasinghpur	DBOT	Pipeline	Selection of developer has been completed.
5	Integrated Residential and commercial Complex at Paikarapur	BOT	Pipeline	Selection of developer has been completed.
6	Integrated Residential and Commercial Complex at Shankarpur	BOT	Pipeline	Selection of developer has been completed.
Sector: Energy				
7	Roof-top solar project in Bhubaneswar and Cuttack		Pipeline	In principle approval has been accorded
Total – 7 Projects				
Grand Total – 77 Projects (Odisha)				

APPENDIX – 2.1
(Refer paragraph 2.3.1 at page 51)

Statement of various grants/appropriations where saving was more than ₹ 10 crore each and more than 20 per cent of the total provision during 2014-15

(₹ in crore)						
Sl. No.	Grant No	Name of the Grant/ Appropriation	Total Grant/ Appropriation	Actual Expenditure	Savings out of total Provision	Percentage of savings to total Provision
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Revenue (Charged)						
1	2048	Appropriation for Reduction or Avoidance of Debt	500.00	0	500.00	100.00
2	2049	Interest Payments	4729.18	2810.27	1918.91	40.58
Revenue (Voted)						
3	3	Revenue and Disaster Management	3445.99	2198.52	1247.47	36.20
4	5	Finance	9010.13	6957.35	2052.78	22.78
5	8	Odisha Legislative Assembly	51.31	28.24	23.07	44.97
6	13	Housing and Urban Development	2279.93	1779.13	500.80	21.97
7	17	Panchayati Raj	6861.16	4796.24	2064.92	30.10
8	28	Rural Development	2381.11	1625.15	755.96	31.75
9	34	Co-operation	830.58	601.97	228.61	27.52
10	36	Women and Child Development	4522.53	3414.81	1107.72	24.49
11	37	Information Technology	138.45	95.34	43.11	31.14
Capital (Voted)						
12	10	School and Mass Education	111.04	29.40	81.64	73.52
13	11	Scheduled Tribes & Scheduled Castes Development and Minorities & Backward Classes Welfare	603.47	436.02	167.45	27.75
14	13	Housing and Urban Development	887.43	560.69	326.74	36.82
15	16	Planning and Co-ordination	225.24	156.59	68.65	30.48
16	28	Rural Development	3039.46	2213.83	825.63	27.16
17	30	Energy	1251.75	726.92	524.83	41.93
18	34	Co-operation	345.60	60.95	284.65	82.36
Total			41214.36	28491.42	12722.94	30.87

Source: Appropriation Accounts 2014-15, Government of Odisha.

APPENDIX – 2.2

(Refer paragraphs 2.3.2 at page 55)

List of Grants indicating persistent savings during 2010-15

(₹ in crore)

Sl. No.	Number of the Grant and Name of the Department	Amount of savings				
		2010-11	2011-12	2012-13	2013-14	2014-15
Revenue (Charged)						
1	2049- Interest Payments	890.66 (23)	1470.90 (36)	1704.36 (38)	2119.64 (42)	1918.94 (41)
Revenue (Voted)						
2	1-Home	122.58 (7)	188.84 (10)	192.66 (9)	175.54 (7)	178.91 (6)
3	3-Revenue	702.40 (38)	701.91 (17)	1033.25 (55)	2633.53 (43)	1247.47 (36)
4	4-Law	32.99 (19)	31.26 (17)	36.58 (19)	22.31 (11)	24.04 (9)
5	5-Finance	1484.09 (26)	1061.41 (18)	1549.72 (22)	2754.72 (29)	2052.78 (23)
6	7-Works	14.25 (2)	52.15 (5)	26.24 (2)	31.18 (2)	84.54 (5)
7	8-Odisha Legislative Assembly	10.46 (36)	27.95 (46)	20.67 (45)	18.53 (39)	23.07 (45)
8	10-School and Mass Education	846.07 (16)	418.64 (8)	806.54 (12)	509.22 (7)	1414.78 (15)
9	11- ST, SC Dev. and Minorities & Backward Classes Welfare	83.40 (9)	79.25 (7)	168.51 (12)	263.10 (16)	373.64 (20)
10	12-Health and Family Welfare	341.03 (22)	180.54 (12)	201.73 (11)	303.30 (14)	651.88 (19)
11	13-Housing and Urban Development	105.82 (10)	212.74 (17)	100.91 (7)	87.89 (4)	500.80 (22)
12	16-Planning and Co-ordination	111.95 (24)	65.18 (5)	151.25 (13)	144.17 (12)	270.44 (23)
13	17-Panchayati Raj	38.95 (2)	190.20 (8)	437.70 (15)	436.05 (12)	2064.92 (30)
14	20-Water Resources	139.12 (15)	179.54 (17)	158.94 (13)	117.70 (8)	333.91 (19)
15	22-Forest and Environment	38.91 (10)	42.57 (11)	98.06 (17)	166.76 (22)	92.90 (13)
16	33-Fisheries and Animal Resources Development	60.79 (19)	55.43 (16)	77.76 (21)	54.08 (13)	77.11 (16)
17	36-Women and Child Development	369.05 (15)	273.32 (8)	236.48 (7)	249.75 (6)	1107.72 (24)
18	38-Higher Education	27.81 (2)	26.55 (2)	65.67 (5)	66.24 (4)	350.13 (16)
Capital (Voted)						
19	7-Works	186.92 (16)	234.87 (20)	102.04 (9)	59.92 (4)	47.15 (2)
20	20-Water Resources	453.47 (22)	457.77 (21)	254.06 (11)	529.08 (19)	558.12 (16)
21	28-Rural Development	33.97 (7)	119.75 (19)	63.84 (10)	32.85 (4)	825.63 (27)

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

Note: Figures in brackets represent percentage to total grants

APPENDIX – 2.3

(Refer paragraph 2.3.5 at page 56)

Statement showing cases where supplementary provision
(₹ 1 crore or more in each case) proved unnecessary during 2014-15

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
A Revenue (Charged)					
1	1-Home	55.68	46.94	8.74	2.23
Total for (Charged)		55.68	46.94	8.74	2.23
A Revenue (Voted)					
2	2-General Administration	146.99	135.72	11.27	7.03
3	3-Revenue and Disaster Management	3365.38	2198.52	1166.86	80.60
4	5-Finance	8710.14	6957.35	1752.79	300.00
5	7-Works	1659.68	1586.20	73.48	11.06
6	8-Legislative Assembly	49.17	28.24	20.93	2.15
7	10-School and Mass Education	9240.97	7857.24	1383.73	31.05
8	11- ST, SC Dev. and Minorities & Backward Classes Welfare	1855.15	1508.76	346.39	27.25
9	12-Health and Family Welfare	3392.37	2777.88	614.49	37.40
10	13-Housing and Urban Development	2169.30	1779.13	390.17	110.63
11	16-Planning and Co-ordination	1154.36	906.02	248.34	22.09
12	17-Panchayati Raj	6809.10	4796.24	2012.86	52.06
13	20-Water Resources	1705.01	1445.23	259.78	74.12
14	21-Transport	66.59	55.96	10.63	1.55
15	22-Forest and Environment	714.54	644.27	70.27	22.62
16	23-Agriculture	2598.58	2523.64	74.94	273.64
17	28-Rural Development	1695.48	1625.15	70.33	685.63
18	33-Fisheries and Animal Resources Development	439.33	399.28	40.05	37.06
19	34-Co-operation	827.35	601.97	225.38	3.23
20	38-Higher Education	2131.40	1804.61	326.79	23.34
21	39-Employment and Technical Education and Training	216.64	198.78	17.86	7.05
Total for (Voted)		48947.53	39830.19	9117.34	1809.56
Total for Revenue		49003.21	39877.13	9126.08	1811.79
B Capital (Charged)					
22	20-Water Resources	11.52	8.71	2.81	9.50
23	6004-Loans and Advances from Central Government	674.50	649.97	24.53	45.16
Total for (Charged)		686.02	658.68	27.34	54.66
B Capital (Voted)					
24	1-Home	380.66	315.02	65.64	13.74
25	11- ST, SC Dev. and Minorities & Backward Classes Welfare	601.15	436.02	165.13	2.33
26	12-Health and Family Welfare	530.00	444.00	86.00	5.00
27	13-Housing and Urban Development	867.06	560.69	306.37	20.37
28	20-Water Resources	3392.93	2846.72	546.21	11.91
29	28-Rural Development	2983.40	2213.83	769.57	56.06
30	33-Fisheries and Animal Resources Development	85.76	80.07	5.69	4.75
31	34-Co-operation	280.60	60.95	219.65	65.00
Total for (Voted)		9121.56	6957.30	2164.26	179.16
Total for Capital		9807.58	7615.98	2191.60	233.82
Grand Total		58810.79	47493.11	11317.68	2045.61

Source: Appropriation Accounts 2014-15, Government of Odisha.

APPENDIX – 2.4
(Refer paragraph 2.3.5 at page 56)

**Statement showing cases where supplementary provision
(₹ 1 crore or more in each case) proved excessive during 2014-15**

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original Provision	Supplementary provision	Total Provision	Actual expenditure	Excess Supplementary provision
Revenue (Voted)						
1	01-Home	2781.54	241.78	3023.32	2844.41	178.91
2	09-Food Supplies and Consumer Welfare	1406.94	330.87	1737.81	1528.54	209.27
3	14-Labour and Employees State Insurance	144.49	84.56	229.05	196.99	32.06
4	19-Industries	18.86	22.02	40.88	38.35	2.53
5	29-Parliamentary Affairs	20.63	2.07	22.70	20.78	1.92
6	32-Tourism and Culture	109.99	18.35	128.34	124.10	4.24
Total for Revenue		4482.45	699.65	5182.10	4753.17	428.93
Capital (Charged)						
7	6003-Internal Debt of the State Government	2381.00	1430.00	3811.00	3461.48	349.52
Capital (Voted)						
8	2-General Administration	121.11	54.10	175.21	133.96	41.25
9	3-Revenue and Disaster Management	55.73	15.00	70.73	68.79	1.94
10	7-Works	2221.52	141.18	2362.70	2315.56	47.14
11	39- Employment and Technical Education and Training	297.33	110.00	407.33	328.70	78.63
Total for Capital		5076.69	1750.28	6826.97	6308.49	518.48
Grand Total		9559.14	2449.93	12009.07	11061.66	947.41

Source: Appropriation Accounts 2014-15, Government of Odisha.

APPENDIX – 2.5
(Refer paragraph 2.3.6 at page 56)

Statement showing excess / unnecessary re-appropriation of funds during 2014-15
(₹ in crore)

Sl. No.	Grant No.	Description	Net Re-appropriation	Final Excess(+) / Saving(-)
1	1-Home	2055-NP-00-109-0321-District Organisation	14.77	-3.74
2	3-Revenue and Disaster Management	2245-SP-SS-02-114-2802-Subsidy	1.00	-1.00
3	5-Finance	2054-NP-00-095-0301-Directorate of Treasuries and Inspection	0.21	-2.73
4	7-Works	3054-NP-04-337-0865-Maintenance and Repair of Major District Roads and Other Roads under Chief Engg.(Roads & Buildings)	0.35	-1.08
5	7-Works	5054-SP-SS-03-337-1994-Odisha State Roads Project - Road Improvement Component(EAP)	-35.00	-10.82
6	7-Works	5054-SP-DS-04-796-2161-Rural Infrastructure Development Fund (RIDF)	11.16	-2.98
7	7-Works	5054-SP-DS-04-8002161-Rural Infrastructure Development Fund (RIDF)	15.00	-5.54
8	10-School and Mass Education	2202-SP-DS-02-109-1261- Secondary Schools	9.99	-9.52
9	12-Health and Family Welfare	4210-SP-DS-02-110-2213- Construction of Buildings of H & F W Deptt.	-32.85	-3.22
10	20-Water Resources	2701-NP-80-800-2895-Grants	-1.40	-1.03
11	20-Water Resources	2711-NP-01-800-1214- Rivers Embankment Maintenance	10.70	-1.85
12	20-Water Resources	4700-SP-SS-11-800-2160- Accelerated Irrigation Benefit Programme (AIBP)	8.00	-2.68
13	20-Water Resources	4700-SP-SS-19-800-2177- JBIC Assisted Rengali Irrigation Project (EAP)-Phase-II	2.05	-1.71
14	20-Water Resources	4702-SP-DS-00-789-2826- Canal Lining and System Rehabilitation Programme	-4.00	-3.09
15	20-Water Resources	4702-SP-DS-00-800-2535-Construction of Control Structure for Instream Storage Schemes-Check Dam	55.04	-1.55
16	36-Women and Child Development	2235-SP-DS-02-102-0731-Integrated Child Development Service Schemes	-30.99	-2.61
17	38-Higher Education	2202-SP-SS-03-112-2939-Rashtriya Uchcharat Shiksha Abhiyan (RUSA)	-47.10	-55.88
			-23.07	-111.03
18	7-Works	5054-SP-SS-04-800-1581-Works Executed from Central Road Fund	-9.83	1.12

Sl. No.	Grant No.	Description	Net Re-appropriation	Final Excess(+) / Saving(-)
19	7-Works	5054-SP-SS-04-800-2161-Rural Infrastructure Development Fund (RIDF)	-15.00	5.74
20	10- School and Mass Education	2202-NP-01-101-0538- General Primary Schools	57.54	1.55
21	10- School and Mass Education	2202-SP-DS-01-111-1928- Sarva Shiksha Abhiyan for Universalisation of Education	-75.84	6.07
22	10-School and Mass Education	2202-NP-02-109-1261- Secondary Schools	-151.04	9.24
23	11- ST, SC Dev. and Minorities & Backward Classes Welfare	2225-NP-80-800-0743- Integrated Tribal Development Projects - Estt. Charges	-0.02	3.57
24	12-Health and Family Welfare	4210-SP-SS-03-105-2213- Construction of Buildings of H & F W Deptt.	32.85	3.49
25	20-Water Resources	2700-NP-08-101-0851- Maintenance and Repair	-1.89	2.20
26	20-Water Resources	4700-SP-SS-14-789-2160- Accelerated Irrigation Benefit Programme (AIBP)	-0.60	1.66
27	20-Water Resources	4700-SP-SS-19-796-2177- JBIC Assisted Rengali Irrigation Project (EAP)-Phase-II	2.00	2.11
28	20-Water Resources	4701-SP-SS-58-796-2160- Accelerated Irrigation Benefit Programme (AIBP)	1.00	3.91
29	20-Water Resources	4702-SP-DS-00-796-2535-Construction of Control Structure for Instream Storage Schemes-Check Dam	7.79	1.43
30	20-Water Resources	4702-SP-DS-00-796-2826-Canal Lining and System Rehabilitation Programme	-2.00	1.71
31	28-Rural Development	5054-SP-SS-04-800-1230-Rural Roads	2.00	1.84
32	36-Women and Child Development	2235-SP-DS-02-796-0731-Integrated Child Development Service Schemes	-11.08	2.48
33	38-Higher Education	2202-NP-03-103-0549-Government General Colleges	-1.49	1.14
			-165.61	49.26

Source: Monthly Appropriation Reports, March 2015 (S), Government of Odisha.

APPENDIX – 2.6

(Refer paragraph 2.3.8 at page 57)

Statement showing results of substantial surrenders made during the year 2014-15
(₹ 10 crore or more in each case)

Sl. No.	Number and title of Grant	Name of the scheme (Head of Account)	Amount of Surrender (₹ in crore)	Percentage of Surrender	Reasons for Surrender
1	03-Revenue and Disaster Management	2245-NP-80-General-800-Other Expenditure-1183-Relief expenditure met from National Calamity Contingency Fund	200.00	100	Reason for the surrender of the entire provision has not been intimated to AG (A&E).
2	5-Finance	2075-NP-800-Other Expenditure-2897-Fund for Protection of Interests of Depositors	300.00	100	Entire provision was surrendered due to non-utilisation of Reserve Fund during the year.
3	10-School and Mass Education	2202-SP-DS-01-111-2551-ThFC Grants for Elementary Education	132.24	100	Entire provision was surrendered due to non-receipt of Central share.
4	10-School and Mass Education	2202-SP-DS-01-789-2551-ThFC Grants for Elementary Education	44.08	100	Entire provision was surrendered due to non-receipt of Central share.
5	10-School and Mass Education	2202-SP-DS-01-796-2551-ThFC Grants for Elementary Education	55.68	100	Entire provision was surrendered due to non-receipt of Central share.
6	10-School and Mass Education	2202-SP-DS-80-800-2915-Support for Educational Development including Teachers Training and Adult Education	28.97	100	Entire provision was surrendered due to non-receipt of Central share.
7	10-School and Mass Education	4202-SP-DS-01-600-2915-Support for Educational Development including Teachers Training and Adult Education	15.00	100	Entire provision was surrendered to meet additional requirement under other heads as per Supplementary Statement of Expenditure.
8	10-School and Mass Education	4202-SP-DS-01-796-2915-Support for Educational Development including Teachers Training and Adult Education	11.77	100	Entire provision was surrendered to meet additional requirement under other heads as per Supplementary Statement of Expenditure
9	11-Scheduled Tribes and Scheduled Castes Development and Minorities & Backward Classes Welfare	4225-SP-DS-01-277-0649-Hostels	32.00	100	Entire provision was surrendered due to non-receipt of Central share.
10	11-Scheduled Tribes and Scheduled Castes Development and Minorities & Backward Classes Welfare	4225-SP-DS-02-277-0047-Ashram Schools	69.16	100	Entire provision was surrendered due to non-receipt of Central share.

Sl. No.	Number and title of Grant	Name of the scheme (Head of Account)	Amount of Surrender (₹ in crore)	Percentage of Surrender	Reasons for Surrender
11	11-Scheduled Tribes and Scheduled Castes Development and Minorities & Backward Classes Welfare	4225-CP-DS-02-277-0649-Hostels	40.00	100	Entire provision was surrendered due to non-receipt of Central share.
12	12-Health and Family Welfare	2210-CP-DS-06-101-0957-National Malaria Eradication Programme	30.00	100	Entire provision was surrendered due to non-receipt of sanction order from Government of India.
13	13-Housing and Urban Development	2217-NP-05-191-2594-General Performance Grants to Local Bodies as recommended by Thirteenth Finance Commission	23.56	100	Entire provision was surrendered due to non-receipt of Central Assistance.
14	13-Housing and Urban Development	2217-NP-05-192-2594-General Performance Grants to Local Bodies as recommended by Thirteenth Finance Commission	22.76	100	Entire provision was surrendered due to non-release of Central Assistance.
15	13-Housing and Urban Development	2217-NP-05-193-2594-General Performance Grants to Local Bodies as recommended by Thirteenth Finance Commission	13.45	100	Entire provision was surrendered due to non-receipt of Grants from Government of India
16	16-Planning and Co-ordination	5475-SP-SS-800-2618-State Viability Gap Fund (VGF) Assistance for Infrastructure Development	50.00	100	Reason for the surrender of the entire provision has not been intimated to AG (A&E).
17	20-Water Resources	2700-NP-80-800-2587-Thirteenth Finance Commission Award for Water Sector Management	27.00	100	Entire provision was surrendered due to non-receipt of funds from Government of Odisha.
18	20-Water Resources	2701-NP-80-800-2587-Thirteenth Finance Commission Award for Water Sector Management	13.00	100	Entire provision was surrendered due to non-release of funds from Government of Odisha.
19	20-Water Resources	2705-SP-SS-001-0732-Implementation of Micro Irrigation System through Command Area Development Authority	24.50	100	Reason for the surrender of the entire provision has not been intimated to AG (A&E).
20	20-Water Resources	2705-SP-SS-796-0732-Implementation of Micro Irrigation System through Command Area Development Authority	18.50	100	Reason for the surrender of the entire provision has not been intimated to AG (A&E).
21	20-Water Resources	4700-SP-SS-11-796-2954-CAD & WM work in AIBP Projects	13.20	100	Entire provision was surrendered due to non-completion of Survey and Planning Works.
22	20-Water Resources	4700-SP-SS-15-800-2954-CAD & WM work in AIBP Projects	13.92	100	Reason for the surrender of the entire provision has not been intimated to AG (A&E).

Sl. No.	Number and title of Grant	Name of the scheme (Head of Account)	Amount of Surrender (₹ in crore)	Percentage of Surrender	Reasons for Surrender
23	22-Forest and Environment	3435-CP-SS-03-102-2693-Climate Change Action Plan	10.00	100	Entire provision was surrendered due to non-release of funds by Government of India.
24	30-Energy	4801-SP-SS-05-190-1892-Construction of Smart Grid in OPTCL	15.00	100	Reason for the surrender of the entire provision has not been intimated to AG (A&E).
25	30-Energy	4801-SP-SS-05-190-1893-State Capital Region Improvement of Power System(SCRIP)	60.00	100	Reason for the surrender of the entire provision has not been intimated to AG (A&E).
26	30-Energy	4801-SP-SS-05-190-2962-Odisha Power Sector Improvement Project	23.01	100	Reason for the surrender of the entire provision has not been intimated to AG (A&E).
27	30-Energy	4801-SP-SS-05-789-0140-Reimbursement of Land Acquisition Estt. Cost	55.00	100	Reason for the surrender of the entire provision has not been intimated to AG (A&E).
28	30-Energy	4801-SP-SS-05-796-0140-Reimbursement of Land Acquisition Estt. Cost	60.50	100	Reason for the surrender of the entire provision has not been intimated to AG (A&E).
29	30-Energy	4801-SP-SS-05-800-0140-Reimbursement of Land Acquisition Estt. Cost	134.50	100	Reason for the surrender of the entire provision has not been intimated to AG (A&E).
30	30-Energy	4801-SP-SS-05-800-1893-State Capital Region Improvement of Power System(SCRIP)	40.00	100	Reason for the surrender of the entire provision has not been intimated to AG (A&E).
31	30-Energy	4801-SP-SS-05-800-2962-Odisha Power Sector Improvement Project	32.01	100	Reason for the surrender of the entire provision has not been intimated to AG (A&E).
32	30-Energy	6801-SP-SS-796-2612-CAPEX Programme for Development and Up-gradation of Distribution System	33.05	100	Entire provision was surrendered due to introduction of Cash Management System in the department.
33	34-Co-operation	4425-SP-DS-107-2875-Construction of Godown	70.00	100	Entire provision was surrendered due to non-construction of Godowns by the Executing Agency.
34	34-Co-operation	4425-SP-DS-789-2875-Construction of Godown	35.50	100	Entire provision was surrendered due to non-construction of Godowns by the Executing Agency.
35	34-Co-operation	4425-SP-DS-796-2875-Construction of Godown	44.50	100	Entire provision was surrendered due to non-construction of Godowns by the Executing Agency.
36	34-Co-operation	6425-SP-DS-789-0825-Loans and Advances	18.00	100	Entire provision was surrendered due to non-assessment of exact damage during Kharif-2014

Sl. No.	Number and title of Grant	Name of the scheme (Head of Account)	Amount of Surrender (₹ in crore)	Percentage of Surrender	Reasons for Surrender
37	34-Co-operation	6425-SP-DS-796-0825-Loans and Advances	25.00	100	Entire provision was surrendered due to non-assessment of exact damage during Kharif-2014.
38	36-Women and Child Development	2235-SP-SS-02-103-1606-Construction of Working Women's Hostel	11.20	100	Reason for the surrender of the entire provision has not been intimated to AG (A&E).
39	37-Information Technology	2852-SP-SS-07-202-2553-Thirteenth Finance Commission Grants for Incentivising issue of UID	35.70	100	Entire provision was surrendered due to non-finalisation of Modalities for Expenditure.
Total			1881.76	100	

Source: Appropriation Accounts 2014-15 and Monthly Appropriation Reports, March 2015(S)

APPENDIX – 2.7

(Refer paragraph 2.3.9 at page 57)

**Statement showing surrender in excess of actual savings during 2014-15
(₹ 1 crore or more)**

(₹ in crore)

Sl. No.	Number and Name of the Grant/ Appropriation	Total Grant/ Appropriation	Savings	Amount surrendered	Amount surrendered in excess
1	3-Revenue and Disaster Management (Revenue Voted)	3445.99	1247.47	1273.07	25.60
2	3-Revenue and Disaster Management (Capital Voted)	70.73	1.94	2.95	1.01
3	5-Finance (Revenue Voted)	9010.14	2052.78	2054.32	1.54
4	10-School and Mass Education (Revenue Voted)	9272.02	1414.78	1418.36	3.58
5	11-Scheduled Tribes and Scheduled Castes Development and Minorities & Backward Classes Welfare (Revenue Voted)	1882.40	373.64	377.77	4.13
6	13-Housing and Urban Development (Capital Voted)	887.43	326.74	331.85	5.11
7	17-Panchayati Raj (Revenue Voted)	6861.16	2064.92	2259.65	194.73
Total		31429.87	7482.27	7717.97	235.70

Source: Appropriation Accounts 2014-15, Government of Odisha.

APPENDIX – 2.8
(Refer paragraph 2.3.10 at page 58)

Statement showing details of savings of ₹ 1 crore and above not surrendered during 2014-15

(₹ in crore)					
Sl. No.	Number and Name of Grants/Appropriation	Total Provision	Saving	Surrender	Savings which remained to be surrendered
(1)	(2)	(3)	(4)	(5)	(6)
Revenue (Charged)					
1	2049-Interest Payments	4729.18	1918.91	1899.91	19.00
Revenue (Voted)					
2	1-Home	3023.32	178.91	171.75	7.16
3	7-Works	1670.74	84.54	53.84	30.70
4	12-Health and Family Welfare	3429.76	651.88	649.66	2.22
5	13-Housing and Urban Development	2279.93	500.80	497.27	3.53
6	20-Water Resources	1779.14	333.91	317.83	16.08
7	23-Agriculture	2872.22	348.58	341.90	6.68
8	28-Rural Development	2381.11	755.96	62.44	693.52
9	32-Tourism and Culture	128.34	4.24	1.86	2.38
10	33-Fisheries and Animal Resources Development	476.39	77.11	75.95	1.16
11	38-Higher Education	2154.74	350.13	297.41	52.72
Capital (Voted)					
12	7-Works	2362.70	47.15	31.64	15.51
13	19-Industries	0*	2.95	0*	2.95
14	20-Water Resources	3404.84	558.12	556.82	1.30
15	28-Rural Development	3039.46	825.63	300.74	524.89
Total		33731.87	6638.82	5259.02	1379.80

Source: Appropriation Accounts 2014-15, Government of Odisha.

* ₹ 6000 only

APPENDIX – 2.9

(Refer paragraph 2.3.10 at page 58)

Statement showing grant / major head of account wise surrender of funds in excess of ₹ 10 crore on 31 March 2015.

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	162.46	26.57	16.35
2		2015-Elections	80.13	11.74	14.65
3		2055-Police	2296.48	108.77	4.74
4		2070-Other Administrative Services	329.85	24.75	7.50
5		4059-Capital Outlay on Public Works	255.69	55.54	21.72
6		4216-Capital Outlay on Housing	138.71	23.83	17.18
7	2	2052- Secretariat-General Services	60.00	14.12	23.53
8		4059- Capital Outlay on Public Works	51.60	15.82	30.66
9		4216- Capital Outlay on Housing	46.61	23.51	50.44
10	3	2029-Land Revenue	442.21	40.56	9.17
11		2030-Stamps and Registration	28.19	10.22	36.25
12		2053-District Administration	140.34	10.68	7.61
13		2245-Relief on account of Natural Calamities	2718.14	1174.13	43.20
14		3454-Census Surveys and Statistics	29.39	24.35	82.85
15	4	2014-Administration of Justice	174.63	17.81	10.20
16	5	2040-Taxes on Sales, Trade etc.	104.55	21.90	20.95
17		2052-Secretariat-General Services	365.77	29.56	8.08
18		2054-Treasury and Accounts Administration	121.59	23.55	19.37
19		2071-Pensions and Other Retirement Benefits	7790.58	1377.01	17.68
20		2075-Miscellaneous General Services	600.00	300.00	50.00
21		7610-Loans to Government Servants, etc.	110.01	19.61	17.83
22		7615-Miscellaneous Loans	22.65	14.56	64.28
23		2059-Public Works	489.09	19.03	3.89
24		3054-Roads and Bridges	1009.69	28.87	2.86
25		5054-Capital Outlay on Roads and Bridges	2348.70	31.92	1.36
26	8	2071-Pensions and Other Retirement Benefits	20.00	18.65	93.25
27	9	2408-Food, Storage and Warehousing	1707.20	195.13	11.43
28		3456-Civil Supplies	17.29	11.54	66.74
29	10	2202-General Education	9238.27	1415.22	15.32
30		4202-Capital Outlay on Education, Sports, Arts and Culture	111.04	51.46	46.34
31		11	2225- Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	1799.09	372.57
32	4225-Capital Outlay on Welfare of		603.47	167.45	27.75

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)
		Scheduled Castes, Scheduled Tribes and Other Backward Classes			
33	12	2210-Medical and Public Health	3118.97	591.79	18.97
34		2211-Family Welfare	276.54	15.39	5.57
35		4210- Capital Outlay on Medical and Public Health	479.50	66.98	13.97
36		4216-Capital Outlay on Housing	55.50	23.79	42.86
37	13	2215-Water Supply and Sanitation	440.40	10.78	2.45
38		2217-Urban Development	1003.82	422.79	42.12
39		4215-Capital Outlay on Water Supply and Sanitation	799.05	200.50	25.09
40	14	2230-Labour and Employment	199.94	31.34	15.67
41	15	2204-Sports and Youth Services	41.61	17.20	41.34
42	16	2401-Crop Husbandry	44.93	14.75	32.83
43		3451-Secretariat -Economical Services	1071.68	199.59	18.62
44		3454-Census Surveys and Statistics	59.82	24.79	41.44
45		4059-Capital Outlay on Public Works	23.24	17.72	76.25
46	17	2501- Special Programmes for Rural Development	619.49	287.57	46.42
47		2505-Rural Employment	3386.16	1310.24	38.69
48		2515-Other Rural Development Programme	2465.01	633.13	25.68
49	20	2700-Major Irrigation	583.23	89.29	15.31
50		2701-Medium Irrigation	103.23	15.40	14.92
51		2702-Minor Irrigation	581.17	60.98	10.49
52		2705-Command Area Development	270.27	136.38	50.46
53		3451-Secretariat-Economic Services	29.89	11.08	37.07
54		4700- Capital Outlay on Major Irrigation	1128.86	185.27	16.41
55		4701- Capital Outlay on Medium Irrigation	873.34	186.52	21.36
56		4702- Capital Outlay on Minor Irrigation	894.46	126.67	14.16
57		4711-Capital Outlay on Flood Control Projects	529.20	29.14	5.51
58	22	2406-Forestry and Wild life	673.15	75.19	11.17
59		3435-Ecology and Environment	51.51	15.87	30.81
60	23	2401-Crop Husbandry	2350.32	278.93	11.87
61		2402-Soil and Water Conservation	404.14	61.91	15.32
62	28	2059-Public Works	285.12	23.76	8.33
63		2215-Water Supply and Sanitation	1349.51	24.75	1.83
64		3054-Roads and Bridges	683.43	10.61	1.55
65		4215- Capital Outlay on Water Supply and Sanitation	70.00	17.46	24.94
66		5054-Capital Outlay on Roads and Bridges	2933.96	279.38	9.52
67	30	4801-Capital Outlay on Power Projects	1068.24	463.82	43.42
68		6801-Loans for Power Projects	183.51	61.01	33.25
69	31	2851- Village and Small Industries	143.69	27.50	19.14

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)
70	32	5452-Capital Outlay on Tourism	123.46	22.13	17.92
71		2403-Animal Husbandry	276.79	16.14	5.83
72	33	2404-Dairy Development	72.74	39.33	54.07
73		2405-Fisheries	115.50	18.75	16.23
74		2425-Co-operation	633.34	152.65	24.10
75		4425- Capital Outlay on Co-operation	211.47	168.64	79.75
76	34	4435- Capital Outlay on Other Agricultural Programmes	31.00	16.00	51.61
77		6425-Loans for Co-operation	103.13	96.77	93.83
78		2235-Social Security and Welfare	436.05	1034.72	237.29
79	36	2236-Nutrition	149.97	59.79	39.87
80	37	2852-Industries	134.24	42.84	31.91
81	38	2202-General Education	2103.54	289.51	13.76
82		2230- Labour and Employment	114.05	22.53	19.75
83	39	4202-Capital Outlay on Education, Sports, Arts and Culture	305.08	76.66	25.13
84	2049	Interest Payments	4729.18	1899.91	40.17
85	6003	Internal Debt of the State Government	3811.00	349.52	9.17
86	6004	Loans and Advances from the Central Government	719.65	69.68	9.68
Total			76759.50	16105.27	20.98

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

APPENDIX – 2.10
(Refer paragraph 2.3.11 at page 58)

Statement showing rush of expenditure during 2014-15

Sl. No.	Grant Number	Head of account Scheme/Service	Expenditure incurred during Jan-March 2015	Expenditure incurred in March 2015	Total expenditure during the year	Percentage of total expenditure incurred during	
						Jan-March 2015	March 2015
(₹ in crore)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	1	2015-NP-00-103-0358-Electoral Rolls	20.74	19.24	21.76	95.31	88.42
2	1	2055-NP-00-115-0323-District Police	17.22	12.05	20.28	84.91	59.42
3	1	2055-NP-00-800-1713-Special Organisation for Anti-Naxal Operation	55.22	49.82	64.25	85.95	77.54
4	1	4059-SP-SS-60-051-2377-Construction of Building for Jails	14.66	9.46	15.62	94.57	65.14
5	2	2217-SP-SS-01-800-2224-Improvement of Open Space	10.00	10.00	10.00	100.00	100.00
6	2	4059-SP-SS-01-051-2210-Construction of Building of G.A Deptt. under State Capital Project	21.91	20.37	24.62	89.00	82.75
7	3	2245-NP-02-122-1192-Repair, Renovation and Restoration	56.29	41.37	75.36	74.77	55.03
8	4	2235-NP-60-200-2552-ThFC Grant for Improving Justice Delivery	11.63	11.63	11.63	100.00	100.00
9	5	2075-NP-00-797-2897-Fund for Protection of Interest of Depositors	300.00	300.00	300.00	100.00	100.00
10	7	2216-NP-05-053-1331-Special Repair to Residential Buildings at New Capital	16.59	13.32	21.46	77.37	62.17
11	10	2202-SP-DS-02-796-2482-Rastriya Madhyamik Shiksha Abhiyan	26.14	18.14	35.61	73.41	50.94
12	10	4202-SP-SS-01-201-1192-Repair, Renovation and Restoration	10.00	10.00	10.00	100.00	100.00
13	11	2225-NP-02-277-1316-Special Educational Infrastructure	18.05	15.70	25.00	72.16	62.80
14	11	2225-SP-DS-03-277-2418-Post Matric Scholarship and Stipend to OBC Students	14.08	14.08	14.08	100.00	100.00
15	12	2210-NP-01-001-0618-Headquarter Organisation	173.28	146.11	210.51	82.31	69.40
16	12	2210-SP-SS-80-800-2443-Headquarter Organisation-DMET	22.02	15.86	27.08	81.31	58.57
17	12	4210-SP-SS-01-796-2213-Construction of Building of Health & Family Welfare Deptt.	12.56	10.79	14.31	87.72	75.30
18	12	4210-SP-SS-03-105-2213-Construction of Building of Health & Family Welfare Deptt.	145.23	129.53	233.87	62.03	55.31
19	13	2215-SP-SS-02-105-2131-Urban Sanitation Schemes	10.00	10.00	10.00	100.00	100.00

Sl. No.	Grant Number	Head of account Scheme/Service	Expenditure incurred during Jan-March 2015	Expenditure incurred in March 2015	Total expenditure during the year	Percentage of total expenditure incurred during	
						Jan-March 2015	March 2015
(₹ in crore)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
20	13	2217-SP-DS-04-191-1840-National Urban Renewal Mission (NURM)	48.77	33.67	48.77	100.00	69.04
21	13	2217-SP-DS-04-192-1840-National Urban Renewal Mission (NURM)	34.47	25.86	34.47	100.00	75.02
22	13	2217-SP-DS-04-789-1840-National Urban Renewal Mission (NURM)	22.68	17.40	22.68	100.00	76.72
23	13	2217-SP-DS-04-796-1840-National Urban Renewal Mission (NURM)	18.39	13.60	18.39	100.00	73.95
24	13	2217-SP-DS-04-796-1899-World Bank Assisted EAP - Odisha Disaster Recovery Project	11.06	11.06	15.49	71.40	71.40
25	13	2217-SP-DS-04-800-1899-World Bank Assisted EAP - Odisha Disaster Recovery Project	29.96	29.96	41.94	71.44	71.44
26	13	2217-NP-05-191-2558- General Basic Grants to Local Bodies as recommended by ThFC	18.20	18.20	29.77	61.14	61.14
27	13	2217-NP-05-193-2558-General Basic Grants to Local Bodies as recommended by ThFC	13.44	13.44	19.77	67.98	67.98
28	13	2217-SP-SS-05-800-2132-Other Urban Devp. Schemes under State Plan	20.91	17.91	20.94	99.86	85.53
29	13	3054-NP-80-191-2582-Maintenance of Roads and Bridges under ThFC Award	12.22	12.22	12.22	100.00	100.00
30	13	3054-NP-80-192-2582-Maintenance of Roads and Bridges under ThFC Award	12.75	12.75	12.75	100.00	100.00
31	13	4215-SP-SS-02-106-2138-EAP assisted by JBIC Japan for integrated sewerage and sanitation project for Bhubaneswar and Cuttack	122.67	119.52	154.51	79.13	77.06
32	14	2230-SP-DS-01-001-2242-Rastriya Swasthya Bima Yojana	60.75	60.75	80.04	75.90	75.90
33	14	2230-SP-DS-01-789-2242-Rastriya Swasthya Bima Yojana	17.59	17.59	25.22	69.75	69.75
34	14	2230-SP-DS-01-796-2242-Rastriya Swasthya Bima Yojana	23.77	23.76	34.21	69.45	69.45
35	16	3454-CP-SS-02-001-2570-Sixth Economic Census	18.16	18.09	18.46	98.37	98.00
36	17	2515-NP-00-198-2558-General Basic Grants to Local Bodies as recommended by ThFC	235.02	235.02	433.13	54.26	54.26
37	19	2875-SP-SS-60-190-2222-New Scheme for Promotion of other Industries	11.10	11.00	12.10	91.74	90.91
38	20	2702-SP-DS-03-102-2161-Rural Infrastructure Development Fund (RIDF)	85.83	85.83	85.83	100.00	100.00

Sl. No.	Grant Number	Head of account Scheme/Service	Expenditure incurred during Jan-March 2015	Expenditure incurred in March 2015	Total expenditure during the year	Percentage of total expenditure incurred during	
						Jan-March 2015	March 2015
(₹ in crore)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
39	20	2702-NP-03-102-2895-Grants	44.58	26.58	44.58	100.00	59.62
40	20	2702-SP-DS-03-789-2161-Rural Infrastructure Development Fund (RIDF)	29.62	29.62	29.62	100.00	100.00
41	20	2702-SP-DS-03-796-2161-Rural Infrastructure Development Fund (RIDF)	19.59	19.59	19.59	100.00	100.00
42	23	2401-SP-SS-00-115-2866-Biju K.ushak Kalyan Yojana	29.18	29.18	30.98	94.19	94.19
43	23	2401-SP-DS-00-800-2926-National Mission on Agriculture Extension and Technology	18.53	11.74	18.62	99.52	63.05
44	23	6401-SP-SS-00-103-2979-Corpus Fund for Odisha State Seeds Corporation Ltd.	25.00	25.00	25.00	100.00	100.00
45	23	6401-SP-SS-00-105-2980-Corpus Fund for Odisha State Co-operative Marketing Federation Ltd.	75.00	75.00	75.00	100.00	100.00
46	23	6401-SP-SS-00-105-2981-Corpus Fund for Odisha Agro Industries Corporation Ltd.	25.00	25.00	25.00	100.00	100.00
47	24	2853-SP-SS-02-001-2832-Integrated Mines, Minerals and Management system	18.21	17.75	26.94	67.59	65.89
48	27	2810-SP-SS-00-102-0247-Demonstration of Improved Choolah	10.00	10.00	10.00	100.00	100.00
49	28	2059-NP-01-053-2448-Maintenance of Non-Residential Buildings	52.57	36.76	66.22	79.44	55.63
50	28	2215-SP-DS-02-105-2940-Nirmal Bharat Abhiyan	40.12	40.12	40.12	100.00	100.00
51	28	2215-SP-DS-02-789-2940-Nirmal Bharat Abhiyan	15.42	15.42	15.42	100.00	100.00
52	28	2215-SP-DS-02-796-2940-Nirmal Bharat Abhiyan	32.24	32.24	32.24	100.00	100.00
53	28	2216-NP-05-053-0853-Maintenance of Buildings under Chief Engineer, Rural Works	31.70	28.29	41.79	76.03	67.96
54	28	3054-NP-04-337-1230-Rural Roads	237.03	194.80	299.78	79.06	64.97
55	28	3054-NP-04-337-2540(A)-Maintenance of Roads and Bridges	137.52	113.14	193.69	70.69	57.45
56	28	3054-NP-04-338-2582-Maintenance of Roads and Bridges under ThFC Award	40.62	20.66	40.62	100.00	50.86
57	28	3054-NP-80-190-1230-Rural Roads	48.00	48.00	48.00	100.00	100.00
58	28	4215-SP-DS-01-102-0007-Accelerated Rural Water Supply Programme	32.81	30.26	33.59	97.68	90.09
59	28	4215-SP-DS-01-789-0007-Accelerated Rural Water Supply	10.89	10.18	10.96	99.36	92.88

Sl. No.	Grant Number	Head of account Scheme/Service	Expenditure incurred during Jan-March 2015	Expenditure incurred in March 2015	Total expenditure during the year	Percentage of total expenditure incurred during		
			(4)	(5)	(6)	Jan-March 2015	March 2015	
(1)	(2)	(3)	(₹ in crore)					(8)
		Programme						
60	28	5054-SP-DS-04-796-1230- Rural Roads	9.78	9.78	9.94	98.44	98.44	
61	28	5054-SP-SS-04-800-2006- One-time ACA	27.91	20.94	37.67	74.42	56.17	
62	28	5054-SP-SS-04-800-2526- SCA for Special Programme for KBK	43.63	29.55	55.33	80.36	53.89	
63	30	4801-SP-SS-80-800-1170- Reform and Restructuring Projects- Establishment	14.96	14.93	15.00	99.73	99.53	
64	30	6801-SP-SS-00-205-2612- CAPEX Programme for Development and Up-gradation of Distribution System	67.34	67.34	67.34	100.00	100.00	
65	32	3452-SP-SS-80-104-1470- Tourist Information and Publicity	20.86	15.21	27.23	76.64	55.86	
66	33	4403-SP-SS-00-101-2161- Rural Infrastructure Development Fund (RIDF)	10.80	10.80	10.80	100.00	100.00	
67	34	2425-SP-SS-00-107-0871- Management Information System and Computerisation	10.47	10.47	20.35	51.45	51.45	
68	34	4425-SP-SS-00-107-1276- Share Capital Investment	23.05	18.55	23.05	100.00	80.48	
69	36	2235-SP-DS-02-102-1037- DFID Assisted Odisha Health Sector Plan	23.84	23.84	40.65	58.65	58.65	
70	37	2852-SP-SS-07-202-0776- Implementation of e-Governance Projects as per the National e-Governance Programme – One time ACA	19.10	19.10	19.10	100.00	100.00	
71	38	2202-NP-03-102-0080- Berhampur University	10.47	10.47	20.94	50.00	50.00	
72	38	2202-NP-03-102-1528- Utkal University	34.84	34.84	69.68	50.00	50.00	
73	38	2202-SP-SS-03-796-0986- New eligible Non-Govt. Colleges notified in 2004	20.33	15.66	29.73	68.38	52.67	
74	6003	6003-NP-00-106-1195-Loan	55.15	55.14	110.29	50.00	50.00	
Total			3139.52	2831.05	3950.99	79.46	71.65	

Source: Monthly Appropriation Reports of Accountant General (A&E)

APPENDIX – 2.11

(Refer paragraphs 2.6.3 at page 64)

Withdrawal of entire provision by way of surrender and re-appropriation by the Chief Controlling Officers of the Grant No.13 and Grant No.20 during 2014-15

(₹ in crore)

Sl. No.	Head of Account	Total Provision	Amount withdrawn	Remarks
13-Housing and Urban Development Department				
1	2217-NP-05-191-2594-General Performance Grants to Local Bodies as recommended by ThFC	23.56	23.56	Entire amount was withdrawn due to non-release of Central Assistance.
2	2217-NP-05-192-2594-General Performance Grants to Local Bodies as recommended by ThFC	22.76	22.76	
3	2217-NP-05-193-2594-General Performance Grants to Local Bodies as recommended by ThFC	13.45	13.45	
4	4215-SP-SS-02-106-2718-EAP Assisted by JBIC, Japan for Integrated Sewerage and Sanitation Project in Urban Areas	5.00	5.00	Entire amount was surrendered due to non-acquisition of land.
TOTAL		64.77	64.77	
20-Water Resources Department				
5	2700-NP-11-001-0350-Education Establishment	1.37	1.37	Entire provision was withdrawn due to non-issuance of notification for transfer of Dam and Appurtenant work of UIHEP (OHPC) to the department.
6	2700-NP-11-001-0489-Financial Advisor and Chief Accounts Officer-Establishment Charges	0.44	0.44	
7	2700-NP-11-001-0895-Medical Establishment	1.16	1.16	
8	2700-NP-11-001-1407-Superintending Engineers-Establishment	1.14	1.14	
9	2700-NP-11-001-2977-Project Director(R&R Establishment)	0.84	0.84	
10	2700-NP-11-101-0239-Dam and Appurtenant Work-Maintenance	11.49	11.49	
11	2700-NP-11-101-0339-Dam and Appurtenant Work-Executive	2.56	2.56	
12	2700-NP-80-800-2587-ThFC Award for Water Sector Management	27.00	27.00	
13	2701-NP-80-800-2587- ThFC Award for Water Sector Management	13.00	13.00	
14	2702-NP-01-800-2895-Grants	1.11	1.11	
15	2702-NP-80-800-2587- ThFC Award for Water Sector Management	6.00	6.00	Entire amounts were withdrawn without assigning any reason.
16	2705-SP-SS-001-0732-Implementation of Micro Irrigation System through Command Area Development Authority	24.50	24.50	
17	2705-SP-SS-001-0991-Assistance to Water User Association through Command Area Development Authority	4.19	4.19	
18	2705-SP-SS-001-1166-Reclamation of Water Logged Areas	0.14	0.14	
19	2705-SP-SS-001-2033-GIA to Command Area Development Authority for Correction of System Deficiencies	0.60	0.60	

Sl. No.	Head of Account	Total Provision	Amount withdrawn	Remarks
20	2705-SP-SS-789-0732-Implementation of Micro Irrigation System through Command Area Development Authority	7.72	7.72	Entire amounts were withdrawn without assigning any reason.
21	2705-SP-SS-789-0991-Assistance to Water User Association through Command Area Development Authority	2.04	2.04	
22	2705-SP-SS-789-2033-GIA to Command Area Devp. Authority for Correction of System Deficiencies	0.93	0.93	
23	2705-SP-SS-796-0732-Implementation of Micro Irrigation System through Command Area Development Authority	18.50	18.50	
24	2705-SP-SS-796-0991-Assistance to Water User Association through Command Area Development Authority	4.03	4.03	Entire amount was withdrawn without assigning any reason.
25	4700-SP-SS-01-800-2954-CAD & WM work in AIBP Projects	1.00	1.00	Entire amount was surrendered due to "savings located within the Grants".
26	4700-SP-SS-11-796-2954-CAD & WM work in AIBP Projects	13.20	13.20	Entire amount were surrendered due to non-completion of survey and planning works.
27	4700-SP-SS-11-800-2954-CAD & WM work in AIBP Projects	8.11	8.11	
28	4700-SP-SS-14-800-2954-CAD & WM work in AIBP Projects	1.00	1.00	Entire amount was surrendered due to cancellation of tender.
29	4700-SP-SS-15-001-2954-CAD & WM work in AIBP Projects	3.07	3.07	Entire amounts were withdrawn without assigning any reason.
30	4700-SP-SS-15-789-2954-CAD & WM work in AIBP Projects	6.08	6.08	
31	4700-SP-SS-15-796-2954-CAD & WM work in AIBP Projects	9.00	9.00	
32	4700-SP-SS-15-800-2954-CAD & WM work in AIBP Projects	13.92	13.92	
33	4700-SP-SS-19-001-2954-CAD & WM work in AIBP Projects	1.50	1.50	Entire amounts were withdrawn due to non-completion of Macro System and non-initiation of CAD & WM Work due to delay in formation of Pani Panchayats.
34	4700-SP-SS-19-789-2954-CAD & WM work in AIBP Projects	2.12	2.12	
35	4700-SP-SS-19-796-2954-CAD & WM work in AIBP Projects	2.00	2.00	
36	4700-SP-SS-19-800-2954-CAD & WM work in AIBP Projects	5.54	5.54	
37	4700-SP-SS-20-796-2954-CAD & WM work in AIBP Projects	8.00	8.00	Entire amounts were withdrawn without assigning any reason.
38	4700-SP-SS-19-800-2954-CAD & WM work in AIBP Projects	6.20	6.20	
39	4701-SP-SS-53-796-2954-CAD & WM work in AIBP Projects	1.00	1.00	Entire amount was withdrawn due to delay in progress of work
40	4701-SP-SS-58-800-2954-CAD & WM work in AIBP Projects	1.00	1.00	Entire amount was surrendered due to non-completion of survey and planning works.
41	4701-SP-SS-66-789-2951-Water Sector Infrastructure Development Programme (WSDIP)	0.76	0.76	Entire amounts were surrendered due to slow progress of work, delay in finalisation of work, forest clearance and commencement of the project.
42	4701-SP-SS-66-800-2951-Water Sector Infrastructure Development Programme (WSDIP)	2.74	2.74	
43	4701-SP-SS-67-789-2410-Dam Rehabilitation and Improvement Projects(EAP)	3.87	3.87	Entire amounts were withdrawn due to non-finalisation of tender.
44	4701-SP-SS-80-789-2952-Irrigation Road	9.50	9.50	Entire amounts were

Sl. No.	Head of Account	Total Provision	Amount withdrawn	Remarks
	Improvement Programme			
45	4701-SP-SS-80-789-2953-Irrigation Building Development Programme	0.95	0.95	withdrawn due to non-finalisation of work programme and delay in tender process.
46	4701-SP-SS-80-796-2826-Canal Lining and System Rehabilitation Programme	5.00	5.00	Entire amounts were withdrawn due to slow progress of work and delay in tender process.
47	4701-SP-SS-80-796-2952-Irrigation Road Improvement Programme	6.25	6.25	
48	4701-SP-SS-80-796-2953-Irrigation Building Development Programme	1.00	1.00	
49	4701-SP-SS-80-800-2952-Irrigation Road Improvement Programme	34.25	34.25	Entire amount was withdrawn due to non-commencement of the Projects, slow progress of work and non-receipt of adequate proposal from field units.
50	4702-SP-DS-789-2952- Irrigation Road Improvement Programme	2.80	2.80	Entire amount was withdrawn due to non-functioning of the newly created projects.
51	4702-SP-DS-796-2952- Irrigation Road Improvement Programme	3.50	3.50	Entire amount was withdrawn due to delay in execution of work, forest clearance, land acquisition and court cases.
52	4702-SP-DS-800-2952- Irrigation Road Improvement Programme	7.70	7.70	
53	4700-SP-SS-19-800-2160-Accelerated Irrigation Benefit Programme (AIBP)	0.02	0.02	Entire amount was withdrawn due to non-receipt of sanction order from the Government in DOWR.
TOTAL		289.84	289.84	

Source: Appropriation Accounts 2014-15, Government of Odisha.

APPENDIX – 3.1
(Refer paragraph 3.1 at page 69)

**Statement showing details of utilisation certificates pending for receipt by
different departments of the State Government at the end of 2014-15**

(₹ in crore)

Sl. No.	Name of the Department	Year	Amount
1	Agriculture	2003-04 to 2014-15	108.25
2	Co-operation	2003-04 to 2014-15	68.70
3	Commerce	2003-04 to 2014-15	0.00*
4	Employment and Technical Education and Training	2003-04 to 2014-15	321.75
5	Energy	2003-04 to 2014-15	5.54
6	Finance	2003-04 to 2014-15	0.13
7	Fisheries and Animal Resources Development	2003-04 to 2014-15	28.65
8	Food Supplies and Consumer Welfare	2003-04 to 2014-15	76.68
9	Forest and Environment	2003-04 to 2014-15	76.51
10	General Administration	2003-04 to 2014-15	60.06
11	Health and Family Welfare	2003-04 to 2014-15	889.43
12	Higher Education	2003-04 to 2014-15	347.36
13	Home	2003-04 to 2014-15	0.54
14	Housing and Urban Development	2003-04 to 2014-15	2365.87
15	Industries	2003-04 to 2014-15	17.87
16	Information Technology	2003-04 to 2014-15	299.75
17	Information and Public Relation	2003-04 to 2014-15	0.06
18	Labour and Employees State Insurance	2003-04 to 2014-15	153.10
19	Law	2003-04 to 2014-15	82.23
20	Micro, Small and Medium Enterprises	2003-04 to 2014-15	29.98
21	Panchayati Raj	2003-04 to 2014-15	7609.65
22	Planning and Co-ordination	2003-04 to 2014-15	3306.66
23	Revene and Disaster Management	2003-04 to 2014-15	1185.46
24	Rural Development	2003-04 to 2014-15	138.97
25	ST, SC Development and Minorities & Backward Classes Welfare	2003-04 to 2014-15	1054.61
26	School and Mass Education	2003-04 to 2014-15	1508.11
27	Science and Technology	2003-04 to 2014-15	83.23
28	Sports and Youth Services	2003-04 to 2014-15	1.89
29	Textile and Handloom	2003-04 to 2014-15	42.30
30	Tourism and Culture	2003-04 to 2014-15	116.43
31	Water Resources	2003-04 to 2014-15	592.81
32	Women and Child Development	2003-04 to 2014-15	367.39
33	Works	2003-04 to 2014-15	0.10
Total			20940.07

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

* only ₹4200 pertaining to one item

APPENDIX – 3.2
(Refer paragraph 3.1 at page 69)

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

(₹ in crore)

Sl. No.	Name of the Department	U.Cs pending as on 1 April 2014	Central Assistance received during the period from 1 April 2014 to 31 December 2014	Total (3+4)	Total U.C. furnished	Total U.Cs pending as on 31 Dec. 2014
1	2	3	4			
1	Home	88.72	205.40	294.12	25.74	268.38
2	General Administration	14.07	0.94	15.01	0.80	14.21
3	Revenue	70.07	6.70	76.77	12.46	64.31
4	Law	0.28	0.00	0.28	0.00	0.28
5	Finance	9.00	0.00	9.00	0.09	8.91
6	Works	206.49	96.10	302.59	250.73	51.86
7	Food Supplies and Consumer Welfare	15.40	5.47	20.87	4.02	16.85
8	School and Mass Education	766.41	1235.21	2001.62	611.91	1389.71
9	ST, SC Dev. and Minorities & Backward Classes Welfare	946.36	261.74	1208.10	510.85	697.25
10	Health and Family Welfare	11.16	599.80	610.96	99.92	511.04
11	Housing and Urban Development	669.63	83.11	752.74	104.44	648.29
12	Labour and Employees State Insurance	0.19	0.00	0.19	0.00	0.19
13	Sports and Youth Services	12.84	2.82	15.66	11.04	4.62
14	Planning & Co-ordination	614.80	378.48	993.28	261.55	731.73
15	Panchayati Raj	985.89	1973.24	2959.13	1759.43	1199.70
16	Industries	17.41	0.00	17.41	0.00	17.41
17	Water Resources	248.32	223.44	471.76	238.33	233.44
18	Forest and Environment	114.59	133.95	248.54	125.21	123.33
19	Agriculture	903.70	872.12	1775.82	1214.83	560.99
20	Science and Technology	1.27	21.44	22.71	6.10	16.61
21	Rural Development	410.01	260.49	670.50	243.96	426.54
22	Energy	23.20	0.00	23.20	0.00	23.20
23	Handloom, Textile and Handicraft	21.26	0.69	21.95	4.26	17.69
24	Tourism and Culture	20.66	0.81	21.47	4.54	16.93
25	Fisheries and Animal Resources Development	122.91	84.60	207.51	89.05	118.47
26	Co-operation	18.60	0.00	18.60	18.60	0
27	Women and Child Development	1382.34	1424.82	2807.16	1711.46	1095.70
28	Information Technology	135.28	0.64	135.92	0.00	135.91
29	Higher Education	1.24	35.08	36.32	1.24	35.08
30	Employment and Technical Education & Training	112.50	55.42	167.92	55.92	112.00
31	Micro, Small and Medium Enterprises	4.38	23.88	28.26	7.82	20.44
Total		7948.98	7986.39	15935.37	7374.30	8561.07

Source: Budget at a glance 2015-16, Government of Odisha

APPENDIX – 3.3
(Refer paragraph 3.2 at page 71)

List of Bodies/Authorities which received Grants during 2010-15

(₹ in crore)

Sl. No.	Body/Authority receiving Grants	Name of the Department	Year					Total
			2010-11	2011-12	2012-13	2013-14	2014-15	
1	Odisha Schedule Caste & Schedule Tribe Development Finance Co-operative Corporation Ltd. (OSFDC)	ST, SC Dev. and Minorities & Backward Classes Welfare	30.85	51.12	56.71	50.83	26.27	215.78
2	Tribal Development Cooperative Corporation of Odisha Ltd. (TDCCOL)	ST, SC Dev. and Minorities & Backward Classes Welfare	2.08	2.56	1.76	53.63	23.31	83.34
3	Odisha Backward Classes Finance & Development Cooperative Corporation Ltd. (OBCFDCC)	ST, SC Dev. and Minorities & Backward Classes Welfare	0.12	0.12	0.22	0.57	0.56	1.59
4	Odisha Tribal Empowerment & Livelihood Programme (OTELP)	ST, SC Dev. and Minorities & Backward Classes Welfare	44.00	60.00	30.00	10.50	50.00	194.50
5	Odisha Electricity Regulatory Commission (OERC)	Energy	0.00	0.00	3.00	5.00	5.00	13.00
6	Odisha Computer Application Centre (OCAC)	Information Technology	84.87	34.42	21.44	45.92	35.11	221.76
7	International Institute of Information Technology (IIIT)	Information Technology	11.00	18.00	12.05	8.20	0.00	49.25
8	Infrastructure Development Corporation of Odisha (IDCO)	Industries	1.00	10.56	21.50	20.00	21.00	74.06
9	State Institute of Hotel Management, Balangir	Tourism & Culture	0.35	1.00	1.00	1.00	1.00	4.35
10	Industrial Promotion & Investment Corporation Ltd. (IPICOL)	Industries	0.30	0.33	0.50	1.60	3.00	5.73
11	Odisha Milk Federation (OMFED)	Fisheries & Animal Resource Development	5.09	30.25	24.42	31.32	22.17	113.25
12	Odisha Renewable Energy Development Agency (OREDA)	Science & Technology	17.68	39.11	16.75	10.78	56.24	140.56
13	Odisha Space Application Centre (OSAC)	Science & Technology	7.53	6.48	8.64	12.09	14.55	49.29
14	Odisha Bigyan Akademy (OBA)	Science & Technology	2.65	1.16	1.42	1.57	0.63	7.43
15	Pathani Samanta Planetarium (PSP)	Science & Technology	1.00	5.95	6.67	6.27	5.36	25.25
16	Institute of Material Science (IMS)	Science & Technology	0.67	2.42	2.98	1.74	4.70	12.51
17	Institute of Mathematics & Applications (IMA)	Science & Technology	2.60	3.00	2.25	1.10	1.75	10.70
18	Odisha State Cooperative Spinning Mills Federation Ltd.	Handlooms, Textiles & Handicrafts	0.50	0.50	0.63	0.78	0.78	3.19
19	Odisha State Textile Corporation	Handlooms, Textiles & Handicrafts	0.00	0.00	0.00	0.10	0.12	0.22
20	FAB India Ltd.	Handlooms, Textiles & Handicrafts	2.00	1.00	1.50	0.00	0.00	4.50

Sl. No.	Body/Authority receiving Grants	Name of the Department	Year				Total	
			2010-11	2011-12	2012-13	2013-14		2014-15
21	Odisha State Cooperative Handicrafts Corporation Ltd.	Handlooms, Textiles & Handicrafts	0.00	0.00	5.96	0.83	2.00	8.79
22.	State Agency for Development of Handloom Cluster	Handlooms, Textiles & Handicrafts	0.00	0.00	0.15	0.10	0.00	0.25
23.	Odisha Cooperative Tasar & Silk Federation (SERIFED)	Handlooms, Textiles & Handicrafts	1.50	1.16	1.53	0.97	0.00	5.16
24.	State Institute for Development of Arts & Crafts	Handlooms, Textiles & Handicrafts	0.20	0.20	0.25	0.50	0.26	1.41
25.	Jagannath Weavers Cooperative Spinning Mills Ltd., Nuapana	Handlooms, Textiles & Handicrafts	0.00	0.00	0.00	0.00	0.37	0.37
26.	Utkal Weavers Co-operative Spinning Mills Ltd., Khordha	Handlooms, Textiles & Handicrafts	0.00	0.00	0.00	0.00	0.27	0.27
27	Utkal university of Culture, Bhubaneswar	Tourism & Culture	0.65	1.00	4.74	4.58	6.84	17.81
28	Odisha Urdu Akademy, Bhubaneswar	Tourism & Culture	0.19	0.22	0.34	0.70	0.80	2.25
29	Odisha Lalit Kala Akademy, Bhubaneswar	Tourism & Culture	0.27	0.31	0.85	0.93	0.95	3.31
30	Odissi Research Centre, Bhubaneswar	Tourism & Culture	0.67	0.74	0.91	1.29	1.18	4.79
31	Odisha Sahitya Akademy, Bhubaneswar	Tourism & Culture	0.52	2.82	1.08	1.68	1.74	7.84
32	Odisha Sangeet Natak Akademy, Bhubaneswar	Tourism & Culture	0.65	1.31	1.31	2.07	2.61	7.95

Source: Information furnished by respective Departments.

N.B: Four Departments (i) Rural Development, (ii) Steel & Mines,(iii) Labour and ESI and (iv) Parliamentary Affairs have given nil report.

APPENDIX – 3.4
(Refer paragraph 3.4 at page 72)

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

Sl. No.	Name of the Activities /Schemes under the Department	No. of Activities/ Schemes under the Department	Years from which Accounts are due	Investment as per the last accounts finalised (₹ in Lakh)	Remarks/Reasons for delay in preparation of accounts
Department: Forest and Environment					
1	Nationalisation of Kendu Leaves operated by Chief Conservator of Forests (Kendu leaves), Odisha	1	2011-12	70.09	Arrear of accounts for four years.
Department : Agriculture and Co-operation					
2	Cold Storage Plant, Kumarmunda	1	1972	11.97	Arrear of accounts for 43 years
3	Cold Storage Plant, Similiguda	1	1977	16.15	Arrear of accounts for 38 years
4	Cold Storage Plant, Paralakhemundi	1	1984	6.36	Arrear of accounts for 31 years
5	Cold Storage Plant, Bolangir	1	1994	7.92	Arrear of accounts for 21 years
6	Cold Storage Plant, Bhubaneswar	1	1975	17.89	Transferred (March 1979) to Odisha State Seeds Corporation Limited. Arrear of accounts for eight years
7	Cold Storage Plant, Sambalpur	1	1971	NA	Transferred (March 1979) to Odisha State Seeds Corporation Limited. Arrear of accounts for 12 years
8	Purchase and Distribution of Quality Seeds to Cultivators	1	1977-78	NA	Proforma Accounts not prescribed by the State Government
Department : Food Supplies and Consumer Welfare					
9	Grain Purchase Scheme	1	1977-78	NA	Transferred (September 1980) to Odisha State Seeds Corporation Limited. Arrear of accounts for seven years.
Department : Commerce and Transport (Transport)					
10	State Transport Service	1	1972-73	NA	Transferred (May 1974) to Odisha State Road Transport Corporation. Arrear of accounts for six years.
Department : Commerce and Transport (Commerce)					
11	Director Printing, Stationary and Publication, Odisha, Cuttack (Government Press)	1	1977-78	NA	Proforma Accounts are not prepared though it is required under the provision of Odisha Government Press Manual. Arrear of accounts for 37 years.
Department : Fisheries and Animal Resources Development					
12	Poultry Development	1	--	NA	Proforma accounts not prescribed by the State Government
Inoperative/Closed Activities/Schemes					Year from which remained closed or inoperative
13	Grain Supply Scheme	1	--	--	1958-59
14	Scheme for trading in Iron Ore through Paradeep Port	1	--	--	1966-67
15	Cloth and Yarn Scheme	1	--	--	1954-55
16	Scheme for exploitation and Marketing of fish	1	--	--	1982-83

NA: Not available

Source: Finance Accounts 2014-15, Government of Odisha.

APPENDIX – 3.5
(Refer paragraph 3.5 at page 73)

Department wise / duration wise break-up of the cases of misappropriation, defalcation etc.
(Cases where final action was pending at the end of March 2015)

(₹ in lakh)

Sl. No.	Name of the Department	Up to 5 years 2010-11 to 2014-15		5 to 10 years 2005-06 to 2009-10		10 to 15 years 2001-02 to 2004-05		15 to 20 years 1995-96 to 2000-01		20 to 25 years 1990-91 to 1994-95		25 years to More from inception upto 1989-90		Total	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Agriculture	0	0.00	7	47.64	3	6.83	24	24.27	20	9.56	65	22.29	119	110.59
2	Commerce & Transport	0	0.00	0	0.00	3	6.18	0	0.00	3	1.65	6	2.37	12	10.20
3	Co-operation	0	0.00	0	0.00	0	0.00	1	0.94	2	3.25	0	0.00	3	4.19
4	Employment, Technical Education and Training	0	0.00	1	1.25	2	2.07	2	4.73	0	0.00	1	2.48	6	10.53
5	Energy	0	0.00	0	0.00	0	0.00	1	1.17	4	226.50	5	16.45	10	244.12
6	Excise	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.14	1	0.14
7	Finance	0	0.00	0	0.00	0	0.00	0	0.00	1	4.85	6	5.27	7	10.12
8	Fisheries & ARD	0	0.00	0	0.00	1	0.31	4	0.86	8	2.74	18	72.82	31	76.73
9	Forest & Environment	8	52.48	0	0.00	1	54.90	3	3.05	6	1.78	5	22.45	23	134.66
10	Food Supplies & Consumer Welfare	0	0.00	0	0.00	0	0.00	0	0.00	1	0.10	2	2.94	3	3.04
11	General Administration	0	0.00	0	0.00	0	0.00	2	0.71	0	0.00	0	0.00	2	0.71
12	Health & Family Welfare	0	0.00	1	0.03	1	4.31	4	0.88	11	36.93	15	14.20	32	56.35
13	Higher Education	0	0.00	2	3.29	0	0.00	0	0.00	3	11.27	1	0.21	6	14.77
14	Home	0	0.00	0	0.00	0	0.00	1	12.70	1	0.50	1	1.77	3	14.97
15	Housing & Urban Development	0	0.00	4	21.77	8	10.31	21	13.27	8	12.19	33	13.24	74	70.78
16	Information & Public Relation	0	0.00	0	0.00	0	0.00	25	1.80	48	5.45	45	3.27	118	10.52
17	Law	1	0.05	1	2.21	1	0.55	1	2.08	4	2.08	1	0.39	9	7.36
18	Micro, Small and Medium Enterprises	0	0.00	1	11.59	0	0.00	0	0.00	2	0.13	0	0.00	3	11.72
19	Panchayati Raj	0	0.00	1	0.37	1	3.95	2	10.01	5	6.43	41	16.32	50	37.08
20	Revenue	0	0.00	2	2.62	3	107.98	1	0.79	6	4.62	53	30.73	65	146.74
21	Rural Development	0	0.00	4	56.17	8	5.65	24	9.80	26	19.09	34	6.54	96	97.25
22	School and Mass Education	0	0.00	0	0.00	2	12.20	1	13.80	4	4.11	6	6.91	13	37.02
23	ST & SC Development	1	0.73	0	0.00	1	2.01	1	0.95	3	1.05	26	4.15	32	8.89
24	Water Resources	2	0.62	15	9.26	29	44.61	69	112.95	82	30.63	244	62.96	441	261.03
25	Women & Child Development	0	0.00	0	0.00	0	0.00	1	0.29	3	3.01	1	0.14	5	3.44
26	Works	0	0.00	4	3.27	5	2.50	39	55.69	21	7.07	91	124.15	160	192.68
	Total	12	53.88	43	159.47	69	264.36	227	270.74	272	394.99	701	432.19	1324	1575.63

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

APPENDIX – 3.6
(Refer paragraph 3.5 at page 73)

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

Sl. No.	Name of Department	Theft Cases		Misappropriation/ Loss of Government material		Total	
		Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Agriculture	50	17.64	69	92.95	119	110.59
2	Commerce & Transport	5	6.89	7	3.31	12	10.20
3	Co-operation	1	0.71	2	3.48	3	4.19
4	Employment, Technical Education and Training	4	3.81	2	6.72	6	10.53
5	Energy	4	1.58	6	242.54	10	244.12
6	Excise	0	0.00	1	0.14	1	0.14
7	Finance	0	0.00	7	10.12	7	10.12
8	Fisheries & ARD	10	1.50	21	75.23	31	76.73
9	Forest & Environment	8	45.64	15	89.02	23	134.66
10	Food Supplies & Consumer Welfare	1	0.10	2	2.94	3	3.04
11	General Administration	2	0.71	0	0.00	2	0.71
12	Health & Family Welfare	11	6.39	21	49.96	32	56.35
13	Higher Education	2	0.30	4	14.47	6	14.77
14	Home	0	0.00	3	14.97	3	14.97
15	Housing & Urban Development	55	45.46	19	25.32	74	70.78
16	Information & Public Relation	111	8.56	7	1.96	118	10.52
17	Law	3	0.83	6	6.53	9	7.36
18	Micro, Small and Medium Enterprises	0	0.00	3	11.72	3	11.72
19	Panchayati Raj	13	16.99	37	20.09	50	37.08
20	Revenue	9	4.17	56	142.57	65	146.74
21	Rural Development	62	77.48	34	19.77	96	97.25
22	School and Mass Education	1	0.10	12	36.92	13	37.02
23	ST & SC Development	12	1.62	20	7.27	32	8.89
24	Water Resources	279	143.01	162	118.02	441	261.03
25	Women & Child Development	1	0.03	4	3.41	5	3.44
26	Works	79	17.92	81	174.76	160	192.68
Total		723	401.44	601	1174.19	1324	1575.63

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

APPENDIX – 3.7
(Refer paragraph 3.5 at page 73)

Reasons for which the cases of misappropriation / loss / defalcation were pending

(₹ in lakh)

Sl. No.	Name of the Department	(A) Under Departmental/ Criminal Investigation		(B) Departmental action started but not finalised		© Certificate case is pending		(D) Recovery order received/ awaited		(E) Case is sub-judice		Total	
		No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	Agriculture	5	13.50	38	62.94	0	0.00	41	6.86	35	27.29	119	110.59
2	Commerce & Transport	5	6.54	3	1.07	0	0.00	2	0.94	2	1.66	12	10.20
3	Co-operation	0	0.00	1	0.94	0	0.00	0	0.00	2	3.25	3	4.19
4	Employment, Technical Education and Training	1	4.25	1	1.25	0	0.00	0	0.00	4	5.03	6	10.53
5	Energy	2	16.03	6	226.57	1	1.17	0	0.00	1	0.35	10	244.12
6	Excise	0	0.00	1	0.14	0	0.00	0	0.00	0	0.00	1	0.14
7	Finance	0	0.00	0	0.00	0	0.00	1	0.05	6	10.07	7	10.12
8	Fisheries & ARD	0	0.00	18	55.37	0	0.00	6	4.72	7	16.64	31	76.73
9	Forest & Environment	5	79.76	7	31.26	0	0.00	4	21.12	7	2.52	23	134.66
10	Food Supplies & Consumer Welfare	0	0.00	0	0.00	0	0.00	1	0.10	2	2.94	3	3.04
11	General Administration	0	0.00	0	0.00	0	0.00	2	0.71	0	0.00	2	0.71
12	Health & Family Welfare	3	0.44	5	6.95	0	0.00	8	8.49	16	40.47	32	56.35
13	Higher Education	2	3.29	0	0.00	0	0.00	2	0.30	2	11.18	6	14.77
14	Home	0	0.00	0	0.00	1	12.70	0	0.00	2	2.27	3	14.97
15	Housing & Urban Development	29	39.75	43	27.76	0	0.00	0	0.00	2	3.28	74	70.78
16	Information & Public Relation	104	9.51	9	0.66	0	0.00	3	0.20	2	0.15	118	10.52
17	Law	1	0.04	1	2.21	1	0.15	2	0.89	4	4.07	9	7.36
18	Micro, Small and Medium Enterprises	1	11.59	1	0.08	0	0.00	1	0.05	0	0.00	3	11.72
19	Panchayati Raj	21	21.97	14	11.98	2	0.34	6	1.63	7	1.16	50	37.08
20	Revenue	5	1.66	13	6.68	20	4.85	16	5.15	11	128.40	65	146.74
21	Rural Development	51	78.35	40	18.78	1	0.03	1	0.04	3	0.05	96	97.25
22	School and Mass Education	5	10.65	1	1.31	0	0.00	0	0.00	7	25.06	13	37.02
23	ST & SC Development	2	2.74	4	3.20	0	0.00	22	2.42	4	0.53	32	8.89
24	Water Resources	155	165.69	246	81.29	5	0.26	27	12.71	8	1.06	441	261.03
25	Women & Child Development	0	0.00	4	3.30	0	0.00	1	0.14	0	0.00	5	3.44
26	Works	41	39.71	110	148.01	1	0.41	2	0.34	6	4.21	160	192.68
	Total	438	505.47	566	691.75	32	19.91	148	66.86	140	291.64	1324	1575.63

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

APPENDIX – 3.8
(Refer paragraph 3.6 at page 74)

Statement showing unadjusted AC bills for the years up to 2014-15

Sl. No.	Department	Number of AC bills	Amount (₹ in crore)
1	01-Home	6019	51.40
2	02-General Administration	15	1.57
3	03-Revenue and Disaster Management	1	0.01
4	04-Law	153	0.18
5	11-ST, SC Development and Minorities & Backward Classes Welfare	9	2.48
6	12-Health and Family Welfare	4	0.02
7	13-Housing and Urban Development	13	0.08
8	14-Labour and Employees State Insurance	2	0.01
9	15-Sports and Youth Services	1	0.50
10	16-Planning and Co-ordination	1	0.28
11	17-Panchayati Raj	44	0.88
12	21-Commerce and Transport (Transport)	1	3.60
13	24-Steel and Mines	45	0.09
14	32-Tourism and Culture	1	0.15
15	33-Fisheries and Animal Resource Development	7	0.02
16	34-Co-operation	8	1.26
17	36-Women and Child Development	6	0.10
18	38-Higher Education	251	1.10
19	39-Employment and Technical Education and Training	1	0.08
Total		6582	63.81

Source: Compiled from the information received from Accountant General (A&E), Odisha

APPENDIX – 3.9

(Refer paragraph 3.10.1 at page 80)

Statement showing details of DDO wise outstanding advance position as on 31 March 2015, the details of which are available with DDOs

(₹ in lakh)

Sl. No.	Name of the Drawing & Disbursing Officer	Amount of advance as on 31 March 2015
1	Civil Supply Officer, Bhadrak	0.19
2	Commissioner, Municipality Corporation, Berhampur	145.41
3	Executive Officer, Balasore Municipality	59.26
4	Executive Officer, Barbil Municipality	34.18
5	DSWO, Jagatsinghpur	4.42
6	DSWO, Kendrapada	2.53
7	CDPO, Boipariguda	0.98
8	CDPO, Jeypore	0.42
9	CDPO, Jagatsinghpur,	0.05
10	Project Director, DRDA, Khordha	0.36
11	CDPO, Derabish	0.10
12	CDPO, Biridi	0.15
13	Project Director, DRDA, Cuttack	0.71
14	BDO, Ganjam	66.19
15	Establishment Officer, GA Department Odisha, Bhubaneswar	0.11
16	Project Director, DRDA, Jajpur	1.60
17	General Manager, OFSDC Ltd. Bhubaneswar	5.44
18	CSO, Angul	0.05
19	DSWO, Kalahandi	39.00
20	CDPO, Dasrathpur	0.03
21	BDO, Balasore	151.36
22	BDO, Jagatsinghpur	107.35
23	BDO, Tirtol	123.19
TOTAL		743.08

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

APPENDIX – 3.10
(Refer paragraph 3.10.3 at page 81)

Statement showing the details of discrepancies between Cash book and Pass book as on 31 March 2015

(₹ in lakh)

Sl. No.	Name of the DDO	Balance as per pass book	Balance as per Cash book	Difference
1	BDO, Ganjam	3063.98	2762.52	301.46
2	BDO, Remuna	2302.43	1828.32	474.11
3	BDO, Bahanaga	2749.09	2427.62	321.47
4	Director of Culture	509.62	365.37	144.25
5	CDPO, Cuttack Sadar	28.72	27.63	1.09
6	CDPO, Dasarathpur	136.55	127.40	9.15
7	Project Director, DRDA, Boudh	510.94	505.79	5.15
8	Project Director, DRDA, Cuttack	5.35	5.31	0.04
9	CDPO, Baipariguda	82.02	81.64	0.39
10	DSWO, Jagatsinghpur	1217.12	979.54	237.57
11	Project Director, DRDA, Jajpur	4202.78	2893.32	1309.45
12	BDO, Tirtol	2207.57	2075.67	131.90
13	BDO, Remuna	118.12	30.71	87.41
14	BDO, Jagatsinghpur	1424.57	1301.64	122.93
15	BDO, Balikuda	376.04	209.60	166.45
16	BDO, Balasore	4648.79	3977.75	671.04
17	CDPO, Derabish	301.05	203.63	97.42
TOTAL		23884.74	19803.46	4081.28

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

APPENDIX – 3.11
(Refer paragraph 3.10.4 at page 81)

Time barred Cheques/Demand Drafts/ Bank Drafts as on 31 March 2015

(₹ in lakh)

Sl. No.	Name of the DDO	Demand Drafts/ Cheques No.	Date	Amount
1	Child Development Project Officer, Derabish	503339	16.03.2011	0.10
2	Child Development Project Officer, Derabish	503340	16.03.2011	0.10
3	Child Development Project Officer, Dasarathpur	NA	07.01.2015	0.16
4	Child Development Project Officer, Dasarathpur	NA	17.01.2015	0.16
5	Child Development Project Officer, Dasarathpur	NA	09.01.2015	0.02
6	Child Development Project Officer, Dasarathpur	NA	19.01.2015	0.01
7	Course Co-ordinator, Training Centre for the Teachers of the Visually Handicapped, Bhubaneswar	NA	30.06.2010	1.25
8	Course Co-ordinator, Training Centre for the Teachers of the Visually Handicapped, Bhubaneswar	NA	16.06.2010	1.20
9	Course Co-ordinator, Training Centre for the Teachers of the Visually Handicapped, Bhubaneswar	NA	27.06.2012	1.25
10	Course Co-ordinator, Training Centre for the Teachers of the Visually Handicapped, Bhubaneswar	NA	03.07.2012	2.25
11	Course Co-ordinator, Training Centre for the Teachers of the Visually Handicapped, Bhubaneswar	NA	03.07.2012	1.80
12	District Social Welfare Officer, Jagatsinghpur	421216	14.11.2007	0.10
13	District Social Welfare Officer, Jagatsinghpur	326978	31.03.2001	0.04
TOTAL				8.44

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

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 authorisation by the Legislature.
Autonomous Bodies	Autonomous Bodies (usually registered Societies or Statutory Corporations) are set up whenever it is felt that certain functions need to be discharged outside the Governmental set up with some amount of independence and flexibility without day-to-day interference of the Governmental machinery.
Average interest paid by the State	Interest payment/[((Amount of previous year's Fiscal Liabilities + 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)	Rate of Growth of parameter (X)/ 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	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the Debt-GSDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt*rate spread), debt sustainability condition

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

Terms	Basis of Calculation
	annual financial accounts of the State or such other accounts or financial matters as are laid before it or which the Committee deems necessary to scrutinise.
Quantum spread	Debt stock *Interest spread.
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
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.
Surrenders of unspent provision	Departments of the State Government are to surrender to the Finance Department, before the close of the financial year, all the anticipated unspent provisions noticed in the grants or appropriations controlled by them. The Finance Department is to communicate the acceptance of such surrenders, as are accepted by them to the Audit Officer and/or the Accounts Officer, as the case may be, before the 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 Aviyan and State Health Mission for National Rural Health Mission, etc.
Suspense and Miscellaneous	Items of receipts and payments which cannot at once be taken to a final head of receipt or charge owing to lack of information as to their nature or for any other reasons, may be held temporarily under the major head "8658-Suspense Account" in the sector "L. Suspense and Miscellaneous" of the Accounts, (Footnotes under the major head in the list of major/minor heads of account may be referred to for further guidance). A service receipt of which full particulars are not given must not be taken to the head "Suspense Account" but should be credited to the minor head "Other Receipt" under the revenue major head to which it appears to belong pending eventual transfer to the credit of the correct head on receipt of detailed particulars.

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

Acronyms	Full Form
PPP	Public Private Partnership
PSU	Public Sector Undertakings
RE	Revenue Expenditure
RR	Revenue Receipts
S&W	Salaries and Wages
SSE	Social Sector Expenditure
TE	Total Expenditure
TFC	Twelfth Finance Commission
ThFC	Thirteenth Finance Commission
UC	Utilisation Certificates
QEA	Quarterly Expenditure Allocation

