



**Report of the
Comptroller and Auditor General of India
on
State Finances
for the year ended March 2016**



**Government of Odisha
*Report No.6 of the year 2016***

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State Finances**

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Government of Odisha

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Preface

1. This Report has been prepared for submission to the Governor of Odisha under Article 151 of the Constitution.
2. Chapters I and II of the Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2016. 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 2015-16 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 2012 under Mid Term Fiscal Plan (MTFP) in the Budget Estimates of 2015-16, and norms recommended by the Fourteenth Finance Commission (FFC).

The Report

Based on the audited accounts of the State Government for the year ended March 2016, this Report provides an analytical review of the Annual Accounts of the State Government. The financial performance of the State has been assessed with reference to the FRBM Act, budget documents, Fourteenth Finance Commission 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 2016. It provides an insight into trends in committed expenditure, borrowing pattern, resource allocation and resource generation.

Chapter II is based on audit of Appropriation Accounts and it gives grant-wise 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 appendix of additional data collected from several sources in support of the findings.

Appendix 4.1 at the end gives a glossary of selected terms used in this Report.

Audit findings

Finances of the State Government

Amendment to the State FRBM Act: In accordance with the Thirteenth Finance Commission (ThFC) recommendations, the State Government had 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 with provisions of FRBM Act through an independent agency as required by the ThFC. The government complied with these requirements duly during 2015-16.

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 ₹ 40267 crore in 2011-12 to ₹ 68941 crore in 2015-16, registering a growth of 71 *per cent*. The annual growth rate has increased by five *per cent* from 16 *per cent* during 2014-15 to 21 *per cent* during 2015-16.

Revenue Expenditure: Revenue Expenditure had a predominant share which was 77 *per cent* of Total Expenditure in 2015-16. Revenue Expenditure increased by ₹ 7670 crore during current year. Plan Revenue Expenditure (PRE) contributed 60 *per cent* (₹ 16659 crore) of the increase in Revenue Expenditure. Non Plan Revenue Expenditure (NPRE), as a proportion of Revenue Expenditure, decreased from 72 *per cent* in 2011-12 to 40 *per cent* in 2015-16.

Funds parked in Bank Accounts: Funds amounting to ₹ 899 crore were parked in bank accounts of 11 District Rural Development Agencies (DRDAs), 21 Block Development Offices (BDOs) and four Land Acquisition Offices (LAOs), violating the Odisha Treasury Code provision and Finance Department instructions.

Public Debt: Public Debt of the State Government increased from ₹ 24618 crore in 2011-12 to ₹ 33757 crore in 2015-16, registering an increase of 37.12 *per cent* during the period 2011-16. Debt repayment as a percentage of Debt Receipt showed a decreasing trend.

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 the previous year continued during 2015-16, though it was within the limits prescribed by FRBM (Amendment) Act, 2012. The ThFC had recommended that by the year 2015-16, fiscal liability should be brought down to 25 *per cent* of GSDP. The Government has been able to achieve this target during 2015-16.

Greater priority to Capital Expenditure: Capital Expenditure (CE) increased significantly by 54 *per cent* over the previous year. However, the CE was 5.14 *per cent* of GSDP.

Review of Government Investments: As of 31 March 2016, Government had invested ₹ 3881.32 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives. Average return on this investment was 17.50 *per cent* in the last five years (14.26 *per cent* during 2015-16), while Government paid an average interest rate of 5.90 *per cent* to 6.56 *per cent* on its borrowings during 2011-12 to 2015-2016.

Financial Management and Budgetary Control

During 2015-16, there was overall saving of ₹ 16717.36 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 ₹ 8393.66 crore in 10 cases under eight grants and two appropriations exceeding ₹ 100 crore in each case.

There were instances of persistent savings by the departments exceeding ₹ 10 crore in 20 cases relating to 17 grants and one appropriation during 2011-16. There were instances of excess expenditure and expenditure without provision of funds, unnecessary/excessive supplementary provision, substantial surrenders, non-surrender of anticipated savings during 2015-16.

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

Financial Reporting

There were delays in submission of Utilisation Certificates against Grants-in-Aid of ₹ 27611 crore. As such, 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.

Information on financial assistance given to various institutions/authorities by different departments of the State Government have been furnished by 23 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 ₹ 44.30 crore as of March 2016.

A large amount of unspent balance (₹ 1242.47 crore) was lying in 849 Personal Deposit (PD) Accounts and was not credited back to Government Account.

Labour Cess amounting to ₹ 965.26 crore at the end of 31 March 2016 was kept in bank accounts, keeping the collected cess out of purview of legislative scrutiny. This also violates 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 lower economic growth in the past decade as the compound annual growth rate of its Gross State Domestic Product (GSDP) for the period 2006-07 to 2015-16 has been 14.04 *per cent* as compared to 15.75 *per cent* in General Category States. During the above mentioned period, its population grew by 8.22 *per cent* against 12.24 *per cent* in General Category States. General data relating to the State is given in **Appendix-1.1**.

Gross State Domestic Product (GSDP)

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

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

| Year | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|---------|---------|----------|----------|----------|
| India's Gross Domestic Product (GDP) (₹ in crore) | 8736039 | 9951344 | 11272764 | 12488205 | 13576086 |
| Growth rate of GDP (in percentage) | 20.52 | 13.91 | 13.28 | 10.78 | 8.71 |
| State's GSDP (₹ in crore) | 225283 | 255273 | 277271 | 309807 | 332329 |
| Growth rate of GSDP (in percentage) | 14.05 | 13.31 | 8.62 | 11.73 | 7.27 |

Source: For GSDP, Directorate of Economics & Statistics and for All-India- Central Statistical Office.

The GSDP of the State increased from ₹ 309807 crore during 2014-15 to ₹ 332329 crore during 2015-16, thereby registering a growth rate of 7.27 *per cent* over the previous year, whereas GDP registered a growth of 8.71 *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 121.

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 2016. It provides a broad perspective of the finances of the State Government during 2015-16 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 (2015-16) 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 | | | | |
|----------------------------------|--------------|---------------|---------------------------------|--------------|----------|-------|---------------|
| | 2014-15 | 2015-16 | | 2014-15 | 2015-16 | | |
| Section A | Total | Total | Section A | Total | Non-Plan | Plan | Total |
| Revenue Receipts | 56998 | 68941 | Revenue Expenditure | 51136 | 35536 | 23270 | 58806 |
| Tax Revenue | 19828 | 22527 | General Services | 14529 | 14962 | 97 | 15059 |
| Non-Tax Revenue | 8071 | 8711 | Social Services | 20964 | 12171 | 12472 | 24643 |
| Share of Union Taxes/ Duties | 16181 | 23574 | Economic Services | 14825 | 7486 | 10702 | 18188 |
| Grants from Government of India | 12918 | 14129 | Grants-in-Aid and Contributions | 817 | 916 | 0 | 916 |
| Section B | | | | | | | |
| Miscellaneous Capital Receipts | -- | -- | Capital Outlay | 11075 | 14 | 17076 | 17090 |
| Recoveries of Loans and Advances | 92 | 228 | Loans and Advances Disbursed | 358 | 95 | 242 | 337 |
| Public Debt Receipts* | 7646 | 9790 | Repayment of Public Debt* | 4111 | -- | -- | 2881 |
| Contingency Fund | 150 | -- | Contingency Fund | -- | -- | -- | 123 |
| Public Account Receipts | 24801 | 31098 | Public Account Disbursement | 22511 | -- | -- | 28766 |
| Opening Cash Balance | 9501 | 9997 | Closing Cash Balance | 9996 | -- | -- | 12051 |
| TOTAL | 99187 | 120054 | TOTAL | 99187 | -- | -- | 120054 |

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

The following significant changes occurred during 2015-16, compared to the previous year:

- Revenue Receipts of the State increased by ₹ 11943 crore (20.95 per cent) over the previous year. This increase was mainly contributed by State's own Tax Revenue (₹ 2699 crore), Grants-in-Aid (GIA) from Government of India (₹ 1211 crore) and State's share of Union Taxes/Duties (₹ 7393 crore). There was also increase in own Non-Tax Revenue (₹ 640 crore).

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

- Revenue Expenditure increased by ₹ 7670 crore (15 *per cent*) during 2015-16 over the previous year, mainly due to increase in expenditure in Economic Service Sector (₹ 3362 crore), Social Service Sector (₹ 3679 crore), General Service Sector (₹ 530 crore) and disbursement of Grants-in-Aid and contributions (₹ 99 crore).
- Capital outlay increased by ₹ 6015 crore (54.31 *per cent*) over the previous year, mainly on account of increase in expenditure on Roads & Bridges (₹ 3106 crore), Power Projects (₹ 802 crore), Irrigation (₹ 1088 crore) and Animal Husbandry (₹ 184 crore).
- Public Debt receipts increased by ₹ 2144 crore (28.04 *per cent*) while repayment of public debt decreased by ₹ 1230 crore (29.92 *per cent*).
- Public Account receipts (₹ 31098 crore) increased by ₹ 6297 crore (25.39 *per cent*) over the previous year, mainly due to increase in Small Savings and Provident Fund (₹ 617 crore), Reserve Fund (₹ 1275 crore) and Deposits and Advances (₹ 357 crore) and Remittances (₹ 4084 crore), which was set off by decrease in Suspense and Miscellaneous (₹ 36 crore). Public Account disbursements (₹ 28766 crore) on the other hand, increased by ₹ 6255 crore (27.78 *per cent*) during the same period.
- Cash Balance of the State increased by ₹ 2055 crore.

1.2.1 Review of the fiscal situation

The Thirteenth Finance Commission (ThFC) had recommended that every State needed 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 had amended (February, 2012) the State FRBM Act, 2005 which laid down the following fiscal targets:

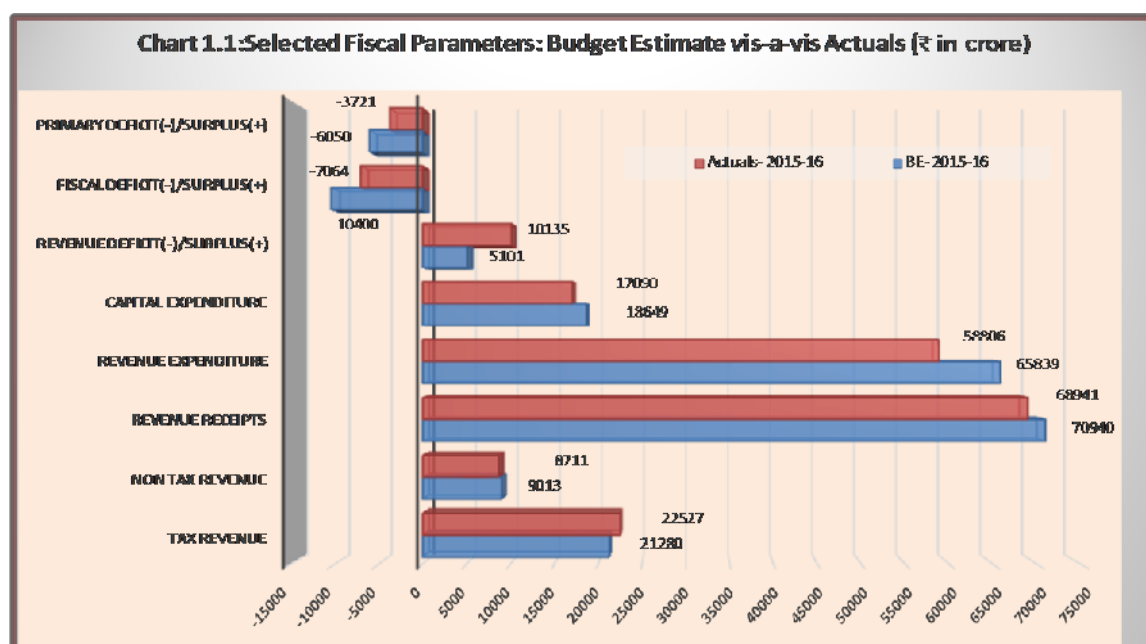
- Revenue deficit during 2011-12 and onwards to be maintained at Zero.
- Fiscal deficit to be contained within three *per cent* of the Gross State Domestic Product (GSDP) from 2011-12 and onwards.
- In order to bring the debt stock to a sustainable level, interest payment as a percentage of Revenue Receipt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

The State Government has got its compliance with FRBM Act reviewed by the National Institute of Public Finance.

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 2015-16. 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.

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 2015-16, there was variation in actuals in the case of several key fiscal parameters. **Chart 1.1** presents the Budget Estimates and actuals for some important parameters.



Source: Finance Accounts for the year 2015-16 and Budget at a Glance 2015-16, Government of Odisha.

As may be observed from Chart 1.1, the State's actual Revenue Receipts were less than the Budget Estimates by ₹ 1999 crore, whereas the State's own Tax Revenue was more than the Budget Estimates by ₹ 1247 crore (six *per cent*) while Non-Tax Revenue was less than the Budget Estimates by ₹ 302 crore (three *per cent*). Revenue expenditure was also less than Budget estimate by ₹ 7033 crore. As a result, Revenue surplus was ₹ 10135 crore, instead of Budget estimate of ₹ 5101 crore. Capital expenditure was also less by ₹ 1559 crore.

1.2.3 Major policy initiatives in the budget

Major policy initiatives of the budget 2015-16 and their status during the financial year 2015-16 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 | Agriculture Department | State Potato Mission was launched in 2015-16 using State's Own Resources. | Total expenditure incurred during the year was ₹ 11.44 crore, out of which an expenditure of ₹ 11.22 crore was incurred in March 2016. |
| 2 | Housing and Urban Development Department | Odisha Urban Livelihood Mission (OULM) was launched during 2015-16. A provision of ₹ 10 crore was made for 77 Urban Local Bodies of the State. | ₹ 10 crore was transferred to 77 ULBs for launching of Odisha Urban Livelihood Mission. |
| 3 | Health & Family Welfare Department | The State Government decided to open five new Government Medical Colleges in the districts of Balangir, Koraput, Mayurbhanj, Balasore and Puri. | Construction work is in progress and expenditure to the extent of ₹ 155.67 crore has been made up to the end of 2015-16. |
| 4 | Energy Department | A sum of ₹ 310 crore was released for installation of 500 numbers of 33/11 KV Sub-stations for up-gradation of the distribution system. | 23 numbers of 33/11 KV Sub-stations were constructed. |
| 5 | School and Mass Education Department | ₹ 25 crore was provided for construction of a Sainik School at Sambalpur. | The construction work had not started up to the end of 2015-16. |
| 6 | | ₹ 30 crore was provided towards recurring cost of Model Schools. This scheme was proposed to be completed during 2015-16 to 2019-20 using State's Own Resources (SOR) under the plan scheme. | Funds were placed with the State Project Director, Odisha Adarsh Vidyalaya Sangathan for the purpose. |
| 7 | Water Resources Department | Irrigation Road Construction & Improvement scheme was launched in 2014-15. It was proposed to provide ₹ 500 crore during a period of five years for the scheme. | During 2015-16, the financial progress of work was very slow compared to the previous year. |
| 8 | Works Department | A new scheme "Biju Express Way" was launched to improve connectivity in Western Odisha and KBK districts which would act as an economic corridor between Jagdalpur and Rourkela. ₹ 30 crore was provided for the purpose. | Funds have been utilised for execution of works for 60 Km of Sohela-Nuapada portion. |

Source: Budget at a Glance 2016-17, Government of Odisha.

1.3 Resources of the State

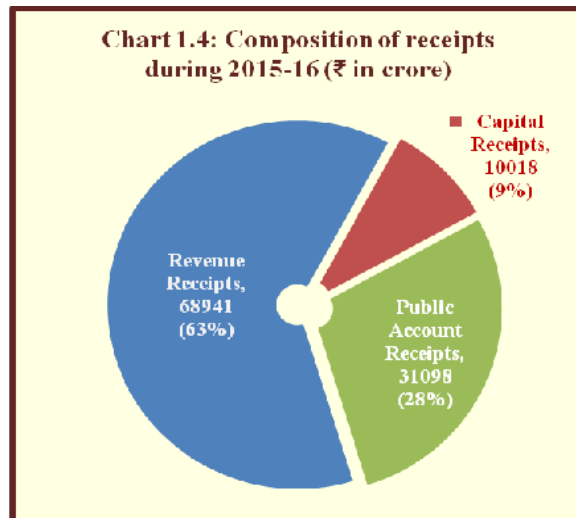
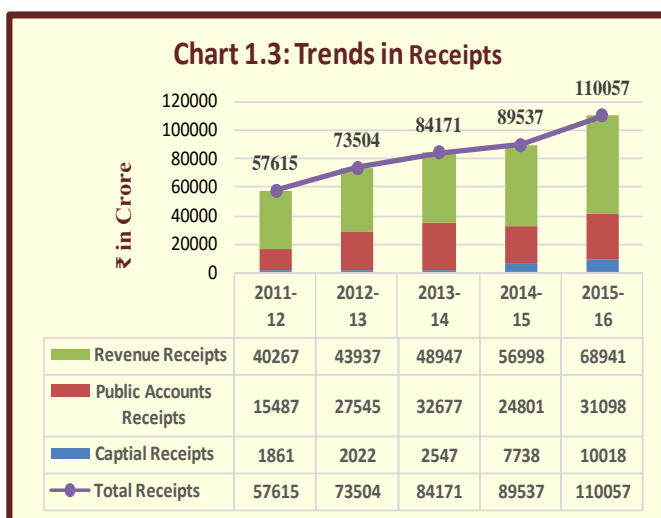
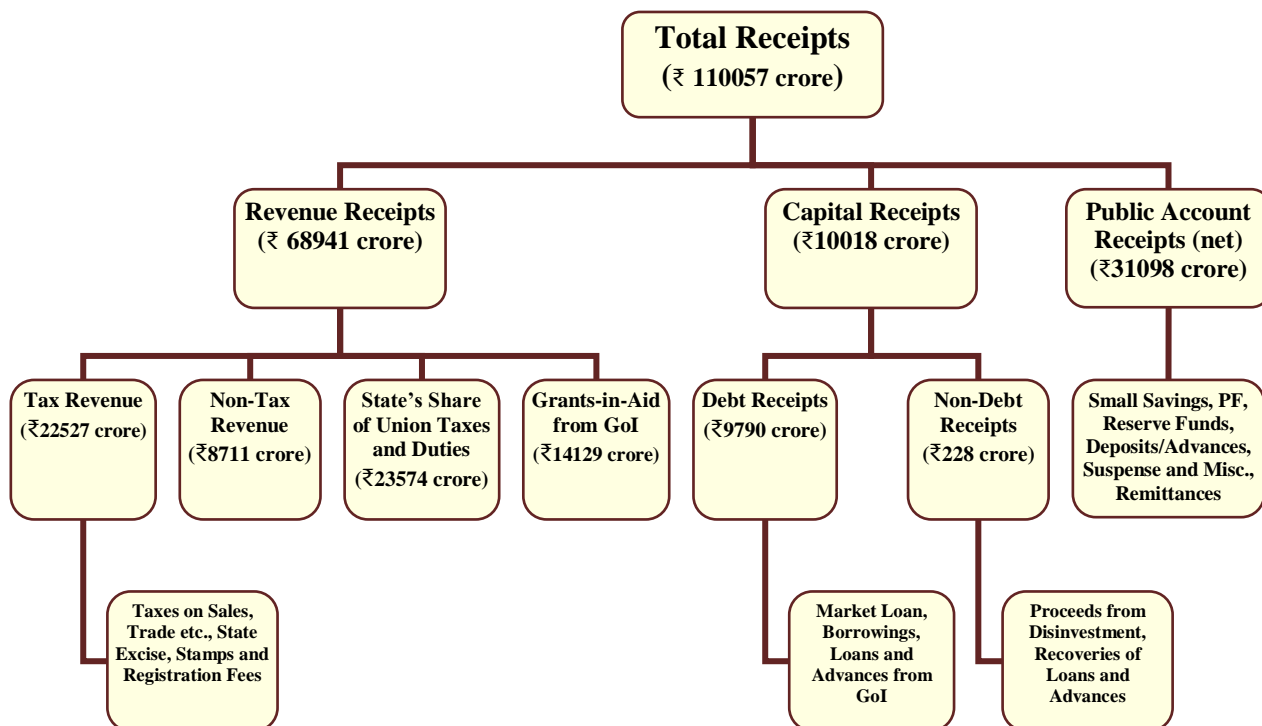
1.3.1 Resources of the State as per Finance Accounts

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 Grants-in-Aid from Government of India (GoI). Total Capital Receipts comprise 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** present 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 2011-16. **Chart 1.4** depicts the composition of receipts of the State during the current year.

Chart 1.2: Components and sub-components of Resources



Source: Finance Accounts of Government of Odisha for respective years

During 2011-16, total receipts increased by 91.02 per cent from ₹ 57615 crore in 2011-12 to ₹ 110057 crore in 2015-16, of which increase of Revenue Receipts was by 71.21

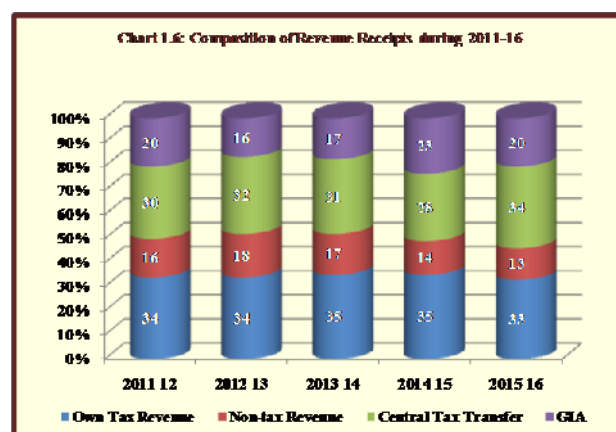
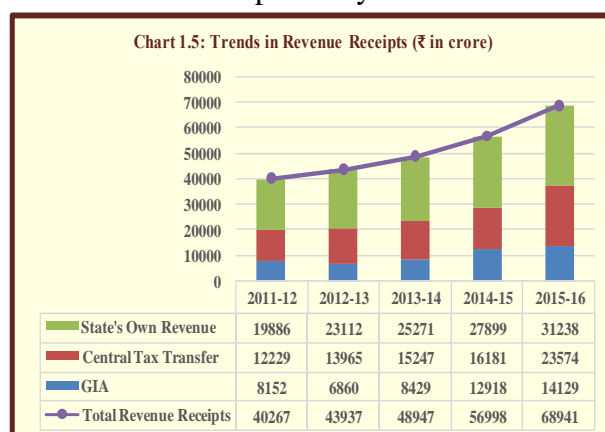
per cent from ₹ 40267 crore to ₹ 68941 crore during the period, due to higher collection of State's own taxes as well as increases in State's share of Central tax transfers and Grants-in-Aid from GoI. However, the share of Revenue Receipts as percentage of total receipts decreased from 70 to 63 from 2011-12 to 2015-16. The share of Capital Receipts increased from three per cent in 2011-12 to nine per cent in 2015-16. The share of Public Account receipts to the total receipts increased from 27 per cent in 2011-12 to 28 per cent in 2015-16.

1.3.2 Funds transferred to State Implementing Agencies outside the State Budget

Direct transfer to State Implementing Agencies by GoI was ₹ 281.69 crore in 2015-16. Funds for Members of Parliament's Local Area Development Schemes (MPLADS) amounted to ₹ 135 crore. Thus, during 2015-16 the quantum of direct transfers was 0.41 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 Grants-in-Aid 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 Grants-in-Aid 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 2011-16 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, 45 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 Grants-in-Aid. An increase of ₹ 2699 crore (14 per cent) in own Tax Revenue, increase of ₹ 640 crore (eight per cent) in Non-Tax Revenue, increase of ₹ 7393 crore (46 per cent) in State's share in Union taxes and duties and ₹ 1211 crore (nine per cent) in Grants-in-Aid resulted in increase of ₹ 11943 crore (21 per cent) in Revenue Receipts during 2015-16 over the previous year.

Revenue Receipts showed progressive increase from ₹ 40267 crore in 2011-12 to ₹ 68941 crore in 2015-16 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

| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|---------------|---------------|---------------|---------------|---------------|
| Gross State Domestic Product (GSDP) (₹ in crore) | 225283 | 255273 | 277271 | 309807 | 332329 |
| Rate of growth of GSDP | 14.05 | 13.31 | 8.62 | 11.73 | 7.27 |
| Revenue Receipts (RR) (₹ in crore) * | 40267 | 43937 | 48947 | 56998 | 68941 |
| Rate of growth of RR (<i>per cent</i>) | 21.01 | 9.11 | 11.40 | 16.45 | 20.95 |
| R R/GSDP (<i>per cent</i>) | 18.25 | 17.49 | 17.93 | 18.34 | 20.74 |
| Buoyancy Ratios¹ | | | | | |
| Revenue Buoyancy with respect to GSDP | 1.50 | 0.68 | 1.32 | 1.40 | 2.88 |
| Rate of growth of own tax | 20.10 | 11.83 | 12.36 | 17.38 | 13.61 |
| State's Own Tax Buoyancy with respect to GSDP | 1.43 | 0.89 | 1.43 | 1.48 | 1.87 |

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

- Revenue buoyancy fluctuated during the period due to fluctuations in the growth rate of Revenue Receipts.
- It can be seen from the table that Revenue buoyancy with reference to GSDP was above one during 2011-16 except 2012-13. The growth rate of Revenue Receipts was better than the growth rate of GSDP except in 2012-13.
- The State's own tax buoyancy with respect to GSDP was also more than one during 2011-16, except in 2012-13, indicating that growth rate 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 Fourteenth Finance Commission (FFC) and the State Government in MTFP are indicated in **Table 1.4** below:

Table 1.4: Mobilisation of Own Tax and Non - Tax Revenue during 2015-16.

| | Assessment made by FFC | Assessment made by State Government in MTFP | Actuals |
|-----------------------------|------------------------|---|---------|
| State's own Tax Revenue | 25098 | 21280 | 22527 |
| State's own Non-Tax Revenue | 9009 | 9014 | 8711 |

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

During 2015-16, the receipts under State's Tax Revenue and Non-Tax Revenue were less than the assessment of FFC by ten *per cent* and three *per cent* respectively. However, the State's own Tax Revenue was more than the assessment made in MTFP

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*.

by ₹ 1247 crore (six *per cent*) and Non-Tax Revenue was less by ₹ 303 crore (three *per cent*). Tax Revenue increased by 14 *per cent* (₹ 2699 crore) over the previous year and Non-Tax Revenue increased by eight *per cent* (₹ 640 crore) during the same period.

1.4.1.1 Tax Revenue

The sector-wise components of Tax Revenue during 2011-12 to 2015-16 are shown in **Table 1.5**.

Table 1.5: Head- wise components of State's Tax Revenue

| Revenue Head | | | | | | (₹ in crore) |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|---|
| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | Percentage increase in 2015-16 over previous year |
| Taxes on Sales, Trades etc. | 8197 | 9685 | 10729 | 11817 | 13097 | 10.83 |
| State Excise | 1379 | 1499 | 1780 | 2035 | 2547 | 25.16 |
| Taxes on Vehicles | 788 | 746 | 860 | 910 | 1044 | 14.73 |
| Stamp Duty and Registration Fees | 498 | 545 | 606 | 800 | 2157 | 169.63 |
| Land Revenue | 522 | 420 | 431 | 646 | 589 | -8.82 |
| Taxes on Goods and Passengers | 1312 | 1342 | 1613 | 1711 | 1663 | -2.89 |
| Other Taxes ² | 747 | 797 | 873 | 1909 | 1430 | -25.09 |
| Total | 13443 | 15034 | 16892 | 19828 | 22527 | 13.61 |

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

The Compound Annual Growth Rate (CAGR) of Tax Revenue for 2006-15 of the State was marginally higher as compared to the General Category States (**Appendix-1.1**). The Tax Revenue during the current year (₹ 22527 crore) increased by 14 *per cent* over the previous year (₹ 19828 crore). The revenue through Taxes on Sales, Trades etc. (₹ 13097 crore) was the main source of State's own Tax Revenue and registered an increase of 11 *per cent*, Taxes on Goods and Passengers (₹ 1663 crore) decreased by three *per cent*, State Excise (₹ 2547 crore) increased by 25 *per cent*, Taxes on Vehicles (₹ 1044 crore) by 15 *per cent*, Stamp Duty and Registration Fees (₹ 2157 crore) by 170 *per cent* and Taxes on Land Revenue (₹ 589 crore) decreased by nine *per cent* over the previous year.

The ratio of Own Tax Revenue (OTR) with respect to GSDP was nearly seven *per cent* (6.78) in 2015-16. Therefore, the State could not achieve the target of 7.5 *per cent* by 2015-16 as projected by FFC.

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

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

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

| Sl. No. | Major Heads of Account | Increase (₹ in crore) | Main Reasons |
|---------|---------------------------------------|--------------------------|---|
| 1 | 0030-Stamp Duty and Registration Fees | 1356.84 | Due to higher receipt of Sale proceeds of Impressed Stamps, Impressing Duties under Impressing of Documents and Fees for Registration of Documents. |
| 2 | 0040-Taxes on Sales, Trade etc | 1280.26 | Due to higher receipt under Odisha Value Added Tax Act, 2004. |
| Sl. No. | Major Heads of Account | Decrease (₹ in crore) | Main Reasons |
| 3 | 0050-Dividends and Profits | 523.09 | Due to less receipt of Dividends from Odisha Mining Corporation. |
| 4 | 0043-Taxes and Duties on Electricity | 510.39 | Due to less receipt of Duty on Captive power. |
| 5 | 0701-Medium Irrigation | 58.64 | Due to less receipt of Miscellaneous other Receipts. |
| 6 | 0029-Land Revenue | 56.83 | Due to less receipt of Collection of payments for service rendered and Land Revenue/Tax. |
| 7 | 0042-Taxes on Goods and Passengers | 47.88 | Due to less receipt of Tax on entry of Goods to Local Areas. |

Source: Finance Accounts 2015-16, Government of Odisha.

1.4.1.2 Non-Tax Revenue

The components of Non-Tax Revenue during 2011-12 to 2015-16 are given in **Table 1.7:**

Table 1.7: Components of State's own Non-Tax resources

| (₹ in crore) | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|--|
| Revenue Head | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | Percentage increase over previous year |
| Interest Receipts | 576 | 588 | 1241 | 331 | 560 | 69.18 |
| Dividends & Profits | 286 | 565 | 452 | 1076 | 553 | -48.61 |
| Non-Ferrous Mining and Metallurgy receipts | 4572 | 5697 | 5519 | 5310 | 5799 | 9.21 |
| Other Non-Tax Receipts | 1009 | 1228 | 1167 | 1354 | 1799 | 32.86 |
| Total | 6443 | 8078 | 8379 | 8071 | 8711 | 7.93 |

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

The Compound Annual Growth Rate (CAGR) of Non-Tax Revenue for 2006-15 of the State was higher as compared to the General Category States (**Appendix-I.1**). However, growth of the State was also lower than the General Category States during 2015-16. The Non-Tax Revenue collected during 2011-16 ranged between 13 to 18 *per cent* of revenue receipts. The Own Non-Tax Revenue (ONTR) (₹ 8711 crore), which constituted 13 *per cent* of Revenue Receipts during 2015-16, increased by ₹ 640 crore (eight *per cent*) over previous year. The increase was mainly under Interest Receipts (₹ 229 crore) and Non-Ferrous Mining and Metallurgy receipts (₹ 489 crore) which was partly set off by decrease under Dividends and Profits (₹ 523 crore).

1.4.2 Grants-in-Aid from Government of India

Grants-in-Aid from GoI increased from ₹ 8152 crore in 2011-12 to ₹ 14129 crore during 2015-16 as shown in **Table 1.8**.

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

| (₹ in crore) | | | | | |
|--|-------------|-------------|-------------|--------------|--------------|
| Particulars | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
| Grants for Non Plan Schemes | 2561 | 1505 | 2729 | 1929 | 3063 |
| Grants for State Plan Schemes | 3853 | 3484 | 3429 | 10886 | 10773 |
| Grants for Central Plan Schemes | 109 | 183 | 122 | 102 | 293 |
| Grants for Centrally Sponsored Schemes | 1629 | 1688 | 2149 | 0.08 | 0.04 |
| Grants for Special Plan Schemes | -- | -- | -- | -- | -- |
| Total | 8152 | 6860 | 8429 | 12917 | 14129 |
| Percentage of increase over previous year | 19.78 | (-)15.85 | 22.87 | 53.24 | 9.38 |
| Total grants as a percentage of Revenue Receipts | 20.24 | 15.61 | 17.22 | 22.66 | 20.49 |

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

Grants-in-Aid from GoI increased by ₹ 5977 crore (73.32 *per cent*) from ₹ 8152 crore in 2011-12 to ₹ 14129 crore in 2015-16. The increase was under grants for State Plan Schemes (₹ 6920 crore), Non-Plan Schemes (₹ 502 crore) and Central-Plan Grants (₹ 184 crore) and there was significant decrease in Centrally Sponsored Schemes (₹ 1628.96 crore). Percentage share of grants to Revenue Receipts increased from 20.24 in 2011-12 to 20.49 in 2015-16.

1.4.3 Recommendations of the Fourteenth Finance Commission

As per the recommendations of the Fourteenth Finance Commission (FFC), the share of the states in the net proceeds of shareable central taxes has been increased to 42 *per cent* from 32 *per cent*. As per the reworked criteria for distribution of shares among the states, population has 17.5 *per cent* weightage while demographic change has 10 *per cent* weightage. Income distance³, area and forest cover bear weightages of 50 *per cent*, 15 *per cent* and 7.5 *per cent*, respectively. As a result, the share of Odisha is 4.64 *per cent* of the divisible pool, down from 4.78 *per cent*, recommended by the Thirteenth Finance Commission (ThFC). The commission has recommended ₹ 1,84,070 crore as the state's share in the net proceeds of the central taxes and duties during the period.

1.4.3.1 Comparison between ThFC and FFC recommendations

The comparative recommendations of the ThFC and the FFC are summarized in **Table 1.9**.

³ Income distance is the distance of actual per capita income of a state from the state with highest per capita income.

Table-1.9 Comparative Statement on Finance Commissions

(₹ in crore)

| Items | 2010-15 Recommendations of ThFC | 2015-20 Recommendations of F FC |
|---|---------------------------------------|---------------------------------------|
| 1 | 2 | 3 |
| Pre-Devolution Non-Plan Revenue Deficit/Surplus | -28282.67 | - |
| Central Tax Devolution (including Service Tax) | 69316.10 | 184070.00 |
| Post Tax Devolution Deficit/ Surplus | 41033.43 | 57559.00 |
| GRANT | | |
| Non-Plan Revenue Deficit Grant | 0.00 | - |
| Calamity Relief/ Disaster Relief | 1647.82 | 3717.00 |
| Grant for Calamity Relief Fund (newly Disaster Response Fund) | 1622.82 | 3717.00 |
| Grant for Capacity Building | 25.00 | - |
| Upgradation and Special Problem (a+b) | 1745.00 | - |
| a. Upgradation | 0.00 | - |
| b. Special Problems/ State Specific Needs | 1745.00 | - |
| Other Grants | 2995.10 | - |
| c. Maintenance of Roads and Bridges | 1022.00 | - |
| d. Maintenance of Major & Medium Irrigation | 184.00 | - |
| e. Maintenance of Flood Control & Drainage | | - |
| f. Maintenance of Minor Irrigation | | - |
| g. Maintenance of Forests | 331.00 | - |
| h. Elementary Education | 1016.00 | - |
| i. Improvement in Justice Delivery | 193.60 | - |
| j. Incentive for Issuing UIDs | 178.50 | - |
| k. District Innovation Fund | 30.00 | - |
| l. Improvement in Statistical System in State | 30.00 | - |
| m. Employee & Pension Data Base | 10.00 | - |
| Grants for Local Bodies | 3270.90 | 10622.79 |
| 1. Rural Local Bodies | 2591.20 | 8850.31 |
| 2. Urban Local Bodies | 496.10 | 1772.48 |
| 3. Special Area Grant | 183.60 | - |
| TOTAL GRANTS | 9658.82 | 14339.79 |
| TOTAL TRANSFER | 78974.92 | 198409.79 |

Source- Odisha Budget at a Glance – 2016-17

It is observed from the above table that the State is likely to receive ₹ 119434.87 crore more than the ThFC recommendations.

1.4.3.2 Payment of Penal Interest

As per GoI guidelines, the FFC grants should be transferred to Local Bodies within 15 days of receipt. Any delay will require the State Government to release the installment with penal interest, at the Bank rate of RBI, for the number of days of delay. Audit scrutiny showed that in 2015-16, the State Government violated the time limit by two

days, which resulted in avoidable payment of penal interest (₹ 20.29 lakh) from State resources.

1.4.4 Central Tax transfers

During 2015-16, Central tax transfers increased by ₹ 7393 crore over previous year and constituted 11 *per cent* of Revenue Receipts. The increase was mainly under Corporation Tax (₹ 1758 crore), Service Tax (₹ 1701 crore), Taxes on Income other than Corporation Tax (₹ 1106 crore), Customs (₹ 1154 crore) and Union Excise Duties (₹ 1669 crore). The increase was partly set off by decrease in Wealth Tax (₹ 13 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 ₹ 8532 crore from ₹ 1486 crore during 2011-12 to ₹ 10018 crore during 2015-16 as shown in **Table 1.10**.

Table 1.10: Trends in growth and composition of Capital Receipts

(₹ in crore)

| Sources of State's Receipts | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|-------------|-------------|-------------|-------------|--------------|
| Capital Receipts (CR) | 1486 | 2022 | 2547 | 7738 | 10018 |
| Miscellaneous Capital Receipts | -- | -- | 0.03 | -- | -- |
| Recovery of Loans and Advances | 132 | 142 | 257 | 92 | 228 |
| Public Debt Receipts | 1354 | 1880 | 2290 | 7646 | 9790 |
| Rate of growth of debt Capital Receipts | (-)40.30 | 38.85 | 21.81 | 233.89 | 28.04 |
| Rate of growth of non-debt Capital Receipts | 288.24 | 7.58 | 80.98 | (-)64.20 | 147.83 |
| Rate of growth of GSDP | 11.67 | 13.89 | 8.66 | 13.86 | -- |
| Rate of growth of CR (<i>per cent</i>) | (-)35.45 | 36.06 | 25.96 | 203.81 | 29.46 |

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

Capital receipts were mainly composed of Public Debt receipts whereas non-debt receipts had a smaller share which ranged between 1 to 10 *per cent* during 2011-16. Public debt receipts create future repayment obligations. It increased by 623 *per cent* from ₹ 1354 crore in 2011-12 to ₹ 9790 crore in 2015-16, which was a matter of concern. Public debt receipts during the year comprised internal debt of ₹ 9051 crore (92 *per cent*) and loans and advances of ₹ 739 crore (eight *per cent*) from GoI.

Interest payments on market loans (₹ 8128 crore) was ₹ 319 crore and constituted 0.46 *per cent* of revenue receipts. **Table 1.11** depicts the quantum of borrowings and interest rates.

Table 1.11: Market Loans as a percentage of Internal Debt

(₹ in crore)

| Particulars | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|---------|---------|---------|---------|---------|
| Total Internal debt | 17338 | 16109 | 16073 | 19728 | 26525 |
| Total Market Loans | 5114 | 3806 | 2921 | 4565 | 8128 |
| Percentage of Market Loans to Internal Debt | 29 | 24 | 18 | 23 | 31 |
| Interest paid on Market Loans | 427 | 322 | 217 | 175 | 319 |

Source: Finance Accounts of respective years

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 the State, 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 for the last five years is detailed in **Table 1.12**.

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

(₹ in crore)

| Resources under various heads | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Public Account Receipts | 15487 | 27545 | 32677 | 24801 | 31098 |
| a. Small Savings, Provident Fund etc. | 2492 | 3001 | 3332 | 3471 | 4088 |
| b. Reserve Fund | 1661 | 939 | 1760 | 658 | 1933 |
| c. Deposits and Advances | 4126 | 6537 | 7019 | 6842 | 7199 |
| d. Suspense and Miscellaneous | -32 | 8527 | 10225 | 210 | 175 |
| e. Remittances | 7240 | 8541 | 10341 | 13620 | 17703 |

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

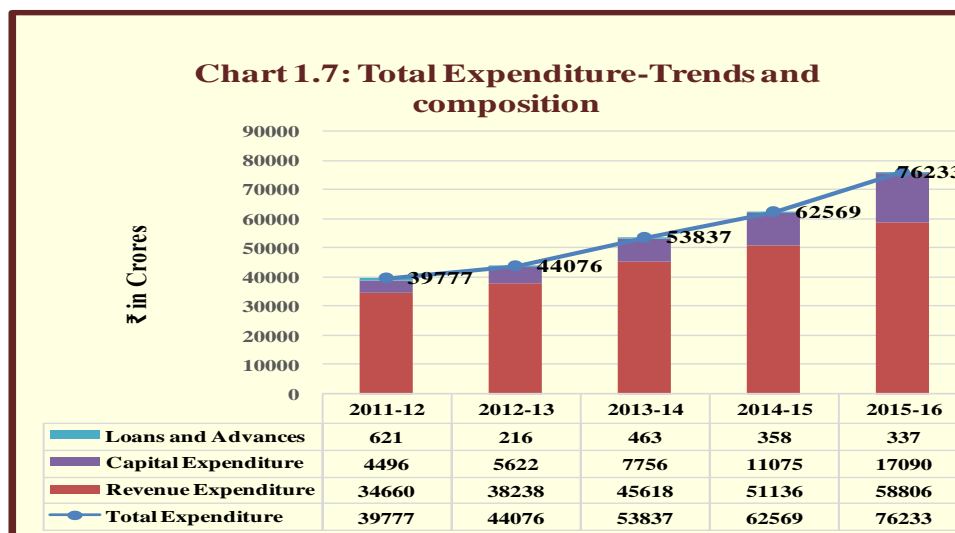
The share of Public Account receipts on total receipts increased from 26.88 *per cent* in 2011-12 to 28.26 *per cent* in 2015-16. As compared to 2014-15, the increase during 2015-16 was 25.39 *per cent* (₹ 6297 crore), which was mainly under Reserve Fund, Remittances, Small Savings, Provident Fund and 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

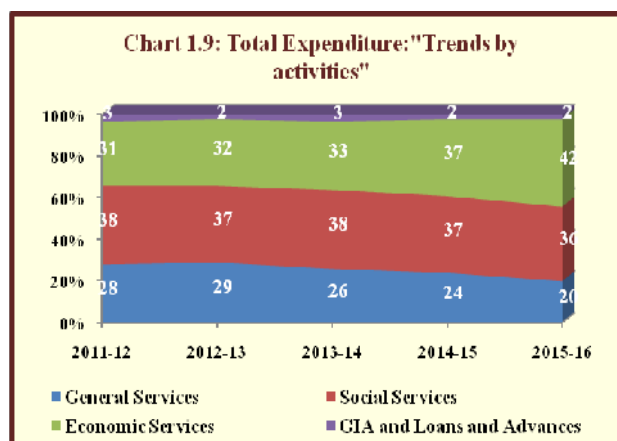
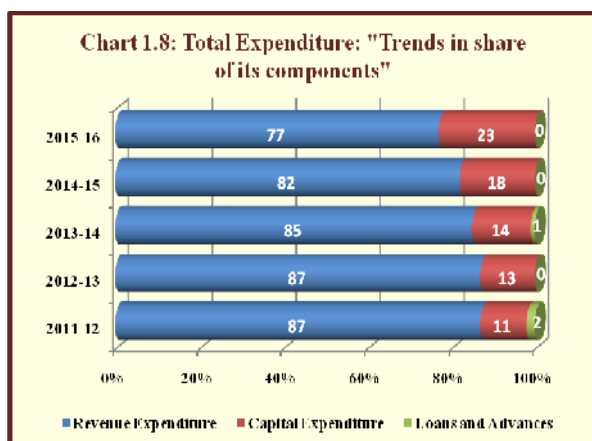
Chart 1.7 presents the trends in total expenditure over a period of five years (2011-16) and its composition both in terms of 'economic classification' and 'expenditure by activities' is depicted in **Charts 1.8** and **1.9**, respectively.



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

Total expenditure of the State increased by 92 *per cent* from ₹ 39777 crore in 2011-12 to ₹ 76233 crore in 2015-16 due to increase in Revenue Expenditure (₹ 24146 crore) and Capital outlay (₹ 12594 crore) and it was offset by decrease in disbursement of Loans and Advances (₹ 284 crore). While the share of Revenue Expenditure in the Total Expenditure decreased from 87 *per cent* during 2011-12 to 77 *per cent* in 2015-16, the share of Capital Expenditure increased from 11 *per cent* in 2011-12 to 22 *per cent* in 2015-16.

The increase of ₹ 13664 crore in Total Expenditure in 2015-16 over the previous year was on account of increase in Revenue Expenditure and Capital Expenditure by ₹ 7670 crore and ₹ 6015 crore, respectively. The Total Expenditure was 22.94 *per cent* of GSDP during 2015-16 as compared to 20.20 *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 Grants-in-Aid and disbursement of Loans and Advances. The movement of relative shares of the component of expenditure is indicated in **Chart 1.9**.

1.7.3 Revenue Expenditure

Revenue Expenditure (RE) is incurred to maintain the current level of services and payment of the past obligation and, as such, does not result in any addition to the State's infrastructure and service network. Revenue Expenditure had a predominant share of 87 *per cent* of Total Expenditure in 2011-12 which decreased to 77 *per cent* in 2015-16. However, it increased by 15 *per cent* from ₹ 51136 crore in 2014-15 to ₹ 58806 crore in 2015-16 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 77 *per cent* of the State's aggregate expenditure, which is in the nature of current consumption, leaving only 23 *per cent* for investment in infrastructure and asset creation.

1.7.4 Non-Plan Revenue Expenditure

Non-Plan Revenue Expenditure (NPRE) increased by ₹ 3277 crore (10 *per cent*) from ₹ 32259 crore in 2014-15 to ₹ 35536 crore during the current year and, as a proportion of Revenue Expenditure, it decreased from 72 *per cent* (₹ 24940 crore) in 2011-12 to 60 *per cent* (₹ 35536 crore) in 2015-16. Increase in Plan Revenue Expenditure (PRE) contributed mainly to the total increase of ₹ 7670 crore in Revenue Expenditure during the current year over the previous year. Increase in PRE during the current year was mainly on Rural Employment (₹ 1970 crore), General Education (₹ 1240 crore), Other Rural Development Programmes (₹ 977 crore), Water Supply and Sanitation (₹ 937 crore), Crop Husbandry (₹ 590 crore) and Interest payments (₹ 533 crore). The NPRE remained below the assessment made by the Government in MTFP (₹ 40892 crore) for 2015-16 by ₹ 5356 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 FFC | Assessment made by Government in MTFP | Actual in 2015-16 |
|---------------------|------------------------|---------------------------------------|-------------------|
| Revenue Expenditure | 55114 | 65839 | 58806 |
| NPRE | NA | 40892 | 35536 |

Source: Fourteenth Finance Commission's Report and Finance Accounts 2015-16 and Budget at a Glance 2015-16 of Government of Odisha.

NPRE constituted 47 *per cent* of the total expenditure of the State during 2015-16. Its ratio with Revenue Expenditure declined from 72 *per cent* in 2011-12 to 60 *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 11 *per cent* (₹ 4496 crore) in 2011-12 to 22 *per cent* (₹ 17090 crore) in 2015-16. However, CE (₹ 17090 crore) increased significantly (54 *per cent*) during 2015-16 over the previous year (₹ 11075 crore) in absolute terms, mainly on account of increase in expenditure on Roads and Bridges (₹ 3107 crore), Power Projects (₹ 802 crore), Irrigation and Flood Control (₹ 1088 crore), Medical and Public Health (₹ 112 crore) and Education, Sports, Arts and Culture (₹ 141 crore). The CE during 2015-16, was 5.14 *per cent* of GSDP against Government's projection of 4.56 *per cent* in Budget Estimate for 2015-16. The CE (₹ 17090 crore) decreased by ₹ 1559 crore against Budget Estimate (₹ 18649 crore) during the year.

1.7.6 Parking of Government Fund outside Government Account

Supplementary Rule-242 of Odisha Treasury Code (OTC) Volume-I provides that no money shall be drawn from the treasury unless it is required for immediate disbursement. Rule-141 Sub Rule (3) of Odisha Budget Manual, 1963 provides that no money should be withdrawn from the treasury unless it is required for immediate payment. It is also not permissible to draw money from the treasury and keep it in banks or Post Offices without the sanction of the Finance Department. Finance Department (F.D) had also instructed (March 2015) not to park money in bank accounts.

On test check of records of 11 District Rural Development Agencies (DRDAs), 21 Block Development Offices (BDOs) and four Land Acquisition Offices (LAOs) it was observed that funds amounting to ₹ 899 crore (**Appendix-1.5**) were parked in bank accounts, violating the OTC codal provision and FD instructions. The issue of unspent balance becomes important as the schemes are funded through borrowed funds, attracting a significant interest burden.

The funds were kept in savings bank accounts of commercial banks which earned interest of nearly four *per cent*. On the other hand, the State Government borrowed ₹ 4473 crore from the open market at the rates of interest varying between 8.08 to 8.48 *per cent* and also paid interest amounting to ₹ 319.42 crore on market loans during 2015-16. List of cases where the amount was more than ₹ 25 crore is given in **Table 1.14**:

Table No-1.14: Parking of scheme funds as on 31 March 2016

(₹ in crore)

| Sl.No | Scheme name | Closing Balance |
|-------|--|-----------------|
| 1 | Indira Awas Yojana | 97.75 |
| 2 | Gopabandhu Gramin Yojana | 77.28 |
| 3 | Land Acquisition | 324.89 |
| 4 | National Old Age Pension | 43.26 |
| 5 | AWC Building | 26.67 |
| 6 | Schemes under State Finance Commission | 27.65 |
| 7 | MPLAD | 26.39 |

Source: Compiled from information collected from DDOs

Among DRDAs, parking of unspent balances was highest in DRDA, Balangir (₹ 54.82 crore) and lowest in DRDA, Cuttack (₹ 2.05 crore). In case of BDOs, the unspent balance was highest in Cuttack Sadar (₹ 33.84 crore) and lowest in Koraput Sadar (₹ 3.69 crore).

1.7.7 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 1.15** and **Chart 1.10** present the trends in the expenditure on these components during 2011-16.

Table 1.15: Components of Committed Expenditure

(₹ in crore)

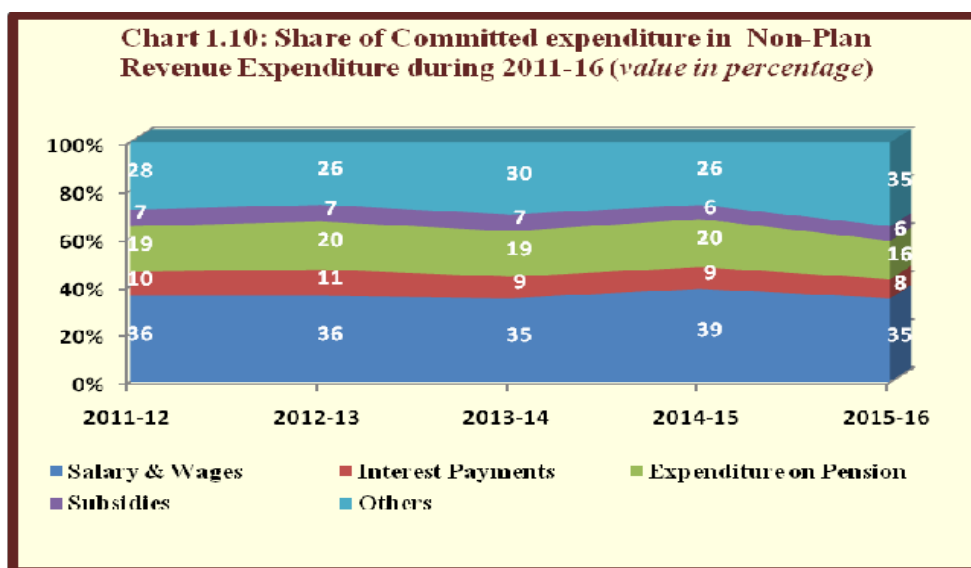
| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | |
|------------------------------|--------------|--------------|---------------|---------------|-----------|---------------|
| | | | | | BE | Actuals |
| Salaries* & Wages | 8868 (22) | 9615 (22) | 10713 (22) | 12553 (22) | 18202 | 14188 (21) |
| Non-Plan Head | 8385 | 9118 | 10210 | 11822 | -- | 13307 |
| Plan Head** | 483 | 497 | 503 | 731 | -- | 881 |
| Interest Payments | 2576 (6) | 2807 (6) | 2888 (6) | 2810 (5) | 4350 | 3343 (5) |
| Expenditure on Pensions | 4741 (12) | 5379 (12) | 5935 (12) | 6417 (11) | 8593 | 6346 (9) |
| Subsidies | 1744 (4) | 1951 (4) | 2031 (4) | 2076 (4) | -- | 2581 (4) |
| TOTAL | 17929 | 19752 | 21567 | 23856 | -- | 40646 |

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 2015-16, Government of Odisha and Odisha Budget at a Glance 2016-17.



Source: Finance Accounts of Government of Odisha for respective years

1.7.7.1 Salaries

Expenditure on salaries increased from ₹ 8868 crore in 2011-12 to ₹ 14188 crore in 2015-16. This accounted for nearly 21 *per cent* of Revenue Receipts and 61 *per cent* of the NPPE of the State Government during the year. The expenditure on salary decreased to 24 *per cent* of Revenue Expenditure during 2015-16 as against 25 *per cent* in 2014-15.

1.7.7.2 Interest Payments

Interest payments during the current year (₹ 3343 crore) increased by ₹ 533 crore over the previous year (₹ 2810 crore). During 2015-16, interest payment as a percentage of total Revenue Receipts was five *per cent*.

1.7.7.3 Pensions

Expenditure on pension (₹ 6346 crore), which was 9 *per cent* of total Revenue Receipts of the State during the year, increased by 34 *per cent* from ₹ 4741 crore in 2011-12 to ₹ 6346 crore in 2015-16. It decreased by ₹ 71 crore from ₹ 6417 crore in 2014-15 to ₹ 6346 crore in 2015-16. The decrease in the current year over the previous year was mainly due to less expenditure under pensions on superannuation and other retirement allowances to Government servants. The pension payment during the current year was within the projection made by FFC (₹ 8592 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 ₹ 28.33 crore, being the employees' contribution as well as employer's contribution, was kept under Public Account (8342-Other Deposits) for transfer to National Pension Scheme (NPS) Trust. Thus, the State Government's liability on this account was ₹ 28.33 crore as on 31 March 2016. 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.

1.7.7.4 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, had 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 ₹ 1744

crore in 2011-12 to ₹ 2581 crore (over 48 *per cent*) in 2015-16, which included food subsidy of ₹ 1118 crore due to disbursement of rice at rupee one per kilogram to people living below poverty line, ₹ 221 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 ₹ 194 crore interest subsidy/subvention to the Co-operative banks for providing crop loan at five *per cent* interest per annum to the farmers.

1.7.7.5 Future Committed Liabilities

Appendix-XII of Finance Accounts, 2015-16 depicts the information on committed liabilities of the State in the future as detailed in **Table 1.16**.

Table 1.16: Committed Liabilities of the State for future

| (₹ in crore) | | | | | |
|--------------|-------------------------|------|------------------|---------------------------|------------------|
| Sl. No. | Nature of the Liability | Plan | Non-Plan | Likely years of discharge | Balance |
| 1 | Pensions | 0 | 85760.75 | 2016-22 | 85760.75 |
| 2 | Interest payments | 0 | 35877.59 | 2016-22 | 35877.59 |
| 3 | Repayment of Loan | 0 | 14114.00 | 2016-22 | 14114.00 |
| Total | | | 135752.34 | | 135752.34 |

Source: Finance Accounts 2015-16, Government of Odisha.

The total committed liabilities of the State stood at ₹ 135752.34 crore at the end of the year. Out of the total liabilities, pension payment obligations were 63.17 *per cent*, interest payments were 26.43 *per cent* and loan repayments were 10.40 *per cent* of the total liabilities.

1.7.8 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 1.17**.

Table 1.17: Financial Assistance to Local Bodies etc.

| (₹ in crore) | | | | | |
|--|-------------|-------------|-------------|--------------|--------------|
| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
| Educational institutions (Aided Schools, Aided Colleges, Universities, etc.) | 1859 | 668 | 1090 | 1659 | 3739 |
| Municipal Corporations and Municipalities | 591 | 804 | 1359 | 1185 | 1607 |
| Zilla Parishads and Other Panchayati Raj Institutions | 1149 | 1227 | 1246 | 1169 | 1397 |
| Development Agencies | 908 | 692 | 510 | 1367 | 1276 |
| Other Institutions | 4558 | 3632 | 5290 | 8306 | 9760 |
| TOTAL | 9065 | 7023 | 9495 | 13686 | 17779 |
| Assistance as per percentage of RE | 26 | 18 | 21 | 27 | 30 |

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

Grants extended to local bodies and other institutions have increased by ₹ 4093 crore (30 *per cent*) from ₹ 13686 crore in 2014-15 to ₹ 17779 crore in 2015-16. The increase over previous year was mainly due to increase in assistance to Educational Institutions

(₹ 2080 crore), Other Institutions (₹ 1454 crore) and Municipal Corporations (₹ 422 crore) and Zilla Parishads and Other Panchayati Raj Institutions (₹ 228 crore) which was partly set off by decrease in assistance to Development Agencies (₹ 91 crore), resulting in increase in the share of grants and loans to the Revenue Expenditure from 27 per cent in 2014-15 to 30 per cent in 2015-16.

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 1.18** analyses the fiscal priority of the State Government with regard to Development Expenditure, Social Expenditure and Capital Expenditure during 2015-16.

Table 1.18: Fiscal Priority and Fiscal Capacity of the State in 2012-13 and 2015-16
(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) 2012-13 | 14.14 | 70.03 | 38.47 | 29.70 | 13.70 | 17.72 | 4.72 |
| Odisha State's average (Ratio) 2012-13 | 17.27 | 123.77 | 36.72 | 32.68 | 12.76 | 16.57 | 4.00 |
| General Category States'* average (Ratio) 2015-16 | 16.05 | 70.63 | 36.29 | 34.34 | 14.89 | 15.63 | 4.45 |
| Odisha State's average (Ratio) 2015-16 | 22.94 | 78.36 | 36.17 | 42.20 | 22.42 | 15.16 | 4.83 |

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 ratios of the AE to GSDP in 2012-13 and 2015-16 (17.27 per cent and 22.94 per cent) were 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 2012-13 as well as in 2015-16. 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 2012-13. However, in 2015-16, 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 lower than other GCS in 2012-13 and in 2015-16.
- Fiscal priority given to health sector in Odisha during 2015-16 (4.83 *per cent*), based on the proportion of Aggregate Expenditure, was higher than GCS. However, it was lower in 2012-13 compared to GCS.

1.8.2 Efficiency of Expenditure use

Table 1.19 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 1.20** provides the details of Capital Expenditure and the components of Revenue Expenditure incurred on the maintenance of the selected social and economic services.

Table 1.19: Development Expenditure

| (₹ in crore) | | | | | | |
|--|---------------|---------------|---------------|---------------|---------|---------------|
| Components of Development Expenditure [§] | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | |
| | | | | | (BE) | (Actual) |
| Development Expenditure (a to c) | | | | | | |
| a. Development Revenue Expenditure (DRE) | 23070 (58) | 25173 (57) | 31036 (58) | 35790 (57) | NA | 42831 (56) |
| b. Development Capital Expenditure (DCE) | 4238 (11) | 5271 (12) | 7286 (14) | 10685 (17) | 18649 | 16665 (22) |
| c. Development Loans and Advances | 401 (1) | 142 (0.3) | 364 (0.7) | 260 (0.4) | NA | 242 (0.3) |
| TOTAL | 27709 (70) | 30586 (69) | 38687 (72) | 46735 (75) | - | 59738 (78) |

Figures in parentheses indicate *percentage* to aggregate expenditure,

Source: Odisha Budget at a Glance 2015-16 and Finance Accounts 2015-16.

[§] 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 ₹ 23070 crore in 2011-12 to ₹ 42831 crore in 2015-16. As a percentage of total expenditure, it decreased from 58 *per cent* in 2011-12 to 56 *per cent* in 2015-16.

It would be seen from the above that Development Revenue Expenditure which was ₹ 23070 crore during 2011-12 rose to ₹ 42831 crore during 2015-16, registering a growth of nearly 86 *per cent*.

During 2015-16, Development Revenue Expenditure increased by ₹ 7041 crore (20 *per cent*) in absolute terms and Development Capital Expenditure increased by ₹ 5980 crore (56 *per cent*) over the previous year.

The increase in Development Revenue Expenditure during 2015-16 over the previous year was mainly due to increase under Education (₹ 1240 crore), Rural Employment (₹ 1970 crore), Rural Development Programmes (₹ 977), Water Supplies and Sanitation (₹ 937 crore), Urban Development (₹ 233 crore) and Health & Family Welfare (₹ 476 crore). The increase in Capital Expenditure during 2015-16 over the previous year was mainly due to increase in expenditure on Roads and Bridges (₹ 3106 crore), Power Projects (₹ 802 crore), Irrigation and Flood Control (₹ 1088 crore), Health & Family Welfare (₹ 112 crore) and Animal Husbandry (₹ 184 crore).

Table 1.20: Efficiency of expenditure in selected Social and Economic services

(In *per cent*)

| Sectors | 2014-15 | | | 2015-16 | | |
|--|-------------------|---------------------|-------------|-------------------|---------------------|-----------|
| | Ratio of CE to TE | In RE, the share of | | Ratio of CE to TE | In RE, the share of | |
| | | S & W | O & M | | S & W | O & M |
| Social Services (SS) | | | | | | |
| General Education | 3.54 | 52.50 | NA | 2.94 | 54.57 | NA |
| Health and Family Welfare | 12.98 | 47.79 | NA | 3.08 | 49.38 | NA |
| Water Supplies, Sanitation & Housing & Urban Development | 24.99 | 4.75 | 22.65 | 5.86 | 3.31 | 0.45 |
| TOTAL (SS) | 9.58 | 34.02 | 2.04 | 17.13 | 44.34 | NA |
| Economic Services (ES) | | | | | | |
| Agriculture & Allied Activities | 2.36 | 16.98 | NA | 2.10 | 18.08 | NA |
| Irrigation and Flood Control | 67.35 | 15.52 | 32.21 | 24.42 | 12.69 | 0.85 |
| Power & Energy | 16.47 | 10.67 | 7.38 | 8.19 | 6.73 | NA |
| Transport | 70.61 | 0.38 | 42.24 | 44.20 | 0.40 | NA |
| Total (ES) | 31.50 | 11.74 | 8.41 | 80.38 | 30.93 | NA |
| TOTAL (SS+ES) | 21.14 | 24.79 | 4.68 | 97.52 | 45.02 | NA |

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 1.20** 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 2014-15 and 2015-16.

The share of Capital Expenditure to total expenditure decreased in respect of General Education and Health & Family Welfare (in Social Services) and Irrigation and Flood Control and Transport (in Economic Services) during 2015-16 as compared to the previous year.

As seen from **Appendix-1.3**, expenditure on Social Services during 2015-16 (₹ 27572 crore), constituting 36 *per cent* of total expenditure (₹ 76233 crore), increased by 19 *per cent* over the previous year's expenditure (₹ 23252 crore), while in Development Expenditure (₹ 59497 crore), which was 78 *per cent* of total expenditure, there was an increase of 27 *per cent* over the previous year (₹ 46735 crore). Revenue Expenditure on salaries continued to share a dominant proportion of Revenue Expenditure on Social Services (33.62 *per cent*). Capital Expenditure on Social Services relative to the total expenditure showed an increase (4.69 *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 2015-16, total expenditure under economic services (₹ 31925 crore) increased by 20 *per cent* over previous year. The expenditure on total economic services (₹ 31925 crore) accounted for 42 *per cent* of total expenditure and 53 *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 five departments viz. Fisheries & Animal Resources Development, Rural Development, Energy, Agriculture and Works departments were reviewed for the year 2015-16 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 assistance to *Matsyajibi Basagruha Yojana*, the financial target was achieved but the physical achievement was just three *per cent* (31 houses) of the target of 1066 houses. Though ₹ 8 crore was spent, only 31 houses were completed during the period.
- 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 151.20 hectares (eight *per cent*) of land against 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 achieved was 349.47 hectares (35 *per cent*) against target of 1000 hectares.

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

- In *Mukhya Mantri Sadaka Yojana*, against the financial target achievement of ₹ 19.50 crore, the physical target achieved was 27 *per cent* (136.14 Km completed against the target of 500 Km).
- In construction of buildings by Rural Development Department, the financial target was ₹ 3.22 crore, whereas the physical target achieved was 40 *per cent* (84 out of the targeted 209 buildings).
- In case of improvement of R.D. Roads, the physical target achievement was 37 *per cent* (15 out of the targeted 40 roads).
- In construction of Bailey bridges, financial target was fully achieved, whereas the physical target achievement was 45 *per cent* (41 out of the targeted 92 bridges).

In Energy Department, the financial and physical achievements are given below:

- In State Capital Region Improvement of Power Scheme, the financial target was fully achieved but physical progress of work was limited to engagement of consultants by OPTCL.

In Agriculture Department, the financial and physical achievements are given below:

- Under Development of Potato, Vegetable and Spices scheme, the financial achievement for 'Subsidised Sale of vegetable seeds' was ₹ 9.84 crore (51 *per cent*) against the targeted ₹ 19.23 crore, whereas the physical achievement was five *per cent* (24922 seeds against the target of 500000 seeds).

In Works Department, the financial and physical achievements are given below:

- In Odisha State Road Project (Externally Aided Project), the financial achievement was ₹ 79.73 crore (30 *per cent*) against the target of ₹ 262.00 crore. The physical achievement was only 32 *per cent* (improvement of 26 Km road out of targeted 80 Km road).

1.9 Financial Analysis of Government Expenditure and Investment

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 ₹ 4665.99 crore at the end of March 2016 showed that an amount of ₹ 443.98 crore was realised from these projects during 2015-16 by way of sale of water to industries. After meeting the working and maintenance expenditure of ₹ 281.91 crore and interest charges of ₹ 310.70 crore, the schemes suffered net loss of ₹ 148.64 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 2016 is given in **Table 1.21**.

Table 1.21: Department-wise profile of incomplete projects.

| (₹ in crore) | | | | | | | | |
|---|---|--|------------|--|---|-----------------------|--------------------------|--|
| Name of Department | No. of incomplete projects as on 31/03/2015 | Projects identified to be completed during 2015-16 | Total | No. of projects completed during 2015-16 | No. of incomplete projects as on 31/03/2016 | Initial Budgeted cost | Revised cost of projects | Cumulative actual expenditure as on 31/03/2016 |
| Works | 29 | 79 | 108 | 90 | 18 | 270.43 | 269.46 | 211.82 |
| H & UD | 7 | 0 | 7 | 5 | 2 | 5.16 | 10.16 | 10.16 |
| Skill Development & Technical Education | 3 | 20 | 23 | 12 | 11 | 3513.96 | 3709.41 | 2100.61 |
| TOTAL | 39 | 99 | 138 | 107 | 31 | 3789.55 | 3989.03 | 2322.59 |

Source: Information collected from the respective Departments.

All the above 31 projects were incomplete due to the prolonged processes involved in land acquisition, matters lying sub-judice in courts, non-eviction of encroachment of land, change in the designs of bridges, 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 were delayed, but also the cost to the exchequer increased by ₹ 199.48 crore, due to time overrun involved in their completion.

1.9.3 Investment and Returns

As of March 2016, Government had invested ₹ 3881.32 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives. Average return on this investment was 17.50 per cent in the last five years (14.26 per cent during 2015-16),

while Government paid an average interest rate of 6.09 to 6.06 *per cent* on its borrowings during 2011-12 to 2015-16 (Table 1.22).

Table 1.22: Return on Investment

(₹ in crore)

| Year | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|--|---------|----------|---------|----------|---------|
| Investment at the end of the year | 2908.07 | 2964.28 | 3308.79 | 3504.87 | 3881.32 |
| Return | 286.23 | 564.53 | 452.40 | 1076.44 | 553.36 |
| Percentage of return | 9.84 | 19.04 | 13.67 | 30.71 | 14.26 |
| Average rate of interest on Government borrowing | 6.09 | 6.54 | 6.56 | 5.90 | 6.06 |
| Difference between interest rate and return | (-)3.75 | (-)12.50 | (-)7.11 | (-)24.81 | (-)8.20 |

Source: Finance Accounts of Government of Odisha for respective years

The investment of State Government at the end of 2015-16 included ₹ 3881.32 crore in Public Sector Undertakings (PSU) comprising Government Companies (₹ 2786.31 crore), Co-operative Societies (₹ 601.87 crore), Statutory Corporations (₹ 490.99 crore) and others⁴ (₹ 2.15 crore). Of this investment, ₹ 2721.47 crore or 70 *per cent* of the total investment fetched no return by way of dividend. The dividend of ₹ 553.36 crore was received on investment of ₹ 1159.85 crore (or 30 *per cent* of total investment) on 12 PSUs during 2015-16, which included one Co-operative Society⁵, nine Government Companies⁶, one Rural Bank⁷ and one Statutory Corporation⁸. Only one PSU, the Odisha Mining Corporation contributed as much as ₹ 500 crore or 90 *per cent* of the total dividend.

As per information furnished in the Odisha Budget at a Glance 2015-16, Grid Corporation of Odisha Limited (GRIDCO) with accumulated loss of ₹ 3475.81 crore, Odisha State Financial Corporation (OSFC) with accumulated loss of ₹ 476.90 crore, and Odisha Forest Development Corporation (OFDC) with accumulated loss of ₹ 18.22 crore were among the major loss incurring PSUs in the State up to 2014-15.

The return on investment was higher as Odisha Mining Corporation (OMC) made a profit of ₹ 2727.86 crore during the year. The other profit making PSUs were Odisha Power Generation Corporation (OPGC with ₹ 1150.57 crore), Industrial Development Corporation (IDCO with ₹ 634.83 crore), Odisha Hydro Power Corporation (OHPC with ₹ 578.12 crore) and Odisha State Beverage Corporation (OSBC with ₹ 237.65 crore). During the year 2015-16, the Government invested ₹ 96.50 crore in Angul-Sukinda Railways Limited (₹ 46.50 crore), and Khurda-Bolangir Rail Link (₹ 50.00 crore) for completion of railways lines.

4 Other Joint Stock Companies and Partnerships (₹ 1.25 crore) & Rural Banks (₹ 0.90 crore)

5 Co-operative Society: Credit Co-operatives: ₹ 0.42 crore.

6 Government Companies: Odisha Mining Corporation Limited : ₹ 500.00 crore, Industrial Development Corporation Limited (IDCOL): ₹ 0.19 crore, Odisha Forest Development Corporation Limited: ₹ 1.20 crore, Odisha State Cashew Development Corporation Limited: ₹ 0.31 crore, Odisha State Police Housing and Welfare Corporation ₹ 6.32 crore, Odisha Construction Corporation Limited (OCC) ₹ 1.16 crore, Odisha Hydro Power Corporation: ₹ 4.68 crore, Odisha Power Generation Corporation Limited: ₹ 18.75 crore and Odisha State Beverage Corporation Limited : ₹ 16.88 crore,

7 Rural Bank: Odisha State Co-operative Bank: ₹ 0.19 crore

8 Statutory Corporation: Odisha State Warehousing Corporation, Bhubaneswar: ₹ 3.14 crore

1.9.4 Loans and Advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/organisations. Loans and advances by the State Government increased by ₹ 108 crore from ₹ 4449 crore in 2014-15 to ₹ 4557 crore in 2015-16. During the year, Government advanced loans amounting to ₹ 337 crore and ₹ 228 crore was repaid by the loanee entities. Major portion of loans advanced during 2015-16 was to Energy sector (₹ 130 crore), Agriculture sector (₹ 125 crore) and Government servants (₹ 90 crore). **Table 1.23** presents outstanding loans and advances as on 31 March 2016 and interest receipts vis-à-vis interest payments during the last four years.

Table 1.23: 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 | 2015-16 |
|--|-------------|-------------|-------------|-------------|-------------|
| Opening Balance | 3414 | 3903 | 3977 | 4183 | 4449 |
| Amount advanced during the year | 621 | 216 | 463 | 358 | 337 |
| Amount repaid during the year | 132 | 142 | 257 | 92 | 228 |
| Closing Balance | 3903 | 3977 | 4183 | 4449 | 4557 |
| <i>Of which</i> outstanding balance for which terms and conditions have been settled | | | | | |
| Net addition | (+)489 | (+)74 | (+)206 | (+)266 | (+)109 |
| Interest Receipts | 16 | 16 | 610 | 14 | 181 |
| Interest Receipts as a percentage to outstanding Loans and advances | 0.41 | 0.40 | 14.58 | 0.31 | 3.97 |
| Interest Payments as a percentage to outstanding Fiscal Liabilities of the State Government. | 6.07 | 6.48 | 6.46 | 5.57 | 5.59 |
| Difference between Interest Payments and Interest Receipts (per cent) | (-)5.66 | (-)6.08 | (+)8.12 | (-)5.26 | (-)1.62 |

Source: Finance Accounts of Government of Odisha for respective years

Loans outstanding as of 31 March 2016 aggregated ₹ 4557 crore. Of the total outstanding loans, terms and conditions for loan amount of ₹ 1533.79 crore are yet to be settled. Scrutiny of the total outstanding loans showed that loan amounts ranging from ₹ 3251 crore to ₹ 4013 crore during 2011-12 to 2015-16 relating to 11 departments were marginally repaid. **Table 1.24** shows that closing balances remained at static levels indicating marginal repayment.

Table 1.24: Loans and Advances rolling for a long time

(₹ in crore)

| Sl. No. | Name of Department | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---------|---|----------------|----------------|----------------|----------------|----------------|
| 1 | Education | 6.05 | 6.11 | 6.34 | 6.04 | 4.41 |
| 2 | Housing & Urban Development | 639.68 | 637.25 | 625.25 | 625.73 | 624.92 |
| 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 | 11.25 | 11.25 |
| 5 | Agriculture | 49.54 | 49.46 | 49.46 | 31.62 | 31.62 |
| 6 | Fisheries & Animal Resources Development | 19.21 | 19.21 | 19.21 | 19.40 | 14.38 |
| 7 | Co-operation | 83.67 | 81.22 | 78.45 | 72.58 | 41.00 |
| 8 | Water Resources | 6.09 | 6.01 | 5.93 | 5.85 | 5.78 |
| 9 | Energy | 2218.86 | 2296.20 | 2849.13 | 2849.13 | 3098.30 |
| 10 | Micro Small and Medium Enterprises (Industries) | 206.04 | 209.25 | 168.12 | 167.51 | 173.20 |
| 11 | Finance | 7.34 | 7.34 | 7.34 | 7.34 | 7.34 |
| | Total | 3250.58 | 3326.15 | 3823.33 | 3796.99 | 4012.74 |

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

As seen from above, in two cases (I & PR and Finance Department), the loans and advances remained constant over the last five years. In four cases (Education, ST, SC Dev. and Minorities and Backward Classes Welfare, Fisheries & Animal Resources Development and Water Resources Departments), the repayment of loan was negligible.

Further, it was observed that loans amounting to ₹ 243.36 crore relating to 23 loanee entities remained in arrears for long periods as detailed in **Table 1.25**.

Table 1.25: Arrear of loans from loanee entities

(₹ in crore)

| Sl. No. | Name of the Loanee entity | Amount of arrears as on March 2016 | Earliest period to which arrears relate |
|---------|--|------------------------------------|---|
| 1 | The Odisha Film Development Corporation Limited | 1.28 | 2008-09 |
| 2 | Industrial Development Corporation of Odisha Limited | 78.20 | Not mentioned |
| 3 | Tribal Development Co-operative Corporation of Odisha Ltd.(TDCCOL) | 42.54 | 1985-86 |
| 4 | National Institute of Social Work and Social Science (NISWASS) | 3.62 | 01/04/1997 |
| 5 | Odisha State Road Transport Corporation | 1.81 | 2002-03 |
| 6 | Odisha Textiles Mills, Chaudwar | 25.89 | 1995-96 |
| 7 | Odisha State Co-operative Milk Producers' Federation, Bhubaneswar | 10.00 | 2009-10 |
| 8 | Odisha State Textiles Corporation (Bhaskar Textiles Mills, Jharsuguda) | 7.71 | 1986-87 |
| 9 | Odisha State Co-operative Handicraft Corporation Limited | 2.11 | 2005-06 |
| 10 | Odisha Weavers' Co-operative Spinning Mills, Tora, Baragarh | 1.05 | 2005-06 |
| 11 | Gopinath Weavers' Co-operative Spinning Mills, Baliapala | 4.40 | 2005-06 |

| Sl. No. | Name of the Loanee entity | Amount of arrears as on March 2016 | Earliest period to which arrears relate |
|---------|--|------------------------------------|---|
| 12 | Utkal Weavers' Co-operative Spinning Mills, Khurda | 7.00 | 2005-06 |
| 13 | Sarala Weavers' Co-operative Spinning Mills, Tirtol | 2.73 | 2005-06 |
| 14 | Kalinga Weavers' Co-operative Spinning Mills, Dhenkanal | 2.47 | 2005-06 |
| 15 | Odisha State Handicrafts Corporation | 2.11 | 2005-06 |
| 16 | Gangpur Weavers' Co-operative Spinning Mills, Kerei | 21.50 | 1995-96 |
| 17 | Sambalpuri Bastralaya | 6.90 | 2009-10 |
| 18 | Odisha State Co-operative Spinning Mills Federation Ltd., Bhubaneswar | 4.80 | 1980-81 |
| 19 | Odisha Cotton Textiles Processing Unit, Jagatpur | 3.53 | 1980-81 |
| 20 | Konark Cotton Growers' Co-operative Spinning Mills, Kesinga, Kalahandi | 5.80 | 2003-04 |
| 21 | Madhu Nagar Powerloom Weavers' Co-operative Societies | 1.25 | 1961-62 |
| 22 | Primary Handloom Weavers' Co-operative Societies Ltd. | 3.24 | 1959-60 |
| 23 | Sri Jagannath Weavers' Co-operative Spinning Mills, Nuapatna | 3.42 | 1985-86 |
| | | 243.36 | |

Source: Finance Account 2015-16 of Government of Odisha

It was further observed that fresh loans of ₹ 48.75 crore were advanced during 2015-16 to Grid Corporation of Odisha Limited (GRIDCO) 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.

Interest receipts increased from ₹ 16 crore in 2011-12 to ₹ 181 crore during the current year. Similarly, interest received against the total outstanding loans and advances increased from 0.41 *per cent* in 2011-12 to 3.97 *per cent* in 2015-16. While interest payment during 2015-16 was 5.59 *per cent* of its outstanding fiscal liabilities, the interest received was 3.97 *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's borrowings were more expensive than the loans advanced by it.

1.9.5 Cash Balances and Investment of Cash Balances

Table 1.26 depicts the cash balances and investments made by the State Government out of cash balances during 2015-16. Total investment out of cash balances during 2015-16 were ₹ 5836.24 crore, major portion of which was in '14 days Government of India Treasury Bills (₹ 5775.24 crore)'. On these investments, the Government earned interest of ₹ 365.34 crore during the current year. Cash balance at the close of the current year increased from ₹ 9993.57 crore of the previous year to ₹ 12047.68 crore during the current year and was reflected in cash balance investment accounts as follows:

Table 1.26: Cash balance and investment of cash balance

| | Opening balance on 1/4/2015 | Closing balance on 31/3/2016 |
|--|--------------------------------|---------------------------------|
| (₹ in crore) | | |
| (a) General Cash Balance - | | |
| Cash in Treasuries | -- | -- |
| Deposits with Reserve Bank | 578.65 | 666.99 |
| Deposits with other Banks | -- | -- |
| Remittances in transit - Local | -- | -- |
| Investments held in Cash Balance investment account | 3870.55 | 5836.24 |
| Total (a) | 4449.20 | 6503.23 |
| (b) Other Cash Balances and Investments | | |
| Cash with departmental officers viz. Public Works Department Officers, Forest Department Officers, District Collectors | 21.04 | 21.12 |
| Permanent advances for contingent expenditure with departmental officers | 0.33 | 0.33 |
| Investment of earmarked funds | 5523.00 | 5523.00 |
| Total (b) | 5544.37 | 5544.45 |
| Grand total (a)+ (b) | 9993.57 | 12047.68 |

Source: Finance Accounts 2015-16, 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 2016. 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 2015-16 included a few high interest bearing loans like 8.03 *per cent* on Odisha Government Loan (OGL) 2020 (₹ 1000 crore), 8.08 *per cent* on OGL 2020 (₹ 1000 crore), 8.38 *per cent* on OGL 2026 (₹ 1500 crore), 8.48 *per cent* on OGL 2021 (₹ 1000 crore) and nine *per cent* on Special Security to National Small Savings Scheme (NSSF) of Government of India (₹ 11650 crore). The ThFC had 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.

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 2016, compared with the corresponding position as on 31 March 2015. 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 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.

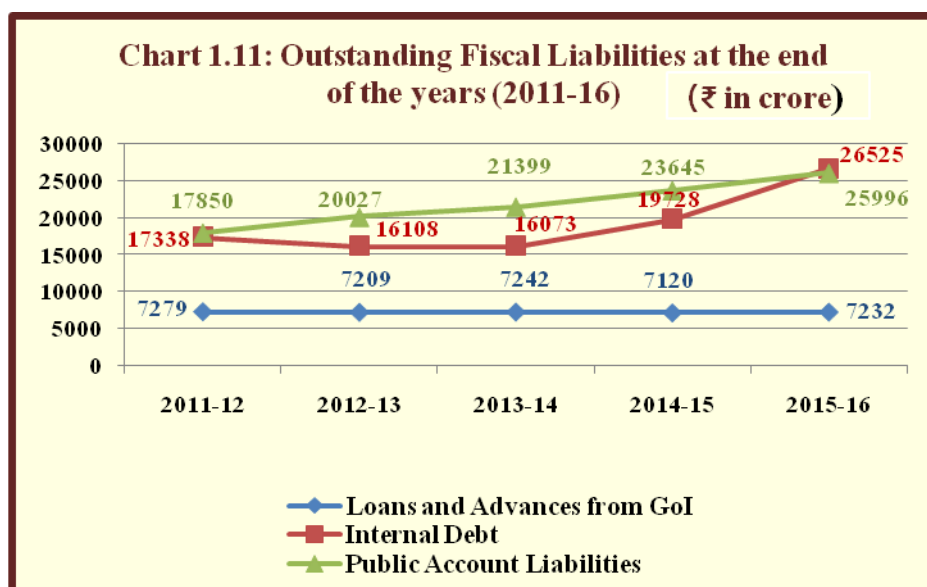
1.10.2 Fiscal Liabilities

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 1.27** and **Chart 1.11**.

Table 1.27: Outstanding fiscal liabilities at the end of the year

| Outstanding Fiscal Liabilities | | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|--------------------------------------|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Public Account Liabilities | Actuals (₹ in crore) | 17850 | 20027 | 21399 | 23645 | 25996 |
| | Growth rate | 7.54 | 12.20 | 6.85 | 10.50 | 9.94 |
| | Percentage of revenue receipts | 44.33 | 45.58 | 43.72 | 41.48 | 37.71 |
| Internal Debt | Actuals (₹ in crore) | 17338 | 16108 | 16073 | 19728 | 26525 |
| | Growth rate | (-)3.67 | (-)7.09 | (-)0.22 | 22.74 | 34.45 |
| | Percentage of revenue receipts | 43.06 | 36.66 | 32.84 | 34.61 | 38.47 |
| Loans and Advances from GoI | Actuals (₹ in crore) | 7279 | 7209 | 7242 | 7120 | 7232 |
| | Growth rate | (-)4.14 | (-)0.96 | 0.46 | (-)1.67 | 1.56 |
| | Percentage of revenue receipts | 18.08 | 16.41 | 14.80 | 12.49 | 10.49 |
| TOTAL (of Actuals ₹ in crore) | | 42467 | 43344 | 44714 | 50493 | 59753 |

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



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

Fiscal liabilities as on 1 April 2015 stood at ₹ 50493 crore comprising internal debt of ₹ 19728 crore (39 *per cent*), Public Account liability of ₹ 23645 crore (47 *per cent*) and loans and advance of ₹ 7121 crore (14 *per cent*) from GoI. However, these increased by ₹ 9259 crore to ₹ 59753 crore as of 31 March 2016. The fiscal liabilities comprised internal debt of ₹ 26525 crore (44 *per cent*), public account liability of ₹ 25996 crore (44 *per cent*) and loans and advances of ₹ 7232 crore (12 *per cent*) as at the end of 2015-16. The internal debt of ₹ 26525 crore comprised mainly of market loans bearing interest (₹ 8128 crore), loans from National Bank for Agriculture and Rural Development (₹ 6671 crore) and special securities issued to National Small Savings Fund (₹ 11650 crore). The fiscal liabilities at the end of 2015-16 constituted 18 *per cent* of GSDP which is two *per cent* more than previous year.

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.

The maximum amount for which guarantees were given by the State and outstanding guarantees as per the Finance Accounts for the last three years is given in **Table 1.28**.

Table 1.28: Guarantees given by the Government of Odisha

(₹ in crore)

| Guarantees | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|----------|----------|----------|----------|----------|
| Maximum amount guaranteed | 10578.61 | 10578.61 | 10624.61 | 10885.61 | 10890.61 |
| Outstanding amount of guarantees | 2510.43 | 2251.23 | 1705.26 | 1671.77 | 1290.26 |
| Percentage of maximum amount guaranteed to total Revenue Receipt of current year (percentage) | 26.27 | 24.08 | 21.71 | 19.10 | 15.80 |
| Percentage of outstanding guarantee to total Revenue Receipt of 2 nd preceding year less Grants-in-Aid as provided in the MTFP (in percentage) | 12.12 | 8.50 | 5.31 | 4.51 | 3.18 |

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

The outstanding guarantees decreased by 23 *per cent* from ₹ 1672 crore in 2014-15 to ₹ 1290 crore in 2015-16. 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 (March 2004) had 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. During 2015-16, 14 new escrow accounts have been opened.

To provide for sudden discharge of State's obligation on guarantees, Twelfth Finance Commission (TFC) had recommended that States should set up Guarantee Redemption Fund through earmarked guarantee fees. The Government 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 2016, ₹ 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 furnished to Audit, ₹ 173.21 crore was received as Guarantee Commission or fee against the arrear of ₹ 304.73 crore as shown in **Table 1.29**.

Table 1.29: Guarantee Commission received/to be received by the Government.

(₹ in crore)

| Name of the Sector | Commission Received | Commission Receivable |
|-------------------------------|---------------------|-----------------------|
| Power | 135.23 | 234.58 |
| Co-operatives | 2.03 | 4.04 |
| Irrigation | -- | -- |
| State Financial Corporation | 2.88 | 8.51 |
| Housing and Urban Development | 26.81 | 40.95 |
| Roads and Transport | 1.84 | 1.84 |
| Other Infrastructure | 4.42 | 13.55 |
| Any Other | -- | 1.26 |
| TOTAL | 173.21 | 304.73 |

Source: Finance Accounts 2015-16, Government of Odisha.

1.10.4 Transactions under Reserve fund

i) Consolidated Sinking Fund (CSF): Twelfth Finance Commission had recommended that States should set up Sinking Funds for amortization of all loans including loans from banks, liabilities on account of National Small Savings Fund etc. which 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 ₹ 50493.34 crore, out of which, ₹ 4564.85 crore constituted market loans. Accordingly, the amount due to be contributed to the Fund was ₹ 252.47 crore (at the rate of 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 ₹ 252.47 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 2016 (₹ 480 crore) has been invested in Government of India securities by the Reserve Bank of India. The Government of Odisha has not made any contributions to the Fund during 2015-16.

iii) State Disaster Response Fund (SDRF): As per recommendation of the ThFC the State Disaster Response Fund was constituted in 2010-11. In terms of the guidelines, the Centre and State Governments are required to contribute to the fund in the ratio of 75:25. Accordingly, the Centre contributed ₹ 560.25 crore towards SDRF and ₹ 574.69 crore from NDRF. The State Government contributed ₹ 186.75 crore to the Fund during 2015-16. The balance in the Fund as on 31 March 2016 was ₹ 308.87 crore after incurring an expenditure amount of ₹ 879.77 crore during the year.

iv) Funds for Protection of Interest of Depositors: The State Government created a new fund in 2014-15 viz., "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 2015-16.

1.10.5 Inoperative Reserve Funds

Ten reserve funds have been created and maintained in the accounts of the State Government. Out of these, nine funds were inoperative or dormant for significant period and one reserve fund (Consumer Welfare Fund) was created in 2012-13. The details of Reserve Funds are given in **Table 1.30**.

Table 1.30: Inoperative Reserve Funds

(₹ in lakh)

| Sl. No. | Major and Minor heads with nomenclature | No. of Reserve Funds | Balance as on 31.03.2016 | 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 |
| 5 | 8229-Development and Welfare Funds 109-Co-operative Development Funds, State Co-operative Development Fund 123- Consumer Welfare Fund | 02 | Cr. 2.00 Cr. 26.00 | 1959-60 2012-13 |
| 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. 59.19 Cr. 1.51 Cr. 110.88 Cr. 6.00 | 1994-95 1983-84 1997-98 1982-83 |
| TOTAL | | 10 | 247.97 | |

Source: Finance Accounts of Government of Odisha 2015-16 (Volume-1)

Out of the above ten Reserve Funds, nine have remained inoperative for periods ranging from 11 to 56 years.

1.11 Debt Sustainability

Apart from the magnitude of the debt of the Government, it is important to analyse the various indicators that determine the debt sustainability of the State. This section assesses the sustainability of debt of the Government in terms of rate of growth of outstanding debt, ratio of interest payment and revenue receipt, debt repayment and debt receipt and net debt available to the State. **Table 1.31** analyses the debt sustainability of the State according to these indicators for the period of five years beginning from 2011-12.

Table 1.31: Debt Sustainability

(₹ in crore)

| Debt Sustainability | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|--|------------|------------|-------------|-------------|-------------|
| Outstanding public Debt | 24618 | 23317 | 23314 | 26849 | 33757 |
| Rate of growth of outstanding Public Debt | (-)3.81 | (-)5.28 | (-)0.01 | 15.16 | 25.73 |
| GSDP | 225283 | 255273 | 277271 | 309807 | 332329 |
| Rate of Growth of GSDP | 14.05 | 13.31 | 8.62 | 11.73 | 7.27 |
| Average interest Rate of Outstanding Debt(Interest paid/OB of Public Debt + CB of Public Debt/2) | 6.08 | 6.54 | 6.56 | 5.90 | 6.06 |
| Percentage of Interest to Revenue Receipt | 6.40 | 6.39 | 5.90 | 4.93 | 4.85 |
| Percentage of Debt Payment to Debt Receipt | 97.10 | 92.80 | 90.34 | 68.53 | 59.36 |
| Net Debt available to the State | 276 | 878 | 1369 | 5780 | 9260 |

(Source: State Finance Accounts of the respective years.)

Public Debt of the State Government increased from ₹ 24618 crore in 2011-12 to ₹ 33757 crore in 2015-16, registering an increase of 37.12 *per cent* during the period 2011-16. The rate of growth ranged between (-) 0.01 *per cent* and 25.73 *per cent* over the period 2011-12 to 2015-16. Public Debt increased at the rate of 25.72 *per cent* in 2015-16 as compared to 15.16 *per cent* in previous year, which is mainly due to debt amounting to ₹ 4473 crore (Odisha Government Loans).

Rate of growth of GSDP registered a decreasing trend from 14.05 *per cent* in 2011-12 to 7.27 *per cent* in 2015-16 but was still higher than the average rate of interest of public debt which ranged between 5.90 *per cent* and 6.56 *per cent* over the period 2011-2016. The State needs to step up its resource mobilisation efforts to ensure prudent fiscal situation rather than depend on debt receipts.

Interest payment as a percentage of revenue receipt decreased from 6.40 *per cent* in 2011-12 to 4.85 *per cent* in 2015-16, which shows that the interest payment on public debt was decreasing, resulting in more availability of funds for development.

Debt repayment as a percentage of Debt receipt showed a decreasing trend from 97.10 *per cent* in 2011-12 to 59.36 *per cent* in 2015-16, indicating that public debt receipt was higher than public debt payment, resulting in higher dependency on debt receipt rather than own sources of revenue.

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. This section presents the 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 2015-16.

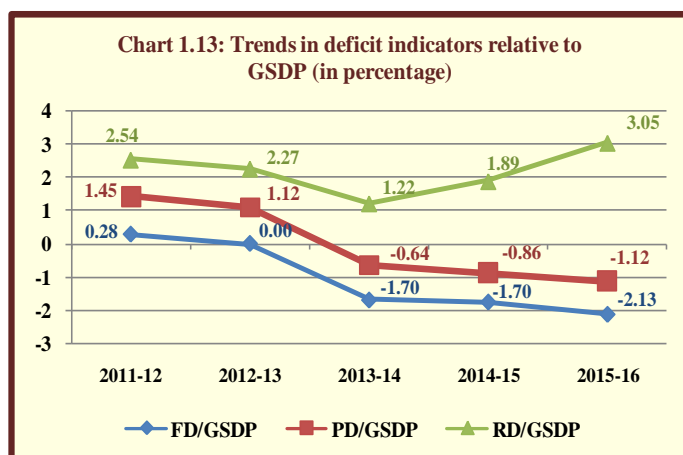
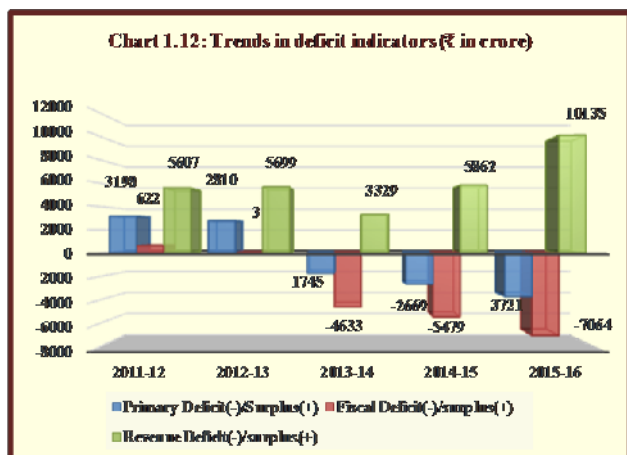
1.12.1 Trends in Deficits/Surpluses

Table 1.32, Chart 1.12 and 1.13 present the trends in deficits/surpluses indicators over the period 2011-16.

Table 1.32: Deficits/Surpluses

| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|---------|---------|---------|---------|----------|
| Revenue deficit (RD) (-)/ surplus (+) (₹ in crore) | (+)5607 | (+)5699 | (+)3329 | (+)5862 | (+)10135 |
| Fiscal deficit (FD) (-)/ surplus (+) (₹ in crore) | (+)622 | (+)3 | (-)4633 | (-)5479 | (-)7064 |
| Primary deficit (PD) (-)/ surplus (+) (₹ in crore) | (+)3198 | (+)2810 | (-)1745 | (-)2669 | (-)3721 |
| RD/GSDP (per cent) | (+)2.54 | (+)2.27 | (+)1.22 | (+)1.89 | (+)3.05 |
| FD/GSDP (per cent) | (+)0.28 | (+)0.00 | (-)1.70 | (-)1.76 | (-)2.13 |
| PD/GSDP (per cent) | (+)1.45 | (+)1.12 | (-)0.63 | (-)0.86 | (-)1.12 |

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 has continued to be a Revenue surplus State. During 2015-16, revenue receipts grew 21 *per cent* against a growth rate of 15 *per cent* by revenue expenditure, resulting in revenue surplus being increased by ₹ 4273 crore as compared to previous year. The achievement was in line with the State's FRBM (Amendment) Act, 2011 which had 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 ₹ 7064 crore during 2015-16, mainly on account of steep increase in the capital expenditure by the State. However, Fiscal Deficit (₹ 7064 crore) was within the State's FRBM (Amendment) Act, 2011 target of not more than three *per cent* of GSDP (₹ 9970 crore).

Primary Surplus/Deficit

The Primary Deficit of ₹ 2669 crore in 2014-15 increased to ₹ 3721 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 2015-16, the Fiscal Deficit was almost twice the interest payment. This meant that around 50 *per cent* of the fiscal deficit was due to revenue expenditure other than interest payment. Hence prudent reduction of revenue expenditure could enable the State Government to attain primary surplus.

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

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

Table 1.33: Components of Fiscal Deficit/Surplus and its financing/investing pattern
(₹ in crore)

| Particulars | | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|---|------------|----------|----------------|----------------|----------------|
| Decomposition of Fiscal Deficit | | 622 | 3 | (-)4633 | (-)5479 | (-)7064 |
| 1 | Revenue surplus | 5607 | 5699 | 3329 | 5862 | 10135 |
| 2 | Capital Expenditure | (-)4496 | (-)5622 | (-)7756 | (-)11075 | (-)17090 |
| 3 | Net Loans and Advances | (-)489 | (-)74 | (-)206 | (-)266 | (-)109 |
| Financing Pattern of Fiscal Deficit*/Surplus | | | | | | |
| 1 | Market Borrowings | (-)1046 | (-)1308 | (-)885 | 1644 | 3563 |
| 2 | Loans from GoI | (-)314 | (-)70 | 33 | (-)121 | 112 |
| 3 | Special Securities Issued to National Small Savings Fund (NSSF) | 26 | 115 | 388 | 1090 | 1575 |
| 4 | Loans from Financial Institutions | 360 | (-)37 | 461 | 921 | 1658 |
| 5 | Small Savings, PF etc | 426 | 691 | 689 | 1073 | 1835 |
| 6 | Reserve fund | 269 | -107 | (-)130 | (-)35 | 285 |
| 7 | Deposits and Advances | 554 | 1594 | 813 | 915 | 230 |
| 8 | Suspense and Misc | (-)1290 | (-)460 | 3437 | 100 | (-)1934 |
| 9 | Remittances | 9 | 4 | 28 | 2 | (-)52 |
| 10 | Others | -- | -- | -- | (-) 1 | 34 |
| 11 | Increase / decrease in cash Balance | 12 | (-)441 | (-)51 | (-)259 | (-)118 |
| 12 | Net of Odisha Contingency Fund | 372 | 16 | (-)150 | 150 | (-) 123 |

*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 2015-16 increased by ₹ 1585 crore and stood at ₹ 7064 crore in the current year. The factor contributing to increase in fiscal deficit was the increase in capital expenditure from ₹ 11075 crore in 2014-15 to ₹ 17090 crore during 2015-16.

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. Persistently high ratio of Revenue deficit to fiscal deficit 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 1.34**) would indicate the extent to which the deficit has been on account of enhancement in Capital Expenditure, which may be desirable to improve the productive capacity of the State's economy.

Table 1.34: Primary Deficit/Surplus – Bifurcation of factors**(₹ in crore)**

| Year | Non-debt receipts | Primary Revenue Expenditure | Capital Expenditure | Loans and Advances | Primary Expenditure | Primary Revenue deficit (-) /surplus (+) | Primary deficit (-) / surplus (+) |
|---------|-------------------|-----------------------------|---------------------|--------------------|---------------------|--|-----------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 (3+4+5) | 7 (2-3) | 8 (2-6) |
| 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 |
| 2015-16 | 69169 | 55463 | 17090 | 337 | 72890 | 13706 | (-)3721 |

Source: Finance Accounts of Government of Odisha for respective years

During 2015-16, non-debt receipts increased from ₹ 57090 crore to ₹ 69169 crore (21 *per cent*) against an increase of 15 *per cent* in Primary Revenue Expenditure.

Analysis of the factors resulting into primary revenue surplus of the State during 2011-13 showed that the State was experiencing primary surplus during these years. However, during 2014-15 and 2015-16, the State had a primary deficit of ₹ 2669 crore and ₹ 3721 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 sectors viz. Airports, Airstrips and Heliports, Inland Container Depots and Logistic Hubs, Sewerage and Drainage, Inland Water Transport and Agriculture Production and Marketing. In terms of the main types of PPP contracts, almost all contracts have been of the Build, Operate and Transfer (BOT) type or Build, Own, Operate and Transfer (BOOT) type (either toll or annuity payment models) or close variants.

The status of the PPPs in Odisha as on 31 March 2016 is given in **Table 1.35:**

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.

Table 1.35: Status of projects as of 31 March 2016

(₹ in crore)

| Sector | Operational | | Under Implementation | | In Pipeline | | Total | |
|------------------------------------|-------------|-------------|----------------------|-------------|-------------|-------------|-----------|--------------|
| | Number | Cost | Number | Cost | Number | Cost | Number | Cost |
| Urban Development | 10 | 258 | 7 | 1336 | 4 | 693 | 21 | 2287 |
| Health | 11 | 200 | 0 | 0 | 2 | 322 | 13 | 522 |
| Finance & Revenue | 1 | 72 | 0 | 0 | 0 | 0 | 1 | 72 |
| Transport | 3 | 5061 | 4 | 2784 | 0 | 0 | 7 | 7845 |
| Industrial Infrastructure | 2 | 165 | 3 | 720 | 0 | 0 | 5 | 885 |
| Roads | 1 | 48 | 1 | 1293 | 0 | 0 | 2 | 1341 |
| Tourism | 2 | 51 | 8 | 20 | 0 | 0 | 10 | 71 |
| Education | 14 | 35 | 0 | 0 | 1 | 50 | 15 | 85 |
| Energy | 0 | 0 | 1 | 108 | 1 | 50 | 2 | 158 |
| Food Supplies and Consumer Welfare | 0 | 0 | 1 | 20 | 0 | 0 | 1 | 20 |
| Total | 44 | 5890 | 25 | 6281 | 8 | 1115 | 77 | 13286 |

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 I.8**, out of which 44 projects have been completed, 25 are in implementation/construction stage and the rest eight projects are still in the pipeline. During the financial year, the number of operational projects increased by three, under implementation projects reduced by four and the projects in pipeline increased by one.

1.14 Implementation of UDAY Scheme

The Government of India has approved (November 2015) the Ujwal Discom Assurance Yojana (UDAY). It is a scheme for financial turnaround of Power Distribution Companies (DISCOMS) and expected to improve the operational and financial efficiency of the State DISCOMS. Some important provisions of the UDAY scheme are as follows:

- State shall take over 75 per cent of DISCOM debt as on 30 September 2015 over two years.
- States will issue non-Statutory Liquidity Ratio (SLR) including State Development Loan (SDL) bonds.
- The transfer to the DISCOM by the state will be as grant.
- Banks/Financial Institutions shall not advance short term debt to DISCOMS for financing losses.

The Government of Odisha has expressed its willingness to join the UDAY scheme. The State government has proposed to restructure the debt of Grid Corporation (GRIDCO) which has arisen mainly due to revenue gap over the years. The debt balance of GRIDCO was ₹ 5406.44 crore as on 30 September 2015.

1.15 Conclusion

- Revenue Receipts increased by five *per cent* from around 16 *per cent* in 2014-15 to around 21 *per cent* in 2015-16 (*Paragraph 1.4*).
- Non-Plan Revenue Expenditure (NPRE) as a proportion of Revenue Expenditure decreased from 72 *per cent* in 2011-12 to 40 *per cent* in 2015-16. There was a total increase of ₹ 7670 crore in Revenue Expenditure during the current year over the previous year (*Paragraph 1.7.4*).
- Capital Expenditure of the State as a percentage of total expenditure increased from 11 *per cent* in 2011-12 to 22 *per cent* in 2015-16. However, it was still 5.14 *per cent* of GSDP during 2015-16, against the projection of 4.56 *per cent* in the Budget Estimates (*Paragraph 1.7.5*).
- The total committed liabilities of the State stood at ₹ 135752.34 crore at the end of the year. Out of these, pension payment obligations were 63.17 *per cent*, interest payments 26.43 *per cent* and loan repayments were 10.40 *per cent* (*Paragraph 1.7.7.5*).
- Funds amounting to ₹ 899 crore were parked in bank accounts of 11 District Rural Development Agencies (DRDAs), 21 Block Development Offices (BDOs) and four Land Acquisition Offices (LAOs), violating the codal provision of OTC and FD instructions (*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 2015-16 and it was seen that the financial and physical targets were mostly not achieved (*Paragraph 1.8.3*).
- Expenditure of over ₹ 2323 crore was incurred on 31 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*).
- The ThFC had recommended that by the year 2015-16, fiscal liability should be brought down to 25 *per cent* of GSDP. The Government has been able to achieve this target during 2015-16. (*Paragraph 1.10.2*)
- Out of 10 Reserve Funds, nine remained inoperative or dormant for significant period. (*Paragraph 1.10.5*).
- Debt repayment as a percentage of Debt Receipt showed a decreasing trend from 97.10 *per cent* in 2011-12 to 59.36 *per cent* in 2015-16, indicating that public Debt Receipt was higher than public debt payment, resulting in higher dependency on debt receipt rather than own resources of revenue. (*Paragraph 1.11*).

- Out of 77 PPP projects, 44 projects were complete, 25 in implementation/construction stage and the remaining eight projects are still in pipeline (*Paragraph 1.13*).

Recommendations

- Government may consider making all out efforts to avoid parking of funds outside Government accounts.
- Government may consider taking steps for closure of inoperative Reserve Funds.
- Government may prioritise repayment of high value loans first, to reduce the debt.

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 among 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 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 observed in audit have been discussed in the subsequent paragraphs.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2015-16 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 2015-16

(₹ 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 | 62146.54 | 7557.19 | 69703.73 | 56763.89 | (-)12939.84 | 12045.19 | 11374.20 | 88 |
| | II Capital | 15288.43 | 3774.03 | 19062.46 | 17215.18 | (-)1847.28 | 1665.39 | 1657.34 | 90 |
| | III Loans and Advances | 594.51 | 60.47 | 654.98 | 336.54 | (-)318.44 | 314.91 | 314.91 | 99 |
| Total Voted | | 78029.48 | 11391.69 | 89421.17 | 74315.61 | (-)15105.56 | 14025.49 | 13346.45 | 88 |
| Charged | IV Revenue | 4958.71 | 6.10 | 4964.81 | 3429.65 | (-)1535.16 | 1522.38 | 1522.38 | 99 |
| | V Capital | 9.54 | 4.39 | 13.93 | 9.07 | (-) 4.86 | 0.94 | 0.94 | 19 |
| | VI Public Debt -Repayment | 2906.70 | 46.45 | 2953.15 | 2881.37 | (-)71.78 | 71.78 | 71.78 | 100 |
| Total Charged | | 7874.95 | 56.94 | 7931.89 | 6320.09 | (-)1611.80 | 1595.10 | 1595.10 | 99 |
| Grand Total | | 85904.43 | 11448.64 | 97353.06 | 80635.70 | (-)16717.36 | 15620.59 | 14941.55 | 89 |

Source: The Odisha Appropriation Act 2015, Finance and Appropriation Accounts 2015-16, Govt. of Odisha.

The expenditure figures were gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under the Revenue heads (₹ 1387.83 crore) and the Capital heads (₹ 133.78 crore). The overall savings of ₹ 16717.36 crore was due to savings in all the 40 grants and two appropriations under Revenue Section and 33 grants and two appropriations under Capital Section, which is offset by excess of ₹ 0.25 crore in one grant under Capital Section.

It is seen from the above table that against the original provision of ₹ 85904.43 crore, expenditure of ₹ 80635.70 crore was incurred, thereby not requiring any supplementary provision, as there were savings of ₹ 5268.73 crore from the original provision, which clearly indicates inaccurate estimation of funds and lack of control mechanism.

Further, it was also observed that against the total savings of ₹ 16717.36 crore during the year, departments surrendered ₹ 15620.59 crore, out of which ₹ 14941.55 crore (96 *per cent*) was surrendered on the last day of the financial year, i.e., 31 March 2016.

Evidently, the concerned Chief Controlling Officers (CCOs) 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 showed that in 20 cases relating to 16 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 ₹ 8797.23 crore. Out of the above, savings of as large as ₹ 8393.66 crore (95 per cent)¹ occurred in 10 cases relating to eight 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 | Supplementary | 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 | 4350.00 | 0 ² | 4350.00 | 3343.30 | 1006.70 |
| Revenue (Voted) | | | | | | |
| 3 | 3-Revenue and Disaster Management | 2913.49 | 2306.18 | 5219.67 | 3181.26 | 2038.41 |
| 4 | 5-Finance | 9844.34 | 0 | 9844.34 | 6610.41 | 3233.93 |
| 5 | 16-Planning and Co-ordination | 1178.19 | 0 ³ | 1178.19 | 610.90 | 567.29 |
| 6 | 22-Forest and Environment | 717.15 | 68.56 | 785.71 | 578.43 | 207.28 |
| Capital (Voted) | | | | | | |
| 7 | 1-Home | 442.48 | 77.00 | 519.48 | 318.58 | 200.90 |
| 8 | 30-Energy | 1156.87 | 798.82 | 1955.69 | 1517.39 | 438.30 |
| 9 | 34-Co-operation | 240.95 | 133.13 | 374.08 | 273.26 | 100.82 |
| 10 | 36-Women and Child Development | 300.00 | 20.00 | 320.00 | 219.97 | 100.03 |
| TOTAL | | 21643.47 | 3403.69 | 25047.16 | 16653.50 | 8393.66 |

Source: Appropriation Accounts for the year 2015-16, Government of Odisha.

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

¹ Exceeding ₹ 100 crore in each case

² ₹ 4000 only

³ ₹ 9000 only

01-Home (Capital-Voted)

- Anticipated savings of (i) ₹ 6.44 crore under major head “4059- Capital Outlay on Public Works-SP-SS-60-Other Buildings-789-Special Component Plan for Scheduled Castes-2378-Construction of Buildings for Courts” and (ii) ₹ 1.15 crore under major head “4059- Capital Outlay on Public Works-SP-SS-60-Other Buildings-796-Tribal Area Sub-Plan-3023-National Scheme for Modernisation of Courts” were surrendered due to non-finalisation of sites for district courts.

05-Finance (Revenue-Voted)

- Anticipated savings of (i) ₹ 7.11 crore under major head “2040-Taxes on Sales, Trade etc.-NP-001-Direction and Administration-0308-District Establishment,” (ii) ₹ 4.04 crore under major head “2040-Taxes on Sales, Trade etc.-NP-001-Direction and Administration-0617-Headquarters Establishment” and (iii) ₹ 3.23 crore under major head “2040-Taxes on Sales, Trade etc.-NP-001-Direction and Administration-1158-Range Administration” were surrendered due to vacancy of posts, non-settlement of claims, non-completion of procurement process and observance of economy.
- Anticipated savings of ₹ 2.45 crore under major head “2040- Taxes on Sales, Trade etc.-NP-001-Direction and Administration-1515-Upgraded Check Gates in Commercial Tax Organisations” were due to (i) vacancy of posts and non-regularisation of salaries, (ii) non-receipt of admissible claims and (iii) non-availing of LTC by staff.
- Anticipated savings of ₹ 632.89 crore under major head “2052-Secretariat-General Services- NP- 090- Secretariat- 0488- Finance Department” was attributed to meet the additional requirement under other heads as per Supplementary Statement of Expenditure and vacancy of posts.
- Entire provision of ₹ 7.50 crore under major head “2054-Treasury and Accounts Administration-NP-800-Other Expenditure-2555-Thirteenth Finance Commission (ThFC) Grant for setting up of a Database for Government Employees and Pensioners” was surrendered due to non-sanction of fund by ThFC.

16- Planning and Co-ordination (Revenue-Voted)

- Budgeted provision of (i) ₹ 234.12 crore under major head “3451-Secretariat-Economic Services-SP-DS-102-District Planning Machinery-2918-Additional Central Assistance (ACA) for Left Wing Extremism (LWE) affected districts,” (ii) ₹ 71.79 crore under major head “3451-Secretariat-Economic Services-SP-DS-789-Special Component Plan for Scheduled Castes-2918-ACA for LWE affected districts” and (iii)

₹ 158.45 crore under major head “3451-Secretariat-Economic Services-SP-DS-796-Tribal Area Sub-Plan-2918-ACA for LWE affected districts” were surrendered due to non-receipt of additional central assistance.

- Anticipated saving of ₹ 20.23 crore under major head “3454-Census Surveys and Statistics-CP-SS-02-Surveys and Statistics-001-Direction and Administration-2570-Sixth Economic Census” was surrendered due to non-completion of works and non-receipt of claims.

22-Forest and Environment (Revenue-Voted)

- Anticipated savings of (i) ₹ 10 crore under major head “2406-Forestry and Wildlife-SP-SS-01-Forestry-102-Social and Farm Forestry-3074-Management of Plantation and Forest,” (ii) ₹ 5.60 crore under major head “2406-Forestry and Wildlife-SP-SS-01-Forestry-789-Special Component Plan for Scheduled Castes-3074-Management of Plantation and Forest” and (iii) ₹ 6.40 crore under major head “2406-Forestry and Wildlife-SP-SS-01-Forestry-796-Tribal Area Sub-Plan-3074-Management of Plantation and Forest” were surrendered due to non-introduction of schemes as per decision of the Government of Odisha.
- Anticipated saving of ₹ 10 crore under major head “3435-Ecology and Environment-CP-SS-03-Environmental Research and Ecological Regeneration-102-Environmental Planning and Co-ordination-2693-Climate Change Action Plan” were surrendered due to non-release of fund by GoI.

30-Energy (Capital-Voted)

- Anticipated savings of ₹ 210 crore under major head “4801-Capital Outlay on Power Projects-SP-SS-05-Transmission and Distribution-800-Other Expenditure-0140-Reimbursement of Land Acquisition Establishment Cost” were surrendered due to introduction of Cash Management System in the department.

34-Co-operation (Capital-Voted)

- Anticipated savings of ₹ 70 crore under major head “6425-Loans for Co-operation-SP-SS-108-Loans to Other Co-operatives-2980-Corpus Fund for Odisha State Co-operative Marketing Federation Ltd.” were surrendered due to short release of fund by the Government.

36-Women and Child Development (Capital-Voted)

- Withdrawal of anticipated savings of (i) ₹ 37.40 crore under major head “4235-Capital Outlay on Social Security and Welfare-SP-DS-02-Social Welfare-102-Child Welfare-2596-ThFC Award for Construction of Anganwadi Centres,” (ii) ₹ 22 crore under major head “4235-Capital Outlay on Social Security and Welfare-SP-DS-02-Social Welfare-789-Special Component Plan for Scheduled Castes-2596-ThFC Award for

Construction of Anganwadi Centres” and (iii) ₹ 40.60 crore under major head “4235-Capital Outlay on Social Security and Welfare-SP-DS-02-Social Welfare-796-Tribal Area Sub-Plan-2596-ThFC Award for Construction of Anganwadi Centres” was due to non-release of state specific grants by ThFC.

2048-Appropriation for Reduction or Avoidance of Debt (Revenue-Charged)

- Entire provision of ₹ 500 crore under major head “2048-Appropriation for Reduction or Avoidance of Debt-NP-101-Sinking Funds-1202-Reserve Funds” was surrendered as per decision of the Government of Odisha.

2049-Interest Payments (Revenue-Charged)

- Anticipated savings of ₹ 210.13 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 short receipt of loan during 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.

2.3.2 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 ₹ 598.85 crore was incurred over the provisions during 2010-11, 2011-12, 2013-14 and 2014-15 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 expenditure (₹ 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 |
| 2014-15 | 1 | -- | 26-Excise | 0.01 ⁴ |
| Total | 9 | 2 | | 598.85 |

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

⁴ ₹ 87,887.00 only

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 has not been done.

2.3.3 Excess expenditure over Budget provision from Consolidated Fund of the State during 2015-16 requiring regularisation by the State Legislature

During 2015-16, Forest and Environment Department incurred an expenditure of ₹ 3.93 crore against the total provision of ₹ 3.67 crore in the Capital (voted) section, leading to excess expenditure of ₹ 0.25 crore⁵ 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 “4406-Capital Outlay on Forestry and Wildlife-State Plan-District Sector-01-Forestry-070-Communication and Buildings-2327-Construction and Renovation of Forest Buildings.” No demand for consideration of regularisation by the State Legislature as per Article 205 of the Constitution has yet been placed. Thus, the excess expenditure remained unauthorised.

2.3.4 Persistent Savings

There were persistent savings of more than ₹ 10 crore in 20 cases in 17 grants and one appropriation during 2011-16 as detailed in **Appendix 2.2**. The savings ranged between ₹ 50.92 crore and ₹ 3233.94 crore during the year 2015-16. Persistent savings in a substantial number of grants over the years are indicative of over assessment of requirement of funds 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; however, no action has been taken by the Government.

2.3.5 Unnecessary/ Excessive supplementary provision

Supplementary provision aggregating ₹ 2682.53 crore (₹ one crore or more in each case) obtained in 31 cases (23 grants) during the year 2015-16 proved unnecessary as the actual expenditure (₹ 37829.97 crore) did not come up to the level of original provision (₹ 40631.48 crore) in these cases as detailed in **Appendix-2.3**.

Similarly, supplementary provision aggregating ₹ 8746.26 crore proved excessive by ₹ 5173.19 crore over the total required supplementary provision of ₹ 3573.07 crore in 18 cases under 15 grants and one appropriation (₹ one crore or more in each case) as detailed in **Appendix-2.4**.

⁵ ₹ 25,40,175.00 only

This indicated 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 each case) in 107 sub-heads, of which excess / saving was more than ₹ one crore (in each case) in 27 sub-heads (savings of ₹ 159.16 crore in 23 sub-heads under nine grants and excess of ₹ 26.33 crore in four sub-heads under three grants) as detailed in *Appendix- 2.5*.

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 10 March at the latest. As per the records of the office of the Principal Accountant General (A&E), during 2015-16, 661 re-appropriation orders amounting to ₹ 4628.59 crore were issued, out of which 17 re-appropriation orders aggregating ₹ 623.79 crore were issued by the following Departments on 31 March 2016, the last day of the financial year when there was no scope for expenditure during that year as given in **Table 2.4** below.

Table 2.4: Re-appropriations on 31 March 2016 (last day of the financial year)

| Sl No | No. of the Grant/Appropriation and Name of the Department | Head of Account from where re-appropriation was made | Amount (₹ in crore) | Order No./ Date |
|-------|---|--|---------------------|--------------------|
| 1 | 05-Finance | 2030-Non Plan | 0.51 | 10136 / 31-03-2016 |
| 2 | 05-Finance | 2071-Non Plan | 100.90 | 10138 / 31-03-2016 |
| 3 | 05-Finance | 7610-Non Plan | 1.03 | 10140/31-03-2016 |
| 4 | 08-Odisha Legislative Assembly | 2011-Non Plan | 0.02 | 4688/31-03-2016 |
| 5 | 13-Housing and Urban Development | 2217-Non Plan | 9.42 | 8299/31-03-2016 |
| 6 | 20-Water Resources | 4700- State Plan | 24.08 | 8015/31-03-2016 |
| 7 | 20-Water Resources | 4701- State Plan | 0.14 | 8017/31-03-2016 |
| 8 | 20-Water Resources | 4701-State Plan | 14.30 | 8013/31-03-2016 |
| 9 | 23-Agriculture | 2401-Non Plan | 10.01 | 5933/31-03-2016 |
| 10 | 23-Agriculture | 2402-Non Plan | 3.02 | 5997/31-03-2016 |
| 11 | 23-Agriculture | 2402-Non Plan | 4.80 | 6000/31-03-2016 |
| 12 | 23-Agriculture | 2402-Non Plan | 0.83 | 6015/31-03-2016 |
| 13 | 28-Rural Development | 4215-State Plan 5054-State Plan | 43.29 | 42013/31-03-2016 |
| 14 | 30-Energy | 6801-Non Plan | 70.00 | 2606/31-03-2016 |

| Sl No | No. of the Grant/Appropriation and Name of the Department | Head of Account from where re-appropriation was made | Amount (₹ in crore) | Order No./ Date |
|--------------|---|--|---------------------|------------------|
| 15 | 2049-Interest Payments | 2049-Non Plan | 341.36 | 10341/31-03-2016 |
| 16 | 6003-Internal Debt | 6003-Non Plan | 0.009 | 10343/31-03-2016 |
| 17 | 6004-Loans and Advances | 6004-Non Plan | 0.07 | 10345/31-03-2016 |
| TOTAL | | | 623.79 | |

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

It was also seen that belated issue of such 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 ₹ 2731.20 crore were made under 58 sub heads (₹ 10 crore or more in each case) under 21 grants representing different schemes / programmes / projects and activities which are given in **Appendix-2.6**. The surrenders were attributed to non-release/ non-receipt of central share (23 cases), introduction of the cash management system (three cases), delay in floating tenders and slow progress of construction work (two cases) and as per decision of the Government of Odisha (five cases). No reasons were assigned by the departments to the Principal Accountant General (A&E) in 25 cases.

2.3.9 Surrender in excess of savings

In case of two grants, against savings of ₹ 3456.65 crore, the amount surrendered was ₹ 3460.50 crore, resulting in excess surrender of ₹ 3.85 crore as detailed below.

Table 2.5 : Surrender in excess of actual savings during 2015-16

| Sl. No. | Number and name of the grant/ appropriation | Total grant/ appropriation (₹ in crore) | Savings (₹ in crore) | Amount surrendered (₹ in crore) | Amount surrendered in excess (₹ in crore) |
|---------|--|---|----------------------|---------------------------------|---|
| 1 | 5-Finance (Revenue Voted) | 9844.34 | 3233.94 | 3235.07 | 1.13 |
| 2 | 12-Health and Family Welfare (Revenue Voted) | 3356.73 | 222.71 | 225.43 | 2.72 |
| | TOTAL | 13201.07 | 3456.65 | 3460.5 | 3.85 |

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

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

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 savings of grants at the end of 2015-16 and surrender thereof by the departments concerned showed the following:

- In 24 cases (17 grants) savings of more than ₹ one crore in each case remained to be surrendered; however the departments partially refunded savings, resulting in retention of ₹ 1097.43 crore (17 *per cent* of the total savings of ₹ 6640.58 crore in these cases) as per details given in *Appendix 2.7*.
- Besides, as per information compiled by the Office of the Principal Accountant General (A&E), Odisha, there were surrenders of funds under different major heads of accounts in excess of ₹ 10 crore and by more than 20 *per cent* of the total provision in each case on the last working day of the financial year i.e. on 31 March 2016 in 33 cases (in 21 grants) aggregating ₹ 6774.44 crore covering 35 *per cent* of the budgetary provision of ₹ 19,115.06 crore (*Appendix 2.8*).

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

2.4 Advances from Contingency Fund

Contingency Fund of the State has been established under the Odisha 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.

During 2015-16, advance of ₹ 122.90 crore was drawn (29 March 2016) from the Contingency Fund of the State which was not recouped by the close of the financial year. The advance was drawn for implementation of the Centrally Sponsored Scheme “National Health Mission” (NHM) under Grant No.12-Health and Family Welfare (Major Head-2210-Medical and Public Health) and transferred to the Mission Directorate, NHM, Odisha. Further scrutiny showed that out of the above grant received by the Mission Director, NHM, Odisha, an amount of ₹ 21.86 crore was kept in savings bank accounts as on 31 March 2016 after incurring an expenditure of ₹ 1.45 crore and making further fund transfers of ₹ 93.11 crore to the executing agencies.

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.

During 2015-16, 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) Section, the original grants and supplementary grants were ₹ 62146.54 crore and ₹ 7557.19 crore, respectively, aggregating ₹ 69703.73 crore against which the actual expenditure was ₹ 56763.89 crore, resulting in savings of ₹ 12939.84 crore. Supplementary provision of ₹ 7557.19 crore obtained during the year, proved unnecessary as the expenditure did not come up to the level of original provision.
- Similarly under Capital (voted) Section, the original and supplementary grants were ₹ 15288.43 crore and ₹ 3774.03 crore, respectively, aggregating ₹ 19062.46 crore against which the actual expenditure was ₹ 17215.18 crore resulting in savings of ₹ 1847.28 crore.

However, it was also observed from the audit of Appropriation Accounts that 17 departments continued to make savings of more than ₹ 10 crore during last four years, despite repeated comments in the Audit Reports from 2011-12 to 2014-15 as detailed in **Appendix 2.2**.

2.5.1 Analysis of Cash Management System and Rush of Expenditure

Pursuant to the provisions of sub-section (1-a) of Section 8 of the Odisha Fiscal Responsibility and Budget Management Act, Government of Odisha implemented Cash Management System in 18 departments for 2015-16.

As per Finance Department circular No.12453/F., dated 20 April 2015, the level of expenditure at the end of the third quarter was not to be less than 60 *per cent* and during the month of March, the same should not be more than 15 *per cent* of the budget provision.

However, it was observed that out of 18, only 12 departments had spent minimum 60 *per cent* of the budget provision by the end of third quarter, while the remaining six departments had failed to achieve the norm during 2015-16. Similarly, 12 departments exceeded 15 *per cent* of the budget provision for the month of March 2016 as indicated in **Table 2.6**.

Table 2.6: Analysis of cash management system

(₹ in crore)

| Sl. No. | Grant No/ Department | Original Budget Provision | April - December 2015 | | March 2016 | |
|---------|---|---------------------------|---|---------------------------|------------------------------|---------------------------|
| | | | Expenditure during first three quarters | Percentage of Expenditure | Expenditure during the month | Percentage of Expenditure |
| 1 | 7-Works | 4302.07 | 3205.97 | 75 | 1256.99 | 29 |
| 2 | 10-School and Mass Education | 10014.49 | 6045.15 | 60 | 1346.99 | 13 |
| 3 | 11-ST & SC Development, Minorities and Backward | 2374.84 | 1409.73 | 59 | 619.97 | 26 |

| Sl. No. | Grant No/ Department | Original Budget Provision | April - December 2015 | | March 2016 | |
|---------|---|---------------------------|---|---------------------------|------------------------------|---------------------------|
| | | | Expenditure during first three quarters | Percentage of Expenditure | Expenditure during the month | Percentage of Expenditure |
| | Classes Welfare | | | | | |
| 4 | 12- Health and Family Welfare | 3877.88 | 2601.26 | 67 | 472.50 | 12 |
| 5 | 13-Housing and Urban Development | 2932.29 | 1288.99 | 44 | 1019.96 | 35 |
| 6 | 17-Panchayati Raj | 7066.10 | 5314.77 | 75 | 510.97 | 7 |
| 7 | 19-Industry | 46.92 | 28.60 | 61 | 17.71 | 38 |
| 8 | 20-Water Resources | 6236.36 | 3989.93 | 64 | 1124.32 | 18 |
| 9 | 22-Forest and Environment | 720.82 | 379.71 | 53 | 79.93 | 11 |
| 10 | 23-Agriculture | 3131.38 | 2110.43 | 67 | 636.38 | 20 |
| 11 | 28-Rural Development | 5976.97 | 3987.54 | 67 | 1172.89 | 20 |
| 12 | 30-Energy | 1187.35 | 591.35 | 50 | 192.09 | 16 |
| 13 | 31-Handloom, Textile & Handicrafts | 152.74 | 94.92 | 62 | 25.00 | 16 |
| 14 | 33-Fisheries and Animal Resources Development | 629.80 | 417.33 | 66 | 74.74 | 12 |
| 15 | 36-Women & Child Development | 4162.63 | 2162.32 | 52 | 998.71 | 24 |
| 16 | 38-Higher Education | 1993.11 | 1265.65 | 64 | 358.18 | 18 |
| 17 | 39- Skill Development and Technical Education | 712.97 | 488.53 | 69 | 69.54 | 10 |
| 18 | 40-Micro, Small and Medium Enterprises | 114.61 | 54.99 | 48 | 19.33 | 17 |

Source: Monthly Appropriation Reports for December 2015 and March 2016.

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 34 schemes (sub-heads) listed in **Appendix 2.9**, Revenue / Capital Expenditure exceeding ₹ 10 crore and also more than 90 *per cent* of the total expenditure (in each case) was incurred in March 2016. Out of this, in 22 cases, hundred *per cent* expenditure was incurred in March 2016.

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.

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

Timely release of funds to the implementing agencies has a direct bearing on successful implementation of the schemes and avoiding rush of expenditure. From examination of sanction orders, it was observed that the government released ₹ 588.78 crore in respect of five departments (**Appendix 2.10**) during the last week of March 2016. There was no possibility of proper utilisation of these funds during the financial year 2015-16. Department-wise release of funds is mentioned below:-

Table-2.7- Department-wise amount released (₹ in crore)

| Sl.No | Name of Department | Amount in crore | Purpose |
|-------|-----------------------------|-----------------|---|
| 1 | Panchayati Raj | 39.22 | For implementation of Odisha Livelihood Mission(OLM) |
| 2 | Housing & Urban Development | 354.75 | Development of Bhubaneswar as Smart City under Smart City Mission |
| 3 | Women and Child Welfare | 89.04 | For implementation of ICDS project |
| 4 | Co-operation | 90.00 | For construction of Godowns. |
| 5 | Agriculture | 15.77 | CSP on Mission for integrated Development of Horticulture and National Food Security Mission. |
| Total | | 588.78 | |

2.6 Outcome of review of selected grants

Review of the budget proposals, actual expenditure and fund management in respect of Home Department (Grant No. 1) and Women and Child Development Department (Grant No. 36) as reported in the Appropriation Accounts showed the following irregularities:

2.6.1 Short/ Excess surrender of savings / belated surrenders

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

During 2015-16, Home Department (Grant No.1) surrendered ₹ 139.18 crore as against total savings of ₹ 255.57 crore under revenue (voted) section and ₹ 0.47 crore as against total savings of ₹ 13.05 crore under revenue (charged), resulting in non-surrender of ₹ 116.39 crore and ₹ 12.58 crore respectively. Women and Child Development Department (Grant No.36) surrendered ₹ 348.27 crore against total savings of ₹ 351.31 crore under revenue (voted) section, resulting in non-surrender of ₹ 3.04 crore.

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. However, it was observed that in Grant No.1 (Home Department), supplementary provision of ₹ 54.63 crore under revenue (voted), ₹ 5.98 crore under revenue (charged) and ₹ 77 crore under capital (voted) sections, obtained during December 2015, proved unnecessary in view of sizeable savings of ₹ 200.93 crore, ₹ 7.07 crore and ₹ 123.89 crore, respectively, from the original Budget provision in the year. In Grant No.36 (Women and Child Development Department), supplementary provision of ₹ 81.23 crore under revenue (voted) and ₹ 20 crore under capital (voted) sections, obtained during December 2015, proved unnecessary, as the department saved ₹ 270.08 crore in revenue (voted) and

₹ 80.03 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

Home and Women and Child Development Departments made provisions of ₹ 152.38 crore and ₹ 123.53 crore, respectively, under different heads/ schemes during 2015-16; however the total provisions were withdrawn by way of re-appropriation and surrender during the financial year 2015-16, as indicated in **Appendix 2.11**.

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

2.6.4 Non-adherence to Cash Management System

Government of Odisha (Finance Department) in their circular (April 2015) laid down the guidelines for timely spending of budgetary grants through the Cash Management System in 2015-16 in 18 departments including the Women and Child Development Department.

As per Cash Management System, the departments have to adhere to the Quarterly Expenditure Allocation (QEA) norm of 15 per cent, 15 per cent, 30 per cent and 40 per cent for of the Budget Estimates in the first, second, third and fourth quarter, respectively, as prescribed by the Finance Department for the year 2015-16. The distribution of the QEA vis-à-vis quarterly expenditure for the departments during 2015-16 is given in **Table 2.8**.

Table 2.8: Budget Estimate and Quarterly Expenditure Allocation by Women and Child Development Department (₹in Crore)

| Sl No | Budget Estimate | Development Department (in Crore) | | | | | | | |
|---|-----------------|-----------------------------------|----------------|-----------------|-----------------|------------------|-----------------|------------------|------------------|
| | | First Quarter | | Second Quarter | | Third Quarter | | Fourth Quarter | |
| | | QEA | Expenditure | QEA | Expenditure | QEA | Expenditure | QEA | Expenditure |
| 36-Women and Child Development Department | | | | | | | | | |
| 1 | 4162.63 | 624.39 (15%) | 384.11 (9%) | 624.39 (15%) | 811.13 (19%) | 1248.79 (30%) | 966.80 (23%) | 1665.05 (40%) | 1650.19 (40%) |

Source: Monthly Appropriation Accounts 2015-16.

Women and Child Development Department failed in adhering to the stipulated expenditure norms by six per cent and seven per cent during first quarter and third quarter, respectively, against the targeted norm and also fell short of achieving the third quarter norm (60 per cent of BE) by nine per cent.

Further, it was also seen that Women and Child Development Department had incurred expenditure of ₹ 998.71 crore (24 per cent) in March 2016, i.e. the last month of the year, which exceeded the norm (15 per cent) by 9 per cent.

The above actions not only violated guidelines of the Cash Management System but also stood in the way of achieving the objectives thereof, like (i) even pacing of expenditure within the financial year, (ii) reduction of 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 2015-16, 30 District Treasuries, 8 Special Treasuries and 62 Sub-Treasuries were inspected by the officials of the Principal Accountant General (A&E), Odisha. Irregularities and lapses observed during 2015-16, 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 family pension through Treasuries

During inspection of treasuries/ sub-treasuries for the year ended 31 March 2016 by the office of the Principal Accountant General (A&E), excess payment of pension and family pension amounting to ₹ 49.22 lakh was observed as indicated in **Table 2.10** below:

Table 2.10: Excess payment of pension and family pension through Treasuries

| Sl. No. | Category | Amount (₹ in lakh) |
|--------------|---|--------------------|
| 1 | Excess payment of pension due to arithmetical inaccuracy | 0.78 |
| 2 | Excess payment due to delayed commencement of reduced pension on account of commuted value of pension | 4.56 |
| 3 | Excess payment of family pension due to payment at enhanced rate beyond the stipulated date | 14.71 |
| 4 | Excess payment of pension due to other miscellaneous reasons | 29.17 |
| TOTAL | | 49.22 |

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

2.7.2 Excess payment of pension through Bank

Pensions/ family pensions are also paid through nationalised banks out of the purview of treasuries. Audit was conducted in respect of two branches of State Bank of India, Centralised Pension Processing Cell, Bhubaneswar and Indian Overseas Bank, Balasore and it was observed that excess payment of pension/ family pension aggregating ₹ 62.70 lakh was made, as indicated in **Table 2.11** below:

Table 2.11: Excess payment of pension and family pension through Bank

| Sl. No. | Category | Amount (₹ in lakh) |
|--------------|---|--------------------|
| 1 | Excess payment of pension due to arithmetical inaccuracy | 15.00 |
| 2 | Excess payment of family pension due to payment at enhanced rate beyond the stipulated date | 47.11 |
| 3 | Excess payment due to regular credit of pension after death of pensioners | 0.59 |
| TOTAL | | 62.70 |

Source: Inspection Report of SS-II Group of Accountant General (G&SSA), Odisha, Bhubaneswar.

Thus, there is a need to improve the internal controls in treasuries and banks in respect of pension and pension-related payments.

2.7.3 Outstanding pension claims from Central Pay and Accounts Office, New Delhi / Railways

Treasuries in Odisha are not rendering Central Civil Pension/ Central Political Pension vouchers to the concerned accounting circles for reimbursement due to which claims of State Government to the extent of ₹ 28.97 crore as calculated up to 31 March 2016 remained under “8658- Suspense Account 101- PAO Suspense” head. Details are given in **Table 2.12**:

Table 2.12: Outstanding pension claims from different Accounting Circles

| Sl. No. | Name of the Accounting Circle | Outstanding amount (₹ in crore) |
|--------------|--|---------------------------------|
| 1 | Central Pay & Accounts Office, New Delhi | 27.83 |
| 2 | Railways | 1.14 |
| TOTAL | | 28.97 |

Source: Provisional Annual Review Report on the working of Treasuries 2015-16 prepared by Office of the Principal Accountant General (A&E), Odisha.

2.8 Conclusion

- Avoidable supplementary provisions, defective orders for re-appropriation of fund, issue of re-appropriation orders on the last day of the year, substantial surrenders, surrender in excess of savings and non-surrender of anticipated savings did not reflect prudent financial management by the Chief Controlling Officers (*Paragraphs 2.3.5 to 2.3.10*).
- Hundred *per cent* of Revenue and Capital provision were spent in some schemes /sub-heads during March 2016, instead of spreading it throughout the year leading to rush of expenditure (*Paragraph 2.5.2*).
- 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.
- Cash Management System may be adhered to strictly by the departments, so that the expenditure norm fixed by the Government is achieved.

Chapter-III

Financial Reporting

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

Through the instrument of 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 a total amount of ₹ 27611.31 crore remained outstanding against 34 grantee institutions as of March 2016 in the books of Principal Accountant General (A&E). Year-wise break up of pending UCs is given in **Table 3.1** and in **Appendix 3.1**

Table 3.1: Year-wise break up of pending Utilisation Certificates in respect of Grants-in-Aid
(₹ in crore)

| Years | Grants-in-Aid (G.I.A) against which UCs are awaited as of March 2016 | |
|---------------|--|---------------------|
| | Number of vouchers | Amount (₹ in crore) |
| Up to 2003-04 | 1625 | 354.78 |
| 2004-05 | 1075 | 288.41 |
| 2005-06 | 892 | 254.24 |
| 2006-07 | 1057 | 355.42 |
| 2007-08 | 1839 | 427.70 |
| 2008-09 | 2204 | 474.54 |
| 2009-10 | 1462 | 574.83 |
| 2010-11 | 2931 | 566.04 |
| 2011-12 | 2570 | 654.49 |
| 2012-13 | 1948 | 730.23 |
| 2013-14 | 3010 | 2778.00 |
| 2014-15 | 3138 | 5903.75 |
| 2015-16 | 9144 | 14248.88 |
| TOTAL | 32895 | 27611.31 |

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

The major defaulting departments were Panchayati Raj (₹ 10356.10 crore), Housing & Urban Development (₹ 3664.27 crore), Planning and Co-ordination (₹ 2719.70 crore), School and Mass Education (₹ 2292.78 crore), Health and Family Welfare (₹ 1790.44 crore), Revenue and Disaster Management (₹ 1302.40 crore), ST, SC Development and Minorities & Backward Classes Welfare (₹ 1045.43 crore) and Rural Development (₹ 1041.69 crore), comprising ₹ 24212.81 crore being 87.69 *per cent* of total outstanding UCs as of March 2016. However, in comparison to 2014-15, pendency of UCs has decreased by ₹ 7577.64 crore involving 5419 number of Grants-in-Aid vouchers.

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 to ₹ 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 2008-15 (paragraph 3.2). However, during 2015-16, only 23 out of 40 departments have furnished information regarding receipt of grants by the institutions / organisations under their jurisdiction to the Accountant General as detailed in **Appendix-3.2**. Nine new bodies² were identified under Section 14(1) and 14(2) of C&AG's DPC Act 1971 during the year 2015-16.

3.3 Delays in Submission of Accounts of Autonomous Bodies

As many as 178 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.

Twelve bodies / authorities were identified under CAG's DPC Act for submission of accounts to audit as of March 2016. Of these, only three bodies / authorities viz. Odisha State Legal Services Authority (OSLSA), Odisha State Police Housing and Welfare Corporation Limited (OSPH&WC) and Odisha Forestry Sector Development Project (OFSDP) submitted their accounts to audit up to 2014-15.

So far, the accounts of the remaining nine development authorities³ under section 19(3) of C&AG's DPC Act have not been received in the Office of Accountant General (G&SSA), Odisha as of October 2016, despite entrustment of audit to the Comptroller and Auditor General of India.

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

² (i) Odisha Land Record Modernization Society, (ii) Odisha Tribal Empowerment Livelihoods Programme (OTELP), (iii) Academy of Tribal Language and Culture (ATLC), (iv) Odisha Tribal Development Society (OTDS), (v) Odisha Model Tribal Education Society (OMTES), (vi) State Institute of Disability Rehabilitation, Odisha (SIDR), (vii) Odisha State Child Protection Society (OSCPs), (viii) State Labour Institute (SLI) and (ix) State Medicinal Plant Board, Mayur Bhawan, Saheed Nagar, Bhubaneswar.

³ (i) Bhubaneswar Development Authority, (ii) Berhampur Development Authority, (iii) Cuttack Development Authority, (iv) Kalinganagar-Jajpur Development Authority, (v) Paradip Development Authority, (vi) Puri-Konark Development Authority, (vii) Sambalpur Development Authority, (viii) Rourkela Development Authority, (ix) Talcher-Angul-Meramundali Development Authority.

of 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 the Accountant General (G&SSA) of the State within a specified time-frame for audit. As of March 2016, there were 16 such undertakings and none had prepared accounts up to 2015-16, except Chief Conservator of Forests, Kendu Leaves (Odisha), who has prepared the accounts up to 2010-11. Of these, four undertakings remained inoperative or closed. Their assets and liabilities were not fully disposed of or liquidated by the Government. In respect of two schemes, viz. (i) Purchase and distribution of quality seeds to cultivators and (ii) Poultry Development, Government had not, till date, prescribed the 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 is concerned. The department-wise position of arrears in preparation of proforma accounts and investments made by the Government are given in *Appendix 3.3*.

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 the Accountant General (G&SSA), Odisha where the amount is ₹ 500 or more. Various departments of the State Government reported that there were 713 cases of misappropriation, defalcation, etc. involving Government money amounting to ₹ 15.99 crore up to March 2016, on which final action was pending. The department-wise break up of pending cases and age-wise analysis are given in *Appendix 3.4* and nature of these cases is given in *Appendix 3.5*. Age-wise profile of the pending cases and the number of cases pending in each category of theft and misappropriation/loss as of March 2016, as evident from these appendices, are summarised in **Table 3.2 (i)** and **Table 3.2 (ii)**.

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

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

| Range in Years | Age-wise Pending Cases | | Amount involved (₹ in lakhs) | |
|----------------|------------------------|------------|------------------------------|----------------|
| | 2014-15 | 2015-16 | 2014-15 | 2015-16 |
| 0 - 5 | 12 | 23 | 53.88 | 130.82 |
| 5 - 10 | 43 | 39 | 159.47 | 128.61 |
| 10 - 15 | 69 | 69 | 264.36 | 232.47 |
| 15 - 20 | 227 | 208 | 270.74 | 331.56 |
| 20 - 25 | 272 | 246 | 394.99 | 367.47 |
| 25 & above | 701 | 128 | 432.19 | 408.14 |
| Total | 1324 | 713 | 1575.63 | 1599.07 |

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

The above table indicates that though the number of cases of misappropriations, losses and defalcations decreased to 713 from 1324, the amount involved had increased from ₹ 15.76 crore to ₹ 15.99 crore in 2015-16 over the 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 | 393 | 396.77 |
| Misappropriation/Loss of material | 320 | 1202.30 |
| Total | 713 | 1599.07 |
| Cases of Losses Written off during the Year | 0 | 0 |
| Total Pending cases | 713 | 1599.07 |

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

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

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

| Reasons for Delay/Outstanding Pending cases | | Number of cases | Amount (₹ in lakh) |
|---|--|-----------------|--------------------|
| i) | Awaiting departmental and criminal investigation | 285 | 494.66 |
| ii) | Departmental action initiated but not finalised | 277 | 743.24 |
| iii) | Criminal proceedings finalised but execution of certificate cases for recovery of the amount pending | 9 | 16.84 |
| iv) | Awaiting orders for recovery or write off | 48 | 58.97 |
| v) | Pending in the courts of law | 94 | 285.36 |
| | Total | 713 | 1599.07 |

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

It is pertinent to mention here that as many as 285 cases involving ₹ 4.95 crore were awaiting departmental and criminal investigation up to 36 years since the year 1980-81. Similarly, 48 cases involving ₹ 0.59 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 277 misappropriation and loss cases involving ₹ 7.43 crore, on which departmental action had been initiated.

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 Principal Accountant General (A&E). The total amount of Detailed Contingent (DC) bills received up to 2015-16 was only ₹ 633.42 crore (93.46 *per cent*) against AC bills worth ₹ 677.72 crore drawn during 2005-06 to 2015-16, leading to outstanding balance of DC bills of ₹ 44.31 crore as on 31 March 2016. 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 | | (₹ in crore) |
|---------------|----------------|---------------|----------------------|--------------|--|
| | No. | Amount | No. | Amount | Amount of outstanding DC bills as percentage of AC bills |
| Up to 2011-12 | 102216 | 338.18 | 364 | 2.06 | 0.61 |
| 2012-13 | 10227 | 74.14 | 17 | 3.82 | 5.15 |
| 2013-14 | 11122 | 130.78 | 118 | 14.75 | 11.28 |
| 2014-15 | 12862 | 72.23 | 148 | 6.89 | 26.89 |
| 2015-16 | 14816 | 62.39 | 2299 | 16.78 | 44.91 |
| TOTAL | 151243 | 677.72 | 2946 | 44.30 | 6.53 |

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

Department-wise pendency of AC bills up to 2015-16 are detailed in **Appendix-3.7** which shows that three major Departments viz. Home (₹ 29.84 crore), General Administration (₹ 7.15 crore) and Transport (₹ 3.60 crore) accounted for 91.60 *per cent* of the total unadjusted AC bills. As the amount has already been 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 the 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 was withdrawal of funds on AC bills on large scale and non-adjustment/settlement of substantial number of AC bills by way of submission of DC bills over the years. An analysis of AC bill draws in Voucher Level Computerisation (VLC) database of the office of the Principal Accountant General (A&E) in respect of the Home Department showed the following:

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

At the time of drawal of funds through AC bill, the expenditure is booked under the relevant service head. Therefore, it is essential to ensure utilisation of such funds for the specific purpose within the stipulated period, but not later than 31 March of the financial year. Funds drawn through AC bills remaining outstanding as of March 2016 are detailed in **Table 3.5**.

Table 3.5: Year-wise outstanding AC Bills of Home Department
(₹ in crore)

| Year | AC Bill Drawn | | Outstanding DC bills | |
|---------------|---------------|---------------|----------------------|--------------|
| | No. of items | Amount | No. of items | Amount |
| Up to 2011-12 | 95843 | 260.68 | 229 | 1.16 |
| 2012-13 | 9648 | 54.08 | 5 | 0.01 |
| 2013-14 | 10471 | 119.39 | 99 | 14.38 |
| 2014-15 | 12209 | 51.24 | 96 | 4.91 |
| 2015-16 | 13981 | 52.19 | 2050 | 9.38 |
| Total | 142152 | 537.58 | 2479 | 29.84 |

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

Out of the total AC bills of ₹ 537.58 crore drawn up to 2015-16, DC bills for ₹ 29.84 crore remained outstanding for years, which raises serious concerns about proper utilisation of the amounts drawn on AC bills. The outstanding DC bills for years together further showed that Government funds drawn for various purposes *inter-alia* on the plea of immediate disbursement had been irregularly retained at DDO level. Further, Rule 261 of OTC requires that a certificate shall be furnished by the DDOs to the effect that funds drawn on AC bills shall be spent within the same financial year. However, 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 report generated through Voucher Level Computerisation (VLC) of the office of the Principal Accountant General (A&E) showed that during 2011-12 to 2015-16, total amount of ₹ 106.18 crore was drawn in the month of March only, which constituted 34.30 *per cent* of the total drawal of ₹ 309.53 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 | 2011-12 | 32.63 | 6.24 | 19.12 |
| 2 | 2012-13 | 54.08 | 27.45 | 50.76 |
| 3 | 2013-14 | 119.39 | 61.03 | 51.12 |
| 4 | 2014-15 | 51.24 | 4.51 | 8.80 |
| 5 | 2015-16 | 52.19 | 6.95 | 13.32 |
| Total | | 309.53 | 106.18 | 34.30 |

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

Amounts drawn in the month of March were indicative of the fact that the 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 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 2016.

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 2011-12 | 174.70 | 51 | 56.51 | 15 |
| 2 | 2012-13 | 558.58 | 14 | 0 | 0 |
| 3 | 2013-14 | 0.10 | 2 | 0 | 0 |
| 4 | 2014-15 | 1.99 | 10 | 0.24 | 1 |
| Total | | 735.37 | 77 | 56.75 | 16 |

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

Out of total AC bills of ₹ 537.58 crore drawn for Home Department, ₹ 7.35 crore were drawn for Plan Schemes, which constituted 1.36 *per cent*, out of which ₹ 0.57 crore, comprising 7.75 *per cent* of the total drawal for Plan Scheme, remained outstanding as of March 2016. No AC bill was drawn under Plan schemes during 2015-16. Withdrawal of funds under Plan Heads through AC bill was indicative of the fact that project level planning was deficient, items of

expenditure were not linked while drawing the amount and, thus funds 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 ground of immediate requirement were allowed to be parked outside Consolidated Fund at the end of each financial year.

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

There were 849 PD Account holders in the State with a closing balance (unspent) of ₹ 1242.47 crore operating under the head 8443 and 8448 as Personal Deposits at the end of March 2016. During 2015-16, ₹ 2064.11 crore were transferred from the Consolidated Fund of the State to these PD accounts and expenditure of ₹ 1967.72 crore was incurred therefrom, resulting in net increase of ₹ 96.39 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 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.

3.8 Booking under Minor Head '800-Other Receipts and Other Expenditure'

A 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.

Booking under Minor Head '800-Other Receipts and 800-Other Expenditure' is opaque, as it does not disclose the schemes, programmes etc., to which they relate to. It accommodates the expenditure which could not be classified under the relevant Minor Head. As such, it does not reflect the receipts / expenditure of the concerned Heads.

Scrutiny of State Finance Accounts 2015-16 showed that under 60 major heads of account (both Revenue and Capital), ₹ 10118.45 crore (13.33 *per cent*) of the total expenditure of ₹ 75896 crore, were classified under the minor head of account '800-Other Expenditure' in the accounts, which also ranged between 11 and 100 *per cent* of the total expenditure under the respective major heads. Similarly, under 52 major heads of account (Revenue Receipt), ₹ 12645.12 crore (18.34 *per cent*) out of total receipts of ₹ 68941 crore was classified under '800-Other Receipts', which ranged between 13 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 transparency in financial reporting.

3.9 Labour Cess amounting to ₹ 965.26 crore kept in Account of a Board without Legislative scrutiny.

The Building and Other Construction Workers (BOCW) (Regulation of Employment and Conditions of Service) Act, 1996 provides that the proceeds of the labour 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) showed 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 the shape of savings bank account and fixed/term deposit in violation of constitutional provisions and the BOCW Act 1996. The year-wise position of receipt and expenditure of cess from 2011-12 to the end of 2015- 16 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 |
| 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 | 211.13 | 36.72 | 812.39 | 38.85 | 773.54 |
| 2015-16 | 773.54 | 222.48 | 76.66 | 1072.68 | 107.42 | 965.26 |

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

Moreover, it can be seen from the table that during 2015-16, the board could utilise only 10 *per cent* of the total money received up to the end of 2015-16.

The Board, however, stated (August 2016) that for early utilisation of labour cess towards disbursement of different benefit schemes to the registered construction workers, the cess fund was kept in Savings Bank Account of the Board and utilised from that account. It was further stated that the Department of Labour and Employees State Insurance, Government of Odisha has been moved (September 2015) for amendment of the accounting procedure of Board for deleting the treasury Head of Account and inserting deposit of labour cess in designated bank account of the Board.

However, the reply of the Board was not tenable. Article-266(1) of the Constitution of India provides that all revenues received by the State Government shall form part of the Consolidated Fund of the State (CFS). Funds kept in the Savings Bank accounts are not considered as part of the CFS.

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 items for which there is no specific allotment and sanction of the Government.

3.10.1 Advances amounting to ₹ 616.47 crore remaining unadjusted

As per Subsidiary Rule 37 Notes 9 of OTC Vol. I, the DDO is required to maintain a Register of Advances 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 of advances so rendered, are required to be checked and passed by the DDO. Further, as per Finance Department Notification (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 10 District Rural Development Agencies and 20 Block Development Offices showed that advances of ₹ 616.47 crore as of 31 March 2016 have not been adjusted. 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.

In respect of 30 DDOs, advances amounting to ₹ 602.75 crore were still lying unadjusted (*Appendix-3.8*) up to March 2016. Advances had been given to the implementing agencies for execution of work, imparting training and supply of agricultural implements.

3.10.2 Discrepancy of ₹31.26 crore due to non-reconciliation between bank balance and cash book balance.

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

Audit found that in 16 sample DDOs, difference of ₹ 31.26 crore (*Appendix-3.9*) between the balances in cash book and bank pass book as of March 2016, was not reconciled. In absence of reconciliation of cash balances, the authenticity of accounts maintained by these DDOs could not be vouchsafed in audit.

3.11 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, 713 cases of misappropriation / defalcation of Government money amounting to ₹ 15.99 crore were pending for settlement (*Paragraph 3.5*).
- Contrary to the provisions of financial rules, Controlling Officers did not submit Detailed Countersigned Contingent Bills to the Principal Accountant General (A&E) in respect of ₹ 44.30 crore drawn on Abstract Contingent Bills (2946 cases) up to 31 March 2016. Besides, some departments allowed drawal of AC Bills despite AC Bills of earlier years remaining unadjusted (*Paragraph 3.6*).
- Labour cess amounting to ₹ 965.26 crore at the end of March 2016 was kept in bank accounts, violating the resolution of the Government of Odisha, Labour and Employees State Insurance Department (*Paragraph 3.9*).

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.
- The Controlling Departments may identify the reasons for delay in finalisation of accounts of autonomous bodies / undertakings and institute remedial measures to ensure that the arrears in accounts are cleared in a time bound manner.


The report was referred (October 2016) to the Principal Secretary, Finance Department, Government of Odisha; their replies are awaited (November 2016).

Bhubaneswar
The 25 NOV 2016


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

Countersigned

New Delhi
The 28 NOV 2016


(Shashi Kant Sharma)
Comptroller and Auditor General of India

Appendices

Appendix-1.1

(Refer Page 1)

A brief profile of Odisha

| A. General Data | | | | | |
|-------------------|---|----------------------------|-------------------------|----------------------------|--------|
| Particulars | | | | Figures | |
| 1 | Area | | | 155707 Sq. Km | |
| 2 | Population | | | | |
| | a. | As per 2001 Census | | 3.68 crore | |
| | b. | As per 2011 Census | | 4.20 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 <i>per cent</i>) | | | 45.9 <i>per cent</i> | |
| 5 | Literacy (as per 2011 Census) (All India Average = 73.0 <i>per cent</i>) | | | 72.87 <i>per cent</i> | |
| 6 | Infant mortality (per 1000 live births). (All India Average = 39 per 1000 live births) | | | 51 | |
| 7 | Life Expectancy at birth ³ . (All India Average = 67.5 years) | | | 64.8 years | |
| 8 | Gini-Coefficient | | | | |
| | a. | Rural. (All India = 0.29) | | 0.26 | |
| | b. | Urban. (All India = 0.38) | | 0.39 | |
| 9 | Gross State Domestic Product (GSDP) 2015-16 at current price | | | ₹332329 crore | |
| 10 | Per Capita GSDP CAGR (2006-07 to 2015-16) | | Odisha | 14.45 | |
| | | | General Category States | 14.27 | |
| 11 | GSDP CAGR (2006-07 to 2015-16) | | Odisha | 15.48 | |
| | | | General Category States | 15.75 | |
| 12 | Population Growth (2006 to 2015) | | Odisha | 8.45 | |
| | | | General Category States | 12.24 | |
| B. Financial Data | | | | | |
| Particulars | | | | | |
| CAGR | | 2006-07 to 2014-15 | | 2014-15 to 2015-16 | |
| | | General Category States | Odisha | General Category States | Odisha |
| | | (In <i>per cent</i>) | | | |
| a. | of Revenue Receipts. | 14.74 | 15.47 | 15.00 | 20.95 |
| b. | of Own Tax Revenue. | 15.08 | 15.96 | 13.28 | 13.61 |
| c. | of Non Tax Revenue. | 10.20 | 15.28 | 6.00 | 7.93 |
| d. | of Total Expenditure. | 16.71 | 17.27 | 16.42 | 21.84 |
| e. | of Capital Expenditure. | 13.21 | 28.92 | 25.80 | 54.31 |
| f. | of Revenue Expenditure on Education. | 17.08 | 18.87 | 12.17 | 13.07 |
| g. | of Revenue Expenditure on Health. | 18.70 | 23.02 | 13.44 | 18.94 |
| h. | of Salary and Wages. | 15.49 | 15.27 | 9.95 | 13.02 |
| i. | of Pension. | 18.59 | 20.07 | 11.79 | -1.11 |

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 Economic Survey for 2015-16, Table-9.1, Page – A-129

APPENDIX - 1.2

(Refer paragraph 1.1)

Structure and Form of Government Accounts

Part A: Structure and Form of Government Accounts

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

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

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

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

PART B: Layout of Finance Accounts

| Statement No. | About |
|--------------------|--|
| Volume - I | |
| 1 | Statement of Financial Position |
| 2 | Statement of Receipts and Disbursements Annexure A. Cash Balances and Investment of Cash Balances |
| 3 | Statement of Receipts (Consolidated Fund) |
| 4 | Statement of Expenditure (Consolidated Fund) |
| 5 | Statement of Progressive Capital Expenditure |
| 6 | Statement of Borrowings and other Liabilities |
| 7 | Statement of Loans and Advances given by the Government |
| 8 | Statement of Investments of the Government |
| 9 | Statement of Guarantees given by the Government |
| 10 | Statement of Grants-in-Aid given by the Government |
| 11 | Statement of Voted and Charged Expenditure |
| 12 | Statement on Sources and Application of funds for expenditure other than revenue account |
| 13 | Summary of Balances under Consolidated Fund, Contingency Fund and Public Account |
| Volume - II | |
| 14 | Detailed Statement of Revenue and Capital Receipts by Minor heads |
| 15 | Detailed Statement of Revenue Expenditure by Minor heads |
| 16 | Detailed Statement of Capital Expenditure by Minor heads and Sub heads |
| 17 | Detailed Statement of Borrowings and Other Liabilities |
| 18 | Detailed Statement of Loans and Advances given by the State Government |
| 19 | Detailed Statement of Investments of the Government |
| 20 | Detailed Statement of Guarantees given by the Government |
| 21 | Detailed Statement on Contingency Fund and Other Public Account transactions |
| 22 | Detailed Statement on Investment of Earmarked Funds |

APPENDIX – 1.3

(Refer paragraph 1.2)

Time Series data on the State Government Finances

(₹ in crore)

| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|--|------------------|------------------|------------------|------------------|------------------|
| Part A. Receipts | | | | | |
| 1. Revenue Receipts | 40267 | 43937 | 48947 | 56998 | 68941 |
| (i) Tax Revenue | 13443 (34) | 15034(34) | 16892(35) | 19828(35) | 22527(33) |
| Taxes on Agricultural Income | Nil | Nil | Nil | Nil | Nil |
| Taxes on Sales, Trade, etc | 8197(61) | 9685(64) | 10729(64) | 11817(60) | 13097(58) |
| State Excise | 1379(10) | 1499(10) | 1780(11) | 2035(10) | 2547(11) |
| Taxes on Vehicles | 788(6) | 746(5) | 860(5) | 910(5) | 1044(5) |
| Stamps and Registration fees | 498(4) | 545(4) | 606(4) | 800(4) | 2157(10) |
| Land Revenue | 522(4) | 420(3) | 431(3) | 646(3) | 589(3) |
| Taxes on Goods and Passengers | 1312(10) | 1342(9) | 1613(10) | 1711(9) | 1663(7) |
| Other Taxes | 747(5) | 797(5) | 873(5) | 1909(10) | 1430(6) |
| (ii) Non-Tax Revenue | 6443(16) | 8078(18) | 8379(17) | 8071(14) | 8711(13) |
| (iii) State's share of Union taxes and duties | 12229(30) | 13965(32) | 15247(31) | 16181(28) | 23574(34) |
| (iv) Grants in aid from Government of India * | 8152(20) | 6860(16) | 8429(17) | 12918(23) | 14129(20) |
| 2. Miscellaneous Capital Receipts | Nil | Nil | 0.03 | Nil | Nil |
| 3. Recoveries of Loans and Advances | 132 | 142 | 257 | 92 | 228 |
| 4. Total Revenue and Non debt capital receipts (1+2+3) | 40399 | 44079 | 49204 | 57090 | 69169 |
| 5. Public Debt Receipts | 1354 | 1880 | 2290 | 7646 | 9790 |
| Internal Debt (excluding Ways and Means Advances and Overdrafts) | 1121 | 1436 | 1740 | 6035 | 9051 |
| Net transactions under Ways and Means Advances and Overdrafts | Nil | Nil | Nil | Nil | Nil |
| Loans and Advances from Government of India | 233 | 444 | 550 | 529 | 739 |
| 6. Total Receipts in the Consolidated Fund (4+5) | 41753 | 45959 | 51494 | 64736 | 78959 |
| 7. Contingency Fund Receipts | 375 | 16 | -- | 150 | -- |
| 8. Public Account Receipts | 15487 | 27545 | 32677 | 24801 | 31098 |
| 9. Total Receipts of the State (6+7+8) | 57615 | 73520 | 84171 | 89687 | 110057 |
| Part B. Expenditure/Disbursement | | | | | |
| 10. Revenue Expenditure | 34660(87) | 38238(87) | 45618(85) | 51136(82) | 58806(77) |
| Plan | 9720(28) | 11593(30) | 15008(33) | 18877(37) | 23270(40) |
| Non-Plan | 24940(72) | 26645(70) | 30610(67) | 32259(63) | 35536(60) |
| General Services (including interest payments) | 10929(32) | 12423(32) | 13689(30) | 14529(28) | 15059(26) |
| Social Services | 14338(41) | 14977(39) | 18722(41) | 20964(41) | 24643(42) |
| Economic Services | 8732(25) | 10196(27) | 12315(27) | 14826(29) | 18188(31) |
| Grants-in-Aid and Contributions | 661(2) | 642(2) | 892(2) | 817(2) | 916(1) |
| 11. Capital Expenditure | 4496(11) | 5622(13) | 7756(14) | 11075(18) | 17090(22) |
| Plan | 4435(99) | 5603(99) | 7598(98) | 11057(100) | 17076(100) |
| Non-Plan | 61(1) | 19(1) | 158(2) | 18 | 14 |
| General Services | 258(6) | 351(6) | 470(6) | 390(4) | 425(3) |
| Social Services | 657(14) | 1205(22) | 1725(22) | 2288(21) | 2929(17) |
| Economic Services | 3581(80) | 4066(72) | 5561(72) | 8397(76) | 13737(80) |

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

| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|---|---------------|---------------|----------------|----------------|----------------|
| 12. Disbursement of Loans and Advances | 621(2) | 216(1) | 463(1) | 358(1) | 337(1) |
| 13. Total Expenditure (10+11+12) | 39777 | 44076 | 53837 | 62569 | 76233 |
| 14. Repayments of Public Debt | 2328 | 3180 | 2293 | 4111 | 2881 |
| Internal Debt (excluding Ways and Means Advances and Overdrafts) | 1781 | 2666 | 1775 | 2379 | 2254 |
| Net transactions under Ways and Means Advances and Overdraft | Nil | Nil | Nil | Nil | Nil |
| Loans and Advances from Government of India | 547 | 514 | 518 | 650 | 628 |
| 15. Appropriation to Contingency Fund | Nil | Nil | Nil | Nil | Nil |
| 16. Total disbursement out of Consolidated Fund (13+14+15) | 42105 | 47256 | 56130 | 66680 | 79114 |
| 17. Contingency Fund disbursements | 3 | -- | 150 | Nil | 123 |
| 18. Public Account disbursements | 14023 | 24886 | 31257 | 22511 | 28766 |
| 19. Total disbursement by the State (16+17+18) | 56131 | 72142 | 87537 | 89191 | 108003 |
| Part C. Deficits | | | | | |
| 20. Revenue Deficit (-)/Revenue Surplus (+) (1-10) | 5607 | 5699 | 3329 | 5862 | 10135 |
| 21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13) | 622 | 3 | (-)4633 | (-)5479 | (-)7064 |
| 22. Primary Deficit(-)/Primary Surplus(+) (21+23) | 3198 | 2810 | (-)1745 | (-)2669 | (-)3721 |
| Part D. Other data | | | | | |
| 23. Interest Payments (included in revenue expenditure) | 2576 | 2807 | 2888 | 2810 | 3343 |
| 24. Financial Assistance to local bodies etc. | 9065 | 7023 | 9495 | 13686 | 17779 |
| 25. Ways and Means Advances/Overdraft availed (days) | -- | -- | -- | 3 | -- |
| Ways and Means Advances availed (days) | Nil | Nil | Nil | 3 | Nil |
| Overdraft availed (days) | Nil | Nil | Nil | Nil | Nil |
| 26. Interest on Ways and Means Advances/ Overdraft | Nil | Nil | Nil | 1 | Nil |
| 27. Gross State Domestic Product (GSDP) | 225283 | 255273 | 277271 | 309807 | 332329 |
| 28. Outstanding Fiscal liabilities (year end) | 42467 | 43344 | 44714 | 50493 | 59753 |
| 29. Outstanding guarantees (year end) (including interest) | 2510 | 2251 | 1705 | 1672 | 1290 |
| 30. Maximum amount guaranteed (year end) | 10579 | 10579 | 10625 | 10886 | 10891 |
| 31. Number of incomplete projects | 150 | 151 | 190 | 206 | 31 |
| 32. Capital blocked in incomplete projects | 352 | 347 | 874 | 1073 | 2323 |
| Part E: Fiscal Health Indicators | | | | | |
| I Resource Mobilisation | | | | | |
| Own Tax Revenue/GSDP | 5.97 | 5.89 | 6.09 | 6.4 | 6.78 |
| Own Non-Tax Revenue/GSDP | 2.86 | 3.16 | 3.02 | 2.61 | 5.24 |
| Central Transfers/GSDP | 5.43 | 5.47 | 5.5 | 5.22 | 7.09 |
| II Expenditure Management | | | | | |
| Total Expenditure/GSDP | 17.66 | 17.27 | 19.42 | 20.2 | 22.94 |
| Total Expenditure/Revenue Receipts | 559.47 | 581 | 566.47 | 543.54 | 482.05 |
| Revenue Expenditure/Total Expenditure | 87.14 | 86.75 | 84.73 | 81.73 | 77.14 |

| | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
|--|---------|---------|---------|---------|---------|
| Expenditure on Social Services/Total Expenditure | 36.05 | 33.98 | 34.78 | 33.51 | 32.33 |
| Expenditure on Economic Services/Total Expenditure | 21.95 | 23.13 | 22.87 | 23.7 | 23.86 |
| Capital Expenditure/Total Expenditure | 11.3 | 12.76 | 14.41 | 17.7 | 22.42 |
| Capital Expenditure on Social and Economic Services/Total Expenditure. | 10.65 | 11.96 | 13.53 | 17.08 | 21.86 |
| III Management of Fiscal Imbalances | | | | | |
| Revenue Deficit (Surplus)/GSDP | 2.49 | 2.23 | 1.2 | 1.89 | 3.05 |
| Fiscal Deficit/GSDP | 0.28 | 0 | (-)1.67 | (-)1.77 | (-)2.13 |
| Primary Deficit (Surplus) /GSDP | 1.42 | 1.1 | (-)0.63 | (-)0.86 | (-)1.12 |
| IV Management of Fiscal Liabilities | | | | | |
| Fiscal Liabilities/GSDP | 18.85 | 16.98 | 16.13 | 16.3 | 17.98 |
| Fiscal Liabilities/RR | | | | | |
| V Other Fiscal Health Indicators | | | | | |
| Return on Investment | 9.84 | 19.04 | 13.67 | 30.71 | 14.26 |
| Balance from Current Revenue (₹ in crore) | 9946 | 12437 | 12637 | 18493 | 34604 |
| Financial Assets/Liabilities | 1.07 | 1.19 | 1.25 | 1.32 | 1.43 |

APPENDIX – 1.4
(Refer paragraph 1.2)

Abstract of receipts and disbursements for the year 2015-16

(₹ in crore)

| 2014-15 | Receipts | 2015-16 | 2014-15 | Disbursements | Non-Plan | Plan | 2015-16 |
|----------------------------|---|-----------------|-----------------|---|----------|----------|-----------------|
| Section A: Revenue | | | | | | | |
| 56997.88 | I.Revenue Receipts | 68941.44 | 51135.74 | I.Revenue Expenditure- | | | 58805.70 |
| 19828.30 | -Tax Revenue | 22526.95 | 14528.86 | General Services | 14961.85 | 96.81 | 15058.66 |
| -- | -- | | 20964.13 | Social Services- | 12171.53 | 12471.63 | 24643.16 |
| 8070.87 | -Non-Tax Revenue | 8711.24 | 9822.05 | -Education, Sports, Art and Culture | - | - | 11055.58 |
| -- | -- | | 2773.53 | -Health and Family Welfare | - | - | 3154.57 |
| 16181.22 | -State's Share of Union Taxes | 23573.79 | 1892.51 | -Water Supply, Sanitation, Housing and Urban Development | - | - | 3086.20 |
| -- | -- | -- | 41.94 | -Information and Broadcasting | - | - | 45.89 |
| 1929.34 | -Non-Plan Grants | 3062.63 | 1429.34 | -Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes | - | - | 1856.57 |
| 10886.18 | -Grants for State Plan Schemes | 10773.42 | 262.16 | -Labour and Labour Welfare | - | - | 251.98 |
| -- | -- | -- | 4610.89 | -Social Welfare and Nutrition | - | - | 5027.72 |
| 101.98 | -Grants for Central and Centrally Sponsored Plan Schemes | 293.41 | 131.69 | -Others | - | - | 164.65 |
| -- | -- | -- | 14825.38 | Economic Services- | 7486.27 | 10701.85 | 18188.12 |
| -- | -- | -- | 5613.46 | -Agriculture and Allied Activities | - | - | 5802.49 |
| -- | -- | -- | 4446.25 | -Rural Development | - | - | 7400.21 |
| -- | -- | -- | -- | -Special Areas Programmes | - | - | |
| -- | -- | -- | 1376.40 | -Irrigation and Flood Control | - | - | 1812.85 |
| -- | -- | -- | 44.96 | -Energy | - | - | 52.76 |
| -- | -- | -- | 374.73 | -Industry and Minerals | - | - | 485.80 |
| -- | -- | -- | 1895.54 | -Transport | - | - | 1845.50 |
| -- | -- | -- | 54.09 | -Science, Technology and Environment | - | - | 46.12 |
| -- | -- | -- | 1019.94 | General Economic Services | - | - | 742.39 |
| -- | -- | -- | 817.37 | Grants-in-aid and Contributions- | - | - | 915.25 |
| -- | II. Revenue deficit carried over to | -- | 5862.14 | II. Revenue Surplus carried over | - | - | 10135.74 |
| Section B : Capital | | | | | | | |
| 9510.30 | III. Opening Cash balance including Permanent Advances and Cash Balance Investment | -- | -- | III. Opening Overdraft from Reserve Bank of India | -- | -- | -- |

| 2014-15 | Receipts | 2015-16 | 2014-15 | Disbursements | Non-Plan | Plan | 2015-16 |
|----------------|--|-----------------|-----------------|---|---------------|----------|-----------------|
| -- | IV. Miscellaneous Capital Receipts | -- | 11074.63 | IV. Capital Outlay- | -- | -- | 17090.48 |
| -- | -- | -- | 389.80 | General Services- | 14.00 | 411.01 | 425.01 |
| -- | -- | -- | 2288.39 | Social Services- | 4.87 | 2923.68 | 2928.55 |
| -- | -- | -- | -- | -Education, Sports, Art and Culture | -- | 501.66 | 501.66 |
| -- | -- | -- | 413.78 | -Health and Family Welfare | -- | 525.99 | 525.99 |
| -- | -- | -- | 838.79 | -Water Supply, Sanitation, Housing and Urban Development | 4.87 | 997.44 | 1002.31 |
| -- | -- | -- | -- | -Information and Broadcasting | -- | -- | -- |
| -- | -- | -- | 436.02 | -Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes | -- | -- | 559.73 |
| -- | -- | -- | 143.99 | -Social Welfare and Nutrition | -- | -- | 219.97 |
| -- | -- | -- | 94.91 | -Others | -- | -- | 118.88 |
| -- | -- | -- | -- | Economic Services- | -4.13 | 13741.05 | 13736.92 |
| -- | -- | -- | 141.55 | -Agriculture and Allied Activities | -1.70 | 361.36 | 359.66 |
| -- | -- | -- | -- | -Rural Development | -- | -- | -- |
| -- | -- | -- | 148.50 | -Special Areas Programmes | -- | 148.50 | 148.50 |
| -- | -- | -- | 2850.79 | -Irrigation and Flood Control | -- | 4173.23 | 4173.23 |
| -- | -- | -- | 596.50 | -Energy | -- | 1398.64 | 1398.64 |
| -- | -- | -- | (-)2.95 | -Industry and Minerals | -2.95 | 1.99 | (-)0.95 |
| -- | -- | -- | 4558.30 | -Transport | -- | -- | 7554.50 |
| -- | -- | -- | 103.75 | General Economic Services | -- | -- | -- |
| 91.87 | V. Recoveries of Loans and Advances- | 228.45 | 358.00 | V. Loans and Advances disbursed- | 336.54 | -- | 336.54 |
| -- | -From Power Projects | -- | 130.42 | -For Power Projects | 118.75 | -- | 118.75 |
| 66.08 | -From Government Servants | 66.19 | 90.40 | -To Government Servants | 91.02 | -- | 91.02 |
| 25.79 | -From Others | -- | 137.18 | -To Others | -- | -- | -- |
| 5862.14 | VI. Revenue Surplus brought down | 10135.74 | -- | VI. Revenue Deficit brought down | -- | -- | -- |
| 7645.63 | VII. Public Debt Receipts- | 9789.82 | 4111.45 | VII. Repayment of Public Debt- | -- | -- | 2881.37 |
| -- | -External debt | -- | -- | -External debt | -- | -- | -- |
| 6034.48 | -Internal debt other than Ways and Means Advances and Overdrafts | 9051 | 2379.44 | -Internal Debt other than Ways and Means Advances and Overdrafts | -- | -- | 2254 |
| -- | - Net transactions under Ways and Means Advances | -- | -- | - Net transactions under Ways and Means Advances | -- | -- | -- |
| -- | - Net transactions under Overdraft | -- | -- | -Net transactions under Overdraft | -- | -- | -- |
| 529.10 | -Loans and Advances from Central Government | 739.24 | -- | -Repayment of Loans and Advances to Central Government | -- | -- | 627.67 |
| -- | VIII. Appropriation to Contingency Fund | -- | -- | VIII. Appropriation to Contingency Fund | -- | -- | -- |

| 2014-15 | Receipts | 2015-16 | 2014-15 | Disbursements | Non-Plan | Plan | 2015-16 |
|-----------|--|-----------|-----------|--|----------|------|-----------|
| 150.00 | IX. Amount transferred to Contingency Fund | -- | -- | IX. Expenditure from Contingency Fund | -- | -- | -- |
| 24800.68 | X. Public Account Receipts- | - | 22511.41 | X. Public Account Disbursements- | -- | -- | -- |
| 3470.60 | -Small Savings and Provident Funds | 4087.99 | 2397.81 | -Small Savings and Provident Funds | -- | -- | 2252.53 |
| 658.35 | -Reserve Funds | 1932.96 | 401.11 | -Reserve Funds | -- | -- | 1647.52 |
| 209.85 | -Suspense and Miscellaneous | - | 167.63 | -Suspense and Miscellaneous | -- | -- | -- |
| 13619.78 | -Remittance | - | 13617.51 | -Remittances | -- | -- | -- |
| 6842.11 | -Deposits and Advances | 6975.76 | 5927.35 | -Deposits and Advances | -- | -- | 6745.15 |
| -- | XI. Closing Overdraft from Reserve Bank of India | -- | 9996.13 | XI. Cash Balance at end- | -- | -- | 12051 |
| -- | -- | -- | -- | Cash in Treasuries and Local Remittances | -- | -- | -- |
| -- | -- | -- | 578.65 | Deposits with Reserve Bank | -- | -- | 666.99 |
| -- | -- | -- | 21.37 | Departmental Cash Balance including permanent Advances | -- | -- | 21.45 |
| -- | -- | -- | 9393.55 | Cash Balance Investment | -- | -- | 12047.68 |
| 105049.50 | Total | 100367.92 | 105049.50 | Total | | | 100367.92 |

APPENDIX – 1.5

(Refer paragraph 1.7.6)

DDO-wise parking of fund in Banks amounting to ₹ 899 crore

| Drawing and Disbursing Officer | Opening Balance | Receipt | Total | Expenditure | Closing Balance |
|---|------------------------|----------------|----------------|--------------------|------------------------|
| BDO - Puintala, Balangir | 20.14 | 10.95 | 31.09 | 14.96 | 16.13 |
| BDO - Balangir Sadar | 22.86 | 18.23 | 41.09 | 21.10 | 19.99 |
| BDO – Barang, Cuttack | 7.91 | 1.98 | 9.89 | 5.14 | 4.75 |
| BDO - Cuttack Sadar | 33.10 | 22.79 | 55.89 | 22.05 | 33.84 |
| BDO – Jharsuguda Sadar | 22.83 | 14.48 | 37.31 | 20.05 | 17.26 |
| BDO – Laikera, Jharsuguda | 14.30 | 12.74 | 27.04 | 15.03 | 12.01 |
| BDO - Raghunathpur, Jagatsinghpur | 10.31 | 7.29 | 17.60 | 9.98 | 7.62 |
| BDO - Biridi, Jagatsinghpur | 7.47 | 6.57 | 14.04 | 8.07 | 5.97 |
| BDO – Koraput Sadar | 5.25 | 4.23 | 9.48 | 5.79 | 3.69 |
| BDO – Jeypore, Koraput | 7.57 | 5.01 | 12.58 | 7.78 | 4.80 |
| BDO – Bhawanipatna, Kalahandi | 27.72 | 27.31 | 55.03 | 33.21 | 21.82 |
| BDO – Junagarh, Kalahandi | 34.89 | 40.08 | 74.97 | 43.39 | 31.58 |
| BDO – Ghatagaon, Keonjhar | 17.60 | 27.25 | 44.85 | 31.62 | 13.23 |
| BDO – Keonjhar Sadar | 12.82 | 18.32 | 31.14 | 21.64 | 9.50 |
| BDO – Begunia, Khurda | 28.27 | 17.44 | 45.71 | 23.49 | 22.22 |
| BDO – Jatni, Khurda | 14.97 | 12.23 | 27.20 | 13.42 | 13.78 |
| BDO – Puri Sadar | 29.73 | 31.84 | 61.57 | 33.69 | 27.88 |
| BDO – Dhankauda, Sambalpur | 30.12 | 19.19 | 49.31 | 24.56 | 24.75 |
| BDO – Maneswar, Sambalpur | 26.59 | 21.64 | 48.23 | 25.15 | 23.08 |
| BDO – Sundargarh Sadar | 10.49 | 27.12 | 37.61 | 24.47 | 13.14 |
| BDO – Bargaon, Sundergarh | 14.07 | 17.53 | 31.60 | 18.31 | 13.29 |
| TOTAL (BDOs) | 399.01 | 364.22 | 763.23 | 422.90 | 340.33 |
| DRDA - Balangir | 77.22 | 118.48 | 195.70 | 140.89 | 54.81 |
| DRDA - Cuttack | 2.38 | 0.15 | 2.53 | 0.48 | 2.05 |
| DRDA - Jagatsinghpur | 5.83 | 23.97 | 29.80 | 27.35 | 2.45 |
| DRDA - Jharsuguda | 9.08 | 32.33 | 41.41 | 25.51 | 15.90 |
| DRDA - Kalahandi | 10.87 | 67.45 | 78.32 | 44.61 | 33.71 |
| DRDA - Keonjhar | 31.48 | 88.00 | 119.48 | 80.62 | 38.86 |
| DRDA - Khurda | 29.32 | 51.72 | 81.04 | 63.29 | 17.75 |
| DRDA - Koraput | 4.82 | 100.66 | 105.48 | 71.37 | 34.11 |
| DRDA - Puri | 26.17 | 107.31 | 133.48 | 115.12 | 18.36 |
| DRDA - Sambalpur | 5.48 | 44.68 | 50.16 | 41.38 | 8.78 |
| DRDA - Sundargarh | 7.15 | 104.82 | 111.97 | 104.92 | 7.05 |
| TOTAL (DRDAs) | 209.80 | 739.57 | 949.37 | 715.54 | 233.83 |
| Special Land Acquisition Officer, Lower Suktel Irrigation Project, Balangir | 86.97 | 1.80 | 88.77 | 3.06 | 85.71 |
| Project Director, Subarnarekha Irrigation Project, Baripada, Mayurbhanj | 193.47 | 52.62 | 246.09 | 78.87 | 167.22 |
| Land Acquisition Office, Lower Indra Irrigation Project, Khariar, Nuapada | 73.37 | 0.05 | 73.42 | 1.45 | 71.97 |
| TOTAL (Land Acquisition Office) | 353.81 | 54.47 | 408.28 | 83.38 | 324.90 |
| Grand Total | 962.62 | 1158.26 | 2120.88 | 1221.82 | 899.06 |

APPENDIX – 1.6
(Refer paragraph 1.8.3)

Statement of outcome budget during the financial year 2015-16

Fisheries and Animal Resources Development Department

(₹ in lakh)

| Sl. No. | Name of the Scheme | FINANCIAL | | | PHYSICAL | | |
|---------|---|------------------------------|-----------------------|-----------|-----------------|----------------------|----------------------|
| | | Financial Outlay for 2015-16 | Financial Achievement | Shortfall | Physical Target | Physical Achievement | Shortfall |
| 1 | Assistance to Matsyajibi Basagruha Yojana | 80000 | 80000 (100%) | Nil | 1066 houses | 31 houses (3%) | 1906 houses (97%) |
| 2 | Interest Subvention on Short term Credit Support to Fish Farmers. | 21147 | 21147 (100%) | Nil | 2000 ha | 151.20 ha (8%) | 1848.80 (92%) |
| 3 | Interest Subvention on Long term Credit Support to Fish Farmers. | 30000 | 30000 (100%) | Nil | 1000 ha | 349.47 ha (35%) | 650.53 ha (65%) |

Rural Development Department

(₹ in lakh)

| Sl. No. | Name of the Scheme | FINANCIAL | | | PHYSICAL | | |
|---------|---|------------------|-----------------------|-----------|-----------------|----------------------|-----------------|
| | | Financial Outlay | Financial Achievement | Shortfall | Physical Target | Physical Achievement | Shortfall |
| 1 | Mukhya Mantri Sadak Yojana | 19500 | 19295 | 205 | 500 Km | 136.14Km (27%) | 363.86 (73%) |
| 2 | Construction of R.D. department buildings | 322 | 318 | 4 | 209 | 84 (40%) | 125 (60%) |
| 3 | Construction of Bailey Bridge | 18000 | 18000 | 0 | 92 | 41 (45%) | 51 (55%) |
| 4 | Improvement of existing R.D.Roads | 5304 | 4730 | 574 | 40 | 15 (37%) | 25 (63%) |

Energy Department

(₹ in lakh)

| Sl. No. | Name of the Scheme | FINANCIAL | | | PHYSICAL | | |
|---------|--|------------------|-----------------------|-----------|-------------------------------|---|-----------|
| | | Financial Outlay | Financial Achievement | Shortfall | Physical Target | Physical Achievement | Shortfall |
| 1 | State Capital Region Improvement of Power System(SCRIPS) | 7000 | 7000 | 0 | Underground cabling of 132 KV | Engagement of Consultants was in progress | -- |

Agriculture Department

(₹ in lakh)

| Sl. No. | Name of the Scheme | FINANCIAL | | | PHYSICAL | | |
|---------|-----------------------------|------------------|-----------------------|--------------|-----------------|----------------------|-----------------|
| | | Financial Outlay | Financial Achievement | Shortfall | Physical Target | Physical Achievement | Shortfall |
| 1 | Potato Vegetable and Spices | 1923 | 984 (51%) | 939 (49%) | 500000 | 24922 (5%) | 475078 (95%) |

Works Department

(₹ in lakh)

| Sl. No. | Name of the Scheme | FINANCIAL | | | PHYSICAL | | |
|---------|---------------------------------|------------------|-----------------------|----------------|-----------------|----------------------|----------------|
| | | Financial Target | Financial Achievement | Shortfall | Physical Target | Physical Achievement | Shortfall |
| 1 | Odisha State Road Project (EAP) | 26200 | 7973 (30%) | 18227 (70%) | 80 Km | 26 Km (32%) | 54 Km (68%) |

APPENDIX – 1.7
(Refer paragraph 1.10.1)

Summarised financial position of the Government of Odisha as on 31 March 2016

(₹ in crore)

| As on 31 March 2015 | | | As on 31 March 2016 |
|------------------------|--|-----------|------------------------|
| | Liabilities | | |
| 19727.92 | Internal Debt - | -- | 26524.80 |
| 4564.76 | Market Loans bearing interest | -- | 8128.03 |
| 0.09 | Market Loans not bearing interest | -- | 0.08 |
| 1.01 | Loans from Life Insurance Corporation of India | -- | 1.85 |
| 15162.06 | Loans from other Institutions | -- | 18394.84 |
| -- | Ways and Means Advances | -- | -- |
| -- | Overdrafts from Reserve Bank of India | -- | -- |
| 7120.67 | Loans and Advances from Central Government - | -- | 7232.25 |
| 0.56 | Pre 1984-85 Loans | -- | 0.56 |
| 24.14 | Non-Plan Loans | -- | 22.19 |
| 7095.98 | Loans for State Plan Schemes | -- | 7209.50 |
| -- | Loans for Central Plan Schemes | -- | -- |
| -- | Loans for Centrally Sponsored Plan Schemes | -- | -- |
| 400.00 | Contingency Fund | -- | 400.00 |
| 16425.31 | Small Savings, Provident Funds, etc. | -- | 18260.77 |
| 6890.16 | Deposits | -- | 7120.78 |
| 5852.28 | Reserve Funds Advances | -- | 6137.72 |
| 99.22 | Suspense and Miscellaneous Balances | -- | 130.83 |
| 23.67 | Remittance Balances | -- | -- |
| 698.15 | Miscellaneous Capital Receipts | -- | 698.15 |
| 18493.22 | Cumulative excess of receipts over expenditure | -- | 28624.82 |
| 75730.60 | Total | | 95130.12 |
| | Assets | | |
| 61277.11 | Gross Capital Outlay on Fixed Assets - | -- | 78363.46 |
| 3504.87 | Investments in shares of Companies, Corporations, etc. | -- | 3881.32 |
| 57772.24 | Other Capital Outlay | -- | 74482.14 |
| 4449.19 | Loans and Advances - | -- | 4557.27 |
| 2979.55 | Loans for Power Projects | -- | 3098.30 |
| 1100.27 | Other Development Loans | -- | |
| 369.37 | Loans to Government servants and Miscellaneous loans | -- | |

| As on 31 March 2015 | | | As on 31 March 2016 |
|------------------------|--|-----------|------------------------|
| | Assets | | |
| 10.73 | Advances | -- | 11.11 |
| -- | Remittance Balances | -- | 27.70 |
| -- | Suspense and Miscellaneous Balances | -- | -- |
| 9993.57 | Cash - | -- | 12047.68 |
| -- | Cash in Treasuries and Local Remittances | -- | -- |
| 578.65 | Deposits with Reserve Bank | -- | 666.99 |
| 21.37 | Departmental Cash Balance including Permanent Advances | -- | 21.45 |
| | Security Deposits | -- | -- |
| 5523.00 | Investment of Earmarked Funds | -- | 5523.00 |
| 3870.55 | Cash Balance Investments | -- | 5836.24 |
| -- | Deficit on Government Account - | -- | -- |
| -- | (i) Less Revenue Surplus of the current year | -- | -- |
| 150.00 | (ii) Appropriation to Contingency Fund | -- | 122.90 |
| -- | Accumulated deficit at the beginning of the year | -- | -- |
| 75730.60 | Total | -- | 95130.12 |

** 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 ₹ 3.67 crore (Net Debit) between the figure reflected in the Accounts ₹ 669.99 crore (Net Debit) and that intimated by the Reserve Bank of India ₹ 663.32 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 ₹ 1.79 crore (Net Debit) remains to be reconciled (June-2016).

APPENDIX – 1.8

(Refer paragraph 1.13)

Status of Public Private Partnership Projects in Odisha as on 31 March 2016 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 | -- |
| 5 | City Bus Service for Rourkela-Biramitrapur-Rajagangapur | O&M | Operational | M/s Sampark is the concessionaire |
| 6 | City Bus Service for Berhampur-Gopalpur-Chhatrapur-Hinjilicatu | O&M | Operational | Mr.P.Anil Kumar is the concessionaire |
| 7 | City Bus Service in Koraput-Jeypore-Sunabeda | O&M | Operational | Mr.Ashok Kumar Ray is the concessionaire |
| 8 | City Bus Service in Cuttack-Choudwar – Athagarh-Banki | O&M | Operational | M/s Sahara Roadways is the concessionaire |
| 9 | City Bus Service in Bhubaneswar - Puri | O&M | Operational | -- |
| 10 | Energy efficient public street lighting project in Bhubaneswar | DBFOT | Operational | Consortium of M/s Saha Investments is the concessionaire |
| Sector: Health | | | | |
| 11 | Magnetic radio imaging centre at SCB Medical College | BOT | Operational | M/s. Kolkata Imaging Institute is the concessionaire. |
| 12-20 | 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. |
| 21 | 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 | | | | |
| 22 | e-registration System (e-dharani) | O&M | Operational | -- |
| Sector: Transport | | | | |
| 23 | Minor port at Dhamara | BOOST | Operational | M/s DPCL is the concessionaire |
| 24 | 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. |
| 25 | Driving Training Institute at Chhatia | O&M | Operational | Under Central Government Scheme. M/s Ashok Leyland is the concessionaire. |
| Sector: Industrial Infrastructure | | | | |
| 26 | Up-gradation of common infrastructure in Kalinganagar | Beneficiary participation | Operational | Under the Industrial Infrastructure Upgradation |

| Sl. No. | Name of Project | PPP Type | Status | Remarks |
|----------------------------|---|---------------------------|-------------|----------------------------------|
| | Industrial Complex | | | Scheme (IIUS) Scheme. |
| 27 | Up-gradation of common infrastructure in plastics and polymers park in Balasore | Beneficiary participation | Operational | Under the IIUS Scheme. |
| Sector: Roads | | | | |
| 28 | 29 km Palaspanga-Bameberi Expressway | Beneficiary participation | Operational | M/s KIDCO is the concessionaire |
| Sector: Tourism | | | | |
| 29 | Heritage hotel at Mahodadhinivas | DBOT | Operational | -- |
| 30 | Eco camp at Ramchandi | DBOT | Operational | -- |
| Sector: Education | | | | |
| 31-44 | Up-gradation of 14 numbers of Industrial Training Institutes at Puri, Cuttack, Umakote, Chhatrapur, Barbil, Baripada, Takatpur, Dhenkanal, Malkangiri, Boudh, Baragarh, Anandapur, Khariar and Balangir | BOO | Operational | Under Central Government Scheme. |
| Total – 44 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 Residential and Commercial Complex at Gadakana | BOT | Construction | -- |
| 4 | Development of Foot Over Bridges at Master Canteen, Rama Devi College and Jaydev Vihar | DBOT | Construction | -- |
| 5 | 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 |
| 6 | Bulk Water Supply project for IIT, NISER, Infocity-II and adjoining areas | BOOT | Conditions precedent period | Consortium of M/s MEIL is the concessionaire |
| 7 | Integrated Residential and Commercial Complex at Shankarpur | BOT | Construction | -- |
| Sector: Transport | | | | |
| 8-9 | Two bus terminals at Dhenkanal & Angul | DBFOT | Construction | -- |
| 10 | Haridaspur-Paradeep Railway Corridor | Beneficiary participation | Construction | M/s HPRDCL is the concessionaire |
| 11 | Angul Sukinda Railway Corridor | Beneficiary participation | Construction | M/s ASRL is the concessionaire |
| Sector: Industrial Infrastructure | | | | |
| 12 | Infopark in Bhubaneswar | BOT | Construction | 1 st phase likely to be completed in September-2013 |
| 13 | Biotech Park in Bhubaneswar | BOT | Construction | M/s Bharat Biotech is the concessionaire |

| Sl. No. | Name of Project | PPP Type | Status | Remarks |
|-------------------------------|---|---------------------------------------|-----------------------------|------------------------------------|
| 14 | Mega Food Park in Rayagada district | Joint venture | Construction | Under the scheme of MoFPI, GoI. |
| Sector: Roads | | | | |
| 15 | Fourlaning of 165 km Sambalpur-Rourkela | BOT(Toll) | Conditions precedent period | M/s L&T is the concessionaire |
| Sector: Tourism | | | | |
| 16-23 | Development of eight (08) tourism department properties | Renovate, augment, operate & transfer | Construction | -- |
| Sector: Energy related | | | | |
| 24 | Ib- Meramundali 400 KV D.C. line | BOT (Annuity) | Construction | M/s Sterlite is the concessionaire |
| Sector: Energy related | | | | |
| 25 | Development of storage & warehousing infrastructure for rice at 14 different locations. | BOO | Construction | No of individual concessionaire |
| Total – 25 Projects | | | | |

PPP PROJECTS IN PIPELINE

| Sl. No. | Name of Project | PPP Type | Status | Remarks |
|---|--|----------|----------|--|
| Sector: Urban Development | | | | |
| 1 | Integrated Residential and commercial complex at Suango | DBOT | Pipeline | Selection of developer has been completed. |
| 2 | Integrated Residential and commercial complex at Ranasinghpur | DBOT | Pipeline | Selection of developer has been completed. |
| 3 | Integrated Residential and commercial Complex at Paikarapur | BOT | Pipeline | Selection of developer has been completed. |
| 4 | Programmatic street lighting project in different ULBs | -- | Pipeline | Consortium of M/s Neev Energy LLP and M/s HeSalight A/S is selected as concessionaire. |
| Sector: Energy related | | | | |
| 5 | Roof-top solar project in Bhubaneswar and Cuttack | -- | Pipeline | M/s Azure Power India Pvt Ltd is selected as concessionaire. |
| Sector: Health | | | | |
| 6 | Greenfield Hospital and Healthcare network of BMC at Bhubaneswar | -- | Pipeline | The selection of the bidder has been completed and contract awarded. |
| 7 | Cardiac Care Hospital at Jharsuguda | -- | Pipeline | -- |
| Sector: Education | | | | |
| 8 | Institute of Training of Trainers (ITOTs) and Specialised Skill Training Institutes. | -- | Pipeline | -- |
| Total – 8 Projects | | | | |
| Grand Total – 77 Projects (Odisha) | | | | |

APPENDIX – 2.1
(Refer paragraph 2.3.1)

Statement of various grants/appropriations where saving was more than ₹ 10 crore each and more than 20 per cent of the total provision during 2015-16

(₹ 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 Payment | 4350.00 | 3343.30 | 1006.70 | 23.14 |
| Revenue (Voted) | | | | | | |
| 3 | 3 | Revenue and Disaster Management | 5219.67 | 3181.26 | 2038.41 | 39.05 |
| 4 | 5 | Finance | 9844.34 | 6610.41 | 3233.93 | 32.85 |
| 5 | 15 | Sports and Youth Services | 45.99 | 35.64 | 10.35 | 22.50 |
| 6 | 16 | Planning and Co-ordination | 1178.19 | 610.90 | 567.29 | 48.15 |
| 7 | 22 | Forest and Environment | 785.71 | 578.43 | 207.28 | 26.38 |
| 8 | 37 | Information Technology | 175.38 | 110.83 | 64.55 | 36.80 |
| 9 | 40 | Micro, Small and Medium Enterprises | 130.76 | 89.50 | 41.26 | 31.55 |
| Capital (Voted) | | | | | | |
| 10 | 1 | Home | 519.48 | 318.58 | 200.90 | 38.67 |
| 11 | 2 | General Administration | 128.47 | 75.13 | 53.34 | 41.51 |
| 12 | 5 | Finance | 151.85 | 109.50 | 42.35 | 27.89 |
| 13 | 10 | School and Mass Education | 85.00 | 37.24 | 47.76 | 56.18 |
| 14 | 16 | Planning and Co-ordination | 209.21 | 153.16 | 56.05 | 26.79 |
| 15 | 21 | Transport | 175.00 | 138.68 | 36.32 | 20.75 |
| 16 | 30 | Energy | 1955.69 | 1517.39 | 438.30 | 22.41 |
| 17 | 33 | Fisheries and Animal Resources Development | 133.51 | 106.47 | 27.04 | 20.25 |
| 18 | 34 | Co-operation | 374.08 | 273.26 | 100.82 | 26.95 |
| 19 | 36 | Women and Child Development | 320.00 | 219.97 | 100.03 | 31.25 |
| 20 | 38 | Higher Education | 71.50 | 46.95 | 24.55 | 34.33 |
| Total | | | 26353.83 | 17556.60 | 8797.23 | 33.38 |

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

APPENDIX – 2.2

(Refer paragraphs 2.3.4)

List of Grants indicating persistent savings during 2011-16

(₹ in crore)

| Sl. No. | | Number of the Grant and name of the Department | Amount of savings | | | | |
|-------------------|--|--|-------------------|-----------------|-----------------|-----------------|---------|
| | | | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
| Revenue (Charged) | | | | | | | |
| 1 | 2049- Interest Payments | 1470.90 (36) | 1704.36 (38) | 2119.64 (42) | 1918.94 (41) | 1006.70 (23) | |
| Revenue (Voted) | | | | | | | |
| 2 | 1-Home | 188.84 (10) | 192.66 (9) | 175.54 (7) | 178.91 (6) | 255.57 (8) | |
| 3 | 3-Revenue and Disaster Management | 701.91 (17) | 1033.25 (55) | 2633.53 (43) | 1247.47 (36) | 2038.41 (39) | |
| 4 | 4-Law | 31.26 (17) | 36.58 (19) | 22.31 (11) | 24.04 (9) | 50.92 (16) | |
| 5 | 5-Finance | 1061.41 (18) | 1549.72 (22) | 2754.72 (29) | 2052.78 (23) | 3233.94 (33) | |
| 6 | 7-Works | 52.15 (5) | 26.24 (2) | 31.18 (2) | 84.54 (5) | 144.24 (8) | |
| 7 | 10-School and Mass Education | 418.64 (8) | 806.54 (12) | 509.22 (7) | 1414.78 (15) | 1942.82 (18) | |
| 8 | 11- Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare | 79.25 (7) | 168.51 (12) | 263.10 (16) | 373.64 (20) | 316.00 (14) | |
| 9 | 12-Health and Family Welfare | 180.54 (12) | 201.73 (11) | 303.30 (14) | 651.88 (19) | 222.71 (7) | |
| 10 | 13-Housing and Urban Development | 212.74 (17) | 100.91 (7) | 87.89 (4) | 500.80 (22) | 453.49 (16) | |
| 11 | 16-Planning and Co-ordination | 65.18 (5) | 151.25 (13) | 144.17 (12) | 270.44 (23) | 567.28 (48) | |
| 12 | 17-Panchayati Raj | 190.20 (8) | 437.70 (15) | 436.05 (12) | 2064.92 (30) | 1439.68 (16) | |
| 13 | 20-Water Resources | 179.54 (17) | 158.94 (13) | 117.70 (8) | 333.91 (19) | 152.85 (8) | |
| 14 | 22-Forest and Environment | 42.57 (11) | 98.06 (17) | 166.76 (22) | 92.90 (13) | 207.28 (26) | |
| 15 | 33-Fisheries and Animal Resources Development | 55.43 (16) | 77.76 (21) | 54.08 (13) | 77.11 (16) | 78.65 (15) | |
| 16 | 36-Women and Child Development | 273.32 (8) | 236.48 (7) | 249.75 (6) | 1107.72 (24) | 351.31 (9) | |
| 17 | 38-Higher Education | 26.55 (2) | 65.67 (5) | 66.24 (4) | 350.13 (16) | 119.24 (6) | |
| Capital (Voted) | | | | | | | |
| 18 | 7-Works | 234.87 (20) | 102.04 (9) | 59.92 (4) | 47.15 (2) | 83.97 (2) | |
| 19 | 20-Water Resources | 457.77 (21) | 254.06 (11) | 529.08 (19) | 558.12 (16) | 339.08 (8) | |
| 20 | 28-Rural Development | 119.75 (19) | 63.84 (10) | 32.85 (4) | 825.63 (27) | 238.62 (5) | |

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)

**Statement showing cases where supplementary provision
(₹ 1 crore or more in each case) proved unnecessary during 2015-16**

(₹ 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 | 62.46 | 55.39 | 7.07 | 5.98 |
| Total for (Charged) | | 62.46 | 55.39 | 7.07 | 5.98 |
| A Revenue (Voted) | | | | | |
| 2 | 1-Home | 3206.95 | 3006.01 | 200.94 | 54.63 |
| 3 | 2-General Administration | 162.36 | 150.06 | 12.3 | 1.61 |
| 4 | 4-Law | 298.06 | 273.14 | 24.92 | 26.00 |
| 5 | 6-Commerce | 61.82 | 59.76 | 2.06 | 1.34 |
| 6 | 7-Works | 1806.26 | 1675.84 | 130.42 | 13.83 |
| 7 | 8-Odisha Legislative Assembly | 40.21 | 32.74 | 7.47 | 2.11 |
| 8 | 10-School and Mass Education | 9929.39 | 9012.35 | 917.04 | 1025.78 |
| 9 | 12-Health and Family Welfare | 3233.89 | 3134.02 | 99.87 | 122.84 |
| 10 | 13-Housing and Urban Development | 2677.90 | 2367.42 | 310.48 | 143.01 |
| 11 | 20-Water Resources | 1889.06 | 1877.34 | 11.72 | 141.12 |
| 12 | 22-Forest and Environment | 717.15 | 578.43 | 138.72 | 68.56 |
| 13 | 23-Agriculture | 3009.04 | 3005.56 | 3.48 | 456.84 |
| 14 | 29-Parliamentary Affairs | 23.90 | 22.88 | 1.02 | 1.11 |
| 15 | 30-Energy | 30.48 | 27.64 | 2.84 | 2.8 |
| 16 | 32-Tourism and Culture | 118.54 | 98.95 | 19.59 | 4.93 |
| 17 | 33-Fisheries and Animal Resources Development | 501.29 | 443.44 | 57.85 | 20.81 |
| 18 | 36-Women and Child Development | 3862.62 | 3592.54 | 270.08 | 81.23 |
| 19 | 38-Higher Education | 1921.61 | 1897.67 | 23.94 | 95.30 |
| 20 | 39-Skill Development and Technical Education | 223.11 | 219.73 | 3.38 | 5.16 |
| 21 | 40-Micro, Small and Medium Enterprises | 113.61 | 89.50 | 24.11 | 17.15 |
| Total for (Voted) | | 33827.25 | 31565.02 | 2262.23 | 2286.16 |
| Total for Revenue | | 33889.71 | 31620.41 | 2269.30 | 2292.14 |
| B Capital (Voted) | | | | | |
| 22 | 1-Home | 442.48 | 318.58 | 123.90 | 77.00 |
| 23 | 2-General Administration | 126.21 | 75.13 | 51.08 | 2.26 |
| 24 | 6-Commerce | 21.30 | 20.01 | 1.29 | 6.00 |
| 25 | 11- ST & SC Development, Minorities and Backward Classes Welfare | 579.10 | 559.73 | 19.37 | 49.38 |
| 26 | 12-Health and Family Welfare | 643.61 | 589.76 | 53.85 | 35.00 |
| 27 | 20-Water Resources | 4336.56 | 4177.24 | 159.32 | 179.75 |
| 28 | 21-Transport | 160 | 138.68 | 21.32 | 15.00 |
| 29 | 25-Information and Public Relation | 4 | 3.99 | 0.01 | 1.00 |
| 30 | 33- Fisheries and Animal Resources Development | 128.51 | 106.47 | 22.04 | 5.00 |
| 31 | 36-Women and Child Development | 300.00 | 219.97 | 80.03 | 20.00 |
| Total for (Voted) | | 6741.77 | 6209.56 | 532.21 | 390.39 |
| Total for Capital | | 6741.77 | 6209.56 | 532.21 | 390.39 |
| Grand Total | | 40631.48 | 37829.97 | 2801.51 | 2682.53 |

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

APPENDIX – 2.4
(Refer paragraph 2.3.5)

**Statement showing cases where supplementary provision
(₹ 1 crore or more in each case) proved excessive during 2015-16**

(₹ in crore)

| Sl. No. | Number and Name of the Grant | Original Provision | Supplementary provision | Total Provision | Actual expenditure | Excess Supplementary provision |
|--------------------------|--|--------------------|-------------------------|-----------------|--------------------|--------------------------------|
| Revenue (Voted) | | | | | | |
| 1 | 03-Revenue and Disaster Management | 2913.49 | 2306.18 | 5219.67 | 3181.26 | 2038.41 |
| 2 | 11- ST & SC Development, Minorities and Backward Classes Welfare | 1795.73 | 469.15 | 2264.88 | 1948.88 | 316.00 |
| 3 | 14-Labour and Employees' State Insurance | 197.67 | 40.81 | 238.48 | 221.28 | 17.20 |
| 4 | 17-Panchayati Raj | 7036.10 | 2026.98 | 9063.08 | 7623.40 | 1439.68 |
| 5 | 19-Industries | 46.92 | 58.85 | 105.77 | 104.91 | 0.86 |
| 6 | 21-Transport | 66.30 | 15.67 | 81.97 | 73.19 | 8.78 |
| 7 | 27-Science and Technology | 52.62 | 12.81 | 65.43 | 65.34 | 0.09 |
| 8 | 28-Rural Development | 2389.91 | 328.14 | 2718.05 | 2427.80 | 290.25 |
| Total for Revenue | | 14498.74 | 5258.59 | 19757.33 | 15646.06 | 4111.27 |
| Capital (Charged) | | | | | | |
| 9 | 6003-Internal Debt of the State Government | 2209.64 | 46.45 | 2256.09 | 2253.70 | 2.39 |
| Capital (Voted) | | | | | | |
| 10 | 3-Revenue and Disaster Management | 69.48 | 7.00 | 76.48 | 75.84 | 0.64 |
| 11 | 4-Law | 3.80 | 9.00 | 12.80 | 12.02 | 0.78 |
| 12 | 7-Works | 2489.89 | 1341.49 | 3831.38 | 3747.41 | 83.97 |
| 13 | 13-Housing and Urban Development | 251.88 | 167.78 | 419.66 | 353.19 | 66.47 |
| 14 | 23-Agriculture | 122.30 | 34.20 | 156.50 | 141.50 | 15.00 |
| 15 | 28-Rural Development | 3586.90 | 833.04 | 4419.94 | 4181.33 | 238.61 |
| 16 | 30-Energy | 1156.87 | 798.82 | 1955.69 | 1517.39 | 438.3 |
| 17 | 34-Co-operation | 240.95 | 133.13 | 374.08 | 273.26 | 100.82 |
| 18 | 39-Skill Development and Technical Education | 489.86 | 116.76 | 606.62 | 491.68 | 114.94 |
| Total for Capital | | 10621.57 | 3487.67 | 14109.24 | 13047.32 | 1061.92 |
| Grand Total | | 25120.31 | 8746.26 | 33866.57 | 28693.38 | 5173.19 |

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

APPENDIX – 2.5
(Refer paragraph 2.3.6)

Statement showing excess / unnecessary re-appropriation of funds during 2015-16
(₹ in crore)

| Sl. No. | Grant No. | Description | Net Re-appropriation | Final Excess(+) / Saving(-) |
|---------|--|--|----------------------|------------------------------|
| 1 | 1-Home | 2014-NP-00-114-1126-Public Prosecutors | -0.98 | -1.09 |
| 2 | 1-Home | 2052-NP-00-090-0640-Home Department | 7.09 | -29.88 |
| 3 | 1-Home | 2055-NP-00-001-0534-General | 0.08 | -1.03 |
| 4 | 1-Home | 2055-NP-00-001-1712-Introduction of Commissionerate System in Twin Cities of Cuttack and Bhubaneswar | -0.56 | -7.48 |
| 5 | 1-Home | 2055-NP-00-104-0683-India Reserve Battalion | 1.99 | -3.85 |
| 6 | 1-Home | 2055-NP-00-104-1327-Special Police Organisation | -2.16 | -6.49 |
| 7 | 1-Home | 2055-NP-00-109-0321-District Organisation | 6.27 | -31.63 |
| 8 | 1-Home | 2055-NP-00-111-1797-Railway Police Establishment | 0.14 | -1.02 |
| 9 | 7-Works | 5054-SP-SS-03-337-1994-Odisha State Roads Project-Road Improvement Component | -104.00 | -2.50 |
| 10 | 7-Works | 5054-SP-SS-03-789-2862-State Highways Development Project | 15.37 | -2.79 |
| 11 | 7-Works | 5054-SP-SS-03-796-2862-State Highways Development Project | 1.96 | -3.74 |
| 12 | 7-Works | 5054-SP-SS-04-796-2161-Rural Infrastructure Development Fund | 0.35 | -1.00 |
| 13 | 13-Housing and Urban Development | 2217-NP-05-193-2558-General Basic Grants to Local Bodies as recommended by ThFC | -15.65 | -4.12 |
| 14 | 13-Housing and Urban Development | 3604-NP-00-193-3051-Compensation and Assignment under 4th State Finance Commission | -10.60 | -22.64 |
| 15 | 19-Industries | 2875-SP-DS-60-190-0070-Assistance to PSUs and Other undertakings | 3.50 | -3.50 |
| 16 | 20-Water Resources | 2700-NP-80-001-0456-Executive Engineer's Establishment | -4.60 | -2.01 |
| 17 | 20-Water Resources | 2700-NP-80-001-1407-Superintending Engineer's Establishment | -3.26 | -1.16 |
| 18 | 20-Water Resources | 4701-SP-SS-80-800-2345-Other Plan Programmes for Medium Irrigation | -8.68 | -7.65 |
| 19 | 28-Rural Development | 2215-SP-DS-01-102-2477-NRWDP | -59.11 | -5.07 |
| 20 | 28-Rural Development | 4215-SP-DS-01-102-2181-Rural Infrastructure Development Fund | -32.24 | -1.00 |
| 21 | 31-Handlooms, Textiles and Handicrafts | 2851-SP-SS-00-104-3015-Infrastructure and Technology Development for Handicraft Industries | -6.96 | -1.00 |
| 22 | 36-Women and Child Development | 2236-SP-DS-02-101-2162-Special Plan for KBK Districts | -14.71 | -3.34 |

| Sl. No. | Grant No. | Description | Net Re-appropriation | Final Excess(+) / Saving(-) |
|---------|----------------------------------|--|----------------------|------------------------------|
| 23 | 38-Higher Education | 2202-SP-SS-03-107-1009-Other Educational Facilities | -4.00 | -15.17 |
| | | | -230.76 | -159.16 |
| 24 | 13-Housing and Urban Development | 3604-NP-00-192-3051-Compensation and Assignment under 4 th State Finance Commission | -49.16 | 20.99 |
| 25 | 20-Water Resources | 4700-SP-SS-01-789-2160-Accelerated Irrigation Benefit Programme | 4.00 | 2.13 |
| 26 | 20-Water Resources | 4701-SP-SS-58-796-2160- Accelerated Irrigation Benefit Programme | 15.57 | 2.09 |
| 27 | 22-Forest and Environment | 2406-NP-01-101-0484-Field Establishment (Division Office) | -0.24 | 1.12 |
| | | | -29.83 | 26.33 |

Source: Monthly Appropriation Reports, March 2016 (S), Government of Odisha.

APPENDIX – 2.6

(Refer paragraph 2.3.8)

**Statement showing results of substantial surrenders made during the year 2015-16
(₹ 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 | 1-Home | 2014-NP-105-2790-ThFC Grant for improving Justice Delivery-Establishment of Courts of Additional District and Sessions Judge | 11.97 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 2 | 2-General Administration | 2070-NP-104-0308-District Establishment | 44.48 | 100 | Entire provision was surrendered to meet additional requirement under other heads. |
| 3 | 4-Law | 2235-NP-60-200-2552- ThFC Grants for Improving Justice Delivery | 11.63 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 4 | 5-Finance | 2075-NP-800-2897-Fund for Protection of Interest of Depositors | 300.00 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 5 | 7-Works | 3054-NP-04-337-2582-Maintenance of Roads and Bridges under ThFC Award | 82.00 | 100 | Entire provision was surrendered due to non-receipt of approval from the Govt. of Odisha. |
| 6 | 10-School and Mass Education | 2202-SP-SS-02-789-2482-Rastriya Madhyamik Shiksha Abhiyan | 22.69 | 100 | Entire provision was surrendered due to non-receipt of Central Assistance |
| 7 | 10-School and Mass Education | 2202-SP-SS-02-796-2482-Rastriya Madhyamik Shiksha Abhiyan | 29.78 | 100 | Entire provision was surrendered due to non-receipt of Central Assistance |
| 8 | 10-School and Mass Education | 2202-SP-SS-02-800-2482-Rastriya Madhyamik Shiksha Abhiyan | 72.27 | 100 | Entire provision was surrendered due to non-receipt of central assistance |
| 9 | 10-School and Mass Education | 2202-SP-DS-01-111-2251- ThFC Grants for Elementary Education | 132.24 | 100 | Entire provision was surrendered due to non-receipt of Central Assistance. |
| 10 | 10-School and Mass Education | 2202-SP-DS-01-789-2251- ThFC Grants for Elementary Education | 44.08 | 100 | Entire provision was surrendered due to non-receipt of Central Assistance. |
| 11 | 10-School and Mass Education | 2202-SP-DS-01-796-2251- ThFC Grants for Elementary Education | 55.68 | 100 | Entire provision was surrendered due to non-receipt of Central Assistance. |
| 12 | 10-School and Mass Education | 4202-SS-SS-01-201-1192-Repair, Renovation and Restoration | 20.00 | 100 | Entire provision was surrendered due to delay in floating of tenders and slow progress of construction work. |
| 13 | 10-School and Mass Education | 4202-SS-SS-01-202-0182-Construction of Buildings | 25.00 | 100 | Entire provision was surrendered due to delay in floating of tenders and slow progress of work. |
| 14 | 11-ST & SC Development, Minorities & Backward Classes Welfare | 2225-SP-SS-02-102-2638-OTELP Plus | 34.05 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 15 | 11- ST & SC Development, Minorities & Backward Classes Welfare | 4225-SP-SS-02-227-0047-Ashram School | 19.89 | 100 | Entire provision was surrendered due to non-receipt of Central Assistance. |

| 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 |
|---------|--|---|----------------------------------|-------------------------|--|
| 16 | 11- ST & SC Development, Minorities & Backward Classes Welfare | 4225-SP-SS-04-800-2255-Multi-sector Development Programme | 14.73 | 100 | Entire provision was surrendered due to non-receipt of Central Assistance. |
| 17 | 12-Health and Family Welfare | 2210-CP-DS-06-101-0957- National Malaria Eradication Programme | 30.00 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 18 | 12-Health and Family Welfare | 4210-SP-SS-03-105-2588- ThFC Award for upgradation of Health Infrastructure | 18.75 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 19 | 12-Health and Family Welfare | 4216-SP-SS-01-789-2588- ThFC Award for upgradation of Health Infrastructure | 26.75 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 20 | 13-Housing and Urban Development | 2217-CP-DS-05-800-2524- Capacity building of ULBs in Odisha | 12.68 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 21 | 13-Housing and Urban Development | 3054-NP-80-192-2582- Maintenance of Roads and Bridges under 13 th Finance Commission Award | 13.96 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 22 | 17-Panchayati Raj | 2515-SP-DS-789-1877- Backward Region Grant Fund | 78.57 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 23 | 17-Panchayati Raj | 2515-SP-DS-789-2945-Rajiv Gandhi Panchayat Sashaktikaran Yojana | 18.00 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 24 | 17-Panchayati Raj | 2515-SP-DS-796-1877- Backward Region Grant Fund | 152.78 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 25 | 17-Panchayati Raj | 2515-SP-DS-796-2945-Rajiv Gandhi Panchayat Sashaktikaran Yojana | 23.00 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 26 | 17-Panchayati Raj | 2515-SP-DS-800-1877- Backward Region Grant Fund | 205.16 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 27 | 17-Panchayati Raj | 2515-SP-DS-800-2945-Rajiv Gandhi Panchayat Sashaktikaran Yojana | 59.00 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 28 | 20-Water Resources | 2700-NP-80-800-2587- ThFC Award for Water Sector Management | 27.00 | 100 | Entire provision was surrendered due to non-receipt of Central Assistance for Water Sector Management. |
| 29 | 20-Water Resources | 2701-NP-80-800-2587- ThFC Award for Water Sector Management | 13.00 | 100 | Entire provision was surrendered due to non-receipt of Central Assistance for Water Sector Management. |
| 30 | 22-Forest and Environment | 2406-NP-01-101-2556- ThFC Award for Development and Maintenance of Forest | 73.50 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 31 | 22-Forest and Environment | 2406-NP-02-110-2557- ThFC Award for Preservation of Forest Wealth | 13.09 | 100 | Entire provision was surrendered as per Government instructions. |
| 32 | 22-Forest and Environment | 2406-SP-SS-01-102-3074- Management of Plantation and Forest | 10.00 | 100 | Entire provision was surrendered due to non-introduction of schemes as per Government decision. |
| 33 | 22-Forest and Environment | 3435-SP-SS-03-102-2585- ThFC Award for Development of Chilika Lake | 12.50 | 100 | Entire provision was surrendered due to discontinuance of Finance Commission Grants. |

| 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 |
|---------|---|---|----------------------------------|-------------------------|---|
| 34 | 22-Forest and Environment | 3435-SP-SS-03-102-2586-Odisha Bio-Diversity Board | 29.00 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 35 | 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 fund by GoI. |
| 36 | 28-Rural Development | 3054-NP-04-337-2582-Maintenance of Roads and Bridges under ThFC Award | 82.00 | 100 | Entire provision was surrendered due to discontinuance of funding from GoI. |
| 37 | 28-Rural Development | 3054-NP-04-338-2582-Maintenance of Roads and Bridges under ThFC Award | 36.00 | 100 | Entire provision was surrendered due to discontinuance of funding from GoI. |
| 38 | 28-Rural Development | 4215-SP-DS-796-2161-Rural Infrastructure Development Fund | 34.50 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 39 | 30-Energy | 4801-SP-SS-05-800-0140-Reimbursement of Land Acquisition Establishment Cost | 210.00 | 100 | Entire provision was surrendered due to introduction of cash management system in the department. |
| 40 | 30-Energy | 4801-SP-DS-06-800-3008-Dindayal Upadhaya Gram Jyoti Yojana | 20.00 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 41 | 30-Energy | 6801-SP-SS-205-2612-CAPEX Programme for development and upgradation of Distribution System | 195.06 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 42 | 30-Energy | 6801-SP-SS-205-3009-Integrated Power Development Scheme | 10.00 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 43 | 30-Energy | 6801- SP-SS-789-2612-CAPEX Programme for development and upgradation of Distribution System | 21.23 | 100 | Entire provision was surrendered due to introduction of cash management system in the department. |
| 44 | 30-Energy | 6801-SP-SS-796-2612-CAPEX Programme for development and upgradation of Distribution System | 28.70 | 100 | Entire provision was surrendered due to introduction of cash management system in the department. |
| 45 | 32-Tourism and Culture | 2205-SP-SS-001-2592- ThFC Award for preservation of Monuments and Budhist Heritage | 16.25 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 46 | 33-Fisheries and Animal Resources Development | 2404-SP-SS-001-1388-National Plan for Dairy Development | 12.85 | 100 | Entire provision was surrendered due to non-release of fund by Government. |
| 47 | 34-Co-operation | 4435-SP-DS-01-101-2593- ThFC Award for establishment of Market Yards at Block level | 11.50 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 48 | 36-Women and Child Development | 2236-SP-DS-02-101-2162-Special Plan for KBK Districts | 18.05 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 49 | 36-Women and Child Development | 2236-SP-DS-02-796-2162-Special Plan for KBK Districts | 15.42 | 100 | Reason for the surrender of the entire provision has not been intimated to AG (A&E) |
| 50 | 36-Women and Child Development | 4235-SP-DS-02-102-2596- ThFC Award for construction of Anganwadi Centres | 37.40 | 100 | Entire provision was surrendered due to non-release of state specific grant by ThFC. |

| 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 |
|--------------|---|---|----------------------------------|-------------------------|--|
| 51 | 36-Women and Child Development | 4235-SP-DS-02-789-2596- ThFC Award for construction of Anganwadi Centres | 22.00 | 100 | Entire provision was surrendered due to non-release of state specific grant by ThFC. |
| 52 | 36-Women and Child Development | 4235-SP-DS-02-796-2596- ThFC Award for construction of Anganwadi Centres | 40.60 | 100 | Entire provision was surrendered due to non-release of state specific grant by ThFC. |
| 53 | 37-Information Technology | 2852-SP-SS-07-202-0776- Implementation of e-Governance Project as per the National e-Governance Programme onetime ACA | 21.71 | 100 | Entire provision was surrendered due to non-release of fund by GoI. |
| 54 | 37-Information Technology | 2852-SP-SS-07-202-2553- ThFC Grant for Incentivising Issue of UID | 14.40 | 100 | Entire provision was surrendered due to non-release of fund by GoI. |
| 55 | 37-Information Technology | 2852-SP-SS-07-789-2553- ThFC Grant for Incentivising Issue of UID | 10.90 | 100 | Entire provision was surrendered due to non-release of fund by GoI. |
| 56 | 37-Information Technology | 2852-SP-SS-07-796-2553- ThFC Grant for Incentivising Issue of UID | 10.40 | 100 | Entire provision was surrendered due to non-release of fund by GoI. |
| 57 | 39-Skill Development and Technical Education Department | 4250-SP-SS-800-2937-Odisha Skill Development Project Assisted by ADB | 105.00 | 100 | Entire provision was surrendered due to non-release of fund by GoI. |
| 58 | 40-Micro, Small and Medium Enterprises | 2851-SP-DS-102-2334- Grants/Assistance for Micro, Small and Medium Industries | 10.00 | 100 | Entire provision was surrendered due to non-approval of Biju Atma Nijukti Yojana by EFC. |
| TOTAL | | | 2731.20 | | |

Source: Appropriation Accounts 2015-16 and Monthly Appropriation Reports, March 2016 (S)

APPENDIX – 2.7
(Refer paragraph 2.3.10)

Statement showing details of savings of ₹ 1 crore and above not surrendered during 2015-16

| (₹ in crore) | | | | | |
|--------------------------|--|-----------------|----------------|----------------|---|
| Sl. No. | Number and Name of Grants/Appropriation | Total Provision | Saving | Surrender | Saving which remained to be surrendered |
| (1) | (2) | (3) | (4) | (5) | (6) |
| Revenue (Charged) | | | | | |
| 1 | 1-Home | 68.44 | 13.05 | 0.47 | 12.58 |
| Revenue (Voted) | | | | | |
| 2 | 1-Home | 3261.58 | 255.57 | 139.18 | 116.39 |
| 3 | 3-Revenue and Disaster Management | 5219.67 | 2038.41 | 2027.02 | 11.39 |
| 4 | 4-Law | 324.06 | 50.92 | 33.16 | 17.76 |
| 5 | 7-Works | 1820.09 | 144.24 | 116.10 | 28.14 |
| 6 | 11-ST & SC Development, Minorities & Backward Classes Welfare | 2264.88 | 316.00 | 281.79 | 34.21 |
| 7 | 13-Housing and Urban Development | 2820.91 | 453.49 | 368.73 | 84.76 |
| 8 | 15-Sports and Youth Services | 45.99 | 10.36 | 8.39 | 1.97 |
| 9 | 17-Panchayati Raj | 9063.08 | 1439.68 | 902.68 | 537.00 |
| 10 | 20-Water Resources | 2030.18 | 152.85 | 134.63 | 18.22 |
| 11 | 28-Rural Development | 2718.05 | 290.26 | 283.40 | 6.86 |
| 12 | 31-Handloom, Textiles and Handicrafts | 153.01 | 21.80 | 20.80 | 1.00 |
| 13 | 32-Tourism and Culture | 123.47 | 24.52 | 6.37 | 18.15 |
| 14 | 36-Women and Child Development | 3943.85 | 351.31 | 348.27 | 3.04 |
| 15 | 38-Higher Education | 2016.91 | 119.24 | 103.81 | 15.43 |
| 16 | 40-Micro, Small and Medium Enterprises | 130.76 | 41.26 | 36.12 | 5.14 |
| Total for Revenue | | 36004.93 | 5722.96 | 4810.92 | 912.04 |
| Capital (Charged) | | | | | |
| 17 | 20-Water Resources | 12.72 | 4.82 | 0.91 | 3.91 |
| Capital (Voted) | | | | | |
| 18 | 7-Works | 3831.38 | 83.97 | 75.25 | 8.72 |
| 19 | 11- ST & SC Development, Minorities & Backward Classes Welfare | 628.49 | 68.76 | 65.13 | 3.63 |
| 20 | 12-Health and Family Welfare | 678.61 | 88.86 | 1.20 | 87.66 |
| 21 | 13-Housing and Urban Development | 419.66 | 66.47 | 6.52 | 59.95 |
| 22 | 20-Water Resources | 4516.31 | 339.08 | 321.91 | 17.17 |
| 23 | 28-Rural Development | 4419.94 | 238.62 | 237.37 | 1.25 |
| 24 | 33-Fisheries and Animal Resources Development | 133.51 | 27.04 | 23.94 | 3.10 |
| Total for Capital | | 14640.62 | 917.62 | 732.23 | 185.39 |
| Grand Total | | 50645.55 | 6640.58 | 5543.15 | 1097.43 |

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

APPENDIX – 2.8
(Refer paragraph 2.3.10)

Statement showing grant / major head of account-wise surrender of funds in excess of ₹ 10 crore on 31 March 2016.

| 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 | 4059-Capital Outlay on Public Works | 269.82 | 100.45 | 37.23 |
| 2 | | 4216-Capital Outlay on Housing | 249.66 | 100.45 | 40.24 |
| 3 | 2 | 4059- Capital Outlay on Public Works | 47.90 | 13.99 | 29.21 |
| 4 | | 4216- Capital Outlay on Housing | 42.67 | 14.57 | 34.14 |
| 5 | | 5053-Capital Outlay on Civil Aviation | 30.00 | 23.93 | 79.77 |
| 6 | 3 | 2245-Relief on account of Natural Calamities | 4481.71 | 1951.30 | 43.54 |
| 7 | 5 | 2040-Taxes on Sales, Trade etc. | 107.70 | 22.79 | 21.16 |
| 8 | | 2071-Pensions and Other Retirement Benefits | 8583.20 | 2241.98 | 26.12 |
| 9 | | 2075-Miscellaneous General Services | 300.00 | 300.00 | 100.00 |
| 10 | | 7615-Miscellaneous Loans | 25.00 | 21.36 | 85.44 |
| 11 | 10 | 4202-Capital Outlay on Education, Sports, Art and Culture | 85.00 | 47.76 | 56.19 |
| 12 | 12 | 2211-Family Welfare | 45.53 | 18.52 | 40.68 |
| 13 | 13 | 3054- Roads and Bridges | 92.73 | 30.00 | 32.35 |
| 14 | 16 | 2401-Crop Husbandry | 53.09 | 22.52 | 42.42 |
| 15 | | 3451-Secretariat -Economical Services | 1077.05 | 513.74 | 47.70 |
| 16 | | 3454-Census Surveys and Statistics | 48.02 | 31.01 | 64.57 |
| 17 | | 4059-Capital Outlay on Public Works | 16.70 | 15.02 | 89.94 |
| 18 | | 5475-Capital Outlay on Other General Economic Services | 40.00 | 40.00 | 100.00 |
| 19 | 17 | 2501- Special Programmes for Rural Development | 561.72 | 204.67 | 36.44 |
| 20 | 21 | 4059- Capital Outlay on Public Works | 55.00 | 32.80 | 59.64 |
| 21 | 22 | 2406-Forestry and Wild Life | 719.43 | 170.90 | 23.76 |
| 22 | | 3435-Ecology and Environment | 52.81 | 35.85 | 67.89 |
| 23 | 23 | 2402-Soil and Water Conservation | 341.01 | 106.81 | 31.32 |
| 24 | 28 | 4215- Capital Outlay on Water Supply and Sanitation | 485.00 | 104.92 | 21.63 |
| 25 | 30 | 6801-Loans for Power Projects | 303.76 | 185.01 | 60.91 |
| 26 | 33 | 2404-Dairy Development | 48.94 | 21.47 | 43.87 |
| 27 | 34 | 4435- Capital Outlay on Other Agricultural Programmes | 23.50 | 15.00 | 63.83 |
| 28 | | 6425-Loans for Co-operation | 111.09 | 73.00 | 65.71 |
| 29 | 36 | 4235- Capital Outlay on Social Security and Welfare | 320.00 | 100.03 | 31.26 |
| 30 | 37 | 2852-Industries | 171.12 | 63.98 | 37.39 |
| 31 | 38 | 4202- Capital Outlay on Education, Sports, Art and Culture | 70.00 | 23.10 | 33.00 |
| 32 | 39 | 4250-Capital Outlay on Other Social Services | 228.60 | 109.21 | 47.77 |
| 33 | 40 | 3453-Foreign Trade and Export Promotion | 27.30 | 18.30 | 67.04 |
| Total | | | 19115.06 | 6774.44 | 35.44 |

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

APPENDIX – 2.9
(Refer paragraph 2.5.2)

Statement showing rush of expenditure during 2015-16

| Sl. No. | Grant Number | Head of account Scheme/Service | Expenditure incurred during Jan-March 2016 | Expenditure incurred in March 2016 | Total expenditure during the year | Percentage of total expenditure incurred during | |
|---------|--------------|--|--|------------------------------------|-----------------------------------|---|------------|
| | | | | | | Jan-March 2016 | March 2016 |
| (1) | (2) | (3) | (₹ in crore) | | | (7) | (8) |
| | | | (4) | (5) | (6) | | |
| 1 | 7 | 3054-SP-SS-80-797-1361-State Road Fund | 124.78 | 124.78 | 124.78 | 100.00 | 100.00 |
| 2 | 7 | 5054- SP-SS-03-789-3010-Biju Expressway Projects | 14.00 | 13.28 | 14.00 | 100.00 | 94.86 |
| 3 | 9 | 2408- SP-SS-01-101-3020-Operation of Potato Buffer stock | 50.00 | 50.00 | 50.00 | 100.00 | 100.00 |
| 4 | 9 | 3456- SP-SS-00-102-3018-Fair Price Shop Automation | 14.00 | 14.00 | 14.00 | 100.00 | 100.00 |
| 5 | 10 | 2202- SP-DS-02-800-3072-Odisha Adarsha Vidyalaya | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| 6 | 11 | 2225- SP-SS -01-277-3052 Schemes for development of Schedule Caste | 142.12 | 142.21 | 142.63 | 99.64 | 99.71 |
| 7 | 11 | 2225-SP-SS-03-277-2418-Post Matric Scholarship and Stipend to OBC Students | 26.23 | 26.23 | 26.23 | 100.00 | 100 |
| 8 | 12 | 2210- SP-SS-05-105-3037-Human Resources in Health & Medical Education | 48.05 | 47.17 | 48.07 | 100.00 | 98.17 |
| 9 | 13 | 2217- SP-SS-05-796-3062-Smart Cities | 88.26 | 87.36 | 88.26 | 100.00 | 98.98 |
| 10 | 13 | 2217- SP-SS-05-800-3062-Smart Cities | 210.52 | 208.08 | 210.52 | 100.00 | 98.84 |
| 11 | 13 | 3604-NP-00-191-3030-V-P-SP-Grants & Assistance under the Award of the 4th State Finance Commission | 17.75 | 17.75 | 18.48 | 96.04 | 96.04 |
| 12 | 13 | 3604-NP-00-192-3030-Grants and assistance under the award of 4th SFC | 25.13 | 25.13 | 25.13 | 100.00 | 100 |
| 13 | 13 | 3604-NP-00-193-3030-Grants and assistance under the award of the 4th State Finance Commission | 15.92 | 15.92 | 15.92 | 100.00 | 100 |
| 14 | 21 | 5055- SP-SS-00-050-0189-Construction of Bus Stand | 20.00 | 20.00 | 20.00 | 100 | 100 |
| 15 | 23 | 2401- SP-DS-00-119-3056-State Potato Mission | 29.06 | 28.98 | 29.78 | 97.57 | 97.29 |
| 16 | 23 | 2401- SP-DS-00-796-3056-State Potato Mission | 11.24 | 11.22 | 11.44 | 98.25 | 98.10 |
| 17 | 23 | 2402- SP-DS-00-103-3064-Pradhan Mantri Krishi Sinchai Yojana (PMKSY) | 15.53 | 14.13 | 15.53 | 100.00 | 90.98 |
| 18 | 23 | 2402- SP-DS-00-796-3054-Pradhan Mantri Krishi Sinchai Yojana (PMKSY) | 31.34 | 30.51 | 31.34 | 100.00 | 97.34 |
| 19 | 23 | 4401- SP-DS-00-800-1276-Share Capital Investment | 34.20 | 34.20 | 34.20 | 100.00 | 100 |
| 20 | 23 | 6401- SP-SS-00-103-2981-Corpus Fund for Odisha Agro Industries Corporation Ltd. | 15.00 | 15.00 | 15.00 | 100.00 | 100 |

| Sl. No. | Grant Number | Head of account Scheme/Service | Expenditure incurred during Jan-March 2016 | Expenditure incurred in March 2016 | Total expenditure during the year | Percentage of total expenditure incurred during | |
|---------|--------------|--|--|------------------------------------|-----------------------------------|---|------------|
| | | | | | | Jan-March 2016 | March 2016 |
| (1) | (2) | (3) | (₹ in crore) | | | (7) | (8) |
| | | | (4) | (5) | (6) | | |
| 21 | 28 | 3054-NP-04-338-2583-Maintenance of Roads and Bridges under Pradhan Mantri Gram Sadak Yojana(PMGSY) | 31.96 | 30.14 | 31.96 | 100 | 94.28 |
| 22 | 30 | 4801- SP-SS-05-190-1276-Share Capital Investment | 25.07 | 25.07 | 25.07 | 100.00 | 100 |
| 23 | 30 | 4801- SP-SS-05-800-2304-Electrification for Important Institutes and Sites | 28.17 | 27.17 | 28.85 | 97.64 | 94.18 |
| 24 | 30 | 4801- SP-DS-06-796-2153-Rajiv Gandhi Gramin Vidutikaran Yojana | 20.70 | 20.70 | 20.70 | 100.00 | 100 |
| 25 | 30 | 6801- SP-SS-00-205-2152-Accelerated Power Development Reform Programme | 70.00 | 70.00 | 70.00 | 100.00 | 100 |
| 26 | 34 | 4425- SP-DS-00-107-2875-Construction of Godowns | 54.00 | 54.00 | 54.00 | 100.00 | 100 |
| 27 | 34 | 4425- SP-SS-00-108-1276-Share Capital Investment | 125.05 | 125.05 | 125.05 | 100.00 | 100 |
| 28 | 34 | 4425- SP-DS-00-789-2875-Construction of Godowns | 15.00 | 15.00 | 15.00 | 100.00 | 100 |
| 29 | 34 | 4425- SP-DS-00-796-2875-Construction of Godowns | 21.00 | 21.00 | 21.00 | 100.00 | 100 |
| 30 | 34 | 6425-SP-SS-00-108-2980-Corpus Fund for Odisha State Co-operative Marketing Federation Ltd. | 30.00 | 30.00 | 30.00 | 100.00 | 100 |
| 31 | 37 | 2852- SP-SS-07-202-1956-Promotion and facilities of IT | 22.78 | 22.78 | 22.78 | 100.00 | 100 |
| 32 | 37 | 2852- SP-SS-07-202-2234-Development of Infocity-II-IT SEZ | 30.00 | 30.00 | 30.00 | 100.00 | 100 |
| 33 | 37 | 2852- SP-SS-07-202-2562-Innovative Projects | 15.01 | 15.01 | 15.01 | 100.00 | 100 |
| 34 | 2049 | 2049-NP-03-117-1908-Defined Contribution Pension Scheme | 25.08 | 25.08 | 25.08 | 100.00 | 100 |
| | | Total | 1546.95 | 1536.95 | 1549.81 | | |

Source: Monthly Appropriation Reports 2015-16, Govt. of Odisha

APPENDIX – 2.10
(Refer paragraph 2.5.3)

**Release of money at the fag end of the Financial Year 2015-16 amounting to
₹ 588.78 crore**

| Sl No | Name of Department | Sanction order No | Date | Amount (in crore) |
|--------------------|-------------------------------|-------------------|--------------|----------------------|
| 1 | Panchayati Raj | 5787 | 31/03/2016 | 0.10 |
| | | 5788 | 31/03/2016 | 0.18 |
| | | 5789 | 31/03/2016 | 0.12 |
| | | 5790 | 31/03/2016 | 11.26 |
| | | 5791 | 31/03/2016 | 17.86 |
| | | 5792 | 31/03/2016 | 9.71 |
| | | | Total | 39.22 |
| 2 | Housing and Urban Development | 8134 | 30/03/2016 | 194.66 |
| | | 8126 | 30/03/2016 | 61.68 |
| | | 8118 | 30/03/2016 | 82.41 |
| | | 8106 | 30/03/2016 | 3.60 |
| | | 8098 | 30/03/2016 | 2.64 |
| | | 8090 | 30/03/2016 | 9.76 |
| | | | Total | 354.75 |
| 3 | Women and Child Development | 5136 | 31/03/2016 | 16.74 |
| | | 5126 | 31/03/2016 | 72.00 |
| | | 5110 | 30/03/2016 | 0.06 |
| | | 4998 | 28/03/2016 | 0.16 |
| | | 4971 | 28/03/2016 | 0.01 |
| | | 4928 | 26/03/2016 | 0.07 |
| | | | Total | 89.04 |
| 4 | Co-operation | 2556 | 30/03/2016 | 90.00 |
| | | | Total | 90.00 |
| 5 | Agriculture | 5966 | 31/03/2016 | 0.84 |
| | | 5976 | 31/03/2016 | 1.41 |
| | | 5971 | 31/03/2016 | 0.32 |
| | | 5938 | 31/03/2016 | 0.85 |
| | | 5950 | 31/03/2016 | 0.09 |
| | | 5944 | 31/03/2016 | 0.18 |
| | | 5961 | 31/03/2016 | 2.07 |
| | | 12646 | 31/03/2016 | 10.01 |
| | | | Total | 15.77 |
| Grand Total | | | | 588.78 |

APPENDIX – 2.11
(Refer paragraphs 2.6.3)

Withdrawal of entire provision by way of surrender and re-appropriation by the Chief Controlling Officers of the Grant No.1 and Grant No.36 during 2015-16

(₹ in crore)

| Sl. No. | Head of Account | Total Provision | Amount withdrawn | Remarks |
|--------------------------|---|-----------------|------------------|--|
| 1-Home Department | | | | |
| 1 | 2055-SP-00-003-2589-ThFC Award for Police Training | 1.98 | 1.98 | Entire amount was withdrawn due to discontinuance of sharing/delinking of funding by Government of India. |
| 2 | 2055-SP-00-114-2933-National Scheme for Modernisation of Police and Other Forces | 8.69 | 8.69 | |
| 3 | 2055-SP-00-101-2590-ThFC Award for upgradation of jails | 1.09 | 1.09 | |
| 4 | 2055-SP-00-789-2590-ThFC Award for upgradation of jails | 0.23 | 0.23 | |
| 5 | 2055-SP-00-796-2590-ThFC Award for upgradation of jails | 0.68 | 0.68 | |
| 6 | 2070-NP-00-105-2908-Commission of Inquiry | 0.35 | 0.35 | Entire provisions were withdrawn without assigning any reason. |
| 7 | 2070-SP-00-108-2591- ThFC Award for Fire Services | 1.51 | 1.51 | Entire amount was withdrawn due to delinking of sharing fund by Government of India. |
| 8 | 2070-CP-00-106-2513- Establishment of new Civil Defence Training Institute | 0.27 | 0.27 | Entire amount was withdrawn due to non-receipt of technical specifications on equipments from Government of India. |
| 9 | 4059-SP-60-051-2589-ThFC Award for Police Training | 6.00 | 6.00 | Entire amount was withdrawn due to delinking of sharing fund by Government of India. |
| 10 | 4059-SP-60-051-2590-ThFC Award for upgradation of jails | 9.06 | 9.06 | |
| 11 | 4059-SP-60-051-2591- ThFC Award for Fire Services | 9.35 | 9.35 | |
| 12 | 4059-SP-60-051-3023- National Scheme for Modernisation of Courts | 2.85 | 2.85 | Entire provision was surrendered due to non-finalisation of Action Plan under approval of Ministry of Home Affairs, Government of India. |
| 13 | 4059-SP-60-789-2590- ThFC Award for upgradation of jails | 2.34 | 2.34 | Entire amount was withdrawn due to delinking of sponsored schemes by Government of India. |
| 14 | 4059-SP-60-789-2933- National Scheme for Modernisation of Police and Other Forces | 11.51 | 11.51 | |
| 15 | 4059-SP-60-789-3023- National Scheme for Modernisation of Courts | 1.00 | 1.00 | Entire provision was surrendered due to non-finalisation of Action Plan under approval of Ministry of Home Affairs, Government of India. |
| 16 | 4059-SP-60-796-2590- ThFC Award for upgradation of jails | 3.22 | 3.22 | Entire amount was withdrawn due to delinking of sharing fund by Government of India. |
| 17 | 4059-SP-60-796-2933- National Scheme for Modernisation of Police and Other Forces | 14.74 | 14.74 | |
| 18 | 4059-SP-60-796-3023- National Scheme for Modernisation of Courts | 1.15 | 1.15 | Entire amount was surrendered attributing to non-finalisation of sites for district courts. |

| Sl. No. | Head of Account | Total Provision | Amount withdrawn | Remarks |
|--|---|-----------------|------------------|--|
| 19 | 4216-SP-01-700-2589-ThFC Award for Police Training | 10.00 | 10.00 | Entire amount was withdrawn due to delinking of sponsored schemes by Government of India. |
| 20 | 4216-SP-01-700-2590- ThFC Award for upgradation of jails | 6.20 | 6.20 | |
| 21 | 4216-SP-01-700-2591-ThFC Award for Fire Services | 27.54 | 27.54 | |
| 22 | 4216-SP-01-789-2590- ThFC Award for upgradation of jails | 1.60 | 1.60 | |
| 23 | 4216-SP-01-789-2933- National Scheme for Modernisation of Police and Other Forces | 9.91 | 9.91 | |
| 24 | 4216-SP-01-796-2590- ThFC Award for upgradation of jails | 2.20 | 2.20 | |
| 25 | 4216-SP-01-796-2933- National Scheme for Modernisation of Police and Other Forces | 18.91 | 18.91 | |
| TOTAL | | 152.38 | 152.38 | |
| 36-Women & Child Development Department | | | | |
| 1 | 2235-SP-02-789-0731-Integrated Child Development Schemes | 0.67 | 0.67 | Entire amount was withdrawn due to non-availability of Central Assistance. |
| 2 | 2235-SP-02-796-0731-Integrated Child Development Schemes | 0.91 | 0.91 | |
| 3 | 2236-SP-02-789-2162-Special Plan for KBK Districts | 6.53 | 6.53 | |
| 4 | 2236-SP-02-796-2162-Special Plan for KBK Districts | 15.42 | 15.42 | |
| 5 | 4235-SP-02-102-2596- ThFC Award for construction of Anganwadi Centres | 37.40 | 37.40 | Entire amount was withdrawn due to non-release of State Specific Grant by 13 th Finance Commission. |
| 6 | 4235-SP-02-789-2596- ThFC Award for construction of Anganwadi Centres | 22.00 | 22.00 | |
| 7 | 4235-SP-02-796-2596- ThFC Award for construction of Anganwadi Centres | 40.60 | 40.60 | |
| TOTAL | | 123.53 | 123.53 | |

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

APPENDIX – 3.1
(Refer paragraph 3.1)

**Statement showing details of utilisation certificates pending for receipt by
different departments of the State Government at the end of 2015-16**

(₹ in crore)

| Sl. No. | Name of the Department | Amount outstanding as on 31.03.2016 | No. of GIA Vouchers for which UC awaited |
|--------------|--|-------------------------------------|--|
| 1 | Agriculture | 36.83 | 66 |
| 2 | Co-operation | 80.80 | 39 |
| 3 | Energy | 3.34 | 1 |
| 4 | Finance | 0.12 | 2 |
| 5 | Fisheries and Animal Resources Development | 28.00 | 148 |
| 6 | Food Supplies and Consumer Welfare | 92.77 | 67 |
| 7 | Forest and Environment | 13.60 | 25 |
| 8 | General Administration | 82.86 | 54 |
| 9 | Health and Family Welfare | 1790.44 | 313 |
| 10 | Higher Education | 786.68 | 2793 |
| 11 | Home | 2.34 | 10 |
| 12 | Housing and Urban Development | 3664.27 | 10049 |
| 13 | Industries | 28.69 | 15 |
| 14 | Information Technology | 371.16 | 138 |
| 15 | Information and Public Relations | 0.02 | 1 |
| 16 | Labour and Employees' State Insurance | 166.86 | 20 |
| 17 | Law | 112.89 | 119 |
| 18 | Micro, Small and Medium Enterprises | 32.19 | 95 |
| 19 | Panchayati Raj | 10356.10 | 9198 |
| 20 | Parliamentary Affairs | 0.02 | 7 |
| 21 | Planning and Co-ordination | 2719.70 | 1583 |
| 22 | Revenue and Disaster Management | 1302.40 | 452 |
| 23 | Rural Development | 1041.69 | 24 |
| 24 | ST & SC Development, Minorities & Backward Classes Welfare | 1045.43 | 3596 |
| 25 | School and Mass Education | 2292.78 | 2097 |
| 26 | Science and Technology | 121.96 | 130 |
| 27 | Skill Development & Technical Education | 402.94 | 201 |
| 28 | Sports and Youth Services | 7.45 | 53 |
| 29 | Handloom, Textile and Handicrafts | 46.05 | 122 |
| 30 | Tourism and Culture | 134.44 | 467 |
| 31 | Transport | 5.00 | 1 |
| 32 | Water Resources | 530.07 | 560 |
| 33 | Women and Child Development | 311.32 | 444 |
| 34 | Works | 0.10 | 5 |
| Total | | 27611.31 | 32895 |

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

APPENDIX – 3.2
(Refer paragraph 3.2)

List of Bodies/Authorities which received Grants during 2011-16

(₹ in crore)

| Sl. No. | Body/Authority receiving Grants | Name of the Department | Year | | | | | Total |
|---------|--|--|---------|---------|---------|---------|---------|--------|
| | | | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | |
| 1 | Odisha Schedule Caste & Schedule Tribe Development Finance Co-operative Corporation Ltd. (OSFDC) | ST & SC Dev. and Minorities & Backward Classes Welfare | 51.12 | 56.71 | 50.83 | 26.27 | 37.88 | 222.81 |
| 2 | Tribal Development Co-operative Corporation of Odisha Ltd. (TDCCOL) | ST & SC Dev. and Minorities & Backward Classes Welfare | 2.56 | 1.76 | 53.63 | 23.31 | 14.83 | 96.09 |
| 3 | Odisha Backward Classes Finance & Development Co-operative Corporation Ltd. (OBCFDCC) | ST & SC Dev. and Minorities & Backward Classes Welfare | 0.12 | 0.22 | 0.57 | 0.56 | 4.31 | 5.78 |
| 4 | Odisha Tribal Empowerment & Livelihood Programme (OTELP) | ST & SC Dev. and Minorities & Backward Classes Welfare | 60.00 | 30.00 | 10.50 | 50.00 | 8.00 | 158.50 |
| 5 | Academy of Tribal Languages & Culture, Bhubaneswar | ST & SC Dev. and Minorities & Backward Classes Welfare | 0.50 | 0.50 | 0.80 | 0.80 | 2.15 | 4.75 |
| 6 | Infrastructure Development Corporation of Odisha (IDCO) | Industries | 10.56 | 21.50 | 20.00 | 21.00 | 1.00 | 74.06 |
| 7 | Industrial Promotion & Investment Corporation Ltd. (IPICOL) | Industries | 0.33 | 0.50 | 1.60 | 3.00 | 7.50 | 12.93 |
| 8 | Odisha State Financial Corporation | MSME | 0.00 | 0.00 | 0.00 | 0.00 | 0.10 | 0.10 |
| 9 | Odisha Renewable Energy Development Agency (OREDA) | Science & Technology | 39.11 | 16.75 | 10.78 | 56.24 | 35.22 | 158.10 |
| 10 | Odisha Space Application Centre (OSAC) | Science & Technology | 6.48 | 8.64 | 12.09 | 14.55 | 13.73 | 55.49 |
| 11 | Odisha Bigyan Akademy (OBA) | Science & Technology | 1.16 | 1.42 | 1.57 | 0.63 | 1.25 | 6.03 |
| 12 | Pathani Samanta Planetarium (PSP) | Science & Technology | 5.95 | 6.67 | 6.27 | 5.36 | 3.36 | 27.61 |
| 13 | Institute of Material Science (IMS) | Science & Technology | 2.42 | 2.98 | 1.74 | 4.70 | 2.50 | 14.34 |
| 14 | Institute of Mathematics & Applications (IMA) | Science & Technology | 3.00 | 2.25 | 1.10 | 1.75 | 3.88 | 11.98 |
| 15 | Odisha State Co-operative Spinning Mills Federation Ltd. | Handlooms, Textiles & Handicrafts | 0.50 | 0.63 | 0.78 | 0.78 | 0.80 | 3.49 |
| 16 | Odisha State Textile Corporation | Handlooms, Textiles & Handicrafts | 0.00 | 0.00 | 0.10 | 0.12 | 0.13 | 0.35 |
| 17 | FAB India Ltd. | Handlooms, Textiles & Handicrafts | 1.00 | 1.50 | 0.00 | 0.00 | 0.00 | 2.50 |
| 18 | Odisha State Co-operative Handicrafts Corporation Ltd. | Handlooms, Textiles & Handicrafts | 0.00 | 5.96 | 0.83 | 2.00 | 1.65 | 10.44 |
| 19 | State Agency for Development of Handloom Cluster | Handlooms, Textiles & Handicrafts | 0.00 | 0.15 | 0.10 | 0.00 | 0.05 | 0.30 |
| 20 | Odisha Co-operative Tasar & | Handlooms, | 1.16 | 1.53 | 0.97 | 0.00 | 0.00 | 3.66 |

| Sl. No. | Body/Authority receiving Grants | Name of the Department | Year | | | | | Total |
|---------|--|-----------------------------------|---------|---------|---------|---------|---------|--------|
| | | | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | |
| | Silk Federation (SERIFED) | Textiles & Handicrafts | | | | | | |
| 21 | State Institute for Development of Arts & Crafts | Handlooms, Textiles & Handicrafts | 0.20 | 0.25 | 0.50 | 0.26 | 0.38 | 1.59 |
| 22 | Jagannath Weavers Co-operative Spinning Mills Ltd., Nuapatna | Handlooms, Textiles & Handicrafts | 0.00 | 0.00 | 0.00 | 0.37 | 0.00 | 0.37 |
| 23 | Utkal Weavers Co-operative Spinning Mills Ltd., Khordha | Handlooms, Textiles & Handicrafts | 0.00 | 0.00 | 0.00 | 0.27 | 0.00 | 0.27 |
| 24 | State Institute of Hotel Management, Balangir | Tourism & Culture (Tourism) | 1.00 | 1.00 | 1.00 | 1.00 | 1.10 | 5.10 |
| 25 | Odisha Lift Irrigation Corporation Ltd. | Department of Water Resources | 32.65 | 39.79 | 50.96 | 50.58 | 182.01 | 355.99 |
| 26 | Odisha Community Tank Development & Management Society | Department of Water Resources | 28.50 | 52.50 | 42.00 | 100.00 | 120.00 | 343.00 |
| 27 | WALMI Odisha | Department of Water Resources | 5.70 | 6.55 | 6.37 | 6.83 | 7.41 | 32.86 |
| 28 | Odisha State Road Transport Corporation, Bhubaneswar (OSRTC) | Commerce & Transport (Transport) | 0.46 | 8.00 | 10.00 | 9.00 | 25.00 | 52.46 |
| 29 | Odisha State Civil Supplies Corporation Ltd. | Food, Supplies & Consumer Welfare | 6.20 | 13.00 | 41.25 | 23.63 | 83.58 | 167.66 |
| 30 | State Labour Institue, Bhubaneswar | Labour and ESI | 0.33 | 0.90 | 1.50 | 1.75 | 2.00 | 6.48 |
| 31 | Mahila Vikas Samabaya Nigam | Women & Child Development | 41.38 | 50.67 | 132.89 | 1.99 | 14.12 | 241.05 |
| 32 | Odisha State Commission for Women | Women & Child Development | 1.33 | 1.25 | 1.69 | 2.00 | 2.15 | 8.42 |
| 33 | State Social Welfare Board, Odisha | Women & Child Development | 2.60 | 0.62 | 1.12 | 0.62 | 0.79 | 5.75 |
| 34 | Odisha State Child Protection Society | Women & Child Development | 7.16 | 9.78 | 17.36 | 26.29 | 63.80 | 124.39 |
| 35 | Odisha State Council for Child Welfare, Bhubaneswar | Women & Child Development | 2.96 | 0.46 | 2.83 | 1.25 | 3.22 | 10.72 |
| 36 | Odisha State Commission for Protection of Child Rights | Women & Child Development | 0.43 | 0.25 | 0.25 | 0.25 | 0.54 | 1.72 |
| 37 | Regional Plant Resource Centre | Forest and Environment | 4.00 | 5.50 | 6.15 | 6.60 | 7.50 | 29.75 |
| 38 | Chilika Development Authority | Forest and Environment | 13.52 | 13.52 | 13.88 | 14.39 | 6.02 | 61.33 |
| 39 | Centre for Environment Studies | Forest and Environment | 1.45 | 1.65 | 1.70 | 1.70 | 1.07 | 7.57 |
| 40 | District Environment Society | Forest and Environment | 0.66 | 0.50 | 0.60 | 0.00 | 0.31 | 2.07 |
| 41 | State Environment Impact Assessment Authority/State Expert Appraisal Committee | Forest and Environment | 0.10 | 0.10 | 0.13 | 0.20 | 0.31 | 0.84 |
| 42 | Integrated Coastal Zone Management Project (ICZMP) | Forest and Environment | 6.00 | 4.50 | 10.90 | 7.11 | 0.32 | 28.83 |
| 43 | Odisha Wetland Development Authority | Forest and Environment | 0.20 | 1.00 | 0.50 | 1.00 | 0.00 | 2.70 |
| 44 | Appellate Authority | Forest and Environment | 0.03 | 0.13 | 0.02 | 0.12 | 0.02 | 0.32 |
| 45 | State Medicinal Plant Board, Odisha | Forest and Environment | 0.80 | 0.62 | 0.50 | 1.20 | 1.20 | 4.32 |
| 46 | Odisha Forestry Sector Development Society | Forest and Environment | 84.99 | 73.07 | 75.73 | 49.84 | 0.05 | 283.68 |

| Sl. No. | Body/Authority receiving Grants | Name of the Department | Year | | | | | Total |
|---------|---|-----------------------------|---------|---------|---------|---------|---------|-------|
| | | | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | |
| 47 | Board of Secondary Education, Odisha, Cuttack | School & Mass Education | 1.00 | 0.00 | 5.00 | 5.00 | 5.00 | 16.00 |
| 48 | State Youth Welfare Board, Odisha | Sports & Youth Services | 7.59 | 1.07 | 9.30 | 5.26 | 5.35 | 28.57 |
| 49 | Odisha Council of Sports | Sports & Youth Services | 3.14 | 8.58 | 2.09 | 1.35 | 3.15 | 18.31 |
| 50 | Odisha Electricity Regulatory Commission | Energy | 0.00 | 3.00 | 5.00 | 5.00 | 0.00 | 13.00 |
| 51 | Utkal University of Culture, Bhubaneswar | Tourism & Culture (Culture) | 1.00 | 4.74 | 4.58 | 6.84 | 3.40 | 20.56 |
| 52 | Odisha Urdu Academy, Bhubaneswar | Tourism & Culture (Culture) | 0.22 | 0.34 | 0.70 | 0.80 | 0.70 | 2.76 |
| 53 | Odisha Lalit Kala Academy, Bhubaneswar | Tourism & Culture (Culture) | 0.31 | 0.85 | 0.93 | 0.95 | 0.85 | 3.89 |
| 54 | Odissi Research Centre, Bhubaneswar | Tourism & Culture (Culture) | 0.74 | 0.91 | 1.29 | 1.18 | 1.00 | 5.12 |
| 55 | Odisha Sahitya Academy, Bhubaneswar | Tourism & Culture (Culture) | 2.82 | 1.08 | 1.68 | 1.74 | 1.25 | 8.57 |
| 56 | Odisha Sangeet Natak Academy, Bhubaneswar | Tourism & Culture (Culture) | 1.31 | 1.31 | 2.07 | 2.61 | 1.00 | 8.30 |
| 57 | South-East Asian Project | Tourism & Culture (Culture) | 0.00 | 0.00 | 0.00 | 0.00 | 0.50 | 0.50 |

Source: Information furnished by respective Departments.

N.B: Seven Departments (i) Home, (ii) Steel & Mines, (iii) Excise, (iv) Parliamentary Affairs, (v) Revenue and Disaster Management, (vi) Fisheries & Animal Resources Development and (vii) Information and Public Relations have given nil report.

APPENDIX – 3.3
(Refer paragraph 3.4)

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

| Sl. No. | Name of the Activities 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 five years. |
| Department : Agriculture | | | | | |
| 2 | Cold Storage Plant, Kumarmunda | 1 | 1972 | 11.97 | Arrear of accounts for 44 years |
| 3 | Cold Storage Plant, Similiguda | 1 | 1977 | 16.15 | Arrear of accounts for 39 years |
| 4 | Cold Storage Plant, Paralakhemundi | 1 | 1984 | 6.36 | Arrear of accounts for 32 years |
| 5 | Cold Storage Plant, Balangir | 1 | 1994 | 7.92 | Arrear of accounts for 22 years |
| 6 | Cold Storage Plant, Bhubaneswar | 1 | 1975 | 17.89 | Transferred (March 1979) to Odisha State Seeds Corporation Limited. Arrear of accounts for nine years |
| 7 | Cold Storage Plant, Sambalpur | 1 | 1971 | NA | Transferred (March 1979) to Odisha State Seeds Corporation Limited. Arrear of accounts for 13 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 eight 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 seven years. |
| Department : Commerce and Transport (Commerce) | | | | | |
| 11 | Director Printing, Stationery 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 38 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 2015-16, Government of Odisha.

APPENDIX – 3.4

(Refer paragraph 3.5)

**Department wise / duration wise break-up of the cases of misappropriation, defalcation etc.
(Cases where final action was pending at the end of March 2016)**

(₹ 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 | Finance | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1 | 4.85 | 3 | 5.04 | 4 | 9.89 |
| 2 | Revenue & Disaster Management | 0 | 0.00 | 1 | 2.54 | 4 | 108.06 | 1 | 0.78 | 5 | 4.46 | 11 | 25.67 | 22 | 141.51 |
| 3 | Law | 1 | 0.05 | 0 | 0.00 | 2 | 2.76 | 1 | 2.08 | 4 | 2.09 | 0 | 0.00 | 8 | 6.98 |
| 4 | Water Resources | 3 | 15.62 | 15 | 9.26 | 29 | 44.61 | 69 | 112.96 | 77 | 30.33 | 21 | 45.35 | 214 | 258.12 |
| 5 | Rural Development | 0 | 0 | 4 | 56.17 | 6 | 5.49 | 16 | 9.38 | 22 | 18.45 | 5 | 4.91 | 53 | 94.40 |
| 6 | Energy | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1.17 | 4 | 226.5 | 3 | 16.04 | 8 | 243.71 |
| 7 | Employment and Technical Education | 0 | 0.00 | 1 | 1.25 | 1 | 0.15 | 3 | 6.65 | 0 | 0.00 | 1 | 2.47 | 6 | 10.52 |
| 8 | 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 |
| 9 | ST&SC Development Minorities and Backward Classes Welfare | 0 | 0.00 | 1 | 0.73 | 1 | 2.01 | 1 | 0.95 | 2 | 0.95 | 3 | 2.24 | 8 | 6.88 |
| 10 | Health & Family Welfare | 0 | 0.00 | 1 | 0.03 | 0 | 0.00 | 2 | 4.53 | 11 | 13.60 | 13 | 37.51 | 27 | 55.67 |
| 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 | Works | 0 | 0 | 4 | 3.28 | 5 | 2.5 | 38 | 54.67 | 20 | 7.07 | 16 | 117.81 | 83 | 185.34 |
| 13 | Commerce & Transport | 0 | 0 | 0 | 0 | 3 | 6.18 | 0 | 0 | 2 | 1.3 | 3 | 1.79 | 8 | 9.27 |
| 14 | School & Mass Education | 0 | 0.00 | 0 | 0.00 | 1 | 5.78 | 2 | 20.22 | 4 | 4.11 | 4 | 6.56 | 11 | 36.67 |
| 15 | Higher Education | 0 | 0.00 | 2 | 3.29 | 2 | 7.73 | 0 | 0.00 | 1 | 3.53 | 0 | 0.00 | 5 | 14.55 |
| 16 | Fisheries & Animal Resources Development | 0 | 0 | 0 | 0 | 1 | 0.31 | 4 | 0.86 | 6 | 2.44 | 8 | 71.78 | 19 | 75.39 |
| 17 | Agriculture | 0 | 0 | 5 | 18.7 | 4 | 32.26 | 21 | 25.89 | 20 | 10.23 | 14 | 18.86 | 64 | 105.94 |
| 18 | Co-operation | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1 | 0.94 | 2 | 3.25 | 0 | 0.00 | 3 | 4.19 |
| 19 | Panchayati Raj | 0 | 0.00 | 0 | 0.00 | 2 | 4.32 | 1 | 7.11 | 5 | 9.31 | 10 | 13.25 | 18 | 33.99 |
| 20 | Home | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1 | 12.70 | 1 | 0.50 | 1 | 1.77 | 3 | 14.97 |
| 21 | 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 |
| 22 | Housing & Urban Development | 0 | 0 | 4 | 21.77 | 8 | 10.31 | 21 | 13.27 | 8 | 12.19 | 5 | 11.32 | 46 | 68.86 |
| 23 | Information & Public Relations | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 21 | 1.57 | 38 | 4.75 | 0 | 0.00 | 59 | 6.32 |
| 24 | Women & Child Development | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 4 | 3.30 | 0 | 0.00 | 4 | 3.30 |
| 25 | Forest & Environment | 19 | 115.15 | 0 | 0.00 | 0 | 0.00 | 2 | 55.12 | 6 | 4.03 | 5 | 22.83 | 32 | 197.13 |
| Total | | 23 | 130.82 | 39 | 128.61 | 69 | 232.47 | 208 | 331.56 | 246 | 367.47 | 128 | 408.14 | 713 | 1599.07 |

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

APPENDIX – 3.5
(Refer paragraph 3.5)

**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 | Finance | 0 | 0.00 | 4 | 9.89 | 4 | 9.89 |
| 2 | Revenue & Disaster Management | 6 | 4.10 | 16 | 137.41 | 22 | 141.51 |
| 3 | Law | 3 | 0.83 | 5 | 6.15 | 8 | 6.98 |
| 4 | Water Resources | 144 | 149.88 | 70 | 108.25 | 214 | 258.13 |
| 5 | Rural Development | 38 | 75.92 | 15 | 18.48 | 53 | 94.40 |
| 6 | Energy | 3 | 1.23 | 5 | 242.48 | 8 | 243.71 |
| 7 | Employment and Technical Education | 4 | 3.80 | 2 | 6.72 | 6 | 10.52 |
| 8 | Micro, Small and Medium Enterprises | 0 | 0.00 | 3 | 11.72 | 3 | 11.72 |
| 9 | ST&SC Dev. , Minorities and Backward Classes Welfare | 1 | 0.73 | 7 | 6.15 | 8 | 6.88 |
| 10 | Health & Family Welfare | 8 | 6.12 | 19 | 49.55 | 27 | 55.67 |
| 11 | General Administration | 2 | 0.71 | 0 | 0.00 | 2 | 0.71 |
| 12 | Works | 40 | 14.96 | 43 | 170.37 | 83 | 185.33 |
| 13 | Commerce & Transport | 3 | 6.18 | 5 | 3.09 | 8 | 9.27 |
| 14 | School & Mass Education | 0 | 0.00 | 11 | 36.67 | 11 | 36.67 |
| 15 | Higher Education | 1 | 0.08 | 4 | 14.47 | 5 | 14.55 |
| 16 | Fisheries and ARD | 6 | 1.43 | 13 | 73.96 | 19 | 75.39 |
| 17 | Agriculture | 31 | 16.67 | 33 | 89.27 | 64 | 105.94 |
| 18 | Co-operation | 1 | 0.71 | 2 | 3.48 | 3 | 4.19 |
| 19 | Panchayati raj | 7 | 16.89 | 11 | 17.10 | 18 | 33.99 |
| 20 | Home | 0 | 0.00 | 3 | 14.97 | 3 | 14.97 |
| 21 | Food Supplies & Consumer Welfare | 1 | 0.10 | 2 | 2.94 | 3 | 3.04 |
| 22 | Housing & Urban Development | 32 | 43.93 | 14 | 24.93 | 46 | 68.86 |
| 23 | Information & Public Relations | 53 | 4.38 | 6 | 1.94 | 59 | 6.32 |
| 24 | Women & Child Development | 1 | 0.03 | 3 | 3.27 | 4 | 3.30 |
| 25 | Forest & Environment | 8 | 48.09 | 24 | 149.04 | 32 | 197.13 |
| Total | | 393 | 396.77 | 320 | 1202.3 | 713 | 1599.07 |

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

APPENDIX – 3.6

(Refer paragraph 3.5)

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 | Finance | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 4 | 9.89 | 4 | 9.89 |
| 2 | Revenue & Disaster Management | 3 | 1.42 | 6 | 6.31 | 4 | 2.41 | 3 | 4.07 | 6 | 127.30 | 22 | 141.51 |
| 3 | Law | 1 | 0.05 | 1 | 2.21 | 1 | 0.15 | 2 | 0.89 | 3 | 3.68 | 8 | 6.98 |
| 4 | Water Resources | 103 | 162.14 | 103 | 84.35 | 1 | 0 | 5 | 11.28 | 2 | 0.35 | 214 | 258.12 |
| 5 | Rural Development | 30 | 77.22 | 22 | 17.18 | 0 | 0 | 0 | 0 | 1 | 0 | 53 | 94.4 |
| 6 | Energy | 2 | 16.03 | 5 | 226.51 | 1 | 1.17 | 0 | 0 | 0 | 0 | 8 | 243.71 |
| 7 | Employment and Technical Education | 1 | 4.24 | 1 | 1.25 | 0 | 0.00 | 0 | 0.00 | 4 | 5.03 | 6 | 10.52 |
| 8 | Micro, Small and Medium Enterprises | 1 | 11.59 | 1 | 0.08 | 0 | 0.00 | 1 | 0.05 | 0 | 0.00 | 3 | 11.72 |
| 9 | ST&SC Dev. , Minorities and Backward Classes Welfare | 2 | 2.74 | 4 | 3.19 | 0 | 0.00 | 2 | 0.95 | 0 | 0.00 | 8 | 6.88 |
| 10 | Health & Family Welfare | 2 | 0.40 | 4 | 6.62 | 0 | 0.00 | 6 | 8.20 | 15 | 40.45 | 27 | 55.67 |
| 11 | General Admn. | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 2 | 0.71 | 0 | 0.00 | 2 | 0.71 |
| 12 | Works | 34 | 38.5 | 45 | 142.43 | 1 | 0.41 | 0 | 0 | 3 | 4 | 83 | 185.34 |
| 13 | Commerce & Transport | 4 | 6.18 | 2 | 1.04 | 0 | 0 | 1 | 0.75 | 1 | 1.3 | 8 | 9.27 |
| 14 | School & Mass Education | 5 | 10.65 | 1 | 1.31 | 0 | 0.00 | 0 | 0.00 | 5 | 24.71 | 11 | 36.67 |
| 15 | Higher Education | 2 | 3.29 | 0 | 0.00 | 0 | 0.00 | 1 | 0.08 | 2 | 11.18 | 5 | 14.55 |
| 16 | Fisheries & Animal Resources Development | 0 | 0.00 | 10 | 54.55 | 0 | 0.00 | 5 | 4.55 | 4 | 16.29 | 19 | 75.39 |
| 17 | Agriculture | 5 | 13.5 | 19 | 61.16 | 0 | 0 | 13 | 4.79 | 27 | 26.49 | 64 | 105.94 |
| 18 | Co-operation | 0 | 0.00 | 1 | 0.94 | 0 | 0.00 | 0 | 0.00 | 2 | 3.25 | 3 | 4.19 |
| 19 | Panchayati Raj | 10 | 21.11 | 4 | 10.97 | 0 | 0.00 | 3 | 1.51 | 1 | 0.40 | 18 | 33.99 |
| 20 | Home | 0 | 0.00 | 0 | 0.00 | 1 | 12.70 | 0 | 0.00 | 2 | 2.27 | 3 | 14.97 |
| 21 | Food Supplies & Consumer Welfare | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 1 | 0.10 | 2 | 2.94 | 3 | 3.04 |
| 22 | Housing & Urban Development | 24 | 39.41 | 20 | 26.17 | 0 | 0.00 | 0 | 0.00 | 2 | 3.28 | 46 | 68.86 |
| 23 | Information & Public Relations | 49 | 5.53 | 8 | 0.64 | 0 | 0.00 | 0 | 0.00 | 2 | 0.15 | 59 | 6.32 |
| 24 | Women & Child Development | 0 | 0.00 | 4 | 3.30 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 4 | 3.30 |
| 25 | Forest & Environment | 7 | 80.66 | 16 | 93.03 | 0 | 0.00 | 3 | 21.04 | 6 | 2.40 | 32 | 197.13 |
| Total | | 285 | 494.66 | 277 | 743.24 | 9 | 16.84 | 48 | 58.97 | 94 | 285.36 | 713 | 1599.07 |

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

APPENDIX – 3.7
(Refer paragraph 3.6)

Statement showing unadjusted AC bills for the years up to 2015-16

| Sl. No. | Department | Number of AC bills | Amount (₹ in crore) |
|--------------|---|--------------------|-----------------------|
| 1 | 01-Home | 2479 | 29.84 |
| 2 | 02-General Administration | 41 | 7.15 |
| 3 | 03-Revenue and Disaster Management | 4 | 0.01 |
| 4 | 04-Law | 81 | 0.10 |
| 5 | 05-Finance | 2 | 0.08 |
| 6 | 11-ST & SC Development, Minorities & Backward Classes Welfare | 4 | 0.00 |
| 7 | 12-Health and Family Welfare | 6 | 0.07 |
| 8 | 13-Housing and Urban Development | 12 | 0.07 |
| 9 | 17-Panchayati Raj | 49 | 0.75 |
| 10 | 20-Water Resources | 1 | 0.00 |
| 11 | 21-Transport | 1 | 3.60 |
| 12 | 24-Steel and Mines | 59 | 0.12 |
| 13 | 32-Tourism and Culture | 1 | 0.15 |
| 14 | 33-Fisheries and Animal Resource Development | 8 | 0.03 |
| 15 | 34-Co-operation | 6 | 1.23 |
| 16 | 38-Higher Education | 192 | 1.10 |
| Total | | 2946 | 44.30 |

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

APPENDIX – 3.8
(Refer paragraph 3.10.1)
**Statement showing details of DDO-wise outstanding advance position
as on 31 March 2016**

(₹ in crore)

| Sl. No. | Name of the Drawing & Disbursing Officer | Unadjusted advance as on 01/04/2015 | Advance made during the year | TOTAL | Adjustments made during the year | Unadjusted advance as on 31/03/2016 |
|----------------------|--|-------------------------------------|------------------------------|---------------|----------------------------------|-------------------------------------|
| 1 | BDO- Sundargarh Sadar | 0# | 0.35 | 0.35 | 0.04 | 0.31 |
| 2 | BDO - Bargaon | 2.67 | 0 | 2.67 | 0.32 | 2.35 |
| 3 | BDO - Puintala | 0.42 | 0.32 | 0.74 | 0.01 | 0.73 |
| 4 | BDO- Balangir Sadar | 0.97 | 3.87 | 4.84 | 3.61 | 1.23 |
| 5 | BDO - Cuttack Sadar | 0.36 | 0.54 | 0.9 | 0.51 | 0.39 |
| 6 | BDO - Raghunathpur | 0.62 | 0.02 | 0.64 | 0.02 | 0.62 |
| 7 | BDO - Jharsuguda | 0.96 | 0.01 | 0.97 | 0.22 | 0.75 |
| 8 | BDO - Laikera | 1.43 | 0 | 1.43 | 0.78 | 0.65 |
| 9 | BDO - Bhawanipatna | 5.98 | 6.67 | 12.65 | 9.81 | 2.84 |
| 10 | BDO - Junagarh | 0.28 | 5.93 | 6.21 | 6.05 | 0.16 |
| 11 | BDO - Ghatagaon | 0.40 | 0.06 | 0.46 | 0.15 | 0.31 |
| 12 | BDO - Begunia | 0.07 | 0.04 | 0.11 | 0.04 | 0.07 |
| 13 | BDO - Jatni | 0.97 | 0 | 0.97 | 0.03 | 0.94 |
| 14 | BDO -Puri Sadar | 0.28 | 0.03 | 0.31 | 0.05 | 0.26 |
| 15 | BDO - Maneswar | 0.66 | 0.14 | 0.80 | 0.14 | 0.66 |
| 16 | BDO - Dhankauda | 0.11 | 0.38 | 0.49 | 0.48 | 0.01 |
| 17 | BDO - Baranga | 0.12 | 0 | 0.12 | 0.01 | 0.11 |
| 18 | BDO -Keonjhar Sadar | 0.84 | 0.03 | 0.87 | 0.04 | 0.83 |
| 19 | BDO - Koraput | 0.33 | 0.09 | 0.42 | 0.20 | 0.22 |
| 20 | BDO - Jeypore | 0.77 | 0 | 0.77 | 0.49 | 0.28 |
| Total (BDO) | | 18.24 | 18.48 | 36.72 | 23.00 | 13.72 |
| 21 | DRDA - Balangir | 19.79 | 22.41 | 42.20 | 0.02 | 42.18 |
| 22 | DRDA - Cuttack | 64.15 | 18.12 | 82.27 | 0.19 | 82.08 |
| 23 | DRDA - Jagatsinghpur | 144.25 | 33.55 | 177.80 | 0.03 | 177.77 |
| 24 | DRDA - Jharsuguda | 0.23 | 0.22 | 0.45 | 0 | 0.45 |
| 25 | DRDA -Kalahandi | 259.17 | 3.13 | 262.30 | 0.01 | 262.29 |
| 26 | DRDA - Keonjhar | 0.87 | 0.02 | 0.89 | 0.02 | 0.87 |
| 27 | DRDA - Khurda | 6.15 | 0.02 | 6.17 | 0.02 | 6.15 |
| 28 | DRDA - Sundargarh | 40.53 | 8.52 | 49.05 | 18.15 | 30.90 |
| 29 | DRDA - Sambalpur | 0.02 | 0.02 | 0.04 | 0.0 | 0.04 |
| 30 | DRDA - Puri | 0.02 | 0.03 | 0.05 | 0.03 | 0.02 |
| Total (DRDA) | | 535.18 | 86.04 | 621.22 | 18.47 | 602.75 |
| TOTAL | | 553.42 | 104.52 | 657.94 | 41.47 | 616.47 |

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

₹27140

APPENDIX – 3.9
(Refer paragraph 3.10.2)

Statement showing the details of discrepancies between Cash book and Pass book as on 31 March 2016

(₹ in crore)

| Sl. No. | Name of the DDO | Balance as per Bank pass book | Balance as per Cash book | Difference |
|--------------|---------------------|-------------------------------|--------------------------|--------------|
| 1 | DSWO, Balangir | 25.50 | 23.90 | 1.60 |
| 2 | DSWO, Kalahandi | 43.72 | 42.93 | 0.79 |
| 3 | DSWO, Sambalpur | 21.17 | 18.00 | 3.17 |
| 4 | BDO, Baranga | 12.16 | 10.59 | 1.57 |
| 5 | DSWO, Cuttack | 52.30 | 44.18 | 8.12 |
| 6 | BDO, Raghunathpur | 6.60 | 5.51 | 1.09 |
| 7 | DSWO, Jagatsinghpur | 13.27 | 12.33 | 0.94 |
| 8 | BDO, Jharsuguda | 20.43 | 16.97 | 3.46 |
| 9 | DWO, Sundargarh | 15.80 | 13.39 | 2.41 |
| 10 | DSWO, Koraput | 52.52 | 49.40 | 3.12 |
| 11 | BDO, Jeypore | 17.58 | 15.90 | 1.68 |
| 12 | DWO, Cuttack | 12.73 | 12.22 | 0.51 |
| 13 | BDO, Keonjhar | 6.81 | 6.28 | 0.53 |
| 14 | DEO, Kalahandi | 9.58 | 8.70 | 0.88 |
| 15 | DEO, Sambalpur | 6.42 | 5.44 | 0.98 |
| 16 | DWO, Jagatsinghpur | 7.17 | 6.76 | 0.41 |
| TOTAL | | 323.76 | 292.50 | 31.26 |

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 | $\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$. |
| Balance from Current Revenue (BCR) | Revenue Receipts minus all Plan Grants and Non-Plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt. |
| Buoyancy of a parameter | Rate of Growth of the parameter/GSDP Growth Rate. |
| Buoyancy of a parameter (X) with respect to another parameter (Y) | $\text{Rate of Growth of parameter (X)} / \text{Rate of Growth of parameter (Y)}$. |
| Committed Expenditure | The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies on which the present executive has limited control. |
| Consolidated Fund of the State | The fund constituted under Article 266 (1) of the Constitution of India into which all receipts, revenues and loans flow. All expenditure from the CFI is by appropriation: voted or charged. It consists of two main divisions namely Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Public Debt and Loans, etc.). |
| Contingency Fund | Legislature Assembly has by law established a Contingency Fund in the nature of an imprest into which is paid from time to time such sums as may be determined by such law, and the said fund is placed at the disposal of the Governor to enable advances to be made by him out of it for the purpose of meeting unforeseen expenditure pending authorisation of such expenditure by Legislative Assembly by law under Article 115 or Article 116 of the Constitution. |
| Contingent Liability | Contingent liabilities may or may not be incurred by an entity depending on the outcome of a future event such as a court case. |
| Debt Stabilisation | 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. |
| Primary Deficit | Fiscal Deficit – Interest payments. |
| Primary Revenue Expenditure | Primary revenue expenditure means revenue expenditure excluding interest payments. |
| Public Accounts Committee | A Committee constituted by the Legislative Assembly for the examination of the reports of the Comptroller and Auditor General of India relating to the appropriation accounts of the State, the annual financial accounts of the State or such other accounts or financial matters as are laid before it or which the Committee deems necessary to scrutinise. |
| Rate of Growth (ROG) | [(Current year Amount /Previous year Amount)-1]*100 |

| Terms | Basis of Calculation |
|----------------------------------|--|
| Re-appropriation | Means the transfer of funds from one Primary unit of appropriation to another such unit. |
| Revenue Deficit | Revenue Receipt – Revenue Expenditure. |
| Sinking Fund | A Fund into which the Government sets aside money over time, in order to retire its debt. |
| Sufficiency of Non-debt Receipts | Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure. |
| Supplementary Grants | If the amount authorised by any law made in accordance with the provisions of Article 114 of the Constitution of India to be expended for a particular service for the current financial year is found to be insufficient for the purpose of that year or when a need has arisen during the current financial year for the supplementary or additional expenditure upon some ‘new service’ not contemplated in the original budget for that year, Government is to obtain supplementary grants or appropriations in accordance with the provision of Article 115 (1) of the Constitution of India. |
| Surrender of unspent provision | Departments of the State Government are to surrender to the Finance Department, before the close of the financial year, all the anticipated unspent provisions noticed in the grants or appropriations controlled by them. The Finance Department is to communicate the acceptance of such surrenders, as are accepted by them to the Audit Officer and/or the Accounts Officer, as the case may be, before the closing of the financial year. |
| State Implementing Agency | State Implementing Agency includes any Organisation/Institution including Non-Governmental Organisation which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for Sarva Siksha Abhiyan and State Health Mission for National Rural Health Mission, etc. |
| Suspense and Miscellaneous | 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 |
| BOOST | Built, Own, Operate, Share and Transfer |
| BOOT | Built, Own, Operate and Transfer |
| BOT | Built, Operate and Transfer |
| CAG | Comptroller and Auditor General of India |
| CE | Capital Expenditure |
| CFS | Consolidated Fund of the State |
| DBFOT | Design, Built, Finance, Operate and Transfer |
| DBOO | Design, Built, Own and Operate |
| DBOOT | Design, Built, Own, Operate and Transfer |
| DBT | Design, Built and Transfer |
| DCC | Detailed Countersigned Contingent |
| DDO | Drawing and Disbursing Officer |
| DE | Development Expenditure |
| DRDA | District Rural Development Agency |
| DSWO | District Social Welfare Office |
| FCP | Fiscal Correction Path |
| FFC | Fourteenth Finance Commission |
| FRBM | Fiscal Responsibility and Budget Management |
| GIA | Grants-in-Aid |
| GoI | Government of India |
| GSDP | Gross State Domestic Product |
| IP/RR | Interest Payment/ Revenue Receipt |
| MPLAD | Member of Parliament Local Area Development |
| MTFP | Medium Term Fiscal Plan |
| NPRE | Non-Plan Revenue Expenditure |
| NSSF | National Small Savings Fund |
| O&M | Operation and Maintenance |
| OB&OCWWB | Odisha Building and Other Construction Workers Welfare Board |
| OBM | Odisha Budget Manual |
| OGFR | Odisha General Financial Rules |
| ONTR | Own Non Tax Revenue |
| OTC | Odisha Treasury Code |
| OTR | Own Tax Revenue |
| OTS | One Time Settlement |
| PIA | Project Implementing Agencies |
| PPP | Public Private Partnership |

| Acronyms | Full Form |
|----------|----------------------------------|
| PSU | Public Sector Undertakings |
| QEA | Quarterly Expenditure Allocation |
| RE | Revenue Expenditure |
| RR | Revenue Receipts |
| S &W | Salaries and Wages |
| SFC | State Finance Commission |
| SSE | Social Sector Expenditure |
| TE | Total Expenditure |
| ThFC | Thirteenth Finance Commission |
| UC | Utilisation Certificates |

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